



SUSTAINABILITY REPORT **2024**

**ONE GROUP, ONE VISION:
BUILDING SUSTAINABLE VALUE TOGETHER**



SUSTAINABILITY ACROSS OUR CAPITALS

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

SUSTAINABILITY APPROACH

NMDC Group is dedicated to responsible stewardship, positioning sustainability as a core element of our business model. Our strategic focus aims not only to achieve operational excellence but also to drive long-term value creation that benefits all stakeholders. Aligned with the Abu Dhabi Vision 2030 and committed to supporting national Net Zero goals, we integrate ESG principles across our operations, enhancing our role in the MENA region’s environmental, social, and economic resilience. Guided by our vision, mission, and values, NMDC Group enables the energy transition, prioritizes safety and social responsibility, and upholds responsible business practices.

EMBEDDING ESG INTO OUR OPERATIONS

NMDC Group’s approach to ESG is both holistic and integrative, embedding sustainability across our projects and decision-making processes. In 2024, the Group undertook a six-month sustainability program that engaged all business units and required cross-departmental collaboration and extensive stakeholder engagement. Central to this effort was a comprehensive review of NMDC Group’s ESG materiality, ensuring that our focus on environmental, social, and governance topics and management of associated risks remains relevant, future-oriented, and supportive of sustained positive impact. The materiality assessment resulted in identifying 11 material topics across environmental, social, and governance matters.

The program culminated in the development of NMDC Group’s sustainability framework, founded on a shared vision of sustainable growth and progress. This framework is structured around five key pillars, comprising eight core objectives and 25 initiatives across the Group, designed to enhance ESG impact while complementing the Group’s corporate strategy and strengthening the management of both traditional and emerging ESG-related risks.

MSCI’s provisional AA ESG rating of NMDC Group is a testament of our ongoing efforts to integrate sustainability into our operations. MSCI ESG Ratings measure a company’s resilience to long-term, financially relevant ESG risks by evaluating a company’s exposure to and management of such risks, placing NMDC Group as “Leader” in that regard for the Engineering & Construction industry. The Group aims to further its leadership in sustainability and is working towards achieving an AAA rating.



Commitment to Climate Action and Biodiversity

NMDC Group is actively addressing the global climate crisis by investing in carbon capture, storage, and renewable energy projects. We continue to engage in carbon capture and storage initiatives and adapt our infrastructure to reduce environmental impacts, enhance climate resilience, and meet green standards. Our efforts toward biodiversity preservation are ongoing. We work to protect natural habitats and minimize wildlife disturbance through projects like the Habitat Compensation Island and other biodiversity initiatives, including the planting of 350,000 mangrove seedlings to support coastal ecosystems.

Sustainable Waste Management

In line with responsible waste management, NMDC Group aims to minimize the environmental footprint of its operations. By implementing project-specific waste management plans, investing in waste reduction systems, and providing extensive training for our teams, we manage waste sustainably and support circular economies wherever feasible.

STRATEGIC INITIATIVES AND VERTICAL EXPANSION

Aligned with our goals to enable the energy transition and support renewable energy growth, NMDC Group is pursuing vertical expansion and strategic initiatives to broaden our impact in various sectors, including:

Renewable Energy and Offshore Wind

Recognizing the potential of renewable energy, NMDC Group has strategically expanded capabilities in offshore wind, marked by the acquisition of a Dynamic Positioning (DP) vessel for offshore wind projects. This move is set to propel annual revenue beyond AED 1 billion, reinforcing our position as a leader in the renewable energy sector. We also plan to enter international markets for subsea rock installation, targeting offshore wind, rigs, breakwaters, and subsea pipeline protection.

Energy Transition and NT Energies

Our involvement in NT Energies, a joint venture created by Technip Energies and NMDC Energy, represents a strategic approach to the energy transition, particularly as market opportunities within the Gulf Cooperation Council (GCC) are projected to exceed AED 50 billion over the next five years. This partnership is positioned to strengthen NMDC Group’s financial outlook and contribute significantly to clean energy progress in the region.

Decommissioning Sector

NMDC Group’s energy division is exploring entry into the decommissioning sector. By either building in-house capabilities or pursuing acquisitions, we aim to support the sector’s evolving needs and align with environmental considerations in asset lifecycle management and safe dismantling practices.

NMDC Energy is actively advancing its presence in the renewable energy sector, with a strong focus on offshore wind. As part of NMDC Group’s broader sustainability efforts, the company has already taken significant steps to reduce environmental impact. This includes a partnership with Byrne Equipment Rental to implement solar energy systems at the Sir Bani Yas Island residential camp, cutting CO₂ emissions by 475 tons annually and improving air quality for workers.

Building on this momentum, NMDC Energy is playing a key role in the development, construction, and maintenance of offshore wind farms, including Taiwan’s Yunlin Offshore Wind Farm. To further strengthen its capabilities, NMDC Energy is planning to expand its fleet with multiple Dynamic Positioning (DP) vessels specifically designed for offshore wind projects. These world-class vessels will enhance installation efficiency while minimizing environmental impact.

Additionally, NMDC Energy is in discussions with several of the world’s largest offshore wind developers to provide installation solutions that leverage these advanced vessels, offering both technical excellence and sustainable operations.

Beyond offshore wind, NMDC Energy is also developing carbon capture capabilities, where its core expertise can play a pivotal role in this evolving market. With carbon

capture activity increasing across the Middle East and Southeast Asia, NMDC Energy is well-positioned to support large-scale projects that contribute to global decarbonization efforts.

Further strengthening its position in sustainable infrastructure, NMDC Group signed a Memorandum of Understanding (MoU) with Vingroup in October 2024. This collaboration will focus on large-scale coastal protection, land reclamation, and offshore renewable energy projects in Vietnam—initiatives that will contribute to environmental resilience, economic growth, and job creation.

Through these initiatives, NMDC Energy is positioning itself as a key player in the energy transition, driving innovation and supporting the shift toward a more sustainable future.

SUSTAINABILITY GOVERNANCE

Underlining sustainability governance as a cornerstone of our approach, NMDC Group has implemented a robust governance structure to ensure the effective integration of ESG principles throughout the organization. The Sustainability & ESG Committee plays a pivotal role in shaping the company’s sustainability strategy and performance, while a dedicated Sustainability Task Force ensures the governance framework’s implementation across departments. This approach is further reinforced by designated Sustainability Champions in every department, who act as critical links between strategy and action.



Moving forward, NMDC Group aims to enhance its sustainability governance by establishing a clear governance structure with defined roles and responsibilities across all levels—from top executives to employees’ company-wide. The Group is also exploring the introduction of a dedicated Sustainability Team to sustain our efforts in driving impactful ESG performance.

STAKEHOLDER ENGAGEMENT

Collaboration with stakeholders is central to NMDC Group’s sustainability approach. We engage continuously with stakeholders, integrating their feedback into our strategic and operational decisions. This approach helps us meet evolving needs and reinforces our position as a trusted partner. Through this ongoing engagement, we create lasting value for all stakeholders, addressing critical issues and exploring opportunities that support mutual growth and resilience.

OUR STAKEHOLDER ENGAGEMENT MATRIX:

KEY STAKEHOLDER	METHODS OF ENGAGEMENT	KEY TOPICS OF DISCUSSION
CLIENTS	<ul style="list-style-type: none">• Performance evaluation surveys• Day-to-day interactions & meetings• Website• Marketing material (e.g., annual reports, sustainability reports, social media, etc.)• Exhibitions and conferences• Business Development efforts• Networking events	<ul style="list-style-type: none">• Client wellbeing• Privacy & security• Responsiveness to their requirements• Quality, safety, and cost• Business ethics• Company impact on the environment
SHAREHOLDERS	<ul style="list-style-type: none">• Annual general meeting• Periodic meetings• Corporate regulatory disclosures	<ul style="list-style-type: none">• Economic performance• Capital allocation• Successful strategy implementation• Business ethics• National employment• ESG issues• Environmental impact• Regulatory issues
BOD MEMBERS	<ul style="list-style-type: none">• BOD & related committees' meetings• Periodic meetings• Company events• Press releases	<ul style="list-style-type: none">• Economic performance• Business ethics• ESG performance• Emiratization• Successful strategy implementation• Capital allocation• Digital transformation
EMPLOYEES	<ul style="list-style-type: none">• Employee engagement surveys• Performance reviews• Internal communication• Company events• Succession planning & development• Policies & procedures• Exit interviews	<ul style="list-style-type: none">• Employee wellbeing• Business ethics• Diversity & inclusion• Health & safety• Training & development• Sustainable workplace• Compensation• Succession planning
COMMUNITY	<ul style="list-style-type: none">• Local initiatives and volunteering activities• Society surveys• Donations and sponsorship	<ul style="list-style-type: none">• Environmental impact• Community Wellbeing• Industry practices
GOVERNMENT ENTITIES	<ul style="list-style-type: none">• Direct engagement through on site licensing department• National development plans and programs• Audits• Press releases• Local forums	<ul style="list-style-type: none">• Environmental compliance• Alignment with national development plans & programs• Regulatory compliance• Labor practices• Transparency• Community wellbeing• National employment
SUPPLIERS & BUSINESS PARTNERS	<ul style="list-style-type: none">• Supplier code of conduct• Supplier assessment and audit• Regular meetings with key suppliers and subcontractors• In-Country Value Score• Supplier satisfaction survey	<ul style="list-style-type: none">• Procurement practices• Fair practice• Business ethics• Environmental impact• Terms and conditions• Cost negotiation
ESG RATING AGENCIES	<ul style="list-style-type: none">• Meetings• Indirect engagements through third party consultants• Website• Marketing material (e.g., annual reports, sustainability reports, social media, etc.)	<ul style="list-style-type: none">• Material ESG issues for construction & engineering companies

OUR MATERIAL TOPICS

At NMDC Group, our dedication to transparency and accountability forms the foundation of our stakeholder engagement strategy. Recognizing the significant impact that specific issues hold on both our stakeholders and our business operations, we have refined our approach to identifying and reporting on topics of material importance. This year, our materiality assessment has undergone a comprehensive update, aligning with best practices and industry standards from renowned frameworks like MSCI and the Sustainability Accounting Standards Board (SASB) part of the IFRS Foundation. These standards are tailored to aspects that are unique to the construction and engineering sector and value chain, in accordance with the Global Industry Classification Standard (GICS) and the Sustainable Industry Classification System (SICS).

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



NMDC GROUP TOPICS AND ALIGNMENT WITH GRI AND ADX

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



