

## Agthia Group PJSC

### Environmental, Social & Governance (ESG) Policy



#### Agthia Environment, Social and Governance Policy

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## Introduction

As one of the region's leading food and beverage companies, we recognize the critical role businesses play in creating a sustainable future. We strive to positively impact the regions where we operate while preserving the planet for future generations. Our approach to environmental, social and governance (ESG) extends to all facets of our operations, including acquisitions and day-to-day operations. Our Environmental, Social, and Governance (ESG) Policy outlines our commitment to sustainability, ethical business conduct, and transparency.

## Purpose

The ESG Policy provides Agthia and its subsidiaries a strategic framework for monitoring and improving its organizational capabilities in alignment with **sustainability risks, impacts and opportunities**. This policy aims to solidify and institutionalize our commitment towards sustainability, ensuring our operations promote social responsibility, foster trust with stakeholders, and remain mindful of consumer expectations. All Agthia's businesses must demonstrate a commitment to the following principles:

- Ensure **compliance** with all local (i.e., national) environmental, health, safety, human rights, and governance legislations, along with Agthia's internal requirements as a minimum.
- Ensure that all environmental, social, and governance activities are implemented and maintained in an agreed and consistent manner.
- Ensure **compliance** with the defined Group ESG framework.
- Ensure reporting of activities and progress towards implementation of the ESG metrics

## Scope

This policy applies to all Agthia operations, products, customer relationships, supply chain, and employee practices, irrespective of location, and is reviewed annually to reflect changes to the business.

## Commitment Statement

Corporate governance is central to achieving Agthia's objectives. Agthia is committed to excellence in governance practices and compliance with all statutory requirements, as well as industry best practices. This is highlighted through the involvement of its Board, Audit and Risk Committee and Executives in the development and adoption of this ESG policy.

Agthia is committed to sourcing sustainable materials and constantly improving our water, energy, and waste management while ensuring that our suppliers adhere to our sustainability standards. We are committed to engaging our stakeholders in our responsibility towards sustainability and actively seek out opportunities to further our ESG initiatives. We believe that by working together, we can create a more sustainable and thriving world, for the better.

Corporate Social Responsibility is a constant promise to operate with great regard to the quality of life of our employees, the local communities where we operate and society at large. We are committed to doing business in an ethical manner which yields long-term, sustainable benefits for all our stakeholders.

### Abbreviations/Definitions

The following table lists the abbreviations that have been used in this document.

Abbreviation	Full Form
ESG	Environmental, Social and Governance
CSR	Corporate Social Responsibility
UN	United Nations
SDGs	Sustainable Development Goals
UNGC	United Nations Global Compact
UNFCCC	United Nations Framework Convention on Climate Change
GRI	Global Reporting Initiatives
GHG	Greenhouse Gas
GFSI	Global Food Safety Initiative
MENA	Middle East and North Africa
KPI	Key Performance Indicator
OECD	The Organization for Economic Cooperation and Development

The following table lists the definitions of the main keywords that have been used in this document.

Keyword	Definition
Environmental, Social, Governance	Framework that helps stakeholders understand how an organization manages risks and opportunities related to environmental, social, and governance criteria.
Group Environmental, Social, Governance Framework	Agthia's Group level strategy considers environmental, social, and governance risks, responsibilities, and opportunities of the food and beverage industry
Corporate Social Responsibility	Reflects a business's accountability and commitment to contributing to the well-being of communities and society through various environmental and social measures.

## Alignments

Agthia's ESG Policy (and framework) aligns with the following relevant ESG-related industry initiatives and standards:

- OECD Governance Principles of Corporate Governance are the global standard for corporate governance. They help policy makers evaluate and improve the legal, regulatory and institutional framework for corporate governance.
- The UN Sustainable Development Goals, or SDGs, are a set of 17 goals adopted by the UN as a part of the 2030 Agenda for Sustainable Development. These goals aim to balance the economic, social and environmental aspects of sustainable development.
- The Paris Agreement is a legally binding international agreement under the United Nations Framework Convention on Climate Change (UNFCCC). It aims to limit the global temperature increase to 1.5 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further.
- Global Reporting Initiatives (GRI) standards are an Internationally recognized framework developed to manage economic, environmental, social and governance performance of businesses. It aims to improve disclosure and transparency of material ESG issues to stakeholders.
- The United Nations Global Compact (UNGC) is a non-binding initiative by the United Nations that consists of ten principles related to human rights, labor, environment and anti-corruption. It encourages businesses to adopt sustainable and socially responsible policies.
- The Greenhouse Gas (GHG) Protocol is a framework for measuring, managing, and reporting greenhouse gas emissions. It is developed by World Resource Institute (WRI) and World Business Council for Sustainable Development (WBCSD) and provides guidance on reducing these emissions.
- Abu Dhabi Economic Vision 2030 is a long-term plan for the development of Abu Dhabi with the aim to create a diversified and sustainable economy, as well as promoting social cohesion and environmental sustainability.
- The UAE Net Zero 2050 is a national initiative aimed at achieving net-zero emissions by 2050, making UAE first in MENA nations to do so. It aligns with the Paris Agreement's goal of reducing GHG emissions and limiting the global temperature to 1.5 degrees Celsius above pre-industrial levels.

## ESG Performance

### 1. Environmental Performance

Managing effects of our operational activities on the environment to avoid long and short-term consequences on human health and the natural environment.

#### a. Pollution & Waste

Initiatives include:

- Complying with all applicable environmental laws, regulations and standards
- Improving efforts towards circular economy
- Improving efforts towards reducing food loss and food waste
- Improving efforts towards reducing hazardous and non-hazardous wastes going to landfills
- Improving efforts towards recycling and reusability
- Improving efforts towards packaging recyclability/reusability

#### b. Natural Capital & Emissions

Initiatives include:

- Regular tracking and monitoring of GHG emissions.
- Improving efforts towards reducing GHG emissions
- Improving efforts towards renewable energy
- Improving efforts towards reducing water consumption and increasing water efficiency in operations.
- Improving efforts toward the GFSI (or other recognized schemes) certification of all manufacturing sites
- Improving R&D efforts towards sustainability
- Improving efforts towards low-carbon products and services offerings
- Improving efforts towards clean technologies

### 2. Social Performance

Nurturing relations with each of our stakeholders by ensuring ethical business practices, diversity, inclusion, fair, equitable and safe working conditions at the workplace, caring for the communities we function in and being a consumer centric Agthia.

#### a. Consumer Health & Wellness

Initiatives include:

- Complying with all applicable consumer laws, regulations and standards
- Tracking all product related non-compliances
- Improving efforts towards sales of consumer products that contain increased nutritious ingredients or are lowered in saturated fat, trans fats, sodium and added sugars.
- Improving efforts towards promoting consumer education on healthier lifestyles and diets
- Improving efforts towards engaging with consumers

#### b. Protecting & Empowering our People

Initiatives include:

- Improving efforts towards staff training on health, safety and human rights

- Improving efforts towards engaging and developing employees
- Improving efforts towards fair, equitable and safe environment
- Improving efforts towards diversity and inclusion
- Improving efforts towards regular performance and career development reviews
- Improving efforts towards higher employee satisfaction
- Improving efforts towards zero LTIFr (Lost Time Injury Frequency rate)

**c. Community Development**

The initiatives include:

- Complying with the Group CSR strategy
- Improving efforts towards employee volunteerism
- Improving efforts towards contributing to society and participating in community development activities
- Improving efforts towards measuring the impact created through the engagement efforts and capturing Agthia's socio-economic and environmental impact.
- Improving efforts towards Nationalization/Emiratization

**3. Corporate Governance Performance**

Ensuring that our governance practices are transparent and accountable and that our employees are trained on all matters.

**a. Corporate Governance & Ethical Standards**

The initiatives include:

- Complying with all applicable corporate governance laws, regulations, and standards
- Ensuring training of employees on data ethics and protection
- Ensuring training of employees on anti-corruption policies and procedures
- Improving efforts to analyze business units for risks related to corruption.
- Screening and tracking suppliers using environmental and social procurement criteria.
- Improving efforts towards ESG integration into digitalization
- Improving efforts to incorporate ESG risks and opportunities.
- Enhancing ESG integration into audit and compliance processes

**Responsible Growth and Investment**

Driven by our Growth Strategy of 2025, we have successfully created a strong standing in the entire MENA region and aim to continue growing sustainably. To this end, our strategic approach balances financial performance with environmental and social responsibility.

Our ESG Framework's key material topic of 'Responsible Growth' guides our investment strategy. We acknowledge long-term health and stability through growth as highly crucial to meeting the needs of our stakeholders and shareholders.

Our Mergers & Acquisitions team, along with top management, is diligently working to ensure that ESG considerations are considered pre- and post-acquisition to build a foundation of ESG accountability and transparency. We strive to integrate ESG into all decision-making processes to uphold our commitment to responsible growth and social responsibility.

### Sustainability Governance Across Agthia

Agthia is committed to integrating sustainability throughout the organization and establishing oversight and accountability. To achieve this, Agthia has established committees at the Board, Management and Business Unit levels as follows:

1. Board Sustainability Committee

The Committee's role is to provide oversight and guidance to the sustainability committees, monitor their progress and results, and ensure the achievement of Agthia's ESG Targets. The Committee will also identify areas for improvement, review and evaluate ESG KPIs, and recommend initiatives to enhance sustainability performance. Finally, the Committee is responsible for communicating its findings and recommendations to the Board of Directors.

2. Sustainability Steering Committee

The Committee's role is to monitor Agthia's progress in achieving its ESG KPIs and Targets and providing guidance and support to the management in developing and attaining both short-term and long-term ESG goals, policies, and standards. Additionally, the Committee is responsible for ensuring that Agthia's directors are kept abreast of the latest developments in the ESG field and for evaluating their potential impact on the company. The committee should consist of key leaders including the CEO and representatives from governance, compliance and merger and acquisition.

3. Business Unit Sustainability Steering Committee

The Committee's role is to monitor, review, and ensure the fulfilment of Agthia's ESG KPIs and Targets at the Business Unit (BU) level. The Committee is responsible for ensuring the availability of all resources necessary for the successful implementation of the ESG Strategy by the BU. If any BU requires additional assistance, the Committee is responsible for escalating this need to Agthia's Steering Committee. The committee should consist of key leaders including the sector head and representatives from governance, compliance, and merger and acquisition.

### Reporting

Agthia's ESG policy is built on the principle of transparency and disclosure. Agthia is dedicated to keeping shareholders, and other parties informed about its environmental, social and governance efforts, including its goals, progress, and successes. Agthia shall provide regular updates on its environmental, social, and governance performance and impact through its annual ESG and/or Sustainability report. Other internal and external communications and publications on ESG topics and initiatives shall be published if identified as necessary.