



**ESG  
REPORT  
2021**

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# CHAIRMAN'S STATEMENT



“Our organization is looking to the future. This entails tackling ESG risks and aiming to make the world a better place”

We are glad to provide our Sustainability report for the fiscal year 2021, which explains how we incorporate environmental, social, and governance (ESG) principles and values into our operations and future investments.

We are in a position to take substantial action, with real and demonstrable consequences, as a real estate organization, operating in UAE. Our mission has always been to increase the value of our assets and expand our horizons to explore investment opportunities. We are committed to long-term benefits for a broader range of stakeholders, including shareholders, residents, communities, and all levels of our organization's team members.

In the broadest sense, our company is involved with the future. This entails incorporating ESG factors into all of our decisions and altering our business practices assets to improve their environmental and social consequences, addressing the climate change effects, and anticipating societal changes.

Our plan for doing so is based on three main elements. The first is to decarbonize our real estate assets by tracking emissions against global targets. The second evaluates our assets' robustness in the face of physical risks posed by climate change as well as transitional risks posed by market trends and the energy transition. The third focuses on helping our employees and the communities in which we operate to provide the foundations of the future.

We commit to participate and accomplish the goals of Abu Dhabi Securities Exchange (ADX) and initiatives our journey in 2020 bringing us one step further we are presenting this report for 2021, our environmental and social sustainability goals:

- To foster a more inclusive work environment and world-class service to our clients. This paradigm shift has resulted in a stronger sense of togetherness within our organization, as well as a more conducive climate for healthy communication and collaboration.
- Within days of the Covid-19-induced closures, we developed virtual communication to better serve our customers through virtual communication IT advancements. We continue to re-imagine intelligent ways of connecting and communicating with all of our customers and shareholders as we embrace digital innovation.

We feel that having clearly defined goals is critical for achieving desired results. We started our adventure for the year by establishing ambitious but achievable targets for all of our material ESG themes Matching our ESG report to the ADX guidelines: Core option, as well as aligning our aims and initiatives with the United Nations Sustainable Development Goals (SDGs), has helped us improve our reporting standards. In future reports, we want to update you on our progress toward these objectives.

Thank you for continuing to support Aram Group. During a difficult and ever-changing year, we are proud of what our staff, people, and communities have accomplished. We are confident that, for the benefit of all of our stakeholders, we will move forward stronger than before.

Regards and best wishes,  
**Mr. Ziyad Mahmoud Khairalla Alhaji Alharmouzi / Chairman**

# ABOUT THIS REPORT

This is ARAM Group (hereinafter ARAM or Group) second report highlighting our group-wide Environmental, Social and Governance (ESG) performance across all our operations for the year 2021.

We are dedicated to providing relevant and timely information on our Environmental, Social, and Governance (ESG) performance and management techniques for our hospitality services, with an emphasis on environmental and social problems. We are increasingly aiming to use technology to improve engagement with our stakeholders and decrease our environmental impact. The information presented in this report adheres to the Global Reporting Initiative (GRI) Standards - Core option: Different stakeholder engagement activities highlighted key material sustainability problems, which are described in the following sections. This Report highlights our commitment to the United Nations Sustainable Development Goals (UNSDGs). This report also aligns to the global Sustainability agenda set by the United Nations (UN) 17 Sustainable Development goals (SDGs) aims to achieve decent lives for all on a healthy planet by 2030 ; UAE sustainability vision A Green Economy for Sustainable Development; United Nations Global Compact (UNGC); UAE Vision 2021 and UAE Strategy 2050 and Paris Climate Agreement to fight climate change and limit global temperature rises.

However, reporting involves more than just being able to share your accomplishments. It's also critical for increasing community trust in our firm. This report assists us in maintaining transparency with our stakeholders about the sustainability risks and opportunities we face. In this pandemic, sustainability reporting and working sustainably is more important than ever to build confidence among all stakeholders and communities.

# SCOPE OF THE REPORT

ARAM Group is delighted to provide its ESG report as part of its commitment to sustainable development. The purpose of this report is to inform stakeholders of the group's long-term strategy, goals, efforts, and performance in relation to sustainability activities.

Our goal is to communicate our objectives, goals, and performance straightforwardly and honestly, and we welcome a conversation with all of our stakeholders, guests, and team members. In addition to engaging with investors on a regular basis and responding to their questions, we benchmark our performance against local and worldwide counterparts in the Real Estate.

## Entities

The entity included in the scope of this report is ARAM Group with the following Assets:

- Al Khan Building
- Ind area 10 Bldg
- Al Majaz bldg
- Al soor Bldg
- Al qassimiya Bldg
- Ind Area 13
- Mowaileh

## Year

This report covers our performance in the Environmental, Social, and Governance chapters for the year 2021.

## Operational Boundary

This report covers our operation in the UAE only.



An aerial photograph of a modern city at dusk. The sky is a mix of orange, yellow, and blue. In the foreground, a canal reflects the city lights. Several tall, modern skyscrapers with glass facades are visible, some with lights on. The city below is illuminated with streetlights and building lights. A large yellow triangle is overlaid on the right side of the image, pointing towards the center.

# ARAM GROUP AT A GLANCE



# ARAM GROUP AT A GLANCE

ARAM is a public shareholding company derived from the Sharjah group, established in 1976 to actively participate in investments in real estate, financial instruments, and the leasing of rental properties, with a new face of ARAM the group is targeting to expand and explore new investment opportunities.

The Group continues to successfully implement its strategic vision by evaluating the potential of new and emerging markets, investing in prestigious projects, and diversifying its scope of operations while maintaining superior quality, rigid technical standards, and excellence.

At the end of 2021, ARAM Group actively owned seven (7) assets: buildings, warehouses, and labour accommodations camps.





# REPORTING APPROACH



The Abu Dhabi Security Exchange (ADX) ESG Guidelines serve as the foundation for Aram Group's ESG reporting. In this report, we increase our ESG openness by matching our aims and activities with the ADX adopted United Nations Sustainable Development Goals (UNSDGs) and the United Arab Emirates Sustainable Development Goals (SDGs).

The UAE took a whole-of-government approach to implement the SDGs, which included the formation of a National Committee on SDGs. The National Committee, which is made up of federal agencies, helps the alignment of the SDGs, information sharing, and integrated implementation of the SDGs.

To widen the scope of its work, the National Committee engages with a variety of local and international stakeholders a sense of responsibility towards the 2030 Agenda To identify implementation issues and act as the National Committee's sounding board for future policy development in the UAE, the National Committee established a business sector advisory council as well as a youth advisory council in 2018. During the World Government Summit (2018), the National Committee introduced the Global Councils on SDGs as a venue for international professionals to come together and explore new solutions to global concerns in order to contribute to the global implementation of the SDGs.

The impact and progress we accomplished across our strategic priority areas, as indicated by a Materiality Survey, are detailed in our 2021 ESG Report.

Unless otherwise specified, the report examines our ESG goals, progress, and performance throughout our portfolio from January 1, 2021, to December 31, 2021.

# OUR APPROACH TO ESG STATEMENT

As a real estate investments firm, we recognize the importance of addressing ESG factors to ensure sustainable, healthy living and working conditions across all our assets. All our facilities are fully compliant with the laws and regulations issued by Sharjah Municipality and the UAE Ministry, and we ensure that all safety policies and procedures are in place and continuously updated with the most recent guidelines.

Our management is fully committed to the reduction of our environmental footprint. We have identified and worked upon the sectors like energy, waste, water, and health and safety of our residents and workers, to ensure we deliver on this commitment and reduce our environmental footprint in the coming future.

At ARAM, we see the analysis of our ESG performance and this reporting initiative as a risk management tool that would help us identify relevant material risks and opportunities that contribute to making better decisions in regards to both, assets acquisition and business expansion strategy. We recognize that managing ESG risk creates long-term value, drives sustainable financial performance, and increases the benefits to our, internal and external stakeholders.

Successful ESG programs enable real estate portfolios to better identify and manage risks, particularly those posed by climate change, and make more informed investment decisions based on their findings.



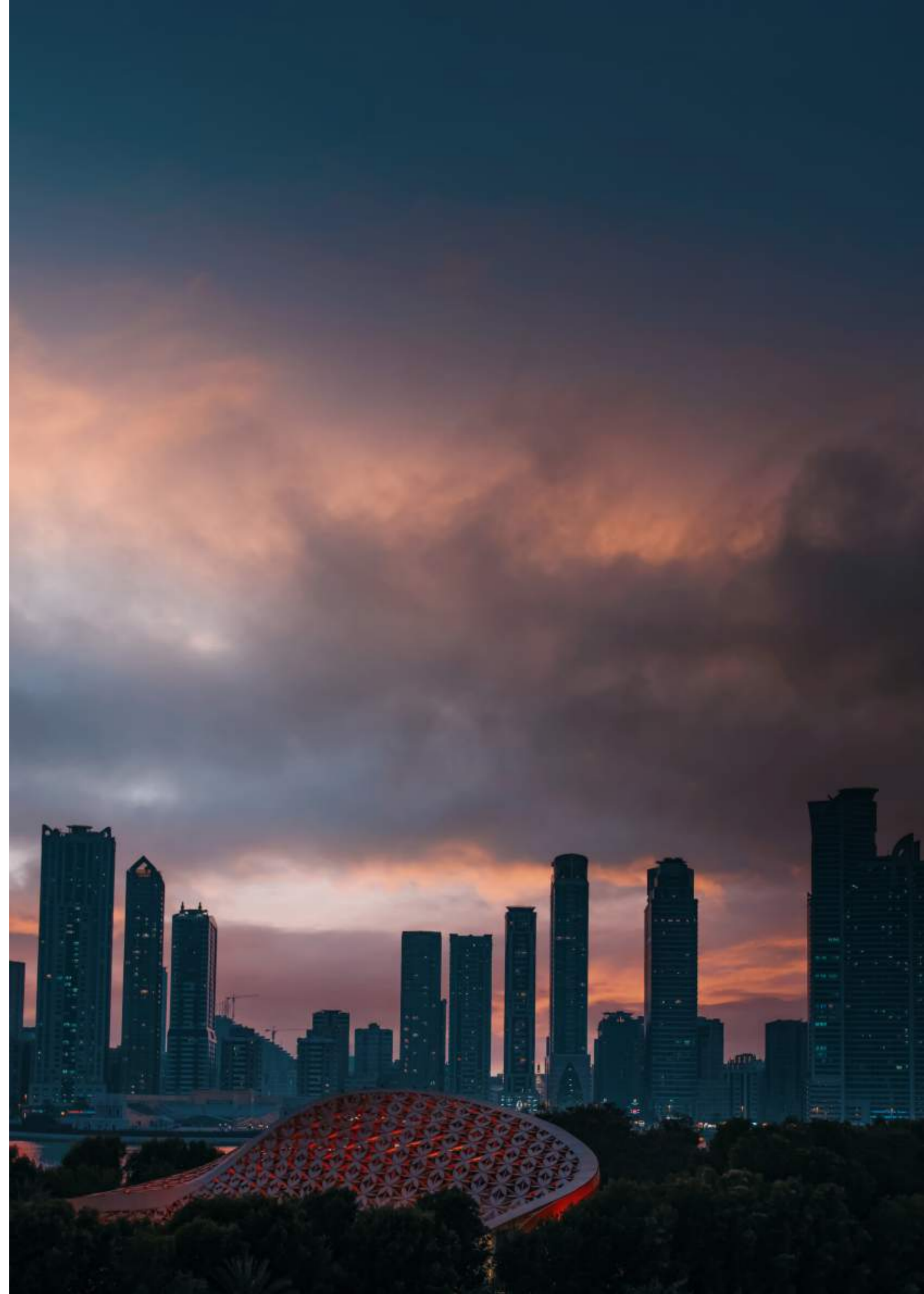
# QUANTIFICATION

**“Our material areas cover our environmental, social, and economic aspects and aid in the implementation of our sustainability strategy.”**

A long-term strategy for a sustainable business is to improve the quality of our portfolio by generating sustainable assets that run optimally while lowering risks and depreciating value. Aram Group continues to demonstrate that it is aware of important drivers for sustainable success through internal and external stakeholder communications. We are always working to improve our performance by executing important initiatives from our Sustainable Business Roadmap, a sustainable business expansion strategy, and receiving more sustainable national and international investments. We intend to raise additional awareness of Aram Group’s objectives and progress throughout the organization and among external stakeholders in the future.

A better understanding of the issues that are most important and relevant to our Group, we conducted a materiality survey and analysis. A materiality evaluation approach found the material sustainability issues which are the most important to our stakeholders. To effectively manage risk and operate with the support of our stakeholders, we must first grasp the challenges at hand. This survey was confined to internal stakeholders exclusively for this year’s reporting. We examined how important these concerns were to stakeholders and how significant they were in terms of Aram Group’s economic, environmental, and social consequences when determining these issues.

This evaluation takes into account several pertinent factors derived from ADX reporting regulations incorporation. The importance of these concerns to Aram Group’s internal stakeholders was then classified (as ‘low, moderate, and high’). Participants in the survey were asked to answer questions on their knowledge of our company, the industry in which we work, and the interplay between our industry and broader socio-environmental aspects. Investor relations, central procurement, finance, and human resource personnel, as well as senior employees and management executives from the Aram Group, were among the responders. The materiality mapping visuals show the concerns we recognized as material. This matrix depicts the issues’ relative importance to the company, the ‘Importance to the Company’ criteria as defined by following the input received





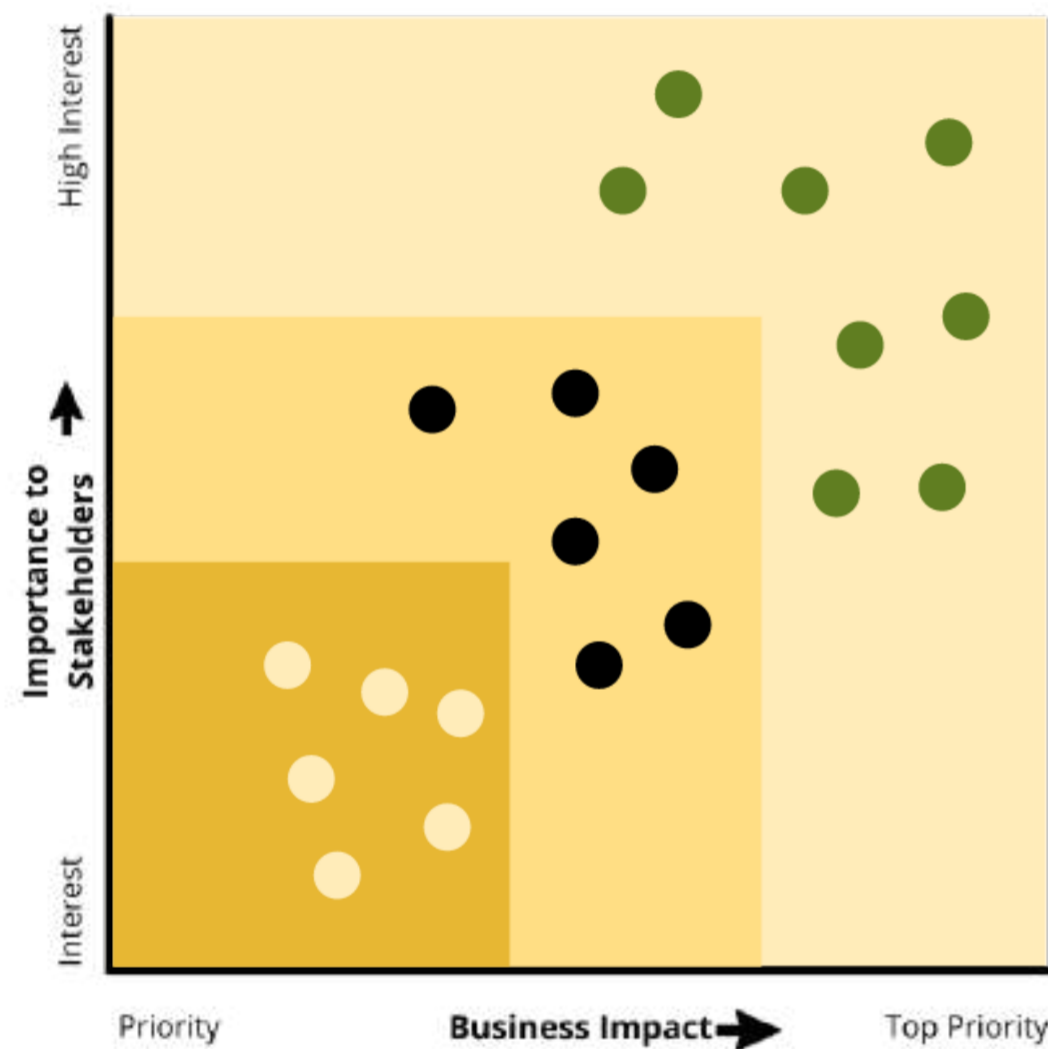


# STAKEHOLDERS ENGAGEMENT

# STAKEHOLDERS ENGAGEMENT

**“As Moving Forward, we are continually working to build strong bonds with our employees, communities, and stakeholders.”**

Continuous involvement with our stakeholders, we believe, is critical to fulfilling our objective and forms part of the foundation upon which we establish trust with our residents, shoppers, employees, investors, and other stakeholders. We communicate with our many stakeholder groups on a regular basis using the following methods:



- Socio-Economic  
Compliance  
Environmental  
Compliance  
Emissions  
Waste  
Renewable Energy  
Intensity  
Diversity and Equal  
Opportunity  
Customer Privacy  
Customer Health and  
Safety
- Energy Management  
and Impacts  
Energy Intensity  
Water and Effluents  
Procurement Practices  
Anti Corruption  
Anti-Competitive  
Behavior
- Economic Performance  
Biodiversity  
Supplier Environmental  
Assessment  
Labor/Management  
Relations  
Local Communities  
Non-Discrimination

# STAKEHOLDERS STRUCTURE

## Investors

We have quarterly earnings calls, attend investor and analyst conferences, conduct meetings and property tours, and keep up with the investing community's expectations.

## Employees

Annual surveys are conducted on themes such as compensation and benefits, career chances and growth, diversity and inclusion, and workplace pride. We have regular town hall meetings and social events for both our corporate headquarters and our communities, both in-person and electronically. We offer a social networking platform for employees that allows them to share their views and ideas with the rest of the company

## Residents

Residents provide input through periodic surveys, and we communicate with them frequently through resident activities, regular publications, email exchanges, and social media.

## Vendors and suppliers

For the purchase of materials and services for the operations and maintenance of our assets. we work directly with several third-party suppliers. We meet with vendors regularly on-site and virtually to analyze their company, industry, product, and service developments.

We also discuss the current situation of our cooperation so that we can make any required changes and provide better service to our property

## Governments and policy maker

Through our local and national trade associations, we communicate with policymakers regularly.





# ENVIRONMENTAL STEWARDSHIP

# ENVIRONMENTAL STEWARDSHIP



ARAM Group continuously strives to strengthen its Sustainability Programs in a valuable and impactful way whilst maintaining transparency and creating a culture of integrity to ensure ethical and responsible business conduct.

ARAM is decreasing emissions, reducing fuel, natural gas, are boosting energy efficiency, and adopting a variety of other actions to mitigate the consequences of climate change. By conserving resources in our assets, reducing the environmental footprint of collaborating with our local communities to invest in projects that contribute to environmental stewardship and resiliency, we are committed to halving our environmental impact throughout our assets management

In 2020, as part of our efforts to reduce the footprint of our assets on the environment, we finalized the replacement of the lighting in all the shared spaces with LED lights, consequently achieving both, a decrease in our environmental footprint and a substantial cost reduction related to our monthly electricity consumption, the same effect is observed in our 2021 **electricity consumption as our consumption has reduce by 9.7% .**

Owning three (3) buildings that were built before the year 2000 represents a challenge with regards to environmental footprint management in ARAM Group. The design of these buildings is obsolete, and they all require maintenance to ensure the liveability of the spaces along with working to reduce the overall impact on the environment.

In 2020, we conducted structural maintenance for Al-Majaz Building (1977), as part of which all PVC water pipes were replaced with PPR pipes. PPR pipes are designed as the most hygienic system for the transportation of potable water and have a lifespan of over 50 years even in high temperature and under-pressure situations. Furthermore, all electrical wirings were replaced to reduce the risk of accidents and energy loss. More directly influencing the surrounding environment, all wastewater drainage systems were upgraded and sealed to the outer side of the building.

The abovementioned wastewater systems' upgrade was also carried out on Al-Soor building in 2019. It is important to note that for buildings constructed more than 20 years ago in Sharjah, the old drainage system could pose a risk for the structure of the building itself along with presenting concerns for the surrounding communities.

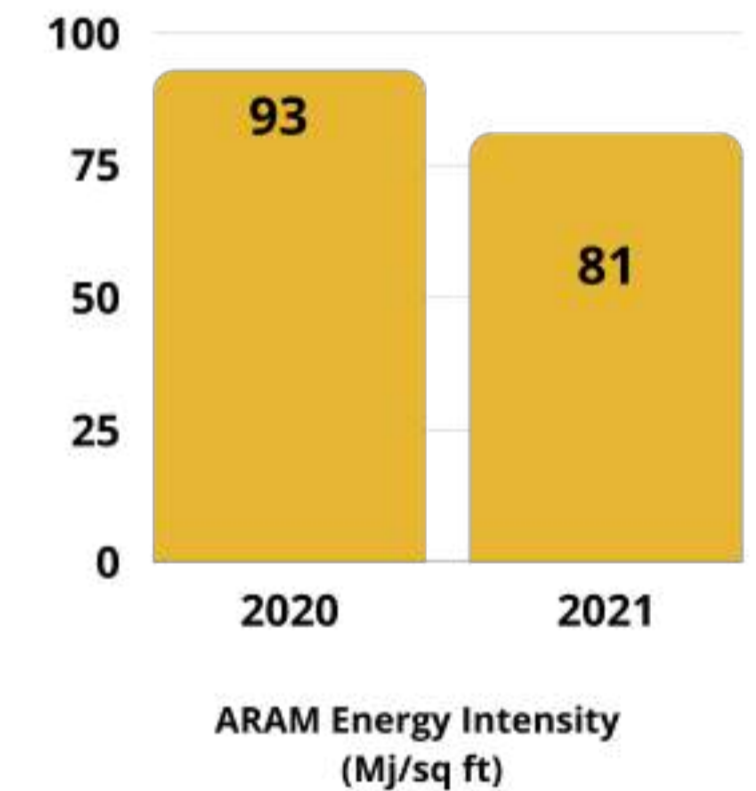
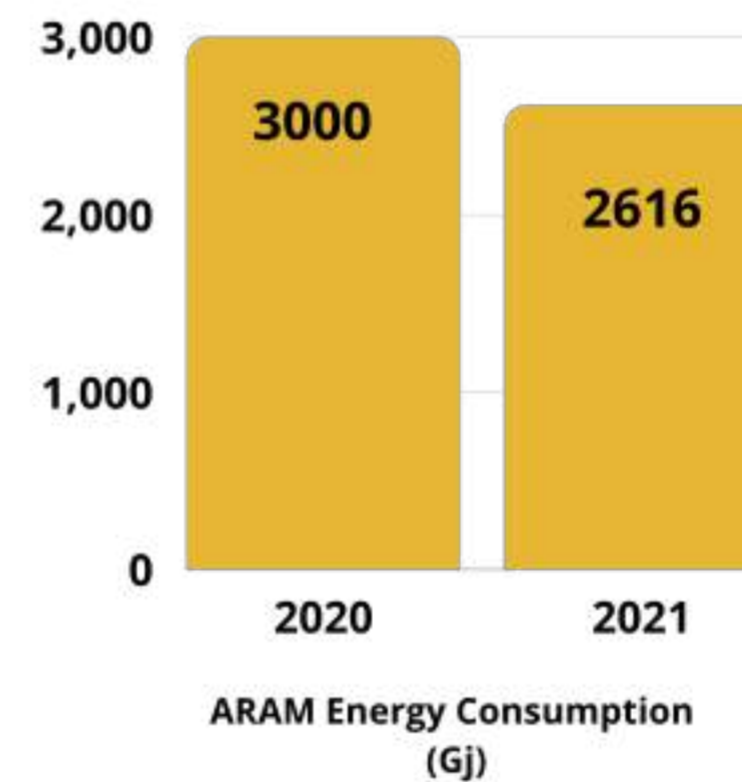
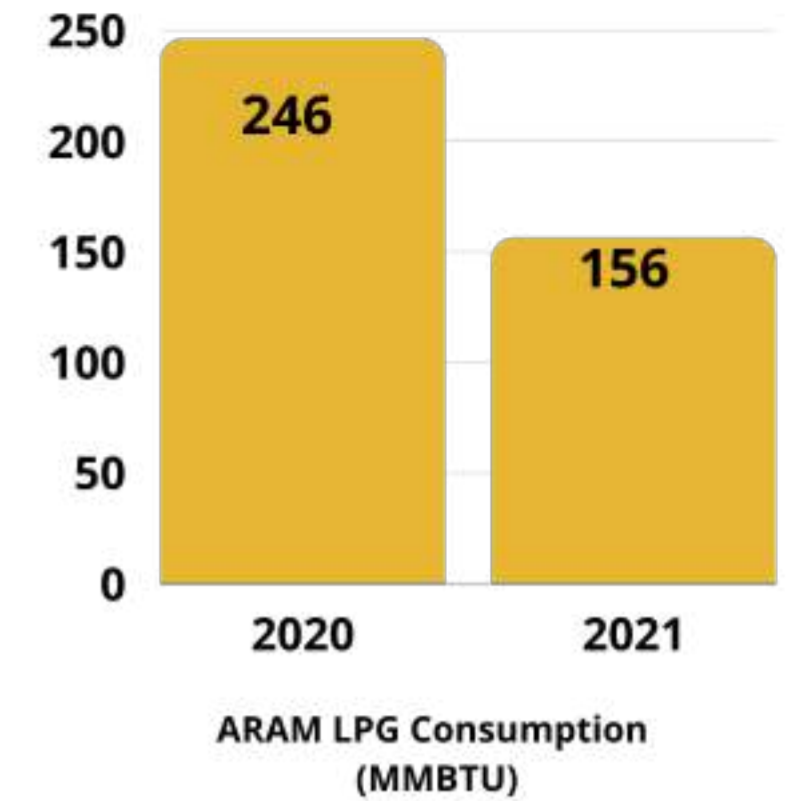
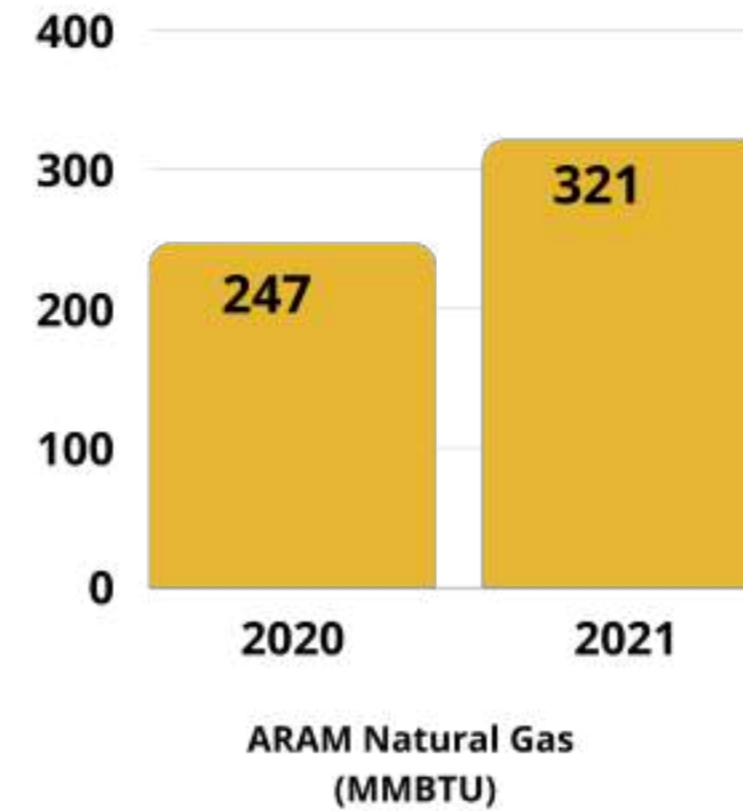
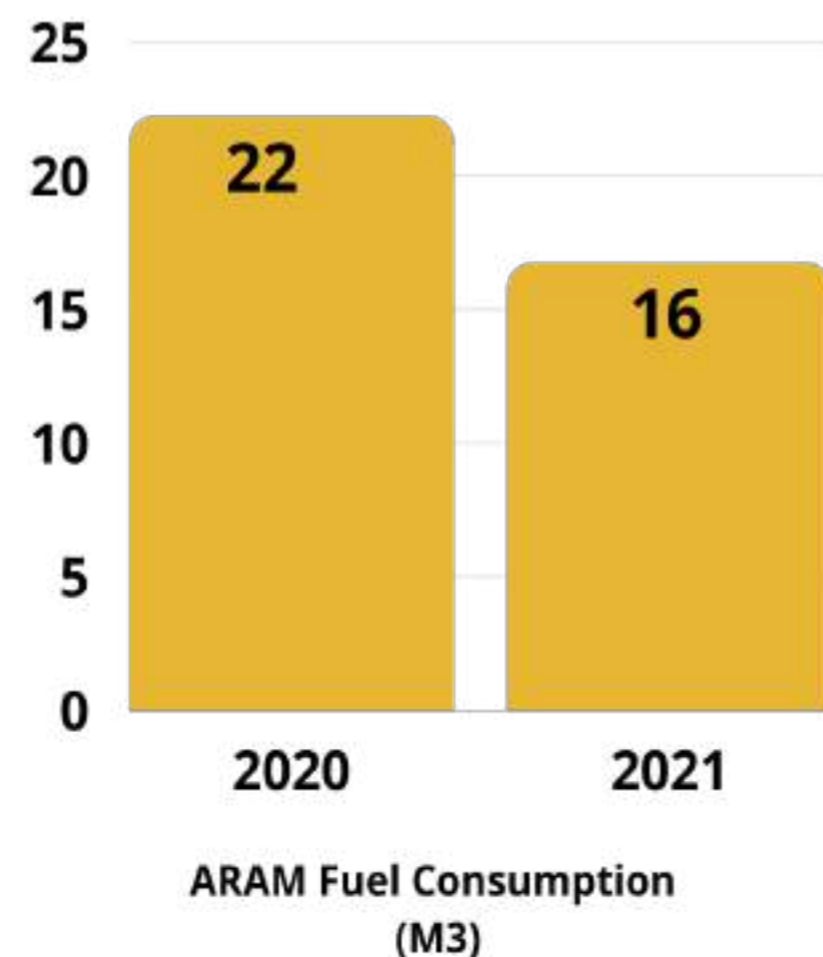
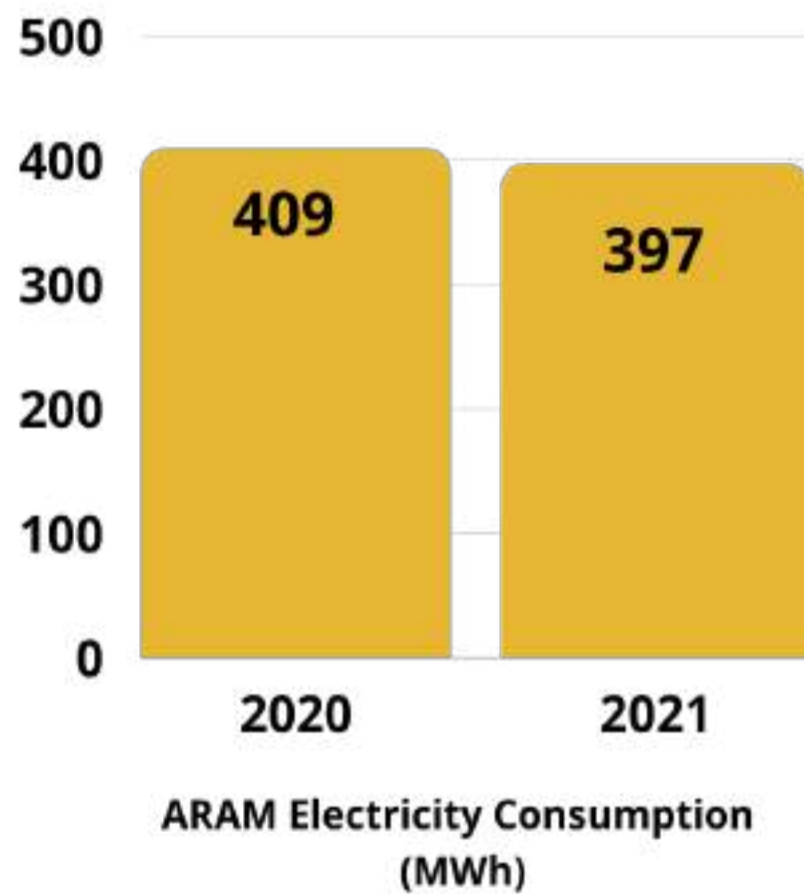




# ENERGY

Residential and commercial real estate consumes a large portion of Sharjah’s total energy usage. Our most major environmental impact is the consumption of energy in buildings and the resulting greenhouse gas (GHG) emissions. Aram Group Properties has made it a priority to reduce energy consumption and greenhouse gas emissions as part of our long-term sustainability strategy.

The primary source of energy consumption at ARAM Group is electrical power used across the seven (7) buildings we own as well as the petrol consumed by the vehicles our managers use to carry out their daily tasks. We are consuming Natural gas and LPG in our 3 buildings each which add up to our total energy demand



Following we have described our energy consumption, which comprises of all four sources (electricity, fuel, natural gas, and LPG). ARAM group is committed to reducing its energy consumption to which we in 2021 we have seen **a reduction of 8.7% in our total energy consumption and in energy Intensity**. We have reduced our dependency on the direct use of fossil fuel as compared to 2020, the use of electricity has increased to 54.70% in 2021, as compared to 49.10% in 2020.



**6400 Watts of Solar Energy**

In 2020, ARAM Group began exploring the use of solar energy in some of the facilities under management. The first project involved the installation of 8 solar panels (800 Watts each) to provide a 24-hr energy supply to illuminate the backside of the two (2) warehouses in the Industrial Area-10. This initiative had both an environmental and a safety impact on the area.

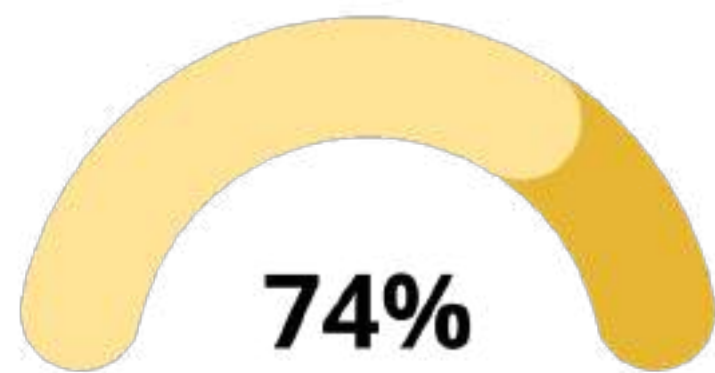
# WASTE

Since 2018, ARAM has a waste collection and disposal contract with Bee'ah, UAE's leading integrated environmental, recycling, and waste management company, for one of our industrial areas. Combining the skills of a specialized team with global experiences and local knowledge, Bee'ah is well-equipped to handle the needs of public and private organizations of all sizes and sectors through a personalized, efficient, and environmentally-sound disposal mechanism. The collected waste is processed at the Bee'ah Waste Management Centre at Al Saj'ah and reintegrated into the UAE economy. For Industrial Area-10, in which waste disposal is under ARAM Group management, Bee'ah collects an average of 20 mixed-waste containers per day, each containing nine (9) cubic meters of various materials.

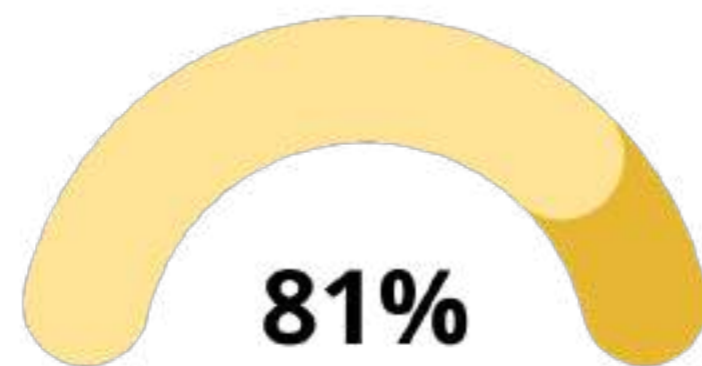
During, 2021 we were able to achieve an 81% waste diversion rate from landfills, whereas during 2020 this was only 74%.



ARAM Waste Composition (MT)



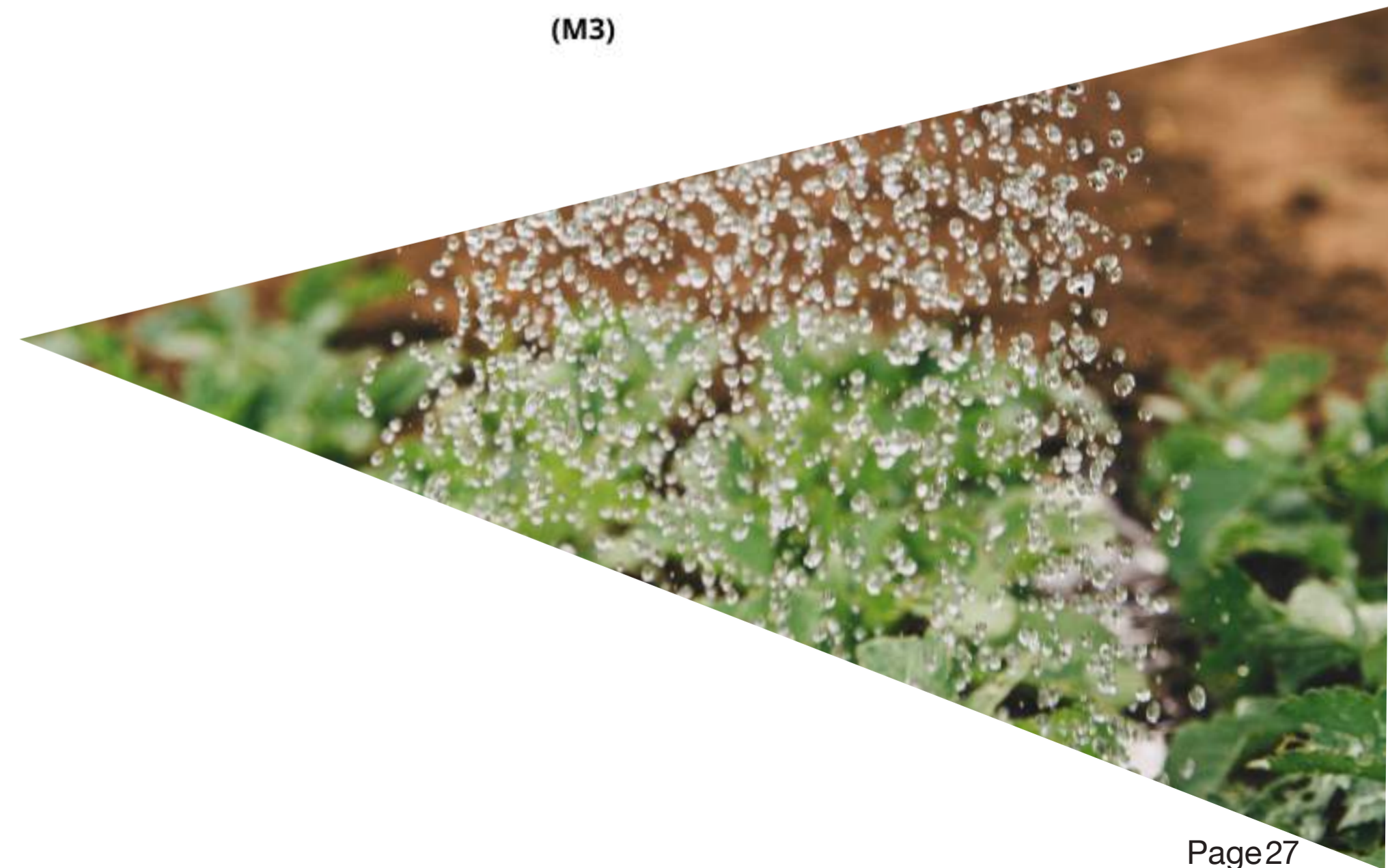
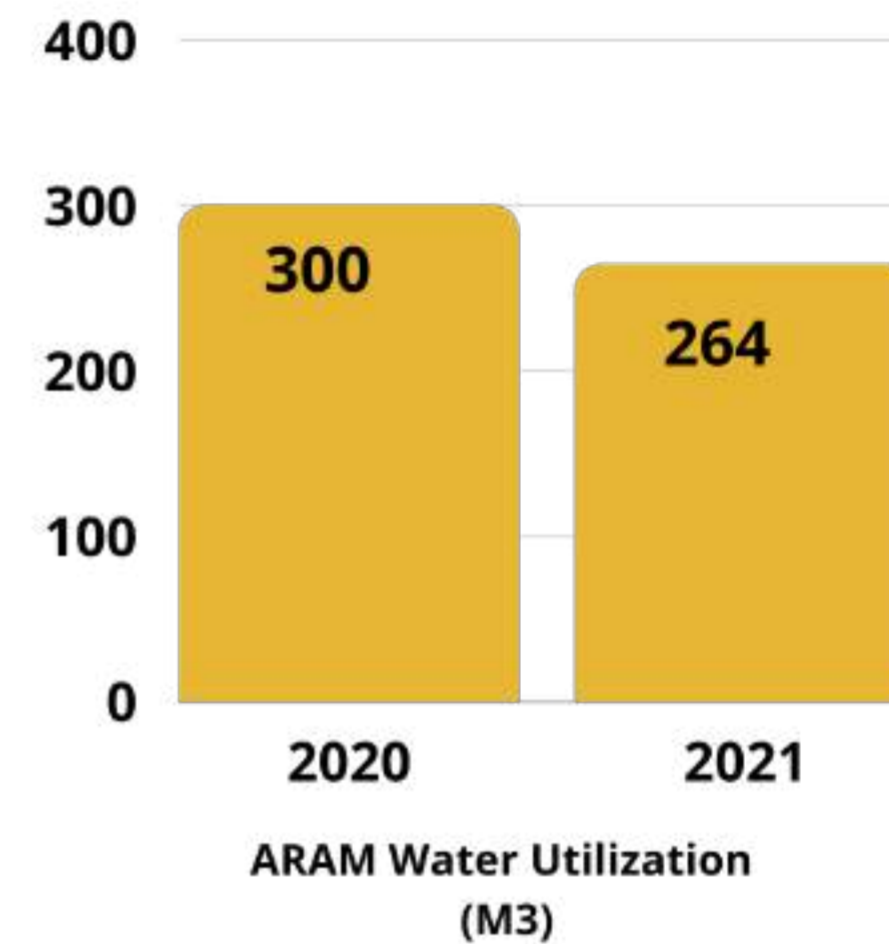
Waste Diversion from Landfill 2020



Waste Diversion from Landfill 2021

# WATER

As a real estate investment firm, ARAM Group does not have a conspicuous water consumption rate other than that concerning the water consumed in our facilities' common spaces (i.e. toilets) or by the employees in our offices. However, we have achieved a reduction in our water consumption by 8.80%.





# WASTEWATER

Four (4) out of the seven (7) facilities included in our portfolio under management do not have a wastewater collection system connected to the municipality system. Therefore, we have contracted with two (2) different companies for the collection and safe disposal of the wastewater.

In 2020, to overcome a problem raised by the municipality regarding the level of water contamination, we installed filters in the manholes of the facilities to ensure that the water collected by third-party companies is free of hazardous substances. We then contracted with a specialized company to clean and sanitize residual wastewater from the buildings' manholes every six (6) months.

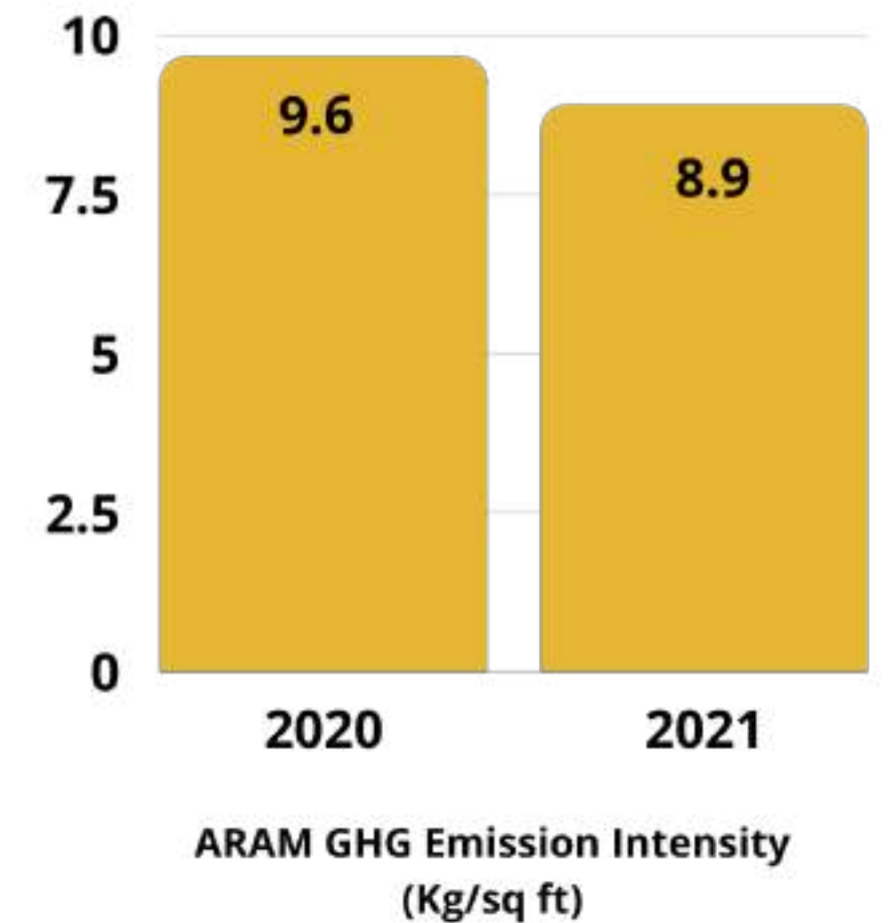
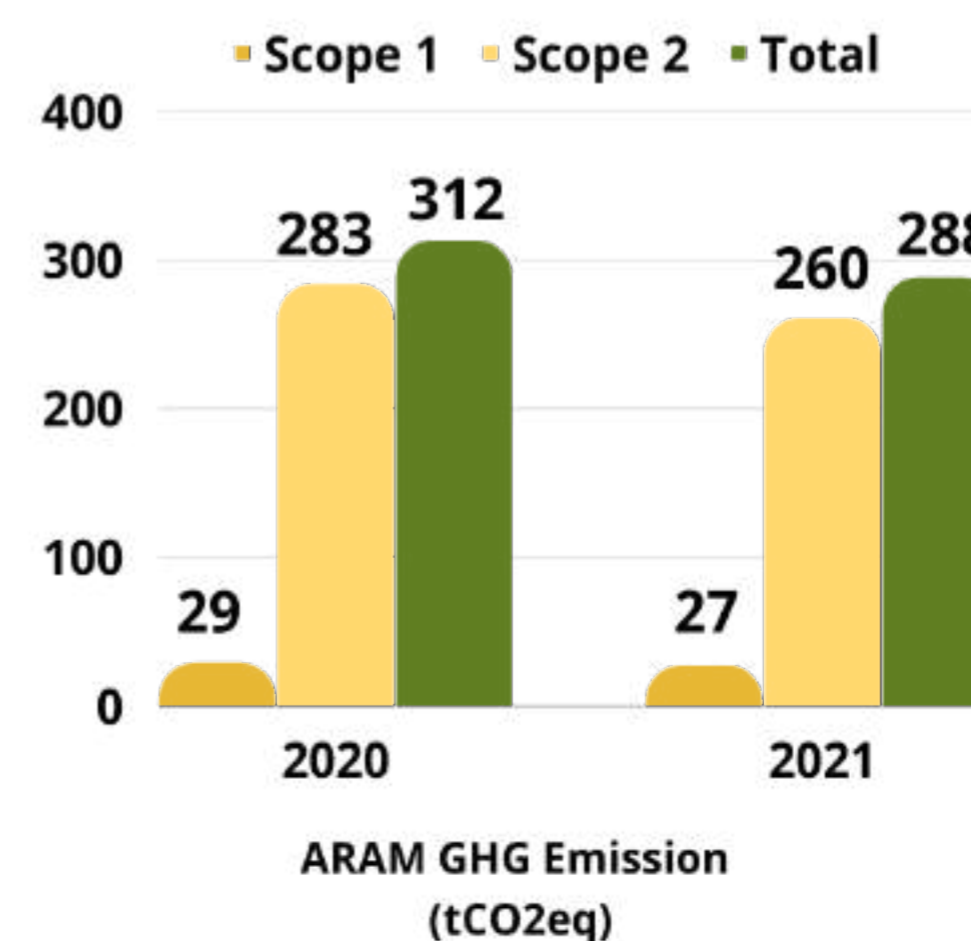
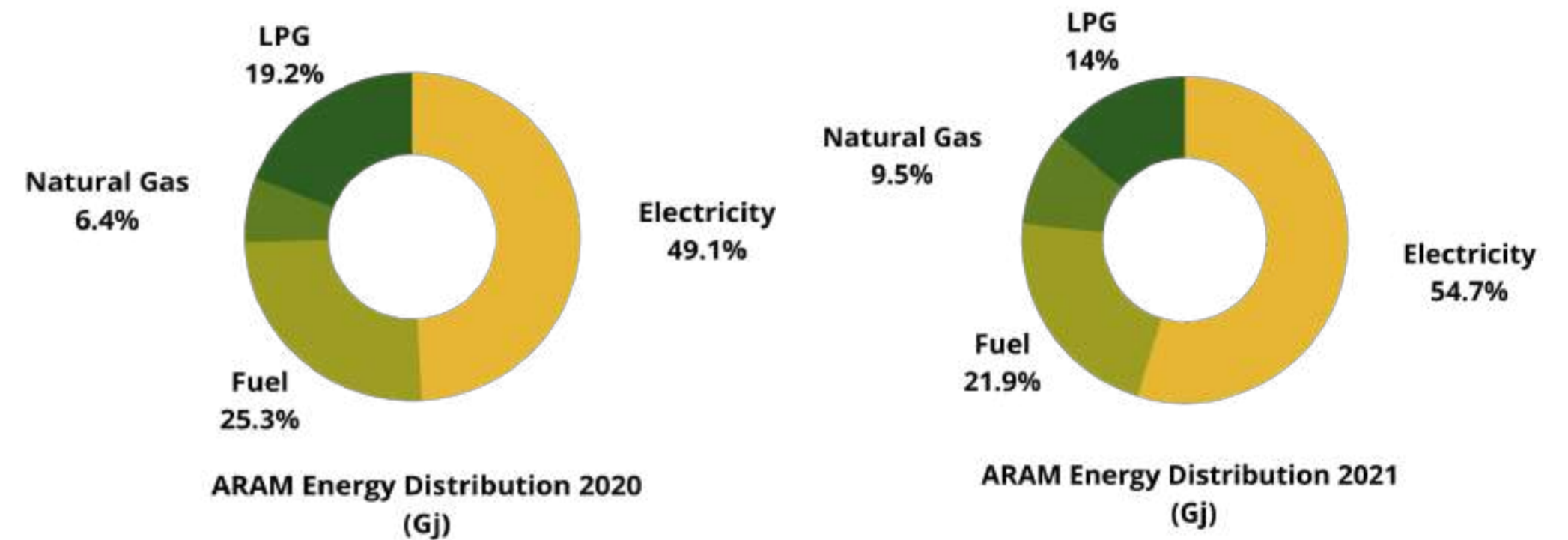


# GHG EMISSIONS

In line with the global and national efforts to attenuate global warming-induced climate change, we have made it a practice of keeping a track of our GHG Emissions and constantly undertake the measures to minimize it within our operations and beyond.

Following GHG Protocol Corporate Accounting and Reporting Standard to calculate our GHG Emissions - Our GHG emission in 2021 has shown better performance than the previous year of 2020.

- **Scope 1 emission reduction of 9.19%.**
- **Scope 2 emission Reduction of 9.40%**
- **Overall GHG emission reduction of 9.21%**
- **Reduction in GHG emission Intensity of 9.21%**





# OUR 2022 GOALS



Reduce our paper consumption and take a step closer to paperless transformation

Increase the coverage of Solar applications.



Plan and manage our organic waste by inhouse composting awareness and systems, to save organic waste from going into landfills and reduce our CO<sub>2</sub> (carbon dioxide) and CH<sub>4</sub> (Methane) emissions

Increase green cover within our office and common areas of our assets, to improve indoor air quality, reducing CO<sub>2</sub> levels, and better aesthetics.



Monitor use of natural resources and set corporate targets on reducing GHG emissions and optimizing asset performance.





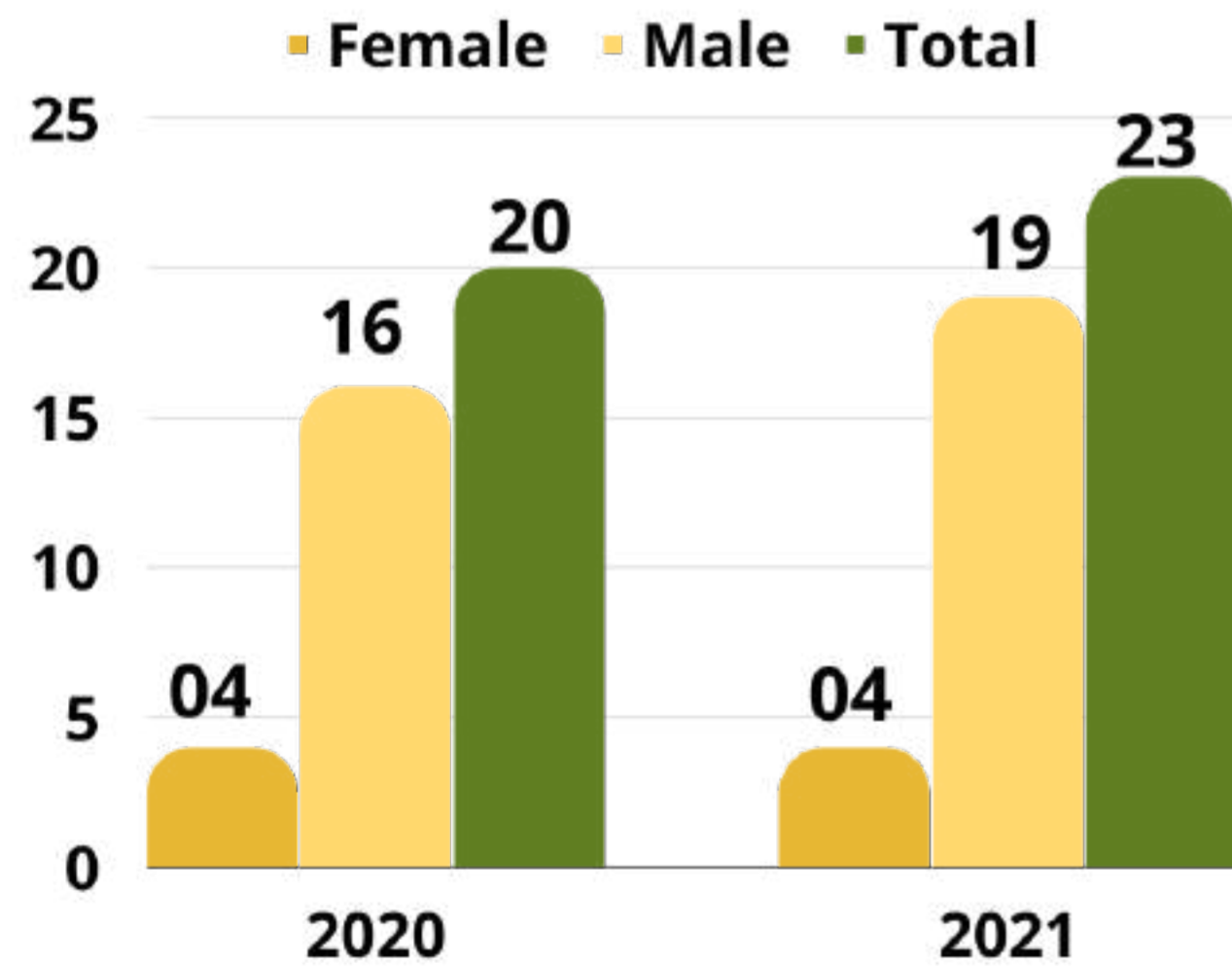
A photograph of a city skyline at sunset, with a large yellow arrow pointing from the right side towards the text. The skyline features several tall buildings, and the water in the foreground is calm with a fountain visible. The sky is a mix of blue and orange, with some clouds. The yellow arrow is a large, solid shape that originates from the right edge and points towards the center of the image.

# SOCIAL STEWARDSHIP

# SOCIAL STEWARDSHIP

An organization thrives when the people associated with it grow holistically, our people have always elevated us to the top. While we are committed to motivating our employees, improving their abilities, and giving equitable chances for advancement. Our employees share their loyalty and trust with us in return. We appreciate each employee and strive to foster an environment that is compassionate, inclusive, inspiring, and rewarding for all our workforce. Through excellent training and personal development, we bring out the best in our employees, allowing them to have a rewarding career with ARAM.

Within and outside of its work culture, ARAM fosters a diverse, gender-equal, and employees well-being. We strictly comply with every aspect of the UAE Labour Law, and we pay utmost attention to respecting human and labour rights in our daily activities, ensuring that all our business operations are conducted most ethically.



**ARAM Total Employs**

# SOCIAL INITIATIVES

ARAM believes in giving back to society, in terms of monetary and volunteering support, ARAM has done investment in CSR activities as follows.

Through in-kind financial contributions, ARAM is committed to supporting local communities and organizations working to improve the wellbeing and development of people in the Emirate of Sharjah.

ARAM further strives to boost the wellbeing of the community around its facilities by investing annually in maintenance and cleaning services.

In 2020, we invested in community initiatives, to alleviate the burden on families and businesses directly affected by the Covid-19 pandemic, we offered a rental discount on our assets, hoping to generate a positive impact across the community. The value of this initiative amounted was AED 74,085 in total, whereas this number fell to AED 26,971.



# EQUAL OPPORTUNITY

Gender equality is essential for long-term development and the realisation of human rights. The ultimate objective of gender equality at ARAM is to create an environment where men and women have equal opportunities, rights, and responsibilities in all aspects of work and life.



# DIVERSITY OF EMPLOYEES

We believe that by providing a caring, inspiring, and fulfilling environment for everyone, we will be able to bring out the best in our employees and help them succeed in their careers. Our commitment to a culture of inclusiveness - for guests and Team Members of all backgrounds, sexual identity, and religions - is to foster a sense of belonging that celebrates, promotes, and most importantly, respects all individuals.

ARAM is committed to creating a friendly, respectful and supportive work environment in which all employees are treated with kindness and respect, and we encourage everyone to reach their professional and personal goals. We will also be incentivizing employees' pay in the coming years on sustainability parameters. The ratio of management pay scale as compared to the employees and the gender payscale ratio is as per the industry standards in the UAE.

We currently have 7 nationalities in our team which is an increase from 2020 to 6 nationalities.

# HR POLICIES AND PROCEDURES

ARAM has created HR policies and procedures that provide its employees with guidance as to the minimum standards of conduct that they are expected to adhere to. The HR policy and procedures establish the rules of conduct within the organization, outlining the responsibilities of both employees and employers. The policy and procedures are in place to protect the rights of workers as well as the business interests of employers. Depending on the needs of the organization, various policies and procedures establish rules regarding employee conduct, attendance, dress code, privacy, and other areas related to the terms and conditions of employment.





# REMUNERATION AND PAY RATIO

With regards to the compensation of our employees, at ARAM Group, we equally pay women and men that are on the same level of employment. The big gap between the median of male and female salaries in 2020 and 2021 can be explained by the absence of women in senior-level and executive positions. Our management is committed to overcoming this state in the coming years

- Pay Ratio Median Male - Female: 6.45:1
- Pay Ratio median CEO - Employees: 3:1

# HEALTH AND SAFETY

With regards to Health and Safety, we reported zero (0) Lost Time Injury Frequency Rate (LTIFR) across all our operations in 2021. Additionally, no incidents were reported by the contractors working on our sites.

As of 2017, all firefighting systems across our facilities have been updated to comply with the municipality and safety department revised guidelines and new requirements. All smoke detectors within our facilities are now directly connected with the Sharjah Prevention and Safety Authority (SPSA) for a quicker response in case of emergency.

Furthermore, all elevators' emergency systems have been updated as per the latest international safety guidelines, and all our security personnel has been trained on the procedures to follow in case of an emergency.

# PROMOTION OF ETHICAL PRACTICES

As part of every employment contract, a Code of Conduct is incorporated to ensure ethical business practices are robust and effectively implemented throughout the organization, ensuring compliance with all laws and regulations and that proper standard of business conduct are maintained.



# OUR 2022 GOALS

Increase percentage of Emiratis employees within the organization, Increase the percentage of woman employees in the organization, Increase Invest in CSR Activities.

- Implement an Integrated Management system such as
- ISO 9001:2015 – Quality Management System; System;
  - OHSAS 18001: 2007 – Occupational Health & Safety Management System;
  - ISO 14001:2015 – Environmental Management System



A photograph of a city skyline at sunset, with a large yellow triangle overlay on the right side. The text "ETHICAL GOVERNANCE" is centered within the yellow triangle.

# ETHICAL GOVERNANCE

# ETHICAL GOVERNANCE

The Board and Executive Management of ARAM have ensured that good corporate governance practices are maintained despite the worldwide pandemic inflicting hardships. Governance concepts across all of the group's activities in 2021.

The Board of Directors and Executive Management consider that corporate governance has as its primary goal the protection of stakeholders' interests while also creating long-term shareholder value.

ARAM Group's Board of Directors (BoD) is the primary decision-maker in the areas of strategy, planning, auditing, governance, compliance, risk management, and internal control. The Board of Directors aims to ensure fair treatment of all shareholders following regulatory requirements.

The BoD delegates specific tasks to the Audit Committee, the Nomination and Remuneration Committee, and the Supervision and Follow-up Committee of Insiders' Transactions. This delegation allows the directors to deal with complex or specialized issues more effectively and to use their time more efficiently. Committees make recommendations for action to the entire Board, which retains collective responsibility for decision making.



Mr. Ziyad Mahmoud Khairalla Alhaji Alharmouzi  
Chairman



Mr. Ebrahim A H D Almannaei  
Vice Chairman



Mr. Khamis Mohamed Khamis Buharoon Alshamsi  
Board Member



Mr. Mohammad Jaffar Alhaj Ali Alrahma  
Board Member



Mr. Christian Wolff  
Board Member



Mr. Ali Mohd Zaid Ali Musmar  
Chief Executive Officer

## Audit Committee

The purpose of the Audit Committee is to ensure that management has created and maintained an effective control environment in ARAM Group. The Committee is responsible for providing and maintaining a channel of communication between the BoD, Internal and External Auditors.

|   |                    |
|---|--------------------|
| Mr. Christian Wolff                         | Committee Chairman |
| Mr. Khamis Mohamed Khamis Buharoon Alshamsi | Committee Member   |
| Mr. Mohammad Jaffar Alhaj Ali Alrahma       | Committee Member   |

## Nomination and Remuneration

The objectives of the Nomination and Remuneration Committee include monitoring and evaluating the performance of each director individually and of the Board collectively, as well as developing, evaluating and reviewing remuneration practices and policies.

|   |                    |
|---|--------------------|
| Mr. Khamis Mohamed Khamis Buharoon Alshamsi | Committee Chairman |
| Mr. Mohammad Jaffar Alhaj Ali Alrahma       | Committee Member   |
| Mr. Christian Wolff                         | Committee Member   |

## Supervision and Follow-up Committee of Insiders' transactions

The scope of work of the Supervision and Follow-up Committee of Insiders' transactions is to establish and update the insiders' list, to receive trading requests from insiders, and periodically review trading operations to verify the insiders' commitment.

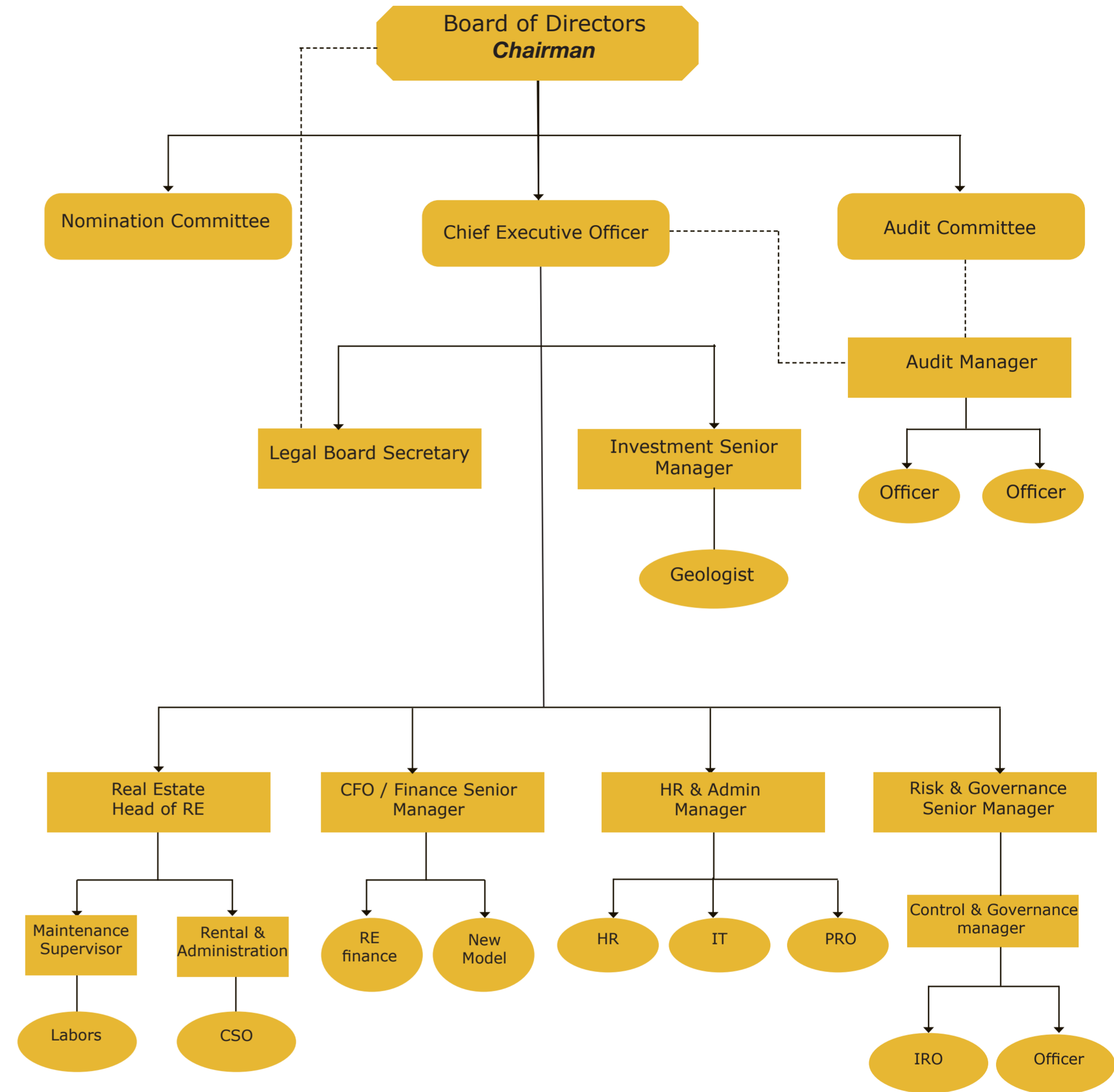
|             |   |
|-------------|---|
| Batoul Assi | Compliance and Internal Control Officer             |
| Najwa Farah | Executive Secretary and Investors Relations Officer |



# GOVERNANCE STRUCTURE

The company's business is managed by its employees and executive management, led by the CEO. The Board of Directors, in coordination with its Nomination and Remuneration Committee, appoints the CEO and cooperates with him and with that committee to appoint other members of the executive management who are delegated to manage the company's business.

The Board of Directors is responsible for supervising the overall activities of the company and ensuring that its interests, as well as those of its shareholders, are served. The Executive Management assumes its responsibilities as delegated to it by the Board of Directors in accordance with the laws and regulations issued by the Abu Dhabi Securities and Commodities Authority.



# GOVERNANCE FRAMEWORK

ARAM Group has implemented various policies to ensure that improper behavior is recognized, reported, disclosed, and/or prevented. The company has issued numerous guidelines regarding identifying, reporting, disclosing, and preventing potential adverse actions.

## CONFIDENTIALITY OF INFORMATION

As a member of the Board of Directors, employees, contractors, consultants, and auditors, ARAM Group recognizes that maintaining confidentiality is of the utmost importance. Our employees, agents, contractors, consultants, and auditors are typically entrusted with trade secrets and proprietary information not generally disclosed in public. As a result, the company developed a specific policy to minimize the risk of compromising confidential information and to comply with local laws governing the use of information and data security.

## CONFLICT OF INTEREST

If a board member has a direct or indirect material personal interest in a transaction that is being considered by the board, that can be deemed a potential conflict of interest. The board of directors must be notified in writing via the company's secretary of a potential conflict of interest if a director has an interest in a transaction being considered by the board. The same will be recorded in the conflict of interest register and minutes of the meeting.

A member of the board with a conflict of interest is not allowed to vote or to exercise personal influence on the matter, and will not be present when the matter is discussed by the board.



## ETHICS AND PREVENTION OF CORRUPTION

As part of our obligatory duty under the Federal Decree-law No. (20) of 2018, and Article 20 (2) of Cabinet Decision No. (10) of 2019, we have procedures in place for reporting suspicious transactions to prevent Anti-Money Laundering ("AML") and Counter Financing of Terrorism ("CFT").

No such cases were identified in 2021.

Additionally, we mandated that all Designated Non-Financial Businesses and Professions ("DNFBP's) should register on a "goAML portal" before 31 March 2021. The goAML portal is an integrated platform used for filing Suspicious Transaction Reports (STRs) and/or Suspicious Activity Reports (SAR), No such cases were identified in 2021.



# WHISTLEBLOWING

Our whistleblowing policy covers the mechanism of internally reporting any misconduct and verifying suspicious activities. The policy aims to encourage and enable employees to express any concerns by providing an objective, confidential and independent reporting, and investigation mechanism so that appropriate corrective actions can be taken.

Policies and procedures related to dealing with unethical or illegal behavior are shared with all members of the organization and are available in the "Company Policies and Procedures Handbook", which is accessible to all employees.

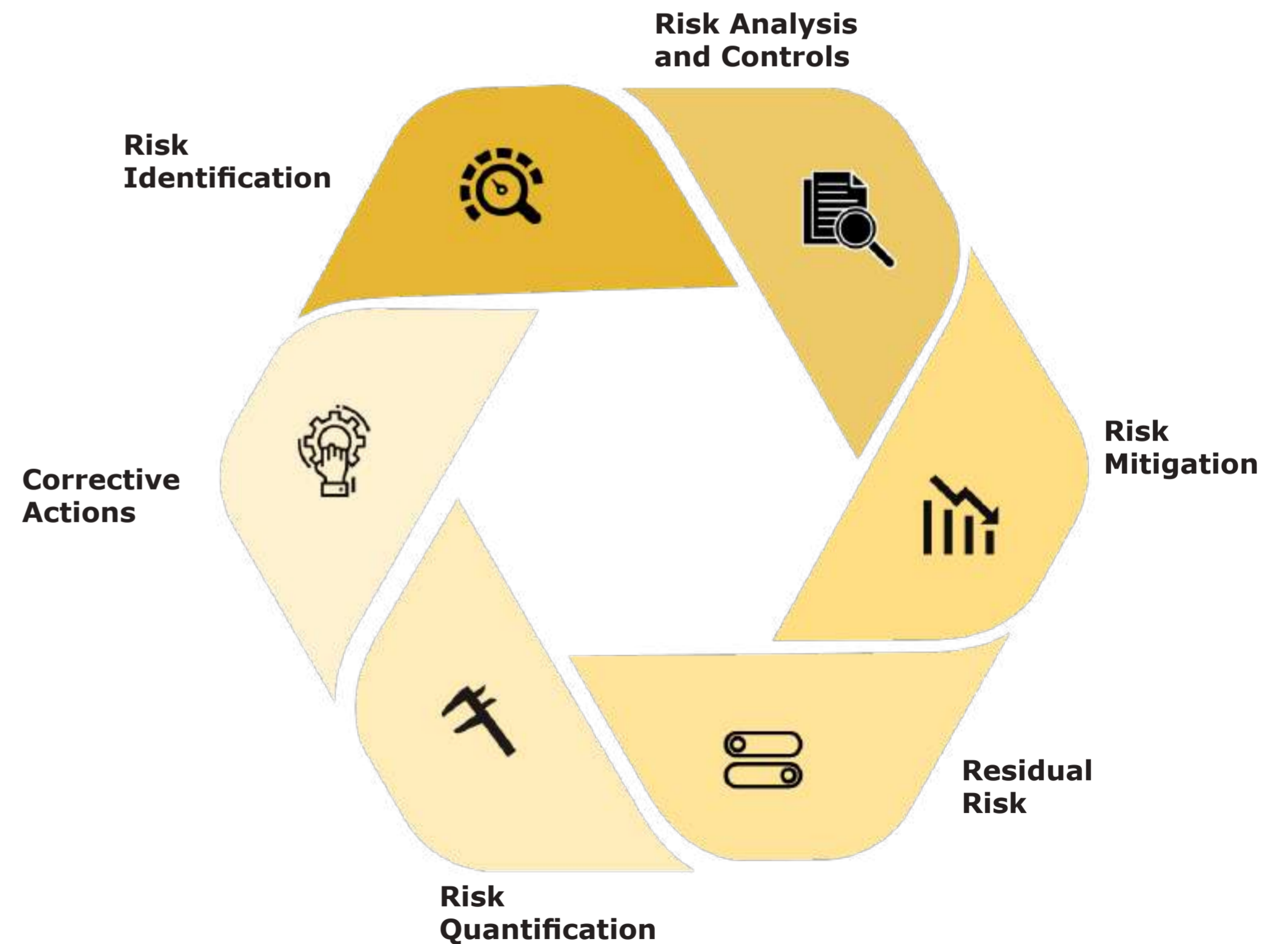
# DATA PROTECTION

ARAM did not take steps to comply with the rules of the European General Data Protection Regulation yet. However, The Group is committed to collecting, using, retaining, and not disclosing shareholders' personal data in an unsafe manner in compliance with the applicable regulatory and legal requirements for shareholder data protection.







# ENTERPRISE RISK MANAGEMENT






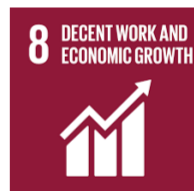


Risk is proactively managed at ARAM by the Board of Directors and senior managers, as well as its business line heads of departments and employees.



It is important to emphasize that the goal of risk management is not to eliminate risk but rather to ensure that risks are identified and managed so that they remain within a predetermined level of acceptability. Also, risk and reward often go together, therefore an expectation of higher rewards may expose the organization to higher risk levels and vice versa. Our risk management approach ensures that risks remain within predefined levels as per policies approved by the Board of Directors.



# ADX-ESG MAPPING

| Category    | ADX Metric                             | Corresponding GRI Standards       | Corresponding SDG  | Page and/or Notes                 |
|-------------|--|-----------------------------------|--|-----------------------------------|
| Environment | E1. GHG Emissions                      | GRI 305: Emissions 2016           |    | 29                                |
|             | E2. Emissions Intensity                | GRI 305: Emissions 2016           |    | 29                                |
|             | E3. Energy Usage                       | GRI 302: Energy 2016              |    | 24,25                             |
|             | E4. Energy Intensity                   | GRI 302: Energy 2016              |  | 25                                |
|             | E5. Energy Mix                         | GRI 302: Energy 2016              |    | 24,25                             |
|             | E6. Water Usage                        | GRI 303: Water and Effluents 2018 |    | 27                                |
|             | E7. Environmental Operations           | GRI 103: Management Approach 2016 |  | Environmental Policy for 2 Assets |
|             | E8. Management Environmental Oversight | GRI 102: General Disclosures 2016 |  | 12,13                             |
|             | E9. Board Environmental Oversight      | GRI 102: General Disclosures 2016 |  | 12,13                             |
|             | E10. Climate Risk Mitigation           |                                   |  | 25                                |

| Category | ADX Metric                   | Corresponding GRI Standards  | Corresponding SDG   | Page and/or Notes      |
|----------|------------------------------|--|---|------------------------|
| Social   | S1. CEO Pay Ratio            | GRI 102: General Disclosures 2016  |    | 38                     |
|          | S2. Gender Pay Ratio         | GRI 405: Diversity and Equal Opportunity 2016                                      |    | 38                     |
|          | S3. Employee Turnover        | GRI 401: Employment 2016   |   | 34                     |
|          | S4. Gender Diversity         | GRI 102: General Disclosures 2016<br>GRI 405: Diversity and Equal Opportunity 2016 |    | 34, 36                 |
|          | S6. Non-Discrimination       | GRI 103: Management Approach 2016  |    | 34                     |
|          | S7. Injury Rate              | GRI 403: Occupational Health and Safety 2018                                       |   | 38                     |
|          | S8. Global Health and Safety | GRI 103: Management Approach 2016  |   | No specific HSE Policy |
|          | S9. Child and Forced Labour  | GRI 103: Management Approach 2016*   |  |                        |
|          | S10. Human Rights            | GRI 103: Management Approach 2016  |  |                        |
|          | S11. Nationalization         | -  |  |                        |
|          | S12. Community Investment    | GRI 413: Local Communities 2016  |   | 35                     |

| Category   | ADX Metric                              | Corresponding GRI Standards                   | Corresponding SDG   | Page and/or Notes |
|------------|---|---|---|-------------------|
| Governance | G1. Board Diversity                     | GRI 405: Diversity and Equal Opportunity 2016 |  | 36, 42            |
|            | G2. Board Independence                  | -   | -   | 42                |
|            | G5. Ethics and Prevention of Corruption | -   |  | 47                |
|            | G6. Data Privacy                        | -   | -   | 48                |
|            | G7. Sustainability Reporting            | -   | -   | Annual ESG Report |





**ESG  
REPORT  
2021**