



ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) POLICY

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1. DEFINITIONS

Term	Definition
Contractors	A person, organisation, their employees, or a nominated representative engaged to carry out work for EWEC in through a contract for service arrangement.
Employee(s)	Shall include any person who is employed by, for or on behalf of EWEC to work for EWEC, whether such person is permanent or temporary, full-time, or part-time.
ESG	Environmental, Social and Governance
EWEC Activities	Means activities and operations delivered directly by its Employees or Contractors. For the avoidance of doubt, this doesn't mean the Bulk supply of electricity or water.
EWEC or we (and derivatives)	Emirates Water and Electricity Company
EWEC's Board and Executive Management Team	Function leaders in EWEC that are part of the Executive Team level or higher as per the HC Policy
Risk	The uncertainty of an event occurring that could have a negative impact on the achievement of objectives.
Risk Management	Processes to identify, assess, manage and control potential events or situations, to provide reasonable assurance regarding the achievement of EWEC's objectives.
Stakeholders	A party (individual or an entity) that has an interest in EWEC and can either affect or be affected by EWEC's day-to-day business and/or activities.

2. INTRODUCTION

At Emirates Water and Electricity Company (EWEC), we recognise the importance of Environmental, Social, and Governance (ESG) principles in our operations. We are committed to promoting sustainable practices, minimising our environmental impact, fostering social responsibility, and upholding strong governance standards. This ESG policy statement reflects our commitment to incorporating ESG aspects into our business decisions and policies. It also seeks to align and contribute to both UAE and Abu Dhabi initiatives and policies.

2.1. PURPOSE OF THE POLICY

The purpose of the Environmental, Social, and Governance (ESG) Policy is to promote environmentally and socially responsible conduct by integrating ESG practices and processes and outlining ESG related risks within our operations. This policy is aligned with our mission to be a leader of change within the energy sector, supporting the UAE government and vision, driving the economy, and advancing sustainable, efficient water and power supply in Abu Dhabi and across the UAE. We will regularly review and update our policy to align with evolving best practices and regulatory requirements in pursuit of a sustainable future.

2.2. SCOPE OF THE POLICY

This policy is applicable to all employees of EWEC, across all activities and operations. Additionally, all contractors, subcontractors, and individuals acting in any capacity for or on behalf of EWEC must adhere to the ESG policy. All suppliers in EWEC's supply chain are also required to comply with the principles of this policy through our supplier screening exercise.

3. ROLES AND RESPONSIBILITIES

3.1. ROLES AND RESPONSIBILITIES ACROSS EWEC

Board of Directors

EWEC's Board of Directors oversees the company's ESG risks and opportunities at a strategic level. The Board also monitors progress of ESG performance against key ESG objectives and commitments.

Board Committee

The Audit and Risk Committee oversees the implementation of the company's ESG strategy. Furthermore, the Committee monitors related risks and opportunities that could impact the company's long term sustainability goals across the key ESG focus areas.

CEO

EWEC's CEO is responsible for driving the company's ESG efforts and promoting a culture of sustainability within the organisation. The CEO works closely with the Board Committee to define and implement the company's ESG strategy, ensuring it aligns with the company's overall vision and goals.

Management Committee

The Management Committee is responsible for defining ESG goals and priorities and overseeing the implementation of the ESG strategy by establishing appropriate metrics, systems, and procedures. The Committee is also responsible for monitoring ESG risks and opportunities.

Strategy and Corporate Performance Function

The Strategy and Corporate Performance Function is responsible for the development of an ESG roadmap that is in line with the goals and priorities set by the Management Committee. Additionally, the function is responsible for providing regular updates to the Committee on the company's performance and risks related to the key ESG focus areas.

ESG Champions

The ESG champions are functional representatives from across EWEC who are responsible for implementing and reporting on the ESG initiatives.

3.2. ESG AWARENESS AND TRAINING

Learning and growth is a key pillar of EWEC's strategy. Given the rapidly evolving sustainability trends, ESG awareness and training programmes are key to educating employees and other relevant parties about the concepts, principles, and practices of environmental, social, and governance sustainability. EWEC aims to conduct annual awareness programmes on the principles set out in this policy. These programmes aim to foster understanding, engagement, and action towards integrating ESG considerations into decision-making processes.

4. KEY FOCUS AREAS

4.1. ENVIRONMENTAL RESPONSIBILITY

- i. **Clean Energy:** We will promote the use of clean energy sources. This includes increasing the share of clean energy in our energy generation portfolio to 60% by 2035, in line with Abu Dhabi Government's Clean Energy Strategic Targets ('CEST') and in support of the UAE's commitment to reach net zero by 2050.
- ii. **Climate Change Mitigation:** We will actively work towards reducing carbon emissions and transitioning towards a low-carbon future by promoting clean energy technologies. We will regularly measure, report, and take actions to minimise the carbon footprint of the energy sector.
- iii. **Resource Conservation:** We will optimise our operations to minimise water usage, promote water conservation practices, and implement efficient systems to reduce energy consumption.

4.2. SOCIAL RESPONSIBILITY

- i. **Health and Safety:** The safety and well-being of our employees, customers, and communities are of utmost importance. We will implement robust health and safety policies, conduct regular training programmes, and maintain a safe working environment.
- ii. **Diversity and Inclusion:** We value diversity and will foster an inclusive work environment that embraces individuals from all backgrounds. We will promote equal opportunities, eliminate discrimination, and ensure fair treatment for all employees.
- iii. **Employee Training and Development:** At EWEC, we believe that people are at the centre of all we do, and we strive to create a dynamic work environment that fosters ongoing development. Our goal is to attract and retain the best talent and to offer development opportunities for people to grow.
- iv. **Community Support:** Our organisation will actively contribute to the communities we serve through volunteering programmes and partnerships with local organisations. We will support initiatives that enhance social welfare, education, and community development.
- v. **Stakeholder Engagement:** We are committed to engaging with our stakeholders, including customers, employees, investors, and local communities. We will seek their input, address concerns, and promote transparency in our decision-making processes.

4.3. GOVERNANCE

- i. **Ethics and Integrity:** We will adhere to the highest ethical standards in all our business operations. Our organisation will have clear policies to prevent corruption, bribery, fraud, and conflicts of interest. We will promote transparency and accountability throughout the organisation.
- ii. **Risk Management:** We will establish robust risk management processes to identify, assess, and mitigate risks associated with our operations. This includes monitoring and managing potential environmental, social, and governance risks.

- iii. **Compliance:** Our organisation will comply with all applicable laws, regulations, and industry standards. We will regularly review and update our policies to align with the evolving legal and regulatory requirements.

4.4. PERFORMANCE MONITORING AND REPORTING

- i. **Metrics and Targets:** We will establish key performance indicators (KPIs) and set ambitious targets to measure and improve our ESG performance regularly.
- ii. **Reporting:** We will provide regular and transparent reporting on our ESG initiatives, progress, and performance to our Executive Management, Board Members, and relevant stakeholders, ensuring the disclosure of relevant and material information.

4.5. CONTINUOUS IMPROVEMENT

- i. **Innovation:** We will promote innovative solutions that enhance our sustainability performance and support the transition to a low-carbon economy.
- ii. **Collaboration:** We will actively engage in partnerships and collaborations with government agencies and industry peers to drive sustainable development and address common challenges.
- iii. **Review:** To meet the evolving standards and stakeholder expectations, we are committed to continuously improving our ESG policy. We will engage with our stakeholders to explore ways to further enhance the policy during the review process.