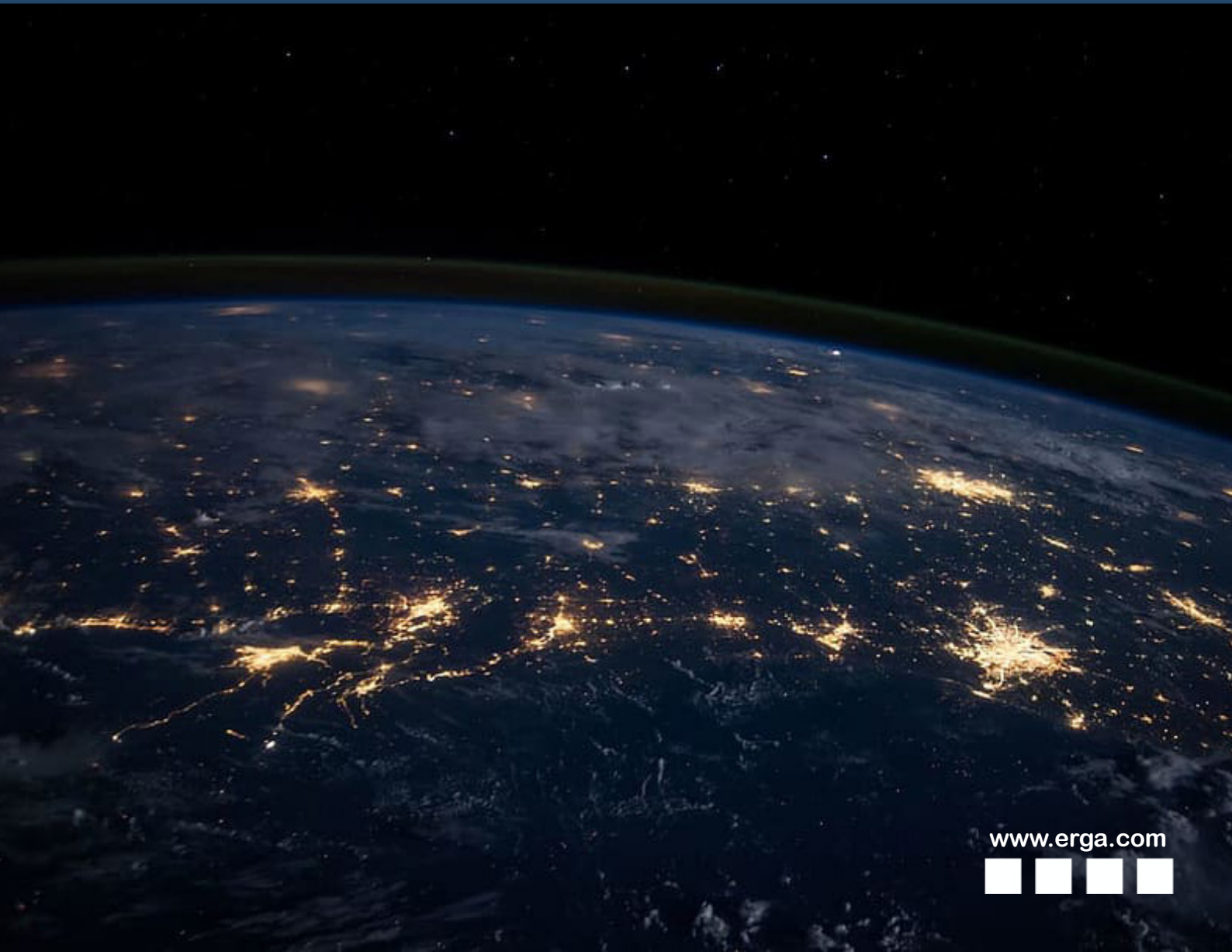


erga

SUSTAINABILITY REPORT

2021-2022



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After few years working from home and with the drastic changes that hit our field due to the financial crisis in Lebanon and Covid-19 pandemic, our teams started coming back slowly to the office with other members still working from home. So managing our human resources and keeping track of the smooth running of the operations was crucial.

We, also, had to search for new markets for the sustainability of our company and its subsidiaries because our expansion was mandatory.

So our main focus this year was on our staff members and on keeping our business running along with our commitment and support to the Ten principles of the UN Global Compact.

Some initiatives are still frozen but never forgot. Some are still going on and will never stop as part of our daily work like Building Green Designs which is one of our main priorities as an architectural and engineering firm. And some initiatives were modified or added to support the actual situation.

In this annual Sustainability Report, we describe our actions to continually improve the integration of the Global Compact and its principles aligned into our strategy, our culture and our daily operations.

We commit to sharing this information with our stakeholders. For so, this report has been published on the UNGC Website and our Web portal, to assure to our stakeholders our long term commitment to said principles.

Elie Gebrayel
Chairman and CEO



erga SUSTAINABILITY REPORT

ERGA GROUP SAL SINCE 1980...

102-1 - 9

Type of projects: Site Supervision SURVEY Urban Planning CIVIL WORKS Restoration PERMIT
 DESIGN Landscape Project Management Interior Feasibility Study

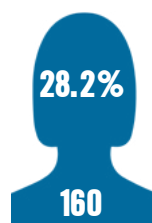
Founded in 1980 by Elie & Randa Gebrayel
 1149 suppliers

42 years of experience in architectural & engineering DESIGN & supervision

214 employees in Lebanon 353 worldwide
 Serving ~ 50 countries

headquarter Lebanon 4 Branches Dubai R I Y A D H J E D D A H D O H A

Sectors Served by ERGA: Agriculture Commercial Culture DEVELOPERS Education Healthcare Hospitality Industrial Leisure & Tourism Mixed-Use PRIVATE PUBLIC RELIGIOUS SPORTS



Erga Supplies

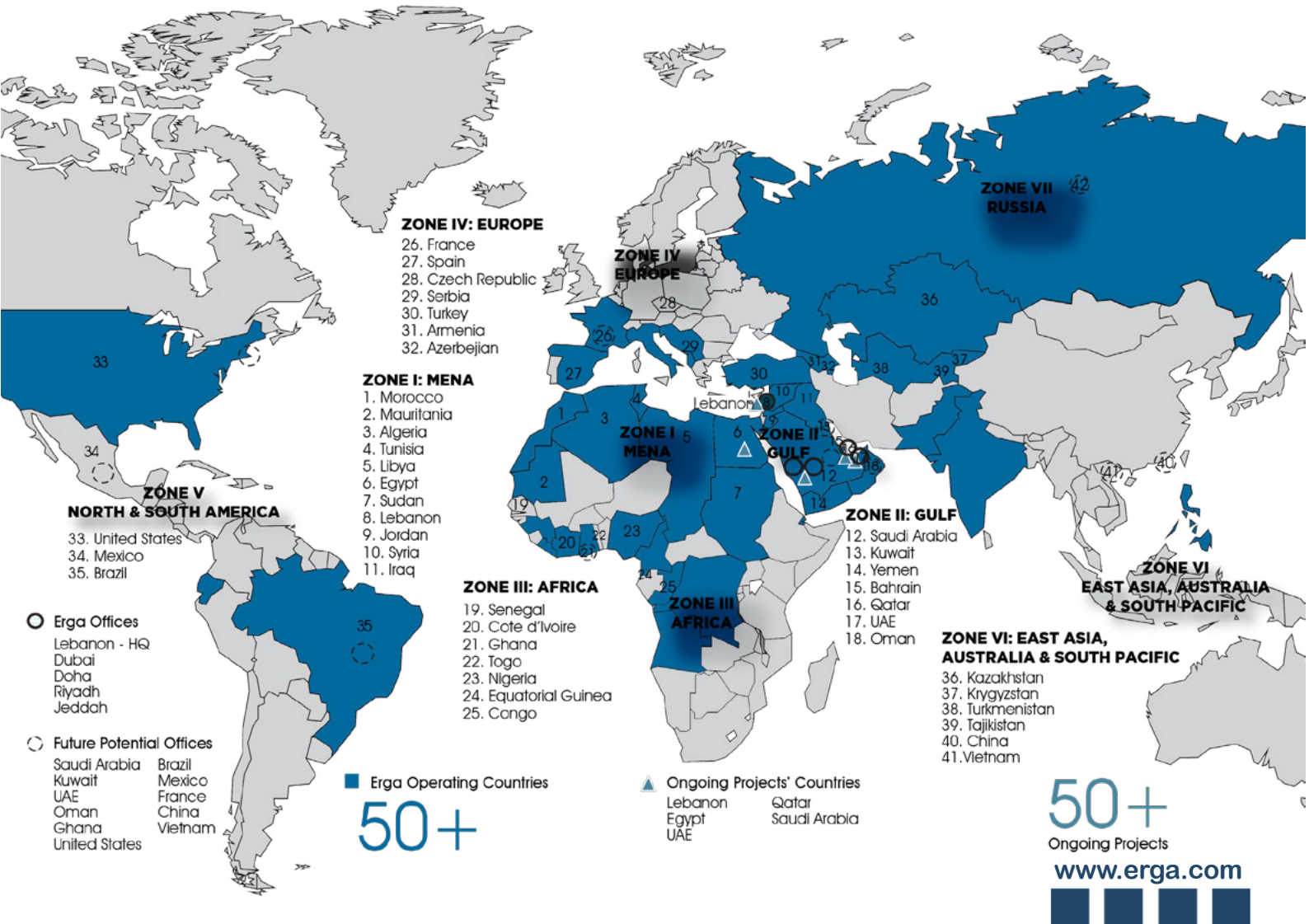
IT Equipment MOCK-UP

MATERIALS Paper

Specialties' Subconsultants BUREAU DE CONTROLE

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As a privately owned joint stock company, net sales are not publicly provided.



Architecture & Engineering

Erga takes a comprehensive approach to design, working from inception to completion to turn an architectural vision into reality.

Its experienced architects, structural, mechanical and electrical engineers, landscape designers and master planners complement its wide range of construction consultancy services by providing holistic design solutions that reflect an understanding of the full project lifecycle.

Construction Supervision

Erga, with its experience, expertise and know-how, brings its knowledge on site, uses its capacity in taking action and defines an appropriate behavior in order to adapt the planning and organization to the site characteristics. It manages operational functions at each phase and identifies security risks, health, environment and project-related control.

Master Planning & Urban Design

Erga, thoroughly research, meticulously study and methodically develop its urban designs based on environmental concerns, social equity, economic viability, relationships between people and places, urban movement and form, nature and the built fabric with a view to creating places that work out perfectly and that are sustainable in the long term.

Interior Design

Erga delivers creative interior solutions that combine design and functionality, using the latest technology, working closely with the client throughout the design process, exploring every possibility and assessing the best option. Erga follows a collaborative and interactive process to create exceptional environments that meet clients' needs using traditional, custom and modern elements to create harmonious designs.

Project Management

With a solid experience of 42 years, Erga acts as client representative assuming project management and construction management tasks.

Skilled multidisciplinary professionals work in coordination, determine the needs, collaborate in developing plans conceiving appropriate solutions depending on the complexity of each term.



Erga designed a code of conduct & ethics for staff members to manage each situation in conformity with the company's ethics. All Erga's stakeholders should also comply with our code acting in conformity with all laws and regulations.

This code is published on Erga's portal and is accessible to all. And the HR department is available to assist for any clarification; in addition to the periodic campaigns reminding on specific matters and the annual training session for new joiners.

It is imperative that each staff member carefully learn and implement this code and that no violation of its values occurs affecting the company's reputation.

Audits are regularly done to make sure it is well implemented and to report any breach or deviation.

Besides, every Chief Officer, Head of Department or Section and Team Design Leader is responsible for:

- * Ensuring that all teams perform their duties in accordance with the highest standards of business ethics and in conformance with applicable internal and external rules and regulations related to Erga's work;

- * Taking every necessary action to ensure that no Erga entity or member engages directly or indirectly in any corrupted business practice;

- * Treating team members equally without any special favors to ones, discomforting others.

Any deviation or attempted deviation from the above is brought directly to the attention of the appropriate officer or directly to the Chairman (depending on the impact) and actions are taken for any violation.

Erga Code of Conduct & Ethics Key Principles

Erga code of conduct & ethics is ruled by:

- Principles of transparency, honesty and fairness;
- Respect of the laws and regulations of every country we operate in;
- Respect of the culture of each country and contribution in the society through new activities;
- Ensuring a good quality of services offered to the society;
- Valuing teamwork and creativity within the teams;
- Preservation of our business partners to achieve stable, long-term relationship and mutual benefits, while keeping ourselves open to new partnerships;
- Preservation of the Community, Human Rights, Employees Rights and the Environment.



CREATIVITY

Creativity is the foundation of Erga’s daily work. Perceiving a state-of-the-art project in an empty space requires a lot of new and imaginative ideas.

It is the ability to perceive the world in new ways, to find hidden patterns, to make connections between unrelated phenomena and to generate solutions. It is an original cognitive ability and problem solving process which enables individuals to use their intelligence toward coming up with THE PROJECT.

INTEGRITY

Integrity is the foundational principle of morality and honesty. It is a condition of mind and isn’t situational. It is doing the right thing even when no one is around. It is the ability to act with honesty and consistency based on moral values or beliefs.

In Erga, integrity means telling the truth even if it is ugly. Honesty is better than deluding others. It is very difficult to have a successful business if customers don’t trust you and think you are dishonest.

AGILITY

Agility is the ability to move easily and quickly without rush. It refers to qualities allowing organisations to respond rapidly to changes in the internal and external environment without losing the momentum or vision. Adaptability, flexibility and balance are three qualities essential to business agility.

Like creativity, agility is essential in architecture to smoothly deliver many projects at once without delay with the best quality and to be up-to-date with the latest trends and innovations in the field.

ETHICS

Business ethics - the code of morals, values and principles set by a company - have an outstanding importance in determining good and bad behavior and decision-making.

Reputation is the most important asset for Erga and its strength. It is very difficult to rebuild it once lost. To retain a positive reputation and image, Erga is committed to operate on ethical foundations; the respect of the surrounding environment, good treatment of employees and good market practices.

SOCIETY

Social responsibility is primary. Providing positive social value, giving back to the community, and taking part in philanthropic causes are essential for Erga.

Erga is known for its family spirit and its commitment to serve the society and the environment.

Social & environmental actions were integrated in Erga’s business strategy and operations involving internal and external stakeholders to make a difference, set an example and build a positive image.



INITIATIVES

Erga comply with a variety of principles, standards and initiatives. For some standards, some companies are certified; for others, the requirement is to have professionals certified; and for some we didn't apply for certification yet but we are seeking it

TECHNICAL

- Project Management Professional (PMP)
- ISO 9001:2015 QMS. 1 certified company and 1 seeking certification in Lebanon

SOCIAL

- OHSAS 18001:2007. seeking certification in Lebanon

ENVIRONMENTAL

- ISO 14001:2004 EMS. seeking certification in Lebanon
- LEED
- BREEAM
- Istdama
- QSAS

MEMBERSHIPS OF ASSOCIATIONS

Erga's commitment to all associations is whether for pure technical professional purpose or for contribution in sustainability or CSR initiatives be it environmental, social or both.

TECHNICAL

- The American Institute of Architects (AIA)
- The American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE)
- The American Concrete Institute (ACI)

ENVIRONMENTAL

- Lebanon Climate Act (LCA)

SOCIAL

- Entrepreneurs et Dirigeants Chrétiens Liban (EDCL)
- Lebanese American University (LAU)
- Ghalboun Municipality
- International Christian Union of Business Executives (UNIAPAC)

MULTIPLE SECTORS

- UN Global Compact Network Lebanon (GCNL)
- Lebanon Green Building Council (LGBC)
- Civic Influence Hub (CIH)

None of these initiatives nor memberships is obligatory, all of them are voluntary.



It all started with the financial and monetary crisis that affected Lebanon to Covid-19 slowing the operation of all businesses worldwide till now followed by Beirut Blast. To be able to persist with a smooth and safe running business, we had to react quickly making few modifications in our initiatives keeping our objectives as defined but changing priorities and compromising in some situations. With this target in mind key risks & opportunities where defined with their impact to understand where to start. The table clearly shows that we should be searching for new markets in more stable regions. And with all the difficulties faced lately, Erga is more than ever committed to social responsibility, sustainability and ethics adding initiatives in this direction especially after Beirut Blast and having 40% of the employees in Lebanon affected by Covid-19.

KEY RISKS & OPPORTUNITIES

Insecure and politically unstable Middle East with global financial and monetary crisis hitting Lebanon

Covid-19 pandemic degrading and vaccination allowing teams to come back to the office

Stay up-to-date with the fast and new trends evolving in the field especially after few years of working from home

IMPACT

- Difficulty in finding new developers ready to invest.
- Difficulty in entering new markets where competition is strongly present.
- Recession in construction and real estate market.

- Taking care of infected employees became easier and the recovery is faster.
- With the physical presence in the office, the motivation is higher and human bonds are back smoothly affecting positively the good running of the projects.
- Have to find right new ways to manage the teams working from home as well as those in the office.

- Robust R&D studies to be continuously done in this direction.
- Erga Academy to schedule more training sessions to push the team forward.



THE STRATEGY COMMITTEE

Presided by the Chairman, this committee reviews the performance of the company, makes decisions in modifying the strategic plan and follows up the implementation. It reviews and approves the sustainability report too.

Global risks are monitored by the Board of Directors through the corporate strategy, respecting risk and environmental management policies and procedures.

THE RISK MANAGEMENT COMMITTEE

Presided by the Chairman, it oversees risk management within Erga, sets the tone and guides this culture.

It determines the appropriate level of risk exposure for Erga, takes major decisions affecting this exposure, monitors the management of significant corporate risks, assures itself that identified risks are actively managed with appropriate controls in place, bi-yearly reviews Erga's Risk Policy to ensure it remains fit

for purpose and maintains the Risk Register.

The Audit Department has the responsibility for assessing the effectiveness of risk management.

THE COMMUNICATION COMMITTEE

Presided by the Vice Chairman, it takes care of internal and external communication. Its points of interest are three.

Erga Newsletter reflects the professional work of Erga highlighting its expertise, in addition to its family spirit and organized events to serve the environment and the society. It is annually published on Erga website.

Erga Website reflects Erga's image. The committee's role is to keep the design and content updated adding latest projects, news and contact details.

Erga Intranet is Erga's internal communication tool sharing documentation, knowledge, lessons learned, events, meetings, surveys, online training, open discussions and latest announcements, ...

THE SOCIAL & ENVIRONMENTAL COMMITTEE

Headed by the Vice-Chairman, it is open to anyone interested in helping. It works on 'Ergamania' concept focusing on the human side, apart from daily operations, and is directly linked to Erga's commitment towards the society and the environment. Its responsibilities rely on setting a social and environmental plan and organizing activities boosting the relation between Erga staff and the society serving humanitarian or environmental causes. This committee looks for associations, NGOs or families in need that have no outside funding or support and organizes internal seasonal events involving staff members and their families.

And, whenever a staff member or a relative is in need for any support, the committee involves all staff members in helping.

This committee prepares the Sustainability report.



Identifying & Selecting Stakeholders

Erga defined its stakeholders as a firm and every Project Design Manager defines its project stakeholders. Erga sets the ratio impact and power for each one, defines the communication channels and the strategy on how to deal with each category.

Key Topics & Concerns

Key topics and concerns are raised and dispatched to concerned parties to resolve depending on the subject and related division. If the concern is related to the business and its strategy it is directly channeled to the CEO or COO.

	STAKEHOLDERS	ENGAGEMENT METHODS
INTERNAL	<ul style="list-style-type: none"> - Board of Directors - Partners & Associates - Employees 	<ul style="list-style-type: none"> - Periodic reports with all the needed information to be updated on the financial, managerial, administrative and technical performance of the firm. - Intranet platform, internal emails and memos, continual surveys and annual gathering to be updated on the latest news and performance of the firm.
	<ul style="list-style-type: none"> - Clients - Consultants - Suppliers & Subconsultants - Bureaux de Contrôle 	<ul style="list-style-type: none"> - Client Satisfaction Questionnaire, Erga Events and customer focus groups. - External emails and meetings...
EXTERNAL	<ul style="list-style-type: none"> - Order of Engineers - Public Authorities (Permit Units, NSSF...) & Municipalities 	<ul style="list-style-type: none"> - Respect and alignment with their regulations and application for permits and other regulatory transactions.
	<ul style="list-style-type: none"> - Tenants - Local Communities - NGOs 	<ul style="list-style-type: none"> - Continual support to specific NGOs and periodically select some cases and help in these matters.



ENTITIES IN CONSOLIDATED FINANCIAL STATEMENTS

LEBANON

- Erga Group SAL
- Erga Management SAL
- Erga Group Overseas SAL (Offshore)

QATAR

- Erga Qatar LLC

UNITED ARAB EMIRATES

- Erga Progress Engineering Consultants
- Erga Architects and Consulting Engineers FZ LLC

KSA

- Erga Saudi Lebanese Co. for Project Management
- Erga Group SAL Branch in KSA

Changes in Reporting

No changes were made to the reporting.

Reporting Period & Cycle

Erga submits its Sustainability Report annually from February till January. This report covers year 2021.

Date of Most Recent Report

The most recent sustainability report was done for calendar 2020.

Claims & Content Index

This document is a GRI-referenced report.
Please find attached the GRI Content Index page 17

Contact Point for Information

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Material Topics	GRI Disclosure	Topic Boundary	SDGS				
ECONOMIC							
High-end office with latest innovations	GRI 203 Indirect Economic Impacts	Erga Board of Directors/ Erga Chief Officers					
SOCIAL							
Employees Health & Safety	GRI 403 Occupational Health & Safety	Erga Employees / HR Department					
Community Support	GRI 413 Local Communities	Erga Employees / Social & Environmental Committee/ NGOs/...					
Employee Training & Development	GRI 404 Training & Education	Erga Employees / Erga Academy					
ENVIRONMENT							
Green Buildings	GRI 307 Environmental Compliance	Client/ Erga Design Division/ Suppliers					
Nature Preservation	GRI 304 Biodiversity	Client/ Erga Design Division/ Suppliers/ Social & Environmental Committee					
Energy Consumption & Emissions	GRI 302 Energy GRI 305 Emissions	Erga / Logistics Department/ Lebanon Climate Act / Ministry of Environment					
Waste Management & Recycling	GRI 306 Waste	Erga / Social & Environmental Committee / Recycling NGOs or Manufacturer					

Topics in bold were the priority for year 2020

With all the problems that occurred these years due to the Covid-19 pandemic and the Lebanese unstable financial and political situation, it was a struggle for Erga and all Lebanese companies to face all these crises at the same time. For all these reasons **SDG 8: Decent Work and Economic Growth** was one of the top priority SDGs for Erga.

What occurred with Covid-19 worldwide pushed all businesses to shift completely to working remotely in order to be safe and productive even though all will be coming back to the office sooner or later but the backup plan will stay running normally for emergency cases like this pandemic. Covid-19 changed the way of managing things where businesses had to focus on new systems and services to persist and these ways of doing business will not go back to the old fashioned ways. Last year, we focused and invested on a hybrid cloud-based infrastructure to have a fully operational office to be able to submit our projects on time without any bumps or delays.

But this year, we were able to go back to our previous goal before Covid-19 and plan our investment in an infrastructure providing a high-end office in this industry with the latest innovations and technologies to be able to compete worldwide since the Lebanese and Middle-Eastern regions are in crisis. The SDG we are prioritizing is directly linked to the **SDG 9: Industry, Innovation and Infrastructure**.

In line with above mentioned UN Sustainable Development Goals (SDGs), we focused this year mainly on investing in creating a high-end office with the latest innovations and technologies (**linked to GRI 203**). This plan will take few years for implementation but it is our main goal for the time being.



In Erga, there is a community of architects and engineers who is the basis of Erga's success for years. Erga doesn't compromise on its Employees rights, nor on their evolution at work, giving a big importance to their training & development (**SDG 4: Quality Education**), respecting all genders & social statuses (**SDG 5: Gender Equality & SDG 10: Reduced Inequality**).

This summer, Erga provided also in alignment with **SDG4: Quality Education** an online internship program in collaboration with LAU Beirut & Byblos to all architectural and Interior Design Students since it was impossible to provide a physical internship in our offices and on site. And it was a real success.

The health & safety of Erga employees (**SDG 3: Good Health & Well Being**) was always a primary issue for the company and it took a greater importance during these few years especially with the Covid-19 pandemic where an action plan was put in place to follow-up on all employees affected cases and whenever an assistance is need Erga's doctor was in charge of taking care of the patients and an oxygen concentrator was available for any staff member in need.

From a long time, Erga was committed to support its community (**SDG 1: No Poverty, SDG3: Good Health & Well Being and SDG 2: Zero Hunger**) through its Social & Environmental Committee. And this year, as the financial crisis worsens in Lebanon, Erga employees helped a group of 100+ kids in need with their families providing them food boxes as well as winter clothes and shoes to stay warm.

In line with the UN Sustainable Development Goals (SDGs), we are engaging ourselves in the following initiatives:

- **Employees Health & Safety (GRI 403)** With Covid-19 pandemic it took a major importance in our priorities
- **Community Support (GRI 413)** Helping families in need facing the economic crisis worsened in Lebanon
- **Employee Training & Development (GRI 404)** Erga Academy focusing on e-trainings and on architectural & ID students

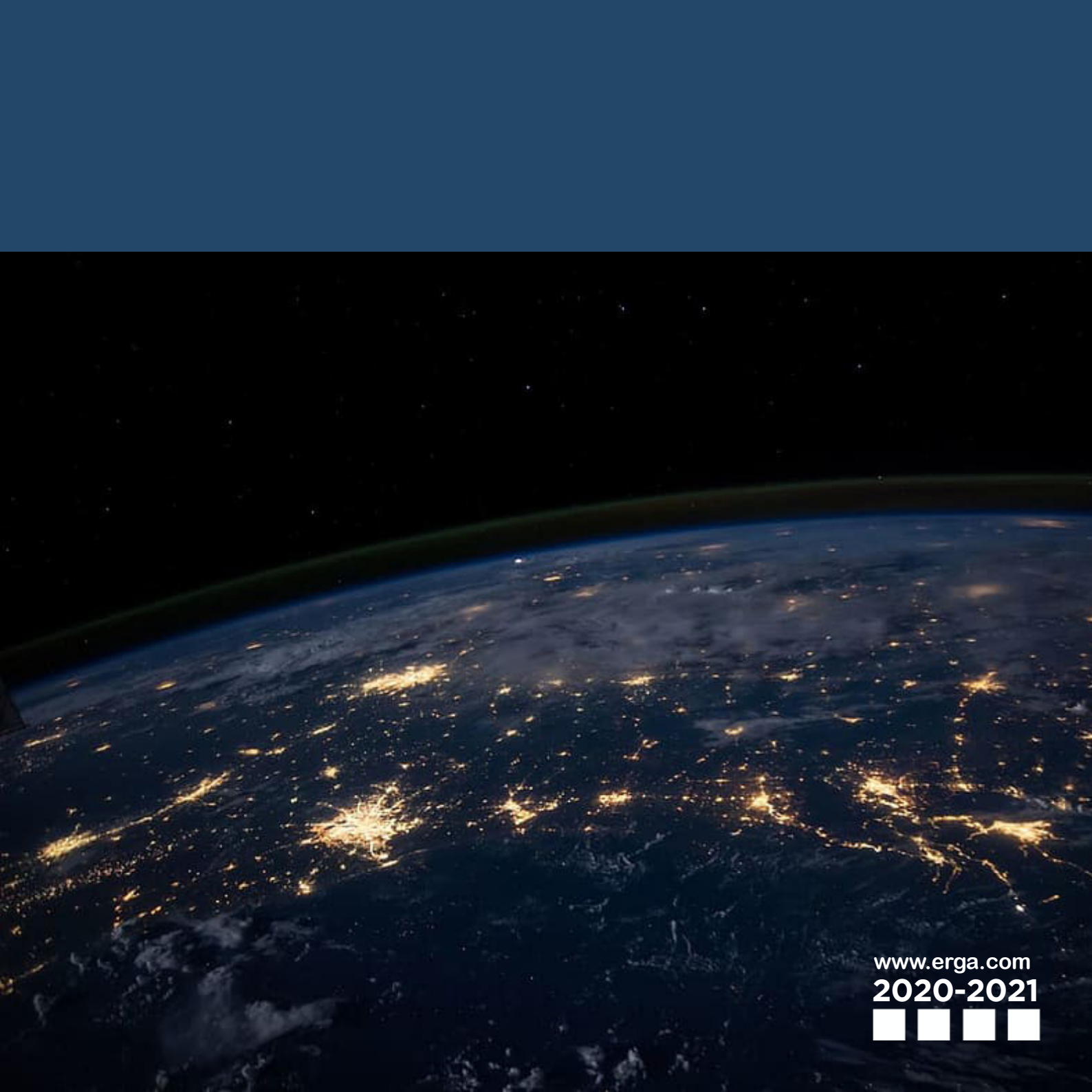


DISCLOSURE	DESCRIPTION	PAGE	DISCLOSURE	DESCRIPTION	PAGE
GRI 102: GENERAL DISCLOSURE			4- Governance		
1- Organizational Profile			102-18	Governance structure	10
102-1	Name of the organization	3	102-19	Delegating authority	10
102-2	Activities, brands, products, and services	3...5	102-20	Executive-level responsibility	10
102-3	Location of headquarters	3	102-21	Consulting stakeholders	N/A
102-4	Location of operations	4	102-22	Highest governance body and its committees	10
102-5	Ownership and legal form	3	102-23	Chair of the highest governance body	10
102-6	Markets served	3	102-24	Nominating & selecting governance body	10
102-7	Scale of the organization	3	102-25	Conflicts of interest	6
102-8	Information on employees & other workers	3	102-26	Role of governance body in setting strategy	10
102-9	Supply chain	3	102-27	Collective knowledge of governance body	10
102-10	Significant changes	N/A	102-28	Evaluating the governance body's performance	10
102-11	Precautionary Principle or approach	10	102-29	Identifying & managing impacts	10
102-12	External initiatives	8	102-30	Effectiveness of risk management processes	10
102-13	Membership of associations	8	102-31	Review of set topics	10
2- Strategy			102-32	Governance body's role in reporting	10
102-14	Statement from senior decision-maker	2	102-33	Communicating critical concerns	10
102-15	Key impacts, risks, and opportunities	9	102-34	Nature and total number of critical concerns	N/A
3- Ethics & Integrity			102-35	Remuneration policies	N/A
102-16	Values, principles, standards & norms	6-7	102-36	Process for determining remuneration	N/A
102-17	Mechanisms for advice & concerns about ethics	6	102-37	Stakeholders' involvement in remuneration	N/A
			102-38	Annual total compensation ratio	N/A
			102-39	Increase in annual compensation ratio	N/A



DISCLOSURE	DESCRIPTION	PAGE	DISCLOSURE	DESCRIPTION	PAGE
5- Stakeholder Engagement					
102-40	List of stakeholder groups	11	GRI103: MANAGEMENT APPROACH		
102-41	Collective bargaining agreements	11	103	Economic	14
102-42	Identifying & selecting stakeholders	11	103	Environmental	15
102-43	Approach to stakeholder engagement	11	103	Social	16
102-44	Key topics and concerns raised	11	GRI200: ECONOMIC		
6- Reporting Practice					
102-45	Entities included in the consolidated financial statements	12	203	Indirect Economic Impacts	14
102-46	Defining report content and topic Boundaries	13	GRI300: ENVIRONMENTAL		
102-47	List of material topics	13	302	Energy	15
102-48	Restatements of information	N/A	304	Biodiversity	15
102-49	Changes in reporting	12	305	Emissions	15
102-50	Reporting period	12	306	Waste	15
102-51	Date of most recent report	12	307	Environmental Compliance	15
102-52	Reporting cycle	12	GRI400: SOCIAL		
102-53	Contact point for questions regarding the report	12	403	Occupational Health & Safety	16
102-54	Claims of reporting in accordance with the GRI Standards	12	404	Training & Education	16
102-55	GRI content index	12-17	413	Local Communities	16
102-56	External assurance	12			





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