

# ENVIRONMENT, SOCIAL & GOVERNANCE POLICY (ESG)

STRATEGY, PERFORMANCE & ESG

## Document Control Section

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| S. No | Name   | Department              | Purpose  |
|-------|--|-------------------------|--|
| 1     | All employees, contractors, consultants, and vendors | All Departments of NEDC | To ensure alignment with global sustainability goals and to identify and mitigate ESG risks that has an implication in company's` operation and reputation |

## **Document Review & Approval Section**

| Document prepared by       | Document reviewed by | Document approved by    |
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| Signature                  | Signature            | Signature               |

## Abbreviation Table

| S.NO | ABBREVIATION | DESCRIPTION                                  |
|------|--------------|--|
| 1    | NEDC         | Nama Electricity Distribution Company (NEDC) |
| 2    | S.A.O.C      | Society Anonyme Omanis Close (S.A.O.C)       |
| 3    | IPO          | Initial Public Offering                      |
| 4    | MSX          | Muscat Stock Exchange                        |
| 5    | ESG          | Environment, Social, Governance              |

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## 1. Purpose:

The purpose of this ESG policy is to outline Nama Electricity Distribution Company (NEDC) commitment to integrating Environmental, Social, and Governance (ESG) principles into our operations and decision-making processes. As a subsidiary of Nama Holding Company, we are guided by the ESG policy set by our shareholders and aim to ensure alignment with their sustainability goals and corporate responsibility framework. This policy establishes the foundation for our approach to ESG, tailored to our specific operational context, and demonstrates our dedication to sustainable growth, responsible business practices, and long-term value creation as we prepare for our IPO.

## 2. Scope

### This policy applies to:

This ESG policy applies to all operations, activities, and stakeholders of Nama Electricity Distribution Company, encompassing our environmental, social, and governance practices. The policy is aligned with the overarching ESG guidelines set by our shareholders and is designed to reflect both corporate priorities and the unique circumstances of our business. This policy covers:

- **Environmental impact**, including energy use, resource efficiency, and waste management.
- **Social responsibility**, including employee well-being, community engagement, and stakeholder relations.
- **Governance practices**, including ethical business conduct, risk management, and

transparency. The scope of this policy extends to all employees, contractors, and partners engaged in our business operations and will serve as the guiding framework as we move toward achieving our ESG objectives and IPO readiness.

### 3. Validity

This policy will be reviewed and updated annually, or there will be a major change in the policy.

### 4. Principles

NEDC is committed to the following principles:

- **Environmental Stewardship:** We will strive to minimize our environmental footprint through responsible resource management, reducing greenhouse gas emissions, and promoting conservation efforts.
- **Social Responsibility:** We are dedicated to fostering a workplace that is inclusive, diverse, and safe. We will support our employees, customers, communities, and other stakeholders through fair labor practices, human rights adherence, and community engagement.
- **Transparent Governance:** We prioritize ethical conduct, compliance with laws and regulations, and accountability in our business practices. We commit to transparent reporting and communication regarding our ESG performance.

### 5. Environmental Commitment

- Conduct regular assessments of our environmental impact.
- Implement strategies to reduce energy use, water consumption, and waste generation.
- Aim to sustainably source materials and promote recycling and circular economy practices.
- Work towards reducing greenhouse gas emissions and invest in renewable energy sources.

## 6. Social Commitment

- Promote a diverse, equitable, and inclusive work environment.
- Support employee well-being through health and safety programs.
- Engage with local communities and contribute to social initiatives.
- Uphold human rights throughout our supply chain and ensure fair labor practices

## 7. Governance Commitment

- Maintain ethical business practices and foster a culture of integrity at all levels of the organization.
- Ensure compliance with relevant laws, regulations, and standards.
- Establish oversight mechanisms to ensure accountability and transparency in our operations.
- Regularly review and update our ESG policies through stakeholder engagement and feedback.

## 8. Implementation and Oversight

- Assign responsibility for ESG initiatives to the Sustainability section under Strategy performance and the Sustainability department.
- Develop specific, measurable goals and objectives related to ESG performance.
- Monitor progress and report on ESG outcomes to stakeholders on a regular basis.
- Provide training and resources to employees to promote an understanding of our ESG commitments and best practices.

## 9. Stakeholder Engagement

- Actively engage with stakeholders, including employees, customers, suppliers, and the local community, to gather feedback and enhance our ESG practices.
- Promote open channels for communication regarding ESG issues, allowing concerns and suggestions to be raised.

## 10. Review and Continuous Improvement

- This policy will be reviewed annually or as needed to ensure its relevance and effectiveness.
- We will strive for continuous improvement in our ESG practices by regularly evaluating our policies, goals, and performance.