



موارد القابضة للإستثمار
MAWARID HOLDING INVESTMENT

2023 ESG PROGRESS REPORT

DELIVERING A GREENER TOMORROW FOR ALL

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1 ABOUT THIS REPORT

Mawarid Holding Investment LLC (MHI) sustainability progress report highlights the impact of activities by MHI and its subsidiaries (henceforth referred to as “MHI Group” or “the Group”), on material Environmental, Social, and Governance (ESG) topics as well as strategic ESG initiatives designed to drive the next phase of the Group’s sustainability journey.

The initiatives detailed in this report lay the groundwork for the publication, in 2024, of a sustainability report in accordance with GRI standards, for the full year 2023.

1.1 Reporting Scope and Boundary

The report focuses on MHI in addition to its two largest subsidiaries - Barari Natural Resources LLC and Mawarid Services Company LLC – which together account for the majority of the Group’s consolidated revenue. MHI engages in environmental initiatives and ventures, under separate legal entities, that support the Group’s value chain and advance sustainability practices across the Group which will be discussed qualitatively in this report. MHI will review reporting practices annually to ensure that future coverage provides a comprehensive evaluation of its ESG performance.

Any quantitative data included in this report covers the 12-month period to 31 December 2022. However, during the course of 2023 MHI Group has made considerable progress in advancing its sustainability journey and therefore has decided to highlight this evolution by also including qualitative data for the year 2023.

To review the segregated and consolidated data for subsidiaries covered by this report, please refer to the *Key ESG Performance Indicators* section.

The information provided in this report has been reviewed by a reputable independent ESG consultancy firm in addition to the Group’s Governance, Risk and Compliance (GRC) department.

This report is approved by MHI’s Board of Directors.

1.2 Forward-looking statements

While every effort has been made to ensure the accuracy of all data in this report, it is important to note that forward-looking statements of dynamic organisations involve uncertainty given the many external factors that could impact the environment in which the Group operates.

Therefore, MHI may update or revise forward-looking statements included in this report but would generally do so only where required by applicable laws or regulations.

2 CEO MESSAGE



I am delighted to present MHI Group's sustainability progress report which unveils our vision for environmental sustainability as well as an overview of our new strategy designed to accelerate progress on Environmental, Social, and Governance (ESG) factors and consolidate the Group's position as one of the UAE's leading sustainability champions.

In addition, this report highlights the ongoing impact of our long-standing programs dedicated to conserving the UAE's natural capital, and how we have successfully harnessed technology and innovation to transform the UAE's desert landscape through sustainable forestry and wildlife management programs.

Sustainability has always been one of the key driving forces behind MHI Group's purpose as an organization.

Determined never to stand still, earlier in 2023 we embarked on a rigorous strategic analysis of our operations, in line with global best practices, that has provided us with a deeper understanding of our ESG risks and opportunities.

This report provides our key stakeholders with a snapshot of that process and the course we have decided to set as a result. It highlights the thorough process MHI Group has followed to identify and prioritize the key material ESG topics that the Group will manage and report on. These form the basis for the strategy and its underlying initiatives.

We firmly believe these initiatives will strengthen our capacity to create sustainable value for all our stakeholders and enable MHI Group to generate ever greater outcomes for our communities and our environment as a whole.

While this report details the numerous initiatives we have embarked upon, I would like to single out a few milestones that are worthy of special mention.

Firstly, MHI is now a participant of the United Nations Global Compact, the world's largest corporate sustainability initiative with more than 17,000 companies across 170 countries. Membership of this network will support our efforts to become a responsible business leader, in line with the Sustainable Development Goals (SDGs) as well as the UAE's sustainability commitments, including the Net Zero by 2050 Strategic Initiative.

Secondly, this report sees MHI Group disclose our greenhouse gas emissions for the first time, having partnered with an AI-enabled carbon accounting and management platform. Whilst we have included computations of Scope 1 and 2 emissions for companies within the reporting boundary, we ultimately aim to extend this to Scope 3 emissions for additional subsidiaries of the Group, in accordance with the GHG Protocol. These are important first steps towards introducing initiatives to reduce emissions across our entire value chain.

With a heritage deeply rooted in sustainability, we continue to drive transformation across the UAE's natural landscape, greening the desert through our sustainable afforestation and wildlife programs.

With more than 13.5 million trees and 100,000 rare and endangered animals inhabiting the reserves under our management, we have long been the leading custodian of Abu Dhabi's biodiversity.

This report also underlines the essential role that innovation and technology play in the delivery of our services. From smart irrigation systems that save water to circular waste management techniques and solar powered equipment to support the energy transition, MHI Group places great emphasis on harnessing the power of innovation to achieve its objectives.

Supported by our teams of highly qualified experts, MHI Group is dedicated to achieving truly impactful outcomes according to the highest standards of quality whilst keeping health, safety, and wellbeing of people at the heart of what we do.

This report illustrates the qualities and capabilities that have always made MHI Group a unique stakeholder within the UAE's sustainability ecosystem, as well as the ESG strategy that we believe will take the Group to the next level, in line with the UAE's efforts to be a global sustainability leader.

This is a very exciting time for all of us in the MHI Group. I am confident that with the support of our key stakeholders, we can follow through with the successful implementation of our strategy and deliver a truly sustainable future for our future generations.

Kashif Shamsi

Group Chief Executive Officer

Abu Dhabi, United Arab Emirates.

3 ABOUT MHI GROUP

3.1 Our Story

Founded in 2016, MHI Group has emerged as a leading investor in the field of natural capital conservation services in the UAE.

MHI is a subsidiary of Alpha Dhabi Holding PJSC (ADH), a diversified investment holding company listed on the Abu Dhabi Securities Exchange (ADX: ALPHADHABI).

Headquartered in Abu Dhabi, the MHI Group has a diversified portfolio of innovative businesses operating across multiple business lines including:

- Forest and Natural Resources Management
- Agriculture and Farming
- Landscape Design and Construction
- Landscape Assets Operation and Maintenance
- Plant Nurseries
- Agro-environmental services
- Water saving innovations
- Sustainable soil solutions
- Wildlife Management & Conservation
- Eco-Tourism Services
- Hotel Management Services
- Bio-science Research & Development
- Organic/Non-Organic Recycling

Environmental protection and preservation are important priorities for MHI Group. The Group integrates socially and environmentally responsible practices and adopts the latest emerging technologies and innovations to combat climate change, desertification, and water scarcity, in accordance with its well-established standards.

Sustainable forestry, rehabilitation of degraded lands, sustainable usage of groundwater, wildlife management, and sustainable agricultural practices are at the heart of the Group's vision to nurture and conserve the UAE's unique biodiversity.

Advanced irrigation solutions and organic waste management are combined to provide young forests and native wildlife species with the precious water and nutrients they need to thrive in the harsh desert climate.

As a result of these methods, MHI Group is turning the tide on desertification. Altogether, the Group now manages about 200,000 hectares of forests comprising over 13.5 million trees, helping to breathe new life into one of the world's most arid environments.

3.1.1 Mission

To actively shape the landscape of sustainable investment within the Gulf region. Our focus is on building and managing tangible, impactful businesses that contribute to preserving resources and

growing natural capital sustainably. Through collaborative teamwork and a commitment to integrity, we aim to transform innovative practices into green and scalable solutions. Our approach is rooted in responsible stewardship of resources and the pursuit of circularity in our operations. This commitment not only furthers economic development but also ensures our contributions towards a sustainable future for the communities we serve.

3.1.2 Vision

To be the Middle East's leading sustainable investment beacon, driving excellence and innovation in diversified sectors, and the preferred partner to our clients. With a discerning focus on sustainability, we aspire to set unparalleled standards in managing natural resources, forging impactful partnerships, and building a legacy of responsible growth.

3.1.3 Values

- Teamwork
- Integrity & Accountability
- Innovation
- Sustainability & Circularity

3.2 Key Subsidiaries in Focus

3.2.1 Barari Natural Resources LLC

Established in 2007, Barari Natural Resources ("Barari") was born out of the 'greening the desert' legacy of the founding President of the United Arab Emirates, His Highness Sheikh Zayed bin Sultan Al Nahyan.

Barari is focused on the sustainable utilization, economic development, and sustainable management of the country's natural resources (forests, wildlife, and their related ecosystems), in line with the Abu Dhabi Economic Vision 2030¹. Barari holds international standards certificates in quality, environmental protection, and health and safety management. Core services include:

Forest Management

Barari currently manages over 400 individual forest and protected reserves in Abu Dhabi covering an area of about 200,000 hectares with more than 13.5 million trees of different species, including Ghaf², Arak, Sidr, and Samar. Barari is dedicated to preserving existing forests as well as afforestation, or the practice of planting new trees to establish forests where there previously were none or revitalize sites which were stressed.

Wildlife Management

Nineteen wildlife sites are under the responsibility of Barari management containing wild animals including, but not limited to, the Arabian Oryx, Arabian Tahr, as well as gazelles, various carnivores,

¹ [Online resource] Abu Dhabi Economic Vision 2030 is part of the UAE's 2024 – 2030 future plan. <https://u.ae/en/more/uae-future/2021-2030>

² Ghaf [*Prosopis cineraria*] is the National Tree of the UAE. Arak [*Salvadora persica*], Sidr [*Zisiphus spina-christi*] and Samar [*Acacia tortilis*]

and other native and exotic species. Critically, the Company is also responsible for breeding endangered species, delivering a series of success stories in this important space. The company also protects species through in-situ and ex-situ conservations within sustainable habitats. Many animals have been successfully relocated from other areas to Barari managed forests where they are provided with veterinary care, husbandry, and biosecurity.

Nurseries

Barari operates multiple nurseries for native plants that are well adapted to arid conditions, producing millions of seedlings per year for forestry projects and local community markets. Conserving and propagating native and well-adapted forest plant species through modern plant breeding techniques in nurseries is a key focus of Barari's efforts. The Company also has mangrove nurseries and plantations and provides related consultancy and technical services to government and industry stakeholders.

3.2.2 Mawarid Services Company LLC

Mawarid Services Company ("Mawarid Services") was established in 2015 as a regional leader in the fields of landscaping, engineering works, and infrastructure maintenance. Core services include:

Landscaping

Mawarid Services' trained personnel, supported by a fleet of specialized vehicles and equipment, specialize in major landscaping projects, and provide electromechanical and civil works, including installation and maintenance of pumping stations, control devices, modern irrigation networks and related services.

Parks and Farms

Mawarid Services manages 30 high-yield farms within the UAE and the surrounding region, producing organic fruits and vegetables. Mawarid Services manages more than 80 private farms and over 430,000 palm trees.

Wildlife Management

Mawarid Services cares for more than 100,000 animals located across various reserves, including some of the region's most rare and endangered species, and operates the world's largest center for Arabian Tahr breeding and sustenance. Mawarid Services employs teams of highly trained veterinary professionals to provide expert care for the animals, supported by a modern veterinary clinic and several mobile clinics equipped with specialized equipment.

3.3 Other Subsidiaries at a Glance

MHI Group's core offerings are both complemented and supported by a group of subsidiaries that provide specialized services in a number of fields.

3.3.1 *Mawarid Center for Research & Scientific Laboratories LLC ("Mawarid Labs")*

Mawarid Labs is a unique entity specialized in research and laboratory services relating to plant, water and soil, along with breeding, conservation and health management of rare and endangered wildlife & livestock species. Its research and diagnostic laboratories are equipped with state-of-the-art facilities, with specialized and well-trained staff. Identifying and implementing new technologies, products and innovations together with expert scientific advice when needed, enhances the company's business offerings for current & future clients.

The center also provides services to external customers in line with international best practices, and is involved in collaboration activities with other recognized national and international entities and governmental agencies.

3.3.2 *Mawarid Desert Control LLC*

Mawarid Desert Control is a leading provider of smart agriculture solutions to combat desertification and soil degradation. The company focuses on sustainable ecosystem management across the Middle East using Liquid Natural Clay (LNC) and the reduction of water consumption.

LNC can be sprayed directly onto the ground, and gravity will pull the compound down into the soil. Sticking to each grain of sand, it creates a soil structure (even in desert sand) that retains water just like a sponge. One application of liquid natural clay lasts for approximately 3-5 years. Water savings take effect immediately as does the reduction in the quantum of fertilizer needed resulting in excellent sustainability and resource conservation outcomes.

3.3.3 *Mawarid Intelligent Irrigation Technologies LLC*

Mawarid Intelligent Irrigation Technologies' ("MIIT") vision is to revolutionize water utilization efficiency in agriculture, forestry, and landscaping by leveraging advanced technology and data-driven solutions. Through cutting-edge irrigation technology which integrates, satellite imaging, artificial intelligence (AI) driven algorithms, and cloud-based platforms, MIIT abates water wastage while maximizing crop yields making it a vital player in promoting sustainable agriculture and ecosystem preservation.

The integrated irrigation technology enables producers to intelligently manage water resources to reduce water consumption by up to 40% concurrently with increased crop yields by as much as 25%. The technology provides 24/7 monitoring of sites, data insights to optimize farming practices, and early warning of extreme adverse weather events.

Overall, MIIT's technology aligns with the UAE's commitment to sustainable resource management and responsible environmental practices.

3.3.4 Emirates Safety Laboratory LLC

Emirates Safety Laboratory (“ESL”) is an internationally accredited independent testing laboratory and certification body. ESL specializes in the field of fire safety by testing and certifying construction products and building materials. Incorporated jointly with Dubai Civil Defense, Emirates Safety Laboratory facilitates market access for global companies by providing conformity assessment activities and ensuring safety compliance.

The testing laboratory is accredited to ISO/IEC 17025:2017³ to provide the highest standards of quality and the certification department conforms to ISO/ IEC 17065:2012⁴.

3.3.5 Al Ain Fodder Factory LLC

Al Ain Fodder Factory operates a fully automated, state-of-the-art plant to produce and supply various types of high-quality animal feed. It has built a proud legacy of quality and its customers include government entities, zoos, farms, and private enterprises.

Its operations are certified to ISO 9001:2015 for Quality Management, ISO 14001:2015 for Environmental Management, ISO 45001:2018 for Occupational Health and Safety Management System, and ISO 22000:2018 for Food Safety Management.

3.3.6 Campaign Facilities Management LLC (“Campaign”)

Campaign provides fully integrated facilities management services for residential, commercial, and government buildings. Its customers operate in the fields of healthcare, hospitality, education, as well as airport terminals and industrial sites.

Its operations are certified to ISO 41001:2018 for Facility Management, ISO 45001:2018 for Occupational Health and Safety Management, ISO 14001:2015 for Environmental Management, and ISO 9001:2015 for Quality Management.

3.3.7 Telal Resort LLC

Telal Resort is a luxury boutique desert resort set amidst a pristine oasis on the outskirts of Al Ain city in the vast landscape of Remah Desert, which was once home to the nomadic Bedouin tribes of the Emirates.

3.3.8 Mawarid Hotels and Hospitality LLC

Mawarid Hotels and Hospitality LLC specializes in managing luxury boutique properties with an environmentally focused approach.

3.3.9 Dicon Investment LLC

Dicon Investment has been shaping the market for providing distinguished government services within the United Arab Emirates as well as manpower supply. Dicon has built a strong bond between the private and government sectors to facilitate governmental processes, services, and transactions.

³ General requirements for the competence of testing and calibration laboratories.

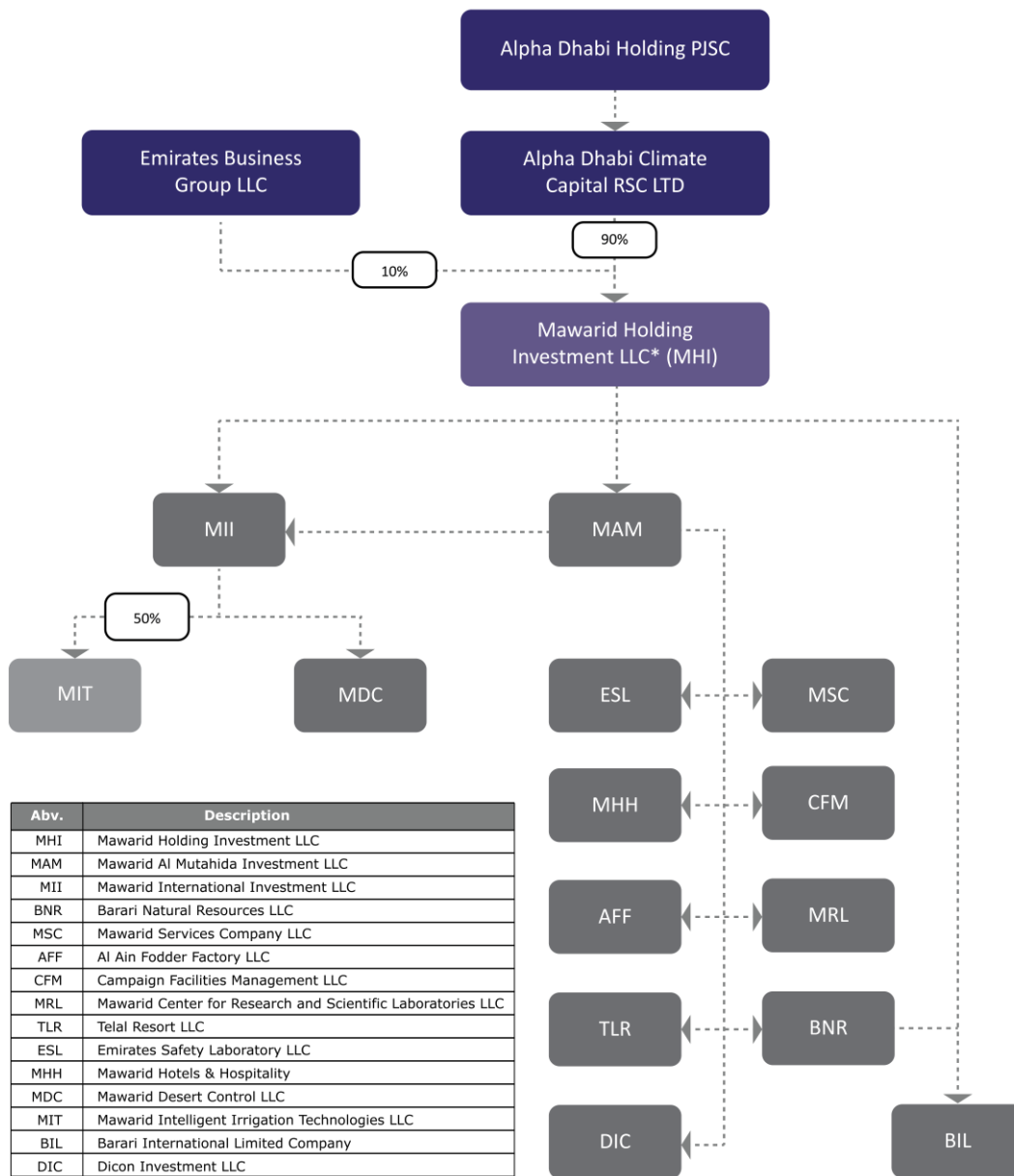
⁴ Conformity assessment requirements for bodies certifying products, processes, and services.

3.3.10 Barari International Limited

Headquartered in Riyadh, Saudi Arabia, Barari International Limited is the Group’s venture to provide its knowledge and expertise in natural resource management, in the Kingdom. It provides an array of services in sectors such as forest and wildlife conservation management, operation and maintenance, agro-environmental services, water resources and infrastructure, Eco-tourism services, waste management & renewable energy, landscaping, mangrove agriculture, and conservation of vegetation.

3.4 MHI Group Shareholding Structure

MHI Group’s 2023 shareholding structure is illustrated in Figure 1 below.



*Only active companies (defined as non-dormant) are listed. MHI effectively owns 100% of all listed companies except MIT in which MHI has a 50% ownership as a Joint Venture.

Figure 1. MHI Group’s Shareholding Structure (2023)

4 ESG AT MHI GROUP

While ESG factors have always been at the heart of the Group’s ethos, it has recently embarked on a rigorous strategic analysis of its operations that has enabled it to develop a deeper and more holistic understanding of its ESG leadership responsibilities as well as risks and opportunities.

This analysis has provided the basis for the development of a clear, focused strategy to manage those risks and opportunities and create value for all its stakeholders.

Guided by this strategy, MHI Group believes it can amplify the positive impact of its operations on society and the environment while laying the foundations for an even more sustainable and successful future for the Group.

4.1 ESG Priorities

As part of this strategy, MHI Group has developed an ESG statement that it believes succinctly captures how it can most effectively leverage its expertise in key sectors to maximize sustainability impact and create sustainable value.

Delivering A Greener Tomorrow for All

“As responsible stewards of natural capital, we are committed to driving transformative practices in environmental protection and conservation in the Gulf region by harnessing commercial potential and leveraging innovative technologies.”

In addition to the ESG statement, MHI Group has defined four pillars that provide the basis for a focused approach to ESG (Figure 2).



Figure 2. MHI Group ESG Strategic Pillars

Based on these four pillars, MHI Group has defined a series of initiatives with accompanying objectives and KPIs.

4.2 Stakeholder Engagement and Materiality Assessment

As part of the ESG strategy review, MHI Group conducted a stakeholder engagement process to gauge the ESG topics that matter most to them.

Their feedback provided essential input into the materiality assessment process, helping it to identify and prioritize those ESG topics that are most relevant to the business. These topics, in turn, provided the underlying basis for the development of the initiatives, objectives and KPIs that comprise the major components of the ESG strategy.

The list of key stakeholders and the methods used to engage with them are highlighted in the table below. As the Group continues its sustainability journey, it looks to expand the engagement process to include a greater range of stakeholders and their interests.

Table 1. Key stakeholder groups engaged

Key Stakeholder Groups	Methods of Engagement
Senior Executives	Individual and roundtable meetings
Shareholders	Individual meetings
Sustainability Standards / Initiatives	Websites and publicly available documents

Materiality Assessment Process

Approach

In addition to input gathered through the stakeholder engagement process, MHI Group conducted a materiality assessment with reference to a number of leading global sustainability standard setters.

Firstly, it referred to MSCI for a weighted list of material topics for the Group's closest industry classification. MSCI provides ESG ratings for more than 8,500 publicly listed companies worldwide and is widely used by institutional investors and asset managers who use the ESG ratings as part of their due diligence process.

MSCI and S&P Dow Jones Indices' Global Industry Classification Standard (GICS) Methodology provides a hierarchical structure for classifying companies, allowing for more granular analysis of industries and sectors.

According to this Methodology, a company is classified in the Sub-Industry whose definition most closely describes the business activities that generate more than 60% of the company's revenues. MHI Group is classified as 'Environmental & Facilities Services', under the GICS Methodology.

Key issues of material impact for each industry are identified from an in-depth assessment of an industry's dynamics, with emphasis on unique risks and opportunities created by ESG factors.

The Group then considered metrics by the Sustainability Accounting Standards Board (SASB) that are material to MHI Group's closest industry classification. MHI Group is classified as Forestry Management, according to the SASB industry classification standards.

SASB standards go beyond traditional financial metrics and incorporate sustainability factors that are material to a specific industry. By referencing the SASB, MHI Group ensured comprehensive coverage of materiality management as part of the strategy and integration framework. For further alignment and refinement of the material topics, it referred to two strategic networks that MHI is a participant / signatory of or intends to be a participant / signatory of:

- 1) The United Nations Principles for Responsible Investment (PRI);
- 2) The United Nations Global Compact (UN Global Compact)

Lastly, internal stakeholders at the Board, Executive, and key management levels also provided valuable input into the materiality assessment process.

Outcome

As a result of the materiality assessment, MHI Group identified and prioritized a list of 12 material ESG topics, as shown in the table below. These are the topics that MHI Group focuses on managing and which provide the basis for the sustainability strategy and underlying initiatives.

The materiality boundary is confined to two major subsidiaries – Barari Natural Resources LLC and Mawarid Services Company LLC – which together comprise a majority of MHI Group’s revenue. The major activities of these two companies are referred to in the *Key Subsidiaries in Focus* section.

Table 2. MHI Group ESG Material Topics

No.	ESG Material Topic
1	Carbon Emissions
2	Labor Management
3	Health & Safety
4	Governance (Corporate Governance & Corporate Behavior)
5	Toxic Emissions & Waste
6	Climate Change Vulnerability
7	Opportunities in Clean Technology
8	Responsible Investment
9	Human Capital Development
10	Community Relations
11	Product Safety & Quality
12	Chemical Safety

5 COMMITMENT TO THE ENVIRONMENT

MHI Group is in a unique leadership position as one of the largest providers of natural capital conservation services in the UAE. The Group harnesses its immense experience, technology, and innovative methods to preserve the character of the UAE's natural environment amid the challenges presented by the country's desert climate, including the scarcity of water resources and lack of nutrient rich soil.

Through its responsible environmental practices and efforts to conserve natural resources, MHI Group supports the UAE's mission to be a global leader in environmental sustainability. The Group strives to align operations with local, federal, and global level initiatives that address this aim.

Approach to the Environment

MHI's approach to environmental management is underpinned by the Group's Environmental Policy, which provides guidelines for responsible environmental practices around five themes:

1. Biodiversity and Land Use Management
2. Sustainable Forestry Management
3. Resource Management
4. Climate Change and GHG Emissions
5. Pollution Prevention and Waste Management

As the subsidiary chiefly responsible for the Group's forestry and wildlife management programs and initiatives, Barari has an Environmental Management System in place with dedicated policies and procedures developed in accordance with the requirements of ISO 14001:2015 Environmental Management System.

Barari's Health, Safety & Environmental (HSE) team are responsible for initiating environmental management programs and for coordinating and supervising their implementation as well as reviewing and revising the programs periodically. All procedures are strictly in line with applicable rules and regulations set by relevant authorities.

Additionally, MHI Group subsidiaries harness cutting edge technology and innovation. Mawarid Labs, for example, is a division dedicated to supporting the Group with a wide range of science-based solutions. The center plays an essential role in providing insights and advisory services to help MHI Group subsidiaries achieve operational efficiencies and commercial objectives. Among these are water-saving technologies, agro-tech, wildlife and forest management techniques, and technologies to improve circularity and thus reduce waste and emissions. Realizing synergies across various subsidiaries is a key force for achieving operational efficiencies.

5.1 Biodiversity and Land Use Management

Protecting and nurturing the biodiversity of the UAE is at the forefront of MHI Group's environmental sustainability mission. Barari is the subsidiary largely responsible for these activities which it approaches through the combined effect of Afforestation coupled with Wildlife Management.

These two areas are inherently interlinked. The forests provide shelter for both native and non-native wildlife species. Forest conservation creates sustainable habitats for wildlife which in turn supports

the development of sustainable forests. To offer just one example, Barari uses Guinea fowl as a natural pest control source in forests. The company also continues to use a science-based approach and periodically conducts research to embed best practices throughout all activities under its management.

MHI Group oversees the welfare of more than 100,000 individual wild animals that inhabit its various afforested areas and reserves, comprising 25 different species, including 14 species of gazelle and other ungulates, some of which are endangered⁵. The Group operates the world's largest breeding center for the endangered Arabian Tahr. In addition, MHI Group cares for more than 120,000 wild birds, including over 30 endangered species. The Group also sustains around 20,000 head of sheep of various breeds, across 27 forest sites. Native ecosystems are protected from the negative impact of invasive species, particularly avian species, and forests are rehabilitated to provide optimal habitats for native fauna.

Barari is proud to have contributed to UAE National Invasive Species Strategy and Action Plan 2022 – 2026 as a specialist in the field.

Population monitoring and management is an essential part of maintaining a healthy ecosystem and MHI Group conducts controlled animal capture programs in order to maintain appropriate herd management. In addition, captive breeding of animals is vital to rewilding programs that help maintain native populations at healthy levels. The Group strives to maintain biosecurity standards to prevent outbreaks and contain the spread of disease.

Irrigation water, in certain areas, is naturally enriched with nutrients thanks to the fish that Barari raises in reservoirs, helping to avoid the use of chemical fertilizers. The fish are fed with natural fresh protein derived from azolla, a type of aquatic fern.

MHI Group applies internationally accepted wildlife management standards across all its activities including husbandry, nutrition, veterinary care, breeding, biosecurity, pest control, and ancillary activities. The related processes are outlined in the Group's comprehensive Wildlife Management Conservation Services Procedure under the responsibility of the Wildlife Manager.

Among other duties, the Wildlife Manager is responsible for:

- Conservation reintroductions, ensuring animal welfare
- Employee training & competency
- Risk assessments and health & safety compliance
- Import and export of animals in accordance with regulations
- Animal welfare including biosecurity, veterinary services, and safe transportation
- Evaluating and managing animal populations and breeding programs
- Designing and maintaining animal enclosures and related infrastructure
- Continuous reassessment and enhancement of all wildlife-related procedures

Wildlife conservation efforts are supported by the Group's own research centers and specialized laboratories equipped with state-of-the-art technology and run by expert professionals.

⁵ Arabian Tahr (*Arabitragus jayakari*) (IUCN Conservation status: Endangered), Arabian Oryx (*Oryx leucoryx*) (IUCN Conservation status: Vulnerable), Arabian Mountain Gazelle (*Gazella gazella*) (IUCN Conservation status: Vulnerable), Gerenuk gazelle (*Litocranius walleri*) (IUCN Conservation status: Near Threatened), Giant Eland (*Taurotragus derbianus*) (IUCN Conservation status: Least Concern).

5.2 Sustainable Forestry Management

MHI Group manages over 400 individual forest sites and protected areas spread across some 200,000 hectares in Abu Dhabi, mainly through Barari. In all, the Group conserves and maintains more than 13.5 million trees, predominantly native species.

Forest management prevents and reverses soil erosion, enhances wildlife habitats, supports greening the desert, and promotes carbon sequestration. The Group leverages technology and innovative methods to convert deserts into afforested areas and to rehabilitate degraded land.

Ecosystems are supported by a vast, constantly managed irrigation network of pipes and water wells that requires close supervision and regular maintenance to ensure the efficient delivery of water to support trees and plants in addition to sustaining wildlife.

Conservation and rehabilitation efforts are supported by four large tree and native plant nurseries with a capacity to produce more than 10 million seedlings per year, with an emphasis on native species that are well adapted to desert conditions.

Forestry teams also gather indigenous plant seeds from their habitats which can be stored using modern methods for future use. More than 130 species of native plant seeds have been preserved.

Forestry activities are not confined to land. The Group also operates mangrove nurseries to support the expansion and revival of mangrove forests that are a feature of Abu Dhabi's coastline. Mangroves support uniquely biodiverse ecosystems while they are also renowned for being highly effective carbon sinks.

Barari has forest management & conservation services procedures that detail the various methods and tools used to manage forests in all the areas under the company's supervision. The Head of Forests is responsible for implementation and ensuring compliance with the procedure.

5.3 Resource Management

5.3.1 Water Management

Water is the essential factor in preserving plants and wildlife in the desert. The Group has deployed a series of innovative solutions to ensure a secure and steady supply of water to forested areas while also making every effort to use the resource as efficiently as possible.

MHI Group has developed a dense irrigation network comprising of more than 160,000 km of irrigation pipelines of varying sizes supported by some 5,000 water wells. The Group has selectively deployed smart irrigation systems developed by Mawarid Intelligent Irrigation Technologies LLC ("MIIT") using Artificial Intelligence (AI) technology based on wireless sensors to deploy just the right amount of water at the right time, resulting in efficiencies for forests and food producers. Notably, since 2021, MHI has been deploying solar panels to replace diesel-powered generators for the irrigation system in some forest locations.

A dedicated hydrology team continuously monitors groundwater levels and quality. Native plants that are well adapted to desert conditions are favoured over non-native species or those that require more water.

Drawing on the specialist expertise of various Group subsidiaries, Barari deploys numerous water-saving techniques. For example, Mawarid Desert Control supplies Liquid Natural Clay (LNC), a soil enhancement innovation used to reduce irrigation water needs by up to 50%.

Additional water saving techniques include the maintenance of irrigation pipes to minimize water leakage and the use of mulch to stem water loss from evaporation in forests and farmlands. Furthermore, about 40,000 gallons (180,000 liters) per day of irrigation water is from treated wastewater, ensuring that water recycling plays a key role in water savings.

These water savings support the continuous expansion of forests and farmlands as well as the wildlife and domesticated animals that inhabit them.

5.3.2 Energy Management

The Forests under MHI Group's management are dependent on human intervention. For this reason, electro-mechanical equipment such as pumps, electrical generators, and other types of machinery, are used to sustain the forests' vegetation.

Barari is gradually deploying solar panels to replace diesel-powered generators with renewable power supply; thereby, reducing fuel consumption and CO₂ emissions. This includes the smart irrigation network that is essential to forestry and wildlife management operations. Currently, close to 100 sites are using solar units to operate irrigation systems instead of using fuel-based generators with an estimated average energy generation capacity of 2,455 kWh per day.

The Group is also looking to draw more power from the national grid, which provides access to lower carbon electricity produced using a blend of nuclear power, natural gas, and solar power.

5.4 Climate Change and Greenhouse Gas (GHG) Emissions

The UAE has one of the most arid climates on earth, with high average annual temperatures and extremely limited natural water resources. Nevertheless, the impacts of climate change, including extended heatwaves, promise to amplify pre-existing vulnerabilities.

While the UAE government is driving action at the national and international level to mitigate climate change, all countries must also build resilience through the introduction of adaptation measures.

By harnessing technology and innovative methods to provide food and water to support sustainable forestry, wildlife management, and agriculture, MHI Group has been addressing these vulnerabilities for many years, turning large swathes of desert and degraded lands into an oasis that supports biodiversity and food security. In doing so, the Group is at the forefront of ongoing efforts to strengthen the UAE's resilience to climate change vulnerabilities.

Moving forward, and as part of an initiative in its new ESG strategy, MHI Group plans to conduct a thorough climate risk assessment in alignment with the recommendations of a reputable global disclosure standard, either the Task Force on Climate Related Financial Disclosures (TCFD) or the International Sustainability Standards Board (ISSB) S2.

Forests play a vital role in reducing GHG emissions and combatting climate change. Trees remove carbon dioxide from the air, storing the carbon and releasing oxygen into the atmosphere instead.

Trees planted in reserves under MHI Group's management have the potential to sequester significant volumes of carbon and the Group is evaluating plans to scientifically assess this potential and

incorporate it into its GHG computations. Not only do mangroves provide important habitats for aquatic wildlife, but they are also particularly effective carbon sinks. Studies indicate mangroves can sequester three to four times more carbon than land-based forests⁶. Through Barari Nurseries, MHI Group operates one of the few commercial mangrove nurseries in the UAE and GCC. Located in a tidal estuary on Saadiyat Island, Abu Dhabi, the nursery produces plants for both public, private, and in-house mangrove rehabilitation programs and planting projects. The Group is capable of producing millions of mangrove seedlings each year.

GHG emissions sequestered through forestry operations help to counter GHG emissions that MHI Group produces through its activities. These include emissions associated with organic waste generation as well as with the Group's vehicles and machinery, such as onsite power generators which play an essential role in producing electricity in remote locations.

MHI Group has introduced a series of initiatives aimed at calculating and reducing emissions related to these activities, including:

5.4.1 Calculating GHG Emissions

A thorough GHG inventory provides the basis for devising strategies and initiatives to gradually reduce emissions across the Group's operations, according to set targets.

To that end, MHI Group has partnered with an AI-enabled carbon accounting and management platform to conduct a comprehensive carbon accounting program.

Among other functionalities, the program will enable MHI Group to accurately compute its GHG Emissions including Scope 3, monitor its emissions throughout the year, set targets for reduction, and track performance.

For the purposes of this report, we have included computations of Scope 1 and 2 emissions for entities that are part of the reporting boundary⁷. GHG emissions of additional subsidiaries, Al Ain Fodder Factory and Campaign Facilities Management, are included in the Appendix.

Table 3. Scope 1 & Scope 2 GHG Emissions of MHI, Barari Natural Resources, and Mawarid Services Company

Scope	Activity Type	Total Annual (tons CO ₂ e)	Total Annual (%)
Scope 1	Stationary combustion	49,979.40	50%
	Mobile combustion	37,091.01	37%
	Refrigerants	11,819.68	12%
	Process emission ⁸	-	-
	Scope 1 - Total	98,890.09	99%
Scope 2	Purchased electricity	1,023.77	1%
	Purchased Cooling	124.89	0%
	Scope 2 - Total	1,148.66	1%

⁶ [Online resource] A peer-reviewed chapter on the role of mangroves in decarbonizing the atmosphere.

<https://www.intechopen.com/chapters/71927>

⁷ [Online resource] Calculations in accordance with the Greenhouse Gas Protocol standard.

<https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>

⁸ Not applicable to the operations of reported companies.

Scope	Activity Type	Total Annual (tons CO ₂ e)	Total Annual (%)
Scope 1 & 2 Total		100,038.75	100%

Before the end of the financial year 2023, MHI Group aims to complete its GHG inventory which includes calculation of Scope 1, 2, and 3 GHG emissions for additional subsidiaries and associated companies within the Group following the definition of its organizational boundary, in accordance with the Greenhouse Gas Protocol standard. Subsequently, the Group aims to report on its comprehensive GHG inventory in 2024 for the financial year 2023.

5.4.2 Green Waste Recycling

Green waste recycling and other recycling initiatives are core to Barari's operations. Recycling plant waste into fertilizer significantly reduces the greenhouse emissions of the forests.

5.4.3 Fuel Efficiencies

MHI Group is striving to optimize fleets of vehicles and machinery, replacing them with more fuel-efficient, eco-friendly equipment. Replacements to low load capacity generators made in 2022 resulted in 160,623 liters of mineral diesel saved compared to the previous year and an estimated 433 tons of carbon dioxide equivalent emissions avoided.

5.4.4 Operational Efficiencies

MHI Group manages sites and landscaping projects efficiently to reduce operational emissions.

MHI Group has undertaken the exercise of switching non-LED lighting to more energy efficient alternatives. Regarding onsite operations, the Group is implementing multiple initiatives to improve its energy and operation efficiency including:

- Water saving initiatives to lower water consumption and subsequently lower the energy required for irrigation: Liquid Natural Clay technology to improve water retention, replacing high-water consuming plant species with alternative native plants that are more resilient to harsh climate conditions, implementing operational tactics and regular maintenance to reduce water leakage, utilizing mulch to reduce water loss from evaporation;
- Onsite waste pre-treatment, such as shredding of damaged irrigation pipes, to reduce the volume of the waste sent to the waste treatment facility and thereby lowering the associated transportation-related emissions.

The Group's total energy consumption from both renewable and non-renewable sources was 7436.6 MWh. This includes purchased electricity at MHI, Barari Natural Resources, Mawarid Services Company, Al Ain Fodder Factory, and Campaign Facilities Management. The Group aims to disclose its energy consumption breakdown in future progress reports.

5.5 Pollution Prevention and Waste Management

5.5.1 Toxic Emissions

Toxic emissions and dust can have a negative impact on people's health if not managed properly. Dust is a particular risk for UAE-based companies given the desert environment and this requires filtration, ventilation, and extraction systems to maintain indoor air quality at safe levels.

MHI Group conducts environmental aspect & impact assessments across various sites including offices, workshops, worksites, and accommodation camps. Barari, for example, monitors emissions and air pollution levels in its organic recycling facilities to ensure that levels are within acceptable ranges⁹. Measures are in place to control polluting emissions, such as monitoring of toxic emissions and waste treatment.

In 2023, MHI Group expanded environmental monitoring to other areas of Barari's operations and another subsidiary within the Group (Emirates Safety Laboratory LLC). No exceedances were recorded.

5.5.2 Waste Management and Recycling initiatives

MHI Group's approach to waste management can be divided into two main areas: Organic and inorganic waste. In both cases there is an emphasis on circularity to reduce, reuse, and recycle in order to conserve natural resources.

MHI Group prohibits the use of single-use plastics unless unavoidable. For example, it does not provide single-use plastic water bottles. Instead, employees are required to bring their own reusable bottles which can be refilled at water dispensers.

Barari has developed a waste management procedure in compliance with local rules and regulations and in line with the requirements of ISO 14001:2015. The procedure governs the company's approach to waste management across its operations to ensure minimal impact on the environment and local communities.

The procedure covers all categories of waste, broadly divided into hazardous and non-hazardous waste, and follows the general principle of Prevent – Reduce – Reuse – Recycle – Recover – Treat – Dispose.

To offer just one example, in 2022, MHI Group sold 40,600 liters of used motor engine oil to a Tadweer¹⁰-approved factory that recycles motor oil. In 2023 a framework agreement has been set up with an approved recycling factory to promote collection and recycling of used motor engine oil across the organization.

Waste is segregated according to classification guidelines by the Centre for Waste Management – Abu Dhabi (CWM-AD) and the company has a waste management license from Tadweer. Disposal of hazardous waste is carried out strictly in accordance with local regulations using licensed Environmental Service Providers (ESP).

⁹ Environmental Monitoring Program conducted for the 3 compost facilities in 2023. No exceedance recorded.

¹⁰ Abu Dhabi Waste Management Centre, Tadweer.

Inorganic waste

Barari operates its own factory to make the low-density polyethylene (LDPE) pipes used for its vast irrigation network. This irrigation network is constantly being expanded and requires continuous maintenance to ensure the efficient delivery of water and prevention of losses through leakage. This means that pipes constantly need to be replaced.

Given these requirements, Barari took the step to develop the LDPE factory to recycle obsolete pipes as well as to manufacture new ones. This protects the environment from pollution related to disposal of old pipes, minimizes the need to purchase new raw materials while also protecting wildlife. In 2022, recycled material amounted to about 120,900 kg of raw material or approximately 22% of the total material used for irrigation pipe manufacturing.

Organic (green) waste

MHI Group gathers around 80,000 tons per year of green waste from its forestry operations and recycles a large portion of it into compost for use as fertilizer to improve soil health and support plant life with much needed nutrients. Some of the green waste is also used to create mulch.

These processes are carried out through Abu Dhabi Compost Plants (ADCP) which manages the three largest organic waste recycling plants in the UAE. The project is operated by Barari in partnership with the owner, The Center of Waste Management Abu Dhabi (Tadweer).

Barari follows the Abu Dhabi Specification ADS 031/2022¹¹ *Abu Dhabi specification for the manufacture of compost from green waste*.

Located in the Al Mafraq Industrial area in Abu Dhabi region, Al Khatim in Al Ain Region, and Liwa in Al Dhafrah region, the plants have a combined capacity to process up to 60,000 tons per year of plant and animal waste and convert it into compost for use as fertilizer. The table below shows the volume of compost produced by the three plants over the past three years. In 2022, 57% of green waste was converted into compost product.

Table 4. Compost production from landscape and animal waste

Year	Landscape & Animal Waste Received (tons)				Compost Produced (tons)			
	Mafraq	Khatim	Liwa	Total	Mafraq	Khatim	Liwa	Total
2022	27,178	21,476	15,326	63,980	22,436	9,510	4,314	36,260
2021	28,173	17,202	32,422	77,797	28,035	5,760	2,927	36,722
2020	23,158	14,531	12,149	49,838	23,139	0	0	23,139

In addition, MHI Group recycled about 17,350 kg of wastepaper in 2022.

¹¹ [Online resource] Barari Natural Resources was part of the working group established in cooperation with the Abu Dhabi Quality and Conformity Council to set this specification.
<https://jawdah.qcc.abudhabi.ae/en/Registration/QCCServices/Services/STD/ADS/ADS-031-2022-En.pdf>

6 COMMITMENT TO SOCIETY

MHI Group believes that its core environmental and conservation focus naturally results in wider benefits to society. In addition, it is dedicated to fostering a positive social impact through initiatives that enhance the wellbeing of all its stakeholders, including employees, customers, and the communities in which it operates.

6.1 Health & Safety

Ensuring that operations are conducted in a safe, responsible, and sustainable manner is a top priority at MHI Group. Under its Health & Safety Policy, the Group strives to achieve the highest standards of health & safety across the full spectrum of its activities and to go above and beyond applicable rules and regulations, where feasible.

MHI Group undertakes to internally audit its Health & Safety Policy annually and report on the outcome to relevant stakeholders. In addition, it is evaluating an annual external audit of relevant practices to ensure commitments are in line with applicable industry standards.

6.1.1 Health & Safety Management

Health & Safety is managed, monitored, and evaluated by the Director of Health, Safety & Environment and the Director's teams. Each entity with material operations has one or more dedicated Health & Safety professional(s) who reports to the aforementioned Director. The Health & Safety teams oversee and coordinate HSE-related emergency management across the material operational subsidiaries. Consideration is being given to the possibility of linking executive compensation with Health & Safety Performance.

The Group are evaluating the implementation of a health and safety management system aligned with contractual and applicable Statutory and Regulatory requirements and relevant standards, including ISO 45001:2018, where appropriate.

MHI Group defines and implements health and safety management systems appropriate to each subsidiary's operations, including seeking standard certification where possible. Each of MHI's subsidiaries has a local HSE management representative. These representatives work closely with Director of Health, Safety & Environment in the development, implementation, and alignment of HSE strategies, policies, and procedures in meeting the Group's strategic health and safety vision, objectives, and targets.

6.1.2 Occupational Health & Safety (OHS)

The health and safety of workers is always the Group's foremost consideration. MHI Group aims to provide a safe and healthy working environment for all employees as well as clients and visitors to its sites.

The Group has clear processes and procedures in place to prevent workplace incidents, injuries, and illnesses in areas under its direct operational control and in other locations by working with its facility management service providers.

Barari has a dedicated Occupational Safety & Health Policy developed in line with the Abu Dhabi Occupational Safety and Health (OSHAD) System Framework requirements as well as ISO 45001:2018

Occupational Health & Safety Management System. The Company also has dedicated policies related to Work Stress, Heat Stress, as well as Drug and Alcohol Use. In addition to Barari, Al Ain Fodder Factory LLC, and Campaign Facilities Management LLC are also certified. Collectively, these subsidiaries account to nearly 75% of the Groups operations, in terms of hours worked. Accordingly, the health and safety practices of these subsidiaries undergo external audits biannually and annually for ISO certification and/or OSHAD compliance renewals, respectively.

HSE Performance and Measurement

MHI Group sets clear targets and KPIs to monitor and measure the Group's health and safety performance as part of its centralized health & safety performance management system. These metrics are essential not only to evaluate performance but to ensure continuous improvement.

MHI Group is committed to achieving the following key occupational health and safety objectives across its operations where it monitors and reports health and safety metrics.

Objective 1: No serious Health & Safety injuries

Objective 2: Development and implementation of risk management programs for relevant operations

Objective 3: Compliance with HSE legislative requirements

Objective 4: Development and enhancement of HSE resources

Objective 5: Continual improvement of HSE performance

Objective 6: Ensuring that all new employees undergo adequate health and safety inductions and are aware of health and safety standards and practices

6.1.3 Health & Safety Targets

MHI in turn works closely with its subsidiaries to achieve these objectives where each entity sets specific health and safety targets. Barari (comprising >70% of total worked hours in 2022) has set the following health and safety targets for 2023:

- Reduce Lost Time Injury Rate (LTIR) of incidents by 5% (Fatality, LTI, Permanent disability).
- Reduce Total Recordable Injury Rate (TRIR) of incidents by 10% (LTI, RWDC, MTC).
- Improve the reporting of near misses by 10%.
- Conduct 4 internal audits for all regions annually in addition to third-party certification audits.
- Health and safety induction of 100% of employees.
- Create, implement, and achieve at least 75% of the 2023 Health & Safety training plan.
- Conduct quarterly health and safety meetings in all regions of operations attended by a health and safety focal point.

The targets in place are applicable to contractors working with or for the Group at its locations. MHI Group has implemented a wide range of initiatives and procedures to achieve these targets. Some of them include the following:

- Over 30,000 hours invested in HSE competency training with 8% dedicated to external third-party certification training hours.

- In 2022, a program safety program was initiated to minimize road accidents. Two thirds of drivers and operators completed internal road safety refresher awareness.
- Toolbox Talks (total) ~31,000 working hours spent across organization mainly within the operations teams.
- Continual integration of health & safety metrics into technical evaluation of contractors.
- HSE teams planned and implemented HSE inspections and document gaps, with continuous follow up till closeout.
- Enhanced access to company policies and procedures such that they are communicated clearly to all employees.
- Conducted regular audits and remained in compliance with all regulations and certification standards.

In 2022, workers at MHI Group worked nearly 22 million hours. The number of reported injuries in 2022 increased compared to the previous year; however, the number of serious injuries decreased by nearly 50% from 20 to 11. This may be attributed to the change management of Health & Safety Management System to control risks associated operations and initiation of awareness sessions on changes to procedures.

The Group's Lost Time Incident Rate (LTIR)¹² fell to 0.49 in 2022 compared to 1.11 in 2021 while the Total Recordable Injury Rate (TRIR)¹² rose to 2.12 in 2022 from 1.37 a year earlier. While these numbers are for the Group as a whole, the vast majority of these incidents were recorded by Barari followed by Mawarid Services' Landscaping projects. The Group takes all necessary measures to strengthen implementation of safety procedures in these areas and augment HSE training.

The following table provides a breakdown of LTIR, TRIR, and fatalities for the last three years consolidated across MHI Group, including all subsidiaries in addition to Barari and Mawarid Services. The breakdown includes contractors.

Table 5. MHI Group incident metrics

Reporting Year	LTIR (per million hours)	TRIR (per million hours)	Fatalities
2022	0.49	2.12	0
2021	1.11	1.37	1
2020*	0.27	0.55	0

*2020 Health and safety data only includes Barari

MHI Group uses additional metrics to measure its health and safety performance, including Lost Workdays, Motor Vehicles Crashes, and Fire Incidents, among others. Full data sets can be found in the appendices.

In 2021, MHI Group tragically experienced a fatal injury within operations. Immediately, a thorough investigation was launched to identify the root causes and address any potential vulnerabilities that might lead to a repeat occurrence. The Group collaborated fully with local authorities and sector regulatory authority in this investigation. Based on the findings, which indicated some gaps in skills, supervision, and risk assessment; decisive corrective action was taken. These measures included conducting Toolbox Talks for all employees involved in the project, revising, and disseminating the risk assessment, organizing HSE General Awareness training by a third party, and appointing a dedicated

¹² Rate based on million worked hours.

HSE officer on the project to oversee job safety. The Group is determined to prevent such incidents in the future and remain vigilant in its commitment to safety.

6.1.4 HSE Training & Awareness

HSE-related training ranges from inductions for new employees to activity specific internal awareness training to third-party external training & certification. Training varies in extent and topics covered depending on the organization and project needs /client requirements. Training topics cover a wide range of relevant topics linked to specific operational hazards and risks.

MHI Group conducts internal road safety awareness training for drivers of light and heavy vehicles working mainly for Barari and Mawarid Services. The program was extended to All Terrain Vehicle (ATV) operators in 2022, mainly forestry employees. In 2022, 448 drivers (light/heavy vehicles) and operators attended the training compared to 127 in 2021, an increase of around 350%.

The Group also conducts internal communication of HSE topics. For example, Barari's HSE department prepares and communicates two Toolbox Talks (TBT) awareness topics per month.

In addition, at corporate level, relevant HSE information is relayed across the organization through a 'HSE Announcements' email. This includes external TBT, safety alerts, or awareness topics from clients or Government agencies (such as Abu Dhabi Police awareness videos).

Employees can access HSE policies and procedures via the MHI Group intranet, ensuring that the requirements are communicated across the organization. This resource is being continuously enhanced and updated to provide a comprehensive, readily accessible source of relevant HSE information.

6.1.5 Product Safety & Quality

MHI Group strives to always meet or exceed customer expectations when it comes to the safety, quality, and timely delivery of its services. The Group sets clear, attainable, and measurable service quality objectives and targets for internal operations as well as any external partners. The Company continuously reviews and evaluates quality management performance and considers ways to strengthen procedures and set new objectives and targets.

MHI Group is evaluating the implementation of a Quality Management System aligned with statutory and regulatory requirements and relevant standards, including ISO 9001:2015, where suitable.

The Group has rigorous testing and inspection programs in place to ensure it maintains quality levels and meet set standards and customer expectations. Procedures are in place to address instances of non-conformity, should they arise, as well as to mitigate the risk of a recurrence.

MHI Group allocates resources for training to ensure the effective implementation of quality management procedures.

In addition, MHI encourages its subsidiaries and associated companies to define and implement quality management systems appropriate to their operations, including seeking third-party standard certification.

Barari has a dedicated Quality Policy as well as a quality management system manual aligned with the ISO 9001:2015 Quality Management System standard that uses the Plan, Do, Check and Act approach to process planning.

The manual serves two main purposes:

- 1) To provide customers with confidence in Barari's ability to deliver its products and services consistently and to meet their needs and expectations.
- 2) To ensure Barari meets its own requirements to deliver services cost effectively and efficiently, making use of the available resources, materials, manpower, equipment, technology, and information.

6.1.6 Chemical Safety

Some of MHI Group's core operations call for the use of chemicals or other hazardous substances or materials such as pesticides and petroleum-based products, which could be harmful to the environment as well as to wildlife and to people unless all necessary precautions are taken.

The Group has strict guidelines and procedures governing the use of such chemicals, as well as their safe handling, disposal, transportation, storage, and labelling. In addition, robust procedures are in place to ensure timely and appropriate measures are taken in the event of an incident, such as a chemical spill, including containment and clean-up operations. All procedures are strictly in line with applicable rules and regulations by relevant authorities.

MHI Group includes terms in contractual agreements with third parties, such as suppliers, to ensure they abide by similar standards governing chemicals and hazardous materials.

The Group ensures the provision of appropriate training, such as Control of Substances Hazardous to Health (COSHH) training and awareness programs for relevant stakeholders, including employees who may be required to handle or be exposed to such substances during the course of carrying out their duties.

6.2 Labor Management

MHI Group hires qualified talent to join its teams of experienced, highly qualified professionals. It recruits individuals that can add value to the organization and enable it to consistently deliver best-in-class services while supporting sustainable growth and development.

Hiring candidates with the right blend of technical and soft skills as well as the right mindset is essential to ensure the Group makes good on its values of teamwork, loyalty, honesty and integrity, commitment, professionalism, and innovation.

The Group attracts talent with competitive packages of wages, allowances, benefits, targeted incentives, opportunities for growth and development, and a stimulating working environment.

MHI Group employs about 11,000 people across multiple fields and business units operating in different industries.

6.2.1 An Equal Opportunity Employer

MHI Group is an equal opportunity employer and values gender balance as well as having a diverse workforce comprised of individuals from many different backgrounds, nationalities, and religions, all united under a common purpose and vision. The Group recognizes that diversity and inclusion in the workplace can produce positive outcomes for business, for individuals and societies.

The Group promotes the principles of impartiality and fairness and makes every effort to nurture an inclusive workplace where all employees feel a sense of belonging and engagement.

MHI Group has zero tolerance for discrimination or abuse of any kind based on gender, race, color, religion, nationality, disability, or other characteristics. As a participant of the United Nations Global Compact, MHI Group fully respects internationally proclaimed human rights as well as International Labour Organization (ILO) conventions on forced labor and child labor and has relevant procedures in place to ensure such practices are prevented across operations.

These principles are enshrined in policies, including MHI Group's Diversity, Equity and Inclusion Policy, Human Rights Policy, as well as the Code of Conduct, which outlines the ethical principles, values, and standards the Group expects of all employees, directors, and stakeholders associated with the Group.

MHI promotes these principles through all human capital related practices, including the approach to recruitment, learning and development, compensation and benefits, employee relations and culture, performance management, and welfare management.

Additionally, the Group has implemented grievance procedures that ensure employees and stakeholders have an official channel to voice their concerns, which promotes transparency, fairness, and accountability.

6.2.2 *Emiratization*

MHI Group's employment strategy is aligned with UAE initiatives to build local capacities and expand the participation of UAE nationals in the private sector. The Group provides Emirati workers with opportunities, wherever possible, especially young people. Through the Group's internship scheme, a hands-on experience is provided, in addition to mentoring and practical training to help Emiratis embark on a rewarding career. Internships can last from one to six months depending on the projects and may lead to permanent contracts.

6.3 Human Capital Development

Having hired top talent in the market, MHI Group makes every effort to retain workers by engaging them and providing opportunities to develop their skillsets, advance their careers, and achieve their aspirations.

The Group strives to maintain high levels of employee wellbeing, satisfaction, motivation, and morale and fosters a positive workplace culture where all employees are treated with dignity and respect, regardless of their rank or role. To better measure employee satisfaction, an employee engagement survey will be rolled out in the coming year.

MHI Group empowers all employees with opportunities to apply their skills in a challenging but richly rewarding working environment where they can contribute to truly impactful, transformational initiatives. In addition, employees are encouraged to use their initiative and contribute to the continuous enhancement of processes and procedures.

The Group closely collects and monitors employee turnover data. A comprehensive analysis of employee turnover rate is conducted annually and used as a key indicator of the Group's efforts to improve the workplace environment and employee retention and better identify and mitigate human capital risks. The Group recognizes the impact of employee attrition not only on the Group's organizational knowledge and employee morale, but also on the direct costs associated with recruitment and training of new hires. In 2021, the Group initiated a more granular process to monitor employee attrition through a detailed breakdown of turnover rates by gender and age groups. For the reporting year 2022, the Group's turnover rate stood at 14.29%, which reflects a slight increase from

the previous year (Table 9). The Group's analysis suggests that the main factor contributing to employee attrition is the dynamic nature of the industry where higher turnover is often a consequence of the project-oriented employment landscape and the significant proportion of expatriate labor. In response, the Group will further investigate turnover breakdowns per employee category in the coming years to enable a more targeted approach to lowering employee attrition. The Group is also working on rolling out an employee survey aimed at enhancing engagement and satisfaction while continuing to work on improving employee benefits and the work environment. The Group believes that these efforts will not only improve turnover rates but also contribute to overall business and ESG performance.

6.3.1 Performance Management

MHI Group fosters a performance driven culture that provides employees with clear priorities and targeted objectives that align with the Group strategy. MHI Group's Performance Management System is designed to assess, monitor, and develop the performance levels of all employees.

Performance is assessed through regular performance reviews. These provide a forum for employer and employee to exchange constructive feedback and for employees to understand how their performance is assessed and rated.

As part of its pay and performance management practices, the Group implements a variable performance-based component which is broken down by behavioral, financial, job-specific, and health, safety & environment Key Performance Indicators (KPIs) for all employees including executives. This approach aligns with the Group's strategic objectives and is designed to drive better performance across all job levels. The Group's variable-pay policy, which is supplemental compensation based on job performance, includes components such as sales commissions and bonuses. This model not only helps manage long-term costs but also encourages employees to align their performance with the Group's strategic goals. The Group is committed to regularly reviewing and adjusting compensation structures to ensure they remain competitive, fair, equitable, and transparent.

Where necessary, employees are issued with Performance Improvement Plans (PIP) which highlight areas in need of improvement and provide a clear pathway for workers to strengthen those areas where they are falling short.

Performance reviews also provide the basis for recognizing and rewarding employees that are performing well and making a significant contribution to the organization. Employee Awards schemes include Best Driver or Operator, High Performing Worker, Best Supervisor, and Best Assistant Supervisor or Chargehand. Rewards are in the form of pay rises, promotions, or other incentives.

6.3.2 Learning & Development

MHI Group ensures employees are equipped with the knowledge and skills needed to carry out their duties to the highest standards, meet strategic business objectives, drive sustainable business performance, and create long-term value for stakeholders.

Employees are provided with plentiful opportunities to develop their skillsets through on-the-job experience as well as through continuous learning & development programs, succession planning, and career development plans.

Professional development needs are assessed and assigned through the performance review system. Skills development is partly done through in-house programs and partly using external training vendors, when necessary.

To support succession planning, MHI Group has dedicated management training programs in place to identify and nurture future leaders. Currently, the Group supports relevant leadership training programs for the heads of departments, managers, and general managers. Training courses for top management and directors are planned to support leadership's professional development, ethical governance awareness, and ESG practices.

6.3.3 Other Benefits

In MHI Group's commitment to fostering a supportive and inclusive work environment, the Group offers a benefits package beyond the basic salary and general allowance. Additional benefits, which are outlined in each employee's contract, vary according to job grade and contract status. Housing and transportation benefits are provided depending on the employee's contract type. These benefits are provided either as allowances or company-provided accommodation or transportation.

In compliance with UAE labor law, the Group provides pension benefits to employees who are GCC nationals and end-of-service benefits to all other employees (including part-time and full-time employees). The Group also covers repatriation tickets, overtime pay, paid time-off (annual/sick/public holiday/maternity & paternity leave), recruitment expenses, and medical insurance coverage for all part-time and full-time employees. The Group offers additional benefits to more than 85% of employees including uniforms and personal protective equipment, food allowance or laborers' food and beverage, remote area allowance, medical assistance, and internal/external training. The Group also provides mid and senior level employees, comprising around 7% of the workforce, medical insurance benefits to family members and children of employees up to the age of 18, school fees for children of employees up to the age of 18, and telephone allowance.

MHI Group believes that these benefits not only contribute to employee satisfaction and retention but also align with the Group's ESG commitments to social responsibility and human capital management.

6.4 Engaging with Local Communities

At the heart of MHI Group's sustainability mission lies a dedication to fostering resilient, inclusive, and environmentally responsible communities. The Group strives to ensure that its operations have positive social, economic, and environmental impacts on the communities in which it operates. MHI Group generates economic benefits by promoting local procurement where possible while also creating jobs and offering internship opportunities.

Spreading awareness through education programs is at the core of the Group's community engagement strategy. Barari, for example, collaborates with government agencies, including the Environment Agency – Abu Dhabi, to reach out to the community through programs that promote its environmental initiatives. As part of its corporate social responsibility (CSR), Barari has also launched or participated in events and campaigns that serve local communities, including the 'Western Region without Waste' initiative which provided equipment and labor resources for clean-up operations in the aftermath of major storms that caused widespread damage to this area of Abu Dhabi. Representatives of various public and private sector organizations joined forces to complete the operation.

7 GOVERNANCE

MHI Group is committed to embedding robust governance structures that ensure transparency, accountability, and fairness in the Group's operations. These go hand in hand with responsible business practices to lay the foundation for long-term business success, build stakeholder trust, and create sustainable value.

MHI Group's Board of Directors is currently comprised of 3 members, all of whom bring a wealth of experience of overseeing successful businesses in the UAE. The Board is responsible for setting MHI Group's long-term strategic direction and oversees the Executive Management team's implementation of the strategy.

7.1 Board Members

H.E. Abdul Jalil Al Blooki – Chairman of the Board

H.E. Abdul Jalil Al Blooki is a qualified director with over 45 years of experience in senior managerial positions and directorship in several holding companies both in the UAE and overseas with diversified business including, banking, trading, real estate, contracting, hospitality, agriculture forest management, healthcare, oil and gas among other activities. He was involved in setting up and launching several mega-sized industrial projects within the UAE and overseas.

External Appointments

H.E. Abdul Jalil Al Blooki also holds key positions in public sector and private companies in the UAE including:

- Under Secretary, Management of Nature Conservation; the Department of Presidential Affairs Abu-Dhabi, UAE
- Managing Director, Private Department of His Highness Sheikh Mohamad Bin Khalid Al Nahyan Abu-Dhabi, UAE;
- Chairman, Emirates Business Group L.L.C.;
- Chairman, Al-Bustan Group for Investment L.L.C.;

Hamad Salem Mohammed Saeed Al Ameri – Board Member

Managing Director and Group CEO of Alpha Dhabi Holding PJSC ("ADH"), since 2021, Eng. Al Ameri has spearheaded a rapid and comprehensive transformation of ADH as a strategic contributor to the UAE economy and is committed to driving continuous growth for its stakeholders through investments in emerging businesses, supporting innovation and diversity. He has guided ADH through a number of strategic firsts, including the group's IPO on the Abu Dhabi Stock Exchange Since then, he has continued to transform the group by leading a multi-billion-dollar M&A and Investment strategy which saw the group enter new sectors, including Renewable Energy, Petrochemicals and Fintech. Eng. Al Ameri's industry expertise is in healthcare, renewable energy, petrochemical and other industries, real estate, construction, and hospitality, among others.

He obtained his bachelor's degree from the American University of Dubai and completed his MBA program at Canadian University Dubai.

External Appointments

Eng. Al Ameri, in addition to his roles in ADH and MHI, also holds key positions in other prominent listed and private companies in the UAE including:

- Vice Chairman, National Marine Dredging Company;
- Board Member, Aldar Properties PJSC;
- Board Member, OCI Methanol Group;
- Board Member, Pure Health;
- Board member, ADC Acquisition Corporation PJSC Shares;

Mohammed Yaser Bader – Board Member

A graduate of Philadelphia University, Jordan, Mr. Bader began his career as a Finance and Accounting specialist working on finance, accounting, mergers & acquisitions, investments, and financial management strategies. Today, he is a Certified Management Accountant and Certified Internal Auditor with impeccable management experience garnered during a career with over 18 years at leading organizations in the region. Since joining the International Holding Company (IHC) in 2011, Mr. Bader has been accountable for corporate finance functions and accounting, aiding top management and devising financial plans for leading organizations in the UAE. His industry expertise includes business start-up and financial/operational management, finance, accounting, mergers & acquisitions, investments, and financial management strategies.

In his previous role as Group Financial Controller on Alpha Dhabi Holding PJSC's executive management team, his responsibilities encompassed the identification of potential financial risks and the development of strategies to mitigate them, ensuring the company's resilience in a fluctuating economic environment. This proactive stance on risk management not only safeguarded the company's assets and shareholder value but also supported informed strategic decision-making and long-term financial stability.

Presently, Mohammad Yaser Bader holds the position of Group Chief Financial Officer of Alpha Dhabi Holding PJSC.

External Appointments

Mr. Bader also holds positions in other prominent companies in the UAE and overseas including:

- Board Member, Sandstorm Auto L.L.C.;
- Advisory Committee Member, OCI Fuel Limited;
- Board Member, Canal Sugar – Egypt.

7.2 Executive Management

Kashif Shamsi – Group Chief Executive Officer (CEO)

Kashif Shamsi took the helm of MHI Group as its Group CEO in May 2023. Prior to that he was the Group Chief Financial Officer at Alpha Dhabi Holding PJSC.

Mr. Shamsi is a highly experienced Chartered Accountant who has been leading and managing major institutions during a career spanning over 25 years with some of the leading companies in the region. He began his career with PricewaterhouseCoopers (PwC) in 1995, working in audit, corporate finance,

taxation, legal services, and mergers and acquisitions. Mr. Shamsi was also extensively involved in training PwC's next generation of finance professionals. He worked with high profile companies such as Etisalat, Aldar Properties and MTN Group in a wide range of engagements across the GCC.

In 2008, Mr. Shamsi joined Tamouh Investments LLC, one of the largest master developers in the UAE, as the Group Chief Financial Officer. In this role he oversaw the critical functions of finance, legal affairs, information technology and ERP systems. He was also responsible for all major investment and commercial transactions as he navigated the group through the economic challenges of the financial crisis. Mr. Shamsi has also worked with Select Group, a major developer based in Dubai with investments and operations across the UK and Europe, as well as in its home base in Dubai.

Mr. Shamsi is a member of the Institute of Chartered Accountants of Pakistan and an Alumni of London Business School.

External Appointments

Mr. Shamsi is also a Board Member of Response Plus Holding PJSC, which is listed on the Abu Dhabi Securities Market. He is the Chairperson of its Nomination and Remuneration Committee and a member of its Audit Committee.

Rauf Muhammad – Group Chief Financial Officer (CFO)

Rauf Muhammad is a seasoned CFO with over 25 years of experience in various sectors, including Real Estate, Media, Oil and Gas, and Public Practice, primarily in the UAE and Canada. He holds CPA qualifications from Canada and the US.

Rauf is experienced in financial strategy, financial reporting, planning and analysis, mergers & acquisitions, tax strategy, and compliance. His track record includes managing the financial function of a multi-billion-dollar company, where he oversaw key aspects such as risk management, treasury and capital structure, compliance, governance, and internal controls. He has led the digital transformation of finance functions and implemented ERP systems.

Prior to his current roles, Rauf held key positions at Eagle Hills Properties, an Abu Dhabi-based renowned property developer, including representing the company on various boards of the JV partners, and Genesis Land Development Corporation, a prominent community development company in Calgary, Canada, listed on the Toronto Stock Exchange.

7.3 Board Committees

Audit Committee

MHI's Board has an established Audit Committee to provide a structured, systematic oversight of the Group's governance, risk management, and internal control practices. The Committee assists the Board and management by providing advice and guidance on the adequacy of the Group's initiatives for:

- Governance structure
- Risk management
- Internal control framework
- Values and ethics
- Oversight of internal audit and external auditor.

- Financial statement presentation and reporting

In broad terms, the Audit Committee reviews each of the items noted above and provides the Board with independent advice and guidance regarding the adequacy and effectiveness of management’s practices and potential improvements to those practices.

Table 6. Members of the Audit Committee

Name	Title	Category
Mohammed Yaser Bader	Chairperson	Non-Executive
Marwan El Khatib	Member	Non-Executive

7.4 Ethical Business Conduct

MHI Group upholds the highest standards of ethical business conduct, always acting with integrity and in strict compliance with applicable rules and regulations.

The Code of Conduct outlines the ethical principles, values, and standards expected of all employees, directors, and stakeholders associated with the Group. The Code promotes transparency, integrity, and responsible business practices while considering ESG factors. This includes commitments on, including but not limited to, anti-bribery and anti-corruption.

The Group ensures that all new employees are familiarized with the company’s ethical standards through new employee induction which includes creating awareness of the Group’s Code of Conduct. Additionally, the Group also seeks to implement regular training and awareness of the Code of Conduct for all employees.

MHI Group recognizes the importance of supporting stakeholders to report any fraudulent, unethical, or malicious activities. Accordingly, the Group ensures its Whistleblower Policy and practices remain relevant to international standards. Currently, the Group has a dedicated channel to support anonymous reporting with access to whistleblower reports authorized only to the Director – Governance, Risk and Compliance and the Audit Committee. Part of that policy is to ensure that whistleblowers’ rights remain protected.

The Group has implemented a robust disciplinary policy which sets out the process for initiating disciplinary actions where necessary to ensure its employees are held accountable on standards of conduct and integrity.

In addition, the Group’s corporate governance is supported by a comprehensive suite of policies outlining its commitment to international best practices.

These policies include, but are not limited to:

- Environmental Policy
- Human Rights Policy
- Diversity, Equity, and Inclusion Policy
- Supplier Code of Conduct

The Board approves policies set by the Group CEO who is also accountable for their implementation. Policies are reviewed annually and updated, when necessary, to ensure they remain aligned with international governance best practices. All policies are reviewed and approved internally, though MHI Group plans to seek external audit of practices such as anti-bribery and anti-corruption.

The GRC department conducts regular reviews including detailed analysis across the Group to identify key risk indicators. These reviews are performed with the use of best practice data cleansing, mining, and analytical tools to identify financial, operational, and compliance risks including issues related to ethical behaviour. The department also investigates any cases or allegations brought forth through the company's official whistleblower channel. The department then generates fact-finding reports that are shared with management on all the identified cases to take appropriate disciplinary action.

As per the Supplier Code of Conduct policy, MHI Group expects all suppliers and partners to behave according to the ethical business practices detailed therein. MHI Group has procedures in place to evaluate supplier performance and aims to ensure that ethical standards among other ESG material indicators are assessed as part of an improved supplier performance evaluation program.

7.5 Performance-based remuneration

MHI Group's Executive Remuneration Policy provides guidelines on executive remuneration practices that are aligned with shareholder interests and promote long-term value creation. The Policy applies to all executive employees of MHI Group in positions of leadership including all C-Suite and Director level positions.

MHI aims to integrate ESG factors such as, but not limited to, environmental, and health and safety performance and targets achievement while assessing performance-based remuneration of the executive management employees.

The Group has already incorporated health and safety target achievements, among other performance objectives, for the CEO as part of the CEO's variable performance-based component (i.e., bonuses).

7.6 Transparency

MHI Group is fully committed to complying with International Financial Reporting Standards and taxation practices of the host countries of its operations. The Group's financial statements are externally audited by one of the Big 4 international accounting firms who has expressed an unqualified opinion on its financial statements. Additionally, the Group has never been subject to internal investigation of its accounting practices, come under investigation from applicable regulatory bodies nor been subject to any fine for issues related to its accounting practices.

7.7 Company Laws and Shareholder Matters

The provisions of the UAE's Federal Decree-Law No. (32) of 2021 concerning 'Commercial Companies Law' shall apply to any matter to which there is no specific provision in MHI's Memorandum of Association. A few select shareholder matters are highlighted here.

The Company Capital shall be Dirhams Three-Hundred Thousand (AED 300,000) divided into 100,000 shares, with a nominal value of AED 3 per share. All Shares of the Company shall rank equally with each other in all respects.

Every Shareholder shall have the right to attend a General Assembly irrespective of the number of shares they own. A Shareholder may; by proxy; delegate another Shareholder (other than the General Manager), or any other person to represent them at the General Assembly. Each Shareholder shall have a number of votes equal to the number of shares they own or represents.

Amendment of MHI's Memorandum of Association and increase in the financial obligations of the Shareholders conforms to Commercial Companies Law Article (101).

8 RESPONSIBLE INVESTMENTS

As a responsible investor, MHI has developed a framework and program to integrate ESG considerations into the company's investment analysis and decision-making processes.

Factoring ESG considerations into the due diligence process prior to investing in new companies is an essential part of assessing and managing MHI's own ESG risks and opportunities. In addition, it is also looking to integrating ESG considerations into existing subsidiaries.

MHI considers all ESG factors that are- deemed material to potential investees and their corresponding business sector, including environmental issues, human rights, and business ethics, among others.

Furthermore, MHI is implementing plans to screen potential new investments for specific kinds of activities, avoiding those that are incompatible with its values or in conflict with UN Global Compact goals.

Stewardship

MHI engages closely with investees and encourages them to adopt policies and programs to manage material ESG factors, in accordance with suitable sustainability frameworks and in compliance with any applicable rules and regulations. MHI also supports its subsidiaries with the necessary guidance to disclose their ESG performance in accordance with established sustainability reporting standards.

Joining the UN Principles for Responsible Investment (PRI)

To support efforts to integrate ESG into its investment decision-making, MHI aims to become a signatory to the United Nations Principles for Responsible Investment (PRI). MHI recognizes the importance of PRI as an international network of investors, supported by the United Nations, dedicated to implementing six aspirational principles:

1. Incorporate ESG issues into investment analysis and decision-making processes
2. Be active owners and incorporate ESG issues into ownership policies and practices
3. Seek appropriate disclosure on ESG issues by the entities in which it invests
4. Promote acceptance and implementation of the Principles within the investment industry
5. Work together to enhance effectiveness in implementing the Principles
6. Report on activities and progress towards implementing the Principles

PRI signatories acknowledge that ESG issues can affect the performance of investments to varying degrees across companies, sectors, regions, asset classes and through time.

Signatories also publicly commit to adopting and implementing the Principles, and to evaluate and report their performance on them annually.

Reporting to the PRI

PRI members are required to report annually across 12 modules, each of which has a specific number of indicators that need to be reported on.

MHI is committed to transparency when it comes to its approach to investing responsibly and anticipates that the first such report will be issued in line with UN PRI's membership requirements.

9 APPENDICES

9.1 Abbreviations

Table 7. List of abbreviations and meanings

Abbreviation	Meaning
BNR	Barari Natural Resources
CEO	Chief Executive Officer
COO	Chief Operating Officer
ESG	Environmental, Social and Governance
GHG	Greenhouse Gas Emissions
GICS	Global Industry Classification Standard
GRC	Governance, Risk and Compliance
HSE	Health, Safety & Environment
IEC	International Electrotechnical Commission
ILO	International Labour Organization
ISO	International Organization for Standardization
LNC	Liquid Natural Clay
LTI	Lost Time Incident
MHI	Mawarid Holding Investment L.L.C.
MTC	Medical Treatment Case
NDC	National Determined Contribution
OSHAD	Abu Dhabi Occupational Safety and Health
RWDC	Restricted Workday Case
SASB	Sustainability Accounting Standards Board
SDG	Sustainable Development Goals
SRA	Sector Regulatory Authority
S&P	Standard & Poor's
TCFD	Task Force on Climate-Related Financial Disclosures
UAE	United Arab Emirates
UN	United Nations
UNGC	United Nations Global Compact
UN PRI	United Nations Principles for Responsible Investment

9.2 Key ESG Performance Indicators

GHG Emissions¹³

Table 8. Total GHG Emissions and Breakdown by Company in 2022

Scope	Activity Type	Company Total Annual Emissions (tons CO ₂ e)					
		MHI	Barari Natural Resources LLC	Mawarid Services Company LLC	Al Ain Fodder Factory LLC	Campaign Facilities Management LLC	MHI Group
Scope 1	Stationary combustion	-	46,587.97	3,392.4	1,597.6	22.08	51,599.10
	Mobile combustion	65.02	33,814.68	3,211.3	606.5	159.65	37,857.21
	Refrigerants	-	9,699.63	2,120.1	1,667.4	1,716.86	15,203.93
	Process emission ¹⁴						
	Scope 1 - Total	65.02	90,101.28	8,723.79	3,871.56	1,898.60	104,660.24
Scope 2	Purchased electricity	21.20	1,002.57	-	1,751.61	-	2,775.38
	Purchased Cooling	65.99	58.91	-	-	-	124.90
	Scope 2- Total	87.19	1,061.48	-	1,751.61	-	2,900.27
Scope 1 and Scope 2 Total		152.21	91,162.76	8,723.79	5,623.16	1,898.60	107,560.51

¹³ [Online resource] Calculations in accordance with the Greenhouse Gas Protocol standard. <https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>

¹⁴ Process emissions are not applicable for companies presented above.

Human Resources

Table 9. Total Group Employees over the past 3 years

	2022	2021	2020
Number of employees	11,465	10,858	10,285
Part time workers (%)	0.16	0.05	0
Turnover rate (%)	14.29	12.48	13.28
Turnover rate, by gender (%)			
Men	13.41	11.38	-
Women	4.96	3.45	-
Turnover rate, by age group (%)			
Below 30 years old	16.24	5.81	-
Between 30-50 years old	11.34	14.15	-
Over 50 years old	15.75	9.89	-
* Turnover rate is calculated as [(number of employees that left)/ (annual average number of employees)]x100			

Health and Safety

Table 10. Description of health and safety metrics tracked by the Group

Metric	Description
Lost Time Injury (LTI)	Any absence from work resulting from work-related Fatalities, Permanent Total Disabilities, Permanent Partial Disabilities and Lost Workday Cases.
Lost Time Injury Rate (LTIR)	The total number of lost time injuries per million hours worked during the period. Calculation: (No. of LTI's/Work Hours) x 1,000,000
Total Recordable Incident (TRI)	The sum of Fatalities, Permanent Total Disabilities, Permanent Partial Disabilities, Lost Workday Cases, Restricted Work cases and Medical Treatment Cases.
Total Recordable Incident Rate (TRIR)	The total recordable incidents per million hours worked during the period. Calculation: (No. of TRI's /Work Hours) x 1,000,000
Lost Workday Cases	A work-related injury or illness that results in an injured person temporarily unable to perform any regular job or restricted work activity on a subsequent scheduled workday or shift, supported by a medical report from an approved medical practitioner.
Restricted Workday Cases	A work-related injury or illness that results in limitations on work activity that prevent an individual from doing any task of his/her normal job or from doing all of the job for any part of the day.
Medical Treatment Cases	A work-related injury or illness that calls for medication, treatment, or medical checkup that is administered by a health-care professional and that goes beyond first aid case. Medical treatment does not result in lost time from work beyond the date of the injury.
First Aid Cases	Minor injury of illness that calls for first aid and does not call for follow-up treatment by health-care professional.
Near Misses	An unplanned event or series of events that occurred at the workplace which, although not resulting in any injury, illness, or equipment/property damage, had the potential to do so.
Motor Vehicle Crash	An incident that has occurred as a result of entity activities that has resulted in damage to vehicles.
Property Damage	An incident that has occurred as a result of entity activities that has resulted in damage to property, buildings, plant and equipment
Fire Incident	A fire that has occurred as a result of entity activities that has resulted in damage to property, buildings, vehicles, plant, and equipment.
Environmental Incident	An incident that has resulted in a chemical or fuel (e.g. diesel) spill.
Toolbox Talk	Short, informal training sessions that are designed to create awareness for employees on various health and safety topics

Metric	Description
External Training	External third-party training and certifications depending on the entity and project needs
Internal Training	In-house training depending on the entity and project needs
HSE Induction	Health, Safety & Environmental induction for new employees

Table 11. Health and safety metric breakdown in 2022

	Mawarid Holding Investment	Barari Natural Resources	Al Ain Fodder Factory	Mawarid Services	Mawarid Nurseries	Campaign Facility Mgmt.	Emirates Safety Lab	Telal Resort	Mawarid Hotels and Hospitality	Grand Total
Labor Power (Average)	75	7310	120	2112	164	165	45	102	64	10,157
Hours worked	164,250	15,916,190	354,324	4,884,980	343,307	565,019	95,315	271,135	93,824	22,688,344
Fatalities	0	0	0	0	0	0	0	0	0	0
Lost Workday Cases (LWDC)	0	4	0	5	1	0	1	0	0	11
Restricted Workday Cases (RWDC)	0	1	0	0	1	0	0	0	0	2
Medical Treatment (MTC)	0	30	1	0	2	1	0	0	1	35
First Aid Cases (FAC)	0	16	2	0	0	0	2	0	23	43
Near Misses (Dangerous Occurrence)	0	40	2	1	2	20	2	0	0	67
Motor Vehicle Crashes	0	15	0	1	0	0	0	0	0	16
Property Damage	0	18	3	0	0	0	1	0	0	22
Fire Incidents	0	11	0	1	0	1	0	0	0	13
Toolbox Talks (hours)	0	30255	206	29	0	284	64	23	0	30,861
External Training (hours)	0	2247	7	146	0	0	67	42	1	2,510

	Mawarid Holding Investment	Barari Natural Resources	Al Ain Fodder Factory	Mawarid Services	Mawarid Nurseries	Campaign Facility Mgmt.	Emirates Safety Lab	Telal Resort	Mawarid Hotels and Hospitality	Grand Total
Internal Training (hours)	5	17207	103	143	0	1,570	36	1	9	19,074
HSE Induction (hours)	21	8398	66	27	0	117	112	4	0	8,745
Environmental Incidents	0	1	0	0	0	0	0	0	0	1
LTIR	0.00	0.25	0.00	1.02	2.91	0.00	10.49	0.00	0.00	0.49
TRIR	0.00	2.20	2.82	1.02	11.65	1.77	10.49	0.00	10.66	2.12