NMDC ENERGY



SUSTAINABILITY REPORT **2024**

A NEW HORIZON – EMPOWERING RESPONSIBILITY IN THE FUTURE OF ENERGY



SUSTAINABILITY ACROSS OUR CAPITALS

(GRI 2-12, GRI 2-13, GRI 2-14, GRI 2-22, GRI 2-29, GRI 2-30, GRI 3-1, GRI 3-2)

Sustainability Approach

NMDC Energy aims to achieve operational excellence while driving long-term value creation that benefits stakeholders and supports sustainable development. The company's sustainability strategy focuses on two key aspects: integrating ESG principles into operations to manage risks and minimize impacts and expanding services and products to support the clean energy transition and climate-related projects. This approach is aligned with UAE Vision 2031 and supports the UAE's national Net Zero goals, demonstrating NMDC Energy's alignment and contribution to broader sustainability ambitions.

EMBEDDING ESG INTO OPERATIONS

NMDC Energy's approach to ESG is both comprehensive and integrated, aligning sustainability with our strategic priorities and operational practices. In 2024, NMDC Energy played a significant role in the Group's six-month sustainability program, which involved collaboration across all business units and extensive stakeholder engagement. This program included a thorough review of the Group's ESG materiality, ensuring that our focus on environmental, social, and governance topics, and the management of associated risks, remains both relevant and forward-thinking, driving positive and sustained impact.

As part of the program, NMDC Energy contributed to the identification of 11 material topics across environmental, social, and governance areas, ensuring these reflect the evolving challenges and opportunities within the energy sector. This led to the development of NMDC Group's sustainability framework, which NMDC Energy has fully embraced and aligned with. The framework is built upon a shared vision of sustainable growth and progress and is structured around five key pillars, eight core objectives, and 25 initiatives across the Group. These initiatives are designed to maximize ESG impact, while also complementing NMDC Energy's strategic goals and strengthening the management of both traditional and emerging ESG-related risks.

Driven by our vision, mission, and values,
NMDC Group is committed to facilitating the energy transition,
prioritizing safety and social responsibility and ensuring responsible business practices,
supported by AI

Environmental		Social		Governance
Environmentally Conscious Operations	Energy Transition Enablement	Community & Stakeholder Engagement	Health & Safety Ownership	Transparency and Accountability

MSCI Provisional ESG RATINGS (p) AA

As of Aug 2024

RATING ACTION DATE: August 20, 2024
LAST REPORT UPDATE: August 20, 2024

With an ongoing focus on improvement, NMDC Energy contributes to the Group's overall sustainability achievements, reflected in the MSCI AA provisional ESG rating. MSCI ESG Ratings measure a company's resilience to long-term, financially relevant ESG risks, positioning NMDC Group as a leader in the sector. This rating underscores NMDC Energy's role as an integral part of the Group, and the company remains committed to strengthening its sustainability performance.

Minimizing Adverse Impacts

NMDC Energy is focused on mitigating environmental impact and associated risks by promoting the protection of biodiversity through community-driven initiatives and proactive management of the company's operations to minimize pollution and disturbances to natural habitats. NMDC Energy has undertaken environmental preservation projects and mangrove rehabilitation, contributing to the Group's goal of mitigating biodiversity impacts across the regions where it operates. This includes setting up strategic measures to support local wildlife, such as installing nesting platforms for birds and ensuring minimal disruption to sensitive ecosystems like turtle nesting areas. NMDC Energy has also updated its emissions inventory in line with the GHG Protocol to enhance the accuracy of emissions assessments. These insights help the company focus on minimizing emissions within its operations (Scope 1 – direct emissions from owned or controlled sources, and Scope 2 – indirect emissions from purchased electricity and cooling) and across its supply chain (Scope 3 – all other indirect emissions from upstream and downstream activities).

Optimization and Resource Efficiency

NMDC Energy is committed to optimizing resource use such as enhancing energy efficiency and electrifying its operations as part of its sustainability approach. To support these goals, the company has initiated the electrification of its construction yards, transitioning from traditional fuel-based power sources to cleaner electricity. These actions are guided by the company's Energy Savings Action Plan, which aims to achieve a 25-30% energy savings by 2027, with a target investment of AED 8,125,000. Approximately 75% of this budget has already been deployed in infrastructure upgrades aimed at optimizing energy performance across facilities. These measures not only reduce greenhouse gas emissions but also support NMDC Energy's alignment with broader sustainability objectives and operational cost reductions. NMDC Energy is also collaborating with other NMDC Group subsidiaries to promote similar initiatives, given the demonstrated benefits in efficiency and cost savings.

Promoting Wellbeing and Socioeconomic Development

NMDC Energy is committed to fostering a culture of health and safety that aligns with international standards. The company safeguards the well-being of employees and contractors through rigorous Quality, Health, Safety, and Environment (QHSE) protocols and proactive training to continually enhance safety measures and create a secure working environment. Additionally, NMDC Energy is committed to local procurement in its home markets as part of its contribution to local economic development. By sourcing materials and services locally whenever possible, the company not only supports regional suppliers but also strengthens local economies, aligning with the UAE's sustainable development. This approach reflects NMDC Energy's dedication to socially responsible operations and positive regional impact.

STRATEGIC EXPANSION

NMDC Energy's strategic expansion is driven by an approach to capitalize on emerging opportunities in the global energy landscape. Recognizing the increasing importance of the energy transition and sustainable infrastructure management, the company aims to diversify its portfolio to address market needs while aligning with global sustainability goals.

Renewable Energy and Offshore Wind

Recognizing the growing importance of renewable energy, NMDC Energy has diversified its operations to develop capabilities in renewable projects, including partnerships with organizations like Masdar to accelerate the adoption of green technologies and create new opportunities for clean energy integration. This includes offshore wind projects, such as the successful completion of one of the largest offshore wind farms in Taiwan. NMDC Energy remains focused on expanding its presence in international markets, targeting subsea infrastructure work, including rock installations for wind farms.

Energy Transition and NT Energies

NMDC Energy's involvement in NT Energies, the joint venture with Technip Energies, plays a critical role in advancing the energy transition within the region. This partnership is designed to capitalize on emerging opportunities across the GCC, where investment in clean energy and energy transition projects is expected to grow significantly over the coming years. By leveraging this collaboration, NMDC Energy strengthens its financial outlook while making meaningful contributions to clean energy developments in the region.

Decommissioning and Lifecycle Management

As part of its strategic expansion, NMDC Energy is also exploring opportunities in the decommissioning sector. By developing capabilities organically or alternatively acquiring this expertise, the company aims to support responsible lifecycle management of assets. This includes safe dismantling practices, which align with NMDC Energy's commitment to environmental considerations and reducing the long-term impact of decommissioned infrastructure.

SUSTAINABILITY GOVERNANCE

Sustainability governance remains a cornerstone of our approach at NMDC Energy. We have established a strong governance framework to ensure the seamless integration of ESG principles across our operations. The Group-wide Sustainability & ESG Committee, which plays a central role in guiding our sustainability strategy and performance, works closely with a dedicated Sustainability Task Force to oversee the implementation of the governance framework throughout NMDC Energy. To reinforce this approach, Sustainability Champions are appointed across departments, serving as essential conduits between strategy and execution.

Looking ahead, NMDC Energy is focused on strengthening its sustainability governance further by refining our structure and defining roles and responsibilities at all levels—ranging from top executives to our employees. As part of our ongoing commitment, we are exploring the creation of a dedicated Sustainability Team to ensure the continued advancement of impactful ESG performance across the company.

STAKEHOLDER ENGAGEMENT

Engaging with stakeholders is at the core of NMDC Energy's sustainability strategy. By maintaining open dialogue and integrating stakeholder input into our decisions, we adapt to changing needs and strengthen our role as a reliable partner and a core contributing subsidiary to the larger NMDC Group ecosystem. This collaborative approach enables us to address key challenges, uncover shared opportunities, and deliver long-term value for all involved.

OUR STAKEHOLDER ENGAGEMENT MATRIX:

KEY STAKEHOLDER	METHODS OF ENGAGEMENT	KEY TOPICS OF DISCUSSION
CLIENTS	• Performance evaluation surveys • Day-to-day interactions & meetings • Website • Marketing material (e.g., annual reports, sustainability reports, social media, etc.) • Exhibitions and conferences • Business Development efforts • Networking events	• Client wellbeing • Privacy & security • Responsiveness to their requirements • Quality, safety, and cost • Business ethics • Company impact on the environment
SHAREHOLDERS	• Annual general meeting • Periodic meetings • Corporate regulatory disclosures	• Economic performance • Capital allocation • Successful strategy implementation • Business ethics • National employment • ESG issues • Environmental impact • Regulatory issues
BOD MEMBERS	• BOD & related committees' meetings • Periodic meetings • Company events • Press releases	• Economic performance • Business ethics • ESG performance • Emiratization • Successful strategy implementation • Capital allocation • Digital transformation
EMPLOYEES	• Employee engagement surveys • Performance reviews • Internal communication • Company events • Succession planning & development • Policies & procedures • Exit interviews	• Employee wellbeing • Business ethics • Diversity & inclusion • Health & safety • Training & development • Sustainable workplace • Compensation • Succession planning
COMMUNITY	• Local initiatives and volunteering activities • Society surveys • Donations and sponsorship	• Environmental impact • Community Wellbeing • Industry practices
GOVERNMENT ENTITIES	• Direct engagement through on site licensing department • National development plans and programs • Audits • Press releases • Local forums	• Environmental compliance • Alignment with national development plans & programs • Regulatory compliance • Labor practices • Transparency • Community wellbeing • National employment
SUPPLIERS & BUSINESS PARTNERS	• Supplier code of conduct • Supplier assessment and audit • Regular meetings with key suppliers and subcontractors • In-Country Value Score • Supplier satisfaction survey	• Procurement practices • Fair practice • Business ethics • Environmental impact • Terms and conditions • Cost negotiation
ESG RATING AGENCIES	• Meetings • Indirect engagements through third party consultants • Website • Marketing material (e.g., annual reports, sustainability reports, social media, etc.)	• Material ESG issues for construction & engineering companies

OUR MATERIAL TOPICS

Recognizing the significant impact that specific ESG issues hold for both our stakeholders and our business operations, we have refined our approach to identifying and reporting on topics of material importance as part of a larger NMDC Group exercise. This year, our materiality assessment has undergone a comprehensive update, aligning with best practices and industry standards from renowned frameworks like MSCI and the Sustainability Accounting Standards Board (SASB) part of the IFRS Foundation. These standards are tailored to the unique needs of the construction and engineering sectors, in accordance with the Global Industry Classification Standard (GICS) and the Sustainable Industry Classification System (SICS).

To ensure our material topics are both relevant and impactful, we have further refined our alignment through close collaboration with internal stakeholders and key industry players. Our engagement process, guided by the IIRF, GRI, and the AA1000 Stakeholder Engagement Standard, helps us stay attuned to our stakeholders' evolving priorities. By adhering to these industry-leading practices, we've identified a well-defined set of material topics that reflect the issues most critical to our stakeholders and our business. This approach enhances our ability to manage, report, and respond effectively to key economic and ESG factors, reinforcing NMDC Energy's commitment to sustainable, stakeholder-focused business practices.



	MATERIAL TOPICS	GRI STANDARDS	ADX DISCLOSURES
Environmental	GHG Emissions & Energy	GRI 302 – Energy GRI 305 – Emissions GRI 307 - Environmental Compliance	E1: GHG Emissions E2: Emissions Intensity E3: Energy Usage E4: Energy Intensity E5: Energy Mix E7: Environmental Operations E8: Environmental Oversight E9: Environmental Oversight
	Biodiversity & Land-Use	GRI 304 - Biodiversity	
	Circularity & Waste Management	GRI 306 - Waste	E7: Environmental Operations
	Opportunities in Clean Technology	GRI 201 - Economic Performance GRI 203 - Indirect Economic Impacts	E10: Climate Risk Mitigation
	Water Stress	GRI 303- Water and Effluents	E6: Water Usage
Social	Health & Safety	GRI 403 - Occupational Health & Safety	S7: Injury Rate S8: Global Health & Safety
	Community Welfare	GRI 413 - Local Communities	S12: Community Investment
	Human Capital Management & Development	GRI 202 - Market Presence GRI 401 – Employment GRI 404 - Training and Education GRI 405 - Diversity and Equal Opportunity GRI 406 - Non-discrimination	S2: Gender Pay Ratio S4: Gender Diversity S6: Non-Discrimination S9: Child & Forced Labor S10: Human Rights S11: Nationalization G1: Board Diversity
	Quality Management	GRI 416: Customer Health and Safety GRI 417: Marketing and Labeling	
Governance	Corporate Behavior and Governance	GRI 205 - Anti-Corruption	S1: CEO Pay Ratio S2: Gender Pay Ratio G2: Board Independence G3: Incentivized Pay G5: Ethics & Prevention of Corruption G6: Data Privacy
	Supply Chain Management	GRI 204 - Procurement Practices GRI 308- Supplier Environmental Assessment GRI 414- Supplier Social Assessment	G4: Supplier Code of Conduct E7: Environmental Operations





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