



Environmental, Social and Governance (ESG) Policy



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OVERVIEW

We are a leading growth capital alternative asset manager with a strong track record of growing our companies, adding value to our investments and delivering solid returns for our stakeholders. As we identify and source promising investments in companies and projects in high-potential sectors and markets, we take due account of Environmental, Social, and Governance (ESG) considerations, as we believe that these elements positively contribute to investment performance, as well as contributing to help build a more stable, sustainable and inclusive global economy.

Our aspiration is to become a global leader by example in the fields of Responsible Investing and Diversity & Inclusion.



Responsible Investing



Diversity & Inclusion

Responsible Investing: At Gulf Capital, we are committed to **integrate ESG factors and analysis into every stage of our investment process**. Our goal is to identify all the risks and opportunities within any given investment, understanding how important it is to consider the impact of our investment decisions on the wider community. Understanding ESG risks and opportunities, alongside other financial metrics, helps us to make better investment decisions for our clients and influence the companies we invest in to improve their performance.

Diversity & Inclusion: We are firm believers of how greater **diversity in companies leads to long-term value creation, stability, and even greater returns**. We are committed to invest in companies that consider diversity and inclusion at all levels of employment and seek for appropriate disclosure across all our portfolio.

All of our investments take into consideration these Global Commitments and strive to implement disclosure initiatives and implementation plan to raise the bar of our overall sustainability as an investment firm.

PRIVATE EQUITY	GROWTH CAPITAL	REAL ESTATE
Responsible Ownership	Responsible Growth	Sustainable Communities
<p>At GC Private Equity, we strive to be recognised as Responsible Owners and a reference in the region through the integration of ESG analysis into our investment process, to limit stakeholder risks and position our portfolio companies for sustainable growth and success. By employing a holistic, value-focused approach, we aim to create long-term, sustainable value for all our stakeholders.</p>	<p>At GC Growth Capital, we strive to be recognised as a source of Responsible Growth. We seek compelling businesses with proven business models who actively integrate ESG practices into their core strategy. ESG, therefore, becomes a growth factor and as such, we monitor, support and steer companies towards outstanding ESG performance.</p>	<p>At GC Real Estate, we strive to develop Sustainable Communities that are safe, attractive and inclusive by providing users with best-in-class services. We strive to reduce the overall environmental footprint of our projects across the whole value chain.</p>

OUR APPROACH

At Gulf Capital, we are proud signatories of the internationally-recognised, UN-supported Principles for Responsible Investment (PRI), HRH The Prince of Wales' Terra Carta Sustainability Initiative and ILPA's Diversity In Action initiative. We take into account environmental, social and governance factors in all our investments, as these elements not only positively contribute to our investment performance but help to build a more sustainable and inclusive world. It is our ambition to become a global leader by example in the field of **Responsible Investing** and **Diversity & Inclusion**.

This policy demonstrates our commitment to continuously consider environmental, social and governance (ESG) factors in our investment decision-making and ownership. This process is applied throughout our diversified assets and investment teams and it is an intrinsic part of our investment strategy. In the development of this document, we engaged with various stakeholders across our investment chain, with a particular focus on our investment team, to grasp their insights and commitment towards ESG topics.

To supplement this policy, we have developed an ESG Framework to outline the processes that are in place for analysing potential investments or reporting on current ones.



GOVERNANCE MODEL

The **ESG Working Group** is the responsible body to guide all of our ESG activities, reports progress to the Investment Committee of each fund, understanding the organic nature of this document and ensuring that our ESG policy is regularly reviewed.

ESG WORKING GROUP		
Name	Current Position	ESG Role
Miray Zaki	Managing Director	Co-Chairperson
Asaad Salhab	Senior Operating Partner	Co-Chairperson
Alfred Farwagi	Operating Partner	ESG Manager - Operations
Alvaro Abella	Managing Director	ESG Manager - Private Equity
Mohammad Madani	Managing Director	ESG Manager - Private Equity
Rani Zeidan	Executive Director	ESG Manager - Real Estate
Leila Kaissi	Investor Relations	ESG Officer
Sarah Aitcheson	Investor Relations	ESG Officer / Secretary

The primary functions of the ESG Working Group are to:

- Provide oversight and governance on ESG matters.
- Review ESG initiatives and requirements across the firm's investment activities, as well as for individual clients, investment strategies and investments.
- Provide ESG-related analysis, reporting and recommendations to various stakeholders across the firm.
- Provide a management-level forum for the review and discussion of ESG matters and topics.
- Regularly review and update the ESG Policy.

MANAGING ESG RISK

As a group-wide approach to ESG analysis, we have developed an integrated approach to evaluate and manage ESG risks. We use our bespoke ESG Due Diligence process to evaluate any potential investment on a low, medium or high-risk basis based on the following four dimensions:

DIMENSIONS	EXPLANATION
1. Monitor & Evaluation	Does the investee monitor and evaluate KPIs related to the risk?
2. Policy	Does the investee have a policy in place to manage the risk?
3. Compliance	Does the investee follow any international framework related to the risk?
4. Innovation	Does the investee have any innovative solution in place to mitigate the risk?

At GC we recognise the importance of refining and narrowing down to a shortlist of 'most material', ESG Risks. Following this approach, we have developed an internal **ESG Risk Bank** to support our portfolio manager assessment and monitoring of ESG Risk of the investments.

Through our ESG DD process, we collect and review documentation, including publicly available information and documents requested from the investee. This enables the ESG manager to identify how well key risks and impacts are being managed, whether there are any concerns, and whether the company has capitalised on any ESG opportunities.

INTEGRATION & REPORTING

Understanding ESG risks and opportunities, alongside other financial metrics, helps us to make better investment decisions for our clients and influence the companies we invest in to improve their ESG performance.

At the portfolio level, in order to ensure ESG practices are being applied throughout all investments, we endeavour to do the following:

- Look beyond financial performances and indicators.
- Understand the value and relevance of each stakeholder
- Understand what financial and non-financial risks are and set up strategies and practices to mitigate them.
- Constantly benchmark against best standards and practices.

To facilitate the reporting process and ensure that all our portfolio companies have a system in place to report on ESG factors we have developed a set of indicators aligned with the GRI Standards and the UN Sustainable Development Goals.

EXCLUSION LIST

At Gulf Capital, we believe that responsible investing is the only sustainable way of generating value for our customers while improving our company's impact on society and the environment. In order to work towards our main goals of Responsible Investing and Diversity and Inclusion, all of our investments are subject to screening against an IFC Exclusion list.

As part of our commitment towards Responsible Investing, at Gulf Capital we do not invest in any of the following products, trade or activities.

- Weapons and ammunitions.
 - Production of alcoholic beverages (excluding beer and wine).
 - Production or trade in tobacco.
 - Gambling-related business.
 - Radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where we consider the radioactive source to be trivial and/or adequately shielded.
 - Unbonded asbestos fibres.
 - Drift net fishing in the marine environment, using nets in excess of 2.5 km in length.
 - Production or activities involving harmful or exploitative forms of forced or child labour, as defined by the International Labour Organisation (ILO)
 - Commercial logging operations, primarily in tropical rainforest.
 - Production or trade in wood or other forestry products, other than from sustainably managed forests.
 - Any products, trade or activities that are illegal under host country laws, regulations, international conventions and agreements, or that are subject to international bans, such as pharmaceuticals, pesticides/herbicides, and ozone-depleting substances, PCB's, wildlife or products regulated under CITES.
 - Research, development or technical applications relating to electronic data programs or solutions, which aim at specifically supporting any included in the restricted sectors referred to above, and:
 - internet gambling and online casinos; or
 - pornography; or
 - Are intended to enable to illegally:
 - enter into electronic data networks; or
 - download electronic data.
- * Gulf Capital will annually review and update the exclusion list based on international best practices and company beliefs.

