SUSTAINABILITY
REPORT
2023

AQARAT

عقارات

GROWING RESPONSIBLY FOR A BETTER TOMORROW

Contents

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OVERVIEW

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CEO Message

Dear Stakeholders,
I am proud to introduce the first edition of our comprehensive sustainability report for the year 2023, marking an important step in our commitment to transparently communicate AQARAT's endeavors, progress, and aspirations in the ESG domain.

At our Company, we have always believed that the success of our business and strength of our reputation goes hand in hand with our commitment and contribution towards environmental stewardship, social responsibility, and corporate governance.

This report captures our holistic approach to sustainable business practices, aligning with the core principles of ESG. We recognize that our actions today shape the world of tomorrow, and we are committed to drive positive change in every project we undertake.

Our real estate portfolio has grown significantly over the years and we have strengthened our position in the hospitality and staff housing markets, delivering financial success and progress that is a direct result of the sustainable building innovations implemented in these developments. We have embedded responsible business practices in every critical decision taken to scale our business over the years resulting to one of our core strategies that provides a turnkey solution for the managed housing sector, where we build integrated communities ensuring comfort and accessibility to the staff.

I am proud of what we have achieved so far in that space especially that it ties to one of our sustainability objectives; fostering better communities through positive social value.

In 2023, we have contributed towards our sustainability objectives by donating to charities close to our hearts, implementing innovative digital initiatives to optimize energy consumption and applying strong governance structures within the Company.

As we move forward, we remain focused on integrating sustainability into our strategic vision, ensuring that we not only meet the needs of our stakeholders but also contribute meaningfully to the world around us. We invite you to explore this report and join us on our journey toward a more sustainable future.

I would like to take this opportunity to express my sincere and profound appreciation to the shareholders, Board of Directors, and employees for their continuous support and recognition to develop and guide the Company towards a more prosperous future.

Sincerely,
Talal Jassim Al-Bahar
Vice Chairman & CEO

Talal Jassim Al-Bahar
Vice Chairman & CEO

About This Report

This Environmental, Social, and Governance (ESG) Report highlights AQARAT's commitment to sustainable development and its mission to create lasting value for stakeholders while making a positive impact on society. The report provides an in-depth exploration of AQARAT's ESG goals, key performance metrics, and plans for future growth. By embracing innovative solutions and maintaining a focus on sustainable practices, AQARAT aims to set a benchmark for responsible real estate development. The sections reflect the organization's steadfast dedication to delivering value for stakeholders, supporting communities, and protecting the planet

Environmental Responsibilty

AQARAT prioritizes embedding environmentally conscious practices into every aspect of its operations. From project design to completion, the organization focuses on minimizing its environmental impact through strategic planning, resource efficiency, and the adoption of advanced technologies. This report highlights AQARAT's efforts to embrace clean energy solutions, optimize water usage, and implement innovative strategies to address environmental challenges. By focusing on sustainable practices, AQARAT aims to create a positive and lasting impact for future generations while contributing to global environmental goals.

Societal Value

This section of the report focuses on AQARAT's dedication to building a workplace culture that values inclusivity, collaboration, and the well-being of its employees. By prioritizing health, safety, and equal opportunities, the organization creates an environment where individuals can thrive and contribute meaningfully. Beyond the workplace, AQARAT actively engages with local communities through impactful initiatives aimed at addressing social challenges and fostering positive change. These efforts reflect AQARAT's dedication to creating a meaningful social impact and driving progress for a better future.

Governance & Leadership

As a trusted steward, AQARAT places ethical decision-making, transparency, and accountability at the forefront of its operations. The organization's governance framework includes robust policies, risk management strategies, and stakeholder engagement practices. This report illustrates how AQARAT integrates these principles to ensure integrity at all levels, reinforcing its commitment to a culture of trust and excellence.

AQARAT At A Glance

Who we are? Kuwait Real Estate Company (AQARAT) is one of Kuwait's leading real estate companies, with several firsts to its credit.

AQARAT was the first real estate Company in the following domains:

AQARAT has a remarkable presence in Kuwait; it owns, develops and manages many prominent, historical and legendary buildings in Kuwait.

AQARAT global footprint spans notable projects in MENA, Europe, and USA where it is known for its ultra luxurious residential hubs and investment units.

AQARAT has implemented a diversified strategy in the real estate development and the real estate investment sector.

The focus is two-fold: to deliver superior value to its customers through innovation and deliver unique real estate products and to establish itself as a global real estate player by strengthening its presence in key real estate markets worldwide.

First real estate Company to be incorporated as a shareholding Company in 1972.

First to develop mixed-use retail, office and car park in Kuwait.

First to introduce the Build-Operate-Transfer concept before a formal regulation was adopted.

AQARAT At A Glance

TOTAL ASSETS
$1.2B
FY2023

COUNTRIES
+7

SHAREHOLDERS EQUITY
$475M
FY2023

PROJECTS
+13

KEYS & UNITS
+10,500

NET PROFIT
$37M
FY2023

CITIES
+13

EMPLOYEES
+130

AQARAT At A Glance

VISION

To be the leading regional real estate investment and development Company, recognized for our diverse portfolio across various sectors and geographies, dedicated to delivering exceptional value to our clients and stakeholders while maximizing investment returns.

MISSION

AQARAT strives to consistently deliver superior risk-adjusted investment returns by combining our collective industry expertise and relationships with investment discipline, core values and a commitment to excellence.

Our mission is to lead successful real estate ventures that foster prosperous commercial properties and vibrant residential communities while ensuring a fulfilling work environment for our employees. We strive to deliver long-term sustainable value for our investors through strategic asset growth, enhanced profitability, and the pursuit of value-added opportunities.

Our stakeholders include our employees, owners, business partners, residents, vendors and suppliers, as well as government agencies, regulators and lenders. The interests, goals, and objectives of all stakeholders are important to the success of our Company, both individually and collectively.

AQARAT conducts its affairs with integrity, vision, and consideration. We listen to the goals of our stakeholders and align our resources to surpass these goals. We are committed to developing employees and creating teams that surpass industry standards by creating an environment that empowers our team and rewards innovation.

We are selective and purposeful when evaluating new business opportunities.

**YOTEL Miami
USA**

Core Values

Excellence:

We take all of the necessary steps to provide the highest level of service to our stakeholders. Excellence is our goal, providing exceptional service and thorough execution from start to finish in every transaction.

Innovation:

AQARAT recognizes and embraces the latest design methodology and technology into every aspect of the Company to increase productivity and provide increased rewards for our stakeholders. Stakeholders of the Company can feel secure in knowing that we continuously research and implement cutting-edge strategies.

Integrity:

Integrity is the foundation of AQARAT's corporate value structure. We rely on honesty and virtuous ethics in the everyday workings of the Company. We live up to our commitments, responsibilities, and promises. We focus on honest communication and building long-term relationships in which trust is essential.
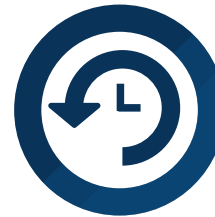
History:

We honor the Company's storied past as a pioneer in the local real estate market by constantly striving to adhere to the highest of standards set forth by our predecessors. We recognize the innovation that led to the Company's growth and standing as one of the premier real estate companies in the region and strive to improve upon it in order to not merely maintain, but to grow the Company's legacy.

Core Values

Talent:

We recognize the exceptional skills of all of our team members and act to cultivate and encourage them. We invest in team members, making sure each one has the opportunity to develop the tools they need to succeed.

Cooperation:

We believe that everyone we work with will be more successful in a collaborative environment and strive to develop a real sense of teamwork and partnership in our relationships with all of our stakeholders.

Community:

We envision ourselves as an integral part of our community both locally in Kuwait as well as regionally in the MENA region. We participate in volunteer activities and pro-bono community improvement efforts at the Company level and we encourage all of our team members to volunteer their time and energy to causes close to their hearts.
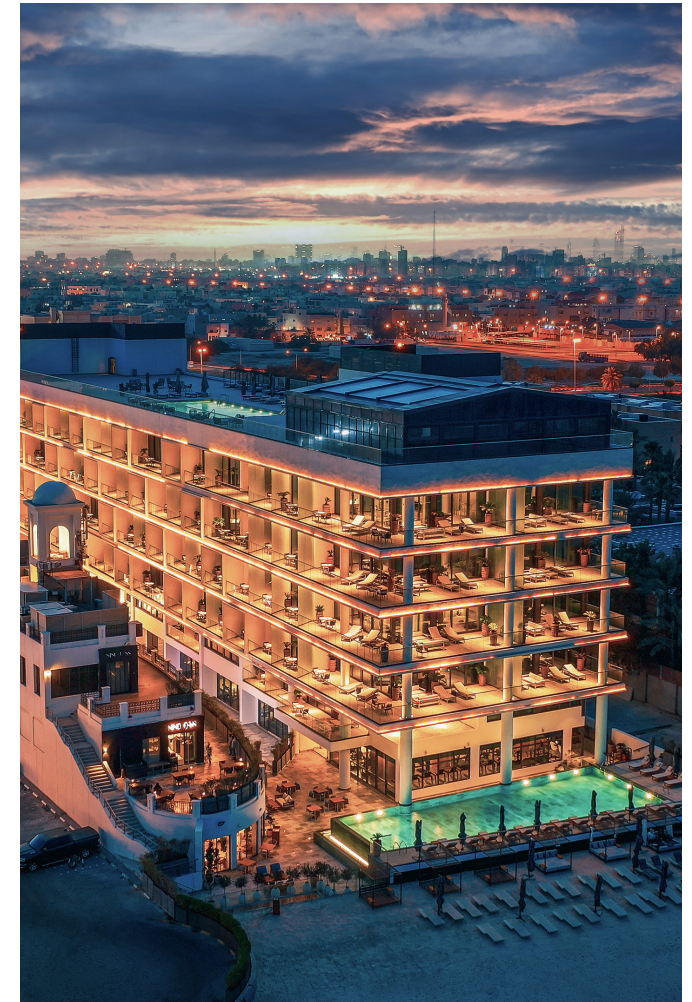
Arabella Beach Hotel
KUWAIT

What We Do?

As a leading integrated real estate services provider, AQARAT offers its clients a comprehensive range of high quality professional real estate services in the residential, retail, commercial and hospitality sectors. We provide in depth local expertise along with a truly global presence and a proven reputation for delivering results with operational and investment partners.

Leasing & Development Management (Retail/ Residential/Offices/ Mixed Use)
When it comes to residential or selling of luxury homes in Kuwait, MENA region or overseas, our portfolio consists of many properties of which are mixed use including retail, offices, and parking. We deal only with the best-in-class residential projects in prime local and global markets. We provide a fully integrated suite of services to our clients in the retail segment at the local, national, regional and international level. Our wide range of services includes developing and leasing many projects of which are B.O.T projects and staff housing solutions.
Leveraging its extensive expertise and proven success, AQARAT provides comprehensive development management services to clients and partners. These services cover the entire project lifecycle—from initial concept and feasibility studies, to strategic planning and development, and all the way through to delivery, operation, and ongoing management.

The scope of AQARAT's development management services includes conducting due diligence, optimizing land use, performing acquisition analysis, assessing financial feasibility and structuring, managing permits, and overseeing schedules and budgets. Additionally, we handle procurement, provide design and construction oversight, manage administration, and support leasing and disposition activities.

Hospitality & Residential Management
Our company specializes in managing both hospitality and residential properties across Kuwait, North America, Europe, and the Middle East. We offer customized solutions to meet client needs, overseeing a diverse portfolio of luxury residential developments, hotels, and serviced apartments.

In the hospitality sector, AQARAT excels in providing top-tier living standards for employees and maximizing guest satisfaction, operational efficiency, and brand profitability through effective marketing, maintenance, and service.

In the residential sector, we manage high-end and mid-range properties, focusing on tenant satisfaction, property maintenance, and regulatory compliance. We offer comprehensive services for long-term and short-term rentals, ensuring the protection and enhancement

**Th8 Hotel
DUBAI**

What We Do?

of clients' real estate assets. With a commitment to quality and innovation, we deliver exceptional management services to support our clients' growth and success in both sectors.

Facility Management
AQARAT has the experience and track record of managing all aspects of hospitality services for AQARAT and other companies. It has mastered the day-to-day operations and became fully familiar with all tenants' requirements as well as those of facilities visitors. AQARAT teamed up with EFS and Sahala leading facilities provider in the region that provides the following soft services, call center, hard services, car parking management, utility conservation, subcontracts administration, renovations, and engineering support/control.

Integrated real estate services provider

Property Management
AQARAT has the experience of over 51 years of property management with operation, control, maintenance, and oversight of the real estate and physical property. The property areas that we manage and monitor are residential, commercial, and offices, providing services such as leasing & renting. In addition, our professional property management team evaluates the property and determine an accurate rental rate, along with tenant screening and selection.

Investment Management
In the Investment management department, we establish investment criteria, source potential clients, and identify suitable investment opportunities. Our process includes screening deals, conducting thorough due diligence, and performing deal valuations. We also monitor ongoing investments, manage alternative investments, and prepare detailed reports. Additionally, we ensure proper documentation and retention of all investment records, while continuously overseeing the performance of existing investments and managing the due diligence process for new deals.
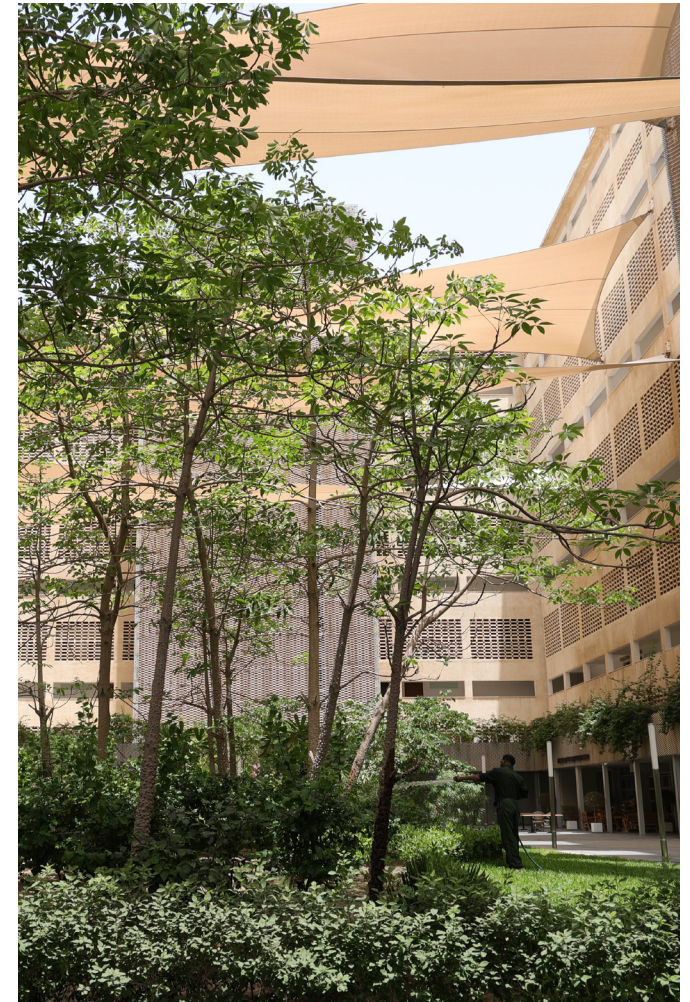
Pearl Marzouq
KUWAIT

Key ESG Highlights

Looking ahead, AQARAT remains committed to advancing sustainability across all aspects of its operations. The Company will continue to invest in renewable energy, expand its diversity and inclusion efforts, and strengthen its governance practices. Through collaboration with stakeholders and ongoing innovation, AQARAT aims to drive positive environmental, social, and economic impact for a sustainable future.

ENVIRONMENT
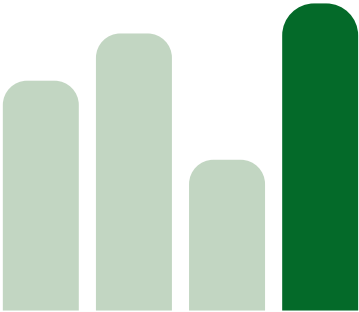
$1
million
Invested over the last
3 years in environment
related infrastructure
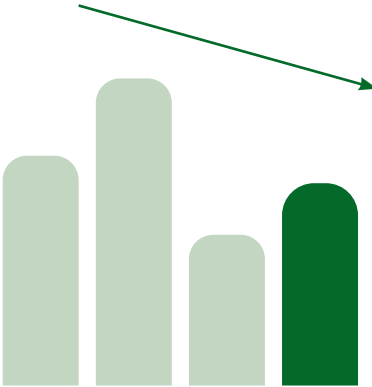
1.7
million
Kilo Watts of
reduction in Electricity
Consumption by the group
over a year
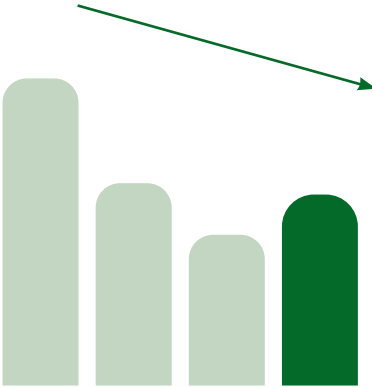
7.4
million
Gallons of water
reduction in total annual
consumption by the group
over a year

SOCIAL

GOVERNANCE

24.500
KWD invested
in Charitable
Foundations
in 2023

25
different
nationalities at
AQARAT
in 2023

64%
increase
in Zakat
investment from
2022 to 2023

95%
average percentage
of board member
attendance in
meetings

30%
reduction in manual
processes through
digitalization
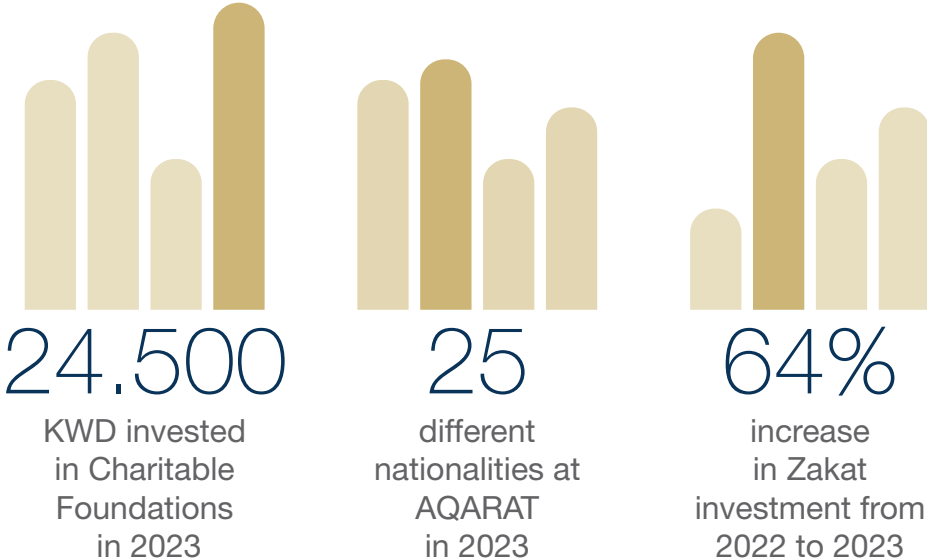
100%
of risks
with mitigation
plans in place
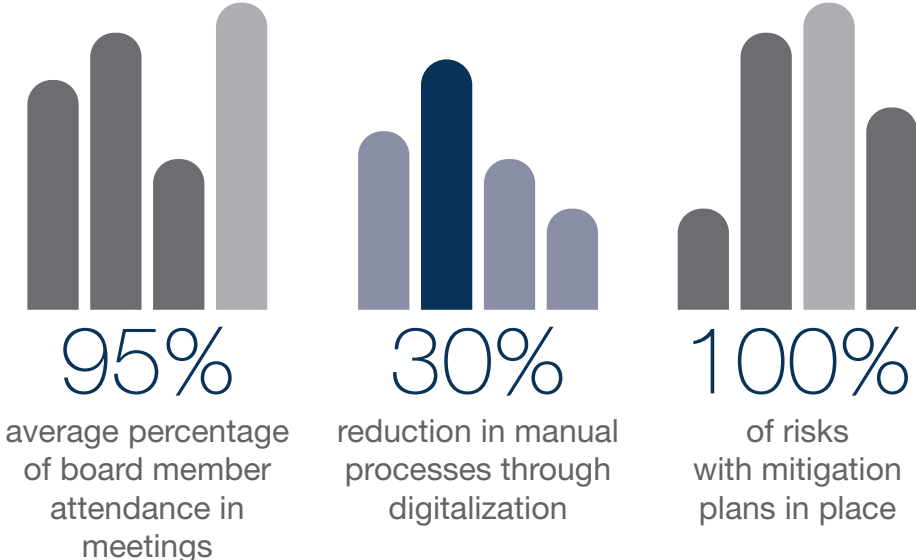
Our Assets and Investments

Asset Portfolio and Investments

The Company's redefined and focused ESG framework is integrated into AQARAT's strategy across its local, regional, and international investments. The Company has a strong track record of commitment to responsible sustainable practices across its hospitality assets and international investments.

YOTEL

As a major shareholder in YOTEL, AQARAT holds a significant stake in the innovative hospitality brand that is pioneering sustainable practices in the travel industry. YOTEL's

**YOTEL
Miami
51%
ownership**

**YOTEL
Group
5%
ownership**

**YOTEL
New York
29%
ownership**
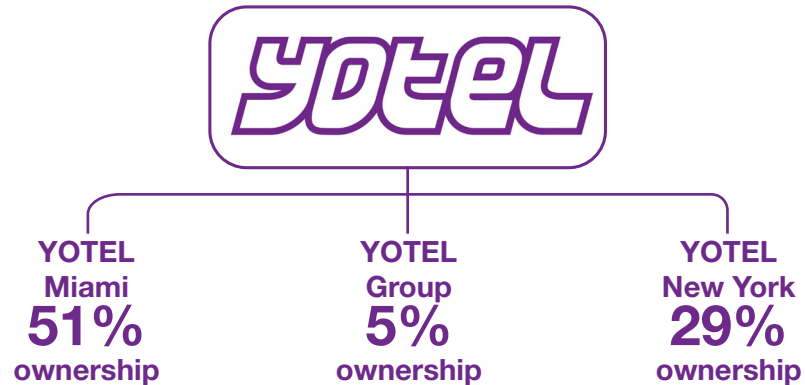
commitment to environmental stewardship is encapsulated in its "Purple Goes Green" initiative, which underscores its dedication to reducing its carbon footprint, enhancing recycling efforts, and optimizing energy consumption across its global properties.

YOTEL's sustainability strategy revolves around three core pillars:

1. Supporting Development of Intelligent Buildings:

YOTEL integrates cutting-edge technology and design principles to create intelligent buildings that optimize resource utilization and minimize environmental impact.

2. Promoting Sustainable Operations:

Through innovative operational practices, YOTEL strives to minimize waste generation, conserve energy, and promote eco-friendly initiatives throughout its properties.

3. Taking Care of People:

YOTEL prioritizes the well-being and development of its employees, fostering a culture of inclusivity, diversity, and professional growth.

YOTEL Miami

The team at YOTEL Miami is deeply engaged in local community initiatives, exemplified by its partnership with Camillus House, a local homeless shelter. Additionally, YOTEL Miami actively participates in the clean-up efforts of Biscayne Bay, demonstrating its commitment to environmental conservation and community

YOTEL New York
USA

welfare. Through its strategic investments in YOTEL and its proactive approach to sustainability, AQARAT continues to drive positive change in the hospitality sector, contributing to a more environmentally conscious and socially responsible future for travelers worldwide.

YOTEL New York

In line with its sustainability goals, YOTEL New York partnered with Fashionnvation in September 2023, a global collective of sustainability-focused fashion entrepreneurs, to host a team during New York Fashion Week. This collaboration not only provided marketing exposure for both parties but also facilitated knowledge exchange and promoted sustainable practices within the fashion industry.

For additional details on
YOTEL's
full sustainability initiatives,
please visit their website at
https://www.yotel.com/en/green

Domus
Housing
Dubai -
UAE

Domus Managed Housing

Domus, a purpose-built corporate housing development, specializes in providing high-quality accommodation solutions in Dubai. It is part of AQARAT'S income-generating porfolio and has experienced remarkable growth and success in 2023. The company;s operating staff housing properties, Domus 1, 2 and 3, are fully leased and have continued to perform exceptionally well.

Domus integrates environmental stewardship and resident wellbeing into its operations

Beacon Ridge Capital Management

AQARAT's investment portfolio includes Beacon Ridge Capital Management, a leader in developing asset-backed investment products for recurring income with low volatility. Beacon Ridge's expertise in the Single-Family Rental (SFR) sector offers investors valuable industry knowledge and experience.

Beacon Ridge recently earned certification from Integrity 2 ESG as an Integrity 2 ESG 2023 Integrated Fund, highlighting its commitment to incorporating Environmental, Social, and Governance (ESG) principles into its investment decisions. The certification process recognized Beacon Ridge's strong governance and pre-investment processes, showcasing its dedication to responsible investment practices.

Beacon Ridge's alignment with ESG objectives enhances the sustainability and ethical dimensions of AQARAT's investment portfolio, reinforcing AQARAT's commitment to responsible investing.

section two
ESG INSIGHTS

AQARAT
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United Nations' Sustainable Development Goals (SDG's)

The United Nations' Sustainable Development Goals (SDGs) offer a universal framework for tackling global challenges and advancing sustainability across critical areas. Comprising 17 interlinked objectives, the SDGs aim to foster prosperity, safeguard natural resources, and promote peace and well-being worldwide.

The SDGs serve as a foundation for shaping AQARAT's sustainability strategies and embedding responsible practices into its operations. As a leader in real estate development, AQARAT acknowledges its crucial role in contributing to these global objectives and is committed to aligning its initiatives with the SDGs to amplify its positive contributions to society and the environment.

Aligned with its commitment to sustainability, AQARAT has identified key SDGs that reflect its priorities and areas where it can drive meaningful impact. By embedding these goals into its strategies and operations, AQARAT seeks to actively contribute to global efforts toward a more sustainable and equitable future for present and future generations.

4 QUALITY EDUCATION
SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

5 GENDER EQUALITY
SDG 5: Achieve Gender Equality and Empower All Women and Girls.

6 CLEAN WATER AND SANITATION
SDG 6: Ensure Availability and Sustainable Management of Water and Sanitation for all.
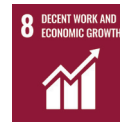
8 DECENT WORK AND ECONOMIC GROWTH
SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

11 SUSTAINABLE CITIES AND COMMUNITIES
SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
SDG 12: Ensure sustainable consumption and production patterns.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS
SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

Embedding ESG Across AQARAT's Functions

At AQARAT, we firmly believe that ESG principles are integral to driving positive change across all facets of our business. By embedding ESG considerations into our core functions, we aim to create sustainable outcomes, enhance stakeholder value, and contribute meaningfully to the well-being of society and the planet. Below is an overview of how we integrate ESG into our key operational functions:

Finance

- Allocating resources toward projects that drive positive environmental and social outcomes, contributing to long-term value creation.
- Integrating ESG considerations into investment strategies and financial planning to ensure that funding supports initiatives with tangible environmental and social impacts.
- Designing financial frameworks and incentive structures that hold the organization accountable for achieving its ESG objectives.

Information Technology

- Implementing energy-efficient technologies and systems to reduce AQARAT's overall environmental impact and optimize resource usage across operations.
- Strengthening data security protocols and ensuring that all technological processes comply with privacy regulations, safeguarding both employee and customer information.
- Embedding sustainability considerations into IT infrastructure development, ensuring resource efficiency across all systems and processes.

Human Resources and Administration

- Implementing employee engagement initiatives, including training programs on ESG principles, and encouraging participation in community outreach, volunteerism, and environmental sustainability efforts.
- Ensuring equitable compensation practices and promoting opportunities for career growth and development across all levels of the organization.
- Promoting a workplace culture that values social responsibility, where employee well-being, inclusion, and diversity are integral to the organizational ethos.

Legal

- Ensuring compliance with all relevant ESG-related regulations, including environmental, social, and corporate governance standards.
- Providing legal guidance on contracts, partnerships, and joint ventures to ensure that ESG factors are considered in all business agreements.
- Reviewing policies and procedures to ensure legal alignment with global ESG reporting standards and best practices.

Real Estate Development

- Incorporating green building certifications and eco-friendly design practices from the initial stages of property development.
- Collaborating with engineers and contractors to minimize waste, optimize energy use, and ensure resource efficiency throughout the lifecycle of each project.
- Focusing on minimizing carbon footprints by utilizing sustainable building materials, optimizing energy use, and prioritizing water conservation.

Marketing and Corporate Communication

- Integrating ESG principles into brand messaging and advertising campaigns, positioning AQARAT as a leader in responsible real estate development.
- Developing content and resources that educate and engage customers, investors, and communities about AQARAT's sustainability initiatives and social impact.
- Leveraging digital and traditional media to promote AQARAT's ESG achievements, initiatives, and the positive effects of its sustainable projects on the community and environment.

Facilities Management

- Implementing robust recycling programs for paper, plastic, and electronics to minimize waste and promote resource recovery.
- Offering eco-friendly amenities such as water-saving faucets, energy-efficient appliances, and low-flow showerheads to reduce resource consumption.
- Regularly assessing energy use and implementing strategies to optimize HVAC systems, lighting, and other key infrastructure to lower overall consumption.

Property Management

- Promoting sustainable living through eco-friendly property management practices that encourage residents and tenants to reduce their environmental impact.

- Developing energy-efficient property features and amenities that enhance tenants' comfort while minimizing environmental footprints.

- Engaging tenants through workshops that promote water and energy conservation, waste reduction, and other environmentally friendly practices.

Investments and Acquisitions

- Evaluating the environmental, social, and governance risks and opportunities associated with potential investments and acquisitions.

- Partnering with experts and stakeholders to integrate sustainability metrics into asset valuation and investment risk assessments.

- Incorporating ESG considerations into long-term portfolio management strategies to drive responsible and impactful growth.

Investors Relations

- Engaging with current and potential investors on AQARAT's ESG strategies, risks, and long-term sustainability goals.

- Communicating the financial benefits of AQARAT's commitment to ESG, including risk reduction, regulatory compliance, and enhanced brand reputation.

- Distributing regular updates and reports on ESG performance, demonstrating progress towards sustainability targets and benchmarks.

Disclosure On Material Topics

PROCESS FOR DETERMINING MATERIAL TOPICS

Identification of Impacts: AQARAT has conducted a comprehensive assessment to identify both actual and potential impacts across its activities and business relationships. This assessment economic, environmental, and social dimensions. The Company has examined its operations and community engagements to understand the breadth and depth of these impacts.

Prioritization of Impacts: Following the identification of impacts, AQARAT has prioritized them based on their significance. This prioritization process considers the magnitude of the impact, its potential risks and opportunities, as well as its relevance to stakeholders. The Company evaluates the severity of each impact and its potential implications for sustainable business practices.

STAKEHOLDERS AND EXPERTS CONSULTED

Stakeholders: AQARAT values the perspectives and insights of its stakeholders in determining material topics. These stakeholders include employees, owners, business partners, residents, vendors and suppliers, government agencies, regulators and lenders. The Company engages with these stakeholders through various channels, such as surveys, interviews, consultations, and feedback mechanisms, to understand their concerns and expectations regarding sustainability.

Experts: In addition to engaging with stakeholders, AQARAT consults with experts in relevant fields to inform its materiality assessment process. These experts may include sustainability professionals, environmental consultants, governance experts, and industry specialists. Their expertise helps AQARAT gain deeper insights into emerging trends, best practices, and regulatory requirements related to material topics.

MANAGEMENT OF MATERIAL TOPICS AT AQARAT

Understanding Impacts: AQARAT acknowledges the significance of its operations on the economy, environment, and society. Both positive and negative impacts resulting from activities and business relationships have been identified. Positive impacts include job creation, economic growth, sustainable development, and community engagement. Negative impacts may encompass waste generation, resource depletion, community displacement, and social inequality.

Involvement in Negative Impacts: AQARAT acknowledges its responsibility in addressing negative impacts associated with its operations and business relationships. The Company is committed to conducting thorough assessments to identify areas where its activities contribute to adverse outcomes and taking proactive measures to address them.

Table 1. Materiality Topics

Materiality Topic	Reasons for Consideration
Energy Consumption	Assess energy consumption patterns and explore opportunities to reduce energy usage, improve efficiency, and transition to renewable energy sources.
Waste Management	Implement waste management strategies to minimize waste generation, promote recycling and reuse, and mitigate environmental impacts.
Resource Management and Impact	Evaluate resource utilization, including water, land, and materials, and seek to minimize its environmental footprint while maximizing resource efficiency.
Women Empowerment	Promote gender equality and women's empowerment through policies, programs, and initiatives aimed at advancing women's participation and leadership in the workplace.
Kuwaitization	Support Kuwaitization initiatives to enhance local employment opportunities, skills development, and workforce localization in line with national objectives.
Local Community Support	Engage with local communities to address their needs, contribute to their development, and foster positive social impact through philanthropic activities and community partnerships.
Youth Welfare	Invest in initiatives that promote youth welfare, education, and skill-building to empower the next generation and support their development.
Employee Engagement and Wellbeing	Prioritize employee engagement, satisfaction, and well-being by fostering a positive work culture, offering competitive benefits, and providing opportunities for professional growth and development.
Grievance Management	Maintain grievance mechanisms to address concerns, complaints, and feedback from employees, stakeholders, and community members in a transparent and responsive manner.
Learning and Development	Invest in employee training, education, and skill development programs to enhance their capabilities, promote continuous learning, and drive organizational performance.
Corporate Governance	Uphold high standards of corporate governance, transparency, and accountability in its decision-making processes and operations to safeguard stakeholder interests and promote long-term sustainability.
Digital Advancement	Embrace digital technologies and innovation to enhance operational efficiency, customer experience, and business resilience while mitigating digital risks and cybersecurity threats.
Risk Management	Implement robust risk management frameworks and processes to identify, assess, and mitigate risks across its operations, ensuring business continuity and safeguarding stakeholder value.

Policies and Commitments: AQARAT has established comprehensive policies and commitments to address material topics such as energy consumption, waste management, community support, and corporate governance. These policies outline our commitment to sustainability, ethical business practices, and stakeholder engagement.

Actions Taken: In cases where negative impacts occur, AQARAT takes swift action to address them. This may involve remediation efforts, stakeholder engagement, and collaboration with local communities to find mutually beneficial solutions.

AQARAT actively manages both actual and potential positive impacts of its operations. This includes fostering community development programs, supporting local businesses, and promoting environmental conservation initiatives.

AQARAT is committed to transparently managing material topics and their associated impacts. Prioritizing sustainability, responsible business practices, and stakeholder engagement, the Company strives to create positive outcomes for the economy, environment, and society while mitigating potential negative effects. The ongoing efforts reflect AQARAT's dedication to sustainable development and long-term value creation for all stakeholders.

Materiality Assessment

Diagram 1. Materiality Matrix
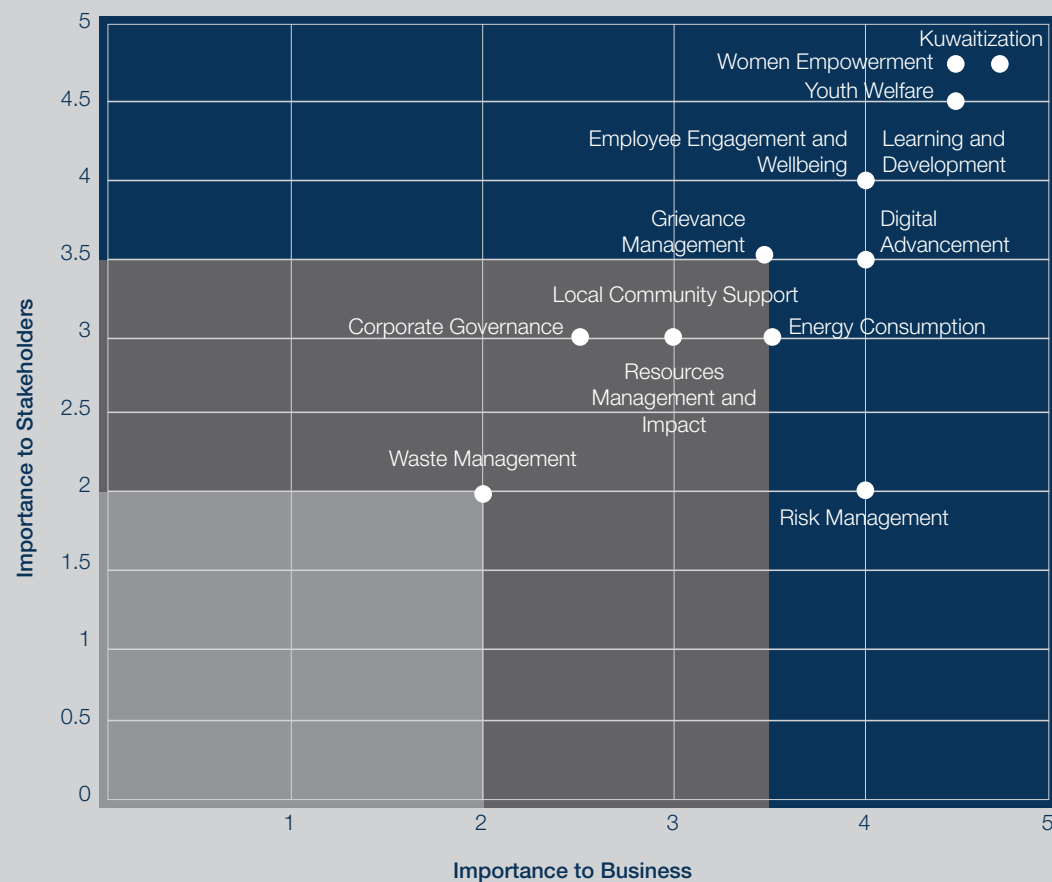
The Materiality Assessment serves as a critical tool in identifying and prioritizing the Environmental, Social, and Governance (ESG) issues that are most significant to both stakeholders and the business itself. Through a comprehensive analysis of stakeholder expectations and business impacts, AQARAT has developed a Materiality Matrix to visualize the alignment between these two perspectives.

Materiality	Level of Importance	Stakeholder Decision Impact
Energy Consumption	Medium	Medium
Waste Management	Low	Low
Resource Management and Impact	Medium	Medium
Women Empowerment	High	High
Kuwaitization	High	High
Local Community Support	Medium	Medium
Youth Welfare	High	High
Employee Engagement and Wellbeing	High	High
Grievance Management	High	Medium
Learning and Development	High	High
Corporate Governance	Medium	Medium
Digital Advancement	High	Medium
Risk Management	High	Low

In its mission to drive sustainable business practices and foster positive societal impacts, AQARAT has assessed and prioritized key material topics that resonate with stakeholders and align with corporate objectives. These material topics have been categorized into three pillars: Environmental, Social, and Governance, each reflecting the Company's commitment to addressing critical sustainability challenges while enhancing stakeholder engagement and value creation.

Within the Environmental sphere, topics such as Energy Consumption, Waste Management, and Resource Management and Impact have been identified as critical areas warranting attention. While Energy Consumption and Waste Management are assessed as having medium to low levels of importance and stakeholder decision impact, Resource Management and Impact emerge as a priority with medium-level importance and impact.

In the Social domain, AQARAT recognizes the significance of initiatives such as Women Empowerment, Kuwaitization, and Youth Welfare. These topics, alongside others like local community support and employee engagement and wellbeing, underscore the Company's commitment to fostering inclusive workplaces and supporting the development and welfare of its employees and communities. With a high level of importance and stakeholder decision impact, these topics form the cornerstone of AQARAT's social sustainability initiatives, reflecting its dedication to creating positive social outcomes. Additionally, grievance management and learning and development initiatives are given due importance, further emphasizing the Company's commitment to employee welfare and continuous learning opportunities.

Furthermore, AQARAT places a strong emphasis on ethical business practices and robust corporate governance frameworks. The Company prioritizes transparency, accountability, and integrity in all its operations, ensuring that decision-making processes are inclusive and well-informed. Key topics under this pillar include corporate ethics, compliance with regulatory requirements, and risk management. AQARAT's governance initiatives are designed to foster trust among stakeholders, mitigate risks, and enhance long-term sustainability. By upholding high standards of governance, AQARAT not only meets regulatory expectations but also builds a resilient and responsible organization committed to delivering value to its shareholders and the wider community.

section three
ENVIRONMENTAL RESPONSIBILITY

AQARAT
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Environmental Responsibility

INTRODUCTION

Environmental sustainability is a core focus at AQARAT, shaping our approach to responsible business practices. This section highlights the initiatives and strategies implemented across departments to reduce environmental impact and promote sustainable practices.

AQARAT's successful achievement of LEED Gold certifications for Souk Al Kuwait in 2018 and Souk Al Kabeer in 2019 demonstrates the company's strong commitment to sustainable development. These certifications reflect AQARAT's efforts in integrating environmentally friendly practices across its properties, from energy-efficient systems to sustainable materials and water conservation strategies.

ENERGY AND RESOURCE OPTIMIZATION IN IT

Sustainable Technology

In its ongoing efforts to minimize environmental impact, AQARAT integrates sustainable practices into its technology operations. The company emphasizes the selection of energy-conscious equipment, ensuring that all IT infrastructure, from workstations to network devices, is energy-efficient.

In addition to adopting low-energy hardware, AQARAT focuses on improving overall system efficiency. By optimizing the use of physical resources and consolidating technological operations, the company reduces its energy needs, enhancing performance while supporting its environmental objectives.

LEED GOLD
in 2018 for Souk Al Kuwait &
in 2019 for Souk Al Kabeer

Eco-Conscious Sourcing and Supplier Collaboration

AQARAT is committed to fostering environmental sustainability through its engagement with suppliers. The company prioritizes working with vendors who are aligned with its sustainability goals, ensuring that the products and services it sources support its environmental objectives.

Although environmental responsibility clauses are not yet part of all supplier contracts, AQARAT is focused on integrating sustainability criteria into future partnerships. This forward-looking approach encourages business partners to adopt eco-friendly practices, reinforcing AQARAT's role in promoting sustainability. Both the IT and Legal departments are actively involved in ensuring that sustainability principles are part of the company's operational decisions and partnerships, further minimizing AQARAT's environmental impact and supporting a culture of environmental stewardship.

Advancing Through Digital Innovation

AQARAT is committed to leveraging technology to enhance operational efficiency and improve customer experience. In 2023, the company continued to expand its digital initiatives with the introduction of new self-service payment kiosks and the attainment of ISO 20000-1 (Information Technology Service Management) and ISO 27001 certifications (Information Security Management System).

Currently, there are 14 kiosks in all AQARAT buildings, which facilitate 20-30% of transactions per month through kiosk and online payment methods. Additionally, there has been a significant increase in the adoption rate of digital tools and technologies across all IT departments, demonstrating

AQARAT's dedication to digital transformation and process automation. This focus on digital innovation helps streamline operations, reduce manual processes, and foster a more efficient and sustainable environment.

Data Center Efficiency and Energy Savings

AQARAT prioritizes improving the efficiency of its data centers by implementing advanced cooling systems and strategies like hot and cold aisle containment. These initiatives significantly reduce the energy required for temperature control, enhancing overall energy efficiency and minimizing the environmental impact of its IT infrastructure.

Additionally, AQARAT reduces energy consumption across its IT devices by utilizing energy-saving features. Personal computers, servers, and servers are equipped with sleep modes, hibernation, and automatic shut-down settings to minimize energy use during inactive periods, aligning with the company's sustainability goals.

Responsible E-Waste Disposal

While AQARAT has not yet explored powering its IT infrastructure with renewable energy sources, efforts are made to reduce electronic waste through proper disposal and recycling practices. The IT department ensures responsible disposal of old or obsolete IT equipment, partnering with certified e-waste recyclers to promote environmental sustainability.

Sustainable Technology Management

By continuously tracking energy usage across servers, workstations, and network equipment, AQARAT identifies areas for improvement and implements strategies to minimize consumption. Efforts include

optimizing the use of cooling systems through more efficient technologies and adjusting temperature settings to reduce the overall resource demand for temperature control. AQARAT remains dedicated to ongoing monitoring and refining of its IT practices to ensure they align with environmental sustainability goals and contribute to reducing the company's overall environmental impact.

SUSTAINABILITY IN LEGAL PRACTICES

Ensuring Compliance and Managing Risks

AQARAT's Legal department is instrumental in managing environmental risks and ensuring the company complies with all relevant environmental laws and regulations. The team works to identify potential legal challenges related to sustainability efforts, including emissions, waste disposal, and resource management. By closely monitoring evolving environmental laws, the department proactively addresses compliance issues and helps mitigate any legal risks that may arise, safeguarding the company's operations and reputation.
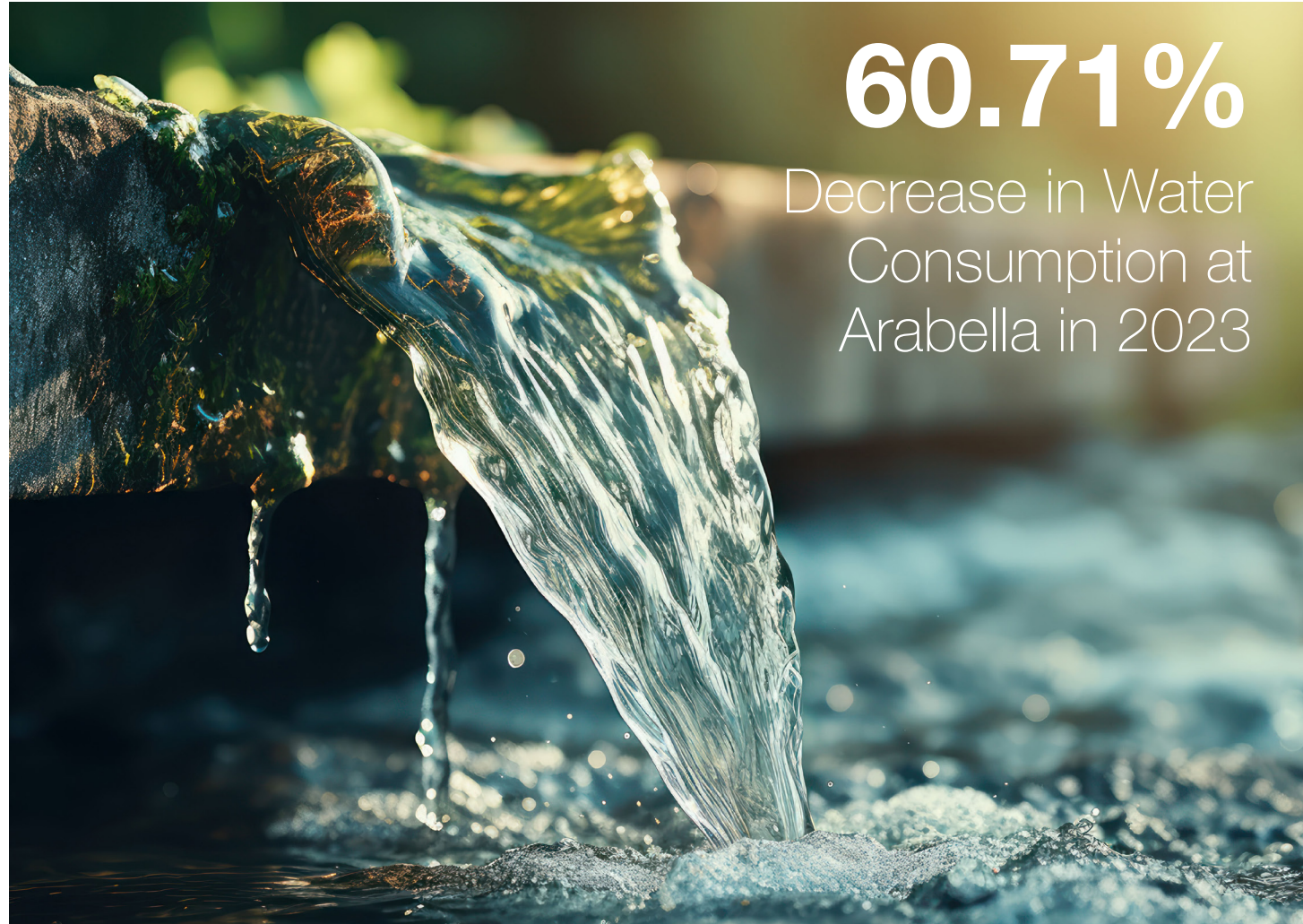
60.71%
Decrease in Water Consumption at Arabella in 2023

Water and Electricity Consumption

AQARAT has made notable progress in its commitment to environmental sustainability, with substantial reductions in both electricity and water consumption across its properties. In 2023, electricity use was reduced by 62% in 10 out of 21 AQARAT buildings. Among the most significant reductions were observed in buildings such as B2, where consumption decreased by 1,772,793 KW, and Arabella, which experienced a reduction of 1,528,975 KW.

In terms of water usage, AQARAT also made substantial progress in the Arabella building, reducing total consumption from 19,235,326 gallons in 2022 to 7,555,932 gallons in 2023. This reduction emphasizes AQARAT's long-term recognition of the importance of water conservation.

The company's strategy focuses on optimizing water use across its buildings while also engaging with stakeholders to promote water stewardship within the community. By concentrating on water conservation and efficiency, AQARAT not only supports environmental sustainability but also enhances operational performance and cost efficiency.

AQARAT is committed to furthering its sustainability goals by continuously seeking new, innovative approaches to minimize its environmental footprint and foster long-term environmental well-being.

Electricity Consumption		
Building	**2022 (KW)**	**2023 (KW)**
Fintas	901,520	855,118
Manar	3,007,039	2,916,938
Maseel	2,815,572	2,857,883
Ibn Khaldoun	2,644,397	1,818,245
Souk Al Kuwait	10,734,036	10,603,960
Souk Al Kabeer	15,648,685	16,301,308
84	834,974	871,912
85	1,034,606	1,065,993
86	1,070,363	1,016,188
87	854,213	913,394
C1	1,767,593	1,654,764
C2	1,271,144	1,299,745
B1	1,221,900	1,275,726
B2	3,043,511	1,270,718
D1	1,727,981	1,730,440
D2	1,394,234	1,291,437
107	2,308,084	2,527,502
Block E	2,741,787	2,113,629
Souk Al Safat	10,982,051	11,203,356
Pearl Marzouq	4,672,194	6,963,767
Arabella	3,260,698	1,731,723
Total	**73,936,582 KW**	**72,283,746 KW**

section four
SOCIETAL
VALUE

AQARAT
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23%
of workforce at AQARAT
in 2023 are Kuwaiti

Societal
Value

Diversity, Equity and Inclusion (DEI)

At AQARAT, we believe that a diverse, equitable, and inclusive workplace is essential to fostering innovation, driving performance, and ensuring long-term success. The company is dedicated to creating an environment where all employees, regardless of gender, culture, or background, are valued and empowered to contribute their unique perspectives. By prioritizing DEI initiatives, AQARAT aims to not only meet current societal expectations but also drive meaningful change within the organization and beyond.
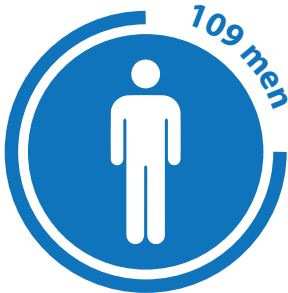
21 women

109 men

Societal Value

AQARAT's commitment to DEI is evident in its continuous efforts to improve gender representation across the organization. In 2023, AQARAT had a total workforce of 130 employees, with 21 women and 109 men. While there is still work to be done, this represents a positive step forward, and AQARAT is focused on increasing female representation at all levels, particularly in senior and executive roles. Among entry- and mid-level positions, AQARAT achieved a nearly balanced gender distribution, with 48.8% men and 51.2% women.

The company also embraces cultural diversity, with employees from 25 different nationalities contributing to an inclusive and collaborative environment. This diversity enhances creativity and fosters innovation, helping AQARAT stay competitive in a dynamic market.

Additionally, AQARAT supports Kuwaitization, with 23% of its workforce being Kuwaiti nationals in 2023. This initiative demonstrates AQARAT's commitment to developing local talent and contributing to national economic growth.

Furthermore, The IT department at AQARAT is dedicated to making its products and services accessible to individuals with disabilities by complying with established accessibility standards and regulations, including the Web Content Accessibility Guidelines (WCAG). Initiatives such as tenant rent online payments and self-service kiosks facilitate accessibility for all users, promoting inclusivity within the company's digital infrastructure.

By fostering a culture of inclusivity and diversity, AQARAT aims to create a workplace where all employees are empowered to thrive and contribute to the company's long-term success.

Societal Value

Employee Well-Being and Support

At AQARAT, employee well-being is a central focus, with initiatives designed to support both the physical and mental health of its workforce. The company provides various resources and financial incentives aimed at fostering a healthy work-life balance and ensuring employees have the support they need to perform at their best.

The work environment at AQARAT promotes well-being by creating a space where employees feel valued and encouraged to grow. This positive and supportive atmosphere helps ensure employees remain engaged and motivated, contributing to their overall satisfaction and productivity.

Driving Local Development and National Responsibility

In 2023, AQARAT took significant steps by allocating 24,500 KWD toward supporting local charities, forums, and initiatives designed to benefit society. This approach underscores the company's ongoing efforts to enhance its social impact.

Furthermore, AQARAT demonstrated its commitment to national responsibilities by contributing to labor taxes and zakat. In 2022, the company contributed 189,323 KWD to labor taxes and 107,705 KWD to zakat. These figures grew substantially in 2023, reaching 296,732 KWD and 176,311 KWD, respectively.

56.73%
increase in National Labor Tax investment from 2022 to 2023

63.70%
increase in Zakat investment from 2022 to 2023

Societal Value

Community Involvement and Social Contribution

At AQARAT, building positive relationships with local communities is an important aspect of the company's approach. The organization participates in various initiatives that help support local needs and foster connections that contribute to the well-being and overall betterment of society. Human Resources and Finance work together to track community involvement and monitor the related expenses, ensuring that these efforts align with the company's values and objectives.

Moreover, AQARAT recognizes the importance of social responsibility and strives to support initiatives that focus on education, health, and social well-being. Through its participation in different social programs, the company seeks to make a positive and lasting contribution to society.

KWD **24,500** invested in Charitable Foundations in 2023

Societal Value

Employee Relations and Workplace Integrity

Respect for human rights and fostering a positive workplace culture are central to our values. Concerns are addressed promptly and fairly through clear grievance-handling procedures, ensuring inclusivity, fairness, and mutual respect across the AQARAT.

Our approach prioritizes effective employee relations through open communication and constructive dialogue to resolve issues. The legal department is engaged in negotiations to ensure compliance and fair outcomes, reinforcing our commitment to maintaining a harmonious and equitable work environment.

Employee Health and Safety

Employee health and safety are fundamental priorities, ensuring a secure and supportive workplace for all. Comprehensive safety protocols, regular training sessions, and adherence to health and safety regulations are integral to our approach. The legal department, in collaborating with all company departments, plays a crucial role in ensuring compliance and reinforcing workplace safety standards. By proactively identifying and addressing risks, we aim to foster a culture of care, responsibility, and well-being across the organization.

Connecting with Investors

AQARAT prioritizes transparency and fosters strong connections with the investment community by actively engaging with investors through various channels. The company regularly participates in investor conferences, external events, and seminars to provide stakeholders with updates on its performance, strategic initiatives, and long-term goals.

In 2023, AQARAT attended two investor conferences and took part in an Investors' Day hosted by Boursa Kuwait, underscoring its commitment to fostering strong relationships with stakeholders. Moving forward, the company aims to strengthen its investor engagement by actively participating in key events and initiatives such as roadshows, industry forums, and regulator discussions, ensuring clear communication and alignment with its strategic vision for future growth.

Societal Value

Youth Empowerment

AQARAT is deeply committed to fostering the growth and development of young talent. In 2023, AQARAT engaged 8,830 youth from its group companies in development programs offered by INJAZ. These programs equip young individuals with essential skills, hands-on experience, and opportunities to advance in their careers. Through these initiatives, AQARAT is dedicated to empowering leaders of tomorrow and driving sustainable progress.

In 2023,
AQARAT engaged
8,830 youth
from group companies
through INJAZ
development programs

section five
GOVERNANCE
& LEADERSHIP

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Governance and Leadership

AQARAT underscores its dedication to governance excellence, recognizing its importance in driving sustainable practices and long-term value creation. The company's leadership governance framework in 2023 is highlighted by active and engaged board members with average annual attendance of 95%. Thus, the Board aims at fostering a culture of accountability and strategic oversight when it comes to sustainable organizational practices.

Sector Diversity in terms of Board Experience:
Real Estate
Financial Services
Investment
Banking
Marketing
Construction and Architecture

Table 3 – Composition of Board of Directors

Name	Description	Qualifications and Expertise
Ibrahim Saleh Al-Therban	Chairman of the Board (Non-executive member)	Bachelor of Commerce – Accounting with 48 years of experience in banking, investment, real estate and financial institutions.
Talal Jassim Al-Bahar	Vice Chairman and CEO (Executive member)	Bachelor of Business Administration with 19 years of experience in the field of investment and real estate development.
Marzouq Jassim Al-Bahar	Member of the Board (Non-executive member)	Bachelor of Business Studies with 12 years of experience in marketing, development and business administration.
Ahmad Faisal Al Qatami	Independent member	Bachelor of Business Administration with 22 years of experience in finance and banking.
Meshari Abdullah Al Dakhil	Independent member	Bachelor of Business Management Arts with 32 years of experience in finance and commercial laws.
Hamed Mohammad Al Aiban	Member of the Board (Non-executive member)	Bachelor of Business Administration with 37 years of experience in the financial sector, investments, banking and management.
Mohammad Issam Al-Bahar	Member of the Board (Non-executive member)	Bachelor of Business Administration with 12 years of experience in management and development.
Khaled Saeed Esbaita	Member of the Board (Non-executive member)	Higher Diploma in Architecture and Bachelor of Architecture with 27 years of experience in the real estate field.
Amal Mohammad Al Ashab	Secretary of the Board	Bachelor of Administrative Sciences, majoring in Finance and Banking with 27 years of experience in secretarial work with the executive management

Tasks and Accomplishments of the Board Committees

Specific Committees have been established in line with the corporate governance rules of the Capital Markets Authority. Currently the Board of Directors of AQARAT executes its duties through 3 specialized committees. Below is the profile of the respective committees in terms of roles and responsibilities:

Risk Management Committee

- Assisting the Board in defining and assessing the Risk Appetite of the organization. This is achieved by evaluating all types of systems and frameworks for identifying, assessing, and monitoring potential risks. This process ensures that the company remains proactive and resilient in addressing uncertainties against the approved risk appetite.

- Aligning AQARAT's risk management strategies and policies with its operational scope and business objectives. Ensure that the risk management strategy is comprehensive and effective in mitigating potential risks prior to presenting it to the Board of Directors.

- Keeping an oversight of risk management resources, structure, and independence. Maintaining a proactive approach by ensuring that risk management department is equipped with the necessary resources, systems, and personnel to identify and mitigate risks effectively. This oversight also includes a focus on the independence from operational matters when it comes to decision making, as well as competency of the department's staff.

- Ensuring robust risk management by systematically evaluating risk assessment reports, mitigating actions, and audit committee feedback. This process aligns corporate risk strategies with the company's approved risk levels and business goals, fostering a balance between risk and potential benefits.

- Receiving observations raised by the audit committee and assessing them in context of their priority and impact to the overall corporate risk management framework.

- Ensuring sufficiency and efficiency of Internal Control Systems at AQARAT. Reviewing and optimizing internal control systems to facilitate operational excellence, risk mitigation, and adherence to best practices.

- Performing tasks and duties assigned to the Committee by the Board of Directors in line with the approved delegation of authority matrix.

- Overall, the Risk Management Committee is expected to have the ability to understand and analyze the nature and volume of risks ahead of the company in context of sustainability and ESG risks.

Tasks and Accomplishments of the Board Committees

Nominations and Remunerations Committee

- Developing and approving the policies related to board member provisions and remunerations in accordance with the applicable laws and providing appropriate recommendations. The finalized proposed remunerations are subject to the general assembly's approval.

- Developing job descriptions for executive, non-executive and independent board members of the Board of Directors.

- Overseeing development of remuneration, promotion, benefits, increments, incentives, salaries policies for executive management and the company staff members with different categories of remunerations such as fixed remuneration, performance related, stocks and end of service indemnity

- Participating in supervising the appraisal of Board of Directors and Executive Management on an annual basis.

- Reviewing annual performance appraisal scores and results of the members of the Board, associated committees followed by the CEO and the Secretary.

- Approving remuneration distribution on an annual basis for the company staff and make relevant recommendations to the Board of Directors.

- Governing the overall remuneration process in accordance with company policy and conduct periodic reviews while evaluating efficiency in terms of achievement KPIs, Objectives and Goals e.g. attraction of human resources and retention of competent staffs.

- Presiding over the election process executed by the general assembly and ensuring that independence of the board member still exists while nominating or renominating of independent members.

- Reviewing the nominations in context of competence, experience, capability and skills for carrying out the work tasks as per the requirement of vacant positions as best industry best standards.

Audit Committee

- Examining company's accounting principles and policies to validate any changes that may impact company's financial position.

- Providing recommendations to the Board of Directors for appointment or reappointment or replacement of the external auditor and determination of external audit fees.

- Assessing the interim and annual financial statements, along with the external auditor's report in line with financial accounting standards.

- Providing preliminary approvals prior to submission to the Board of Directors for final endorsement and ensuring the accuracy, fairness, and transparency of financial reporting.

- Reviewing observations of the external auditor on financial statements and following up on future action items and following-up the implementation of the agreed corrective actions in accordance with a specific time schedule.

Tasks and Accomplishments of the Board Committees

- Ensuring external auditor's scope of work is sufficient and comprehensive, while verifying their independence and impartiality, and mitigating any factors that could compromise their objectivity.

- Nominating and appointing internal auditor followed by their transfer, dismissal or replacement and determining the audit fee and verifying the audit work efficiency.

- Reviewing of the internal audit plan followed by supervising internal audit activities and reviewing acknowledgement of the audit scope on aperiodic basis.

- Reviewing the internal audit reports of AQARAT's departments, discussing the relevant comments and taking relevant corrective decisions to identify the persons responsible for implementation thereof and the forecasted implementation period.

- Conducting independent meetings with the external auditor and at least four meetings with the internal auditor as per the audit program. Meet with audit services providers as and when required as per the committee's request.

- Ensuring sufficiency and efficiency of Internal Control Systems at AQARAT. Reviewing and optimizing internal control systems to facilitate operational excellence, risk mitigation, and adherence to best practices in terms of policies and procedures.

- Reviewing regulatory reports for the external authorities and ensuring that relevant necessary actions are taken by coordinating with respective stakeholders within the organization.

- Verifying compliance issues are resolved and overall compliance standards are in line with relevant laws and instructions from external and internal policy perspective.

- Reviewing relationships. transactions and dealings with related parties and making appropriate recommendations to the Board of Directors

BOARD LEVEL COMMITTEES

For effective governance and strategic operational oversight, AQARAT's Board has established 3 committees with specific roles, duties and responsibilities to ensure effective implementation of policies and internal controls from governance perspective.

The three board level committees namely are:
- Audit Committee
- Risk Committee and
- Nomination and Remuneration Committee.

The composition of the Board encompass executive and non-executive members. Out of the total board members, one serves in an executive capacity, while five are non-executive. Moreover, two members hold independent positions, contributing to board's diversity and independence.

AQARAT holds six board meetings on an annual basis. The meeting agenda and their frequency facilitates board members to review and address critical issues from governance perspective while focusing on strategic matters, monitoring corporate performance enabling effective decision making.

Diagram 2. AQARAT's Board Committees
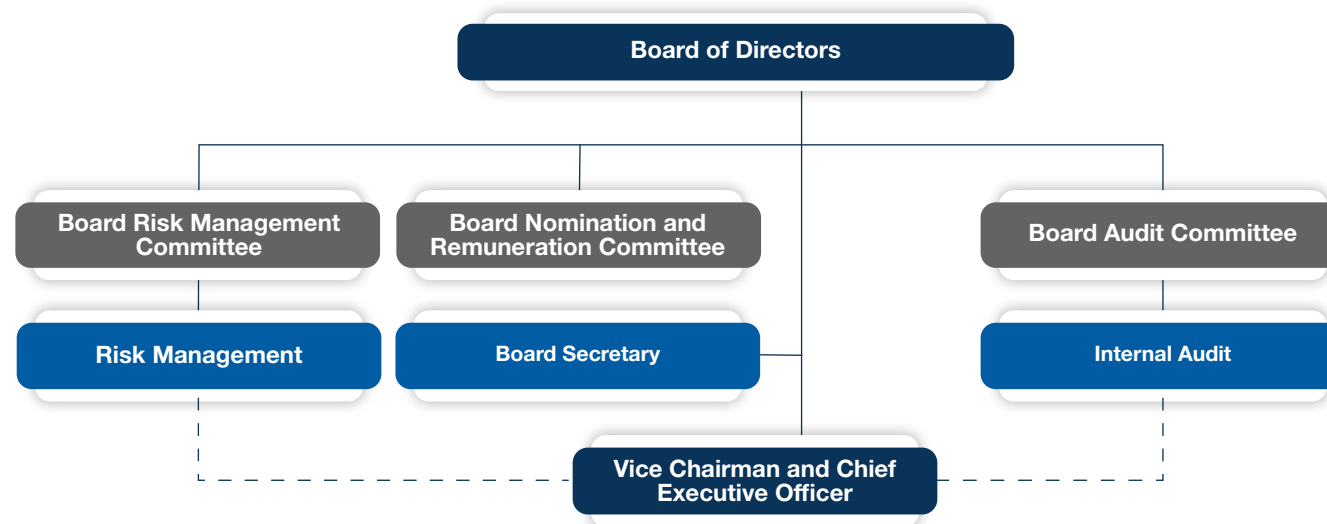
ORGANIZATION HIERARCHY

AQARAT as an organization is led by an effective and dedicated Executive Management Team. The organization structure, reporting lines and title conventions have been designed to facilitate transparency, future scalability and commitment to overall governance practices. The executive management team's mandate is to facilitate collaboration, streamline operations, and drive strategic initiatives effectively.

Executive Management

Chief Executive Officer (CEO) leads the Executive Management at AQARAT. The CEO has the mandate to drive the company strategy and supervise day-to-day operations while managing the direct reports in an effective manner. The executive management team comprises of experienced professionals from diverse backgrounds, the team ensures alignment with the company's mission, values, and long-term goals.

REMUNERATION POLICIES

Remuneration guidelines and policies have been developed to facilitate uniformity, synergy and transparency across all domains of compensation and incentives. The underlying objective of the policies is to compensate employees in a fair and transparent manner while empowering them to drive meaningful contributions to the overall sustainability goals.

The overall remuneration framework at AQARAT is linked to the strategic objectives of the organization which includes financial and non-financial incentives with the focus to enhance employee motivation and dedication. The execution of the remuneration schemes is performed with clear controls and guidelines by designing and executing an approved grading and reward structure which is aligned with market best practices.
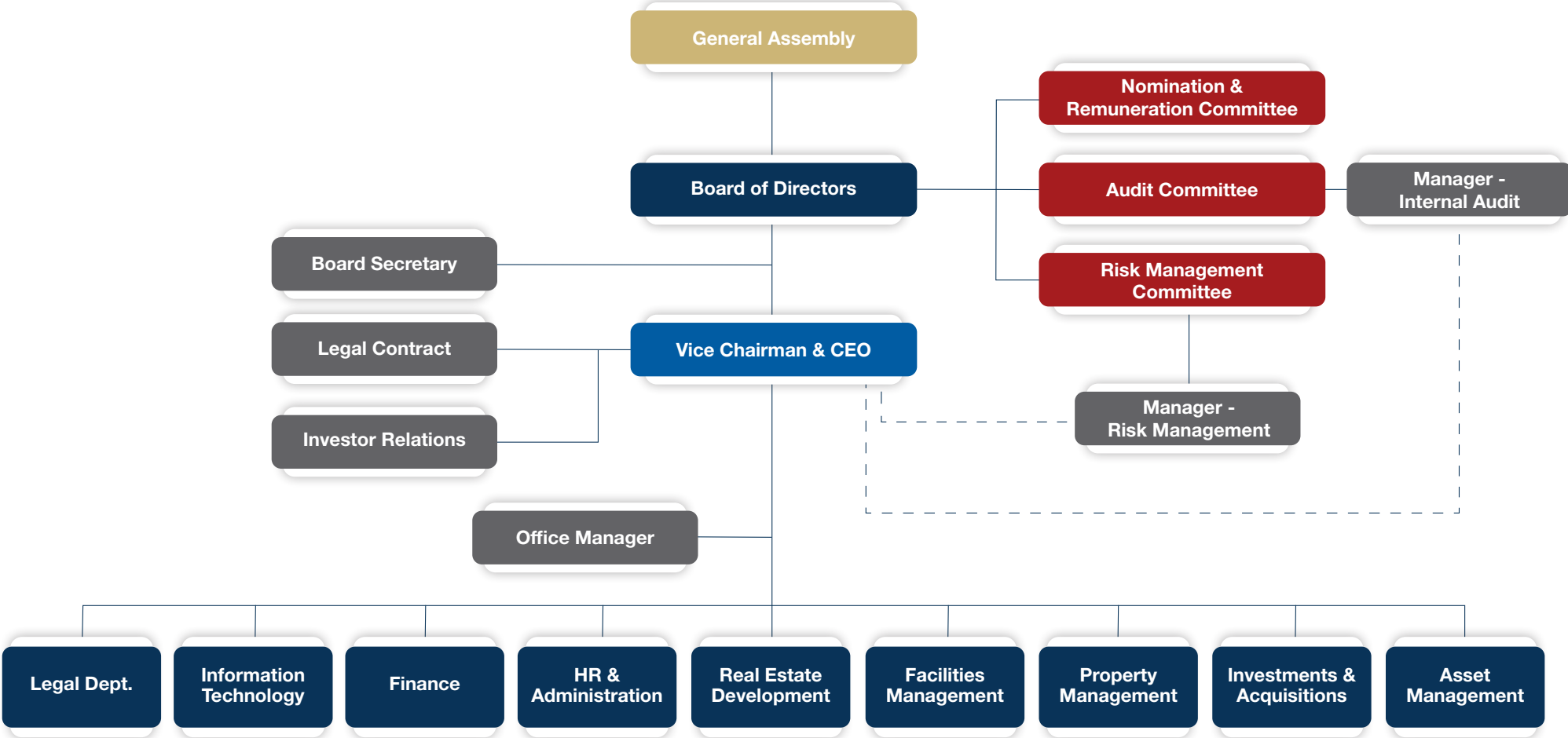
Compensation and Benefits

AQARAT conducts market compensation benchmarking exercises on a periodic basis to keep itself up to date with the local and regional compensation market trends. Even though this process is resource and time intensive, effective implementation of an optimal compensation framework positively impacts the overall work culture and the employee morale.

AQARAT's compensation philosophy is tightly coupled with annual performance framework which facilitates distribution of performance-based incentives and performance-based salary increments which are also adjusted against market inflation rates. Since the annual appraisal process is executed on the basis of well defined KPIs and Competencies, annual salary increment, and annual incentive distribution is conducted in a fair and transparent manner as per the approved Grading and Reward Structure.

Going forward AQARAT would be enhancing its performance framework, grading structure and reward scheme in line with approved Sustainability and ESG measures. The objective is to enable and empower employees with the require skills sets and resources to achieve a unified organizational goal by fostering a culture of responsibility and innovation.

Diagram 3. Overall High-Level Structure

General Assembly

Nomination & Remuneration Committee

Board of Directors

Audit Committee

Manager - Internal Audit

Board Secretary

Risk Management Committee

Legal Contract

Vice Chairman & CEO

Investor Relations

Manager - Risk Management

Office Manager

Legal Dept. | Information Technology | Finance | HR & Administration | Real Estate Development | Facilities Management | Property Management | Investments & Acquisitions | Asset Management

GOVERNANCE FRAMEWORK

Since the leadership plays a pivotal role in implementing the Governance Structure, AQARAT's Board in 2023 comprised of 8 board members with diversified backgrounds. Thus, enabling inclusivity, commitment and diversity.

The approach undertaken for leadership composition is further exemplified by the fact that the CEO also serves as the Vice Chairman of the Board which enables effective integration and alignment of top executive leadership. This approach helps to create the right balance across leadership network at AQARAT.

In 2023, the company allocated KWD **210,585** to investments in technology.

Code of Conduct for External Parties

AQARAT strives to implement code of ethical practices across its supply chain network. To facilitate the same, AQARAT's ideology is not only limited to its internal stakeholders but also to external partners, suppliers, vendors and service providers. AQARAT requests all the external parties to comply with its code of conduct by making it a part of the agreement / contract. This robust compliance underscores a collective dedication among stakeholders to uphold AQARAT's ethical standards and principles across its supply chain, promoting transparency and integrity in business relationships. AQARAT reinforces its commitment to ethical business practices by establishing code of conduct governance practices with local and international parties through robust agreements / contracts irrespective of the nature of work / service required.

Digital Transformation

Embracing the importance of technology and digital innovation in boosting operational efficiency and maintaining competitiveness, AQARAT has significantly increased its focus on digital transformation. In 2022, the company invested 73,143 KWD in technology, which grew notably to 210,585 KWD in 2023. These investments reflect AQARAT's proactive commitment to leveraging technological advancements, driving innovation, and fostering growth in today's evolving digital environment.

Protecting sensitive data and ensuring privacy are essential priorities in today's digital landscape. AQARAT's Information Technology (IT) department takes the lead in implementing stringent measures to safeguard client and employee information. These efforts are supported by adherence to strict data privacy regulations, ensuring that sensitive information remains secure and protected from potential threats.

To further strengthen its cybersecurity posture, AQARAT operates under a comprehensive IT governance framework guided by a robust security policy. This framework outlines clear protocols to mitigate risks and prevent unauthorized access to critical data. Additionally, the IT department integrates ethical decision-making into its operations, reflecting the company's core values of integrity and accountability. Through rigorous internal controls and compliance monitoring, AQARAT reaffirms its commitment to maintaining the highest standards of security and ethical practices in all IT initiatives.

Cybersecurity Risk Management

AQARAT's IT function is well aware and familiar with the potential threats and risks which are posed in this era of digitalization and technology transformation. As a result, the IT function conducts periodic vulnerability assessments and penetration testing for AQARAT's network and systems.

Regular assessments, audits by internal and external parties enable the IT function to stay abreast with the latest developments in cyber space. This helps in safeguarding critical assets, sensitive information from unauthorized breaches. Moreover, continuous vigilance of cybersecurity framework enables compliance with regulations from local regulatory bodies and external auditors.

IT Resource Optimization

The IT department in AQARAT strategically plans the allocation of resources to align with corporate as well as long term goals including Sustainability and ESG practices.

The IT Department ensures allocation of resources as per the approved IT budget that is in line with organizational and departmental technology requirements. The budget and resource allocation is monitored on a monthly and quarterly basis as per AQARAT's governance practices. IT resources could include manpower, IT assets, equipment's, peripherals, applications, software and other hardware devices followed by services procured from external IT vendors, IT suppliers and IT service providers. Select   IT resources has expected to be deployed in a manner where AQARAT can achieve its ESG goals in an effective and efficient manner.

Investor Engagement

AQARAT has a diverse investor community. Each investor is profiled, and a communication channel is established with the same for effective coordination and periodic updates about AQARATs' key market and business activities. The objective is to provide insights about AQARAT's strategy performance followed by ESG initiatives to facilitate trust and transparency. AQARAT conducts quarterly earnings calls, investor conferences, analyst call, one to one meetings, email correspondences and in person interactions with its investors.

AQARAT achieved **100%** implementation rate of risk mitigation plans.

Investor Information Access

Each investor at AQARAT is treated equally and adequate information is provided to the same in a uniform manner. Access to comprehensive reports is provided as these reports are published on AQARAT's website. These reports are developed from publicly available sources and are updated on a periodic manner.

Legal Compliance

AQARAT's Legal department works collaboratively with other functions to mitigate any risks that could impact the organization from a legal perspective. These risks could arise from regulatory or compliance perspective due to which the Legal team works closely with the risk management team. The legal department reviews and advocates all the external contracts with third parties to ensure adherence with governance, code of conduct and sustainability principles.

All forms of legal litigations and cases are carefully monitored and reported by the legal team to ensure integrity and effective business practices across the supply chain network. Any legal implication is escalated and reported to the respective authority i.e. Executive Management, Committee or the Board.

The Legal department stays abreast of all the latest developments in regulatory environment to ensure application in respective ESG domains. By conducting thorough risk assessments and implementing appropriate mitigation strategies, the company mitigates potential legal challenges and safeguards its reputation in alignment with its

ESG objectives. The Legal department supports AQARAT in the collection, analysis, and reporting of ESG data and performance metrics in compliance with relevant reporting frameworks, such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB).

Risk Management

AQARAT prioritizes risk mitigation to protect its stakeholders and ensure sustainable growth. As a result, risk management is not only an important pillar of AQARAT's governance framework, but it is also is a critical component of its operational strategy. The company maintained a robust risk mitigation framework to ensure business continuity and safeguard assets. In 2023, AQARAT achieved a 100% implementation rate of risk mitigation plans across all identified risks, reflecting the company's proactive approach to risk management. Moreover, AQARAT reported zero risk incidents or breaches during the given period, underscoring the effectiveness of its risk management practices.

Delegation of Authority

AQARAT maintains a Delegation of Authority Matrix to ensure clear decision-making processes and accountability. This matrix outlines the responsibilities and decision-making authority delegated to various levels within the organization, facilitating efficient operations and governance.

section six

APPENDIX – ESG DISCLOSURE INDEX

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Boursa Index

Metric	Calculation	Disclosure/ Page Number
Environmental		
GHG Emissions	E1.1) Total amount, in CO2 equivalents, for Scope 1 (if applicable)	N/A
	E1.2) Total amount, in CO2 equivalents, for Scope 2 (if applicable)	N/A
	E1.3) Total amount, in CO2 equivalents, for Scope 3 (if applicable)	N/A
Emission Intensity	E2.1) Total GHG emissions per output scaling factor	N/A
	E2.2) Total non-GHG emissions per output scaling factor	N/A
Energy Usage	E3.1) Total amount of energy directly consumed	Pg.27-30
	E3.2) Total amount of energy indirectly consumed	N/A
Energy Mix	Total direct energy usage per output scaling factor	N/A
Water Usage	E6.1) Total amount of water consumed	Pg.30
	E6.2) Total amount of water reclaimed	N/A
Environmental Operations	E7.1) Does your company follow a formal Environmental Policy? Yes, no	No
	E7.2) Does your company follow specific waste, water, energy, and/or recycling polices? Yes/No	No
	E7.3) Does your company use a recognized energy management system? Yes/No	No
Environmental oversight	Does your Board/Management Team oversee and/or manage other sustainability issues? Yes/No	Yes
Climate Risk Mitigation	Total amount invested, annually, in climate-related infrastructure, resilience, and product development?	N/A

Boursa Index

Metric	Calculation	Disclosure/ Page Number
Social		
Gender Pay Ratio	Ratio: Median male compensation to median female compensation	Median Male KWD 470 Median Female KWD 705
Employee Turnover	S3.1) Percentage: Year-over-year change for full-time employees	5%
	S3.2) Percentage: Year-over-year change for part-time employees	N/A
	S3.3) Percentage: Year-over-year change for contractors and/ or consultants	N/A
Gender Diversity	S4.1) Percentage: Total enterprise headcount held by men and women	Pg.33
	S4.2) Percentage: Entry- and mid-level positions held by men and women	Pg.33
	S4.3) Percentage: Senior- and executive-level positions held by men and women	N/A
Temporary Worker Ratio	S5.1) Percentage: Total enterprise headcount held by part- time employees	N/A
	S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants	N/A
Non-Discrimination	Does your company follow a sexual harassment and/or non- discrimination policy? Yes/No	Yes
Injury Rate	Percentage: Frequency of injury events relative to total workforce time	No
Global Health and Safety	Does your company follow an occupational health and/ or global health and safety policy? Yes/No	Yes
Child and Forced Labor	S9.1) Does your company follow a child and/or forced labor policy? Yes/No	No
	S9.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	No
Human Rights	S10.1) Does your company follow a human rights policy? Yes/ No	Yes
	S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No	Yes
Nationalization	S11.1) Percentage of national employees	Pg.33
	S11.2) Direct and indirect local job creation	No

Boursa Index

Metric	Calculation	Disclosure/ Page Number
Governance		
Board Diversity	G1.1) Percentage: Total board seats occupied by men and women	Men: 100% Women: 0%
	G1.2) Percentage: Committee chairs occupied by men and women	Men: 100% Women: 0%
Board Independence	G2.1) Does your company prohibit its CEO from serving as board chair? Yes/No	No
	G2.2) Percentage: Total board seats occupied by independents	Pg.41
Incentivized Pay	Are executives formally incentivized to perform on sustainability? Yes/No	No
Collective Bargaining	Percentage: Total enterprise headcount covered by collective bargaining agreement(s)	N/A
Supplier Code of Conduct	G5.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/ No	Yes
	G5.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?	100%
Ethics and Anti-Corruption	G6.1) Does your company follow an Ethics and/or Anti-Corruption policy? Yes/No	Yes
	G6.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?	100%

Boursa Index

Social		
Data Privacy	G1.1) Does your company follow an Ethics and/or Anti-corruption policy? Yes/No	Yes
	G1.2) Percentage: Committee chairs occupied by men and women	100%
Sustainability Reporting	G8.1) Does your company publish a sustainability report? Yes/ No	Yes
	G8.2) Is sustainability data included in your regulatory filings? Yes/No	N/A
Disclosure Practices	G9.1) Does your company provide sustainability data to sustainability reporting frameworks? Yes/No	Yes
	G9.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No	Yes
	G9.3) Does your company set targets and report progress on the UN SDGs? Yes/No	Yes
External Assurance	Are your sustainability disclosures assured or validated by a third party? Yes/No	No

ENVIRONMENTAL						
#	Material Topic	Metric	KPIs	Corresponding UN SDGs	Corresponding GRI	Corresponding Kuwait 2035 Vision Pillars
1	Electricity Consumption	Electricity Usage	Total amount of electricity consumed at AQARAT Headquarters	7 AFFORDABLE AND CLEAN ENERGY	GRI 302: Energy 2016	Living Environment
			Total amount of electricity consumed by AQARAT's properties			
		Energy Mix	% energy usage by generation type			
2	Water Usage	Water Usage	total amount of water consumed	6 CLEAN WATER AND SANITATION	GRI 303: Water and Effluents 2018	Living Environment
			total amount of water reclaimed			
3	Waste Management	Waste Generation	% of total waste recycled	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	GRI 302: Energy 2016	Living Environment
			quantity of hazardous waste generated and its safe disposal rate			
			# of waste reduction initiatives implemented			
4	Digital Advancement	Digital Initiatives	# of new digital initiatives launched within a specified timeframe	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	GRI 205: Management Approach 2016	Infrastructure
			% reduction in manual processes through automation			
			% increase in the adoption rate of digital tools and technologies across departments			

SOCIAL						
#	Material Topic	Metric	KPIs	Corresponding SDGs	Corresponding GRI	Corresponding Kuwait 2035 Vision Pillars
5	Gender Diversity	Gender Pay Ratio	Ratio: Median male compensation to median female compensation	5 GENDER EQUALITY	GRI 405: Diversity and Equal Opportunity 2016	Human Capital
		Women Empowerment	% total enterprise headcount held by men and women		GRI 102: General Disclosures 2016	
			% entry and mid-level positions held by men and women		GRI 405: Diversity and Equal Opportunity 2016	
6	Localization	Kuwaitization	% of national employees	8 DECENT WORK AND ECONOMIC GROWTH	GRI 202: Market Presence 2016	Economy
			# of national employees in key positions		-	
			Investments in education and training for local talent		-	
7	Non-Discrimination	Non-Discrimination Policy Compliance	Does your company follow a sexual harassment and/ or non-discrimination policy? Yes/ No	10 REDUCED INEQUALITIES	GRI 405: Diversity and Equal Opportunity 2016	Human Capital
			% of workforce receiving non-discrimination training			
			% of promotions awarded to minority groups or non-nationals			
8	Employee Health and Wellbeing	Employee Turnover	Rate of employee turnover and retention	3 GOOD HEALTH AND WELL-BEING	GRI 401: Employment 2016	Human Capital
		Employee Engagement	Absenteeism rate			
		Employee Wellbeing	inclusion of well-being metrics in performance evaluations			
9	Local Community Support	Community Support	% of budget allocated to community support	11 SUSTAINABLE CITIES AND COMMUNITIES	GRI 413: Local Communities 2016	Human Capital
			# of community engagement initiatives			
			% of employees participating in community service activities			
10	Youth Welfare	Youth Employment	# of youth employed or engaged in development programs	8 DECENT WORK AND ECONOMIC GROWTH	GRI 401: Employment 2016	Human Capital
			# of scholarships or educational sponsorships provided			
			success stories of youth development initiatives			
11	Employee Training and Development	Employee Training	average hours of training per employee	8 DECENT WORK AND ECONOMIC GROWTH	GRI 404: Training and Education	Human Capital
			# of training programs provided per year			
			% of employee participation in training programs			

GOVERNANCE						
#	Material Topic	Metric	KPIs	Corresponding SDGs	Corresponding GRI	Corresponding Kuwait 2035 Vision Pillars
12	Supplier Code of Conduct	Supplier Compliance	% of suppliers who comply with the code of conduct	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	GRI 204: Procurement Practices 2016GRI 308: Supplier Environmental Assessment 2016GRI 414: Supplier Social Assessment 2016	Living Environment
			# of supplier audits conducted annually			
			# of reported incidents of non-compliance			
13	Data Privacy	Privacy Compliance	Has your company taken steps to comply with GDPR rules? Yes/No	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	GRI 418: Customer Privacy 2016	Human Capital
			# of data breach incidents reported			
			% of employees who have completed data privacy training			
14	Sustainability Reporting	Corporate Sustainability Disclosures	Does your company publish a sustainability report? Yes/No	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	GRI 102: General Disclosures 2016	Living Environment
			% of sustainability reports published on time			
			# of ESG materiality topics disclosed in the sustainability report			
15	Risk Controls and Monitoring	Risk Mitigation	# of identified risk categorized by type (financial, operational, compliance, etc.)	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	GRI 205: Anti-Corruption 2016GRI 418: Customer Privacy 2016	Economy
			% of risks with mitigation plans in place			
			# of risk incidents or breaches reported within a given period			

GRI Index

Statement of use	[Name of organization] has reported in accordance with the GRI Standards for the period [reporting period start and end dates].
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	[Titles of the applicable GRI Sector Standards]

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures	2-1 Organizational details	Information about the organization can be found in various sections of the report	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	2-2 Entities included in the organization's sustainability reporting	Kuwait Real Estate Company (AQARAT)				
	2-3 Reporting period, frequency and contact point	January 1 to December 31, 2023 Annual Reporting (a.alenezi@aqarat.com.kw/ +965 9444 7804)				
	2-4 Restatements of information	Information is repeated in more details throughout the report				
	2-5 External assurance	-				
	2-6 Activities, value chain and other business relationships	Please refer to pages 15-18				
	2-7 Employees	Please Refer to pages 34-39				
	2-8 Workers who are not employees	-				
	2-9 Governance structure and composition	Please refer to pages 40-49				
	2-10 Nomination and selection of the highest governance body	-				
	2-11 Chair of the highest governance body	Please refer to page 42				
	2-12 Role of the highest governance body in overseeing the management of impacts	Please refer to pages 40-51				
	2-13 Delegation of responsibility for managing impacts	Please refer to page 51				
	2-14 Role of the highest governance body in sustainability reporting	Please refer to pages 43-46				
	2-15 Conflicts of interest	-				
	2-16 Communication of critical concerns	Please refer to pages 40-52				
	2-17 Collective knowledge of the highest governance body	Please refer to pages 41-47				
	2-18 Evaluation of the performance of the highest governance body	-				
	2-19 Remuneration policies	Please refer to page 47				
	2-20 Process to determine remuneration	-				
	2-21 Annual total compensation ratio	-				
	2-22 Statement on sustainable development strategy	Please refer to pages 4-5				
	2-23 Policy commitments	Please refer to pages 47-52				
	2-24 Embedding policy commitments	Please refer to pages 22, 47-52				
	2-25 Processes to remediate negative impacts	Please refer to pages 24, 38, 43-45				
	2-26 Mechanisms for seeking advice and raising concerns	-				
	2-27 Compliance with laws and regulations	Please refer to page 52				
	2-28 Membership associations	Please refer to page 15-18, 39				
	2-29 Approach to stakeholder engagement	Please refer to pages 21-24				
	2-30 Collective bargaining agreements	-				

GRI Index

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Please refer to page 24	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2 List of material topics	Please refer to page 25-26				
Economic performance						
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	-				
	201-2 Financial implications and other risks and opportunities due to climate change	-				
	201-3 Defined benefit plan obligations and other retirement plans	-				
	201-4 Financial assistance received from government	-				
Market presence						
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	-				
	202-2 Proportion of senior management hired from the local community	-				
Indirect economic impacts						
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Please refer to pages 15-18, 36-37				
	203-2 Significant indirect economic impacts	Please refer to pages 34-39				
Procurement practices						
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	-				
Anti-corruption						
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	-				
	205-2 Communication and training about anti-corruption policies and procedures	-				
	205-3 Confirmed incidents of corruption and actions taken	-				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-				
Tax						
GRI 207: Tax 2019	207-1 Approach to tax	-				
	207-2 Tax governance, control, and risk management	-				
	207-3 Stakeholder engagement and management of concerns related to tax	-				
	207-4 Country-by-country reporting	-				
Materials						
GRI 301: Materials 2016	301-1 Materials used by weight or volume	-				
	301-2 Recycled input materials used	-				
	301-3 Reclaimed products and their packaging materials	-				
Energy						
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Please refer to page 31,32				
	302-2 Energy consumption outside of the organization	Please refer to pages 29-31				
	302-3 Energy intensity	-				
	302-4 Reduction of energy consumption	Please refer to page 32				
	302-5 Reductions in energy requirements of products and services	Please refer to page 29-32				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	-				
	303-2 Management of water discharge-related impacts	-				
	303-3 Water withdrawal	-				
	303-4 Water discharge	-				
	303-5 Water consumption	Please refer to page 32				
Biodiversity						
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-				
	304-2 Significant impacts of activities, products and services on biodiversity	-				
	304-3 Habitats protected or restored	-				
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	-				

| GRI STANDARD/ OTHER SOURCE | DISCLOSURE | LOCATION | OMISSION | | | GRI SECTOR STANDARD REF. NO. |
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	-				
	305-2 Energy indirect (Scope 2) GHG emissions	-				
	305-3 Other indirect (Scope 3) GHG emissions	-				
	305-4 GHG emissions intensity	-				
	305-5 Reduction of GHG emissions	-				
	305-6 Emissions of ozone-depleting substances (ODS)	-				
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Please refer to page 30,31				
	306-2 Management of significant waste-related impacts	Please refer to page 30,31				
	306-3 Waste generated	-				
	306-4 Waste diverted from disposal	-				
	306-5 Waste directed to disposal	-				
Supplier environmental assessment						
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	-				
	308-2 Negative environmental impacts in the supply chain and actions taken	Please refer to page 30,31				
Employment						
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	-				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	-				
	401-3 Parental leave	-				
Labor/management relations						
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	-				

GRI Index

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Occupational health and safety						
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Please refer to page 38				
	403-2 Hazard identification, risk assessment, and incident investigation	-				
	403-3 Occupational health services	Please refer to page 38				
	403-4 Worker participation, consultation, and communication on occupational health and safety	-				
	403-5 Worker training on occupational health and safety	-				
	403-6 Promotion of worker health	-				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	-				
	403-8 Workers covered by an occupational health and safety management system	-				
	403-9 Work-related injuries	-				
	403-10 Work-related ill health	-				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	-				
	404-2 Programs for upgrading employee skills and transition assistance programs	Please refer to pages 35-38				
	404-3 Percentage of employees receiving regular performance and career development reviews	-				
Diversity and equal opportunity						
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Please refer to page 34				
	405-2 Ratio of basic salary and remuneration of women to men	-				
Non-discrimination						
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	-				
Freedom of association and collective bargaining						
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-				

GRI Index

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Child labor						
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	-				
Forced or compulsory labor						
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	-				
Security practices						
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	-				
Rights of indigenous peoples						
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	-				
Local communities						
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Please refer to pages 34-39				
	413-2 Operations with significant actual and potential negative impacts on local communities	-				
Supplier social assessment						
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Please refer to page 30				
	414-2 Negative social impacts in the supply chain and actions taken	-				
Public policy						
GRI 415: Public Policy 2016	415-1 Political contributions	-				
Customer health and safety						
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	-				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	-				
Marketing and labeling						
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	-				
	417-2 Incidents of non-compliance concerning product and service information and labeling	-				
	417-3 Incidents of non-compliance concerning marketing communications	-				
Customer privacy						
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	-				