

## SB Holding ESG Procedures Manual

### 1. Purpose

This manual outlines the procedures for implementing SB Holding’s ESG Policy, ensuring a consistent, accountable, and measurable approach to sustainability performance across all operations. It supports compliance with **Saudi Vision 2030**, **GRI Standards**, **UN Global Compact**, and **ISO 14001/45001/26000** frameworks.

#### 1.1 Definitions & References

For the purpose of this document, the following definitions apply:

- **ESG (Environmental, Social, and Governance):** A framework used to assess an organization’s sustainability and ethical impact.
- **GHG (Greenhouse Gases):** Gases that contribute to climate change, including CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O.
- **Scope 1 / 2 / 3 Emissions:** Direct emissions (Scope 1), indirect emissions from purchased energy (Scope 2), and other indirect value-chain emissions (Scope 3).
- **GRI (Global Reporting Initiative):** International standards for sustainability reporting.
- **SDGs (Sustainable Development Goals):** United Nations global goals for sustainable development.
- **ESG Dashboard:** SB Holding’s internal tool for tracking ESG KPIs and performance.
- **ESG Risk Register:** A centralized log for identifying, assessing, and monitoring ESG-related risks.

### 2. Scope

These procedures apply to all SB Holding departments, subsidiaries, and projects. They cover environmental, social, and governance (ESG) implementation, monitoring, data collection, and reporting.

### 3. Roles and Responsibilities

Role	Responsibility
<b>ESG Strategy Committee</b>	Approves ESG goals, policies, and annual targets. Reviews performance quarterly.
<b>Execution Committee</b>	Implements ESG initiatives, manages data collection, and monitors progress.
<b>ESG Ambassadors</b>	Support internal ESG awareness, coordinate stakeholder engagement, support data collection, and facilitate ESG initiatives at site and project level.
<b>Departments</b>	Integrate ESG measures into operations and submit verified data to the ESG Team.
<b>ESG Team / Sustainability Department</b>	Coordinates initiatives, consolidates reports, validates data accuracy, and ensures compliance with internal KPIs and GRI standards.

## 4. ESG Implementation Procedures

### 4.1 Environmental Procedures

#### 1. Energy & Emissions Management

- Collect monthly data on electricity, fuel, and refrigerant consumption.
- Convert to kWh and CO<sub>2</sub>e using approved emission factors.
- Record data in the ESG Dashboard by the 5th of each month.
- Review quarterly trends and implement reduction measures.
- Report annually within the ESG Report.

#### 2. Waste Management

- Identify and categorize waste (general, hazardous, recyclable).
- Apply segregation at source and ensure proper labeling of bins.
- Record waste volumes monthly and verify through disposal receipts.
- Establish annual reduction targets (e.g., ≥15% landfill reduction).
- Promote reuse, recycling, and supplier take-back programs.

#### 3. Water Management

- Monitor water consumption by project and facility.
- Implement conservation measures (low-flow fixtures, reuse systems).
- Track quarterly consumption and assess efficiency improvements.

#### 4. Procurement and Materials

- Evaluate suppliers on ESG compliance and sustainability credentials.
- Prioritize eco-friendly, certified materials (FSC, ISO 14021, etc.).
- Record procurement data for supplier performance reviews.

### 4.2 Social Procedures

#### 1. Employee Well-being and Safety

- Conduct safety risk assessments and training per ISO 45001.
- Track incident rates and ensure immediate corrective actions.
- Report HSE data monthly to the ESG Team.

#### 2. Training and Capacity Building

- Provide ESG and sustainability induction for new employees.
- Conduct quarterly internal awareness sessions and e-learning programs.
- Record participation, completion rates, and total training hours.

#### 3. Diversity, Equality, and Inclusion

- Maintain equal opportunity in hiring, promotion, and compensation.
- Report gender and nationality ratios quarterly.
- Target continuous improvement in workforce diversity.

#### 4. Community Engagement

- Plan and implement CSR and volunteer programs aligned with SDGs.
- Partner with NGOs, local authorities, and schools for impact-driven initiatives.
- Maintain an annual log of outreach activities and beneficiaries.

#### 5. Grievance and Feedback Mechanism

- Operate a transparent grievance system accessible to all employees.
- Ensure acknowledgment within 3 days and resolution within 10 days.
- Record all cases for periodic review and reporting.

### 4.3 Governance Procedures

#### 1. Ethics and Compliance

- Enforce anti-bribery, and confidentiality policies.
- Conduct annual ethics training and policy acknowledgment.
- Investigate reported breaches and maintain compliance logs.

#### 2. ESG Risk Management

- Maintain and update an ESG Risk Register quarterly.
- Evaluate risks related to climate change, supply chain, and governance.
- Review mitigation measures with the Execution Committee.

#### 3. Escalation and Non-Compliance Handling

- Non-submission of ESG data or non-compliance with approved procedures shall be escalated to the **Execution Committee**.
- Repeated or unresolved non-compliance shall be reported to the **Strategy Committee**, along with corrective action plans and timelines.

#### 4. Committee and Reporting Structure

- Conduct quarterly ESG Committee meetings with documented minutes.
- Review progress against ESG KPIs and adjust targets as needed.
- Submit reports to the Strategy Committee for approval.

#### 5. Audit and Assurance

- Perform internal ESG audits annually.
- Engage third-party verification for GHG and ESG data assurance.
- Implement corrective actions within 30 days of audit findings.

## 5. Monitoring and Reporting

### Data Ownership and Accountability

- **Departments are fully accountable** for the **accuracy, completeness, and timely submission** of ESG data related to their respective operations, projects, and activities.
- The ESG Team is responsible for **data consolidation, validation, and reporting**, while **data ownership remains with the respective departments**.
- All ESG data shall be supported by appropriate documentation and made available for internal review, audits, and external assurance when required.

Activity	Frequency	Responsible	Output
Data Collection	Monthly	Departments	Raw ESG data
Data Validation	Quarterly	ESG Team	Verified dataset
Committee Review	Quarterly	Strategy Committee	Performance summary
ESG Report Preparation	Annually	ESG Team	GRI-aligned ESG Report

## 6. Document Control

- This manual shall be reviewed annually or upon ESG Policy updates.
- Controlled by the **ESG Department** and approved by the **Strategy Committee**.
- All procedures are subject to continuous improvement and regulatory updates.

### Version Control

Version	Date	Description	Approved By
1.0	2025	Initial Issue	Strategy Committee

**SB Holding commits to transparency, accountability, and continuous improvement in implementing ESG practices across all operations.**