

نماء
nama

2016
SUSTAINABILITY
REPORT

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GROUP CEO'S STATEMENT G4-1



On behalf of Nama Holding (NH), I am pleased to present the second Global Reporting Initiative (GRI) G4 sustainability report for the year 2016. Sustainability reporting culture reflects our commitment to always keeping sustainability at the top of our agenda. We believe our industry must be ahead of the curve in taking care of the environment and society.

According to the World Energy Outlook by the International Energy Agency, significant changes are expected in energy transition to renewable sources. In fact, subsidies to fossil-fuel based activities are being reduced throughout the world. This is coupled with the increase in the trade of LNG, which is also reshaping the world of energy and changing fundamentals that could not have been anticipated some years ago. We are satisfied with our overall performance in 2016 which was a good year for the Group. Working safely

throughout the year, we can proudly say that NH's revenues and profits in our Annual Report improved in comparison with 2015. At the operational level, we increased output from 28,727 GW-h in 2015 to 30,254 GW-h in 2016 which led to a growing customers base and economic growth. Also, OHSAS certification and other achievements prove that we are heading in the right direction.

There have been challenges which we have been able to overcome through teamwork and dedication. However, running an energy company is complex, and not all factors are fully controllable. There are still power blackouts that need to be reduced. Extensive efforts are being made to boost our occupational safety measures to prevent occurrence of fatalities and work-related incidents, especially within our contracted community. History and experience tell

us that progress comes through a process of continuous learning from success and failure.

Our Sustainability Reporting must be a tool that inspires us to evaluate and intensify our efforts to improve our performance and deal with the constraints imposed by financial needs, regulatory frameworks, and talent shortage.

Being fully aware of the need to play a more significant educational role, we have developed plans to better inform about the efficient use of energy during the coming year. Our clients are key to using energy efficiently, and we are devoting time and resources to achieve this. Also, there will be changes in the regulatory frameworks, and we are departing from energy generation with the final decommissioning of our plants in 2018. Change is constant, and we need to adapt to it.

Talent development and staff retention are essential to our business. We believe that attracting talent is challenging and motivating people is an art. Nama Institute for Competency Development (NICD) is

devoting enormous efforts to train our technical staff as well as Omani graduates to meet the demands of our changing landscape.

Our sustainability agenda is led by the CEOs of all our subsidiaries. This implies that our best talent is allocating time and effort to thinking long-term. We, the management and staff of Nama Group, believe that sustainable development is the pathway to the future we want for all. Sustainability offers a framework for tomorrow and will enable us to generate economic growth, achieve social balance, exercise environmental stewardship and strengthen governance.

Omar Al Wahaibi,

Chief Executive Officer of Nama Group.

ABOUT US

ABOUT US

Nama Holding is a joint stock company registered in the Sultanate of Oman. The holding company owns the shares on behalf of the Government in nine companies engaged in the generation, procurement, transmission and distribution of electricity and related water services. In 2014, it established a training centre called "Nama Institute for Competency Development."

The nine companies are:

- Al Ghubrah Power and Desalination Company (GPDC)
- Wadi Al Jizzi Power Company (WJPC)

- Oman Power & Water Procurement Company (OPWP)
- Oman Electricity Transmission Company (OETC)
- Dhofar Power Company (DPC)
- Majan Electricity Company (MJEC)
- Mazoon Electricity Company (MZEC)
- Muscat Electricity Distribution Company (MEDC)
- Rural Areas Electricity Company (RAECO)

The collective operations and services offered by Nama Holding and its subsidiaries come together under the brand name "Nama Group."

STRATEGIC PRINCIPLES

VISION

We strive to develop and empower our human resources to deliver safe and sustainable electricity solutions to our customers.

MISSION

To provide electricity solutions by optimising and utilising its resources through implementing five critical strategies, namely:

- Human Resource Development
- Health and Safety
- Customer Service
- Asset Management
- Communication

VALUES

- Integrity
- Respect
- Professionalism

SENIOR RESPONSIBLE OWNERS GROUP (SRO)

The SRO team has the goal of developing and empowering the company's workforce to deliver safe and sustainable electricity solutions. The team also strives to protect the business values of Integrity, Respect,

and Professionalism. As part of its mandate, the Committee oversees the sustainability policy, approves new projects and reviews the progress of ongoing projects.

SENIOR RESPONSIBLE OWNER COMMITTEE (SUSTAINABILITY COMMITTEE)

Eng. Omar Al Wahaibi
Group CEO

NAMA HOLDING

Members

Eng. Ali Shamas
CEO - Dhofar Power Company
(DPC)

Adil Al Raisi
CEO - Majan Electricity Company
(MJEC)

Eng. Yaqoob Al Kiyumi
Acting CEO - Oman Power & Water
Procurement Company (OPWP)

Eng. Zahir Al Abri
CEO - Mazoon Electricity
Company (MZEC)

Eng. Abdullah Al Badri
CEO - Muscat Electricity
Distribution Company (MEDC)

Eng. Saleh Al Rumhi
CEO - Rural Areas Electricity
Company (RAECO)

Eng. Zahir Al Bahri
CEO - Al Ghubrah Power and
Desalination Company (GPDCCO)
Wadi Al Jizzi Power Company
(WJECO)

Eng. Ali Al Haddabi
CEO - Oman Electricity
Transmission Company (OETC)

Implementation

Ghada Al Yousef
Executive Manager Group
Communication & Sustainability
Nama Holding

We have to think of sustainability as a part of our operations and not as a shared service. Our daily activities are designed by our sustainability policies and integrated thinking.

Ali Shamas
CEO-DPC



Transparency is the basis for efficiency. We can only achieve operational and financial goals on the basis of good governance.

Abdullah Al Badri
CEO-MEDC



Sustainability is about taking care of the human side of the business. If we understand people's needs, including the needs of clients, employees, suppliers, we can achieve higher levels of proficiency.

Adil Al Raisi
CEO-MJEC



The challenge posed by Sustainability is to make the transition to renewable forms of energy without sacrificing progress and inclusion. We operate in a large territory with different but not conflicting needs: we can foster development and sustainability together, through creativity and innovation.

Saleh Al Rumhi
CEO-RAECO



Many people expect high quality, responsibility, social awareness and environmental stewardship from us. We are one of the largest companies in the Sultanate. So, leading by example must be our priority.

Zahir Al Abri
CEO-MZEC



People, profit, planet are three elements which the sustainability committee takes into account all the time. It is our role and responsibility to lead the change and convince our people at Nama Group believe that being sustainable and profitable is doable.

Zahir Al Bahri
CEO-GPDC/WJPCO



The challenges are there. It is up to us to find the ways to adapt ourselves to the new times and deliver to our country a reliable and sustainable energy platform. No sustainable future is possible without that platform.

Ali Al Haddabi
CEO-OETC



Sustainability is in the forefront of our strategies while we are still ensuring energy demands are met.

Yaqoob Al Kiyumi
CEO-OPWP

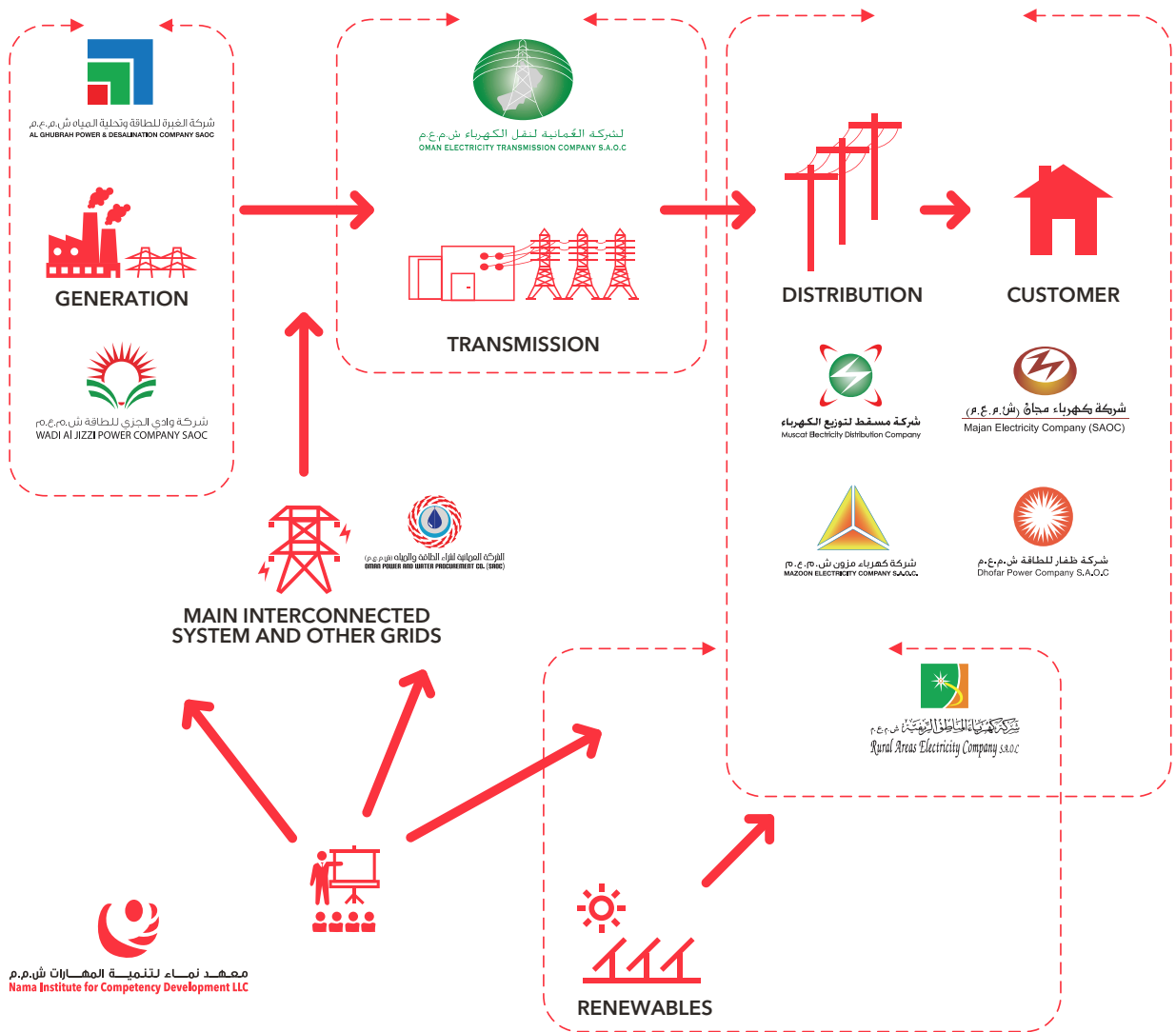


NAMA GROUP AT A GLANCE

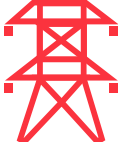
G4-3/4/5/6/7/8/9/10/11/12

Nama Group is a group of eleven companies dedicated to the procurement, generation, transmission, supply, and distribution of

electricity and water-related services to the Sultanate of Oman, covering the electricity needs of the entire country.



SUSTAINABILITY BUILDING BLOCKS

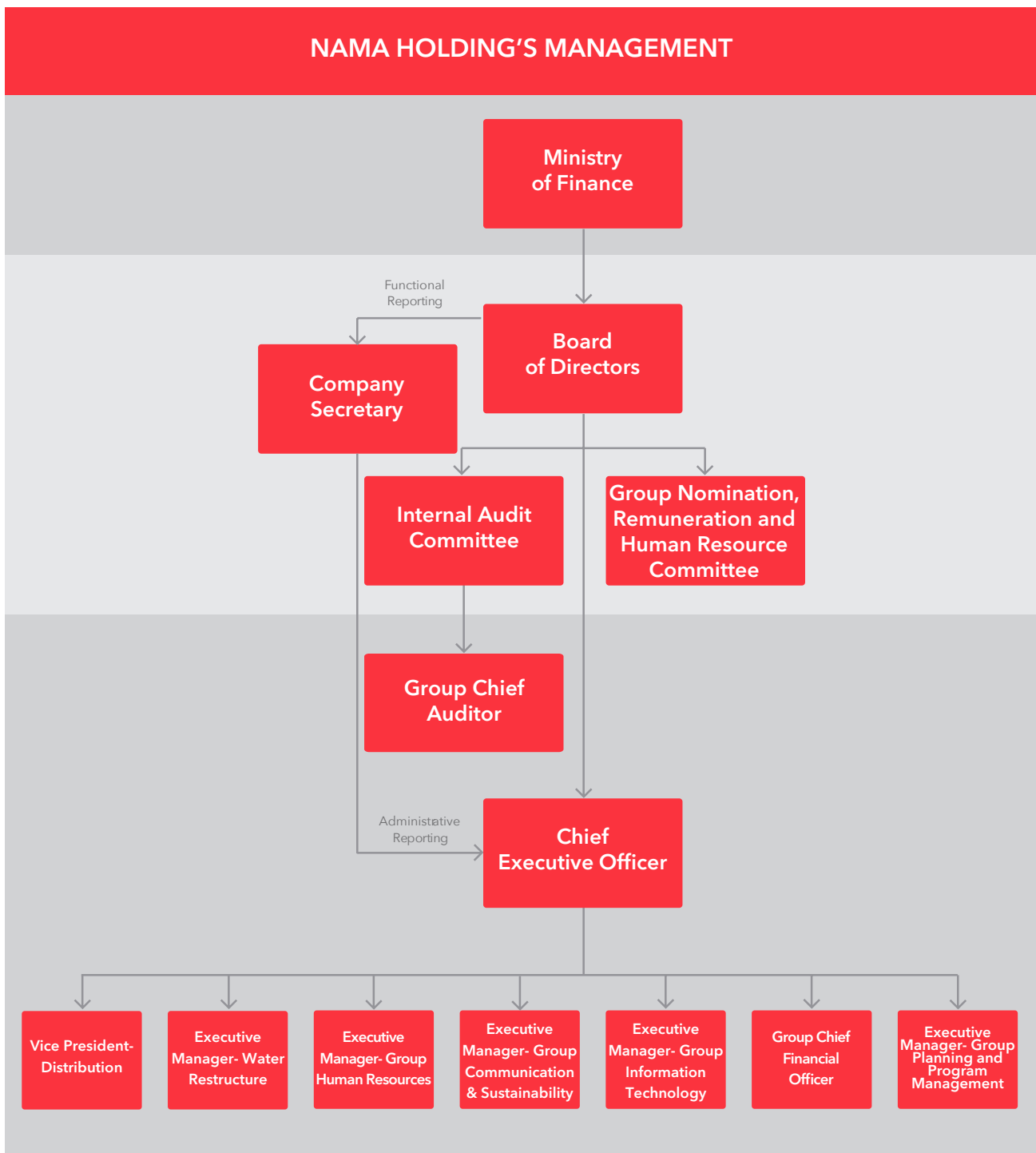
Profit		People	Planet
Total Assets RO 3.595Bn	Total Liabilities RO 2.141 Bn	 2867 employees*	 30,254 GWh Sold R.O. 448 million in Transmission and Distribution Investment 7.7% increase efficiency in gas usage
	Total Equity RO 1.454 Bn		
Profit after tax RO 89.53 M		* Additional data on section <i>Employees' Development</i>	

CORPORATE GOVERNANCE

Nama Group is committed to the highest level of governance to fulfil corporate objectives. Good governance provides the framework for creating value for all stakeholders while upholding legal and ethical obligations of a public company.

Nama Holding's (NH) management is accountable to the Board of Directors and the internal audit team consistently ensures that the Group applies sound principles of corporate governance. NH's sole shareholder is the Ministry of Finance.

NAMA HOLDING'S MANAGEMENT



SUSTAINABILITY GOVERNANCE AND POLICY

Nama Group launched its sustainability policy and the Group's Sustainability Committee commenced its meetings in 2014. The policy sets Nama Group's strategic direction to create long-term value for Oman's economy, society and the environment. Throughout 2016, the Sustainability Committee has been engaging Nama Group's employees in discussions and activities related to the key sustainability issues.

KEY ISSUES

- Health and Safety
- Rapid increase in demand for electricity
- Limited energy resource
- Young society

SUSTAINABILITY OBJECTIVES

Nama Group has outlined major sustainability objectives which cover the triple bottom line— environmental, social and economic aspects. The objectives provide a tangible way to measure progress and ensure compliance with the sustainability policy. The following illustration highlights the objectives and where this report measures performance.

SOCIAL OBJECTIVES

- We aim to ensure that all customers have safe and reliable access to electricity across the country.
- We aim to reduce the Lost Time Injury Frequency (LTIF) to our staff and contractors to less than one.
- We plan to contribute to charitable causes in Oman by encouraging our staff to spend at least one work day per year on volunteering activities.

ENVIRONMENTAL OBJECTIVES

- We aim to develop and implement annual campaigns to encourage residential customers to reduce electricity consumption.
- We aim to reduce the carbon intensity per MW of electricity and water produced to international standards.

ECONOMIC OBJECTIVES

- We aim to ensure fair treatment of all suppliers and service providers through the strict implementation of the government tender law.
- We aim to ensure that the Group remains profitable and achieves the targeted rates of returns.
- We aim to training and developing young talent to help them successfully run micro and small businesses.

INTEGRATED SUSTAINABILITY PLATFORM

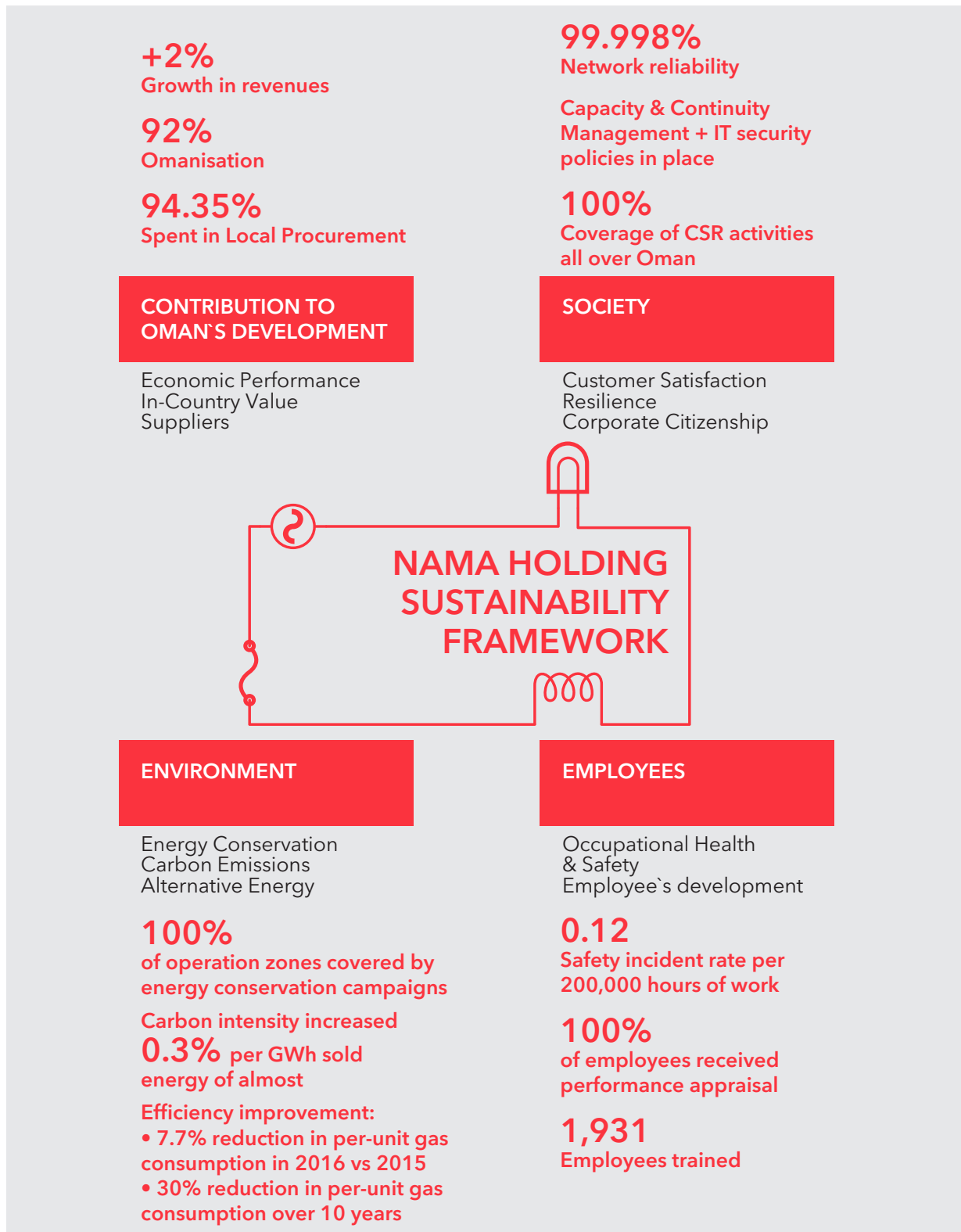
To take effective action on sustainable development, it is crucial to measure and monitor KPIs across the Group transparently. To this effect, Nama Group has opted to develop a SharePoint-based tool functioning as an integrated sustainability platform to capture KPIs to prepare annual sustainability reports.

This tool is a new step in providing for greater transparency among all subsidiaries, helping them track their own performance relative to each other and understand the aggregated data for Nama Group as a whole.

The portal will reduce manual efforts by eliminating the use of Excel sheets that are prone to errors and ensuring accurate tracking of sustainability indicators. The portal is also a repository to store all the documents pertaining to sustainability KPIs. While there were several challenges in gathering and processing data across the Group, the sustainability portal will streamline reporting in the coming years.

A QUICK REVIEW ON OUR SUSTAINABILITY PERFORMANCE IN 2016

The diagram below explains our sustainability focus areas.



ABOUT THIS REPORT

ABOUT THIS REPORT

The development and publication of the first baseline sustainability report signify the commitment to embed sustainability practices across the Group. The report covers environmental, social and economic aspects and covers the operations of Nama Group, including Nama Holding and its ten subsidiaries. This report has been prepared in accordance with the Global Reporting Initiative (GRI) G4 core reporting guidelines and references elements of

the G4 electricity utilities supplement. The GRI G4 framework has ensured that this report covers the topics which are most material to the industry and Nama's stakeholders.

The processes for engaging with stakeholders and selecting material topics to include are outlined in the following pages. The report covers data from the period of January to December 2016.

STAKEHOLDER ENGAGEMENT & MATERIALITY ANALYSIS

G4-24/25/26/27

This report has been prepared as a result of both a strategic decision and an in-depth dialogue with our stakeholders over time. The process of dialogue is a continuous practice and cannot be replaced with internal views. That is why we keep the channels of dialogue open while remaining flexible to develop new ones. Our exercise of active listening is summarised in the following table. As an outcome of the dialogues, we have been able to identify what matters regarding sustainability.

OUR STAKEHOLDERS ARE

- GOVERNMENT ENTITIES
AND REGULATORS

- CUSTOMERS
- NAMA HOLDING AND NAMA
GROUP'S BOARD OF DIRECTORS
- EMPLOYEES
- NONGOVERNMENTAL
ORGANIZATIONS
- SUPPLIERS, CONTRACTORS
AND VENDORS

STAKEHOLDER ENGAGEMENT

METHODS AND AREAS OF CONCERN

The table on the following pages illustrates the different channels used to communicate with stakeholders, based on their convenience, as well as their key areas of concern.

STAKEHOLDER 	ENGAGEMENT METHOD 	AREAS OF CONCERN 
<p>Government entities and regulators</p>	<ul style="list-style-type: none"> • Face-to-face meetings, emails and periodic reports • Business plan preparation • Policy preparations • Annual report 	<ul style="list-style-type: none"> • Efficiency, financial expenditure, and reduction in subsidies required • Compliance with policies and procedures • Timely issuance of reports and response to queries • Reputation
<p>Nama Holding and Nama Group's Board of Directors</p>	<ul style="list-style-type: none"> • Face-to-face meetings, with subsidiary executives • Phone calls, emails and reports • Training • Off-site visits 	<ul style="list-style-type: none"> • Keeping annual budget and maximization of profit • Reputation of subsidiaries • Achievement of corporate KPIs
<p>Employees</p>	<ul style="list-style-type: none"> • Surveys, face-to-face meetings, emails and circulars • Training programmes and workshops • Engagement with unions 	<ul style="list-style-type: none"> • Overall employee satisfaction • Salaries and other rewards • Improvement of the work environment, with focus on safety and health • Recruitment effectiveness of HR • Personal development tailored to departments and employees
<p>Customers</p>	<ul style="list-style-type: none"> • Personal phone calls via call centre • Face-to-face meetings • Email and social media • Customer satisfaction survey 	<ul style="list-style-type: none"> • Bills issued • Speed, quality and consistency of service • Environmental protection
<p>Nongovernmental organisations (NGOs)</p>	<ul style="list-style-type: none"> • Quarterly and monthly meetings • Publications 	<ul style="list-style-type: none"> • Performance on social KPIs • Compliance with labour standards
<p>Suppliers</p>	<ul style="list-style-type: none"> • Email communication • Training sessions and workshops • Issuance of communication reports and tenders 	<ul style="list-style-type: none"> • Quality • Meeting contractual deadlines • Health, safety and environment (HSE) policy • Payment invoices on time • Procurement process

MATERIAL ASPECTS & BOUNDARIES

G4-19/20/21/22/23

Sustainability reporting has become common practice in many large companies across the world. With the development of the reports, a 'sustainability jargon' has been coined by practitioners, which sometimes is not clear or evident to the uninformed reader.

Materiality Analysis

In Sustainability Reporting, there are categories (social, economic and environmental) and aspects related to these categories. An aspect is something that can be managed and measured. For example, Carbon Emissions, Employees' Development and Economic Impact are 'aspects.' Each aspect belongs to a category. For example, Carbon Emissions is an Environmental aspect.

Materiality involves the analysis of those aspects that are relevant to the Group, not only from the enterprise's perspective but also from the stakeholders' view. In other words, attention is given to those aspects that are considered important for everybody.

Through the 'materiality analysis', the company collects and processes the information, and examines the relative importance of aspects according to the strategy (the corporate vision) and the opinions and priorities of the stakeholders involved in the dialogue. As a consequence, some aspects 'relevant to everyone' are identified as 'material.'

Materiality: A Living Process

As a result of the process described above, the group has selected aspects that require oversight and management. However, materiality is a live process and some non-material aspects in one report could become important in the following one. That is why the materiality analysis has to be revised, and the stakeholders have quite a crucial role in providing feedback, including employees and shareholders, as well as other interested parties.

Global Reporting Initiative (GRI)

GRI is an organisation, based in The Netherlands, that develops standards to prepare Sustainability Reports. These standards aim to make the reports comparable and understandable. One of the remarkable contributions of GRI is that the standards include guidance on identifying the 'aspects,' and the disclosures of information that are appropriate for each aspect. GRI is the most renowned and popular standard in sustainability reporting.

Stakeholder Survey

Not all the stakeholders are surveyed, as that is not feasible. We aim to enrich the process by canvassing as many views as possible in the subsequent reports. However, stakeholders are encouraged to send their feedback at any time to info@nama.om and our Sustainability Team will be happy to take such views into account.

Boundaries

We are a group of companies with complementary roles across different regions. It is for this reason that the topics covered in this report are not necessarily applicable to each entity. Each company has a different role in the sector. Our distribution companies also cover different regions.

MATERIAL ASPECTS

This part of the report provides further detail on what each material aspect means and the GRI indicators used to measure Nama Group's performance.

Omanization and ICV

- Ensuring recruitment of Omani talent wherever possible.
- EC6 - Proportion of senior management hired from the local community at significant locations of operation.
- EC9 - Proportion of spending on local suppliers at significant locations of operation.



Training and Development

- Providing skills, competency, and health and safety training to all employees and contractors.
- LA9 - Average training hours.
- LA11 - Number of employees receiving performance review.

Alternative Energy

- Developing renewable energy solutions to diversify energy portfolio.
- EU1 - Installed Capacity.
- EU2 - Net energy output broken down by source and regulatory regime.

Sustainable Supply Chain Management

- Ensuring that the whole supply chain for raw materials and contractors follows sustainable practices.
- G4-12 - Description of supply chain.
- EU17 - Days worked by contractor and subcontractor employees involved in construction, operation and maintenance.

Energy Conservation and Greenhouse Gas (GHG) Emissions Management

- Reducing carbon emissions from the Group's operations and fuel use, and promoting energy conservation in Oman.
- EN3 - Energy consumption within the organization, EN15 - Direct greenhouse gas (GHG) emissions (Scope 1),
- EN16 - Energy indirect greenhouse gas (GHG) emissions (Scope 2).
- Demand-side management.

Customer Satisfaction

- Keeping customers satisfied through customer-oriented service.
- PR5 - Customer Satisfaction.

HSE

- Providing a safe workplace for employees and contractors.
- LA6 - Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities.

Compliance

- Maintaining transparent relationships with regulators and government and operating in compliance with regulations.
- SO8 - Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.

Attracting and Retaining Talent

- Ability to attract suitable individuals for different roles and ensure that they stay with the organization for the long term.
- LA1 - New employee hiring and employee turnover rates and number.

Economic Performance

- Providing value to shareholders across the group through sound financial performance.
- EC1 - Direct economic value generated and distributed.

Impact on Society

- Making a positive impact on society through responsible business practices, including investment into renewable energy sources and increasing reliability of the Group's systems.
- Disaster planning and emergency response.

MATERIAL ASPECTS AND REPORTING ENTITIES

The list of material aspects outlined by the stakeholders was validated and approved by Nama Group's Executive Management. Some challenges were faced in terms of data availability. Some aspects have never been tracked, so historical data was not available to report on for the given period. This table indicates what type of data was received and incorporated into the report.

The team will be establishing processes to close gaps in data availability and Nama Group is confident that within the next few years, more material aspects can be reported on the entire Group using relevant KPIs.

Category	Material Aspect	GRI Aspects included	
Economic	Economic Performance	<ul style="list-style-type: none"> • Economic performance 	
	In-Country Value	<ul style="list-style-type: none"> • Market Presence • Indirect Economic Impacts 	
	Suppliers	<ul style="list-style-type: none"> • Procurement Practices • Supplier Assessment of Labour Practices 	
Social & Product Responsibility	Customer Satisfaction	<ul style="list-style-type: none"> • Product & Service Labeling • Customer Health & Safety 	
	Resilience	<ul style="list-style-type: none"> • Customer Health & Safety • Disaster/emergency planning and response • IT security 	
	Corporate Citizenship	<ul style="list-style-type: none"> • Indirect Economic Impacts • Local Communities 	
Labour Practices	Occupational Health & Safety	<ul style="list-style-type: none"> • Occupational Health & Safety 	
	Employees' Development	<ul style="list-style-type: none"> • Employment • Training & Education • Grievance Mechanisms 	
Environmental	Demand-side Management	<ul style="list-style-type: none"> • Demand-side Management 	
	Carbon Emissions	<ul style="list-style-type: none"> • Emissions 	
	Alternative Energy	<ul style="list-style-type: none"> • Alternative Energy 	

Stakeholders outside Nama Group	Nama Group Components									
	NH	WJPC	GDPC	DPC	RAECO	OPWP	OETC	MEDC	MJEC	MZEC
Government entities, regulators, suppliers		•	•	•	•	•	•	•	•	•
	•	•	•	•	•	•	•	•	•	•
Suppliers, contractors, subcontractors		•	•	•	•		•	•		
Customers, suppliers		•	•	•	•		•	•	•	•
Customers, government, regulators	•	•	•	•	•	•	•	•	•	•
NGOs, Customers, society	•									
Government, regulators, suppliers, trade unions	•	•	•	•	•	•	•	•	•	•
Government entities, Regulators, Suppliers, trade unions	•	•	•	•	•	•	•	•	•	•
Government, regulators, suppliers, customers, society				•	•			•	•	•
		•	•			•	•			
	•				•					

- NH Nama Holding
 WJPC Wadi Al Jizzi Power Company
 GDPC Al Ghubrah Power and Desalination Company
 DPC Dhofar Power Company
 RAECO Rural Areas Electricity Company
 OPWP Oman Power & Water Procurement Company
 OETC Oman Electricity Transmission Company
 MEDC Muscat Electricity Distribution Company
 MJEC Majan Electricity Company
 MZEC Mazoon Electricity Company

STRUCTURE OF THE REPORT

STRUCTURE OF THE REPORT

In this document, you will find information about finance, operations, services, and our role in the community. As the subjects are extensive, we have organised the content to allow the reader to navigate the report from the beginning to the end or focus on sections of interest. While navigating, you will find four sections that describe the components of our sustainability model. In each section, you will learn about the most relevant aspects that represent the essence of our sustainability management. In the following pages, each aspect is explained from two angles:

- Information about how we manage the aspect (Our Approach & Future Outlook).
- A report on our performance and the challenges and goals we have.

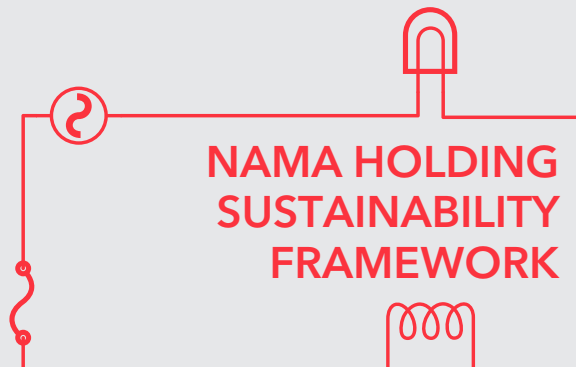
Also, through the sections, we have included information on case studies, ongoing projects, and further information about our work on Sustainability.

Economic
Performance
In-Country Value
Suppliers

CONTRIBUTION TO
OMAN'S DEVELOPMENT

Customer Satisfaction
Resilience
Corporate Citizenship

SOCIETY



ENVIRONMENT

Alternative Energy
Energy Conservation
Carbon Emissions

EMPLOYEES

Occupational Health
& Safety
Employee's development

CONTRIBUTION TO OMAN'S DEVELOPMENT

CONTRIBUTION TO OMAN'S DEVELOPMENT

Nama Group, as an electricity provider, has a major role to play in attracting investments and sustaining economic prosperity across all sectors of the economy. A national energy strategy is being developed at the regulator level

to ensure that the nation's needs are adequately served by the utilities' sector in the long term. Nama Group and the utilities' sector are proactively evaluating ways to operate more sustainably in preparation for the strategy rollout.

ECONOMIC AND DEVELOPMENTAL ASPECTS

Economic Performance

Providing value to shareholders through sound financial performance, while ensuring the ability to maintain the required levels of investment.

In-Country Value (ICV)

According to the official definition, we understand ICV as "the total spend retained in the country that benefits business development, contributes to the human capability development and stimulates productivity in Oman's economy."

Nama Group focuses on three aspects to increase the ICV: SME Development, Business Opportunities, and Omanisation and Training. The success in ICV is measured and monitored according to our capacity for improving these three factors.

Procurement

Developing valuable and lasting relationships with our suppliers through providing fair opportunities for companies and assisting them in the appraisal and development of their sustainability profile.

ECONOMIC PERFORMANCE

MANAGEMENT APPROACH AND OUTLOOK

To ensure the required investment and maintain the levels of access to electricity in the country (99.8% in urban areas), the Group has to focus on the efficient allocation of financial resources. In other words, to create the indirect impacts of electricity on everyone's life, the economic sustainability of the Group is a crucial matter. Operating in a regulated context also requires the

Group to have a clear perspective of the economic value created and how it is allocated. Hence, the 'fourth' financial statement (see next page), which measures the value generated and distributed, is a useful additional concept that explains our performance beyond the traditional finance of Profits & Losses. To systematically analyse and make decisions regarding Economic Sustainability, the group counts on the Nama Integrated Management System (NIMS). See description of NIMS below.

NAMA INTEGRATED MANAGEMENT SYSTEM (NIMS)

A Brief on NIMS

NH and its subsidiaries are involved in the procurement, generation, transmission and distribution of electricity in the Sultanate of Oman. NG has implemented several enterprise-wide IT initiatives, in pursuing the achievement of NH's vision to leverage information technology in alignment with its business needs.

Consequent to the above, NH developed a 10 years IT Masterplan to support the business objectives stated in the Five-Year Business Plan and draw a roadmap for the IT function to act as an effective enabler for business. NH IT team, supported by an external consultant, has developed the IT Master Plan outlining the strategic goals, objectives and initiatives.

The IT Masterplan suggested several strategic application initiatives to transform the IT landscape at NG and support the business functions to achieve the objectives stated in the NG business plan. Implementation of the strategic IT application initiatives will require significant efforts and synergy and entail large investment from NG.

In 2014, NH Board approved the adaptation of best of suite product to be implemented across group companies as was compared to best of breed.

Beginning of 2015, NH engaged a consultancy firm to select the best of suite product between Oracle & SAP and select the system integrator for the product. The consultancy firm has recommended Oracle as the

Best of Suite product considering the evaluation parameters agreed with EHC stakeholders. This recommendation was approved by the IT Steering Committee meeting on 16-April-2015. The implementation strategy for the Best of Suite recommendation (Oracle) has also been socialised with the programme managers of each stream and the subsidiary stakeholders of HR, Assets and Customer Service.

Objectives

The main objective of the NIMS implementation is to unify and automate all the business processes across Asset Management, HR, Customer Service and HSE by using a single integrated system for all NG companies.

NIMS Project is to have a centralised integrated solution system for NAMA Group to ensure consistent and seamless data flow between different business modules and functionalities to support Group's Vision.

Benefits

- Better governance and compliance of having single solution across the Group.
- Standardised business processes across the Group.
- Improved master data management.
- Visibility of information on the mentioned strategic pillars, which then lead to produce intelligent reports and dashboards for business leaders to support in decision making.

PERFORMANCE

The Group achieved a total revenue of R.O. 1.12 Billion in 2016, compared to R.O. 1.099 Billion in 2015. The income includes the Electricity Fees, Government Subsidies, Water Sales and other non-Operative income. The Group Expenses, part of the value distributed, stood at R.O. 1.038 Billion compared to the R.O. 988 Million recorded in 2015. These costs include Fuel Procurement, Electricity from the Grid, Payroll, Operational Expenses, Water, and other General Overheads.

The increase in revenues is mostly explained by the growth of our operations, while the increase in costs can be attributable to the Group's investment in the expansion and development of the network and related financing expenses. As a result, the figures demonstrate a balance between investing in infrastructure and remaining profitable.

A summary of the economic value generated and distributed can be found in the table below^(EC1).

NAMA GROUP ECONOMIC VALUE GENERATED AND DISTRIBUTED		2014	2015	2016
Direct Economic Value Generated				
Revenue		832,367.000	1,098,685.000	1,127,280.000
Economic Value Distributed				
Operating Costs		630,666.000	888,786.000	914,526.370
Employee wages and benefits		63,413.000	64,808.000	71,733.000
Payments to providers of capital		16,908.000	34,940.000	52,553.000
Payments to government		20,749.000	19,896.000	18,031.000
Community investments		45.000	298.000	500,000.000
Economic value retained		69,465.000	87,341.000	63,900.630



GROUP FUNDING ADVISORY AGREEMENT LAMAR PROJECT

Further to the launch of Lamar Project in 2014 to raise long-term funding to support Nama Group's capital expenditure of the distribution and transmission network, and to refinance the existing short terms borrowings, the Group has completed the funding for RO 795m equivalent for Oman Electricity Transmission Company (OETC), Muscat Electricity Distribution Company (MEDC) and Mazoon Electricity Company (MZEC) in the bonds and loan market in 2015. In 2016, the Group raised RO 227m equivalent for Majan Electricity Company (MJEC) for RO 127m and Dhofar Power Company (DPC) for RO 100m, thereby Tranche I completed successfully for a total amount of RO 1.022b.

During 2016, Nama Holding (NH) floated a tender to appoint arrangers and advisors for Tranche II fund-raising to raise a combined estimated amount of RO 750m for the same companies that participated in Tranche I and in addition to Rural Areas Electricity Company. The arrangers and advisors are required to advise and execute the strategy covering the funding quantum, sources, markets, tenors and associated requirements to support the capital expenditure program of the borrowers for the years 2017 and 2018.

NH successfully refinanced RO 100m short-term loan facility for RAECO for a period of 6+3 months, to be refinanced by the long-term fund-raising planned under Tranche II.

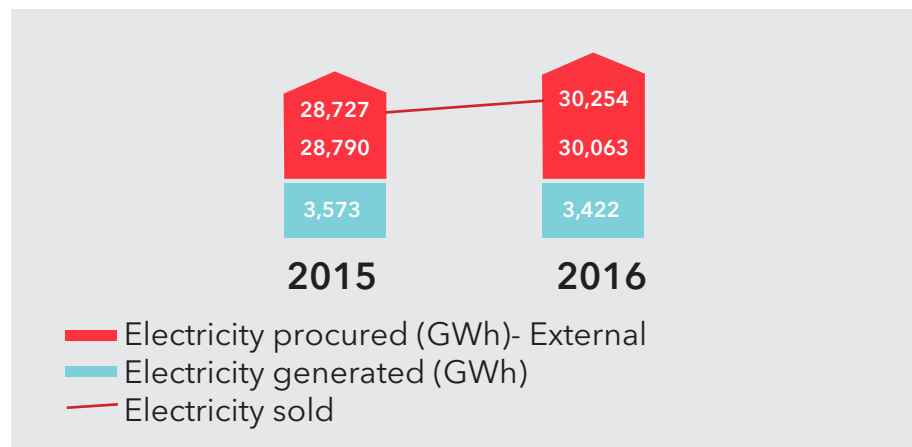
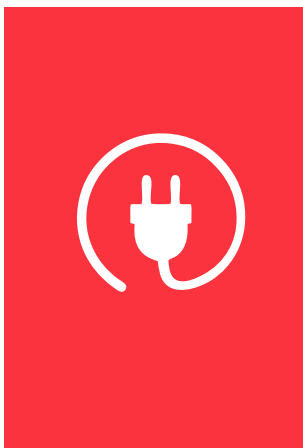
PROVIDING RELIABLE ELECTRICITY AND WATER SUPPLY

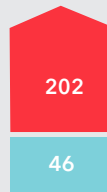
The Sultanate's Electricity Sector has continued to grow in 2016 with an increase in the Distribution and Transmission Capital Assets, growing customer number and reaching new geographic areas, which is a direct result of our growing population and new connections. In 2016, although the customer base increased by 7% to 1,074,608 customers compared to 2015, thereby the electricity supplied increased by 5% to 30,254 GWh due to lower consumption per customer.

To meet this growing demand, Nama Group companies invested RO 448 million in network expansion compared to RO 394 million in 2015. As a foundation of our growth strategy, our staff strength has increased in its

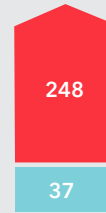
efficiency in customer service and we have grown by 7% in efficiency compared to 2015 which is indicative of the benefits realized from the human resources strategic programme.

Oman's continuous demand in the Water Sector has expanded rapidly over the past few years. Improvements in the water network efficiency enable Nama Group to deliver better value to its growing customer. In 2016, the reduction in the water produced by the Group is due to the low efficiency of the production plants; however, the water produced by the Group was 37 million cubic meters, compared to 46 million cubic meters in 2015. Also, the water purchased by the Group was 248 million cubic meters (202 M.CuM in 2015).





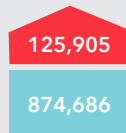
2015



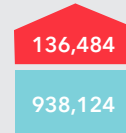
2016

Water produced (m³)

Water procured (m³)



2015



2016

Customers connected to Rural Electricity System (RAECO), includes Dhofar (DPC).

Customers connected to Main Interconnected System (MIS).

PLANNING FOR THE FUTURE

OPWP plans the procurement of electricity and water based on an annual 7-year demand forecast. The evidence gathered to make the forecast as accurate as possible includes consultations with stakeholders, such as business owners and the Ministry of Housing to understand what type of expansion plans are being considered. For long-term forecasting, a tool called AURORA is used to establish power planning models. The tool takes into account potential future developments between 2025 and 2035.

Subsidies on the electricity sector are an economic burden on the country. Phased reform will move the sector towards a more efficient and commercial operating model.

Nama Group, the sector and the regulator face decisions regarding the sector's future energy mix. Various scenarios have been planned to evaluate wind, solar, coal and nuclear options to complement the existing capacity. Only renewables provide rapidly deployable, scalable diversification options; coal or nuclear require minimum 1GW commitment.

RENEWABLE ENERGY

The existing National Energy Strategy and Energy Conservation Plan propose a renewables target of 10% of 2025 power generation, equivalent to 3 GW. Beyond 10% of renewables, the costs of power generation begin to increase rapidly in the 2025 market scenario.

RAECO's first solar pilot project is already in operation, with seven other small-scale solar and wind options in the pipeline. Future planned tariff reforms will also provide a stronger business case for larger scale renewable projects to replace some of the sector's fossil-fuel plants in the future.

RENEWABLE ENERGY	LOCATION	SUBSIDIARY	STATUS
0.3MW solar photovoltaic (PV) power plant	Al-Mazyunah	RAECO	In operation
0.043MW of solar power on rooftop and car parking	Head office in Sohar	Majan Electricity Company	In operation
50MW wind farm	Harweel, Dhofar	RAECO	Future project
1.6MW wind farm	Masirah	RAECO	Future project
2MW solar power	Ibri, Al Dahriah	RAECO	Future project
2MW solar power	Al-Sharqiah	RAECO	Future project
2MW solar power	Mudhai, Dhofar	RAECO	Future project
0.5MW solar power	Fatkhait, Dhofar	RAECO	Future project
0.5MW solar power	Harweel, Dhofar	RAECO	Future project

SYSTEM EFFICIENCY

Nama Group is committed to improving system efficiency, as it would significantly reduce wastage along with bringing down costs. The three major elements driving the system efficiency in the Group's generation, transmission and distribution activities are:

- Smart meter initiative (distribution)
- Energy management systems (generation, transmission, distribution)
- Energy conservation campaigns (distribution)
- Disaster and emergency management (generation, transmission and distribution)

FUTURE OUTLOOK

The Memorandum of Understanding (MoU) with Oman Electricity Transmission Company (OETC), Oman Power and Water Procurement Company (OPWP), and Petroleum Development Oman (PDO) should lead to a more integrated power grid across the country. At present, there are four separate electricity supply networks: The Main Integrated System in the North, the Dhofar System in the South, the Duqm System in the East, and PDO's in Central Oman.

The agreement means that the companies will be interconnected via a 400 Kilovolt transmission system. The MoU was signed at the opening of the three-day Oman Energy & Water Exhibition and Conference at the Oman International Exhibition Centre at Seeb.

The MoU will also set up a technical support hub where experts from PDO, OPWP and OETC can share relevant technical and economic data and information, paving the way for co-operation on potential renewable energy development.

OPWP CEO, Eng. Ahmad Al Jahdami, said: "Power interconnection between PDO and the main power grid will allow for joint planning for future power capacities in a manner that will reduce costs of the produced capacities."

OETC CEO, Eng Ali Al Hadabi, said: "This MoU will provide the opportunity for studying the possibility of interconnecting the unified transmission grid which is owned by Oman Electricity Transmission Company and connecting it with PDO grids, and the possibility for extending high voltage lines to the south of the Sultanate in Salalah."

PDO Managing Director, Raoul Restucci said: "This agreement will establish a framework for a more efficient and coordinated national electricity grid by integrating the existing networks. The new set-up will also reduce the consumption of vital gas for power generation which can be diverted for industrial, commercial and residential uses."



OETC, CEO Eng Ali Al Hadabi. OPWP, CEO Eng Ahmad Al Jahdami and PDO Managing Director Raoul Restucci during the signing ceremony of the MoU between Oman Electricity Transmission Company (OETC), and Oman Power and Water Procurement (OPWP) Company for more integrated power grid across the country.

UNDERSTANDING IN COUNTRY VALUE (ICV)

UNDERSTANDING IN COUNTRY VALUE (ICV)

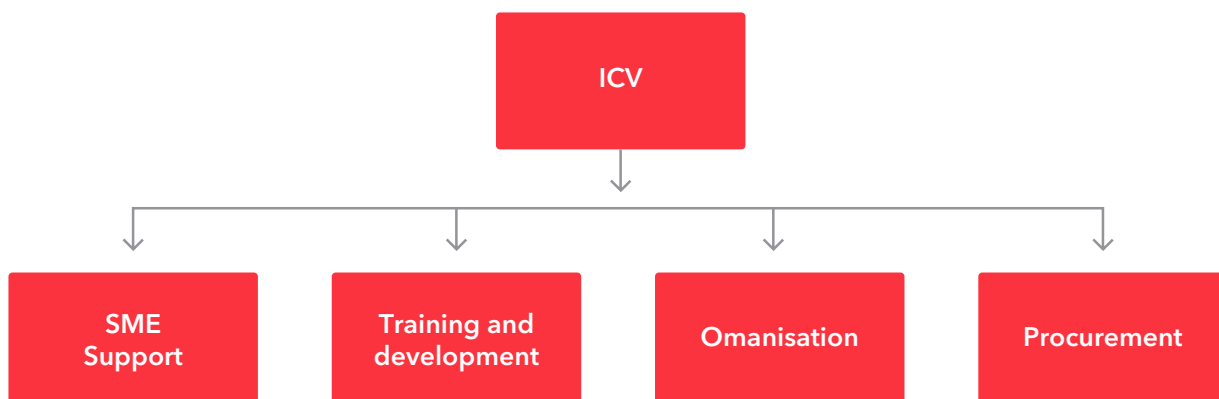
Nama Group has adopted the oil and gas sector's definition of ICV, which is "The total spend retained in country that benefits business development, contributes to human capability development and stimulates productivity in Oman's economy". The Group has established an ICV committee to drive the following action areas:

- Develop Omani Suppliers & Contractors (e.g. develop capabilities, tenders awareness, encourage micro and SMEs, transfer of knowledge from international contractors).
- Omani human resources Development (e.g. direct staff development, contracted staff development).
- Omani Products (e.g. purchasing, encourage enhancements, develop new products and industries).
- Establish procurement practices which encourage the participation of SMEs and entrepreneurs, such as requiring 10% of contract value to be met by SMEs.

The Sustainability Committee recently organized a panel discussion with senior business leaders from the country to discuss ICV, its challenges and opportunities in the Electricity Sector.

The objectives of the roundtable discussion were to identify mutually beneficial opportunities, develop white papers that can further enable the implementation of the Group's sustainability objectives, engage the public and media in the topic, and identify new projects for implementation by Nama Group and the industry at large.

The leaders also analysed issues like creation of jobs for Omanis and technical training of new graduates. The fall in oil prices and its impact on the implementation of the ICV strategy was another topic widely discussed at the forum.



MANAGEMENT APPROACH AND OUTLOOK

MANAGEMENT APPROACH AND OUTLOOK

To manage their long-term sustainability plans, companies adopt two crucial aspects of the long-run strategy planning: competitiveness and capabilities. These two advantages need to be present during all the stages of development at any company, to ensure that competitiveness, economic performance and smart investment decisions are critical steps, as explained in the Economic Performance Chapter.

Without local development and advanced capabilities retained in the domestic market, sustainability would be difficult to achieve. To deal with this issue, leading companies in all economies have realized

that contributing to the development of the country where they operate is key to success.

Through In-Country Value strategies, the Group seeks to ensure that investment is retained in the national economy. This, in turn, triggers a virtuous cycle that fosters both human and business development.

In practice, the company tries to create ICV when it invests in fixed assets or purchases the goods needed. Moreover, training or hiring local talent and investing in the development of R&D activities are essential ICV components which rightfully capture the Group's attention.

ICV COMMITTEE

Nama Group's ICV Committee is chaired by the Distribution Code Review Panel's (DCRP) current Chairman. The Committee includes representatives from

HR, Procurement and the Sustainability Committee who will deliver the ICV objectives across Nama Group



ICV STRUCTURE

ICV Committee Chairperson

Eng. Ali Shamas
CEO - DPC

Deputy Chairperson SME Development Subcommittee Chairperson

Ghada Al Yousef
EM GCS - Nama Holding

Member HR Knowledge Sharing Subcommittee Chairman

Ibrahim Al Sulaimani
EM GHR - Nama Holding

Secretary

Abdullah Al Shukaili
Group Sustainability Manager -
Nama Holding

Permanent Invitee

Mohammed Al Lawati
Group Sustainability Analyst -
Nama Holding

Member Business Opportunities Subcommittee Chairman

Hussain Al Balushi
CFO - Nama Holding

Subcommittees are formed under the supervision of the ICV committee to ensure the targets are met. These are:

- SME Development Subcommittee: Implementing the entrepreneurship and incubation programmes and assuring the registration of SMEs in DCRP.

- Business Opportunities Subcommittee: Searching and introducing business opportunities for SMEs.

- Omanisation & Training Subcommittee: Increasing Omanisation rates within the sector, introducing training programmes to leverage the Omani talent and training SMEs in various entrepreneurial skills.

OBJECTIVES

The committee's role is to provide leadership and clear direction throughout the entire ICV programme and ensure its success. In addition, the committee supervises and facilitates the process for project prioritisation and approval.

The ICV committee's main goal is to ensure the organisation's capacity to exploit the opportunities and match them with new business needs.

The main role of the ICV committee and Sub-committees are:

1. The development of SMEs
2. The development and training of the Human Resources
3. The development of local products
4. Knowledge sharing

As the initiatives have high potential to lead by example, there are also communicational objectives:

- To engage the public and media in prevailing sustainability-related opportunities.

- To have a wider coverage for Nama Group in activities related to the public and partners.
- To raise brand awareness in the business community and the general public.

Eventually, the goal of investing in the ICV programme is linked to business objectives like the following:

1. Provision of intensive specialized courses for electrical engineers & HSE fresh graduates.
2. Showcasing of the benefits of HSE training programme.
3. In-house businesses opportunity with NICD, being a training entity.

4. Identification of new projects for implementation by Nama Group, its partners and suppliers.

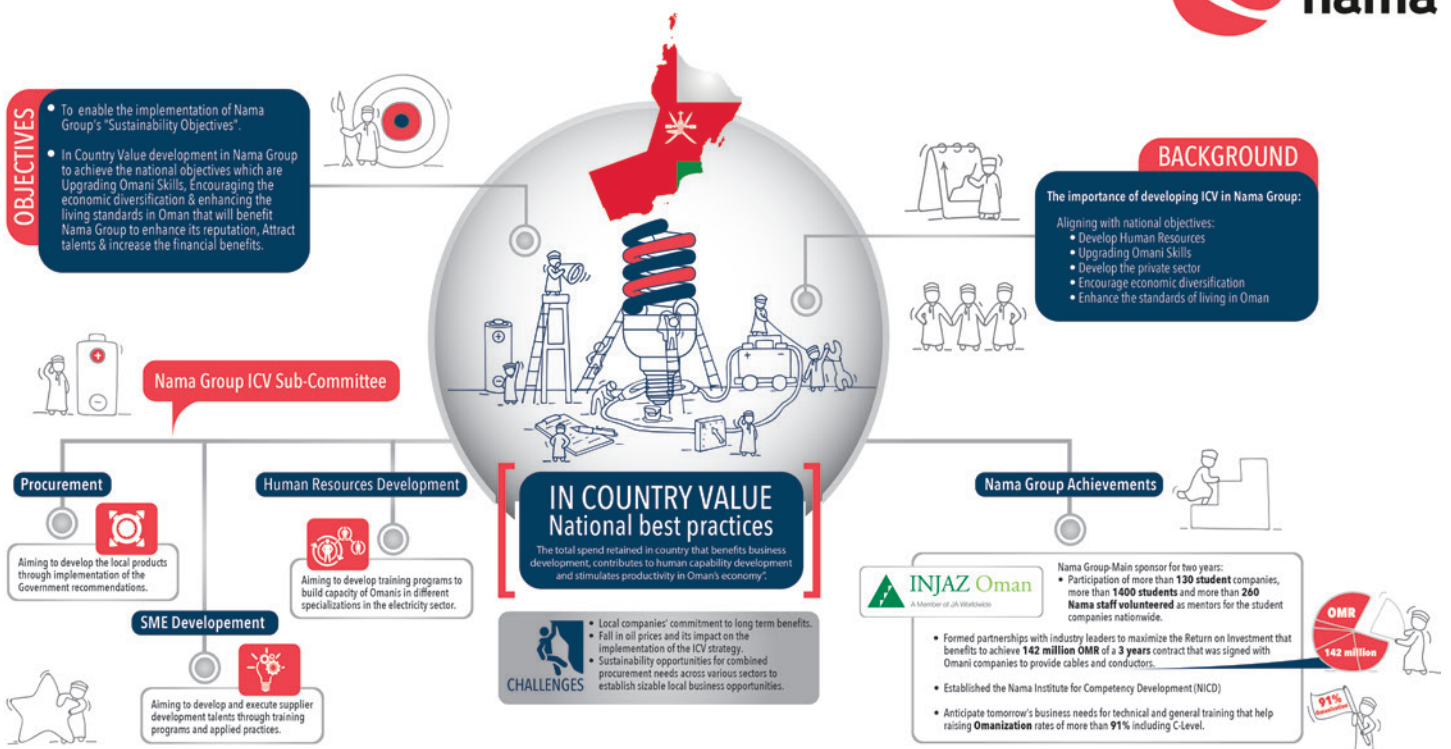
5. Wider governmental entities engagement with job seekers in various areas.

6. Showcasing of the DPC procedures and goals to the SMEs.

7. Encouraging the graduates to start their own business.

8. Supporting graduates with a part-time job along with on-job training within the Group.

NAMA GROUP ICV INFOGRAPHIC



OMANISATION

OMANISATION

As Omanisation is a key component to Nama's ICV contribution, the Group supports this national priority by developing its workforce's capacity to enable more local value. As a prominent example, Wadi Al Jizzi Power Company (WJPC) requires all its employees working in maintenance and operations to be locals, with most staff originating from the Batinah region. With the support of Nama Group's partners and suppliers, the Omanisation programme has been successful and 92% of the Group's employee base is made up of Omanis. The Group's Omani Career Development Committee (OCDC) has planned and coordinated training with each subsidiary

Human Resource manager to provide employees with the key skills that they need to succeed. A particular success in local hiring is evident in the SCADA engineering team, which boasts 100% Omani citizens in its team, considered among the highest skilled teams in the Middle East region.

Local Management, according to the Global Reporting Initiative Standards, is one of the forms of measuring the degree of local development. In the Group, 81.6% of male senior managers and 100% of female senior managers are Omanis. Oman nationals also constitute 82.3% of the members of the Board.

NAMA GROUP OMANISATION PER MANAGEMENT LEVEL	2014	2015	2016
% Omanisation for the whole organisation	91%	92%	92%
% Omanisation at senior management level* (includes Board Members, Group and Senior Managers)	85%	79%	82.3%

* Companies reported: GPDC|DPC|NH|MJEC|OETC|OPWP|RAECO



PROCUREMENT

PROCUREMENT

Nama Group approach is to develop valuable relationship with suppliers and contractors which will strengthen the economy. We have achieved improvement

in total spending and percentage of local procurement comparing to 2015 as result of the practices we have applied in 2014 and 2016.

NAMA GROUP SPENDING ON LOCAL PROCUREMENT	2014	2015	2016
Total spending on local procurement (OMR '000)	642,798	857,075	1,315,000
Total spending on procurement (includes non-local spending)	948,370	1,231,866	1,394,000
% Spending on local procurement	68%	70%	94%

* Companies reported: DPC|MZEC|MEDC|OETC|OPWP|RAECO|WJPC|NH

94% SPENT IN LOCAL PROCUREMENT

Procurement was more local than ever in 2016. Out of R.O.1,394 million spent in the different procurement activities; R.O. 1,315 million was spent on local suppliers.

Providers grow with us:

In 2016, the total days worked by contractors in construction, operations or maintenance was of 2,477.

Subcontractors worked 263 days in the same operations. Also, independent contractors on these activities worked 507 days.

Spending Analysis Project:

The objective of the analysis is to provide a sound basis for sourcing initiatives. It advances the understanding of the organisation's spending patterns and enables actions based on facts. The graphic below provides a summary of the spending analysis.

SUPPLIER ASSESSMENT

The energy sector comprises a complex network of suppliers and contractors at the procurement, operations and distribution stages. To maintain and enhance this network, the Group must continuously engage with new suppliers. The Group assesses new suppliers on sustainability metrics such as compliance with the Oman Tender Law and where required, specific safety requirements within the contract.

The major outcome of the group in procurement is awarding the majority share of the Extended Supply of Cable and Conductor Products and Services under a Framework Agreement, in the amount of RO 80,156,852.109 over a period of three years, on 23 June 2013 to Oman Cables Industry (SAOG). This is including its subsidiaries; Majan Electricity Co. (SAOC), Mazoon Electricity Co. (SAOC), Oman Electricity Transmission Co. (SAOC).

SMEs SUPPORT

SMEs SUPPORT

Sharikati

Nama Group sponsored "Sharikati" competition organised by Injaz Oman.

The competition supports the local economy by training and developing the youth on entrepreneurial skills and by providing them with the necessary tools to start up their own businesses.

In addition to receiving OMR 70,000 as financial support, the students were mentored by more than 150 professionals and executives from the group who have expertise in various disciplines to help them identify opportunities within a broad spectrum of industries with the objective to enhance In-Country Value.

The sponsorship managed to support 700 students who formed 75 companies.

Developing Sustainability Agents

Believing in spreading the knowledge of Sustainability and developing ambassadors for the message, the Group has created three temporary positions in the Sustainability section, aiming to improve the skills of Omani youth in this area.

The team has been trained in sustainability-related fields and assigned tasks to deliver projects on the different pillars of sustainability.

Outcomes

- Development of skills of the Omani youth in sustainability competencies.
- Creation of temporary job opportunities.

TRAINING

TRAINING

Nama Institute for Competency Development (NICD) has been established to bridge the gap between the existing and the required capabilities of the workforce and is committed to the career development of the Omanis in the utilities sector.

NAMA INSTITUTE FOR COMPETENCY DEVELOPMENT:

Incubation Programme

Reflecting the sustainability policy and aiming to gain the most from every project, the Group incubated a start-up company from a group of fresh graduates. The selected graduates were provided with training and space to run "Nama Ambassadors", under the direct supervision of the Group's Sustainability area.

Outcomes

- Supported entrepreneurs.
- Improved skills of entrepreneurs.
- Improved results of the programme as it was youth-to-youth.

The selected team received various business offers to run similar programmes for other organisations.

SOCIETY

SOCIETY

SOCIAL RESPONSIBILITY THROUGH EFFICIENT AND EFFECTIVE SERVICE

A reliable delivery is our first Social Responsibility. It involves an objective measurement of the availability and reliability of our service, and the dialogue with our customers to hear about their needs and levels of satisfaction.

Developing a close relationship with our customers is a key to creating value on the long-term which will help to achieve their expectations and make a contribution to a fair and thriving society.

SOCIAL ASPECTS

Customer Satisfaction

Keeping customers satisfied through customer-oriented service.

Resilience

Ensuring service continuity through increased reliability of the Group's systems and proficient planning and execution of disaster and emergency management policies.

Corporate Citizenship: Volunteering & Donations

Giving back to society strategically, by being close to people's needs and ready to help.



CUSTOMERS

CUSTOMERS

Every resident in the Sultanate requires electricity services, provided by Nama Group. The customers can benefit from these services directly via air conditioning and lighting, or indirectly, by purchasing products and services that can only be delivered by utilizing electricity and water. Accordingly, these services achieve customer satisfaction as the central pillar of the Group's vision.

CUSTOMER SATISFACTION SURVEY

Since our responsibility is to keep the clients 'empowered', the electricity distribution companies are aware of the importance of obtaining customer

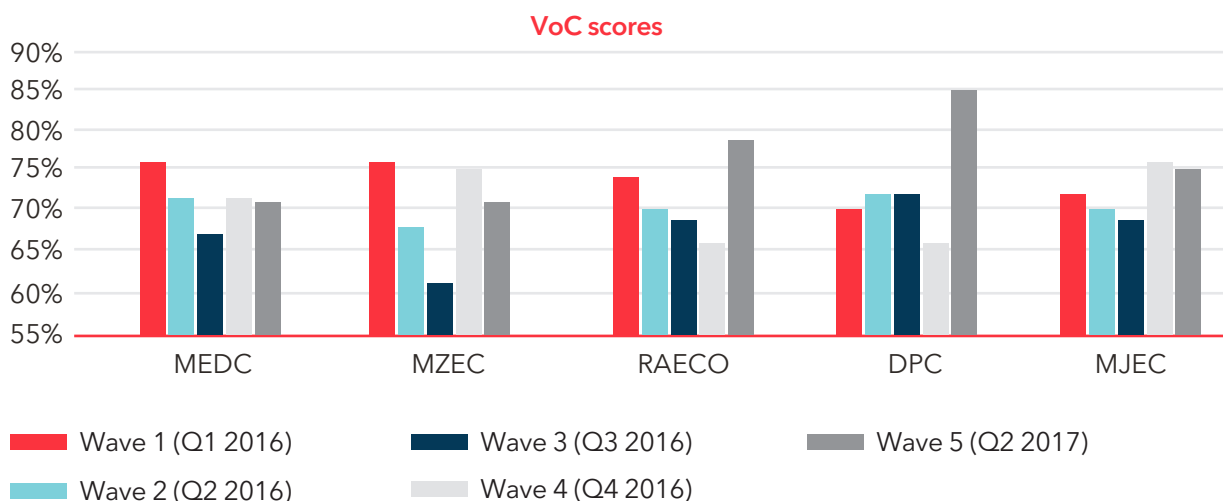
feedback on a frequent basis. To get feedback, we implemented a Voice of Customer process in 2016. Customers are asked to provide feedback on recent interactions with company's services such as bills delivery, call centre inquiries, payments, new connections or other services. Customer feedback is analysed to elicit the areas of importance.

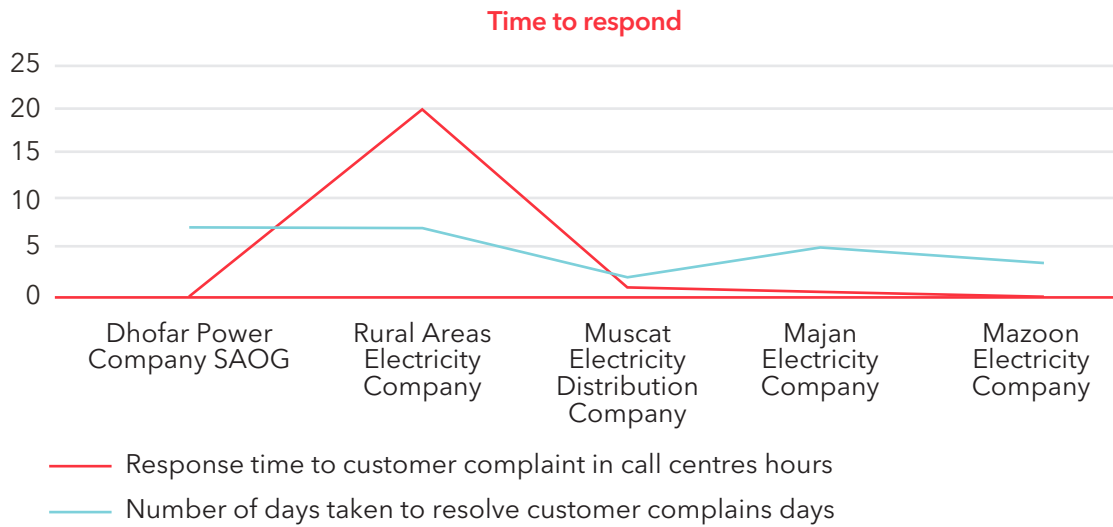
PERFORMANCE

VOICE OF CUSTOMER^(PR5) AND RESPONSE TIMES: Voice of Customer (VoC) provides operational insights into the specific interactions and allows the companies to identify and address issues faster.

Moreover, it makes it possible to resolve individual customer cases.

The data below includes an additional 2017 update.

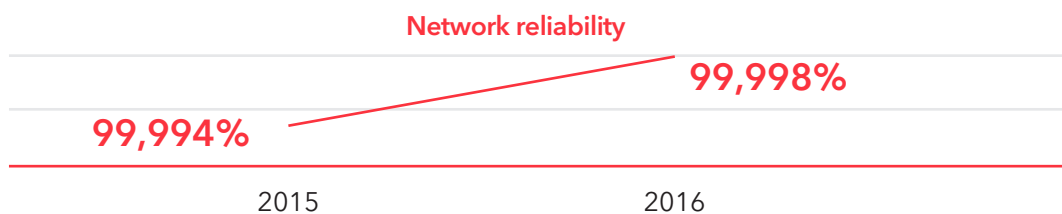




The customer service improvement programme encompasses a series of initiatives across the distribution and supply companies of the Group. These initiatives include, among others, the improvement on meter reading approaches through innovative ways (prepaid, manual and self-meter techniques), the electronic billing, and the implementation of multiple payment channels to improve the customer’s experience. The programme is complemented with a delicate handling of customer inquiries and the measurement of the accuracy and timeliness of the response to them.

WE RESOLVED COMPLAINTS ON TIME IN THE 96% OF THE CASES.

The objective factors are critical to improving the customer journey. Data indicates that in 2016 we achieved a **network reliability of 99.998%** compared to 99.994% in 2015.



SERVICE RELIABILITY ACHIEVEMENTS 2016

- Completion of the 400kV network for the first time in Oman.
- Completion of the Misfah power station 400/220kV.
- Completion of three 400kV power stations and connection to the 400kV high voltage lines (Sur, Jahlut, Izki).
- Completion of investment up to R.O.448 million in the development of electricity transmission and distribution networks.

RESILIENCE

MANAGEMENT APPROACH AND OUTLOOK

The concept of resilience encompasses multiple variables that lay the foundations for our corporate sustainability. As we mentioned, the availability and reliability of our supply are essential not only at the present but also in the future.

Being prepared for unexpected situations is important to make sure that if something comes up, we are ready to respond effectively and efficiently.

Firstly, to anticipate needs, we strive to continuously improve our ability to handle the power capacity linked to demand growth. The demand for energy has been growing steadily for the last twelve years at an average rate of six percent (6%) per year and is expected to increase further with the development taking place in the country.

Secondly, in a growing environment, we need to be prepared for emergencies, so our plans for disaster and emergency are a must. Both Continuity Management and Contingency Planning play a critical role in the business.

Thirdly, being resilient does also involve taking care of our assets exposed to IT issues. Recently, we have been observing how the Information Technology is rapidly changing the way we conduct businesses and the effects that IT security has on them. As a management response, the Group adopts the international standard on Information Security Management ISO 27001.

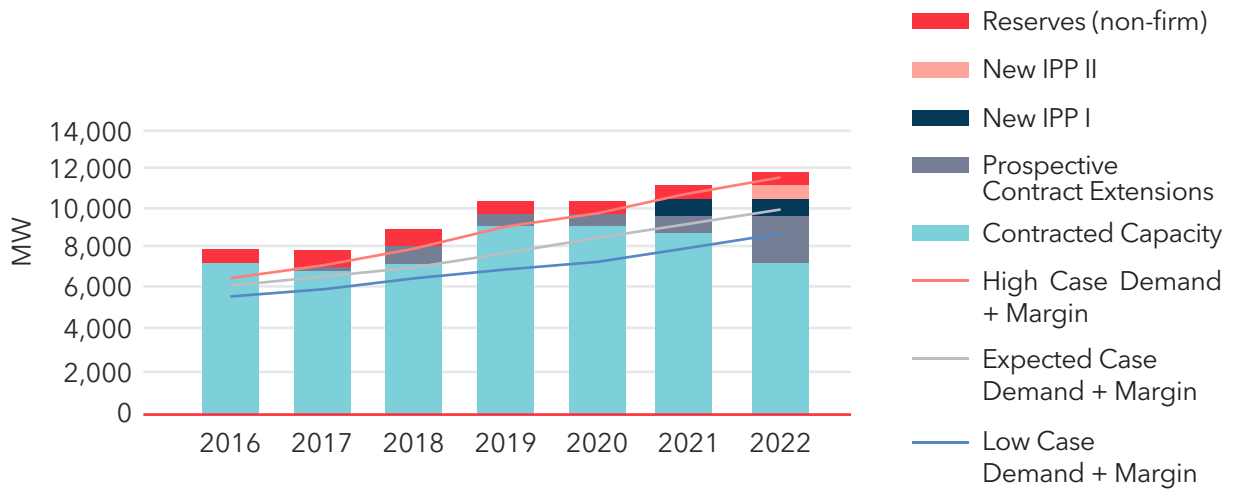
PERFORMANCE

Capacity management

Our procurement company, Oman Power and Water Procurement Company (OPWP) has the mandate to forecast the needs for power supply on a seven-year horizon. The process involves a multi-stakeholder dialogue that includes the Ministry

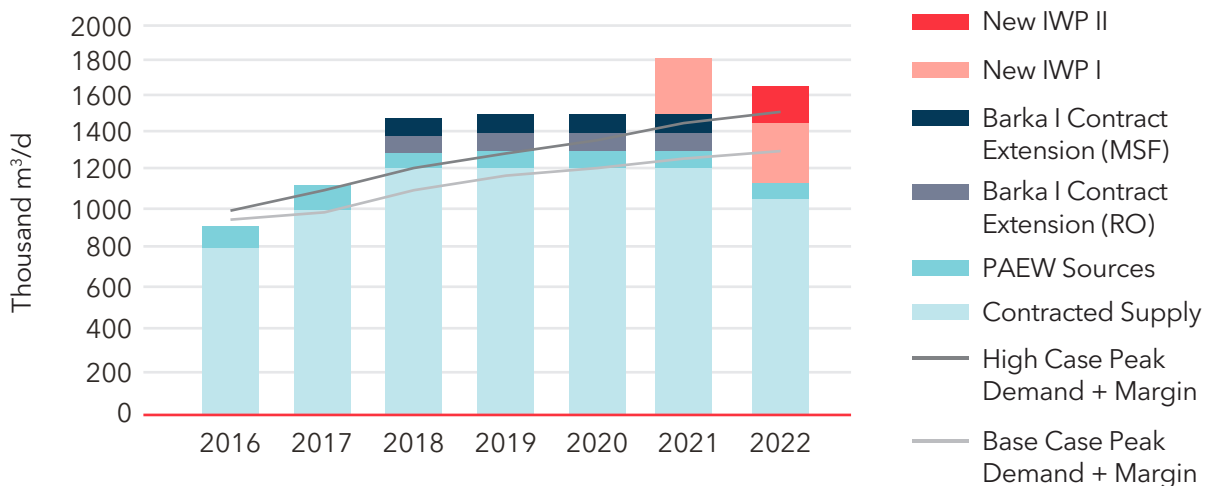
of Housing and private players and is modelled through a world-class modelling software. As a result, the Group can strategically plan the future requirements and investments and weigh the opportunities for a renewable energy transition.

Demand and supply on the MIS - Main Interconnected System



The diagram above explains the expected evolution of the demand for energy according to different growth scenarios (lines in red, grey and blue) compared with the various types of contracts for energy procurement (in the bar chart). As can be seen, the provisions are covered strategically to ensure the client base will be served appropriately even in the steepest curve of energy demand growth.

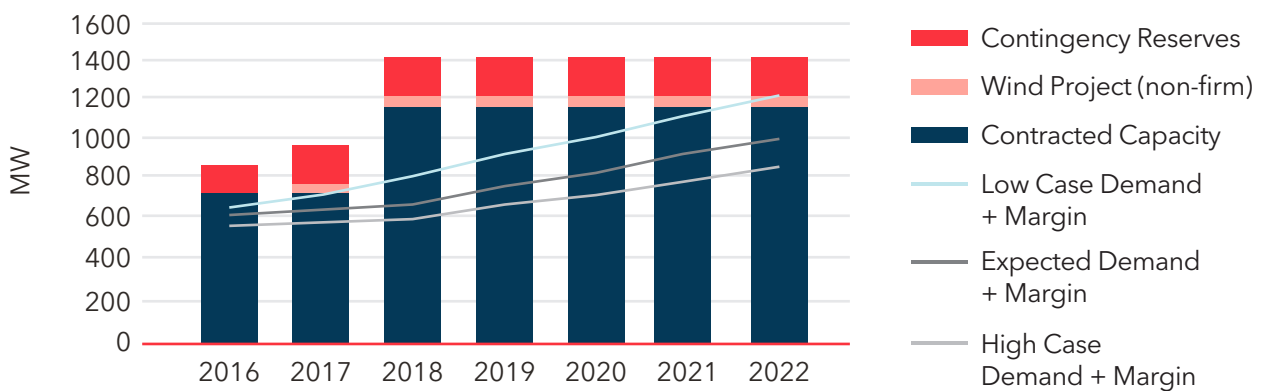
On the flip side, desalinated water is a challenge, as the requirements are growing steadily in the northern governorates. However, with the projects in construction and the efforts focused on managing the demand accordingly, the Group expects to satisfy the needs to ensure the required coverage in the planning horizon.



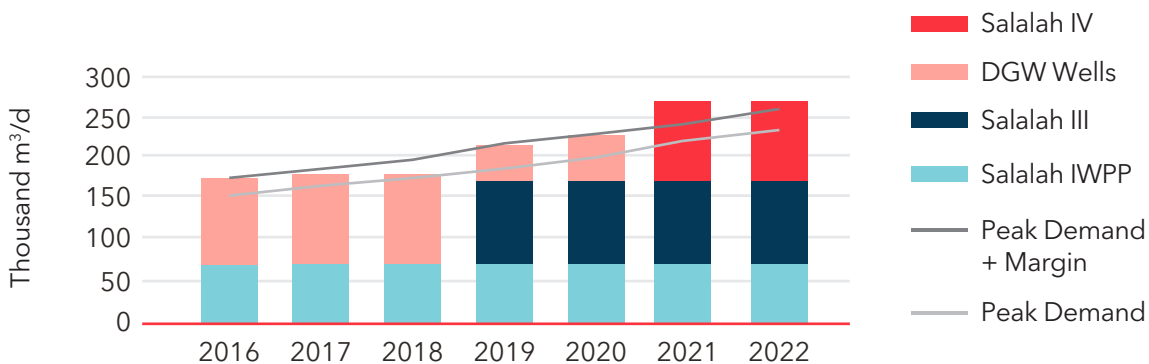
Dhofar Power System

The forecasts for the south show the capacity is already covered for the different scenarios, ensuring that Nama

Group is backing the positive growth outlook for the regional economy.



Accordingly, the needs for desalinated water are as follows:



Al Duqum & Musandam Governorates

As to Al Duqum and Musandam, the growth forecasts for those regions are even higher. To cope with these needs, the Group is developing innovative solutions to offer the best

levels of service both in terms of power and desalinated water. Later in this document, the chapter on projects on renewable sources of energy provides more insight on this topic.

CONTINUITY MANAGEMENT AND CONTINGENCY PLANNING

Further to ensuring system reliability, another key focus area for Nama Group is to reduce the likelihood of a disaster occurring, that negatively impacts the Group's infrastructure, and have mitigation measures in place to reduce damages for cases where disasters could not have been prevented.

The Group monitors risks related to natural disasters and adverse socioeconomic issues, such as strikes and economic volatility. The priority is limiting negative impacts to local communities and natural environment, as well as being able to quickly restore all necessary infrastructure. The Group is investing in competency development

to ensure that disaster management is implemented effectively.

As a result, each company provides annual training sessions to its employees on managing disasters and other emergencies. These training sessions are analysed and recorded, in order to track and monitor progress.

In June 2016, Muscat Electricity Distribution Company (MEDC) obtained the Asset Management certification ISO 55001. This enhances the Integrated Management System that includes certifications on OHSAS 18001, ISO 14001, & ISO 9001 standards.



IT SECURITY

With Nama Group incorporating more IT solutions to maintain and plan the performance of its grid infrastructure, IT security is increasingly important for the reliability of the network. Without IT security, these systems are highly vulnerable to attack. In response, the

Group is ISO 27001 standard compliant to secure the IT infrastructure across all subsidiaries. ISO 27001 is an international standard that can support the Group in this respect, particularly in terms of information security and data processing.

 COMPANY	 ISO 27001
NAMA HOLDING	COMPLIANT
OETC	COMPLIANT
MEDC	COMPLIANT
GPDC	COMPLIANT
OPWP	COMPLIANT
WJPC	COMPLIANT
MJEC	COMPLIANT
MZEC	COMPLIANT

CUSTOMER SAFETY AND HEALTH

In 2016, we have run a public awareness campaign across the country to educate users to protect themselves. Also, there are permanent awareness campaigns targeting illegal services connections

that consist of posters and awareness messages on different social media platforms. These actions are intended to reach out to all our customers.

MY HOUSE IS SAFE CAMPAIGN (BAITI AAMIN)

An initiative proposed and implemented by the Health and Safety Department at Al Ghubrah Power and Desalination Company (GPDC) aimed at training 400 people from the local community in Wilayat Bousher in First Aid skills and firefighting.

As a result,

- 2,000 people (400 families) were formed.
- 200 people certified in First Aid by the American Heart Association.
- 200 First Aid kits distributed to the participants of the First Aid training.
- 200 fire extinguishers distributed along with training on how to use.

CORPORATE CITIZENSHIP

CORPORATE CITIZENSHIP

MANAGEMENT APPROACH AND OUTLOOK

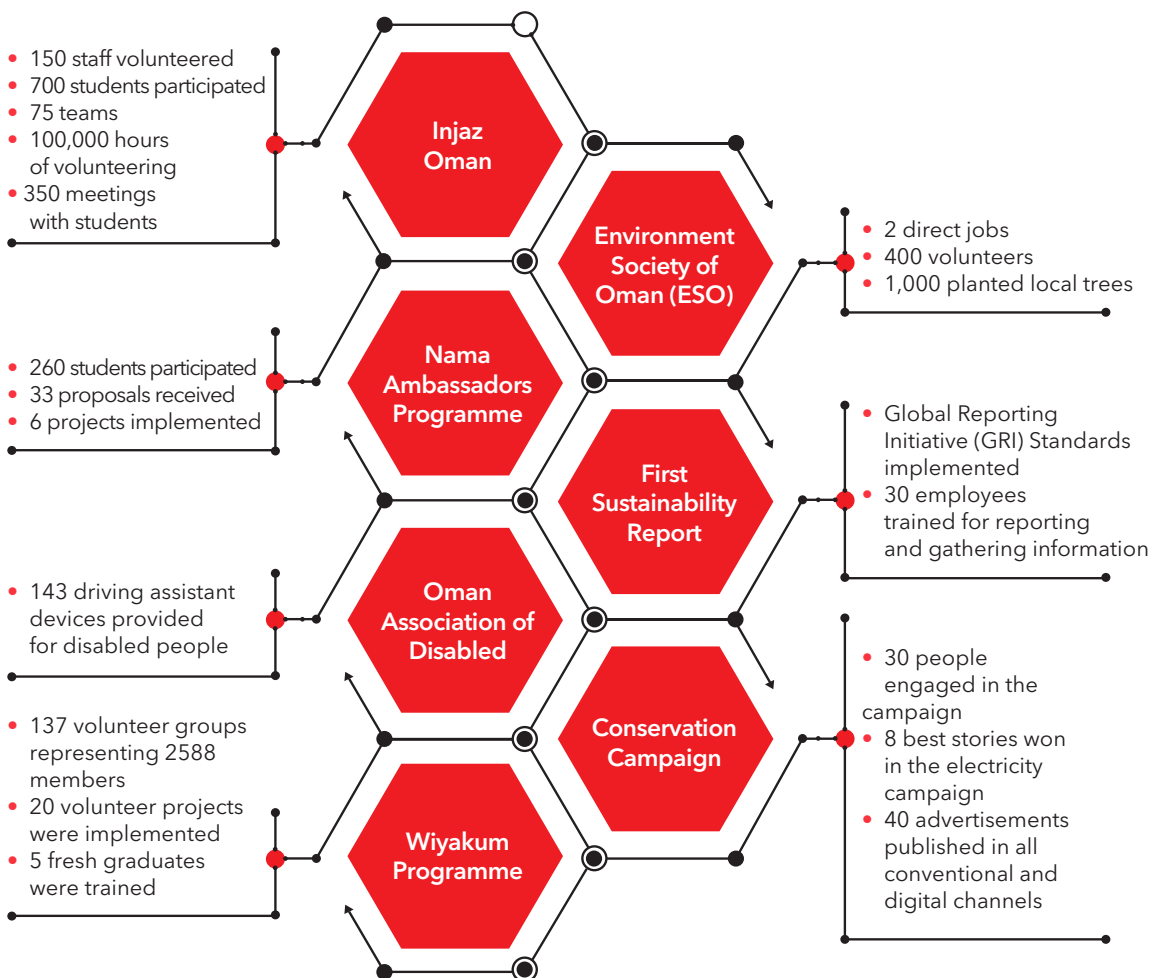
The Group's role in the society is clearly manifested in every activity carried out in the country as electricity is everywhere.

This shows how close our people are to the communities and their essential needs and our commitment to timely meet them.

Nama's Sustainability Committee oversees the programmes and activities undertaken by our Sustainability Division with the participation of the Group components and our people in Oman.

At Nama, Sustainability is a key facet of the business strategy to enable targeted initiatives to benefit social, environmental and economic responsibilities. As a social responsibility, Nama engages staff in volunteering and provides them with an opportunity to interact with different sections of the society which forms Nama's customer base. The Group's investments in volunteering and CSR bear testimony to the Group's commitment to strengthen relationships with the local community.

PERFORMANCE



COMMUNITY CAMPAIGNS AND PROJECTS IN DETAIL

WIYAKUM PROGRAMME

Wiyakum is our communities' flagship programme that aims at promoting voluntary work where our people undertake sustainable initiatives to help the society. Wiyakum programme consists of two parts:

Wiyakum competition for the best volunteering initiatives

Anybody can participate by creating a volunteering team and developing a sustainable effort to realise the following objectives:

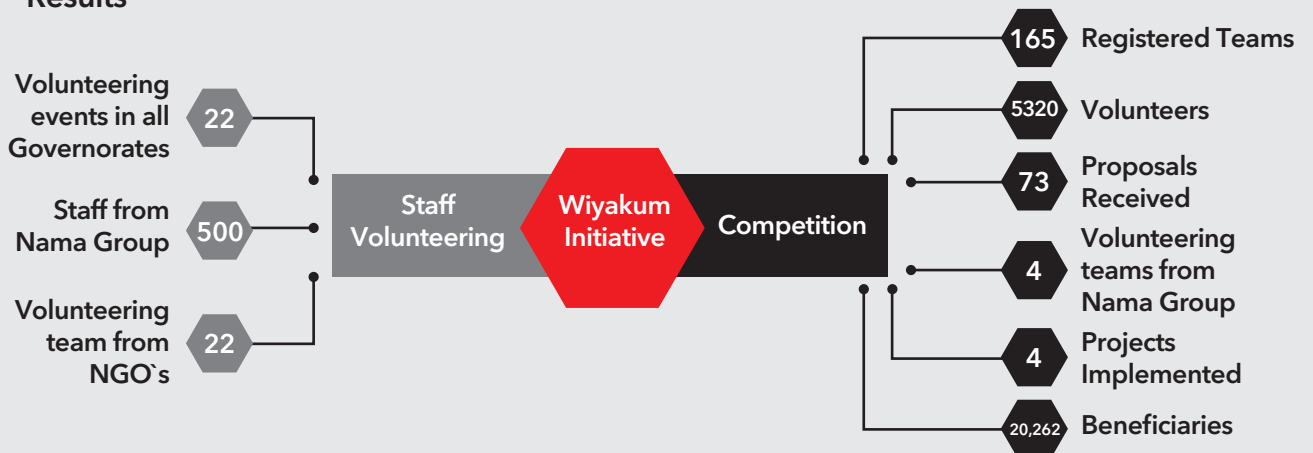
- Spread the culture of volunteering among the youth.
- Increase the number of volunteering teams and consequently the number of volunteering projects.
- Deliver volunteering projects across Oman with local people's involvement.

Nama Group staff volunteering activities

Employees can enjoy a volunteering leave. We build bridges with the community and promote the culture of giving back to achieve the following:

- Build strong relationships between the Group's staff and the community.
- Spread the culture of volunteering among the workforce.
- Use the expertise skills of our people in serving the society.

Results



Outcome

Wahaj Volunteering Team, a staff volunteering team from Nama Holding, qualified for the finals of a regional competition "Sunaa Al Amal." They provided clean electricity to a mosque in a remote area with solar panels and energy efficient lights. The team used its experience in electricity, provided the right equipment, and raised funds for their project. The team is planning to implement the next phase of the project in 2017 to provide the same service to more areas.

COMMUNITY CAMPAIGNS AND PROJECTS IN DETAIL

The Environment Society of Oman office in Dhofar and Tree Planting Campaign

The Environment Society of Oman (ESO), in collaboration with Nama Group, opened the first branch of ESO outside Muscat. The office is located in Dhofar and will support ESOs activities in the Dhofar Governorate. The new office will work on generating direct and indirect employment opportunities for the local community, in addition to capacity building activities for better employability. As part of the project, Dhofar Power Company staff volunteered in a campaign to plant around 1,000 trees in the Dhofar governorate.

Achievements:

- Contributed to the creation of two permanent full-time jobs in Dhofar office along with other indirect related jobs serving the office.
- 1,000 local trees planted in different campaigns.
- Nama Group staff participated in the campaigns.
- 400 people volunteered in the initiative

White paper discussion

During the year, several roundtable discussions were run covering the topics of In-Country Value (ICV), Renewable Energy, Health and Safety, Demand Side Management and Volunteering Culture.

The goals of the roundtable discussions were:

1. Identifying opportunities that can later be explored and implemented.
2. Facilitating the implementation of Nama Group's "Sustainability Objectives."
3. Engaging the public and media in sustainability-related discussions.
4. Identifying new projects for implementation by Nama Group and its partners/suppliers.

The effort has resulted in:

- Two White Papers discussions implemented in 2016 on HSE.
- An ICV committee with focus on SMEs and Business Opportunities for the Group was formed as a result of one of the White paper's recommendations.

Support the Omani Association for the Handicapped

Goal

- To contribute to providing people with special needs with the necessary equipment. In this Context, the Group has helped 143 physically challenged people to drive safely using the special driving equipment provided.
- To raise awareness about the challenges faced by this valuable sector of the society.

Sole sponsor of Injaz Oman "Sharekati" Competition

Injaz Oman's Sharikati Project was successfully implemented in 2016 as an initiative that fosters entrepreneurship in Oman. Nama Group provided financial support and people from our staff acted as mentors to the participants.

The students were trained by professionals and experienced executives in various disciplines to identify opportunities for enhancing the In-Country Value. As a result, students were trained in the fields of brainstorming, strategy formulation, governance, sales, marketing financial modelling, bookkeeping, operations, management and human resources management for one academic year.

Achievements:

- Over 700 students representing more than 80 teams from 19 educational institutes - mostly colleges and universities.
- Sales of students' companies created during the competition reached OMR 30,000.
- More than 110 Nama Group employees participated as mentors.
- The Group supported students companies by purchasing some of the products.

Nama Ambassadors Programme

Established by the Nama Institute for Competency Development (NICD), the programme aims to spread knowledge of sustainable development among the Omani youth. After the training, college and school students form teams to deliver their projects and the best projects implemented are awarded a prize. Also, participants then act as ambassadors to spread the knowledge among their peers.

Achievements:

- More than 260 students participated.
- Participants delivered different environmental projects serving the local communities.
- 5120 training hours.
- More than 50 projects in renewable energy, recycling, and environmental field.

My House is Ssafe Initiative (Baiti Aamin):

The Sustainability Committee has recently approved GPDC's community-based project named "My House is Safe." The project aims to provide an opportunity for orienting families and spreading awareness about how to act during emergencies. The course trains the community on how to respond to a fire in the house or car, including correct handling of fire extinguishers. The programme also provides practical training on first aid, including treating minor injuries. The first step in rolling out the project has been to provide "train the trainer" course to five employee volunteers. The volunteers were qualified to deliver the "My House is Safe" course to around 200 families from Bawshar through 12 training sessions. Key target groups were sports teams, volunteers, teachers and university students, among others.

EMPLOYEES

EMPLOYEES

With the theme of lasting prosperity, Nama Group employees were considered as the core of the corporate vision. The Group believes in the capabilities of its staff to meet the customers' requirements with high-quality services. A productive environment was maintained to all employees of the Group to ensure best practices with great results. In this part of the report, the working environment will be presented, showcasing how Nama Group consolidates its employees' support scheme with electricity end-users.

As a consequence, the Group strives for retaining talent by several means, which include, but are not limited to, training,

a safe working environment, leadership development and continuous feedback.

One of the smartest decisions of the Group, the creation of the Nama Institute for Competency Development, constitutes a strategic move to ensure the competencies and capabilities needed for the long-term.

The Group adopted the Human Resources Manual issued by the Ministry of Manpower and the Ruwad 2 Initiative for identification of high potential individuals.

LABOUR ASPECTS

Employees' Development

Creating a working environment that fosters personal and professional development, a proficient workforce, and a good place to work.

Occupational Health and Safety

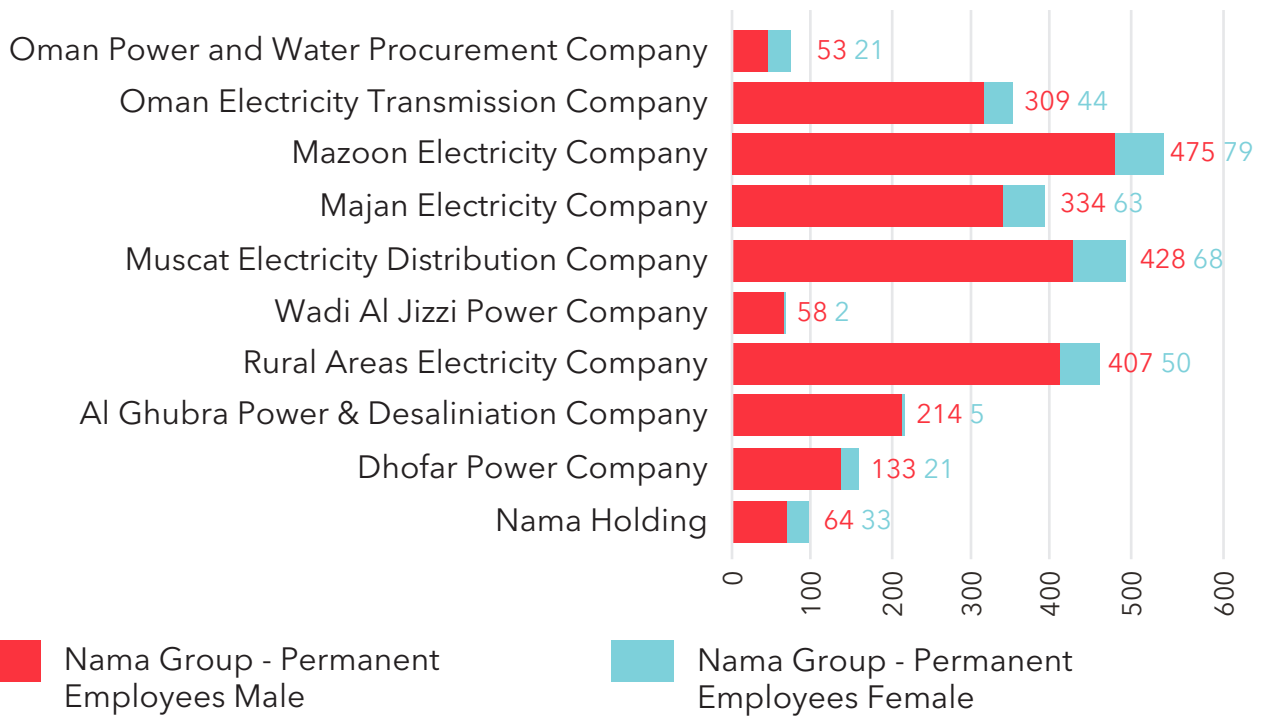
Providing the whole Group with the policies and practices required to put 'safety first' and allowing our workers to return home safely.

EMPLOYEES' DEVELOPMENT

EMPLOYEES' DEVELOPMENT

Since its inception in 2002, Nama Group continues to create job opportunities for Omani citizens as well as expatriates. As of December 2016, the Group's total workforce stood at 2867.

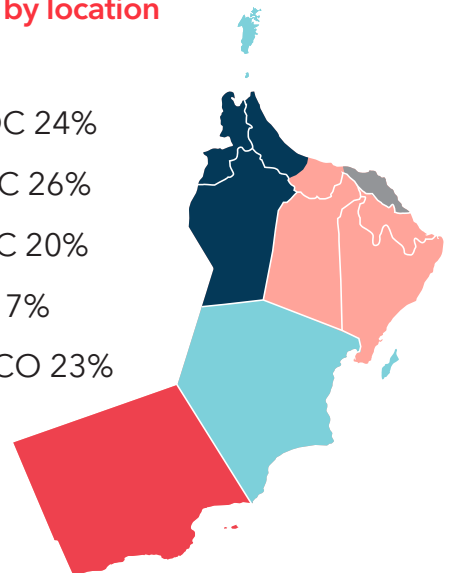
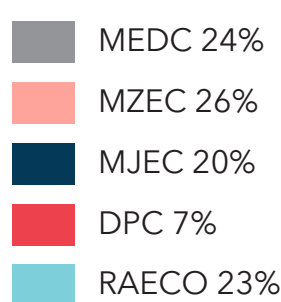
Nama Group counts on a very diverse and well-distributed workforce that strives to improve the quality of service delivered. The workforce is highly motivated and trained.



Number of employees receiving performance review

Senior management	Male	8
	Female	0
Middle management	Male	24
	Female	4
Employees not in management	Male	381
	Female	45

Workforce by location



The development of a qualified workforce is not a straightforward process. It encompasses the diagnosis of the context and the competencies available to set policies and practices regarding labour practices, trade union's development, training and capabilities' development as well as performance measuring.

This aspect was critical in the discussion with the stakeholders, given the importance of Human Capital Management for the working environment, effectiveness, and corporate belonging.

As implemented practices, the Group has fostered the creation of trade unions at the subsidiaries enhancing the development of policies in joint work with the management.

As to the development of capabilities, the Nama Institute for Competency Development (NICD) has been established to bridge the gap between the existing and the required capabilities.

People Capability Maturity Model: PCMM - Level 3

Nama Group HR will be implementing procedures to get the People Capability Maturity Model certification. That model is a maturity framework focused on the continuous improvement of the

management and development of the human resources.

RUWAD 2

The Ruwad initiative was launched in 2013 as a high-potential identification programme for Nama Group, focused on recognising the most promising talent across the Group and developing these individuals' capacities to take leadership roles.

High potential individuals receive focused training and development opportunities.

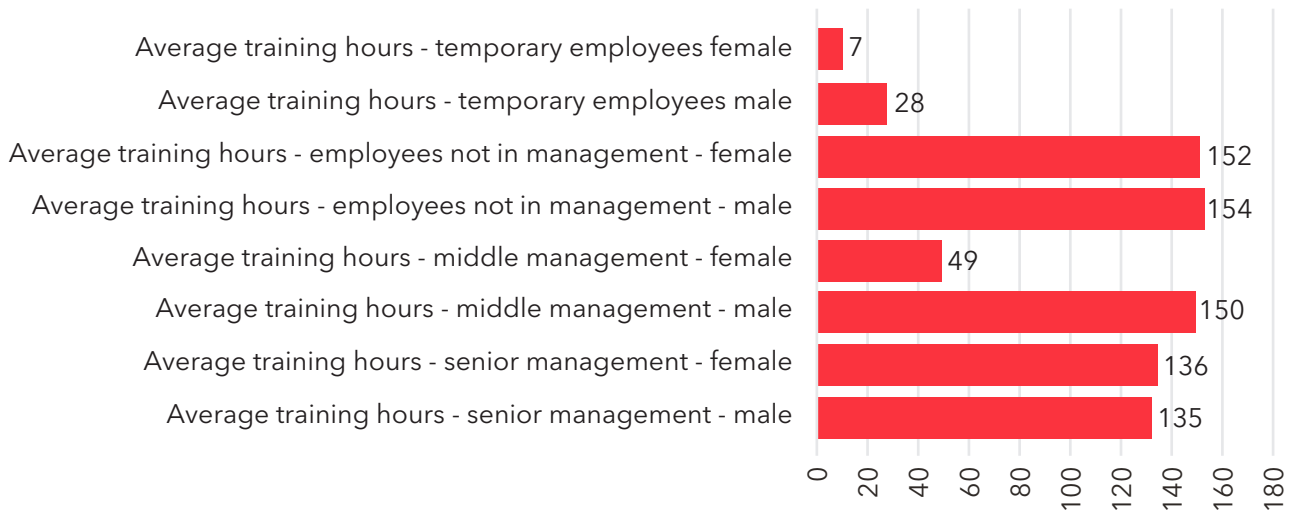
The senior management at Nama Group believes in developing the Group in a culture of shared values and common goals. Ruwad marks a milestone in employees' careers from all the entities, where they are provided with equal opportunities to be part of this initiative.

Ruwad's candidates have personal development plans for the coming three years to fill leadership positions across the structure.

Himam Programme

It is an integrated talent management framework which includes: performance management, competency, substitution career, a programme honouring the skills of employees with high potentials (Ruwad), automated HR management system.

Average training hours per category and gender ^(LA9)



In 2016, our goal was to ensure that 100% of employees completed their annual performance review with their respective managers using the performance management system, an aim which was successfully achieved^(LA11).





معهد نماء لتنمية المهارات ش.م.م
Nama Institute for Competency Development LLC

NAMA INSTITUTE FOR COMPETENCY DEVELOPMENT (NICD)

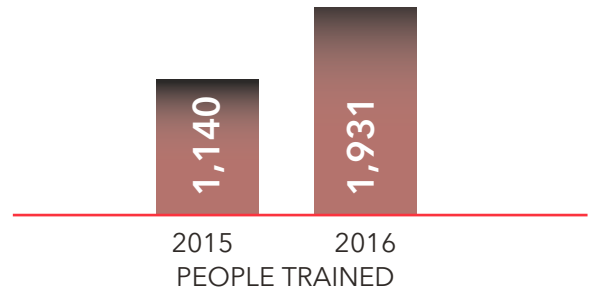
Nama Institute for Competency Development has the mission of developing and improving the abilities of employees and provide them with world-class training programmes tailored to the needs and aspirations of Nama Group's staff.

NICD is based in Muscat and aims at providing a shared resource centre for all Nama Group subsidiaries to:

- Provide a range of services to ensure that both corporate training and employees' individual needs are effectively addressed.
- Propose innovative training solutions regarding content and methodologies.
- Seek the highest recognition available for each training solution.
- Provide high quality and cost-effective training solutions and consulting services.

NICD's training solutions are not only focused on the competencies related to the tasks to be performed but also on the work environment.

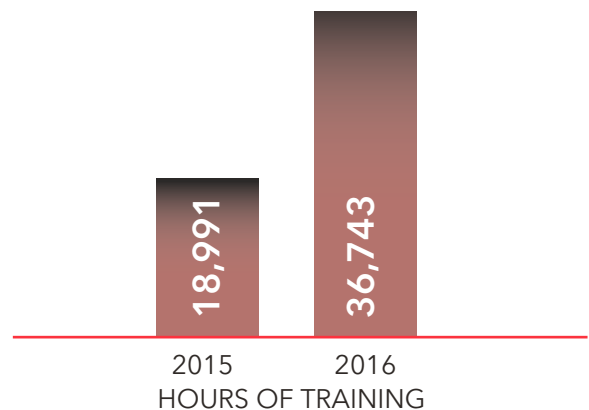
Nama Group trained 1,931 employees through a variety of programmes with a total of 36,743 hours of training.



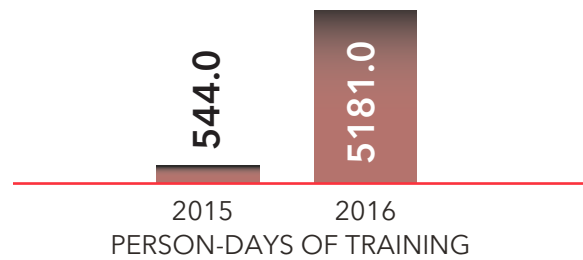
Due to the importance of on-the-job training in the development of employees' performance, Nama reinforced its training efforts and programmes by increasing the number of trainees from 150 trainees in 2014 with a total number of training hours of 4,074 hours to 1,140 trainees in 2015.

The total number of hours of training was 18,991 hours. By the end of 2016, 1,931 trainees had completed 36,743 hours of training.

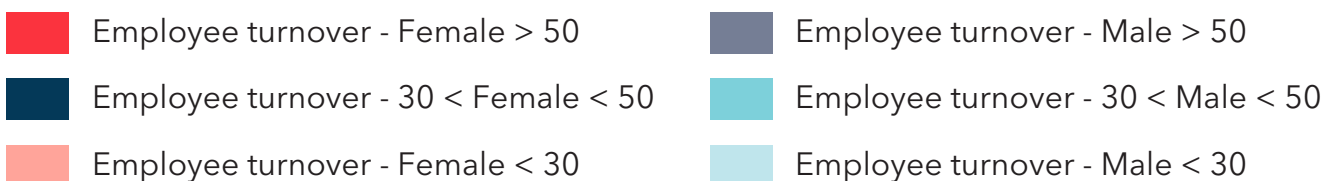
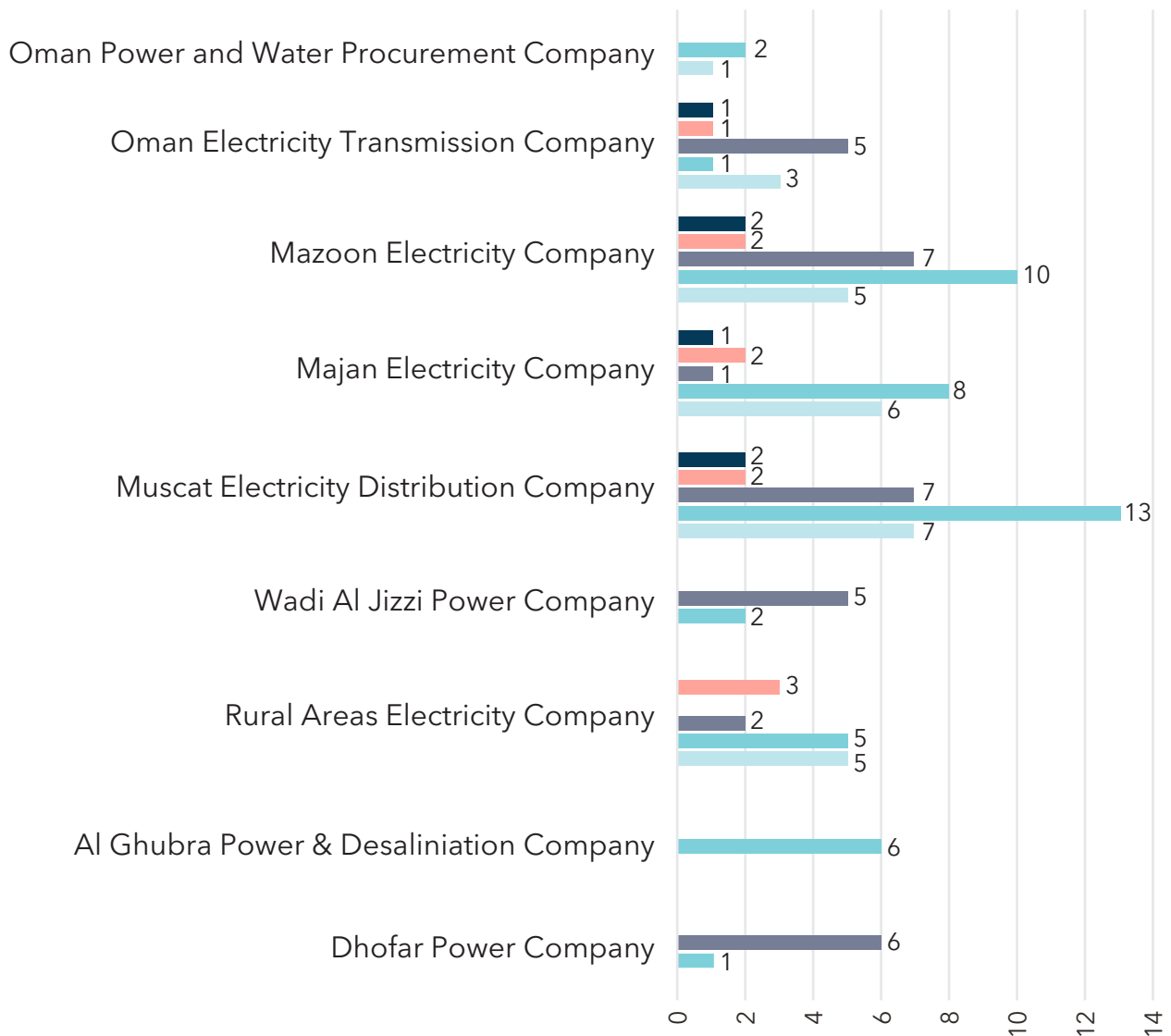
Nama Institute designs and implements several training programmes and workshops on various fields related to the electricity and water sector in the Sultanate, presented by a group of experts and specialists. Nama Institute was established in 2014 and aims to create awareness and inspire Omani companies to meet the highest professional standards, develop their capabilities, encourage Omani talent, improve employment opportunities, and educate people to meet future business needs.



The Institute also provides comprehensive solutions to competency-based training programmes designed to suit the needs and aspirations of both employees and companies in the sector. Nama Group offers training courses through the Nama Institute for Competency Development to cover technical requirements and business skills, as well as health and safety procedures.



Staff turnover by gender and site ^(LA1)
(% of total employees per subsidiary)



One step forward to reduce the employee turnover has been the development of comprehensive job profiles and job skills, which aids in matching them to appropriate candidate profiles. This is important because only when candidates understand the exact requirements of the position, are they able to judge whether it is the right match for them that allows them to progress with their career plans.

Due to the limited life-span of power plants, it is common for utility firms to decommission plants. The Power Purchasing Agreement with Wadi Al Jizzi Power Company's 325MW plant will

expire in 2018. Currently, no extension has been granted and contingency plans are being drawn up to limit the loss of capacities lost to the group and to ensure a smooth transition for all 72 staff. Various strategies are currently being pursued. The priority is to find re-employment opportunities for the majority of the staff at other subsidiaries of Nama Group.



OCCUPATIONAL HEALTH AND SAFETY

OCCUPATIONAL HEALTH AND SAFETY

Within the framework to implement principles of occupational health and safety, Nama Group aims to standardize HSE systems amongst its subsidiaries in order to develop and measure its performance and operations. All the Group companies (apart from RAECO) achieved international certifications on (OHSAS18001) and (ISO14001). Also, HSE audits and Verification audits on above standards were complete, resulting in all maintaining their certifications. HSE Campaigns were carried out targeting NAMA staff, contractors and community at large with compulsory and mandatory trainings in various HSE elements at all staff levels. In addition, workshops and conferences to be conducted in preparations for NIMS to replace INTLEX as HSE Data Management System and to go live in May 2017. Further, Nama Group introduced new HSE tools, techniques and methodologies to enhance Risk Management and carryout Root Cause Analysis on incidents, consequently leading to extracting quality learning points to stop incident reoccurrences.

To create a culture of "safety first", the Group provides employees regular training and awareness sessions in safety management. All subsidiaries are increasingly focused on purchasing the appropriate equipment that reduces HSE incidents from the outset by being safer to operate. Finally, safety performance is incentivized through monitoring systems. Nama Group's subsidiaries work very closely with contractors and subcontractors.

To protect Nama Group's contractors' community, the Group requests and monitors compliance with all HSE key performance indicators.

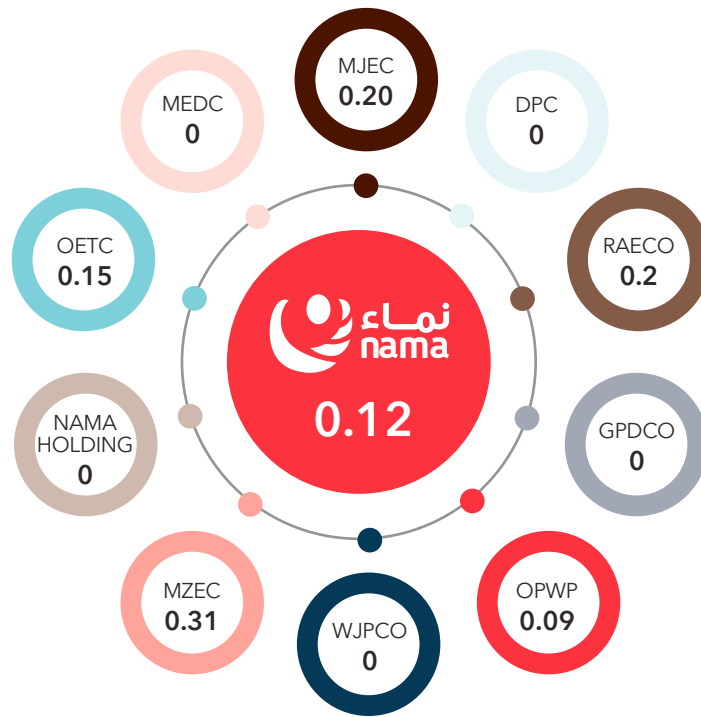
PERFORMANCE

Loss time indicators and First Aid Cases registered improvements in 2016, confirming the trend of improved indicators in a three-year series. Sadly, we were not able to end 2016 without fatalities. This remains a challenge we need to overcome.

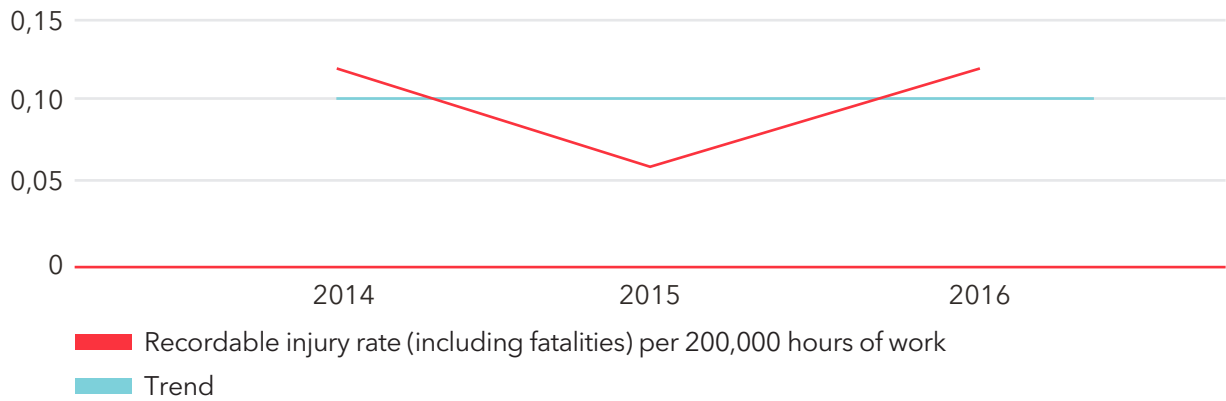
Our Recordable Injury Rates stood at 0.12, showing a stable trend after an improvement in 2015.

As improvements in our management approach, all Group subsidiary companies (except for the Rural Areas Electricity Company) have received the International (OHSAS:18001) certificate for their efforts in the field of Occupational Health and Safety. In line with this, mandatory training was provided to all Group employees in different occupational health and safety fields. Workshops and conferences were conducted to prepare the integrated system project for the Group, as the occupational health and safety data management system will be launched in May 2017.

Recordable Injury Rates



Recordable injury rate per 200k hours of work



ENVIRONMENT

ENVIRONMENT

ENVIRONMENTAL STEWARDSHIP

The energy sector is one of the most relevant agents in the climate change. The industry is changing rapidly, and the sources of power are being revisited at the global scale, with a clear trend towards the use of renewable sources of energy, along with other innovations that will reshape the way we conceive energy production, transmission, storage and distribution to end users. Of course, the role of the consumer (demand-side management) is critical. The new generations of users are more aware of resource scarcity, and their role is key to the sector's upcoming transformation.

Nama Group has an important role to play in encouraging responsible energy and water use among its customers in order

to protect Oman's natural resources for future generations.

Nama Group and the utilities sector operations recognize the importance of protecting the environment by reducing emissions from fossil-fuel fired facilities and promoting wise consumption of water for industrial use.

Nama Group has identified two long-term objectives in its sustainability policy to help reduce its environmental impact:

- Encouraging residential customers to reduce energy consumption.
- Reducing the carbon intensity of electricity and water produced.

ENVIRONMENTAL ASPECTS

Alternative energy

This aspect considers all the efforts to reduce the dependency on non-renewable sources of energy, through the development of projects and measures to deploy capacity based on renewable sources.

Energy conservation

The concept of Energy Conservation encompasses all the activities aimed to improve methods on maintaining energy at the consumer end.

Carbon emissions

The measuring of Carbon Equivalent Emissions is an indicator of the impact on Climate Change, and a baseline for planning reductions of emissions with environmental impact.

ALTERNATIVE ENERGY

ALTERNATIVE ENERGY

MANAGEMENT APPROACH AND OUTLOOK

The transition to renewable forms of energy is a global trend. All economies are experiencing a process of 'decarbonisation', which consists of changing the sources of energy from fossil fuels to other renewable forms, like wind, solar, biomass or other sources.

The process of decommissioning older power plants and the natural evolution of the regional grids to more efficient and clean forms of energy will impact on our strategy sooner rather than later. For this reason, we started to replace the less efficient units of generation and start innovative pilot projects related to renewable energy.

PERFORMANCE

To date, the status of our projects in renewables is as shown in the infographic, totalling 89.96MW of projected capacity.

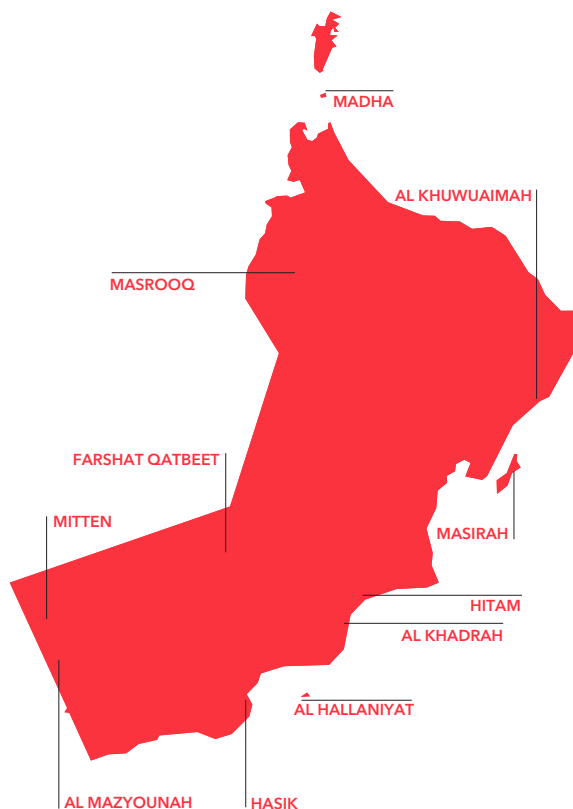
RAECO renewable energy sites

The use of renewable energy is part of the company's efforts to reduce the operating costs associated with generating electricity. The company is currently conducting a technical and economic feasibility study for the use of solar photovoltaic energy along with diesel generators at 11 of RAECO sites. It is expected that the use of solar energy combined with diesel generation will enhance efficiency of the plants while reducing diesel fuel consumption and offset carbon dioxide emissions.

Upon confirming feasibility of using solar energy, the company will provide the opportunity for the private sector to invest and develop solar energy plants through power purchase agreements.

11 Diesel power generating sites were selected in 2016 for renewable projects

50MW Dhofar wind power project in Shalim and Juzor Al Hallaniyat



RAECO

Business Development

- Awarded for the best performance in customer services competition at GCC level.
- 2 large power stations opened (Masirah - Saih Al Khairat).
- ISO 55000 asset management certification.

Percentage of RAECO customers by category

- Government **10%**
- Commercial **18.7%**
- Agriculture & Fisheries **1.2%**
- Defence **0.4%**
- Industrial **0.2%**
- Residential **69.3%**
- Tourism **0.2%**

Power Generation

- **880 GWh** Total power sent out from RAECO power stations.
- **270MW** Total capacity.

Dhofar Wind Project

- **13** Wind turbines and each has capacity of 3.8MW.
- **160 GWh** Generate power per year.
- Avoids 110,000 tons of CO₂ emissions.

ENERGY CONSERVATION

ENERGY CONSERVATION

MANAGEMENT APPROACH AND OUTLOOK

One of the most efficient ways to address the environmental impacts on our sector is to educate consumers on the reasonable use of energy. The concept is widely known as the reduction of energy consumption through utilising less of an energy service.

Through educational campaigns and other related activities, the Group communicates to its stakeholders the need for a sustainable use of energy both at enterprise and household level.

PERFORMANCE

During the Holy month of Ramadan, the Group launched a competition in the social media aiming to reduce peak demand for electricity and enhance the benefits of using energy-efficient devices. The campaign represented a national unified energy conservation project.

about the value of their collaboration to "rationalise the development." Among other messages, it was highlighted that conserving energy resources and finding reliable and practical solutions for energy consumption are of utmost importance.

Nama Group seeks, through the national campaign, to rationalise the consumption of electricity. This year, we have stressed the importance of being involved in this civic duty to reduce the environmental impacts. The major objective was to educate participants

The programme also included a series of field visits carried out by the distribution companies' professionals, a series of workshops and events and the distribution of leaflets explaining rationalization mechanisms, and alternatives to save energy.

حافظ على الطاقة
Save Energy

ترشييدنا نماء

لقد قام سعيد البطاشي بحملات ترشييد الكهرباء في المدارس من منطلق إيمانه بأن غرس القيم والمبادئ في أطفالنا منذ الصغر يصنع جيلاً واعياً.

وماذا عنك؟ شاركنا مبادراتك على قنوات التواصل الاجتماعي لمجموعة نماء.

شركة الكهرباء عمان (SOCC)
شركة عمان للطاقة (OCEC)
شركة مسقط للتوزيع الكهربائي
شركة عمان للتوزيع الكهربائي
شركة الكهرباء عمان (SOCC)

نماء
نماء - نداء

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CARBON EMISSIONS

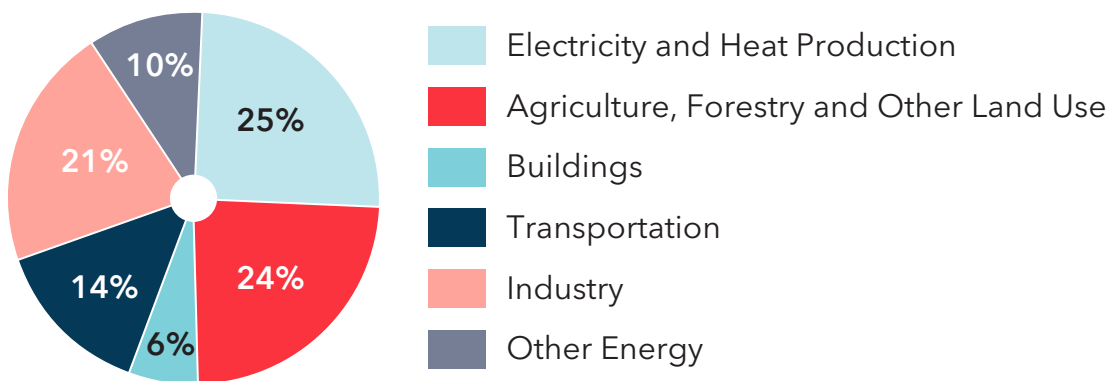
CARBON EMISSIONS

MANAGEMENT APPROACH AND OUTLOOK

Carbon Dioxide Equivalent Emissions are an important metric to the sector. Our industry is responsible at global scale for 25% of the Greenhouse Emissions, according to the U.S. Environmental Protection Agency. All standards and factors

devoted to improving measurement, reducing, and abating carbon emissions will have a direct effect on combating the global warming.

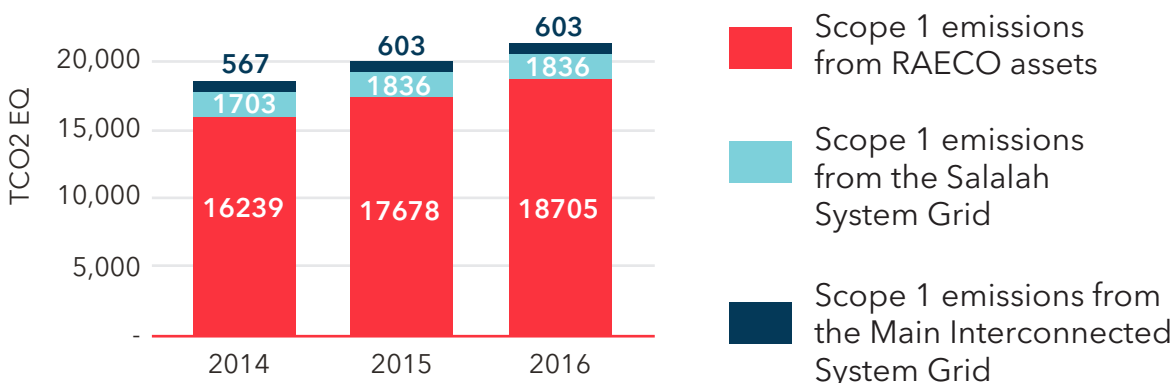
Global Greenhouse Gas Emissions by Economic Sector



PERFORMANCE

In the previous report, the Group estimated the carbon emissions for Scope ^{EN-15} related to the Main Interconnected System Grid, the Salah System Grid, and the Rural Areas assets. These data have been updated using the same baseline. However, the

measurement is indicative, and due to the upcoming decommissioning of plants, this baseline will be recalculated in 2017, with further developments in the methodologies to estimate emissions accordingly.



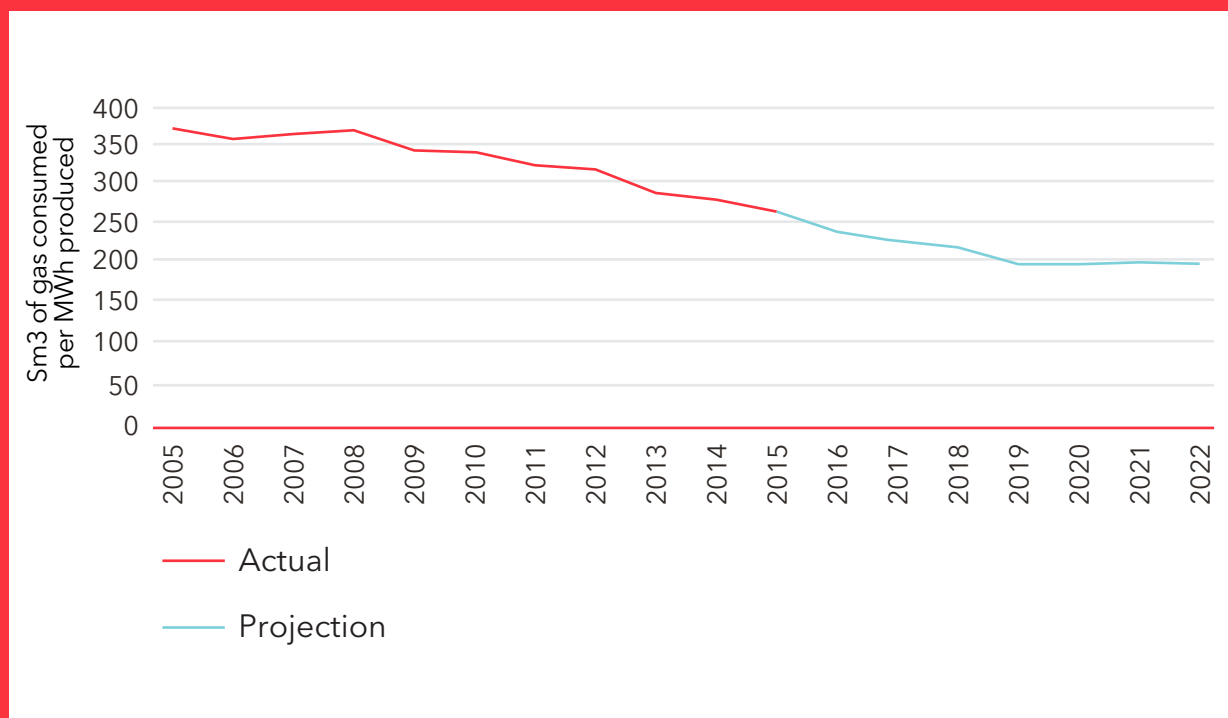
GAS CONSUMPTION OMAN POWER AND WATER PROCUREMENT COMPANY (OPWP)

A continuous improvement in the power supply efficiency has contributed to reducing fuel requirements per kWh of energy produced. Since 2005, through the introduction of progressively more efficient generation plants, the average fuel consumption per unit of electricity production in the Main Interconnected System has dropped from 374 Sm³/MWh to 260 Sm³/MWh, equivalent to an improvement of 30%. In the upcoming seven years, OPWP expects that the most efficient plants will provide an increasing share of power generation, contributing to a further 25% improvement in gas utilisation by 2022 - as indicated in the diagram below.

Another significant improvement is the shift from Multi-Stage Flash Distillation (MSF) to Reverse Osmosis (RO) technology for water desalination. This is expected to allow the combined power and water plants to operate more efficiently.

OPWP and OETC continue to cooperate to the continuous improvement in dispatch operations, in order to take full advantage of the newer generation to assure a reliable power supply.

As mentioned earlier, OETC is in the process of developing a 400 kV transmission backbone and new dispatch control technology that together will support more efficient dispatch, while OPWP will contribute with the advanced simulation system to support dispatch decision-making.



GLOSSARY

GLOSSARY

DPC	Dhofar Power Company S.A.O.C.
GPDC	Al Ghubrah Power & Desalination Company S.A.O.C.
GJ	Gigajoules
GRI	Global Reporting Initiative
GW	Gigawatt
GWh	Gigawatt Hour
ICV	In-Country Value
JV	Joint Venture
KW	Kilowatt
kWh	Kilowatt Hour
M3	Cubic meter
MEDC	Muscat Electricity Distribution Company S.A.O.C.
MJEC	Majan Electricity Company S.A.O.C.
MW	Megawatt
MWh	Megawatt Hour
MZEC	Mazoon Electricity Company S.A.O.C.
NH	Nama Holding S.A.O.C.
NICD	Nama Institute for Competency Development
OETC	Oman Electricity Transmission Company S.A.O.C.
OPWP	Oman Power & Water Procurement Company S.A.O.C.
PMS	Performance Management System
RAECO	Rural Areas Electricity Company S.A.O.C.
SCADA	Supervisory Control and Data Acquisition System
SME	Small and Medium-Sized Enterprise
WJPC	Wadi Al Jizzi Power Company S.A.O.C.

REPORT PROFILE

G4-5/13/28/29/30/31/32/33

In this section, we provide further information about the company and the sustainability reporting frameworks.

GRI 'IN ACCORDANCE' OPTION

This report has been prepared in accordance with the GRI G4 Guidelines: "Core option," and has not been externally verified.

COMPANY HEADQUARTERS

Al Qurum- Muscat, Beach One building, Third Floor. PO box 850, Mina Al Fahal, PC 116 - Tel +968-24559287

LEGAL FORM

Nama Holding is a joint stock company registered in the Sultanate of Oman. The holding company holds the shares on behalf of the Government in nine companies engaged in the generation, procurement, transmission and distribution of electricity and related water services. In 2014, it established a training centre called "Nama Institute for Competency Development." The nine companies are:

- Al Ghubrah Power and Desalination Company (GPDC)
- Wadi Al Jizzi Power Company (WJPC)
- Oman Power & Water Procurement Company (OPWP)
- Oman Electricity Transmission Company (OETC)
- Dhofar Power Company (DPC)
- Majan Electricity Company (MJEC)
- Mazoon Electricity Company (MZEC)
- Muscat Electricity Distribution Company (MEDC)
- Rural Areas Electricity Company (RAECO)

REPORTING PERIOD

January 1st to December 31st, 2016.

DATE OF LAST REPORT

31st of December 2015.

REPORTING CYCLE

Annual.

SUSTAINABILITY CONTACT

info@nama.om

GRI REFERENCES

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