



National Petroleum Services Company K.S.C

Corporate Social Responsibility Policy

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A. Preamble

The Corporate Social Responsibility (CSR) Policy is built to ensure the Company's contribution to the society and community. Being a responsible business is the key to any organization's success. We aim to work under a sustainable business model that creates value from building deep, broad, long-lasting relationships with our customers and other people in the community we operate in. Corporate social responsibility is embedded in the Company's values and is the basis of how work is done, products are developed and services are delivered under our goals and commitments.

B. Responsibility for CSR

The Company's Corporate Governance department/function is responsible for the Company's compliance with this CSR Policy as well as its periodic update (at least annually).

C. Standards

At National Petroleum Services Company K.S.C.C. ("NAPESCO" or "the Company"), the Board charter requires high-level management to discuss and approve social, ethical and environmental (SEE) topics. Specific topics covered in the policy and other standards include human rights, labor standards, bribery & corruption, stakeholder dialogue, equality & diversity. The standard outlines requirements placed on the Company to develop and apply relevant mechanisms and to provide the Board with sufficient information to demonstrate that these issues are identified, evaluated and managed consistently throughout the organization.

D. General Goals

The Company's Corporate Social Responsibility approach is based on the following:

1. Achieving the society's economical, environmental & civic goals in addition to the Company's financial goals.
2. Operating in a way that our stakeholders can feel proud to work with an organization that respects its social, ethical and environmental responsibilities.
3. Involving our employees in the service of the community to add to our employees' self esteem as well as their understanding of the community's needs and the role they can play to meet them.
4. Educating the society about the impact they have on the different aspects of our society and how they can work towards minimizing the damage of their activities and benefiting it instead.
5. Ensuring that the Company's CSR activities are, at least, at a similar level of our competitors', and constantly developing our contribution programs.
6. Ensuring that the Company's CSR efforts are appropriately captured and reported the management as well as other stakeholders on a periodical basis.

E. Values

The Company's values are built on sharing its success with the following:

- **The economy:**

Being a listed company can have a great impact on the economy. NAPESCO has established clear programs to outline its contribution to the economy:

1. **Please insert some economic contribution which the Company may be making as a result of its core activities.**
2. Supporting the governmental efforts by contributing by way of KFAS and Zakat.
3. Support small projects and introducing new prospects for serve groups of society.
4. Dedicating a budget to philanthropic investments

- **The community:**

NAPESCO is committed to investing in the community, by establishing programs that work towards improving the financial skills, employment level and ethical activities.

1. Offering educational programs to develop an understanding of money matters
 2. Creating new job opportunities to reverse the impact of unemployment
 3. Helping the youth and fresh graduates achieve employment
 4. Ensuring compliance with national labor percentage requirements
 5. Volunteering a good portion of our employees in the service of the community
 6. Building youth futures through enabling the disadvantaged youth to develop the skills, knowledge and confidence they need to set up their own small businesses or secure jobs
- (Will have to be customized in case if NAPESCO would like to add more)**

- **The environment:**

NAPESCO identifies its responsibility for the environment by reducing the harm of human activity in polluting land, water & air, and the depletion of resources:

1. Reducing our environmental impact through promoting echo-friendly trends at the workplace
2. Investing responsibly, by avoiding projects where the potential for environmental damage outweighs the economic benefit
3. Setting awareness programs to educate our employees and customers on the impact of their daily activities on the environment and how they can limit this impact

F. Policy Statements

The principles encompassed in this policy cover all of the Company's operations and have been developed and will continue to be reviewed against the relevant codes of corporate governance and other international standards.

The Board of Directors (BOD) supports the principles set out in these standards and the aim of this policy is to translate that support into a practical guideline for our managers and employees:

1. Compliance with this policy is the responsibility of each individual employee;

2. The Company will ensure that an amount representing **XX %** of the Net Profit for each year will be earmarked for social initiatives. This amount will be budgeted in the Company's Annual Budget and will be the basis of the departmental social responsibility plans for the coming year;
3. Each Manager/ Head of Department is responsible for ensuring that the principles and plans set out in this policy are communicated to, understood and observed by all employees and for ensuring compliance in their area of responsibility;
4. Employees who reasonably suspect that there has been a breach of this policy must report it to their line manager, senior management, or other mechanisms established by the Group to report such breaches. We recognize that employees may be reluctant to report concerns for fear of retaliation and will take disciplinary action against any employee who threatens or engages in retaliation, retribution or harassment of any person who has reported or is considering reporting a concern in good faith.
5. The Board of Directors is committed to ensuring the health, safety and welfare of all its employees at work and also the safety of customers and others. With this regard, the employees are expected to comply with the following safety rules:
 - Do not endanger yourself or others
 - Do not adjust, modify or repair and piece of work equipment unless you are competent and authorized to do so.
 - Keep your work area clean and tidy
 - Obey all rules, signs and instructions
6. Necessary trainings and guidance should be provided by the Company to its employees for the effective implementation of this policy.
7. NAPESCO will engage with local authorities, businesses and other interested parties to promote its social initiatives. This will also specifically include awareness programs aimed at the society;
8. NAPESCO will also support local community groups and charities which will include initiatives for the development and education of young people;
9. Compliance with this policy will be continuously monitored and subject to review by the BOD, supported by the Audit Committee;
10. Compliance with this policy will be reported to the stakeholders through the Annual Report or its Annual Corporate Social Responsibility Report; **(periodicity to be decided by the Company)**
11. The Company's CSR performance will also be reported to the Board of Directors by the Managers / Heads of Departments on an Annual **(periodicity to be decided by the Company)** basis. Such reports should also include comparison the Company's CSR activities with those of other Companies conducting similar activities.

A. Policy Review

The ownership of this policy is with the Board of Directors. The Board of Directors shall review this policy at least annually and shall make amendments, if deemed necessary.

B. Copyright Statement

The Company has a proprietary right over this Policy and its contents. No part of the Policy should be copied nor is to be removed from the NAPESCO (“the Company”) premises without the express written permission of the Policy Owner.

The content of the Policy is to be treated as confidential and is not to be shown nor distributed to any non-authorized persons or customers, inside or outside the Company.

C. Policy Administration

All Policy administration requirements like access, review, update, approval authority for review, and amendments of the Policy and the register of amendments will be as per the Authority Matrix of the Company.