

AAH HOLDINGS GROUP

ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) POLICY

Approved by the Board of Directors

Effective Date: 1 March 2026

Version: 1.0

1. PURPOSE

This Environmental, Social and Governance (ESG) Policy establishes the principles, standards, and governance framework through which AAH Holdings Group (“the Group”) conducts business responsibly, ethically, and sustainably.

The policy applies to:

- AAH Holdings (HoldCo)
- All subsidiaries, divisions, and controlled entities
- All directors, executives, employees, contractors, and associated partners

The Group recognises that long-term value creation depends on disciplined environmental stewardship, social responsibility, and sound governance aligned with:

- The Companies Act of South Africa
- King IV Corporate Governance Principles
- FSCA regulatory framework (where applicable)
- South African labour and environmental law
- International best practice ESG standards

2. ESG GOVERNANCE STRUCTURE

2.1 Board Oversight

The Board of Directors retains ultimate responsibility for ESG oversight, risk management, and policy review.

The Board shall:

- Review ESG performance annually
- Ensure integration of ESG into strategic planning
- Oversee sustainability-related risks
- Approve ESG reporting disclosures

2.2 Executive Responsibility

Each subsidiary Managing Director / General Manager is responsible for implementation of this policy within their respective entity.

2.3 Compliance & Reporting

Where applicable (e.g., FSP-regulated entities), ESG implementation shall align with:

- FSCA conduct standards
- FIC compliance obligations
- Anti-money laundering regulations
- Responsible investment mandates

3. ENVIRONMENTAL POLICY

The Group recognises that environmental responsibility is integral to sustainable growth.

3.1 Property Development & Construction

Applicable to:

- AAH Investment Properties (Pty) Ltd
- AAH Construction
- Futuredev Sales & Rentals (Pty) Ltd
- Development SPVs

Commitments:

- Efficient use of materials and reduction of construction waste
- Responsible sourcing of building materials
- Energy-efficient design where commercially viable
- Water-efficient plumbing and landscaping
- Proper stormwater management
- Compliance with municipal environmental regulations

The Group will progressively integrate:

- Solar readiness where feasible
- Sustainable insulation practices
- Efficient lighting and energy systems
- Waste separation on construction sites

3.2 Security Operations (SRS Specialised Risk Services)

- Fuel efficiency optimisation for patrol vehicles
- Gradual adoption of lower-emission vehicle fleets
- Responsible disposal of electronic security equipment
- Efficient use of power in control rooms and monitoring centres

3.3 Financial & Investment Activities

Applicable to:

- AAH Capital
- Futuredev Invest
- RESPROPFINSERV

The Group will:

- Avoid investment in environmentally harmful or illegal activities
- Encourage responsible asset-backed funding
- Integrate ESG screening into discretionary mandates (where applicable)
- Promote renewable and infrastructure-aligned opportunities where commercially viable

4. SOCIAL POLICY

The Group is committed to meaningful economic participation and upliftment.

4.1 Employment & Labour Standards

The Group shall:

- Comply fully with South African labour legislation
- Maintain lawful employment contracts
- Prohibit discrimination, harassment, and unfair labour practices
- Promote merit-based hiring and advancement
- Support historically disadvantaged individuals

4.2 Community Upliftment

The Group supports:

- Skills development within local communities
- Property development that improves residential standards
- Economic participation through small contractor inclusion
- Ethical financing structures aligned with moral and responsible frameworks

4.3 Health & Safety

- Strict adherence to Occupational Health and Safety (OHS) requirements
- Site safety compliance in construction
- Armed officer training compliance (security division)
- Incident reporting procedures

4.4 Ethical Financial Conduct

Where Islamic or ethical finance structures are applied:

- Transactions must avoid exploitative structures
- Asset-backed financing preferred over speculative activity
- Transparency in pricing and profit structures
- Clear client disclosures

5. GOVERNANCE POLICY

Strong governance is the foundation of the Group's sustainability.

5.1 Ethical Conduct

All Group entities shall:

- Operate with integrity
- Maintain zero tolerance for bribery or corruption
- Comply with anti-money laundering laws
- Maintain accurate accounting records
- Avoid conflicts of interest

5.2 Regulatory Compliance

The Group will:

- Maintain valid licences and registrations
- Ensure Key Individuals meet regulatory requirements
- Conduct regular compliance audits
- Maintain documented SOPs and internal controls

5.3 Risk Management

The Group maintains a structured approach to:

- Financial risk
- Operational risk
- Regulatory risk
- Construction risk
- Reputational risk

ESG risks shall be integrated into enterprise risk management frameworks.

5.4 Transparency & Reporting

Where required, the Group will:

- Provide clear reporting to investors
- Maintain proper financial disclosures
- Disclose ESG alignment where material
- Maintain accurate client communication

6. RESPONSIBLE INVESTMENT PRINCIPLES

For discretionary mandates and structured investment products, the Group shall:

1. Evaluate environmental impact where applicable
2. Consider governance integrity of counterparties
3. Avoid involvement in illegal or socially harmful activities
4. Apply enhanced due diligence to higher-risk sectors
5. Align certain mandates with Shariah or ethical frameworks where specified

7. CONTINUOUS IMPROVEMENT

The Group commits to:

- Annual review of ESG policy
- Progressive measurable improvements
- Tracking selected ESG metrics (to be formalised in future reporting cycles)
- Periodic training for staff

8. POLICY ENFORCEMENT

Non-compliance with this ESG Policy may result in:

- Disciplinary action
- Termination of contracts
- Reporting to relevant regulatory authorities

9. APPROVAL

This ESG Policy is formally adopted by the Board of Directors of AAH Holdings Group and is binding on all subsidiaries.

A handwritten signature in black ink, appearing to be 'M. Bend', written over a horizontal line.

Signed: _____

Chairperson

AAH HOLDINGS GROUP

Signed: _____

Group CEO / Managing Director

AAH HOLDINGS GROUP

Date: _____