Arabia Insurance Company S.A.L. (AIC)
Environmental, Social, and Governance Statement

Document Management

The present document was first issued in September 2025 with the methodology and proposed structure. Any material changes that have subsequently been made to this policy are annotated with the calendar date in which the changes were made.

Summary of Changes

Version	Date	Document Description
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Prepared By:

Name	Position	Signature	Date
Capital Concept	ESG Consultant		01/09/2025

Reviewed By:

Name	Position	Signature	Date
Mrs. Zoha Ahmar	Head Of Compliance		01/09/2025
Mr. Michel El Asmar	Risk Manager		01/09/2025

Approved By:

Name	Position	Signature	Date
Mr. Wehbe Tamari	Chairman of the Board		08/09/2025
Mr. Elie Khouri	CEO		08/09/2025

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I. Principles and Strategy

Sustainability lies at the core of Arabia Insurance's strategic vision. The company's commitment to sustainability extends beyond operational environmental, social, and governance (ESG) impacts to supporting clients in expediting ESG integration and adopting strategies to minimize their own environmental footprint and social impact.

The Group Strategy is designed to generate long-term value by prioritizing key sustainability goals: strengthening operational ESG risk management, embedding ESG considerations into underwriting and client engagement, and developing innovative sustainable insurance products. Guided by an enterprise risk management framework, ESG risks and opportunities are identified, assessed, and integrated into strategic decision-making, ensuring adaptability in a dynamic market environment.

Progress is measured through defined ESG indicators, enabling the company to track performance, monitor impact, and continuously improve outcomes for both operations and clients.

II. Purpose

This ESG policy statement confirms Arabia Insurance's adherence to environmental, social, and governance standards and principles to promoting sustainable business practices across its underwriting, investment decisions, and day-to-day activities.

III. Oversight and Implementation

The Board of Directors bears the responsibility of overseeing, approving, and regularly reviewing and revising the company's ESG policy along with related sustainable insurance strategies adopted by the company.

IV. Corporate Governance

A sound and well-embedded corporate governance culture is the foundation of an effective Environmental and Social Management System (ESMS). Arabia Insurance is committed to upholding the highest standards of governance, which in turn reinforces the credibility, accountability, and integrity of its ESG efforts.

- **General Commitment to Good Corporate Governance:** Upholding principles of transparency, accountability, independence, and ethical behavior across all levels of the organization.
- **ESG Committee Structure and Functioning:** Establishing dedicated committees to oversee and guide the development, implementation, and monitoring of ESG strategies and performance across the Group.
- **ESG Disclosure and Transparency:** Ensuring timely and consistent ESG reporting to its stakeholder, aligned with internationally recognized standards. AIC will publish annual disclosures on its ESG performance, demonstrating progress against its commitments and maintaining transparency and accountability in line with global reporting frameworks.

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- **Control Environment and Processes:** Maintaining a solid system of internal controls to monitor compliance, assess risks, and support ESG integration throughout business operations.

- **Anti-Corruption Management Due Diligence:** Conducting rigorous due diligence processes to prevent bribery, corruption, and financial crime, including Anti-Money Laundering and Combating the Financing of Terrorism as part of its risk framework.

V. Operations

V.1. Environmental Stewardship

Arabia Insurance is committed to minimizing its environmental footprint and supporting the transition to a low-carbon, climate-resilient economy. The company continuously assesses and mitigates the environmental impact of its internal operations through the following focus areas:

- **Carbon Emissions**: Monitoring and reducing greenhouse gas emissions across all offices, guided by science-based targets and regional benchmarks.
- **Climate Risk Management:** Evaluating both physical risks and transition risks within its own operations.
- **Waste Management:** Minimizing waste sent to landfills or incineration through improved recycling and resource-use practices.
- **Water Use:** Promoting water conservation and efficiency in office operations and reducing overall consumption where possible.

V.2. Social Responsibility

Social responsibility is integral to how Arabia Insurance operates and serves its clients. The company is committed to promoting equitable, inclusive, and safe environments across its operations and value chain. Operational focus areas include:

- **Labor and Working Conditions:** Promoting inclusive and equitable employment practices by ensuring far wages, equal opportunities, and the protection of labor rights across all jurisdictions in which it operates. The company maintains a formal whistleblower mechanism that enables employees to report grievances in a confidential manner and without fear of retaliation. In addition, structured processes are in place to gather feedback from stakeholders, which is reviewed and integrated into the evolution of the company's ESG practices.
- **Occupational Health and Safety:** Maintaining a safe and healthy work environment through proactive risk identification, regular safety audits, and employee well-being programs.

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VI. Investment and Underwriting Activities

VI.1. Environmental Stewardship

Arabia Insurance embeds environmental considerations into its core financial decision-making processes to support the transition to a more sustainable economy:

- **Sustainable Underwriting:** Supporting clients and projects that drive environmental solutions and companies committed to reducing emissions.
- **Responsible Investments:** Applying a sustainable investment framework that evaluates ESG criteria alongside traditional metrics of risk and return.
- **Climate Risk Integration:** Incorporating climate-related transition and physical risks into underwriting and investment risk assessments, using scenario analysis and climate modeling tools where applicable.

VI.2. Social Responsibility

The company's investment and underwriting decisions reflect a strong commitment to generating social value:

- **Human Capital Development:** Investing in the growth and resilience of its workforce through continuous learning, upskilling programs, and ESG-related capacity building. As part of this commitment, a mandatory ESG training program will be introduced for all employees and senior management, ensuring that ESG considerations are embedded into daily operations, decision-making processes, and client engagement, thereby reinforcing the company's long-term sustainability objectives.
- **Customer Privacy and Data Protection:** Ensuring that the collection, processing, and sharing of client information is handled with strict confidentiality and care, in line with international regulations such as GDPR. Robust security measures and governance frameworks are implemented to mitigate the risk of data breaches, cyber threats, and other security incidents.
- **Socially Responsible Underwriting:** Supporting social impact through tailored underwriting solutions.
- **Financial Inclusion:** Expanding access to insurance products and services for underserved and vulnerable populations, contributing to broader socio-economic resilience.

VII. Supply Chain and Third-Party Management

Arabia Insurance is committed to working with suppliers and third-party service providers who uphold high standards of ethical conduct, social responsibility, and environmental stewardship. The company expects all their partners to respect labor rights, protect children's rights, and implement responsible environmental practices throughout their operations. These expectations are clearly outlined in Arabia Insurance's Supplier Code of Conduct, which must be acknowledged and signed by all vendors and contractors as a condition of engagement.