



ELSEWEDY ELECTRIC 2021 SUSTAINABILITY REPORT

Sharing Sustainable Value

ELSEWEDY
ELECTRIC

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About this Report

This Sustainability Report highlights the Elsewedy Electric Group (the Group) ESG performance during 2021.

The report aims to serve our stakeholders through transparent and consistent disclosure of our progress on our targets across the material topics, and our contribution to the UN Sustainable Development Goals and the United Nations Global Compact Ten Principles.

Framework

This report has been prepared in line with the GRI Standards, TCFD, and SASB disclosure requirements. In addition, the report also features annexes that provide information in accordance with the Sustainability Accounting Standards Board (SASB) and Task Force on Climate-Related Financial Disclosures (TCFD) requirements.

The Elsewedy Electric Group is a member of the GRI community and supports the mission of GRI to empower decision-makers everywhere through GRI Sustainability Reporting Standards and its multi-stakeholder network and to take action towards a more sustainable economy and world.

Therefore, GRI Reporting Principles have been used during the report preparation. We have also aligned our sustainability model with the Sustainability Context and ensured the completeness of the report's contents based on the best available data. In addition, we have applied the principles of accuracy, balance, clarity, comparability, timeliness, and verifiability throughout this report's preparation.

Period and Scope

This report presents the ESG performance of the Group and its subsidiaries, covering the reporting period from January 1 to December 31, 2021, unless stated otherwise. The provided data and insights have been gathered across the Group's business lines, and entities and departments refer to the Group as a whole unless otherwise specified.

Forward-Looking Statements

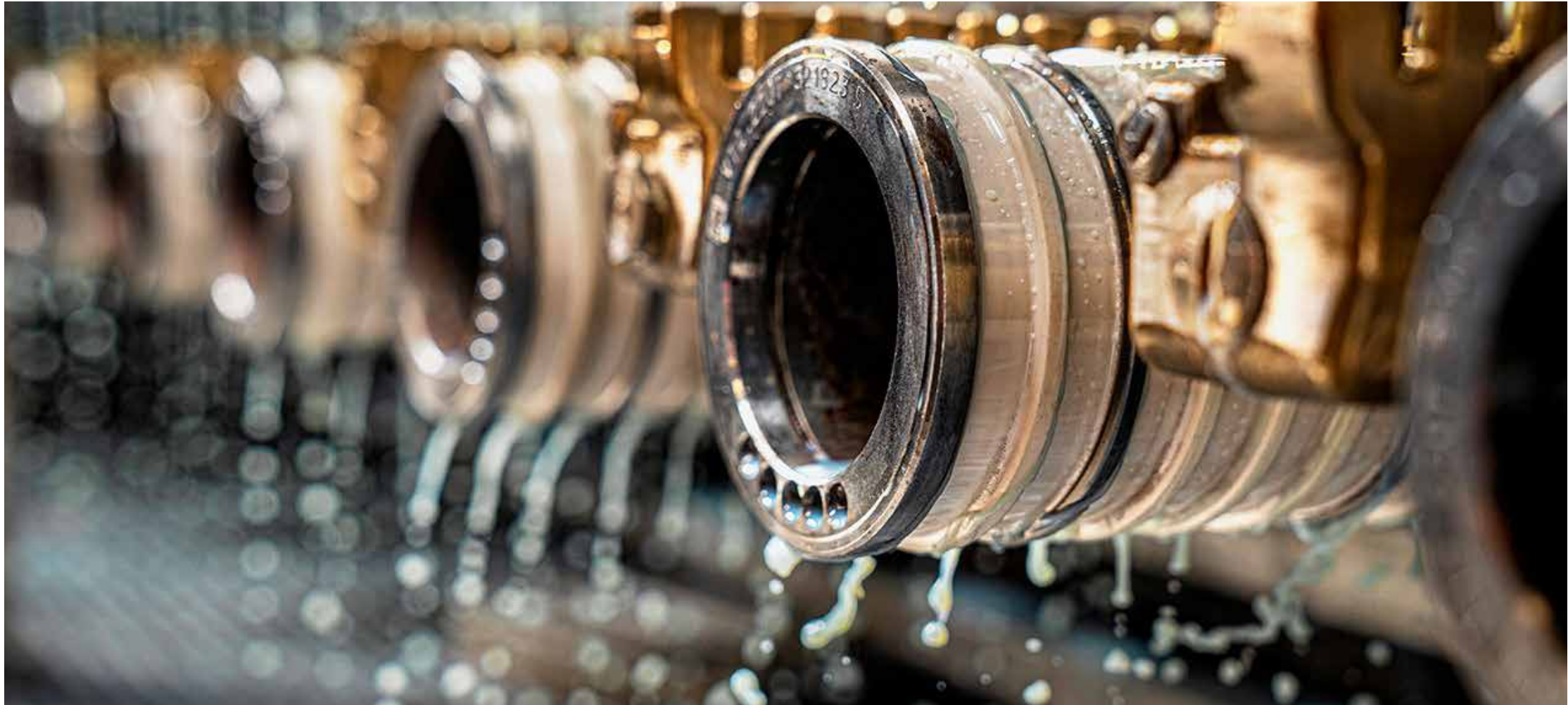
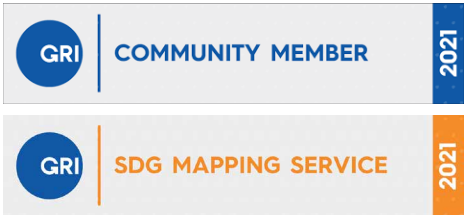
This report may contain certain forward-looking statements relating to the company's business. These may be identified in part through the use of forward-looking terminology such as "will", "planned", "expected", and "forecast". Such statements reflect the company's current views concerning future events and are subject to certain risks, uncertainties, and assumptions. Many factors could also cause the company's actual results, performance, decisions, or achievements to be materially different from any future results that may be expressed or implied by such forward-looking statements.

Assurance

Sustainability consultancy, Masader, has provided limited assurance on this report's data accuracy, consistency, and completeness in accordance with the GRI requirements. Please refer to the [Limited Assurance Report](#).

Earlier Sustainability Report

Our most recent sustainability report was published in 2021, covering the year 2020. Therefore, this report covers the period from January 1, 2021, to December 31, 2021. It also features restatements of information from the previous report regarding policies, procedures, and management arrangements that have not changed since the last reporting period. Furthermore, restatements of data of the prior reporting cycles have only been used when it was essential for comparability and tracking progress.



Report Boundaries

HSE Reporting Subsidiaries

Elsowedy Transformers	Elsowedy Cables Projects
Iskraemeco Egypt	Elsowedy Electric Projects (Egypt and Qatar)
3W Networks (Egypt and UAE)	Elsowedy Power Electric Contracting (UAE)
Doha Cables	Engineering
STA	UMC
USW	Iskraemeco Slovenia
Yanbu Cables	Zambia Transformers
Egyplast	Algeria Cables
Egytech (A1 and A3)	ECMEI
RME	SET
Elsowedy Electric Head Office	Sudatraf
Elsowedy Electric T&D	Indonesia Transformers
Elsowedy Special Cables	PSP
Ethiopia Cables	SEDCO
GIAD Cables	Pakistan Transformers

HR Reporting Subsidiaries 2021¹

3W Network Egypt	Electric UAE	Qatar Cables
3W Network UAE	Energy – Greece	SC Zone–Egypt
African IPP	Headquarter–Egypt	SDM–Egypt
Doha Cable	Infrastructure–Egypt	SEDCO–Egypt
Dry Port	International Business for Projects	STA–Egypt
Utility–Egypt	Busway–Egypt	RME–Egypt
ISKRAEMECO, D.D. KRANJ–Slovenia	Elsowedy Electric Zambia	Iskraemeco – Malaysia
ECMEI	Iskraemeco–Egypt	T&D–Egypt
EgyPlast	Iskraemeco UAE	Technology–Egypt
EgyTech	Logistics–Egypt	Transformers–Egypt
Electric KSA	Power UAE	UIC–Egypt
Electric Kuwait	PSP–Egypt	UMC–Egypt
Motor and Pumps–Egypt	Elsowedy Cables Ethiopia PLC	Electric Algeria
International–Egypt	Iskraemeco India Private Limited	Transformers – Indonesia

¹ HR Reporting subsidiaries in 2020 were 37; 2 in Algeria, 22 in Egypt, 1 in Ethiopia, 1 in Greece, 1 in India, 1 in Indonesia, 1 in KSA, 1 in Kuwait, 1 in Malaysia, 2 in Qatar, 1 in Slovenia, 2 in UAE, and 1 in Zambia.



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Letter from CEO & President



The world needs companies that lead change with ambition, resourcefulness and commitment. Every year since the start of the COVID-19 pandemic has brought new challenges. Today, we see private and public African ventures expanding towards global markets and contributing to the renaissance of Africa, making it a home to visions and innovation that can facilitate systemic progress towards sustainability.

In 2021 we effectively harnessed the resources generated from economic recovery across our value chain. The newly emerging dynamics allowed us to expand our regional footprint and extend our contribution to the renewable energy transition, resilient infrastructure and digital society.

Moreover, we kept using our technologies, talent and solutions to enable more people

in more places to enjoy the benefits of modern society while ensuring that all our achievements are as sustainable as possible.

As a company with a global vision, we want to retain a close connection with everyone, capturing evolving perceptions, needs and preferences. Therefore, we have continued working to provide our clients with better knowledge, more control and greater flexibility for using energy optimally to serve real human needs, making a collaborative mindset a cornerstone of our expanding network.

Last year the Group and its subsidiaries showed remarkable performance on multiple fronts. Our positioning across the markets has been strengthened with solid financials, impactful developments and new contracts for mega projects.

In addition, revenues reached over EGP 60 billion, exceeding our revenue target and delivering on our profitability guidance, while we maintained our net profit margins close to 6%.

Behind the outstanding results was the Group's ongoing commitment to supporting national energy and infrastructure priorities and global sustainability goals.

Furthermore, the past year has been critical in expanding our reach and collaborations. For example, we have contributed to strengthening Tanzania-Egypt economic ties by participating in a high-level seminar on investment opportunities. As a result, we were

honored by the Tanzanian President opening the Elsewedy Electric Industrial complex. Likewise, the ongoing collaboration with the Kuwait government is exploring optimal ways to diversify towards a renewable-based energy system.

Elsewedy Electric has been a leader in bringing innovative and sustainable solutions to the Egyptian and global markets. This year has witnessed the further expansion of those efforts. Emaar Misr, one of the most progressive property developers, entrusted Elsewedy Electric to supply network operation and maintenance at the eco-friendly MIVIDA Compound in New Cairo entrusted to Elsewedy Utilities.

We also partnered with Alstom to develop the New Administrative Capital City Line and the modernization of the Tanta – Zifta – Zagazig mainline. In addition, the new Nuweiba SWRO plant, with a capacity of 15,000 m³/day of clean drinking water, will serve 50,000 citizens in Sinai. We have also acquired new factories in Pakistan and Indonesia, expanding our regional presence.

Furthermore, Elsewedy Electric has continued its successful collaboration with the Egyptian Electricity Transmission Company (EETC), starting a new project in Toshka to deliver advanced electricity and water solutions. Additionally, Elsewedy Cables and Egytech Cables installed 220 kV ground cables to connect Cairo North Station and Bahtim Substation.

The Group subsidiaries have also engaged in many innovative projects. For instance, Iskraemeco partnered with the Brussel south-east grid operator, Arewal in Belgium, to transform the electricity network with flexible smart metering based on big data and IoT, enabling greater efficiency and emission reductions.

Iskraemeco Egypt also secured a new deal with the South Cairo Distribution Company on modernizing the national electricity grid. In addition, RME signed a new contract worth EGP

1.46 billion for the infrastructure, construction, and finishing work of Kattameya Creeks compound in the New Cairo Area- Egypt. These are just a few examples of the many complex projects we have embarked on over the past year. In every case, the Group has ensured strict compliance with internal ESG criteria and applicable standards and requirements while contributing to the sustainability of our clients, partners and society.

In conclusion, this year has told us that it is impossible to predict the future, yet we can prepare for different scenarios and do our best in any context. We can also build the future with our deeds and based on our values and commitments. Therefore, Elsewedy Electric will continue to make every effort and use everything it has to accelerate the transition towards a sustainable, digital and resilient energy future.

Eng. Ahmed Elsewedy
President and CEO of Elsewedy Electric

Letter from Chief Sustainability Officer



Since our first Sustainability Report in 2017, Elsewedy Electric has gone a long way to becoming a more sustainable company. Moreover, we remain committed to this journey, learning daily what it means to develop with the future in mind, making livable ecosystems, a thriving society and a digital revolution more than aspirations but clear strategic priorities.

Everyone at Elsewedy Electric understands the value of progressing towards sustainability and the influential role the Group can play in this regard. Over time, the Group has grown from discrete focused projects to an all-encompassing ESG action, with structured and ambitious efforts across every business line, department, and team and our lasting community investment and engagement. The Group has also continued its efforts in our areas, such as healthcare and social inclusion, and the particularly diverse work of the Elsewedy Electric Foundation.

Reimagining technical education and training has remained one of our fundamental priorities. In 2021, 269 students graduated from Elsewedy Technical Academy (STA), expanding the pool of highly skilled youth ready to lead the Egyptian green and innovative economy.

The STA has been gradually developing over the years, and in 2021, a new Memorandum of Agreement (MoA) was signed to build a new Applied Technology School funded by ENI and managed by STA for ten years. In addition, STA has been awarded the ACSR Arab Charity Award “Kheir” for its efforts and achievements, recognizing its charitable work in the region. Additionally, we have successfully launched the BEAM program, created to enable our talents to learn and fast track their careers through dedicated coaching experience and cross-functional job rotations from our business leaders.

As part of our dedication to HSE, Elsewedy Electric continued its ongoing activities, such as all necessary training, medical check-ups, safety upgrades and new communication materials. As a result, we have achieved zero lost-time injuries (LTI) across ... subsidiaries. In addition, the Al Layyah project has celebrated 10 million safe working hours, and Egyplast and Iskraemeco have celebrated 1,000 working days with zero accidents.

Furthermore, we have updated all necessary certifications, while Egytech has obtained a new ISO 37301:2021 for its

compliance management system. We have also ensured 100% compliance across subsidiaries regarding Environmental Impact Assessments for new projects, audits and revisions of necessary policies and procedures, including alignment with the Environmental and Social Framework of the World Bank. Moreover, the newly established procedures for chemical handling regarding every chemical used in every facility across the Group based on the Life Cycle Assessment methodology now allow us to progress towards cleaner, safer and more transparent operations.

Finally, our strategic thinking on sustainability keeps evolving. Our Sustainability Strategy and our continuously updated ESG policy architecture provide a clear framework and guideline for action. Over the next few years, I hope that beyond fulfilling its ambitious targets, , the Group will bring about a new phase of sustainability transformations, and together with our stakeholders, we will keep making a sustainable, resilient and prosperous future closer every day.

Mrs. Manal Hassan
Group Chief Sustainability Officer

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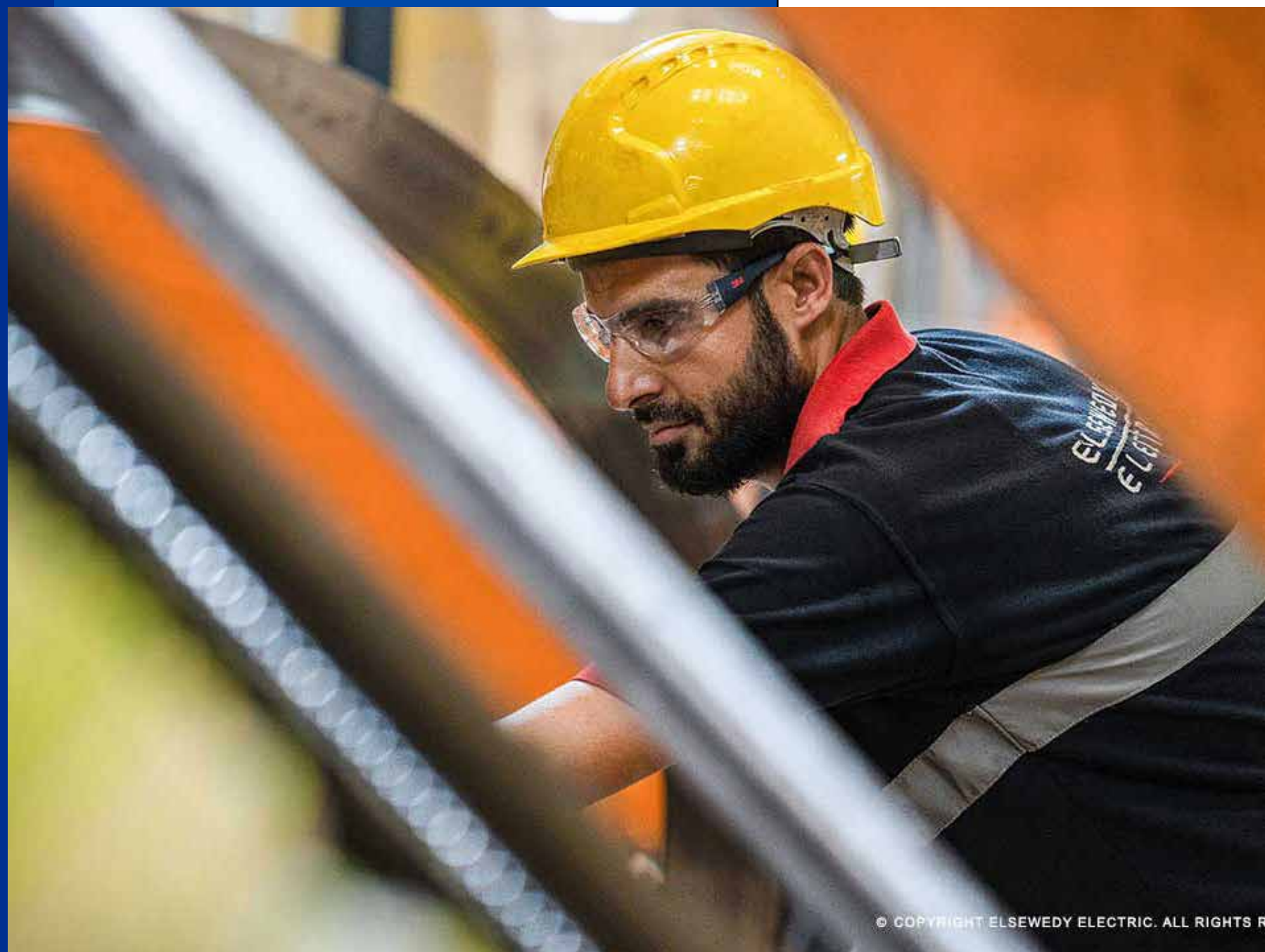
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2021 EESG Highlights

The past year has been one of consolidated action and determined growth, with rebounding markets and a new push for building back better. Elsewedy Electric has been at the center of national and international processes aimed at relaunching efforts for developing innovative infrastructure and accelerating the efforts towards a sustainable energy future.

Now, the world needs to move faster towards sustainability than ever. We need to be bold and clear about our priorities and our targets. We need to rethink global value chains to make sustainability a core element of how every business and every partnership works.

-
1. EESGperformance
 2. Recognition of ESGaction
 3. COVID-19 Preparedness and response
 4. 2021 Key Projects



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EESG Performance

The Group is aligning its annual disclosures with specific targets set out by its Sustainability Strategy. Therefore, we will highlight our progress in line with defined targets and other KPIs relevant to our sustainability efforts.



Governance & Economy

- Revenues: EGP 60.5 billion
- Gross Profit: EGP 8,435 million
- 100% of Worksites Certified to ISO 45001:2018 or OHSAS 18001
- 18.1 BN EGP revenue from Carbon Neutral Cables
- 2.4 BN EGP revenue from Smart Grid Technology for Renewables
- 170 M EGP revenue from Solar PV
- 199 M EGP revenue from Wind Power
- 320 M EGP revenue from Water Treatment and Quality Monitoring of Waste Water
- EGP Clean revenue = 35% of total 2021 revenue

Technology & Innovation

- New Digital Transformation Strategy.
- Infrastructure services moved to the cloud.
- A new Legal Department long-term digitalization system has been implemented, which the entire team was trained on. As a result, 90% of corporate data has been uploaded. In addition, other modules, PAOs, and IPs are being rolled out systematically.

Planet & Resources

- Sustainability Strategy 2020–2023
- Climate Policy
- Water Policy
- CDP Climate Change and Water Security Full Version Responses (2021 performance) to be scored and published in 2022.
- Total energy consumption of 356.522GWh in 2021.
- Total water consumption of 881,762 m³ in 2021.
- Industrial waste generation of 60,519 tons, with 75% diversion rate.
- Total GHG emissions in 2021 amounted to 251,824 mtCO₂e.
- 7% reduction in Scope 1 and 2 emissions in 2021 compared to 2017.
- Achieved 21% of our set science-based targets on Scope 1 and 2 emissions.
- Avoided emissions of 222,000 mtCO₂e in 2021.

People & Society

- 16,049 Workforce
- 10% of Women on the Board
- 2,944 Training Hours for General Management
- 99,630 Training Hours for all Employees
- 100% of Elsewedy Electric's Worksites are Certified to 45001:2018
- 0.36 LTIFR, 24% lower than in 2020
- Fourteen (14) of our thirty-three (33) reporting subsidiaries fully comply with NFPA firefighting requirements

Recognition of ESG action

The Group has continued improving its disclosure according to common ESG frameworks that set the global standards for sustainability reporting. Furthermore, we keep working on establishing comprehensive ESG data management by adopting the necessary frameworks, policies, and procedures.

S&P Global

S&P CSA:

The Elsewedy Electric Group was invited to participate in S&P CSA. It has provided a comprehensive response, obtaining an ESG score of 26, scoring above the industry mean across all dimensions – environmental, social, governance, and economics. We will keep working to improve our score over the next few years.



CDP:

The Group has disclosed its performance according to the CDP questionnaire since 2021 on “Climate Change” and “Water Security”. To improve alignment with CDP, we have continued our revision of governance, strategy, risk assessment, and targets on water and climate issues. In particular, we have also devised rigorous Group policies on water and climate. We continue to disclose in 2022.

Corporate Knights

Corporate Knights:

Elsewedy participated in the Corporate Knights ranking of 2022 Global 100 Most Sustainable Corporations in the World among 7,000 public companies with a revenue of over US \$1 billion.

ecovadis

EcoVadis:

Elsewedy Electric achieved a “Partial” rating on the EcoVadis scoring scale with thirty-seven (37), situated within the 24th percentile. In addition, the Group also achieved higher scores on the environment, ethics, and sustainable procurement while improving labor and human rights disclosure. We are currently implementing a corrective action plan according to the EcoVadis requirements and are presently being evaluated in 2022.

MSCI

MSCI:

Elsewedy Electric has been included in the MSCI ESG Rating and is expected to be scored in 2022.



Sustainalytics:

Starting from 2022

COVID-19 Preparedness & Response

The Group has continued implementing a holistic and diversified action Emergency Preparedness Plan. Our action combines rigorous analysis and preparation, flexible precautionary measures and systematic response across all functions.



Read more about the Group’s COVID-19 response in Elsewedy Electric 2020 Sustainability Progress Report.

[Elsewedy Electric 2020 Sustainability Report](#)

“Without equity, we cannot end COVID-19, HIV or any other pandemic”

Peter Sands,
The Global Fund.



2021 Key Projects

The Group and its subsidiaries continued to expand across local and international markets with new mega-projects, innovative collaborations and ambition for positive impact.

First Dry Port in Egypt	Doha Cables Qatar participated in 2 Matchmaking Events in 2021	RME to build Egypt’s Rail Gateway to the New Capital
Connecting Boubyan Island Area In Kuwait	Expanding Export Footprint	The use of two recycled plastics
Elsowedy Electric Powers Up Toshka	Development and Placement of New Product serving Cables sector	Ultrasonic water meter production in Iskraemeco Egypt
Elsowedy Electric and Toyota Tsusho Complete 4 Geographic Information System (GIS) Substations in Iraq	Pre-Qualification in Egypt	Iskraemeco Egypt deals with South Cairo Distribution Company (SCDC)
Doha Cables successfully qualified and registered as an Approved Manufacturer for General Electricity Company of Libya (GECOL)	Seminars in the United Arab Emirates & Saudi Arabia	Iskraemeco’s smart factory
Doha Cables R&D team developed a new lead-free product “Doha Cables Enviguard 65”	Employment opportunities provided	RME wins two ZED Towers’ packages “Doha Cables Enviguard 65”
New contract signing with star-light Company for Urban Development and Tourism	The Green Penguin winner of the Slovenian and European Enterprise Promotion Awards (EEPA)	Manufacturing facility in Nigeria
Two robotic cells for smart meters assembly	Iskraemeco Middle East transforms Abu Dhabi Electricity Grid	

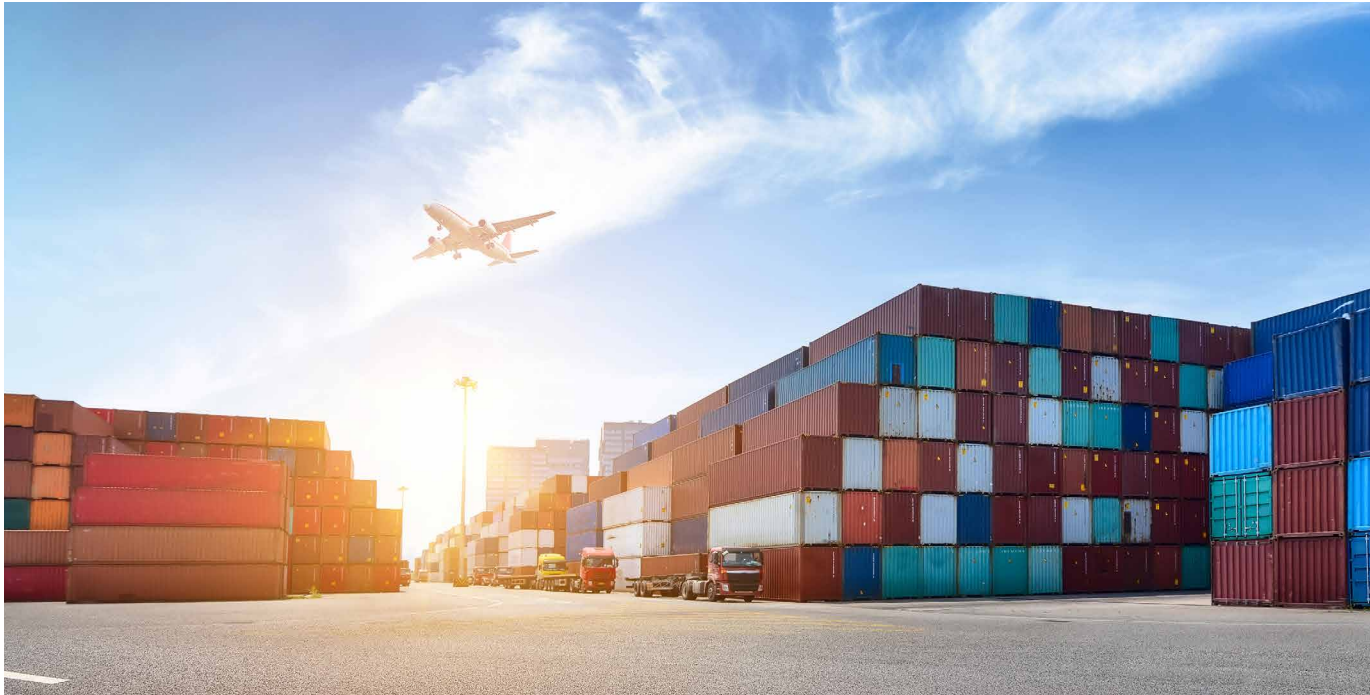
First Dry Port in Egypt

Construction of the first dry port in Egypt (in the 6th of October city) started in February 2021. This project is planned to serve Alexandria and El Dekhila and aid in custom clearance as it will hold **720,000 containers**. This port is also integral to developing Egypt’s National Transport and Logistics Strategy.

The project is being constructed according to a well-designed Environmental and Social Action Plan. Out of our environmental consciousness, we are using electrical forklifts. In addition, we have planned electric Rubber Tired Gantry Cranes (RTGs) and Rail Mounted Gantry Cranes (RMGs) to minimize our environmental impact during the construction phase of this project.

Objectives of the First Dry Port in Egypt:

- Making the supply chain efficient and more reliable.
- Cost cuttings by decreasing trucks on urban roads
- Significant reduction of the road traffic incidents risks.
- Reducing Greenhouse Gases emissions (GHG) and pollution to the environment.
- Strengthen the Egyptian intermodal transport.
- Creating extra direct and indirect jobs and urbanizing rural areas.
- Getting the most beneficial and sustainable inputs by engaging stakeholders.
- Significant positive impact on the seaport’s operation and urban traffic.
- Social contribution; Hiring from 6th of October city



RME to build Egypt’s Rail Gateway to the New Capital

The construction works were given to GAMA-RME Joint-Venture by the National Authority of Tunnels (NAT), to build 26 Railway Workshop buildings accompanied by their complete infrastructure, landscape, road works, subgrade, and the 3,112 m surrounding fence in Badr City.

New contract signing with star-light Company for Urban Development and Tourism

RME signed the contract for all the infrastructure, construction, and finishing work of Kattameya Creeks compound in New Cairo Area- Egypt., with a Total Project Value of EGP 1.46 Billion and it will be implemented over 30 months

Doha Cables successfully qualified and registered as an Approved Manufacturer for General Electricity Company of Libya (GECOL)

For the scope of Building Wire, Indoor Wires, Control and Low Voltage Cables up to 1 kV, Medium Voltage Cables up to 36 kV, High Voltage **Cables up to 150 kV**, Extra High Voltage **Cables up to 220 kV**, Overhead Transmission Lines and Fire Resistance Cables and Wires.

Doha Cables Qatar participated in 2 Matchmaking Events in 2021

As part of expanding our export business, Doha Cables Qatar participated in two Matchmaking Events in 2021. The first was the Qatar-Iraq Matchmaking Event 2021 held on 7–8 September 2021 at the Babylon Rotana, Baghdad, Iraq, followed by our participation in the Qatar-Turkey Matchmaking Event 2021 on the 16–17 November 2021 at the Swissotel, The Bosphorus Istanbul.

Expanding Export Footprint

EgyPlast added new export markets to their portfolio (Guinea Rep., Togo & Croatia)

Employment opportunities provided

RME provided opportunities for 2,047 employees and 6,933 workers in 2021, working on 41 projects at different locations across Egypt.

Elsowedy Electric and Toyota Tsusho Complete 4 Geographic Information System (GIS) Substations in Iraq

Elsowedy Electric S.A.E., with Toyota Tsusho Corporation (TTC), celebrated the completion of the EPC contract of four gas-insulated **switchgear (GIS) substations** of 400/132/11 kV in Southern Iraq, giving timely support to the Iraqi government's ambitious plan to put an end to chronic power shortages.



ZED Towers

RME wins two ZED Towers' packages

The first contract comprises the two-level basement, four fully finished Residential Buildings G+10, and four double core buildings. RME's work under the second package includes the basement under the piazza and the MEP works for the entire basement 1B.

Development and Placement of New Product serving the Cables sector

EgyPlast developed a new product to serve the cables sector in both local and export Markets via Doha Cables (Product Description : Polyolefin Compound for Non-Adhesive Cables Filling).

Pre-Qualification in Egypt

SEDCO approved its certificates renewal for the MV Joints/Termination and Elbow Connectors in Egypt becoming the main supplier to the Ministry of electricity projects in Egypt for more than 20 years.

Seminars in the United Arab Emirates and Saudi Arabia

SEDCO held a Seminar in Abu Dhabi, UAE for Cable Accessories, Package Substations and Transformers, which main contractors and consultants attended. While in Saudi Arabia multiple seminars across the Saudi Kingdom in Khubar, Riyadh and Jeddah with the Elsowedy Electric KSA Team were held.

Connecting Boubyan Island Area In Kuwait

Elsowedy Electric is working with the Kuwaiti government to analyze its needs and potential for how Kuwait can transition to a more diversified, renewable-based energy system. Within this context, Elsowedy Electric's Transmission and Distribution unit **signed a USD 53.2 M** contract with the Kuwaiti Ministry of Electricity and Water to supply and install overhead transmission lines to connect Boubyan main substation.

The project will contribute to providing electricity to the Boubyan Island area and the Mubarak Al-Kabeer Port project, one of the important projects currently being implemented by the Kuwaiti Ministry of Public Works; to develop and modernize maritime transport and create alternative sources of national income in the State of Kuwait.

Our scope of work covers engineering, procurement, and construction (EPC) of the entire project on a turnkey basis to be completed within 30 months from the project commencement date.

Ultrasonic water meter production in Iskraemeco Egypt

It has a production capacity of 500 meters /shift with annual capacity 400k meters/year. The scope of this project is the ability to produce ultrasonic water meters to be a pioneer in the Egyptian market in ultrasonic business and comply with future customer demand.

The Green Penguin winner of the Slovenian and European Enterprise Promotion Awards (EEPA)

Iskraemeco remove developed the Green Penguin idea, a solution for smart cities. It provides support for achieving carbon neutrality through education and citizen involvement. In 2021, Iskraemeco also presented itself at Expo Dubai with the Green Penguin solution.



Manufacturing facility in Nigeria

Undertaken by Iskraemeco Egypt, it prepared local manufacturing as per Nigerian law (tenders for local manufacturing only) with a production capacity of 500 meters/shift with annual capacity 400 k meters. Equipment and machines sent to the facility to install, a Mandatory Conformity Assessment Programme (MANCAP) Certification was carried out and the project was completed in September 2021.

Iskraemeco's smart factory

Iskraemeco designed a smart factory to optimize processes and productivity, using artificial intelligence to improve the physical manufacturing process.

Two robotic cells for smart meters assembly

Implemented by Iskraemeco as a pilot project on one AM550-3ph final assembly line with a production capacity of 500 meters/shift with annual capacity 400k meters/year.

Data 2050 project

This is an incubation and acceleration program of Iskraemeco and Elsewedy Electric, aimed at diversifying a portfolio of both companies in metering, energy, e-mobility, and IoT with emphasis on services. We are currently connected with over 50 companies and have already begun project collaborations with two of them

Iskraemeco Middle East transforms Abu Dhabi Electricity Grid

Iskraemeco will provide smart meters to pave the way for transmission to the IoT world. The smart meters will also be connected to the SEP2W head-end system platform installed at ADDC.



The use of two recycled plastics

We confirmed using two recycled plastics this year, one with 30% and the other with 80% post-industrial recycled granulate. This results in a major annual reduction in "virgin plastic" and a significant reduction in energy use throughout the manufacturing process of plastic granules. Additionally, switching out 10% of the plastic in the meters with permitted recyclables will reduce plastic usage by 400 tons annually, saving 798,000 liters of oil.

Doha Cables R&D team developed a new lead-free product "Doha Cables Enviguard 65"

This special cable replaces the hazardous and toxic lead sheath cable and is used mainly in the oil & gas sector. The "Enviguard 65" cables are designed to be environmentally friendly, compact in design, with an easy laying process during construction, and are much less expensive than the conventional lead sheath cables.

Transformation of Belgium's Grid

Iskraemeco partnered with the Brussel south-east grid operator, Arewal, to transform Arewal's electricity network with a complete flexible smart metering solution that manages big data and incorporates new energy IoT technologies that meet sustainable requirements. The implementation and integration will start at the beginning of 2021, with the major rollout to be finalized by the end of 2024.



2

Group Overview

For over 80 years, the Group has delivered innovative solutions with people in mind. Today, we have grown and expanded our focus, tackling complex challenges within multiple sectors and areas of expertise to create shared value and lead action on sustainability across scales.

1. Our vision
2. Markets and sectors
3. Business lines
4. Shareholders
5. Financial performance
6. Major acquisitions and key contracts



Group overview

Esewedey Electric is working to sustain agility amid supply chain disruptions and volatile energy markets, and our focus on sustainability proves an incredibly resilient and robust way of moving forward. Just energy transition requires more than the best available solutions and swift delivery. It urges us to understand the complexities of different local contexts and diverse stakeholder perspectives. We need unseen levels of coordination, collaboration and coopetition, so that everyone enables others to do their best.

Our vision

We are a company inspired by our vision of a sustainable, inclusive and resilient energy future. We are making it happen via action across our value chain and engaging everyone to leverage the full-scale transformation of the energy system towards sustainability.

Markets and sectors

The Group serves five key sectors: from Industry and EPC to Technology, Investment and Development, and has a total of 180 legal entities. Esewedey Electric creates future-fit integrated solutions and implements projects that improve lives for millions of people across 13 countries.

Business lines

The Group consists of Operates within 5 business lines, each managed independently and supported by the board through oversight and definition of strategic business priorities.

Wire & Cable

- Energy Cables
- Steel Products
- Insulators
- Special cables
- Winding Wires
- Explosion Proof
- Fiber Optic cables
- Cable Accessories
- Metals
- OHTL & OPGW
- Plastics

Electrical Products

- Transformers
- Complementary Products
- Fiber Glass Poles

Engineering & Construction

- Power Generation
- Water Solutions
- Monument Restoration
- Power Transmission
- Public & Civil Works
- Power Distribution

Digital Solutions

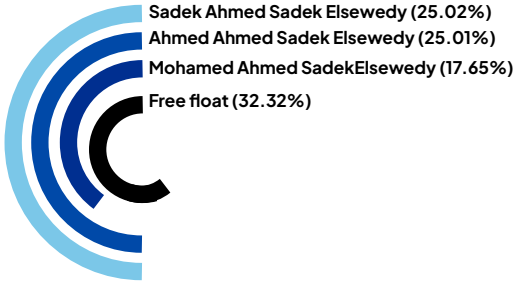
- Energy Management
- Telecom & Networking
- Data Center Solutions
- System Integration
- Government Solutions

Infrastructure Investment

- Industrial Development
- Ports and Logistics Development
- Energy & Water Investments
- Utility Development

Shareholders

Stock Information



Incorporation	Egypt
Sector Industrial	Industrial Goods, Services and Automobiles
Index	EGX 30
Full Listing The Egyptian Exchange	(SWDY.CA)
2020 Issued Shares	2,184,180,000 Shares
Share Price (31 Dec 2021)	EGP 9.83
Market Capitalization (31 Dec 2021)	EGP 21.5 bn

Financial performance

“Bringing together local production and a global mindset enables Esewedey Electric to deliver best in class products, services, projects and solutions while preserving a unique local identity. Our business lines and facilities are linked into a strong network, where everyone is enabled to do their best in their respective domains, sharing knowledge, optimizing resources and facilitating shared learning along the way. This enables continuous development and strong financial performance while minimizing tradeoffs. Through a close federation of localized production and distribution centers and a global coordination center in Cairo, Esewedey Electric gains economies of scale without compromising its local producer advantages. Investments in information and communication technology (ICT) infrastructure link our geographically dispersed factories and offices, allowing data and knowledge to be shared, leading to reduced costs and faster and more efficient operations.”

Sherief El-Zeiny, VP and Group CFO



Through a close federation of localized production and distribution centers and a global coordination center in Cairo, Elsewedy Electric gains economies of scale without compromising its local producer advantages. In addition, investments in information and communication technology (ICT) infrastructure link our geographically dispersed factories and offices, allowing data and knowledge to be shared, leading to reduced costs and faster and more efficient operations.

Revenues

grew by 30.5% y-o-y to EGP 60,541 million in FY 2021 on the back of the strong performance of Elsewedy's cables segment and the solid growth in turnkey projects. Aside from meters, all other segments showed promising growth for the period.

Gross Profit

increased by 19.6% y-o-y to reach EGP 8,435 million in FY 2021, driven mainly by the improved profitability of turnkey projects coupled with the solid performance of the wires and cables segment.

Selling, General and Administrative (SG&A)

expenses reflected the Company's expansion efforts, increasing by 21.2% y-o-y, amounting to EGP 3,410 million, while improving as percentage of revenues at 5.6% (-0.4 pp vs the previous year).

Earnings before Interests, Taxes, Depreciations and Amortizations (EBITDA)

increased by 18.0% y-o-y to EGP 6,267 million in FY 2021, while the EBITDA margin was 10.4% compared to the 11.4% one year previously.

Net Income after Minority Interest

grew 16.7% y-o-y to EGP 3,534 million in FY 2021, up from the net income of EGP 3,028 million posted in FY 2020. Net profit margin came in at 5.8% in FY 2021 against 6.5% in the previous year.

+30.5%

+19.6%

+21.2%

+18.0%

+16.7%

Accounts receivable

booked EGP 15,043 million as of December 2021, while accounts payable rose by 51.4% between year-end 2020 and 2021, to reach EGP 8,678 million

EGP
15,043
Million

Net debt

position for Elsewedy was reported as EGP 6,115 million as of December 2021 compared to a net cash position of EGP 562.5 million booked at December 2020, as part of an effort to curtail commodity delays and operational interruptions that could impact growth plans. The proceeds have been used towards raw material stocking, related advance payments and the coverage of associated freight costs. In addition, the financing was used towards the acquisition costs associated with our new investments.

EGP
6,115
Million

Inventory

came in at EGP 13,321 million as of December 2021, up by 78% from the EGP 7,491 million booked at the end of 2020.

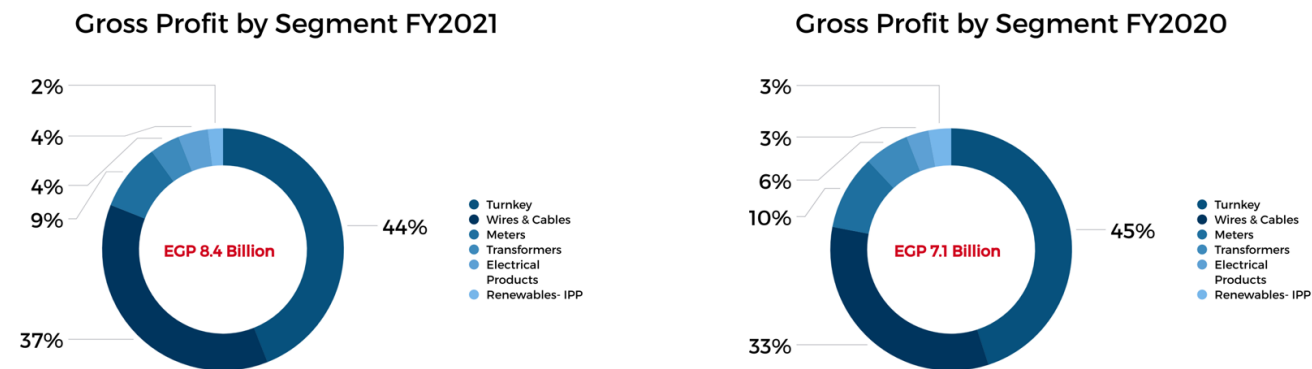
EGP
13,321
Million

Summary income statement

EGP	Q4-2021	Q4-2020	% CHANGE	FY2021	FY-2020	% CHANGE
REVENUE	19,654,518	14,931,567	31.6%	60,541,422	46,401,571	30.5%
GROSS PROFIT	2,920,048	2,812,962	3.8%	8,435,300	7,054,014	19.6%
GROSS PROFIT MARGIN	14.9%	18.8%	-	13.9%	15.2%	-
EBITDA	2,027,274	2,088,587	-2.9%	6,266,748	5,309,460	18.0%
EBITDA MARGIN	10.3%	14.0%	-	10.4%	11.4%	-
NET INCOME AFTER MINORITY	1,240,411	1,295,781	-4.3%	3,533,862	3,027,533	16.7%
NET INCOME AFTER MINORITY MARGIN	6.3%	8.7%	-	5.8%	6.5%	-

Gross profit by segment

Turnkey projects segment is the main contributor to Elsewedy gross profit in 2020 and 2021 with a percentage of 45% and 44%, respectively. The second contributing segment is the wires and cables segment with percentages of 33% and 37% in 2020 and 2021, respectively.



	YOY revenue	Gross Profit (EGP)	% change between Gross Profit FY2020 and FY2021
Wires & Cables	↑ 59.9%	3,141,012	36.6%
Turnkey Solutions	↑ 11.5%	3,685,519	16.5%
Meters	↓ 12%	717,061	2.0%
Transformers	↑ 36.7%	371,945	-19.0%
Electrical Products	↑ 39.8%	334,839	43.9%
Renewables - IPP	↑ 2.1%	184,923	-5.6%

Revenue by segment

Wires and cables segment contributed 49% to consolidated revenues (+9% points vs FY20), remaining Elsewedy's largest top-line contributor and growing 59.9% y-o-y to EGP 29,629 million.

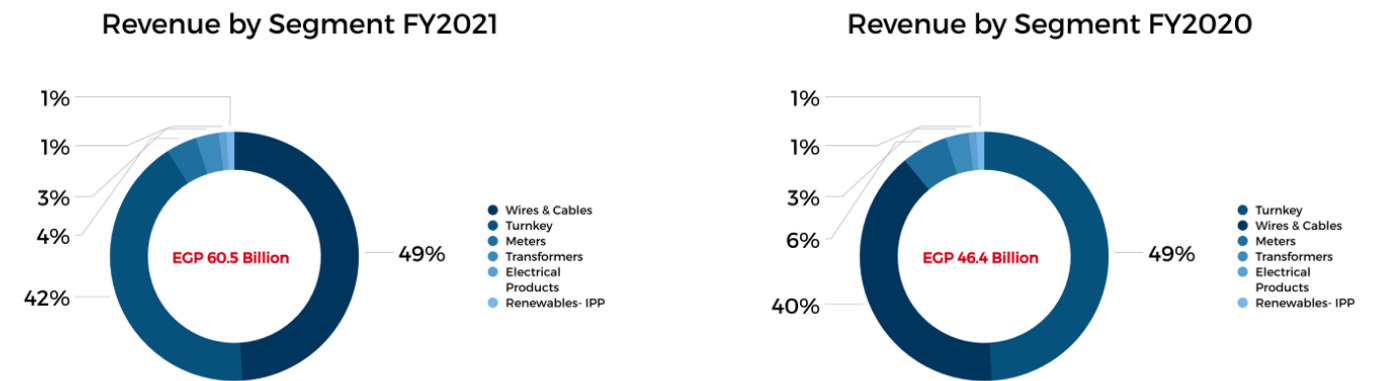
Turnkey projects brought in 42% (-7% points vs FY20), increasing by 11.5% y-o-y to reach revenues of EGP 25,394 million and a record backlog of EGP 70 billion.

Meters segment contributed 4% (-2.2% vs FY20) and was adversely impacted by materials shortages and supply chain issues, which led to a 12.0% y-o-y decline to EGP 2,395 million. The shortage of marine cargo carriers is currently being addressed to support supply chain continuity. As a result, every quarter, the segment recorded a q-o-q increase of 11.3% and 35% in terms of volume and revenues respectively.

Transformers segment reported a contribution of 3% (stable vs FY20), growing by 36.7% y-o-y to reach revenues of EGP 2,027 million. The successful acquisitions made throughout 2021 have also laid the foundation for future growth in the coming years.

Other electrical products recorded a contribution of 1%, witnessing a considerable hike in revenues of 39.8% y-o-y at EGP 726 million.

Renewables segment generated 1% of consolidated revenues for the period (stable vs FY20), corresponding to a 2.1% increase in revenues to EGP 370 million.



Consolidated Income Statement

EGP	FY-2021	FY-2020	% Change
Sales			
Wires & Cables	29,629,000,620	18,533,412,130	
Electrical Products	5,148,322,060	4,725,506,025	
Turnkey Projects	25,764,098,932	23,142,652,613	
Total Sales	60,541,421,612	46,401,570,767	30.5%
COGS	(52,106,121,564)	(39,347,557,392)	
Gross Profit	8,435,300,047	7,054,013,374	19.6%
Gross Profit Margin	13.9%	15.2%	
SG&A	(3,409,596,075)	(2,812,885,615)	
Other Operating Income	470,252,797	497,104,317	
Other Operating Expense	(567,183,442)	(704,279,904)	
Income from Investments	248,538,462	322,256,736	
EBITDA	6,266,747,767	5,309,460,336	18.0%
EBITDA Margin	10.4%	11.4%	
Depreciation & Amortization	(1,089,435,978)	(953,251,429)	
FX Gain / (Loss)	(40,056,070)	(23,052,455)	
EBIT	5,137,255,718	4,333,156,453	18.6%
Interest Expense	(729,230,425)	(558,406,883)	
Interest Income	424,915,986	491,440,521	
Interest Income / (Expenses)	(304,314,439)	(66,966,362)	
EBT	4,832,941,280	4,266,190,091	13.3%
Tax	(1,024,111,242)	(959,865,299)	
Net Income	3,808,830,038	3,306,324,791	15.2%
Minority Interest	(274,968,512)	(278,791,550)	
Net Income After Minority Interest	3,533,861,526	3,027,533,242	16.7%
Net Income Margin	5.8%	6.5%	

Consolidated Balance Statement

EGP	31/12/2020	30/09/2021	31/12/2021
Long Term Assets			
Fixed Assets & Goodwill	8,814,664,639	9,509,509,830	10,175,907,881
Investments	1,524,731,301	2,498,818,920	2,151,957,073
Other long-term Assets	436,434,058	274,084,979	262,400,576
Other long-term Receivables	2,360,964,510	2,525,747,897	1,202,254,015
Total Long-term Assets	13,136,794,508	14,808,161,626	13,792,519,545
Current Assets			
Inventories	7,490,676,915	11,315,334,021	13,320,680,704
Receivables	13,599,623,740	13,694,958,569	15,043,335,953
Other Debit balance	9,249,566,625	12,491,375,232	12,518,534,412
Due from Related Parties	645,776,969	826,765,441	1,175,912,475
Cash & Cash Equivalents	10,811,687,255	8,637,371,359	11,842,589,348
Total Current Assets	41,797,331,504	46,965,804,622	53,901,052,892
Total Assets	54,934,126,012	61,773,966,248	67,693,572,437
Current Liabilities			
Bank Overdraft & Short-term loans	8,268,089,866	11,781,160,771	15,032,238,908
Accounts Payable	5,733,816,805	6,787,623,173	8,678,197,095
Other Credit balance	16,783,796,473	17,101,046,005	16,185,004,870
Due to Affiliates	588,944,840	644,494,076	546,964,145
Provisions	1,497,155,181	1,484,466,083	1,960,889,007
Total Current Liabilities	32,871,803,165	37,798,790,108	42,403,294,025
Issued and Paid Capital	2,184,180,000	2,184,180,000	2,184,180,000
Retained Earnings	13,209,556,139	15,355,425,383	16,504,538,981
Others	1,628,194,204	498,112,032	422,339,981
Total Parent's Shareholders' Equity	17,021,930,343	18,037,717,415	19,111,058,962
Minority Interest	869,033,193	1,058,426,646	1,094,835,252
Total Equity	17,890,963,536	19,096,144,061	20,205,894,214
Long-term Loans	1,981,093,136	2,796,196,904	2,926,293,825
Other long-term Liabilities	2,190,266,175	2,082,835,175	2,158,090,373
Total Long-term Liabilities	4,171,359,311	4,879,032,079	5,084,384,198
Total Liabilities & Equity	54,934,126,012	61,773,966,248	67,693,572,437

Delivering Sustainable Value

In 2021 the Group saw a growing portion of its revenue coming from investments into sustainable technologies, aiming to further expand its contribution to a sustainable and resilient energy system.

Our core value is investing in renewable energy projects with a sustainable future and providing. To provide clean, competitive prices and efficient energy supply to the grid in Africa, Europe and Asia. We aim to reach a target of 500 MW renewable installed capacity.

Investments in greenfield IPPs in the renewable and conventional realms.

Investment in Projects with diversified Energy off-take models including FIT, Auctions, Energy Trade Spot Market, Corporate P PAs and C&I.

Acquisition of generation assets, preferably towards Commercial Operation Date (COD).

Expansion in utility investment, operation and maintenance, and asset management.

- **Elsewedy Electric intends to enhance its presence by extending its reach in Africa, the Middle East, Europe (including CIS region), and South East Asia.**
- **Elsewedy Energy is mandated to invest up to USD 400 million equity over the next 5 years as of 2021, we have invested up to USD 150 million on new green sustainable projects.**
- **Growth through a mix of project development and Mergers & Acquisitions (M&As) to be utilized in implementing Elsewedy Energy's strategy.**
- **An emphasis on opportunistic diversification through regular reassessment of Elsewedy's Energy Strategy ensures strong growth, thereby increasing shareholder value.**
- **A focus on investments in the following sectors to shape a sustainable growth while maintaining a suitable portfolio mix, to capture growth coupled with high return.**



Elsewedy Industrial Development

Our mission at Elsewedy Industrial Development is to create innovative specialized industrial cities that encompass logistical amenities and technological necessities, while applying the highest standards of quality and environmental friendliness by scaling and growing with value.

Elsewedy Industrial Developments has developed an impressive physical presence in Egypt through our network of industrial sites, training academy and logistics arm. This allows us to offer a 360° one-stop service to all investors, providing support with everything from physical industrial space to utilities, a skilled workforce, logistics, legal aid, consultancy and much more.

Becoming the industrialization catalyst in Africa, by developing industrial parks and integrated industrial cities with a particular focus on environmental friendliness is our vision. We have forged links with important stakeholders throughout Egypt, Africa and the Middle East, enabling us to facilitate our clients' expansion into these lucrative and growing markets.

Services of Elsewedy Industrial Development

Logistics Services	Admin Buildings & Offices	Technical Support	Admin and Legal support
Power Generators	Sewage Networks	Road width 15 meters up to 30 meters wide	Water Tanks
STA	General and Road Services	IoT & Smart Industrial Park	Basculer Cane
24-hour safety and surveillance camera	Fire Fighting	Business Center	Medical Center
Banks	Restaurants and cafes	Industrial	Residential
Commercial	Educational		

Clean Revenues

2020		2021		
11.3 billion EGP	24% of total Revenue	18.1 billion EGP	30% of total Revenue	From carbon neutral cables
2.7 billion EGP	5.8% of total Revenue	2.4 billion EGP	3.9% of total Revenue	From smart grid technology for renewables
174 million EGP	0.4% of total Revenue	170 million EGP	0.3% of total Revenue	From solar PV
188 million EGP	0.4% of total Revenue	199 million EGP	0.32% of total Revenue	From wind power
101 million EGP	0.2% of total Revenue	320 million EGP	0.52% of total Revenue	From water treatment and quality monitoring

Our Projects

NEW: Sokhna 360

Sokhna 360 is a holistic outlook on industrial integration by the red sea, introducing a progressive alchemy that combines work, living, education and leisure under one comprehensive roof to set a new benchmark in industrial excellence, thanks to a pioneering concept of a world class community living. Expertly designed by Elsewedy Industrial Development in collaboration with world – renowned master planners, Sokhna 360 opens investors eyes to a fully livable destination that benefits from Sokhna’s year-round sun, and its strategic location on major trade routes with Africa, Asia, Europe and MENA region.

The elemental edge of the project lies in its balanced and innovative nature, surroundings, and investors with 360 necessities spanning residential units, retail luxuries, dining options and world class entertainment while offering the perfect industrial environment guaranteeing springboard success.

NEW: The Egyptian Industrial City (EIC) in Tanzania

The Egyptian Industrial City (EIC) Africa’s first fully integrated industrial hub.

A Destination for growth for Tanzania and Africa, with world-class facilities, efficient planning, implementation, management, and a quality working & living environment.

Egypt’s vision aligns with the Tanzanian vision to expand the cooperation between the two countries by acquiring, developing, facilitating and transferring Tanzanian land to other investors in an industrial city.

The project aims to:

Attract investments of US \$400 million, using the given utility capacity of 30–70 MW.

Attract the following sectors: Textiles, Automotive, Electronics, Food Processing, Agri-Processing, and Pharmaceuticals.

The Egyptian Industrial City is a critical industrial destination with accessibility to key Tanzanian business landmarks as the EIC is 37 km from Dar es Salam and 32 km away from Julius Nyerere International Airport.

The Egyptian Industrial City (EIC) is also a fully integrated industrial city with a full mix of industries (automotive, agriculture, pharmaceutical, food processing, textiles, and logistics) to cater to the full scope of initiatives for the Tanzanian market.



Sokhna 360



The Egyptian Industrial City

As part of Elsewedy investment in Tanzania, Iskraemeco Egypt is to build a manufacturing facility, which prepares local manufacturing as per Tanzanian law (tenders for local manufacturing only) with a production capacity of 300 meters/shift and an annual capacity of 220 k meters. Equipment and machinery was sent to the facility and installed, with MANCAP Certification being undertaken, and the project is expected to be completed in Q4 2022.

Key Acquisitions and Contracts

Al Amriya Wastewater Treatment plant – Phase III Extension ‘

Elsewedy Electric has been awarded the contract of “Al Amriya Wastewater Treatment plant – Phase III Extension” with a capacity of 100,000 m3/day located in Alexandria, Egypt.

Elsewedy Electric’s scope of work includes building this project for the Construction Authority for Potable Water and Wastewater (CAPW), in collaboration with BAMAG LLC, executing the Electromechanical Supply and Apply Scope of Work, in addition to a one-year contract of operations and maintenance services, jointly between BAMAG and EES.

This is the first project to be signed by Elsewedy Environmental Solutions that is classified as a First Class Contractor by the Egyptian Federation for Construction and Building Contractors.

Rehabilitation and Upgrade of Assiut’s Arab El-Madabegh wastewater treatment plant

Elsewedy Environmental Solutions has also been awarded a contract to rehabilitate and upgrade Assiut’s Arab El-Madabegh wastewater treatment plant to increase its capacity from 70,000 m3/day to 105,000 m3/day.

EES was established under the management of Elsewedy Electric PSP to manage the infrastructure business concerned with environmental solutions and mobility, providing services, not only as a contractor but rather as a system provider within the EPC and Operation Business.

We aim to work on developing and extending the portfolio of services we deliver to our customers as we continue to add value within the industry.



El-Madabegh wastewater treatment plant

Beyond the Gates of Asia

Elsewedy Electric has also acquired two prominent power transformer companies in Indonesia and Pakistan, marking its first step toward market leadership in Asia, as the company further extends its global reach as a pioneer in innovative integrated energy solutions, cables, and electrical products.

Elsewedy Electric acquired 95% of PT CG Power Indonesia

A prominent manufacturer of power transformers in Indonesia with a production capacity of 10,000 MVA and a specialty in mobile substations. Under the acquisition, Elsewedy Electric also acquired the technological know-how, intellectual property, copyrights, titles, design software, design manuals, and engineering tools created under Unipower of Pauwels Belgium for worldwide use and applications over roughly the last 3 decades.

Through 6 state-of-the-art manufacturing facilities extending throughout the Middle East, Southeast Asia, and Africa, the company produces a complete range of Power and Distribution transformers to 40 countries worldwide.

Elsewedy Electric also acquired 100% of Validus Engineering, a leading transformer manufacturer in Pakistan

A highly protected market that is on a very steep growth trajectory. Elsewedy Electric plans to introduce its Power Transformer technology to boost the growth of the company.

This acquisition will entail an intensive capital expenditure plan to further enhance the company’s capabilities and increase its power transformer capacity to 5,500 MVA.

The two acquisitions will bring together the combined production capacity of Elsewedy Electric’s global factories to 30,000 MVA per year.

3w Networks Wins Telecom Systems Integration For Saudi Aramco

Elsewedy Electric's subsidiary 3W Networks, the region's premier Systems Integrator, was the telecom and security systems integration winner for Saudi Aramco's Marjan offshore field increment development. Marjan is an offshore field in the Arabian Gulf operated by Saudi Arabia's state-owned oil and gas company Saudi Aramco. The offshore area is currently undergoing expansion under the Marjan Crude Increment Programme announced in 2017, intending increase the crude oil production capacity from 500,000 barrels per day (bpd) to 800,000 bpd by 2022.

Elsewedy Electric Wins Project Integrator Contract For Anopc

Elsewedy Electric has won a tender from by the Assiut National Oil Processing Company (ANOPC) and Petrojet to serve as the project's system integrator. Elsewedy Electric's scope of work includes project management, detailed design and engineering, supply, installation, testing, and commissioning for a total value of US \$4 M. ANOPC is a new US \$3 B oil and gas company that has been established to build and operate the Assiut Hydrocracking Complex, which is considered one of the most important national projects in the current period.

AHC is a deep conversion refining plant for processing "bottom of barrel" and fully converting the fuel oil, based on a "zero fuel oil" Euro V configuration to meet the local market demand in Upper Egypt.

Elsewedy Electric Wins A Tender To Build 3 Water Substations

Leveraging Elsewedy Electric's core competencies of delivering best-in-class infrastructure solutions and understanding the intricate value delivered to local communities in the Sinai Peninsula, Elsewedy Electric, through its Trading and Distribution subsidiary, won a tender to build three substations to raise water for the massive development project in Sinai. The project includes two substations with a voltage of 220/66/22 and the third substation of 66/22.

Elsewedy Utilities Power Networks O&M At Eco-Friendly Mivida

Emaar Misr, one of the world's largest and most progressive property developers, entrusted Elsewedy Utilities to provide network operation and maintenance at the eco-friendly MIVIDA Compound in New Cairo.

A New Sewage Treatment Plant In Al Sharqia

Leveraging our core competencies of delivering the best-in-class infrastructure solutions and understanding the intricate value delivered to local communities, Elsewedy Electric, through its Trading and Distribution subsidiary, signed an EGP 126 M contract with Alexandria Petroleum Maintenance Co. to build a 6000m3/day sewage treatment plant in Houd Negaih, Al Sharqia.

The project is part of the Sustainable Sanitation Services in Rural Areas Program (SRSSP) in Al Sharqia governorate. Elsewedy Electric will deliver the project within two years on a turnkey basis.

Doha Cables launches a new state-of-the-art Continuous Cast Copper Rod Plant- the first of its kind in Qatar

"Senyar Copper" is located in the Industrial City, Doha and will manufacture high quality continuous cast copper rods with purity of 99.99% conforming to ASTM B49-98 standard. The copper rod mill will have an initial production capacity of 86,000 tonnes annually. Its products can be used to manufacture power cables, building wires, magnet wires, communication cables, automobile wire harnesses, and flat strips required for transformer windings. The factory is expected to be commissioned by the first quarter of year 2023.

A new retail showroom in Salwa road

Doha Cables has opened a new retail showroom on Salwa road with a total area of 123 m2, to expand Doha Cables' reach in Qatar's retail segment for electrical cables and non-cable products. This is in addition to the existing showroom opened at Barwa Village, Qatar, a few years back.

The first 132 kV – 21kms underground transmission cabling works by Doha Cables EPC division

Doha Cables EPC division has been awarded its first 132 kV underground transmission cabling for the prestigious North Field East Package 1 Project (Early Works). In addition, the Contracting division has achieved a recognizable performance on project progression and was ranked no. 02 in the safety observations for two consecutive months of November and December 2021.



3

Sustainability approach

We envision a sustainable, inclusive and resilient energy future for all. We make it happen by acting across our value chain and engaging everyone to leverage the full-scale transformation of the energy system towards sustainability.

1. Context
2. Stakeholders
3. Materiality
4. Strategy



3.1 Context

Elsewedy Electric closely monitors sustainability developments across states and regions, aiming to be at the forefront and in the middle of the rapidly evolving ESG landscape and the global movement towards sustainable energy.

“As part of our engagement with our stakeholders, the Compliance Department has a website for reporting (anonymously if preferred) any cases or complaints that can put someone at risk or actions where company funds are mishandled. For more information, you can visit our online portal [here](#)

3.2 Stakeholders

The Group sustains open, transparent and inclusive communication with its stakeholders across the value chain. We conduct ongoing stakeholder engagement activities that consider specific stakeholder needs

and interests, topics in question and areas of our impact, with preferred communication channels and frequencies to ensure all voices are heard, and nobody is left behind.

Communities

Including the communities in our decisions and working on delivering value to them is of utter importance to our activities, hence, we plan events for their inclusion, such as holding annual seminars and consultation sessions for mega projects.

Employees

Our employees are an essential asset to our success, and therefore, we ensure there are continuous channels of communication for each department, which take place daily through phone calls and emails to share information and through weekly or monthly meetings for follow-ups. We also ensure two-way communication through periodic employee engagement surveys across all departments and subsidiaries.

Government & Regulators

Following regulations and communicating that to the government and the relevant regulating bodies is implemented through meetings, surveys, and inspections whenever required. We also abide by the reporting and other legal and regulatory requirements mandated by the EGX and the Financial Regulatory Authority (FRA)

Shareholders

The shareholders participate in bi-annual internal & external audits and annual management review meetings.

Suppliers

We reach out and stay connected with our suppliers through daily phone calls and emails as needed, with the presence of periodical meetings and pre-qualification processes with every new purchase order. We also conduct an annual conference to certify and honor our suppliers. In 2021, we successfully held our 10th conference.

Clients

To maintain relationships with our clients, their engagement in our activities is a priority. The modes of engagement include direct meetings, phone calls and emails for sharing information, as well as selected one-way means of communication like the issuance of quarterly newsletters and annual magazines from the marketing department, together with the participation in webinars, seminars and exhibitions besides availability on social media. We are also working on our campaign to fight fraud by publishing our distributors and working to raise awareness with our clients



“What we understand as strong financial performance and successful business is changing rapidly. Today, we are moving from deciphering the links between financial and ESG performance to actively harnessing the opportunities brought about by this knowledge, from mitigating risks to tapping into new markets, segments, and technologies that can transform our business, energy system, and the world.”

Abdel Rahman Elsewedy, Strategy and Business Development Director

3.3 Materiality

Our 2018–2019 Materiality Assessment laid the foundation for the Group’s Sustainability Strategy. However, a refreshed materiality assessment has been conducted to ensure our strategy and efforts are up to date with the changing external and internal

contexts, including the new requirements regarding identifying and assessing the Group’s positive and negative impacts based on the updated 2021 GRI Universal Standards.

Methodology

Following our first GRI Sustainability Report (2018–2019), we began to carefully conduct a preliminary environmental, social, and governance impact assessment during 2020, on which we based our strategic priorities for Elsewedy Electric’s 2020–2023 EESG Strategy (Stages #1 to #4 are briefly described below).

Then, later in 2021, and following the release of the updated GRI Universal Standards, we worked on conducting a broader, extensive impact assessment across the subtopics of our predetermined strategic priorities, in line with the standards’ requirements, which we are representing in this year’s report.

2020

1

STAGE 1**Understanding our Areas of Impact**

To lay the foundation of our sustainability strategy that was developed in 2020, we had to understand our areas of impact, so we built on our 2018–2019 materiality assessment and extended our research on top-electrical equipment companies according to global ESG and sustainability rating platforms and rankings, including S&P Global, Corporate Knights, Sustainalytics, and CDP, as well as basing it on ESG sector standards, mainly SASB - Electrical and Electronic Equipment, and Electric Utilities and Power Generator standards, to aid us in the understanding of the context of our industry and to identify the list of potential material topics.

As a result, based on this research, tailored data collection sheets for Elsewedy Electric were distributed to all departments across all subsidiaries to collect detailed information to help us narrow down the list of material topics, prioritize them, and finally, define the pillars of our Sustainability Strategy.

S&P GlobalCorporate **Knights**

SUSTAINALYTICS

CDP
DISCLOSURE INSBRT ACTION

2020

2

STAGE 2**Developing the Elsewedy Electric 2020–2023 EESG Strategy**

Based on the input described in Stage #1, we distilled the refined material topics into sixteen commitments distributed under four main pillars: Governance and Economy, Technology and Innovation, Planet and Resources, and People and Communities. As the basis of our strategy, we then identified the priority areas of action per commitment and our aspirational targets.

2021

3

STAGE 3**Conducting a Comprehensive Impact Assessment**

To align with the updated GRI Universal Standards requirements, we conducted an impact assessment across the impact areas (subtopics) relating to the commitments we had identified when developing our Sustainability Strategy. The impacts arising from each subtopic were then assessed based on their magnitude/severity, and the likelihood of occurrence, with a direct focus on our business operations and/or the community. In addition, the most impacted or directly impacted stakeholder groups were also mapped against each subtopic.

2021

4

STAGE 4**Mapping our Actions and Reporting on our Progress**

To keep track of and report our progress towards each commitment and impact area, we mapped our performance and progress toward the targets we set in our Sustainability Strategy, aiming to have a clear vision of both our impact, how we should progress further to mitigate those impacts, and how to progress further towards fully achieving our aspirational targets.









From the Materiality Assessment to Aligning with our Strategic Sustainability Commitments



ESG Pillars	Stakeholder Category	Impact Assessment		
Governance & Economy	Employees	Impact Severity	Impact Likelihood	Direct Impact Area
Technology & Innovation	Communities	Severe <div></div>	Common ↑	Business Operations
Planet and Resources	Suppliers	Major <div></div>	Likely ≡	Community
People and Society	Clients	Minor <div></div>	Unlikely to Occur X	
	Shareholders			
	Government & Regulators			







Assessing our Areas of Impact				
Material Topics	Sub-Topic	Impact Description (Risk/Opportunity)	Impact Assessment	Stakeholders Group
Governance and Economy <div></div> <div></div> <div></div>				
Corporate Citizenship	Business Ethics	Operating in different regions with different government enforcement of business ethics laws, the need to manage multiple local agents and sub-contractors, the complexity of project financing and project permitting, the magnitude of the contracts involved in building large infrastructure projects, and the competitive process necessary to secure contracts with private and public entities may pose risks related to the violation of corruption laws. In addition, unethical practices may jeopardize future revenue growth due to reputational risks.	↑ Business Operations	+ Shareholders + Employees
	Corporate Governance	Corporate governance ensures the company is operated in the interest of shareholders. Therefore, good corporate governance integrating ESG practices is critical in the electrical equipment industry as it affects many parameters, including the cost of capital, the decision-making process, and attracting talent.	↑ Business Operations	+ Shareholders + Employees
	Risk Management	Long-term financial planning and organizational flexibility result from an effective risk and crisis management system. A well-managed risk management system will help identify potential risks before they happen and avoid them.	↑ Business Operations	+ Shareholders + Clients


Aligning to our Sustainability Strategy		
Commitment	Targets	Progress
Governance and Economy <div></div> <div></div> <div></div>		
We are committed to supporting sound, robust, and effective sustainability governance and high corporate ethics and integrity standards as the foundation of the Group's corporate citizenship efforts.	Conduct a comprehensive review of the organizational structure, departments, roles, and responsibilities by 2023. Conduct a comprehensive review of all existing corporate policies, standards, instructions, plans, and procedures by 2023. To develop a corporate Context Analysis and formalized risk assessments related to the production facilities, turnkey projects, and renewables.	Elsewedy Electric worked on updating part of its policies during 2021. Read more about this topic in its Corporate Citizenship .


Assessing our Areas of Impact					Aligning to our Sustainability Strategy		
Material Topics	Sub-Topic	Impact Description (Risk/Opportunity)	Impact Assessment	Stakeholders Group	Commitment	Targets	Progress
Governance and Economy   					Governance and Economy   		
Sustainable Business Model	Financial Implications of Climate Change	Climate change poses significant risks to the operation of electrical and electronic equipment manufacturing companies. These risks include energy costs, a cost increase in purchased goods and services, emissions in the supply chain, and electric power out-ages and quality.	↑ Business Operations	+ Shareholders	We will ensure the alignment of our financial targets and sustainability goals and assess and mitigate financial risks connected to climate change.	Introduce a comprehensive metric for shared value creation by 2023. Establish a Corporate Environmental and Social Management System (C-ESMS) by 2023.	Read more about this topic in Sustainable Business Model .
	Product Design	Environmental and social externalities emerge from the use of electrical and electronic products. Regulations and customers are driving electrical companies to lower the ecological footprint of their products.	↑ Business Operations ↑ Community	+ Shareholders + Employees			
	Product Quality and Safety	The quality and safety of our products is a fundamental issue because of the possible harmful risks that may happen to our customers if there is any product quality and/or safety problem.	↑ Business Operations ↑ Community	+ Shareholders + Clients			
	Material Sourcing and Efficiency	Critical materials with limited or no available substitutes sourced from a few countries are subjected to geo-political uncertainty, posing a risk to the company. Thus, companies should work on limiting the use of critical materials through alternatives and securing the supply chain.	~ Business Operations				
ESG Integration		Integrating environmental, social, and governance aspects within a company's strategy is essential for sustainable success . Therefore, different entities are asking companies to report on their ESG integration.	↑ Community	+ Community		<ul style="list-style-type: none"> 100% of employees trained on sustainability and ESG topics by 2023. 100% of the investment portfolio accounted for under Scope 3 emissions by 2030. All suppliers and new investments comply with the ESG criteria by 2030. 	<ul style="list-style-type: none"> Assessment of suppliers against quality, environmental and social-related aspects is currently being undertaken. Read more about this topic in the ESG Integration
Partnerships for Change		Partnering with local and international partners, initiatives, and coalitions can be an excellent opportunity to accelerate reaching our common goals.	↑ Business Operations		We are committed to leveraging the power of partnerships and collaborations to expand our commitments and upscale our positive impact while addressing pressing societal and environmental challenges.	Join one globally recognized coalition or initiative for each of the pillars of this strategy by 2023.	Read more about this topic in Partnerships for Change .

Assessing our Areas of Impact					Aligning to our Sustainability Strategy		
Material Topics	Sub-Topic	Impact Description (Risk/Opportunity)	Impact Assessment	Stakeholders Group	Commitment	Targets	Progress
Technology and Innovation 					Technology and Innovation 		
Digitalization with Purpose	Digital Revolution	Technology has a powerful role in facilitating social change, especially in the electric and electrical equipment fields. Digitalization of business lines and the energy sector as a whole is an opportunity to allow energy suppliers to optimize their valuable assets, integrate renewable energies, and reduce operational costs. This will help balance the grid, optimize supply chains, and generate new revenue streams.	↑ Business Operations	+ Shareholders	We are committed to driving an evolutionary redesign of the energy markets while ensuring a consistent, reliable, and available energy supply when needed.	<ul style="list-style-type: none"> 100% coverage by digital services by 2030. 100% Digital Sustainability Management System and GHG Accounting Systems by 2025. 	<ul style="list-style-type: none"> Two applications automating the majority of our ongoing processes have already been initiated.
	Data Privacy	Risks related to data privacy can emerge as a result of the current trend of digitalization. The reasons for these risks may be a technical failure, human error, malicious attacks, or terrorist attacks, and they could have enormous consequences concerning profitability and the cost of repair.	x Business Operations	+ Shareholders + Employees			Read more about this topic in Digitalization with Purpose .
Smart Technology	Consumer Centric Accessible Technology	Smart technology in the electric field and electrical equipment is very important to reduce the energy consumption of citizens and enterprises and help them adopt sustainable lifestyle habits. Providing consumer-centric accessible technology using sensors, smart meters, and analytical platforms is an opportunity to help consumers effectively control their consumption.	↑ Community	+ Shareholders + Clients	We are committed to the progressive transformation of Elsewedy into a platform-based group that provides affordable and accessible energy for all, putting consumers at the center of the sustainable energy transition. We will continue to improve our management systems with the help of digital tools, research and development, and innovation. We will also use the power of technology to facilitate intelligent fleet management and a gradual transition to an electric fleet.	<ul style="list-style-type: none"> 100% coverage of own office buildings and facilities and clients by remote energy monitoring and smart appliances by 2030. 50% electric fleet by 2030. 	<ul style="list-style-type: none"> Customs Clearance Application (CCA) was finalized, and the testing track started in 2021. The application provides end-to-end traceability for all Elsewedy import shipments, covering the progress of the goods once the supplier has loaded the cargo at the origin up to delivering the goods to the Elsewedy Warehouses. Iskraemeco has created a new smart cities approach.
Responsible Innovation		Technological innovation and digitalization may harm the environment if not managed properly. Thus, innovation should be done while considering the potential ecological risks .	- Community			<ul style="list-style-type: none"> 100% EPD/Green Label products by 2030. 	<ul style="list-style-type: none"> We commenced acquiring EPDs for all our products, prioritizing products that are being exported to Europe.

Assessing our Areas of Impact						Aligning to our Sustainability Strategy		
Material Topics	Sub-Topic	Impact Description (Risk/Opportunity)	Impact Assessment	Stakeholders Group		Commitment	Targets	Progress
Planet and Resources 						Planet and Resources 		
Climate and Water Action	Energy Man-agement and Renewable Energy	High energy consumption is a crucial risk to the Elsewedy Group as we use a significant amount of energy to produce our products. As a result, the Elsewedy Group put great effort into optimizing and enhancing its energy mix to lower the cost, increase the energy supply's reliability, and protect the company's cost structure and exposure to regulatory shifts.	↑ Business Operations	+ Shareholders		We are committed to leadership in facilitating the transition to a net-zero carbon, water-secure, climate, and water-resilient powered world by 100% renewable and sustainable energy.	<ul style="list-style-type: none"> 20% of energy consumption from self-supply renewable energy systems by 2030. All office buildings and factories will reduce energy consumption by 20% by 2030. Reduce water consumption by 40% for all office buildings and factories by 2030. Two times the investments in renewable energy, climate, and water projects by 2025. Net-zero emissions by 2030. Net-zero emissions from the entire supply chain by 2050. 	<ul style="list-style-type: none"> Water and climate policies are published, and an environmental policy is currently in progress. <p>Read more about this topic in our Climate and Water Action</p>
	Water Man-agement and Efficiency	Water is an essential resource for human growth and sustains life on Earth. Therefore, operating in countries that have water shortages , such as Egypt, is crucial. Thus, timely and adequate action is needed from all large companies operating in Egypt.	↑ Business Operations	+ Shareholders + Employees				
	Group and Product CFP	The Group's Carbon Footprint includes all emissions influenced by the Group's decisions. This means that all indirect emissions are included in addition to the direct emissions. Therefore, the product's Carbon Footprint measures the total greenhouse gas emissions it generates from raw-material extraction to its end of life. This makes it of great importance to Elsewedy to work on minimizing it across the supply chain in order to have more sustainable products.	↑ Community	+ Shareholders + Clients				
	Environmental Certification	Environmental certifications are a tool to ensure the reduction of raw material/resource use, as well as reducing waste generation and disposal costs. Also, they help prove the company's commitment to reducing its environmental impact on external stakeholders and clients. This way, the company can comply with a client's sustainability standards and any legal regulations set out for industry activity.	↑ Community					

Assessing our Areas of Impact					Aligning to our Sustainability Strategy		
Material Topics	Sub-Topic	Impact Description (Risk/Opportunity)	Impact Assessment	Stakeholders Group	Commitment	Targets	Progress
Planet and Resources 					Planet and Resources 		
Safe Materials and Chemicals		Materials used in essential industries, such as the electrical equipment industry, may contain hazardous materials for human health and the environment. Furthermore, their impact may continue for an extended period. That is why it is imperative to monitor the materials used in the manufacturing process, assess their potential impact, and mitigate their risks .	~ Business Operations	+ Shareholders	We are committed to eliminating hazardous and harmful materials and chemicals from our value chain and using safe alternatives in whatever we do.	<ul style="list-style-type: none"> 100% supplier compliance to internal chemical and material safety standards by 2030. 	<ul style="list-style-type: none"> Most departments are shifting to e- documents instead of hard copies to reduce our paper consumption. <p>Read more about this topic in Safe Materials and Chemicals</p>
Circular Economy	Waste and Hazardous Waste Management and Recycling	Hazardous waste, including heavy metals and wastewater treatment sludge, is generated during electronic equipment manufacturing at our premises. This poses a significant risk to the environment; however, the impact of this risk is mitigated by setting a waste management plan.	↑ Business Operations	+ Shareholders + Employees	We envision a circular future, where everything has value and nothing goes to waste. We are committed to becoming a circular business, ensuring resource efficiency and sustainable use.	<ul style="list-style-type: none"> 100% of packaging free from single-use plastics by 2030. 90% of sourced materials by volume will be renewable, recycled, or recyclable by 2030. 100% green office buildings by 2030. Zero waste to the landfill by 2030. 	<ul style="list-style-type: none"> Two recycled plastics have been used this year. <p>Read more about this topic in the Circular Economy.</p>
	Environmentally Friendly Packaging	Using non-environmentally friendly packaging can be a hazard to the environment, affecting the ecosystem and depleting the resources. This is why using materials that can be recycled or easily degraded can be greatly beneficial.	↑ Community	+ Shareholders + Clients			
Protecting Ecosystems and Biodiversity	Biodiversity Protection	Our dependence on natural resources and the ecosystem's services can be a source of pressure on biodiversity. Industrial activities can disrupt local ecosystems through biodiversity impacts, emissions into the air, water discharges, natural resource consumption, waste generation, and the use of hazardous chemicals.	~ Community		We are committed to protecting and restoring nature's diversity and beauty by preventing negative impacts on the environment and extending our contribution to restoring and rewilding global ecosystems.	<ul style="list-style-type: none"> Develop a formalized process for identifying, assessing, and managing risks and impacts on biodiversity and ecosystem services by 2023. 1% for the Planet starting from 2023. Net zero biodiversity loss by 2030. 	<ul style="list-style-type: none"> Developing a Group-wide Biodiversity Policy incorporating construction, site restoration, and offsetting impacts procedures, in addition to other sector-specific procedures and critical areas of action. <p>Read more about this topic in Protecting Ecosystems and Biodiversity</p>

Assessing our Areas of Impact				
Material Topics	Sub-Topic	Impact Description (Risk/Opportunity)	Impact Assessment	Stakeholders Group
Planet and Resources				
Protecting Ecosystems and Biodiversity	Supply Chain Environmental Impacts	Risks from supply chain activities can include toxic waste, water pollution, loss of biodiversity, deforestation, long-term damage to ecosystems, hazardous air emissions, greenhouse gas emissions, and energy use.	~ Business Operations	+ Shareholders + Employees
People and Society 				
Well-Being, Health, and Safety		Providing an ideal work environment in terms of well-being and health and safety is a core element of Elsewedy's strategy. If not appropriately managed, risks such as a high absenteeism rate, high turnover rate, employee disengagement, destructive influence on the company's brand, legal non-conformance, loss of productivity, and high LTIs and fatalities may emerge.	↑ Community	
Employee Development		Employee development is very important for us at Elsewedy to be able to attract and retain the best talent. However, the risks associated with weak and improper employee development are a high turnover rate, a high cost of recruitment and onboarding, and a bad influence on brand perception.	↑ Community	
Diversity and Inclusion		Currently, employees have high expectations related to diversity and inclusion in the workplace. Each company has to meet these expectations to keep its image and be an employer of choice.	↑ Community	

Aligning to our Sustainability Strategy		
Commitment	Targets	Progress
Planet and Resources		
We are committed to protecting and restoring nature's diversity and beauty by preventing negative impacts on the environment and extending our contribution to restoring and rewilding global ecosystems.	<ul style="list-style-type: none"> Develop a formalized process for identifying, assessing, and managing risks and impacts on biodiversity and ecosystem services by 2023. 1% for the Planet starting from 2023. Net zero biodiversity loss by 2030. 	<ul style="list-style-type: none"> Developing a Group-wide Biodiversity Policy incorporating construction, site restoration, and offsetting impacts procedures, in addition to other sector-specific procedures and critical areas of action. <p>Read more about this topic in Protecting Ecosystems and Biodiversity</p>
People and Society 		
We are committed to promoting our employees' physical and mental health and stand behind our promise of being an employer of choice.	<ul style="list-style-type: none"> All employees are assessed on a comprehensive well-being metric by 2023. Zero fatalities, major injuries, and severe accidents annually. Revise labor management policies and procedures according to good international practices by 2023. 	<p>Read more about this topic in Well-Being, Health and Safety</p>
We are committed to providing all our employees with meaningful career growth opportunities, allowing them to do their best, helping them to gain new skills, and fulfill their aspirations.	<ul style="list-style-type: none"> Introduce two new awards by 2023. Assess Corporate Performance Objectives (CPOs) to eliminate unnecessary workloads, processes, or reports by 2023. 100% workplace satisfaction by 2025. 100% of employees trained on sustainability and ESG topics by 2023. 	<p>Read more about this topic in Employee Development.</p>
We are committed to improving the gender balance in both the general workforce and executive positions, with over three-fourths currently being male. Therefore, we are making an extra effort to reach out to and employ highly qualified women and support their career growth.	<ul style="list-style-type: none"> Comprehensive diversity and inclusion assessment report by 2023. 30% women within the workforce by 2030. 40% women on the Board and within management by 2030. 	<ul style="list-style-type: none"> From 2020 to 2021, the women percentage of the workforce increased by 60%. <p>Read more about this topic in Diversity and Inclusion.</p>

Assessing our Areas of Impact				
Material Topics	Sub-Topic	Impact Description (Risk/Opportunity)	Impact Assessment	Stakeholders Group
People and Society 				
Human and Labor Rights		Any human rights violations , such as employees' health and safety, decent working conditions, discrimination and unfair treatment, forced labor, and vulnerable populations protection, will have severe consequences. This may place the company in an illegal situation and affect its reputation, which will lower its position in the market.	~ Community	
Social and Community Impact		Each large corporation has responsibilities to the community in which it operates. As one of the leading electrical companies in the area, we are working on investing of health, education, sports and culture, development, and environment.	↑ Community	



benban solar park

Aligning to our Sustainability Strategy		
Commitment	Targets	Progress
People and Society 		
<p>We are committed to protecting and cherishing human rights within our operations and across the supply chain in line with our Code of Conduct and the UN Guiding Principles on Business and Human Rights.</p>	<ul style="list-style-type: none"> All functions are reviewed for human rights compliance annually. 100% of employees are covered by human rights training on an ongoing basis. Zero human and labor rights violations across the supply chain from 2025. 	<p>Read more about this topic in Human and Labor Rights.</p>
<p>We are committed to expanding our positive impact on vulnerable groups and communities facing significant environmental and social challenges and exploring best practices and expertise to scale positive change.</p>	<ul style="list-style-type: none"> Fifteen new community projects with a balanced contribution to all SDGs within geographic boundaries by 2023. All new developments to have community-driven action plans by 2025. 100,000 unprivileged people from local communities will be trained by 2030. 	<p>Read more about this topic in Social and Community Impact.</p>

3.4 Strategy

Elsewedy Electric’s Sustainability Strategy 2020–2023 outlines the Group’s long-term priorities and targets for extending our positive impact, providing energy services to the growing customer base, and driving decarbonization, digitalization, and sustainable transition. At the core of our vision are the UN Sustainable Development Goals, the Paris Agreement, Egypt’s 2030 vision, and the National Renewable Energy Strategy 2035.

Our strategy defines how we can support Egypt in becoming a leader in sustainable and renewable energy generation and smart energy infrastructure, showing that fast and profound transformation towards sustainability is possible and feasible.

The strategy also assists in fulfilling our broad priorities across four pillars and sixteen commitments. Moreover, it is linked to fifteen of the seventeen Sustainable Development Goals.

Therefore, this report’s sections highlight our achievements and initiatives across all four pillars (read more on our short and medium targets and how we aim to get there in the [Elsewedy Electric Sustainability Strategy 2020–2023](#)).

4

Governance & Economy

Elsewedy Electric operates within a robust and effective governance framework based on the highest international standards. Good corporate conduct, compliance, and commitment to excellence allow the Group and its subsidiaries to effectively meet its long-term priorities and develop a resilient business that continuously succeeds across markets and regions.

1. Corporate Citizenship
2. Sustainable business model
3. ESG integration



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4.1 Corporate Citizenship

Board Composition

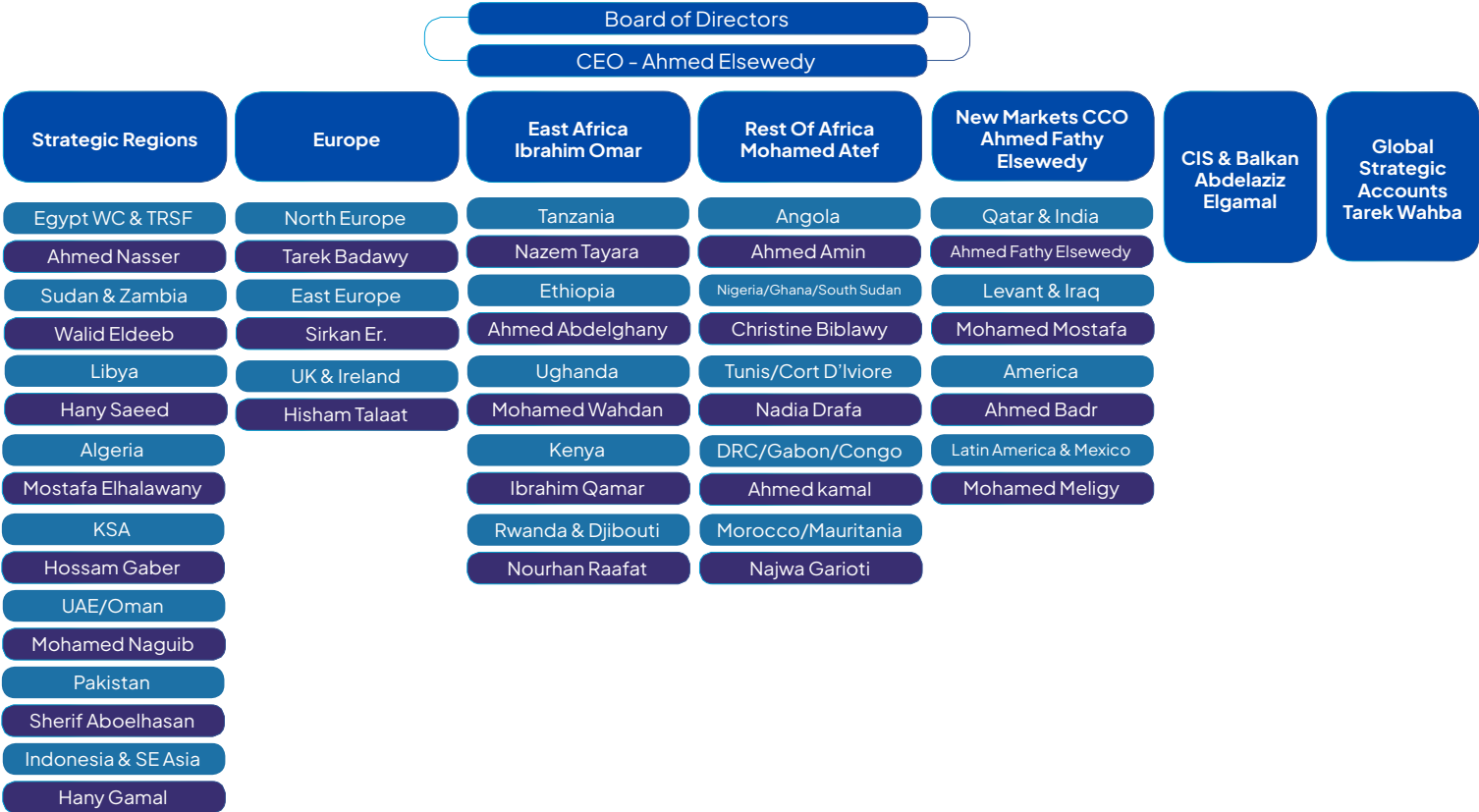
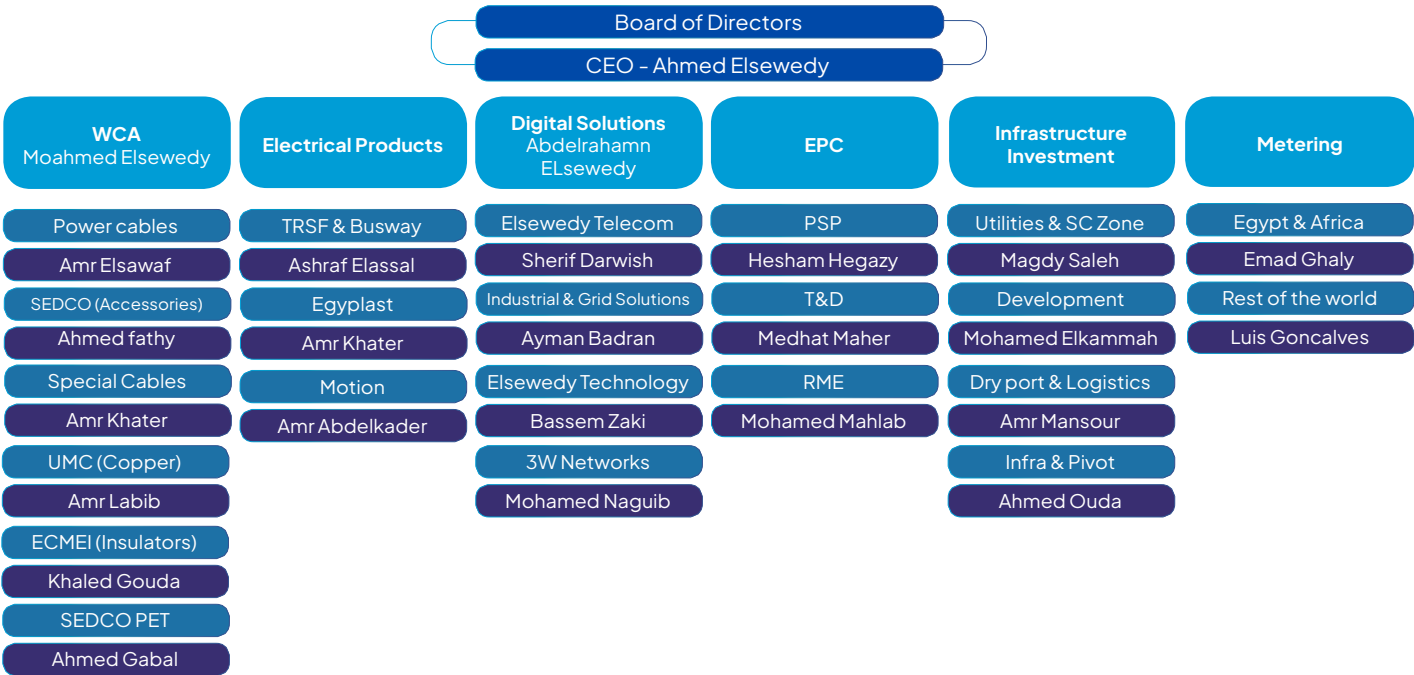
Mr. Sadek Ahmed Sadek Elsewedy	Mr. Ahmed Saad El Din Abdo Abu Hendia
Chairman of the Board (Non-Executive)	Independent Board Member (Non-Executive)
Mr. Ahmed Ahmed Sadek Elsewedy	Mr. Abdel Rahman Ahmed Ahmed Sadek Elsewedy
Managing Director	Member of the Board (Executive Director)
Mr. Mohamed Ahmed Sadek Elsewedy	Mr. Ahmed Sadek Ahmed Sadek Elsewedy
Member of the Board (Executive Director)	Member of the Board (Non-Executive Director)
Mr. Amr Mohamed Labib	Mr. Sherif Samy Ebada Yousif
Member of the Board (Executive Director)	Member of the Board (Non-Executive Director)
Ms. Azza Ahmed Sadek	Ms. Shahinaz Nabil Amin Fouda
Member of the Board (Non-Executive Director)	Member of the Board (Non-Executive Director)

Board Committees

Committee	Responsibilities
Audit and Risk Committee	Evaluating an organization's management of risk. Supporting management to improve the internal control framework. Assessment of fraud indicators and recommendations regarding fraud investigations. Conducting consultancy engagements based on senior management requests.
Remuneration Committee	Establishing the overall philosophy and policies regarding the compensation and benefits. Periodically reviewing employees' compensation, benefits and stock option plans. Establishing the governing policies for programs, including those pertaining to management salaries, incentive compensation, benefits, and perquisites. Reviewing the development and implementation of succession plans. Carrying out any duties and responsibilities assigned by the BoD.
Executive Committee	Ensuring delivery & achievement of the corporate governance framework key strategic KPIs. Ensuring full alignment of the Group Leadership Team with upcoming strategic directions. Facilitating decision making between board meetings. Responding quickly to emerging or urgent strategic issues.

The Group Board and committees oversee its strategy and key business development decisions based on clear principles and a common shared vision while leveraging every Board member's unique expertise and capabilities. Following the major revision of the organizational structure in previous years based on best international practices, the Group has established a streamlined and orderly framework with a clear hierarchy and accountabilities.

Management and Organizational Structure



Policy Architecture

HSE Policies			
2022 HSE Objectives	Environment Policy	Lifting and Rigging	Safe Work with Liquid Nitrogen
Action Tracking Register	Excavation Safety	Machine Safety Standard	Scaffold Safety Standard
Circulation Plan	Fire Pumps and Fire Pump Rooms	A Maintenance Procedure for the Sprinkler System	Subcontractor Safety Standard
Emergency Plan	Forklifts Safety Standard	People Transport Policy	Working at Heights Protection
Incident Reporting and Investigation Standard	HSE Policy	Permit to Work	Work on Towers Safety Standard
Lead Safety Management System	Incident Classification Standard	PPE Safety Standard	Working Near Live Roads Safety
Air Sampling and Testing Procedure	Coronavirus Contingency Plan and Risk Assessment	Environment Measuring Program	COVID-19 Infection Control
Hazardous Waste Yard Standards	Instructions for Hazardous Material and Hazardous Waste Handling	Noise Monitoring Procedure	Spill Control Procedure
Waste Management Procedure			

Quality Management Related Policies			
Internal Audit	Customer Complaint	Control of Documents and Records	Business Plan
Management Review	Risk and Opportunities Management	Corrective Actions	Product Approval

Compliance Related Policies			
<u>Whistleblowing Policy</u>	<u>Anti-Corruption and AML Policy</u>	<u>Insider Trading and Tipping Policy</u>	<u>Third-Party Code of Conduct</u>
<u>Employee Code of Conduct</u>			

Customer Relationship Related Policies			
Customer Satisfaction Available (updated in 2021)	Changed the periodical launching of the customer survey to be twice per year (semi-annual), not annual as usual, so that we can be nearest to our clients for a faster response and more smooth relationship.	Call Center Available (updated in 2021)	Changed the manual entry of the inbound calls received through the HOTLINE to a Ticketing system built by our IT Support team based on the business requirements to meet all the required fields and analysis we need and to have an efficient track of every call.

Legal Related Policies			
Confidential Information Control Available (Created in 2021)	Stamp and Seals Control Available (Created in 2021)	Dividends Distribution Legal Process Available (Created in 2021)	Digital Signatures Authorizations Available (Created in 2021)
Policy related to controlling the issuance of Corporate Guarantees for Subsidiary operations (in progress)			

Insurance Related Policies			
New Insurance Contracting Workflow	Insurance Amendments Workflow	New Claim Process Workflow	Insurance Renewal Process Workflow

3W Networks Marketing Related Policies			
Customer Satisfaction Procedure	Client Satisfaction Questionnaire (Record Form)	Project Close Out Checklist (Record Form)	Project Feedback Form (Record Form)
Mergers Plans Available (created in 2021)			

3W Networks Procurement Related Policies		
Procurement for Projects	Prequalification Selection Evaluation of Suppliers	Preparation of Purchase Requisition
There might be changes to the purchase requisition template, Target Q2 2022.		Some of the content in the policies has been inferred from Global best practices.

3W Networks Exports and Logistics Related Policies			
Receipt Handling Storage Preservation Issue Control of Materials (Updated in 2021)	Return Material Authorization (Updated in 2021)	Packing and Shipping	Certain adoptions have been done based on best regional practices.

3W Networks EPC Related Policies			
3W QMS Policy (created in 2021)			

3W Networks HSE Related Policies			
Identification of HIRA and EIA Procedure	HSE, Legal, Regulatory, and Other Requirements Procedure	Internal and External Communication Procedure	Operational Control Procedure
Personal Protective Equipment Procedure	Hand Protection Procedure	Office Safety Procedure	Driving Conditions and Road Safety Violations Procedure
Vehicle and Passenger Safety Procedure	First Aid Procedure	Personal Behavior and Discipline Procedure	Working at Heights Procedure
Contractor Management	Evaluation of Compliance Procedure	Incident Investigation Procedure	Emergency Preparedness and Response Planning Procedure
Most of the 3W Networks HSE Procedures are taken from global or national policies since it follows the ISO 14001 and 45001 standards.			

3W Networks Quality Management Related Policies			
Control of Documents, Records, and Data Procedure	Corrective and Preventive Actions Procedure	Control of Non-Conforming Product Procedure	Internal QHSE Audits Procedure
Management Review Procedure	Continual Improvement Procedure	Control of Job Documents Procedure	Objective Setting Procedure
Change Management Procedure			

Iskraemeco Supply Chain Related Policies			
Code of Business Ethics (our own document)	FLA (Fair Labor Association) Compliancy	ILO Standards Compliance	Directive on Corporate Sustainability Due Diligence and Annex (in progress)

4.2 Sustainable Business Model

“We are working on making Elsewedy Electric a sustainable business from the ground up, from every strategic decision made at the top norms, procedures, and guidelines that direct the company’s development in a world of complex challenges. We have devised a metric for shared value creation to capture what matters for all our stakeholders and make sustainability integral to everything we do. This means that every business activity carried by Elsewedy Electric will also essentially contribute to local and global progress towards the SDGs. “

Wael Hamdy, Group VP Elsewedy Electric



Standards and Certifications

Quality Management Certificates		
ISO 37301:2021 and Social Compliance	ISO 50001:2018	BS EN ISO 9001:2015
ISO 45001:2018	EN ISO 9001:2015 for Egyplast	EN ISO 14001:2015 for Egytech Cables
EN ISO 14001:2015 for Elsewedy Cables Egypt	ISO 45001:2018 for Elsewedy Cables Egypt	ISO 45001:2018 for Egytech Cables
ISO/IEC 17025:2017 for Elsewedy Cable Laboratories (A1 and A3)		

Iskraemeco Egypt Certificates		
ISO 9001:2015	ISO 14001:2015	ISO 45001:2018
ISO/IEC 27001:2013	ISO 17025:2017	MID-2014/32/EU module

Iskraemeco Egypt Approvals		
SMM approved Iskraemeco Egypt factory as a subcontractor to Iskraemeco d.d. for AM550 meter modules		
Iskraemeco Egypt factory was inspected by IRAM (Argentina) and re-approved in Nov. 2021 without any non-conformity.		

Iskraemeco India Private Limited Certificates		
ISO 9001:2015	ISO 14001:2015	ISO 45001:2018
ISO/EIC 17025:2017	ISO/EIC 27001:2013	

Iskraemeco Certificates		
ISO 9001:2015	ISO 14001:2015	ISO 45001:2018
ISO 50001:2018	ISO 17025:2017 (Also ISO 17020)	ISO 27001

Elsewedy Special Cables		
ISO 9001:2015	ISO 14001:2015	ISO 45001:2018
ISO 50001:2018	ISO 17025:2017	IATF 16949

3W Networks Quality Management Department Certificates		
ISO 9001:2015	ISO 14001:2015	ISO 45001:2018
ISO/IEC 27001:2013	ISO/TS 29001:2010	

Egyplast Certificates		
ISO 22000	ISO 14001:2015	ISO 50001:2018 (in preparation phase)
ISO 9001:2015	ISO 45001:2018	FSSC 22000 (in preparation phase)

Quality Management

Current Initiatives

- 1. Establish, Implement, and maintain Energy Management System (ISO 50001:2015)
- 2. Establish, implement, and maintain a Business Continuity management system
- 3. Establish, Implement, and maintain a Waste Management System
- 4. Internal audit to cover all factories
- 5. Environmental product declaration (EPD)

The quality management department offers several training sessions to employees to widen their knowledge about quality topics.

Training
Finance for non-financials Manager
ISO 9001:2015 Lead Auditor
ISO 37031:2021
Process Failure Mode and Effect Analysis (PFEMA)
Business Continuity Awareness



The department has also undertaken initiatives across the Group to emphasize its quality management system and topics.

Group Initiatives by Quality Management Department	
Obtain Compliance Management System ISO 37301:2021 in A1 and A3	Obtain ISO 9001:2015 Quality Management system in Elsewedy Electric East Africa in Tanzania
Obtain Energy Management System ISO 50001:2018 in UIC	Obtain ISO 9001:2015 Quality Management System in Recycling Unit
Obtain Waste Management System in USW	Automation Management System Customer complaints, Approvals, and Visits
Obtain Education Management system ISO 21001:2018 in STA	Pass 4 Type Tests in EHVRC cables 3 X 400
Obtain Cares Approval in USW	LPCB approval for Single Core - FB10
Obtain Retie Approval for Bare Copper and Low Voltage Cables	
3W Networks Initiatives	
Automation of the manual process of monitoring tender submission and up-to-date reports to generate them easily	Use of digital forms rather than hard copy to help in the digital transformation and reduce paper-printed waste
Training Plan to Develop Employee Competency	
Iskraemeco Initiatives	
Improve supplier's performance to Decrease Supplier rejection PPM by 10% compared to 2020 from 724.41 PPM to 651.969 PPM. As a result, we achieved supplier quality rejection of 553.760 PPM in 2021.	Improve external quality (Quality returns) to Improve COPQ / COGS [%] by 5% compared to 2020 from 1.01% to 0.810 %. We successfully achieved COPQ/COGS of 0.792% in 2021.
Improve internal quality (in-process, finish products ...) to reduce COPQ from 0.1491 in 2020 to 0.1349 in 2021. We successfully reached our goal as we achieved 0.1163 COPQ in 2021	Obtain ISO 27001:2013 Certification related to the implementation of the Information Security Management System

During the reporting period, two of our subsidiaries which are 3W Networks and Iskraemeco, received external audits. 3W Networks received one surveillance audit for **ISO 9001, 45001, and 27001**, which resulted in two minor non-conformance reports (NCRs) and six opportunities for improvement (OFIs) being raised.

Therefore, it is recommended to continue certification subject to receipt of an acceptable action plan. For Iskraemeco, we are working on acquiring MID 204/32/ EU module H1 from SIQ as a step to be audited from PTB to deliver directly to Germany. This is why we have updated several procedures and policies. The external audit resulted in 7 NCRs. Seven corrective actions and eleven improvement opportunities.

Products Quality

Elsewedy Electric cares about its products' quality and tries to enhance it with all possible means. We report the following within the labels of our products; the sourcing of the product or service components, content, particularly concerning substances that might produce an environmental or social impact, safe use of the product or service, disposal of the product and its associated environmental or social impacts. To assure a more stable solder paste printing process and higher quality of Printed Circuit Board Assemblies (PCBAs), we have implemented 3D

SPI-3-Dimensional-Solder-Paste-Inspection in two SMT (Surface Mount Technology) production lines. In addition to a 3D-AOI (Automated Optical Inspection) machine which inspects PCBAs and prevents faulty assemblies from coming to the next operation. As a result of our care to deliver the best possible quality of products, we only received complaints from outside parties for 0.6% of our production in 2021.

Customer Experience and Complaints

Elsewedy Electric is currently working in different countries across the globe, addressing other markets. Our global presence extends from the Americas to Australia and New Zealand, with a strong presence in Africa, Europe, GCC, and South East Asia. We have established a marketing strategy built around our customer needs, moving into a customer-centric approach.

Accordingly, the MarCom (marketing and Communications department) organization has been restructured to serve the commercial team by region and business. Hence, we are now changing activities, such as focusing more on digital communication, and webinars to maintain contact and interaction with our customers.

Initiatives of 2021
Development of a corporate website in French to better communication with Francophone countries
Development of a complete Brand Identity and communication plan for Polymers to enable communication and presentation of the product to the customers
Development of Busway brand to enable communication and presentation of the product to the customers
Supported DEWA Suppliers Motivational Program for People of Determination (POD). As a result, we were awarded a Certificate of Appreciation during the DEWA Supplier Award 2021 for High Performance.
Customer Satisfaction Survey to determine whether 3W Networks' efficient project deliverables meet customer requirements. We successfully conducted the Customer Satisfaction Survey garnering eight responses from clients

A customer satisfaction department was established in 2020. Its responsibilities are gradually increasing to cover more business areas and the international sector, as recommended by QA and BASEC ISO 9001, which will be implemented starting from June 2022.

This will eventually lead to increasing the number of staff needed to handle and control customer satisfaction, as well as our plan to upgrade our current tools (IT-Ticketing system, 365 Dynamics). The Customer Satisfaction Department handles complaints mainly by depending on the survey and the follow-up meeting with the clients, together with

the call center inbound calls to increase our clients' level of satisfaction. We are also planning to improve customer satisfaction by scaling up our tools to enhance the satisfaction procedures, e.g., the Survey Monkey survey tool, which will increase the efficiency and the image of our company's capability to apply customer satisfaction procedures and loyalty.

The Customer Satisfaction Survey measures, monitors, and interprets customer perception information to determine whether the company meets its customer requirements.

Roles and Responsibilities

- Understanding the client's expectations and requirements.
- Developing our product standards according to the market trend and client's feedback.
- Acting as a second layer of support to our sales team.
- Evaluating the level of customer satisfaction regarding the company sales activities and procedures, including sales operations – delivery process – after sale/customer services provided to our existing clients.
- Enhancing our customer service level to our clients.
- Taking the needed corrective action for any deviation that might exist during our sales procedures.
- Helping in enhancing our market share through a healthy and fruitful customer relationship.

The department works through three primary lines; the call center line, the customer satisfaction line, and the brand protection line. Each has its own responsibilities, and its performance is measured using KPIs.

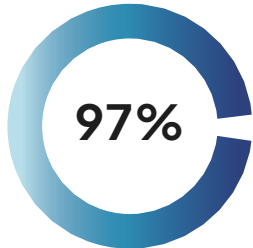
Customer Satisfaction Department – Two Main Activities	
Call Center	Brand Protection
<ul style="list-style-type: none"> • Handling customer's complaints, requests, and inquiries via phone calls and accurately diverting all calls to their final destination • Following up to get feedback • Conducting monthly statistics to measure customer satisfaction. 	<p>Support the effort to decrease indoor wire product counterfeit sales, leading to the product's growth in the market through the following:</p> <ul style="list-style-type: none"> • Co-operating with the development and distribution department to identify and locate the hottest counterfeit points subject to legal action. • Making the needed tests of the new approaches submitted by an authentic vision improves the QR Codes used for the indoor wires. • Analyzing the monthly scan report to track the changes in percentages of the counterfeit and the geographical location on the map.

Customer Satisfaction

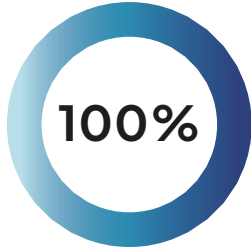
- A Customer Satisfaction Survey is conducted to measure, monitor, and interpret customer perception information to determine whether the company meets its customer requirements.
- Taking the needed corrective action for any deviation that might exist during our sales procedures.

Four complaints were received during 2021, most focused on (price, minimum quantity, and delivery time), but we have succeeded in handling them with the coordination of the sales departments. As for the call center, sixteen complaints were received, most of which were related to our branches and directly resolved with our customers.

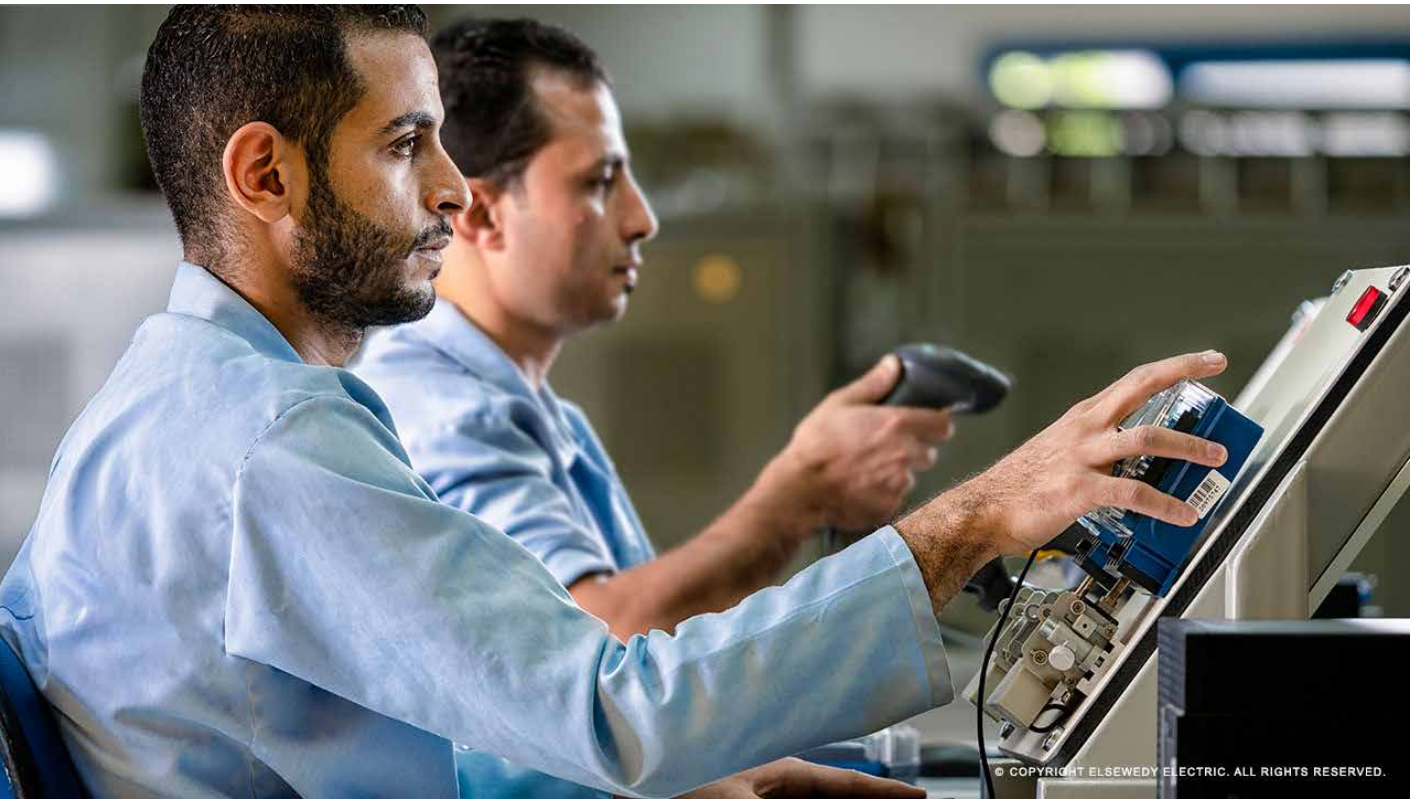
Results of a 3W Networks customer satisfaction quarterly survey show that, on average, 80% of respondents were satisfied during FY 2021. 100% of respondents were satisfied with our pre-sales, sales interaction and follow-up, and sales staff expertise. Also, 100% of the respondents agree that our value proposition is clearly communicated and understood. Our customer satisfaction survey encompasses engineering projects quality and overall performance-related questions as well as tender and proposals requirements and communication fulfillment



The Customer Satisfaction Survey for January 2022 had a total respondent number of 35% (103 out 293), at which 97% of the respondents were satisfied.



100% of respondents were satisfied with our pre-sales, sales interaction and follow-up, and sales staff expertise



Elsewedy Electric is continuously investing in developing policies and procedures that would allow for streamlining ESG integration across all levels of the organization. In 2021 we continued those efforts to better formalize and align our action across the ESG spectrum. Today, compliance means more than simply ensuring that we meet specific requirements and that everything works as it should. It means being certain about tomorrow, knowing that the companies, solutions, and technologies we rely on won't fail us, whatever comes next.

Ahmed Shokry, Chief Internal Auditor

4.3 ESG integration



2020–2023 Commitments

- 100% of employees trained on sustainability and ESG topics by 2023
- 100% of investment portfolio accounted for under scope three emissions by 2030
- All suppliers and new investments comply with ESG criteria by 2030

Business Conduct

Compliance

The compliance department holds the responsibility of assisting in the establishment of the right ethical tone throughout the Group, raising the employees' awareness, conducting control assessments regularly, determining the Group's risk appetite to help management make informed decisions, and detecting potential risks and providing guidance toward less risky choices.

It is also responsible for promoting integrity and honesty within the Group, preventing it from being exposed to an array of sanctions, dealing with third parties involved in misconduct, and being embedded in all projects and deals. Finally, one of the primary responsibilities of the compliance department is to coordinate reporting channels (Speak Up portal) through which any stakeholder can report compliance-related issues.

For more information about the Speak Up portal, [click here](#).

The Main Operation Lines of the Department

- Drafting/Releasing the compliance policies
- Conducting training and awareness sessions
- Handling the whistleblowing system and investigations
- Step owner in the pre-project approval cycle
- Conducting the management compliance committee
- Monitor and execute the controls assessment
- Conduct the screening and third parties' due diligence

Critical concerns flagged by the department are communicated to our highest governance body through the concerned department related to the cases, e.g., HR, legal, investor relations, etc. In addition, the Whistleblowing portal (Speak Up) is used to report illegal or unethical behavior concerns.

Insurance

The department is responsible for identifying, measuring, and treating property, liability, income, and personnel exposures to loss. The ultimate goal is the preservation of the physical and human assets of the organization for the successful continuation of its operations. We do not have a governing authority responsible for Economic, Environmental and Social topics.

However, we abide by the organization's strategy, and at the same time, we are guided by the financial authority governing the insurance industry for the same matters.

Risks Identification

- The department performs stress tests and sensitivity analyses of the market, regulatory, and governmental/political/tax risks.
- A campaign has been rolled out for the whistleblowing portal, and awareness sessions have been started across the Group to allow individual employees to identify and report potential risks throughout the organization proactively.

Our strategy as an insurance team is to help the organization improve its risk management standards and identify the key risk exposures. Through careful analysis, we understand the strategic and financial objectives and how we intend to meet them.

This, in turn, enables us to highlight the potential risks we face and act on possible solutions so that we can avoid, mitigate, control, or transfer those risks focusing on areas of strength in the assets such as improved technology, availability of strategic spares and planned and executed Capex and aim to roll this out to all elements of insurance.

Our responsibility lies in risk identification, assessment, prevention, and control. We apply our experience and knowledge of industry benchmarks to help the organization improve its risk management, protect its balance sheets and lower its insurance costs through the optimization of the status quo and providing the best in class to the company, ensuring that our risk management and insurance programs are not only fit for purpose today but remain fit for purpose in future. There are three main pillars to any insurance profile where the objectives of resilient coherent insurance could be applied.

Lines of Actions

- **Step 1 Risk Identification:**
Risks must be identified to control these.
- **Step 2 Risk Assessment:**
Risk assessment is a systematic process for rating risks on likelihood and impact
- **Step 3 Risk Mitigation:**
Approaching the markets for insurance proposals that cover the identified risks..
- **Step 4 Control Implementation:**
The issuance of insurance policies and certificates followed by controlling the annual flow of business.
- **Step 5 Monitoring:**
Monitoring the whole process of premium settlements and claims payments.

The department's performance is evaluated by the success in achieving the set objectives and targets

2020–2021 Achieved Objectives

- **The quoted rate** (measures how capable they are we getting value for money)
- **The insurance system application**
- Enhancement of Terms and Conditions Applied in insurance contracts.
- Create an insurance function culture
- **Function ability** (used to evaluate how efficiently the team is working together)
- Average Time to Settle a Claim (to be decreased as possible)

Initiatives

- Expand the Automated system to include the tendering process to ensure the safekeeping of all related insurance tenders and appointments in a clear, sustainable, and auditable manner. This resulted in more reliable risk management and insurance portfolio management.
- Integration of new global policies (A new international political violence policy was introduced into the insurance portfolio) to ensure the coverage of our global exposures against Political violence risks.

Legal

The Group's Legal Department is a centralized department that serves the Group worldwide. With a professional team of five nationalities and seven languages, the Legal Department is uniquely qualified to attend the Group across all six continents. Responsibilities of the Legal Department include minimizing, mitigating, and controlling various legal and commercial risks that might arise from the Group's operations, as well as advising stakeholders on legal and contractual matters, and working closely with business units to protect the interests of the Group.

Pillars of our Insurance Profile

Risk Assessment

Direct & reinsurance placement

Claims

The Automatic Insurance System provides the following:


- Creation of a unified insurance system within the Group
- Facilitate our insurance servicing as a shared service center across the Group.
- Reporting tool sorting all insurance data per company per line and for the whole Group
- Link with the Group finance system for better synchronization
- Historical data is fed to the system to enable all EPC companies within the Group to monitor their risk exposures

In addition, it is responsible for devising legal strategies to implement business plans, negotiating with counterparties and future partners, protecting the Group's IP rights, protecting the Group's interests worldwide, and conducting due diligence on target companies. 360 evaluations and KPIs also measure department performance. If any critical concerns are identified, they get reported directly to the top management by Red Flag Reports, followed by Meetings. For example, in 2021, we had two lawsuits related to labor with a monetary value of EGP 100,000, of which we successfully prevailed.

Initiatives	
<ul style="list-style-type: none">• Leadership rotational Program to enable the team and empower them. As a result, each team member learns about the challenges of department leadership and gets exposed to tasks that they are generally not exposed to.• Digitalization of the Department records and workflows to create the organizational memory of the Group and streamline the workflow. This initiative resulted in greater visibility for the Group's structure and operations worldwide.• Stamps/Seals declaration and request forms to control the use of stamps and seals and minimize the risk of uncontrolled or unauthorized use of stamps and seals.	<ul style="list-style-type: none">• Creating the physical archive to create a physical library to control the document's physical whereabouts. This initiative minimizes the risk of uncontrolled documents.• Focus flag to control the distractions in the workspace open area when extra focus is required by controlling a vast open space without the need to embarrass loud colleagues.• Confidential Information Control Form to control the handling and dissemination of controlled information and minimize the risk of mishandling sensitive information .

Internal Audit

The Internal Audit Department is responsible for assessing an organization's risk management, supporting management to enhance internal control framework, assessing fraud indicators and recommendations regarding fraud investigations, and conducting consultancy engagements based on senior management's requests.

**AUDIT OBJECTIVES**

1. TO ENSURE THAT RISKS ARE APPROPRIATELY IDENTIFIED AND MANAGED

2. TO ENSURE THAT RESOURCES ARE ACQUIRED ECONOMICALLY, USED EFFICIENTLY, AND ADEQUATELY PROTECTED

3. TO ENSURE THAT SIGNIFICANT FINANCIAL, MANAGERIAL, AND OPERATING INFORMATION IS ACCURATE, RELIABLE, AND TIMELY

4. TO ENSURE THAT PROGRAMS, PLANS, AND OBJECTIVES ARE ACHIEVED

5. TO IDENTIFY OPPORTUNITIES FOR IMPROVING CONTROLS, PROFITABILITY, AND THE ORGANIZATION'S IMAGE THAT WILL BE COMMUNICATED TO THE APPROPRIATE LEVEL OF MANAGEMENT

AUDIT PROCESS

1. SET PRIORITIES AND OBJECTIVES
2. REVIEW POLICIES AND STANDARDS
3. SET BENCHMARKS
4. DESIGN AND PLAN THE AUDIT
5. EXECUTE AUDIT
6. ANALYZE DATA
7. PRESENT FINDINGS
8. REVIEW BENCHMARKS
9. DEVELOP AND REPORT
10. 1RECOMMENDATIONS
11. PLAN AND IMPLEMENT CORRECTIVE ACTION

INTERNAL AUDIT

OPERATIONAL AUDIT

FINANCIAL AUDIT

COMPLIANCE AUDIT

INVESTIGATIONS

ERP REVIEW/ASSESSMENT

Internal Audit

Audit Objectives

- Ensure that risks are appropriately identified and managed
- To ensure that resources required economically, used efficiently, and adequately, protected
- To ensure that significant financial, managerial, and operating information is accurate, reliable, and timely

External Audit

BEST PERFORMANCE CERTIFICATE FROM JICA - In 2018, we were awarded the JICA (Japan International Cooperation Agency) Certificate honoring our Health and Safety Practices. JICA is dedicated to a field-oriented approach, human security, effectiveness, efficiency, and speed.

The Automatic Insurance System provides the following:

- Project Name; JICA (Lot 3/ADJ. No. 60/2011-2012)
- Client: Egyptian Electricity Transmission Company (EETC)
- Contractor: EgyTech Cables Elsewedy
- Project Description: Engineering, supplying, installing, jointing, and commissioning of the OPGW and UGFO on a 220 kV T/L network in UE and ME zones on a turnkey basis with a total length of 1000 km. An energy control system upgrading project in Upper Egypt (Loan: Agreement No. EG-P30)
- Contract Value: USD 9,240,505





**BEST PERFORMANCE
CERTIFICATE FROM JICA**

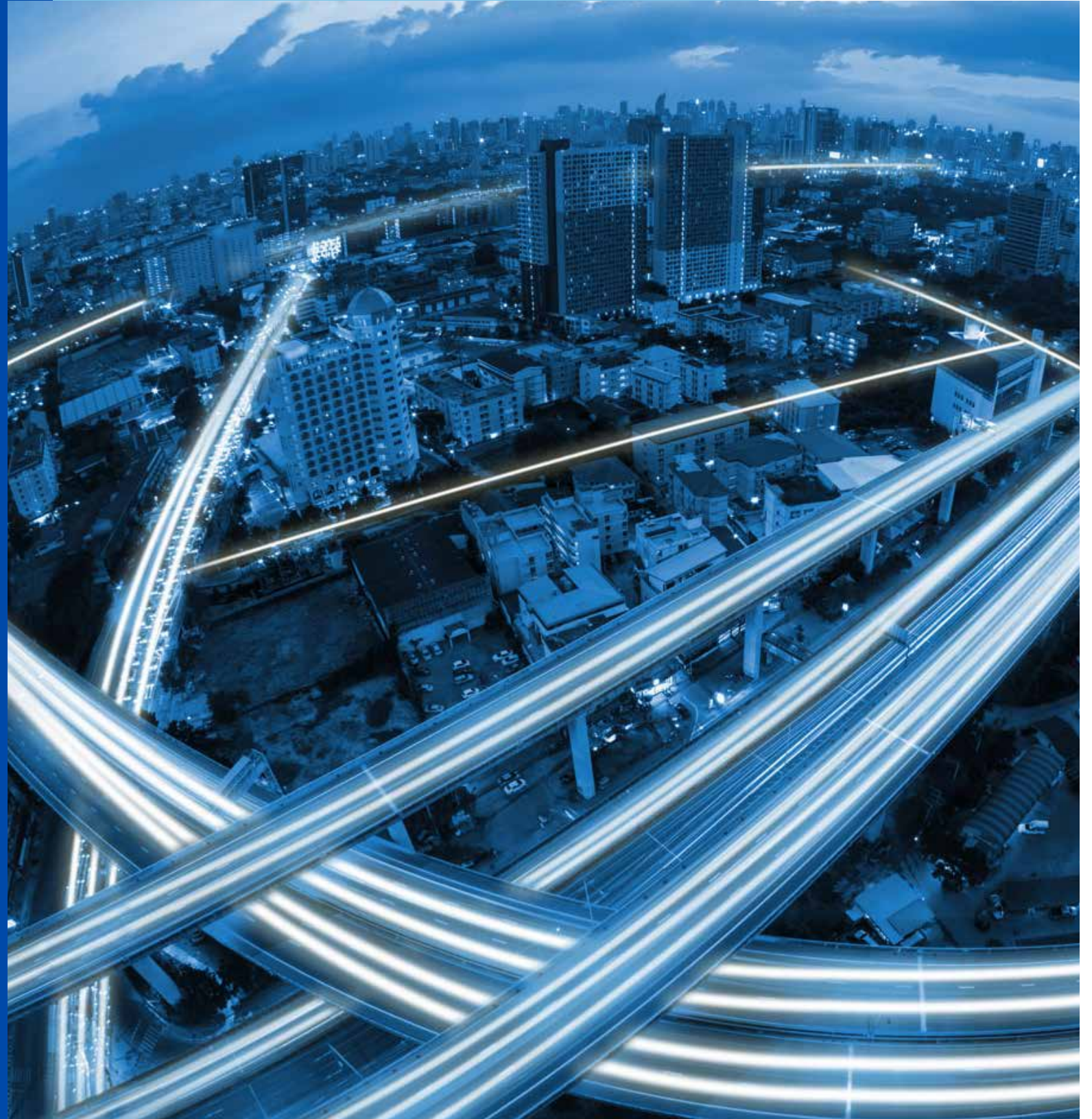
**Results of the internal audit
made in Iskraemeco in 2021**

- 25** Non-Compliance Reports
- 25** Corrective Action
- 13** Improvement Opportunities

5

Technology and Innovation

1. Digitalization with Purpose
2. Smart Technology
3. Responsible Innovation
4. Sustainable Supply Chain



5.1 Digitalization with Purpose

5.1.1 Digital Transformation Strategy

Our company’s strategic goal in adopting the new Elsewedy Electric Digital Transformation Strategy is to realign it with the digital economy. We enable energy suppliers to optimize their valuable assets, integrate renewable energies from variable and distributed resources, and lower operational costs by digitizing our business lines and the energy industry as a whole. New digital technologies will support grid balancing, supply chain optimization, grid investment deferral, and the creation of new revenue streams.

The plan also aims to gradually turn Elsewedy Electric into a platform-based organization that offers accessible and inexpensive energy to everyone, placing customers at the center of the transition to sustainable energy. With the assistance of digital tools, research and development, and innovation, we can keep enhancing our management systems.

5.1.2 Workplace Digitalization

Our Digital Transformation Strategy improved the IT services’ mobility to accommodate the work-from-home policy while also serving the company’s needs. To accommodate the work-from-home policy, all company applications were converted into mobile applications that could be accessed from any location.

The IT Department also provided VPN access to all users, enabling them to access all company resources from any location. All infrastructure services now function through the cloud. Additionally, the network security level was raised such that it could now support 3,000 concurrent user connections per day without degrading service quality. Moreover, we upgraded our collaboration tools for video conferencing to support approximately 1,000 videoconferences every day without experiencing any performance concerns.

Elsewedy Electric is transforming into a platform-based group that provides affordable and accessible energy, putting consumers at the center of the sustainable energy transition. Our management systems benefit from advanced digital tools that enable us to design complex systems, continuously optimize their performance and identify new solutions owing to better data monitoring and analytics.

Diversified and integrated networks, complete ICT coverage, IoT-enabled infrastructure, and increasingly capable artificial intelligence is driving a shift in how the world sees energy. Energy is becoming entangled with every other aspect of our lives, making reliable and stable solutions an existential necessity, much more than a competitive advantage.

Sadek Elsewedy, Non-Executive Chairman

2020–2023 Commitments

- 100% coverage by digital services by 2030.
- 100% Digital Sustainability Management System and GHG Accounting Systems by 2025.

Since digitalization provides access to an integrated network of data with potential benefits for the Elsewedy Group, the development of Smart Logistics Systems will generate unique opportunities for building a sustainable business for Elsewedy’s future. Accordingly, we implemented two applications automating the majority of our ongoing processes; the first application was bought from Oracle under the name of OTM (Oracle Transportation Management), and our in-house ERP team had already developed the second application under the name of Customs Clearance Module (CCM), and below is a short description of each application.

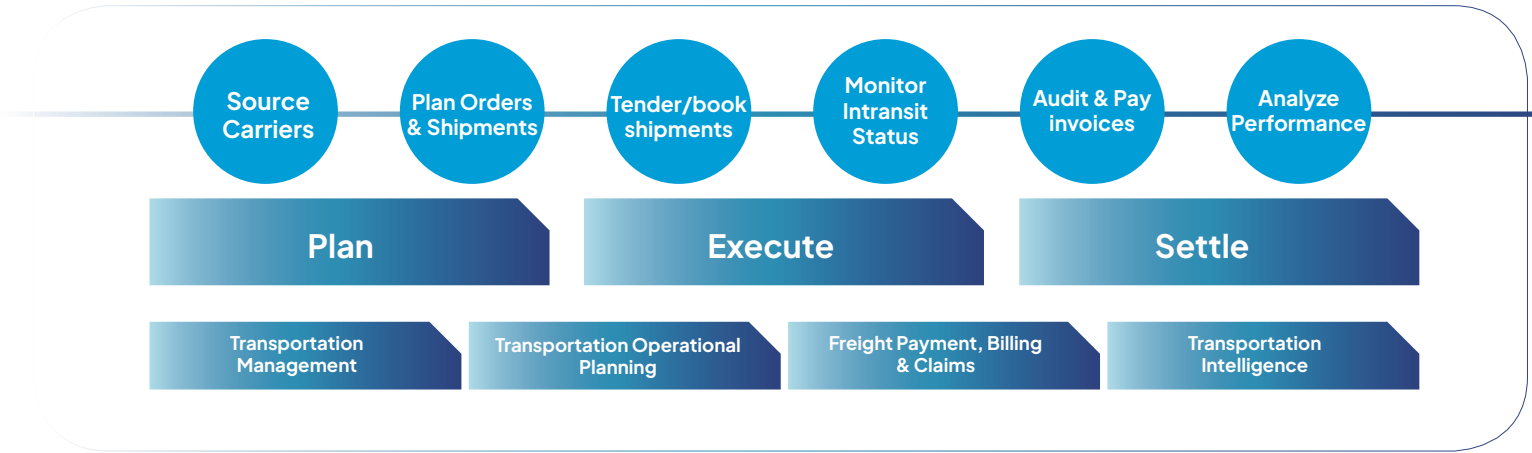
5.1.3 Oracle Transportation Management (OTM)

The Oracle Transportation Management (OTM) is a tool for shippers that provides transportation planning and execution capabilities and integrates transportation planning, execution, freight payment, and business process automation within a single application across all modes of transportation.

The kick-off meeting of this application was planned to take place in the first quarter of 2022. After the kick-off meeting, the contract was signed, and once Oracle finalizes the economic problems, the application implementation process will take approximately 6–9 months. The implementation process will only cover five factories in Elsewedy and will then be extended to all remaining entities.

Benefits of the Application

- High-level reports and dashboards for Top Management and Decision Makers
- Reduced Working Capital
- Reduced Operating Costs
- Increased Market Share
- Improved Customer Service
- Reduced Returns
- Reduced Freight Costs
- Increased Asset Utilization
- Increased Revenue
- Increased Sales Volume
- Improved On-Time Deliveries
- Reduced Order Cycle Time
- Decreased Cash-to-Cash Cycle Time
- Reduced Inventory Costs
- Reduced Compliance and SCM Risk



5.1.4 Customs Clearance Application (CCA)

The Customs Clearance Application (CCA) is an application that provides end-to-end traceability of all Elsewedy import shipments, covering the progress of the goods once the supplier has loaded the cargo at the origin up to delivering the goods to Elsewedy warehouses. This system is appropriate to roll out at all the Elsewedy companies. The application is finalized and, it started its testing track in 2021. It went live with Elsewedy Cables in January 2022 and Elsewedy Special Cables in March 2022. The integration between Incorta (data analytics platform) and the Customs Clearance Application is planned to happen in late 2022.

Benefits of the Application

- High-level reports and dashboards for Top Management and Decision Makers
- Reduced Clearance Lead Time
- Reduced Storage, Demurrage
- Streamline the Production Process
- Improved Customer Service
- Decreased Cash-to-Cash Cycle Time
- End-to-end Traceability of all Elsewedy Import Shipments
- Reduced Working Capital
- Reduced Operating Costs
- Improved On-Time Deliveries
- Reduced Order Cycle Time
- Reduced Freight Costs

5.2 Smart Technology

We harness the best available technologies to improve human lives, increase our competitiveness, and accelerate progress towards sustainability. Smart and interconnected technologies create a new level of awareness and coordination between different facets of life, allowing for the optimization of whole systems rather than their discrete elements. This positively impacts the daily patterns of people, companies, and organizations, allowing everyone to do more with less.

Iskraemeco is working on a new approach for smart cities, which is focused on providing smart products and services to our stakeholders, such as residents, societies, local utilities, municipalities, and businesses, to help connect them to vertical and horizontal ecosystems.

2020–2023 Commitments

- 100% coverage of own office buildings, facilities, and clients by remote energy monitoring and smart appliances by 2030.
- 50% electric fleet by 2030.

5.3 Responsible Innovation

The priority areas of our responsible innovation are harnessing group capacities and solutions to develop the next generation of sustainable solutions and developing product stewardship guidelines in line with strict ESG and impact criteria.

We are currently working on obtaining EPD for all of our products, which is expected to be acquired by 2022.

We use a circular business strategy at Elsewedy Electric with the goal of integrating sustainable practices all the way down our value chain. This includes the resources we use in our production process, which are sourced ethically. To achieve this, we gather all recyclable parts, including cables, wires, plastic, and more, and re-use them in the production process.

Additionally, we provide incentives for customers to return used cables and other products in exchange for cash rewards or brand-new items.

We also put a lot of effort into enhancing the energy efficiency of our products. For example, the Iskraemeco AM550 meter design is a fantastic illustration of how we reduced the product footprint by doing the following:

The Steps We Have Taken In This Regard

- Performed a life cycle analysis emphasizing packaging, logistics, material, and energy efficiency optimization during the production phase to improve product footprints.
- Adopted a creative packaging strategy that uses no plastic, 50% less cardboard, and could result in a 25% increase in the weight of each shipment.
- Approximately 70% of the product’s mass is sourced locally (mechanical BoM).
- Utilizing green transportation methods (if agreed with the buyer).

“Products with enhanced sustainability characteristics make the backbone of Elsewedy’s ongoing business evolution. Making every solution on the market, every new development, and every new investment more sustainable alters the status quo and shows that a way of doing business is possible. Innovation at Elsewedy Electric is about unlocking every opportunity to make this future a reality.

Over the years, we diversified our offering and became a recognized leader across many products. Today, we are combining further diversification with integrative solutions for our clients, building on the unique capacities of every business line and synergetic innovation they can deliver.”

Mohamed Elsewedy, CEO of Wires and Cables”



2020–2023 Commitments

- 100% EPD/Green Label products by 2030.
- Our aspirational targets are:
- Product Stewardship Guidelines (PSGs) will be operational by 2023.
- One product within each product category will have EPDs by 2025.
- All products to have EPDs /Green Labels by 2030.

- 20 years is the design life span.
- Fewer sources of conflict
- Lower energy self-consumption
- Improved material effectiveness

In the Use Phase

- Increased durability
- Interoperability
- Adaptability
- Upgradeability
- Reversed Flows – Information

In the End-of-Life Phase

- Reduced utilization of resources
- The meter is totally recyclable
- Simple and quick disassembly
- Reversed Flows – Recycled Materials



5.4 Sustainable Supply Chain

At the core of our sustainable growth ambition, we will generate more value from fewer resources across the entire value chain, acknowledging the physical limits of decoupling and enhancing our supply chains.

We will strive for excellence in ESG compliance with our new investments and aim to create sustainable value for our business, customers, and society while delivering growth and profit.

Therefore, our suppliers undergo reviews to ensure their adherence to local laws and international regulations and agreements in HSE, human rights adherence, environmental regulations, labor rights, and child labor. Over the next period, we will further transform our business models and supply chains towards sustainability.

Our key priority will be implementing a product stewardship approach to help Elsewedy become one of the major producers of sustainable electric products in Egypt and beyond.

Using the power of digital technology, we will also improve our material tracking automation and planning toward creating a unified and responsible supply chain system.

In addition, we have implemented a standardized process throughout all our companies to screen suppliers for ecological health and safety and social sustainability as a starting point towards developing broader ESG criteria following good international best practices and international requirements.

5.4.1 Towards 100% Transparent Supply Chain

Elsewedy Electric has a dedicated Business Partner Code of Conduct specific to its suppliers, and through which all suppliers are mandated to abide. Elsewedy Electric also has a formalized process to identify potential sustainability risks in the supply chain (identify suppliers with high risk, impacts to the environment, risk of forced or child labor). The Group also identifies its critical suppliers in terms of high-volume and critical component suppliers.

Elsewedy Electric Suppliers Profile in Egypt

- **Types of Suppliers:**
Sister companies, wholesalers, supply companies, and factories.
- **Relationship with Suppliers:**
Long-term, short-term, contractual, and non-contractual.
- **Characteristics of the Supply Chain:**
Labor Intensive
- **Payments made to Suppliers in 2021:**
EGP 23.316 million
- **Downstream Entities:**
Administrative buildings in the fifth settlement and STA.

Transparency is key to ensuring our supply chain is held to the same standards we hold ourselves, and great results can only come from partner relations. Our solutions require using conflict materials, which is why we must strive for absolute transparency and the most rational use possible. We devote a significant amount of time to accurate knowledge and the transparency of our supply chain. Therefore, materials must be sourced from urban mining, and, in particular, we must insist on ethical labor conditions at every step. The main issues to be addressed include:

Case Study: Engaging Suppliers on Sustainability Issues at Iskraemeco Slovenia

Iskraemeco Slovenia is a signatory of the UNGC. Accordingly, it reports on its performance every year and expects its suppliers and business partners to commit to the UNGC principles. In addition, Iskraemeco launched a global supply chain digitization project, where it designed a supplier portal that will serve as a benchmarking tool. This project will provide an even better overview of risks, documented compliance, better comparisons, and faster decisions. It also gives due diligence in the matter of suppliers.

In contracts with the subsidiary's suppliers and distributors, Iskraemeco insists on increased commitments regarding sustainability principles (environmental issues, human rights, labor standards, and anti-corruption clauses). It also continues with extensive questionnaires on these matters, adding them to its audits.

Furthermore, Iskraemeco has strong support from several of its main buyers. Together with one of its largest buyers, Iskraemeco has developed a project called "Fair Meter", which aims for transparency across the supply chain and improvements to the meter, implementing as many fair trade and circular economy principles as possible. In 2021, they noticed an increased interest in sustainability principles from many customers, who have begun implementing sustainability and circular economy into their requirements.

- Overview of materials and sources, the introduction of recyclates.
- Reduction in using scarce and conflict materials, designing with recycled materials.
- The strictest and most ethical labor standards.
- Shortening of component paths and footprints.

300 Total Suppliers

100% Local

8 Critical Tier 1 Suppliers

292 Critical Non-Tier 1 Suppliers

EGP 23.316 million Payments made to Suppliers in 2021:

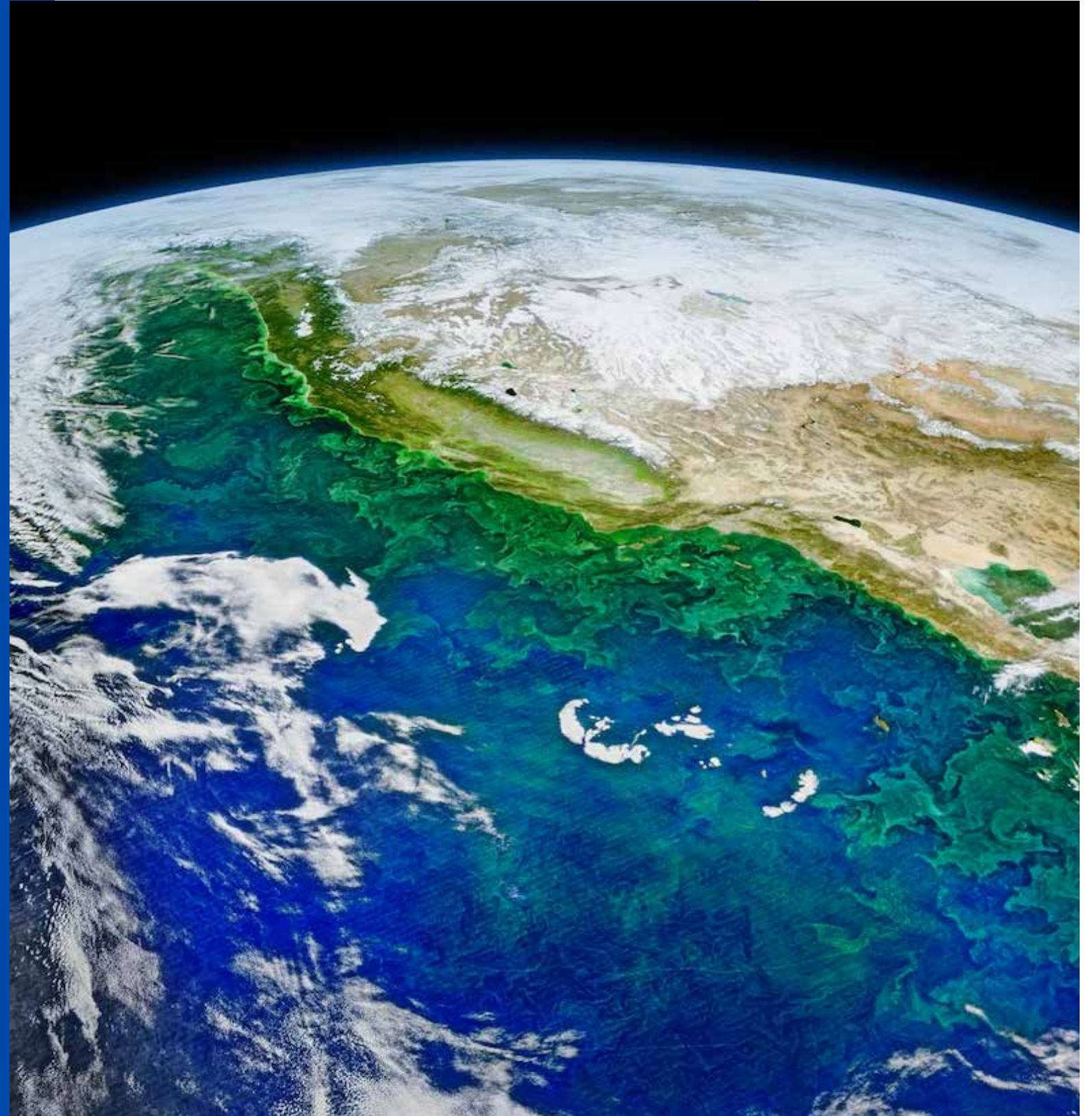


6

Planet and Resources

The global environmental crisis requires urgent action and unconventional wisdom. Beyond bold visions, we need clear roadmaps, effective procedures, and a science-based understanding of the necessary actions to reverse the rapid change. Sectors in which Elsewedy Electric operates are known for their massive environmental footprint, their hard-to-abate nature, and the need for raw materials, the extraction of which is often linked to environmental degradation. This puts an immense responsibility on every company whose business model is directly dependent on nature, yet this also provides a strong motivation for change.

1. 2021 Environmental Performance
2. Climate and Water Action
3. Sustainable Energy
4. Safe Materials and Chemicals
5. Circular Economy
6. Protecting Ecosystems and Biodiversity



6.1 2021 Environmental Performance

Elsewedy Electric performs environmental measurements every quarter in accordance with Egyptian environmental laws and Good International Industry Practice (GIIP) from around the world. These measurements comprise all of our facilities’ and subsidiaries’ efforts for measuring and keeping an eye on environmental emissions and discharges. In addition, the Group’s Environmental and Social Management Strategy calls for all ecological measures to be identified, adopted, and put into practice to regulate and safeguard the environment. Therefore, this monitoring system will be expanded to encompass all of these measures (ESMP), covering ambient air, water, and soil quality, as well as air emissions and background noise.

2021 Environmental Reporting Coverage

- | | | |
|--|---|---|
| <ul style="list-style-type: none"> • Egytech • United Metals (UMC) • Egyplast • Elsewedy Cables – Algeria • Transformers • Iskraemeco – Bosnia | <ul style="list-style-type: none"> • United Industries (UIC) • SEDCO • GIAD Elsewedy – Sudan • Elsewedy Cables – Ethiopia • Iskraemeco – Egypt • Elsewedy Electric Infrastructure | <ul style="list-style-type: none"> • United Wires (USW) • ECMEI • Yanbu Al-Sinaiyah – KSA • Doha Cables – Qatar • Iskraemeco – Slovenia |
|--|---|---|

Elsewedy online HSE database has thirty-three factory. Among these factories, seventeen factory fully comply with environmental legal requirements, while 16 have successfully established measuring and monitoring environmental program including waste management.

The 2021 data covers seventeen of Elsewedy Electric’s production facilities, equivalent to 69.7% of total corporate revenues; ten additional production facilities have been included as a comparison to 2020’s data.

In 2021, Elsewedy Electric Managed To:

- **Obtain Environmental Licensing for Elsewedy Infrastructure and the Busway.**
- **Install dedusting and de-fuming systems at Egyplast and the new Master Batch.**
- **Install high noise frequency sound proofers to combat noise coming from the plastic pellet conveying blowers at Egyplast.**
- **Set a procedure for chemical handling that fully manages the Life Cycle Assessment (LCA) for every chemical material in the Group.**
- **Complete the environmental policies framework as per World Bank performance standards.**
- **Expand the recycling activities to new materials, such as poly-propylene strands.**

6.2 Climate and Water Action

Elsewedy Electric invests in creating a climate-positive business that facilitates and accelerates the transition towards sustainable energy while effectively managing climate and water-related risks and opportunities.

2020–2023 Commitments

- **20% of energy consumption from self-supply renewable energy systems by 2030.**
- **All office buildings and factories will reduce energy consumption by 20% by 2030.**
- **Reduce water consumption by 40% for all office buildings and factories by 2030.**
- **Two times the investments in renewable energy, climate, and water projects by 2025.**
- **Net-zero emissions by 2030.**
- **Net-zero emissions from the entire supply chain by 2050.**

6.2.1 Water Action

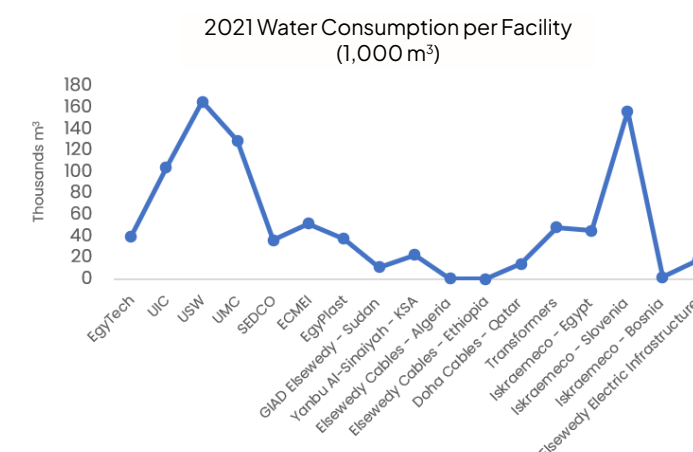
The Group always uses natural resources responsibly and guarantees that our operations do not degrade their sustainability or quality. However, Elsewedy also understands the importance of water security and believes it should never be compromised. Therefore, to begin our journey toward water stewardship, we created the Group’s first water policy and provided information on our 2020 performance and future strategy to the CDP’s Water Security questionnaire. The Group’s presently being developed ESMS will offer a solid foundation for data recording and monitoring and will make it easier to perform a Group-wide water footprint assessment, enabling setting the water reduction by finding further opportunities and areas for improvement. Nevertheless, we are dedicated to sustainable water consumption and disposal even though our operations do not require much water. However, all of our facilities monitor the water discharge quality in accordance with local regulatory standards using common effluent criteria. In addition, our production facilities mostly collect water from municipal sources and use it for closed-loop cooling systems and washing operations. For further information, please refer to [Elsewedy Electric CDP Water Security Response](#)

6.2.2 Climate Action

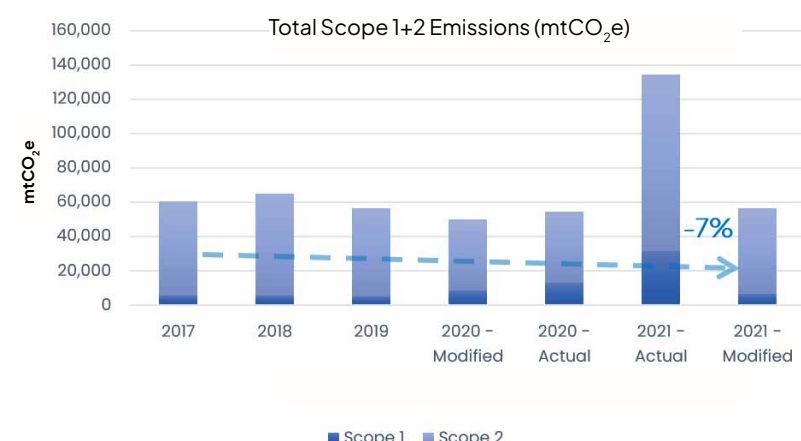
Elsewedy Electric aims to achieve net-zero operations by 2030. Therefore, we realize the importance of developing science-based targets supported by a solid Climate Action Plan, which we aim to have in effect by 2023. In addition, maintaining annual quantification of our operational emissions is crucial in identifying the next steps toward our road to net-zero. However, Elsewedy Electric has been accounting for GHG Emissions since 2017 and is committed to enhancing its methodologies and expanding its operational and organizational boundaries to 100%. In 2021, we successfully enhanced our GHG reporting to include seventeen production facilities and accounted for GHG emissions resulting from additional Scope 1, 2, and 3 activities.

GHG Emissions

The GHG emissions below account for our main activities, including direct emissions from controlled equipment and assets, emissions from purchased electricity, and selected indirect emissions from our operations. The emission figures cover seventeen production facilities owned and operated by Elsewedy Electric during the reporting period of 1st January to 31st December 2021. As a result of the expansion of our organizational and operational boundaries this year, 2021 will be our new base year instead of 2017. The analysis and calculations were also based on the Greenhouse Gas Protocol, the Intergovernmental Panel on Climate Change (IPCC) Guidelines for Greenhouse Gas Inventories, and the ISO 14064-1:2018 standards.



2021 Emissions per Activity			
Scope 1 (Direct Emissions)	31,832 mtCO ₂ e (12.6%)	Scope 3 (Other Indirect Emissions)	117,267 mtCO ₂ e (46.6%)
Fuel Burning– Owned Vehicles	1,817 mtCO ₂ e	Purchased Goods and Services	10,143 mtCO ₂ e
Fuel Burning– Diesel	4,056 mtCO ₂ e	Fuel and Energy–Related Activities	5,361 mtCO ₂ e
Fuel Burning– Natural Gas	21,366 mtCO ₂ e	Waste Generated in Operations	1,282 mtCO ₂ e
Refrigerant Leakage	4,594 mtCO ₂ e	Business Travel	994 mtCO ₂ e
Scope 2 (Indirect Emissions)	102,722 mtCO ₂ e (40.8%)	Employee Commuting	71,310 mtCO ₂ e
Purchased Electricity	102,722 mtCO ₂ e	Downstream Transportation and Distribution	28,178 mtCO ₂ e



2020 and 2021 emissions have been modified by removing any additional boundaries such as activities or facilities that were not reported in the assessment of the base year (2017), to allow for a meaningful comparison.

Furthermore, all Elsewedy Electric’s production facility GHG reduction targets have been aligned with the Science-Based Targets Initiative (SBTi) criteria. All targets are also set in line with the Absolute Contraction Approach of a 1.5 degrees C future to be achieved by 2025.

Scope	Base Year (2017)	Reporting Year (2021*)	Target Year (2025)	% Reduction	Status
Scope 1 (mtCO ₂ eq)	5,652	6,509	3,753	33.6%	0% Achieved
Scope 2 (mtCO ₂ eq)	54,977	49,941	36,505	33.6%	27% Achieved
Scope 1+2 (mtCO ₂ eq)	60,629	56,450	40,258	33.6%	21% Achieved

As 2021 will be our new base year. A new target has been set in alignment with the Absolute Contraction Approach of a 1.5 degree C future to be achieved by 2028.

Scope	Base Year (2021)	Target Year (2028)	% Reduction
Scope 1 (mtCO ₂ e)	31,832	21,136	33.6%
Scope 2 (mtCO ₂ e)	102,722	68,207	33.6%
Scope 1+2 (mtCO ₂ e)	134,554	89,344	33.6%

Air Quality Efforts

Elsewedy Electric conducts quarterly environmental measurements to comply with Egyptian Environmental Laws and good international industry practice (GIIP). These measurements include air quality measurements such as dust emissions, carbon monoxide, nitrogen oxides and sulfur oxides.

We at Elsewedy Electric are keen about enhancing our air quality measurements to provide the best possible working environment to our people and contribute in enhancing the air quality in the surrounding area. As part of our initiative in relation to air quality, Egyplast works to:

- Reducing the noise level in the PVC production unit from 110.15 dBA in 2020 to 86.1 dBA in 2021, with a 21.8% reduction.
- Reducing dust emission in the PVC mixing room from (PM10: 0.30/TSP: 0.50) in 2020 to (PM10: 0.20/TSP: 0.38) in 2021.
- Reduction of electricity consumption by using LED lighting and inverters to reduce consumption by 16%.

Disclosing our Climate and Water Performance through CDP

Disclosure of our present performance, as well as our long-term goals and aspirations, is a necessary step in responding to and taking action. Accordingly, Elsewedy Electric has submitted its second response to the CDP’s 2022 Climate Change and Water Security questionnaires, outlining its 2021 performance and future goals.

For further information, please refer to Elsewedy Electric CDP [Climate Change](#) and [Water Security](#) Responses.



6.3 Sustainable Energy

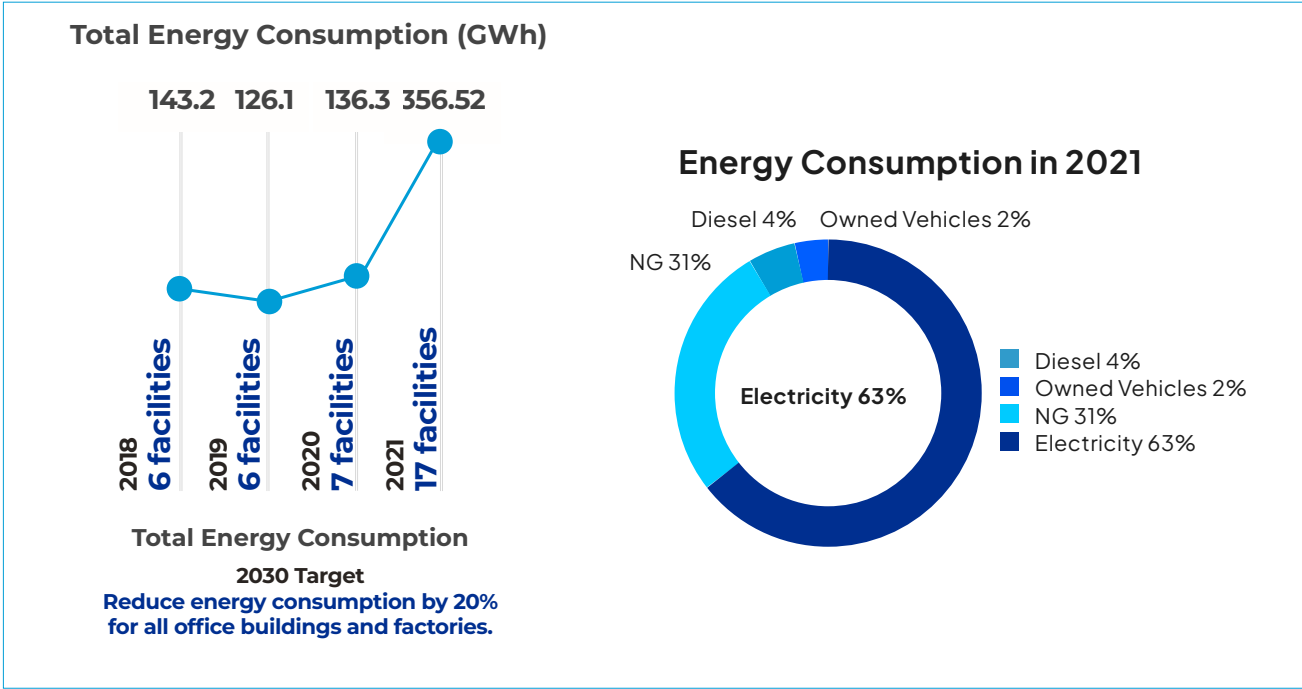
The total energy consumption across the years 2018 - 2021 is represented in the chart below. Six factories were covered in 2018 and 2019, seven in 2020, while in 2021, 10 additional factories were accounted for. The total energy consumption includes diesel, natural gas, electricity, and the fuel used in the company's owned vehicles. Electricity consumption is the largest contributor to the energy consumption with a percentage of 63%, followed by natural gas burning with a percentage of 31%, then diesel with 4% and lastly owned vehicles which corresponds to a percentage of 2%.

On a group level, we are working on improving our energy management system. Iskraemeco –as one of our subsidiaries–completed the renovation of its office buildings in 2021.

As a result, the subsidiary made significant improvements regarding energy management, and the positive effects of this investment are already visible. In addition, Iskraemeco Slovenia also established, implemented, maintained, and improved its environmental and energy management systems in accordance with the international standards ISO 14001 and ISO 50001. The conformity to those

standards is confirmed with certificates issued by SIQ (Slovenski institut za kakovost in meroslovje Slovenian Institute of Quality and Metrology). Additionally, Iskraemeco Egypt is certified according to (ISO 14001:2015 standard) and applies all standard requirements to achieve the objectives in the field of environmental protection, the use of raw materials and energy, the management of technological processes, as well as the requirements for products aimed at eliminating or at least reducing their environmental impact because the use of energy in 2021 was 4,099,282 kW compared to 2020, which was 3,696,28 kW. In 2019, it was 4,047,308 kW.

Moreover, our subsidiary, Doha Cables, contributed to the development of the first large-scale Al Kharasaah 800 MW Solar Power Plant in Qatar, which supports the commitment toward sustainable growth and a reduction of the reliance on gas for power generation. Doha Cables supplied this project with a total of 486,000 m of Aluminum LV AC cables and 200,000 m of Aluminum 33 KV cables; the first power cable order with Aluminum conductors to be manufactured in Qatar.



6.4 Safe Materials and Chemicals

We prioritize safe, sustainable, recycled, and renewable materials and chemicals sourced, produced, and processed with minimum environmental impact. With the help of new rigorous procedures, the Group is now able to kickstart the process of eliminating hazardous and harmful materials and chemicals. 11 of our 17 reported subsidiaries operate in the wires and cables sector. Our main raw materials in this sector include wires, rods, cable glands, catalysts, insulation materials, coating materials, and different types of tapes. We are working on optimizing our raw materials consumption as part of the ESMS system being established currently. This system will help us in collecting raw materials data from all of our subsidiaries.

Other materials that we use within our facilities include paper, ink, packing materials and consumable purchased goods. In 2021, our 17 reporting subsidiaries consumed almost 51 ton of paper, 1,664 cartridge of ink, 7,176 ton of packing materials and 89 ton of consumable purchased goods. We are working on a group level to reduce our paper and ink consumption. That is why most of our departments are currently shifting to work with e-documents. For example, 3W Networks are also implementing an initiative to reduce paper waste through the ShredIt Company. As a result of this initiative, thirty-six trees were saved from destruction in 2021. Furthermore, Egyplast aims to reduce its A4 printing paper and ink consumption to reach 677.5 A4 packets and 123 ink cartridges in 2022

→ 2020-2023 Commitments	→ 100% supplier compliance to internal chemical and material safety standards by 2030.
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6.5 Circular Economy

All our production facilities have received certification to the ISO 14001:2015 standard for environmental management practices and adhere to its guidelines. Elsewedy Electric consistently strives to establish a circular model and intends to uphold the best waste management procedures at all work sites. Additionally, wherever possible, we always invest in waste reduction and reuse alternatives.

The Group implements a circular economy approach by minimizing waste, closing the loop and cascading value of its complete range, and collaborating with its partners and industry players to create zero waste solutions across industries and markets. As much as we offer the best available solutions to our customers, Elsewedy Electric keeps sustaining a keen focus on developing its facilities in line with best practices, striving to align with demanding green building and well-being standards increasingly.

Manal Hassan, Chief Sustainability Officer

→ 2020-2023 Commitments	→ 100% of packaging free from single-use plastics by 2030.
	→ 90% of sourced materials by volume will be renewable, recycled, or recyclable by 2030.
	→ 100% green office buildings by 2030.
	→ Zero waste to the landfill by 2030.

6.5.1 Non-Hazardous Waste

We added 10 more production facilities to the scope of the reporting on environmental indicators in 2021. Additionally, we enhanced the monitoring and recording of our waste management system, which is evident in the volumes recorded in 2021. The industrial non-hazardous waste produced by the 17 production facilities mentioned earlier is included in the waste amounts for 2021.

However, by 2030, we hope to have zero waste dumped in landfills at our jobsites. All seven reporting manufacturers reported zero non-hazardous waste to landfills in 2020, and eight reported zero solid waste to a landfill in 2021, while in 2021 waste diversion rate to recycling facilities was 75%.

Subsidiary	Solid Waste Disposed (tons)	Subsidiary	Solid Waste Disposed (tons)
EgyTech	5,853	Yanbu Al-Sinaiyah - KSA	766
United Industries (UIC)	2,550	Esewedy Cables - Algeria	370
United Wires (USW)	36,011	Esewedy Cables - Ethiopia	2
United Metals (UMC)	2,682	Doha Cables - Qatar	804
SEDCO	9	Transformers	10,043
ECMEI	242	Iskraemeco - Egypt	126
EgyPlast	452	Iskraemeco - Slovenia	223
GIAD Esewedy - Sudan	9	Esewedy Electric Infrastructure	378

6.5.2 Hazardous Waste

Used oil is treated/recycled by qualified service providers, and hazardous waste, including industrial and medical waste, is disposed of in approved landfills. Esewedy Electric considers e-waste for reuse as spare parts whenever possible. Otherwise, a specialized team disassembles and sells it to other businesses or sends it to other permitted entities for reuse. A hazardous waste monitoring and amount tracking system is intended to be in place at all of our workplace locations in addition to the tracking of non-hazardous trash.

Iskraemeco Egypt also has procedures (in alignment with ISO 14001:2015) for identifying, assessing, measuring, and controlling environmental aspects that determine and monitor the following waste streams:

- **Municipal wastewater**
- **Waste hydraulic oil from machines, which is recycled through the hydraulic oil producing company**
- **Secondary waste (waste that could be recycled, including packaging materials)**
- **5% hazardous waste (waste that should be treated with special procedures, including waste, solvents, flux, and electronic equipment) is sent to government-authorized sanitary landfills.**

6.5.3 Esewedy Subsidiaries Towards a Circular Economy

Iskraemeco Egypt Increases Recycled Content in Meter Manufacturing

Iskraemeco Egypt is working on optimizing the use of resources (energy, water, compressed air, materials, and waste management) to help decrease the materials used per produced product. It is also working on changing the employee culture of using resources in an optimized way. For example, to reduce the water consumed when irrigating the football playground, Iskraemeco Egypt uses artificial grass instead of natural grass.

As a result, around 86% of the generated solid waste at Iskraemeco Egypt, including plastics, cartons, and paper, is recycled. We have also confirmed the use of two recycled plastics this year, one with 30% and the other with 80% post-industrial recycled granulate. This resulted in a significant annual reduction in "virgin plastic" and a substantial decrease in energy use throughout the plastic granule manufacturing process. Additionally, switching out 10% of the plastic in the meters with permitted recyclables will reduce plastic usage by 400 tons annually, saving 798,000 gallons of oil.

3W Networks Waste Recycling

This initiative is for recycling paper trash and to ensure that the Group's recycling policy is implemented via Shredit. As a result, this program prevented the destruction of 36.5 trees in 2021.

6.6.1 Protecting Ecosystems & Biodiversity

Esewedy Electric is committed to protecting and restoring nature's diversity and beauty by preventing negative environmental impact and extending our contribution to restoring and rewinding global ecosystems. Therefore, we are currently preparing for our initial Group-wide Ecosystems and Biodiversity Impact Assessment to serve as the baseline for further efforts.

- | | | |
|---|------------------------------|---|
| → | 2020-2023 Commitments | → Develop a formalized process for identifying, assessing, and managing risks and impacts on biodiversity and ecosystem services by 2023. |
| | | → 1% for the Planet starting from 2023. |
| | | → Net-zero biodiversity loss by 2030. |

At Esewedy Electric, we recognize that sustainability spans far beyond our business operations and direct impact. We also operate in a world of rapidly degrading ecosystems and biodiversity extinction, and while preventative measures remain relevant, we must proactively replenish nature and tackle the biodiversity crisis. Therefore, in addition to the ESMS being developed on a corporate level, we are also working on developing a Group-wide Biodiversity Policy by 2022, incorporating construction site restoration

STA: Going Paperless and Raising Resource and Waste Management Awareness among Students

Out of our environmental consciousness, the Group conducts recycling and environmental awareness sessions periodically for teachers and staff. In addition, STA applies a comprehensive admission process to ensure that a student's enrollment process is completed with the least participation of the human factor through an automated system in the different stages, from the announcement, application, and technical examination to the student's final selection.

Therefore, to raise environmental awareness among students and encourage their participation, all our schools have recycling bins where students are now fully aware of the importance of waste sorting and recycling.

The process also gives attention to the environmental aspect by not accepting any paper applications; all applicants are allowed to apply only through an online platform/application, and they also upload all the supporting documents required for admission. In addition, we also upload all promotional material to USBs as a handout, replacing printed flyers and brochures.

and offsetting impact procedures, in addition to other sector-specific methods and key areas of action. As per our Sustainability Strategy 2020-2023, we have also identified critical areas of activity and targets that align with our business and operational impacts and strategies.



By 2023,
we pledge to:

- **Revise the current Environmental Policy to ensure its global application, effectively separate the issues relating to occupational health and safety from those pertaining to the environment, and take into account the preservation of biodiversity and ecosystem services.**
- **Create a defined method for the management, assessment, and identification.**
- **Adopt ecosystem-based management and solutions derived from nature at suitable locations, developments, and facilities.**
- **Implement projects that encourage the protection of biodiversity and ecosystem restoration.**
- **Assess the effects of our direct and indirect commercial operations on ecosystems and biodiversity.**

ELSEWEDY ELECTRIC CLIMATE MITIGATION PROJECTS

As a group operating in the energy sector, we understand the tremendous responsibility we have towards combatting climate change. Investing in renewable energy projects is critical to meet the everincreasing demand and lessen the reliance on fossil fuels as a source for meeting this demand. Elsewedy Electric has been a key player in the region when it comes to renewables, we currently have several projects in operation, and are aiming to widen the scope and increase our reach and potentials to the max possible limit.

Elsewedy Electric has established its subsidiary Elsewedy Energy in 2020, which acts as an arm to the group when it comes to contributing to climate protection through renewable energy projects. As of the first half of 2021 Elsewedy Energy has managed to maintain a portfolio of 194 MW of operating assets split between 130 MW Solar PV Plants in BENBAN Egypt, 61 MW Wind Farms and 3 MW mini-Hydro both in Greece.

Elsewedy Electric has mandated Elsewedy Energy to invest up to USD 400 million in the next 5 years focusing on opportunities in late-stage development or early stage of operations. Elsewedy Energy is currently looking at a pipeline of 1.5 GW with approximately 500 MW in advanced negotiation stages.

ELSEWEDY ELECTRIC'S RENEWABLE ENERGY PROJECTS IN OPERATION DURING 2021

Two renewable energy projects operated by Elsewedy Electric in two different countries during 2021 acted as carbon offset projects by avoiding emissions that may have been produced if the same amount of power had been generated by the burning of fossil fuels.

Egypt: BENBAN PV Solar Park

Elsewedy Electric, jointly with Électricité De France's EDF Renewables, has successfully developed, financed, and built its two solar PV power plants (each of 65 MWp) in BENBAN, Aswan, Egypt, which have commenced operations in August 2019, and continue to operate till date. The solar PV plants were developed as part of Egypt's Round II of the Renewable Energies Feed-in-Tariff (FiT) program for solar and wind energy projects launched by the Government of Egypt.

The project generates an estimated 297 GWh of electricity, powering more than 140,000 households, with an annual offset potential of 120,000 metric tons of CO₂e.

140K Households → **140,000 HOUSEHOLDS CONNECTED**

79.11% → **PERFORMANCE ROTATION**

46.8% → **GROUND COVERAGE RATIO (GCR)**

120K mtCO₂e Saved → **120,000 TONS OF CO₂ SAVED/YEAR**

297 GWh/Year → **297 GWh/YEAR EXPECTED ANNUAL ENERGY YIELD**

140M USD → **USD 140 MILLION, PROJECT VALUE**

2,497 MWh/MWp/Year → **2,497 MWh/MWp/YEAR SPECIFIC YEILD**

The total annual possible CO₂e emissions offsets as a result of our operating renewable energy projects are:

Egypt: BENBAN Solar PV Project	120,000 mtCO ₂ e
Greece: Wind and Hydro Assets	102,000 mtCO ₂ e
Total Avoided Emissions	222,000 mtCO₂e

Greece: Elsewedy Electric 64MW of Wind and Hydro Assets

Elsewedy electric acquired three operating wind farms and two operating hydroelectric energy assets in Greece in June 2019, which are in operation till date.

The five assets have an aggregate capacity of 64 MW, with three wind parks; "Aioliiki Kilindrias SA" (10MW), "Kallisti Energeiaki SA" (15MW), Aioliiki Aderes SA" (35.4 MW), and 2 Small Hydro Power Plants "Hydroelectriki Achaias SA" (2.6MW and 1.0MW) at Kerinitis river. The assets generate enough energy to power approximately 34,000 homes which could offset 102,000 metric tons of CO₂e per year.

34k Households → **34,000 HOUSEHOLDS**

64 MW → **64 MW CAPACITY**

102K CO₂ Saved / Year → **102,000 TONS OF CO₂ SAVED/ YEAR**



7

People and Communities

We are a company of people, united by common values and sharing diverse pursuits. We are also a company that operates in a rapidly changing society that presents us with new demands daily. We learn from every engagement, every feedback, and every community initiative. We also learn to truly support everyone we serve at our best capacity so that every employee, community, and stakeholder feels that we are doing nothing less than our best to meet pertinent social needs, enable positive societal change, and unlock faster progress toward sustainability.

1. Well-Being, Health and Safety
2. Employee Development
3. Diversity and Inclusion
4. Human and Labor Rights
5. Social and Community Impact



7.1 Well-Being, Health, and Safety

The Group also sees well-being, health, and safety as an essential foundation for human flourishing and good quality of life. Thus, we aim to create a welcoming environment where people feel they are cared for and valued. Beyond meeting basic needs, we ensure our employees are provided with tailored benefits packages, feel included in the company's daily operations and strategic pursuits, and are supported in achieving a work-life balance. As a result, we recently introduced the Brain HSE online system that streamlined all necessary data collection and allowed effective and timely resolution of all issues.

7.1.1 Managing Health, Safety, and the Environment (HSE) at the Workplace

The HSE Department is responsible for writing corporate policies and ensuring they are implemented within the organization. It also guides and supports the management team in implementing the HSE corporate strategy and implements an HSE audit plan across the Group to ensure compliance with the Group's corporate strategy.

The HSE Department has also set SMART objectives representing 25% of every individual's annual appraisal. We also strive to improve our objectives year by year, emphasizing the leading indicators (training, cross audits, site inspections, and specific company objectives). Our objectives are also measured and verified during the Group's annual Audit Plan. In addition, we are using an online reporting tool, "BRAIN", to collect all of the Group's HSE data and consolidate it for our annual audits. In 2021, we were subjected to an IFC audit, and based on the findings of the audit, we have chosen to hire an external consultant who will be in charge of reviewing all HSE policies and procedures and provide an update on them, taking into consideration IFC, the

Continuing to invest in our vision of zero fatalities and injuries, the Group wants to be more than a safe and healthy workspace. We want to be a place where people know that every aspect of their daily routines is meticulously taken care of, so they can fully focus on delivering the best possible outcome.

Tamer Essam, Group HSE Director

2020-2023 Commitments

- All employees are to be assessed on a comprehensive well-being metric by 2023.
- Zero fatalities, major injuries, and severe accidents annually.
- Revised labor management policies and procedures according to good international practices by 2023.

Highlights

- New HSE Audit Protocol implemented on twenty sites, including 171 person-days (across all sectors).
- LTIFR = 0.36.
- Total working hours across the Group was 99.78 million hours.
- Fourteen of our thirty-three registered subsidiaries fully comply with NFPA firefighting requirements.

World Bank, and other international standards. Using risk assessment methodology and the risk-based approach principle, every subsidiary has its own company-specific HSE objectives that are regularly reviewed. In addition, worker participation, consultation, and communication on occupational health and safety issues are tackled during our monthly HSE meetings.



Group HSE Objectives 2022

OCCUPATIONAL SAFETY

- ▶ Achieve zero fatalities and lost time injuries among employees and subcontractors.
- ▶ Achieve six training hours per employee and subcontractor on health and safety-related matters.
- ▶ Achieve quarterly HSE site inspections, and conduct a minimum of one corporate HSE audit and two self-audits annually across all subsidiaries.
- ▶ Ensure compliance with the NFPA requirements and conduct at least one announced and unannounced fire drill annually across all subsidiaries.

OCCUPATIONAL HEALTH

- ▶ Provide regular medical evaluations for both employees and subcontractors involved in high-risk activities.

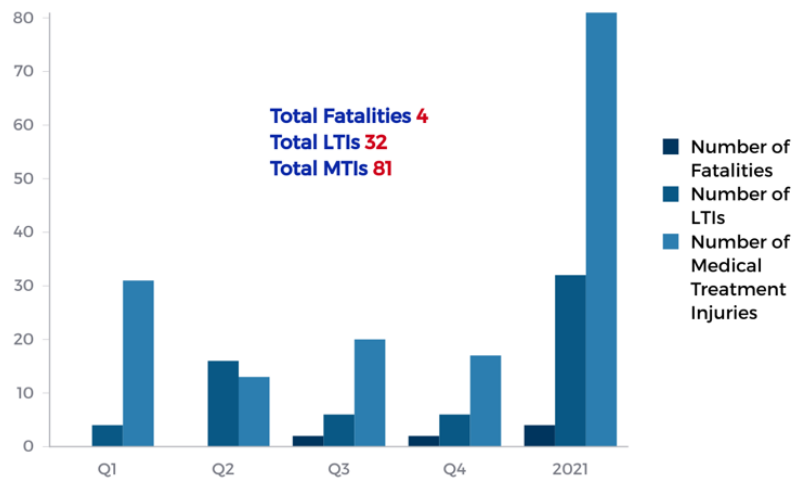
ENVIRONMENT

- ▶ Ensure compliance with all the environmental legal requirements and legislation across all subsidiaries in all our countries of operation.
- ▶ Establish a measuring and self-monitoring environmental program.
- ▶ Biodiversity protection.

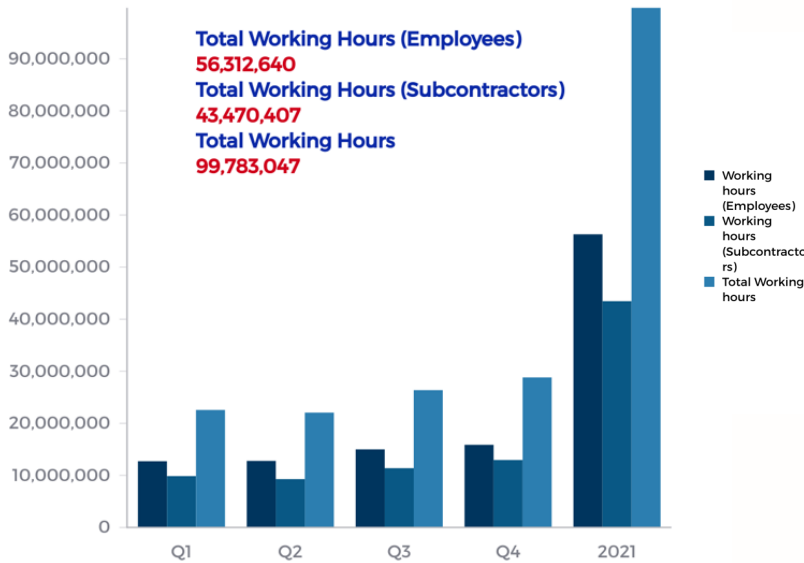
Health and Safety Indicators

In 2021, we reported twenty-seven employee injuries with an LTIFR of 0.48 and nine subcontractor injuries with an LTIFR of 0.21. This gives a total LTIFR of 0.36, which is greater than the previous year by 24%. However, the injuries reported were mainly attributed to contact with equipment and objects, slips, trips, or falls. Each injury was also investigated to ensure we know what happens within our subsidiaries, the reason behind it, and to ensure corrective measures are taken accordingly. We also reported one employee fatality and three subcontractor fatalities during 2021. We have an objective in 2022 to reach zero lost time injuries and deaths.

Fatalities, LTIs and MTIs (Employees + Subcontractors) in 2021



Total Hours Worked in 2021

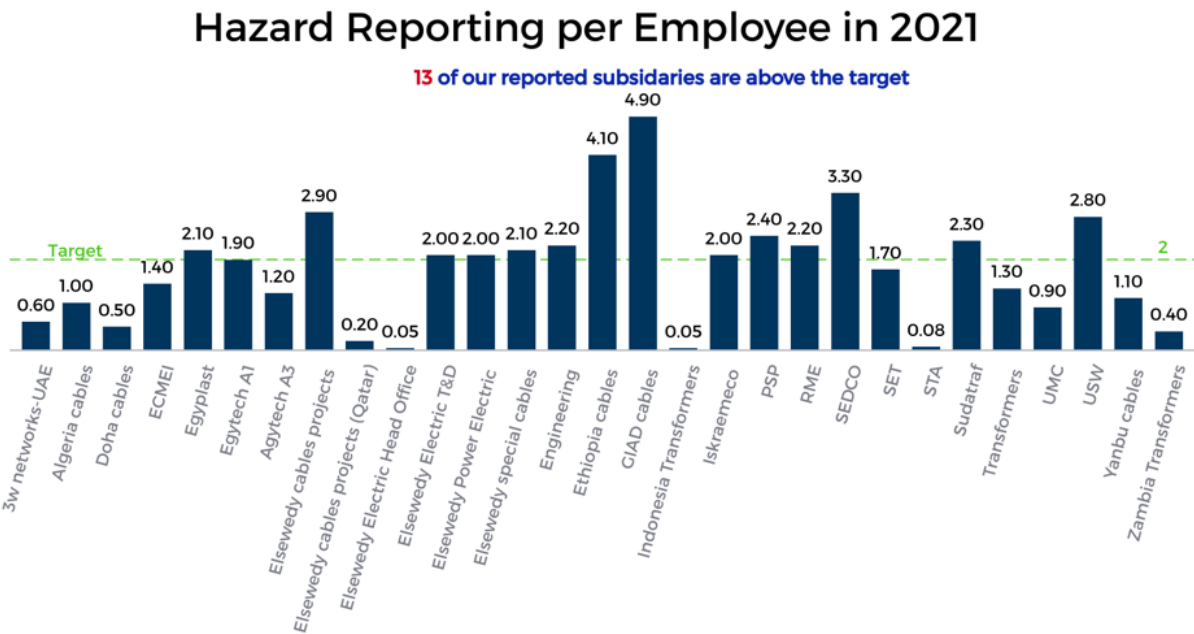


LTIs and Fatalities Breakdown by Company:

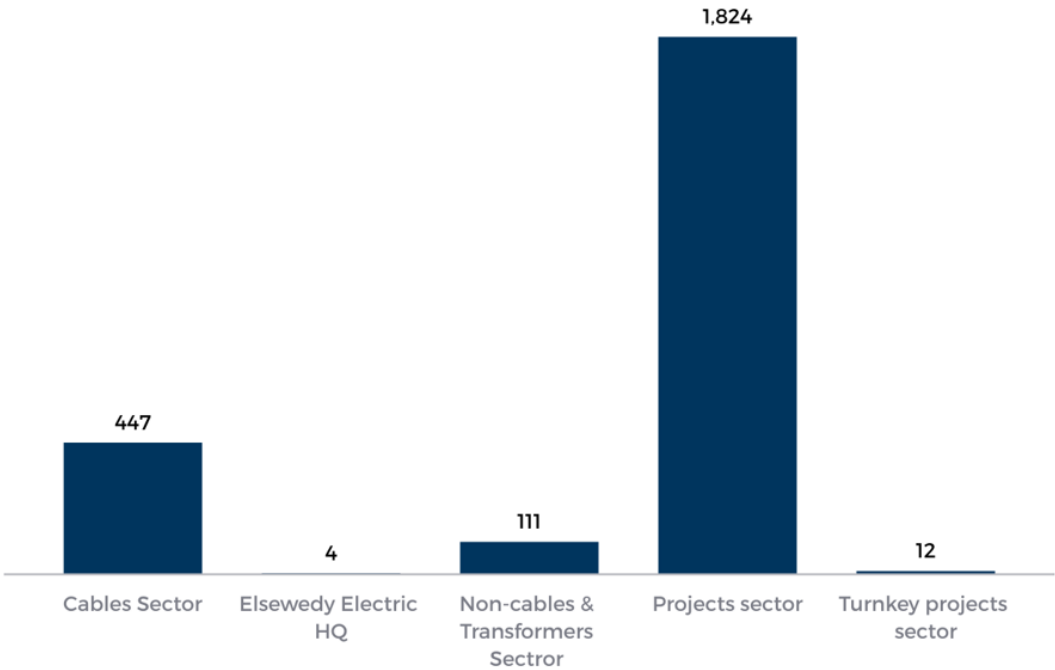
Accident Type	Number of injured Employees and Subcontractors	Company
LTI	2	Algeria Cables
LTI	3	UIC
LTI	1	Egytech A1
LTI	9	Egytech A3
LTI	8	Esewedy Electric T&D (EETD)
LTI	3	Esewedy Special Cables
LTI	4	RME
LTI	1	Transformers
LTI	2	SET
LTI	1	SEDCO
LTI	2	Sudatraf
LTI	1	Zambia Transformers
LTI	1	Engineering
Fatality	1	Engineering
Fatality	1	RME
Fatality	2	Esewedy Electric T&D (EETD)

LTIFR in Our Reporting Subsidiaries			
Algeria Cables	Employees: 1.49	Egytech A3	Employees: 3.25 Subcontractors: 2.75
Egytech A1	Employees: 0.52	Esewedy Electric T&D	Employees: 1.79 Subcontractors: 2.66
Esewedy Special Cables	Employees: 1.42	Engineering	Employees: 1.55 Subcontractors: 7.65
RME	Employees: 0.15 Subcontractors: 0.04	SEDCO	Employees: 0.63
SET	Employees: 3.5	Sudatraf	Employees: 0.86
Transformers	Employees: 0.72	Zambia Transformers	Employees: 5.63

The total hazards reported by our employees in 2021 were 38,960. In addition, nine of our 29 reporting subsidiaries have successfully closed 100% of reported hazards



Number of High Risk Hazards in 2021



8.1.2 Preventing and Managing Fire Incidents

All our subsidiaries comply with the NFPA requirements. In addition, we conduct weekly tests and inspections on all firefighting equipment, including fire pumps, extinguishers, hoses, and hydrants, to ensure they are in good condition and ready for use when needed.

As a result, in 2021, only one third-degree fire incident occurred at the Elsededy Cables Projects (Egypt). However, a total of fifteen first-degree fire incidents also occurred in the same year.

Hazard Identification in 3W Networks

3W Networks follows identification for HIRA and EIA. Therefore, the total employee hours worked in 2021 was 295,000, and subcontractor hours were 34,000. However, the number of hazards reported by 3W Networks during 2021 was seventy-nine (79). In addition to the Egyptian Labor Code Requirements, 3W Networks also follow the applicable UAE laws. As a result, all 3W Networks employees are encouraged to report any hazard, accident, or incident to their Line Manager/HSE Department as part of the Employee KPI, which was also one of the 2021 Corporate HSE Objectives. In addition, 3W Networks activates the HSE Rewarding System with certain criteria, and the awarding happens every quarter.

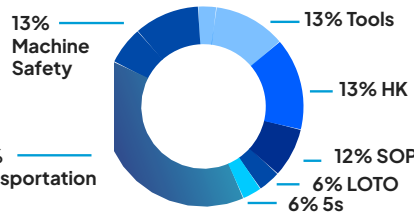
HSE Audit

A new HSE audit protocol has been implemented at twenty of our sites. This resulted in 35% of the inspected sites receiving above a 90% outcome, with Egyplast obtaining the highest result at 96%.

Egyplast and Iskraemeco also successfully achieved one thousand working days with ZERO accidents.



Plant	Percentage	Plant	Percentage
Egyplast	96%	EETD	83%
Elsededy Cable Projects (Egypt)	95%	UIC	81%
RME	94.5%	UMC	80%
Iskraemeco	91.5%	Egytech A1	71%
SEDCO	91%	ECEMI	70%
Elsededy Electric Projects (UAE)	91%	SET	69.5%
Transformers	90%	Giad Cables	60%
3W Networks (UAE)	88.5%	Algeria Cables	56%
Egytech A3	86%	Sudatraf	40%
USW	85.5%	Engineering	39.5%

	Cable Sector	Non-Cable Sector
LTIFR	1.55	0.34
Root Cause Analysis (RCA)	 <p>13% Machine Safety</p> <p>37% Transportation</p> <p>13% Tools</p> <p>13% HK</p> <p>12% SOP</p> <p>6% LOTO</p> <p>6% 5s</p>	
Action Plan	<p>Transportation:</p> <ul style="list-style-type: none"> → Meeting done with transportation contractors. → Monthly inspection of all the buses. → Driver training. → Training supervisors to evaluate the driver's behavior. <p>SOP:</p> <ul style="list-style-type: none"> → Management team meetings. → Print the SOPs in the books for all the production activities. → Conduct specific SOP training sessions. → We prepared a safety booklet for employees. → We designed Do and Don't Do cards. → Surveillance cameras to improve behavior. 	
2021 Achievements	<ul style="list-style-type: none"> → Safety and first-aid training. → Medical checkups for high-risk jobs. → Upgrading all machine safety guards. → HSE site tours are 100% completed. → Safety booklet. → Do and Don't Do cards for all employees. → Emergency drills at all sites. → Circulation Plan implemented at all plants. → Color coding for all inspected tools. 	<ul style="list-style-type: none"> → Noise reduction project at Egyplast. → Fire drills. → A 1,000-day zero accident celebration at Egyplast. → A roof renovation with zero accidents for three months. → New emergency exits for the showroom in Iskraemeco. → Firefighting training for STA students. → Isolating the machines backward. → Isolating the electric furnaces. → Practical training for 50 kg DCP. → Yearly assessment and safety alerts.
Updates of Certificates	<ul style="list-style-type: none"> → Civil defense approval for Egytech A3 and Yanbu Cables. → Certification of Appreciation and Certification of Recognition for Doha Cables. → Updating certifications of ISO 14001:2015 and ISO 45001:2018 for Doha Cables. → Updating certification of ISO 14001:2015 for Egytech A3. → New certification of ISO 37301:2021 for Egytech A3. 	
2021 Projects	<ul style="list-style-type: none"> → UIC protection guards for 100% of roof skylights. → New machine CVL in Yanbu Cables. → Upgrade of transformer factory (Algeria Cables). → Upgrading locker rooms at Egytech A3, Engineering, Algeria Cables). 	

8.1.3 Measures at Iskraemeco Slovenia

In 2021, the Group continued implementing permanent measures in the field of health and safety at work. As a result, we successfully achieved 1,482 training hours in the health and safety at work field and 173 preventive medical examinations. Additionally, people with disabilities have been relocated to appropriate jobs, with the timely relocation of workers who may be disabled. We are also promoting a healthy lifestyle in our workplaces and are, therefore, supporting employee sports activities. Furthermore, in 2021, 107 work equipment pieces were inspected as part of our regular inspection plan.

In addition, to enhance the visibility in our production area, the lighting system has also been replaced with a new one. Absences from work due to illness, frequency, and severity of injuries at work are also being monitored every month. Throughout 2021, we recorded zero accidents at work, but we did lose 90,253 working hours (6.66% of absence from work) due to sick leave, which is more than the previous year by 8.6%. However, we have successfully maintained our ISO 45001 standard certificate in 2021.

3W Networks HSE-Related Training

HSE training at 3W Networks in 2021 amounted to five training programs, totaling 114 trainees.

Training Title	Number of Training Sessions Provided	Number of Employees Trained
First Aid	1	6
Fire Warden Training	1	6
Defensive Driving	1	4
General HSE Training	3	72
Working at Height	1	1
H2S Training	1	11
Work Management System Training	1	2
Sea Survival Training	1	1

Celebrating Good Achievers

Every year, we host an annual HSE award ceremony where we celebrate the best-performing companies within the Group in terms of HSE, those that demonstrated the greatest progress, and those who achieved zero lost time injuries.

In 2021, our best-performing companies were SEDCO, Egyplast, and Iskraemeco.

The Al Layyah 1026 CCPP Project also celebrated ten million safe working hours without lost time injuries (LTIs). This outstanding achievement reiterates the Group’s commitment to “safety”; our top priority for sustainable success and preserved continuous progress.

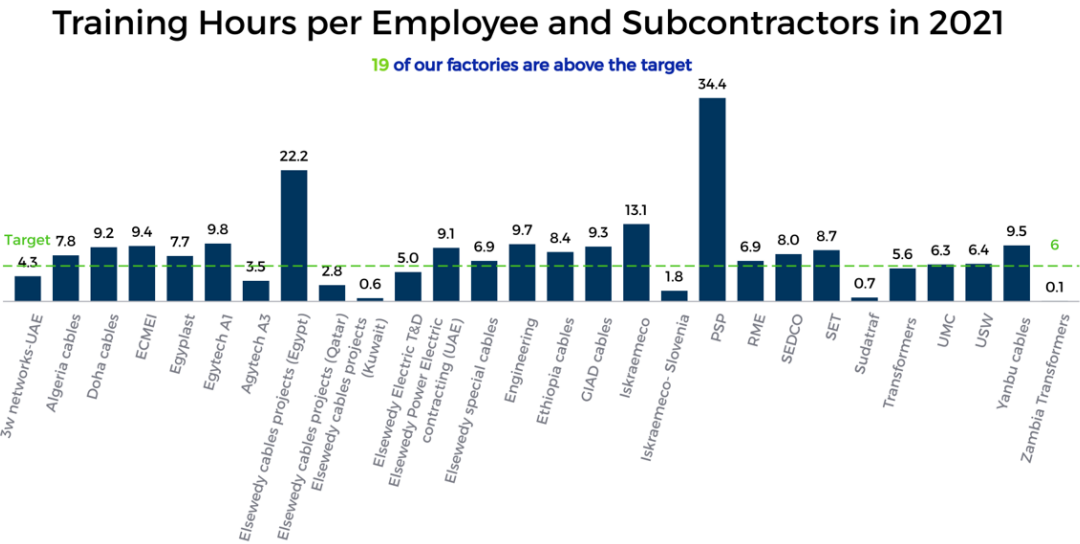
This came through a smart and comprehensive “HSE Management System” that includes clear policies, detailed plans, and decisive actions to ensure that we were strictly applying safe working practices, allowing us to avoid “near miss” incidents rather than avoiding “accidents”.

Moreover, it is important to emphasize that this achievement did not come easy, as it was accompanied by various challenges that were faced by the Elsewedy Power and Mitsubishi Power consortium along with our subcontractors, which included, but not limited to, a project executed on a brownfield, working on existing live lines, dealing with a tight schedule in light of the COVID-19 pandemic, space constraints, performing off-shore activities, and dealing with heavy and critical lifts.



Health and Safety Training Programs

Training on hazards, their associated risks, and other HSE-related topics is an important part of Elsewedy Electrics employee expectations. In 2021, we conducted 200,000 HSE-related training sessions on our premises with a total of 34,800 trainees. However, we aim to reach six training hours per employee by 2022. In 2021, nineteen of our twenty-eight reporting subsidiaries had training hours per employee higher than the target.



8.2 Employee Development

Throughout 2021, we continued to enhance employee development across the Group while each company continued its particular programs tailored to its specific markets and cultural contexts. As a result, we achieved 99,630 training hours during the reporting period across our reporting subsidiaries, with an average of 6.2 hours per employee.

Employee Category	Training Hours	Average per Employee
Total Employees	99,630	6.2
Male	86,076	5.8
Female	13,554	10.9
Under 30	27,984	7.4
30–50 years	68,063	6.2
Over 50 years	3,583	2.8

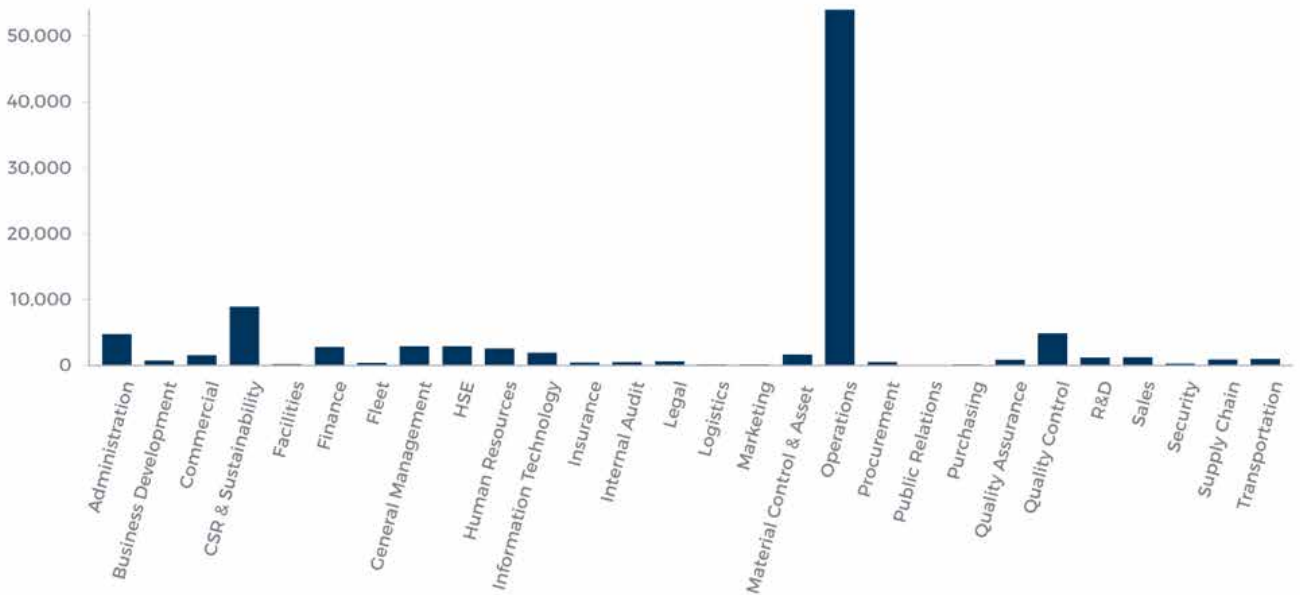
Elsewedy Group is also aware that only satisfied employees are successful in their workplace, so we offer various benefits to our employees and carry out numerous activities to create a pleasant working environment and one that enables employees to develop their talents.

We continually align education, training, and development opportunities across the Group to ensure common standards and universal access to all employees’ wide range of opportunities. We want every employee to know and feel that they are encouraged and supported in doing their best, perfecting what they are good at as gaining new knowledge, skills, and experience in line with developments within their respective fields to progress throughout their career effectively. Each company also runs unique programs tailored to specific markets and cultural contexts. People with the right technical and managerial knowledge and the capacity to learn and lead are at the forefront of the necessary transition. We need to ensure they have the best available education, training, and experience so that we can trust their decisions and be sure the world is developing in the best ways possible.

Walid Tayel, Chief HR Officer



Training Hours by Departments



INITIATIVES BY ISKRAEMECO SLOVENIA FOR CAREER DEVELOPMENT

- Organizational climate measurements were carried out for the third consecutive year to obtain valuable data on employee satisfaction and commitment. Based on this data, we strive to improve our work environment as much as possible.
- Twenty-one scholarships for electrical engineering, mechanical engineering, and IT students were announced to allow scholarship holders practical work under professional mentorship, mentoring in the preparation of their final thesis, the possibility of personal and professional development, participation in professional training, and employment after graduation..
- The Academy of Talents Program, created in cooperation with the Center of Business Excellence, was reorganized for the second generation, aiming to transfer knowledge and acquire professional content. Also, we have renewed the system of competencies within the company. We have also established mentoring programs in addition to enabling our employees to develop their potential by covering a wide range of economic knowledge, business decision making, and understanding of industry trends, as well as language and soft skills.
- Career Fairs are attended regularly, where we present our company and meet potential future employees.

Iskraemeco Egypt conducts internal/external training on technical issues, health and safety, language learning, and soft skills in all categories according to the training needs and plans, with a total of twenty-one courses held in 2021 compared to thirty-six courses in 2020.

8.3 Diversity & Inclusion

As a Group with a global presence, we have advanced our commitment to diversity, equity, disabilities, and support of vulnerable groups within the company and beyond. We are also working to create a workplace and corporate culture free to thrive on differences. Therefore, we are strict in our zero-tolerance policy towards discrimination while offering fair salaries and benefits to all employees.

We boosted the proportion of female employees by 6% to 8% throughout our facilities in 2021. The ratio of female employees in our white-collar jobs was 11%, compared to just 4% in blue-collar jobs. Twenty-four percent of our staff is under the age of 30, and 68 percent of our workforce is between the ages of 30 and 50. We also think people with disabilities can accomplish excellent work in a comfortable workplace; 420 of our workforce members are affected by disability.

2020–2023 Commitments

- Introduce two new awards by 2023.
- Assess Corporate Performance Objectives (CPOs) to eliminate unnecessary workloads, processes, or reports by 2023.
- 100% workplace satisfaction by 2025.
- 100% of employees trained on sustainability and ESG topics by 2023.

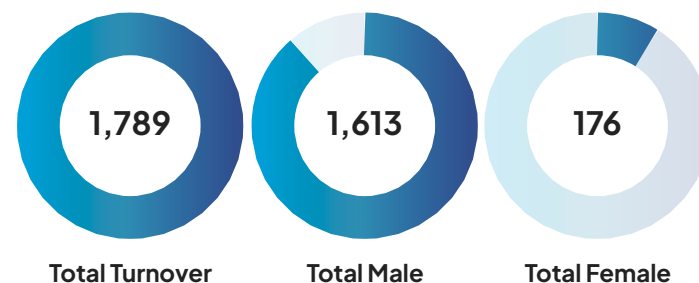
2020–2023 Commitments

- Comprehensive diversity and inclusion assessment report by 2023.
- 30% women within the workforce by 2030.
- 40% women on the Board and within management by 2030.

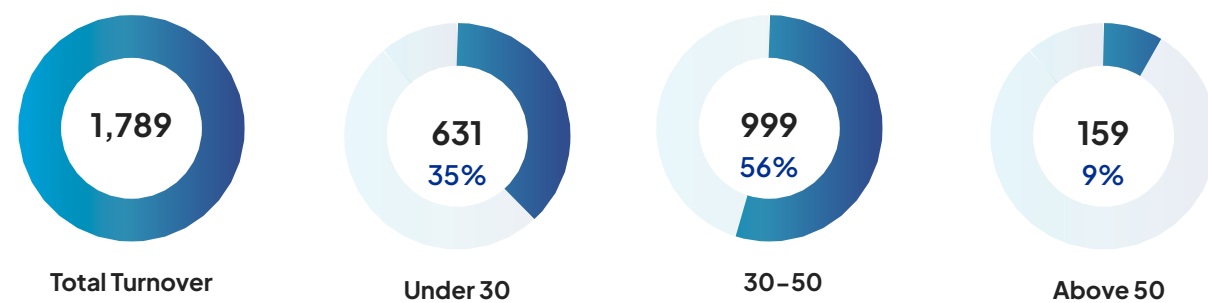
8.2.1 Turnover

In 2021, 1,789 employees departed the Group; 1,428 left voluntarily, and 361 left for a reason. Male employees made up 1,613 (90%) of those who left their jobs in 2021, while female employees made up 176 (10%). The bulk of the turnover (56%) occurred in the 30 to 50 age range, with 35% occurring in the under-30 age range. Only four of the departing employees were disabled.

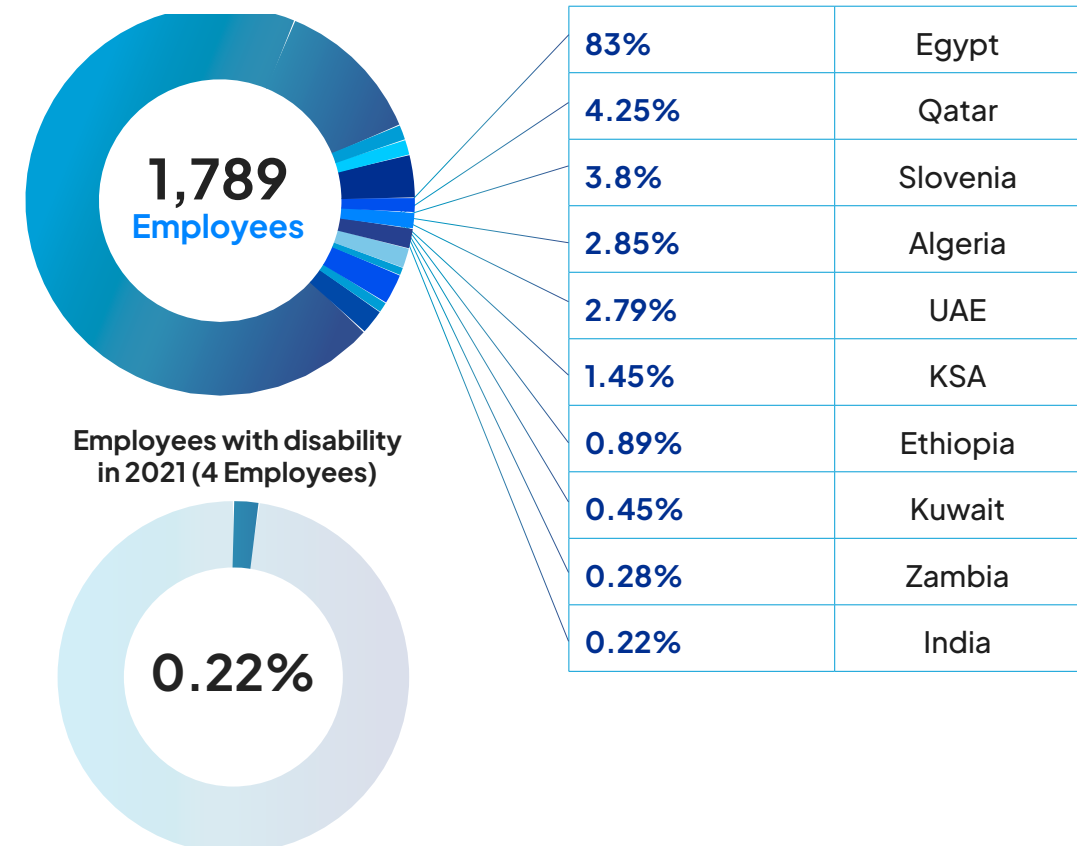
Turnover Breakdown by Gender in 2021



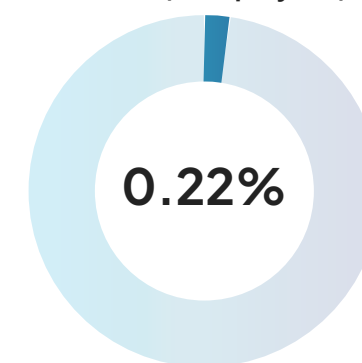
Turnover Breakdown by Age in 2021



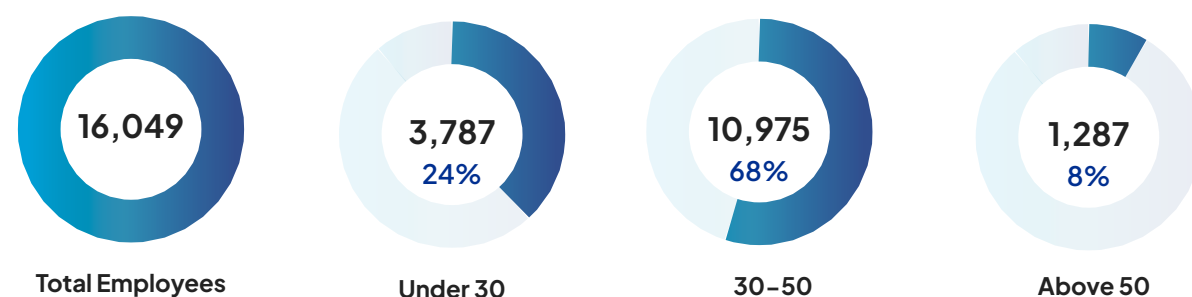
Turnover Breakdown By Country in 2021



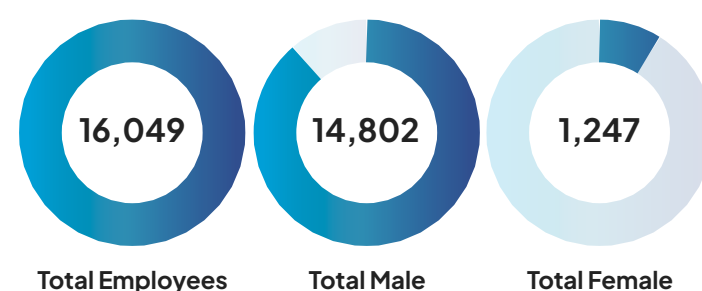
Employees with disability in 2021 (4 Employees)



Workforce Breakdown by Age in 2021

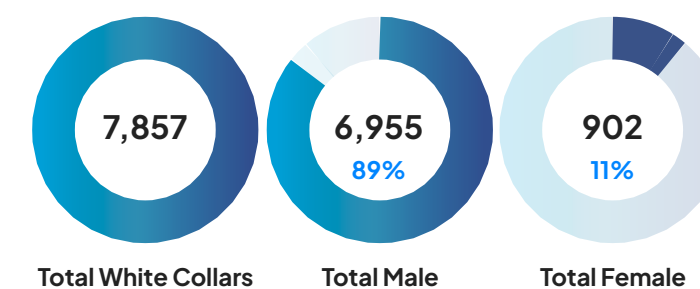


Workforce Breakdown by Gender in 2021

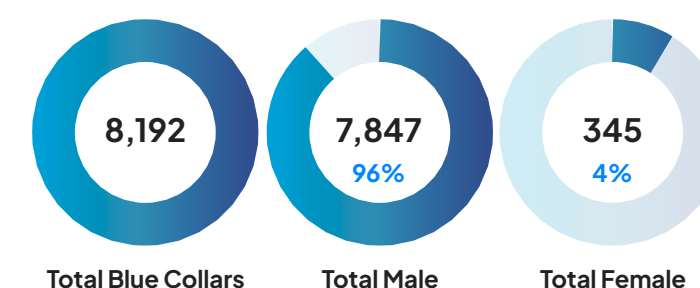


Workforce diversity

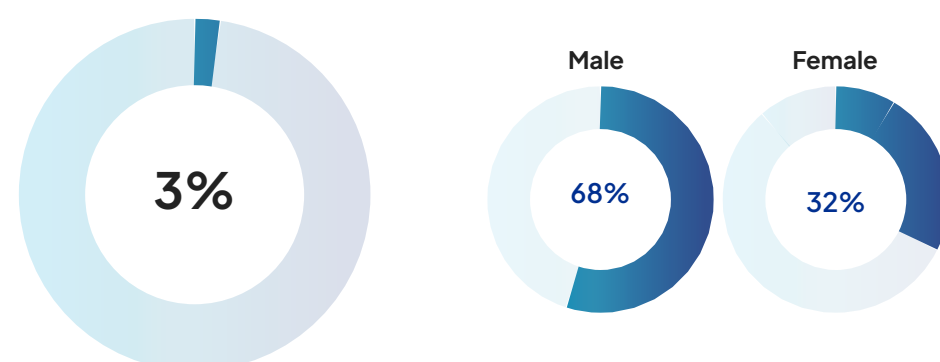
White Collars Breakdown by Gender in 2021



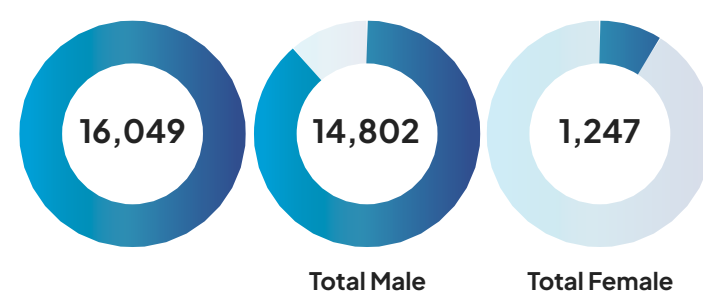
Blue Collars Breakdown by Gender in 2021



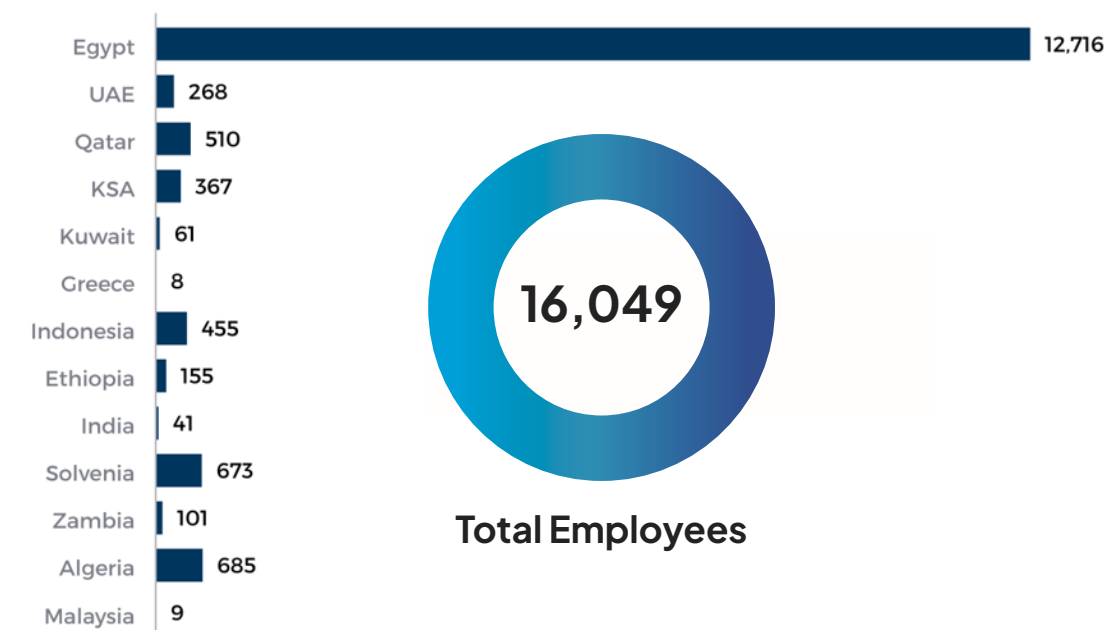
Employees with disability in 2021 (420Employees)

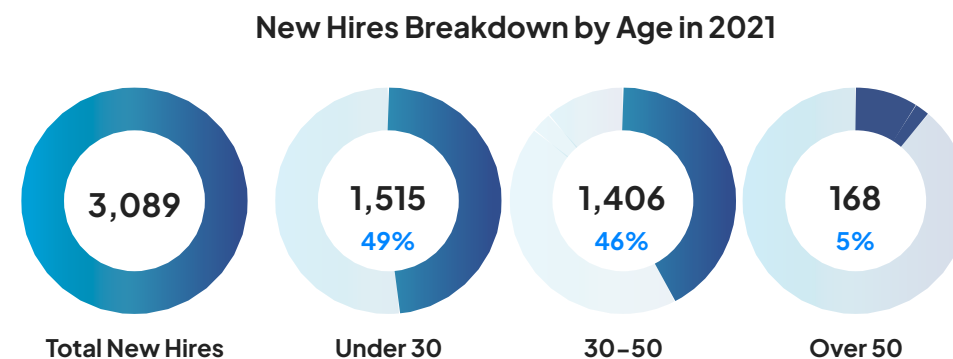
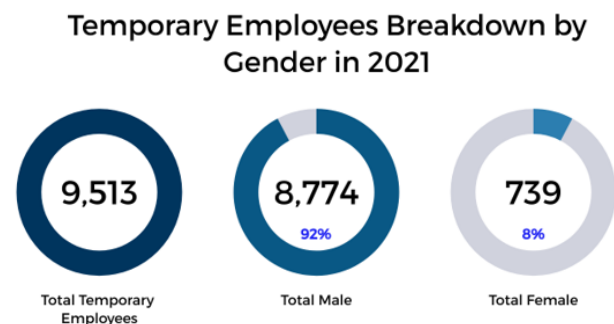
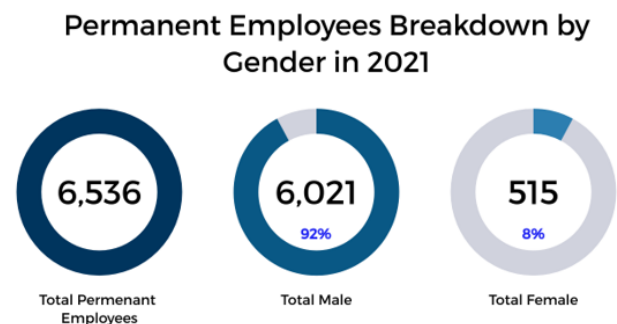


Workforce Breakdown by Gender in 2021



Elsowedy Employees Breakdown by Country in 2021

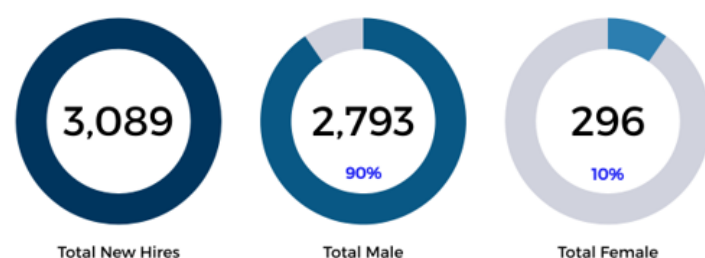




8.3.1 New Hires

Elsewedy Electric hired 3,089 new employees in 2021, with 90% males and 10% females. New hires under 30 represented 49% of all new hires, while 46% were between 30 and 50 years old. Only 5% of new hires were above the age of 50. With Egypt being the primary country of Elsewedy's operations, 2,724 new employees were hired in 2021, representing 88% of total new hires. However, Iskraemeco Egypt employed 426 employees, representing an increase of approximately 0.1% compared to 2020. However, the proportion of women as a percentage of the total workforce is 13% due to excess production growth, and 5% are disabled, representing a total of nine (9) employees.

New Hires Breakdown by Gender in 2021



8.3.2 Compensation and Benefits

Parental Leave

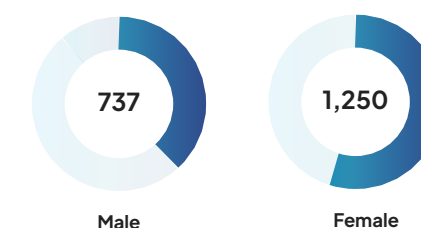
All of our employees from both genders are eligible to take parental leave. As a result, in 2021, 309 employees were entitled to parental leave. However, the Group has sustained a high rate of employee retention following parental leave - 96%, with ninety-four (94) employees returning to work in 2021. The basic salary and remuneration ratio of the highest paid individual to the average annual total compensation for all employees was 0.27%.

In comparison, the ratio of the percent increase in the total yearly salary of the highest paid individual to the average annual total compensation for all employees was 5%.

Iskraemeco Egypt Reward and Recognition Program and Best Employee Reward had thirty-two employees rewarded in 2021, compared to forty-five employees in 2020.

	Total	Male	Female
The number of employees who are entitled to maternity/parental leave.	309	200	109
The total number of employees who took maternity/parental leave from Jan to Dec 2021.	98	70	28
The total number of employees who returned to work after their maternity/parental leave ended (between Jan and Dec 2021).	94	70	24

Median Hourly Pay for Full-time Employees by Gender (in EGP)



Employee Engagement

In 2021, Elsewedy Electric continued to provide the following employee benefits:

- Special discounts are available to all employees at a few particular stores, nurseries, and sports facilities.
- Meals; Ramadan boxes.
- Funds and methods for transportation.
- Unique holiday presents (three times a year).
- An annual education bonus for all staff members.
- We also included social and athletic events for the staff, such as football games and award ceremonies.

8.3 Human and Labor Rights

As a Group, we protect and cherish human rights within our operations and across the supply chain in line with our Code of Conduct and the UN Guiding Principles on Business and Human Rights.

Our ambition for zero human rights violations and the effective resolution of all cases is based on our firm belief that only a company that protects human rights in the first place can do good for humanity over the long term.

2020–2023 Commitments

- All operations are reviewed for human rights compliance annually.
- 100% of employees are covered by human rights training on an ongoing basis.
- Zero human and labor rights violations across the supply chain from 2025.

8.4 Social and Community Impact

Elsewedy companies operate across diverse communities. While we aim to contribute to social prosperity and progress, we also focus on how we can impact and reach out to those in need based on active dialogue. Therefore, we carefully select our partners and interventions to ensure that trust, integrity, transparency, and accountability are at the core of our decision, striving for a reasonable and just distribution of our resources and their effective use.

2020–2023 Commitments

- Fifteen new community projects with a balanced contribution to all SDGs within geographic boundaries by 2023.
- All new developments will have community-driven action plans by 2025.
- 100,000 unprivileged people from local communities to be trained by 2030.

8.4.1 Accessible Education

Elsewedy Electric organized a tailored two-week training program for the newest members of Elsewedy Electric East Africa LTD in November 2021. The training program develops the Tanzanian community by offering young engineers and technicians skilling opportunities in a unique experience specifically tailored to cement their academic knowledge with practical training at one of the world's largest industrial conglomerates.

Iskraemeco and the Faculty of Electrical Engineering and the Faculty of Computer and Information Science, University of Ljubljana, also deepened and expanded their cooperation.

Moreover, in 2021, Iskraemeco started a year-round challenge for students in an interdisciplinary subject, with participating students from the School of Economics and Business, the Academy of Fine Arts and Design, and the Faculty of Electrical Engineering. Doha Cables also carried out regular training programs for university students on theoretical and practical approaches to support youth development and prepare the new generation for the upcoming challenges.

This year, we have carried out two training programs with Qatar University students at the factory, with a total of forty (40) student attendees during March and July 2022.

8.4.2 Better Health

Elsewedy Electric Supports Angola's Fight Against COVID-19: Building on the profound bilateral relations between Egypt and Angola, Elsewedy Electric stepped up to help the fight against the Novel Coronavirus (COVID-19) pandemic in Angola by donating a variety of needed medical supplies worth USD 500,000 to Angola's Ministry of Health. Over the past year, Elsewedy Electric has participated in many initiatives, supporting societies to combat this global pandemic, both locally and internationally.

January 14, 2021 – A Voluntary Blood Donation Campaign: Organized by Doha Cables in partnership with the Hamad Medical Corporation (HMC) and held at Doha Cables' factory premises. The campaign's objective was to contribute to and support the Blood Bank in Qatar and raise our employees' understanding of the importance and benefits of donating blood.

8.4.3 Sports and Culture

July 2021 – Guinness World Record: RME is proud to have sponsored the new Guinness World Record accomplishment in the 100 x 50 Swimming Relay, achieved in only 42 minutes and 12.15 seconds. The event was organized by RME's partner Spoctane, which included one hundred Paralympic and Olympic world champions united in fascinating everybody with their inspiring persistence and outstanding achievement.

July–August 2021 –Tokyo Olympics 2021:

RME has always considered sports an important part of its culture and is thereby proud to have supported Mohab Samer, an Egyptian Fencing champion, on his journey, by sponsoring him to compete in four World Cup tournaments in Egypt, Canada, Poland, and Luxembourg, until he made it to the Olympics, where he qualified in first place of the African qualifiers and tenth worldwide. RME also ensured Mohab got enough practice by fully sponsoring his exclusive training camp with France's internationally accredited coach Christian Bauer, recognized internationally as the best fencing trainer, to support Mohab during his challenging training phase.

December 2021 – In Collaboration with Misr El-Kheir – Medical Convoys for Labor Workers:

RME successfully launched medical convoys at construction sites, which consisted of checkups and blood analyses conducted by doctors, followed by a prescription and medication if needed. The goal was to identify chronic illnesses like diabetes, cardiovascular disease, liver problems, etc. Thankfully, the outcome was great, and the people were thrilled. Consequently, it raised awareness of the importance of attending to one's health, but on the other hand, it also allowed hundreds of people to discover any illnesses they did not know existed.

August 2021 – Power Ride: RME, in collaboration with Power Ride Maadi, provided employees with discounted offers for indoor cycling, running, and fitness to encourage the staff to be active.

October 2021 – Power Ride: RME, in collaboration with Power Ride, invited employees to attend the El Galala Cycling challenge from New Capital to El Galala city, which is 145 km long with an elevation of 1,500 m above sea level.

Football Matches: Iskraemeco Egypt has its own football team, contributing to football matches between Elsewedy's electric companies.



8.4.4 Inclusive Development

April 2021 – Ramadan Boxes with Misr El-Kheir: RME provided cartons of essential food to needy people, and the staff contributed by packing them.

November 2021 – Egyptian Clothing Bank: In collaboration with the Egyptian Clothing Bank, RME placed donation boxes at our Head Office, where employees were able to donate clothes to people in need.

Iskraemeco Hosted Two Groups of International MBA Students: Their mentors chose Iskraemeco because of its sustainability-related activities, where the Group was presented as an example of good practice and as pioneers in Slovenia's sustainability field.

Certificate of Appreciation from Dubai Electricity and Water Authority (DEWA): This was received by 3W Networks in recognition of their high performance regarding the Suppliers Motivational Program for People of Determination.

Participation in the Ljubljana Forum 2021: The Ljubljana Forum is an annual gathering that combines knowledge and experience of city governance and defines key areas, visions, and strategies for the cities' future development.

8.4.5 Environmental and Circular Economy

Green Penguin was the Recipient of the European Enterprise Award: Green Penguin was selected as the best idea for the topic of Supporting The Sustainable Transition. The European Enterprise Promotion Awards aim not only to identify and recognize successful activities and initiatives undertaken to promote enterprise and entrepreneurship but also to showcase and share examples of best entrepreneurship policies and practices.

Iskraemeco and ESMIG commence the Task Force: Enhancing Benefits of Smart Metering to raise awareness of the untapped potential of metering technology, which is at the heart of green and digital energy transition and is an important enabler of successful decarbonization.

Iskraemeco becomes an Ambassador of the "Green, Creative, and Smart" Economy: We are one of the forty most recognizable and deserving Slovenian companies that encourage and enable sustainable transition.



Participation in the EU Sustainable Energy Week: The European Sustainable Energy Awards recognize outstanding individuals and projects for their innovation, energy efficiency, and renewable efforts. This included participation at the Faculty of Economics round table; entitled Sustainability is the Game of the Future.

Iskraemeco was the Initiator of the Project Group for Fair Competition within the ESMIG Association: We undertook to write a position on fair competition within the energy sector. Under Iskraemeco's leadership, an agreement was reached with all companies that are members of the association, and the ESMIG Executive Board approved the document.

8.4.6 Elsewedy Technical Academy (STA)

The STA is a place where students can create, discover, design, engineer, and build. It is also a space that inspires and nurtures discovery. Therefore, it houses tools and room for the students to work independently and collaboratively for classwork, stem competitions, and learn from any discipline. This allows students to develop their gifts and test their skills through project-based learning.

STA also encourages the students to become 21st-century thinkers and learners. Therefore, we propose a 21st-century thinking and learning framework. Also, to participate in national and international competitions:

- STA students participated in Arab skills competitions held by an Arab academy in Alex in 2018 and achieved third place in the field of electrical installations.
- STA students participated in the World Skills competition in Abu-Dhabi in 2018. As a result, students ranked fifth in the world in the mechanical engineering CAD competition and sixth in the world in the electrical installation competition.

2021 STA Achievements

- 269 students graduated from different study fields to reach a total of 878 graduates.
- 580 students were enrolled with STA for the AY 2020/2021 to reach a total of 1200 students enrolled.
- STA launched its first Applied Technology School in Port Said "ZOHR ATS" and enrolled 264 students for the AY 2020/2021 in four specializations.
- 102 females were enrolled in both STA and ZOHR schools for the AY 2020/2021.
- STA launched its TFE program in collaboration with the Sawiris Foundation and the EGT Academy to train and provide job opportunities for 200 youths.
- STA launched its new website and ZOHR website.
- STA renewed its ISO 21001:2018 certification from TUV Nord Germany.
- STA was awarded the ACSR Arab Charity Award "Kheir" for its development impact.
- STA established more than ten new partnerships with new industrial partners.
- STA hosted its Annual Employment Fair, with more than six hundred job opportunities available to our graduates.
- Two students in the logistics field ranked fifth and sixth nationwide, in addition to its students ranking among the top ten students on the Sharqia Governorate level.
- STA signed a cooperation agreement with NBK, Egypt, to sponsor STA students in ICT.



In recognition of the student's efforts and our partner's support in contributing to the development of technical education, Elsewedy Technical Academy (STA) celebrated 269 graduates in the STA class of 2021 during a ceremony held in PI Park, with the number of STA graduates increasing. In addition, more than eight hundred students graduated from different study fields.

The ceremony was held in the presence of Eng. Ahmed Elsewedy, President and CEO of Elsewedy Electric, Mrs. Hanan Elrihany – CEO of STA, Mr. Walaa Antar – Foundation Treasurer, Mrs. Manal Hassan – Vice Chairman of the Board of Trustees, Partners/ Sponsor CEOs (such as Suez Steel Co. and DB Schenker), and our international academic partner from Germany (AHK).

STA Governance

Board members play a critical role in the strategic direction of our foundations. For example, Elsewedy Electric Foundation formulates strong members on the Board of Trustees, who support the vision of Elsewedy Technical Academy, the technical education and vocational training arm of the foundation. It also ensures that everyone in the organization follows appropriate and transparent decision-making processes and that the interests of all stakeholders are protected. Similarly, assuring processes produce results that meet the needs of society while making the best use of resources. Therefore, STA formulates clear processes and policies that regulate the flow of work and are clearly communicated to all staff to abide and refer to strictly:

- Procurement Manual
- HR Policies
- HSE Guidelines
- Student's Code of Conduct
- Teachers' Manual
- COVID-19 Infection Control Manual

Our focus is to continually develop and improve our Educational Management System (EOMS) and the provided programs in compliance with ISO 21001:2018 international standards' requirements to ensure that we meet and exceed our interested parties' requirements and expectations.

During the ceremony, our partners awarded certificates to the top students in recognition of their academic effort and achievements. In addition, it witnessed the honoring of STA employees in a celebration of the tenth anniversary of the academy.

This year witnessed the STA Annual Employment Fair, held at the school campus, with more than 600 job opportunities being available to our graduates and more than fifteen leading companies and factories interviewing and signing contracts with our students.

Accordingly, STA also renewed its ISO certification. The quality policy supports our strategy's implementation and lays the framework for developing our quality objectives. All our employees diligently use their knowledge and skills to continuously improve our educational products and services at the highest efficiency level.

Our Principles of Action Are:

- Compliance with all applicable laws, statutory regulations, and other requirements.
- Establish and communicate measurable quality objectives within the academy.
- Commit to an internal audit program to ensure the ongoing effectiveness of the EOMS.
- Foster our employees' skills, thereby strengthening their awareness of quality.
- Focus on constant improvement of our educational product quality and business efficiency.
- Gather and monitor customer feedback to improve their satisfaction.
- Strive for the utmost error prevention in all the processes. In this regard, we take a preventive and risk-based approach.
- Hold an annual "management review" meeting, supported by regular yearly review meetings.

To promote corporate social responsibility efforts, STA signed agreements with the below partners to sponsor several students in different specializations and is currently engaging more banks and corporations:



STA Promoting Diversity, Accessibility and Inclusion

STA encourages female enrollment and considers gender diversity in all aspects. Therefore, at least 20 – 30% of students are women. Furthermore, every year, STA introduces new fields of specialization that accept women, such as jewelry with the Azza Fahmy Foundation and logistics with BD Schenker. As a result, the selection criteria for Elsewedy Technical Academy (STA) are based on three main values:

→ Transparency	→ Set criteria for the selection of students and announce it to the public.
	→ Effective communication with the students at each stage, whether accepted or rejected.
	→ Technical participation of industrial partners in the selection process/interview panels.
→ Diversity and Equality	→ The selection process takes place without prejudice against gender or religion.
	→ Equal opportunity for all students to apply throughout the different stages of the educational process.



Elsawedy Technical Academy (STA) also provides equal opportunities through scholarships for students with exceptional academic or sports performance and financial aid scholarships programs for underprivileged students. In addition, although STA accepts students from all governorates across Egypt, it also offers programs for people with disabilities (PWDs).

“Economic inclusion of young women and men through improved access to high-quality dual education and training in Egypt.”

STA Extracurricular Activities

Go Life Program:

Go Life is a program designed by the STA Student Life Department to develop the life and personal skills of students over a period of three years. It is based on various training experiences supported by modern international methodologies for building and developing personal capabilities and supporting their transition to work. Therefore, the program is designed based on eight pillars:

- Cooperation and Participation
- Entrepreneurship
- Work Ethics
- Leadership
- Labor Market
- Communication
- Citizenship Long-Life Learning

Volunteering Activity

STA encourages its students to participate in volunteering as part of their payback to the community. Through the existing unit of the Students’ Life Department, a visit to the 57357 Hospital was arranged for our students to spend a day with the kids. The students were very happy to support the children and distributed gifts to them for the New Year.

STA Song

To engage the students more, and in celebration of 10 years, STA produced a song narrating our start and moving to the different segments we have at our schools, such as student engagement, women

empowerment, trainees, graduates, and our staff. All these segments have contributed to the song’s recording to convey transparency and inclusion and encourage more students to join our model.

Financial Sustainability

To assure financial sustainability and support STA's expansion strategy across Egypt and the region, STA applied partial tuition fees where students are asked to pay 30% of the total actual student fees in order to receive a unique quality of education, services, and benefits including the following:

- ▶ International Certificate of Competencies
- ▶ School Uniform
- ▶ Meals
- ▶ Educational Material
- ▶ Practical Experience from Leading Factories & Companies
- ▶ Scholarships Funded up to 100%
- ▶ Technical English Certificate from Cambridge University
- ▶ Transportation
- ▶ Medical Insurance
- ▶ Monthly Incentive
- ▶ Employment Opportunities

Student Loan Program

As part of STA's continuous efforts to provide its students with programs and benefits, a cooperation agreement was signed with Nasser National Bank to provide them with student loans to cover their tuition fees.



8

2021 Environmental, Social, and Governance Key Metrics

1. Governance and Economic Dimension
2. Social Indicators
3. Environmental Indicators



8.1 2021 Environmental, Social, and Governance Key Metrics

Elsewedy Electric at a Glance	Unit	FY 2020	FY 2021
Revenue	Billion EGP	200	109
Net Income	Billion EGP	70	28
Workforce	Total Headcount	22,000	16,049
	Permanent	16,000	6,536
	Temporary	6,000	9,513
Total Workforce Cost ²	Billion EGP	3.84	4.45
Production Facilities	No.	22	31
Operations	No. of Countries	17	41
Exports	No. of Countries	110	110

Governance and Economic Dimension

Board of Directors			
Elsewedy Electric at a Glance	Unit	FY 2020	FY 2021
Board Directors	Total No.	10	10
Women Board Directors	Total No.	1	2
Executives	Total No.	53	87
Women Executives	Total No.	3	21

² Includes the sum of all salaries, benefits, bonuses, value of employer pension contributions, value of stock options and value of stock unit plans paid to all employees of the Elsewedy Group, including senior executives.

Innovation Management				
		Unit	FY 2020	FY 2021
Women Employees	Total	Million EGP	1	1.1
Women Employees	Total	% of Total Revenue	0.03%	0.03%
Women Employees	Total Employees	No.	120	111

Supply Chain Management				
		Unit	FY 2020	FY 2021
Purchasing Volume (PVO)	Total	Million EGP	26,300	23,316

Social Indicators ⁵

Employees in Management Positions ⁶				
		Unit	FY 2020	FY 2021
	Total	No.	817	87
Women Employees	Total	% of Total Management Positions	8.3%	24%

New Hires				
		Unit	FY 2020	FY 2021
New Hired Employees	Total	No.	947	3,089
	Female	% of Total New Hires	14.1%	9.58%
	Disabled New Hires	No.	5	0
New Hired Employees	Age under 30	% of Total New Hires	48.4%	49%
	Age 30–50	% of Total New Hires	46.4%	45.5%
	Age above 50	% of Total New Hires	5.3%	5.4%

⁵

The social indicators pertaining to the FY 2021 covers 37 subsidiaries and facilities across the following countries of operation: Algeria (2); Egypt (22); Ethiopia (1); Greece (1); India (1); Indonesia (1); KSA (1); Kuwait (1); Malaysia (1); Qatar (2); Slovenia (1); UAE (1); Zambia (1).

⁶

The total management positions include Elsewedy Electric Group's top, middle, and junior management positions.

Elsowedy Electric Employees				
		Unit	FY 2020	FY 2021
Employees	Total	No.	10,370	16,049
	Full-Time Employees	% of Total Employees	100%	99.9%
	Permanent Employees	% of Total Employees	100%	41%
Breakdown by Age	Age under 30	% of Total Employees	23.2%	24%
	Age 30–50	% of Total Employees	70.2%	68%
	Age above 50	% of Total Employees	6.5%	8%
Breakdown by Region	Egypt	% of Total Employees	88.8%	79%
	Greece	% of Total Employees	0.1%	0.05%
	KSA	% of Total Employees	3.5%	2.3%
	Kuwait	% of Total Employees	0.6%	0.38%
	Qatar	% of Total Employees	5.0%	3.17%
	UAE	% of Total Employees	2.0%	1.67%
	Indonesia	% of Total Employees	-	2.8%
	Ethiopia	% of Total Employees	-	0.97%
	India	% of Total Employees	-	0.26%
	Slovenia	% of Total Employees	-	4.2%
	Zambia	% of Total Employees	-	0.63%
	Algeria	% of Total Employees	-	4.27%
	Malaysia	% of Total Employees	-	0.056%
	Total	% of Total Employees	5.1%	8%
	Egypt	% of Total Employees	5.2%	5.6%
	Greece	% of Total Employees	25.0%	25%
	KSA	% of Total Employees	1.4%	1.6%
	Kuwait	% of Total Employees	4.9%	6.56%
	Qatar	% of Total Employees	2.5%	2.12%
	UAE	% of Total Employees	12.2%	11.19%
	Indonesia	% of Total Employees	-	8.79%
	Ethiopia	% of Total Employees	-	16.13%
	India	% of Total Employees	-	12.2%
	Slovenia	% of Total Employees	-	50.37%

Elsowedy Electric Employees				
		Unit	FY 2020	FY 2021
	Zambia	% of Total Employees	-	12.87%
	Algeria	% of Total Employees	-	7.3%
	Malaysia	% of Total Employees	-	44.4%
Disabled Employees ⁴	Total	No.	226	420
	Women	% of Total Employees	25%	32%
The Ratio of Basic Salary and Remuneration of Women to Men	Group Level	Women: Men	1:1	-

Corruption, Breaches, and Audits				
		Unit	FY 2020	FY 2021
Bribery and Corruption Cases	Total	No. of Cases	0	0
Breaches	Total	No. of Cases	0	0
Corporate–Level Full Scope Audits	Total	No. of Audits	4	-
Corporate–Level Functional Audits	Total	No. of Audits	2	-

⁴ The employee data covers the following subsidiaries; Doha Cables, Egyplast, EGYTech, Electric KSA, Iskraemeco Egypt, PSP, SDM, SEDCO, STA, T&D, Transformers Egypt, and UMC.

New Hires							
		Unit		FY 2020		FY 2021	
Breakdown by Region	Egypt	Total No.	% Female of Total	812	14.7%	2,2724	-
	Greece	Total No.	% Female of Total	2	0%	0	-
	KSA	Total No.	% Female of Total	47	10.6%	31	-
	Kuwait	Total No.	% Female of Total	1	100%	9	-
	Qatar	Total No.	% Female of Total	34	5.9%	69	-
	UAE	Total No.	% Female of Total	51	13.7%	130	-
	Indonesia	Total No.	% Female of Total	-	-	9	-
	Ethiopia	Total No.	% Female of Total	-	-	8	-
	India	Total No.	% Female of Total	-	-	28	-
	Slovenia	Total No.	% Female of Total	-	-	45	-
	Zambia	Total No.	% Female of Total	-	-	11	-
	Algeria	Total No.	% Female of Total	-	-	22	-
	Malaysia	Total No.	% Female of Total	-	-	3	-

Employee Turnover							
		Unit		FY 2020		FY 2021	
Employees Turnover	Total	No.		1,160		1,789	
	Female	% of Total Turnover		6.9%		9.84%	
Breakdown by Age	Age under 30	% of Total Turnover		-		35.27%	
	Age 30-50	% of Total Turnover		-		55.84%	
	Age above 50	% of Total Turnover		-		8.89%	
Breakdown by Region	Egypt	Total No.	% Female of Total	1,030	7.2%	1,485	-
	Greece	Total No.	% Female of Total	1	0%	0	-
	KSA	Total No.	% Female of Total	21	0%	26	-
	Kuwait	Total No.	% Female of Total	15	6.7%	8	-
	Qatar	Total No.	% Female of Total	70	0%	76	-
	UAE	Total No.	% Female of Total	23	21.7%	50	-
	Indonesia	Total No.	% Female of Total	-	-	0	-
	Ethiopia	Total No.	% Female of Total	-	-	16	-
	India	Total No.	% Female of Total	-	-	4	-
	Slovenia	Total No.	% Female of Total	-	-	68	-
	Zambia	Total No.	% Female of Total	-	-	5	-
	Algeria	Total No.	% Female of Total	-	-	51	-
	Malaysia	Total No.	% Female of Total	-	-	0	-

Training and Development				
		Unit	FY 2020	FY 2021
Employee Training and Development	Total	Avg. hours/employee/yr.	43.5	6.2
	Female	Avg. hours/employee/yr.	49.7	10.87
	Male	Avg. hours/employee/yr.	43.2	5.8
	Entry Level	Avg. hours/employee/yr.	30.4	-
	Staff	Avg. hours/employee/yr.	127.2	-
	Management	Avg. hours/employee/yr.	312.3	-
Spend on Employee Training and Development	Total	EGP	10,191,095	-
Corporate Functional Training ⁷	HSE Training	No. of Trainees	35	-
	IT/Cybersecurity Training	No. of Trainees	4	-
	Other Training ⁸ (compliance, technical, soft skills, etc.)	No. of Trainees	70	-

Occupational Health and Safety				
		Unit	FY 2020	FY 2021
Work-Related Fatalities	Employees	No.	2	1
Work-Related Fatalities	Contractors	No.	3	3
Lost Time Injury Frequency Rate (LTIFR)	Employees	No. of injuries per 1,000,000 hours worked	0.29 ⁽⁹⁾	0.48
	Contractors	Avg. hours/employee/yr.		0.21
Data Coverage	Operations/Revenues	Avg. hours/employee/yr.	312.3	-
Worksites Certified to ISO 45001:2018 or OHSAS 18001	% of total worksites	% of Total Turnover	6.9%	9.84%

² The number of trainees refers to FY 2019. Physical training sessions were limited in 2020 due to COVID-19. Detailed training data will be compiled and disclosed in Elsewedy Electric's upcoming 2023 Sustainability Report.

⁸ For more details about the various corporate functional training programs, please refer to Page 107 of the Elsewedy Electric Sustainability Report 2018/2019.

Environmental Indicators¹⁰

GHG Emissions				
		Unit	FY 2020	FY 2021
Scope 1 (Direct)	Total	mtCO ₂ e	13,195	31,832
Scope 2 (Indirect)	Total (location-based)	mtCO ₂ e	41,442	102,722
Scope 1 + 2	Total	mtCO ₂ e	54,637	134,554
Scope 3 (Indirect)	Total	mtCO ₂ e	29,885	117,271
	Purchased Goods and Services	mtCO ₂ e	378	10,146
	Fuel and Energy-Related Activities	mtCO ₂ e	5,083	5,361
	Waste Generated in Operations	mtCO ₂ e	561	1,282
	Business Travel	mtCO ₂ e	298	994
	Employee Commuting	mtCO ₂ e	11,631	71,310
	Downstream Transportation	mtCO ₂ e	11,934	28,178
	Benban Solar PV Project	mtCO ₂ e	-	120,000
Avoided Emission	Wind and Hydro Assets	mtCO ₂ e	-	102,000

Energy				
		Unit	FY 2020	FY 2021
Primary Energy Consumption	Total	MWh	39,088	132,064
	Natural Gas	MWh	18,185	109,276
	Diesel	MWh	14,566	15,041
	Diesel and Petrol Consumed by Owned Vehicles	MWh	6,337	7,747
Secondary Energy Consumption	Total Purchased electricity	MWh	97,218	224,458

¹⁰ This year we expanded our boundaries for which quantitative data is disclosed to include 10 additional facilities operated by Elsewedy Electric, in addition to the seven facilities disclosed last year, amounting to a total of 17 facilities covered in FY 2021:

Egyplast - (Egypt), United Steel Wires (USW) - (Egypt), Iskraemeco (Egypt), United Industries Company (UIC) - (Egypt), Elsewedy Transformers (Egypt), Egytech Cables - (Egypt), Iskraemeco (Slovenia), United Metal (Egypt), SEDCO, ELASTIMOLD (Egypt), ECMEI (Egypt), GIAD Elsewedy (Sudan), Yanbu Al-Sinaiyah (Saudi Arabia), Elsewedy Cables (Algeria), Elsewedy Cables (Ethiopia), Doha Cables (Qatar), Iskraemeco (Bosnia), Elsewedy Electric Infrastructure

Water and Effluents				
		Unit	FY 2020	FY 2021
Total Municipal Water Withdrawals		m ³	566,880 ⁽⁸⁾	881,762
Total Wastewater Discharge		m ³	425,160 ⁽⁹⁾	705,410
Total Water Consumption (withdrawals–discharge)		m ³	141,720	176,350

Materials				
		Unit	FY 2020	FY 2021
Total paper consumption		Tons	62.92	51
Total Packing Material Consumption		Tons	-	7,176
Total Purchased Goods Consumption		Tons	463.68	89

Waste				
		Unit	FY 2020	FY 2021
Total Non-hazardous Industrial Waste Generated ¹¹		Tons	14,620	60,519
Total Waste Diverted through Recycling		Tons	14,620	45,163
Diversion Rate		%	100%	75%

Environmental Compliance and Additional Certifications				
		Unit	FY 2020	FY 2021
Worksites Certified to ISO 9001	% of Total Worksites	%	100%	100%
Worksites Certified to ISO 14001	% of Total Worksites	%	100%	73%
Worksites Certified to ISO 50001	Total Worksites	No.	2	23%

¹¹ The waste quantities disclosed exclude the municipal waste generated from employees and workers and the hazardous waste generated from the manufacturing operations.

⁸ This value has been restated from 997,850 m³ (reported previously) to 566,880 m³, due to an error in calculation.

⁹ This value has been restated from 748,390 m³ (reported previously) to 425,160 m³, due to an error in calculation.



9

ESG Reporting Frameworks

1. GRI Content Index
2. SASB Content Index
3. UNGC Content Index
4. TCFD Content Index









MATERIAL TOPICS





Material Topics	Sub-topics	GRI Topics
Corporate Citizenship	<ul style="list-style-type: none">Business EthicsCorporate GovernanceRisk Management	Anti-corruption 2016 (205)
Sustainable Business Model	<ul style="list-style-type: none">Financial Implications of Climate ChangeProduct Design and Life Cycle ManagementProduct Quality and SafetyMaterial Sourcing and Efficiency	Economic Performance 2016 (201) Supplier Environmental Assessment 2016 (308) Supplier Social Assessment 2016 (414)
ESG Integration		Anti-corruption 2016 (205) Energy 2016 (302) Water and Effluents 2018 (303) Emissions 2016 (305) Supplier Environmental Assessment 2016 (308)
Digitalization with purpose	<ul style="list-style-type: none">Digital RevolutionData Privacy	Customer Privacy 2016 (418) Supplier Environmental Assessment 2016 (308) Supplier Social Assessment 2016 (414)
Smart Technology	Consumer-Centric Accessible Technology	
Responsible Innovation		Energy 2016 (302) Water and Effluents 2018 (303) Emissions 2016 (305) Supplier Environmental Assessment 2016 (308)
Climate and Water Action	<ul style="list-style-type: none">Energy Management and Renewable EnergyWater Management and EfficiencyGroup and Product CFPEnvironmental Certification	Energy 2016 (302) Water and Effluents 2018 (303) Emissions 2016 (305)
Safe Materials and Chemicals		Supplier Environmental Assessment 2016 (308)
Circular Economy	<ul style="list-style-type: none">Waste and Hazardous Waste Management and RecyclingEnvironmentally Friendly Packaging	Waste 2020 (306)
Protecting Ecosystems and Biodiversity	<ul style="list-style-type: none">Biodiversity ProtectionSupply Chain Environmental Impacts	Biodiversity 2016 (304) Supplier Environmental Assessment 2016 (308)
Well-being, Health and Safety		Occupational Health and Safety 2018 (403)
Employee Development		Training and Education 2016 (404)
Diversity and Inclusion		Diversity and Equal Opportunity 2016 (405)
Human and Labor Rights		Child Labor 2016 (408) Forced or Compulsory Labor 2016 (409)
Social and Community Impact		Local Communities 2016 (413)

















GRI CONTENT INDEX










Statement of use	Elsewedy Electric has reported in accordance with the GRI Standards for the period from January 1st 2021 to December 31st 2021.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	None




GRI Standard	Index Number	Disclosure	Report Section or Direct Response	Omission			GRI Sector Standard Ref. No.	WEF	SDGs Mapping
				Requirement(s) Omitted	Reason	Explanation			
GRI 2: General Disclosures 2021	The organization and its reporting practices								
	2-1	Organizational details	a. Elsewedy Electric Co. b. Shareholders (P.27) c. Plot 27, 1st District, 5th Settlement, NewCairo – Egypt d. Markets and Sectors (p.26), see Elsewedy Electric Sustainability Report 2018–2019 (pages 24–39)						
	2-2	Entities included in the organization’s sustainability reporting	About this report (p.4)						
	2-3	Reporting period, frequency and contact point	About this report (p.4,7)						
	2-4	Restatements of information	Earlier Sustainability Report (p.5)						
	2-5	External assurance	Assurance (p.5)						
	Activities and workers								
	2-6	Activities, value chain and other business relationships	Business Lines (P.26)						
	2-7	Employees	2021 ESG Key Metrics (p.129–130)					SDG 8.5, 10.3 	
	2-8	Workers who are not employees	a,b,c	Information unavailable	These requirements will be integrated into Elsewedy Electric’s data management system and considered in the future reporting cycle.		SDG 8.5 		
	Governance								
	2-9	Governance structure and composition	Corporate Citizenship (p.62)				Governance body composition	SDG 5.5, 16.7 	
	2-10	Nomination and selection of the highest governance body	Corporate Citizenship (p.62)					SDG 5.5, 16.7 	
	2-11	Chair of the highest governance body	Board composition (p.62)					SDG 16.6 	
	2-12	Role of the highest governance body in overseeing the management of impacts	Strategy (p. 59) Environmental Policy , Climate Policy , Water Policy , Biodiversity Policy					SDG 16.7 	
	2-13	Delegation of responsibility for managing impacts	Responsibilities are specified in our published group policies: Environmental Policy , Climate Policy , Water Policy , Biodiversity Policy						
	2-14	Role of the highest governance body in sustainability reporting	The Group President and CEO, as well as the Chief Sustainability Officer are responsible for reviewing, and approving the identified material topics, as well as overseeing and monitoring the progress towards the set targets. See Elsewedy Electric Sustainability Strategy 2020–2023						










GRI Standard	Index Number	Disclosure	Report Section or Direct Response	Omission			GRI Sector Standard Ref. No.	WEF	SDGs Mapping
				Requirement(s) Omitted	Reason	Explanation			
GRI 2: General Disclosures 2021	2-15	Conflicts of interest	Employee Code of Conduct (p.19)						SDG 16.6 
	2-16	Communication of critical concerns	Compliance (p.74)						
	2-17	Collective knowledge of the highest governance body	Board Committees (p.62)						
	2-18	Evaluation of the performance of the highest governance body	Board composition (p.62)						
	2-19	Remuneration policies	Remuneration committee (p.62)						
	2-20	Process to determine remuneration	Remuneration committee (p.62)						SDG 16.7 
	2-21	Annual total compensation ratio	The ratio of basic salary and remuneration of the highest paid individual to the average annual total compensation for all employees is 0.27%, while the ratio of the percent increase in annual total compensation of the highest paid individual to the average annual total compensation for all employees is 5%.						
	Strategy, Policy and Practices								
	2-22	Statement on sustainable development strategy	Letter from CEO & President (p.8)						
	2-23	Policy commitments	See our publicly available ESG and Compliance policies						SDG 16.3 UNGC 7, 10 
	2-24	Embedding policy commitments	Each policy includes a section describing all impacted personnel, roles & responsibilities for the policy application and how the policy will be monitored and embedded. Each policy change or new policy introduction is accompanied by the necessary training and capacity building for all involved parties and concerned staff.					Risk and opportunity oversight	
	2-25	Processes to remediate negative impacts	Elsewedy Electric Sustainability Strategy 2020-2023 , Stakeholders (p.42), Employee Code of Conduct (p.14), Third Party Code of Conduct (p.14-15), Whistle-blowing Policy , Human Rights Policy						
	2-26	Mechanisms for seeking advice and raising concerns	The Whistleblowing portal (Speak Up)						SDG 16.3 
	2-27	Compliance with laws and regulations	Internal audit (p.77)						
	2-28	Membership associations	UNGC, GRI Community						






GRI Standard	Index Number	Disclosure	Report Section or Direct Response	Omission			GRI Sector Standard Ref. No.	WEF	SDGs Mapping
				Requirement(s) Omitted	Reason	Explanation			
GRI 2: General Disclosures 2021	Stakeholder Engagement								
	2–29	Approach to stakeholder engagement	Stakeholders (p.42)						
	2–30	Collective bargaining agreements	Employee Code of Conduct (p.13), Third Party Code of Conduct (p.14–15)						SDG 8.8 
GRI 3: Material Topics 2021	GRI 3: Material Topics 2021								
	3–1	Process to determine material topics	Methodology (p.43)						
	3–2	List of material topics	Material topics (p.140)						
	GRI 201: Economic Performance 2016								
GRI 3: Material Topics 2021	3–3	Management of material topic	Financial Performance (p.27)						
GRI 201: Economic Performance 2016	201–1	Direct economic value generated and distributed	Financial Performance (p. 28–34)					Employment and wealth generation: Economic contribution	SDG 8.1, 8.2, 9.1, 9.4, 9.5 
	201–2	Financial implications and other risks and opportunities due to climate change	Materiality (p. 48), CDP Response (C2. Risks and Opportunities)						SDG 13.1 
	201–4	Financial assistance received from government	None						
	GRI 203: Indirect Economic Impacts 2016								
GRI 3: Material Topics 2021	3–3	Management of material topic	Delivering Sustainable value (p.34)						
GRI 203: Indirect Economic Impacts 2016	203–1	Infrastructure investments and services supported	2021 Key Projects (p.18), Our Projects (p.36), Key Acquisitions and Contracts (p.37)					Innovation for better products and services	SDG 5.4, 9.1, 9.4, 11.2 
	203–2	Significant indirect economic impacts	Delivering Sustainable value (p.34)						SDG 1.2, 1.4, 3.8, 8.2, 8.3, 8.5 
	GRI 204: Procurement Practices 2016								
GRI 3: Material Topics 2021	3–3	Management of material topic	Sustainable Supply Chain (p.86)						


GRI Standard	Index Number	Disclosure	Report Section or Direct Response	Omission			GRI Sector Standard Ref. No.	WEF	SDGs Mapping
				Requirement(s) Omitted	Reason	Explanation			
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Towards 100% Transparent Supply Chain (p.86)						SDG 8.3 
			GRI 205: Anti-corruption 2016						
GRI 3: Material Topics 2021	3-3	Management of material topic	Anti-Corruption and Anti-Money Laundering Policy						
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	Anti-Corruption and Anti-Money Laundering Policy (p.6-7)						SDG 16.5 UNGC 10 
	205-3	Confirmed incidents of corruption and actions taken	Corruption, Breaches, and Audits (p.130)					Ethical behavior	SDG 16.5 UNGC 10 
			GRI 302: Energy 2016						
GRI 3: Material Topics 2021	3-3	Management of material topic	Sustainable Energy (p.94)						
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Sustainable Energy (p.94), ESG Metrics (p.135)						SDG 7.2, 7.3, 8.4, 12.2, 13.1 
			GRI 303: Water and Effluents 2018						
GRI 3: Material Topics 2021	3-3	Management of material topic	Water Action (p.91)						SDG 6.3, 6.4, 6.A, 6.B, 12.4 
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Water Action (p.91)						SDG 6.3 
	303-2	Management of water discharge-related impacts	Water Action (p.91)						SDG 6.4 
	303-4	Water discharge	Water Action (p.91)						SDG 6.3 
	303-5	Water consumption	Water Action (p.91)						SDG 6.4 

GRI Standard	Index Number	Disclosure	Report Section or Direct Response	Omission			GRI Sector Standard Ref. No.	WEF	SDGs Mapping
				Requirement(s) Omitted	Reason	Explanation			
	GRI 304: Biodiversity 2016								
GRI 3: Material Topics 2021	3–3	Management of material topic	Protecting Ecosystem and Biodiversity (p.97) Group Biodiversity Policy						
	GRI 305: Emissions 2016								
GRI 3: Material Topics 2021	3–3	Management of material topic	Climate Action (p.91), Climate Policy						
GRI 305: Emissions 2016	305–1	Direct (Scope 1) GHG emissions	Climate Action (p.92)						SDG 3.9, 12.4, 13.1, 14.3, 15.2 
	305–2	Energy indirect (Scope 2) GHG emissions	Climate Action (p.92)						SDG 3.9, 12.4, 13.1, 14.3, 15.2
	305–3	Other indirect (Scope 3) GHG emissions	Climate Action (p.92)						SDG 3.9, 12.4, 13.1, 14.3, 15.2 
	305–4	GHG emissions intensity	Climate Action (p.92)						SDG 13.1, 14.3, 15.2 
	305–5	Reduction of GHG emissions	Climate Action (p.92)						SDG 13.1, 14.3, 15.2 
	GRI 306: Waste 2020								
GRI 3: Material Topics 2021	3–3	Management of material topic	Circular Economy (p.95–97), Environmental Policy						
GRI 306: Waste 2020	306–1	Waste generation and significant waste-related impacts	Circular Economy (p.95–96)						SDG 3.9, 6.3, 6.6, 11.6, 12.4, 12.5 
	306–2	Management of significant waste-related impacts	Circular Economy (p.95–96)						SDG 3.9, 6.3, 8.4, 11.6, 12.4, 12.5 
	306–3	Waste generated	Circular Economy (p.95–96)						SDG 3.9, 6.6, 11.6, 12.5, 12.4, 15.1 
	306–4	Waste diverted from disposal	Circular Economy (p.95–96)						SDG 3.9, 11.6, 12.4, 12.5 
	306–5	Waste directed to disposal	Circular Economy (p.95–96)						SDG 3.9, 6.6, 11.6, 12.4, 12.5, 15.1 

GRI Standard	Index Number	Disclosure	Report Section or Direct Response	Omission			GRI Sector Standard Ref. No.	WEF	SDGs Mapping	
				Requirement(s) Omitted	Reason	Explanation				
	GRI 308: Supplier Environmental Assessment 2016									
GRI 3: Material Topics 2021	3-3	Management of material topic	Sustainable Supply Chain (p.86) <u>Third Party Code of Conduct</u> (p.16-17) <u>Group Environmental Policy</u>							
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	a.			Information Unavailable	Elsewedy Electric is currently developing a group-wide Environmental and Social Management System, through which environmental and social assessments and management will be conducted for all suppliers.			
	308-2	Negative environmental impacts in the supply chain and actions taken	a., b., c., d., e.							
	GRI 401: Employment 2016									
GRI 3: Material Topics 2021	3-3	Management of material topic	People and Communities (p.101), <u>Elsewedy Electric 2018-2019 Sustainability Report</u> (p.100-101)							
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Turnover (p.112) New Hires (p. 116)						Employment and wealth generation: Absolute number and rate of employment	SDG 5.1, 8.5, 8.6, 10.3 UNGC 1 
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Compensation and Benefits (p.117)							SDG 3.2, 5.4, 8.5 UNGC 1 
	401-3	Parental leave	Compensation and Benefits (p.117)							SDG 3.2, 5.4, 8.5 UNGC 1 
	GRI 403: Occupational Health and Safety 2018									
GRI 3: Material Topics 2021	3-3	Management of material topic	Well-Being, Health, and Safety (p.102)							

GRI Standard	Index Number	Disclosure	Report Section or Direct Response	Omission			GRI Sector Standard Ref. No.	WEF	SDGs Mapping
				Requirement(s) Omitted	Reason	Explanation			
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Well-being, Health, and Safety (p.102) HSE Section on our website						SDG 3.3, 3.4, 3.9, 8.8, 16.1 
	403-2	Hazard identification, risk assessment, and incident investigation	Well-Being, Health, and Safety (p.107)						SDG 8.8 
	403-3	Occupational health services	Elsewedy Electric 2018–2019 Sustainability Report						SDG 8.8 
	403-5	Worker training on occupational health and safety	Health and Safety Training Programs (p.110)						SDG 8.8 
	403-6	Promotion of worker health	Health and Safety Training Programs (p.104)					Health and well-being	SDG 3.3, 3.5, 3.7, 3.8 
	403-8	Workers covered by an occupational health and safety management system	All employees and workers including contractors, across all subsidiaries of Elsewedy Electric Group are covered by the occupational health and safety management systems.						
	403-9	Work-related injuries	Health and Safety Indicators (p.104–105) 2021 ESG Key Metrics (p.134)					Health and well-being	SDG 3.6, 3.9, 8.8, 16.1 
	403-10	Work-related ill health	Health and Safety Indicators (p.104–105) 2021 ESG Key Metrics (p.134)						SDG 3.3, 3.4, 3.9, 8.8, 16.1 
GRI 404: Training and Education 2016									
GRI 3: Material Topics 2021	3-3	Management of material topic	Employee Development (p.111)						
GRI 404: Training and Education 2016	404-1	New employee hires and employee turnover	Employee Development (p.111) 2021 ESG Key Metrics (p.134)					Skills for the future	SDG 4.3, 4.4, 4.5, 5.1, 8.2, 8.5, 10.3 
	404-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Development (p.111–112)						SDG 8.2, 8.5 
GRI 405: Diversity and Equal Opportunity 2016									
GRI 3: Material Topics 2021	3-3	Management of material topic	Diversity and Inclusion (p.113)						

GRI Standard	Index Number	Disclosure	Report Section or Direct Response	Omission			GRI Sector Standard Ref. No.	WEF	SDGs Mapping
				Requirement(s) Omitted	Reason	Explanation			
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	2021 ESG Key Metrics (p.128–131)						SDG 5.1, 5.5, 8.5 
	405-2	Ratio of basic salary and remuneration of women to men	2021 ESG Key Metrics (p.130)	a., b.	Confidentiality Constraints	The required data is considered confidential by Elsewedy Electric		Dignity and equality: Pay equality	SDG 5.1, 8.5, 10.3 UNGC 6 
			GRI 408: Child Labor 2016						
GRI 3: Material Topics 2021	3-3	Management of material topic	Sustainable Supply Chain (p.86) Third Party Code of Conduct (p.13–14)						
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Sustainable Supply Chain (p.86–87)						SDG 5.2, 8.7, 16.2 
			GRI 409: Forced or Compulsory Labor 2016						
GRI 3: Material Topics 2021	3-3	Management of material topic	Sustainable Supply Chain (p.86) Third Party Code of Conduct (p.13–14)						
Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Sustainable Supply Chain (p.86–87)						SDG 5.2, 8.7 
			GRI 413: Local Communities 2016						
GRI 3: Material Topics 2021	3-3	Management of material topic	Social and Community Impact (p.118)						
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Social and Community Impact (p.118–124)						
	413-2	Operations with significant actual and potential negative impacts on local communities	In accordance with the requirements of the national laws and regulations (including Law 4) environmental and social impact assessment studies are conducted for any new project or facility construction or expansion, which include a stakeholder engagement plan in which vulnerable groups of communities expected to be affected by such projects are reached out to prior to the commencement of the project. Elsewedy Electric ensures that no local communities are harmed by projects or operations conducted by any of its subsidiaries.						SDG 1.4, 2.3 

GRI Standard	Index Number	Disclosure	Report Section or Direct Response	Omission			GRI Sector Standard Ref. No.	WEF	SDGs Mapping
				Requirement(s) Omitted	Reason	Explanation			
	GRI 414: Supplier Social Assessment 2016								
GRI 3: Material Topics 2021	3-3	Management of material topic	Sustainable Supply Chain (p.86) Third Party Code of Conduct						
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria		a.	Information Unavailable	Elsewedy Electric is currently developing a group-wide Environmental and Social Management System, through which environmental and social assessments and management will be conducted for all suppliers.			SDG 5.2, 8.8, 16.1 UNGC 1, 2, 3, 4, 5, 6 



SASB CONTENT INDEX

ELECTRICAL & ELECTRONIC EQUIPMENT					
SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS					
TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	RESPONSE
Energy Management	Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	RT-EE-130a.1	2021 ESG Key Metrics (p.135) (1) Total energy consumed (primary+secondary) is 1,283,479 GJ; (2) 63% grid electricity; (3) 0%
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	RT-EE-150a.1	This information is not available for the current reporting period. Elsewedy Electric is working on an ESMS system that will help in collecting the required information for the upcoming reporting periods.
	Number and aggregate quantity of reportable spills, quantity recovered	Quantitative	Number, Kilograms (kg)	RT-EE-150a.2	This information is not available for the current reporting period. Elsewedy Electric is working on an ESMS system that will help in collecting the required information for the upcoming reporting periods.
Product Safety	Number of recalls issued, total units recalled	Quantitative	Number	RT-EE-250a.1	This information is unavailable for the current reporting period.
	Total amount of monetary losses as a result of legal proceedings associated with product safety	Quantitative	Reporting currency	RT-EE-250a.2	This information is unavailable for the current reporting period.
Product Lifecycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	Percentage (%) by revenue	RT-EE-410a.1	This information is unavailable for the current reporting period.
	Percentage of eligible products, by revenue, that meet ENERGY STAR® criteria	Quantitative	Percentage (%) by revenue	RT-EE-410a.2	This information is unavailable for the current reporting period.
	Revenue from renewable energy-related and energy efficiency-related products	Quantitative	Reporting currency	RT-EE-410a.3	Delivering Sustainable Value (p.34)
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	RT-EE-440a.1	This information is not available for the current reporting period. Elsewedy Electric is working on an ESMS system that will help in collecting the required information for the upcoming reporting periods.
Business Ethics	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	Discussion and Analysis	n/a	RT-EE-510a.1	Anti-Corruption & Anti-Money Laundering Policy
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Quantitative	Reporting currency	RT-EE-510a.2	Zero
	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	Reporting currency	RT-EE-510a.3	Zero
ACTIVITY METRICS					
ACTIVITY METRICDISCLOSUMETRICS		CATEGORY	UNIT OF MEASURE	CODE	RESPONSE
Number of units produced by product category		Quantitative	Number	RT-EE-000.A	Refer to Elsewedy Electric 2021 Carbon Footprint Report
Number of employees		Quantitative	Number	RT-EE-000.B	16,049
ELECTRIC UTILITIES & POWER GENERATORS					
SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS					
TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	RESPONSE
Greenhouse Gas Emissions & Energy Resource Planning	Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations, and (3) emissions-reporting regulations	Quantitative	Metric tons (t) CO2-e, Percentage (%)	IF-EU-110a.1	GHG Emissions (p.91-93)
	Greenhouse gas (GHG) emissions associated with power deliveries	Quantitative	Metric tons (t) CO2-e	IF-EU-110a.2	Not available
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	n/a	IF-EU-110a.3	Refer to Elsewedy Electric 2021 Carbon Footprint Report
	Number of customers served in markets subject to renewable portfolio standards (RPS) and (2) percentage fulfillment of RPS target by market	Quantitative	Number, Percentage (%)	IF-EU-110a.4	Not applicable

ELECTRICAL & ELECTRONIC EQUIPMENT					
SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS					
TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	RESPONSE
Air Quality	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) particulate matter (PM10), (4) lead (Pb), and (5) mercury (Hg); percentage of each in or near areas of dense population	Quantitative	Metric tons (t), Percentage (%)	IF-EU-120a.1	Not available/applicable
Water Management	Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m³), Percentage (%)	IF-EU-140a.1	2021 ESG Key Metrics (p.136)
	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	Quantitative	Number	IF-EU-140a.2	This information is unavailable for the current reporting period.
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	n/a	IF-EU-140a.3	Water Action (p.91), See Water Policy
Workforce Health & Safety	Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	Quantitative	Rate	IF-EU-320a.1	Health and Safety Indicators (p.104-105)

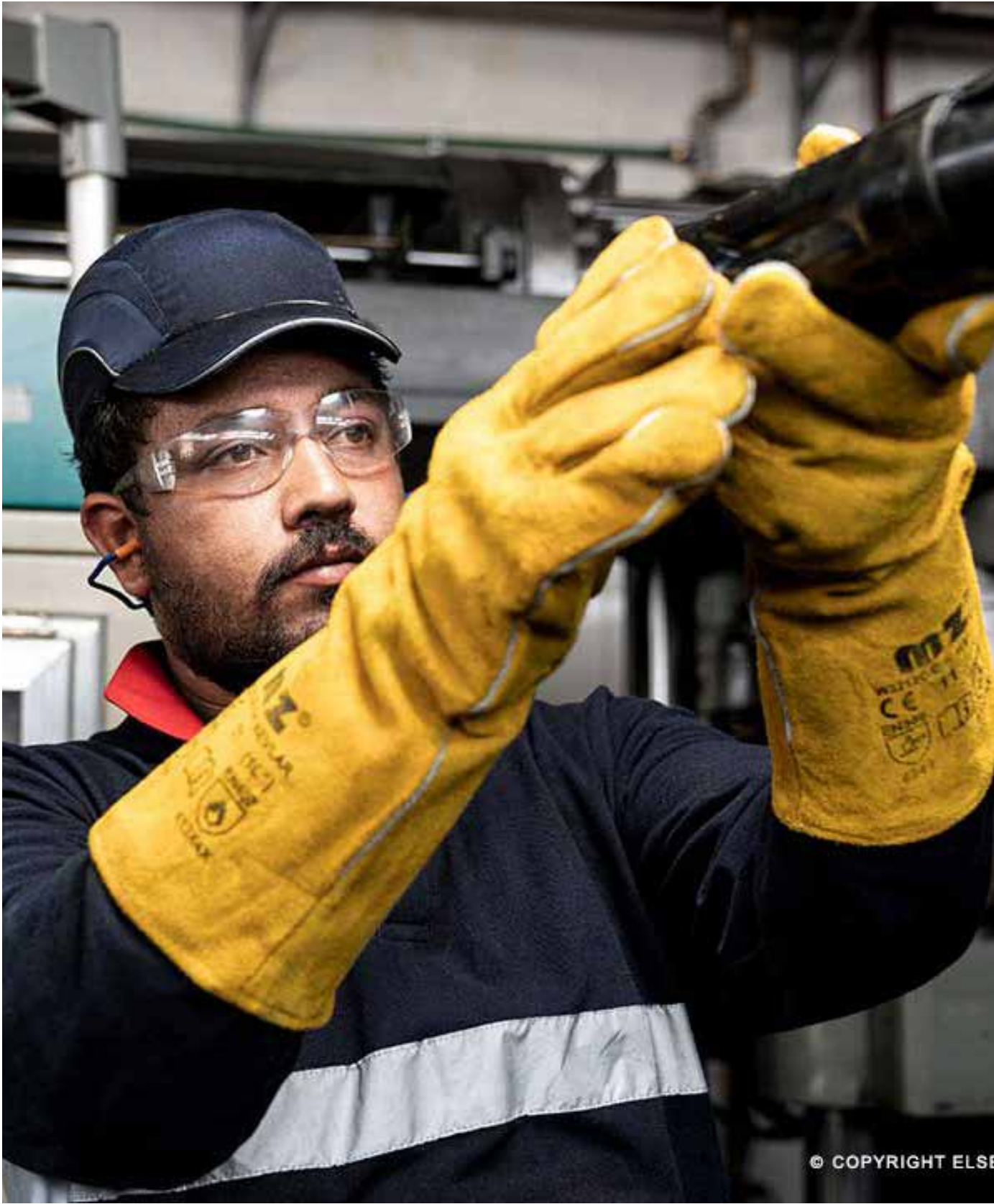
UNGC CONTENT INDEX

PRINCIPLE	DESCRIPTION	REFERENCE
Human Rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	Human Rights Policy Third Party Code of Conduct
Principle 2	Businesses should make sure they are not complicit in human rights abuses.	Human Rights Policy Third Party Code of Conduct
Labor		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Employee Code of Conduct Third Party Code of Conduct
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labor	Sustainable Supply Chain (p.86) Third Party Code of Conduct
Principle 5	Businesses should uphold the effective abolition of child labor.	Sustainable Supply Chain (p.86) Third Party Code of Conduct
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Employee Code of Conduct Third Party Code of Conduct
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges.	See Esewedy Sustainability Strategy , Environmental Policy , Climate Policy , Water Policy
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.	Delivering Sustainable Value (p.34-39)
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	Delivering Sustainable Value (p.34-39)
Anti-corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	Anti-Corruption & Anti-Money Laundering Policy



TCFD CONTENT INDEX

TCFD RECOMMENDATION	CDP CLIMATE CHANGE RESPONSE
Governance	
a. Describe the board’s oversight of climate-related risks and opportunities.	C1.1b
b. Describe management’s role in assessing and managing climate-related risks and opportunities.	C1.2, C1.2a
Strategy	
a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	C2.1a, C2.3, C2.3a, C2.4, C2.4a
b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	C2.3a, C2.4a, C3.1, C3.2a, C3.2b, C3.3, C3.4, C-FS3.7, C-FS3.7a
c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	C3.2, C3.2a, C3.2b
Risk Management	
a. Describe the organization's processes for identifying and assessing climate-related risks.	C2.1, C2.2, C2.2a, C-FS2.2b, C-FS2.2c, C-FS2.2d, C-FS2.2e
b. Describe the organization's processes for managing climate-related risks.	C2.1, C2.2, C-FS2.2d, C-FS2.2e
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	C2.1, C2.2,
Anti-corruption	
a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	C4.2, C4.2a, C4.2b, C9.1
b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	C6.1, C6.3, C6.5, C6.5a, C-FS14.0, C-FS14.1, C-FS14.1a, C-FS14.1b
c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	C4.1, C4.1a, C4.1b, C-FS4.1d, C4.2, C4.2a, C4.2b



LIMITED ASSURANCE STATEMENT

Independent auditors' report on Elsewedy Electric Sustainability Report 2021 To Elsewedy Electric's Board of Directors

We have been appointed to perform a limited assurance engagement on Elsewedy Electric Sustainability Report 2021 for a reporting period covering from the 1st of January, to the 31st of December 2021.

Directors' Responsibility

Elsewedy Electric's Directors are responsible for preparing this report according to the **Global Reporting Initiative (GRI) Sustainability Reporting Universal Standards 2021**. The Directors are responsible for ensuring sufficient internal control to prepare a report that is free from material misstatements caused by fraud or error. Their responsibility includes the definition of methodology, reporting scope, assumptions and estimations, stakeholder engagement, materiality assessment, and the contents of the final report.

Auditors' Independence and Quality Control

We adhere to integrity, objectivity, competence, due diligence, confidentiality, and professional behavior. We maintain a quality control system that includes policies and procedures regarding compliance with ethical requirements, professional standards, and applicable laws and regulations.

Auditors' Responsibility

It is our responsibility to conclude the compliance of this report with the requirements of the GRI Universal Standards 2021. We conducted a limited assurance engagement based on our professional judgment, inquiries, document analysis, recalculations, and other relevant procedures, to obtain evidence sufficient to the assurance scope

We have performed the following procedures based on data and documentation provided by Elsewedy Electric:

- ▶ Review and analysis of Elsewedy Electric Group and its business lines' strategies, guidelines, policies, procedures, reports, and data.
- ▶ Analysis and comparison of results featured in previous reports with the 2020 results.
- ▶ Auditing stakeholder engagement process and outcomes.
- ▶ Analysis of the coherence and consistency of the materiality assessment of the Group's disclosed business lines.
- ▶ Review of the final report and the featured content indices in regards to compliance with the GRI Universal Standards 2021 as listed in the report.

Conclusion

Based on the aforementioned procedures, nothing has come to our attention that would cause us to believe that the Elsewedy Electric Sustainability Report 2021 has not been prepared in all material topics, in accordance with the requirements of the GRI Universal Standards 2021. We do not assume and will not accept responsibility to anyone other than Elsewedy Electric for the provided assurance and conclusion.

Dr. Abdelhamid Beshara

Founder & Chief Executive Officer

Cairo, November 25th, 2021

MASADER, ENVIRONMENTAL & ENERGY SERVICES
S.A.E CAIRO, September 21st, 2022



ABOUT MASADER

Masader is an innovative interdisciplinary consulting, design and engineering sustainability firm based in Cairo, aiming at leveraging positive impact across the MENA region and globally. It specializes in Resource Efficiency, Sustainable Management of Natural Resources and Integrated Sustainability Solutions. Since 2015, Masader has led 100+ projects across the areas of energy, environment, climate change & carbon footprint, circular economy, green building (LEED), as well as corporate sustainability strategies, reporting and certification.

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