



MARCH 2023

ESG REPORT 2022



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ESG REPORT 2022



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**ACT RESPONSIBLE,
THINK SUSTAINABLE.**

CHAIRMAN'S STATEMENT



MR. KHAMIS BUHAROON ALSHAMSI

We are excited to present to you the third ARAM Group ESG Report for 2022. At ARAM Group, we are committed to operating our business responsibly and sustainably. We believe that environmental, social, and governance (ESG) considerations are essential to the long-term success of our company and the communities we serve.

Our ESG strategy is focused on three key areas:

Environmental Responsibility: We recognize the urgent need to address climate change and to reducing our carbon footprint. We aim to reduce our greenhouse gas emissions and plan to implement a range of measures to increase energy efficiency, reduce waste, and conserve natural resources.

Social Responsibility: We are committed to creating a safe and inclusive workplace where our employees can thrive. We promote diversity and inclusion, and we prioritize the health and safety of our employees and contractors.

Ethical Governance: We are committed to upholding the highest standards of corporate governance and transparency. We have established robust internal controls

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I firmly believe that embedding Environmental, Social, and Governance principles into our business strategy is not only the right thing to do for the planet and society but also a smart business decision that creates long-term value for our stakeholders

and compliance processes, and we regularly engage with our stakeholders to ensure that we are meeting their expectations.

ARAM group is well-positioned for success in the commercial real estate sector as an organization with long-term outlooks, access to public capital markets, and top-notch management teams and operating platforms.

Our portfolio of properties has continued to perform well, with strong occupancy rates and rental income. We have also successfully managed and operated our assets, which have expanded our reach and strengthened our market position. Our financial performance has been robust, with steady revenue growth and strong profitability. Our prudent financial management practices have enabled us to maintain a healthy balance sheet and invest in new opportunities.

As part of our commitment to ESG, we are proud to report on our progress and performance in these areas. We recognize that there is always more work to be done, and we are committed to continuous improvement.

Thank you for your ongoing support and engagement as we work to build a sustainable future.

Regards and best wishes

Mr. Khamis Buharoon Alshamsi

Chairman – ARAM Group

ABOUT ARAM GROUP

Aram Group is public shareholding company 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.



ABOUT THIS REPORT

ARAM Group has released its third annual report on Environmental, Social, and Governance (ESG) performance for the year 2022, which covers all of its operations. The report aims to offer pertinent and timely information on the company's management strategies for, focusing on environmental and social concerns. ARAM is committed to implementing the best practices to increase stakeholder involvement and minimize its environmental impact. The report complies with the Abu Dhabi Securities Exchange (ADX) Environment, Social, and Governance (ESG) Disclosure Guidelines and Global Reporting Initiative (GRI) Standards. The report also includes stakeholder engagement activities that have identified crucial sustainability issues.

The purpose of this report is to showcase ARAM Group's group-wide ESG performance for the year 2022. We are dedicated to providing relevant and timely information on our ESG performance and management strategies for its services, with a particular emphasis on environmental and social disclosures. Additionally, this report reflects our commitment to achieving the United Nations Sustainable Development Goals (UNSDGs) and aligns with the global sustainability agenda set by the United Nations (UN), the UAE sustainability vision, the United Nations Global Compact (UNGC), the Abu Dhabi Economic Vision 2030, the UAE Strategy 2050, and the Paris Climate Agreement.

However, reporting is more than just showcasing our accomplishments. It is crucial to establish community trust in our company. This report assists us in maintaining transparency with our

stakeholders about the sustainability risks and opportunities we face. sustainability reporting and working sustainably have become more critical than ever in building confidence among all stakeholders and communities.



SCOPE OF THE REPORT

As a testament to our unwavering commitment to sustainable development, ARAM Group is delighted to release its annual ESG report. This report is intended to inform our stakeholders about our sustainable practices, which encompass our long-term strategy, goals, initiatives, and achievements.

We prioritize openness and accuracy in our communication of sustainability objectives, progress, and aspirations, and we invite feedback and suggestions from all stakeholders, including investors, guests, and team members. In addition, we actively engage with investors and address their queries, while also benchmarking our sustainability performance against other local and global real estate peers.

Entities

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

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



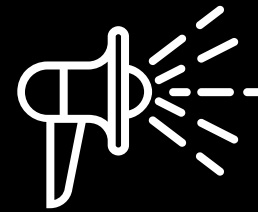
Reporting Period

This report covers our performance in the Environmental, Social, and Governance chapters for the year 2022.

Operational Boundary

This report covers our operation in the UAE only.

ARAM GROUP AT GLANCE



ARAM is a publicly listed company that was established in 1976. Its primary focus is to invest in various fields, including real estate, financial instruments, and rental properties with the aim of diversifying its portfolio.



VISION

To create a highly respected, world-class portfolio of strategic and high returning investments, committed to adhere to international standards and value creation to shareholders



MISSION

To deliver industry-leading investment opportunities by managing core operational developments and creating a resilient business

THE COMPANY MISSION & VALUES



INTEGRITY

We work precisely, acting with integrity and transparency



EXCELLENCE

We strive for excellence
We believe that investment excellence should drive our long-term, thoughtful decisions



RELIABILITY

We deliver our promises by executing continuous improvement, and adapting the changeable circumstances in the global market



DIVERSITY

We show respect and equivalence
We construct a supportive work environment that fosters accountability and loyalty
We work jointly to succeed our goals

REPORTING APPROACH



Aram Group's ESG reporting is based on the ESG guidelines provided by Abu Dhabi Security Exchange (ADX). They have aligned their goals and activities with the United Nations Sustainable Development Goals (UNSDGs) and the United Arab Emirates Sustainable Development Goals (SDGs), which were implemented through a whole-of-government approach by the UAE.

The UAE formed a National Committee on SDGs, comprising of federal agencies, to ensure alignment and integrated implementation of the SDGs. The National Committee engages with various stakeholders, including a business sector advisory council and a youth advisory council, to identify implementation issues and develop policies. In 2018, the National Committee also introduced the Global Councils on SDGs to encourage international collaboration on finding solutions to global challenges.

Aram Group's 2022 ESG report details the progress made toward their strategic priorities based on a Materiality Survey, covering the period from January 1, 2022, to December 31, 2022.

OUR APPROACH TO ESG

As a real estate investment firm, we recognize the importance of addressing ESG factors to promote sustainable and safe living and working conditions for our assets. We adhere to all regulations set forth by ADX, local, and UAE federal laws and prioritize the implementation and update of safety policies and procedures.

Our management team is fully dedicated to reducing our environmental impact, taking measures to minimize energy consumption, waste, water usage, and improving the health and safety of our residents and workers. We believe that conducting ESG analysis and reporting is crucial for effective risk management, enabling us to identify potential risks and opportunities that inform our decision-making process regarding asset acquisition and business expansion.

We acknowledge that managing ESG risks are essential in creating long-term value, driving sustainable financial performance, and enhancing benefits for our internal and external stakeholders. A robust ESG program allows real estate portfolios to identify and manage climate change-related risks effectively, leading to more informed investment decisions.

QUANTIFICATION



The ARAM Group has defined key focus areas of environmental, social, and economic aspects that facilitate the implementation of our sustainability plan. ARAM aims to develop sustainable assets that operate efficiently and mitigate risks while preserving value in the long term. The group engages in regular communication with its internal and external stakeholders to showcase its grasp on the essential drivers for sustainable success. We strive to enhance our performance by executing initiatives from our Sustainable Business Roadmap, obtaining more sustainable investments, and pursuing a sustainable business expansion strategy. We plan to raise awareness of our objectives and progress within the organization and among external stakeholders.

To better understand the critical issues relevant to the ARAM group, we conducted a materiality survey and analysis. The materiality assessment approach helped us identify the most crucial sustainability issues for our stakeholders. The group realizes that they must understand the challenges at hand to manage risks and operate with our stakeholders' support.

This year's survey was limited to internal stakeholders for reporting purposes. The group evaluated the importance of these concerns to their stakeholders and their impact on the group's economic, environmental, and social aspects.

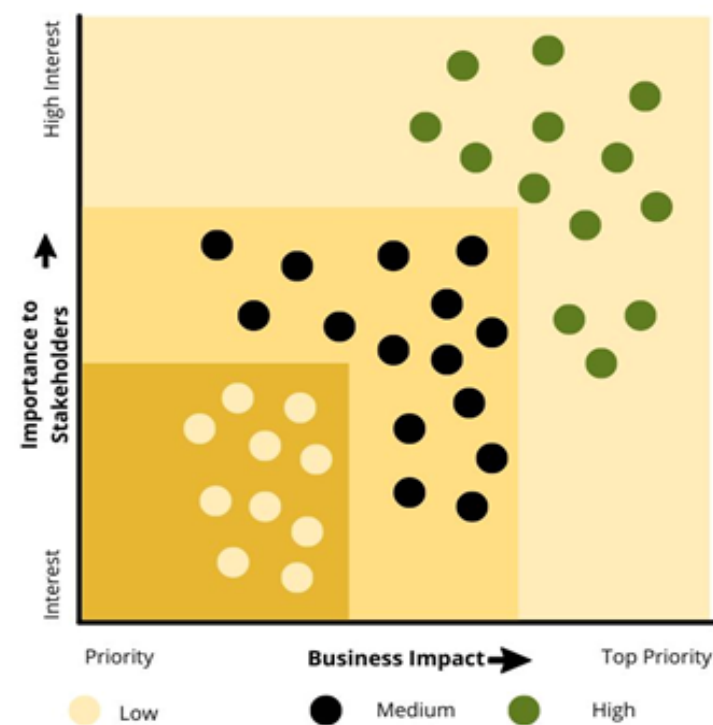
This evaluation incorporated several relevant factors derived from the ADX reporting regulations. The group classified the importance of these concerns to their internal stakeholders as 'low,' 'moderate,' or 'high.' Survey participants, including investor relations, central procurement, finance, human resources, senior employees, and management executives, answered questions on their knowledge of the Group, their industry, and the interplay between their sector and broader socio-environmental aspects. The materiality mapping visuals depict the material concerns identified by the Group. The matrix displays the relative importance of these issues to the company, based on the input received and the 'Importance to the Company's criteria.

STAKEHOLDER ENGAGEMENT



“We are consistently striving to cultivate strong relationships with our employees, communities, and stakeholders as we move ahead”

We consider ongoing engagement with our stakeholders to be essential for achieving our goals and a fundamental element in establishing trust with our residents, shareholders, vendors, employees, investors, and other stakeholders. To keep in touch with our diverse stakeholder groups, we utilize the following communication methods regularly:



LOW

- Forced Or Compulsory Labor
- Customer Privacy
- Child Labor
- Non-Discrimination
- Public Policy
- Socioeconomic Compliance
- Labor/Management Relations
- Marketing And Labeling
- Freedom Of Association And Collective Bargaining
- Supplier Social Assessment

MEDIUM

- Employment
- Supplier Environmental Assessment
- Customer Health And Safety
- Diversity And Equal Opportunity
- Energy Intensity
- Energy Usage
- Indirect Economic Impacts
- Procurement Practices
- Renewable Energy Intensity
- Security Practices
- Training And Education
- Biodiversity
- Waste
- Water And Effluents
- Environmental Compliance

HIGH

- Environmental Impact
- Anti-Competitive Behavior
- Emiratisation
- Emissions
- Energy Management And Impacts
- Local Communities
- Market Presence
- Materials
- Anti-Corruption
- Economic Performance
- Tax
- Human Rights Assessment
- Occupational Health And Safety

STAKEHOLDER STRUCTURE

INVESTORS



Our routine includes participating in quarterly earnings calls, attending conferences for investors and analysts, conducting meetings and property tours, and staying up-to-date with the investing community's expectations.

EMPLOYEES



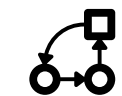
Each year, we carry out surveys on topics such as remuneration and perks, career opportunities and advancement, inclusivity and diversity, and job satisfaction. Our corporate headquarters and local communities organize frequent town hall gatherings and social gatherings, both in-person and online. Moreover, we provide a social networking platform for our staff to share their opinions and suggestions with the rest of the organization.

RESIDENTS



We gather feedback from our residents via regular surveys, and we keep in touch with them through various means, including resident events, frequent publications, email correspondence, and social media interactions.

VENDORS AND SUPPLIERS



To procure the necessary materials and services for the maintenance and operation of our assets, we collaborate directly with various third-party suppliers. We conduct regular on-site and virtual meetings with these vendors to evaluate their company, industry, product, and service advancements. Additionally, we discuss our existing partnerships with them to identify areas for improvement and enhance the quality of service we offer for our property.

GOVERNMENTS AND POLICY MAKER



We maintain regular communication with policymakers through our participation in local and national trade associations.

ENVIRONMENTAL STEWARDSHIP

ARAM Group is dedicated to upholding transparency and fostering a culture of integrity to promote ethical and responsible business conduct. As part of our sustainability initiatives, we are implementing various measures to mitigate the impact of climate change. This includes reducing emissions, and fuel consumption, and enhancing energy efficiency. Our goal is to reduce our environmental impact through resource conservation and collaborating with local communities on environmental stewardship projects.



To reduce our environmental footprint, we have taken actions such as energy efficiency drives (replacing the lighting in shared spaces with LED lights). This resulted in a significant reduction in monthly electricity consumption and cost. In the past few years, we have also carried out structural maintenance on our Al-Majaz Building by replacing PVC water pipes with PPR pipes, upgrading electrical wirings, and improving wastewater drainage systems to reduce the risk of accidents and energy loss.



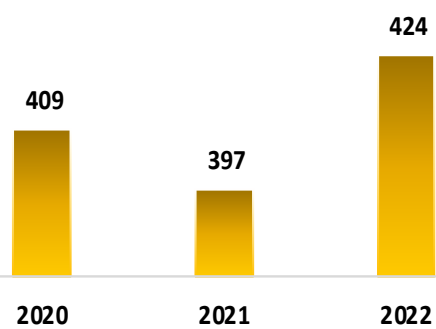
As owners of three buildings constructed before 2000, we acknowledge the challenges in managing their environmental impact due to their outdated design. Nonetheless, we are committed to preserving the livability of these spaces and reducing their impact on the environment. In 2019, we upgraded the wastewater drainage system in our Al-Soor building, recognizing that old drainage systems could pose a risk to the building's structure and surrounding communities in Sharjah.

ENERGY

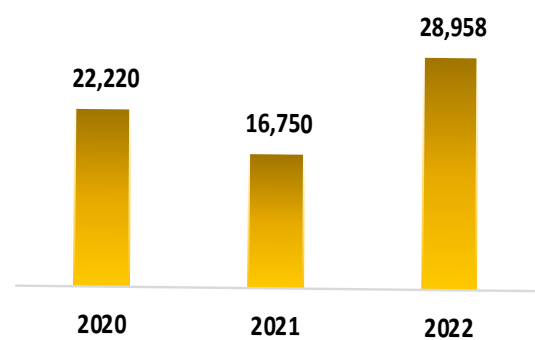
Buildings in Sharjah consume a significant amount of energy, particularly in the residential and commercial sectors, resulting in greenhouse gas emissions. Aram Group Properties acknowledges this impact and has prioritized reducing energy consumption and emissions as part of our long-term sustainability strategy. Our primary sources of energy consumption include electrical power in our seven buildings, petrol used by managers for daily tasks, and natural gas and LPG in our three buildings.



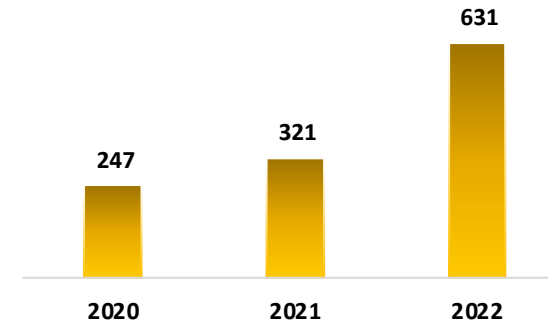
Electricity Consumption (MWh)



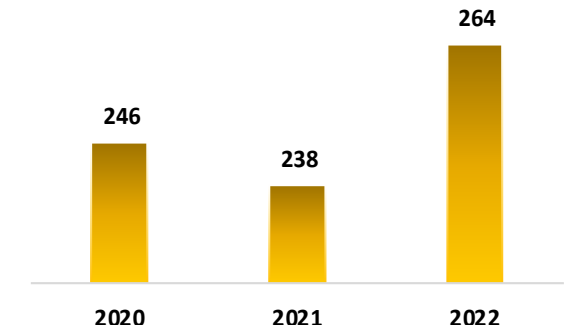
Fuel Consumption (liters)



Natural Gas Consumption (MMBTU)

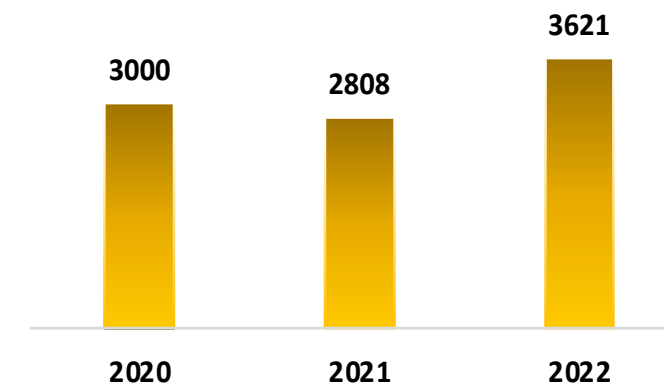


LPG Consumption (MMBTU)



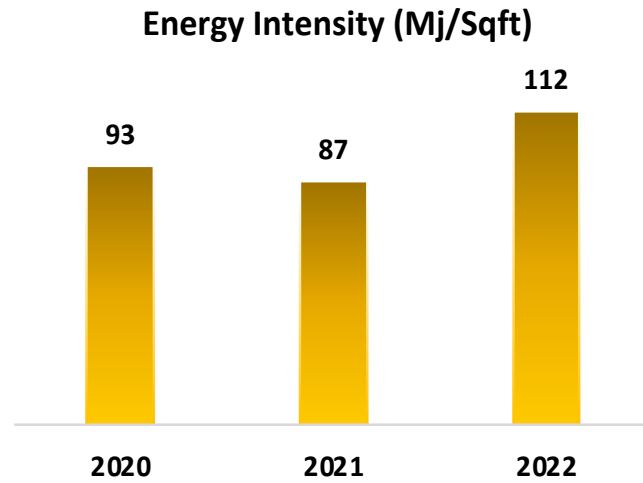
As we emerged from the COVID-19 pandemic in 2022, there was an overall rise in energy demand compared to 2021. According to the data, there was a slight increase of 6% to 10% in electricity and LPG consumption, while fuel and natural gas usage experienced a significant surge. This increase in fuel usage can be attributed to the lifting of travel restrictions and a higher number of trips, as well as an increase in the size of vehicle fleets.

Energy Consumption (Gj)



The net increase in the energy demand has gone up by 29% and should be considered a business-as-usual scenario post-pandemic.

Although the gross floor area for ARAM remains unchanged at 32,338.30 sqft for all assets combined, we have noticed a higher energy intensity of 112 Mj/Sqft for 2022, which is attributed to the increased energy demand.



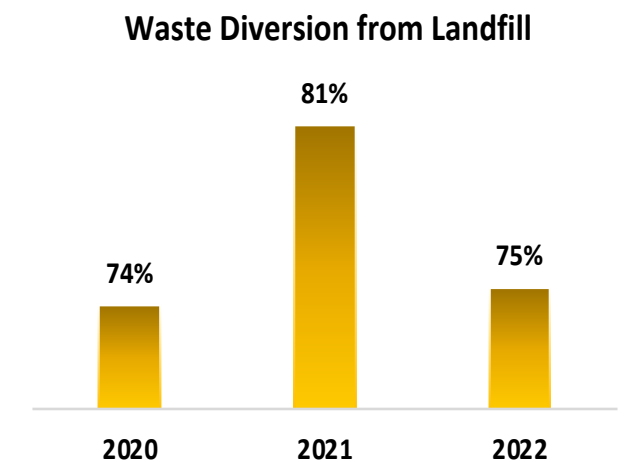
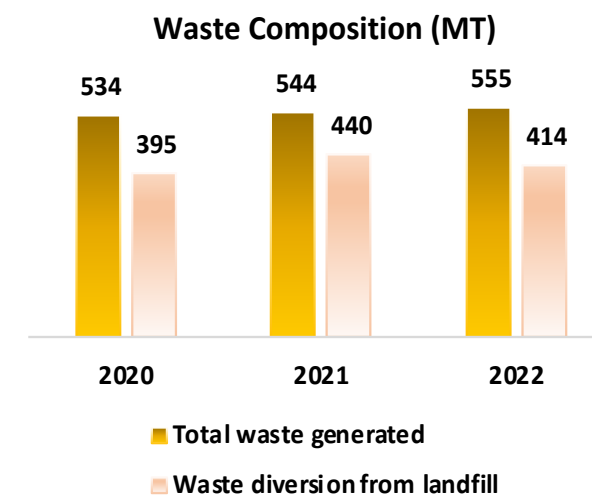
ARAM is continuously exploring the use of solar energy in our facilities, and our first project involved installing eight solar panels with 800 watts each to provide 24-hour energy to illuminate the backside of two warehouses in Industrial Area-10. This initiative had a positive impact on the environment and safety of the area. Going forward, we will continue to seek and implement sustainable practices that contribute to reducing our environmental impact.

WASTE

ARAM has had a contract with Bee'ah, the UAE's premier waste management company, for one of its industrial areas since 2018. Bee'ah's team combines specialized expertise with experience and local knowledge to offer personalized, efficient, and environmentally-friendly waste disposal services to public and private organizations of all sizes and sectors.

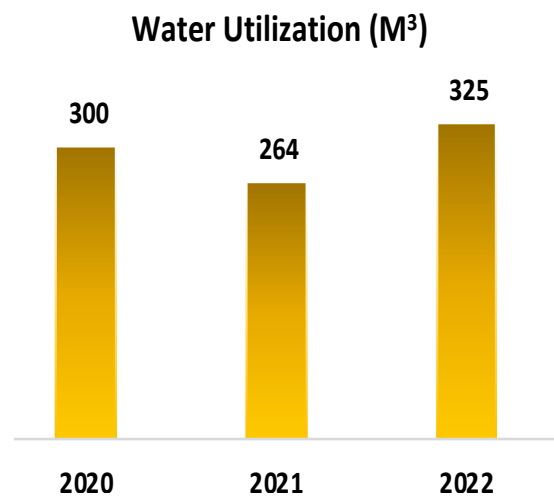
The waste collected from ARAM's Industrial Area-10, which comprises an average of 20 mixed-waste containers per day, each with nine cubic meters of various materials, is processed at Bee'ah Waste Management Centre in Al Saj'ah and reintegrated into the UAE economy.

In 2022, ARAM was able to divert 75% of its waste from landfills, as compared to 81% which was obtained in the year 2021.



WATER

ARAM Group, a real estate investment firm, has a minimal water consumption rate that is only associated with the water used in common spaces (such as toilets) in our facilities or by our office employees. Nevertheless, we have observed the increased water demand in the reporting year of 2022, the water demand has increased by 23%.



WASTEWATER

Out of the seven facilities in our management portfolio, four do not have a connection to the municipality's wastewater collection system. To address this issue, we have engaged the services of two separate companies for the collection and proper disposal of the wastewater.

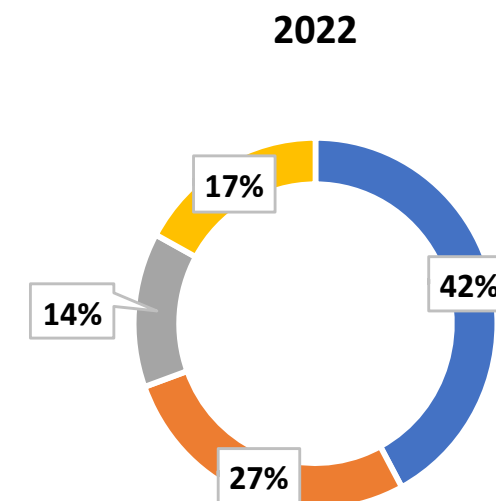
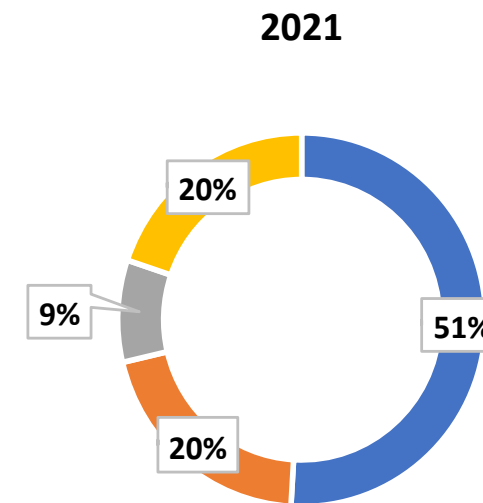
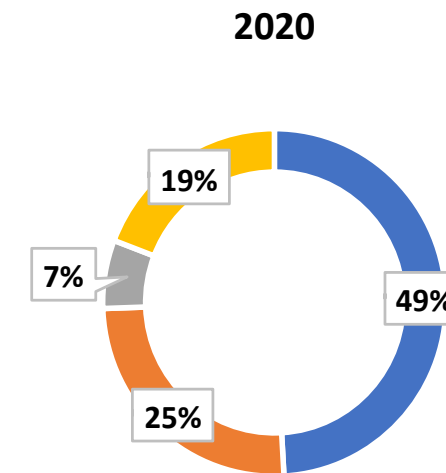
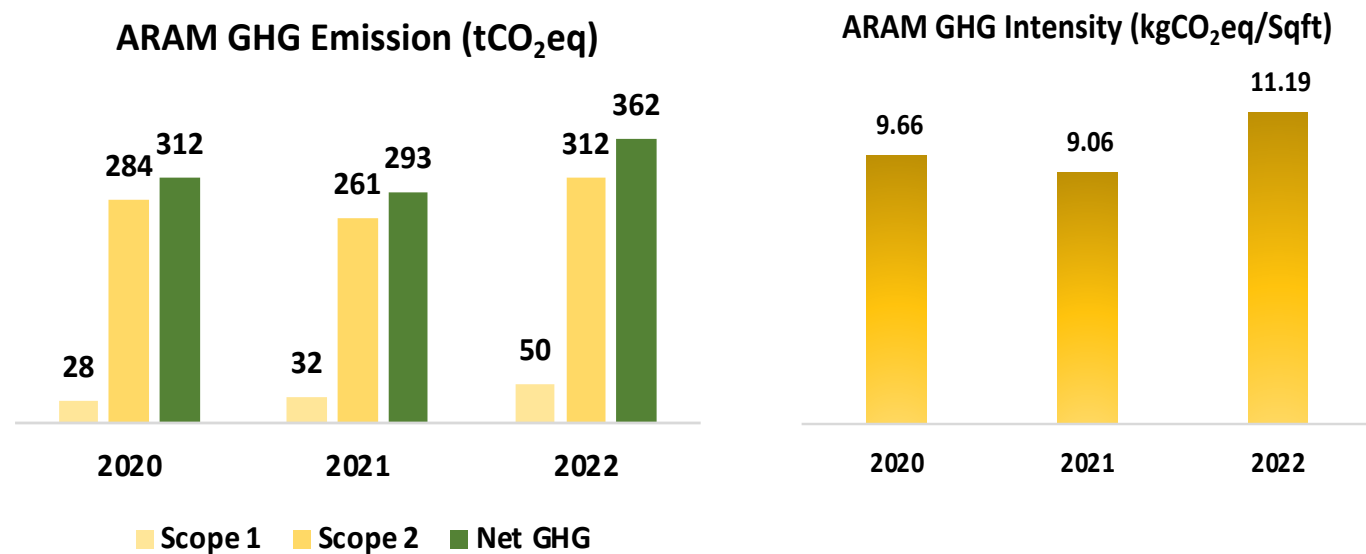
In 2020, we installed filters in the manholes of these facilities to ensure that any water collected by third-party companies is free from harmful substances. This was in response to concerns raised by the municipality about the level of water contamination. Additionally, we have contracted a specialized company to clean and sanitize the residual wastewater from the manholes of these buildings every six months.



GHG EMISSIONS

To align with the global and domestic initiatives to mitigate the effects of climate change caused by global warming, we have adopted a practice of monitoring our greenhouse gas (GHG) emissions and consistently implementing measures to reduce them both within our operations and beyond.

Using the GHG Protocol Corporate Accounting and Reporting Standard to compute our GHG emissions, we can report that our emissions in 2022 demonstrated a more favorable performance than the preceding year of 2021. Our overall carbon footprint has increased due to the rising energy demand. ARAM has witnessed the highest energy demand in the past three years, leading to a 23% rise in net greenhouse gas (GHG) emissions. This increase includes a 19.5% rise in scope 2 emissions and a 56% increase in scope 1 emissions, which can be attributed to the significant use of natural gas.



■ Electricity Energy ■ Diesel ■ Natural Gas ■ LPG

ARAM Energy Distribution (Gj)

SOCIAL STEWARDSHIP



The core of our business lies in our people, and we prioritize investing in their development and upskilling to create opportunities for their professional growth. Along with professional training, we also prioritize health awareness campaigns to encourage our employees to adopt healthy lifestyles. This is a reflection of our commitment to our workforce. –

Chief Human Resources Officer

The prosperity of an organization hinges on the professional growth of its staff members as they are the ones driving its progress. At ARAM, we are dedicated to providing equal opportunities for advancement, motivating our employees, and enhancing their skills to achieve success. We reciprocate our employees' loyalty and trust, and we cherish and honor each employee by creating a work atmosphere that is all-encompassing, empathetic, inspiring, and fulfilling. Our primary focus is on employee growth and training, providing them with the opportunity to have a satisfying career with us. ARAM cultivates a work culture that values diversity, gender parity, and prioritizes employee well-being both at work and outside of it. We adhere to UAE labor laws and give utmost importance to respecting human and labor rights in all of our business operations, ensuring ethical behavior.

Our commitment to the UN Sustainable Development Goals (UNSDGs):



Our dedication to ensuring the well-being of our employees is demonstrated by our stringent safety protocols, which prioritize their health and safety. Moreover, we strive to promote both the physical and emotional wellness of our staff.



Our employees are encouraged to engage in continuous learning, and we offer them high-quality training programs to foster their professional development.



We are committed to creating job opportunities for local talent.



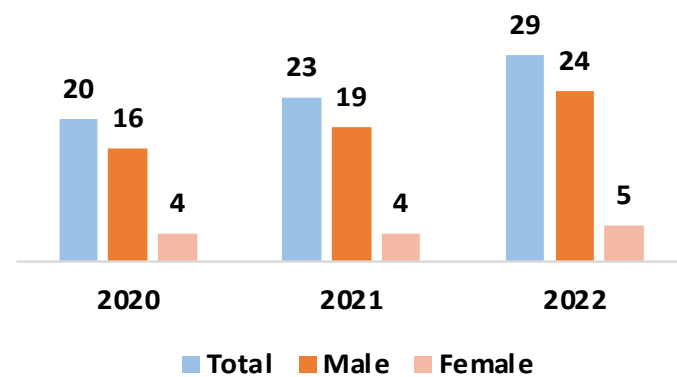
The objective of our Social Performance is to enhance the standard of living of the nearby communities, ARAM CSR funds are also diverted to healthcare and Red Crescent Society of the United Arab Emirates

OUR COMMITMENT TO OUR EMPLOYEES

Our workforce

At the core of our vision for sustainable growth lies our employees, whose value we recognize and prioritize. We aim to attract, engage, and retain exceptional talent across all facets of the business, as we believe this is essential to developing our internal capabilities for the long term. Our commitment to creating a work environment that values and capitalizes on the contributions and experiences of individuals from diverse backgrounds is a point of pride for us. We are dedicated to treating all employees equitably and respectfully, with equal access to opportunities and resources. Our success hinges on fostering an inclusive environment where all colleagues feel welcomed, encouraged and inspired to bring their unique voices and talents to the table. This, in turn, drives our ability to develop innovative approaches that benefit our tenants and communities.

ARAM Employees



WORKFORCE AT GLANCE



17.24%

The female ratio in the organization



27.27%

New female employee hired



22%

Employee turnover rate.



12%

Different nationality currently working at aram



11%

New Employees Hire, out of which 3 female and 8 male candidates were given the chance to join ARAM group.

SOCIAL INITIATIVES

ARAM upholds the belief in contributing back to society by extending both monetary and voluntary support. The company has engaged in several CSR activities to support local communities and organizations in the Emirate of Sharjah, with in-kind financial contributions. Additionally, ARAM strives to enhance the well-being of the community around its facilities by investing in maintenance and cleaning services every year.

In 2020, the company launched community initiatives. As part of this, ARAM provided monetary support to Hospitals and the Red Crescent Society of the United Arab Emirates, intending to create a positive impact across the community. The total value of this initiative was AED 60,000.00.



EQUAL OPPORTUNITY



Ensuring gender equality is vital for sustainable development and the protection of human rights. At ARAM, the main objective of advancing gender equality is to create an environment where both men and women have the same access to opportunities, entitlements, and responsibilities in all aspects of their professional and personal lives.

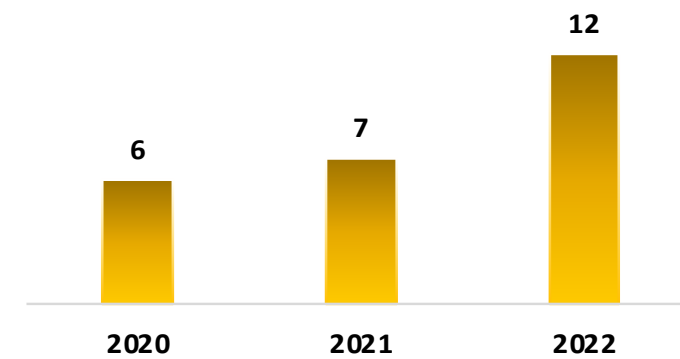
DIVERSITY OF EMPLOYEES

At ARAM, we are dedicated to creating a positive and encouraging environment that empowers individuals to thrive and achieve success in their careers. Our commitment to inclusivity extends to both our guests and team members, regardless of their diverse backgrounds. We strive to foster a sense of belonging that values and respects each individual's unique qualities.

Our organization is fully committed to maintaining a workplace culture that is supportive, compassionate, and respectful to all employees, enabling them to achieve their personal and professional goals. We also have plans to introduce sustainability-based incentives for our employee's salaries in the near future. Our managerial and gender pay scales are in line with industry standards in the UAE.

We are pleased to announce that we have expanded the diversity of our team, with the number of nationalities represented increasing from 7 in 2021 to 12 at present.

ARAM Diversity (Nationalities)





HR POLICIES AND PROCEDURES

ARAM has established an extensive range of Human Resource (HR) policies and procedures that establish unambiguous directives for its workforce regarding the minimum levels of conduct expected from them. These policies and procedures specify the standards of behavior that employees and employers must adhere to and outline their duties and responsibilities. The primary aim of these policies and procedures is to protect the rights of the workforce and preserve the business interests of the organization. The policies and procedures contain regulations related to attendance, dress code, privacy, employee conduct, and other employment terms and conditions, depending on the company's particular requirements.

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 & SAFETY

We accomplished a significant achievement in the area of Health and Safety in 2022, as we recorded a Lost Time Injury Frequency Rate (LTIFR) of zero (0) across all of our operations. Furthermore, our contractors who were working on our sites reported no incidents.

Since 2017, we have taken proactive measures to improve the safety and firefighting systems in all of our facilities in accordance with the new guidelines and requirements established by the municipality and safety department. To ensure a timely response during emergencies, we have connected our smoke detectors directly with the Sharjah Prevention and Safety Authority (SPSA). We have also upgraded our elevator emergency systems to comply with the latest international safety standards, and our security personnel have received specialized training in emergency response procedures.

PROMOTION OF ETHICAL PRACTICES

In order to ensure adherence to legal requirements and encourage ethical business practices, every employment contract incorporates a Code of Conduct. The purpose of this code is to implement robust and efficient ethical practices throughout the entire organization, thereby ensuring that elevated standards of business conduct are uniformly maintained.

TRAINING AND EDUCATION

At ARAM Group, we recognize the importance of investing in our employees' professional development and growth. We are committed to providing a supportive and stimulating work environment that encourages continuous learning and development.

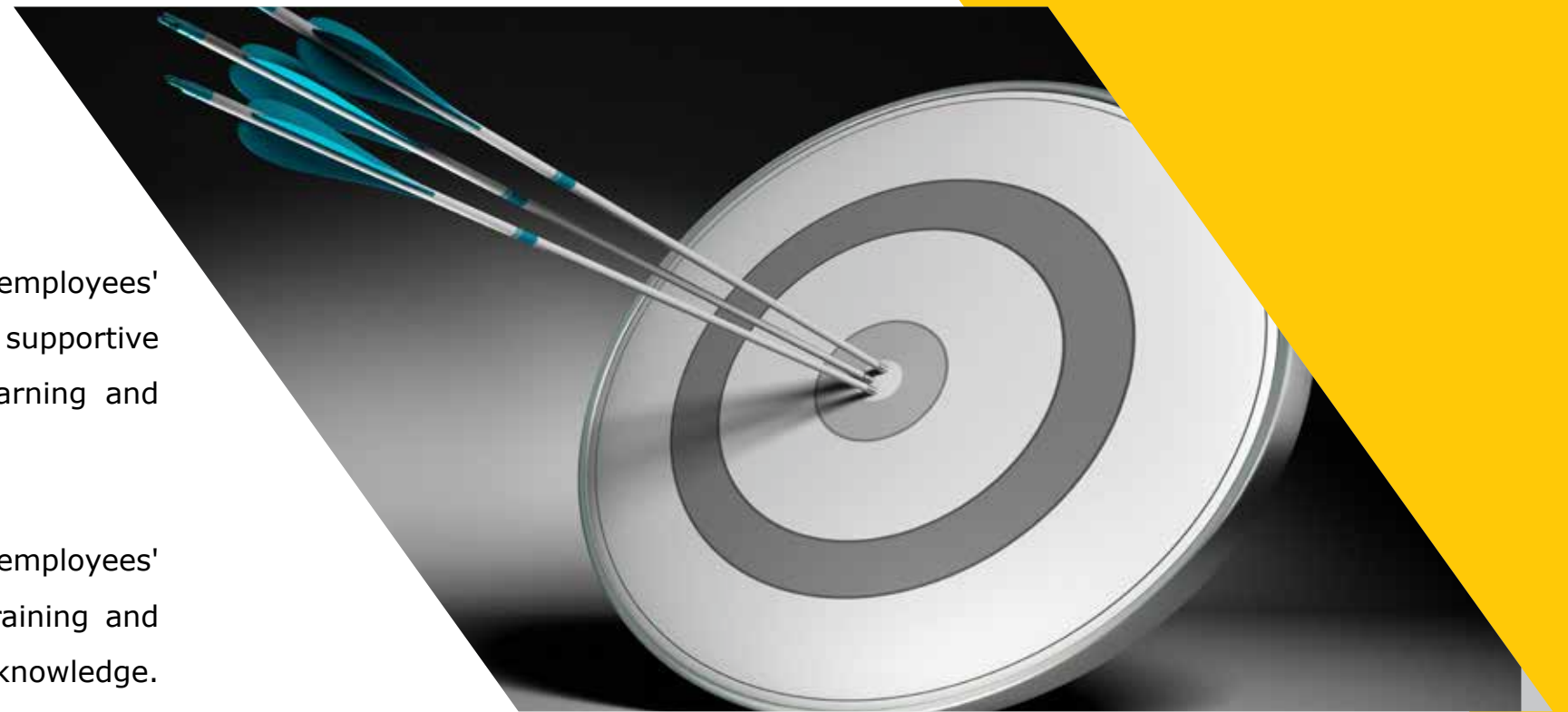
We believe that training and education are essential components of our employees' personal and professional growth. As such, we offer a range of training and development programs designed to enhance our employees' skills and knowledge. Our training and education programs cover a broad range of topics, including technical skills, soft skills, leadership development, and industry-specific knowledge. We also encourage our employees to pursue external training and education opportunities that align with their career goals and interests.

We believe that a well-trained and educated workforce is critical to the success of our organization. We will continue to invest in our employees' development and growth, ensuring that they have the skills and knowledge they need to excel in



38

NUMBER OF HOURS
TRAINING PROVIDED TO
AN EMPLOYEE IN 2022.



OUR 2023 GOALS AND ACHIEVEMENTS

ETHICAL GOVERNANCE



“Our topmost responsibility is to provide our tenants with top-notch living spaces, while ensuring the safety of our staff and preserving the environment. Our Quality, Environment, Health, Safety, and Sustainability Vision governs this, which involves constantly improving compliance across all aspects of our Quality, having the necessary skills and resources, and making informed decisions throughout our operations.”

Our commitment to ethical, careful, and responsible operations is paramount as we strive to meet society’s needs and promote safety and transparency in all our endeavors. Our compliance program is designed to encourage proactive quality and compliance governance that is business-led and based on risk management principles. The Board of Directors plays a crucial role in our governance, representing the interests of shareholders and striving to enhance long-term shareholder value.

Regarding our approach to SDGs, we prioritize good health and well-being by ensuring equitable access to a clean indoor environment, for our tenants and employees. We are also committed to eliminating gender discrimination, and promoting equal leadership opportunities. In addition, we support peace, justice, and strong institutions by ensuring ethical, transparent, and representative decision-making that upholds the rule of law.

We maintain transparency and ethical standards in all our interactions with stakeholders to ensure that patients fully understand our services. Our sales and marketing policies are implemented uniformly across all our business units and locations, with all promotional materials undergoing ethical review and approval. We comply with all applicable laws and regulations.

BOARD OF DIRECTORS

ARAM's Board and Executive Management have shown a steadfast commitment to maintaining strong corporate governance practices, even amidst the challenges posed in 2022. They believe that effective corporate governance should prioritize the protection of stakeholder interests, while also generating sustainable value for shareholders.

In pursuit of these goals, the Board of Directors assumes a critical role in guiding the organization's operations, including strategic planning, auditing, governance, compliance, risk management, and internal control. The Board operates in compliance with regulatory requirements to ensure equitable treatment of all shareholders.

To effectively address complex or specialized issues and optimize time management, the Board delegates specific tasks to various committees, such as the Audit Committee, Nomination and Remuneration Committee. These committees provide recommendations to the Board, which bears collective responsibility for decision-making.

In the Year 2022, Mr. Ziyad Mahmoud Khairalla Alhaji Alharmouzi, lead the BoD as Chairman till November 2022, from December 2022 Mr. Khamis Mohamed Khamis Buharoon Alshamsi took over the role of BOD Chairman. Mr. Jassem Mubarak Aldhaheeri has joined our BoD this year.



**Mr. Ziyad Mahmoud Khairalla
Alhaji Alharmouzi**

Chairman (January 2022 to November 2022)



**Mr. Khamis Mohamed Khamis
Buharoon Alshamsi**

Chairman (December 2022 to present)



Mr. Ebrahim Al Manna'ei
Vice Chairman



**Mr. Mohammad Jaffar
Alhaj Ali Alrahma**
Board Member



Mr. Jassem Mubarak Aldha'heri
Board Member



Mr. Christian Wolff
Board Member

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

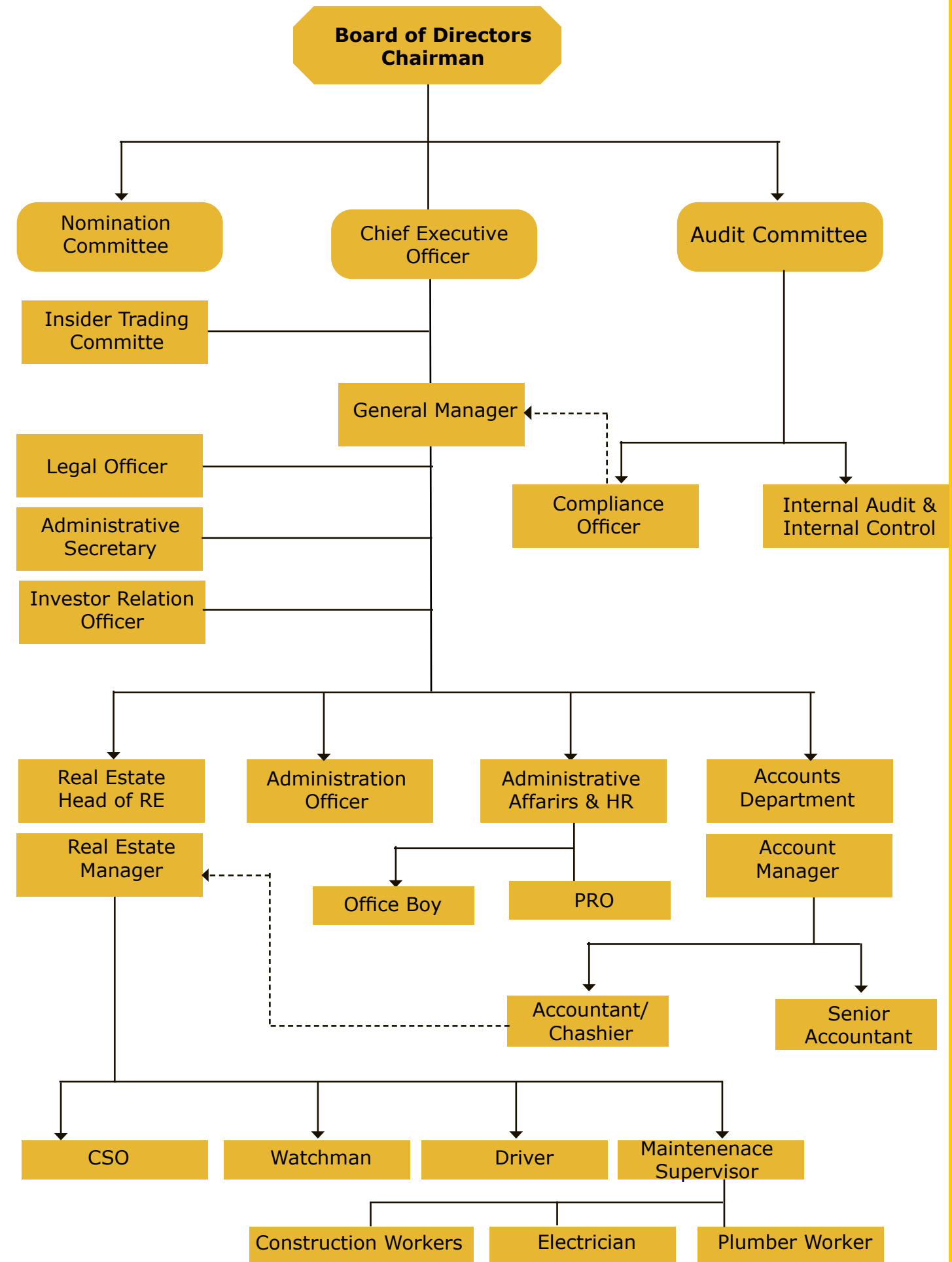
The objectives of the Nomination and Remuneration Committee include monitoring and evaluating the performance of each director individually and of the Board collectively, as well as developing, evaluating and reviewing

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

GOVERNANCE STRUCTURE

The employees and executive management of the company, under the leadership of the CEO, handle the day-to-day operations of the business. The Board of Directors, working together with its Nomination and Remuneration Committee, appoints the CEO and collaborates with them and the committee to select other members of the executive management team responsible for managing the company's operations.

The Board of Directors is accountable for overseeing the company's overall activities and ensuring that it serves the interests of both the company and its shareholders. The Executive Management is responsible for carrying out their duties as delegated to them by the Board of Directors in compliance with the rules and regulations issued by the Abu Dhabi Securities and Commodities Authority.



GOVERNANCE FRAMEWORK

ARAM Group has implemented various measures to ensure that any inappropriate behavior is detected, reported, revealed, and/or prevented. The organization has created multiple guidelines to aid in identifying, reporting, disclosing, and preventing potential adverse actions.

CONFIDENTIALITY OF INFORMATION

ARAM Group acknowledges the critical significance of confidentiality as a Board of Directors member, employee, contractor, consultant, or auditor. Our agents, employees, consultants, contractors, and auditors often have access to confidential and proprietary data that is not commonly disclosed to the public. Therefore, the company has established a policy to reduce the possibility of compromising confidential information and to conform to local legislation regulating information usage and data security.

CONFLICT OF INTEREST

If a board member has a personal interest, either directly or indirectly, in any agenda being discussed by the board, this could be viewed as a potential conflict of interest. The board member is obligated to inform the board, via the company secretary, in writing, of any potential conflict of interest pertaining to the board's deliberations. The details of the conflict of interest should be recorded in the register of conflicts and in the meeting minutes.

If a board member has a conflict of interest, they are prohibited from participating in the discussion of the matter, voting, or exerting any personal influence on the decision.

ETHICS AND PREVENTION OF CORRUPTION

We have taken steps to prevent Anti-Money Laundering ("AML") and Counter Financing of Terrorism ("CFT") in accordance with Federal Decree-law No. (20) of 2018 and Cabinet Decision No. (10) of 2019. These measures include the implementation of procedures for reporting suspicious transactions. It is noteworthy that in 2022, no suspicious transactions were discovered.

Furthermore, we have made it mandatory for all Designated Non-Financial Businesses and Professions ("DNFBP's) to register on the "goAML portal" before March 31, 2021. This portal functions as an integrated platform for submitting Suspicious Transaction Reports (STRs) and/or Suspicious Activity Reports (SAR). No cases that require such reporting were detected in 2022.





WHISTLEBLOWING

Our aim in having a whistleblowing policy is to create a safe and secure channel for employees to report any wrongdoing they encounter within the company, and to conduct an impartial and confidential investigation into any suspicious activities. We want to encourage a culture where employees feel comfortable raising any concerns they may have, and we assure them that their concerns will be taken seriously and appropriate corrective actions will be taken. To ensure that all employees are aware of our approach to addressing unethical or illegal conduct, we distribute the “Company Policies and Procedures Handbook” throughout the organization.

DATA PROTECTION


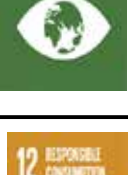




ARAM is devoted to upholding the appropriate legal and regulatory standards to protect shareholder information. This includes collecting, using, and securely retaining personal data and refraining from disclosing it in an unsafe way. We have implemented appropriate technical and organizational measures to protect data against unauthorized or unlawful processing and against accidental loss, destruction, or damage. We regularly review and update our security measures to ensure the ongoing confidentiality, integrity, availability, and resilience of our systems and services.










ENTERPRISE RISK MANAGEMENT



Enterprise Risk Management is the process of identifying, assessing, and managing risks that could impact an organization’s ability to achieve its objectives. Effective ERM helps organizations to anticipate and manage risks in a proactive manner, rather than reacting to them after they have occurred. This can help to minimize the negative impact of risks on an organization’s operations, financial performance, and reputation.

In today’s rapidly changing business environment, where new risks are emerging all the time, it is essential for organizations to have a robust ERM framework in place. This includes establishing clear risk management policies and procedures, ensuring that risks are identified and assessed across all areas of the organization, and implementing appropriate risk mitigation strategies.

ARAM approaches risk management as a proactive effort that involves the participation of the Board of Directors, senior managers, department heads, and employees. It is important to emphasize that the aim of risk management is not to eliminate risks but to recognize and control them within a predetermined acceptable level. Moreover, risk and reward are often linked, meaning that a higher expectation of rewards may increase an organization’s exposure to risks, and vice versa. Hence, our risk management strategy ensures that risks are kept within predetermined levels as per the Board of Directors’ policies

Category	ADX Metric	Corresponding GRI Standards	Corresponding SDG	Page and/or Notes
Environment	E1. GHG Emissions	GRI 305: Emissions 2016		30
	E2. Emissions Intensity	GRI 305: Emissions 2016		30
	E3. Energy Usage	GRI 302: Energy 2016		25
	E4. Energy Intensity	GRI 302: Energy 2016		26
	E5. Energy Mix	GRI 302: Energy 2016		24-25
	E6. Water Usage	GRI 303: Water and Effluents 2018		28-29
	E7. Environmental Operations	GRI 103: Management Approach 2016		Environmental Policy to Assets
	E8. Management Environmental Oversight	GRI 102: General Disclosures 2016		14-15
	E9. Board Environmental Oversight	GRI 102: General Disclosures 2016		14-15
	E10. Climate Risk Mitigation			26

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		35
	S4. Gender Diversity	GRI 102: General Disclosures 2016 GRI 405: Diversity and Equal Opportunity 2016		34
	S6. Non-Discrimination	GRI 103: Management Approach 2016		42
	S7. Injury Rate	GRI 403: Occupational Health and Safety 2018		39
	S8. Global Health and Safety	GRI 103: Management Approach 2016		No specific HSE Policy
	S9. Child and Forced Labour	GRI 103: Management Approach 2016*		No, Child and Forced Labour
	S10. Human Rights	GRI 103: Management Approach 2016		36
	S11. Nationalization	-		42
	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		44
	G2. Board Independence	-	-	48-49
	G5. Ethics and Prevention of Corruption	-		49
	G6. Data Privacy	-	-	50
	G7. Sustainability Reporting	-	-	Annual ESG Report



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