ESG

Sustainability at Yahsat

Sustainable development has become a topic of critical importance to corporations, governments, communities and stakeholders throughout the world. At the recent United Nations 26th annual Climate Change Conference (COP26) in Scotland, over 150 countries submitted updated climate change plans to reduce their emissions by 2030.

Throughout the Middle East, multiple stock exchanges continue to introduce or mandate Environmental, Social and Governance (ESG) reporting requirements for all listed companies. In the United Arab Emirates, multiple national ambitions contain sustainability-related objectives, including the UAE Energy Strategy and the UAE National Space Strategy 2030.

To ensure we are in the best possible position to effectively continue and improve our contributions towards promoting sustainable development, we set out to meet three key objectives as a Company in 2021 and 2022. The first objective was to identify and understand the sustainability-related areas of most importance to the Group as a whole. The second was to develop an appropriate approach to report on and manage these areas. The third objective was to develop a sustainability strategy to improve the Group's overall ESG/sustainability performance.

Material Sustainable Areas

Materiality assessments are a valuable tool to identify and prioritise the relative importance of sustainability-related areas to a business. As an initial step in conducting such an assessment, we strove to understand the sustainability-related areas where our business has the greatest impact, or the greatest potential to be impacted – which are most likely to influence the evaluations and decisions of our key stakeholders. To accurately identify all such areas, we reviewed: reputable sustainability standards; international and national ambitions; the Abu Dhabi Securities Exchange ESG reporting requirements; sector-specific areas assessed by ESG rating agencies; the sustainability-related areas reported on by Yahsat's peers; and the interests of key stakeholders.

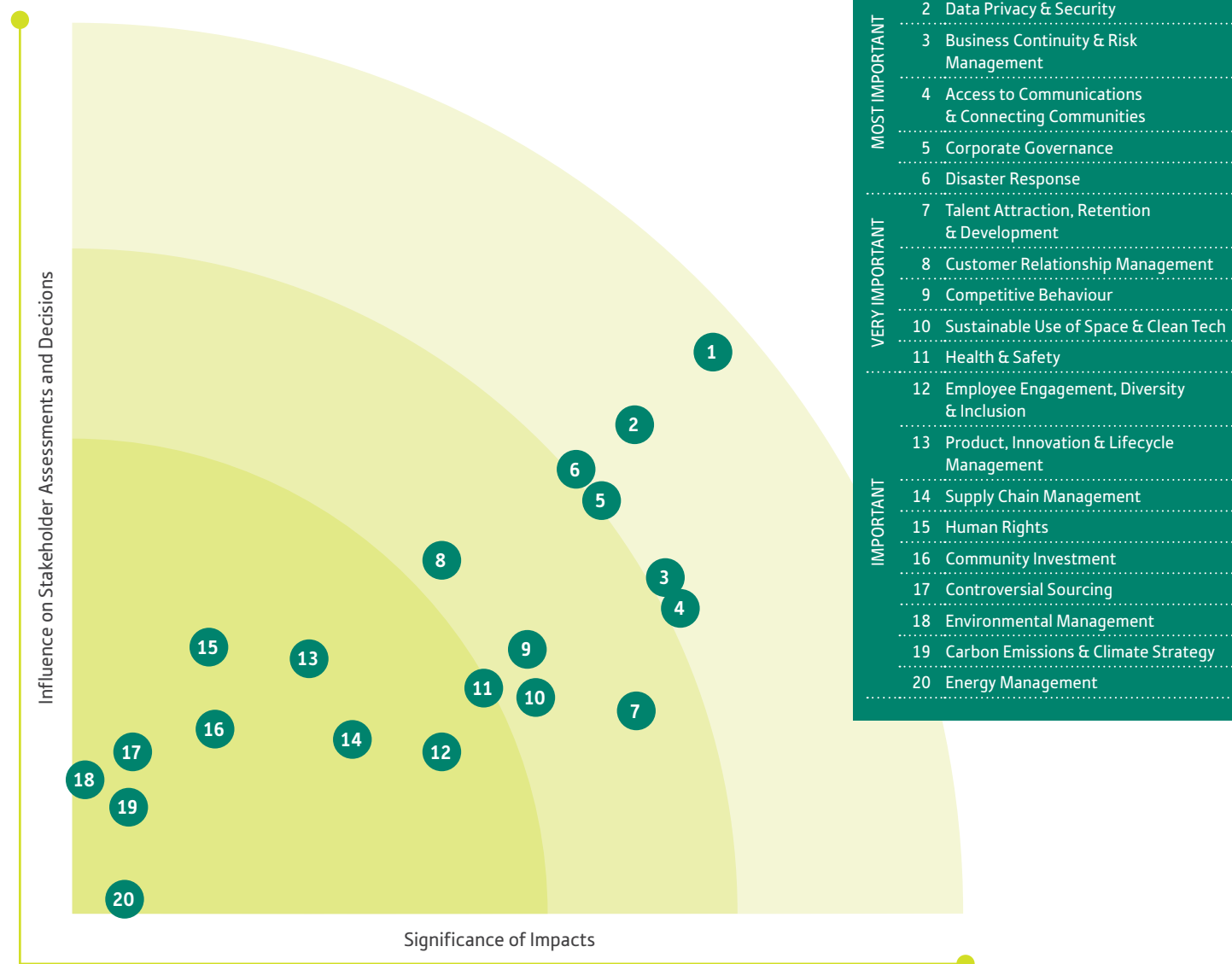| Sustainability Standards	International & National Ambitions	

Yahsat's key stakeholders are depicted below. Across our business, we continually seek to understand the expectations and interests of our stakeholders through several modes of engagement, including the Investor Relations Department, internal communications, periodic meetings and Annual General Meetings (AGMs).

Yahsat Key Stakeholders: Customers, Employees, Shareholders & Investors, Regulators & Local Government, Local Communities, Suppliers, Business Partners

Once the relevant sustainability-related areas had been identified and assessed, the priority of each area was decided by our Senior Management. The resulting materiality matrix below highlights the 20 sustainability-related areas identified as being pivotal to the business, categorised from 'Important' to 'Most Important'.

Sustainable Areas Materiality Matrix

Y-axis: Influence on Stakeholder Assessments and Decisions
X-axis: Significance of Impacts

MOST IMPORTANT
1 Business Ethics
2 Data Privacy & Security
3 Business Continuity & Risk Management
4 Access to Communications & Connecting Communities
5 Corporate Governance
6 Disaster Response

VERY IMPORTANT
7 Talent Attraction, Retention & Development
8 Customer Relationship Management
9 Competitive Behaviour
10 Sustainable Use of Space & Clean Tech
11 Health & Safety
12 Employee Engagement, Diversity & Inclusion
13 Product, Innovation & Lifecycle Management

IMPORTANT
14 Supply Chain Management
15 Human Rights
16 Community Investment
17 Controversial Sourcing
18 Environmental Management
19 Carbon Emissions & Climate Strategy
20 Energy Management

ESG continued

Sustainability Framework

Upon completing the materiality assessment, we then created a robust sustainability framework to formalise and focus the Group's approach to promoting sustainable development, especially in terms of: managing relevant sustainability-related areas; monitoring and reporting on progress; and strategy development. The framework comprises five pillars, with each pillar addressing specific sustainability-related areas. Through this structured, strategic approach, we aim to cumulatively create value for ourselves and our key stakeholders.

The Future of Sustainability at Yahsat

We are currently involved in numerous sustainability-related activities (discussed in more detail in Yahsat's inaugural 2021 ESG Report[1]) and we actively seek ways to improve our overall sustainability performance. To ensure that we continue to positively contribute towards sustainable development, a Group-wide sustainability strategy spanning the next three years will be developed during the first quarter of 2022. We will provide updates on this strategy and the progress that has been achieved in subsequent ESG and annual reports.

1   Please refer to the Investor Relations section of Yahsat's website to view the Standalone 2021 ESG Report:
https://www.yahsat.com/en/investor-relations

Five pillars of sustainability

1 Reliable Corporate Governance

Business Ethics

Business Continuity & Risk Management

Competitive Behaviour

Corporate Governance

Data Privacy & Security

2 Serving Customers & Communities

Access to Communications & Connecting Communities

Community Investment

Customer Relationship Management

Disaster Response

3 Investing in People

Employee Engagement, Diversity & Inclusion

Health & Safety

Human Rights

Talent Attraction, Retention & Development

4 Promoting Environmental Protection

Carbon Emissions & Climate Strategy

Energy Management

Environmental Management

Product, Innovation & Lifecycle Management

Sustainable Use of Space

5 Develop the Right Business Partnerships

Controversial Sourcing & Partnerships

Supply Chain Management

1

Reliable Corporate Governance

We are committed to operating with integrity and maintaining the highest professional and ethical standards in every aspect of our business. Through our established and evolving governance structures, we aim to ensure all of our operational activities are performing as intended, including complying with local and international regulations, improving business performance and ensuring stakeholder interests continue to be met.

Material Issues Covered	Business Ethics Business Continuity & Risk Management Competitive Behaviour Corporate Governance Data Privacy & Security
UAE National Space Strategy 2030	Ensure a supporting legislative framework and infrastructure to match the future developments in the sector
Abu Dhabi Economic Vision 2030	Develop a sufficient and resilient infrastructure capable of supporting the anticipated economic growth
Sustainable Development Goals	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Corporate Governance

The majority of Yahsat's Board of Directors ('Board') is independent. Together, the Directors draw on a wealth of relevant and varied experiences and skills to successfully guide Yahsat in the direction of its vision. Each Board member has held, or continues to hold, leadership positions in reputable organisations, across a range of industries spanning telecommunications, space, defence, security, military, manufacturing, artificial intelligence, media, finance and government. The Board's overall performance is evaluated annually. In 2021, members received training in several topics, including: Directors' duties; corporate governance; disclosure obligations; insider trading; and related-party transactions.

To ensure Yahsat was successfully prepared for an initial public offering (IPO) on the Abu Dhabi Securities Exchange (ADX), an IPO readiness workstream was created. This involved a comprehensive review of Yahsat's policies, processes and governance, from the perspective of separating from Mubadala, the majority shareholder of Yahsat, and meeting all relevant regulatory requirements. A number of important governance structures and policies have been updated and created as a result, including: an independent Ethics and Compliance function; a Code of Ethics; a Nomination and Remuneration Board Committee; a Competition Law policy; and a whistle-blowing mechanism.

Business Ethics

Yahsat's Ethics and Compliance (E&C) function is independent and directly reports to the Audit, Risk and Compliance Committee of the Board. The E&C function developed Yahsat's Code of Ethics, with the aim of enabling the Group to achieve its commercial objectives while operating at the highest levels of integrity, and an E&C charter, which facilitated the development of a framework and necessary policies and processes to effectively execute the function's defined roles and responsibilities.

Ethics and compliance training is conducted on an annual basis, educating employees on key areas such as: conflicts of interest; gifts; entertainment; anti-bribery; corruption; export control and sanctions compliance; fraud awareness; and business partner due diligence. Trainings were conducted virtually during 2021 and included e-learning quizzes and a mandatory acknowledgement of the Code of Ethics' principles from all employees.

Any violations of Yahsat's Code of Ethics and other established codes of conduct can be reported through several channels, including two dedicated email addresses for employees and non-employees, and a helpline. All matters reported to the E&C function are individually reviewed, investigated and adjudicated. During 2021, no instances of ethical-related violations were reported.

Competitive Behaviour

Yahsat's Competition Law Policy provides guidance for employees on how to ensure they do not engage in anti-competitive behaviour. Specifically, guidance is provided for:
- Participation in trade associations
- Business with competitors
- Obtaining competitive information
- Business in a dominant market position
- Mergers, acquisitions or joint ventures
- Procurement practices

Any violations of the Competition Law Policy can be reported to Yahsat's General Counsel and/or the E&C function. During 2021, no anti-competitive violations were reported.

Data Privacy & Security

At Yahsat, we take the secure protection of information extremely seriously. To ensure our information security (IS) activities are appropriately managed, comprehensive governance structures have been established and include, among other policies and procedures, an IS Committee, charter and policy.

The IS Committee comprises our Chief Executive Officer, Chief Operating Officer, Enterprise Security Manager, the IS Manager and additional members if necessary. Its main responsibilities include: overseeing the enterprise-wide security programme; the approval of IS policies; evaluating and proposing IS-related investments; monitoring IS initiatives; and periodically reporting to the Board's Audit, Risk and Compliance Committee. The IS policy applies to all information assets and systems, and was created to ensure the confidentiality, integrity and availability of information through a uniform approach and defined responsibilities.

Other policies that have been established to: support data privacy and security related to IS awareness; IS training; IS risk management and incident management; data classification and protection; asset management; data centre code of conduct; access control; third party security; removable media; secure systems development; and change control. During 2021, there were no identified leaks, thefts or losses of customer data.

Business Continuity & Risk Management

Business continuity management (BCM) continues to be a fundamental practice at Yahsat. Periodically tested and audited BCM plans and practices ensure our business functions and services operate uninterrupted, and that we are able to effectively and efficiently respond to any risks that may materialise. Key risks include: fires; spacecraft anomalies; power outages; unavailability of critical applications; unavailability of personnel; and cyber security.

All relevant risks are identified through a threat risk assessment procedure that also monitors the current status of the established controls designed to mitigate each risk. During 2020 and 2021, the COVID-19 pandemic required the activation of a crisis management plan to ensure the ongoing operation of critical operations, and reduce the risk of mass infection and unavailability of personnel. Moreover, two major spacecraft anomalies were experienced in 2021, which led to the activation of existing, pre-defined crisis management, communication and BCM plans; the proper implementation of these plans ensured that we reacted in an appropriate, measured and effective manner and, thankfully, neither anomaly resulted in any enduring impact on our operations.

2

Serving Customers & Communities

Through our technological excellence and customer-centric approach, we strive to provide innovative, reliable and affordable satellite solutions to Yahsat's customers. Such solutions enable communities around the world to connect with each other, and provide Yahsat with multiple opportunities to create positive community impacts.

Material Issues Covered	Access to Communications & Connecting Communities Community Investment Customer Relationship Management Disaster Response
UAE National Space Strategy 2030	Provision of Competitive and Leading Space Services Development of advanced local capacities in Space technology manufacturing and R&D
Abu Dhabi Economic Vision 2030	Develop a sufficient and resilient infrastructure capable of supporting the anticipated economic growth
Sustainable Development Goals	4 QUALITY EDUCATION 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 17 PARTNERSHIPS FOR THE GOALS

Access to Communications, Connecting Communities & Community Investment

Working in partnership with international and regional service providers, we have helped to expand and enable internet and information access for underserved communities throughout the world. These communities often have limited or no telecommunications-related infrastructure, or operate in areas where reliable and secure infrastructure is difficult to establish.

Examples of how the Group has helped communities through satellite communications solutions include:
- The transmission of Iraqi election results
- Fishing vessel monitoring capabilities for the Department of Fishery in Vietnam
- Supporting telemedicine solutions for medical concerns in remote areas of Australia

Other instances include the UAE, South Africa, Kenya and Pakistan. We installed and set up satellite equipment and internet services for rural communities in the UAE with limited connectivity, enabling 74 villas to gain internet access and over 300 students to gain access to e-learning platforms. In the Eastern Cape, South Africa, we replaced costly and unstable dial-up services with satellite broadband internet services across 207 public libraries in typically remote populations. In Kiambu County, Kenya, where 40% of the population reside in rural areas, our new and updated software solutions enabled 108 healthcare facilities to improve communications and share critical information related to patient inquiries, human resource requirements and medicine inventories.

In the Gilgit Baltistan province of Pakistan – a province known to have limited internet and information access and ongoing security issues – we provided satellite broadband internet services to eight learning centres, enabling over 3,000 beneficiaries to receive training in information and communication technology.

Disaster Response

When humanitarian crises arise from natural disasters around the world, such as floods and earthquakes, satellite operators find themselves in a position to provide immediate and unaffected communications solutions to help the people affected by them. We have become a signatory of the United Nations Crisis Connectivity Charter, to support governments, international organisations, non-governmental organisations and others to resolve humanitarian crises where possible. Most recently, during December 2021, Yahsat supported multiple organisations in the Philippines to help over three million people affected by the category five Typhoon Rai. We have also previously supported organisations to address humanitarian crises in other parts of the world, including typhoons in Japan and migrant boats stranded at sea.

Customer Relationship Management

We strive to continually improve customer satisfaction and service excellence at Yahsat by driving a customer-centric focus throughout all aspects of our operational services and support activities. In 2020, a centralised Customer Care Unit was established to oversee customer care operations and support services, and operational quality assurance activities. The main customer-centric programmes being implemented through the unit are:

- **Quality assurance of service delivery** – including an independent quality assurance function, incident management, change management and operational level agreements.
- **'Voice of Customer' programmes** – including customer satisfaction surveys, periodical reviews of operational support activities provided by service partners and priority escalation programmes.
- **Quality assessment programmes** – including programmes to monitor, measure and analyse customer interactions and support processes.

We monitor several customer service metrics across the business, and have plans to monitor more of these in the future. For example, our First Call Resolution (FCR) metric measures the ability of the Group to resolve a customer's question or problem during their first call or contact with us. During 2021, monthly FCR averaged 82%. From 2022 onwards, through the implementation of planned customer-centric programmes, we aim to improve our ability to comprehensively monitor and report on our customer satisfaction and service levels, respectively.

3
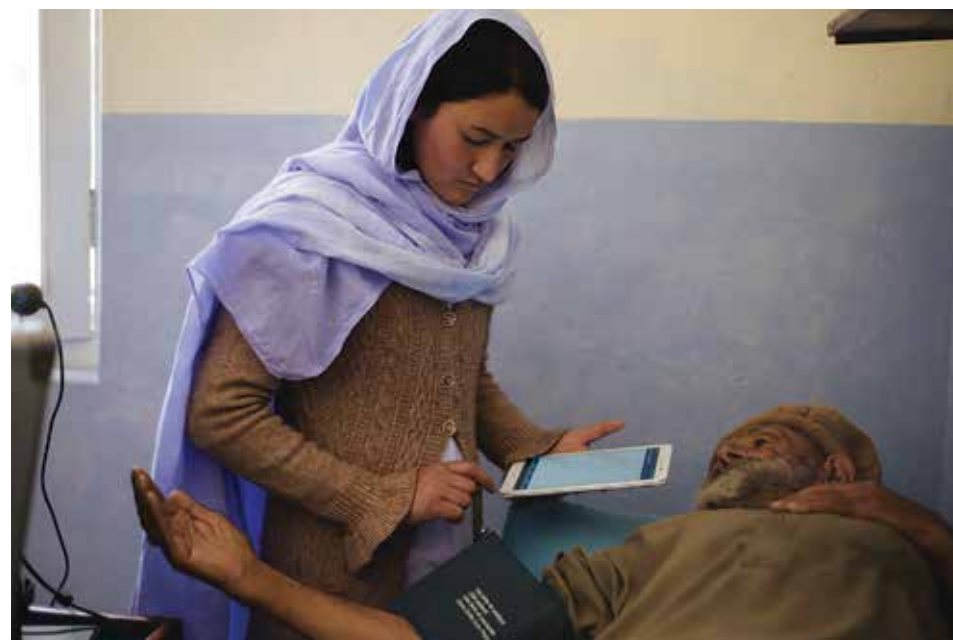
Investing in People

We know that our achievements at Yahsat are fundamentally built upon the cumulative abilities and attitudes of our workforce. We are committed to empowering our employees to succeed and to become role models in their communities. A key objective is to attract and retain highly-talented employees while simultaneously promoting Emiratisation. By building a diverse, egalitarian and safe working environment, we strive to maximise employee wellbeing.

Material Issues Covered	Employee Engagement, Diversity & Inclusion Health & Safety Human Rights Talent Attraction, Retention & Development
UAE National Space Strategy 2030	Creating Space Culture and Expertise
Abu Dhabi Economic Vision 2030	Drive Significant Improvement in the Efficiency of the Labour Market Develop a Highly Skilled, Highly Productive Workforce
Sustainable Development Goals	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES

Talent Attraction, Retention & Development

Optimising our workforce and creating synergies helps the Group to gain operational efficiencies and to become more effective in the pursuit of its strategic objectives. We value diversity and strive to attract and retain highly-talented and qualified employees while helping each of them to develop their professional and personal competencies. Each year, performance appraisals and learning needs analysis inform the development of an annual training calendar for all employees. The training options available include in-house training, external training providers and e-learning platforms (such as Coursera and LinkedIn). Due to the social distancing precautions taken in response to the COVID-19 pandemic, the amount of training received by each employee has decreased compared to 2019 levels.

Average Training Hours per Employee

2021
- 8.2
- 9.5

2020
- 11.2
- 10.3

2019
- 19.0
- 7.0

0   5   10   15   20

■ Female
■ Male
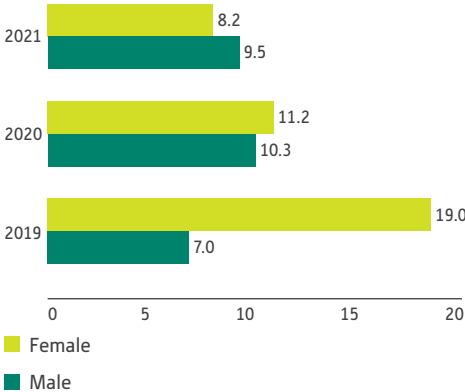
Emiratisation programmes are used to develop local talent in accordance with Yahsat's needs, Abu Dhabi's Economic Vision 2030 and the UAE's 2030 National Space Strategy. Yahsat's GROW programme, which aims to develop a pool of world-class Emirati executives, has

successfully helped four Deputy C-Level Officers at Yahsat to become promoted to senior leadership (C-suite) roles. We have invested over AED 5.5 million over a period of three years into our Space programme, which strives to develop future Emirati space and satellite engineers. UAE nationals continue to account for over 50% of our workforce and represented 52% of the total workforce in 2021.

Employee Engagement, Diversity & Inclusion

Engaging with employees helps us to monitor employee satisfaction levels and to identify, understand and respond to employee needs. Overall employee satisfaction continues to be monitored on an annual basis, for example, through third party employee satisfaction surveys and annual staff retreats. The information gleaned from these activities is discussed with all levels of management, and action plans are developed to increase engagement. An absolute employee satisfaction score of 82 was recorded for 2021, indicating average levels of both emotional and transactional (e.g., meeting minimal expectations of employer) engagement.

Employee Satisfaction Score

(100 is maximum score)

100
80 — 80 — 82
60
40
20
0

2019*   2020   2021
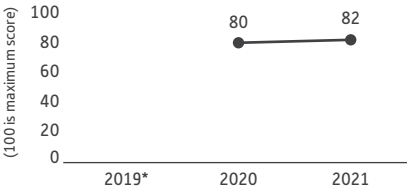
*Different scoring mechanism used in 2019

We understand that our strength lies in the talent and diversity of our people and that everyone must be treated fairly, as stipulated in our Code of Ethics. Our workforce is comprised of 42 nationalities and various programmes are available to support employees with parental responsibilities, including flexible work-from-

home arrangements for new mothers.
From 2019 to 2021, full-time female employee representation has averaged 16%. In 2021, Yahsat received the 'Women Leader of the Year' award from the GCC GOV HR Summit, a key human resource event in the Gulf Cooperation Council (GCC) region.

Health & Safety

Together, the Health, Safety and Environment (HSE) Committee, policy, associated manual and supporting standard operating procedures help the Group to effectively govern and monitor all HSE activities. To gauge the level of employee familiarity with HSE policies and procedures, we periodically circulate employee surveys; in 2021, 98.19% of employees indicated they are familiar with the HSE policy and its procedures. Encouragingly, since the beginning of 2019, there have been no fatalities and a total of four recordable injuries.

As the COVID-19 pandemic continues to impact all aspects of everyday life, we continue to address its challenges. A COVID-19 Committee was established and meets twice a week to oversee all related HSE matters. We also created a Back-to-Office Guide, detailing a phased approach to helping employees safely and gradually return to our offices. This covers such topics as: employee rotations; COVID-19 testing; mask requirements; conducting virtual meetings; and stopping business travel.

Human Rights

Our Code of Ethics clearly states that the Group must abide by applicable international human rights principles. We also insist that all of our business partners abide by applicable national and international human rights principles, as set out in our Business Partner Code of Conduct. Any violations of these principles can easily be reported using our Ethics and Compliance helplines and email addresses. Since 2019, there have been no such violations.

4

Promoting Environmental Protection

We are committed to reducing adverse environmental impacts stemming from Yahsat's operational activities. Through reductions in our energy consumption and the exploration of incorporating renewable energy sources where possible, we are working hard to reduce our total carbon emissions. We are also seeking to reduce our resource consumption and increase material resource lifespans wherever possible.

Material Issues Covered	Carbon Emissions & Climate Strategy Energy Management Environmental Management Product, Innovation & Lifecycle Management Sustainable Use of Space
UAE National Space Strategy 2030	–
Abu Dhabi Economic Vision 2030	Develop a Sufficient and Resilient Infrastructure Capable of Supporting the Anticipated Economic Growth
Sustainable Development Goals	11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION

Energy Management

To monitor and manage the energy consumption of the Group's operational activities, we have introduced a building management system (BMS) and several energy reducing initiatives. The BMS monitors: seasonal energy usage; reduces energy consumption based on hours of operation; and uses occupancy sensors to efficiently provide a building's lighting needs. Heating, ventilation and air-conditioning systems are carefully managed to ensure the required operating conditions of equipment are sufficiently met. A number of lighting fixtures have also been replaced with LED lights to increase our energy efficiency. From 2019 to 2021, total indirect energy consumption (electricity) has averaged 20,560,284 kilowatt hours, or 74,017 gigajoules, per year. The majority

of this consumption is accounted for by critical equipment rooms, data centres, network operations centres, antennas and various information technology infrastructure.
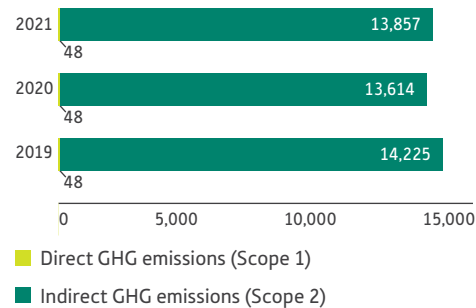
Energy Consumption (Gigajoules)

Year	Direct	Indirect
2019	679	75,756
2020	679	72,498
2021	679	73,797

■ Direct energy consumption
■ Indirect energy consumption
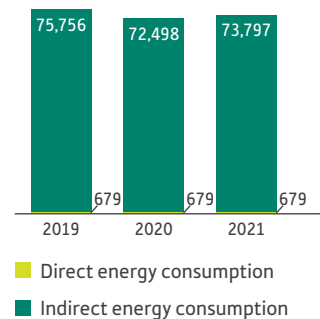
Carbon Emissions & Climate Strategy

The UAE's national climate ambition is to achieve net-zero emissions by 2050, and Yahsat intends to contribute towards this ambition. We are currently in the process of developing and setting our climate change strategy and ambitions. One initiative currently being explored is the use of renewable solar energy for non-critical systems from a utility-scale renewable energy developer and operator, to reduce emissions and the energy consumed from the national electricity grid. Total greenhouse gas (GHG) emission levels (Scope 1 and 2) over the past three years have averaged 13,946 tonnes of carbon dioxide (CO_2) equivalent. Almost all of Yahsat's GHG emissions are accounted for by indirect energy consumption (Scope 2). All Scope 1 emissions are generated from planned load generator tests that ensure a reliable emergency power source is available in the event of an emergency situation.

GHG Emissions (CO_2 Equivalent)

Year	Scope 1	Scope 2
2021	48	13,857
2020	48	13,614
2019	48	14,225

■ Direct GHG emissions (Scope 1)
■ Indirect GHG emissions (Scope 2)

Environmental Management

Across the business, we strive to efficiently consume material resources and to reduce the environmental impacts originating from our operational activities. To increase the recycling rates of material resources, we segregate waste and it is collected by an approved recycling agent of Tadweer, Abu Dhabi's waste management centre. The majority of waste

paper and cardboard generated from our internal departmental activities is recycled (amounting to 4,030 kilogrammes recycled in 2021). During the past three years, annual water consumption for Yahsat and Thuraya operations has averaged 105,157 cubic metres, and total wastewater has averaged 3,167 cubic metres (Yahsat only).

Product, Innovation & Lifecycle Management

As an integrated satellite communications solutions provider, we have the potential to create positive social and environmental impacts through our service offerings. As previously highlighted, our services have enabled communities to gain improved internet access, improve the management of healthcare data and effectively respond to natural disasters. Additional innovative applications for our services include:

- **Land, marine & aeronautical applications** – including the Internet of Things, tracking, monitoring, telemetry, machine-to-machine communications, remote connectivity and encryption.
- **Other applications** – including government and enterprise-managed solutions, high-speed broadband, Wi-Fi hotspots and free-to-air broadcasting.

How end users dispose of the hardware (products) used to avail Yahsat's satellite-related services is also an area we strive to influence. These products include satellite dishes, transceivers, modems and phones, and are typically manufactured with varying quantities of recyclable materials (metals, plastics and paper). Industry-defined product lifecycles are usually followed, and the average lifespan is approximately five years. Once obsolete, we promote the recycling of certain products by including appropriate recycling and disposal instructions on relevant product packaging.

Sustainable Use of Space

Yahsat is committed to promoting the sustainable use of space. Being governed by the UAE Space Agency, Yahsat continues to support the UAE's sustainable space agenda and strives to ensure our satellite operations are managed appropriately. The space sector in the UAE is governed by the UAE Space Law and is regulated by the UAE Space Agency. In 2020, the UAE Space Agency ratified the Artemis Accords, a set of principles, guidelines and best practices for conducting activities in space, which are intended to increase the safety of operations, reduce uncertainty, and promote the sustainable and beneficial use of space for all humankind.

Space debris is a growing problem for satellite operators and the sustainable use of space. It is estimated close to one million objects larger than one centimetre currently travel at 27,000 kilometres per hour in Earth's orbit[2]. These objects pose a significant threat to satellites and other spacecraft. To help address this problem, Yahsat is committed to following the Inter-Agency Space Debris Coordination Committee (IADC) space debris mitigation guidelines. We also procure reliable satellites build using the best available methods, and continuously track and monitor our satellites, ensuring they are in the correct position and avoid any passing debris. For our satellites reaching the end of their lifespans, such as Thuraya-2, they are deorbited and permanently powered down. To further promote the sustainable use of space, Yahsat participates in domestic and international forums addressing the rules for the sustainable use of space. We intend to explore other related opportunities too, such as joining and contributing towards the 'Net Zero Space'[3] initiative.

2   Space Industry Debris Statement. World Economic Forum. https://www3.weforum.org/docs/WEF_Space_Industry_ Debris_Statement_2021.pdf
3   Net Zero Space. Paris Peace Forum. https://parispeaceforum. org/en/initiatives/net-zero-space/

5

Developing The Right Business Partnerships

Business partnerships continue to be a crucial component of Yahsat's success. By prudently forming mutually beneficial partnerships, we strive to ensure all stakeholder concerns and associated risks are sufficiently addressed and monitored, as well as contributing towards national space ambitions.

|	
Material Issues Covered	Controversial Sourcing & Partnerships Supply Chain Management
UAE National Space Strategy 2030	Effective Local and International Partnerships and Investments in the Space Industry
Abu Dhabi Economic Vision 2030	Develop a Sufficient and Resilient Infrastructure Capable of Supporting the Anticipated Economic Growth
Sustainable Development Goals	9 INDUSTRY INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Supply Chain Management

Yahsat's expenditure on goods, services and capital projects is significant, and all procurement activities are managed to a minimum set of consistent standards. In recent years, the Group's procurement function has become centralised, a new procurement system (Oracle Fusion) has been implemented and the procurement policy and associated procedures have been reviewed and updated. Additional policies which support Yahsat's procurement management activities include our delegation of authority matrices and our Business Partner Code of Conduct.

Annual procurement expenditure averaged AED 763 million from 2019 to 2021 and local suppliers accounted for 16.27% of total procurement expenditure in 2021. Increases in expenditure are mostly accounted for by our Thuraya-4 Next Generation Satellite project,

which will enable a wider range of fixed and mobile satellite services applications, and ground and network services.

Procurement Expenditure

- ■ Expenditure on non-local suppliers
- ■ Expenditure on local suppliers
- ◆ Local suppliers engaged
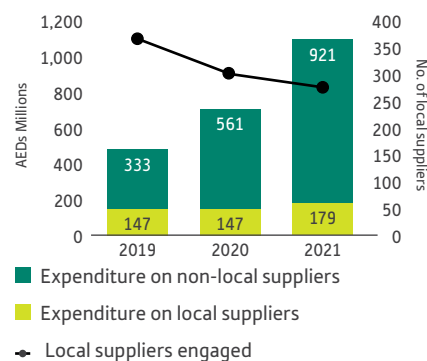
Controversial Sourcing & Partnerships

We are committed to conducting all of our business activities in an ethical manner and with integrity, ensuring the Group complies with all applicable laws and regulations. To ensure we continue to fulfil this commitment, all of Yahsat's business partners must comply with our Business Partner Code of Conduct and are screened through a due diligence process. The Business Partner Code of Conduct comprises five key components, with defined expectations for specific areas.

Component	Areas With Defined Expectations
Respect	Human rights, employment practices, fair treatment, child and forced labour, and health and safety in the workplace.
Confidentiality	Confidential information and competitive information.
Integrity	Anti-bribery, corruption, improper payments, gifts, entertainment, supply chain factors and competition.
Transparency	Conflicts of interest, book keeping, records, audits and assessments.
Sustainability	Compliance with environmental laws and regulations, environmental performance and best practices.

The business partner due diligence process involves conducting a risk assessment based on numerous factors, including contract value, location, type of services and/or goods and screening criteria. The types of screening criteria incorporate: politically exposed persons; sanction lists; watch lists; enforcement lists; court actions; and adverse media monitors.