

مجموعة شاكِر
SHAKER GROUP

SIMPLIFYING LIVES RESPONSIBLY



SUSTAINABILITY REPORT
2023

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Abdulelah Abdullah Abunayyan
Chairman of the Board of Directors

MESSAGE FROM THE CHAIRMAN

On behalf of Shaker Group, I am excited to present Shaker Group's first Sustainability Report, a significant milestone that highlights our commitment to sustainability and responsible business practices.

Shaker Group recognizes that its long-term success is deeply intertwined with the well-being of its people, the planet, and the communities it serves. I would like to express my gratitude to Shaker Group's employees for their unwavering dedication to the Company and our mission, which resulted in exceptional performance in 2023.

Shaker Group's journey, spanning more than seventy years, has always been rooted in our desire to be a key player in the Kingdom's growth. Our people are the driving force behind our success. We remain focused on developing talent, fostering diversity, and empowering our workforce to continue pushing the boundaries of sustainability and innovation.

Shaker Group has expanded its product range and revenue streams through partnerships with global industry leaders. We have optimized our operations to remain at the forefront of the rapidly evolving business landscape and maintain market leadership. Reducing environmental impact, embracing innovation, and advancing energy efficiency have supported traversing the newer businesses' expectations. In 2023, we took significant strides toward sustainability through key initiatives such as the "Yalla Green" campaign in collaboration with LG, promoting energy-efficient air conditioning and supporting reforestation efforts. By integrating clean energy practices, like utilizing electric forklifts and manufacturing HVAC products that offer 35% energy savings, we contribute to a greener future in alignment with Saudi Arabia's Vision 2030.

We are holistically approaching sustainability. This year, we have taken the time to hear our stakeholders and shape the strategic direction for sustainability. This direction will guide us as we move forward and support us in continuing to deliver sustainable products and solutions. Together with our valued stakeholders, we will write the next chapter in Shaker Group's success story, where responsible business practices and sustainability remain central to our mission.

Thank you for your continued trust and support.



Mohammed Ibrahim Abunayyan
Chief Executive Officer

MESSAGE FROM CEO

As Shaker Group continues to reach new heights and pioneer new business practices, our engagement with our people, sector, environment and community has kept pace. Shaker understands that the threat posed by climate change is becoming ever more apparent. Climate change is causing irreparable damage to the environment, and the need to transition to renewable energy has never been greater. Aligned with Saudi Vision 2030, we are committed to supporting key pillars of the vision, focusing on energy efficiency and savings, contributing to a greener future.

Shaker is also committed to the “Made in Saudi” initiative, actively localizing HVAC manufacturing through our joint factory with LG Electronics in Riyadh. Our joint venture factory with LG has an annual production capacity of over 750,000 units. We are also actively working on localizing the manufacturing base of HVAC products through our jointly owned air conditioner manufacturing factory in Riyadh with LG Electronics. The group is championing the National Industrial Development and Logistics Program through integrating cutting-edge AI and robotics in our facility to drive innovation in the domestic manufacturing sector.

Shaker Group’s revenue soared by 19.2% to SAR 1.24 billion, and net profits almost doubled to SAR 65.43 million. This was our highest revenue since 2016 and net profit since 2015. The HVAC segment was a major contributor, accounting for 64.7% of revenue, while Home Appliances made up 35.3%. Both segments saw remarkable year-on-year growth – 21.2% for Home Appliances and 18.1% for HVAC – driven by an expanded product range, effective channel marketing and mix, and strong B2B growth through mega projects in the Kingdom.

As we build on our 2023 success, Shaker Group is poised to achieve even greater heights against the backdrop of the secular growth drivers in the Kingdom. The HVAC and Home Appliances sectors are expected to grow by 20% and 16% respectively by 2027, and we are well-positioned to leverage this growth. Shaker Group continues to be an important contributor to shaping the nation’s economic future and empowering households. We are excited about the future and plan to unveil a new strategic vision in 2024 that will guide us into our next phase of growth.

ABOUT THE REPORT

A sustainability report is a public document that outlines an organization's economic, environmental, and social impacts, as well as its commitment to sustainable development. It provides stakeholders with a transparent overview of the Company's efforts to manage these impacts responsibly and align its operations with global sustainability goals. Shaker Group is delighted to present its first Sustainability Report to all its stakeholders. The report has been prepared "with reference" to the Global Reporting Initiative (GRI) Universal Standards (2021). The GRI principles of Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability context, Timeliness and Verifiability have guided our approach towards stakeholder engagement, materiality assessment and development of the report content. The report is also guided by the United Nations Sustainable Development Goals (SDGs) and Vision 2030's 'Made in KSA' initiative.



REPORTING PERIOD AND FREQUENCY

This report provides a comprehensive view of Shaker's Environmental, Social, and Governance (ESG) performance for the period from January 1, 2023 to December 31, 2023. The reporting period aligns with Shaker Company's financial reporting practices. Moving forward, the Company intends to publish its sustainability report annually. All monetary disclosures are presented in Saudi Riyal unless specified otherwise.

REPORTING BOUNDARY

Shaker Group is a publicly listed company headquartered in Riyadh, Saudi Arabia. The reporting boundary for Shaker Group covers Al Hassan Ghazi Ibrahim Shaker Company and its KSA based subsidiaries with operations in wholesale, retail, projects and after sales service for air-conditioners and home appliances.

Operations and revenue from Saudi Arabia account for 100% of the business footprint; making it a material geography for this report. The report builds upon the material topics outlined in section 4-Approach towards ESG. Specific material topics may vary in scope or boundaries due to data availability constraints; in such cases, these exceptions are clearly indicated in the relevant sections or within the GRI Index of the report.

FEEDBACK

Feedback from all the stakeholders is valuable to us. Therefore, Shaker Group encourages all the stakeholders to share their feedback, questions or clarification on the below email ID "ESG@shaker.com.sa"

ASSURANCE

The report has not yet undergone any external assurance. However, Shaker Group has established robust internal processes and procedures to collect and evaluate data related to ESG parameters. All financial information included in the report has been sourced from the statements audited in the Annual Report. In the coming years, the Company intends to seek independent assurance for its sustainability report.

RESTATEMENT OF INFORMATION

As this is the first report of Shaker Group, there are no restatements.

FORWARD-LOOKING STATEMENTS

The report contains forward-looking statements, encompassing aspects such as financial position, business strategy, and management plans. The statements, with terms like 'beliefs', 'expects', 'may', 'will', 'plans', and 'outlook', regarding future operational and financial performance, are based on reasonable assumptions and data. These are not meant to be taken as predictions for the future. Actual results could significantly differ due to various factors. The Company does not commit to updating or revising any forward-looking statements to reflect new information, unanticipated developments, or other future events.



03

About **Shaker**

ABOUT SHAKER

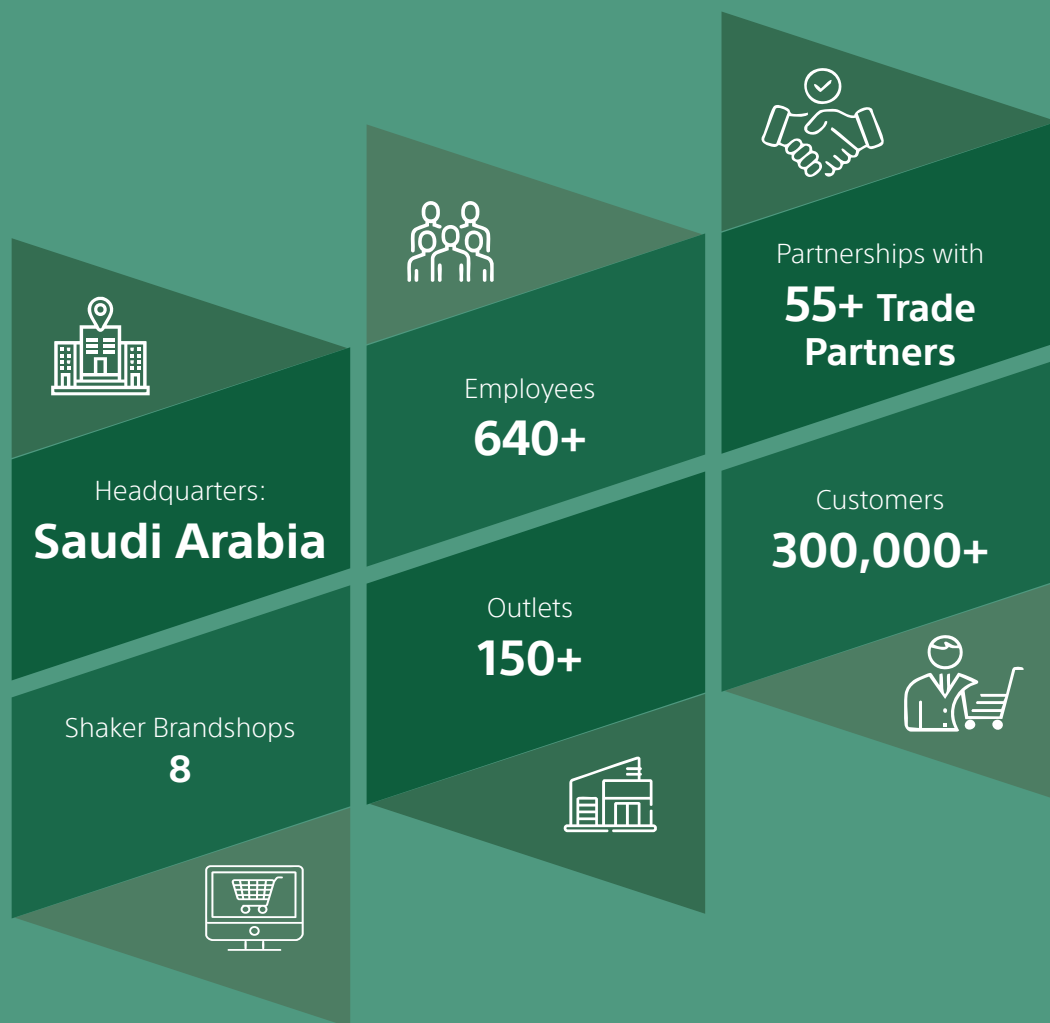
Alhassan Ghazi Ibrahim Shaker Company (Shaker Group) was founded in 1950 and was among the first durable consumer goods sector company headquartered in Riyadh, Saudi Arabia. It was one of the first publicly listed companies to introduce air conditioning and home appliances in the Kingdom. Over the past 70 years, the Company has expanded its operations and has become a leading provider of integrated solutions for air conditioning and home appliances in Saudi Arabia. As of 2023, Shaker Group’s revenue reached SAR 1.24 billion (USD 300,000) The HVAC segment was a major contributor, accounting for 64.7% of revenue, while Home Appliances made up 35.3%, fortifying Shaker Group’s leadership position in the HVAC and home appliances sectors in Saudi Arabia. The company has a strong presence in both the business-to-business (B2B) and business-to-consumer (B2C) markets, providing cutting-edge offerings with 8 retail stores and more than 55 trade partners. The company’s online presence extends over 800,000 site visits in the year 2023 with more than 5900 fulfilled orders.



VISION	MISSION	VALUES
To be the preferred and trusted provider of innovative, energy-efficient air conditioning and home appliances solutions, enhancing the comfort and lifestyle of our customers in Kingdom of Saudi Arabia.	Delivering excellence in air conditioning and home appliances trading by offering cutting-edge products, personalized customer experiences, and sustainable solutions. We aim to build lasting partnerships, foster innovation, and contribute to the well-being of communities we serve.	<ul style="list-style-type: none">▶ Customer Centric▶ Reliability▶ Adaptability▶ People

ALIGNMENT TO VISION 2030

The company is in perfect alignment to support Vision 2030. As an organization with long-term objectives, Shaker is focusing on energy efficiency and savings, contributing to a greener future, and enhancing local manufacturing capabilities. The company’s drive to match the Kingdom’s vision has promoted participation in mega projects. Shaker Group also actively supports the Made in Saudi initiative, which aims to promote Saudi products and services both locally and internationally.



SHAKER'S SERVICES

AC products	Provide efficient and consistent products with better energy consumption.
Warranty Services	Shaker's offers a comprehensive customer care warranty which aims to enhance the reputation and build trust with consumers.
Home appliances products	Shaker provides high-quality home appliances that combine innovation, reliability, and affordability.
Consultation services	Consultation services provide expert guidance and solutions regarding air conditioning needs, including energy-saving options
Supply Chain Services	Supply chain services include Managing warehouses, distribution centers, handling, fulfilling products, inventory, shipping.
Installation Services	Shaker aims to provide professional and skilled setup of air conditioning units to ensure optimal performance, energy efficiency, and compliance with safety standards.

SHAKER GROUP'S BUSINESSES

Shaker Group is the kingdom's leading home appliances retailer. The Company comprises seven dynamic subsidiaries that collectively drive significant contributions to the industries of air-conditioning manufacturing, wholesale, home appliances, and energy efficiency solutions. Shaker operates internally at the division level rather than the company level, focusing on distinct departments such as B2B, B2C, Aftersales, and supporting services, which are distributed among various brands.



شركة الحسن غازي إبراهيم شاكِر
AL-HASSAN GHAZI IBRAHIM SHAKER CO.

LG - Shaker Co., Ltd. 



شركة إبراهيم شاكِر المحدودة
IBRAHIM SHAKER COMPANY LTD

IBRAHIM H. SHAKER PROJ. & MAINT.CO.
(A Limited Liability Company)
Capital S.R. 500.000



شركة أسداء الخليج التجارية
Asda Gulf Trading Company

شاكِر للاستثمار
SHAKER INVESTMENT

SHAKER Contracting Service Company



شركة خدمة شاكِر للمقاولات

RESILIENCE
شركة سلسلة المرونة للخدمات اللوجستية





04

Approach

Towards ESG

APPROACH TOWARDS ESG

STAKEHOLDER ENGAGEMENT

Stakeholders are individuals, groups, or entities interested in or are affected by a company's operations, policies, and performance. Engaging with stakeholders is essential for organizations, as it allows them to understand and align with diverse expectations and concerns, supporting sustainable growth and building trust. Effective stakeholder engagement fosters transparency and accountability, enables the company to address issues proactively, and strengthens relationships across its value chain. By prioritizing engagement, Shaker Group is better equipped to anticipate challenges, enhance its social and environmental impact, and create long-term value for both the business and the communities it serves.

As a leading company in the Kingdom, Shaker Group is deeply committed to addressing the diverse needs of its stakeholder groups in its day-to-day operations. By understanding stakeholders' expectations, the company ensures alignment with their interests while focusing on creating long-term, sustainable value. Shaker Group places high importance on communication and engagement across its value chain to support effective sustainability management and is committed to transparent disclosure of its sustainability performance.

Stakeholder engagement is a continuous ongoing process where teams from Shaker engage with various stakeholders through varied modes of engagement to understand stakeholder needs and expectations. The grievance mechanisms set up within the organization also support gathering stakeholder feedback and understanding their expectations. These engagements are further supported by specific engagements on sustainability to gather stakeholder perspectives on relevant sustainability issues.



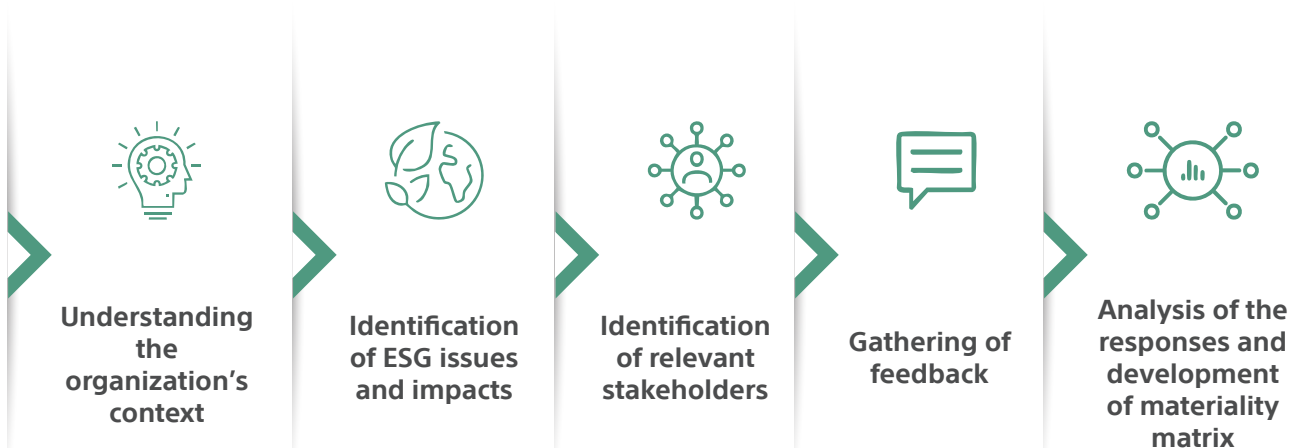
STAKEHOLDER	COMMUNICATION AND ENGAGEMENT	NEEDS AND EXPECTATIONS
 <p>Employees</p>	<ul style="list-style-type: none"> ▶ Employee engagement survey ▶ Intranet ▶ Employee Human Resources application 	<ul style="list-style-type: none"> ▶ Fair payment and benefits ▶ Equal opportunity ▶ Engagement and motivation ▶ Transparent hierarchies and Job security ▶ Training and career development ▶ Safe work environment
 <p>Contractors</p>	<ul style="list-style-type: none"> ▶ Official website ▶ Emails ▶ Telephonic conversation ▶ Sales Team 	<ul style="list-style-type: none"> ▶ Brand reputation ▶ International recognition and certifications ▶ Direct communication channels ▶ Timely Payment
 <p>Customers</p>	<ul style="list-style-type: none"> ▶ Official website ▶ Social media ▶ Customer Relations Center ▶ Customer satisfaction survey ▶ Retail & Aftersales Service Centers 	<ul style="list-style-type: none"> ▶ Quality products and services ▶ Environmentally sound production practices ▶ Fair and ethical marketing
 <p>Shareholders and Investors</p>	<ul style="list-style-type: none"> ▶ General shareholders meeting ▶ Quarterly Earnings Calls ▶ One to one Investor meeting ▶ Investor Conferences & Roadshows ▶ Tadawul Exchange Announcements ▶ Official Website ▶ Disclosure 	<ul style="list-style-type: none"> ▶ Financial performance, efficient production, and growth ▶ Dividends ▶ Share price growth ▶ Transparent financial and non-financial disclosure ▶ Credibility ▶ Market share

MATERIALITY

Shaker Group has conducted a comprehensive assessment to identify, prioritize, and address the sustainability issues that matter most to its stakeholders. This evaluation focused on the perspectives of key groups, including employees, contractors, and customers. Additionally, the company actively works to address concerns raised by shareholders, investors, supply chain partners, local communities, and industry experts, gathered through various modes like regular engagements, published guidelines etc.

Multiple responses were collected from stakeholders comprising employees, project contractors, and customers through one-on-one interviews and online questionnaires. This feedback was instrumental in understanding the priorities of these groups concerning Shaker's ESG impacts. The responses helped identify key material topics influencing stakeholder assessments and decisions, ensuring that the final materiality matrix accurately reflects stakeholder concerns while aligning with organizational objectives.

Process for stakeholder identification and Materiality assessment

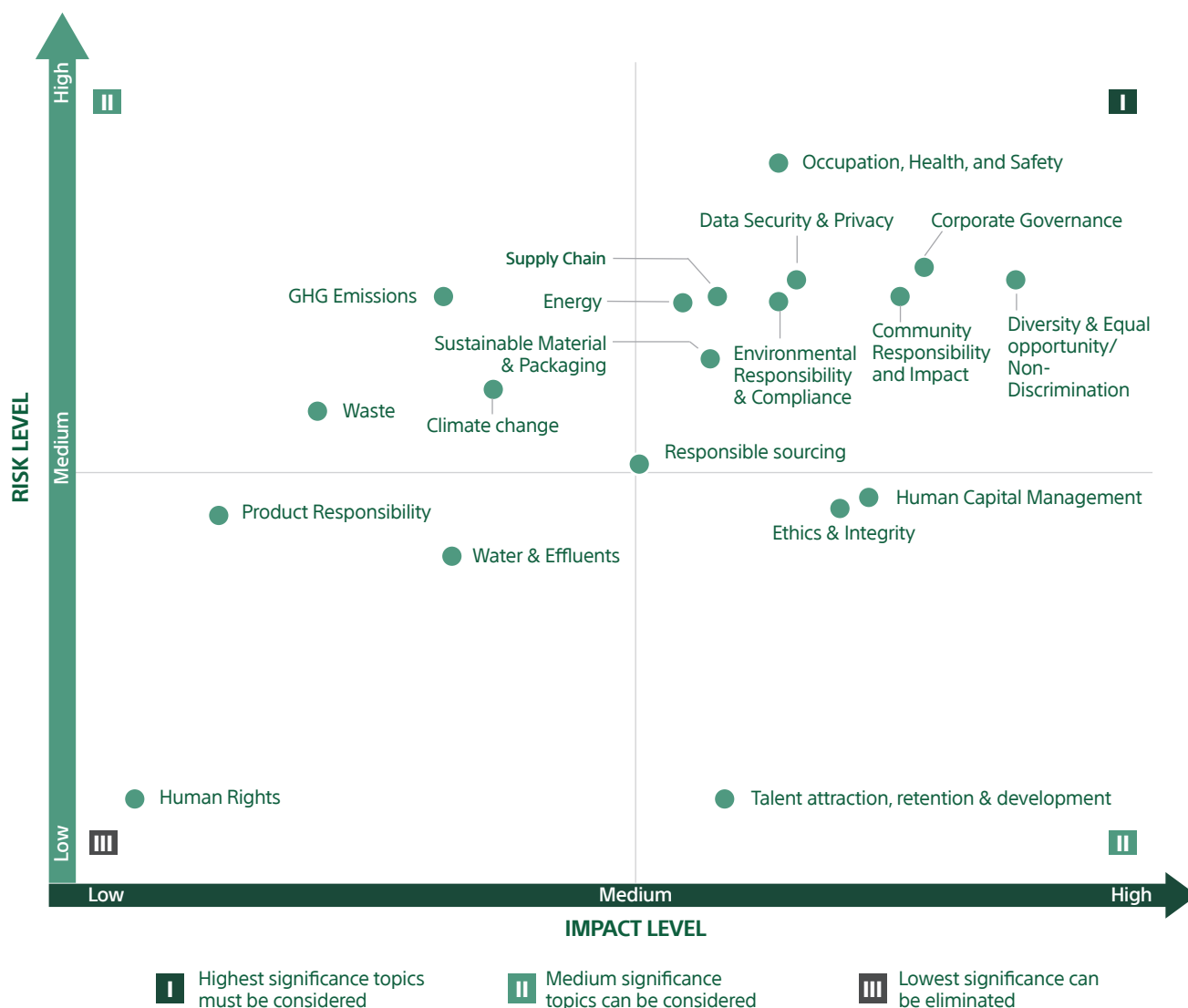


Materiality Matrix Development

The development of a materiality matrix is a critical outcome of stakeholder engagement efforts. This matrix visually represents the significance of various material topics based on stakeholder feedback and organizational priorities. For Shaker Group, the initial draft of the materiality matrix was created by analyzing the outcomes of stakeholder engagements. Topics were categorized based on their impact level and risk significance into three tiers: highest significance (must be considered), medium significance (can be considered), and lowest significance (can be eliminated). The finalization of this matrix involved presenting it to leadership for feedback before integrating it into the broader ESG framework.

Materiality Matrix




A total of 16 topics in Quadrant I and Quadrant II have been identified as material. These topics have been clubbed into 4 pillars namely Environmental Excellence, Advancing Workforce Excellence, Responsible Value Chain and Fostering Good Governance.



OUR SUSTAINABILITY APPROACH

Shaker Group's ESG strategy is anchored in a strong commitment to sustainability across all aspects of its operations. This approach fosters a culture that emphasizes environmental responsibility, social equity, and robust governance. By aligning strategic objectives with global sustainability trends and stakeholder expectations, Shaker Group seeks to enhance its competitive advantage while making a positive impact on society and the environment.

The table below outlines Shaker Group's sustainability pillars and corresponding material topics. Each topic includes specific goals and targets for achievement in the short, medium, and long term.

SUTAINABILITY PILLAR*	MATERIAL TOPICS	PROPOSED GOALS	PROPOSED TARGETS
 Environmental Excellence	Climate Change & GHG Emissions	To achieve net zero emissions in alignment with Saudi Vision by 2060	<ul style="list-style-type: none"> ▶ GHG Inventorization for scope1, 2 and 3 by 2025 ▶ Achieve up to 40% reduction in Scope 1 and 2 GHG emissions by 2035 ▶ Achieve a 20% reduction in Scope 3 emissions by 2035
	Energy	Achieve comprehensive energy efficiency across all operations through reductions, increased sales of energy efficient products and renewable energy adoption.	<ul style="list-style-type: none"> ▶ Reduce operational energy consumption to 10% by 2030 ▶ Procure or generate upto 50% of energy from renewable sources by 2035 ▶ Increase promotion and sales of energy-efficient products by 2028
	Waste	Implement Comprehensive Waste Diversion Programs	<ul style="list-style-type: none"> ▶ Divert, Reuse, and Recycle waste to reduce the waste intensity to landfills by up to 35% by 2030
 Advancing Workforce Excellence	Diversity & Equal opportunity/ Non-Discrimination	1. Aim to cultivate a workforce that is diverse, equitable, and inclusive	<ul style="list-style-type: none"> ▶ Increase the representation of woman in senior leadership positions by 2030 ▶ Double the female representation in workforce by 2035 (i.e. Increase overall female representation in workforce from 12% to 24% by 2035) ▶ Develop and implement a diversity and inclusion (D&I) strategy to promote local talent by 2030
	Talent attraction, retention & development	1. Enhance the coverage of training programs to improve the skills and capability of workforce 2. Enhancing Employee Satisfaction	<ul style="list-style-type: none"> ▶ Develop and deliver training programs aligned with business needs to 100% of the employees and workers by 2030 ▶ Increase employee satisfaction by 2030 through regular engagement surveys
	Occupational Health and Safety	Enhance overall occupation, health and safety management	<ul style="list-style-type: none"> ▶ Develop and deliver safety training programs to 100% of the employees and workers ▶ Plan to certify all operations under ISO 45001 for enhanced reporting and management system by 2030
 Responsible Value Chain	Supply Chain	To assess all the key supplier against the various ESG criteria's	<ul style="list-style-type: none"> ▶ Develop a sustainability supplier code of conduct and Mechanism to screen the new suppliers in line with environment and social criteria by 2026 ▶ Conduct regular supplier sustainability assessment of the existing suppliers
	Community Responsibility and Impact	Establish a comprehensive community support program to enhance value creation and strengthen community relationships	<ul style="list-style-type: none"> ▶ Conduct community need assessment and gather regular feedback to identify needs ▶ Based on the feedback realign the community support program to create positive impact

* No goals and targets have been set for Pillar 'Fostering Good Governance' as material topics under this pillar, are part of the Company's good governance practices.



05

Fostering

Good Governance

FOSTERING GOOD GOVERNANCE






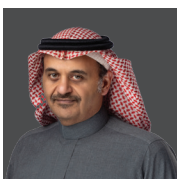

Governance forms a core pillar of sustainability for Shaker Group, encompassing key areas such as robust corporate governance, ethics and integrity, and data security and privacy. Implementing strong and efficient governance practices is vital for sustained growth and business continuity. Shaker Group is committed to maintaining resilient governance structure, supported by a culture of integrity, ethical compliance, transparency, and accountability.

GOVERNANCE STRUCTURE

The governance structure of Shaker Group is built upon two key layers: the Board of Directors and the Strategic Leadership Team. Shaker Group's Board consists of seven members, of which three are independent members, enhancing the board's objectivity and accountability. The Board, comprised of seasoned professionals with varied expertise, establishes overarching policies and strategic direction, while the Strategic Leadership Team focuses on implementing these directives through daily operations. Together, these bodies create a balanced and comprehensive governance framework, where the Board oversees the company's long-term vision, and the Strategic Leadership Team manages the tactical and operational execution.

The grievance mechanisms set up within the organization also support gathering stakeholder feedback and understanding their expectations. These engagements are further supported by specific engagements on sustainability to gather stakeholder perspectives on relevant sustainability issues.



	NAME AND POSITION	QUALIFICATION	EXPERIENCE
	Abdulelah Abdullah Abunayyan Chairman – non-executive	Bachelor’s degree in economics from King Saud University	Held several leadership and executive positions in commercial and industrial public and private companies
	Musaab Suleiman Al-Muhaidib Vice Chairman and Chairman of the Nominations and Remuneration Committee– Independent	MBA from University of Liverpool	CEO of Al Muhaidib Group Entertainment Ventures and Chairman of Masdar Building Material company
	AbdulRaouf Walid Albitar Non-Executive Member	Civil Engineer from Syracuse University	30 years of experience in the field of industrial companies
	Azzam Saud Almudaiheem Non-Executive Member	Mechanical Engineering from King Saud University	CEO of Abunayyan Holding and former CEO of Al-Hassam Ghazi Ibrahim Shaker
	Rasheed Abdulrahman Alrasheed Independent	Managing Director at Tarabot Investments and Development.	Former CEO of Arabian Water and Energy Development (ACWA)
	Hussam Ali Shobokshi Independent	Chairman of Remuneration and Nomination committee	Bachelor of Economics from University of Pennsylvania
	Eid bin Faleh Al Shamri Independent- Chairman of Audit Committee	Bachelor of Science in Industrial Management from King Fahad University	32 years of experience in the banking, investment, and management sectors

BOARD SELECTION PROCESS

Shaker Group’s Board selection process is meticulously structured to align with government regulations and ensure a balanced composition that reflects the company’s strategic direction. Board members are selected based on specific eligibility criteria, which include a minimum age of 30, a university degree, and at least three years of industry-relevant experience. This ensures the Board is equipped with both the knowledge and expertise needed to steer Shaker Group responsibly. Board tenure is 3 years with rotations conducted every third year, to foster continuous alignment with Shaker Group’s objectives. Additionally, the cumulative voting method guarantees that shareholder interests are represented effectively in the General Assembly.W

COMMITTEES OF THE BOARD

The committees within Shaker Group’s Board of Directors play pivotal roles in upholding governance standards, ensuring transparent decision-making, and safeguarding stakeholder interests. Each committee contributes uniquely to the organization’s governance. Key Board level committees are remuneration and nomination committee and audit committee.

MEMBERS OF THE COMMITTEE

Remuneration and Nominations Committee

This 3-member committee is responsible for the formulation of policies for board nominations, ensuring ethical standards in member selection, and conducting continuous skill reviews for board and leadership effectiveness.



**Musaab Sulaiman
Al Muhaideb**

Chairman
27/07/2022
to Present



**Hind bint Khaled
Al-Zahed**

Member
25/05/2022
to 15/10/2023



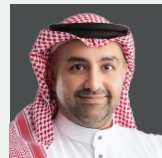
**Hussam bin
Ali Shobokshi**

Member
27/07/2022
to 15/10/2023



**Muteb Bin Ali
Al-Gunaisi**

Member
15/10/2023
to Present

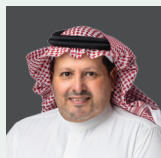


**Bakr Bin Ghazi
Darwish**

Member
01/01/2023
to Present

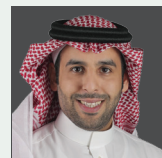
Audit Committee

This committee is responsible for oversight of financial reporting, auditor independence, and compliance with laws, safeguarding the integrity of Shaker Group’s financial disclosures.



**Eid Faleh Saif
Al Shamri**

Chairman



**Ahmed Bin Zaki
Al-Fraih**

Member



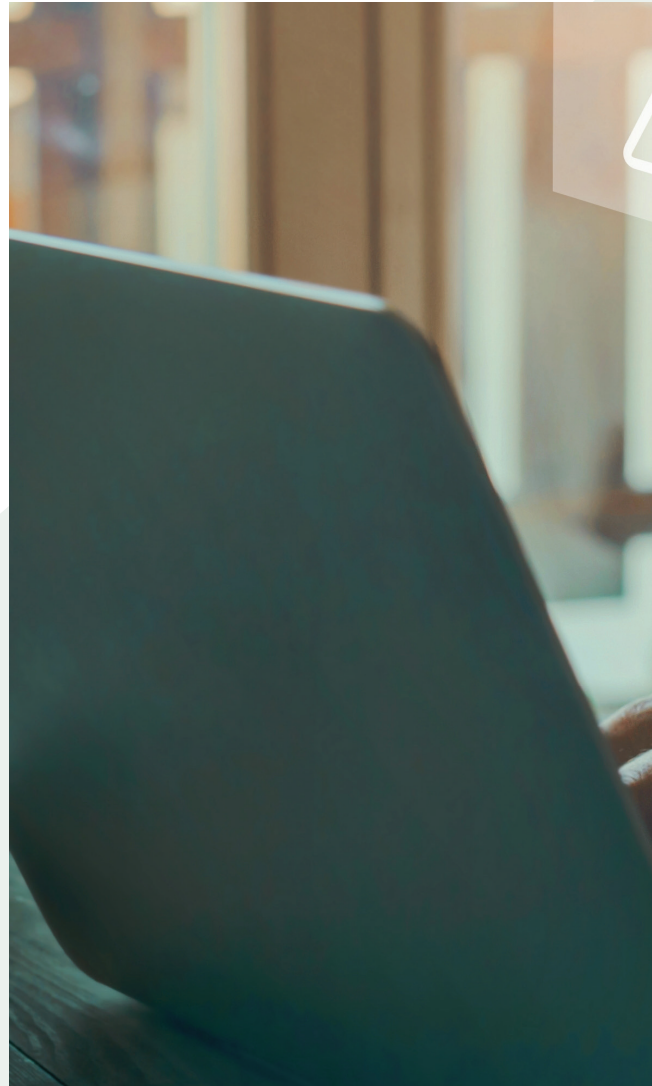
**Mohammad Bin
Abdul Mohsen
Al Grenees**

Member

ETHICS AND COMPLIANCE

Ethics at Shaker Group involves upholding business ethics and compliance standards, fostering a culture of integrity, transparency, and commitment to organizational values. To strengthen its governance framework, Shaker Group has established board-level policies and codes that promote ethical accountability. A comprehensive code of conduct and disciplinary policy sets clear expectations for employees regarding conduct and interpersonal relationships, defining the behaviors required for fulfilling their responsibilities to the company. Additionally, the code provides a structured process for raising grievances and handling disciplinary and appeal procedures, ensuring fairness and equity for all employees. These standards reinforce Shaker Group's dedication to ethical business practices and responsible governance.

The code also covers policies and framework on data confidentiality, insider trading, conflict of interest, use of company assets, social media usage etc. These policies are designed to support the board and its committees in implementing effective actions, ensuring that ethical considerations are integrated into decision-making processes.





Whistleblowing Mechanism

Shaker's whistleblowing mechanism reflects the group's commitment to maintaining a transparent and ethical business environment by encouraging the reporting of any misconduct that could harm the organization or its stakeholders. As part of the Saudi Tadawul Group (STG), the mechanism in place welcomes whistleblowing reports that address a wide array of concerns, including financial and administrative corruption, conflicts of interest, accounting violations, legal non-compliance, and breaches of company policies. Specific examples encompass issues like environmental, health, and safety violations; misuse of company assets; abuse of authority; financial crimes, including money laundering and insider trading; harassment; and leaks of confidential information. STG ensures that these concerns can be reported securely and confidentially through dedicated channels, including a whistleblowing email (WB@tadawul.com.sa) and a hotline (0112189200), safeguarding both the whistleblower's identity and the integrity of the organization.

Complementing the Whistleblower Policy, the Anti-Bribery and Corruption (ABC) Policy underscores Shaker Group's dedication to ethical business practices. This policy establishes clear guidelines for all employees regarding acceptable conduct in their dealings with clients, suppliers, and other stakeholders.

// Zero cases of corruption
reported in 2023

Ensuring Compliance

Ensuring ESG compliance at Shaker Group requires strict adherence to all relevant legislation, supporting responsible and sustainable business conduct. The SASO (Saudi Standards, Metrology and Quality Organization) certification plays a critical role in this framework, verifying that imported goods meet Saudi Arabia's safety and quality standards through inspection and testing. Compliance with SASO certification is mandatory for the clearance of goods into the country, with each certified item displaying a SASO sticker that provides details on energy efficiency and technical specifications.

In alignment with the Capital Market Authority (CMA) disclosure requirements, Shaker Group consistently updates stakeholders—including investors, customers, and regulatory authorities—on its compliance status, promoting transparency. The Audit Committee performs rigorous oversight of compliance with applicable laws, regulations, policies, and standards on both a regional and international scale. Additionally, the committee evaluates the effectiveness of the company's ethical behavior systems, ensuring that operations meet the highest standards of integrity and regulatory compliance.

Zero significant instances of non-compliance with laws and regulations in 2023

CYBER- SECURITY AND DATA PRIVACY

Data privacy, cybersecurity, information security, and the proper handling of data are essential for companies operating in an increasingly technological landscape. This involves safeguarding the organization's controlled data from both external and internal breaches, ensuring comprehensive protection against unauthorized access or disclosure.



Shaker Group's commitment to expanding e-commerce is more pronounced than ever, with significant growth in its digital footprint. The year 2023 marked a significant shift in Shaker's digital footprint. The company has integrated various technological innovations into its business processes and customer engagement models. Shaker Group employs a data-driven approach to enhance operational efficiency and customer satisfaction. The company collects only the necessary customer and supplier data to fulfill business objectives.

Recognizing the paramount importance of trust, the Company prioritizes data protection, ensuring a secure digital environment through robust safeguards against breaches, attacks, and data loss.

Privacy Policy

Shaker Group continually prioritizes data privacy, recognizing its critical role in fostering trust between businesses and customers. A strong commitment to safeguarding personal information enhances confidence and loyalty, while data breaches can severely impact organizations, leading to financial losses, reputational damage, and legal repercussions. To ensure smooth digital operations and negating data breaches, Shaker Group has established a dedicated privacy policy which outlines the company's commitment to treating the information of employees, customers, stakeholders, and other interested parties with the utmost care and confidentiality. The policy mandates compliance with applicable legal requirements regarding data collection, processing, and transfer. The privacy policy also mentions how the company utilizes user information, including personal information, during website interactions.

As cybersecurity attacks become increasingly more sophisticated, Shaker Group prioritizes threat mitigation while focusing on maintaining the integrity and resiliency of the systems. The company has employed strong encryption, secure servers, and comprehensive cybersecurity measures to safeguard against unauthorized access, alteration, and misuse of personal information. Implementation of technical and administrative security measures to protect user data, including access restrictions, secure networks, and clear procedures for reporting breaches. Shaker Group has implemented a comprehensive approach that leverages cloud-based solutions and adheres to industry's best practices. All the systems within the organization are hosted on cloud platforms with appropriate security features. such as SOC compliance, ISAE, FISMA, DIACAP, FedRAMP, PCI DSS Level 1, ISO 27001. To maintain the security of customer data within these cloud environments only encrypted data is uploaded with systems to prevent unauthorized access, dual authentication system.

To further enhance data security and privacy within the organization, the group takes several measures such as regular backups of data on multiple cloud platforms, security awareness training to employees, and integrated security into the software development lifecycle.



In 2023, **Zero** complaints concerning breaches of customer privacy and loss of customer data were reported.



06

Advancing
Workforce Excellence

ADVANCING WORKFORCE EXCELLENCE

Advancing workforce excellence is a key sustainability pillar for Shaker Group. It is committed to enhancing the employee experience by implementing strategies focused on talent acquisition, retention, development, and inclusion. By prioritizing employee well-being and fostering an inclusive culture, Shaker Group aims to attract top talent, promote innovation, and contribute positively to the community.

TALENT ACQUISITION AND RETENTION AND DEVELOPMENT

Talent Acquisition at Shaker Group encompasses the structured processes and policies that guide all activities related to manpower requirements, ensuring access to the best talent for selection. These policies include recruitment procedures, candidate sourcing strategies, skills and competencies mapping, and quality management of the talent pool. Shaker Group has established a comprehensive Talent Acquisition framework, setting forth recruitment criteria, person specifications, internal sourcing policies, and standardized screening, selection, hiring, and onboarding processes. The framework also includes detailed employee termination, resignation, and retirement processes.

Shaker Group's competitive compensation and benefits package is instrumental in attracting top talent. The company provides various benefits*, including competitive salaries, commissions, performance incentives, bonuses, annual travel allowances, and additional allowances tailored to specific roles. Furthermore, Shaker Group offers extensive health coverage to support employees' mental and physical well-being. Shaker's retirement provision also offer the General Organization for Social Insurance policy. This robust benefits package positions Shaker Group as an employer of choice, drawing skilled professionals seeking rewarding and long-term career opportunities.

Talent retention is another crucial component for Shaker to maintain a skilled and motivated workforce, reduce turnover costs, and enable a positive company culture. By investing in employee satisfaction and development, Shaker aims to create a supportive environment that encourages loyalty and long-term commitment from its employees.

To foster employee development and ensure talent retention, Shaker Group has implemented various initiatives. These include programs that assist employees in upgrading their skills, transition assistance programs for continued employability, and numerous training and development programs throughout the reporting year.



All employees across middle management, junior management and non-management receive regular performance and career development reviews.



* Benefits provided only to Full-Time Employees

Employee Training and development

Shaker Group's Employee Development Strategy is dedicated to fostering a highly skilled and motivated workforce. A key initiative is the Shaker E-Learning Academy, which offers a vast library of over 80,000 courses across various domains. This digital platform not only provides employees with access to knowledge but also offers professional training certificates, ensuring the workforce is equipped with the latest industry trends and market demands.

Furthermore, the company's Learning Management System guarantees that employees across the company have regular access to continuous learning platforms. This ensures that employees remain informed about industry updates and best practices. Shaker understands that creating economic mobility and career paths is central to its learning strategy. This commitment drives their investment in training and the advancement of employees' skills, ensuring the workforce continues to grow and thrive.

Training Academy and After sales Technical Service

The Training Academy is a specialized hub designed to enhance technical skills and ensure employees are equipped with the latest knowledge and tools. The company emphasizes aftersales training initiatives and offers specialized programs for our technical service team. This training is conducted by our in-house trainers and through internationally recognized partners, ensuring alignment with global standards. Additionally, our participation in the LG Skills Olympiad showcases the high level of expertise among our technicians, reflecting our commitment to continuous improvement and excellence in service.



An average of **22 hours of training** provided to Shaker's employees during 2023

Employee Initiatives

Shaker Group fosters a thriving workplace through team building, open communication, financial support, community engagement, and wellness initiatives.

Team Building: Outdoor activities and events foster teamwork and camaraderie.

Open Communication: The Speak Up Channel encourages employee feedback.

Financial Support: Corporate Rate and Financing Solutions support employees' financial security.

Wellness Initiatives: Events like the Winter Gathering promote relaxation and bonding.

international certifications in supply chain management. This includes participation in government-sponsored training programs, reflecting the company's dedication to aligning with global industry standards and striving for continuous improvement.



Shaker Group's Technical Service Training Academy equips employees with the latest technical skills and tools.

Employee Engagement

Shaker Group is deeply committed to enhancing employee well-being through various initiatives that foster a supportive and engaging work environment. A key aspect of this commitment is organizing team-building activities through outdoor events, crafted to improve teamwork and strengthen relationships among employees. By providing opportunities for personal connection and collaboration outside the traditional office setting, these activities play a crucial role in fostering a cohesive and unified team. The company further supports employee well-being through various initiatives, including the Winter Gathering, which offers employees a chance to relax and bond.

In addition, Shaker Group prioritizes problem resolution and employee involvement by proactively addressing concerns and engaging employees in the resolution process. This approach ensures a productive and satisfying work environment where employees feel heard and valued. Complementing these efforts are Celebrations and Recognition Programs, such as the CEO Award and Stars of the Month, which reward exceptional achievements and contributions. These programs are instrumental in boosting morale and cultivating a positive workplace atmosphere.

The Speak Up Channel provides a platform for employees to voice feedback, suggestions, or concerns, contributing to a transparent and responsive organizational culture. Additionally, Shaker Group's Corporate Rate and Financing Solutions demonstrate a commitment to employees' financial security and overall well-being. Social Community Participation allows employees to engage in meaningful activities beyond the workplace, enhancing their sense of community and purpose.



HUMAN CAPITAL MANAGEMENT

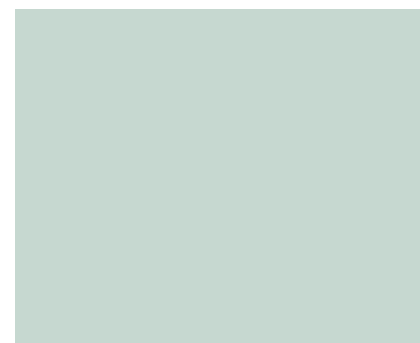
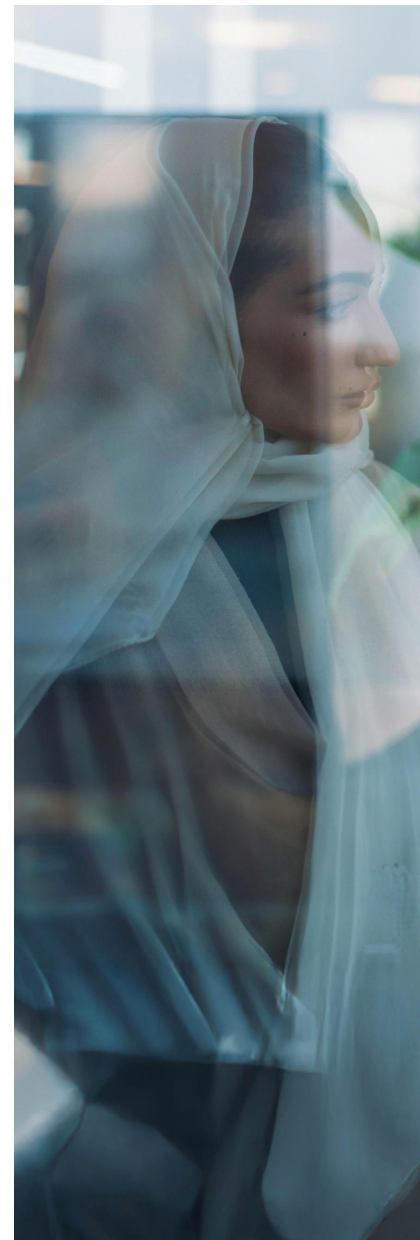
Human Capital Management (HCM) entails policies and practices that govern the relationships under which work is performed within an organization, ensuring that the work environment aligns with appropriate institutional and legal frameworks.

In 2023, Shaker successfully hired and onboarded 160 new employees. Among them, 73% were male and 27% were female. The majority of new hires were under the age of 50, with more than 50% of the new employees falling under the age of 30.

Employee turnover is an important metric that can signal levels of job satisfaction, potential gender inequities, or incompatibility within the workplace. High turnover rates often result in increased recruitment costs and can indicate organizational challenges.



In 2023, Shaker experienced a total turnover of 129 employees, with 96 male employees and 33 female employees leaving the organization. The overall employee turnover rate for males was approximately 15%, compared to a much lower rate of 5% for females. Despite this, the total turnover was lower than the onboarding rate of 27%, which suggests high levels of employee engagement, satisfaction, and job compatibility, particularly among female employees. This reflects positively on Shaker's workplace environment and its retention efforts.





DIVERSITY AND INCLUSION

Shaker aims to foster the representation and involvement of diverse groups and instill inclusive business operations. This pertains to endeavors to promote diversity, ensure equal opportunities across management and non-management positions, and cultivate a culture where each individual feels respected, supported, and empowered.

In 2023, Shaker Group achieved significant growth in its workforce, expanding the number of staff across various departments to a total of 641 Full Time Employees¹.

Women in the Workforce

Among full-time employees (FTE) at Shaker, women constitute approximately 12.5% of the workforce, with 80 women and 561 men out of 641 employees.




In alignment with the Kingdom's objectives to enhance local employment opportunities, nearly the entire female workforce at Shaker (78 out of 80) is of Saudi nationality. Of these 80 women, 10% hold middle management positions, while the remaining 90% are in non-management roles. Shaker is working towards increasing the number of women in the senior positions.

¹ The methodology for calculating Full Time Employees (FTE) is not reported

In the category of “workers who are not employees² which comprises 250 individuals, women represent only 1.6% with just 4 women, while the remaining 246 are men. Overall, women account for 12% of Shaker’s workforce.

Aligned with the Kingdom’s Vision 2030 objective of increasing women’s participation in the workforce, Shaker Group has committed to strategic hiring practices and fostering an inclusive workplace culture. With Diversity and inclusion (including gender diversity) as one of the key material priorities, Shaker plans to actively contribute to the social development goals of Vision 2030.

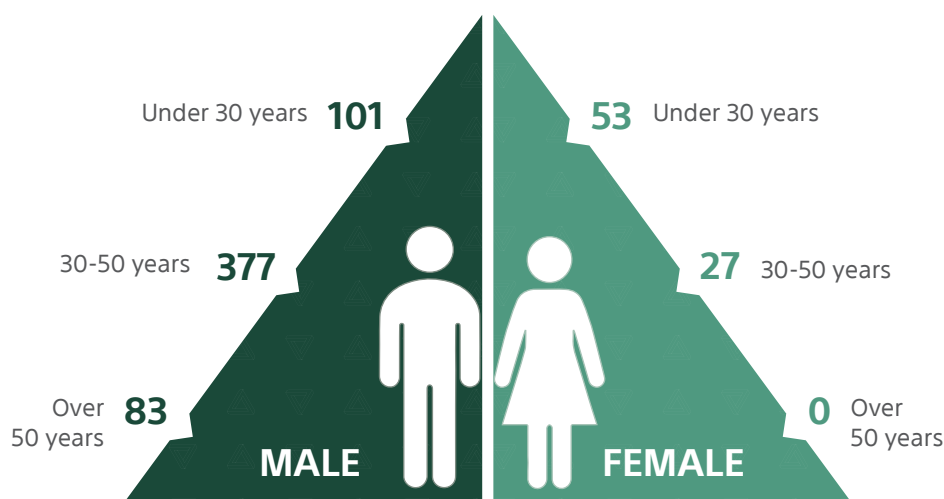
Gender Diversity across levels

		 MALE	 FEMALE	 TOTAL
Top Management	>	12	0	12
Mid Management	>	63	8	71
Non Management	>	486	72	558
Total Number of Full Time Employees	>	561	80	641

Diversity among age groups

Shaker Group demonstrates a range of age diversity within its workforce, with employees spanning across three main age groups. Out of a total of 641 employees, 24% are under 30 years old, comprising 101 men and 53 women. The majority of employees, over 63%, fall within the 30-50 age range, including 377 men and 27 women. This distribution reflects Shaker’s engagement of a predominantly middle-aged workforce, while also maintaining a significant number of younger employees, which could support a future-oriented talent pool and potential for growth within the organization.

Employee Count by Age group

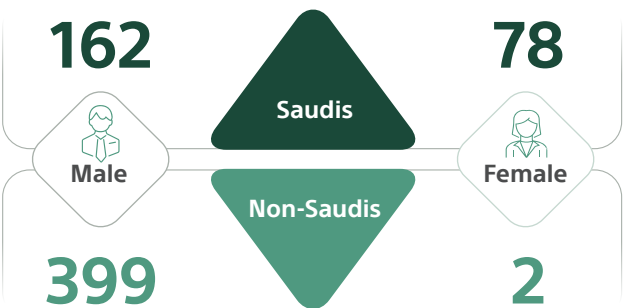


² The methodology for calculating ‘Workers who are not employees’ is not reported

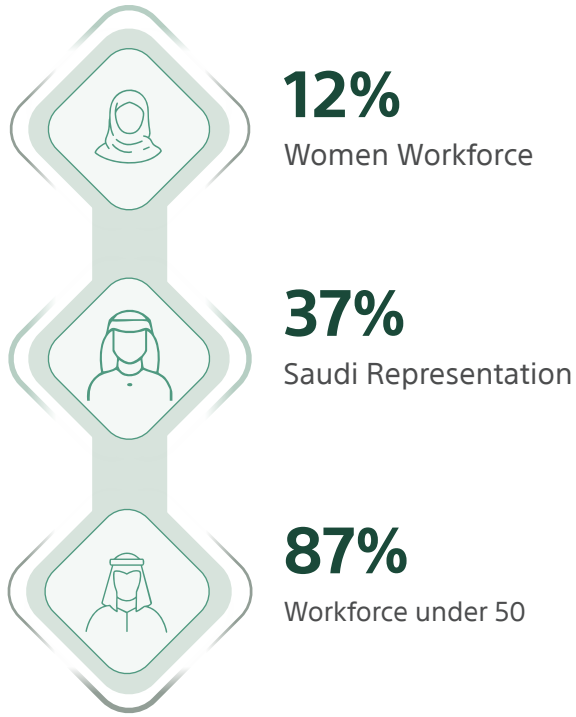
Nationalization

Shaker Group is committed to aligning with Saudi Arabia’s Vision 2030 and its objective of enhancing local employment opportunities. The company has strategically prioritized Saudization within its workforce, achieving notable progress in this area. As of 2023, Shaker Group reported a Saudization rate of 37%, equating to 240 employees which includes 162 (68%) male employees and 78 (32%) female.

Saudisation within workforce



Gender diversity across levels



WORKPLACE SAFETY

For Shaker Group, employee health and safety entails creating a safe and secure work environment for all employees. This is essential in sustaining operational excellence, fostering employee physical and mental well-being, and maintaining compliance with industry standards and local regulations. Additionally, prioritizing a safe working environment helps Shaker reduce workplace incidents, lower absenteeism, and enhance productivity, directly impacting overall performance and efficiency.

Shaker has a comprehensive health, safety and Security policy. This policy encourages all employees to commit and adhere to maintain a safe and secure work environment. The policy also details a process for its employees to report on any incidents, grievance and non-compliance matters relating to health and safety.

Health and Safety Management System

At Shaker, all locations adhere strictly to civil defense guidelines, ensuring each facility is certified and operates in compliance with Saudi regulations. This certification, a prerequisite for operation, is renewed annually, reinforcing the Group's commitment to safety. The dedicated staff of the facility management department appoints a champion responsible for overseeing compliance with civil defense standards. These champions, play a crucial role in maintaining safety by reporting incidents to the headquarter and ensuring continuous adherence to protocols.



Furthermore, an independent safety inspection compliance service conducts quarterly evaluations of each facility to guarantee structural and operational safety. All employees are comprehensively covered under Shaker's health and safety policies.

Worker training on occupational health and safety

To ensure that all workers are equipped with the knowledge and resources to identify and minimize work-related risks and hazards, Shaker has implemented multiple layers of communication and training throughout its locations. Signboards have been strategically placed across all operational locations, clearly displaying safety protocols and hazard warnings to reinforce awareness. Additionally, each location has designated safety champions who provide continuous guidance to workers on risk behaviors, hazard identification, and appropriate safety practices.

All employees receive comprehensive training in alignment with OSHAS, which typically encompasses essential topics, including General Health and Safety Training, Risk Assessment and Hazard Identification, Incident Investigation and Reporting, and Emergency Preparedness and Response.

By committing to employee health and safety, Shaker demonstrates its dedication to upholding high standards, contributing to a supportive workplace culture, and aligning with Saudi Arabia's Vision 2030 goals, emphasizing workforce development and sustainable growth.

// There have been **no loss time injury or fatality** during the year

CASE STUDY: Employee Health Day Initiative

In alignment with the commitment to ensuring the well being of its employees, Shaker has launched initiatives aimed at reducing non-work-related health risks, and addressing personal health concerns. One of the key programs under this initiative is the annual Worker Health Day, organized in collaboration with the company's health insurance provider.

Overview of Worker Health Day

Worker Health Day is an on-site event that takes place at all Shaker locations, bringing together healthcare professionals and wellness experts in an accessible, supportive setting. Organized in collaboration with Shaker's health insurance provider, the program is designed to provide a range of health promotion services and programs, which address prevalent non-work-related health risks. Employees can have a general health checkup, with a one- one discussion with a specialist doctor. This checkup is further followed up with the employee in the hospital covered within the insurance.





07

Environmental Excellence

ENVIRONMENTAL EXCELLENCE

Environmental excellence and sustainable operation has been identified as a key sustainability pillar for Shaker Group during the materiality assessment. For Shaker, environmental excellence encompasses a range of responsibilities, including environmentally responsible behavior, regulatory compliance, and the implementation of energy-efficient practices. Additionally, it involves the management of climate-related risks and emissions, as well as effective waste management strategies.

ENVIRONMENTAL RESPONSIBILITY AND COMPLIANCE

In Saudi Arabia, various environmental and social legislations are in place to ensure responsible business conduct, particularly in alignment with the Kingdom's sustainability goals outlined in Vision 2030. Some of the key regulations include the Environmental Law, Saudi Green initiative, and circular carbon economy framework. The regulatory framework in Saudi Arabia is designed to promote responsible business conduct through a combination of environmental protection laws and social legislation.

Shaker Group has cultivated a culture of compliance with applicable laws and regulations in the various jurisdictions of operation in order to maintain the trust of shareholders and conduct its business according to the highest standards of honesty and fairness.

During the year, the Group made a significant contribution towards both these activities.



// The group did not experience any significant penalties and non-compliance during the year.

CASE STUDY: Yalla Green Campaign

Shaker Group aims to promote awareness of environmental consciousness with the employees to enhance their understanding and responsibility towards the environment. Shaker Group's "Yalla Green" campaign launched in 2023 in collaboration with LG supports this purpose. The campaign supports various activities to support energy efficiency and greening the globe.

The Group also strongly emphasizes energy efficiency in its products, striving to achieve sector-leading Seasonal Energy Efficiency Ratio (SEER) ratings. This commitment guarantees that Shaker Group's offerings comply with energy efficiency standards and demonstrates dedication to environmental sustainability in line with Vision 2030's objectives. All actions fructify only when customers adopt the right technology. Therefore, the initiative also encourages customers to embrace energy-efficient air conditioning solutions.

Shaker Group has collaborated with LG in their global efforts towards reforesting the planet. The company in partnership with LG Electronics has participated in a tree-planting initiative that aligns with the country's ambitious environmental goals under the Saudi Green Initiative (SGI).



CASE STUDY: Adopting Energy Incentive Scheme

Shaker group believes that financial incentives can support higher customer adoption of energy efficient systems. Therefore, to support this the company participates in the Estbdal Initiative launched by the Saudi Energy Efficiency Center, which allows Saudi citizens to replace six low-energy-efficient air conditioning units with high-efficiency ones through a rebate or discount of 200 riyals for each unit i.e. about 2 to 6% of the overall cost. Shaker is progressively working to ensure its participation in Estbdal initiative. Shaker's ability to continuously produce, distribute, and sell more and more energy efficiency systems, which positions it in a preferential position. This translates into more of its customers receiving the financial benefit of adopting more energy-efficient systems.





ENERGY AND GHG EMISSIONS

Shaker Group's distribution and retail operations in electrical equipment contribute to greenhouse gas (GHG) emissions, primarily due to energy consumption required for electricity and cooling across corporate offices, showrooms, warehouses, distribution centers, and service centers. Currently, these facilities rely entirely on fossil fuels or non-renewable energy sources. All energy is purchased from the grid, with no self-generated supply and the company does not yet monitor energy consumption associated with upstream or downstream activities related to its operations.

Although Shaker Group is not subject to specific country, regional, or industry-level energy regulations, it is fully aligned with Saudi Arabia's Vision 2030. This alignment emphasizes diversifying the energy mix, enhancing energy efficiency, and promoting renewable energy sources.

In recent years, Shaker Group has undertaken various energy-saving initiatives, including replacing parking lights with LED alternatives and transitioning from manual forklifts to electric ones. Air conditioning systems across Shaker facilities are high energy-efficient performance units.

Shaker Group actively champions energy efficiency through multiple strategic programs aligned with Saudi Arabia's Vision 2030. A prominent example is the ESTBDAL Initiative, launched by the Saudi Energy Efficiency Center (SEEC) and in collaboration with Shaker and other local players. This initiative focuses on localizing the production of energy-efficient appliances, reinforcing Shaker's leadership in the regional market and advancing national sustainability goals.

Additionally, the Group prioritizes compliance with the highest efficiency standards, particularly by achieving superior Seasonal Energy Efficiency Ratio (SEER) ratings for its products. Shaker also participates in Saudi

<https://www.seec.gov.sa/en/online-services/11>



Arabia's giga-projects, contributing to energy management services and ESCO (Energy Service Company) initiatives to major entertainment and residential developments in key cities. These efforts align with the Kingdom's broader infrastructure development and sustainability objectives.

Shaker Group provides advanced HVAC systems that deliver approximately 35% energy savings compared to traditional units. These innovative solutions help customers reduce energy costs while significantly lowering carbon footprints, aligning with global and regional sustainability trends.

The company's extensive distribution network ensures that energy-efficient products reach both commercial and individual clients, solidifying its reputation as a dependable provider of sustainable solutions. Through integrating advanced technologies and a steadfast commitment to eco-friendly practices, Shaker Group is contributing to a more sustainable and energy-efficient future for Saudi Arabia.

WASTE MANAGEMENT

Waste is generated both within Shakers' own operations—such as during product storage, delivery, and office environments—and across its broader value chain. Upstream suppliers generate waste in the manufacturing of goods. Most of the suppliers are reputed organizations with practices toward sustainability and waste management. Downstream waste gets generated during disposal of packaging and end of life waste by consumers.

The primary waste from Shaker's activities consists of packaging materials, which are either incinerated or landfilled. Consumers dispose of end-of-life products using the best available disposal methods.

In the future, Shaker strives to strengthen the quantification of the waste generated and disposed of and measure the volume of waste reused or recycled.

CASE STUDY: Cutting Paper, Cutting Waste: Shaker's Commitment to Sustainability

To advance sustainable practices, Shaker is adopting innovative technologies to implement environmentally responsible waste management solutions. A notable initiative includes the use of electronic signatures across business processes, which improves operational efficiency while significantly reducing paper consumption. Shaker envisions a future where technological innovation and environmental stewardship intersect, enabling the delivery of energy-efficient, sustainable solutions that support a greener, more ethical business environment. More of its customers are receiving the financial benefit of adopting more energy-efficient systems.



08

Responsible
Value Chain

RESPONSIBLE VALUE CHAIN

Shaker Group is dedicated to building a sustainable and responsible value chain that extends beyond its direct operations, driving sustainability across both upstream and downstream activities. As a key sustainability pillar identified during the materiality assessment, Responsible Value Chain integrates critical focus areas such as supply chain management, responsible sourcing, sustainable materials and packaging, and community responsibility and impact. The focus is on making strategic choices that prioritize suppliers and partnerships committed to sustainability and the growth of local economies.

BUILDING RESPONSIBLE SUPPLY CHAIN

Shaker Group is building a responsible, efficient supply chain rooted in ethical standards and operational excellence. The company actively encourages its suppliers to adopt sustainable practices that enhance compliance, accountability, and alignment with Shaker's broader sustainability strategy.

Shaker Group's supply chain relies on major suppliers who already adhere to robust social, environmental, and ethical standards. This reliance strengthens its ability to drive meaningful ESG outcomes across the value chain.

Shaker Group's supply chain infrastructure is strategically designed to meet the diverse demands of domestic and international markets. The supply chain efficiently supports the distribution of air conditioning solutions and other home appliances, underpinned by a network of strategically located storage facilities. This enables timely and efficient delivery across regions while reducing environmental impact through optimized resource utilization.

Leveraging its advanced logistics infrastructure, Shaker offers same-day delivery services for e-commerce businesses in major cities, meeting the fast-paced demands of online retail. This agile approach not only enhances customer satisfaction but also positions Shaker Group as a leader in the competitive e-commerce landscape. With a manufacturing facility capable of producing over 1,500,000 air conditioning units annually, Shaker fulfills diverse market needs while integrating sustainable practices into its operations.

Shaker's focus on digitalization and automation further optimizes its supply chain for efficiency and sustainability. Advanced logistics solutions enhance speed and accuracy in inventory and order management, while innovative practices reduce the company's carbon footprint. Shaker's logistics advancements, such as same-day e-commerce delivery and 12-hour VIP delivery services, underscore its commitment to exceptional service, customer satisfaction. The Company is focused on optimizing its supply chain for efficiency and sustainability, leveraging digital technologies, improving logistics, and reducing its carbon footprint.

Looking ahead, Shaker aims to elevate the sustainability of its supply chain by introducing a comprehensive Supplier Code of Conduct. This code will establish clear expectations for sustainable practices and compliance, encouraging suppliers to operate in an environmentally and socially responsible manner. Additionally, Shaker plans to evaluate key suppliers against various ESG criteria to ensure alignment with its sustainability strategy.

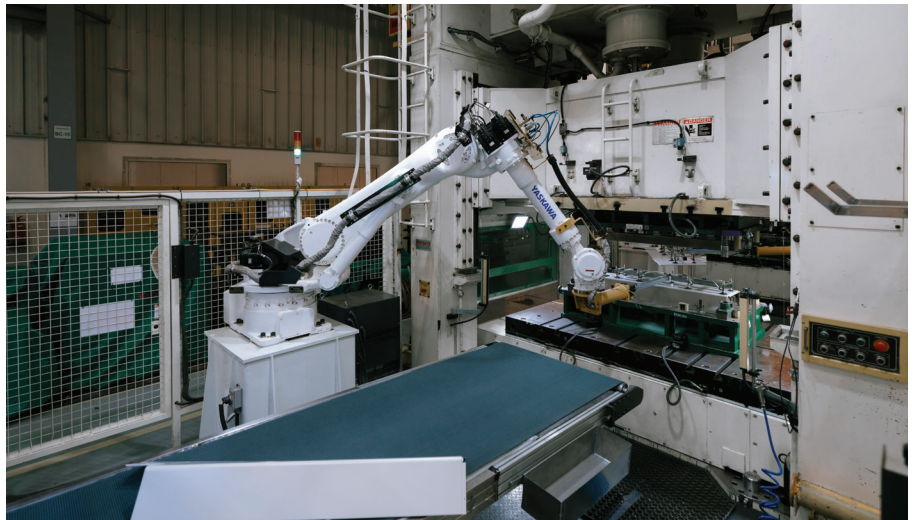
RESPONSIBLE SOURCING

Shaker Group is dedicated to responsible sourcing practices that align with Saudi Arabia's Vision 2030, prioritizing local manufacturing, empowering small businesses, and fostering sustainable partnerships. Through strategic sourcing, the company ensures that its decisions positively impact the national economy while upholding values of innovation, quality, and ethical integrity.

Focusing on Local Manufacturing

Aligned with Saudi Arabia's Vision 2030, Shaker Group actively supports the "Made in KSA" initiative, strengthening the country's industrial base through local manufacturing with its JV company with LG Electronics. Since 2008, Shaker's Riyadh-based factory has been producing air conditioning units to meet both domestic and international demands.

Shaker Group partners with diverse local suppliers to promote inclusive opportunities, innovation, and community-based economic growth. By reinforcing the National Industrialization Program, Shaker plays a pivotal role in enhancing national manufacturing capabilities, fostering job creation, and driving sustainable development within the Kingdom.



This initiative supports Vision 2030 by positioning Saudi Arabia as a regional hub for electronics and manufacturing.

Empowering Small Businesses

In alignment with Vision 2030, Shaker Group champions local economic growth by integrating Small and Medium Enterprises (SMEs) into its ecosystem. These collaborations provide SMEs with market access, investment opportunities, and skills development programs. As authorized service centers, contractors, and installation partners, SMEs benefit from Shaker's network, enabling them to scale operations, enhance their market presence. This collaboration strengthens Shaker's value chain and supports broader economic and social development across Saudi Arabia.

Shaker Group is committed to engage with suppliers, vendors, and partners that respect good ESG practices. Responsible sourcing at Shaker goes beyond the traditional supply chain approach. Overall, Shaker wants to facilitate value creation for the community.

SUSTAINABLE MATERIAL AND PACKAGING

Sustainable material and packaging focus on creating environmentally conscious products and packaging solutions aligned with ESG (Environmental, Social, and Governance) principles. This involves the responsible use of natural resources in product manufacturing and packaging design.

Shaker Group has identified sustainable material and packaging as a material topic and is actively working towards it. The company plans to integrate ESG principles into its operations by selecting reusable and sustainable materials, such as reusable pallet materials, to minimize waste and reduce its environmental footprint.

Shaker is committed to reducing packaging materials across its supply chain. By optimizing the use of resources and incorporating sustainable practices, the company aims to decrease packaging waste while maintaining the quality and reliability customers expect. Through these efforts, Shaker Group seeks to drive sustainable solutions, meet customer expectations for high-quality packaging, and contribute to a more sustainable and responsible future.



COMMUNITY IMPACT AND SUPPORT

Community engagement is essential for fostering strong relationships with stakeholders, enhancing organizational reputation, and contributing to the overall well-being of society. Through active participation in community initiatives, organizations can demonstrate their commitment to social responsibility and promote a positive corporate image.

Shaker Group is committed to being a responsible corporate citizen, actively supporting initiatives that benefit the community and cultivating a culture of giving and social responsibility among its employees.

Giving Back to the Community

Shaker Group is deeply invested in giving back to the communities it serves. The company actively engages employees in social initiatives to strengthen their sense of purpose and foster community involvement.

Through diverse initiatives, Shaker Group contributes to healthcare, education, charitable causes, and local economic development. A notable example is the Blood Donation Drive held at its headquarters, which saw enthusiastic participation from employees, raising awareness about the critical importance of blood donation and making a direct impact on healthcare needs.

The company also supports local economies and infrastructure development while promoting skills and education. Shaker Group participated with Albir Charity Organization in Riyadh to donate clothes and electronics for the needy people.





Empowering Youth and Promoting Education

To empower the next generation, Shaker Group ensures collaborating with Tamheer Program, managed by Human Resources Development Fund- Hadaf to train and equip youth with skills for the job market. Additionally, the company has partnered with Alfaisal University to support its Social and Development Committee, raising awareness about Shaker Group and engaging with young minds to inspire innovation and excellence.

Support for Religious and Cultural Spaces

Shaker Group has extended its community support to religious spaces, providing free maintenance services to ensure a comfortable environment for worshippers. The company partnered with several Charity organizations to replace old non-energy efficient ACs with new energy efficient ACs.



09

Appendix

GRI Index

Statement of use	Shaker Group has reported the information cited in this GRI Content Index for the period 1st January 2023 to the 31st of December 2023 'with reference' to the GRI Standards
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location	
		Section	Page no.
GRI 2: General Disclosures 2021 1: The organization and its reporting practices	2-1 Organizational details	About Shaker	11
	2-2 Entities included in the organization's sustainability reporting	About the Report	9
	2-3 Reporting period, frequency, and contact point	About the Report	9
	2-4 Restatements of information	About the Report	9
	2-5 External Assurance	About the Report	9
GRI 2: General Disclosures 2021 2: Activities and Workers	2-6 Activities, value chain and other business relationships	About Shaker	11
	2-7 Employees	Advancing Workforce Excellence - Human Capital Management	34
	2-8 Workers who are not employees	Advancing Workforce Excellence – Diversity and Inclusion	34
GRI 2: General Disclosures 2021 3: Governance	2-9 Governance structure& composition	Fostering Good Governance- Governance Structure	21-23
	2-10 Nomination and selection of the highest governance body	Fostering Good Governance- Board Selection Process	23
	2-11 Chair of the highest governance body	Fostering Good Governance- Governance Structure	5, 21
	2-12 Role of the highest governance body in overseeing the management of impacts	Fostering Good Governance- Committees of the Board	23
	2-13 Delegation of responsibility for managing impacts	Fostering Good Governance- Committees of the Board	23

GRI Standard	Disclosure	Location	
		Section	Page no.
GRI 2: General Disclosures 2021 3: Governance	2-14 Role of the highest governance body in sustainability reporting	Fostering Good Governance-Ethics and Compliance	24
	2-15 Conflicts of interest	Fostering Good Governance-Ethics and Compliance	24
	2-16 Communication of critical concerns	Fostering Good Governance-Ethics and Compliance	24
	2-17 Collective knowledge of the highest governance body	Fostering Good Governance-Governance Structure	23
	2-18 Evaluation of the performance of the highest governance body	Fostering Good Governance-Committees of the Board	23
	2-19 Remuneration policies	Fostering Good Governance-Committees of the Board	23
	2-20 Process to determine remuneration	Fostering Good Governance-Committees of the Board	23
GRI 2: General Disclosures 2021 4: Strategy, policies, and practices	2-22 Statement on sustainable development strategy communicating critical concerns	Message from Chairman and CEO	5, 7
	2-25 Processes to remediate negative impacts	Approach towards ESG-Stakeholder Engagement	15
	2-26 Mechanisms for seeking advice and raising concerns	Ethics and compliances	25
	2-27 Compliance with laws and regulations	Fostering Good Governance-Ethics and Compliance	26
GRI 2: General Disclosures 2021 5: Stakeholder Engagement	2-29 Approach to stakeholder engagement	Approach towards ESG-Stakeholder Engagement and Materiality	15
GRI 3: Material Topics	3-1 Process to determine material topics	Approach towards ESG-Stakeholder Engagement and Materiality	15
	3-2 List of material topics	Approach towards ESG-Stakeholder Engagement and Materiality	18
	3-3 Management of material topics	Our Sustainability approach	18

GRI Standard	Disclosure	Location	
		Section	Page no.
GRI 204: Procurement Practices 2016	3-3 Management of material topics	Our Sustainability approach, Responsible Value Chain- Responsible Sourcing	18, 46
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	Fostering Good Governance- Ethics and Compliance	24
GRI 302: Energy	302-5 Reductions in energy requirements of products and services	Environmental Excellence- Energy and GHG Emissions	42, 43
GRI 307: Environmental Compliance	307-1 Non-compliance with environmental laws and regulations	Environmental Excellence- Environmental Responsibility and Compliance	39
GRI 401- Employment 2016	401-1 New Employee hires and employee turnover	Advancing Workforce Excellence - Human Capital Management	32
	401-2 Benefits provided to full-time employees that are not provided to temporary or parttime employees	Advancing Workforce Excellence- Talent Acquisition and Retention and Development	29
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Advancing Workforce Excellence - Workplace Safety	36
	403-5 Worker training on occupational health and safety	Advancing Workforce Excellence - Workplace Safety	36
	403-6 Promotion of worker health	Advancing Workforce Excellence - Workplace Safety	37
	403-9 Work-related injuries	Advancing Workforce Excellence - Workplace Safety	37
GRI 404: Training & Education 2016	404-1 Average hours of training per year per employee	Advancing Workforce Excellence- Talent Acquisition and Retention and Development	29, 30
	404-2 Programs for upgrading employee skills and transition assistance programs	Advancing Workforce Excellence- Talent Acquisition and Retention and Development	29
	404-3 Percentage of employees receiving regular performance and career development reviews	Advancing Workforce Excellence- Talent Acquisition and Retention and Development	29
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Advancing Workforce Excellence- Diversity and Inclusion	33

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GRI 413: Local Communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	Responsible Value Chain- Community Impact and Support	49
GRI 418 Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Cyber- Security and Data Privacy	27



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