



MAKING STRIDES

Embedding Sustainability,
Enabling Action and
Ensuring Legacy

NPCC Sustainability Report 2020

ABOUT THE REPORT

GRI 102-45, 46, 48, 50, 51, 52

Welcome to NPCC's 2020 Sustainability Report. This report builds upon the success of the previous two reports in 2018, and 2019. It shares our achievements to date and focuses on how we are building secure foundations for delivering a sustainable business employing best practices and processes for the future.

Over the last year we have faced unprecedented challenges from COVID-19 but despite this our focus on sustainability has grown and developed. For NPCC, strong governance, caring for the environment and ensuring a positive impact on society are central issues for us. They are core to our business, and critical to the continued future success of NPCC.

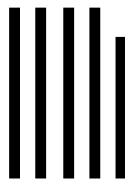
This report focuses on three core themes:



Environment



Society



Governance

Each of these themes has a dedicated section within the report. Each is viewed against the GRI Reporting Standards, within the context of the UNSDGs, the UAE 2021 Vision and UAE Centennial 2071 Vision. The relevance of these four frameworks to NPCC activity is highlighted within each section. The report format has also been updated to account for increased sustainability activity, including a number of new procedures that have been introduced in this reporting period. These changes allow NPCC to report on a growing range of sustainability subject areas in the future. They also allow for the addition of further frameworks to be incorporated.

This report presents NPCC's sustainability journey. It demonstrates that NPCC has developed strong foundations that will allow us to further evolve and strengthen our approach to sustainability ultimately demonstrating leadership on sustainability issues regionally and internationally.

SCOPE

The scope of this report relates to NPCC activity and performance during 2020, and follows a similar reporting framework to that used in the 2018 and 2019 periods for ease of comparison.. The boundaries of the report are limited to activities undertaken in the United Arab Emirates, and does not include activities overseas associated with our subsidiaries, partners or third party suppliers.

In line with our internal governance and procedures on reporting, the NPCC Sustainability Report is an annual publication and is developed exclusively for internal publication This report has been prepared in accordance with the GRI Standards: Comprehensive Option.

INTERNAL & EXTERNAL ASSURANCE

GRI 102-56

Informing this report is achieved through the acquisition, analysis and presentation of a wide range of cross-departmental data and information. All input have been screened and audited for accuracy firstly by our Strategic Team and secondly by an independent third-party sustainability consultancy. This validation process ensures the accuracy and reliability of all aspects of disclosure within this report.

2020 SUSTAINABILITY HIGHLIGHTS/ MILESTONES & RECOGNITION

GRI 102-15, 103-3, 302-4, 303-1, 305-5, 403-9, 405-1, 413-1

Continued year-on-year reduction of GHG emissions – a 28% reduction on 2019 figures.

Energy and water consumption reductions - a 26% reduction in energy usage and 22% reduction in water consumption compared to 2019.

There were zero fatalities within the workplace in 2020 and the Lost Time Injury Frequency Rates continued to fall from the 2019 figures.

Gender diversity increased by 0.4% in 2020 compared to 2019

NPCC are proud to have been awarded the Royal Society for the Prevention of Accidents (RoSPA) 2020 Gold Medal (7 consecutive Golds) for HSE performance.

We obtained a 'Five star' rating with an audit score of 97% by British Safety Council for NPCC's commitment to Occupational Health and Safety.

Greater levels of sustainability governance through the addition of further sustainability frameworks, reporting procedures and a widening of the sustainability considerations we manage. Additionally we have introduced independent third-party assessment.

In 2020, in response to the current health and economic situation caused by the COVID-19 global pandemic, NPCC made a financial contribution of AED 1.2m to the "Together We Are Good" program.

MESSAGE FROM OUR CEO

GRI 102-14



2020 has been a year like no other.

As a society, we have faced a twin crisis of a global pandemic and a global climate emergency. As a company, NPCC have responded to these challenges through the implementation of an immediate response and action plan, and development of a long-term strategy to addressing these twin crises.

2020 has made us appreciate and recognize our privileged position and place within our local and global community and has thrown a sharp focus on the responsibilities that comes with that. It has also firmly highlighted the importance of resilience.

Firstly, the pandemic. The COVID-19 pandemic has affected everyone. No one has been left untouched by this pandemic. It has presented our society with numerous challenges and has impacted upon every aspect of life effecting governments, organisations, communities, and family households alike.

Our response as a responsible, sustainable and community focused organization was to ensure the safety, security and continued economic prosperity of our local people and of our local communities during this time of great uncertainty.

In support of this, we made a significant donation towards the 'Together We Are Good' program and developed our own inhouse response to further compliment this excellent initiative.

We continue to focus on supporting local vendors and building a sustainable supply chain. In addition, our policy of sourcing local materials and products, enables us to contribute to the development of more prosperous communities. In doing so we demonstrate our continued commitment to upholding the values of the UAE Vision 2021.

Now the climate crisis. NPCC recognizes our responsibility towards sustainability and in addressing the impacts of our operations and governance of our organization. This approach will allow our company to establish and build a more robust, accountable, and sustainable business.

We know we are at the beginning of our sustainability journey. We know we have much still to do but we are extremely confident that we have in place the strong foundations from which to build and gain greater control and to exhibit genuine leadership. Leadership both within our region and against our peers. If we achieve this, we will have ensured a lasting legacy and meaningful positive impact – positive economic impact, positive social impact, and positive environmental impact.

Our work, achievements, and continual improvement throughout 2020 has shown that we are on the right path.

2020 has seen NPCC reduce our carbon impact and energy usage due in part to the implementation of measures under the direction of our Greener NPCC Committee. We are growing our own circular economy network; and we continue to invest in innovation, education, training, and personal advancement.

An independent report benchmarking NPCC against several of our peers has shown that we have an opportunity to take the lead on a range of sustainability related issues regionally. This will make NPCC both

more competitive and more attractive to a wider client base.

In addressing sustainability, we have deliberately set about incrementally building a robust organizational approach. This approach will allow the organization to build on our sustainability performance year on year with confidence through a program of continued improvement.

We believe this approach of taking a long-term view with long term frameworks is needed more than ever. The pandemic and climate crisis has shown us why this is so important to get right. A sustainable, resilient, and responsible organization like NPCC must remain focused on the big picture over the need for short term gains. This approach will set us apart. This approach will ensure legacy.

2020 has been a challenging year but with our strong sustainability foundations now firmly in place, I am confident that NPCC and the communities we serve, can look forward to a brighter, greener, and more prosperous 2021.

Eng. Ahmed Al Dhaheri
CEO

COVID-19 RESPONSE

GRI 102-53

The COVID-19 pandemic is a global issue that has left no one organisation or person unaffected in some way. Undoubtedly the pandemic has had an impact on our operations, as every other organisation and it will take a period of time until the true scale of that impact is known.

This will be reflected in some of the headline figures within this report and in particular on GHG emissions and energy figures. These figures could be viewed differently when re-examined again for the 2021 Sustainability Report and examined through a post covid lens.

As the pandemic emerged, NPCC were swift to act with a firm focus on three principal areas of Health and Safety, Business Operations and Supply-chain.

A Taskforce was established to address the Health and Safety of our staff to produce guidelines, protocols, communication and manage all aspects of coordination.

The health and wellbeing of our people is our number one priority concern. From the outset of this pandemic, we have taken a number of precautions to guarantee the safety of all our staff and visitors. Given the scale, diversity and complexity of our organizations, the safety measures taken are very extensive and are beyond the scope of any other corporation.

An approach was adopted early to document all efforts taken across the board and this was communicated through our social channels to stress our sincere commitment to our employees, supply chain and the wider UAE community.

At an Operational level, a COVID-19 Strategy Committee was established to monitor and manage implications to the business relating to financial and operational impact. This Committee oversaw a number of critical strategies that ensured optimal efficiencies were applied across the organisation. Risk

The process of development depends not only on those who are in responsible positions, but also on the efforts of every citizen in this country

H.H Sheikh Zayed bin Sultan Al Nahyan.

management and exposure analysis was conducted regularly to assist in this process.

NPCC also focussed on the impact and potential for impact, across our supply chain and put in place a series of measures that ensured the safety and wellbeing of our staff and that of our vendors.

In recognition of the social and economic impact caused by the pandemic, the NPCC made a significant donation of AED 1.2m towards the Ma'an's "Together we are Good" program – a program that delivers direct aid for impacted residents on health, education, food supplies and basic needs

In addition to encouraging our staff to contribute towards the Ma'an initiative in whatever way that they can, the NPCC developed our own internal campaign called "I AM IN" to encourage and engage in immediate buy-in.



CONTACT US ON NPCC SUSTAINABILITY

Developing a sustainable business and organization can only truly be achieved when there is cooperation, collaboration and meaningful engagement across the organization, its departments, its sites, and its people. We encourage collaboration and welcome all aspects of feedback, suggestion and inquiries relating to sustainability and this report. Our Strategy Team are available to answer all queries. Please contact us on: sustainability@npcc.ae

01 NPCC A DYNAMIC AND PROGRESSIVE COMPANY



COMPANY OVERVIEW

GRI 102-1, 102-2, 102-3, 102-4

Established in 1973 and headquartered in Abu Dhabi, National Petroleum Construction Company (NPCC) is a global engineering, procurement and construction company. We provide total Engineering, Procurement and Construction (EPC) solutions to both offshore and onshore clients in the oil and gas sector. NPCC has proven its reputation as a world-class company with the ability to adapt to changing market dynamics and the capacity to meet customer requirements. This status has been achieved through the provision of quality service, based on continuous improvement of project management capabilities and technical expertise.

With more than 45 years of experience, NPCC is renowned for timely and cost-effective execution of a variety of complex and fast-track projects, from FEED to commissioning, across the oil & gas construction industry, often in challenging onshore and offshore fields.

We provide a variety of services, either as an individual service or acting as the single point of contact for integrated engineering, procurement, construction and installation activities. NPCC's project execution model is based on the principles of collaboration, integration, safety and experience. This enables the on-time delivery of projects across the many different aspects of the onshore and offshore sectors. This structured approach towards project management enables our team of experts to fulfil our client expectations. This is achieved through multitasking on parallel activities, effective communication, as well as the mitigation and management of risks.

We offer FEED, detailed, construction, and installation engineering design services with the help of a dedicated team of over 1,200 engineering staff based at our four engineering centres in

Abu Dhabi (NPCC Engineering), Mumbai (NEL), Hyderabad (ANEWA) and La Ciotat (PRINCIPIA) in France.

Our full time procurement services cover all aspects of material and service sourcing and vendor evaluation, purchasing, material management, order processing, inspection, expediting, shipment and logistics. The procurement services are provided by our team of skilled procurement professionals, in accordance with local content laws, regulations and client specifications.

We are able to provide the following key services and products in our 13 million square meter yard:

- **Fabrication of heavy structures (up to 100,000 MT per annum), as well as the making of storage tanks and spheres for containment of various types of petroleum products.**
- **Pipe coating**
- **Construction of pressure vessels**
- **Load-out facilities up to 30,000 MT as a single structure**
- **Custom built fabrication yard for construction, assembly and load-out**
- **Offshore operation support services**
- **Indoor and outdoor material storage**
- **Piping / sub-assembly workshops**
- **Post-Weld Heat Treatment (PWHT) facilities with furnaces**

Our offshore services include a modern marine fleet of 21 vessels which support work in depths of up to 2,000 meters and have a lifting capacity of up to 4,200 tons. Our marine fleet is used for the construction of heavy- offshore structures as well as to conduct shallow and deep-water operations.



NPCC OFFICES

GRI 102-4, 102-6



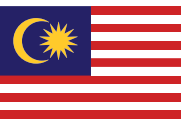
With headquarters at Mussafah Industrial City in Abu Dhabi in the UAE, NPCC has expanded globally over the past 46 years, and currently has offices at the following locations:



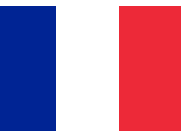
India(through NEL India and ANEWA)



Kingdom of Saudi Arabia]
(NPCC Saudi Ltd)



(NPCC Malaysia SDN BHD)



France (through Principal)



- VALUES**
- Progressive
 - Partnership
 - Diligent
 - Efficient
 - Responsible

OUR VISION

NPCC endeavours to be a leading EPC organization in the energy sector

OUR MISSION

Create value for our stakeholders and the community

Strive for operational excellence by implementing best practice and standards

Invest in world-class capabilities and human capital, to drive innovation, performance and sustainable growth

| GROWTH | |
|--|--|
| SO01 Financial & Market Sustainability | SO02 Local Content Compliance |
| PEOPLE | |
| SO03 Human Capital Strategy Implementation | SO05 Succession Planning |
| SO04 Engaged & Competent Workforce | SO06 Emaratization |
| PROCESS | |
| SO07 Efficient Process | SO10 Cost Optimization |
| SO08 Governance | SO11 Digital Transformation |
| SO09 Capabilities Development | |
| STANDARDS | |
| SO12 Safe & Healthy Work Environment | SO15 Achieve Business Excellence |
| SO13 Quality Driven NPCC | SO16 Customer Experience |
| SO14 Corporate Sustainability | |
| INNOVATION | |
| SO017: Foster Innovation | SO18: Knowledge Management |

The foundation of the National Petroleum Construction Company (NPCC) can be traced back to a joint venture between Abu Dhabi Oil Company (ADNOC) and the Consolidated Contractor Company (CCC) in 1973. Thereafter, SENAAT, an investment vehicle of the Abu Dhabi government, became a key stakeholder in NPCC upon the transfer of ADNOC equity to it.

LEGACY & TRACK RECORD

- 2020

ADQ assume ownership of SENAAT and underling assets including NPCC • National Marine Dredging Company acquire 70% of NPCC stocks
- 2019

Umm Lulu super complex completed • Delma 2000 acquired • Embarking on more FEED projects
- 2018

1,400 engineers across four international centers
- 2017

Ranked fifth in Oil & Gas Middle East magazine's annual list of top energy-sector EPC companies in the MENA region
- 2016

Equity in Principa Engineering acquired • SEP 650 inducted • SEP 750 inducted
- 2015

100 per cent of NEL acquired • ANEWA acquired
- 2014

SEP 550 inducted
- 2012

SEP 450 commissioned
- 2007

Engineering subsidiary NEL established • First major EPC contract with MAERSK • First Mega FEED competition
- 2004

SENAAT becomes majority shareholder
- 2001

First major EPC contract with Shell
- 1995

Mussafah fabrication yard commissioned
- 1994

FBE/PE/PP coating plant commissioned
- 1986

Onshore construction division established • Offshore fleet (HLS 2000) expanded • Engineering division established • First EPC award
- 1978

Offshore operation launched • Pipe-coating yard established
- 1974

Saadiyat fabrication yard established • Offshore construction division established
- 1973

NPCC founded by ADNOC and CCC

NPCC GLOBAL PRESENCE

GRI 102-6

Markets served in 2020 included:

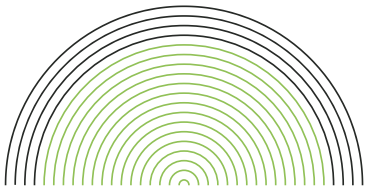


NPCC OWNERSHIP STRUCTURE

GRI 102-5

The primary shareholders of NPCC as of December 2020 are General Holding Corporation (PJSC) with 70% ownership and Chimera Investments LLC with the remaining 30% of ownership.

70% 30%
GHC CI



Our Membership

GRI 102-13

- Offshore Petroleum Industry Training Organization
- Institution of Occupational Safety and Health
- British Safety Council
- International Pipe Line & Offshore Contractors Association
- Engineering & Construction Risk Institute
- American Productivity & Quality Center
- The Welding Institute
- Abu Dhabi Chamber
- The Royal Society for the Prevention of Accidents

Awards and recognition

GRI 102-18

- Sheikh Khalifa Excellence Award (Gold Category)
- The Royal Society for the Prevention of Accidents Award
- API specification Q1
- ISO IEC/ 27001:2013
- Quality Management System certified to ISO 9001
- ISO 14001:2015 | OHSAS 18001:2007
- British Safety Council International Safety Award 2020 with Distinction
- Five stars rating with an audit score of 97% by British Safety Council for NPCC's excellent commitment to Occupational Health and Safety

02

NPCC

SUSTAINABILITY
MANAGEMENT
APPROACH

GRI 102-12, 14, 15, 103-1, 2, 3

An SDG focus on



How this specific SDG
Impacts NPCC

Developing Partnerships and Promoting
Wider Stakeholder Engagement

NPCC has established a wide range of internal and external frameworks and collaborative working arrangements to assist in the development and delivery of both a sustainable organisation and a responsible business.

NPCC's continued commitment to local suppliers and vendors helps establish strong local partnerships that build both strong and thriving local communities, circular economy networks that in turn support a more resilient NPCC.

Our Key
Numbers in 2020

12

The number of UNSDGs that NPCC are currently working towards in 2020.

4

The number of key strategic frameworks that shape and guide our organisational sustainability strategy and approach

99/180

Our sustainability index ranking based upon a third-party assessment



NPCC'S SUSTAINABILITY JOURNEY

GRI 102-16

We recognize that being a sustainable business is no longer a choice, but a prerequisite. We have chosen to adopt an incremental approach to embedding sustainability and enabling change to ensure meaningful impact and legacy.

Our approach is to build secure foundations from which we will gain further control and exhibit leadership. This is evident in the step change in approach from our first Sustainability Report through to today. These foundations are well developed and have led to sustainability being embedded across our organisation and throughout our operations. This report documents our progress to date and highlights areas for improvement, as well as providing a guiding framework for future sustainability focus.

NPCC'S COMMITMENT TO TRANSPARENT AND ROBUST REPORTING

GRI 102-56

NPCC has made a strategic commitment to increasing its transparency in sustainability and Environment, Social and Governance (ESG) issues. This will be achieved through three areas of activity:

- Aligning to internationally recognised reporting frameworks and principles.
- Using impartial and independent third-party specialists to manage our disclosure process; and
- evaluating our activities and operations via regular internal and external audits.

These actions will ensure full organisational transparency, accountability and independent scrutiny.

NPCC'S ALIGNMENT TO SUSTAINABILITY STANDARDS

GRI 102-16

Adhering to international frameworks and standards allow for validation of our sustainability strategy and operational activity. They help guide the company as we progress on our sustainability journey, and we have followed this approach since our first sustainability report in 2017.

Our approach to sustainability is guided by two internationally recognised standards and frameworks and two regionally recognised standards and frameworks, they are:

1. Global Reporting Initiative (GRI)
2. United Nations Sustainable Development Goals (SDGs)
3. UAE Vision 2021
4. UAE Centennial 2071



GLOBAL REPORTING INITIATIVE (GRI)

GRI 102-54

The Global Reporting Initiative (GRI) provides formal guidance to organisations on relating to credible and proactive management of sustainability issues. They are the world's most widely used standards for sustainability reporting, and include guidance relating to environmental and social impact, governance and economic performance. As NPCC embeds its approach to sustainability, we are able to incorporate a wider range of environmental and social considerations.

The GRI provides a transparent approach to reporting on company's activities, and encourages even greater levels of improvement in our environmental and social performance.



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGS)

GRI 102-12

Developed in 2015, the United Nations Sustainable Development Goals (UNSDGs), create a guiding framework for sustainable, ethical and responsible development throughout the world. SDGs have been universally adopted by all members of the United Nations (193 countries) and for most form the basis of public policy and aid programs. The SDGs are considered by the UN to be achievable by 2030. These goals are just as important frameworks for business as they are for governments due to their comprehensive nature and the UN encourages organisations to align with the SDGs through the SDG Compass.

NPCC adopted the SDGS in 2017 to help shape the way we do business; to manage our environmental and social activities; and to ensure a positive contribution to each materially relevant goal that we have aligned to. The SDGs

encompass a wide range of ambitions, including climate action, gender equality and eliminating poverty. NPCC has aligned both our organisational and operational activity to many of the 17 goals. These include the following core goals:



UAE VISION 2021
GRI 102-12

NPCC recognise the UAE Vision 2021 as being our guiding national policy framework. It aims to empower our country's organisations and citizens through a number of shared values, many of which focus on environmental, societal or economic imperatives. The UAE Vision 2021 is framed around 4 core themes. Each of these themes have a specific focus:

- 1. United in Prosperity
 - 1.1. Sustainable Environment and Infrastructure
 - 1.2. World-Class Healthcare
 - 1.3. First-Rate education System
- 2.United in Knowledge
 - 2.1.Competitive Knowledge Economy
- 3.United in Destiny
 - 3.1.Safe Public and Fair Judiciary
- 4.United in Responsibility
 - 4.1.Cohesive Society and Preserved Identity

Particularly relevant to NPCC operational and organisational activity are:

- 1. Building a diversified knowledgeable economy that will be powered by the best competencies to ensure long-term prosperity for the UAE;
- 2. The developing of high quality educational and health systems; and
- 3. Contributing to and maintaining a sustainable environment that ensures prosperity for future generations.

UAE CENTENNIAL 2071
GRI 102-12

The UAE Centennial 2071 is a long-term Vision that extends past2021 and is based on 4 key pillars:

- 1. Future-focussed government
- 2. Excellent education
- 3. A diversified knowledge economy
- 4. A happy and cohesive society

This is an extremely important framework which futureproofs and enables the development of a clear route map for the long-term development and success of the country. Significantly, the UAE Centennial 2071 aims at investing in future generations by ensuring they have the required skills and knowledge needed to "make the UAE the best country in the world by the next centennial in 2071." Citation UAE Centennial 2071 - The Official Portal of

the UAE Government

A consultative youth council will be set up in all sectors to gather opinion and views that will inform the framework. A national strategy will also be developed to deliver the UAE Centennial 2071.

MONITORING PROGRESS, ENSURING SUCCESS

NPCC'S SUSTAINABILITY MANAGEMENT ASSESSMENT
GRI 102-12

The UAE Centennial 2071 is a long-term Vision that extends past2021 and is based on 4 key pillars:

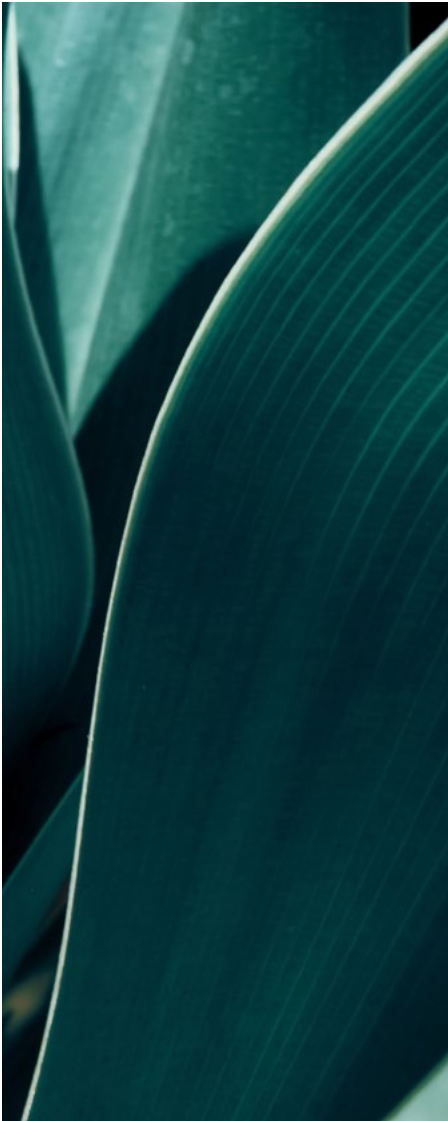
- 1. Future-focussed government
- 2. Excellent education
- 3. A diversified knowledge economy
- 4. A happy and cohesive society

Prior to commencing the development of this report an initial sustainability assessment was undertaken covering 15 areas of operational and organizational activity through the lens of environmental and social impact, and governance.

This assessment covered a wide range of organisational and operational areas including apparatus, systems, processes and polices. The findings provided NPCC with a sense check as to where the organization is in terms of its sustainability journey. It highlighted areas of strong performance and areas for continual improvement. The findings of the assessment will be used to inform our decision making on sustainability moving forwards. The assessment clearly establishes that NPCC is at the start of its sustainability journey. As expected for a well-established and respected organisation, NPCC is performing well in areas of governance. This is evidenced by the adoption of an incremental approach

to embedding appropriate and relevant best practices and best processes. Governance consistently scored well in the assessment underlining the evident strong sustainability foundations that are now in place throughout NPCC. In the areas of social impact and environmental impact NPCC were consistent with their assessment scoring. This is in line with an organization that has recently begun to have a keener focus on each of these areas.

The review and analysis also highlighted a number of additional areas where NPCC performed well. Specifically, the review commended the organisational approach adopted by NPCC towards embedding sustainability issues at both an operational and organisational level.



IDENTIFYING WHAT REALLY MATTERS

GRI 102-21, 40, 42, 43, 47

NPCC MATERIALITY ASSESSMENT
GRI 102-21, 40, 42, 43, 47

Materiality assessment is a formal approach designed to establish the key sustainability issues that are relevant to the organisation though engagement with its many stakeholders. NPCC's materiality assessment was undertaken following the approach set out in the GRI Standard

The five-phase materiality analysis enabled the identification and prioritization of NPCC's most material sustainability issues through an exclusive and extensive stakeholder engagement process.

The process is summarised below:

Identification of Purpose: A review of NPCC's values, public statements, and public reports was conducted to ensure the list of material issues would align with the values of the company.

Long list and Categorisation: This steps includes the identification of all the possible issues that affect the organization. In order to create this long list desktop research was conducted to identify those issues and have used the following sources:

- NPCC 2019 Sustainability Report material issues.
- To identify trends in the EPC sector, we reviewed the most frequently occurring issues and topics according to sector peers. Material topics of the chosen peers were collated. Each topic was reviewed and ranked according to its occurrence.

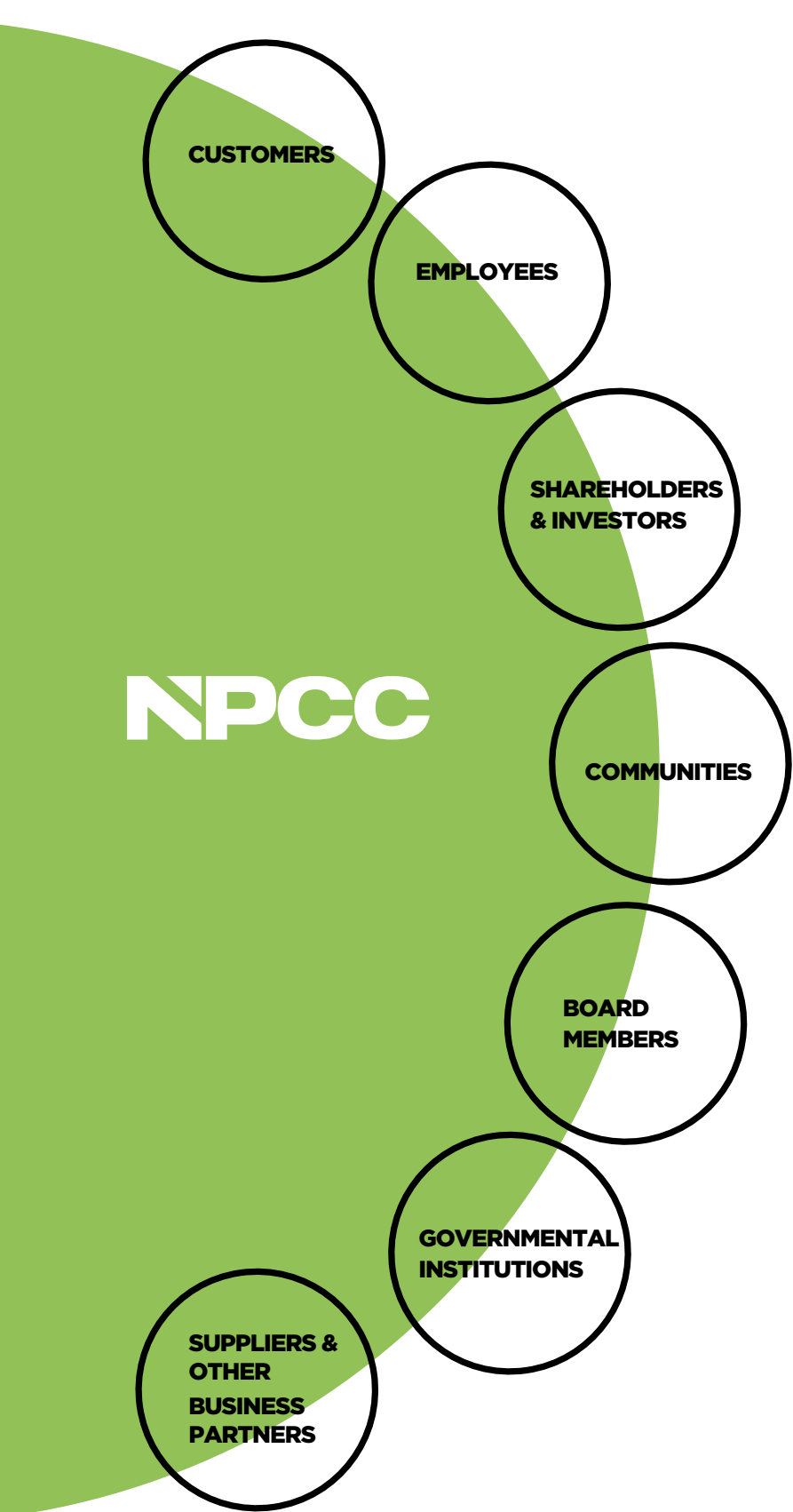
Stakeholder Analysis: Key stakeholder groups were identified based on the research and knowledge of NPCC. A detailed stakeholder map was developed capturing the importance of each stakeholder group for the company, what they need or expect from NPCC, and NPCC's methods of engagement with those stakeholders to understand their needs and expectations.

Alignment to Standards. A review of the material topics against the GRI Standards, UNSDGs, SASB Guidelines, UAE Vision 2021 and Abu Dhabi Economic Vision 2030 was undertaken.

Development of Materiality Matrix and Prioritization of Material Issues. A Materiality Matrix was developed based upon the importance of issues to NPCC and its stakeholders. In addition, consideration of emerging trends in the EPC Sector were included and 12 Material Topics were identified in decreasing order of importance.

NPCC STAKEHOLDER GROUPS

GRI 102-16



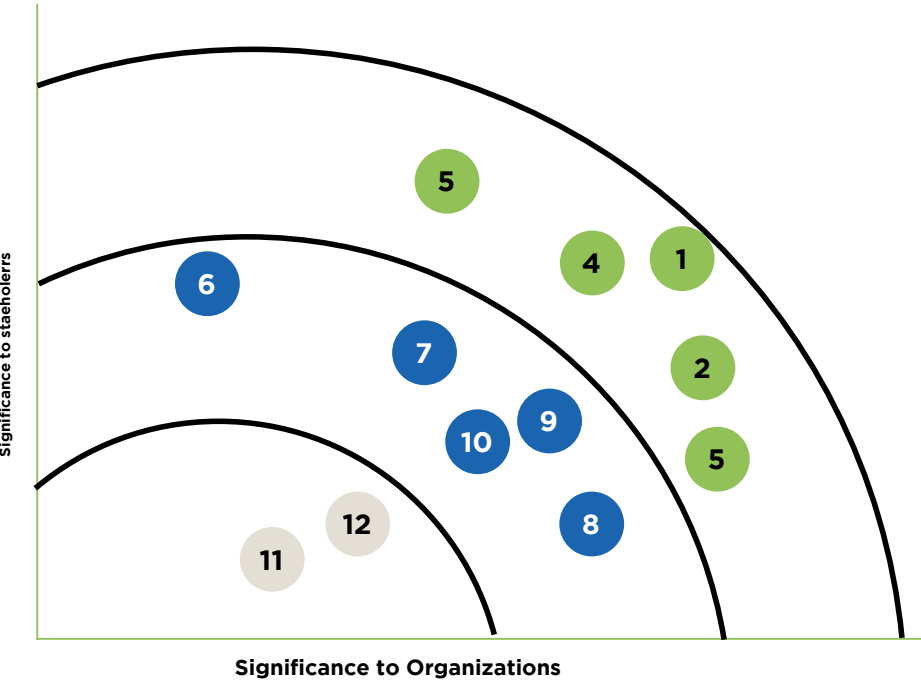
| Stakeholders | Importance to NPCC | Needs and Expectations | Methods of Engagement |
|---------------------------------------|---|---|--|
| Customers | Delivering outstanding quality at optimal costs to its loyal customers is key to reaching NPCC's aim to become a leading integrated EPC provider. Understanding customers' needs to deliver quality service is of utmost importance to NPCC | <ul style="list-style-type: none">• Privacy and Security• Responsiveness to customers' needs• Quality, safety and cost | <ul style="list-style-type: none">• Performance Evaluation Survey• Daily face-to-face interactions or meetings |
| Employees | NPCC is aware that only a motivated workforce will be able to help the company realize its vision and goals. Therefore, commitment, and contribution of every employee is integral to the success. NPCC attaches great importance to providing a fair, diverse and respectful work environment, as it implements globally recognized standards on occupational safety, and fire safety, at its facilities. | <ul style="list-style-type: none">• Training and Development• Engagement Surveys• Succession Planning• Compensation | <ul style="list-style-type: none">• Employee engagement surveys• Employee performance assessment• Internal communication programs• Succession planning and development• Pay structure and compensation• Policies and Procedures |
| Shareholders and Investors | NPCC continuously creates value for its shareholders by demonstrating resilience and dynamism when it comes to tackling challenges, applying best practices and setting new standards. Shareholders have been integral to NPCC's rapid growth and will continue to be key to NPCC's long-term success and delivering its strategic objectives | <ul style="list-style-type: none">• Optimized costs and expenses• Capital Expenses• Capital Positioning/Allocation• Compliance• Dividends Distribution• Successful strategy implementation | <ul style="list-style-type: none">• Financial Statement/Results• Annual Report• Periodic Meetings |
| Communities | As an employer, education champion and aspiring sustainability pioneer, NPCC is active locally and nationally to create a positive social impact, in alignment with the UAE Vision 2030. NPCC always cares to give back to the communities and its engaged and community spirited workforce volunteering program is set up to support this cause. | <ul style="list-style-type: none">• Meer Ramadan• Kiswat Al Eid• World Special Olympics• Happiness Day• Donations• Health Awareness Talks• Social Events• National identity-related activities | <ul style="list-style-type: none">• Sponsorship and support to educational institutions• Cultural and Social Events• Donation |
| Board Members | As the highest level of leadership, the Board is key in overseeing the strategic direction of the company. | <ul style="list-style-type: none">• Successful strategy implementation• Optimized costs and expenses• Emiratization• Acquisition of assets• Capital positioning/transfer• Digital transformation | <ul style="list-style-type: none">• Board Meetings• Annual Business plan• Board Committee Meetings• Financial Statement• Press releases• Dividends distribution |
| Governmental Institutions | NPCC is committed to comply with all rules and regulations in all areas of operation. In line with the regional and global best practices, NPCC strives to operate at the highest standards and levels of corporate governance. NPCC adjusts its systems due to developments in these standards and considers that this commitment is a fundamental factor for its long-term success, therefore the company has developed its own governance system and rules, and this system is consistent with the company's commitment to integrity and quality in all operations, activities and products. | <ul style="list-style-type: none">• Alignment with national development plans and programs• Regulatory compliance | <ul style="list-style-type: none">• Audits• Registrations• Press Releases |
| Suppliers and other business partners | NPCC creates and maintains bonds with various partners to move towards its strategic goals. Strengthening partnerships with the best suppliers, distributors and trade partners allows NPCC to meet its customer's needs. | <ul style="list-style-type: none">• Classification on tendering process and lifecycle• Automated System (ERP• Terms and Conditions)• Blanket agreements• Cost negotiation | <ul style="list-style-type: none">• Surveys• Audits• Supplier portal |

MATERIALITY MATRIX

GRI 102-44, 46, 47

An Impact Boundary relates to the Material Topic and provides a description of ‘where the impacts occur’ for each topic. It also provides a description of ‘The organization’s involvement with the impacts’.

Listed are the 12 NPCC Material Topics with their corresponding GRI Standards Material Topic category; corresponding UNSDGs; relationship to UAE Vision 2021; and their Impact Boundaries.



| Most Important | More Important | Important |
|--|--|--|
| 1 Governance, Compliance and business Ethics | 6 Stakeholder Engagement & Satisfaction | 11 Talent Attraction and Emiratisation |
| 2 Environmental Management & Protection | 7 Climate Change Risks & Carbon Management | 12 Diversity & Inclusion |
| 3 Economic Performance | 8 Innovation | |
| 4 Occupational health, process safety, security and well-being | 9 People & Social Development | |
| 5 Employee Empowerment and Recognition | 10 Procurement Practises and Local Content | |

| | MATERIAL TOPIC | CORRESPONDING GRI STANDARDS MATERIAL TOPIC | CORRESPONDING UNSDG | RELATIONSHIP TO UAE VISION 2021 | IMPACT BOUNDARIES |
|----------------|---|--|--|---|--|
| Most Important | Governance, Compliance and Business Ethics | GRI 102: General Disclosure | SDG 17: Partnerships for the Goals SDG 8: Decent Work and Economic Growth SDG 16: Peace Justice and Strong Institutions | United in Responsibility United in Prosperity United in Knowledge | Board of Directors, Government and shareholders |
| | Environmental Management and Protection | GRI: 301 Materials GRI:302 Energy GRI: 303 Water and Effluents GRI 306: Effluents and Waste GRI: 307 Environmental Compliance GRI 308:Supplier Environmental Assessment | SDG 13: Climate Change SDG 12: Responsible Consumption and Production | United in Responsibility United in Knowledge | NPCC employees, Environmentalists, and Government institutes |
| | Economic Performance | GRI 201: Economic Performance | SDG 12: Responsible Consumption and Production SDG 8: Decent Work and Economic Growth SDG 9: Industry, Innovation and Infrastructure | United in Responsibility United in Prosperity United in Knowledge | Shareholders and Board of Directors |
| | Occupational Health, Process Safety, Security and Wellbeing | GRI 403: Occupational Health and Safety | SDG 3: Good Health and Well-being | United in Responsibility | All NPCC employees |
| | Employee Empowerment and Recognition | GRI 402: Labour/Management Relations | SDG 4: Quality Education SDG 5: Gender Equality SDG 10: Reduced Inequalities | United in Responsibility United in Prosperity United in Knowledge | All NPCC employees |
| Most Important | Stakeholder Engagement and Satisfaction | GRI 102: General Disclosure | SDG 17: Partnerships for the Goals | United in Responsibility United in Knowledge | All stakeholders |
| | Climate Change Risk and Carbon Management | GRI 305: Emissions GRI 201: Economic Performance | SDG 13: Climate Change SDG 12: Responsible Consumption and Production | United in Responsibility United in Prosperity United in Knowledge | NPCC employees, Environmentalists, and Board of Directors |
| | Innovation | GRI 203: Indirect Economic Impacts | SDG 9: Industry, Innovation and Infrastructure SDG 17: Partnerships for the Goals | United in Prosperity United in Knowledge | Customers and Board of Directors |
| | People and Social Development | GRI 401: Employment GRI 404: Training and Education | SDG 4: Quality Education SDG 5: Gender Equality SDG 10: Reduced Inequalities | United in Responsibility United in Knowledge | All NPCC employees and local communities |
| | Procurement Practices and Local Content | GRI 102: General Disclosure GRI 204: Procurement Practices | SDG 12: Responsible Consumption and Production SDG 17: Partnerships for the Goals SDG 11 Sustainable Cities and Communities | United in Responsibility United in Prosperity | Vendors, suppliers and local communities |
| Most Important | Talent Attraction and Emiratisation | GRI 102: General Disclosure GRI 401: Employment | SDG 8: Decent Work and Economic Growth SDG 4: Quality Education SDG 5: Gender Equality SDG 10: Reduced Inequalities | United in Responsibility United in Prosperity United in Knowledge | All NPCC employees |
| | Diversity and Inclusion | GRI 405: Diversity and Equal Opportunity GRI 411: rights of Indigenous Peoples | SDG 5: Gender Equality SDG 10: Reduced Inequalities | United in Responsibility | All NPCC employees |

03 MAINTAINING AND ENSURING OUR GOOD GOVERNANCE

GRI 102-12, 18

An SDG focus on



How this specific SDG
Impacts NPCC

Building resilient and strong institutions

NPCC has strong governance and leadership. This supports and enables the organisation to grow both sustainably and responsibly.

NPCC has a strong sense of civic responsibility and public duty and this manifests itself through the many community investment and education programs that the organisation has either established or contributes to.

Our Key
Numbers in 2020

15

The number of NPCC Committees to oversee aspects of organisational governance and operational activity

3

NPCC 3 core objective areas covered by the EMT – Economic Performance, Environmental Performance and Social Performance

12

There are 12 members of our Executive Management Team comprising of key personnel from across NPCC

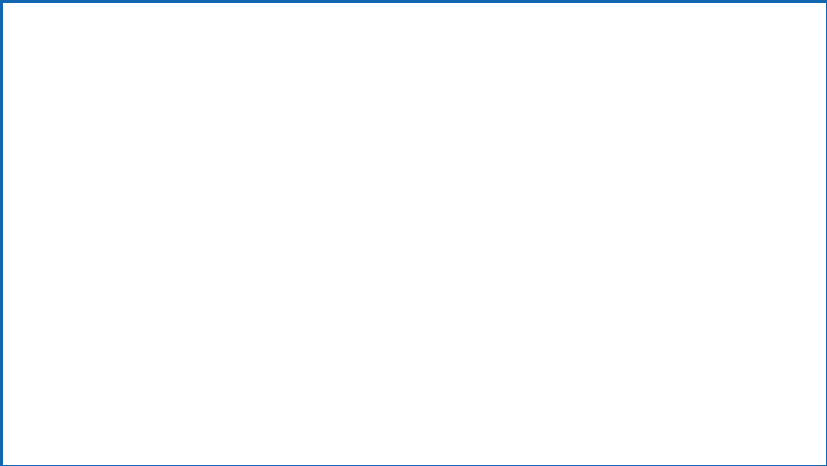


STRONG LEADERSHIP. GOOD GOVERNANCE.

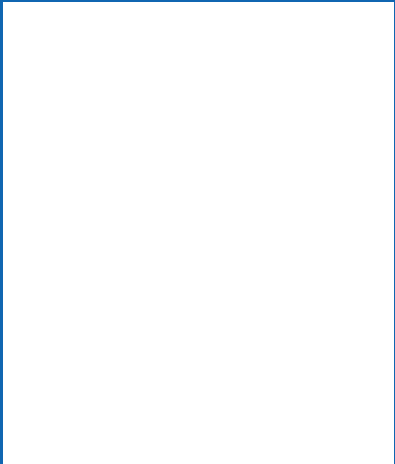
GRI 102

BOARD OF DIRECTORS

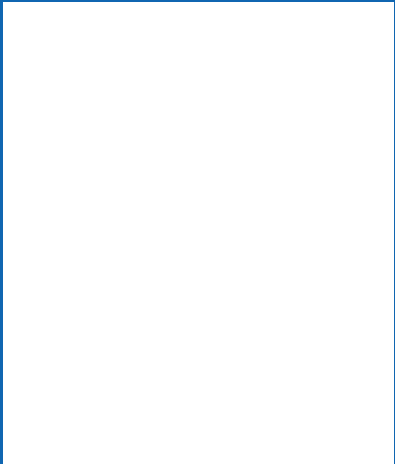
NPCC's Board of Directors comprises five members, appointed by the resolution of the Abu Dhabi Developmental Holding Company (ADQ). The members do not hold any executive positions in the company, and their term on the board is valid from 1st May 2020 to 30th March 2021. To ensure that the company is meeting its governance and sustainability targets, the Board of Directors meets regularly to discuss strategies and plans. During 2020 4 Board meetings were held. Company stakeholders are consulted and their opinions on economic, environmental, and social topics are accounted for through the general assembly held once a year. The Board is also kept regularly informed on different aspects of the company operations through other communication channels. The Executive Management Team (EMT) shares any challenges related to business operations while the Audit Committee keeps the Board abreast of financial reviews and audit findings. Key business concerns are reported by the Risk Management Team, with matters of compliance shared by our General Council. The Board of Directors is comprised as follows:



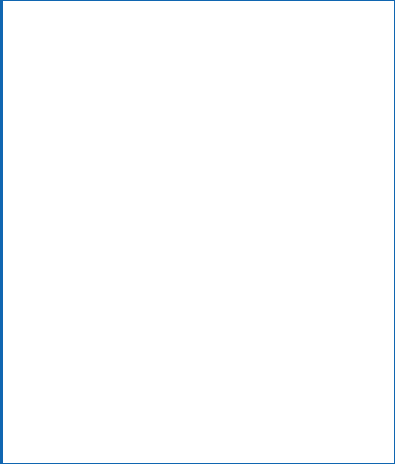
Mr. Khalifa Sultan Al Suwaidi
Chairman



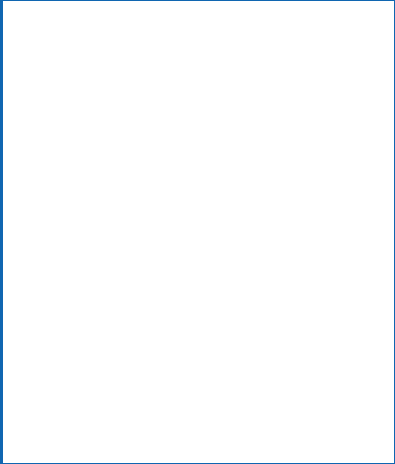
Mr. Aqeel Abdulla Madhi
Vice Chairman



Mr. Yaser Saeed Al Mazrouei
Member



Mr. Ahmad Saqer Al Suwaidi
Member

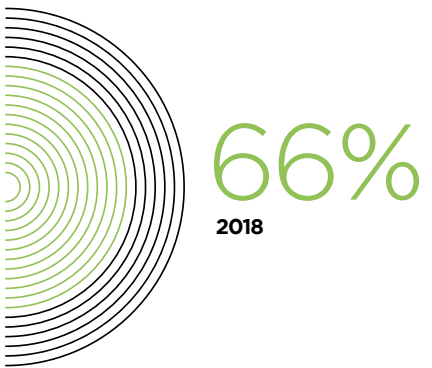
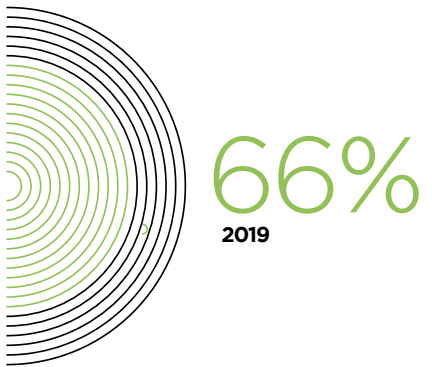
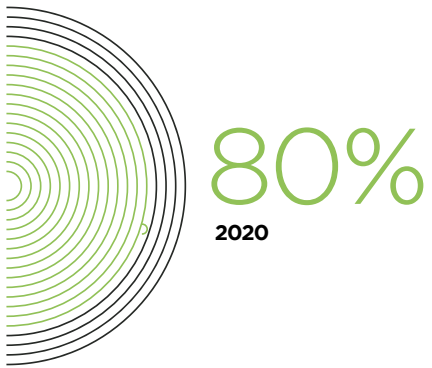


Mr. Nabeel Qadir
Member

Diversity in the BOD

| Diversity in the BOD | 2018 | 2019 | 2020 |
|-----------------------|------|------|------|
| Number of locals | 6 | 6 | 4 |
| Number of expatriates | 3 | 3 | 1 |

% of locals in the total workforce



EXECUTIVE MANAGEMENT TEAM (EMT)

GRI 102-18, 19, 29, 31

NPCC considers a governance system based on the principles of transparency, integrity and independence as integral to ensuring operational excellence. At NPCC, the Executive Management Team is responsible for overseeing governance and decision- making on economic, environmental and social matters. The committee is responsible for operational alignment with the company's strategic objectives and monitors the overall performance of the business. The committee also discusses and resolves issues related to organizational development and performance improvements. During challenging times such as the Covid pandemic situation, the support of our strong governance structure has been integral in maintaining business continuity, serving our customers, and keeping our people safe.

The EMT comprises senior employees who meet on a monthly basis with a minimum quorum of five members, including the Chairman. Our Executive Management Team is as follows:

Eng. Ahmed Al Dhaheri
Chairman

Mr. Shaffique Al Dhiyebi
Senior Vice President - Projects Member

Mr. Majed Abu Shaker
Senior Vice President -Operations Member

Representative from Business Support Member

Representative from Finance Member

Mr. Hanna Dahdah
Senior Vice President - Commercial Member

Mr. Ousama Takieddine
Senior Vice President - Engineering Member

Mr. Nasser Al-Deeni
Member

Mr. Nader Mettawa
Member

Mr. Serhat Khan
Member

Mr. Mubarak Al Blooshi
Member

COMMITTEES

GRI 102-18, 29, 33, 206-1

NPCC have a well-established framework of sub committees whose responsibility is to support and inform the Executive Management Team (EMT) in delivering upon clear performance objectives for each of the following three areas:



Each committee has a clear remit, scope and defined boundary. Committees meet at regular intervals across the calendar year ensuring that our continued high standards are consistently met.

NPCC's committees are an essential component of our governance structure. They provide an appropriate platform for a wider representation of the NPCC workforce to have a voice and to influence key decision making across the organisation.

We have 15 committees in total. The structure and relationship of these committees to the EMT and Board are as shown here:



SUSTAINABILITY COMMITTEE

GRI 102-18, 29, 33, 206-1

The NPCC Sustainability Committee was established in March 2020 to oversee the company's position, practices and activity on Sustainability. The scope of this committee includes social, environmental, economic and ethical matters that affect shareholders and other key stakeholders.

This committee provides a supporting role to the NPCC EMT. It has a primary function of being an advisory body to

assist the EMT in ensuring oversight to NPCC's sustainability policy, practices and performance.

The duties and responsibilities of this committee are focused on resources, policy, reporting, management, measurement, initiatives, communication, strategy, KPI setting, legislative compliance, reviews and engagement.

The committee is comprised of 11 senior employees who meet twice a year and as when required. Technical, operational and subject specialists may attend committee meetings to provide supporting evidence and testimony.



Mr. Ahmed AL Dhaheri
Chairman

Mr. Hanna Dahdah
Vice-Chairman

Mr. Jamal Al Wahedi
Vice-Chairman

Mr. Majed Abu Shaker
Member

Mr. Nader Mettawa
Member

Mr. Salem Saeedan Alrashdi,
Member

Mr. Abdul Bari Al Ameri
Member

Mr. Nasser Ak-Deeni
Member

Mr. Mohammed Al-Qayedi
Member

Mrs. Aisha Obaid Al Yaaqeib
Member

Mr. Basel Shaddad
Secretary

ACCOUNTABILITY, COMPLIANCE & ETHICS

GRI 102-18, 29, 33, 206-1

Accountability and ethics are values that are core to the foundation of NPCC and we seek to ensure compliance with the same at all levels, from senior management to intermediate staff. Our integrity policy mandates adherence to the highest levels of integrity during the process of carrying our business operations. It stipulates that we must:

1. Act ethically at all times; and
2. Establish a culture of integrity in our business practices.

We seek to hold ourselves and the company operations to the highest ethical standards by encouraging our staff to abide by best practises in line with our Code of Conduct and Business Ethics.

All employees, including the CEO and top management, are required to sign Code of Conduct pledges to ensure their understanding of the rules and resolutions, and to minimize regulatory risks.

This program informs NPCC's employees and stakeholders, about NPCC's ethical conduct policies and procedures. It assists them in resolving questions and reporting suspected violations in a transparent, non-retaliatory basis. Proper channels are made available to all internal and external parties alike (whistleblowing channel), to report any concerns, suspected violations, or breaches. In 2020, NPCC received no instances of non-compliance, breaches to the Code of Conduct or legal violations warranting contract termination with any of our clients. NPCC has an established and clear process to handle conflicts of interest, transparency and accountability. Supporting this are a number of measures:

3. Compliance clauses/provisions in all agreements, contracts and legal documents;
4. Equipping NPCC employees with

- the necessary knowledge and training;
5. Conducting due diligence and undertakings to eliminate conflicts;
 6. Identifying and assessing risks; and
 7. Observing regulatory bodies requirements and complying accordingly (for example Abu Dhabi Accountability Authority "ADAA").

All employees sign a 'Conflict of Interest' form when they join the company. Additionally, NPCC's integrity policy details all activities related to conflict of interest, to minimize the risk of their occurrence.

With rapid global expansion, NPCC under the leadership of the General Council, is keen on ensuring company-wide compliance with international laws and domestic regulations applicable to our centres of operations worldwide.

In 2020, NPCC received no fines, judgments, penalties, or sanctions for non-compliance with rules, laws and/or regulations. There were also no violations of anti-competitive behaviour or antitrust and monopoly legislations, whether in the UAE or internationally. As a major EPC contractor in the oil industry in the UAE, NPCC aims to sustain its world class HSE performance, through continued compliance with environmental regulations during the process of conducting its business.



ENSURING BEST PRACTICE AND BEST PROCESS

RISK MANAGEMENT AND BUSINESS CONTINUITY

GRI 102-30, 201-2, 402-1

The evolving business environment and NPCC's global growth presents new risk management challenges. These challenges relate to new economies, new project requirements, and new environments. NPCC considers it to be of paramount importance to systematically capture, coordinate and address these challenges in order to maintain business continuity. NPCC has a clear process to mitigate organizational risk through the designated Risk Management Committee (RMC), which is led by our CEO. The committee meets regularly to monitor risk reduction plans and policies and reports to the board regarding the same. The RMC has created a comprehensive plan to manage and mitigate risk at both the project and corporate level. This includes the introduction of minimum notice periods regarding operational changes of 2t to 3 months.

The RMC also supports NPCC's management in categorizing and prioritizing mitigation plans, by carrying out the following tasks:

- Conducts risk assessment workshops across all business units;
- Assesses the risks and controls to estimate the residual risk rating;
- Updates the enterprise risk register and performs risk aggregation and prioritizing;
- Liaises with executive management to determine strategic and emerging risks, based on the current business plan and latest market developments;
- Consolidates top business risks for review;
- Reviews, validates, and finalizes the top business risks profile; and
- Conducts workshops to develop responses to address key business risks.

To ensure we deliver value to our clients, employees, and key stakeholders, NPCC uses an established Enterprise Risk Management methodology and framework. Our Enterprise Risk Management section is structured as below:

- Enterprise Risk Management;
- Project Risk Management; and
- Business Continuity Management (BCM).

With the support of our Enterprise Risk Management section, NPCC has established key 'risk champions' across the company to further embed a culture of risk management across business lines.

At NPCC we classify risks into two categories of 'enterprise-level risks' and 'project level risks'. We do this in order to proactively prevent their development and turn crises into opportunities. Below is a list of such risks:

Operational and business continuity risks;

- Skills gaps in the workforce either due to retirement of senior management or due to lack of skills necessary to operate in new market sectors being pursued;
- If NPCC are unable to win sufficient work. This would impact the ability to achieve financial targets, sustain profitability and maintain market share in traditional markets.
- Delays generated at our engineering or with our supply-chain process. This would impact receiving the necessary inputs for the fabrication process (raw materials, designs). In turn, this would result in a series of further related impacts - idle time, sub-optimal working, offshore schedule clashes, major operational overruns, and delaying completion of projects.
- A consistent low efficiency rate at our yard. This could be due to a lack of appropriate planning process, effective management skills, and

tools. This in turn would impact the ability of the yard to efficiently plan construction activities, manage resources and analyze route causes to overruns. Inconsistency in offshore operations performance. This could result in major overruns during offshore peak periods. Core causes may be excessive project changes and the lack of detailed planning.

- Failure in executing ERP implementation project. This could be due to a lack of internal readiness or ineffective control mechanisms.
- Increased cyber threats. This would be based on reported cyber-attacks within the region and internationally.
- Increase in construction related accidents and claims during high peaks. This may have a detrimental financial, HSE and reputational impact.
- NPCC regularly conduct a SWOT analysis to identify company strengths, weaknesses, opportunities, and threats. The findings and results are incorporated into our BCM.
- The NPCC BCM program is responsible for the continued performance of our mission-critical processes and services during and following an emergency, crisis or disaster.

BCM three principal elements

BCM Steering Committee (BCSMC)

This committee has been established by the board to oversee the NPCC Business Management Continuity plan. The work of this committee focusses on the advancement and operationalization of the business management continuity plan as well as its maintenance.

BCM Taskforce

This Taskforce has the responsibility of ensuring the oversight of all BCM activity. It is tasked with guiding and assisting the BCM Manager to carry out and implement these activities.

BCM champions

NPCC have introduced BCM Champions to assist, co-ordinate and fulfil all BCM duties. The BCM Champion role is a key resource and asset to the operation of all business units..



Internal controls

GRI 103-1, 2, 3, 102-30, 31

The internal control system at NPCC takes a proactive approach to risk control and management. The system follows the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework and is also aligned with Abu Dhabi Accountability Authority (ADAA) requirements to ensure accurate financial reporting and appropriate management of internal controls.

The effectiveness of daily operational controls remains crucial to the company, and this is ensured through rigorous evaluation, testing and monitoring. Any lacunae discovered during this process, are effectively dealt with, to ensure the highest standards of operational performance. Additionally, an annual independent third-party audit is undertaken as a further layer of review to ensure the effectiveness of our controls.

Audits and assurance

GRI 103-1, 2, 3

The Internal Audit Function is an independent department within NPCC. This department is responsible for reviewing the effectiveness of the risk management system. It assesses and reviews internal controls and governance mechanisms for management and stakeholders, with the support of the Audit Committee.

The Audit Committee conducts internal audits. This committee checks and provides support and supervision to ensure effective procedures are in place. This in turn enhances NPCC's corporate and shareholder value. The committee consists of three independent members who meet on a quarterly basis. This committee has a strong local employee representation (33.33%) in 2020 as it has had in previous years.

External audit

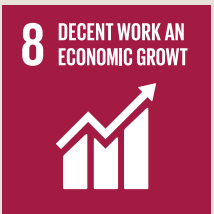
GRI 103-1, 2, 3

NPCC has appointed the same independent external auditor for four consecutive business years. When external auditors are appointed, the Audit Committee evaluates their job capability, transparency, and independence.

04 ENSURING A STRONG ECONOMIC PERFORMANCE

GRI 102-12, 16, 103-2

An SDG focus on



How this specific SDG
Impacts NPCC

Building resilient and strong institutions

NPCC is committed to supporting the continued economic growth of the UAE, and to supporting and nurturing local business. This is best seen through our prioritization of the local sourcing of goods and services.

The financial growth of the company is a reflection of our commitment to contributing to the growth of the local economy and building stronger and fairer society

Our Key
Numbers in 2020

2.4%

NPCC 2020 Net Profit despite the effects and impact of the COVID-19 pandemic

4

The number of qualifying sustainability criteria categories required to be met by new suppliers

3

The number of NPCC Employee Innovation Schemes in operation in 2020



OUR ECONOMIC PERFORMANCE

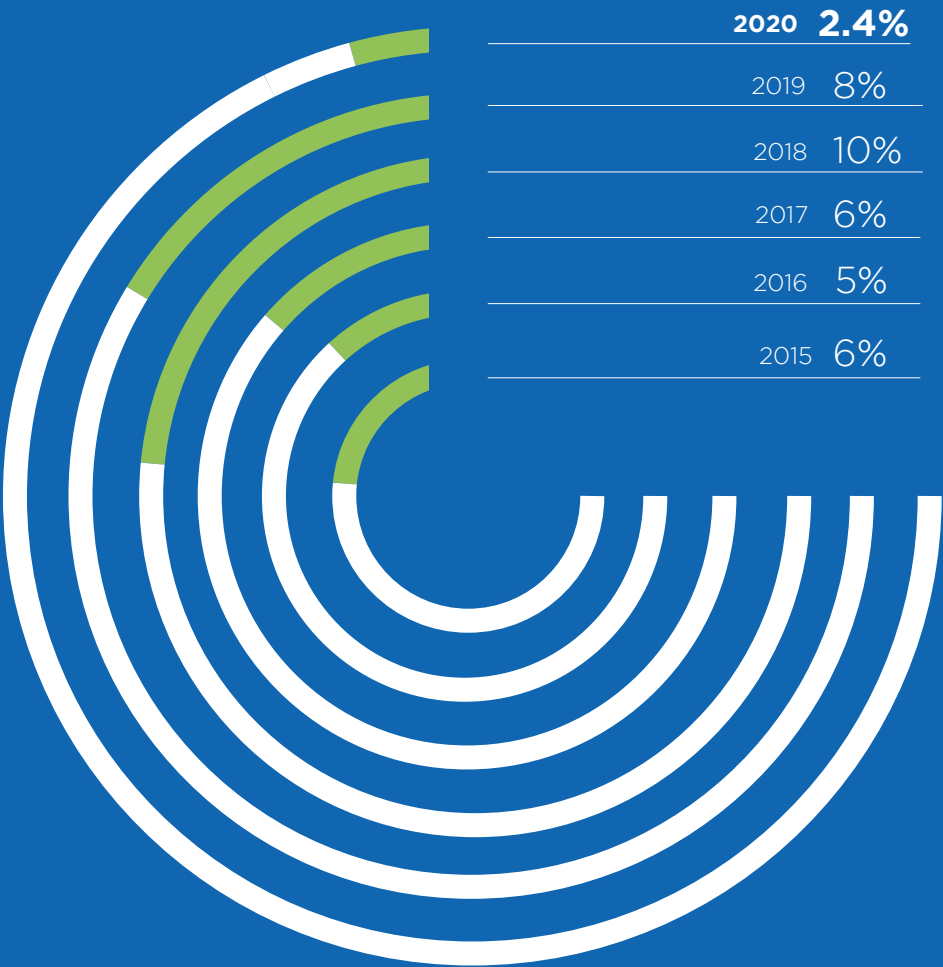
GRI 103-1, 201-1

As NPCC are a quasi-government organisation, much of the economic and financial results that would normally be associated with this section cannot be disclosed. What can be disclosed is an overview of NPCC's financial performance in 2020 relating to NPCC Net Profit Margin, Revenue and Sales.

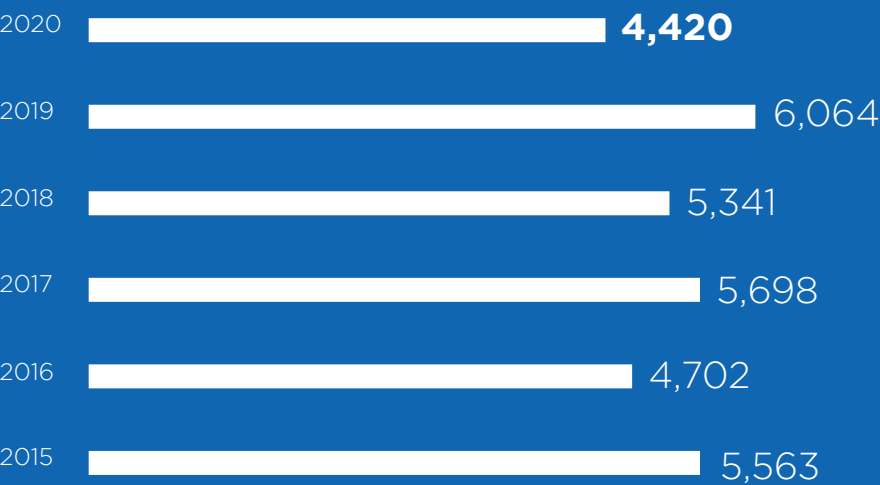
3.5M
2020 Net Sales

1.1M
2019 Net Sales

NET PROFIT MARGIN



REVENUE (AED K?)



OUR COMMITMENT TO RESPONSIBLE PROCUREMENT, LOCAL SUPPLIERS AND A SUSTAINABLE SUPPLY CHAIN

GRI 103-1, 2, 3

Focussing on building lasting and productive relationships, NPCC nurtures a sustainable supply chain that consists of local suppliers and vendors. We intend to further develop our preference for local suppliers, to build resilience in local markets. It will also build stronger collaborative arrangements that foster and encourage a more responsible approach to procurement.

At NPCC, we have in place a robust supplier management system based upon best practices and processes, and consists of sustainable supplier focussed procedures, policies, KPIs and assessment systems. These processes enables us to select suppliers in a transparent and objective manner than can be fully validated.

Our supplier management system considers the suitability of a vendor based on their own sustainability performance, based upon four qualifying areas:

- The ethical behaviour of the supplier;
- Their respect of human and labor rights;
- The health and safety of their employees; and
- Their approach to protecting the environment.

The process evaluates the supplier's suitability in terms of technical ability, financial performance, quality and HSE. This process is supported through physical audits of supplier premises in the UAE and, where necessary, internationally. A successful supplier must then adhere to and sign a suppliers' code of ethics.

Once a supplier has been appointed there is an induction on NPCC codes of practice and HSE. All of our sub-contractors must undertake and pass our HSE training. This is the beginning of a series of continual engagement and feedback between both parties. Our

approach ensures high levels of communication, understanding and compliance. It also contributes to a higher level of performance and commitment which is regularly reflected in our performance figures and satisfaction surveys.



SUPPORTING LOCAL ECONOMIES AND COMMUNITIES THROUGH SUSTAINABLE PROCUREMENT

GRI 103-2

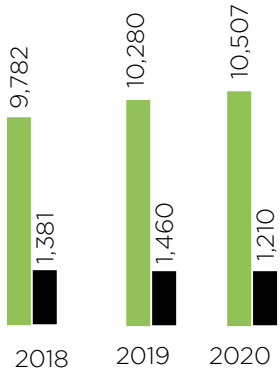
NPCC adopts a policy of favouring vendors that are local to the region. We are a strong advocate of the UAE In-Country Value program (ICV) achieving the highest score amongst our industry peers..

Buying from local vendors helps establish and maintain a healthy and thriving local economy. This will allow for the development and creation of greater opportunities and improve the quality of life for our shareholders and local community alike.

This approach creates additional value by giving local suppliers exposure and experience that may provide them with the opportunity to compete with international suppliers both in the UAE and further afield. This in turn drives and enables a competitive local marketplace and benefits all stakeholders. It also contributes directly to the vision and aims of the UAE Vision 2021.



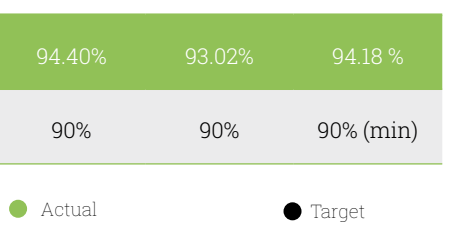
Material operations service level



● Number of suppliers across the value chain

● Number of awarded suppliers

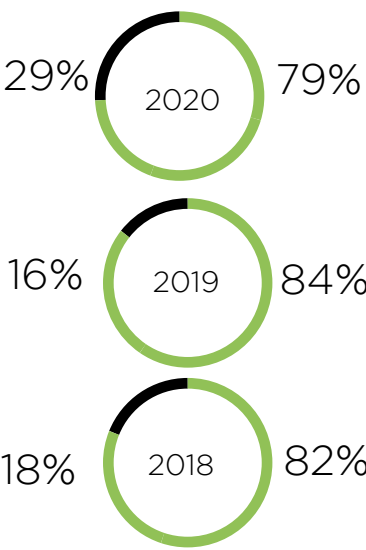
Material operations service level



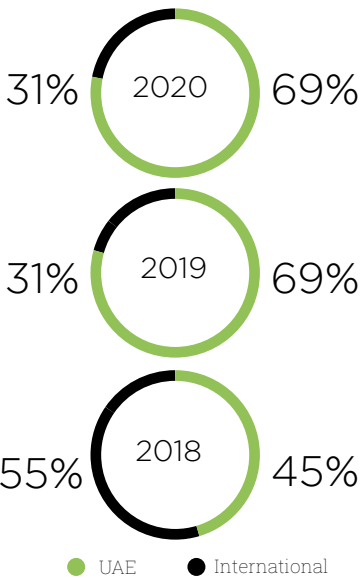
Material Operations Stock Sufficiency



Value of Orders Awarded to Subcontractors



Amount of Orders Awarded to Suppliers



INNOVATION

GRI 103-1, 2

Innovation is essential to the continued economic growth and long-term success of NPCC. We recognize the importance of innovation and have embedded a culture of innovation and creativity throughout our organisation. We understand the benefits of encouraging such a culture as it:

- enables opportunity for operational, organisational and personal growth;
- differentiates NPCC from its competitors;
- develops new policies, procedures, products, services, training and communications;
- aligns us with our customer's needs; and
- helps NPCC attract and recruit the best talent.

We actively encourage all employees to be creative problem solvers and have a dedicated innovation portal for them to submit ideas and suggestions. This work is guided by our Innovation Committee.

Employee ideas are categorized into one of three NPCC Innovation Schemes:

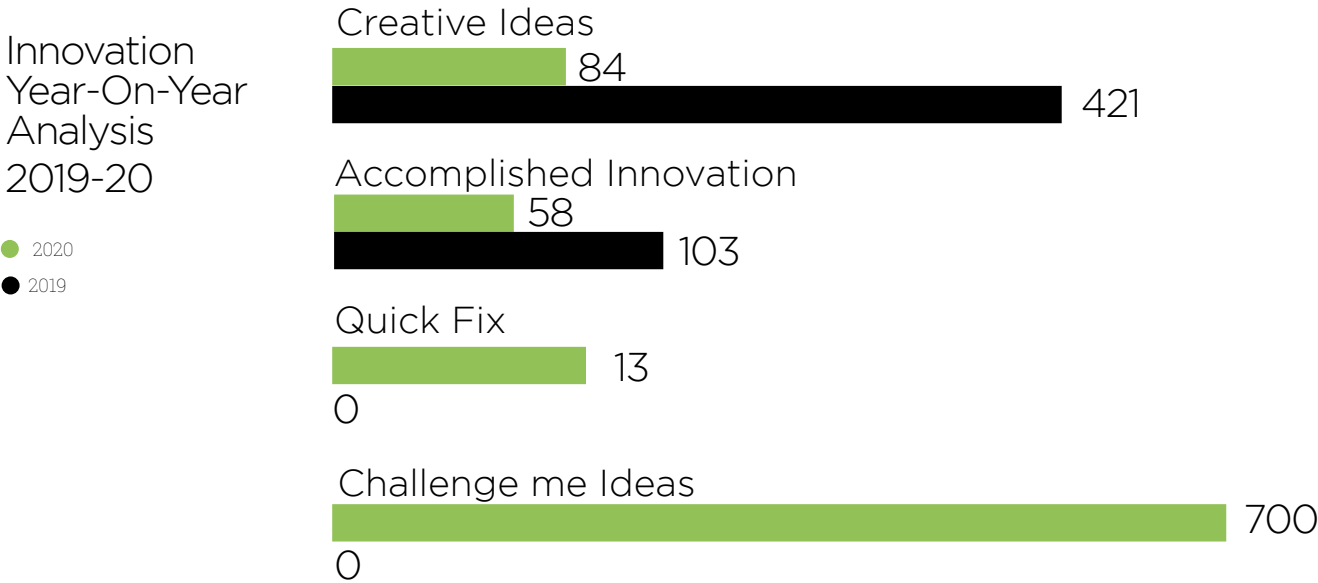
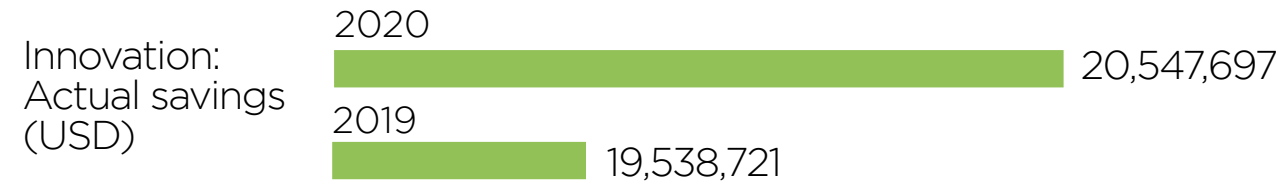
1. NPCC Suggestions Scheme;
2. Accomplished Innovations Scheme; and
3. Innovation Projects Scheme.

The Innovation Schemes are open to all employees and can lead to the development of new products, services, procedures, standards and policies. These schemes are valuable to both the organisation and our employees. They can inspire a greater sense of team work and contribution, fostering synergy across departments, teams and sites that may not have otherwise occurred. For our employees, these schemes have the power to develop and promote careers.

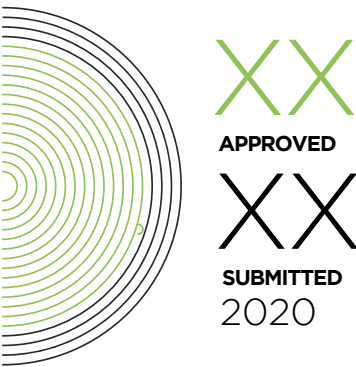
23 ideas were raised by our employees relating to Health, Occupational and Environmental Safety and Sustainability in 2020. Of these 23 submitted ideas, two ideas from employees in our Engineering and from our Supply Department became accomplished innovations. The Innovation Committee approved the selection of a QR code business card and the introduction of a change in a product design element.

These accomplished innovations will have a positive impact on NPCC sustainability. The introduction of a QR code business card will have direct impacts on our waste and paper-based materials. An efficient change in a core design element will have significant savings on materials, cost, waste and time.

Through our Innovation program, NPCC recorded significant actual savings, showing an increase in 2020 upon the 2019 figures of 5%.

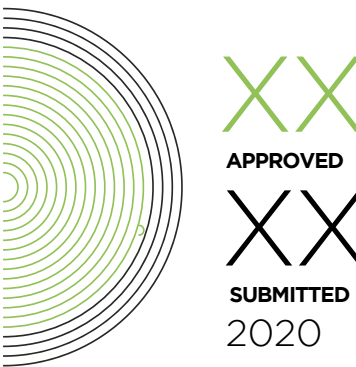


Suggestions

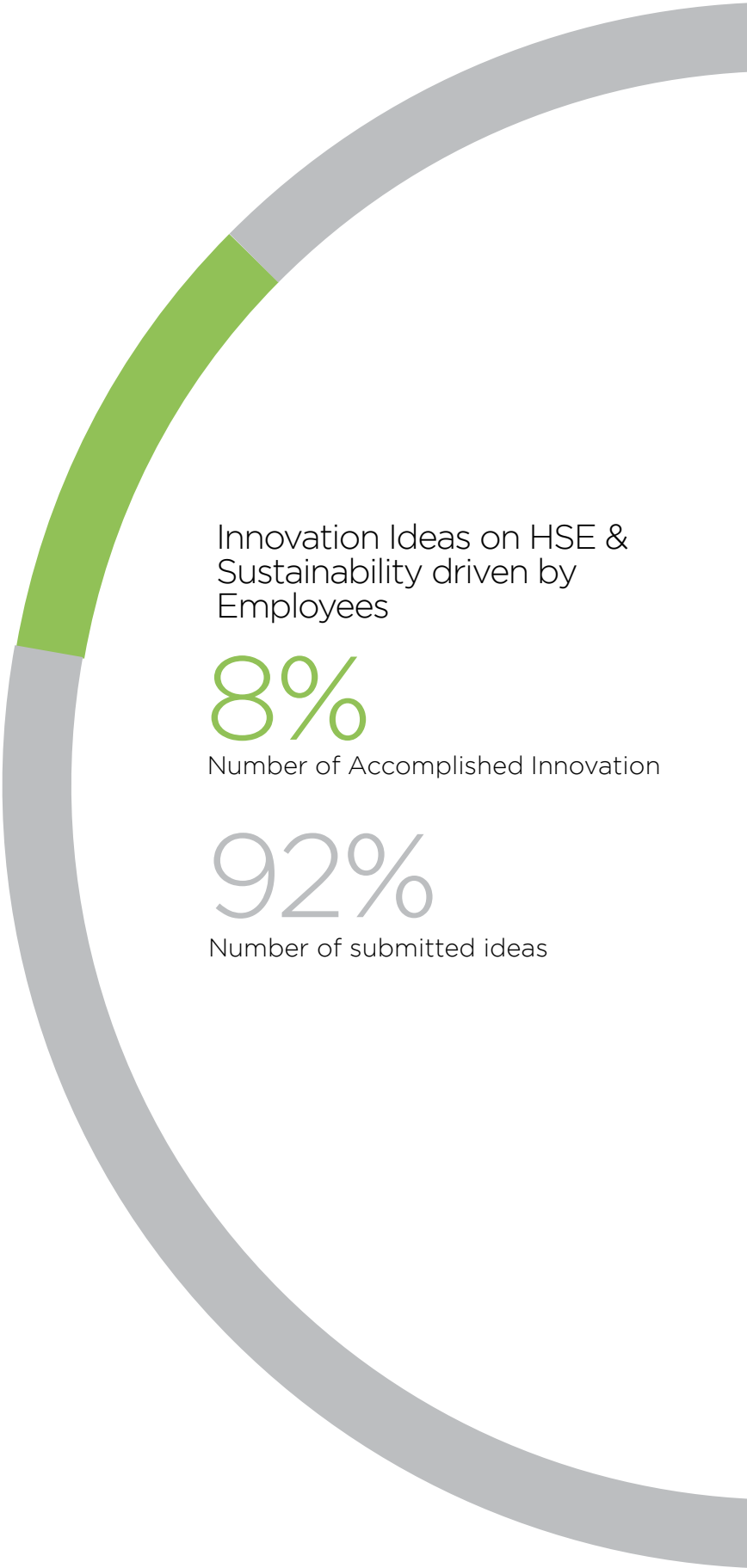


| | 2018 | 2019 |
|-----------|------|------|
| Approved | 98 | 77 |
| Submitted | 357 | 421 |

Accomplished Innovations



| | 2018 | 2019 |
|-------------|------|------|
| Shortlisted | 22 | 20 |
| Submitted | 48 | 103 |



05
PROTECTING
OUR
ENVIRONMENT

GRI 102-12, 103-1, 302-4, 305-5

An SDG focus on



How this specific SDG
Impacts NPCC

**Incorporating Climate Action and
Climate Risk Management throughout
the organisation.**

NPCC is committed to embedding and incorporating climate change action and climate risk management into our organisational strategy and activity.

GHG emissions are a key area of focus for the organisation including scope 1, 2 and 3. Reducing our emissions and lessening our impact upon the environment are key objectives for NPCC.

NPCC certified in ISO 14001: 2015
Environmental Management

NPCC saw a reduction in energy usage in
period 2019-2020 of 31%

92.6% of NPCC's GHG emissions
are from fuel consumption from
the use of diesel across our sites.

Our Key
Numbers in 2020

14001

31%

92.6%



CHAMPIONING CHANGE. DRIVING RESULTS

GRI 103-1, 2, 3

OUR GREENER NPCC TASKFORCE

NPCC are a responsible and responsive business. This means we measure the success of our company not only in terms of business targets, but against societal and environmental indicators. As a semi-government entity, the company complies fully with the UAE's Vision 2021 and its commitment to the Paris Climate Agreement. NPCC is also working towards the United Nations' Sustainable Development Goals, and the UAE Green Agenda 2015-2030.

We are committed to operating efficiently, conserving resources and protecting communities. We do this in recognition of our responsibility towards future generations. As a company, NPCC continues to work towards ensuring that our ambition for business growth goes hand-in-hand with improvements in our environmental performance.

To deliver on these objectives, the Greener NPCC Taskforce was established in 2017. The aim of this Taskforce is to drive the roll-out of environmental initiatives across the company and to report their impact on a quarterly basis. Our commitment to the protection and enhancement of the environment is demonstrated by:

- Addressing global challenges such as climate change, food and water supply, energy demand, and waste management, with innovative solutions;
- Minimizing discharges, waste, and emissions, enhancing energy performance, and optimizing the use of natural resources;
- Ensuring that energy performance improvements are considered throughout the duration of the intended lifecycle of our assets; and
- Optimizing the positive health, safety, environmental, energy, and societal impacts of our operations.

The Greener NPCC Taskforce is an initiative that works towards incrementally reducing the company's negative environmental impacts. This is primarily achieved through the monitoring of the company's consumption of electricity and water, supported by initiatives designed to optimize and reduce their usage.

Conservation Measures Adopted under Greener NPCC as per the NPCC Energy and Water Savings Action Plan (2018-2025)

Behavioural Energy Conservation Measures

Commercial Lighting Replacement Scheme

Industrial Lighting Replacement Scheme

HVAC System Replacement/Retrofit Scheme

Solar Photovoltaic System

Thermal Solar System

Welding and Cutting Equipment Rep/Retrofit

Water Usage Optimization

Water Leakage Repair/Network Upgrade

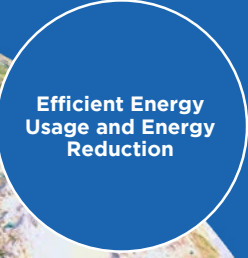
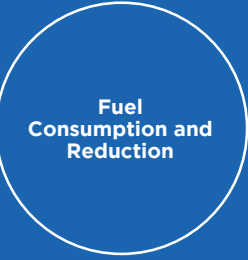
ENSURING POSITIVE IMPACT - NPCC ENVIRONMENTAL MANAGEMENT

GRI 103-1, 2, 3

NPCC is certified to ISO 14001:2015 Environmental Management Systems. By adhering to this ISO standard we have developed and put in place a strong and robust Environmental Management System (EMS). This EMS measures, monitors, manages and reports on all environmental impact and performance and is audited by external auditors on an annual basis to ensure continual improvement and compliance with the standard.

ISO 14001: 2015 requires NPCC to have accountable and relevant environmental management procedures in place, including organisational policies and KPIs that guide the formal implementation of the EMS, ensuring that we deliver upon our core environmental objective of minimizing our impact.

NPCC's EMS is structured around 5 primary areas



GHG EMISSIONS - MANAGEMENT, REDUCTION AND MITIGATION

GRI 102-11, 103-1, 2, 3, 305-1, 2, 5

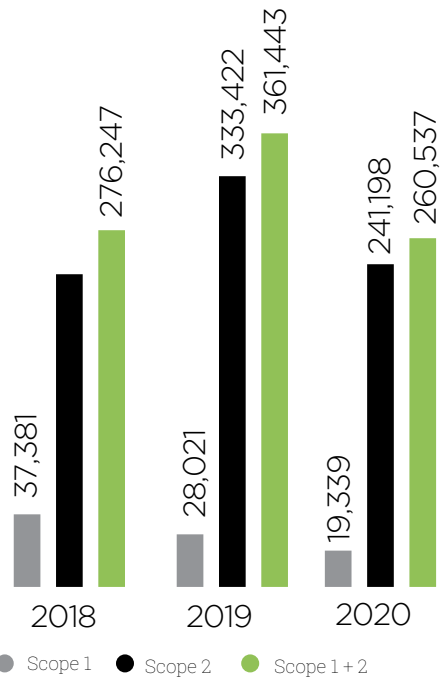
NPCC's core activity and services are energy intensive. This has a direct bearing on our levels of GHG emissions. In recognition of this NPCC have a firm focus on our GHG emissions as a priority operational area and in terms of our risk management. Our GHG emissions measurement includes Scope 1 and Scope 2 emissions. Currently we exclude Scope 3 emissions, such as supply-chain, waste or travel related emissions

GHG emissions management, reduction, and mitigation are areas where NPCC are improving performance, an emerging trend that can be seen from our 2018-2020 data. In 2020, GHG emissions are showing a downward trend. This is due to a combination of factors – COVID-19 related impacts (reduced workload) and reductions as a result of energy saving measures, procedures and policies.

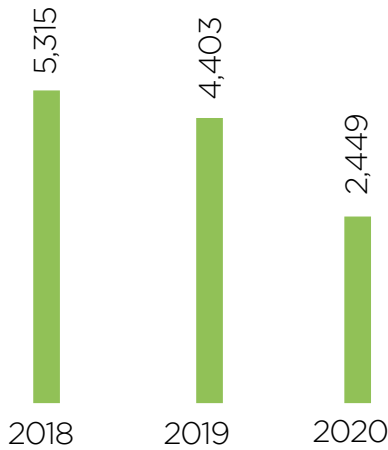
This is more evident in our Scope 1 GHG emissions where our energy consumption has seen a 48.3% reduction from 2018-2020. Whilst this figure is likely to be affected by a reduced workload as a result of the COVID-19 pandemic, when viewed as year-on-year reductions from 2018, the figures still support a general downward trend. 2018 to 2019 show a 25% reduction in energy consumption. 2019-2020 show a 31% reduction in energy consumption.

By far the largest area of GHG emissions impact is Scope 2 emissions relating to NPCC's fuel consumption. In 2020 fuel consumption accounted for 92.6% of all NPCC measured GHG emissions. In 2020, Scope 2 emissions fell by 27.7%. However, this figure has to be viewed against a reduced workload across the year and the COVID-19 pandemic.

NPCC GHG Emissions 2018-2020 (TCO2e)



GHG Emissions Mitigated (TCO2e)



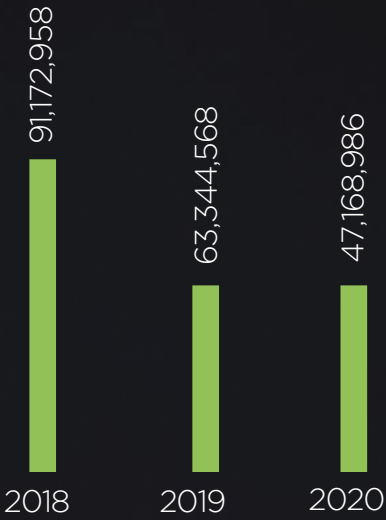
EFFICIENT ENERGY
USAGE AND ENERGY
REDUCTION

GRI 103-1, 2, 3, 305-1, 2, 5

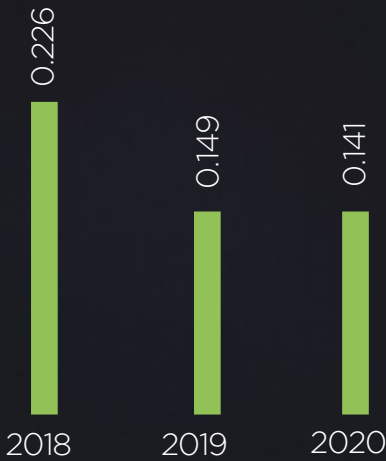
Energy use and reduction are areas that NPCC and the Greener NPCC Taskforce are gaining greater control on and year-on-year reductions in energy usage across the organisation, primarily throughout our offices and sites, have been achieved. The reduction and retrofit programs as delivered by the Greener NPCC Taskforce are delivering meaningful positive impact. This is evidenced in a sharp downward trend in energy usage from 2018-2020. For the 2019-2020 period, NPCC saw a reduction in energy usage of 26%.

The Greener NPCC Taskforce have developed a range of energy efficiency initiatives. These include the review of organizational processes and policies through to identification of technology-based intervention measures. These measures improve operational energy efficiencies across the workplace through retrofitting, efficient office equipment, heating, cooling and lighting. In 2020, these initiatives have driven performance and decreased energy consumption, following a year-on-year downward trend.

Total Electricity Consumption (kWh)



Energy Intensity (GJ / '000 USD Revenue)



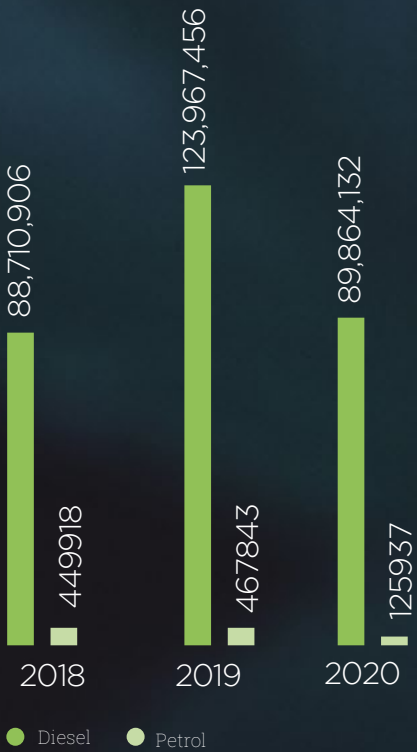
FUEL CONSUMPTION
AND REDUCTION

GRI 103-1, 2, 3, 302-1, 4

Reductions in both energy consumption and greenhouse gas emissions reductions are the most significant environmental challenges facing NPCC. The services and activities that NPCC provide are currently reliant on the use of large quantities of diesel and gasoline which accounted for 89% of NPCC's total GHG emissions (Scope 1 and Scope 2) in 2020.

Clearly this is a major focus area for NPCC and will be the key to reducing the organisations GHG emissions over the longer period.

NPCC 2020 Fuel Consumption (litres)



WATER CONSERVATION

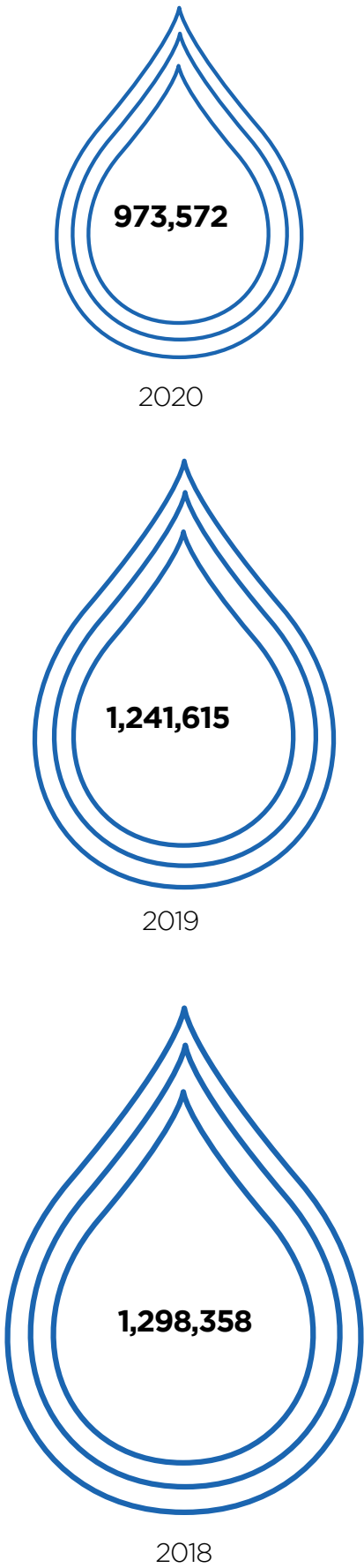
GRI 103-1, 2, 3, 303-1, 303-5

Water is essential to both NPCC's operations and it's facilities and is therefore an integral element ofNPCC's environmental management program. The Greener NPCC Taskforce have developed a water conservation strategy and plan that focusses on optimising water utilisation as well as responsible and safe discharges from our sites.

The Greener NPCC Taskforce established a target to reduce all water usage by 30% over a 5-year period from our baseline year of 2017. This is driven by a series of i water efficiency retrofits and planned maintenance of infrastructure and systems.

NPCC reduced water consumption by 22% between2019-2020. The COVID-19 pandemic clearly affected results in the period, and currently it is challenging to determine with confidence how this has affected our figures..

NPCC Water Consumption
Water used (m3)



WASTE MANAGEMENT & RECYCLING

GRI 103-1, 2, 3, 303-1, 2, 3, 306-1, 2, 3

In accordance with the requirements of ISO 14001: 2015 Environmental Management, NPCC has in place a robust waste management system. This system measures, manages, monitors, reports and reduces all aspects of waste. The NPCC waste management system applies current best practice and processes. It identifies, monitors and logs all waste streams associated with the organisation. Our waste management system is aligned to international best practices and Abu Dhabi Waste Management Center regulations.

Our approach is based upon a circular economy model where we aim to reuse or repurpose in collaboration with third parties wherever it is possible. This approach enables NPCC to minimise our environmental footprint and to support local economies, vendors and businesses.

All vendors to NPCC must adhere to the same high standards we aspire to and to that end all vendors must comply with procedures as enforced by The Center for Waste Management (CWM).

As a responsible business we ensure all waste taken from our sites has the appropriate and accompanying waste certifications and paperwork. We only work with established and reputable vendors in the disposal of our waste. Through our waste stream analysis, we are able to identify and determine the composition of all waste leaving our sites. This analysis identifies the following waste streams as being the most common:

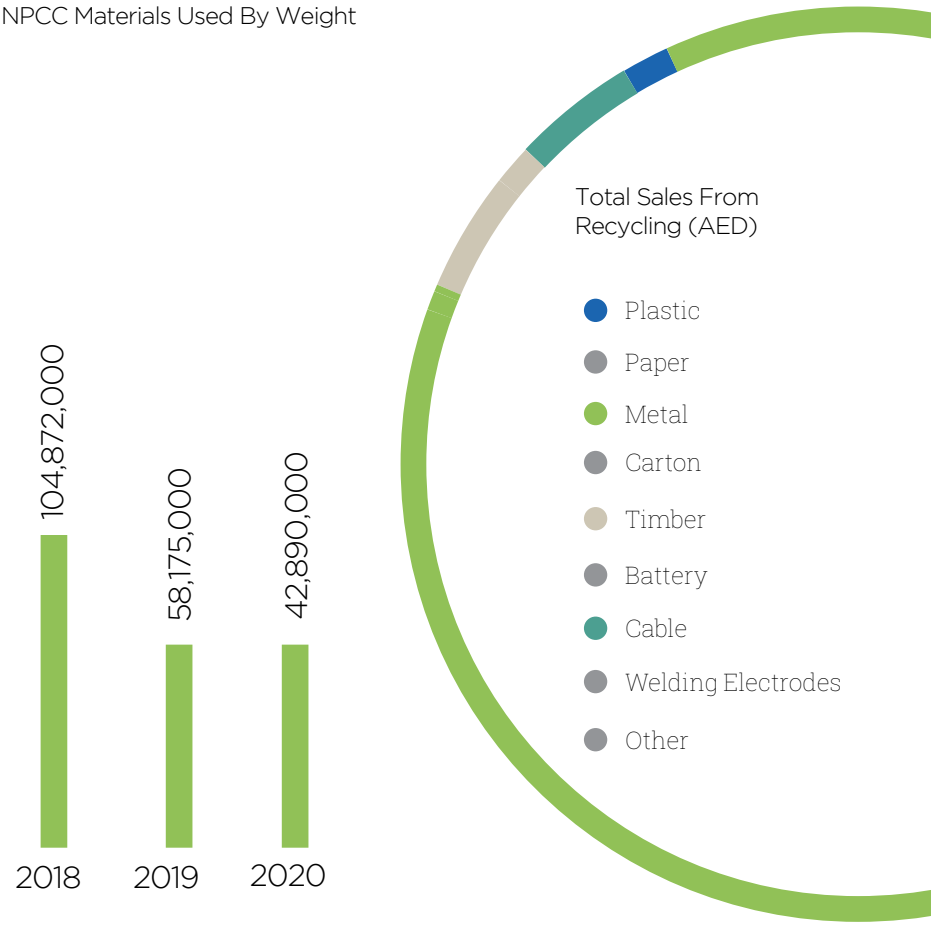
- Contaminated soil sludge (a mix of soil, diesel, and oils);
- Contaminated wastewater;
- Crushed fluorescent lamps;
- Used cotton waste (used for oil cleaning);
- Waste dope (a mixture of coal tar, sand, and cement);
- Waste FBE powder; and
- Waste paint in solid form.

The figures show the range of our waste streams by volume and the total sales generated. These items are taken away and reused or repurposed by the vendor enabling the establishment of a locally-sustained circular economy. This provides a revenue stream for NPCC and provides local suppliers with materials to repurpose. Despite the impact of the COVID-19pandemic, recycling rates remained high with only a 1.5% decrease in recycling sales from 2019 to 2020.

Total Sales From Recycling (AED)



NPCC Materials Used By Weight



| Waste Generated by Type (in tons) | 2018 | 2019 | 2020 |
|-----------------------------------|--------|--------|--------|
| Plastic | 181.3 | 87.3 | 183.4 |
| Paper | 2.4 | 4.4 | 1.8 |
| Metal | 11,406 | 20,958 | 16,001 |
| Carton | 13.6 | 16.4 | 11.5 |
| Timber | 350.6 | 471.5 | 912.6 |
| Battery | 30.8 | 29.1 | 81.9 |
| Cable | 413.1 | 259.7 | 572.3 |
| Welding Electrodes | 127.5 | 128.5 | 39.9 |
| Other | 19.5 | 11.5 | 44.5 |

06

OUR COMMITMENT
TO AN AMBITIOUS
SOCIAL PROGRAM

GRI 102-12, 404-2, 413-1

An SDG focus on



How this specific SDG
Impacts NPCC

Ensure healthy lives and promote
wellbeing for all, at all ages.

NPCC provides healthcare for its
employees. This includes medical
insurance

and clinics providing quality care to both
NPCC employees and contractors.

NPCC also hosts talks for its employees
on various topics of health and wellbeing.

NPCC's HSE policies and procedures are
in line with international standards and
are frequently reviewed for potential
improvement.

Total number of Locals employed in
the NPCC workforce in 2020

The number of Student Internships at NPCC
in 2020

NPCC offer 24/7 access to our
eLearning platforms to all our
employees in 2020

Our Key
Numbers in 2020

12.42%

42

24/7



CONTRIBUTING
TO NATIONAL
GROWTH AND
LOCAL
COMMUNITY
DEVELOPMENT

NPCC CSR
FRAMEWORK

GRI 102-12, 18, 19, 20, 29, 103-1, 2, 3

NPCC's Sustainability Committee, led by our CEO, is responsible for the governance and implementation of NPCC's CSR framework. The committee is responsible for identifying, implementing, and measuring the impact of each social program, approves budgets and assigns resources as required.



NPCC Corporate Responsibility Framework

Key drivers

| | | |
|---|----------------|----------------------------------|
| United Nations' Sustainable Development Goals | Country vision | NPCC vision, mission, and values |
|---|----------------|----------------------------------|

Key drivers

| | | |
|-------------------|-------------------------|---------|
| National identity | Wellbeing | Charity |
| Education | Inclusion and diversity | |

Impact measurement

| | | |
|-----------------------------|------------------------|----------------------------|
| Society satisfaction survey | Stakeholder engagement | Monitoring and controlling |
|-----------------------------|------------------------|----------------------------|

Implementation mechanism

| | | |
|-----------------------|-------------------------------|---------------------------------|
| Employee contribution | Partnership and collaboration | Awareness and public engagement |
|-----------------------|-------------------------------|---------------------------------|

NPCC
CORPORATE
RESPONSIBILITY
FRAMEWORK

NPCC EMIRATIZATION & EDUCATION INVESTMENT

GRI 103-1, 2, 201-3, 404-2

Emiratization is a key objective for the nation and NPCC. We seek to promote national and socio-economic development through the creation of employment opportunities. We do this through investing in local talent and dedicating significant resources to training and capacity building programs.

The percentage of UAE nationals in the workforce has increased steadily from 2018 to 2020. The percentage of locals employed by NPCC rose from 10.7% in 2019 to 12.4% in 2020.

.Our aim is to attract Emiratis by offering attractive workplaces, employment policies and by investing in local talent at the company and university level.

NPCC has progressive policies in place to assist employees to maintain a healthy work-life balance. These include retirement provision for all UAE Nationals (male and female) with corporate pension contributions. We provide a child allowance for UAE Nationals and provide scholarship allowances for UAE Nationals that wish to pursue higher education opportunities. This scheme offers flexible working hours to accommodate their study schedule. We also aim to increase the number of female UAE national employees, and have policies in place that focus on flexibility. These include the ability to amend contracts to reduce working hours; maternity leave of 45 days for new mothers, and additional custody leave of 15 days for new mothers when their child is between birth and two years old. After their return to work, mothers are entitled to a one hour nursing break for a period of eighteen months.

NPCC also enable escorted leave for Emirati women to accompany their children to undergo medical treatment or surgery within the UAE. Al Uddah leave is also granted with full pay for four months and 10 days to widowed Muslim female employees who request it.

The career development of UAE Nationals is a priority area for NPCC. We provide

programs designed to equip UAE Nationals with the skills and capacity to realise their potential, and to train them for senior roles. These initiatives aim to develop Emiratis across all levels and train them to reach higher levels of management within the organization. These programs include:

- **The Tamkeen Program.** This program is focussed on the mentoring of newly graduated Emirati recruits. It provides a pathway for their growth and development within the organization. The program is monitored by a committee of 21 delegates. Candidates are assessed every six months to ensure that they are actively progressing in their career.
- **The Tawteer talent management program** is aimed at mid-level Emiratis. The objective of this program is to build critical managerial skills to take on senior leadership roles. In 2020, 27 candidates were enrolled in the Tawteer program.
- **The Qiyada program** has been developed in co-ordination with Harvard Business School. Employees identified as potential senior managers are brought onto the program to assist them in developing the requisite skill set and prepare them for future roles and opportunities. In 2020, 40 candidates were trained under the Qiyada program.

NPCC believe in investing in young local talent. We do this through our scholarships and outreach programs offered to students attending schools and universities. These programs also provide NPCC with a platform to communicate the range of career opportunities, core values and ethics of the company. In 2020, NPCC participated in the Annual Tawdheef Career Fair. However, the COVID-19 pandemic curtailed our participation. This resulted in career fairs, field visits, school visits and outreach programs being cancelled for the remainder of 2020. The COVID-19 pandemic presented NPCC with an opportunity to develop and deliver a virtual student internship program. This virtual program was attended by 42 students.

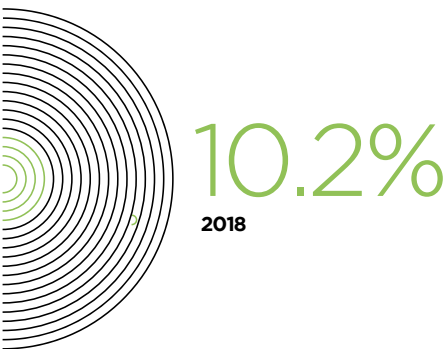
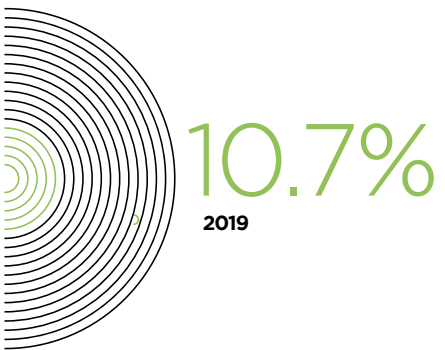
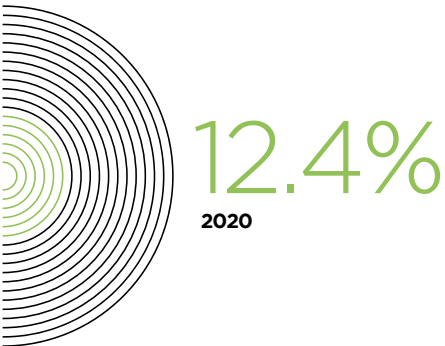


| Student Sponsorship | 2018 | 2019 | 2020 |
|---------------------|------|------|------|
|---------------------|------|------|------|

| | | | |
|---------------------|---|---|---|
| Student Sponsorship | 9 | 3 | 0 |
|---------------------|---|---|---|

| | | | |
|--------------------|----|----|----|
| Student Internship | 21 | 49 | 42 |
|--------------------|----|----|----|

% of Locals in the total workforce



| GRI 405-1: Diversity of governance bodies and employees | 2018 | 2019 | 2020 |
|---|------|------|------|
|---|------|------|------|

| | | | |
|------------------|-----|-----|-----|
| Number of locals | 297 | 318 | 318 |
|------------------|-----|-----|-----|

| | | | |
|-----------------------|-------|-------|-------|
| Number of expatriates | 2,610 | 2,641 | 2,249 |
|-----------------------|-------|-------|-------|

THE COMMUNITY AT OUR CORE

GRI 103-1, 2, 201-3, 404-2

NPCC COMMUNITY INVESTMENT

GRI 103-1, 2, 413-1

We aim to be an integral member of the community in which we operate, achieved through targeted social investments that measurably impact the quality of life of the local community in the UAE. NPCC operate programs in local communities, sponsoring events and donating to different charitable causes. Our partnerships and investments in health, education and economic development advance progress and strengthen communities. This activity supports the advancement of the UAE Vision 2021.

Our main areas of CSR focus are:

- **Charity;**
- **Well-being;**
- **Inclusion and Diversity;**
- **National Identity; and**
- **Education.**

Activities conducted under these NPCC focal CSR themes include:

Charity

- **Meer Ramadan:** This is a program that distributes food to those families most in need. This program has a close association with Emirates Red Crescent.
- **Kiswat Eid:** This is a program that distributes "Eidiyy" for those families most in need and to wider members of society. This program also has a close association with Emirates Red Crescent.

Well-being

- **Blood Donation Campaigns:** We organise and run two blood donation campaigns a year for our NPCC employees. This program is conducted in co-ordination with the UAE Blood Bank.
- **COVID-19 Safety Campaign:** This program was developed to ensure the health and safety of our employees, contractors, customers and suppliers.



Their safety and well-being is our first and overriding priority. This program was delivered whilst maintaining business continuity. It ensured that the business could continue to operate safely and manage the changes in the workplace. The work of this program included the re-mapping of activities at our operational sites and main office, including providing social distancing and frequent PCR testing. The program enhanced employee awareness of COVID-19 safety protocols. We also introduced working from home to reduce the numbers of people in the workplace.

- **Hand Safety Campaign:** This campaign was jointly delivered by NPCC and ARAMCO to enhance employee awareness to risks associated with hand injury in the construction side of our operations.
- **Heat Stress Campaign:** To enhance employee's awareness of the risks associated with heat stress in our construction business.
- **Environmental Greener NPCC:** This program focusses on the implementation of conservation initiatives to reduce energy consumption and to achieve water savings. This program has a KPI of achieving a total of 30% reduction by year 2025.
- **Earth Hour:** This global initiative is aimed at enhancing our employee's awareness of the threats posed by the growing issue of climate change. It does this by asking everyone to make a concerted effort to switch-off lights and electronic appliances for an hour on a designated day, once a year.
- **Waste Management:** This program supports our strategy to improve the sustainability of our operations and assess the risks and opportunities of climate change across the business. This program ensures we introduce recycling and waste management protocols where they are required.
- **Beach Cleaning Campaign:** This program aims to enhance our employee's awareness to the growing threat of waste within the natural environment. Activity is focussed on our employees conducting beach cleaning.

Inclusion and Diversity

NPCC believe that a diverse workplace brings a wide range of benefits to our business. These benefits include improved business decision-making, development of a wider range of skills, and fostering innovation. These benefits ultimately deliver better solutions for our customers. Year-on-year we strive to improve our recruitment and retention strategies to further support gender diversity and equity in our workplace.

National Identity:

- **Tamkeen:** This program supports graduates to develop skills and experience in their chosen discipline so that they can achieve professional competence. Ultimately, this program enables them to pursue senior roles within the organization..

Education:

- **Internship:** This program enables university and college students access to practical knowledge of the oil and gas industry. This comprehensive internship program is open to both nationals and expats and equips students with job-specific skills in advanced engineering and fabrication as well as other disciplines.
- **E-learning:** The E-Learning program has been developed to complement our regular training program. It provides a 24/7 online system that can be accessed from anywhere and at any time.

Corporate social responsibility is a focus area for NPCC and is an integral part of our culture. Our employees regularly volunteer their time and skills to support our various initiatives. In 2020, our employees participated in a wide range of events that included Meer Ramadan and Kiswat Al Eid. They did this as individuals and in a corporate capacity.

We regularly donate to charities and hospitals. We participate in blood donation initiatives and promote health talks as part of the company's commitment to employee wellbeing. The company also operates an active Emiratization program. We have established aMemorandum of Understanding (MoU) with Abu Dhabi University to provide sponsorships, work placements, and recruitment opportunities for their Emirati students. NPCC are seeking to establish further agreements with UAE Universities such as the Khalifah University for Engineering Research projects.

Our CSR impact is measured every two years through our Society Satisfaction Survey. The results of this survey provide NPCC with benchmark analysis and results. The last survey conducted in 2018 produced positive results and validation of NPCC's impact within the community. This positive impact exceeded expectations and endorsed our CRS approach. Our CSR impact is measured every two years. NPCC have developed a Society Satisfaction Survey which reports our performance and informs our strategy. The findings from the last survey in 2018 provided positive testimony and results. The results of this survey reinforces our CSR approach and highlights our positive impact to society.

NURTURING A HIGH PERFORMING AND MOTIVATED WORKFORCE

GRI 103-1, 2, 201-3, 404-2

TRAINING AND DEVELOPMENT

GRI 103-1, 2, 404-1, 2

NPCC is committed to the training and further development of its employees. We recognize the importance of a high performing and skilled workforce that is committed to organizational excellence. To advance this, NPCC have developed a three-pronged approach to our training and development of employees.

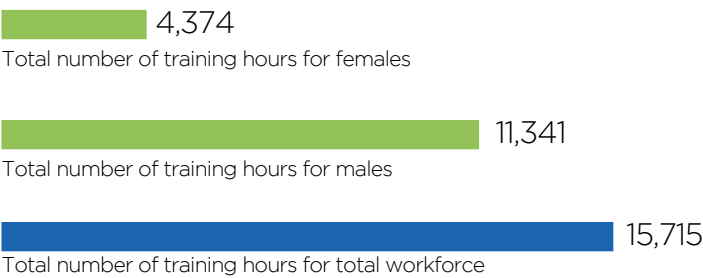
1. **We target talented high-flyers to improve their knowledge;**
2. **We share joint efforts with universities and training centers to provide up-to-date training; and**
3. **We actively promote a culture of self-learning through on-the-job training and via our E-learning platform.**

Informing this approach are our annual performance reviews which are conducted for the entire workforce. This enables our employees to identify areas for improvement as well as provide valuable feedback on our management systems. This process identifies and ensures overall improvements in our operational efficiency.

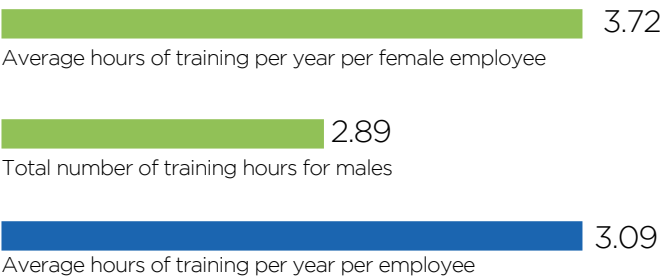
AED
302.59

AVERAGE COST OF TRAINING PER INDIVIDUAL

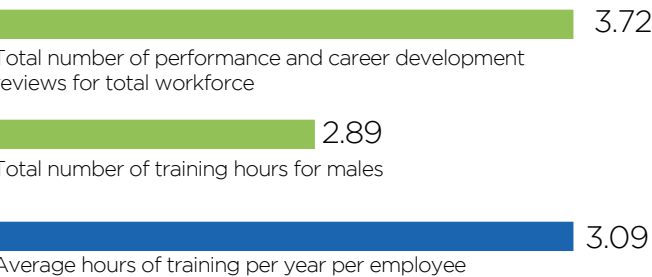
Training hours



Average Training hours



Average Training hours



SAFETY FIRST

HEALTH, SAFETY AND ENVIRONMENT (HSE)

GRI 103-1, 2, 403-1, 2, 3, 4, 6, 7

At NPCC, a strong commitment to safety is an integral part of all our company operations and activities. Safe and responsible operations are essential for our license to operate and an enabler of long-term value creation.

We have set clear targets for continuous improvement of our safety record. We adhere to an Environmental Management System manual which is compliant with the ISO 14001:2015 standard requirements. This manual is used by employees as a primary form of reference when performing their duties.

OHASA 18001 is an International Standard for Occupational Health and Safety Management Systems. This important



standard provides NPCC with an effective framework for the management of OH&S including aspects of risk management and legal compliance.

Across all our operations, our aim is to meet our goals efficiently while complying with regulatory requirements, including Federal, EAD, and CWM legislations. We ensure all employees and sub-contractors are aware and familiar with our HSE policy.

NPCC believes environmental harm can be prevented and controlled through good management. We promote and ensure an active HSE culture across the company. This is supported by our HSE awareness and training sessions, which are held in dedicated HSE training centers.

POLICY ON OCCUPATIONAL HEALTH, SAFETY AND ENVIRONMENT

The National Petroleum Construction Company (NPCC) maintains Health, Safety & Environment (HSE) as a core value in the prevention of injury, ill health and protection of the environment. NPCC provides support on HSE matters as they relate to our business activities. Safeguarding these primary values is an intrinsic part of NPCC corporate culture when carrying out all Company activities with 100% HSE as our ultimate goal. We believe that incidents are preventable and injuries are not acceptable. In practice, this means adopting and maintaining an Integrated Occupational Health, Safety and Environment Management System, with a firm commitment to:

- Comply with applicable Laws & Regulations and apply internationally recognized standards where local laws and regulations do not exist.
- Ensure all levels of management and staff understand through effective communication means their HSE responsibilities and accountability for working safely and complying with NPCC rules and regulations.
- Actively engage the workforce by conducting visible site leadership visits to assess effectiveness of the HSE Management Systems and reiterate safety expectations.
- Ensure HSE matters will not be compromised to achieve other business objectives.
- Ensure that all NPCC staff and subcontractor personnel are adequately trained in performing their HSE responsibilities, in line with the necessary international standards (i.e. OPIPTO, NEBOSH, IOSH, etc.).
- Ensure individuals' acceptance of their HSE responsibilities for protecting themselves, their co-workers, visitors and members of the public who may be affected by their activities.
- Ensure that risk assessments of new and existing facilities as well as non-routine operations are conducted and that proper controls and mitigation measures are applied to render risks to acceptable levels or as low as reasonably practicable.
- Focus on environmental concerns by ensuring that the environmental impacts are minimized through the prevention of pollution, emission, discharges and reduction of wastes, as well as, rationalization of economical consumption of materials and resources on all work sites.
- Ensure Emergency Response and Crisis Management Plans are developed and maintained in coordination, where necessary, with local authorities.
- Ensure subcontractors are committed to health, safety and protection of the environment to an equal standard of that implemented by NPCC.
- Continually improve HSE performance by conducting regular performance reviews and setting clear and measurable objectives/targets.
- Empower employees and subcontractor employees to start work only when conditions are safe and to stop working when it is unsafe.
- Promote and encourage transparent reporting of incidents, near misses and observations, support investigation and identification of root causes and steward the effective implementation of preventive actions and dissemination of lessons learnt.

NPCC promotes the dissemination of this policy concept among its staff, subcontractors, suppliers and customers. NPCC upholds its commitment to further development by continually improving the effectiveness of our HSE programs through setting and reviewing objectives and communicating performance metrics to our clients, personnel and other concerned parties.

This policy will be the constant point of reference and will be documented, implemented and periodically reviewed to remain relevant and appropriate.

سياسة الصحة والسلامة والبيئة

تتبنى شركة البترولات الوطنية نظام الصحة والسلامة والبيئة كقيمة أساسية لحماية موظفيها من الأمراض المهنية ومن أجل حماية البيئة في إطار سعيها الدائم لمواكبة المعايير المتبعة في هذا المجال محلياً ودولياً. وعلى هذا الأساس تقوم الشركة بتوفير الدعم المطلوب كما تصبو للتطبيق الكامل للممارسات والنظم في مجال الصحة والسلامة وحماية البيئة خلال تنفيذ أعمالها. هذا وتؤمن الشركة بإمكانية تفادي كل الحوادث وعدم قبول الإصابات الناتجة عن العمل. إن هذا الالتزام ليس فقط لحماية موظفيها وممتلكاتها والمتعاملين معها أو المتأثرين من جراء عملياتها فحسب بل للحفاظ على البيئة في كافة أعمالها ومناطق عملياتها. إن الشركة تلتزم:

- تطبيق كافة القوانين والتشريعات المحلية ذات الصلة بالإضافة إلى القيام بتطبيق النظم الدولية المعترف بها في حال غياب القوانين والتشريعات المحلية.
- التأكد من خلال التواصل الفعال أن موظفي الشركة على كافة مستوياتهم مؤهلين و مدركين لمسؤولياتهم في تطبيق سياسة الصحة و السلامة و حماية البيئة.
- إشراك العمال بشكل فعال من خلال زيارات ميدانية للقيادات رفيعة المستوى لتقييم فعالية نظم إدارة الصحة والسلامة وحماية البيئة وتحقيق أهدافها المنشودة.
- التعامل مع شؤون الصحة والسلامة وحماية البيئة بنفس القدر من الاهتمام والأولوية التي توليها الشركة لانشاطاتها الرئيسية الأخرى والتحقق من فاعلية الأهداف الموضوعة في مجال الصحة والسلامة وحماية البيئة ومتابعتها.
- تدريب وتطوير جميع الموظفين والعمال لزيادة كفاءة وسلامة العمل والعمال من خلال تنفيذ برامج تدريب دورية وذلك تماشيًا مع المعايير الدولية للزمرة، مثل OPIPTO, NEBOSH, IOSH.
- التركيز على المسؤولية الشخصية للأفراد في حماية أنفسهم وزملائهم والزوار وأفراد المجتمع من المخاطر التي قد تنشأ من جراء أنشطتهم عن طريق القيام بدراسة وتقييم الأخطار المحتملة قبل وأثناء تنفيذ عملياتها ووضع الحلول الوقائية اللازمة.
- التركيز على حماية البيئة والتقليل من مخاطرها وتنفيذ كافة عملياتها بشكل عملي معقول عن طريق تقليل النفايات وترشيد استهلاك موارد الطاقة وغيرها من الموارد المؤثرة على البيئة بشكل عام والحرص على تفادي الانبعاثات الصادرة مثل الغبار والأدخنة والغازات والمواد الضارة الأخرى بمختلف أشكالها.
- القيام بمراجعة وتطوير خطط مواجهة الأزمات والكوارث بالتنسيق والتعاون مع الشركات العاملة الأخرى والسلطات المحلية إذا اقتضى الأمر.
- التأكد من أن مقاولي الباطن ملتزمون التزاماً تاماً بأسس وإجراءات الصحة والسلامة وحماية البيئة الموضوعة من قبل الشركة.
- إدخال تحسينات مستمرة على الأداء في مجال الصحة و السلامة و حماية البيئة من خلال إجراء عمليات مراجعة دورية للأداء وكذلك وضع أهداف واضحة وقابلة للقياس.
- إعطاء الموظفين وموظفي مقاولي الباطن الحق ببدء العمل فقط بعد التأكد من سلامة ظروف العمل المحيطة به والتوقف عنه في حالة الخطر.
- تشجيع الإبلاغ عن الحوادث ودعم التحقيقات المتعلقة بها والعمل على تنفيذ الإجراءات الوقائية ونشر وتعميم الدروس المستفادة.

تسعى الشركة جاهدة لنشر وتعزيز الوعي بهذه السياسة لدى موظفيها والمقاولين العاملين معها وعمالها الكرام. كما أن هذه الوثيقة متوفرة لمن يرغب بالإطلاع عليها. و تلتزم الشركة بالتطوير والتحسين المستمر لفعاليتها برامج الصحة والسلامة وحماية البيئة من خلال مراجعة أهداف ومقاييس الأداء ومن خلال التواصل الدائم مع عملائنا، والموظفين والجهات المعنية

إن هذه الوثيقة تعتبر المرجع الأساس للشركة لشؤون الصحة والسلامة وحماية البيئة وسيتم تطبيقها ومراجعتها وإدخال التعديلات اللازمة عليها متى إقتضت الضرورة ذلك

AHMED AL DHAHERI
Chief Executive Officer



أحمد الظاهري
الرئيس التنفيذي

أبوظبي، فبراير 2018 Abu Dhabi, February 2018

INITIATIVES PLANNED FOR 2021

GRI 102-27, 103-1, 2, 403-4

NPCC have a number of initiatives planned for 2021. These include:

1. **'High Profile Tours'** These are planned tours by our senior management. The purpose of these tours is to demonstrate our senior management commitment and involvement to employee health, safety and environment. It is hoped that this will enhance and contribute to the overall safety culture of the organization amongst our employees.
1. **A new initiative titled 'Area Safety Competition'** is planned for 2021. The aim of this initiative is to improve performance on process safety and will focus on 10 different teams comprising of managers, engineers, supervisors, and HSE Personnel. These teams are assigned to perform HSE Inspections on 10 different general areas or projects as per the ASA (Area Safety Award) Inspection Schedule. Each area will be inspected twice a month by two different teams at different time frames to develop an objective evaluation. The findings and observations raised during the inspection shall be documented and scored. If required, necessary corrective actions will be undertaken. The area achieving the highest score will be rewarded by our senior management.
1. **A number of HSE campaigns are planned throughout 2021** to raise employee awareness around NPCC safety situations, workplace hazards and risks.
1. **2021 will see the implementation of life saving rules to raise awareness of 10 critical lifesaving activities.** This will include detailed HSE training for many related trades such as Joinery.



TRAINING AND DEVELOPMENT

GRI 103-1, 2, 3

The Human Capital Department implemented a competency framework in 2020.

This project is an integral part of many HR functions such as performance management, employee development, identification of future leaders, and talent acquisition. A specialised consultant was hired to build the competency framework and workshops were conducted to educate the employees about the same. The following steps were taken in order to implement the framework:

1. Human Capital (HC) worked with Information Technology to create the competency framework reference table. This table captures the different types of competencies and their levels for the different title disciplines;
2. Mapping of the job titles to the job competency profiles for the different disciplines;
3. Introducing a 4-point scale rating to evaluate the competencies; and
4. Providing a review facility to allow the employees, assessors or HC to initiate a review assessment at any point of time during the year to check the progress against objectives and competencies.

The implementation of the competency framework has enabled HC to assess the employee performance against job competencies. This has allowed Learning and Development (L&D) to easily identify the development plan for the employee based on the appraisal assessment. Other HC processes such as recruitment will be modified in the future to become a competency-based process. HC is planning to extend the framework to include assessment of Contractors. The development and application of the competency framework has led to additional improvement projects in Human Capital. These include:

1. An overhaul of our Performance Management;
2. The introduction of the career frameworks;
3. Introduction of succession planning; and
4. Clear Training Needs identification and solutions.



The competency framework will be regularly updated triggered by company strategy and workforce management. This will include the best competencies to ensure the success of NPCC in a dynamic market. There is a plan to link the Performance Management System with the Strategy System (INJAZ) in order to align corporate objectives with employee objectives.

Succession Planning is crucial for an organization's long-term capability building. We successfully implemented the first stage of our succession planning project in NPCC through the following steps:

1. **Mapping of principal positions.** We identified and targeted all the major roles (operational, support, SME's) which would be covered in this exercise.
2. **Assessment of criticality.** Based on Step 1 we prioritized development efforts on the basis of criticality. This included establishing the timeframes which were required for the future successor planning. We have developed our own tool that objectively calculates the criticality based on multiple factors.
3. **Assessment of the talent pool.** We conducted assessments to understand the key skills and competencies required for every position. Assessments covered incumbents and successors of identified positions using tools and platforms like MBTI, HOGAN, and PMI for psychometric evaluations. For high impact positions we offer complete assessment centers that

measure the applicability of those skills and competencies in real life.

4. **Build development plans.** Development plans were created that identify a variety of different training approaches, these include classical, on the job, shadowing, coaching, mentoring, and MBA's if they are required or supported.
5. **Sustainability.** This is achieved by integrating the succession planning into the hiring strategy. Once employees are identified, successors take note of any talent gaps they would leave behind and focus on the future recruiting efforts.

We now have a clear succession line for 90 critical positions across the L1, L2 and L3 ranks, with very clearly defined development needs and readiness timelines for the identified successors. We are currently working to extend the level of the succession planning framework to include other positions across other ranks of the organization. NPCC is aiming to double the number of positions that are part of the plan and extend the readiness level of the successors to include 5 to 7 years development plans.

"The key to the future of any organization is to grow the people within them, and this is what succession planning is all about!"

Robert Musat – L&D Specialist

EMPOWERING AND ENGAGING EMPLOYEES

DIVERSITY

GRI 102-8, 103-1, 2, 3, 405-1

NPCC encourages diversity and inclusion at all levels. We believe that a diverse and healthy workforce forms the foundation from which to achieve operational excellence. NPCC considers all qualified candidates for employment without discrimination against race, gender or age.

The percentage of females in the total workforce, as well in each individual age group category and employment level (apart from middle management), has consistently increased in recent years.

| Headcount | 2018 | | | 2019 | | | 2020 | | |
|--------------|--------|-------|-------|--------|-------|-------|--------|-------|-------|
| Age / Gender | Female | Male | Total | Female | Male | Total | Female | Male | Total |
| <30 | 76 | 152 | 228 | 73 | 117 | 190 | 63 | 76 | 139 |
| 30-40 | 48 | 971 | 1019 | 59 | 974 | 1033 | 55 | 812 | 867 |
| 40-50 | 20 | 862 | 882 | 21 | 902 | 923 | 26 | 871 | 897 |
| 50-60 | 7 | 635 | 642 | 9 | 646 | 655 | 8 | 595 | 603 |
| >60 | | 136 | 136 | | 158 | 158 | | 61 | 61 |
| Total | 151 | 2,756 | 2,907 | 162 | 2,797 | 2,959 | 152 | 2,415 | 2,567 |



| Headcount | 2018 | | | 2019 | | | 2020 | | |
|--------------------|--------|-------|-------|--------|-------|-------|---------|-------|-------|
| Category / Gender | Female | Male | Total | Female | Male | Total | Fe-male | Male | Total |
| Senior Man-agement | 0 | 27 | 27 | 0 | 28 | 28 | 0 | 25 | 25 |
| Middle Man-agement | 3 | 162 | 165 | 5 | 169 | 174 | 4 | 158 | 162 |
| Staff | 148 | 2,567 | 2,715 | 157 | 2,600 | 2,757 | 148 | 2,232 | 2,380 |
| Total | 151 | 2,756 | 2,907 | 162 | 2,797 | 2,959 | 152 | 2,415 | 2,567 |

Percentage of Female Employees of Total Employees

5.9%

2020

5.5%

2019

5.9%

2018

Percentage of Female Employees in Management

2.5%

2020

2.9%

2019

1.8%

2018

A CAREER WITH NPCC

GRI 103-1, 401-1

The total number of new hires is down significantly in 2020, in comparison to 2019, owing to the uncertainty of the market situation due to the COVID-19 pandemic. As a result the total number of new employees joining NPCC in 2020 fell by 84%.

| GRI 401-1: Total number and rates of new employee hires and employee turnover by age group, gender, and region | 2018 | 2019 | 2020 |
|--|------|------|------|
| Total number of new employees who joined the organization | 208 | 271 | 43 |
| Total number of new employees who joined the organization (female) | 25 | 17 | 4 |
| Total number of new employees who joined the organization (male) | 183 | 254 | 39 |
| Total number of new employees who joined the organization (18-30) | 49 | 42 | 3 |
| Total number of new employees who joined the organization (31-40) | 90 | 137 | 19 |
| Total number of new employees who joined the organization (41-50) | 60 | 70 | 15 |
| Total number of new employees who joined the organization (51-60) | 9 | 19 | 5 |
| Total number of new employees who joined the organization (60+) | 0 | 0 | 1 |

BENEFITS

GRI 103-1, 2, 401-3

The company acknowledges that a healthy and satisfied workforce is crucial for business success and our ability to add value in challenging times. In line with the same building an attractive and supportive work environment is a priority for NPCC and to that end, we offer a range of benefits to keep employees motivated and engaged. Some of these benefits include:

| |
|---|
| Yearly Achievement Bonus (Expatriates); |
| Yearly Achievement Bonus (UAE Nationals); |
| Income Tax; |
| Camp Status (Expatriates); |
| Camp Accommodation (UAE Nationals); |
| Advance on Accommodation Allowance; |
| Car Purchase Loan (Expatriates); |
| Car Purchase Loan (UAE Nationals); |
| Family Subsidy; |
| Educational Assistance (UAE Nationals); |
| Medical Care; |
| Medical Insurance; |
| Workmen's Compensation Insurance; |
| Personal Accident Insurance; |
| End of Service (Expatriates); |
| Temporary Benefits (UAE Nationals); |
| Pension (UAE Nationals); |
| Long Service Award; |
| Excess Baggage (Expatriates); |
| Medical Compensation (Expatriates); |
| Overtime; |
| Married Status Contractual Change; and |
| Group Life insurance. |

| GRI 401-3: Parental leave | 2018 | 2019 | 2020 |
|---|------|------|------|
| Total Employees Entitled to Parental Leave | 2621 | 2715 | 2567 |
| Total Employees That Took Parental Leave | 52 | 76 | 71 |
| Total Employees Returning to Work After Parental Leave Ended | 52 | 76 | 71 |
| Total Employees Returning to Work After Parental Leave Ended and Were Still Employed 12 Months After Their Return | 51 | 75 | 70 |
| Total Number of Male Employees That Took Parental Leave | 37 | 61 | 56 |

Total Number of Male Employees That Took Parental Leave

37

2020

61

2019

56

2018

ALLOWANCES

GRI 103-1, 2, 401-3

NPCC offers a range of compensatory benefits and allowances to support the financial stability of employees. These benefits include:

| |
|---|
| Yearly achievement bonus for employees (grade 7 and above, grade 11 and above); |
| Salaries of employees are payable free from income tax that may be applicable in the country of employment; |
| Medical compensation in case of employee's termination of employment as a result of serious illness, as a benefit to those not covered under the life insurance scheme provided by the insurance company; |
| Accommodation allowance paid on a monthly basis. Employees may choose to receive the allowance semi-annually, and in advance; |
| Housing allowance provided for monthly employees, which can be taken three months in advance; |
| Educational allowances for children of UAE Nationals; |
| Family subsidiaries to support expats with their children's education; |
| Monthly supplemental allowance for employees at grade four and above to compensate for general living expenses; |
| Transportation where private vehicles are required for company purposes; |
| Monthly job allowance to raise employees' total pay packages to competitive market levels; |
| Social allowance paid in accordance with the applicable UAE federal law; |
| Remote area allowance, when an employee is required to work and reside in an extremely isolated location or endure physical hardship for the duration of those conditions; |
| Offshore allowance for eligible employees to compensate for the hardship of working conditions; |
| Special qualification allowance for monthly QC inspectors, NDT operators, and NDT technicians; |
| Monthly telephone allowance for all eligible employees. This compensates workers for the cost of phone calls associated with undertaking work related assignments; |
| Acting assignment allowance for employees in some diving crew categories, when required to continue working in the absence of a replacement; and |
| Generous contribution to cover all expenses associated with sending number of select employees annually to perform Umrah. Due to the COVID-19 pandemic, this was not executed during 2020. . |
| End of service compensation. |

PROVIDING A PLATFORM FOR EMPLOYEES TO ENGAGE AND FOR MANAGEMENT TO LISTEN

CUSTOMER ENGAGEMENT

GRI 102-43, 103-1, 2, 3

As a leading EPC company in the Middle East and North Africa, we seek to build and sustain our reputation by continuing to provide high quality products and services, and t maintain the trust and respect of our enviable customer base. NPCC uses stakeholder monitoring and analysis to improve its operational management and performance, and to better meet customer needs.

We use expert surveys to engage and obtain feedback from customers, collecting both quantitative and qualitative feedback on segmented criteria. This feedback is then communicated to the relevant departments within NPCC. This process helps determine the level of satisfaction of our customers. This in turn helps us to analyse the effectiveness, efficiency, and sustainability of the processes deployed in the project's execution. In 2020, no clients raised material claims or litigation against NPCC. This is due primarily to the appropriate policies and procedures being in place to ensure our customer satisfaction. .Client Satisfaction Index



Overall Client Satisfaction Levels

8.30

2020

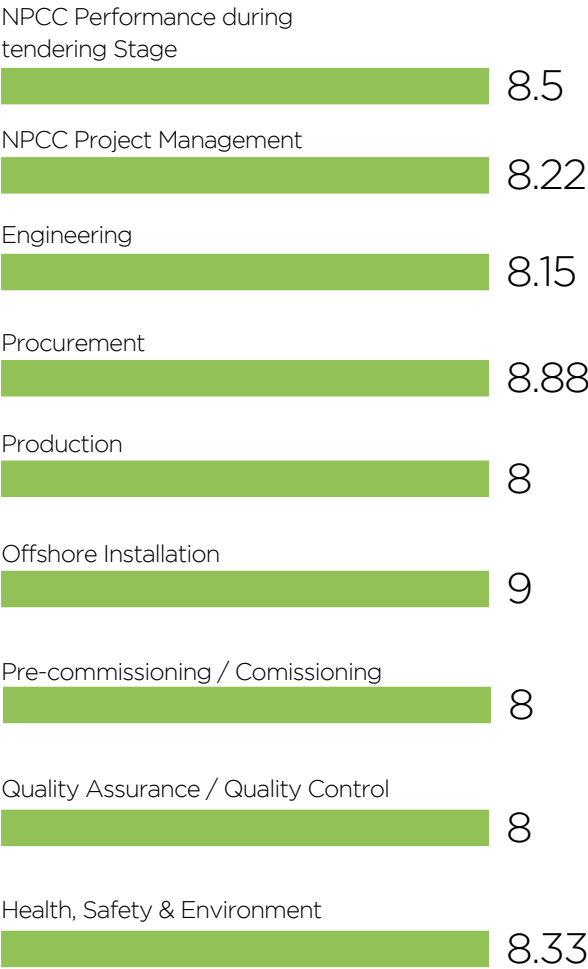
8.39

2019

8.29

2018


Client Satisfaction Levels by Category in 2020



ENGAGEMENT THROUGH SOCIAL MEDIA

GRI 102-43, 103-1, 2, 3

NPCC aims to build stronger relationships with our stakeholders. One of the ways which we will achieve this is through social media channels such as Twitter, Facebook and Instagram. In using these platforms, NPCC will be able to maintain a regular dialogue with our stakeholders, as well understand their needs and expectations from the company through this two-way communication channel.

 @NPCC_UAE

 @NPCC_UAE

 @NPCC



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