



الأندلس العقارية
Alandalus Property

Social Liability Policy





Adoption of the Charter

This policy was adopted by the resolution of the Ordinary General Assembly Eighteenth For the company held on 19/05/2024 AD
According to the recommendation of the Board of Directors pursuant to its resolution issued on 21/04/2024 AD

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Preamble:

Social liability is duly considered as one of the core pillars of community life. It is a way for individual and social progress. Therefore, the true meaning of an individual in their community is measured by the extent of their responsibility for themselves and others. Social liability is the permanent compliance by companies and institutions to contribute for economic development and working for improving the living conditions of manpower and their families, as well as the community.

Social liability is not considered as a charitable work; it is a moral obligation contributing to the development of community. The modernity of communities shall be given by the growth and social maturity of individuals and their sense of liability in which requires cooperation, obligation, consortium, passion, good treatment, and active participation.

The company's compliance of its role in social liability ensures respect and support from all community groups for achieving its developmental objectives and duties. The company believes in the importance of contributing to serving the community and assisting in the process of social development. The company adopts a social duty aimed at enriching its contributions to serving the community, recognizing that community has rights and duties for its members, whether individuals or companies.

The Andalus property Company aims to contribute effectively to social responsibility in line with the Saudis Vision 2030AD, by committing to transparency in its practices related to social responsibility. Therefore, Andalus Real Estate Company discloses the social responsibility objectives it adopts and the plans outlined in its relevant reports.

Definitions:

Company: Alandalus Property Company

Board of Directors: The Board of Directors (Alandalus Property Company)

Social Liability Team: Every year, a selection is performed of several employees from various departments of the company to contribute for achieving the expected objectives by the Company's Board of Directors via the execution of activities, initiatives, and previous programs by virtue of our belief in the importance of fulfilling its moral and social duties, the company has been working for apply these values to its employees

Stakeholders: Anyone who has an interest with the company, such as employees, creditors, customers, suppliers, and the community in general.

Social Liability: Corporate voluntary commitment to creating a sustainable impact on community, economy, and the environment by integrating this commitment into its strategy and internal and external activities.

First clause: The concept of social liability and its importance

The concept of liability is represented by the company's contribution to achieving a balance among multiple but interconnected parties, including its employees, shareholders, the external circumstances, and community. The company disposes responsibly with religious and ethical motivations to enhance its competitive situation in its field of activity. Consequently, the company is abided by applying the sustainable development for the community in general and its employees in particular, via working on improving living, social, and economic conditions for the manpower and their families, contributing to reducing unemployment in community, and optimizing the use of available resources.

According to this, the success and growth of companies and economic institutions are closely related to the importance and awareness of social liability, which is associated with various ethical and humanitarian values and standards. These values include solidarity and a sense of national liability towards to the company relationships, whether they are employees, shareholders, customers, or an individual of the community. Therefore, as the company increases its understanding and importance of this social liability process, its development, success also improve, positively impacting its profitability and reputation.

The Second Clause: The purpose of the policy

The company's social liability policy intends to achieve the below points:

- 1- The company shall be at the frontline of major contributors to social liability towards the community.
- 2- Compliance by approved and local standards, representing in the appropriate implementation of social liability as a long-term investment that benefits the company and stakeholders.
- 3- Maintaining the sustainable development for the community in general and employees in particular.
- 4- Achieving the balance between the company's objectives and the objectives designated by community.
- 5- Enabling the company to recruit, employ, and develop its human resources.
- 6- Increasing the loyalty conception between employees and customers, especially as customers desire to prefer companies committed to social liability.
- 7- Contributing to the continuity of the company by enhancing the sustainability of natural resources and environmental services.
- 8- Enhancing transparency in the company's social liability activities by approving a matrix of authorities, preparing non-financial statements, and disclosing in accordance with international standards, while monitoring the effectiveness of the company's social liability.
- 9- Supporting and encouraging various social projects.

The Third Clause: The general framework of social liability

The company's Board of Directors has issued its instructions to the executive management, that the company to be at the frontline of entities leading in the adopting of best corporate social liability practices and approving the professional and ethical behavior in all its dealings with stakeholders. The company believes that these aspects are an integral part of its strategy to enhance competitiveness, regardless of social liability as a fundamental element in achieving the company's interests and objectives.

The company's social liability policy is based on the following principles:

- 1- The company's continuous compliance to ethical behavior in accordance with regulations and instructions, respecting customs and traditions.
- 2- Providing all method of support to programs and initiatives of non-profit organizations in the Kingdom of Saudi Arabia.
- 3- Expanding of cooperation and integration with universities and research centers to support educational programs, quality programs, studies, and research seeking to achieve a core value to the company and community.
- 4- Participation in the establishing and supporting and operating of social, charitable, or health centers.
- 5- Sustainable contributing to achieving economic and social development and environmental conservation by **applying the following points:**

- Giving more attention for the company's employees and develop their technical capabilities by implementing training and induction programs to keep their technical abilities and skills improved.
- Supporting and training national graduates, facilitating their employment opportunities in various institutions and national companies.
- Protecting the environment by reducing pollution, optimal and fairly utilizing of natural resources, and promoting environmental awareness within the community groups.

The Fourth Clause: The applicable scope of this policy

The provisions of this policy shall apply to all stakeholders in Alandalus Property Company, including those who have direct interests with the company's activities, all employees, customers, suppliers, the local community, and work environment.

The Fifth Clause: The compliance by social liability

With reference to the core values of the company, namely the value of participation and focusing on three main elements:

1. Respect and liability.
2. Providing Support for the community.
3. Environmental protection.

In consequence of that, The company continues its efforts to adopt and implement various community service programs that align with the company's duty, objectives, and values. These efforts reflect its absolute obligations to improving social and living conditions for the most needy groups. The company prepares to promote specific programs, policies, and a dedicated team for social liability activities to assist the largest possible segment of community. The company seeks to develop strong relationships with different groups of community to contribute to the comprehensive development of this country. The driving objective behind the company's adoption of these programs and policies is its continuous pursuit of making a significant difference, not only through providing assistance but also by encouraging and enabling the people of this country to make use of their skills and experiences in developing their community.

The Sixth Clause: Company's social liability towards stakeholders

- 1- Providing all individuals and concerned parties with accurate, credible, and reliable information, considering the timing of its presentation in accordance with applicable professional regulations and laws.
- 2- Abiding by applying of all governance practices with integrity and transparency and documenting them by writing down relevant reports.
- 3- Working to participate all concerned parties and beneficiary groups, including investors,

employees, suppliers, customers, and community members, in decisions, work programs, and studies that concern them.

4- Stating the supervisory systems and procedures that stipulate the relationship with stakeholders and ensuring compliance and continuity in applying these systems and procedures.

5- Working in according to the principle of full transparency, ensuring the company respects its obligations, adheres to regulations and rules, and discloses integral information to shareholders and stakeholders in accordance with the company's disclosure policy and the instructions of the Capital Market Authority.

The Seventh Clause: Company's Social liability towards Employees

1-Ensuring a safe and motivating workplace for duties performance, contributing to improving the health and well-being of employees and their families without compromising their obligations to their families.

2- Encouraging the freedom of expression of disciplined ideas and opinions within recognized ethical standards, listening to them with respect and appreciation.

3- Encouraging all employees without discrimination to participate in training and development programs, contributing to improving their professional and personal skills.

4- Building relationships with employees based on responsibility and common success.

5- Applying the principle of fairness among all employees and avoiding discrimination based on racial or personal considerations.

6- Encouraging all employees and facilitating their duties to participate in activities that contribute to supporting the local community of the company.

7- Abiding by and adhering to all laws, regulations, and rules applicable in the Kingdom of Saudi Arabia.

The Eighth Clause: Company's social liability towards the Community

1- The company commits itself to investing in the community in which it works by executing long-term developmental projects and initiatives that align with the nature of the community and will be stated by long-term discussions.

2- Working to provide direct and indirect assistance to charitable, social, and developmental institutions as much as possible to improve the living standards of the community in which it works.

3- Contributing to supporting job opportunities for members of the community through programs and training courses offered by the company to the residents of this community.

4- Investing in building of commercial and residential complexes to contribute in the development and improvement of the quality of life at the local community.

The Ninth Clause: Company's Social liability towards the Environment

1- Identifying all positive and negative direct and indirect impacts on the local environment resulting from the company's operations.

2- Working to achieve future objectives and continuous positive outcomes that align with international environmental standards, documented periodically within social liability reports and stated in the company's annual report.

3- Contributing to support direct and indirect efforts aimed at developing clean or environmentally friendly methods and programs.

4- Permanent assessment of trading and developmental projects to address any negative environmental impacts.

The Tenth Clause: Company's social liability towards Customers

1- Providing all rental units, real estate products, and services with high quality and

reasonable prices, truthfully advertised, environmentally friendly, and safe, with a commitment to continuous improvement of products and real estate projects.

2- Establishing a good relationship with customers to achieve mutual benefits.

3- Taking due diligence to establish communication means with customers and conduct surveys that contribute to improving the services provided to them.

The Eleventh Clause: Company's social liability towards suppliers

1- Abiding by purchasing from local suppliers, as continuously as possible, to support the economies of small and medium-sized enterprises, as regard to common principles of liability and success.

2- Establishing communication channels with all company suppliers to improve the level of services provided for customers.

3- Working to state and apply social liability standards on all company suppliers, to the extent possible.

4- Providing all forms of educational and professional support to contribute to the success of social liability programs for supplier companies.

5- Maintaining continuous communication with suppliers, conducting regular meetings, and discussing ways of fruitful collaboration for both parties.

The Twelfth Clause: Company's social liability towards Competitors

1- Adhering to apply fair competition rules.

2- Refraining from engaging in any form of corruption or bribery with the aim of gaining undue advantages when submitting bids or delivering real estate products or projects.

3- Complying with all applicable legislation, regulations, and laws, particularly those related to the company's practices and, specifically, the competition laws.

4- Adhering to the ethics, code of conduct, and accepted practices in the field of work.

The Thirteenth Clause: Company's social liability towards Shareholders

1- Multiplying the share value and achieving maximum possible profit.

2- Securing the company's assets, the right to access sufficient information about the company's performance, and treating shareholders fairly without any discrimination.

3- Receiving and addressing shareholder complaints, engaging shareholders in important company decisions by calling upon the ordinary general assembly of shareholders.

4- Fair and orderly disclosure of information relevant to shareholders.

The Fourteenth Clause: Community Communication and Charitable Issues

We are committed to managing our works ethically and sustainably by applying the following elements:

1- Committing to the highest standards of integrity and transparency in our dealings and business relationships.

2- Implementing sustainable business practices and reducing our impact on the environment.

3- Promoting a culture of diversity, equality, and inclusivity in our workplace and supply chain.

4- Engaging in community awareness and supporting charitable causes.

5- Ensuring the health, safety, and well-being of our employees and stakeholders.

6- Complying with all applicable laws and regulations, as well as real estate activity standards.

7- Collaborating with educational and community institutions to train students and give opportunities for participation and contribution to social liability activities, emphasizing their importance and impact on individuals and the community.

The Fifteenth Clause: Social Liability Team

Pursuant to the company's obligation and national dedication to contribute serving and meeting the needs of the community, and effectively promoting the development process in the Kingdom, the company continues its efforts in adopting and executing various social liability programs and activities by the Social liability Team. This team is formed annually by the decision of the Board of Directors to prepare plans for the concept of social liability and the company's duty for the community. These plans align with the company's message and values, reflecting its absolute obligation to improving social and living conditions for the needy groups and meeting their needs. The Board may delegate the authority to those deemed necessary to carry out all duties and works.

The Purpose of Forming the Social Liability Team:

- 1- Establish the appropriate plans and strategies for the company's social liability activities.
- 2- Encourage company employees and its partners to adopt social liability programs.
- 3- Share experiences and highlight successful social liability programs of the company as a good example to follow.
- 4- Propose and adopt innovative (new) programs to serve the community.
- 5- Communicate with the community, stakeholders, and organizations interested in social liability.
- 6- Provide advisory services in the part of social liability for the company's employees and its partners.

Social Liability Team Duties:

- 1- Supervising all social liability activities within the company and providing recommendations on diversifying social liability programs and activities.
- 2- Promoting the company's role in adopting social liability policies and initiatives towards its shareholders, customers, suppliers, employees, and the community in general.
- 3- Declaring the social liability objectives adopted by the company to its employees, in addition to raising their awareness, educating, and engaging them in these objectives.
- 4- Disclosing plans for achieving social liability in periodic reports which are related to the company's activities.
- 5- Promoting communication channels for the company and utilizing them as effective means to enhance the company's efforts in the field of social liability.
- 6- Reviewing and approving charitable donations associated with social liability activities.
- 7- Communicating with authorities sponsoring social liability programs and activities to knowledge their needs for supporting the company's objectives.
- 8- Adopting programs to promote and disseminate the concept of social liability within the company and its associated environment.
- 9- Promoting the participation of company employees in social activities and volunteer work, a Team members must understand the team's tasks and responsibilities, prioritize the tasks assigned to them, and allocate sufficient time to do their part in completing them.
- 10- Submitting periodic reports to the Board of Directors with reference to the procedures made and actions implemented in the field of social liability within the company.

The Sixteen Clause: Financial Allocations for the Social Liability Team:

The executive management annually submits a recommendation regarding the proposed budget for the social responsibility program.

The Seventeen Clause: General Provisions

- 1- This policy has been developed to complete the updating process of the general governance framework and in accordance with the requirements of the Corporate Governance Regulation issued by the Capital Market Authority on 18/01/2023 AD, and based on the Companies Law issued by Royal Decree No. M/132 dated 01/12/1443 AH.
- 2- This policy shall be subjected to periodic review by the Board of Directors as part of the impact review of the company's governance or upon the issuance of new instructions or regulations related to this policy. Any change or amendment to the policy shall be approved by the General Assembly.
- 3- All departments working in the company are required to provide the needed support to the Social Liability Team to carry out its duties.
- 4- The Board of Directors adheres to disclose, in its annual report, all details related to social liability activities and the expenses associated with implementing the social liability policy.
- 5- This policy shall be continuously reviewed (at least once a year) by the Board of Directors to ensure its comprehensiveness and completeness.
- 6- This policy comes into effect and is binding from the date of its adoption.
- 7- This policy is adopted in both Arabic and English languages, and in case of any inconsistency between the two languages, the Arabic text shall prevail.
- 8- A summary of the main provisions of this policy will be published on the company's website to enable shareholders, the public, company employees, and all stakeholders to access and work accordingly.