1. PURPOSE

The Diversity and Inclusion policy focuses on Napco Companies' culture which constantly strives to enhance all aspects of life and work conditions by creating inclusive, diverse, supportive and healthy relationships and interactions.

2. SCOPE

This policy is applicable to all Napco Companies' employees in all operating countries.

3. RESPONSIBILITIES

It is the responsibility of the top management and senior executives, as well as the Human Resources and Administration departments, across Napco Companies to ensure its proper implementation.

4. DEFINITIONS

- **Diversity:** the quality of being different or unique at the individual or group level including age, ethnicity, gender, language differences, nationality, parental and marital status, physical, mental and developmental abilities, race, religion, skin color, socio-economic status, education, work and behavioral styles.

- **Inclusion:** the act of creating an environment where people feel supported, listened to and able to do their personal best.

5. POLICY

Napco Companies underpin the belief that all employees should be treated fairly with access to equal opportunities, regardless of their status.

Today, Napco Companies embrace people from a wide range of cultures and experiences which reflects a tremendous diversity, as well as supports and nurtures inclusion by creating positive workplace environments that enable employees to be engaged in their jobs.

5.1 Human Capital

Napco Companies' diverse workforce represents over 10,000 men and women across 76 companies worldwide from front-liners to executive positions with different:

- o Beliefs
- o Backgrounds
- o Races
- o Genders
- o Nationalities
- o Physical abilities
- o Religions
- o Geographic areas
- o Socio-economic statuses
- o Education

5.2 HR Practices

Napco Companies have implemented HR practices to constantly reach a more diverse talent pool, while working on engaging and supporting employees to build more inclusive teams across the organization.

Napco Companies are committed to leverage their strategies to strengthen inclusion and diversity with an emphasis on:
- o Talent acquisition
- o Workplace culture
- o Talent management
- o Learning and development
- o Employee engagement and retention
- o Equal access to information

5.2.1 Talent Acquisition

- Treat all job applicants on equal grounds of opportunity with no discrimination or favorability to ensure fair treatment in the recruitment process
- Hold fair, objective and consistent competency-based interviews
- Seek to be the Employer of Choice to let the candidates feel they are eager to belong to Napco Companies

- Keep all employment procedures and practices under constant review and monitoring
- Target a diverse audience and offer equal treatment and job, as well as internship opportunities (i.e. AR and EN career portals, recruitment offices in different locations, job fairs in different universities and several countries, etc)

5.2.2 Workplace Culture

- Instill Napco Companies' philosophy and core values across all affiliates to ensure fair and respectful treatment in every aspect of working life
- Endorse equality, dignity, trust, diversity and inclusion within the workplace
- Respect the rights of all people to work in an environment that is free from prejudice and disrespectful behavior
- Promote a culture where employees recognize the value of a diverse and inclusive workforce to the organization and where everyone's unique contribution is valued
- Maximize and capitalize on the different skills, insights, perspectives, styles and backgrounds of employees from different cultures

5.2.3 Talent Management

- Develop and roll out a thorough performance management system that involves all employees with no discrimination
- Address employees' competency gaps objectively and set relevant development plans to help employees sharpen and improve their skills at both personal and professional levels
- Decide on succession, promotion and career development based on skills, competences and talents rather than on perceptions based on age, gender, race, religion, beliefs, etc

5.2.4 Learning and Development

- Ensure that all employees have equal access to conventional, online, and on-the-job training and learning solutions that support and assist them to manage their career development
- Offer leadership and team building workshops to create more inclusive and comprehensive teams
- Enhance technical networking through knowledge-transfer forums & programs

- Establish regional learning institutes to equip newly recruited front-liners with relevant technical skills and prepare them for other roles and responsibilities

5.2.5 Employee Engagement & Retention

- Design compensation & benefit plans that ensure market competitiveness & internal equity
- Offer non-subjective performance-based reward plans
- Provide employees with education support programs for their children who are studying in schools, colleges or universities
- Support working mothers through one consolidated maternity policy that offers flexible working hours
- Offer unbiased relocation support plan to employees with regional mobility
- Celebrate long tenure by creating & rewarding seniority clubs
- Support retirees & their dependents through abiding by the Group's medical and life insurance continuity policy, and offering a pension plan

5.2.6 Equal Access to Information

- Develop a structured and user-friendly HR platform for insightful and compelling HR information accessible to all employees according to job needs
- Implement PULSE, the Oracle Human Capital Management system (HCM), a fully integrated competency-based tool that streamlines business processes, automates various workflow aspects of human resources, locates and manages talent globally, as well as maintains one consolidated source of HR & Administration data and transactions according to job needs

5.3 Compliance and Control

- Comply with the above policy by meeting the highest standards of behavior and conduct in relation to colleagues, customers, clients, suppliers, and other stakeholders
- Challenge any behavior that falls short of the expectations of this policy
- Identify any breaches of this policy and report them to relevant management
- Address any reported discrimination, victimization or harassment in the workplace in a compassionate, efficient and timely manner
- Review the policy and its practical application regularly to ensure updates in view of excluding any potential discriminatory practices