SALHIA
الصالحية

Date: 21/06/2026
Ref.: Ib/19/2026

التاريخ: 2026/06/21
الإشارة: إب/2026/19

**To: Boursa Kuwait Co.**

**Dear Sirs,**

**السادة/ شركة بورصة الكويت المحترمين**

**تحية طيبة وبعد،**

**Subject: Sustainability Report of Salhia Real estate Company for the year 2025.**

With reference to the above subject, and in accordance with chapter one of book Twelve, "Listing Rules" of Executive Bylaw No. (7) of 2010 regarding the establishment of Capital Markets Authority and the regulation of securities activities and their amendments, and in relation to the disclosure of the sustainability report.

We hereby attach the Sustainability Report of Salhia Real Estate Company for the year 2025.

**الموضوع: تقرير الإستدامة لشركة الصالحية العقارية عن العام 2025**

بالإشارة إلى الموضوع أعلاه، ووفقاً لأحكام الفصل الأول من الكتاب الثاني عشر "قواعد الإدراج" من اللائحة التنفيذية رقم (7) لسنة 2010 بشأن إنشاء هيئة أسواق المال وتنظيم نشاط الأوراق المالية وتعديلاتهما، والمتعلقة بالإفصاح عن تقرير الإستدامة.

وعليه مرفق لكم تقرير الإستدامة الخاص بشركة الصالحية العقارية عن العام 2025.

**Best regards,**

**مع خالص التحية ،،،**

**Abdulaziz G. Alnafisi**
Chief Executive Officer

**عبدالعزيز غازي النفيسي**
الرئيس التنفيذي

***Copy to the CMA.**

***نسخة للسادة/ هيئة أسواق المال**


شركة الصالحية العقارية ش.م.ك.ع. شارع محمد ثنيان الغانم، ص.ب ٢٣٤١٣ الصفاة ١٣٠٩٥ الكويت، هاتف: ٦٠٠٠ ٢٢٩٩(٩٦٥+)
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Capital: 62,321,851 K.D. C.R.: 21250 www.salhia.com رأس المال ٦٢,٣٢١,٨٥١د.ك السجل التجاري: ٢١٢٥٠

SALHIA

# Sustainability Report 2025

SALHIA REAL ESTATE COMPANY K.S.C.P.

H. H. SHEIKH

Sabah Khaled Al-Hamad Al-Sabah

Crown Prince Of The State Of Kuwait

H. H. SHEIKH

MESHAL AL-AHMAD AL-JABER AL-SABAH

The Amir of the State of Kuwait

# Contents

# 01 Introduction

# 1.1 ABOUT THE REPORT

Since its establishment, Salhia Real Estate Company K.S.C.P. has become one of the leading companies in the real estate investment and commercial development sector in the State of Kuwait. The Company has a distinguished track record of leading investments with a strong developmental impact, contributing to economic growth and the business landscape both within Kuwait and beyond through high-value international investments. In light of this role, the Company considers governance and compliance to be fundamental pillars of its business operations. Its investment projects are developed and managed in accordance with internationally recognized environmental standards, reflecting the Company's sense of responsibility and its economic role within the business community. As a leading investment entity, Salhia believes that investing in Environmental, Social, and Governance (ESG) practices contributes significantly to the success, resilience, and long-term development of its business.

Against this backdrop, the Company is pleased to present its first Sustainability Report as a strategic step toward strengthening and advancing its vision for sustainable business practices, while contributing to human well-being and public health.

This vision is aligned with the regulatory requirements of the Capital Markets Authority of Kuwait, as set out in Circular No. (4) of 2025, which requires companies listed on the Premier Market to disclose sustainability reports.

This report reflects the evolution of Salhia Real Estate's business activities and its forward-looking vision to continue fulfilling its economic role. It also represents a starting point for a long-term commitment to sustainability, business development, and contributing to the preservation of our planet.

# 1.2 **Chairman’s** Statement

It gives me great pleasure, on my own behalf and on behalf of my fellow members of the Board of Directors of Salhia Real Estate Company, to present our Sustainability Report, which reinforces our roadmap for continuing to strengthen the governance frameworks, compliance practices, and environmental standards that the Company places at the forefront of its priorities and commitments.

As a leading company in the real estate investment sector, and with our business activities aligned with the State of Kuwait’s development vision, sustainability considerations represent a fundamental pillar in ensuring the achievement of our objectives, the continued development of our projects, and our contribution to society.

At Salhia Real Estate, we believe that sound governance and business integrity are not merely regulatory obligations; rather, they form an integral part of our corporate culture. Through the Board of Directors, executive management, and all Company employees, we remain committed to applying the highest standards of transparency, regulatory compliance, and ethical business conduct. This commitment is supported by a comprehensive risk management framework and the implementation of quality standards that help ensure sound decision-making and the continued protection of the reputation that the Company has built over decades of success.

Our adherence to these principles has enabled us to maintain stable performance despite global economic and geopolitical challenges. We have also benefited from the political and social stability of the State of Kuwait, which provides the Company with significant opportunities and prospects to further advance its strategy and execute its investment plans.

Throughout the past year, Salhia Real Estate remained committed to its long-standing approach of pursuing opportunities that align with its strategic objectives, while continuing to develop and strengthen its existing operations in a manner that reinforces trust with its customers, shareholders, and all stakeholders. During 2025, the Company recorded a notable increase in operating revenues of %4.3, reaching KWD 46.6 million. Operating net profit amounted to KWD 33.8 million, while the market value of total assets stood at KWD 845 million as at year-end 2025. This success is primarily attributable to our people, who represent the cornerstone of achieving our strategic objectives. Accordingly, the Company remains committed to the continuous development of its human capital through comprehensive training and development programs designed to enhance competencies, build capabilities, prepare our workforce for future challenges, create long-term value, and contribute to the Company’s sustained success.

At Salhia Real Estate, we are committed to social responsibility through initiatives and practices that support sustainable development for society as a whole and for our employees in particular. This commitment is reflected in initiatives aimed at improving the quality of life of employees, their families, and the wider community, supporting employment opportunities, and promoting responsible practices that generate positive social impact. We actively support this objective by opening our complexes and facilities to community initiatives and social projects, providing platforms for programs and activities that benefit society.

We fully recognize our responsibility, as one of the largest real estate investment companies in the State of Kuwait, toward the environment and society. Accordingly, our efforts and plans are aligned with reducing carbon emissions, improving energy efficiency, and promoting the sustainable management of resources. We do not seek only to create value for today; rather, we aspire to make a meaningful contribution to protecting our planet for future generations.

This report is not merely a regulatory document; it is a reflection of our vision to be a leading company that combines economic success, social responsibility, and environmental stewardship. We remain committed to embedding a culture of sustainability across every aspect of our business and to expanding the application of sustainable practices in a manner that creates lasting value through Vision and Sustainable Outlook.

**Ghazi Fahad Al Nafisi**
Chairman of the Board

# 1.3 **Chief Executive Officer's** Message

It is our pleasure to present Salhia Real Estate Company's Sustainability Report, which reflects our ongoing commitment to embedding sustainability principles and strengthening governance practices and environmental stewardship across the Company. We are dedicated to integrating sustainability concepts and activities throughout our operational processes, from planning and execution to the achievement of strategic objectives, across all organizational units. We continuously strive to enhance our initiatives and practices in a manner that balances economic growth with environmental and social responsibility, while strengthening our ability to create sustainable value for all stakeholders.

Our vision for Salhia's investments and projects is founded on continuous development, operational excellence, and performance enhancement, reflecting the Company's leadership position within the real estate investment sector. This vision is closely aligned with the State of Kuwait's development agenda and our commitment to contributing effectively to national efforts aimed at building a more sustainable economy. We pursue these objectives through the adoption of best practices and standards that foster innovation, improve resource efficiency, and enhance quality of life for both our employees and the communities in which we operate.

This report represents an important milestone in advancing this direction and provides an opportunity to highlight the principles and standards that have guided our Company since its establishment and continue to evolve over time. These principles are centered on creating value through strong governance, integrity, transparency, and a steadfast commitment to corporate responsibility toward society, the environment, and all stakeholders.

These commitments are brought to life through the dedication of our people, who have successfully translated the Company's values and vision into tangible outcomes. Through their professionalism, expertise, teamwork, and commitment to excellence, they continue to drive performance improvement, foster a culture of sustainability and innovation, and support the Company's long-term success and strategic ambitions.

**Abdulaziz Ghazi Al-Nafisi**
Chief Executive Office

# 1.4 Global Reporting Initiative (GRI) Requirements and Standards

Salhia Real Estate Company has committed to applying the requirements and principles of the Global Reporting Initiative (GRI) Standards in the preparation of this report, as reflected in the following aspects:

## Accuracy:

The report is based on precise collection and analysis of information related to the environmental impacts of the Company's activities, as well as its role in promoting social values, transparency, and business integrity.

## Balance:

The report presents both the positive aspects of implementing governance and sustainability principles across the Company's activities, while also addressing areas requiring further improvement.

## Clarity:

A clear and accessible approach has been adopted to present data and terminology throughout the report.

## Comparability:

Recognized sustainability indicators have been utilized to enable comparison with other companies and to track the Company's performance over future reporting periods, considering that this is the Company's first sustainability report.

## Completeness:

This report covers the Company's local operations based on currently available data as an initial step in its sustainability journey. Other business activities will be progressively incorporated as relevant data systems and information bases are developed for inclusion in future annual sustainability reports.

## Sustainability Context:

**In line with the principle of sustainability context, material topics related to the environmental, social, and economic impacts of the Company's activities have been identified by sustainability experts. These include areas such as labor relations, human rights, and environmental impacts.**

## Timeliness:

This report has been issued in alignment with the circular issued by the Capital Markets Authority, which requires all listed companies to disclose sustainability reports for the year 2025. It also reflects the importance of reporting amid increasing environmental and social challenges, such as pollution, climate change, education, and public health.

## Verifiability:

The information presented in this report has been collected in a manner that allows for verification of its reliability, as it is documented and aligned with the Company's financial statements and periodic performance reports.

# 1.4 Global Reporting Initiative (GRI) **Requirements and Standards**

# 1.5 Scope of the Report

This report represents the Company's first issuance concerning sustainability and non-financial disclosures. Accordingly, it does not include any restatement of previously reported information. Going forward, the Company will continue to enhance the scope of its disclosures, strengthen data reliability, and commit to issuing sustainability reports on an annual basis.

This report covers our operations within the State of Kuwait for the financial year from 1 January 2025 to 31 December 2025, which aligns with the financial reporting period, ensuring consistency between financial and non-financial disclosures.

The report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, as an internationally recognized framework that reflects leading practices in non-financial disclosure and is among the most widely adopted globally. This comprehensive framework enables the measurement and disclosure of the economic, environmental, and social impacts of organizations and companies. It also supports the identification of material topics, thereby enhancing transparency and improving decision-making for investors and stakeholders.

The report is also guided by the "Environment, Social and Governance (ESG) Reporting Guide for Listed Companies" issued by Boursa Kuwait. This guide emphasizes that adopting sustainability practices and reporting is a progressive journey, beginning with the disclosure of the most relevant governance, social, and environmental topics and metrics for operations and stakeholders, while gradually expanding the scope and depth of disclosures over time. By following this approach, listed companies can enhance transparency, strengthen their market position, and contribute to achieving Kuwait's long-term sustainable development goals.

In general, the entities included within the scope of this sustainability report are the Company's operations in the State of Kuwait, specifically Salhia Complex and Assima Mall. Other projects will be incorporated in future reports upon completion of data collection and verification processes, ensuring transparency and comprehensiveness.

# 1.6 GRI Disclosures

In line with our Company's commitment to adhering to sustainability reporting practices and disclosures, this report includes information related to our activities, policies, governance approach, and environmental performance. Accordingly, it incorporates the disclosures outlined in GRI 2 of the Global Reporting Initiative (GRI).

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02

# Introduction Salhia

# 02 Introducing **Salhia**

Salhia Real Estate Company is one of the leading real estate investment companies in the State of Kuwait. Since its establishment, the Company has undertaken the responsibility of presenting an advanced business model that responds effectively and positively to changes across markets and economic activities. It delivers projects that support the State's development vision and contribute to stimulating economic activity, while at the same time creating added value for society and the real estate sector.

Salhia Real Estate Company was established in 1974 by a group of prominent businessmen in the State of Kuwait and was listed on the Kuwait Stock Exchange in 1984 as a publicly listed shareholding company. Today, it stands as one of the leading companies in the retail, leisure, hospitality, hotel, and premium office real estate sectors.

Salhia operates through an integrated real estate value chain that includes the development, management, and investment in land and properties; leasing and sales activities; development of commercial complexes, tourism facilities, and entertainment centers; contracting works and trading in construction materials; in addition to conducting and executing studies for public and private real estate projects, managing third-party properties, and investing in companies and projects with similar objectives.

Since its establishment, Salhia's activities have been centered on developing and managing a real estate investment and development portfolio, which began with the opening of Salhia Commercial Complex in 1978. The Company subsequently expanded its projects and investments to various locations across the State of Kuwait through projects such as Arraya and Assima, as well as into the United Kingdom, where it is currently developing the Beorama Quarter project in the City of Birmingham through its subsidiary, Salhia International Investment Limited.


Since its listing on the Kuwait Stock Exchange in 1984, the Company has remained committed to sound governance and transparency, while strengthening sustainability and social responsibility across its projects to reduce environmental impact and maximize value for society. Salhia Real Estate Company adopts leading global practices in managing its operations, recognizing that its long-term sustainability depends on its ability to respond to the needs and expectations of the communities in which it operates, as well as its customers, employees, government entities, shareholders, in addition to contractors and partners.

# 2.1 Our **Strategy**

Since Salhia's inception, the company has sought to identify sound opportunities for property investment that offer opportunities to generate long-term capital growth while returning attractive annual yields, while maintaining the company's property investments sustainability and development.

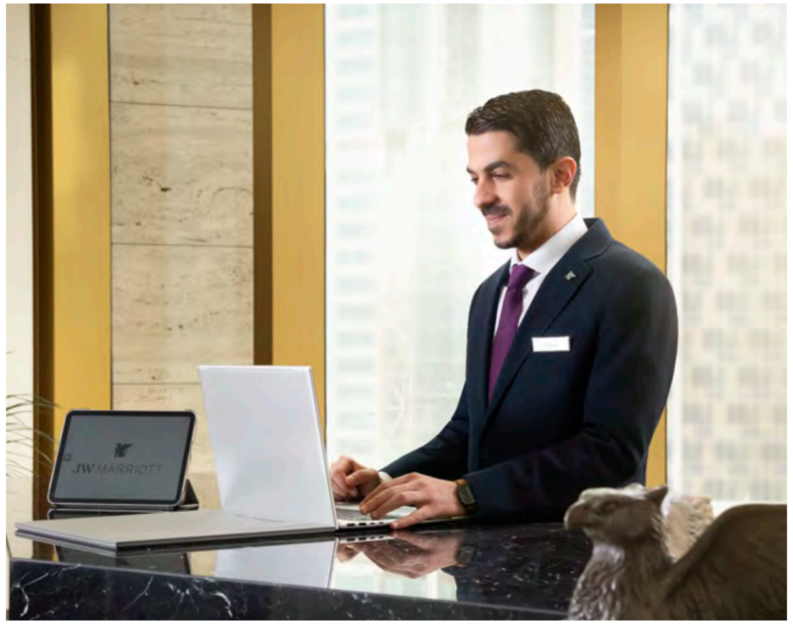
The Company also seeks to achieve a positive balance in meeting the needs of investors, developers, and its tenant clients. It continues to expand its future plans geographically on a global scale, while diversifying its activities through investments across key sectors, including retail and leisure, offices, hotels, residential, and industrial facilities.

Underpinning all Salhia's operations is a deep-rooted belief that the company's employees are the real creators of wealth. Therefore, fundamental management priorities are to secure the highest levels of talent, knowledge and ability – paving the way for professional excellence and creativity in all Salhia's undertakings.

# 2.2 Vision, Mission and Values

## Our Vision

To build on an outstanding record of success and set new standards in real estate investments through unrivalled innovation, expertise, and creativity.




## Our Mission

To leverage our resources and capabilities to expand the Company’s activities and deliver best-in-class projects that contribute to the development of the State of Kuwait and create value for our clients.

## Our Values

Our success is built on integrity and on fostering a strong sense of belonging among all our employees through a shared language understood by everyone, defined by respect for our clients, partners, shareholders, and our environment. From these values, we derive our success and our pathway to continuous improvement.

# 2.3 Projects and **Activities**

Since its establishment, Salhia Real Estate Company's activities have been centered on building and managing a real estate investment and development portfolio, which began with the opening of Salhia Commercial Complex in 1978. The Company subsequently expanded its projects and investments across various regions in the State of Kuwait, as well as into the Middle East and Europe, The Company continues to advance its development and modernization efforts, keeping pace with evolving political, economic, and market dynamics. It also adopts internationally recognized best practices, strengthening its competitive position and supporting long-term sustainability.

**Salhia Real Estate Company has also undertaken construction and development projects in the United Kingdom and is currently engaged in the execution of three major projects in Hampshire and Birmingham.**

| | |
|---|---|
| **Local** | Salhia Complex |
| | Al Sahab Tower |
| | Salhia Plaza |
| | JW Marriott |
| | Arraya Commercial Center |
| | Arraya Tower |
| | Arraya Plaza |
| | Arraya Ballroom |
| | Courtyard Marriot Hotel |
| | Assima Mall |
| | Assima Tower |
| | Marriott Executive Apartments |
| | Salhia International Entertainment Centers Company |
| | Salhia Complex Extension |
| **Overseas** | Salhia International Investment Limited<br>Beorma Quarter Project - Birmingham |
| | Lolworth Development LTD |

(Illustration – Overview of each project with a breakdown of investments into domestic and international investments)

# 2.3 Projects and **Activities**

## Overview of Assima Project (Salhia's Latest Development)

As part of a modern real estate vision inspired by the urban identity of the State of Kuwait and responsive to current market requirements and future trends, Salhia developed the Assima Project, a mixed-use development that is considered the largest private-sector real estate project of its kind in downtown Kuwait City. The project extends over a land area of approximately 40,000 sqm, with a total built-up area of approximately 380,000 sqm, reinforcing its position as an integrated urban destination of significant strategic value.

The project was executed using advanced technologies that contribute to improving energy efficiency and promoting sustainability concepts, making it a leading model of integrated real estate investment.

العاصمة
Assima

### Project Components

| Assima Mall | Assima Pearls | Assima Office Tower | Marriott Executive Apartments | Salhia International Entertainment Centers Company |
|---|---|---|---|---|
| Assima Mall has established itself as a comprehensive shopping and entertainment destination in the heart of the capital, offering under one roof a wide range of international and local brands, entertainment centers, cinemas, restaurants, and cafés catering to diverse preferences.<br>The mall occupies an area of approximately 20,000 sqm and comprises four basement levels, a ground floor, and six floors dedicated to retail and entertainment activities, with a total leasable area of approximately 71,500 sqm. | Assima Pearls is one of the most distinctive landmarks within Assima Mall, positioned at its center with its remarkable scale and unique design. The chandelier was recognized by Guinness World Records as the largest chandelier in the world by size, becoming an architectural icon that reflects creativity and precision in execution. It embodies deep symbolism inspired by Kuwait's heritage of pearl diving, trade, and the search for pearls, while expressing values of pride and belonging to the nation. | The Assima Office Tower represents a significant addition to Kuwait's modern urban landscape as part of the integrated Assima development. The tower rises to 285 metres, ranking among the tallest office towers in the country.<br>The tower consists of a ground floor and 54 upper floors, of which 46 floors are dedicated to commercial office space. It is built on a land area of approximately 1,746 sqm and provides a leasable area of nearly 59,700 sqm. | In April 2023, the Marriott Executive Apartments (MEA) hotel was inaugurated. Rising 11 floors above the commercial component of the Assima Project, the property is dedicated to long-stay accommodation, business travel, and leisure stays, providing a high standard of hospitality services.<br>The hotel comprises 164 fully serviced luxury residential units, in addition to dining facilities, a meeting room, and a fully equipped health club, offering an integrated accommodation experience that meets guests' needs | Salhia International Entertainment Centers Company K.S.C., a subsidiary of Salhia Real Estate Company, holds the exclusive licence from National Geographic Ultimate Explorer to develop, manage, and operate a family entertainment centre in Kuwait.<br>The centre offers visitors interactive experiences that simulate the diversity of our world, from the depths of the oceans to outer space.<br>The National Geographic Ultimate Explorer Centre, launched in 2022, extends over an area exceeding 5,000 sqm. |

# 2.3 Projects and **Activities**

### Overview of Beorma Quarter (Birmingham)

The city of Birmingham is one of the United Kingdom's leading centres for innovation, sustainable growth, and inward investment. It serves as the social, cultural, financial, and commercial hub of the Midlands region and has emerged as one of the most dynamic technology centres outside London.

The Beorma Quarter project, owned by Salhia Investment (Birmingham) Limited (SIBL), a wholly owned subsidiary of Salhia Real Estate Company, is located adjacent to the Bullring Shopping Centre, one of the largest shopping centres in the United Kingdom.

BEORMA QUARTER

The development benefits from excellent connectivity to Birmingham New Street Station, Moor Street Station, and the future HS2 high-speed rail station, providing direct access to London and Birmingham International Airport.

The second phase of the Beorma Quarter development is currently under construction and comprises a -30storey mixed-use tower. The project will provide more than 14,000 sqm of premium office space, in addition to 125 residential units offering panoramic views of the city.

# 03
# The Path to Sustainability

# 3.1 Statement of **Sustainable Development Strategy**

At Salhia Real Estate Company, we believe that integrating governance and social and environmental responsibility into our strategies is the way to achieve business sustainability and enhance the ability to create long-term value for shareholders and stakeholders. We also believe that this approach drives the achievement of economic growth that contributes to maximizing the Company's investment value and financial performance, while maintaining our responsibility towards society and the protection of the planet.

## Our commitments to sustainability are reflected across several key pillars:

### Sound Governance and Business Integrity:

In our strategy for implementing sustainability principles, we rely on a robust and integrated framework of corporate governance principles and systems. This framework begins with full compliance with the regulatory requirements of supervisory authorities, including Resolution No. 72 of 2015 concerning the issuance of the Executive Bylaws of Law No. 7 of 2010 regarding the establishment of the Capital Markets Authority and the regulation of securities activities, as amended. The Company›s organizational structure is aligned with a governance framework that balances the distribution of rights and responsibilities and regulates relationships among stakeholders, including shareholders, the Board of Directors, and executive management. This framework supports informed and prudent decision-making while enhancing transparency and credibility.

### Environmental Impact and Resource Management:

In line with our commitment to minimizing the environmental impact of our activities, the Company has established initial frameworks for measuring and managing the carbon footprint of its projects and operations. We also seek to adopt practices and technologies that reduce the consumption of energy, water, and materials. In addition, we have worked to enhance resource efficiency through environmental planning during the design and construction phases, while encouraging the use of innovative solutions in our real estate developments that contribute to reducing environmental emissions over the long term.

The Company also ensures obtaining all required environmental approvals from the Environment Public Authority prior to the commencement of any project, following the preparation of environmental and social impact assessments and environmental monitoring reports during construction, in accordance with Law No. 42 of 2014 and its amendments, as well as executive regulations related to indoor air quality (including smoking restrictions), waste management, noise, and indoor lighting.

### Sustainable Construction and Development:

The projects developed by Salhia Real Estate Company represent prominent landmarks in real estate investment in the State of Kuwait. The Company is committed to fostering innovation and creativity across its developments, in a manner that is aligned with the implementation of sustainability initiatives and principles in its construction and development activities. This is achieved through collaboration with contractors that adopt building materials with the lowest possible environmental impact, as well as the implementation of waste management systems and measures to minimize waste at project sites.

The Company also places emphasis on incorporating green features and smart designs that combine aesthetic value with functional performance. This is demonstrated in the Company's latest development, the Assima Project, which represents an architectural landmark in the heart of the capital and utilizes modern environmental technologies that combine reduced energy consumption, the use of natural ventilation and green spaces, and the minimization of carbon emissions to the greatest extent possible.

# 3.1 Statement of **Sustainable Development Strategy**

**Social Responsibility:**

Our Company has sought to create a positive social impact within the community as one of the leading companies in the State of Kuwait. The Company considers supporting the community and its initiatives to be one of its ongoing objectives, contributing to addressing challenges in the health, educational, cultural, and other fields. The Company views its facilities as centers for community engagement and, accordingly, supports numerous initiatives that seek to utilize these facilities and available venues to deliver their activities. This includes hosting awareness campaigns, supporting vulnerable groups, educational initiatives, charitable activities, and others.

The Company also works to integrate its social responsibility policies into its strategy in order to achieve a sustainable commitment to the community in all its segments, while supporting its vision as a leading institution that keeps pace with and supports the economic and social development of the State of Kuwait.

**Integration with Overall Business Strategy:**

strategically aligned with the Company's business objectives. The Board of Directors and executive management seek to achieve a balance between economic, social, and environmental dimensions by embedding sustainability considerations into long-term planning, policy reviews, decision-making processes, and daily operational practices, thereby enhancing the Company's long-term sustainability maturity.

**Promoting a Culture of Sustainability and Regulatory Compliance:**

The Company recognizes the importance of fostering a corporate culture that supports sustainability. Accordingly, we have focused on raising awareness and building the capabilities of our employees in integrated sustainability practices, while ensuring compliance with regulatory standards and requirements. This culture contributes to improving institutional performance, strengthening risk responsiveness, and enhancing our ability to achieve our strategic vision.

# 3.2 Our **Sustainability Objectives**

## 1. Environmental Dimension:

Salhia Real Estate seeks to reduce the environmental impact of its operational and development activities through the implementation of practical and actionable environmental practices, including:

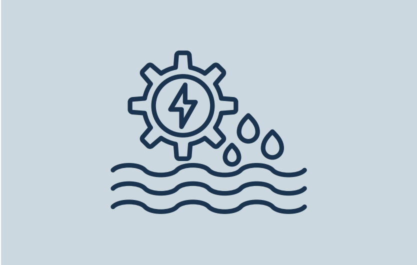
**a. Improving the efficiency of energy, water, and resource consumption across buildings and facilities**, particularly in high-traffic commercial centers, through monitoring consumption and identifying optimization opportunities.

**b. Integrating environmental sustainability considerations into maintenance and refurbishment activities,** including the selection of building materials and finishes with longer lifecycles, ease of maintenance, and reduced need for frequent replacement.

**c. Managing operational waste generated from daily activities**, while striving to minimize waste and enhance segregation and recycling practices wherever feasible.

**d. Initiating the development of baseline systems to measure the Company's carbon footprint,** as a first step toward identifying emission sources across all scopes and exploring future reduction opportunities.

**e. Ensuring compliance with local environmental regulations and relevant international best practice**s across all new projects and development activities.

# 3.2 Our **Sustainability Objectives**

## 2. Sustainable Construction and Real Estate Development Practices:

With respect to construction and development activities, Salhia Real Estate is progressively integrating sustainability principles into planning and execution phases through:

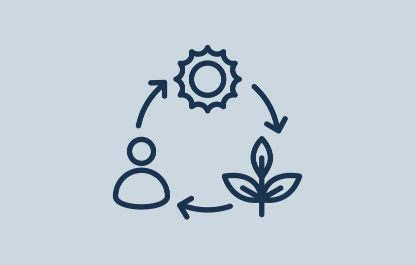
**a. Selecting project locations and designs that enhance efficient land use and leverage existing infrastructure,** while limiting unplanned urban expansion.

**b. Adopting architectural and operational designs that promote energy efficiency, natural lighting, and ventilation,** thereby reducing the operational load of buildings.

**c. Improving the management of construction materials by minimizing waste during executio**n and selecting high-quality materials with longer lifespans.

**d. Incorporating sustainability requirements into contractor and supplier agreements,** including adherence to safety, quality, and environmental compliance standards.

**e. Committing to occupational health and safety procedures** at construction sites to ensure a safe working environment and reduce risks to workers and surrounding communities.



# 3.2 Our **Sustainability Objectives**

### 3. Economic Dimension:

Economic sustainability at Salhia Real Estate focuses on supporting business continuity and enhancing financial resilience through:

**a. Integrating sustainability considerations** into feasibility studies and investment opportunity assessments, including the analysis of environmental, social, and operational risks.

**b. Effective management of risks associated** with the development and operation of real estate assets, contributing to the protection of long-term investment value.

**c. Enhancing operational efficiency of assets** through improved management and maintenance practices and reducing costs resulting from waste.

**d. Supporting innovation** in asset and facility management in line with real estate market requirements.

# 3.2 Our **Sustainability Objectives**

### 4. Social and Community Dimension:

Salhia Real Estate seeks to maximize the positive social impact of its activities through:

**a. Hosting and supporting community initiatives** across health, education, awareness, and cultural fields, leveraging its assets and commercial centers as platforms for community engagement.

**b. Providing a safe and responsible environment for visitors, tenants, and employees** within the Company's facilities.

**c. Upholding transparency and integrity** in dealings with all stakeholders.

**d. Respecting human rights principles** and promoting decent work practices across operations and supply chains.

# 3.2 Our **Sustainability Objectives**

## 5. Protecting Our Planet (Addressing Climate Change)

Climate change represents one of the most pressing global challenges, given its far-reaching implications for environmental integrity, economic stability, and societal well-being. At the international level, the Paris Agreement provides a unified framework for climate action, whereby signatory countries commit to limiting the increase in global average temperatures to well below °2C, while pursuing efforts to restrict warming to °1.5C above pre-industrial revolution levels.

In alignment with this global ambition, the State of Kuwait has established its national climate agenda within the framework of **"Kuwait Vision 2035" (New Kuwait)** and its commitments under the United Nations Framework Convention on Climate Change (UNFCCC). This vision outlines long-term priorities for emissions reduction and climate adaptation across key economic sectors, including infrastructure, construction, and real estate.

These frameworks collectively highlight the pivotal role of the real estate sector in reducing greenhouse gas emissions, improving resource efficiency, and developing resilient infrastructure capable of responding to both physical and transition climate risks.

In this context, Salhia Real Estate Company recognizes that climate change is a strategic consideration and an integral component of responsible corporate performance. Accordingly, the Company adopts an approach that integrates climate considerations into operational planning and risk management.

# 3.3 Stakeholder Engagement

Stakeholder engagement represents a fundamental pillar of governance implementation at Salhia. The Company is committed to understanding, assessing, and analyzing the expectations of all relevant stakeholders, while maintaining open and continuous communication through a wide range of available channels and engagement tools. As a result, these mechanisms contribute to enhancing the quality of decision-making by the Board of Directors and Executive Management, while reinforcing the principles of transparency, accountability, and effective corporate governance.

**Below is a summary of key stakeholder groups including the mechanisms used to engage with them:**

| Stakeholder Category | Type of Communication | Engagement Method | Frequency of Engagement | Key Topics Discussed | Response and Integration |
|---|---|---|---|---|---|
| Board of Directors | Internal | Formal meetings, periodic reports | Quarterly / As needed | Strategy, governance, risk management, sustainability | Policy approval, guidance to executive management, performance oversight |
| Executive Management | Internal | Coordination meetings, operational reports | Monthly | Financial performance, projects, compliance, sustainability indicators | Operational decision-making, operations improvement |
| Employees | Internal | Internal meetings, circulars, training programs | Ongoing / Periodic | Health and safety, work environment, operational efficiency | Development of internal policies, training programs |
| Contractors | External | Coordination meetings, contracts, site supervision | Per project | Occupational safety, quality, timelines, environmental compliance | Integration of requirements into contracts, monitoring and evaluation |
| Suppliers | External | Contractual terms, supplier evaluations | Annual / As contracted | Quality of materials, compliance, sustainability | Supplier selection, supply chain improvement |
| Regulatory and Supervisory Authorities | External | Formal reports, inspection visits | As required | Legal compliance, health and safety, environment | Immediate compliance, corrective actions |
| Tenants and Customers | External | Customer service channels, complaints management | Ongoing | Facility quality, safety, services | Improvement of operations and maintenance |
| Local Community | External | Community initiatives, event hosting | Per initiative | Health, awareness, social impact | Design and implementation of community initiatives |
| Health, Educational, and Charitable Institutions | External | Partnerships, joint campaigns | Per initiative | Health, education, community support | Sustaining and expanding initiatives |

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# 3.4 Material Topics

As part of preparing our first sustainability report, Salhia Real Estate Company applied a structured process to identify material topics in alignment with GRI 3: Material Topics. This process aims to identify the issues that have the most significant impact on the Company's economic, social, and environmental performance, and that are of highest priority to key stakeholders, thereby guiding sustainability efforts toward achieving tangible and long-term impact.

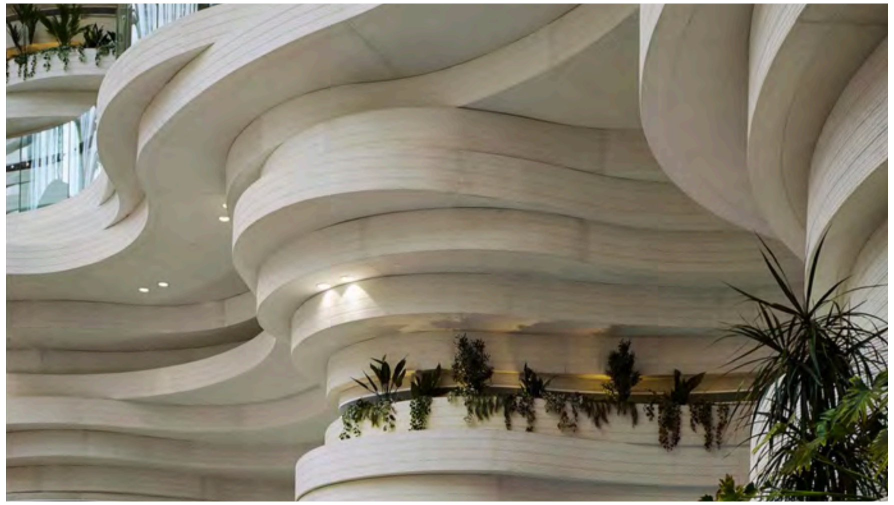
## Methodology for Identifying Material Topics

**Salhia Real Estate Company adopted a comprehensive methodology consisting of several integrated steps:**

**Analysis of Internal and External Context:**

• Reviewing the nature of the Company's activities in real estate investment and development, as well as current and future projects, to identify areas with potential direct impact on business sustainability.

• Assessing environmental, social, and economic challenges and opportunities within the Kuwaiti and regional real estate markets.



# 3.4 Material Topics

**Review of Regulatory Requirements and Best Practices:**
• Ensuring compliance with the regulatory requirements of the Capital Markets Authority and Boursa Kuwait regarding transparency, disclosure, and sustainability.
• Referencing international best practices and GRI Standards to ensure alignment with global frameworks.
• Reviewing environmental laws, regulations, and the requirements of the Environment Public Authority.

**Assessment of Stakeholder Expectations:**
• Gathering feedback and expectations from internal stakeholders (employees and senior management) and external stakeholders (investors, customers, local communities, suppliers, and regulators).
• Utilizing various tools such as surveys, meetings, interviews, and workshops to evaluate the significance of different issues.

**Impact and Prioritization Assessment:**
• Classifying issues based on their potential impact on the Company's performance and business sustainability.
• Considering environmental, social, and economic impacts, as well as the level of stakeholder interest.

## Identified Material Topics

**The Company has identified the following priority material topics:**

**Business Integrity and Governance:**
• Includes regulatory compliance, anti-corruption, transparency, and business ethics.
• Strong governance and ethical conduct are fundamental to the Company's sustainability, meeting stakeholder expectations for transparency and accountability, and mitigating financial and legal risks.

**Empowering People and Communities:**
• Includes community support, promotion of human rights and decent work, and management of the social impacts of real estate projects.
• Reflects the Company's commitment to developing local communities, promoting equality, and improving quality of life, forming a key pillar of its social responsibility.

**Carbon Footprint and Environmental Impact of Our Assets:**
• Includes energy consumption, emissions from buildings and facilities, resource management, and sustainable construction practices. .
• Reducing environmental impact is a core element of the Company's sustainability commitment, particularly in the real estate development sector, where emissions and resource consumption can be significant. These efforts contribute to emissions reduction and improved operational and environmental efficiency of the buildings.

# 3.4 Material Topics

### Management of Material Topics

**Salhia Real Estate Company is committed to periodically reviewing the materiality assessment process, including:**

• Expanding stakeholder engagement to ensure that identified topics reflect their expectations and needs.

• Measuring the actual impact of each topic over the medium and long term to enhance sustainability strategies.

• Updating the report to reflect changes in environmental, social, and economic priorities, and developing actions and plans to ensure alignment with global sustainability best practices.



# 04
# Empowering Governance to Create Value

# 04 Empowering Governance **to Create Value**

Corporate governance is defined as a set of principles, systems, and procedures aimed at achieving balance and safeguarding the interests of various stakeholders, including the Board of Directors, executive management, shareholders, and other stakeholders. The core objective of implementing corporate governance is to ensure alignment between the Company's direction and decisions with shareholders' interests, thereby enhancing investor confidence in institutional performance, and strengthening the Company's ability to sustain growth and navigate challenges.

Corporate governance also contributes to structuring decision-making processes within the Company in a manner that reinforces transparency, integrity, and accountability. One of its key objectives is to protect shareholders' rights and to ensure a clear separation and balance between the roles of the Board of Directors, responsible for setting policies, strategies, and oversight, and executive management, which is responsible for day-to-day operations.

As a company subject to the supervision of the Capital Markets Authority (CMA), Salhia Real Estate Company is fully committed to complying with Resolution No. (72) of 2015 concerning the issuance of the Executive Bylaws of Law No. (7) of 2010 regarding the establishment of the Capital Markets Authority and the regulation of securities activities and its amendments, particularly Module Fifteen (Corporate Governance).

# 4.1 Board Independence: **A Driver of Sustainability**

The Board of Directors of Salhia Real Estate Company consists of eight members, enabling the formation of specialized committees in line with corporate governance requirements issued by the Capital Markets Authority. Key highlights of the Board include:

- A majority of Board members are non-executive, ensuring independence in decision-making.
- Appropriate representation of independent members, not exceeding half of the Board composition.
- A balanced mix of academic and professional expertise to ensure effective and sustainable management of the Company.
- The Board holds full responsibility for the Company's strategic direction, risk management, governance implementation, and oversight of executive management, including the Chief Executive Officer. It also supervises the Company's operations to ensure compliance with applicable laws and regulations, safeguard the interests of shareholders and stakeholders, promote transparency, and support business sustainability.
- The Board appoints a qualified Chief Executive Officer and approves the appointment of executive management under their supervision, while establishing effective oversight mechanisms to ensure adherence to Board-approved policies and achievement of corporate objectives.
- The Board adopts and monitors the Company's sustainability strategy in alignment with regulatory requirements in the State of Kuwait and international best practices. In line with the CMA circular requiring Premier Market listed companies to prepare sustainability reports with fair and transparent ESG disclosures, the Board oversees the identification of sustainability priorities, monitors their implementation, and ensures their disclosure in annual reports to relevant authorities and stakeholders, while enabling the formation of specialized committees in accordance with sound governance and regulatory standards.
- The Board conducts an annual evaluation of its performance, as well as that of its committees and executive management, to ensure effectiveness, supported by specialized committees across various areas. The existing Board continues to manage the Company's affairs until the end of its term or until a new Board is elected.
- As part of effective management of sustainability-related impacts, the Board delegates the necessary authority to the Chief Executive Officer and senior executives to implement environmental, social, and governance (ESG) policies and operational processes. The CEO, in coordination with specialized committees (such as the Audit and Risk Management Committee and the Nomination and Remuneration Committee), directly oversees the implementation of sustainability objectives and the measurement of the Company's performance in relation to economic, social, and environmental impacts, ensuring regulatory compliance and operational efficiency. The Board held eight meetings during the reporting period.

# 4.2 Election of the **Board of Directors**

Members of the Board of Directors are elected by the General Assembly of shareholders through secret ballot voting, ensuring fair participation and transparency for all shareholders. Each shareholder, whether an individual or a legal entity, may appoint representatives to the Board in proportion to their shareholding in the Company.

A group of shareholders may also form alliances to appoint one or more representatives to the Board in proportion to their combined ownership. The existing Board continues to manage the Company's affairs until the end of its term or until a new Board is elected.

# 4.3 Board **Composition**

The Board of Directors of Salhia Real Estate Company consists of (8) eight members. Below is an overview of the Board members:

| No. | Name | Classification (Executive / Non-Executive / Independent) | Date of Election / Appointment |
|---|---|---|---|
| 1 | **Ghazi Fahed Alnafisi**<br>Chairman of the Board | Non-Executive | 2025 April 17 |
| 2 | **Faisal Abdulmohsen Al-Khatrash**<br>Vice Chairman of the Board | Non-Executive | 2025 April 17 |
| 3 | **Anwar Abdulaziz Al-Usaimi**<br>Board Member | Non-Executive | 2025 April 17 |
| 4 | **Abdulaziz Ghazi Alnafisi**<br>Board Member & Chief Executive Officer | Executive | 2025 April 17 |
| 5 | **Yousef Eissa Al-Othman**<br>**Board Member** | Non-Executive | 2025 April 17 |
| 6 | **Abdulrahman AbdulAziz Al-Babtain**<br>Board Member | Independent | 2025 April 17 |
| 7 | **Marzouq Fajhan AlMutairi**<br>Board Member | Independent | 2025 April 17 |
| 8 | **Saud Ahmad Al-Zabin**<br>Board Member | Non-Executive | 2025 April 17 |
| 9 | **Mohammed Khalil Al-Musaibeeh** | Board Secretary | 2014 May 12 |

# Qualifications and Experience of the Board of Directors of Salhia Real Estate Company

## Mr. Ghazi Fahed Alnafisi

Chairman of the Board

Mr. Ghazi Alnafisi is a founding member of Salhia Real Estate Company since its establishment back in 1974. He is a holder of Aviation Engineering Diploma from Chelsea College for Aeronautical Engineering - London - Britain, June 1965. His tenure as the chairman of Salhia Real Estate Company was renewed on 2025/04/17, and he is currently holding the post of chairman of the executive committee in the Company. Mr. Ghazi Alnafisi has been presiding over the board of directors of Kuwait Hotel Owners Association since 1979 till this date. Moreover, he is a founding member of the Petroleum Independent Group, founded in 1975, where he holds the post of vice-chairman. In 2017, Mr. Ghazi Alnafisi was appointed as chief executive officer for Assima Real Estate Company.

His experience extends to working in many companies, including Azzad Trading Group Company, where he has held the position of Vice Chairman since 1994. He also held the post of chairman of the Gulf Investment Company in Bahrain, and chairman and managing director of the National Investments Company - Kuwait during the period 1986 to 1996. Mr. Ghazi Alnafisi was a member of the board of directors of Kuwait National Petroleum Company (KNPC) from 1971 to 1976. He has also held several key positions in Kuwait Aviation Fueling Company from 1967 to 1976.

## Mr. Faisal Abdulmohsen AlKhatrash

Vice Chairman of the Board

Mr. Faisal Al-Khatrash has assumed the position of Vice Chairman of Salhia Real Estate Company since 1981, and his tenure was renewed at the last elections of the Board of Directors on 2025/04/17. Mr. Faisal Al-Khatrash holds a bachelor’s degree in military sciences, which he acquired in the year 1967. He was an officer in the Kuwait Army until 1974. Moreover, he has been holding the post of Vice Chairman of the International Investor Company since 2003. His experience includes key positions in several institutions in Kuwait, including the post of Vice Chairman of Kuwait Finance House from 1982 to 1993. In addition, he assumed the post of Managing Director of Kuwait Foreign Trading, Contracting and Investment Company from 1974 to 1982.

## Mr. Abdulaziz Ghazi Alnafisi

Board Member & Chief Executive Officer

Mr. Abdulaziz Alnafisi joined the Board of Directors of Salhia Real Estate Company in 2005. He is currently assuming the post of Chief Executive Officer of the Company, and was re-elected to the Board membership on 2025/04/17, and is currently a member of the Executive Committee in the Company. Mr. Abdulaziz Alnafisi holds a master’s degree in business administration from the United Kingdom (City University - London), which he acquired in the year 2002. He also holds a bachelor’s degree in accounting and Middle Eastern affairs from the USA (Northeastern University - Boston, MA), which he attained in year 1997.

He is the Chairman of Kuwait Packing Materials Manufacturing Company and Vice Chairman of the Assima Real Estate Company. Furthermore, he is also assuming the post of Vice Chairman of Salhia International Entertainment Centers Company, and he is a co-founder and Board member of Crossbridge Capital Limited, London, UK.

# Qualifications and Experience of the Board of Directors of Salhia Real Estate Company

## Mr. Anwar Abdulaziz Al-Usaimi

Board Member

Mr. Anwar Al-Usaimi joined the Board of Directors of Salhia Real Estate Company in 1981 and assumed the post of Chief Executive Officer of the Company from 1997 to 2022. He was re-elected as a Board member on 2025/04/17. Moreover, he is currently a member of the Company's Nominations and Remunerations Committee, the Executive Committee, and the Risk Management and Internal Audit Committee. Mr. Anwar Al-Usaimi holds a bachelor's degree in administrative sciences from USA (Emporia Kansas State College), which he attained in the year 1976. He possesses vast experience in banking, financial and administration fields inside and outside of Kuwait.

Currently, he is assuming the post of Board Chairman of the Assima Real Estate Company and is a member of the Board of Directors of Haddia Holding GmbH (Germany) and KPI Company (UK). Furthermore, he is a member of the Board of Directors of several companies and banks in Kuwait, including the Commercial Bank of Kuwait and the International Investor Company. Furthermore, he was the Vice Chairman and Managing Director of Pearl of Kuwait Real Estate Company and Vice Chairman of the Board of Directors of the Kuwait Lebanese Real Estate Development Company.

## Mr. Yousef Eissa Al-Othman

Board Member

Mr. Yousef Al-Othman joined the Board of Directors of Salhia Real Estate Company in 1992. He was reelected to the Board membership on 2025/04/17. Currently, he assumes the post of Chairman of the Risk Management and Internal Audit Committee as well as the Nominations and Remunerations Committee in the Company.

Mr. Yousef Al-Othman holds a bachelor's degree in business administration from Kuwait University, which he attained in the year 1975. He possesses several certificates and scientific and professional courses in the field of administration from institutions inside and outside Kuwait. He is currently the Chairman and Chief Executive Officer of Al Bustan Real Estate Company and Al Mirror Holding Company, as well as the General Manager of both Al-Othman and Al-Zamel General Trading & Contracting Company and Essa Al-Othman General Trading & Contracting Establishment.

## Mr. Abdulrahman Abdulaziz Al-Babtain

Board Member

Mr. Abdulrahman Al-Babtain joined the Board of Directors of Salhia Real Estate Company in 2010. He was re-elected to the Board membership on 2025/04/17 and is currently a member of the Risk Management and Internal Audit Committee in the Company.

Mr. Abdulrahman Al-Babtain received his bachelor's degree in business administration from Kuwait University in 1990. He is the Vice Chairman of Abdulaziz Saud Al-Babtain Company and a member of the Board of Directors of Murabhat Investment Company.

# Qualifications and Experience of the Board of Directors of Salhia Real Estate Company

## Mr. Marzouq Fajhan Al-Mutairi

Board Member

Mr. Marzouk Al-Mutairi joined the Board of Directors of Salhia Real Estate Company in 2001. He was re-elected to the Board membership on 2025/04/17 and is currently a member of the Nominations and Remunerations Committee and the Risk Management and Internal Audit Committee in the Company. Mr. Marzouk Al-Mutairi holds a bachelor’s degree in accounting from the USA (University of Central Florida), which he attained in the year 1996. He is currently the Chairman of the board of directors of Tharwa Investment Company - Kuwait. Mr. Marzouk AlMutairi possesses vast financial and investment experience, mainly in establishing and managing investment portfolios.

## Mr. Saud Ahmad Al-Zabin

Board Member

Mr. Al-Zaben joined the Board in 2013 and was re-elected on 17 April 2025. He holds a Bachelor’s degree in Economics from Old Dominion University, USA. He currently serves as Chairman of Overseas Links Company and DDR Performance Company, in addition to his membership on the boards of two companies in Egypt.

## Mr. Mohammad Khalil Al-Musaibeeh

Board Secretary

Mr. Mohammad Al-Musaibeeh joined Salhia Real Estate Company in 1998. He was appointed as secretary of the Board of Directors of Salhia Real Estate Company on 2014/05/12 and held the post of Board Secretary before that. He holds a bachelor›s degree in accounting from Egypt (Cairo University), which he received in year 1998. In addition to that, he has obtained several professional certificates in accounting, auditing and human resources, and currently holds the position of Finance, Accounting and HR Group Head at Salhia Real Estate Company. He is also a Board member of the Assima Real Estate Company and Salhia International Entertainment Centers.

# 4.4 Committees Emanating **from the Board of Directors**

The Board of Directors carries out its responsibilities with the support of three main committees. The roles and responsibilities of each committee, along with their delegated authorities, are defined by the Board. Minutes of these committees are documented and recorded in the Company's records.

### Risk Management and Internal Audit Committee

The formation of the Risk Management and Internal Audit Committee reflects the Company's adoption of sound governance practices. The Committee plays a pivotal role in promoting a culture of institutional compliance and adherence by enhancing the reliability and integrity of financial reporting, and by ensuring the adequacy and effectiveness of internal control systems implemented within the Company.

The Committee also contributes to improving institutional performance by identifying and analyzing the nature and level of risks associated with the Company's activities and working to mitigate their impact to the greatest extent possible, thereby supporting the achievement of the Company's vision and strategic objectives in line with approved policies and standards.

Within the scope of the authority delegated to it by the Board of Directors, the Committee has the right to access and review all information, data, reports, records, and correspondence related to the Company's activities, or any other matters it deems necessary for the performance of its duties. This enables the Committee to carry out its risk management and internal audit responsibilities efficiently and effectively. The Committee also submits periodic reports, including its observations and recommendations, to the Board of Directors and executive management to support decision-making and strengthen governance and oversight.

| Committee Members: | |
|---|---|
| Yousef Eissa Al-Othman | Committee Chairman |
| Anwar Abdulaziz Al-Usaimi | Committee Member |
| Marzouq Fajhan Al-Mutairi | Committee Member |
| Abdulrahman Abdulaziz Al-Babtain | Committee Member |

The Risk Management and Internal Audit Committee held nine meetings during the financial year ended 31 December 2025.

# 4.4 Committees Emanating **from the Board of Directors**

**Nomination and Remuneration Committee**

The Committee aims to enhance governance effectiveness and improve institutional performance by contributing to the selection of qualified Board members and senior executives capable of achieving the Company's vision and executing its strategy, in line with approved policies and standards. It is also responsible for establishing and developing remuneration and incentive policies for Board members and senior executives, ensuring fairness, transparency, and alignment with performance and the achievement of strategic objectives.

The Committee further provides recommendations to the Board of Directors regarding the required skills and expertise for Board membership, ensuring the Company's objectives are met while safeguarding the rights and interests of shareholders and investors efficiently and cost-effectively.

| Committee Members: | |
|---|---|
| **Yousef Eissa Al-Othman** | Committee Chairman |
| **Anwar Abdulaziz Al-Usaimi** | Committee Member |
| **Marzouq Fajhan Al-Mutairi** | Committee Member |

The Nomination and Remuneration Committee held three meetings during the financial year ended 31 December 2025.

# 4.4 Committees Emanating **from the Board of Directors**

### Executive Committee

The Executive Committee serves as a supporting body to the Board of Directors in fulfilling its responsibilities, within the scope of the authorities and duties defined in its charter.

The Executive Committee charter includes a range of responsibilities related to overseeing financial and accounting affairs, human resources and administrative functions, investment management, real estate management, and construction management activities within Salhia Real Estate Company. The Committee meets at least once per quarter, or as required, and may invite or request meetings with Company leaders or executive officials to discuss operational matters and challenges. It also reviews and discusses reports and information related to activities within its scope of responsibilities.

| Committee Members: | |
|---|---|
| **Ghazi Fahed Alnafisi** | Committee Chairman |
| **Anwar Abdulaziz Al-Usaimi** | Committee Member |
| **Abdulaziz Ghazi Alnaf** | Committee Member |

The Executive Committee held four meetings during the financial year ended 31 December 2025.

# 4.5 Board of Directors and Executive Management Performance Evaluation

The Company is committed to implementing clear and objective performance evaluation mechanisms for the Board of Directors and executive management, including their responsibilities in overseeing and guiding sustainability matters, through the following:

**Annual Evaluation Mechanism:**

The evaluation is based on a comprehensive self-assessment conducted by Board members.
The assessment is reviewed and overseen by the Nomination and Remuneration Committee, with the final results approved by the Board of Directors.

**Objective Indicators:**

Specific Key Performance Indicators (KPIs) have been adopted for executive management to assess the extent to which operational and strategic objectives are achieved, including environmental, social, and governance (ESG) goals.

The use of these indicators ensures neutrality and objectivity in the evaluation process, helps identify areas for improvement and development, and mitigates any gaps that may affect the effectiveness of governance and sustainability practices.

# 4.6 Remuneration Policies for the **Board of Directors and Executive Management**

**Salhia Real Estate Company adheres to a transparent and well-defined remuneration policy for Board members and executive management, focusing on linking performance to rewards, ensuring market competitiveness, and complying with applicable laws and regulations in the State of Kuwait.**

The remuneration of Board members is determined in accordance with the Company's Articles of Association and is presented to the General Assembly for approval, with a maximum cap not exceeding %10 of net profit after deducting depreciation and reserves, and after distributing a minimum of %5 of the Company's capital to shareholders, or any percentage stipulated in the Company's Articles.

Executive management remuneration is linked to individual performance and the indicators approved by the Nomination and Remuneration Committee. It includes fixed compensation, variable incentives, and insurance benefits, with periodic benchmarking against market levels to ensure competitiveness.

Annual performance evaluations are conducted for all executive management members based on defined criteria to ensure fairness and transparency. Increments and promotions are determined based on evaluation results, as well as the employee's experience and qualifications, subject to Board approval.

### Recommendations and Follow-up:

The Nomination and Remuneration Committee submits a report on evaluation outcomes to the Board of Directors, including recommendations to enhance individual and collective performance, and to develop knowledge and skills in a way that strengthens the Board's role in guiding the sustainability strategy.

This process ensures that performance is assessed on an objective basis aligned with sustainability objectives, while providing a foundation for developing capabilities and enhancing the quality of governance within the Company.

**Mr. Abdulaziz Ghazi Alnafisi**
Chief Executive Officer

**Mr. Nasser Bader Alghanim**
Investment Group Head

**Mr. Mohammed Khalil AlMusaibeeh**
Finance, Accounting & HR Group Head

**Eng. Bader Khalifah AlAdsani**
Real Estate Management & Dev. Group Head

**Mr. Faisal Khalid Binsalamah**
Group Property Manager

**Mr. Ahmed AlQuraish**
Project Property Development Manager

**Mr. Ali Jassim Abul**
Group Human Resources & Administration Manager

**Mr. Mohammad Iskandar Alam**
Group Property Facilities Manager

**Mr. Abulyazid Eladly**
Group Accounting Manager

# 4.7 Management of **Economic, Environmental, and Social Impacts**

**The Board of Directors of Salhia Real Estate Company holds ultimate responsibility for overseeing the management of the economic, environmental, and social impacts arising from the Company's activities, in line with applicable regulatory requirements and best governance practices.**

The Board exercises this role through an integrated corporate governance framework aligned with the Capital Markets Authority's corporate governance requirements, primarily through its specialized committees, particularly the Risk Management and Audit Committees, which are responsible for reviewing risk management systems, internal controls, compliance frameworks, and sustainability-related matters.

The Company has adopted a structured methodology for identifying, assessing, and managing material impacts within the framework of enterprise risk management and sustainability. Executive management is responsible for the practical implementation of this methodology, including conducting periodic impact assessments, integrating environmental, social, and governance (ESG) considerations into operational and strategic decisions, and ensuring compliance with applicable laws, regulations, and internal policies.

The Board of Directors and its committees receive regular and structured reports outlining key economic, environmental, and social impacts, associated risks and opportunities, mitigation measures, and performance levels against approved key performance indicators. This supports informed decision-making and effective strategic direction.

The Board also plays an active role in reviewing and approving material topics, ensuring alignment with stakeholder expectations and long-term value creation objectives. In addition, it oversees the adequacy of internal controls and governance mechanisms related to impact management and monitors the effectiveness of corrective and improvement actions.

The Board supervises the implementation of this strategy across the organizational structure and operational processes, ensuring that policies and practices are aligned with local regulatory requirements and international disclosure standards, including the adoption of the Global Reporting Initiative (GRI) Standards as a foundation for sustainability reporting.

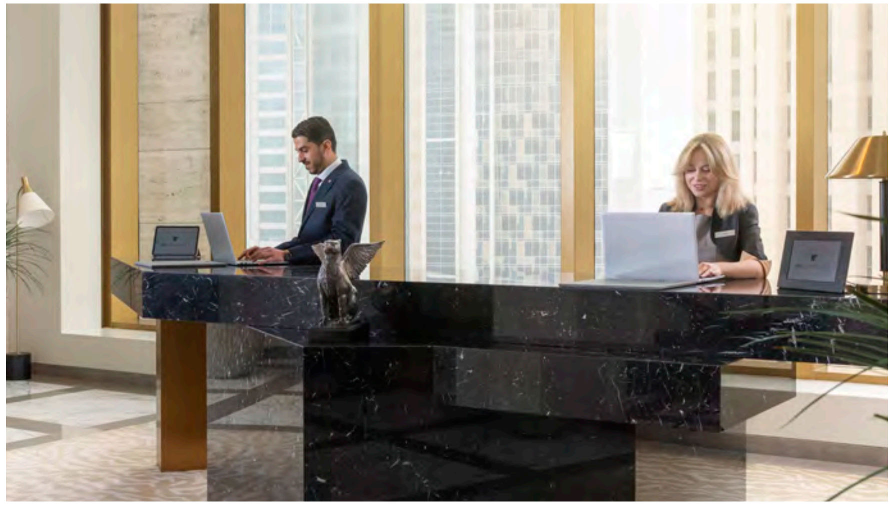
# 4.7 Management of **Economic, Environmental, and Social Impacts**

**Delegation of Impact Management Responsibilities**

As part of the effective management of sustainability-related impacts, the Board of Directors delegates the necessary authority to the Chief Executive Officer and senior executives to implement environmental, social, and governance (ESG) policies and operational processes. The Chief Executive Officer, in coordination with specialized committees (such as the Audit and Risk Management Committee and the Nomination and Remuneration Committee), directly oversees the implementation of sustainability objectives and monitors the Company's performance in relation to economic, social, and environmental impacts, ensuring regulatory compliance and operational efficiency.

**Role of the Board of Directors in Sustainability Reporting**

The Board of Directors of Salhia Real Estate Company plays a central role in reviewing and approving the annual sustainability report prior to its publication. It ensures that the report includes all required disclosures in accordance with regulatory circulars and adopts the GRI Standards as a reliable framework for presenting information related to environmental, social, and sustainability impacts. The Board also ensures that the report accurately reflects the Company's impacts and strategies across environmental, social, and governance areas, and that it is prepared for disclosure in accordance with approved regulatory deadlines.



# 4.8 Conflict of **Interest Policy**

The Company adopts strict and clear policies for managing conflicts of interest, ensuring a separation between personal interests and the official responsibilities of Board members and executive management. These policies aim to ensure that decisions are made in a transparent, responsible, and fair manner, and they apply to all employees, suppliers, and executives, thereby strengthening integrity and institutional trust.

The Company has developed a Conflict of Interest Policy Manual that outlines the necessary methods and procedures for identifying, preventing, and managing such situations. This framework is designed to meet regulatory requirements, prohibit such conduct by Board members and executive management, and ensure a clear separation between personal interests and official responsibilities within the Company.

## 4.8.1 Purpose of the Conflict of Interest Policy

The policy and its procedures aim to establish a clear regulatory framework to identify any potential or actual conflict of interest between an individual's personal interests and their official responsibilities within the Company. This policy forms an integral part of the Company's governance framework and serves as a key pillar for ensuring sustainability across its operations.

**The main objectives of the policy include:**

• Guiding Board members, executive management, and employees in identifying actual or potential conflict of interest situations.

• Ensuring decisions are made objectively and transparently without personal influence or bias.

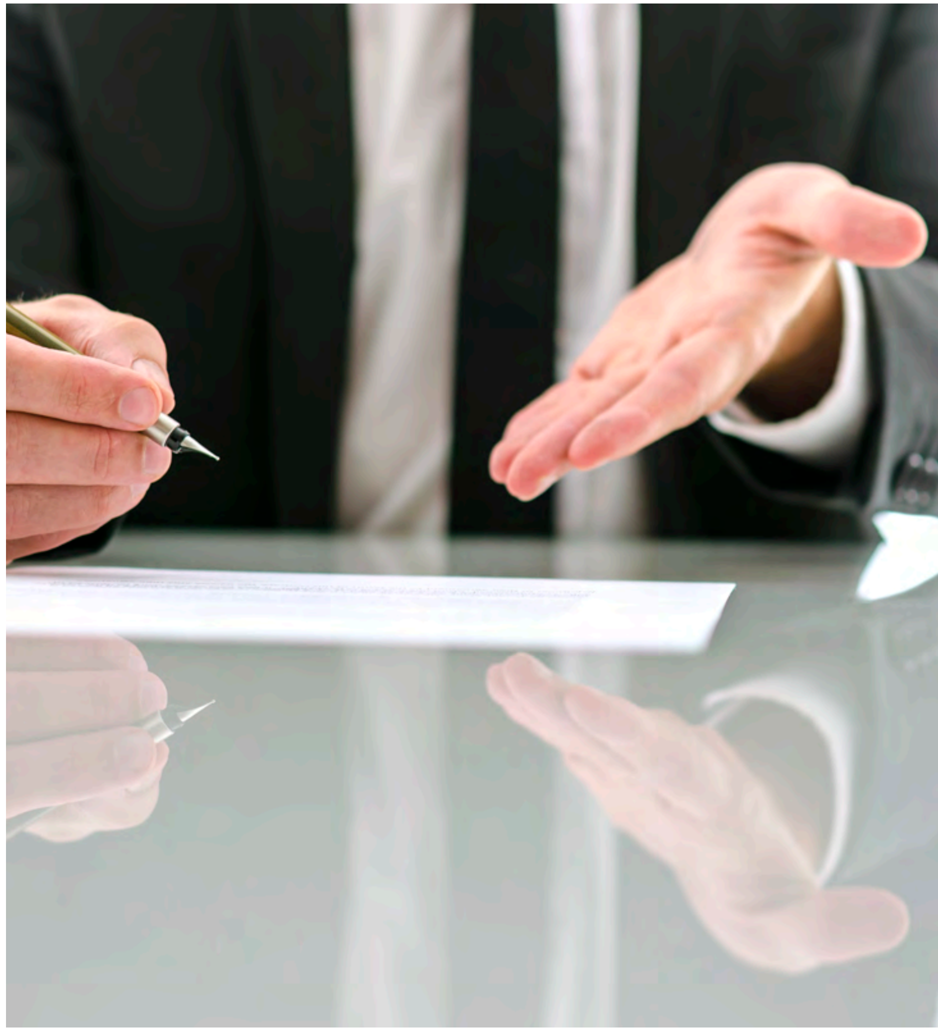
• Promoting a culture of compliance and adherence to ethical values as a foundation for sustainable business practices.

**The policy applies to all relevant parties, including:**

• Members of the Board of Directors and executive management.

• All Company employees, including technical and administrative staff.

• Suppliers, customers, and all parties directly or indirectly associated with the Company.



# 4.8 Conflict of **Interest Policy**

## 4.8.2 Responsibilities for Implementing the Conflict of Interest Policy

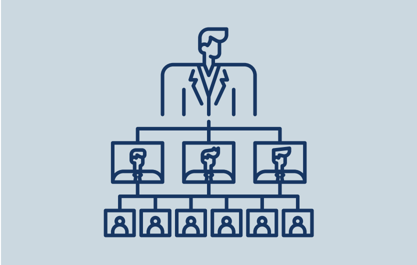
### Audit Committee:

The Audit Committee holds overall responsibility for implementing the policy and may delegate authority to a designated Company official to oversee its implementation. The Committee also monitors and reviews the implementation of the policy and procedures and provides necessary recommendations.

### Board Members, Executives, and Employees:

All Company personnel, from members of the Board of Directors to technical and administrative employees, including executive management personnel, are responsible for implementing and disclosing conflicts of interest.

Senior management is also responsible for promoting the Company's core values among work teams and raising awareness of conflict of interest management practices.



### Human Resources Department:

The Human Resources Department ensures that all employees of the Company are fully aware of the Conflict of Interest Prevention Policies and Procedures through the provision of orientation programmes for new employees on how to comply with these policies. All employees are also required to sign an acknowledgment confirming receipt of a copy of these policies and procedures and undertaking to comply with them.

# 4.8 Conflict of **Interest Policy**

## 4.8.3 Procedures for Preventing and Managing Conflicts of Interest

### Mandatory Disclosure:

Board members, executives, and employees are required to disclose any personal or financial interests that may conflict with the Company's interests. Such disclosures must be made in writing using the Company's approved forms. These include:

• Personal financial investments, loans, or assets that may influence business decisions.
• Family relationships or affiliations that may affect transactions or decisions within the Company.
• Any financial interests related to dealings with suppliers, customers, or affiliated companies.
• Any other matters that may affect business decisions.

### Best Practices for Employees

Salhia Real Estate Company is committed to promoting professional conduct, integrity, honesty, and the development of values within the Company in order to enhance investors' confidence in the Company's integrity and the reliability of its financial information. As part of this commitment, the Board of Directors has established the "Code of Professional Conduct and Ethics" to encourage sound practices and ethical behaviour and to protect the long-term interests of stakeholders. All Company employees are required to sign a copy of the Code as confirmation of their commitment to its provisions, including:

• Not to exploit any position for personal gain or for the benefit of related parties.
• To refrain from accepting or offering any gifts or financial benefits that may influence Company decisions.
• To comply with Company policies regarding gifts, hospitality, travel, and benefits, and adhere to established ethical standards.
• Acceptable gifts are those approved by the Board within reasonable limits.
• Business hospitality must be of reasonable value and directly related to business activities, in accordance with Company policies.
• Any travel or additional expenses must be officially authorized and aligned with internal policies.

### Control Environment

The control environment at Salhia Real Estate Company is divided into internal control and external control:

**Internal Control:** The Company's internal control units, such as the Internal Audit Unit, the Compliance Officer, and Risk Management, assume a significant part of the responsibility for internal control, whereby the implementation of policies and procedures is monitored, and these policies and procedures are updated in line with effective practices.

**External Control:** The regulatory authorities under whose supervision the Company operates play a significant role in overseeing the Company's activities and ensuring its compliance with their requirements. The Company also appoints an independent external auditor, registered with the regulatory authorities, to review and audit the interim and annual financial statements and ensure that they are presented fairly and reflect the Company's financial position in accordance with International Financial Reporting Standards.

# 05 Institutional Values and Responsible Practices

# 05 Institutional Values and **Responsible Practices**

The Company is committed to the highest standards of integrity and ethics across all its activities, with integrity serving as the core value that guides all our decisions and actions. The Company works to promote a strong ethical corporate culture and ensure that decisions are made responsibly and in a manner that serves the interests of the Company, its clients, and all stakeholders.

This section explains how these corporate values and responsible practices are implemented.

# 5.1 Responsible **Business Policy**

**Salhia Real Estate Company has established a clear and structured framework for managing its investment activities to ensure sound investment decisions based on governance, risk management, and regulatory compliance. This approach supports the long-term sustainability of the Company's investment portfolio.**

Investments are managed in accordance with policies and procedures approved by the Board of Directors, aligned with the Company's Articles of Association, the requirements of the Capital Markets Authority, and best professional practices in the real estate investment sector.

The Company's investment activities are subject to direct oversight by the Board of Directors, which approves the overall investment strategy and defines the authority levels and decision-making limits. Executive management, represented by the Investment Department, is responsible for implementing the approved strategy and submitting recommendations and periodic reports to the Executive Committee and the Board of Directors in accordance with the approved authority matrix, ensuring clear segregation of duties and effective control.


# 5.1 Responsible **Business Policy**

## 5.1.1 Investment Planning

The investment process begins with the preparation of an annual forward-looking investment plan, which includes:

• Analysis of market conditions and available opportunities, and identification of targeted investments.
• Geographic and sectoral allocation of investments.
• Comparison of current performance against expected returns.
• Determine risk thresholds.

Investment plans are first presented to executive management, then to the Executive Committee, before final approval by the Board of Directors.

# 5.1 Responsible **Business Policy**

## 5.1.2 Responsible Investment and Sustainability

The Company's investment planning and management mechanism reflects our commitment to the principles of responsible investment through the promotion of governance, transparency, and risk management, and through our focus on achieving sustainable long-term returns, while remaining prepared to gradually integrate environmental, social, and governance (ESG) considerations into investment decisions.’

# 5.2 Addressing Adverse Impacts and Mechanisms **for Seeking Advice and Raising Concerns**

The Company has established a clear mechanism for reporting incidents and concerns, applicable to both employees and non-employees, which is detailed in the Human Resources Operations, Policies, and Procedures Manual. Reporting channels include verbal communications and email messages, which are directed to the appropriate management level. Non-employees may also report any practices in writing to the Chief Executive Officer.

Upon receipt of any notifications or complaints, they are referred to the Legal Department, the Human Resources Department, and any other relevant parties, as applicable, and the necessary actions are taken.

The Company has also established a dedicated **hotline, 22996699**, for reporting such violations. The hotline is available to investors and external stakeholders and is managed by the Compliance, Risk Management, and Investor Relations teams, with reports escalated directly to senior management.

In addition, a Whistleblowing Report Form is available on the Company’s website, **www.salhia.com**, to ensure ease of access and transparency.

# 5.3 Compliance with **Laws and Regulations**

At Salhia Real Estate Company, as a company listed on Boursa Kuwait, we are fully committed to complying with all applicable laws and regulations in the State of Kuwait. This includes Companies Law No. 1 of 2016 and its amendments, Anti-Money Laundering Law No. 106 of 2013, as well as the instructions of the Capital Markets Authority issued pursuant to Law No. 7 of 2010 and its Executive Bylaws and amendments thereto. We also comply with labour laws governing employees' rights and obligations, leave entitlements, salaries, end-of-service benefits, and work permits, in addition to the regulations of the Environment Public Authority relating to the internal environment and the safety of employees.

We are also committed to closely monitoring any amendments or updates to the above laws and regulations and ensuring compliance with them. Where necessary, external consultants are engaged to assess the impact of such changes on the Company and to ensure their full implementation.

# 06
# Social Responsibility and Sustainable Development

# 06 Social Responsibility and **Sustainable Development**

At Salhia Real Estate Company, we believe that human capital is the cornerstone of achieving business sustainability and maximizing long-term value. Empowering individuals is not only a social responsibility but also a strategic priority that enhances operational performance, ensures project continuity, and supports sound governance.

Based on this principle, the Company is committed to fostering a work environment built on job stability, fairness, transparency, and respect for human dignity, in alignment with international best practices.

This section covers several key topics, including employees, women's empowerment, training, and community initiatives.


# 6.1 Our People

The total number of employees during the reporting period reached 251 permanent employees, reflecting the Company's reliance on a stable employment model that supports institutional knowledge continuity and operational efficiency. The Company does not employ temporary or part-time staff, demonstrating its commitment to providing stable and sustainable employment opportunities. The "Real Estate and Development" sector accounts for the largest share of employees (181 employees), followed by the "Finance, Accounting, and Human Resources" sector (38 employees). Employee distribution by gender and location is as follows:

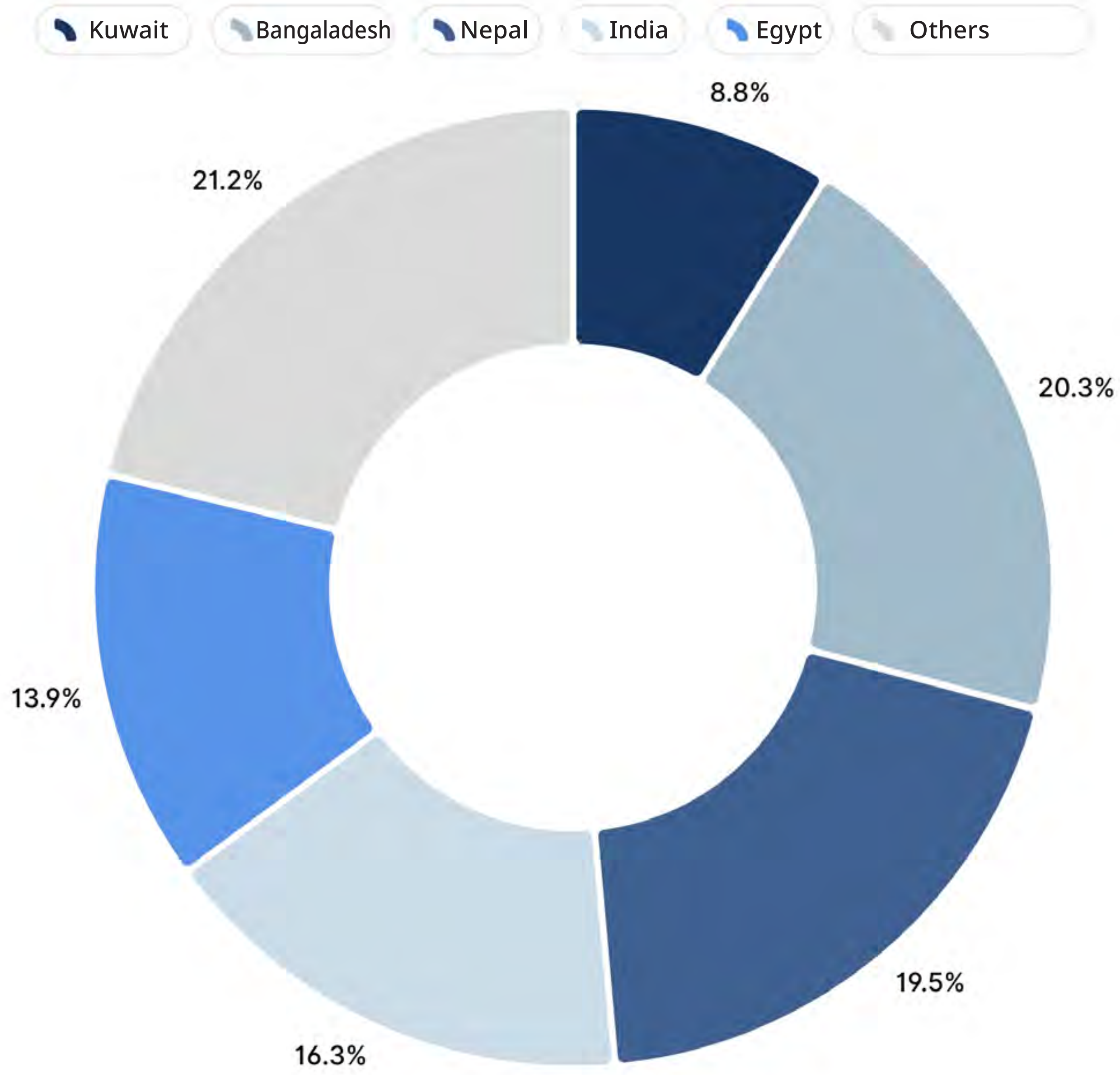
| Location | Gender | Number | Percentage | Total |
|---|---|---|---|---|
| Qibla | Male | 186 | %92 | 202 |
| | Female | 16 | %8 | |
| Sharq | Male | 49 | %100 | 49 |
| | Female | – | – | |
| **Total** | **Male** | **235** | **%93.6** | **251** |
| | **Female** | **16** | | |

# 6.1 Our People

The Company takes pride in maintaining a diverse workforce that brings together talent from multiple nationalities, enriching the work environment with varied expertise. Kuwaiti nationals represent %8.8 of the total workforce (22 employees), holding key positions in senior management, the Board of Directors, and executive offices.

The Company also employs a diverse mix of highly skilled professionals from various countries, including Bangladesh (%20.3), Nepal (%19.5), India (%16.3), and Egypt (%13.9), in addition to other nationalities such as Jordan, Lebanon, Syria, and others.

The Company's low employee turnover rate reflects its success in retaining its workforce, with a total turnover rate of only %3.2 recorded in 2025. Most months of the year experienced complete stability (%0 turnover), with only very limited cases recorded in a few months, underscoring a stable and attractive work environment.

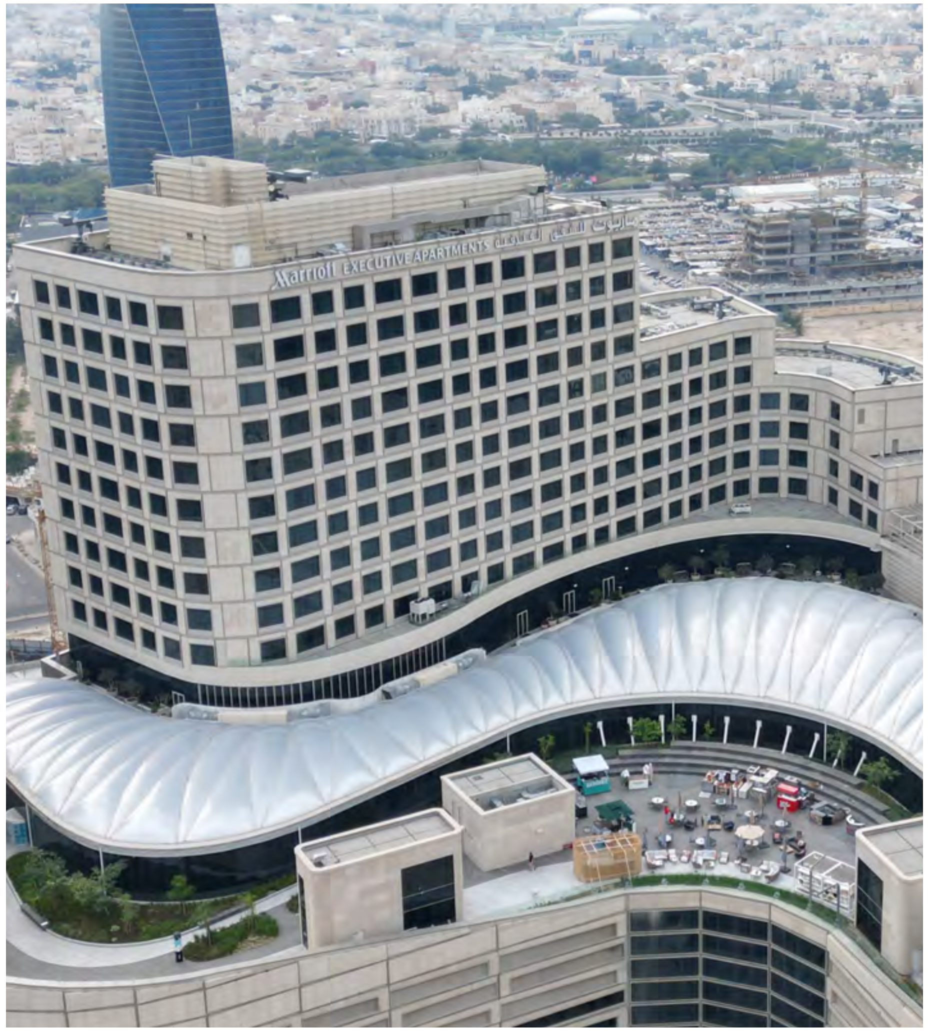


# 6.2 Non-Employee **Workers**

In addition to our permanent employees, Salhia Real Estate Company engages workers through contractual arrangements with specialized service providers to support certain operational activities across its sites and facilities. The total number of these workers is 105, operating within the Company's scope under its direct operational and administrative supervision, ensuring compliance with approved quality, health, and safety standards.
These workers are distributed according to their roles as follows:

| Number | Role | Responsibility |
|---|---|---|
| 30 | Security Guards | Protection and security of buildings and facilities |
| 70 | Cleaning Staff | Cleaning and maintenance of facilities |
| 1 | Cleaning Supervisor | Supervising cleaning teams and ensuring performance quality |
| 4 | Service Workers | Various support services for employees |

Although these workers are not classified as permanent employees, the Company remains committed to ensuring a safe working environment for them, monitoring their performance, and respecting their fundamental rights, in line with its commitment to social responsibility and decent work standards.



# 6.3 Empowering **People**

The Company adopts a range of policies and practices aimed at empowering individuals and enhancing the sustainability of human capital, including:

- Providing a work environment based on fairness and non-discrimination, while promoting equal opportunities for all employees.
- Supporting professional development and capacity building through training and knowledge transfer aligned with business needs.
- Strict adherence to occupational health and safety standards across all operational sites.
- Promoting a culture of engagement, accountability, and professional commitment, positively impacting institutional performance.


Through this approach, Salhia Real Estate Company seeks to ensure that all individuals, whether employees or non-employee workers, are active partners in achieving its strategic objectives and supporting its journey toward comprehensive sustainability, thereby strengthening stakeholder confidence and ensuring long-term performance continuity.

# 6.4 Women's Empowerment and **Promoting Equality in the Workplace**

At Salhia Real Estate Company, we firmly believe that empowering women in the workplace is a fundamental pillar of social sustainability and sound governance. It also directly contributes to enhancing workforce stability and institutional performance. This commitment stems from the Company's recognition of the importance of diversity and inclusion in building resilient organizations capable of responding to growth and change challenges.


Despite the nature of the real estate and construction sector, female employees (16 women according to Company records) hold key roles within the organization, including two women in leadership positions and 14 in administrative and operational roles.

## Integrating Equal Opportunity in Employment Practices

Salhia Real Estate Company adopts a merit- and competency-based approach in recruitment and human resource management, ensuring equal opportunities for both genders without discrimination. This applies across recruitment, employment continuity, and the allocation of roles in line with job requirements and individual capabilities.

# 6.4 Women's Empowerment and **Promoting Equality in the Workplace**

### Protecting the Rights of Women Employees

The Company is committed to applying Kuwait Labor Law No. (6) of 2010, which regulates the rights and obligations of all employees, both men and women. Special attention is given to provisions related to women's employment, ensuring the protection of their professional and social rights. This includes compliance with regulations related to maternity leave, working hours, and providing a work environment that respects privacy and human dignity, thereby enhancing job stability and mitigating potential social risks.

### Work-Life Balance

Salhia Real Estate Company places particular importance on promoting work-life balance for both male and female employees, with additional consideration given to female employees during stages related to motherhood and family responsibilities.

In this context, the Company adheres to working hours regulations in accordance with Kuwait Labor Law No. (6) of 2010, including the prohibition of employing women during nighttime hours from 10:00 PM to 7:00 AM, except in cases explicitly permitted by law.

This approach reflects the Company's commitment to providing a safe and motivating work environment that takes into consideration the health and psychological well-being of its employees and supports their job stability, thereby fostering a corporate culture based on respect, fairness, and equal opportunities, while achieving the highest levels of performance efficiency.

# 6.4 Women's Empowerment and **Promoting Equality in the Workplace**

**Future Strategic Direction**

In recent years, the Company has worked to progressively develop its practices related to women's empowerment within a strategic framework, including:

• Enhancing the integration of diversity and inclusion indicators within human resources policies.
• Preparing studies to explore opportunities for expanding women's participation in administrative and professional roles.
• Improving the level of gender-related disclosures in future sustainability reports in line with GRI Standards, particularly those related to employment and diversity.

This direction reflects the Company's full commitment to building a sustainable work environment that values human capital and supports social development, in alignment with the Sustainable Development Goals, particularly Goal 5 on gender equality.

# 6.5 Training and **Capacity Building**

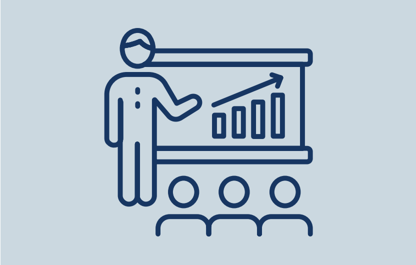
Salhia Real Estate Company places strong emphasis on developing the capabilities of its employees as a key driver of sustainable performance and operational efficiency. The Company's workforce is divided into two main categories:

- **Administrative employees**
- **Technical employees**

During the reporting period, a total of 257 training hours were delivered to administrative employees. Training programs are carefully selected based on job requirements and business needs, in collaboration with accredited training institutions. These programs covered specialized topics such as strategic human resources leadership in the real estate sector, HR policies and compliance in real estate development, as well as other relevant areas aligned with the Company's operations.


# 6.5 Training and **Capacity Building**

Training is delivered in accordance with an annual training plan that is carefully prepared for each employee category based on a needs assessment. This includes identifying training courses offered by approved training providers and coordinating with department managers to nominate employees with the greatest need for skills development, thereby enhancing the efficiency of human capital and supporting the continuity of institutional performance over the long term.



The table below provides a summary of the training and development programmes delivered to employees during the reporting period:

| Training Program | |
|---|---|
| Digital Transformation in Real Estate Finance | Advanced Financial Management for the Real Estate Sector |
| Advanced Excel and Data Analysis for Accountants | Financial Reporting and Analysis for the Real Estate Sector |
| Professional Communication Skills for Executive Secretaries | Advanced Executive Support Skills for Real Estate Professionals |
| Technology Tools for Real Estate Management Supervisors | Real Estate Management and Regulatory Compliance |
| Risk Management in Treasury Operations | Advanced Treasury Management Strategies |
| Social Security and Benefits Management | Compliance with Labor Laws |
| HR Technology Tools for Management | Human Resources Management and Compliance |
| Advanced Administrative Management | Strategic HR Leadership in the Real Estate Sector |
| Workforce Planning and Talent Management | Leadership and Team Management in the Real Estate Sector |
| Labor Law and Compliance | HR Policies and Compliance in the Real Estate Sector |
| Power BI | 365 Microsoft Dynamics |
| Emerging Technologies and Smart Property Management Systems | IT Strategy and Digital Transformation in Real Estate |

As for technical employees, they undergo periodic training programmes that are aligned with the nature of their operational duties. Cleaning personnel receive regular training under the supervision of cleaning supervisors to ensure service quality, while security personnel receive annual specialized training in security and safety procedures, first aid, and firefighting. Maintenance teams are trained internally under the direct supervision of engineers and maintenance supervisors.

# 6.6 National Workforce (Kuwaitization)

The proportion of Kuwaiti nationals within the Company's workforce stands at %8.8, with national talent primarily concentrated in administrative, financial, and leadership positions.

# 6.7 Community **Investment**

As part of our commitment to social responsibility and our focus on maximizing the positive impact of our operational activities, Salhia Real Estate Company hosts and supports a wide range of community, health, educational, humanitarian, and cultural initiatives throughout the year. These initiatives are implemented by leveraging the Company's assets and commercial centers as platforms for community engagement, in collaboration with government entities, healthcare institutions, charitable organizations, and accredited volunteer initiatives. These activities reflect the Company's commitment to contributing to social development, enhancing community awareness, and supporting diverse segments of society, in alignment with sustainability disclosure best practices, particularly in relation to community impact and engagement

# 6.7 Community **Investment**

## Our 2025 Social Initiatives and Events

The following is an overview of the key community initiatives and activities implemented by Salhia Real Estate Company during 2025, reflecting the Company's vision of building sustainable partnerships that contribute to raising community awareness, empowering various segments of society, and promoting humanitarian values and social solidarity, in line with the Sustainable Development Goals.

### 7th Children's Science Exhibition

**18 January 2025:** The Company participated in an initiative aimed at fostering scientific literacy among children and enhancing their research and exploratory skills, during the exhibition held at Assima Mall under the patronage of the Kuwait Institute for Scientific Research.

### "Nabi Salamtek" Initiative

**30 January 2025:** The Company participated in supporting a health initiative in cooperation with Al Salam Hospital, aimed at providing early detection services and health awareness, contributing to enhancing public health awareness within the community, during the exhibition held at Assima Mall.

The Company also continued its support for the "Nabi Salamatak" initiative through an additional campaign held at Arraya Center, with the aim of expanding the reach of its health and awareness services.

### Special Needs Skills Campaign

**9 February 2025:** The Company participated at Arraya Centre in a campaign aimed at developing the skills of individuals with special needs and transforming them into marketable products, in cooperation with Center 21 for Special Needs.

### "Wood Wizards" Workshop

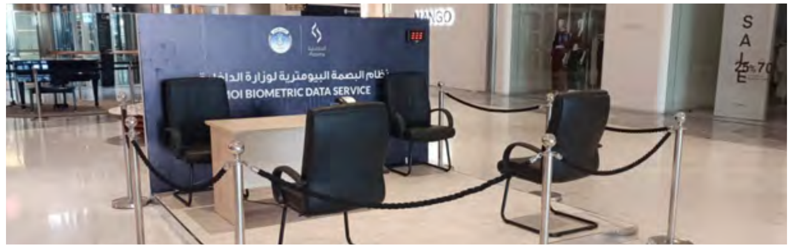
**9 February 2025:** The Company hosted interactive workshops for children at Assima Mall aimed at developing their creative and social skills, in collaboration with LOYAC.

### "From Impact to Impact" Campaign

**10 February 2025:** The Company hosted an awareness campaign at Assima Mall aimed at highlighting the creativity of educational professionals and their vital role in supporting the educational process, in cooperation with the Kuwait Teachers Association.

### World Cancer Day

**16 February 2025:** The Company hosted, at Assima Mall and in cooperation with the Kuwait Oncology Association, an awareness campaign marking World Cancer Day.

# 6.7 Community **Investment**

## Our 2025 Social Initiatives and Events

### Aid Campaign for Palestine

**13 March 2025:** The Company allocated space at Assima Mall to host an Aid and donation campaign in cooperation with the Kuwait Relief Society, in support of humanitarian efforts for the people of the State of Palestine.

### “Change Their Lives” Campaign

**13 March 2025:** To reinforce the values of tolerance and deepen understanding of Islamic culture, the Company organized the “Change Their Lives” exhibition at Assima Mall in partnership with the Islamic Presentation Committee.

### First Aid Awareness Event

**17 April 2025:** The Company hosted an awareness event at Assima Mall highlighting the importance of first aid and promoting health awareness, in cooperation with the Kuwait Medical Association.

### World Autism Awareness Day Campaign

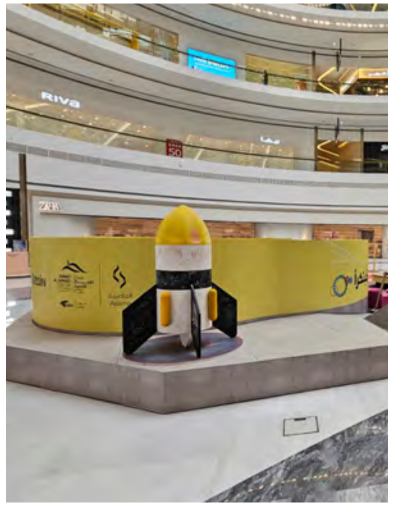
**18 April 2025:** The Company supported the activities of the Kuwait Autism Society held at Assima Mall to enhance community awareness of individuals with autism and promote understanding of their needs.

### “My Story” Event

**28 April 2025:** The Company hosted an educational art exhibition at Assima Mall aimed at highlighting students’ creativity and encouraging innovative artistic learning, organized in cooperation with the General Administration of the Educational Area of Kuwait Capital.

### “Nabi Salamtak” Campaign

**09 May 2025**: the Company continued to host the “Nabi Salamatak” health campaign at Assima Mall, in cooperation with Al Salam International Hospital, with the aim of providing medical services and promoting health awareness.

# 6.7 Community **Investment**

## Our 2025 Social Initiatives and Events

### Palestinian Story Performance

**18 May 2025**: A theatrical performance highlighting the Palestinian story through a meaningful artistic presentation was held at Assima Mall in collaboration with LOYAC.

### New Traffic Law Awareness Campaign

**3 June 2025:** The Company hosted an awareness campaign at Assima Mall aimed at introducing the new traffic law and enhancing road safety awareness, organized in cooperation with Warba Bank and the Ministry of Interior.

### Event for International Students

**23 June 2025:** The Company hosted at Assima Mall additional activities offering educational consultation services for students wishing to pursue higher education outside the State of Kuwait, organized in cooperation with Moghtarib Educational Consultancy Services.

### Scientific Clubs Community Service Program

**3 July 2025:** Assima Mall hosted free training workshops aimed at enhancing students' skills in innovation and science, organized in cooperation with Sabah Al Ahmad Center for Giftedness and Creativity.

### "Heart of the Capital" Event

**14 July 2025:** The Company participated at Assima Mall in a community event supporting social, sports, and health activities in the area, in cooperation with the Capital Governorate.

### Electricity and Water Conservation Awareness Campaign

**20 July 2025:** Assima Mall hosted an awareness event focused on promoting responsible electricity and water consumption, organized in cooperation with the Ministry of Electricity, Water and Renewable Energy, in support of its national sustainability efforts.

### Photography Exhibition

**4 August 2025:** To celebrate local artistic talent, a photography exhibition featuring Kuwaiti photographers was organized at Assima Mall in partnership with the Kuwait Photography Society.

# 6.7 Community **Investment**

## Our 2025 Social Initiatives and Events

### "Health Through Proper Medication" Campaign

**17 August 2025:** The Company contributed to a health awareness campaign for older adults held at Assima Mall in collaboration with the Ministry of Health.

### "Be Strong" Campaign – Pink October Marathon (Assima Track)

**10 October 2025:** Assima Mall hosted the Pink October Marathon (Assima Track), organized in cooperation with the Ministry of Social Affairs to support health awareness and encourage community engagement in physical activity.

### Breast Cancer Awareness Campaign – Arraya Centre

**11 October 2025:** The Company hosted an early detection breast cancer awareness campaign at Arraya Centre, in cooperation with Alya Hospital.

### World Mental Health Day Event

**12 October 2025:** An event marking World Mental Health Day was held at Assima Mall in collaboration with the Kuwait Psychological Association to promote mental health awareness.

### Breast Cancer Awareness Campaign –Assima Mall

**14 October 2025:** To promote early detection and preventive care, a breast cancer awareness campaign was organized at Assima Mall in partnership with Alya Hospital.

### Environmental Health Awareness Event

**21 October 2025:** To reinforce environmental health awareness, an educational event was organized at Assima Mall in partnership with the Ministry of Health.

### World Breast Cancer Day

**28 October 2025:** An awareness campaign marking World Breast Cancer Day was held at Assima Mall in collaboration with the Kuwait Medical Laboratory Association.

### "Walk of Wellness"

**28 October 2025:** In support of promoting a healthy lifestyle, the Company hosted an awareness Walk of Wellness campaign at Assima Mall, in cooperation with Al Salam International Hospital.



# 6.7 Community **Investment**

## Our 2025 Social Initiatives and Events

### "Healthy Steps" Event

**4 November 2025:** As part of its support for health initiatives, the Company participated at Assima Mall in an awareness event highlighting the importance of physical activity and promoting health awareness, in collaboration with the Ministry of Health.

### Prostate Cancer Awareness Campaign

**16 November 2025:** The Company hosted an awareness booth at Assima Mall to raise awareness of prostate cancer, in cooperation with Masalek Clinic.

### Healthy Nutrition for Individuals with Special Needs Event

**2 December 2025:** As part of its support for health initiatives, the Company hosted an awareness event at Assima Mall on the fundamentals of healthy nutrition for individuals with special needs, in cooperation with the Ministry of Health.

### World AIDS Day

**6 December 2025:** In support of health initiatives, the Company hosted an awareness campaign at Assima Mall marking World AIDS Day to enhance community awareness, in cooperation with the Ministry of Health.

### GCC Statistics Day

**24 December 2025:** The Company allocated space at Assima Mall to host the celebration of GCC Statistics Day, in cooperation with the Central Statistical Administration in Kuwait

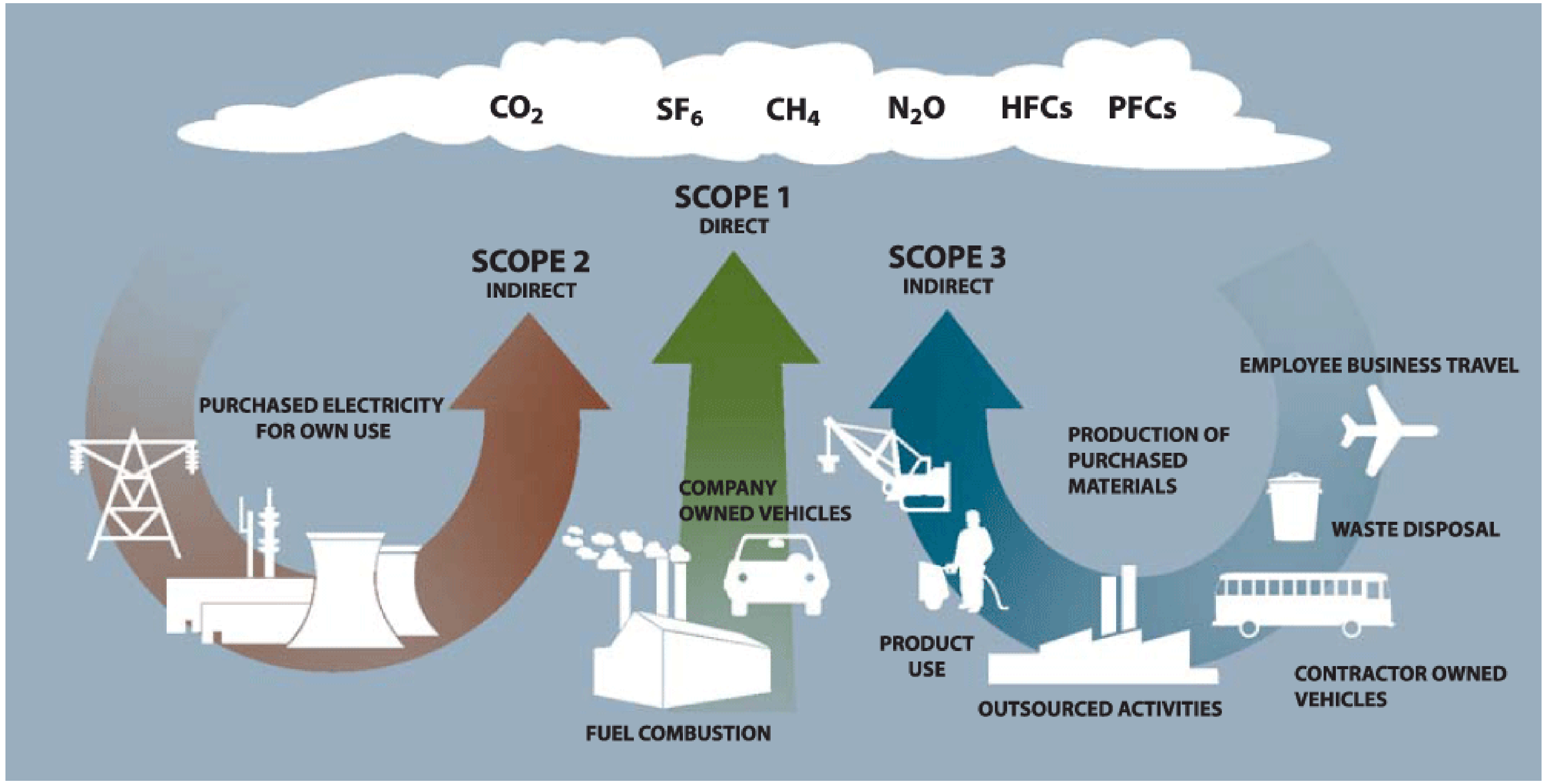

07

# Key Environmental Performance Indicators for 2025

# 7.1 Carbon Footprint Assessment **Methodology**

The carbon footprint is defined as the total greenhouse gas (GHG) emissions, such as carbon dioxide ($CO_2$) and methane, resulting from fossil fuel combustion, urban activities, or inadequate waste management. These emissions arise from the activities of individuals, companies, industries, and both public and private transportation.

Carbon footprint is typically measured in annual tons of carbon dioxide equivalent ($tCO_2e$) and is considered a key indicator for assessing both direct and indirect environmental impacts on air quality, climate change, and global warming.




Calculation of Greenhouse gas emissions from commercial and industrial activities:

Scope 1 (direct emissions from fuel combustion), Scope 2 (indirect emissions from energy consumption), and Scope 3 (other indirect emissions such as waste and resource use).

**(Source: Bahtia and Ranganathan, 2004)**

# 7.1 Carbon Footprint Assessment **Methodology**

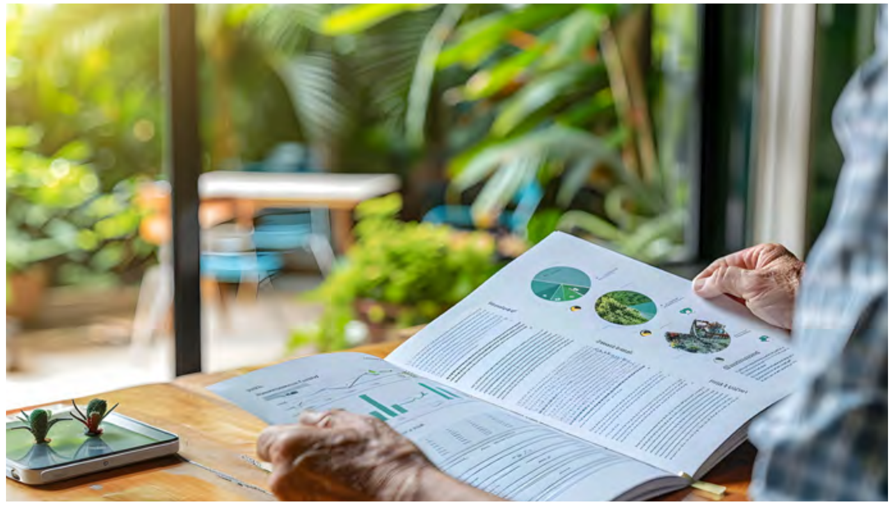
## Scope Definition

In line with the principle that "what cannot be measured cannot be managed," greenhouse gas emissions in this report have been classified according to the GHG Protocol, the most widely used international accounting tool, into three scopes:

- **Scope 1:** Direct emissions from sources owned or controlled by the Company, including fuel combustion in boilers, furnaces, vehicles, and generators, as well as fugitive emissions from air conditioning systems.

- **Scope 2:** Indirect emissions resulting from the generation of purchased energy, primarily electricity, steam, heating, and cooling consumed by the Company.

- **Scope 3:** All other indirect emissions (not included in Scope 2) occurring across the Company's value chain, including upstream and downstream activities such as extraction and production of purchased materials, fuel transportation, and use of sold products.




# 7.1 Carbon Footprint Assessment **Methodology**

## Organizational Boundaries

Organizational boundaries in greenhouse gas accounting define which operations are included in the emissions inventory. The GHG Protocol recommends either the "Equity Share Approach" or the "Control Approach."

For this report, the Company adopted the Operational Control Approach, under which emissions are measured for operations over which the Company has full authority to implement its operating policies. Accordingly, this report covers operations under the Company's control at Salhiya Complex for the reporting period from 1 January 2025 to 31 December 2025. Activities outside the Company's direct operational control have been excluded for this reporting year and will be incorporated in future assessments.

The Company's carbon emissions were calculated based on Scope 2 (electricity consumption), with total greenhouse gas emissions amounting to 11,278.15 $tCO_2e$. The Company recorded an emissions intensity of 44.93 $tCO_2e$ per employee, based on a workforce of 251 employees.

• **Scope 2 Dominance:** Indirect emissions from electricity consumption accounted for the vast majority, totaling 11,276.54 $tCO_2e$ (%99.99) of total emissions.

• **Energy Consumption Analysis:** Measurement systems indicated that central cooling systems (chillers) alone account for approximately %30 of total electricity consumption, highlighting a key area for future energy efficiency improvements.

• **Scope 1 Emissions:** Direct emissions were minimal, totaling 1.61 $tCO_2e$, primarily from diesel consumption in generators.

# 7.2 Carbon Footprint of **Salhiya Complex** (A Model for Sustainable Development)

The 2025 carbon footprint assessment of Salhiya Complex showed total emissions of 11,278.15 $tCO_2e$, with Scope 2 emissions (electricity) accounting for 11,276.54 $tCO_2e$, while Scope 1 emissions (direct) were limited to 1.61 $tCO_2e$. Based on a workforce of 251 employees, the Company recorded an emissions intensity of 44.93 $tCO_2e$ per employee, reflecting operational efficiency metrics.

The below table shows the Total Greenhouse Gas Emissions for Salhiya Complex for 2025:

| Scope | Source | Activity Data | Emissions ($tCO_2e$) | Percentage |
|---|---|---|---|---|
| 1 Scope | Diesel Fuel | 600 liters | 1.61 | %0.01 |
| 2 Scope | Electricity | 13,392,562 kWh | 11,276.54 | %99.9 |
| **Total** | **11,278.15** | | **%100** | |

# 7.2 Carbon Footprint of **Salhiya Complex** (A Model for Sustainable Development)

## Scope 1 and Scope 2 Emissions for 2025

### Scope 1: Direct Emissions

Monitoring of direct emissions at Salhiya Complex indicates that fuel consumption from backup generators is the primary source of emissions, with diesel consumption reaching 600 liters per year, resulting in total emissions of 1.61 $tCO_2e$.

The complex is equipped with extensive cooling systems (including 137 air handling units and 460 FCU units). However, no natural gas consumption was recorded. Fugitive emissions from refrigerants were not included in this year's calculations due to the lack of accurate data on refrigerant top-up quantities during maintenance. Efforts will be made to capture this data accurately in future reports.

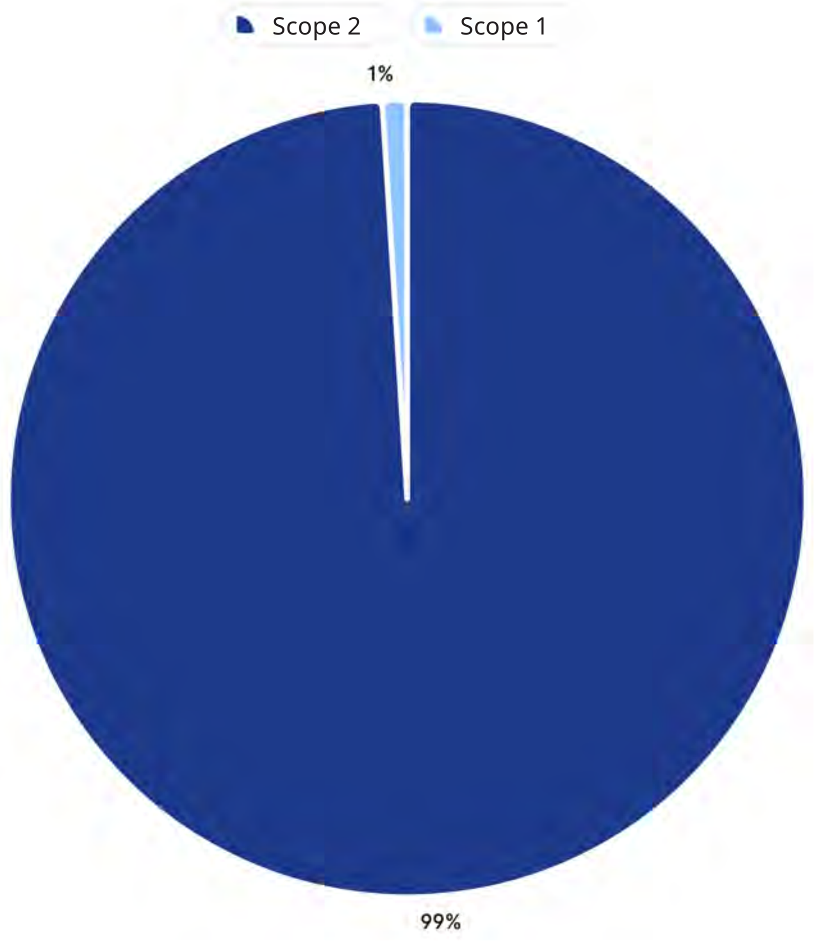
### Scope 2: Indirect Emissions

Electricity represents the largest source of emissions, driven by its intensive use in operating central cooling systems (chillers) and other facilities. Total electricity consumption at Salhiya Complex, sourced from the national grid, reached approximately 13,392,562 kWh per year, equivalent to 11,276.54 $tCO_2e$.

### Conclusion and Future Directions

The 2025 carbon footprint assessment concluded that electricity consumption (Scope 2) is the dominant source of emissions at Salhiya Complex, accounting for more than %99 of total emissions.

Detailed analysis revealed that central cooling systems (chillers) alone consume approximately %30 of the building's total energy, making them the largest single operational energy consumer. Accordingly, while current initiatives, such as cardboard recycling, contribute to improved resource management and waste reduction, the greatest strategic opportunity to reduce emissions and achieve meaningful environmental impact lies in enhancing energy efficiency, particularly through upgrading cooling systems and adopting smart solutions for energy optimization.



# 7.2 Carbon Footprint of **Salhiya Complex** (A Model for Sustainable Development)

## Scope 1 and Scope 2 Emissions for 2025

Examples of the initiatives launched by Salhia to improve and enhance its environmental impact include the continuous replacement or upgrading of cooling systems to improve their efficiency, with the aim of reducing electricity consumption and lowering the carbon emissions resulting from operations.

**This is achieved through several activities, including:**
• Updating old cooling units.
• Using systems with higher energy efficiency.
• Conducting periodic maintenance to ensure efficient performance.

In addition, across all Salhia facilities and projects, we upgrade lighting systems and replace them with energy-efficient LED technology due to its positive and effective contribution to reducing electricity consumption, thereby lowering the carbon footprint and reducing the need for maintenance works, as these lighting systems are characterized by a longer operating life and greater efficiency.

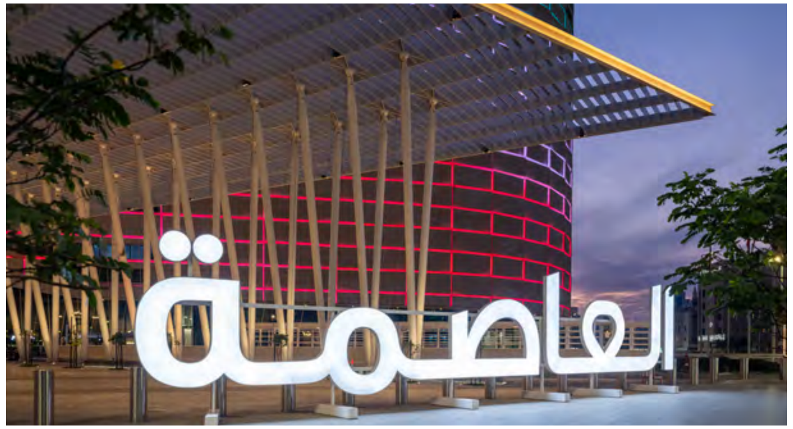
We also install motion sensors that enable smart operational control, contributing to reducing energy waste and conserving resources. This is achieved by connecting lighting and operating equipment to sensors that automatically activate when movement is detected or when a space is in use and switch off when no longer needed.

In this context, Salhia Real Estate Company is developing a comprehensive data collection plan, particularly with respect to refrigerant records and detailed electricity consumption data, to ensure full alignment with sustainability best practices and to support Kuwait’s national climate objectives.

# 7.2 Carbon Footprint of **Assima Mall** (A Model for Sustainable Development)

This preliminary carbon footprint summary for the Assima Mall Project has been prepared based on the available data on electricity consumption, cooling and air-conditioning systems, and LPG consumption during the assessment period. The project is a mixed-use commercial development in the State of Kuwait, with a total built-up area of approximately 380,000 sqm. It comprises a six-storey shopping mall, a -54storey office tower, an -11storey hotel, approximately 198 retail outlets, as well as entertainment facilities and open urban green spaces.

The assessment showed that the primary source of the project's carbon footprint is electricity consumption, mainly associated with central air-conditioning and cooling systems and various operational services. The project includes extensive cooling infrastructure consisting of 18 chillers, 349 Air Handling Units (AHUs), and 546 Fan Coil Units (FCUs), in addition to cooling towers and pumping systems associated with the continuous operation of the mall, office tower, and hotel.
The project's estimated total electricity consumption amounted to approximately 162,634,556 kWh. Carbon emissions were calculated using an emission factor of 0.842 kg $CO_2e$ per kWh, resulting in approximately 136,939 $tCO_2e$ from electricity consumption. Accordingly, electricity represents the largest source of emissions within Scope 2.
Direct emissions associated with the use of Liquefied Petroleum Gas (LPG) in restaurants and food service facilities within the complex were also calculated. Average LPG consumption is estimated at approximately 30 tonnes per month, equivalent to around 360 tonnes annually, resulting in estimated emissions of approximately 1,080 $tCO_2e$ under Scope 1.
Based on these calculations, the project's estimated total carbon footprint amounts to approximately 138,019 $tCO_2e$ per year.



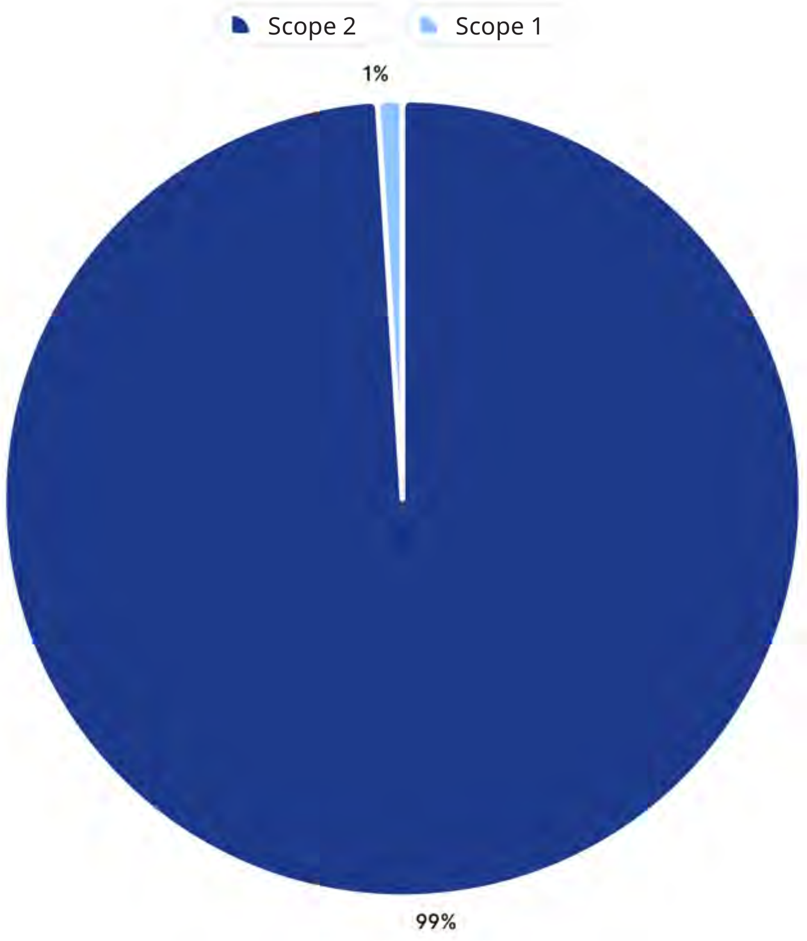

| Scope | Source | Activity Data | Emissions ($tCO_2e$) | Percentage |
|---|---|---|---|---|
| 1 Scope | LPG | 360 tonnes per year | 1,080 | %0.01 |
| 2 Scope | Electricity | 162,634,556 kWh | 136,939 | %99.9 |
| Total | 138,019 $tCO_2e$ per year | | %100 | |

# 7.2 Carbon Footprint of **Assima Mall** (A Model for Sustainable Development)

Estimates indicate that air-conditioning and cooling systems may account for approximately %60 of the project's total electricity consumption, equivalent to roughly 82,163 $tCO_2e$ of total electricity-related emissions. This is attributable to the continuous operation of cooling systems in response to Kuwait's hot climate and the scale and operational complexity of the project.

The project has also incorporated several sustainability initiatives, including cardboard recycling, the use of waste compactors, and efforts toward obtaining LEED certification. These initiatives contribute to improving environmental performance and reducing the project's carbon impact over time.

Although the assessment relied on the available electricity and energy consumption data, fugitive emissions associated with refrigerants were not included in this report due to the absence of accurate data on refrigerant types, recharge quantities (top-ups), and leakage rates during maintenance activities. In addition, emissions associated with visitor transportation, logistics, and waste management were not quantitatively assessed because detailed operational data were not available during the reporting period. A more comprehensive database will be developed in the future to support subsequent sustainability reporting




# 08
# Appendices

# 8.1 Measurement and Calculation **Methodology**

### Carbon Footprint Emissions Calculation

The Company's methodology for identifying, measuring, and reporting emission sources is based on leading international frameworks and references to ensure accuracy and transparency. These standards also define accountability boundaries for greenhouse gas emissions based on geographical, organizational, and operational boundaries, as follows:

• **The GHG Protocol Guidelines:**
o Corporate Accounting and Reporting Standard: the principal reference for companies in preparing institutional greenhouse gas emissions inventories.
o Corporate Value Chain (Scope 3) Standard.

• ISO 1:2019-14064, which specifies the principles, requirements, and guidance for the quantification and reporting of greenhouse gas emissions and removals at the organizational level.

• The 2006 IPCC Guidelines for national greenhouse gas inventories, including the 2019 Refinement.

Greenhouse gas emissions were calculated using a standardized quantitative approach based on multiplying Activity Data by the corresponding Emission Factor. The following general equation was applied:
Total Emissions (tCO2e) = {Activity Data} × {Emission Factor}

**Where:**
Activity Data: the quantity of fuel consumed (liters) or electricity used (kilowatt-hours).
Emission Factor: the factor used to convert activity data into carbon dioxide equivalent.

**Emission Factors**
Emission factors represent the quantity of greenhouse gases released into the atmosphere as a result of a specific activity. These factors were sourced from reliable and recognized references:

**1. For fuel (diesel):** DEFRA emission factors (UK Department for Environment, Food & Rural Affairs) were used as an accurate global benchmark for standard fuels.

**2. For electricity:** As no officially updated local emission factor was available at the time of preparing the report, international estimates for Kuwait's national grid (such as International Energy Agency (IEA) data) were applied, reflecting the grid's heavy reliance on oil and gas. The emission factor was estimated at 0.842 kg CO2e / kWh.

# 8.2 GRI **Disclosure Index**

| General Disclosures 2021 :2 GRI | | |
|---|---|---|
| **GRI Standard** | **Disclosure** | **Location in Report** |
| 1-2 | Organizational details (company name, ownership) | 11 |
| 2-2 | Entities included in sustainability reporting | 11 |
| 3-2 | Reporting period, frequency, and contact point | 10 |
| 4-2 | Restatements of information | 10 |
| 5-2 | External assurance | Not applicable |
| 6-2 | Activities, value chain, and business relationships | 16 |
| 7-2 | Employees (number, type, contracts) | 58 |
| 8-2 | Workers who are not employees | 60 |
| 9-2 | Governance structure and composition | 43-33 |
| 10-2 | Nomination and selection of the Board | 43-33 |
| 11-2 | Chair of the highest governance body | 43-33 |
| 12-2 | Role of the highest governance body in overseeing impact management | 45-44 |
| 13-2 | Delegation of responsibility for impact management | 45-44 |
| 14-2 | Role of the highest governance body in sustainability reporting | 45-44 |
| 15-2 | Conflicts of interest | 48- 46 |
| 16-2 | Communication of critical concerns | 54 |

# 8.2 GRI **Disclosure Index**

| General Disclosures 2021 :2 GRI | | |
|---|---|---|
| **GRI Standard** | **Disclosure** | **Location in Report** |
| 17-2 | Collective knowledge of the highest governance body | 45-44 |
| 18-2 | Evaluation of the highest governance body's performance | 45-44 |
| 19-2 | Remuneration policies | 43 |
| 20-2 | Process to determine remuneration | 43 |
| 21-2 | Annual total compensation ratio | Not applicable |
| 22-2 | Statement on sustainable development strategy | 20 |
| 23-2 | Policy commitments | 21-20 |
| 24-2 | Embedding policy commitments | 21-20 |
| 25-2 | Processes to remediate negative impacts | Not applicable |
| 26-2 | Mechanisms for seeking advice and raising concerns | 54 |
| 27-2 | Compliance with laws and regulations | 55 |
| 28-2 | Associations Membership | Not applicable |
| 29-2 | Approach to stakeholder engagement | 27 |
| 30-2 | Collective bargaining agreements | Not applicable |

# 8.3 Recommended Sustainability Metrics –
# **Governance, Social and Environmental Responsibility Reporting Guide – Boursa Kuwait**

| Environmental Metrics | | |
|---|---|---|
| **Metrics** | **Description** | **Location in Report** |
| 1 | Greenhouse Gas Emissions (Scope 1 and Scope 2) | Not applicable |
| 2 | Greenhouse Gas Emissions (Scope 3) | Not applicable |
| 3 | Emissions Intensity | Not applicable |
| 4 | Energy Consumption | 82 - 75 |
| 5 | Energy Intensity | 82 - 75 |
| 6 | Energy Mix (% Renewable Energy Sources) | Not applicable |
| 7 | Water Consumption | 82 - 75 |
| 8 | Environmental Policy and Management | 45-44 |
| 9 | Climate Governance and Related Risks and Opportunities | Not applicable |
| 10 | Investment in Climate Change Mitigation | Not applicable |

# 8.3 Recommended Sustainability Metrics –

## Governance, Social and Environmental Responsibility Reporting Guide – Boursa Kuwait

| Social Metrics | | |
|---|---|---|
| **Metrics** | **Description** | **Location in Report** |
| 11 | Employee Turnover Rate | Not applicable |
| 12 | Gender Diversity (Workforce Composition) | 67-61 |
| 13 | Training and Learning | 67-61 |
| 14 | Temporary and Contract Workers | 60 |
| 15 | Non-Discrimination Policy | 67-61 |
| 16 | Injury Rate (Health and Safety) | Not applicable |
| 17 | Occupational Health and Safety Policy | 23 |
| 18 | Human Rights Policy | Not applicable |
| 19 | Kuwaitization | 67 |
| 20 | Community Investment | 73-68 |

| Governance Metrics | | |
|---|---|---|
| **Metrics** | **Description** | **Location in Report** |
| 21 | Gender Diversity on the Board of Directors | Not applicable |
| 22 | Board Independence and Separation of the Roles of Chief Executive Officer and Chairman of the Board | 33 |
| 23 | Supplier Code of Conduct | Not applicable |
| 24 | Business Ethics and Anti-Corruption | 53-50 |
| 25 | Data Privacy and Information Security | Not applicable |
| 26 | External Assurance of Governance, Social and Environmental Responsibility Data | Not applicable |

SALHIA

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