

SUSTAINABILITY 2020

UNLOCK INNOVATIONS
DISCOVER ELSEWEDY ELECTRIC

ELSEWEDY
ELECTRIC

**ELSEWEDY
ELECTRIC**



ELSEWEDY ELECTRIC
SUSTAINABILITY
PROGRESS REPORT
2020

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1 About this report

The Sustainability Progress Report highlights Elsewedy Electric Group's performance during 2020.

This sustainability report presents the social, environmental, economic, and governance performance of the Group during 2020. The progress report reflects our transition from a bi-annual reporting cycle to providing stakeholders with up-to-date information. Data and insights on each material topic have been gathered from different departments, entities, and business associations. Provided data and insights refer to the Group as a whole unless specified otherwise.

The report aims to communicate our sustainability efforts to a vast network of stakeholders, suppliers, vendors, clients, and other interested parties. It also serves as a tool to disclose our achievements in the **UN Sustainable Development Goals** and **United Nations Global Compact Ten Principles**.

A table at the end of the report presents each UNGC principle and its respective section. We have been a member of UNGC since 2017.

This report has been prepared in accordance with the **GRI Standards**: Core option. We are a member of the GRI Community and support the mission of GRI to empower decision-makers everywhere, through GRI Sustainability Reporting Standards and its multi-stakeholder network, to take action towards a more sustainable economy and world.

We relied on GRI Reporting Principles while preparing this report. This included ensuring **stakeholder inclusion** through the engagement process, aligning our sustainability model with the **sustainability context** and ensuring **completeness** of the report contents based on the best available data.



We also applied principles of Accuracy, Balance, Clarity, Comparability, Reliability and Timeliness throughout different stages of report preparation.

This year, the report features annexes that provide information in accordance with the **Sustainability Accounting Standards Board (SASB), Task Force on Climate-Related Financial Disclosures (TCFD)** requirements as well as the **World Economic Forum** and the **International Business Council (IBC) Stakeholder Capitalism Metrics**.

Our most recent sustainability report was published in January 2021, covering the period of 2018-2020. This report covers the period from January 1, 2020, to December 31, 2021. The report does not feature significant restatements from the previous reporting period, except when it was essential for comparability and tracking progress. A detailed overview of the Group and management approach for each material topic can be found in our previous sustainability report.



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 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.

Masader for Corporate Sustainability Consultancy provided limited assurance on the data accuracy, consistency, and completeness of this report in accordance with the GRI requirements.



Contact point for questions regarding the report:

Mrs. Manal Hassan

Group CSR and Sustainability Director & Vice Chairman
Elsewedy Electric Foundation
Plot 27 1st District, 5th Settlement, New Cairo – Egypt
Manal.Hassan@Elsewedy.com

Last year was a challenging year for all. Juggling uncertainty while also proceeding with planned developments meant that we had to determine our priorities carefully. However, staying resilient was the positive outcome in the face of adversity, and through it, we were able to protect our people and support society.

The Group managed to make it through 2020 while achieving more than expected, as evidenced in this report.

In 2020, we witnessed further expansion of Elsewedy, including new hubs in Africa, the launch of 500 KV high voltage cable and 250 MVA / 220 KV power transformers. Following significant revenue linked to sustainable products, I am optimistic about expanding our range, focusing on how we can help our customers and partners move towards a sustainable, innovative and renewable energy future.

The Group has increased the focus on the end-user and enhanced collaboration with distribution and contracting partners, allowing us to integrate diverse stakeholder needs better and build trust across the value chain. Those efforts have been further enhanced by introducing multiple industry 4.0 technologies and new decision support tools to facilitate more informed and accurate decisions.

As a key actor in large-scale regional developments, we aimed to harness this capacity through working on supply chain due diligence. We also obtained multiple certifications, transitioned to updated versions or renewed our certificates, solidifying our positioning across markets.

Today, our journey is about making sustainability integral to Elsewedy operations and processes, unlocking the power of digitalization, decarbonization, green finance, while contributing to the success of Global Sustainable Development Goals, Paris targets, Egypt's 2030 vision and our long-term commitments.

Our focus spans beyond incremental improvements and makes sure all our actions align well with the chosen path and embraces the complexity of our environment. With risk and uncertainty being our new reality, we stay curious and open to respond to the rapidly changing world, collaborating with stakeholders to build a vibrant economy, thriving society, and a liveable climate.

The future is hardly predictable, yet I am sure that combining a commitment to our core values with rapid innovation makes the group as ready as ever to meet it. By setting high internal standards for the full spectrum of ESG issues, we can achieve better business performance while encouraging action across the value chain. Sustainability is an increasingly essential aspect of our strategic thinking, business development and long-term value creation.

- Eng. Ahmed Elsewedy |
President and CEO of Elsewedy Electric



2 Letter from CEO & President



3

Letter from Group CSR & Sustainability Director

Sustainability is Elsewedy's way of thriving over the long term. Despite obstacles, the year was significant in enhancing our positive impact.

Over the past years, our business strategy and sustainability strategy have evolved together to help transform the Group to meet emerging challenges. We see that developing a resilient, diversified and sustainable business goes in line with furthering our contribution to society. By investing in education, we build the future workforce of our company and our country, contributing to a competitive and dynamic economy. And by investing in healthcare, culture, and diversity, we contribute to a developed and engaged population ready to embrace innovation and harness the benefits of sustainability and technology.

One of the most fundamental achievements was our new Sustainability Strategy (2020-2023), defining our commitments across significant impact areas until 2030. The bold targets and clear measures will help us move in this direction. In response to the aggravating climate crisis and significant water challenges in Egypt,

we have issued new rigorous Climate and Water policies and reviewed multiple others to better comply with emerging regulations and new requirements.

The report also presents several key steps to streamline ESG while preparing disclosures in line with key global frameworks and rankings. Such independent external assessments provide us with insights on where we can keep improving.

The year tested the strength of global commitments. We want to be among companies that don't step back but move the world forward. And we will stand by this vision.

- Mrs. Manal Hassan
Group CSR and Sustainability Director
& Vice Chairman of Elsewedy Electric Foundation

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2020 HIGHLIGHTS

- 4.1 | Environmental, Social and Governance (ESG) Performance
- 4.2 | Towards Alignment With Global Frameworks
- 4.2 | COVID-19 Preparedness and response
- 4.2 | 2020 Achievements



4.1 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) PERFORMANCE

GOVERNANCE & TECHNOLOGY

- ▶ 3-Phase Covid-19 Plan
- ▶ 10+ due diligence on target companies
- ▶ Three closed acquisitions
- ▶ New Digital Transformation Strategy
- ▶ Infrastructure Services moved to cloud
- ▶ New legal department long- term digitalization strategy

PEOPLE

- ▶ 22,000 Workforce
- ▶ 20% women of the Board membership ⁽¹⁾
- ▶ 312 training hours for management
- ▶ 127 training hours for staff
- ▶ 100% of Elsewedy Electric's worksites are certified to 45001:2018
- ▶ 0.29 LTIFR, 27% lower than in 2019
- ▶ 138 person-day of audits covering 15 sites
- ▶ 80% of subsidiaries achieved NFPA firefighting minimum requirements
- ▶ 15 new CSR initiatives

PROSPERITY

- ▶ Revenues: EGP 46,401.6 million
- ▶ Gross Profit: EGP 7,114.7 million
- ▶ R&D Spending: USD 1 million
- ▶ 3 New Products in Algeria
- ▶ 8 BN USD in investments for Elsewedy Industrial Development
- ▶ 100% of Work-sites Certified to ISO 45001:2018 or OHSAS 18001
- ▶ 11.3 BN EGP revenue from Carbon Neutral Cables
- ▶ 2.7 BN EGP revenue from Smart Grid technology for renewables
- ▶ 174 M EGP revenue from Solar PV
- ▶ 188 M EGP revenue from Wind Power
- ▶ 101 M EGP revenue from Water Treatment and Quality Monitoring WW [14.4 B EGP clean revenues = 31% of total 2020 revenues]

PLANET ²

- ▶ Sustainability Strategy 2020-2023
- ▶ Climate Policy
- ▶ Water Policy
- ▶ CDP Climate Change and Water Security Responses are up
- ▶ Total energy consumption of 136.3 GWh in 2020
- ▶ Total water consumption of 997,800 m³ in 2020
- ▶ Non-hazardous industrial waste generation of 14,619 tons, with 100% diversion rate
- ▶ Total GHG Emissions in 2020 amounted to 84,457 mtCO₂e
- ▶ 18% reduction in scope 1&2 emissions in 2020 compared to 2017
- ▶ Iskraemeco Slovenia achieves 72% reduction in emissions per product in 2020 compared to 2013, and 50% reduction in absolute total emissions compared to 2016
- ▶ Set a 12.5% Science-based GHG reduction target on Scope 1&2 emissions by 2025

4.2 TOWARDS ALIGNMENT WITH GLOBAL FRAMEWORKS

The Group has been focusing on disclosure according to leading ESG frameworks to meet stakeholder expectations, address gaps, and improve performance during the past years.



- ▶ Elsewedy Electric has been invited to participate in S&P CSA and has provided a comprehensive response, waiting for the release of the rating in 2021.
- ▶ The Group has disclosed its performance according to the CDP questionnaire in 2021 on "Climate Change" and "Water Security." To improve alignment with CDP, we have conducted a significant 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.
- ▶ Elsewedy has participated in the Corporate Knights ranking of 2022 Global 100 Most Sustainable Corporations in the World, to be ranked by the end of 2021.
- ▶ Elsewedy Electric has been included in the MSCI ESG Rating and is expected to be scored in 2021.
- ▶ Elsewedy Electric achieved a "Partial" rating level on the EcoVadis scoring scale with 37, situated within the 24th percentile. The Group has achieved higher scores on Environment, Ethics, and Sustainable procurement while improving Labour & Human rights disclosure. We are currently implementing a corrective action plan in line with the EcoVadis requirements.

Preparation of submissions has enhanced ESG data management and allowed us to more clearly define action areas and understand the benefits of investing in sustainability.

The Group is currently improving its ESG performance, expecting to increase its scores over the next few years, which has also been made one of the key priorities within the new sustainability strategy.

⁽¹⁾ As of 2021, an additional female Non-Executive board member has joined Elsewedy Electric's Board of Directors (Mrs. Shahinaz Nabil Amin Fouda).









⁽²⁾ The quantitative data covered under "Planet" section includes the data of seven production facilities under Elsewedy Electric. (1) United Industries Co. (UIC); (2) Egyptech; (3) Iskraemeco Egypt; (4) Transformers Factory; (5) Egyplast; (6) United Steel Wires (USW); (7) Iskraemeco Slovenia.

4.3 COVID-19 PREPAREDNESS AND RESPONSE

The Group has ensured a holistic and comprehensive action on COVID-19 via its Emergency Preparedness Plan and a set of dedicated procedures outlined further throughout the report. Our effort has been based on rigorous preliminary analysis and preparation, systematic response across three phases of COVID-19, paired with general precautions across functions.

Thinking ahead

Upon the first cases of COVID in the country and when the prospect of the pandemic became apparent, the Group conducted a list of critical preventive and preparatory measures to prevent disruptions, mitigate risks and develop clear lines of action:

-  ▶ **Emergency response team (ERT) of eight members across functions conducts an assessment of the status quo, availability of supplies, optimal options and timing for procurement and stocking**
-  ▶ **Risk analysis, including procurement and supply chain and precautionary and response tactics**
-  ▶ **Hygiene plan, relevant training and awareness campaign**
-  ▶ **Monitoring and tracking of cases, thermal scanning, randomized checks, a protocol for new cases**
-  ▶ **General monitoring of the situation in Egypt and globally**
-  ▶ **24/7 doctor availability, lines of communication with nearby hospitals and across the network**
-  ▶ **Work from home policy and prohibition of traveling to high-risk areas**
-  ▶ **Employee database verified and updated for arrangements in case of limited resources**

When the seriousness of COVID-19 prospects became clear, Elsewedy adopted a range of extra measures to protect its people, business, and partners:

Phase 1:

Rapid Response

- ▶ Business continuity and operational changes scenarios
- ▶ Systematic distribution of emergency kits and other essential medical supplies
- ▶ Hygiene plans, cleaning protocols, and evacuation plans fully implemented
- ▶ Workplace protocol, screening, action on isolated persons fully operational
- ▶ Work from home and support for employees with confirmed cases
- ▶ All meetings moved online



Phase 2:

Expanding Precautions and Targeted Support

As the infections spread rapidly across Egypt and internationally, we swiftly limited all unnecessary interactions and introduced new measures to limit exposure of our people:

- ▶ All employees are obliged to report if they or people they often interact with show COVID-19 symptoms
- ▶ Work from home for all instances when present in the office is not essential
- ▶ Work from home and tailored support extends to all employees who interacted with sick persons
- ▶ Cancellation of all domestic and international travel

Phase 3:

Uncontrolled Spread and Radical Measures

- ▶ A special plan and protocol have been developed if the situation goes completely out of control, allowing all employees to work from home whenever possible while closing facilities when deemed necessary. Different functions and departments across the Group have also devised their specific measures depending on the challenges they faced and the adjustments they had to make.

A Flexible Approach

Different Elsewedy companies implemented a range of measures depending on their vulnerabilities, needs and necessary alterations to the regular business activities. Everyday activities include installation of thermal cameras, automation of attendance, social distancing, mandatory masks, dedicated health and safety measures, and new smart working arrangements.

Due to their operations and sales, most companies increased the focus on digital marketing to better serve client needs while using digital communication channels to sustain stakeholder dialogue and keep them updated on relevant matters. For instance, videos were shared from sites as part of the selling process.

Some of the companies also implemented their own measures. RME decided to take fewer passengers on company vehicles and conducted interviews online. Elsewedy Industrial Development updated its sales strategy and adjusted plans for projects development.

Action across Departments and Functions:

Internal Audit

As a result of the COVID-19 pandemic and the change of the risk profile of many businesses, the focus of Audit Committees, Management and Internal Auditors also changed. Internal Audit Activities started to focus more on the related risks and to support the management decision-making process.

They revisited the audit plan to reflect the changes in business needs. It also assessed the Management response to emerging Business, Operational and Financial risks across all relevant issues, including:

Capital investments have been directed towards starting the construction and infrastructure development work for projects in Sadat Industrial City, 10th of Ramadan Industrial City and the 1.7 million m² project in Sokhna, while deciding to hold for a while the activities in the New Alamein project and the 10 million m² project in Sokhna.

Elsewedy Industrial Development also ensured that top management was involved in 100% of sales activities to show commitment to the client and ensure flawless execution. We changed our terms of payment to include more flexible payment methods and better facilitation of decisions. By decreasing the cost of infrastructure development using cost-efficient materials and components, we could also achieve highly competitive pricing.

3000

▶ **CONCURRENT USER CONNECTIONS PER DAY CAPACITY WITHOUT ANY EFFECT ON THE SERVICE PERFORMANCE**

1000

▶ **VIDEO CONFERENCES PER DAY CAPACITY WITHOUT ANY PERFORMANCE ISSUES**

- ▶ **Liquidity, Cash Management and Working Capital**
- ▶ **Health and Safety**
- ▶ **Cyber & Data Security**
- ▶ **Financial Payments & Revenue Leakage**
- ▶ **Stock, Inventory & Logistics**
- ▶ **Commercial and Operational Disruptions**
- ▶ **Fraud, Bribery and Corruption**
- ▶ **Regulatory Non-Compliance**
- ▶ **Management Override of Controls.**
- ▶ **Business Continuity and Crisis Management**

IT Department

Digital Transformation Strategy enhanced the mobility of IT Services to adapt the work from home policy and fulfill business needs.

All applications used by the company were transferred into mobile applications accessed from anywhere to adapt work from home policy. IT Department availed the VPN access so employees can access company facilities from anywhere. Furthermore, we moved infrastructure services to the cloud, enhanced network security level, and improved collaboration tools.

- ▶ **3000** concurrent user connections per day capacity without any effect on the service performance
- ▶ **1000** video conferences per day capacity without any performance issues

Legal Department

The Legal Department has managed the COVID-19 pandemic by adhering to the Business Continuity Plan, providing support throughout jurisdictions and implementing failsafe measures to sustain the highest standards despite the circumstances. The department communicated with all stakeholders to ensure continuous dialogue and to maintain trustful relationships.

4.4 2020 ACHIEVEMENTS

Elsewedy Electric

- ▶ **Sustainability Strategy 2020-2023.** The strategy outlines pillars, commitments and targets of group action on sustainability, including vision until 2030.
- ▶ **EGP 1.6 billion with NCEDC.** Elsewedy Electric, in consortium with Toyota Tsusho, signed a new EPC contract with North Cairo Electricity Distribution Company (NCEDC) worth EGP 1.46 billion.
- ▶ **75,000 Prepaid meters.** Elsewedy Electric has signed a contract for coordinated prepaid smart water meters with New Urban Communities in Egypt.
- ▶ **Best structured Deal in North Africa.** Elsewedy Electric & Arab Contractors have been recognized and awarded by EMEA Finance's African Banking Awards as the best-structured deal in North Africa for their leading role in constructing the Nyerere Project in Tanzania with a capacity of 2115 MW & 6307 GWh.
- ▶ **Forbes lists Elsewedy Electric on its Middle East Top 100 companies.** Elsewedy Electric was recognized among the top 100 companies in the Middle East by Forbes for its sector-based contribution to significantly boosting local economic growth in 2020. Elsewedy Electric was ranked 4th in Egypt, and the 88th in the Middle East, while being deemed as one of the nine identified industrial businesses in the region.
- ▶ **Participation in TransMEA 2020 to share insights on the ITS project.** The conference brings together leaders, innovators, influencers and visionaries of the transport and logistics industries. Elsewedy Electric is developing the traffic management system (TMS), toll collection system (TCS) and the main control rooms in the Administrative Capital for Urban Development (ACUD). The project aims to decrease travel time and fuel consumption, reduce road congestion, reduce dangerous accidents, track the movement of vehicles and their distribution, give real-time information to road users, and provide data for the development of national projects.
- ▶ **Power transformers passed (IEC) IEC60076-5.** Elsewedy Electric's power transformer has passed the short circuit test, routine tests, and visual inspection at KEMA laboratory in the Netherlands as per the International Electrotechnical Commission (IEC) IEC60076-5 for the power transformer rating 25MVA 34.5/13.8KV Dyn11.
- ▶ **Three new products were produced in Algeria.** New products introduced by Elsewedy Electric include Joints & Terminators for Cables up to 66kV, Solar Cables and Coaxial Cables', produced through our factory in Ain Defla.
- ▶ **Sherif El Zeiny nominated for NAFA CFO Power list 2020.** Mr. Sherif El Zeiny, VP Executive Director and Group CFO of Elsewedy Electric, was selected among NAFA CFO power list 2020, which celebrates champions who led the Finance Departments in disruptive times and CFO's commitment to strive for excellence and fulfilling strategies best for the company while remaining true to Elsewedy Electric's core values.
- ▶ **Elsewedy Electric was recognized as the third Most Honored company across EMEA.** Elsewedy Electric was ranked third in the "Most Honored" segment for the second time in the Institutional Investor's 2020 Emerging Europe, the Middle East, and Africa (EMEA) Executive Team survey.

Egyplast

- ▶ **Three new countries.** We expanded exports to reach Pakistan, Bangladesh & Ivory Coast.
- ▶ **New P-Type Black Masterbatch Product.** Development and supply of specialty carbon black enabled us to reach new customer profiles in various applications like food contact packaging, Gas Pipelines and Special Agriculture Film.
- ▶ **Investment in new Masterbatch.** Located in Egypt, the factory would be furnished by the state-of-the-art production line and modernized R&D center to post Egyplast position as Market Leader in Middle East & Africa in Near Future.

Elsewedy Electric Transmission and Distribution

- ▶ **Securing two fast-track tenders.** The tenders cover Toshka connections and substations and are to be implemented over four- and ten-month periods.



OUR LATEST ADDITION:

Elsewedy Energy

- Elsewedy Energy (E2) established in 2020.
- Elsewedy Energy today (H1 2020) has a portfolio of 194MW of operating assets split between:
 - ▶ 130 MW Solar PV Plants in Benban – Egypt
 - ▶ 61 MW Wind Farms in Greece
 - ▶ 3 MW mini-Hydro in Greece
- Elsewedy Electric has mandated Elsewedy Energy to invest up to USD400 million equity 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 1.5GW with approximately 500MW in advanced negotiation stages.

RME

- RME has implemented the development work for numerous sectors of Cairo's Ring Road expansion and maintenance project.

ECEMI

- **Five New Products.** The innovation committee presented new products as a technical study in 2020, and we will start selling them in 2021.

Elsewedy Technical Academy

- New graduate program, BEAM, helping students to rapidly start their careers.
- Multiple new international partnerships to enhance technical and vocational education in Egypt.

(For more updates on the latest projects, initiatives and achievements read our [2020 Annual Magazines](#).)

3W Networks

- **Providing telecom and security systems for AIN TSILA.** We will deliver the 'Best Fit' modern telecommunication solutions in partnership with the premier telecom and security equipment manufacturers.

Elsewedy Technology

- The leading systems integrator and solutions provider becomes a CISCO Premier Certified Partner.

Doha Cables

- **Doha Cables Won a Three-Year Supply Call-Off Contract Worth USD 190 million** from Qatar General Electricity and Water Corporation (Kahramaa) to manufacture & supply 2,960kms of 11kV Medium Voltage Cables and 3,200kms of LV Cables. These cables will be used across Qatar's entire distribution network for the next three-year period.

United Steel Wires

- **United Steel Wires is the First Manufacturer in Egypt to Produce PC Strands.** PC strands are the main component of the post-tensioning system used in buildings, tunnels and bridges, parking decks, airports, and other construction works. The company PC strands have been an integral component of several mega projects locally and internationally. [Watch video.](#)
- **New Waste Management System**

Elsewedy Cables

- **500 kV cables conform to IEC 62067.** For the first time in the Middle East, Elsewedy Cables, a leader in cables manufacturing, has become the first company to receive the KEMA (CESI) Complete System Type Test for its 500 kV cable with enameled copper conductor.
- **Obtained ISO 14067 "Calculation & Verification of Carbon Footprints & Carbon Neutrality".**
- **Development of the interface of the main electrical substations** in the Administrative Capital with EHV cables 220 kV through 8 km of underground tunnels. The Minister of Electricity stated that this project was carried out in record time with the highest HSE standard.
- **Elsewedy Cables to upgrade Cairo Regional Control Center.** We signed a new contract worth EGP 583.7 million with the Egyptian Electricity Transmission Company in a consortium of (Egytech Cables, NARI Group Corporation, Huawei International Co. Ltd, and Huawei Technologies-Egypt Co., Ltd), to upgrade Cairo Regional Control Center on a turnkey basis with a total project value of EGP 1.2B. The EPC contract will be implemented over 20 months.
- **Added a New Recycling Unit**
- **Elsewedy Cables Gains BASEC Certification.** Elsewedy Electric's subsidiary Egytech has been awarded the British Approvals Service for Cables (BASEC) certification, as a testimony to the company's high-quality solar photovoltaic cable range. BASEC board of directors awarded Egytech the new certificate after rigid inspections and ensuring that the products meet the rules, regulations, and operations quality standards by independent experts from across the supply chain.

Elsewedy Industrial Development

- **Industria Sadat.** Commenced infrastructure development and construction process.
- **8 Bn Investment.** Foreign and local investments to reach USD 8bn across 12 industrial locations.
- **Sokhna Master Plan.** Finalized the design of our new 10Km Sokhna Master Plan in partnership with the renowned master planner of Singapore "Surbana Jurong."
- **Integrated Industrial Cities.** Adopted the proposed design concept and ideation of Surbana Jurong in all our new and future industrial parks in Egypt and beyond.

- **First Dry Port in Egypt.** Elsewedy Electric has been given a contract to construct the first Dry Port in Egypt on the 6th of October City. The strategic importance of this project is to serve Alexandria and El Dekhila Ports. This project will aid in custom clearance as the port will be able to hold 720,000 containers.

Iskraemeco

- **Iskraemeco and Grupo ATO Signed A Contract To Enhance The Business Opportunities In Chile.** Iskraemeco will offer an array of services and equipment for the public and private segment, including developing the South American country's digital grid, deploying smart water solutions, installing IoT-based energy solutions, and enabling clients to access smart pre-payment.
- **MT880 Smart Meter Designed For Reliability And High Efficiency.** The new precision multi-functional meter was specifically designed for reliability and high efficiency even in the toughest conditions.
- **Iskraemeco & Klappir Green Solutions Win First Prize At Climathon 2020.** Iskraemeco, the global leader in smart energy solutions, in partnership with Klappir Green Solutions, won first prize at Climathon 2020 in Ljubljana, Slovenia. The event focused on decarbonization with the support of city leaders seeking solutions to climate change locally. The Iskraemeco team presented the Green Penguin idea based on smart digital technologies through gamification to achieve sustainability literacy among children and a substantial decrease of CO₂ footprint for the city. The idea has been nominated for Global Climathon Awards 2021.
- **Award Of The Major Public Procurement Project In Slovenia,** led by the company SODO system operator on behalf of four regional utilities; Elektro Ljubljana d.d., Elektro Maribor d.d., ElektroPrimorska D.D. and ElektroCelje.
- **Frost & Sullivan's 2020 Growth Excellence Leadership Award in the Global Smart Metering Industry.** Iskraemeco has been recognized for its focus on building high-level customer satisfaction, establishing relationships based on transparency and trust among stakeholders in the value chain, as well as its commitment to sustainable technology, fierce strategic initiatives and overall solid performance.
- **Elsewedy Electric UAE, represented by Iskraemeco, signed a contract with the Federal Electricity and Water Company.** The contract covers most of their network for five years.

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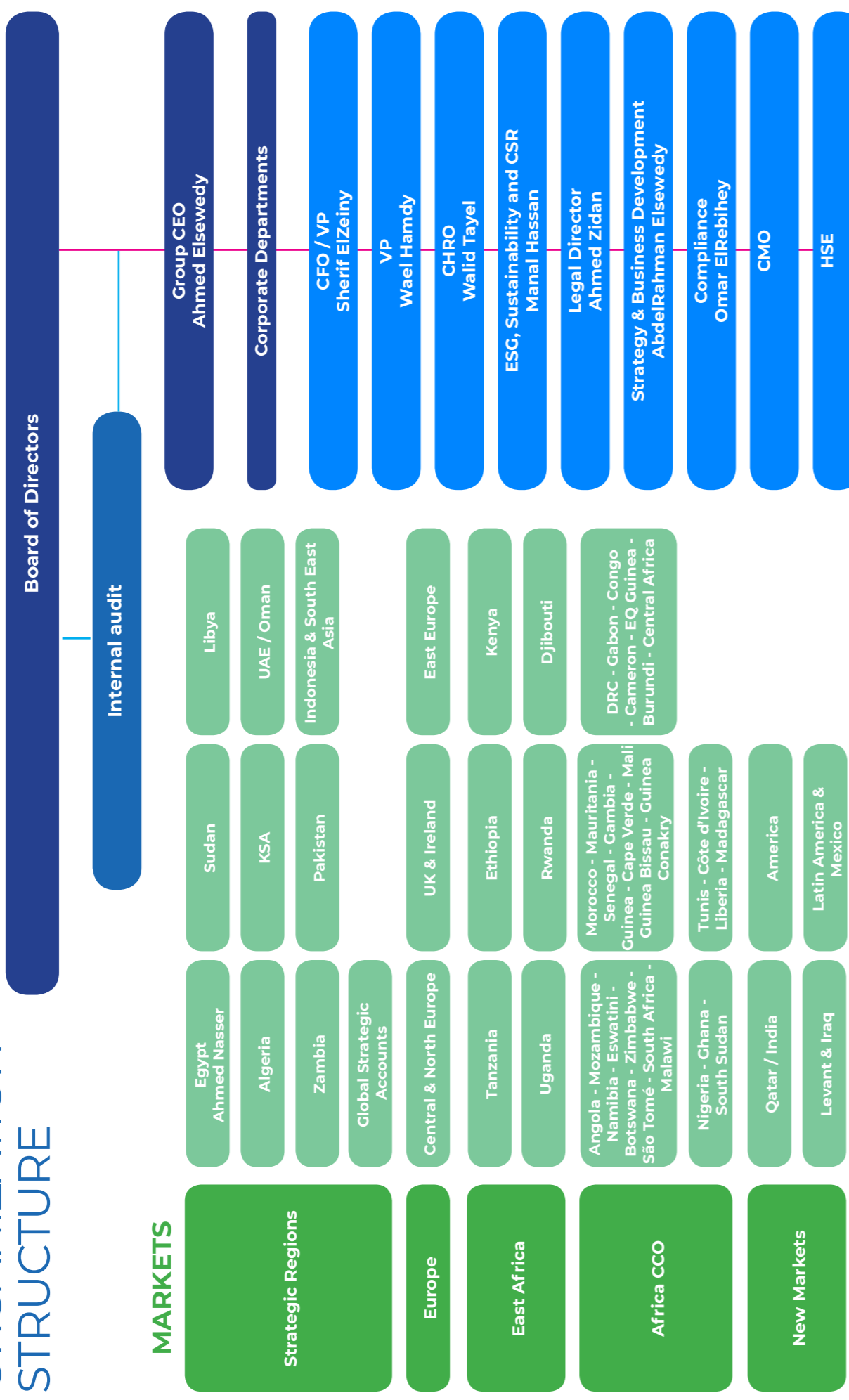
GOVERNANCE

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▶ Owing to the complexity of the Elsewedy Electric governance framework and the Group's continuous evolution, last year, we conducted a major revision of the organizational structure to ensure internal consistency and better understanding by our stakeholders.

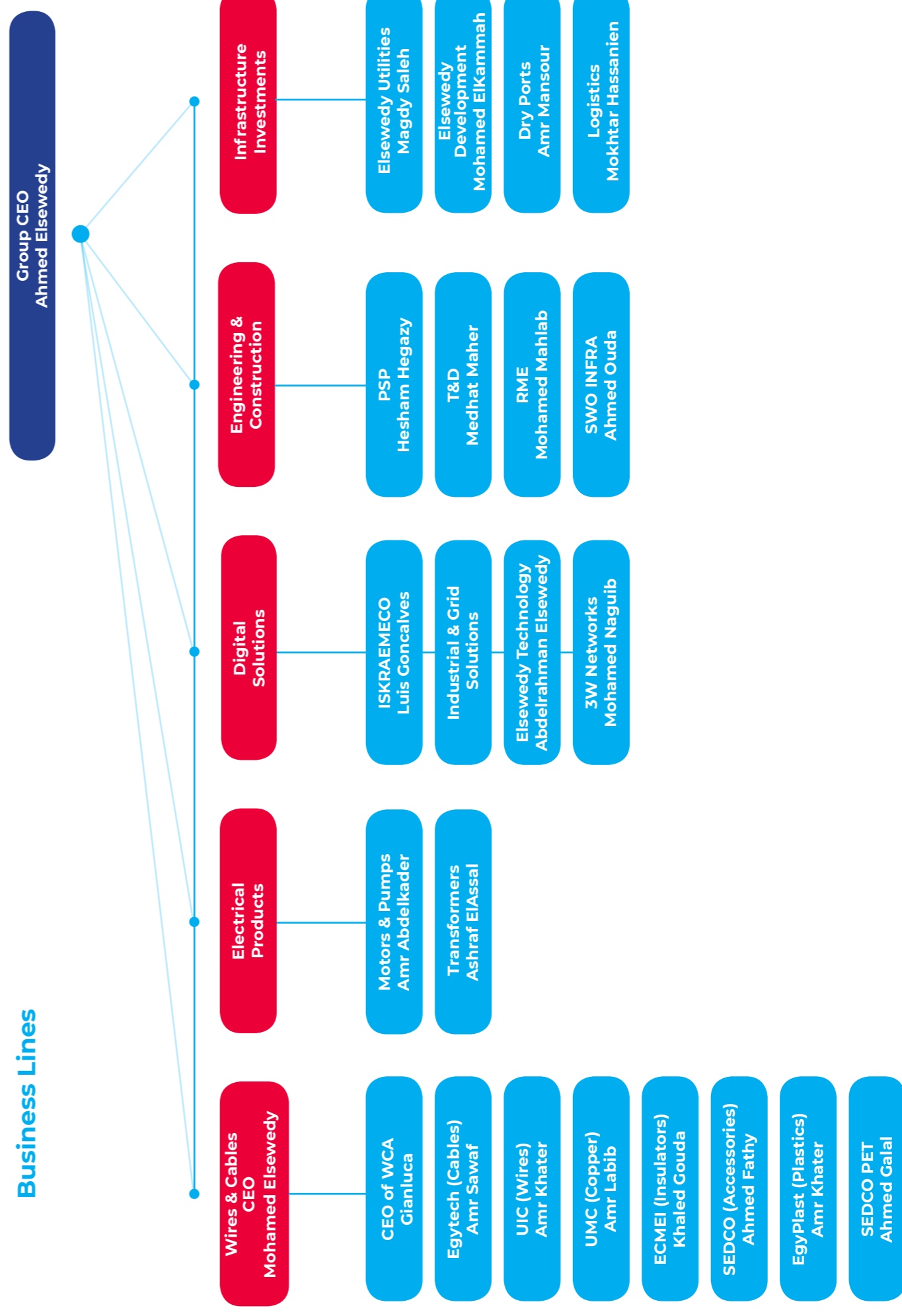
5.1 ORGANIZATION STRUCTURE



Group CEO
Ahmed Elsewedy



Business Lines



5.2 SUSTAINABILITY STRATEGY 2020-2023

Elsewedy Electric has issued its [Sustainability Strategy 2020-2023](#), presenting our long-term priorities and targets for extending our positive impact, providing energy services to a growing customer base, driving decarbonization, digitalization and sustainable transition. At the core of our vision are the UN Sustainable Development Goals, Paris Agreement, Egypt's 2030 vision and National Renewable Energy Strategy 2035.

We envision a sustainable, inclusive and resilient energy future for all. We will achieve it by action spanning our value chain and engaging everyone to leverage the full-scale transformation of the energy system towards sustainability.

The new strategy outlines 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 is aimed to assist in fulfilling our broader commitments, distilled across four pillars. It highlights measures we will adopt over the short, medium and long term, providing a roadmap and clear targets. The strategy focuses on the need for setting clear baselines and developing appropriate systems, procedures and collaborations.

Our climate ambition: Net-zero emissions across the supply chain by 2050.

Our sustainability framework reflects our vision of what matters three decades ahead. It presents four essential pillars of our sustainability action broken down into 16 specific commitments. The strategy is effectively linked to 15 out of 17 Sustainable Development goals. Below we highlight our core 2030 ambitions. Read more on our short and medium targets and how we aim to get there in [Elsewedy Electric Sustainability Strategy 2020-2023](#).

Elsewedy Electric Sustainability Framework

PILLARS	SDGS	COMMITMENTS	OUR 2030 TARGETS
GOVERNANCE & ECONOMY		<ul style="list-style-type: none"> ▶ Corporate Citizenship ▶ Sustainable Business Model ▶ ESG Integration ▶ Partnerships for Change 	<ul style="list-style-type: none"> → 100% of investment portfolio accounted for under Scope 3 emissions → All suppliers and new investments comply with ESG criteria
TECHNOLOGY & INNOVATION		<ul style="list-style-type: none"> ▶ Digitalization with Purpose ▶ Smart Technology ▶ Responsible Innovation 	<ul style="list-style-type: none"> → 100% coverage by digital services → 100% coverage of own office buildings and facilities, and clients by remote energy monitoring & smart appliances → 50% electric fleet → 100% EPD/ Green Label products
PLANET & RESOURCES		<ul style="list-style-type: none"> ▶ Climate & Water Action ▶ Safe Materials & Chemicals ▶ Circular Economy ▶ Protecting Ecosystems & Biodiversity 	<ul style="list-style-type: none"> → 20% of energy consumption from self supply renewable energy systems → Reduce energy consumption by 20% for all office buildings and factories → Reduce water consumption by 40% for all office buildings and factories → Net-zero operational emissions → 100% supplier compliance on chemical and material safety → 100% of packaging-free from single-use plastics → 90% of sourced materials by volume are renewable, recycled or recyclable → 100% green office buildings → Zero Waste to Landfill → Net Zero Biodiversity Loss

PILLARS	SDGS	COMMITMENTS	OUR 2030 TARGETS
PEOPLE & SOCIETY		<ul style="list-style-type: none"> ▶ Wellbeing, Health & Safety ▶ Employee Development ▶ Diversity & Inclusion ▶ Human & Labour Rights ▶ Social and Community Impact 	<ul style="list-style-type: none"> → Zero fatalities, major injuries and severe accidents annually → 30% women within the workforce → 40% women within the board and management → All operations are reviewed for human rights compliance annually → 100% of employees covered by human rights training on an ongoing basis → 100,000 unprivileged people from local communities trained by 2030

5.3 POLICIES AND PROCEDURES

Revising Policies to Meet Change

During 2020 we have begun revising our corporate policies and procedures to better formalize and align our action across the ESG spectrum. In particular, we started reviewing all compliance-related policies to ensure compatibility with the evolving standards and requirements in all the geographical areas where the Group operates, including Code of conduct and policies on the topics of Human Rights, Conflict of Interest, Business partners, Fraud control, Whistleblowing, and Anti-harassment and bullying. In 2020 the Internal Audit charter was updated to reflect the internal audit standards and clarify the roles, authority, responsibilities, and reporting lines. We also reviewed the IT department's Security policy but found it up-to-date with the new circumstances. Also see the [Planet & Resources](#) section for more information on Water and Climate policies.

A New, Secure and Integrated Whistleblowing System

We have started a transition from email-based whistleblowing to our own integrated and secure system that will allow us to manage the full complaint resolution cycle and related data more effectively. The system allows for both internal and external feedback, attachments and other features that are expected to support faster, safer and more effective resolution of complaints. The new system is expected to be fully operational by the end of 2021.

Anti-competitive Behavior & Anti-corruption

ZERO ZERO CASES OF CORRUPTION ACROSS THE GROUP IN 2020



Anti-corruption at Iskraemeco Slovenia

Iskraemeco, d.d. is a signatory of the Declaration of Fair Business – Ethos, UNGC Slovenia. The anti-corruption program, Ethos, aims to raise awareness on corruption and develop good practices, mechanisms, and standards with which companies can proactively prevent corruption and thus raise the competitiveness of the corporate environment and the country as a whole in the long term.

The Declaration of Fair Business is a document that binds the signatories to be transparent and ensure fair business practices, to integrate anti-corruption clauses in all contracts whose value exceeds 10.000 EUR and to inform one another about possible violations. The Declaration is implemented under the auspices of UNGC Slovenia and carried out by the ten principles of the UN Global Compact (Prevention of Corruption as a lever for sustainable development).

5.5 STANDARDS AND CERTIFICATIONS

As an extension of our commitment to instill the Group with standards valued across the markets we operate. In 2020, our companies have obtained several new certifications while also going through the transition to new versions of standards or renewing previous certificates.

The purpose of the project is to establish mechanisms, knowledge and processes through which the Slovenian economy could proactively and on its initiative (not only under the pressure of repressive organs) fight corruption and increase compliance to ethical and legal norms.

5.4 INTERNAL AUDIT

During the year 2020 the IA department has conducted the following:

- Four full-scope audits for Group subsidiaries.
- Special review for JV operations.
- 2 Functional Audits at corporate level.
- Quarterly follow-up on all open audit findings.

STANDARD	COMPANIES, SITES OR PRODUCTS COVERED
NEW CERTIFICATIONS	
→ ISO 50001/2018 EnMS	→ United Industries Co. / Elsewedy Cables
→ ISO 27001:2013 ISMS	→ Iskraemeco Egypt
→ ISO 26000	→ Iskraemeco Slovenia
→ ICV (In-Country Value) Certificate from M/s Qatar Petroleum Tawteen Program	→ Doha Cables
→ (IEC) IEC60076-5	→ Elsewedy Electric power transformers
TRANSITION	
→ OHSAS 18001:2007 to ISO 45001:2018	→ Group-wide
→ ISO 17025:2005 to ISO 17025:2017	→ Group-wide
RENEWED CERTIFICATIONS	
→ ISO 9001:2015 QMS	→ Group-wide
→ ISO 50001	→ Iskraemeco Slovenia
→ ISO 14001:2015	→ Iskraemeco Slovenia
→ ISO 9001	→ Iskraemeco Slovenia
→ IEC 62067	→ Elsewedy Cables
→ ISO 14067	→ Elsewedy Cables
→ Gulf Organization for Research & Development (GORD) certificate	→ Doha Cables

System type test for the renowned 500kv

For the first time in the Middle East, Elsewedy Cables, a leader in cables manufacturing, has become the first company to receive the KEMA (CESI) Complete System Type Test for its 500 kV cable with enameled copper conductor.

The test was carried out by KEMA (CESI) (Netherlands) with preparations and installations by the KEMA team and BRUGG accessories team. KEMA (CESI) is a world leader in consulting, testing, inspections, and certification for the global energy industry.

The KEMA (CESI) Type Test is considered a respected verification of the reliability and safety of the tested objects. The Type Test validates the conformance of the cable system through a series of tests carried out by a recognized international standard, IEC 62067.

The cable system tested fulfilled the requirements of this standard. KEMA (CESI), an internationally accredited expert in risk management and quality assurance that provides world-renowned testing, certification, and advisory services to the energy value chain, endorsed the relevant ratings assigned by the manufacturer.

Approval on supply and manufacture AM550 P1 and CDMA communication modules to the Netherlands

Iskraemeco Egypt passed an audit conducted by the SMM committee, which comprises four of the largest Dutch Grid Operator Utilities – Liander, Stedin, Enduris and Juva. As an approved supplier, Iskraemeco Egypt's factory is now authorized to export AM550 P1 and CDMA communication modules to the Netherlands.

Through the diligent effort put in by the teams in Egypt and Slovenia, Iskraemeco passed the audit which assessed standards for planning, production, process steps, preparation, PCBA Printed Circuit Board Assembly, testing, documentation (PPAP, Track & Trace, Certificates), and overall operating system regarding RFC OS-813 in just three months.



5.6 LEGAL DEPARTMENT NEW STRATEGY

The Group's Legal Department decided on the centralized approach to enable maximum control and visibility of the Group's operations worldwide with a consistent risk management and mitigation approach.

The department's new long-term strategy is:

to reach the target of complete digitalization of the legal functions across the Group and thus create the organizational memory of the Group to safeguard its short and long-term objectives.

Short-term strategies:

(1) Increase connection with internal stakeholders to enforce their view of the department as being **business enablers** and

(2) Working rigorously to retain in-house talent while sharing and increasing the knowledge of the business evenly within the legal team.

The new management has decided to use the lessons learned and to address them head-on to enable the Group's Legal Department's future growth and success:

1.

A new organizational structure was adopted to:

- ▶ Create a clear career path for all members of the team, Lawyers and non-lawyers alike.
- ▶ Increase efficiency and responsiveness of the team members.
- ▶ Decrease external legal expenditure.
- ▶ Increase team members' participation and sense of ownership.

2.

Strategies to unify channels of communications in regards to document control and legal notices were implemented to avoid any miscommunication that might lead to legal exposures.

3.

A new system to control receiving, handling and usage of Confidential Information was created to ensure that Confidential Information of business partners and the Group are well-protected at all times. That accountability for managing this confidential information is well defined and allocated.

300

▶ DISPUTES AND INVESTIGATIONS RESOLVED

+10

▶ DUE DILIGENCE ON TARGET COMPANIES

10,000

▶ MISCELLANEOUS LEGAL TASKS

3

▶ THREE CLOSED ACQUISITIONS

To fortify its reputation as **business enablers**, the Group's Legal Department has adopted a vision to brand its team internally and externally (Efficient, & Competent, Novel, Accountable, Business-oriented, Leading, Experienced, Responsive, Responsible; Reliable and Skilled). The Legal Department has adopted several innovative measuring mechanisms to implement such a strategy, including 360 evaluations, business impact evaluations, and internal and external knowledge transfer efficiency.

Moreover, and along with the standard KPIs of any legal function, the Group's Legal Department has implemented a self-imposed SLA to meet the Group's expectations. As a result of such a new vision under new management, the Group's Legal Department has remained fully operational during the pandemic.

4.

A new Shadowing program was created to help dispense knowledge between team members, widening the knowledge base of all team members and overcoming the limitations of specialties and concentration of expertise within the team.

5.

A new leadership program was implemented to help team members grow their leadership skills and managerial vision while getting exposed to top-level challenges that are not normally cascaded to team members in the day-to-day work.



6

TECHNOLOGY

Technology has the power to facilitate social change. We strive to harness this power to improve our quality of life, increase our competitiveness and be more sustainable. We use digital technology to empower consumers to optimize their home energy management and adopt more sustainable living patterns.

We also invest in smart green buildings, electrifying fleets and improving our monitoring and management capabilities, improving employee performance and efficiency of interaction by digitalization, and creating conditions for remote work and further reducing paper waste.



6 TECHNOLOGY

Elsewedy Electric's Digital Transformation Roadmap 2021-2023

The new Elsewedy Electric's Digital Transformation Strategy aims to reposition our business in the digital economy strategically. By digitizing our business lines and the energy sector at large, we allow energy suppliers to optimize their valuable assets, integrate renewable energies from variable and distributed resources, and reduce operational costs. New digital solutions will help balance the grid, optimize supply chains, defer grid investment, and generate new revenue streams.

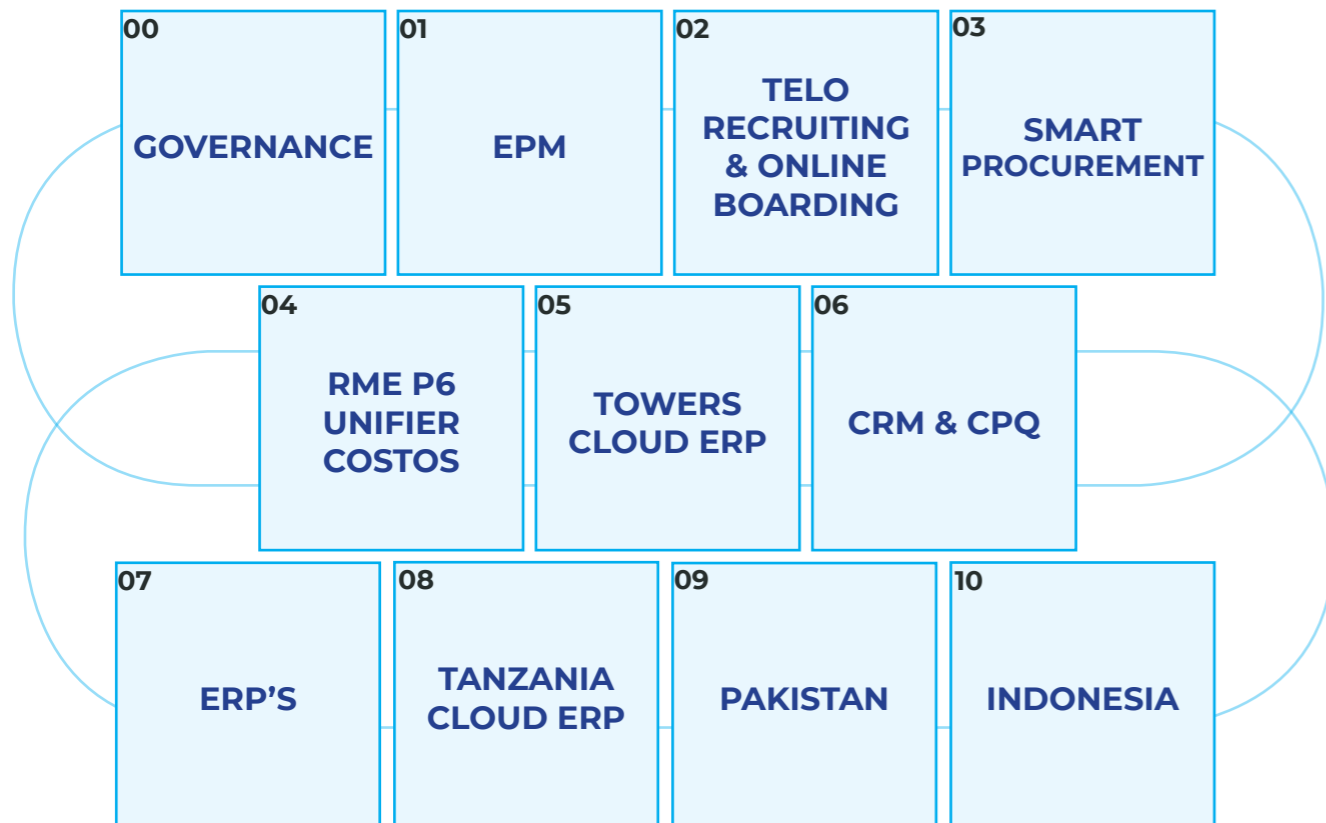
The strategy aims for the progressive transformation of Elsewedy into a platform-based group that provides affordable and accessible energy for all, putting consumers at the center of the sustainable energy transition. We continue improving our management systems with the help of digital tools, research & development and innovation.

Workplace Digitalization

Our Digital Transformation Strategy enhanced the mobility of our IT Services to adapt the work from home policy while also fulfilling the business's needs. All applications used by the company were transferred into mobile applications accessed from anywhere to adapt to the work from home policy.

IT Department availed the VPN access to all users so they can access all company facilities from anywhere. Infrastructure services are now all working via the cloud and we also enhanced the network security level, allowing it to accommodate 3000 concurrent user connections per day without any effect on the service performance. We also adopted enhanced collaboration tools for video conferencing to accommodate around 1000 video conferences per day without any performance issues.

ORACLE CLOUD



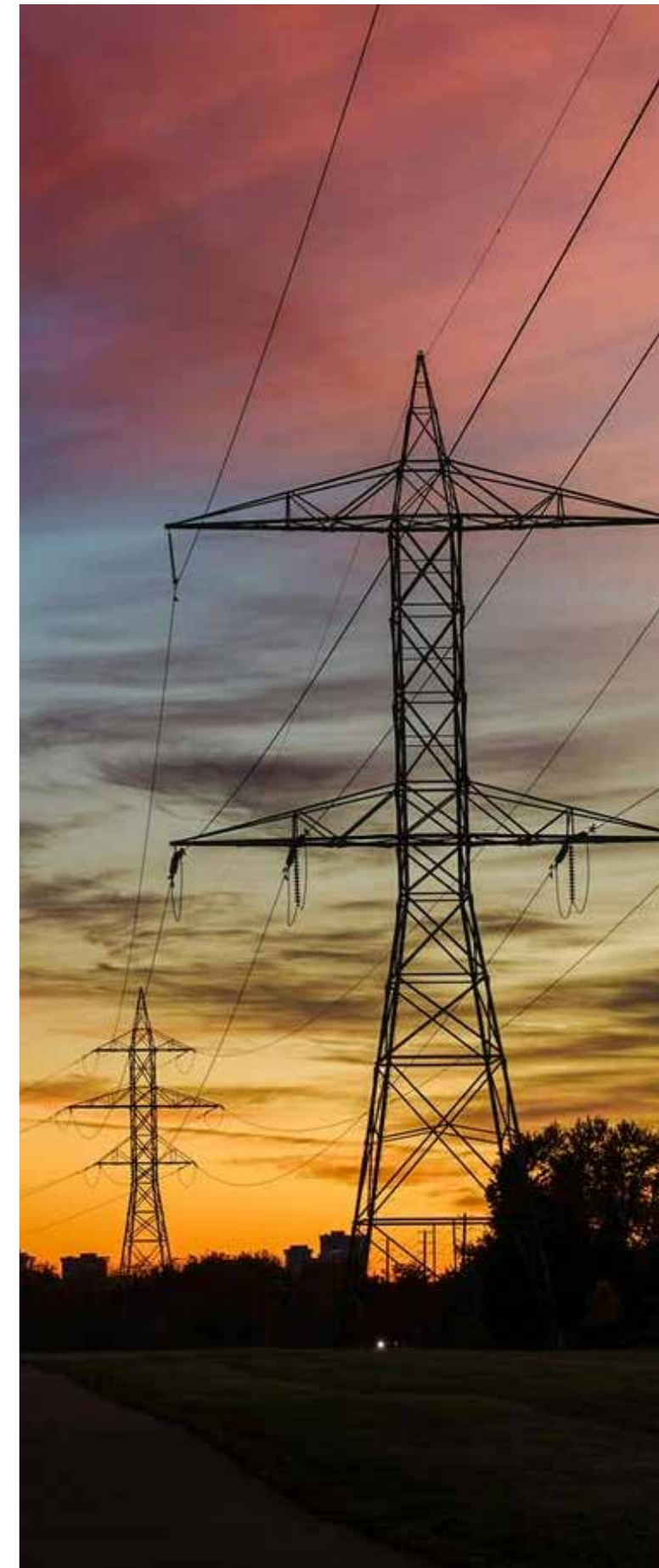
Smart Digital Grids

In 2020 Iskraemeco continued its innovation across digital grids: energy distribution networks connected through various devices such as smart meters and sensors. These elite systems for monitoring, analyzing, controlling, and communicating within supply chains streamline resource consumption and expenditure and maximize reliability, transparency, and oversight. Iskraemeco Digital Grids address challenges of electricity utilities:

- ▶ Modernization of MV/LV stations
- ▶ Development of centralized grid management
- ▶ Increasing the network efficiency
- ▶ Improving power quality management
- ▶ Improving network balances
- ▶ Cutting energy losses (transmission lines losses and unbilled consumption)
- ▶ Reducing power-downs, outage time and ensuring power supply reliability
- ▶ Improving TCO (Total cost of ownership)

A New Generation of Smart meters

The Iskraemeco MT880 Industrial and Commercial Smart Meter is a precision multi-functional meter specifically designed for reliability and high efficiency even in the toughest conditions. Well-suited for large and mid-size commercial and industrial applications, the MT880 unlocks many benefits, including effective network management, interoperable communication protocols, multi-range measurement system, detailed monitoring, exchangeable plug and play communication modules, independent customer-specific and time-based profiles.



7 PEOPLE

- 7.1 | Our Workforce
- 7.2 | Diversity & Inclusion
- 7.2 | Training & Development
- 7.2 | Health & Safety



7.1 OUR WORKFORCE

We see wellbeing, health and safety as an essential foundation for human growth and good quality of life. Thus, we aim to create an environment that is welcoming and where people can feel taken care of and valued.

Career Development

In 2020 we continued to enhance employee development approaches across the Group, while each company continued their particular programs tailored to specific markets and cultural contexts. Iskraemeco Egypt runs a Reward & Recognition Program and Best Employee Award Program in which 45 employees were rewarded in 2020 compared to 2019, where 132 employees were rewarded.

Egyplast arranged a new Graduate Resource program to train and select a new generation of well-educated fresh graduates from various disciplines. During the group's nine-month journey, 15 trainees passed through different departments to maintain a solid, comprehensive knowledge about business. By the end of the program, 11 graduates joined the company in Commercial and Operational roles.

Iskraemeco Slovenia has organized an interview process to develop our employees to further their careers within our company. During these interviews, a training program is designed for each employee individually. These training programs are later included within the yearly training program, where we monitor the execution and efficiency of the performed training.

Hybrid Workspace

In response to the pandemic's challenges, Elsewedy companies have adopted the work from home protocol based on the nature of their operations.

Parental Leave

The Group has sustained a high rate of employee retention following parental leave - 93%, with 1357 employees returning to work in 2020.

Employee engagement

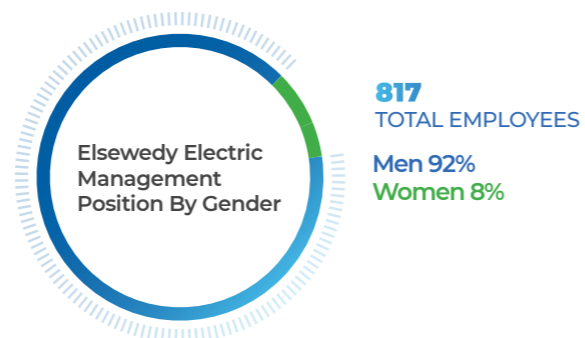
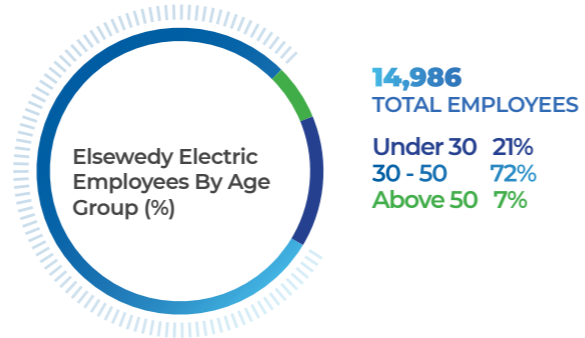
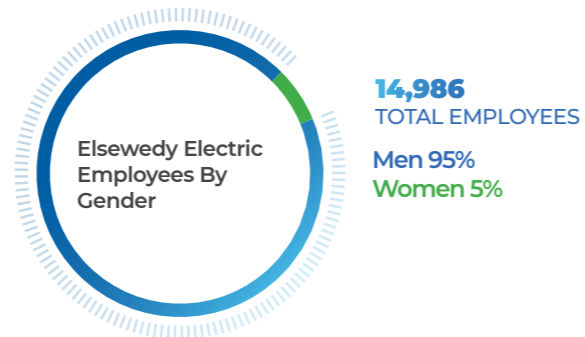
Last year we had the following employee benefit:

- ▶ Exclusive discounts for all employees at selected shops, nurseries and sports facilities
- ▶ Ramadan cartoon gift
- ▶ Meals
- ▶ Transportation
- ▶ Special holiday gifts (three times a year)
- ▶ A yearly education bonus to all employees
- ▶ We also implemented social and sports activities for employees, including award ceremonies and football matches.

+22,000 ▶ + 22,000 TOTAL EMPLOYEES

+14,500⁽¹⁾ ▶ 14,500 PERMANENT EMPLOYEES

+7,500 ▶ 7,500 TEMPORARY EMPLOYEES

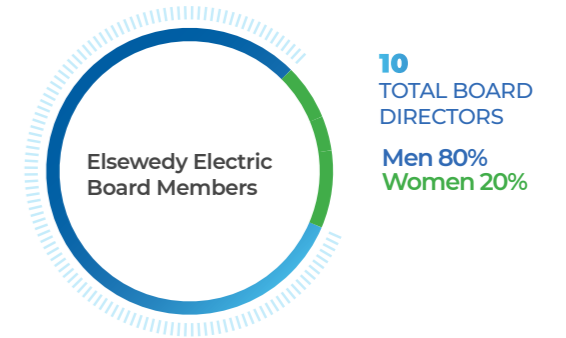


7.2 DIVERSITY & INCLUSION

As a Group with a global presence, we will further advance our commitment to diversity, equity, disabilities and support of vulnerable groups within our company and beyond. We will also continue improving our zero-tolerance policy towards discrimination while offering fair salaries and benefits to all employees. We are committed to improving the gender balance in both the general workforce and executive positions. With over three-fourths of our employees being male, we are dedicated to reaching out and employing highly qualified women.

In 2020 we sustained focus on increasing workforce diversification by increasing the presence of gender equality, national diversity and providing better opportunities for people with disabilities. We are committed to equal employment and advancement opportunities, inclusiveness and gender diversity and equality. We have a zero tolerance policy towards discrimination based on gender, age, disability status, ethnicity, or religion. All employees are hired within a clear policy framework that respects local laws and regulations.

Elsewedy Electric Total Employees and Breakdown by Gender, Age, and Region ⁽²⁾

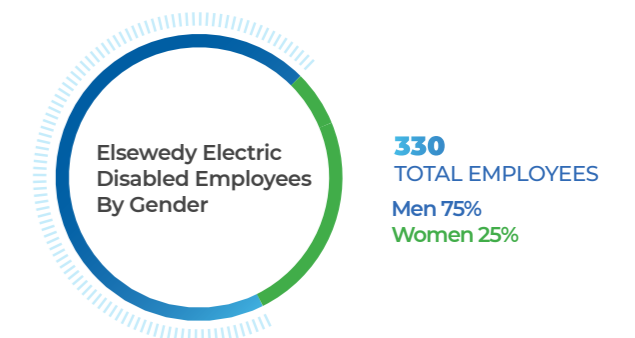


14,986 TOTAL EMPLOYEES

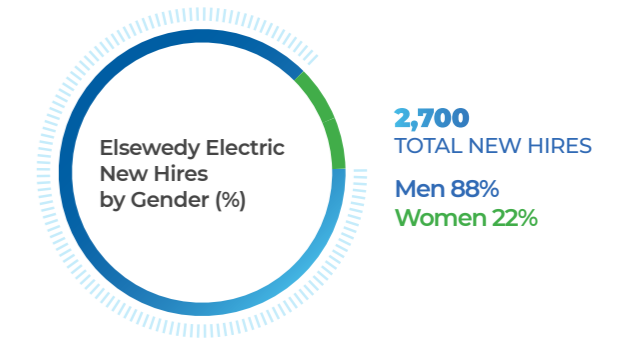
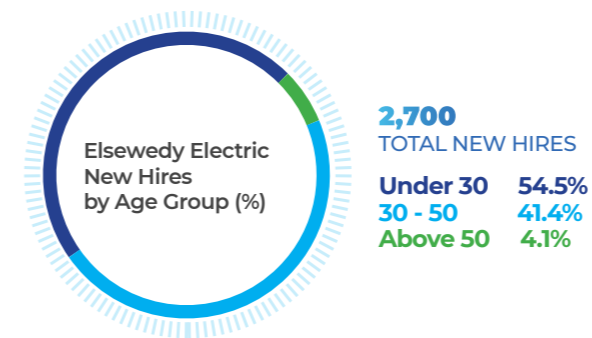
Algeria	4.2%
Egypt	78.2%
Ethiopia	1.1%
Greece	0.1%
India	0.3%
Indonesia	3.1%
Saudi Arabia	2.4%
Kuwait	0.4%
Malaysia	0.1%
Qatar	3.5%
Slovenia	4.6%
UAE	1.4%
Zambia	0.6%

Elsewedy Electric Disabled Employees

Represent 2.2% of total Group employees within the regions reported (14,986).



Elsewedy Electric New Hires

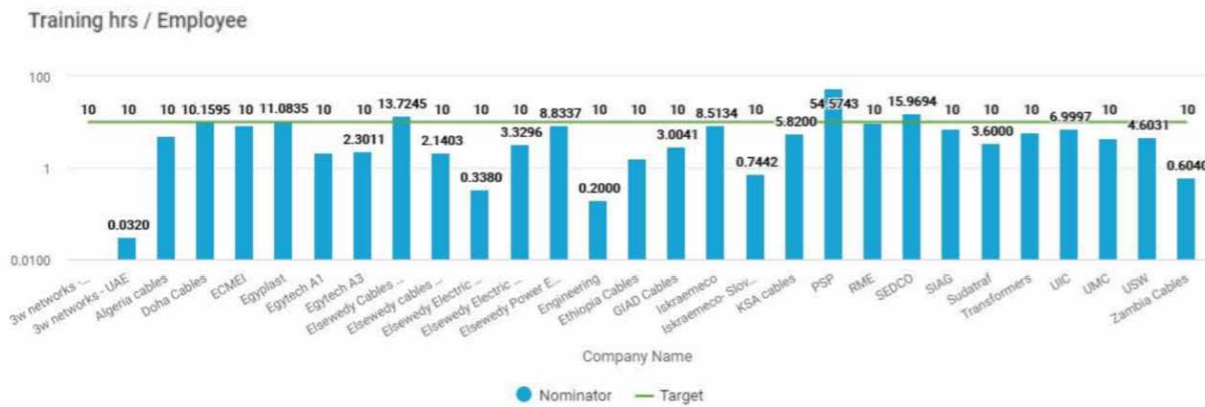


⁽²⁾ The employees total number and breakdown data of the sections cover Elsewedy's employees across the following regions only: Algeria (2 Subsidiaries), Egypt (22 Subsidiaries), Ethiopia (1 Subsidiary), Greece (1 Subsidiary), India (1 Subsidiary), Indonesia (1 Subsidiary), KSA (1 Subsidiary), Kuwait (1 Subsidiaries), Malaysia (1 Subsidiary), Qatar (2 Subsidiaries), Slovenia (1 Subsidiary), UAE (2 Subsidiaries), Zambia (1 Subsidiary). The following were excluded due to insufficient data: Our dry ports and logistics in Egypt, Pakistan Transformers factory and Giad Cables and Sudatraf in Sudan

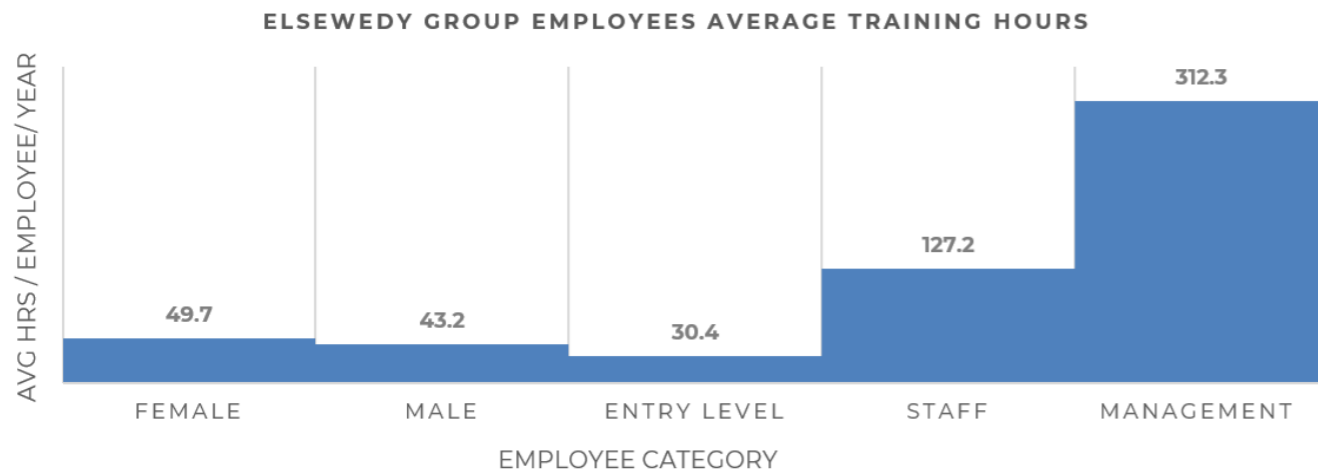
7.3 TRAINING & DEVELOPMENT

Due to the circumstances of the COVID-19 pandemic, the Group has suspended some training activities in 2020. An online training platform is currently under development which will be open to employees and business partners. We were able to conduct essential HSE training and specific training related to COVID-19 measures.

Average Training Hours Per Year



Average Training Hours



Total Spend on Employee Training and Development in 2020 - 10.2 Million EGP

At ECMEI, the 2020 training plan has been successfully implemented with 750 total training hours, including hour/person/year. Iskraemeco Egypt conducted internal and external training in technical issues, health and safety, language learning and soft skills in all categories, according to the training needs, with 36 course, which is ten more than the previous year.

7.4 HEALTH & SAFETY

Addressing the Root Causes

At Elsewedy Electric, we believe that our employees are our most important asset, which is why the safety of our employees, subcontractors, and stakeholders is our top priority.

We strive to create and maintain a safe operating culture by prioritizing safety in everything we do. We monitor a wide range of KPIs, including absenteeism and severity of injuries (if found) on a monthly basis to improve our employees' health and safety.

In 2020 we focused on enhancing our systems to be more prepared and react faster in a new turbulent world. Our major achievement was establishing the Brain HSE online reporting system, which allowed us to streamline data collection and better track progress on significant targets and indicators.

Significant reduction of LTI was possible due to improved instructions, training for personal and particularly security teams, and inspection of common cases from the previous years. Non-adherence to Standard Operating Procedures (SOP) has been one of the root causes of accidents in the past years and is addressed every month by issuing a Complete Safety Instruction and Safety booklet for employees.



KEY FIGURES

- 100%** OF ELSEWEDY ELECTRIC'S WORKSITES ARE CERTIFIED TO 45001:2018
- 0.29^{LTIFR}** 27% LOWER THAN IN 2019
- ZERO** EIGHT OF OUR FACTORIES REPORTED ZERO LOST TIME INJURY
- 138** 138 PERSON-DAY OF AUDITS COVERING 15 SITES
- 80%** 80% OF SUBSIDIARIES ACHIEVED NFPA FIREFIGHTING MINIMUM REQUIREMENTS

of Hazard Reports per Employee

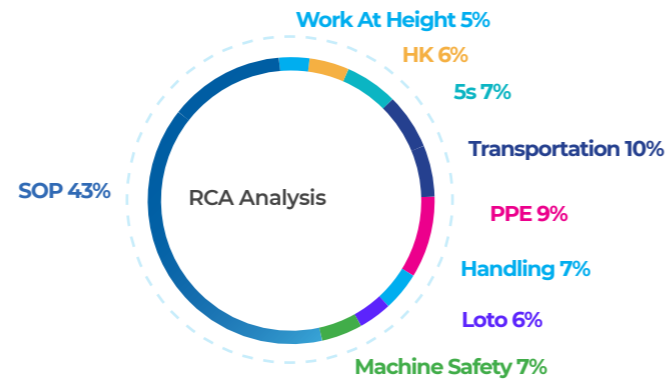


Celebrating HSE good achievers

The Group Health, Safety, and Environment Department (HSE) has organized a ceremony to celebrate and honor the best-performing companies, the ones that demonstrated the greatest progress and those who achieved Zero Lost Time Injuries.

New Roofs With Lower Risks At UIC And Egytech

The changing of roofs at UIC and Egytech was implemented in compliance with applicable standards and procedures, as well as extra precautions including supervision from the project team and the HSE team during working at height, daily TBT for all employees of the contractors before working at height and daily check of all lifeline and harnesses. The new roofs are equipped with safety guards and lifelines, ensuring safe access to the roof whenever needed.



Measures at Iskraemeco Slovenia

In 2020 Iskraemeco Slovenia implemented or continued with ongoing measures in the field of health and safety at work:

- ▶ employee training, 543 hours of OSH and VPP training,
- ▶ 137 preventive medical examinations at the Kranj Clinic for Occupational Health, Traffic and Sport
- ▶ relocation of disabled people to appropriate jobs and timely relocation of those who may be disabled,
- ▶ promotion of a healthy lifestyle, movement in the workplace and sports activities for employees
- ▶ 134 pieces of work equipment were inspected, regular measurements in the working environment and inspection of active fire protection,
- ▶ improving the ergonomics of workplaces
- ▶ appropriate marking of production with signs after relocation

To demonstrate its support for a healthy lifestyle, the company encourages its employees to attend running competitions in Slovenia by covering financial costs for the participants and has several prepaid sports activities available for all employees. Iskraemeco celebrates Health Day three times per year.

On World Water Day, every employee received a glass bottle to raise awareness to reduce the use of plastic bottles. On World Mental Health Day, we distributed to our employees a pack of herbal tea for happiness to promote the importance of a healthy spirit.

In 2020 we organized a workshop on how to control stress and prevent burnout. Training regarding health and safety at work represents an integral part of other training related to technological work processes, environmental protection and fire protection. The following health and safety (H&S) seminars were implemented:

- ▶ periodic health and safety seminar and fire protection seminar for production workers
- ▶ introductory seminars for new employees, carried out by Iskraemeco Health and Safety at Work Service, which is performed on the first day of employment
- ▶ first aid refreshment course for workers' institutions,
- ▶ training for working at elevations (high-rack warehouse operators, building supervisor),
- ▶ introductory seminars for new employees (agency workers and Iskraemeco employees),
- ▶ Seminar for all production managers on how to maintain Health and Safety at Work in its working Group.

Elsewedy Electric's HSE Celebrated Industry Leaders

The group's Health, Safety, and Environment Department (HSE) has organized a ceremony to celebrate and honor the best-performing companies that demonstrated the greatest progress and those who achieved Zero Lost Time Injuries.



8

PROSPERITY

- **8.1** | Financial Performance
- **8.2** | Delivering Sustainable Value
- **8.3** | Shareholders
- **8.4** | Major Acquisitions and Key Contracts
- **8.5** | Supply Chain



8.1 FINANCIAL PERFORMANCE

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. 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 came in at EGP 46,401.6 million in FY2020, down by 0.5% y-o-y. Revenues from the company's core wires and cables segment declined by 14.4% y-o-y.

This decline was partially offset by rapid growth at Elsewedy turnkey projects segment, where revenues climbed by 20.1% y-o-y to contribute 49.0% of the year's consolidated top line.

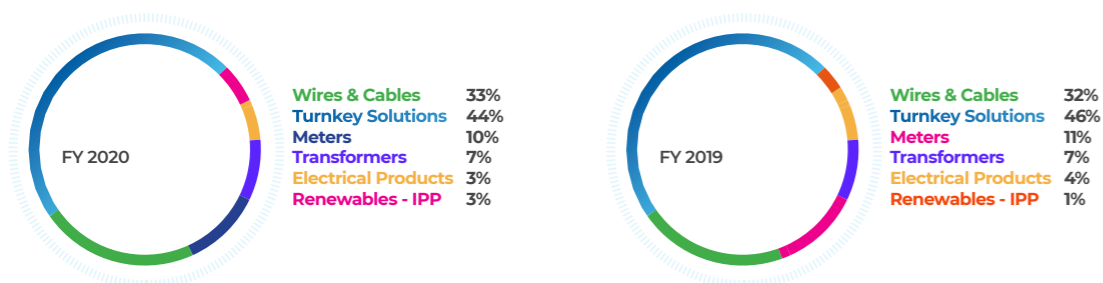
Gross Profit decreased by 13.2% y-o-y to EGP 7,114.7 million in FY2020, with the gross profit margin contracting by

2.3 percentage points to 15.3% over the period. **SG&A expense** for the year recorded EGP 2,812.9 million, up by 3.8% year-on-year. **EBITDA** decreased by 17.5% y-o-y to post EGP 5,309.5 million in FY2020, yielding an EBITDA margin of 11.4% compared to 13.8% in FY 2019.

Net Profit after Minority Interest came in at EGP 3,027.5 million in FY2020 compared to EGP 4,021.8 million in FY2019, representing a decline of 24.7% y-o-y and yielding a net profit margin of 6.5%. Elsewedy recorded a net cash position of EGP 562.5 million as of 31 December 2020, down from a **net cash position** of EGP 769.0 million as of 31 December 2019.

Inventory came in at EGP 7,150.2 million as of 31 December 2020, down by 21.8% from the EGP 9,148.6 million booked as of 31 December 2019. **Accounts receivable** grew by 6.0% y-o-y to book EGP 13,283.6 million as of 31 December 2020. **Accounts payable** increased by 45.7% y-o-y to book EGP 5,733.8 million as of 31 December 2020. **Elsewedy Electric's Board of Directors** has approved the distribution of a dividend of EGP 0.4 per share for FY2020.

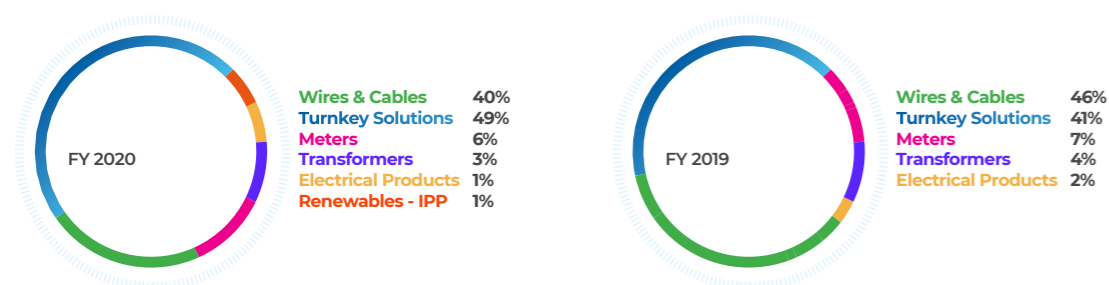
Gross profit by segment



Summary Income Statement

EGP	Q4-2020	Q4-2019	% CHANGE	FY2020	FY-2019	% CHANGE
REVENUE	14,931,567	12,082,567	23.6%	46,401,571	46,628,791	-0.5%
GROSS PROFIT	2,812,952	2,896,736	-2.9%	7,114,703	8,194,000	-13.2%
GROSS PROFIT MARGIN	18.8%	24.0%	-	15.3%	17.6%	-
EBITDA	2,088,587	2,352,769	-11.2%	5,309,460	6,434,236	-17.5%
EBITDA MARGIN	14%	19.5%	-	11.4%	13.8%	-
NET INCOME AFTER MINORITY	1,295,781	1,304,621	-0.7%	3,027,533	4,021,844	-24.7%
NET INCOME AFTER MINORITY MARGIN	8.7%	10.8%	-	6.5%	8.6%	-

Revenue by Segment



	YOY REVENUE	GROSS PROFIT	GROSS PROFIT MARGIN (FY2020)
→ Wires & Cables	↓ 14.4%	↑ 8.5%	13%
→ Turnkey Solutions	↑ 20.1%	↑ 16.5%	14%
→ Meters	↑ 16.4%	↑ 19.6%	26%
→ Transformers	↑ 17.9%	↑ 14.6%	31%
→ Electrical Products	↑ 24.0%	↑ 25.2%	42%
→ Renewables - IPP	-	-	54%

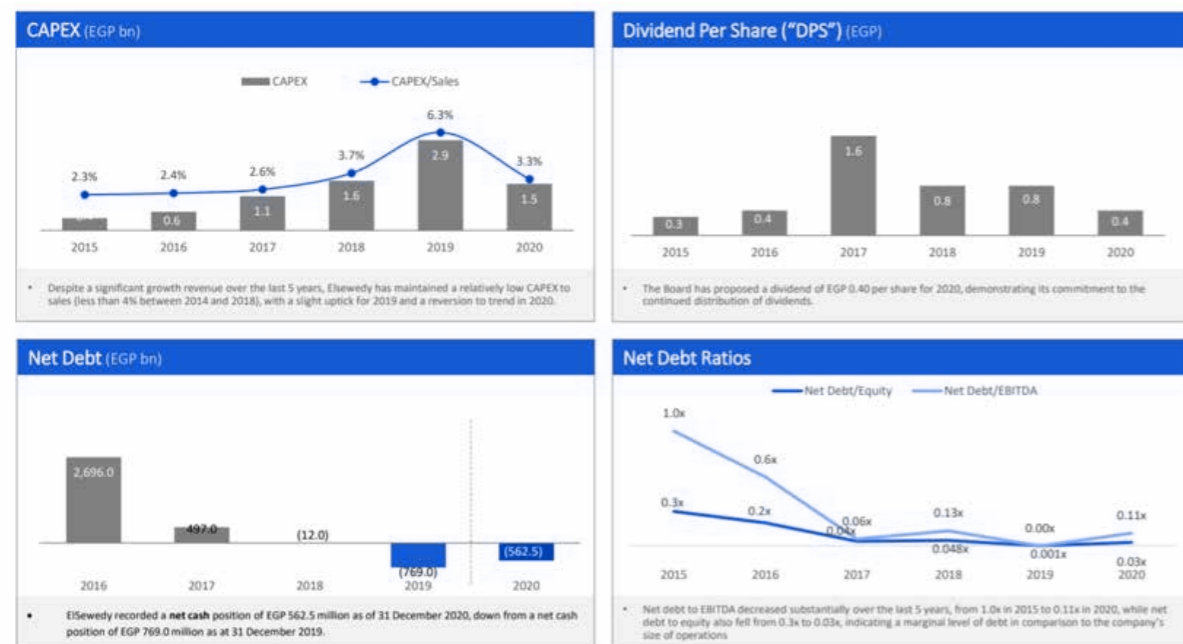
Consolidated Balance Sheet

EGP	31/12/2019	30/09/2020	31/12/2020
Long Term Assets			
Fixed Assets	8,450,827,455	8,548,326,210	8,814,664,639
Investments	1,315,136,986	1,372,175,403	1,524,731,301
Other long-term Assets & Goodwill	743,639,294	566,676,405	436,434,058
Other long-term Receivables	2,526,349,912	2,333,226,629	2,186,475,382
Total Long-term Assets	13,035,953,647	12,820,404,647	12,962,305,380
Current Assets			
Inventories	9,148,634,900	7,025,787,670	7,150,239,877
Receivables	12,536,743,336	11,834,247,667	13,283,549,306
Other Debit balance	8,426,353,668	9,404,641,915	10,080,567,226
Due from Related Parties	693,528,592	635,428,462	645,776,969
Cash & Cash Equivalents	9,556,478,691	10,064,866,213	10,811,687,255
Total Current Assets	40,361,739,187	38,964,971,927	41,971,820,633
Total Assets	53,397,692,834	51,785,376,574	54,934,126,013
Current Liabilities			
Bank Overdraft & Short-term loans	6,774,718,608	8,276,419,737	8,268,089,866
Accounts Payable	3,936,191,619	4,116,762,995	5,733,816,805
Other Credit balance	19,125,746,474	17,187,908,961	16,783,796,474
Due to Affiliates	539,618,140	532,932,982	588,944,840
Provisions	1,484,492,493	1,307,336,285	1,497,155,181
Total Current Liabilities	31,860,767,335	31,421,360,960	32,871,803,166
Issued and Paid Capital	2,184,180,000	2,184,180,000	2,184,180,000
Retained Earnings	13,012,401,531	12,001,253,189	13,209,556,135
Others	1,519,936,116	1,509,834,421	1,628,194,204
Total Parent's Shareholders' Equity	16,716,517,647	15,695,267,610	17,021,930,339
Minority Interest	582,004,359	745,678,116	869,033,193
Total Equity	17,298,522,006	16,440,945,726	17,890,963,532
Long-term Loans	2,012,744,882	1,770,223,250	1,981,093,136
Other long-term Liabilities	2,225,658,611	2,152,846,638	2,190,266,176
Total Long-term Liabilities	4,238,403,493	3,923,069,888	4,171,359,312
Total Liabilities & Equity	53,397,692,834	51,785,376,574	54,934,126,013

Consolidated Income Statement

EGP	Q4-2020	Q4-2019	Change	FY-2020	FY-2019	Change
Sales						
Wires & Cables	5,520,496,850	4,776,091,178		18,533,412,130	21,654,936,505	
Electrical Products	1,234,616,384	1,453,424,289		4,783,941,025	5,824,098,953	
Turnkey Projects	8,176,453,402	5,852,780,931		23,084,217,613	19,149,756,014	
Total Sales	14,931,566,636	12,082,296,398	23.6%	46,401,570,767	46,628,791,471	-0.5%
COGS	(12,118,604,656)	(9,185,560,166)		(39,286,868,270)	(38,434,791,700)	
Gross Profit	2,812,961,980	2,896,736,232	-2.9%	7,114,702,496	8,193,999,772	-13.2%
Gross Profit Margin	18.8%	24.0%		15.3%	17.6%	
SG&A	(760,011,228)	(760,196,711)		(2,812,885,615)	(2,709,712,657)	
Other Operating Income	150,005,303	(53,641,683)		553,834,116	312,797,121	
Other Operating Expense	(449,614,217)	(93,668,341)		(821,698,825)	(569,144,301)	
Income from Investments	77,900,554	79,683,149		322,256,736	375,294,555	
EBITDA	2,088,587,067	2,352,769,074	-11.2%	5,309,460,336	6,434,236,008	-17.5%
EBITDA Margin	14.0%	19.5%		11.4%	13.8%	
Depreciation & Amortization	(257,344,675)	(283,856,428)		(953,251,429)	(831,001,518)	
FX Gain / (Loss)	14,797,447	(181,957,823)		(23,052,455)	(354,837,543)	
EBIT	1,846,039,839	1,886,954,824	-2.2%	4,333,156,453	5,248,396,947	-17.4%
Interest Expense	(171,955,202)	(142,811,079)		(558,406,883)	(473,522,236)	
Interest Income	78,769,804	147,043,170		491,440,521	719,695,770	
Interest Income / (Expenses)	(93,185,398)	4,232,091		(66,966,362)	246,173,534	
EBT	1,752,854,441	1,891,186,915	-7.3%	4,266,190,091	5,494,570,481	-22.4%
Tax	(381,935,109)	(513,216,052)		(959,865,299)	(1,331,462,506)	
Net Income	1,370,919,333	1,377,970,863	-0.5%	3,306,324,791	4,163,107,975	-20.6%
Minority Interest	(75,138,759)	(73,349,882)		(278,791,550)	(141,263,579)	
Net Income After Minority Interest	1,295,780,574	1,304,620,981	-0.7%	3,027,533,242	4,021,844,396	-24.7%
Net Income Margin	8.7%	10.8%		6.5%	8.6%	

Balance Sheet Highlights



Revenue by Segment

Elsewedy's turnkey projects segment contributed 49.0% of the company's top line for FY2020, up from 40.6% in FY2019 – an increase of 7.9 percentage points. This marks the first full year in which turnkey projects constituted the primary contributor to Elsewedy's consolidated revenues, displacing the wires and cables segment.

Historically, Elsewedy's largest line of business, the revenue contribution from wires and cables fell by 6.5 percentage points y-o-y to record 39.9% for FY2020. In parallel, Elsewedy saw the top-line contribution from its meters segment declined by 1.1 percentage points y-o-y to register 5.9% for FY2020.

The transformers segment saw its top-line contribution fall by 70 basis points to 3.2% in FY2020, down from 3.9% one year previously, while the electrical products segment saw its contribution decrease to 1.2% from 1.6% over the one year.

Elsewedy's renewables segment contributed 0.8% of consolidated revenues following its first full year of operations. Revenue from Elsewedy's turnkey projects segment came in at EGP 22,721.4 million in FY2020, up by 20.1% y-o-y and providing the company with a stable overall top-line despite disruptions to the company's wider market during the year.

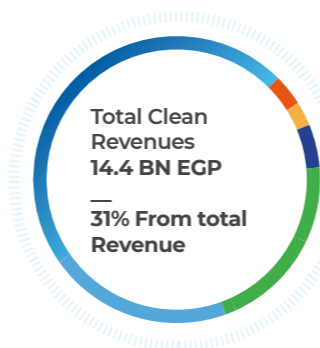
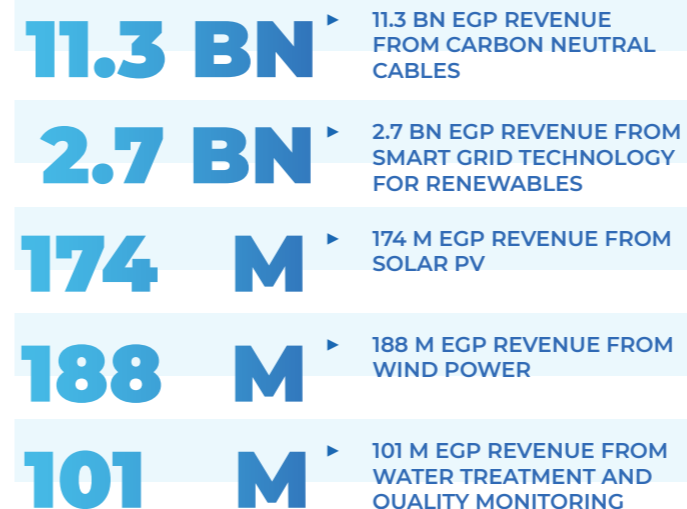
Revenue from the wires and cables segment booked EGP 18,533.4 million in FY2020, down by 14.4% y-o-y in 2020, while revenue from meters fell by 16.4% over the period. Revenue from the transformers segment contracted by 17.9% y-o-y to book EGP 1,483.4 million in FY2020. Electrical products posted revenues of EGP 577.7 million for FY2020, down by 24.0% y-o-y, while Elsewedy's renewables segment booked a top line of EGP 362.8 million for the year.

- Read more about Elsewedy Financial Performance in the [FY 2020 EARNINGS RELEASE](#).

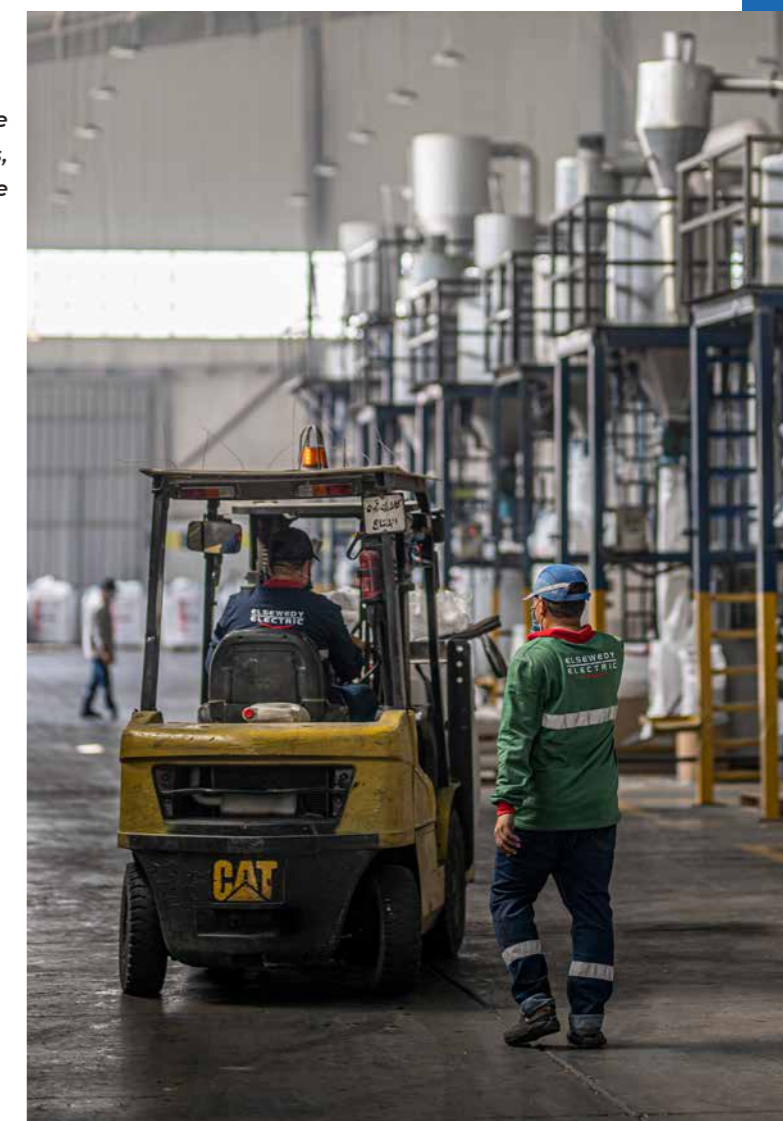
8.2 DELIVERING SUSTAINABLE VALUE

In 2020 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.

CLEAN REVENUES



Elsewedy Electric Clean Revenues FY 2020 (%)	
Carbon Neutral Cables	78.5%
Smart Grid	18.8%
Solar PV	1.2%
Water Treatment	0.7%
Wind Power	1.3%



8.3 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 2020)	→ 9.81
→ Market Capitalization (31 Dec 2020)	→ 21.4 bn EGP

Elsewedy Electric Stock Performance



8.4 MAJOR ACQUISITIONS & KEY CONTRACTS

- Acquisition of Rumuruti Solar Generation Ltd. In Kenya (50MW solar PV under development)
- Winning bid for 50MW solar PV plant in Algeria
- Refinancing of Greek portfolio assets which resulted in positive returns to our shareholders

Contract With The NEC Of The DRC For A USD 38.6 Million Substation

Elsewedy Electric signed a contract with the "SOCIETE NATIONALE D'ELECTRICITE" (SNEL) of the Democratic Republic of the Congo to build a high-voltage distribution substation on a turnkey basis. The project will be completed within 18 months from the commencement date with a total value of USD 38.6 million.

USD 90 Million EPC Contract With The Egyptian Government For Intelligent Highways

ELSEWEDY ELECTRIC for Trading & Distribution has signed a new EPC contract with the Egyptian Government worth USD 90 Million for highway intelligent transportation system. The Execution duration is 18 months for the ITS highway roads in Egypt, including the traffic management system (TMS) and toll collection system (TCS) and the main control rooms in the ACUD. Phase one of the project includes 6 highway roads with a total of 1079 km as follows:

- ▶ Shoubra Banha freeway (40 Km)
- ▶ Cairo -Ismailia - Port Said (195 Km)
- ▶ Cairo Alexandria (220 Km)
- ▶ Cairo Suez Desert Road (134 Km)
- ▶ Cairo Ain Sokhna Road (110 Km)
- ▶ Cairo Regional Road (380 Km)

PC Contract With Al-Mostakbal Urban Development Company

Elsewedy Electric will conduct the construction of the electricity and telecommunications infrastructure for phase three on a turnkey basis.

EGP 1.46 billion EPC Contract With NCEDC

Elsewedy Electric, in consortium with Toyota Tsusho, signed a new EPC contract with North Cairo Electricity Distribution Company (NCEDC) worth EGP1.46 billion. The contract includes upgrading and digitizing the electricity distribution network in North Cairo by installing 500,000 smart meters, a distribution management system, an advanced meter infrastructure and remote terminal unit, as well as smart ring link panels.

Elsewedy Electric's scope of work includes engineering, procurement and installation of all components of the project. This project will help upgrade the electricity infrastructure in Egypt to enhance efficiency, mitigate electricity loss and theft, and improve the quality of the network. The project will be implemented over 910 days on a turnkey basis.

3W Networks to Provide Telecom and Security Systems for AIN TSILA

As part of our plan to expand our system integration expertise in the region, 3W Networks, in partnership with the premier telecom and security equipment manufacturers, will integrate to deliver the 'Best Fit' modern telecommunication solutions systems including Telephone System, Hotline Systems, Structured Cabling, LAN System, PAGA System, Access Control System & CCTV System Passive Equipment, Tetra Radio System, VSAT, Entertainment System, Meteorological System and UPS System. The scope of work includes detailed design, project management, procurement, system integration, site acceptance testing, and commissioning.

Egytech Cables Signs A New Contract To Establish The DRCC

Egytech Cables, a subsidiary of Elsewedy Electric, is extending the success story of its regional control center projects across Egypt by signing a new contract with The Egyptian Electricity Transmission Company to establish the new Regional Control Center for the transmission network for Delta Zone (DRCC) Lot 2. The value of the project is EGP 193 million and will be implemented over 18 months. This project is considered the biggest OPGW turnkey project under live line condition in the history of Egypt, with a total amount of about 1,500 KMs. It builds on EgyTech Cables' regional control center projects in Upper Egypt, Middle Egypt, Canal Zone, and Cairo Zone.

EGP 209 million Substation in Al Lagoon

Elsewedy Electric has signed a new contract to build a new substation with a value of EGP 209 million on a turnkey basis which will be completed in 6 months.

Elsewedy T&D Secures Two Fast Track Tenders

Elsewedy Electric Transmission and Distribution secured two tenders to be implemented on a fast track basis. It acquired the legal practices of overhead transmission lines (OHTL) and substation (S/S) with the turnkey implementation of the construction of 220 KV Double Circuit Toshka 2/Owinat East (in/out) connection to Toshka (4) substation, with approximately (2*30) km double-bundle per phase using ACSR 380/50 mm2 conductors type and shield wire GS108 mm 2 with a completion period of 4 months.

The second fast track contract is for a Toshka (4) (3*175+5x40) MVA, 220/66/22 kV GIS substation.

The project includes engineering, design, fabrication, factory tests, delivery duties paid (D.D.P), inland transportation, loading, unloading, installation, erection of power transformers, civil work, site tests, commissioning, insurance until taking over, onsite training and technical assistance during the warranty period and guarantees on a turnkey job basis to be completed in 10 months.

Iskraemeco Meters Come to Iceland

Iskraemeco Slovenia, one of the leading smart metering solution providers, and Veitur, the largest utility company in Iceland servicing primarily the southwest part of the country, have signed a contract for a cutting-edge smart metering solution. The solution will facilitate Veitur to transform its electricity, heat and water networks into a smart and sustainable grid.

RME Contribution to Cairo's Ring Road

ROWAD for Modern Engineering (RME) has implemented the development work for numerous sectors of Cairo's Ring Road expansion and maintenance project. The Ring Road expansion project surrounding Greater Cairo, a length of 106 km, is one of the most important current national projects that contribute to the country's development.

The implementation period for all development, expansion, maintenance, and project completion is 12 months. As one of the major players in contracting, RME has all the capabilities necessary to accomplish this vital project in Cairo, with the support of the Ministry of Transport.

Turnkey Project Of 20km At Gulf of Suez

The turnkey project for the Egyptian Electricity Transmission (EETC) will include 20 Km of S4 500KV overhead transmission lines delivered over six months.

8.5 SUPPLY CHAIN

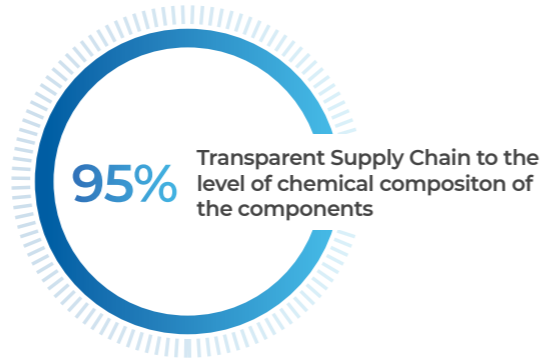
To further improve the compliance on new projects, we have implemented environmental due diligence and integrated environmental impact assessment results in the decision-making process.

Elsewedy Electric has a publicly available [Business Partner Code of Conduct](#) that covers Child Labor, Fundamental Human Rights, Working Conditions, Occupational Health and Safety (OHS), and Business Ethics. In addition, all our suppliers are screened and assessed according to our criteria, including quality, environmental, and social-related aspects based on [Elsewedy Electric's Supplier Pre-assessment Form](#).

As part of [Elsewedy Electric Group 2020-2023 Sustainability Strategy](#), we committed to establishing a Corporate Environmental and Social Management System (C-ESMS) by 2023 with the following targets on the supply chain:

- ▶ Sustainability due diligence and gap analysis for 100% of suppliers by 2023
- ▶ All suppliers comply with ESG criteria by 2030
- ▶ All suppliers and new investments comply with ESG criteria by 2030
- ▶ 100% transparency across supply chains by 2023
- ▶ 100% supplier compliance to internal standards for chemical and material safety by 2030

Each Elsewedy company has its procedures and systems depending on the nature and complexity of its supply chain. ECMEI manages its impacts by purchasing raw materials, equipment, energy, gas, chemicals and services from many suppliers and subcontractors. ECMEI accredits all local and external suppliers and assures international accreditations in quality, safety and environment.

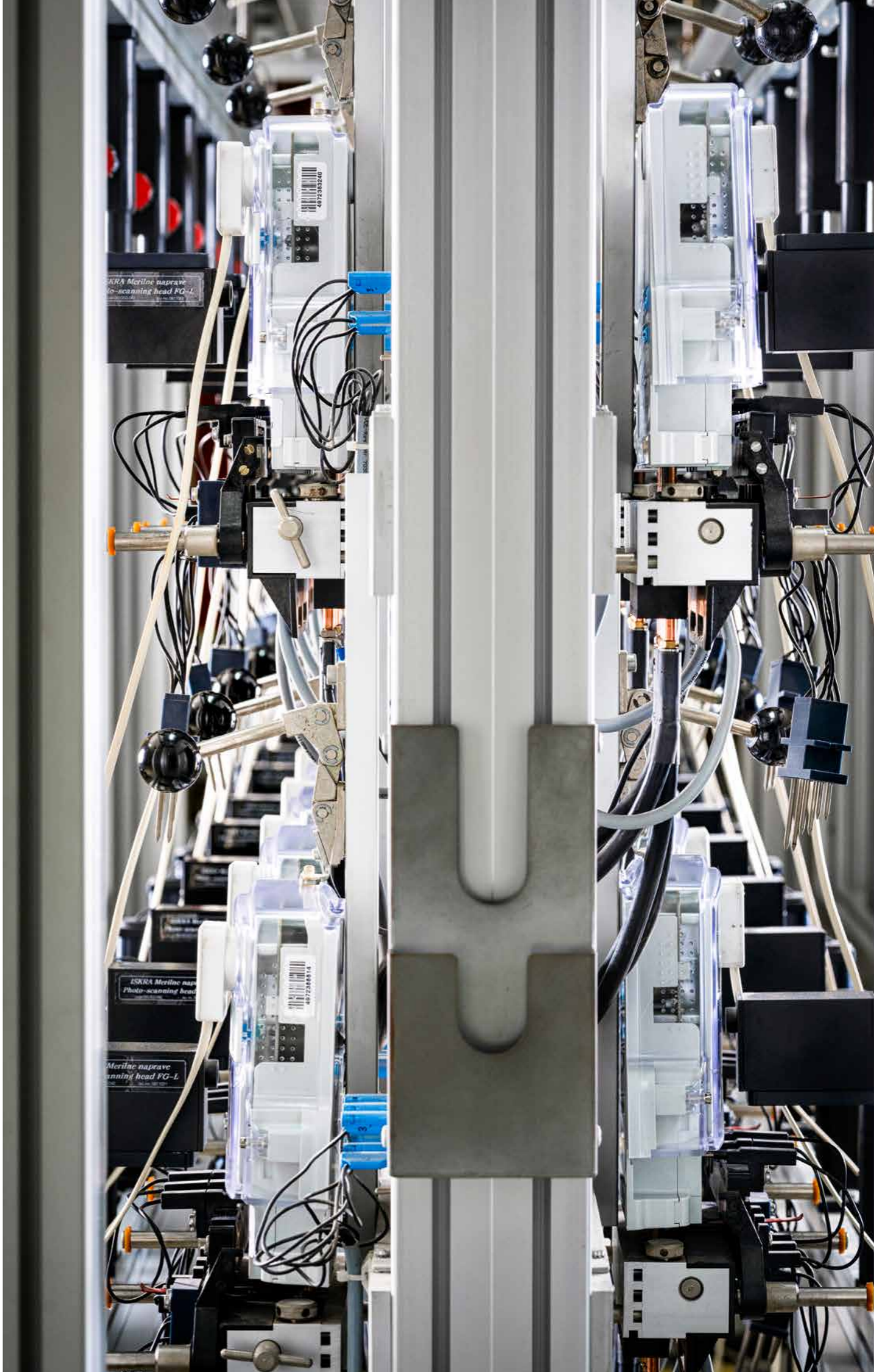


Supply Chain Transparency at Isk-raemeco Slovenia

We carefully select and audit our suppliers and sub-suppliers to meet our minimum sustainability performance criteria and respect environmental, health, and safety standards. Each supplier needs to declare that they do not employ underage personnel and that they work following ISO 9001, ISO 14001 and OHSAS 18001 standards during our supply approval process. Careful observation is also made that fair competition is respected when choosing and working with any of them. For all suppliers, we have the following compliance minimum criteria:

- ▶ ROHS and REACH for components
- ▶ Resource and component to their sources whenever possible
- ▶ EU Regulation on Supply Chain of Minerals from conflict areas
- ▶ RBA code of conduct (RMI - CMRT report)
- ▶ FLA (Fair Labor Association)
- ▶ ILO standards compliance throughout our supply chain.

All our management systems include more stringent requirements than the current legislation; consequently, we are compliant with all relevant legislation.



9

SOCIAL & COMMUNITY IMPACT

- 9.1 | Our CSR projects
- 9.2 | Elsewedy Technical Academy (STA)



9.1 OUR CSR PROJECTS

Elsewedy Electric companies operate across diverse communities while we also aim to make a meaningful contribution to social prosperity and progress, focusing on how we can impact and reach out to those in need based on active dialogue. Our Corporate Social Responsibility (CSR) program is an integral part of our existence as a Group. The past year has required us to consider the new and evolving social needs carefully. We carefully select our partners and interventions to ensure that trust, integrity, transparency, and accountability are at the core of our commitments, striving for a reasonable and just distribution of our resources and their practical use.



- **Accessible Education (13%)**
 - 1. Improving access to higher education
 - 2. Applied Technology University
- **Better Health (34%)**
 - 1. Doha Cables Blood Donation Campaign
 - 2. First-of-a-Kind 3D Endoscopy Simulator
 - 3. Ultrasonic Endoscope System to Zagazig Hospital
 - 4. Medical supplies to healthcare workers
 - 5. Elsewedy Hospital in Sudan
- **Inclusive Development (20%)**
 - 1. 3W Networks Calendar Partnership
 - 2. Food Bank Partnership
 - 3. Misr ElKheir event in Ramadan
- **Sports and Culture (33%)**
 - 1. Sponsorship for Distinguished Squash Champion
 - 2. Road to Tokyo Olympics 2021
 - 3. Galala Challenge I,II,III,IV
 - 4. Trailmaster Race
 - 5. Tough Mudder

Accessible Education

Improving Access to Higher Education

Since 2017, Elsewedy Electric has been providing merit-based scholarships to students from universities across Egypt in cooperation with the American University in Cairo (AUC), Ain Shams University, German University in Cairo (GUC), Mansoura University, Nile University, Qasr Aini University Faculty of Medicine, and Zewail University. The program began as a pilot in 2016 with two students and has grown to 115 students per year in 2020.

Applied Technology University

Elsewedy Electric supports The University of Technology by establishing a laboratory and conference rooms within the university. The institution plays a vital role in enhancing the quality of technical education in Egypt in line with the national and international market requirements.

Better Health

Doha Cables Blood Donation Campaign

On January 26, 2020, Doha Cables organized a voluntary blood donation campaign at Mesaieed Factory in partnership with Hamad Medical Corporation (HMC) to support the Blood Bank in Qatar and to raise awareness of the importance of donating blood. Employees from various departments attended the campaign.

Ultrasonic Endoscope System to Zagazig Hospital

Many lives could be saved if patients are correctly diagnosed. Elsewedy Electric has donated the newest Ultrasonic Endoscope system to Zagazig University Hospital. The ultrasonic endoscope system helps treat and provides correct diagnoses in the gallbladder, digestive system and tumor sampling.

Medical Supplies to Healthcare Workers

Elsewedy Electric is donating more than 1.6 million masks & medical supplies to healthcare workers in Egypt to help combat the spread of the coronavirus. The donation included 1.5 million surgical respiratory masks, 100,000 N95 medical respirator masks, 20,000 protective medical suits, and 100,000 medical hand protectors.

Elsewedy Hospital in Sudan

Elsewedy Electric has developed a children's hospital in Sudan focusing on newborns as it seeks to combat infant mortality, where children under the age of five suffer from the highest rates.

First-of-a-Kind 3D Endoscopy Simulator

The Group supported the establishment of the first-of-a-kind 3D Endoscopy Simulator Lab at Kasr Al Ainy Hospital. The hi-tech lab aims at building skills and training of professionals and surgeons at the obstetrics and gynecology department in the hospital. Several public figures and philanthropists contributed to bringing this project to life, with Elsewedy Electric and Eng. Ahmed Elsewedy, President and CEO, made the largest financial contribution.

The lab is the only comprehensive surgery simulation center with 3D VR hysteroscopy in Egypt, offering trainees virtual surgical training before practicing what they have learned in real-life surgeries. The lab provides advanced training on laparoscopy and hysteroscopy with the latest version of the 3D surgical VR simulator and special programs for tumor removal, hysterectomy and safe laparoscopic surgeries.



New: Sports and Culture

Sponsorship for Distinguished Squash Champion

Elsewedy Electric has signed a sponsorship contract for squash champion, one of the prominent champions in the squash game, who has won many world championships.

Road to Tokyo Olympics 2021

RME sponsored Mohab Samer, Egyptian fencing champion, by supporting him in his journey to competing in four World cup tournaments in Egypt, Canada, Poland & Luxembourg until he made it to the Olympics and qualified as the 1st place of African qualifiers and 10th Worldwide. RME also sponsored his closed training camp with internationally accredited coach Christian Bauer of France, recognized internationally as the best fencing trainer, to support Mohab in his challenging training phase.

Galala Challenge I,II,III,IV

RME proudly, for the fourth time, took part in the Galala Challenge together with Power Ride Sports. Galala Challenge is a 137km ride with around 1,300m of elevation, which requires inspiring, persistent and challenge-oriented participation.

Trailmaster Race

Recognizing sports as an important part of our culture, RME has always supported our athletes. In 2020 we partially sponsored RME people who wished to participate in the Trailmaster race event (Run Through Nature) in collaboration with The TriFactory.

Tough Mudder

RME proudly took part in the Tough Mudder event under the auspices of Emaar Misr, ensuring that challenging obstacles in the game were constructed following the highest safety and quality standards.

Inclusive Development

3W Networks Calendar Partnership

Our partnership with Mawaheb from Beautiful People, a Dubai-based art studio for disabled adults and young people, has lasted since 2012 and continues to date. Every year we produce calendars featuring beautiful artworks of these talented individuals. We share Mawaheb's focus on creativity, self-development and confidence to bridge the gap between determination and society. Our 2021 calendar draws inspiration from Japanese artist Yayoi Kusama, who is sometimes called 'the princess of polka'. Adding colorful all-over marks and dots as their inspiration, the Mawaheb artists exhibited artworks beautifully reflecting the artist's world.

We express sincere gratitude and admiration to our CSR partners for the impact we can generate through collaboration and for the work they do daily.

Misr ElKheir Event in Ramadan

As we have celebrated the holy month of Ramadan, RME people collaborated with Misr El Kheir Foundation. They contributed to packing boxes of food supplies for people in need during Ramadan.

Food Bank Partnership

To eradicate hunger in Egypt, Elsewedy Electric has established a partnership with the Egyptian Food Bank (EFB). This partnership aims to support EFB in its mission to serve society through long-term development, awareness and feeding programs. Volunteer teams from Elsewedy Electric supported the program by packing cartons of food for families in need.



“Our earth is only one polka dot among a million stars in the cosmos. Polka dots are a way to infinity. When we obliterate nature and our bodies with polka dots, we become part of the unity of our environment”

Yayoi Kusama.

9.2 ELSEWEDY TECHNICAL ACADEMY (STA)

Preparing Students For An Uncertain Future

Elsewedy Electric Foundation focuses on health and education projects. One of its primary goals is to support technical and vocational schools to produce the skilled technicians that the industry needs through Elsewedy Technical Academy (STA).

Vision: Leading institution offering innovative technical and vocational education and training (TVET), following most advanced international standards for developing the TVET system and workforce in Egypt and the region.

Mission: Providing innovative technical education and vocational training programs, following advanced international standards, with a focus on skills, competencies and attitude development.

STA Strategy 2020 - 2025

- ▶ **Internationalization: providing quality education following international standards**
- ▶ **Open educational path**
- ▶ **Reach out to 10,000 beneficiaries by 2025 (students and trainees)**
- ▶ **Institutional Financial Sustainability**

STA aims to prepare students for the exponentially transforming world under the fourth industrial revolution, an unknown and uncertain future shaped by digital technology, big data flows and far-reaching automation. We accustom students to digital content and the increasing use of computers in the classroom and at work. School books are gradually replaced by digital

copies, while we also integrate multimedia content into the teaching and the learning process. Foremost, we help our students become lifelong learners, ready to seek new knowledge and embrace new experiences.

New Partnerships

As part of the STA's commitment to providing its customers with the highest educational standards on international benchmarks, STA strives to find new opportunities to enhance the quality of its services. In collaboration with international Academic Partners, it expands its portfolio of services and aligns its programs and courses to meet market requirements and successfully serve a wider pool of beneficiaries.

STA also partners with recognized and respectable local and international organizations, such as chambers of commerce & industries, business associations, industrial consortiums, business groups, and other relevant entities operating in the field. In 2020, STA started several new collaborations.

Ministry of Education and Technical Education

STA signed an agreement with the Ministry of Education and Technical Education to establish ten applied technology schools over five years in its expansion strategy across Egypt.

PVTD (Ministry of Industry)

STA introduced a 3-year national diploma from PVTD (Ministry of Industry) and was accredited by the Ministry of Education and Technical Education.



Branching out to Sadat Industrial Zone

Elsewedy Electric Foundation and Sadat City Investors' Association signed a MoU, providing a foundation for a wide range of joint activities within Egypt's technical education sector and promoting and implementing innovative technical programs, projects, and initiatives in Egypt and the region.

This collaboration paves the road to STA's new branch expected to launch the AY 2022/2023 to host a capacity of 1350 students and provide a pool of highly qualified labor to support existing and new industries in this area and its surroundings.

The school layout, design and space program have been completed already, and the establishment is expected to start during 2021 to be delivered before the commencement of the 2022 academic year.

New Graduate Program – BEAM

The program provides experience across various business functions to ensure graduates are well prepared for the business world.

It includes intensive formal training courses, dedicated coaching from Elsewedy Electric's experienced and talented business leaders, and cross-functional job rotations to provide hands-on practical experience across our businesses. The program will take place at the company's head office and manufacturing facilities in Egypt.

New program with Sabbour Consulting

Elsewedy Electric Foundation, via Elsewedy Technical Academy (STA), signed a 3-year cooperation agreement with Sabbour Consulting to support technical education in Construction Electrical Installations.

The Agreement aims to provide quality technical dual education in the specialization of "Construction Electrical Installations." Through this specialization, STA students will acquire a technical diploma certificate from the Egyptian Ministry of Education and Technical Education "MOETE," in addition to attaining an accredited certificate of competencies from Finland.

Applied Technology School Operated by STA in Port Said

To activate the signed MoU between STA and MoETE, the first Applied Technology School is to be established and operated by STA in the strategic area of Port Said and Suez Canal region to start the academic years 2021/2022 and host a full capacity of 792 students in 5 different fields.

Also, the school will host a training academy to provide 250 training opportunities to the youth annually.



Sponsoring STA Students Across Specializations

STA signed agreements with Orange Egypt and Bank Misr Foundation to sponsor several students in different specializations and engage more banks and corporations. The graduates of this program will acquire a 3-year diploma from MOETE with Finnish competencies.

Oracle Academy International

In October 2020, STA signed a cooperation agreement with Oracle to provide software, information technology and databases for international curricula, build the capacity of trainers, and reduce international exam fees.

IBM

In October 2020, STA signed a cooperation agreement with IBM Egypt to implement the P-TECH Model at STA to provide specialized educational opportunities for STA's students in Cybersecurity, Cloud Computing, Digital Design, Artificial Intelligence, and Data Analytics and other advanced technologies.

Microsoft

In April 2021, Elsewedy Electric Foundation/STA was registered as Microsoft's non-for-profit Partner. Through this new collaboration STA can access the Nonprofit Hub to take advantage of customized offerings to ensure collaboration, productivity, and security, enabling more services and training programs in the ICT.

Huawei Technologies Co.

In April 2021, Elsewedy Electric Foundation/STA has become a member of the Huawei Partner community, enabling STA to provide more services and training programs in ICT technologies to its students and learners.

Egyptian German Technical Academy

In December 2020, the Egyptian German Technical Academy and STA started collaborating to develop new initiatives and programs to enhance the TVET system in Egypt and the region. The Parties endeavor to jointly cooperate in new education and training project activities and promote information exchange on topics that would be relevant concerning the following:

- ▶ Recruitment of students
- ▶ Development of innovative training programs and curricula in line with international standards
- ▶ Conducting joint education and training programs
- ▶ Development of initiatives and projects in education (establishment of new schools, sponsorship programs for students, scholarship programs, etc.)
- ▶ Potentially conducting joint marketing activities.
- ▶ Developing and implementing entrepreneurship programs and supporting start-ups
- ▶ Supporting woman inclusion in the TVET system
- ▶ Training of trainers and teachers
- ▶ Cooperation in employment fairs
- ▶ Exploration of public funding opportunities

IARS/ Cambridge University

In January 2020, IARS/Cambridge University and STA signed an agreement to provide STA students with employability and capacity building program "Education for Employment" to enhance the English competencies of STA learners.

The three-year program is designed to develop essential and desirable skills in highly professional vocational employees working in the technology sector worldwide.



Banque Misr Foundation

In its efforts to provide sponsorship for its students, STA has signed a new cooperation agreement with Banque Misr Foundation and Elsewedy Technology in November 2020 to support the students in the field of ICT.

As a technical partner, the students will receive their practical training at El Sewedy Technology Facilities, while Banque Misr Foundation will cover the student cost. The graduates of this program will acquire a three-year diploma from MOETE with Finnish competencies. As a technical partner, the students will receive their practical training at El Sewedy Technology Facilities, while Banque Misr Foundation will cover the student cost. The graduates of this program will acquire a three-year diploma from MOETE with Finnish competencies.

FGES & OEP (Finnish Certification)

The Agreement signed in May 2020 between STA, FGES, and IARS will allow STA to implement TVET Finnish System. Omnia Education Partnership and FGES will support STA to:

- ▶ Certify STA learner by Omnia Education Partnership (OEP), a leading education provider licensed by the Finnish Ministry of Education
- ▶ Provide international capacity-building programs for STA staff and prepare a core group of STA Master Trainers.
- ▶ Review and enhance the Quality assurance system of STA.
- ▶ Review and enhance existing curriculum and competence map with six education tracks
- ▶ Prepare and establish the road map for implementing the official Finnish Diploma programs for learners joining STA on the academic

Cisco

In April 2021, Elsewedy Electric Foundation/STA signed a MoU with CISCO to provide STA learners with specific ICT training programs concerning digitalization, networking and other related courses. CISCO will provide a web-based curriculum and other teaching and electronic information material, including proper web support by CISCO for the Academy Program.



Promoting Diversity, Accessibility and Inclusion at STA

STA promotes diversity as an ethical commitment while also recognizing it as a competitive advantage. It gives special consideration to gender diversity, aiming for 30% of students to be girls. STA introduces new specializations that accept girls every year, including Jewelry with Azza Fahmy Foundation and logistics with DB Schenker. Selecting students for Elsewedy Technical Academy (STA) is based on the following values and criteria.

Transparency

- ▶ Set criteria for the selection of students and announce it to the public.
- ▶ Effective communication with students at each stage, whether accepted or rejected
- ▶ Technical participation of industrial partners in the selection process/interview panels.

Accessibility and Inclusion

STA provides all students equal opportunities through offering scholarships for students with outstanding academic or sports performance in addition to financial aid scholarships programs for underprivileged students. STA accepts students from all governorates across Egypt and offers programs for people with disabilities (PWDs). Economic inclusion of young women and men achieved through improved access to high-quality dual education and training in Egypt.

In collaboration with the European Bank for Reconstruction and Development (EBRD) and Elsewedy Electric Group, EBRD provided support during 2018 – 2020 for:

- ▶ Curriculum and examination development for select disciplines, such as Industrial Electronics; including training of teachers and support on national accreditation of training
- ▶ Expansion, including supporting the first phase in setting up and administering new demand-driven schools
- ▶ Communication, strategy and development of new offers for students
- ▶ Promotion and enhancement of gender mainstreaming

Diversity and Equality

- ▶ The selection process takes place without prejudice to gender or religion.
- ▶ Equal opportunities for all students apply throughout the different stages of the educational process.

STA TEACHERS & STAFF

140

▶ 140 EMPLOYEES

28%

▶ 28% WOMEN

TECHNICAL PARTNERS

- ▶ A.B.B
- ▶ Azza Fahmy Foundation & Azza Fahmy Jewellery
- ▶ DB Schenker
- ▶ EGAS
- ▶ Egy 1 (Cables)
- ▶ Egy3 (Cables)
- ▶ Egyplast
- ▶ EIPICO
- ▶ Elsewedy Masar (Cables)
- ▶ Elsewedy Technology
- ▶ ENI
- ▶ Iskraemeco
- ▶ L'Oréal Egypt
- ▶ Mantrac
- ▶ Petrobel
- ▶ Sedco
- ▶ Suez Steel Co.
- ▶ T&D
- ▶ Tanta Motors
- ▶ Transformers
- ▶ UIC (Cables)
- ▶ United Wires (Cables)



10

PLANET & RESOURCES

- **10.1** | New Corporate Environmental and Social Management Systems and Plans
- **10.2** | Responding to Climate and Water Challenges
- **10.3** | Biodiversity Accountability
- **10.4** | 2020 Environmental Performance
- **10.5** | A Way Forward: Setting our Science-Based GHG Reduction Targets & Decarbonization
- **10.6** | Renewable Energy Projects and Carbon Offsetting



10 PLANET & RESOURCES

The past year has shown how drastically and rapidly humans can reduce their impact on nature by shrinking economic activities to protect the health and lives of citizens. Through multiple studies and reports, it has, however, also highlighted the present vulnerability and ongoing destabilization of the global climate and biodiversity decline while posing a threat of rolling back ambitious environmental agendas. Elsewedy Electric stayed committed to environmental stewardship despite the challenges while also adopting a range of new ambitious systems, policies, and tools.

10.1 NEW CORPORATE ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEMS AND PLANS

As a group with a complex structure and diverse impacts, we have been on a journey towards effectively identifying, assessing, and addressing our environmental impacts over the past decade. The year 2020 marked the initiation of our corporate environmental and social management system (ESMS) project, allowing us to mitigate the environmental and social risks and impacts in our facilities, greenfield and renewable energy projects worldwide. The system will adopt a comprehensive & digital monitoring system allowing for efficient collection and analysis of information from all of our companies and sites.

The ESMS will also cover identification and assessment of potential environmental and social risks and impacts arising during the planning, construction, operation and decommissioning phases of our greenfield and renewable energy projects worldwide. This will be achieved through E&S screening criteria that enable the identification of site-specific safeguard instruments in compliance with national laws, international performance standards and good international industry practices.

10.2 RESPONDING TO ENVIRONMENTAL AND CLIMATE CHALLENGES

In response to our policy revision process, our new climate and water policies outline rigorous principles of environmental stewardship, key areas of action and set clear guidelines for integration within corporate governance, management, assessment, monitoring, disclosure, stakeholder engagement, and broader collaboration. The new policies set a standard for further policy innovation within the group.

Policies and procedures will be reviewed for applicability in all the countries we operate in, with focus on biodiversity, cultural heritage, indigenous people, land acquisition, and community health & safety. Systematic risk analysis across the whole value chain will be adopted and our auditing and due diligence processes will be extended to cover all potential E&S risks and impacts.

Enhancing and monitoring labour and working conditions will be given particular focus. Our Employee handbook and labour management procedures will be extended to cover contracted workers and primary suppliers. The aim is to ensure OHS measures are implemented across all sites, during all stages of the projects and enforced on contractors and sub-contractors. Key aspects of the labour management procedures include but are not necessarily limited to: non-discrimination and equal opportunities; child and forced labour; gender-based violence; sexual harassment and abuse. Our GRM will be reviewed and enhanced with a worker and community grievance mechanism.

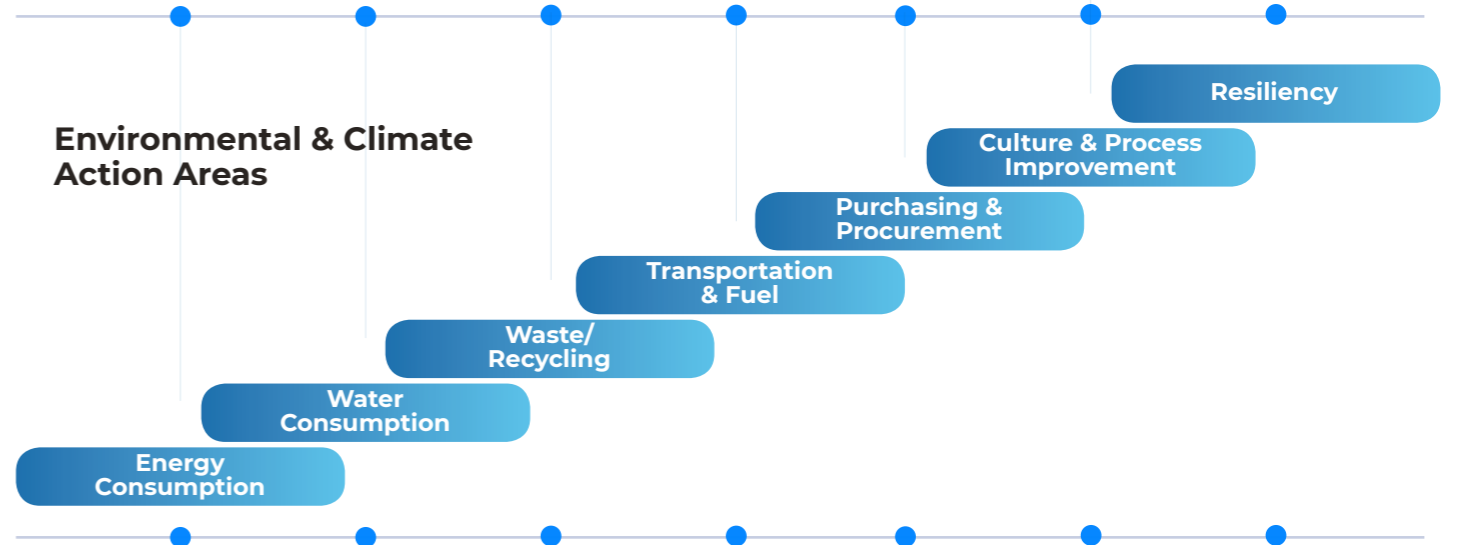
Elsewedy Electric's 1st CDP Disclosures

Part of responding and taking action lies within disclosing our current performance and future targets and ambitions. Elsewedy Electric has responded to CDP's 2021 Climate Change and Water Security questionnaires for the first time, revealing its 2020 performance and future targets.

Read our full CDP Climate Change and Water Security Responses for more information

Towards Net-Zero Operations

At Elsewedy Electric, we commit to leadership in facilitating the transition to a net-zero carbon, water-secure, climate- and water-resilient world powered by 100% renewable and sustainable energy through our products and services. We realize that each action and every service or product we offer has its associated carbon footprint. Therefore, we aspire to facilitate our transition to a climate-positive business by tackling our performance and impacts and setting an action plan that mitigates our climate change impacts across all our business activities, along the entire value chain.



ACTION AREA	ASPIRATIONAL TARGETS
→ Energy Consumption	→ 100% of all sites ISO 50001 certified by 2025
	→ 100 % of the new buildings certified green
	→ Appoint a corporate energy manager by 2023
	→ 20% of energy consumption from self-supply renewable energy systems by 2030
	→ Reduce energy consumption by 20% for all office-buildings and factories by 2030 via energy efficiency and energy management measures
→ Water Consumption	→ Double the investments in renewable energy, climate and water projects by 2025
	→ Reduce water consumption by 40% for all office-buildings and factories by 2030 via water efficiency and water management measures
	→ Zero wastewater discharge across operations by 2030
	→ Conduct a group-wide waste management audit by 2022
→ Circular Economy, Waste and Recycling	→ Design , adopt and implement a Zero Waste to Landfill management system by 2030
	→ Develop a Comprehensive Circular Economy Policy and Action Plan by 2023
	→ Embed Life Cycle Assessment as a standard procedure for 100% of the Group products by 2023
	→ 90% of sourced materials by volume are renewable, recycled or recyclable by 2030
→ GHG Emissions	→ Conduct a group-wide comprehensive GHG emissions assessment covering all operations and subsidiaries by 2023
	→ Achieve net-zero GHG emissions of our business operations by 2030 in alignment with the science-based targets criteria.

Read more about our Climate Strategy and Decarbonization Roadmap in our 2020 Carbon Footprint Report.

10.3 BIODIVERSITY ACCOUNTABILITY

At Elsewedy Electric, we recognize that sustainability spans far beyond our business operations and direct impacts. We operate in a world of rapidly degrading ecosystems and biodiversity extinction. While preventative measures remain relevant, we need to replenish nature and tackle the biodiversity crisis proactively.

In addition to the ESMS that is being developed on a corporate level, we aim to develop a group-wide Biodiversity Policy by 2022 incorporating construction site restoration and offsetting impacts procedures, in addition to other sector-specific procedures and key areas of action.

As per our Sustainability Strategy 2020-2023, we have identified critical areas of action and targets aligned with our business and operational impacts and strategies. We are committed to:

- ▶ Revise current Environmental Policy to ensure global applicability, effective separation of environmental and occupational health and safety matters, as well as consideration of ecosystem services and biodiversity protection by 2023
- ▶ Develop a formalized process for identification, assessment, and management
- ▶ Adopt ecosystem-based management and nature-based solutions within applicable facilities, developments, and sites
- ▶ Assess impacts arising from our direct and indirect business operations on ecosystems and biodiversity
- ▶ Implementing projects that promote biodiversity protection and ecosystem restoration

As a growing corporate entity that operates across several continents, we realize our impacts are constantly changing and overreaching, as are our acquisitions. Hence, our need to align our commitments and ensure our business impacts are being monitored and mitigated.

10.4 2020 ENVIRONMENTAL PERFORMANCE

Elsewedy Electric conduct environmental measurements on a quarterly basis in compliance with Egyptian Environmental Laws and good international industry practice (GIIP). These measurements cover the activities performed across all our facilities and subsidiaries to measure and monitor environmental emissions and discharges. As mentioned, the existing monitoring system will be extended to include all environmental measures that have been identified, adopted and implemented to control and protect surroundings under the group's environmental and social management plan (ESMP). This includes but is not limited to: ambient air, water and soil quality; emissions to air; and ambient noise.

2020 Environmental Reporting Coverage



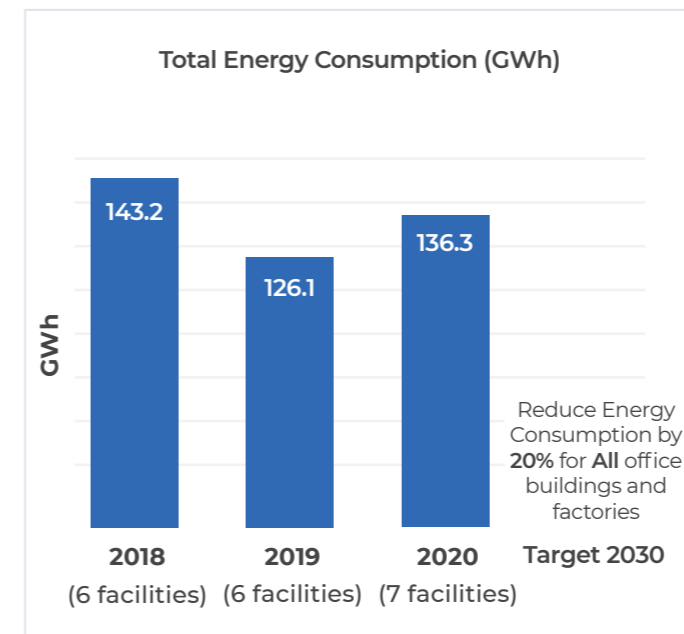
Quantification and evaluation of Elsewedy Electric's performance with regard to energy and water consumption, waste generation and circularity, and GHG Emissions are highlighted in the following sections. The 2020 data covers seven of Elsewedy Electric's production facilities, equivalent to 42.5% of total corporate revenues; an additional production facility has been included as compared to 2017, 2018, and 2019's data, in which only six facilities were disclosed. We aim to cover the environmental performance for 100% of Elsewedy Electric's production facilities' by 2021.

(1) The additional factory that has been accounted for in all the environmental-related quantitative data represented in the report. A target of covering 100% of Elsewedy Electric's production facilities is set for 2021.

10.4.1 SUSTAINABLE ENERGY

Energy Consumption

The total energy consumption across the years 2018-2020 is represented in the chart below, in which 6 factories were covered in 2018 and 2019, while in 2020 an additional factory (United Steel Wires) was accounted for. The total energy consumption includes diesel, natural gas, electricity, and the fuel used in the company's owned vehicles.



Energy Management

Elsewedy Electric companies have started adopting and following the requirements of the Energy Management System Standard ISO 50001. In addition to Iskraemeco Slovenia, UIC has been certified to ISO 50001:2018, and ECMEI is expected to get the certification in 2021. Elsewedy Electric aims to have all its worksites adopt and implement energy management systems as per ISO 50001 by 2023.

ISKRAEMECO SLOVENIA	UNITED INDUSTRIES COMPANY (UIC)	ECMEI	ALL ELSEWEDY ELECTRIC'S SUBSIDIARIES
ISO 50001:2018 Achieved ✓	ISO 50001:2018 By 2021	ISO 50001:2018 By 2023	ISO 50001:2018 By 2023

Water Consumption

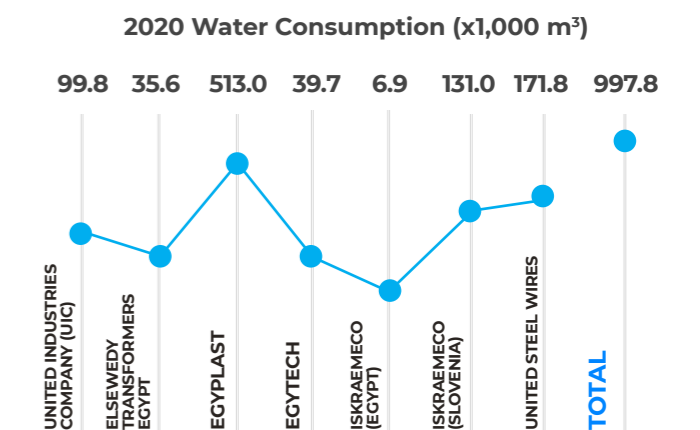
Although our operations are not water-intensive, we remain committed to sustainable consumption and discharge of water. As per the local regulatory requirements, all our facilities monitor the water discharge quality by standard effluent parameters. Mainly, water from the municipal sources is withdrawn and consumed at our production facilities, generally used in washing activities and closed-loop refrigeration circuits.

10.4.2 WATER STEWARDSHIP

We always strive to remain responsible with our use of natural resources, and to ensure our operations do not impact their quality or sustainability. At Elsewedy, we realize that Water Security is of utmost significance and should not be compromised. We have therefore devised our group's first Water Policy, and have disclosed our 2020 performance and future strategy to CDP's Water Security questionnaire, aiming to head start our water stewardship journey.

Water Management

The group ESMS currently under development will provide a robust framework for data tracking and monitoring, and will facilitate the implementation of a group-wide water footprint assessment which will allow setting water reduction by identifying further opportunities and areas of improvement.



Target by 2030: reduce water consumption by 40% for All office buildings and factories.

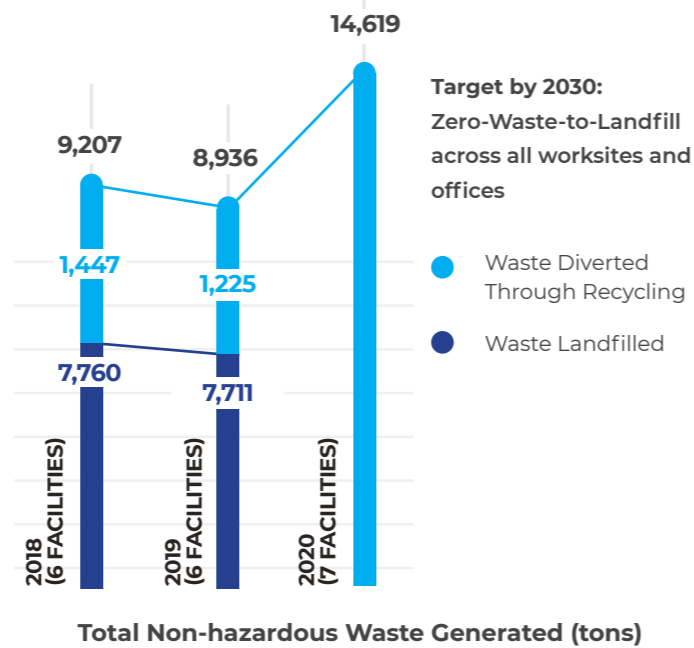
10.4.3 WASTE MANAGEMENT

All our production facilities are certified to and follow the requirements of the ISO 14001:2015 Standard for Environmental Management practices.

At Elsewedy Electric, we always aim towards implementing a circular model and plan to maintain the best waste management practices across all our worksites. We continuously invest in waste reduction and reuse opportunities wherever possible.

Non-hazardous Waste Generation

In 2020, we expanded the boundaries covered in our environmental indicators reporting to include an additional production facility (United Steel Wires). In addition, we improved our waste management system monitoring and recording, reflected in the amounts recorded in the year 2020. The waste amounts in 2020 include the industrial non-hazardous waste generated by the seven production facilities stated earlier.



Hazardous Waste

Hazardous waste, including industrial and medical waste, such as used oil, is treated/recycled by licensed service providers, or disposed of at authorized landfills. While e-waste is considered for reuse as spare parts by Elsewedy Electric wherever applicable, otherwise, it is dismantled by a specialized team and is sold to other industries or sent to other authorized entities for reuse.

In addition to non-hazardous waste tracking, a hazardous waste monitoring and quantities tracking system is targeted to be in place at all our worksites.

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

10.4.4 CLIMATE CHANGE AND GHG EMISSIONS

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 that we aim to have in effect by 2023. Not only this but maintaining annual quantification of our operational emissions is crucial in identifying the next steps towards our road to net-zero. Elsewedy Electric has been accounting for its GHG Emissions since 2017 and is committed to enhancing its methodologies and expanding its operational and organizational boundaries to cover the 100%.

In 2020, we successfully enhanced our GHG reporting to include an additional production facility and accounted for GHG emissions resulting from additional scope 1 and 2 activities. We aim to cover 100% of our production facilities in our next reporting period in 2021.

2020 Emissions per Activity (mtCO₂e)

SCOPE 1 Direct Emissions | 13,195.46 mtCO₂e | 15.6%

Activity	mtCO ₂ e
Fuel Burning - Owned Vehicles	1,411.44
Fuel Burning - Diesel	3,714.55
Fuel Burning - Natural Gas	3,534.46
Refrigerant Leakage	4,535.01

SCOPE 2 Indirect Emissions | 41,442.90 mtCO₂e | 49.1%

Activity	mtCO ₂ e
Purchased Electricity	41,442.90

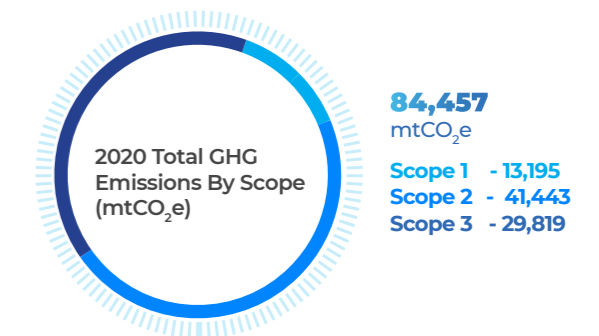
For more insights on Elsewedy Electric's 2020 Climate Performance, please refer to our [2020 Carbon Footprint Report](#), and our [CDP Climate Change Response](#).

2020 GHG Emissions Summary

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 resulting from our operations. The emissions figures cover seven production facilities owned and operated by Elsewedy Electric during a reporting period spanning from the 1st of January to the 31st of December 2020.

The analysis and calculations were 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.

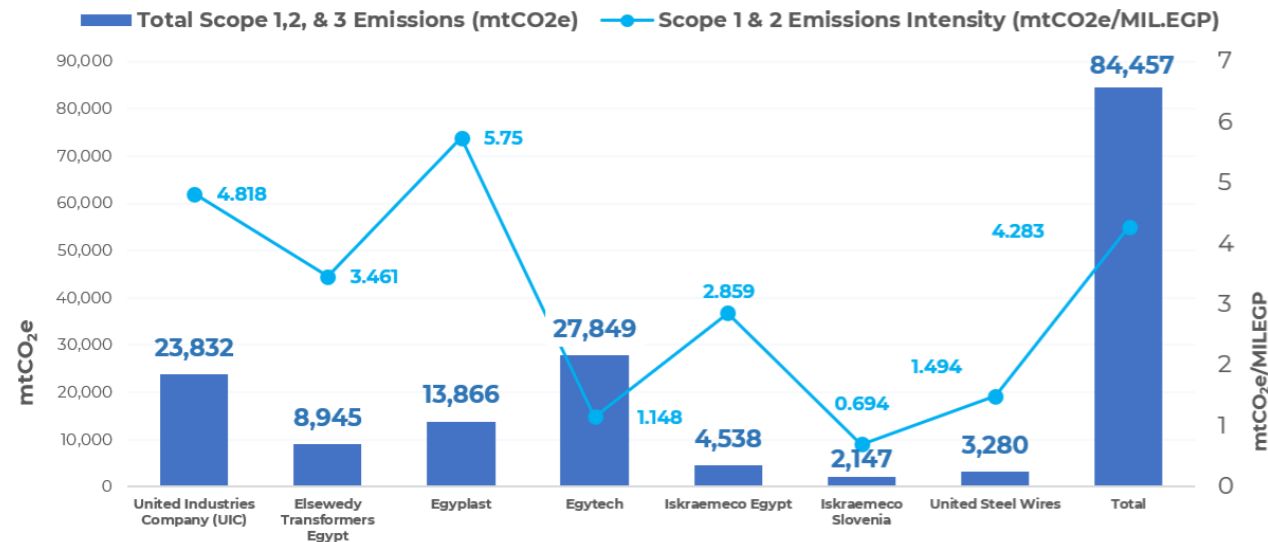
The total GHG emissions of the seven reported facilities during 2020 amounted to :



SCOPE 3 Other Indirect Emissions | 29,819.09 mtCO₂e | 35.3%

Activity	mtCO ₂ e
Fuel Burning - Owned Vehicles (WTT)	358.13
Fuel Burning - Diesel (WTT)	890.18
Fuel Burning - Natural Gas	459.55
Water Usage & Water Treatment	271.52
Solid Waste Disposal	561.27
Purchased Goods	320.60
Downstream Transportation + (WTT)	722.60
Fuel Burning - Business Travel + (WTT)	84.16
Air Travel + (WTT)	257.13
Exports	11,350.73
Paper Consumption	57.85
Commuting + (WTT)	14,485.37

2020 Absolute GHG Emissions (Scope 1,2 and 3) & Scope 1 & 2 Emissions Intensity



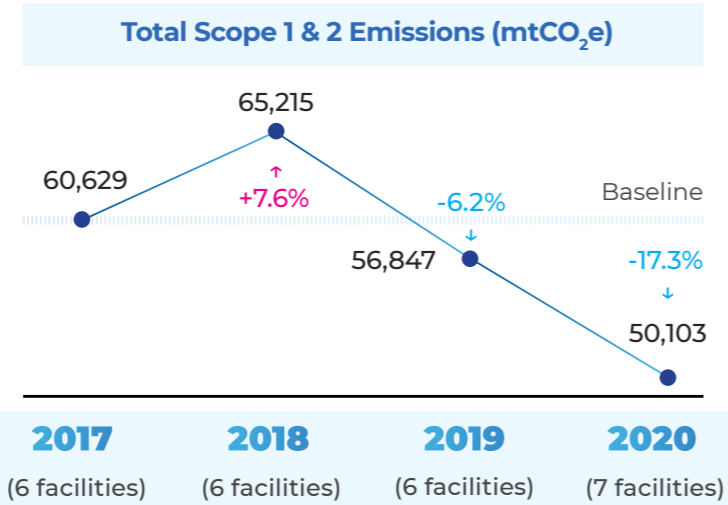
Elsewedy Electric GHG Emissions Trend 2017-2020

In 2020, we expanded the reporting boundaries to include United Steel Wires (USW) facility and accounted for the emissions resulting from additional Scope 1 and 2 activities that were not accounted for in previous reporting years.

This expansion contributed to the increase in our overall reported absolute emissions compared to previously reported years (2017, 2018, and 2019).

Thus, to allow for an accurate comparison across the years 2017 to 2020, we took into account Scopes 1 and 2 only for the same operational and organizational boundaries across the four years. Results of the comparison are presented in the graphs below, which show that Elsewedy Electric has reduced its total absolute **Scope 1 & 2 emissions by 17.3% in 2020** compared to the base year (2017). **Scope 2 emissions in 2020 have decreased by over 24%** compared with the base year.

Elsewedy Electric Absolute Emissions Trend 2017-2020



*2017 is the base year.
 **Both factories GHG emissions were removed from the comparison above in order to ensure consistency in the operational and organizational boundaries
 ***Scope 1 emissions resulting from refrigerant leakage were removed as it was not accounted for in the previous years.

10.5 A WAY FORWARD: SETTING OUR SCIENCE-BASED GHG REDUCTION TARGETS & DECARBONIZATION ROADMAP

In Paris 2015, we had a historic and unprecedented moment of international consensus. Nearly 200 countries signed up to an ambitious agreement to keep global warming well below 2°C above pre-industrial levels, pursuing efforts to hold it at no more than 1.5°C.

Science-based targets provide a clearly defined pathway for companies to reduce greenhouse gas (GHG) emissions, helping prevent the worst impacts of climate change and future-proof business growth. Targets are considered science-based if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement.

below 2°C

▶ 2025 TARGET: WELL-BELOW 2°C

-20%

▶ SCOPE 1 & 2 TARGET: 20% REDUCTION TO 2025

All GHG reduction targets of Elsewedy Electric's production facilities have been set in alignment with the Science-Based Targets initiative (SBTI) criteria. All targets are set in line with the Absolute Contraction Approach of a 2 degrees C future to be achieved by 2025.

Scope	Base Year 2017	Reporting Year 2020*	Target Year 2025	% Reduction	Status
Scope 1 - mtCO ₂ e	5,652	8,660.45	4,522	20%	0% Achieved
Scope 2 - mtCO ₂ e	54,977	41,442.90	43,982	20%	Fully Achieved
Scope 1 + 2 - mtCO ₂ e	60,629	50,103.35	48,503	20%	87% Achieved

We have already achieved 87% of the 2025 WB2D science-based targets in 2020, and are working on achieving our targets in accordance with the 1.5 degree scenario criteria.

* Additional Scope 1 and 2 activities, that were accounted for in 2020 but not in previous years, including the emissions resulting from United Steel Wires facility were removed from the total 2020 emissions to allow for a proper comparison across the years.

10.6 RENEWABLE ENERGY PROJECTS AND CARBON OFFSETTING

During 2020, Elsewedy Electric owned 3 renewable energy projects operating across 3 countries resulting in avoided emissions that could have been produced if the same capacity of the generated power had been based on burning of fossil fuels.

Elsewedy Energy projects in operation

THE ANNUAL GHG EMISSIONS AVOIDED ARE ESTIMATED AT 102,000 TONS OF CO₂e ANNUALLY.

1 GREECE: ELSEWEDY ELECTRIC 64MW OF WIND AND HYDRO ASSETS

Elsewedy Electric acquired 3 operating wind farms and 2 operating hydroelectric energy assets in Greece in June 2019. The annual GHG emissions avoided are estimated at **102,000 tons** of CO₂e annually.

34k ▶ 34,000 HOUSEHOLDS
64MW ▶ 64 MW CAPACITY
102k TONS ▶ 102K TONS OF CO₂ SAVED/YEAR

2 BENBAN SOLAR PARK

Elsewedy Electric, jointly with Électricite De France's EDF Renewables, developed, financed, built, owns, and operates two solar PV power plants (each of 65 MWp in Benban, Aswan, under energy feed-in tariff program launched by the Egyptian government, under a 25-year power purchase agreement (PPA). Our two solar PV power plants commenced operations in August 2019.

3 SOUTH SUDAN: SOLAR PV IN JUBA

Elsewedy Electric has been contracted to build a hybrid solar PV project on **250,000 m²** of land near Juba, the capital of South Sudan. The plant was scheduled to commence operation by the end of 2020 to generate an estimated annual **29 GWh of clean energy** that is expected to power over **58,000 households** while avoiding a total estimate of **12,000 tons** of CO₂e per year.

THE ANNUAL GHG EMISSIONS AVOIDED ARE ESTIMATED AT 120,000 TONS OF CO₂e ANNUALLY

- 140,000 - Households Connected
- 79.11% - Performance Rotation
- 46.8% - Ground Coverage Ratio (GCR)
- 120,000 Tons - CO₂ Saved / Year
- USD 140 Million - Project Value
- 130 MWp - Capacity
- 2497 MWh/MWp/year - Specific Yield
- 162.331 GWh/year - Expected Annual Energy

Elsewedy Electric Renewable Energy Projects Annual Avoided Emissions

Egypt: Benban Solar PV Project	120,000 mtCO ₂ e
Greece: Wind and Hydro Assets	102,000 mtCO ₂ e
South Sudan: Solar PV Project	12,000 mtCO ₂ e
Total avoided emissions per year	234,000 mtCO₂e





ANNEX

A

ASSURANCE
LETTER

C

ESG DISCLOSURES (GRI,
UNGC, SASB, WEF, TCFD,
CDP, SDG)

B

2020 ENVIRONMENTAL, SOCIAL AND
GOVERNANCE KEY METRICS

A

LIMITED
ASSURANCE
STATEMENT

A.1

Limited Assurance Statement
Independent Auditors' report on Elsewedy Electric
Sustainability Report 2020



A.1

LIMITED ASSURANCE STATEMENT

To the Board of Directors of Elsewedy Electric

We have been appointed to perform a limited assurance engagement on the Elsewedy Electric Sustainability Report 2020 with the reporting period covering the year 2020 (from 1st of January to the 31st of December).

Directors' Responsibility

The Directors of Elsewedy Electric are responsible for the preparation of this report in accordance with the Global Reporting Initiative Sustainability Reporting Standards: Core option issued by GRI – Global Reporting Initiative. The Directors are responsible for ensuring sufficient internal control for the preparation of 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 the principles of 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 express a conclusion about the compliance of this report with the requirements of the GRI Standards: Core option. 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 scope of the assurance.

We have performed the following procedures based on 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 Standards: Core Option 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 2020 has not been prepared in all material aspects, in accordance with the requirements of the GRI Standards:

Core option. 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 and Energy Services S.A.E



About Us

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.

157 Baehler's Mansions Building, 2nd Floor,
26th of July Street, Zamalek, Cairo, Egypt

Tel/Fax: +202 2735 4033
Email: info@be-masader.com
Website: <https://www.be-masader.com>



B

**2020
ENVIRONMENTAL, SOCIAL
AND GOVERNANCE KEY
METRICS**



ELSEWEDY ELECTRIC AT A GLANCE	UNIT	FY 2020
Revenue	→ Billion EGP	→ 46.4
Net Income	→ Billion EGP	→ 3
Workforce	→ Total Headcount	→ 22,000 ⁽³⁾
	→ Permanent	→ 14,000
	→ Temporary	→ 8,000
Total Workforce Cost ⁽⁴⁾	→ Billion EGP	→ 3.84
Production Facilities	→ No.	→ 22
Operations	→ No. of Countries	→ 17
Exports	→ No. of Countries	→ 110

GOVERNANCE AND ECONOMIC DIMENSION

BOARD OF DIRECTORS	UNIT	FY 2020
→ Board Directors	→ Total No.	→ 10
→ Women Board Directors	→ Total No.	→ 2 ⁽⁵⁾
→ Executives	→ Total No.	→ 53
→ Women Executives	→ Total No.	→ 3

INNOVATION MANAGEMENT	UNIT	FY 2020
→ R&D Spending	→ Total → Million USD	→ 1
→ R&D Spending (%)	→ Total → % of Total Revenue	→ 0.03%
→ Number of R&D Positions	→ Total Employees → No.	→ 120

SUPPLY CHAIN MANAGEMENT	UNIT	FY 2020
→ Purchasing Volume (PVO)	→ Total → Million EGP	→ 26,300

CORRUPTION, BREACHES, AND AUDITS	UNIT	FY 2020
→ Bribery and Corruption Cases	→ Total → No. of Cases	→ 0
→ Breaches	→ Total → No. of Cases	→ 0
→ Corporate-level Full Scope Audits	→ Total → No. of Audits	→ 4
→ Corporate-level Functional Audits	→ Total → No. of Audits	→ 2

⁽³⁾ As of 2022, the breakdown of Elsewedy Electric Group's 22,000 employees by gender, age and all region of operation shall be disclosed as part of the company-wide's strategy to implement an Environmental & Social Management System across all Elsewedy Electric subsidiaries.

⁽⁴⁾ 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 Elsewedy Group, including senior executives.

⁽⁵⁾ As of 2021, an additional female non-executive board member has joined Elsewedy Electric's Board of Directors (Mrs. Shahinaz Nabil Amin Fouda).

SOCIAL INDICATORS ⁽⁶⁾

ELSEWEDY ELECTRIC EMPLOYEES	UNIT	FY 2020	
→ Employees	→ Total	→ No. → 14,986	
	→ Permanent Contracts	% of total employees → 42.93%	
	→ Temporary Contracts	% of total employees → 57.06%	
	→ Consultant Contracts	% of total employees → 0.01%	
→ Breakdown by Age	→ Age under 30	% of total employees → 21%	
	→ Age 30-50	% of total employees → 71.73%	
	→ Age above 50	% of total employees → 0.07%	
→ Breakdown by Region	Total employees per country in %		
	→ Algeria	4.2%	Gender Ratio Female : Male 1:18
	→ Egypt	78.2%	1:18
	→ Ethiopia	1.1%	1:18
	→ Greece	0.1%	1:3
	→ India	0.3%	1:18
	→ Indonesia	3.1%	1:18
	→ Saudi Arabia	2.4%	1:72
	→ Kuwait	0.4%	1:19
	→ Malaysia	0.3%	1:18
	→ Qatar	0.3%	1:39
	→ Slovenia	0.3%	1:18
	→ UAE	0.3%	1:8
	→ Zambia	0.3%	1:18
→ Total	→ No. → 226		
→ Disabled Employees ⁽⁷⁾	→ Women → % of total employees	→ 25%	
→ Ratio of basic Salary and Remuneration of women to men	→ Group Level → Women: Men	→ 1:1	

⁽⁶⁾ The employees' total number and breakdown data of the sections: (1) Elsewedy Electric Employees; (2) New Hires; and (3) Employee Turnover, under "Social Indicators" cover Elsewedy's employees across the following regions only: Algeria (2 Subsidiaries), Egypt (22 Subsidiaries), Ethiopia (1 Subsidiary), Greece (1 Subsidiary), India (1 Subsidiary), Indonesia (1 Subsidiary), KSA (1 Subsidiary), Kuwait (1 Subsidiaries), Malaysia (1 Subsidiary), Qatar (2 Subsidiaries), Slovenia (1 Subsidiary), UAE (2 Subsidiaries), Zambia (1 Subsidiary). The following were excluded due to insufficient data availability: Our dry ports and logistics in Egypt, Pakistan Transformers factory and Giad Cables and Sudatraf in Sudan.

⁽⁷⁾ The employee data covers the following subsidiaries; Algeria Transformers, Algeria Cables, El Sewedy SC Zone, El Sewedy Utilities, Al Arabia for Services, International, 3W Network EGY, El Sewedy Africa Wind, Technology, El Sewedy Africa, SDM, STA, UMC, HQ Egypt, ISKRA, SEDCO, EGYPLAST, Transformers, T&D, UIC, PSP, EGYTECH, ECEMI, EL Sewedy Electric Infrastructure, RME, Ethiopia Cables, Energy - Greece, Iskeraemeco - India, Transformers - Indonesia, Electric KSA, Electric Kuwait, Iskeraemeco - Malaysia, Qatar Cables, Doha Cable, Iskra-Slovenia, Electric UAE, 3W Network UAE, Zambia Transformers

EMPLOYEES IN MANAGEMENT POSITIONS ⁽⁸⁾	UNIT	FY 2020
→ Total	→ No.	→ 817
→ Women Employees	→ % of total management positions	→ 8.3%

ELSEWEDY ELECTRIC NEW HIRES	UNIT	FY 2020
→ New Hired Employees	→ Total	→ No. 2,700
	→ Female	% of total new hires → 12%
	→ Age under 30	% of total new hires → 54.5%
→ Breakdown by Age	→ Age 30-50	% of total new hires → 41.4%
	→ Age above 50	% of total new hires → 4.1%

ELSEWEDY ELECTRIC EMPLOYEE TURNOVER	UNIT	FY 2020		
→ Employee Turnover	→ Total	→ No. 3,747		
	→ Female	% of total turnover → 6.1%		
→ Gender / Age	Above 50	From 30-50	Under 30	Grand Total
→ Female	0.1%	4.4%	1.6%	6.1%
→ Male	12.7%	54.6%	26.7%	93.9%
→ Grand Total	12.8%	59.0%	28.2%	100%

⁽⁸⁾ The total management positions include Elsewedy Electric Group's top, middle, and junior management positions.

TRAINING AND DEVELOPMENT	UNIT	FY 2020
	→ Female	Avg. hours/employee/yr. → 49.7
	→ Male	Avg. hours/employee/yr. → 43.2
→ Employee Training and Development	→ 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
	HSE Training	No. of Trainees 35
	IT/Cybersecurity Training	No. of Trainees 4
→ Corporate Functional Training⁽⁹⁾	Other Trainings ⁽¹⁰⁾	No. of Trainees 70
	(compliance, technical, & soft skills, etc.)	

OCCUPATIONAL HEALTH AND SAFETY	UNIT	FY 2020
→ Work-related Fatalities	Employees	No. → 2
→ Work-related Fatalities	Contractors	No. → 3
→ Lost Time Injury Frequency Rate (LTIFR)	Total (employees + contractors)	No. of injuries per 1,000,000 hours worked → 0.29
→ Data Coverage	Operations/Revenues	% → 100%
→ Work-sites Certified to ISO 45001:2018 or OHSAS 18001	% of total worksites	% → 100%

⁽⁹⁾ The number of trainees refers to FY 2019. Physical training sessions were limited in 2020 due to COVID. Detailed training data shall be compiled and disclosed in Elsewedy Electric's upcoming 2020 Sustainability Report.

⁽¹⁰⁾ For more details about the various corporate functional training programs, please refer to page 107 of [Elsewedy Electric Sustainability Report 2018/2019](#).

ENVIRONMENT ⁽¹¹⁾

GHG EMISSIONS		UNIT	FY 2020
→ Scope 1 (Direct)	Total	mtCO ₂ e	→ 13,195
→ Scope 2 (Indirect)	Total (location-based)	mtCO ₂ e	→ 41,442
→ Scope 1+2	Total	mtCO ₂ e	→ 54,637
	Total	mtCO ₂ e	→ 29,885
	Purchased goods and services	mtCO ₂ e	→ 378
	Fuel and energy-related activities	mtCO ₂ e	→ 5,083
→ Scope 3 (Indirect)	Waste generated in operations	mtCO ₂ e	→ 561
	Business travel	mtCO ₂ e	→ 298
	Employee commuting	mtCO ₂ e	→ 11,631
	Downstream transportation	mtCO ₂ e	→ 11,934

ENERGY		UNIT	FY 2020
	Total	MWh	→ 39,088
→ Primary Energy Consumption	Natural gas	MWh	→ 18,185
	Diesel	MWh	→ 14,566
	Diesel and petrol consumed by owned vehicles	MWh	→ 6,337
→ Secondary Energy Consumption	Total Purchased Electricity	MWh	→ 97,218

WATER AND EFFLUENTS		UNIT	FY 2020
→ Total Municipal Water Consumption		m ³	→ 997,850
→ Total Wastewater Discharge		m ³	→ 748,390

WASTE ⁽¹²⁾		UNIT	FY 2020
→ Total Non-hazardous Industrial Waste Generated		Tons	→ 14,620
→ Total Waste Diverted through Recycling		Tons	→ 14,620
→ Diversion Rate		%	→ 100%

ENVIRONMENTAL COMPLIANCE AND ADDITIONAL CERTIFICATIONS		UNIT	FY 2020
→ Work-sites Certified to ISO 9001	% of total worksites	%	→ 100%
→ Work-sites Certified to ISO 14001	% of total worksites	%	→ 100%
→ Work-sites Certified to ISO 50001	Total worksites	No.	→ 2

⁽¹¹⁾ The scope of the disclosed data under the "Environment" section includes the data of seven production facilities under Elsewedy Electric. The 7 facilities included are: (1) United Industries Co. (UIC); (2) Egytech; (3) Iskraemeco Egypt; (4) Transformers Factory; (5) Egyplast; (6) United Steel Wires (USW); (7) Iskraemeco Slovenia.

⁽¹²⁾ The waste quantities disclosed exclude the municipal waste generated from employees and workers and the hazardous waste generated from the manufacturing operations.

C

ESG
DISCLOSURES



(GRI, UNGC, SASB,
WEF, TCFD, CDP,
SDG)










ESG
DISCLOSURES









GRI CONTENT INDEX

SASB, WEF, SDG ALIGNMENT

DISCLOSURE NUMBER	DESCRIPTION	REFERENCE	PAGE NO.	SASB	WEF	SDG	Target
GRI 101: Foundation 2016							
101		The GRI Reporting Principles have been adopted in defining the report content and its quality as per the GRI Standards.					
GRI 102: General Disclosures 2016							
Organizational Profile							
→ 102-1	Name of the organization	Elsewedy Electric Co.					
→ 102-2	Activities, brands, products, and services	See Elsewedy's Corporate Presentation		RT-EE-000.A, RT-EE-410.a3			
→ 102-3	Location of headquarters	Elsewedy Electric Head Office Plot 27 1st District, 5th Settlement, New Cairo – Egypt					
→ 102-4	Location of operations	See Elsewedy's SR 2018-19	38-39, 222				
→ 102-5	Ownership and legal form	Shareholders	30				
→ 102-6	Markets served	See Elsewedy's Corporate Presentation					
→ 102-7	Scale of organization	Elsewedy Electric at a Glance See Elsewedy's SR 2018-19	12-13				
→ 102-8	Information on employees and other workers	Elsewedy Electric Employees, Employees in Management Positions, Elsewedy Electric New Hires, Elsewedy Electric Employee Turnover	85-86	RT-EE-000.B		 	8.5, 10.3
→ 102-9	Supply chain	Supply Chain	52				
→ 102-10	Significant changes to the organization and its supply chain	Supply Chain, Stock information	30, 52				
→ 102-11	Precautionary Principle or approach	Policies and procedures, Responding to climate and water challenges	27-28, 66-67				
→ 102-12	External initiatives	UNGC, SDG, EcoVadis, S&P CSA, CDP, Corporate Knights, MSCI	6-7, 13				

DISCLOSURE NUMBER	DESCRIPTION	REFERENCE	PAGE NO.	SASB	WEF	SDG	Target
Strategy							
→ 102-14	Statement from senior decision maker	Message from CEO & President	8-9				
→ 102-15	Key impacts, risks, and opportunities	Policies and Procedures, Realigning Health & Safety, Clean Revenues, Supply Chain, Renewable Energy Projects and Carbon Offsetting	27-28, 41-42, 49, 52, 74		Risk and opportunity oversight		
Ethics and Integrity							
→ 102-16	Values, principles, standards and norms of behavior	See Elsewedy's SR 2018-19 Revising policies to meet change	20-21, 60-61, 66, 68, 100 27				16.3
→ 102-17	Mechanisms for advice and concerns about ethics	A new, secure and integrated whistleblowing system	27		Ethical behavior		16.3
Governance							
→ 102-18	Governance structure	Organization Structure					
→ 102-22	Composition of the highest governance body and its committees	Find the most updated composition here		RT-EE-000.B	Governance body composition	 	5.5, 16.7
→ 102-23	Chair of the highest governance body	Find the most updated composition here					16.6
→ 102-26	Role of highest governance body in setting purpose, values, and strategy	See Elsewedy Electric's Climate Policy , Elsewedy Electric's Water Policy (section: "Responsibilities")					
→ 102-28	Evaluating the highest governance body's performance	Elsewedy conducted 4 Self-Assessment internal board performance audits in 2020. Read the Q1 Board of Directors audit of 2021 for further information					
→ 102-29	Identifying and managing economic, environmental, and social impacts	See Elsewedy Electric's Climate Policy, Elsewedy Electric's Water Policy					
Stakeholder Engagement							
→ 102-40	List of stakeholder groups	See Elsewedy's SR 2018-19	44-45		Stakeholder Engagement		
→ 102-42	Identifying and selecting stakeholders	See Elsewedy's SR 2018-19	44-47				
→ 102-43	Approach to stakeholder engagement	See Elsewedy's SR 2018-19	44-47				

DISCLOSURE NUMBER	DESCRIPTION	REFERENCE	PAGE NO.	SASB	WEF	SDG	Target
→ 102-44	Key topics and concerns raised	See Elsewedy's SR 2018-19	44-47				
Reporting Practice							
→ 102-45	Entities included in the consolidated financial statements	Financial Performance	46-48		Stakeholder Engagement		
→ 102-46	Defining report content and topic boundaries	About this report	6-7				
→ 102-47	List of material topics	See Elsewedy's SR 2018-19	48-49				
→ 102-48	Restatements of information	About this report	6-7				
→ 102-49	Changes in reporting	About this report	6-7				
→ 102-50	Reporting period	About this report	6-7				
→ 102-51	Date of most recent report	About this report	6-7				
→ 102-52	Reporting cycle	About this report	6-7				
→ 102-53	Contact point for questions regarding the report	About this report	6-7				
→ 102-54	Claims of reporting in accordance with the GRI Standards	About this report	6-7				
→ 102-55	GRI content index	GRI Index	92-101				
→ 102-56	External Assurance	External Assurance	80-81				
GRI 200: Economic							
GRI 201: Economic Performance 2016							
→ 103-1	Explanation of the material topic and its Boundary	See Elsewedy's SR 2018-19 - Material Topic: Profitability. The Boundary encompasses Elsewedy Electric Group.	48				
→ 103-2	The management approach and its components	Delivering sustainable value	49				
→ 103-3	Evaluation of the management approach	See Elsewedy's SR 2018-19	77-85				
→ 201-1	Direct economic value generated and distributed	Financial Performance, ESG Metrics: Elsewedy Electric at a Glance, Supply Chain Management, Innovation Management	46-48, 84-89, 52, 84		Employment and wealth generation: Economic contribution	 	8.1, 8.2 9.1, 9.4, 9.5
GRI 203: Indirect Economic Impacts 2016							
→ 103-1	Explanation of the material topic and its Boundary	See Elsewedy's SR 2018-19 - Material Topic: Risk Management. The Boundary encompasses Elsewedy Electric Group.	48				
→ 103-2	The management approach and its components	Delivering sustainable value	49				

DISCLOSURE NUMBER	DESCRIPTION	REFERENCE	PAGE NO.	SASB	WEF	SDG	Target
→ 103-3	Claims of reporting in accordance with the GRI Standards	See Elsewedy's Sustainability Strategy and our Sustainability Management System. Our Sustainability Management System allows for real-time data collection and assessment. Any issues are immediately flagged and addressed as seen necessary. At the end of each year, an aggregated report containing the highlights (negative and positive) of our business lines is shared internally.					
→ 203-1	Infrastructure investments and services supported	2020 Achievements, Financial Performance, Major acquisitions, Elsewedy Energy, Renewable Energy Projects and Carbon Offsetting See Elsewedy's Corporate Presentation			Innovation for better products and services	  	5.4 9.1, 9.4 11.2
→ 203-2	Significant indirect economic impacts	Delivering Sustainable Value	49				
GRI 205: Anti-Corruption 2016							
→ 103-1	Explanation of the material topic and its Boundary	See Elsewedy's SR 2018-19 - Material Topic: Corporate Governance. The Boundary encompasses Elsewedy Electric Group, however this update report provides updates on our Subsidiary: Iskraemeco Slovenia.	48				
→ 103-2	The management approach and its components	See Elsewedy's SR 2018-19	77-85	RT-EE-510a.1			
→ 103-3	Evaluation of the management approach	See Elsewedy's SR 2018-19	77-85	RT-EE-510a.1			
→ 205-3	Confirmed incidents of corruption and actions taken	Anti-competitive Behavior & Anti-corruption, ESG Metrics: Corruption, Beaches and Audits	27,85	RT-EE-510a.2, RT-EE-510a.3	Ethical behavior		16.5
GRI 300: Environmental							
GRI 302: Energy 2016							
→ 103-1	Explanation of the material topic and its Boundary	See Elsewedy's SR 2018-19 - Material Topic: Corporate Governance. The Boundary encompasses Elsewedy Electric Group, however this update report provides updates on our Subsidiary: Iskraemeco Slovenia.	48				
→ 103-2	The management approach and its components	Energy Management See Elsewedy's Sustainability Strategy and Climate Policy					
→ 103-3	Evaluation of the management approach	Energy Management	69				
→ 302-1	Energy consumption within the organization	Energy Consumption, ESG Metrics: Energy	69,88	RT-EE-130a.1		   	7.2, 7.3, 8.4, 12.2, 13.1

DISCLOSURE NUMBER	DESCRIPTION	REFERENCE	PAGE NO.	SASB	WEF	SDG	Target
→ 302-2	Energy consumption outside of the organization	ESG Metrics: Energy	88				7.2, 7.3, 8.4, 12.2, 13.1

GRI 303: Water and Effluents 2018

→ 103-1	Explanation of the material topic and its Boundary	See Elsewedy's SR 2018-19 - Material Topic: Water Management and Efficiency . The Boundary encompasses Elsewedy Electric's production facilities: UIC, Elsewedy Transformers Egypt, Egyplast, Egytech, Iskraemeco Egypt, Iskraemeco Slovenia, United Steel Wires.	48				
→ 103-2	The management approach and its components	Water Stewardship, Water Management See Elsewedy's Water Policy . See Elsewedy's CDP Water Security Results: W0.1 - W0.6, W1.2, W2.1, W3.3, W4.1 - W4.2, W7.1, W8	69				
→ 103-3	Evaluation of the management approach	See Elsewedy's Water Policy					
→ 303-1	Interactions with water as a shared resource	Water Management See Elsewedy's CDP Water Security Results: W1.1, W2.1, W3.3, W4.2, W8.1	69				
→ 103-3	Evaluation of the management approach	See Elsewedy's Water Policy					6.3, 6.4, 6.A, 6.B, 12.4
→ 303-2	Management of water discharge-related impacts	Water Management See Elsewedy's CDP Water Security Results: W3.3	69				6.3
→ 303-3	Water withdrawal	See Elsewedy's CDP Water Security Results: W1.2, W2.2					6.4
→ 303-4	Water discharge	Water Consumption See Elsewedy's CDP Water Security Results: W1.2	69				6.3
→ 303-5	Water consumption	Water Consumption See Elsewedy's CDP Water Security Results: W1.2	69				6.4

GRI 305: Emissions 2016

→ 103-1	Explanation of the material topic and its boundary	See Elsewedy's SR 2018-19 - Material Topic: Group Carbon Footprint . The Boundary encompasses Elsewedy Electric's production facilities: UIC, Elsewedy Transformers Egypt, Egyplast, EgyTech, Iskraemeco Egypt, Iskraemeco Slovenia, United Steel Wires.					
→ 103-2	The management approach and its components	Climate Change and GHG Emissions, see Elsewedy's Water Policy	71				





DISCLOSURE NUMBER	DESCRIPTION	REFERENCE	PAGE NO.	SASB	WEF	SDG	Target
→ 103-3	Evaluation of the management approach	See Elsewedy's Carbon Footprint Report 2020					
→ 305-1	Direct (Scope 1) GHG emissions	2020 GHG Summary, ESG Metrics: GHG Emissions	68-71, 88-89				3.9, 12.4, 13.1, 14.3, 15.2
→ 305-2	Energy indirect (Scope 2) GHG emissions	2020 GHG Summary, ESG Metrics: GHG Emissions	68-71, 88-89				3.9, 12.4, 13.1, 14.3, 15.2
→ 305-3	Other indirect (Scope 3) GHG emissions	2020 GHG Summary, ESG Metrics: GHG Emissions	68-71, 88-89				3.9, 12.4, 13.1, 14.3, 15.2
→ 305-4	GHG emissions intensity	2020 GHG Emissions Summary See Elsewedy's Carbon Footprint Report 2020	68-71, 88-89				13.1, 14.3, 15.2
→ 305-5	Reduction of GHG emissions	Our GHG Emissions Performance since 2017, Setting our Science-Based GHG Reduction Targets See Elsewedy's Carbon Footprint Report 2020	68-71, 88-89				13.1, 14.3, 15.2

GRI 306: Waste 2020

→ 103-1	Explanation of the material topic and its Boundary	See Elsewedy's SR 2018-19 - Material Topic: Waste Management and Recycling .					
→ 103-2	The management approach and its components	Waste Management	70				
→ 103-3	Evaluation of the management approach	Elsewedy Electric Sustainability Framework and our Sustainability Management System. Our Sustainability Management System allows for real-time data collection and assessment. Any issues are immediately flagged and addressed as seen necessary. At the end of each year, an aggregated report containing the highlights (negative and positive) of our business lines is shared internally.					

DISCLOSURE NUMBER	DESCRIPTION	REFERENCE	PAGE NO.	SASB	WEF	SDG	Target
→ 306-2	Management of significant waste-related impacts	Hazardous Waste					3.9, 6.3, 6.6, 12.4, 12.5
→ 306-3	Waste generated	Non-hazardous Waste Generation, Hazardous Waste					3.9, 6.3, 6.6, 12.4, 14.1, 15.1
→ 306-4	Waste diverted from disposal	Non-Hazardous Waste Generation					3.9, 12.4
→ 306-5	Waste directed to disposal	Non-Hazardous Waste Generation					6.6, 14.2, 15.1, 15.5
GRI 400: Social							
GRI 401: Employment 2016							
→ 103-1	Explanation of the material topic and its Boundary	See Elsewedy's SR 2018-19 - Material Topic: Skilled Workers . The Boundary encompasses Elsewedy's employees across the following regions only: Egypt, Greece, KSA, Kuwait, Qatar, and UAE.					
→ 103-2	The management approach and its components	See Elsewedy's SR 2018-19					
→ 103-3	Evaluation of the management approach	See Elsewedy's SR 2018-19					
→ 401-1	New employee hires and employee turnover	Diversity & Inclusion ESG Metrics: Elsewedy Electric New hires, Elsewedy Electric Employee Turnover			Employment and wealth generation: Absolute number and rate of employment		5.1, 8.5, 8.6, 10.3
GRI 403: Occupational Health and Safety 2018							
→ 103-1	Explanation of the material topic and its Boundary	See Elsewedy's SR 2018-19 - Material Topic: Occupational Health & Safety . The Boundary encompasses Elsewedy Electric Group, however this update report provides specific updates on our Subsidiaries: Iskraemeco Slovenia, UIC and Egytech.					
→ 103-2	The management approach and its components	Realigning Health & Safety					

DISCLOSURE NUMBER	DESCRIPTION	REFERENCE	PAGE NO.	SASB	WEF	SDG	Target
→ 103-3	Evaluation of the management approach	Through continuous certification acquisition and our Sustainability Management System. Our Sustainability Management System allows for real-time data collection and assessment. Any issues are immediately flagged and addressed as seen necessary. At the end of each year, an aggregated report containing the highlights (negative and positive) of our business lines is shared internally.					
→ 403-1	Occupational health and safety management system	See Elsewedy's SR 2018-19 See Elsewedy's OHS certificates on our website Health and Safety					8.8
→ 403-2	Hazard identification, risk assessment, and incident investigation	Health and Safety	41-41, 88				8.8
→ 403-3	Occupational health services	See Elsewedy's SR 2018-19 Health and Safety	41-41, 88				
→ 403-5	Worker training on occupational health and safety	Measures at Iskraemeco Slovenia, ESG Metrics: Training and Development	42, 87				8.8
→ 403-6	Promotion of worker health	Measures at Iskraemeco Slovenia	42		Health and well-being		3.8
→ 403-9	Work-related injuries	ESG Metrics: Occupational Health and Safety	88		Health and well-being		3.6, 3.9, 8.8, 16.1
→ 403-10	Work-related ill health	ESG Metrics: Occupational Health and Safety	88				
GRI 404: Training and Education 2016							
→ 103-1	Explanation of the material topic and its boundary	See Elsewedy's SR 2018-19 - Material Topic: Employee Engagement & Wellbeing . The Boundary encompasses Elsewedy Electric Group.					
→ 103-2	The management approach and its components	See Elsewedy's SR 2018-19	103-104				
→ 103-3	Evaluation of the management approach	Through continuous certification acquisition and our Sustainability Management System. Our Sustainability Management System allows for real-time data collection and assessment. Any issues are immediately flagged and addressed as seen necessary. At the end of each year, an aggregated report containing the highlights (negative and positive) of our business lines is shared internally.					

DISCLOSURE NUMBER	DESCRIPTION	REFERENCE	PAGE NO.	SASB	WEF	SDG	Target
→ 404-1	Average hours of training per year per employee	Training & Development	40,87		Skills for the future		4.3, 4.4, 4.5, 5.1, 8.2, 8.5, 10.3
→ 404-2	Programs for upgrading employee skills and transition assistance programs	Career Development, ESG Metrics: Training and Development See Elsewedy's SR 2018-19	38,87				8.2, 8.5
GRI 405: Diversity and Equal Opportunity 2016							
→ 103-1	Explanation of the material topic and its Boundary	See Elsewedy's SR 2018-19 - Material Topic: Diversity & Inclusion . The Boundary encompasses Elsewedy Electric Group.					
→ 103-2	The management approach and its components	Diversity & Inclusion - See Elsewedy Electric Code of Ethics and Business Conduct					
→ 103-3	Evaluation of the management approach	Diversity & Inclusion	39				
→ 405-2	Ratio of basic salary and remuneration of women to men	ESG Metrics: Elsewedy Electric Employees	87		Dignity and equality: Pay equality	  	5.1, 8.5, 10.3

GRI AND SASB OMISSIONS

DISCLOSURE FRAMEWORK	DISCLOSURE NUMBER	DESCRIPTION	RESPONSE
→ GRI	102-13	Membership of associations	Omission: Information Unavailable. No centralized information is collected for membership of associations, and each company has its own system to collect data required for this disclosure. We will address this with our new sustainability data management system, to be launched in 2021.
	102-41	Collective bargaining agreements	Omission: Information Unavailable. No centralized information is collected. Each company has its own system to collect data required for this disclosure.
	205-1	Operations assessed for risks related to corruption	Anti-corruption at Iskraemeco Slovenia Omission: "a. Total number and percentage of operations assessed for risks related to corruption". Information unavailable. While Elsewedy Electric conducts a comprehensive risk assessment regarding corruption, it has not yet collected data on the percentage of operations assessed for risks related to corruption. This requirement will be integrated into the Bank's data management system and considered in the future reporting cycle. See Elsewedy's SR 2018-19
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Measures at Iskraemeco Slovenia. Omission: Information unavailable. The only current available information is for Iskraemeco Slovenia. Elsewedy Electric will integrate this into its data management system for the next reporting cycle
	403-4	Worker participation, consultation, and communication on occupational health and safety	Omission: Information unavailable. No centralized information is collected and each company has its own system to collect data required for this disclosure. Elsewedy Electric will integrate this into its data management system for the next reporting cycle
	404-3	Percentage of employees receiving regular performance and career development reviews	Omission: Information unavailable. No centralized information is collected and each company has its own system to collect data required for this disclosure. Elsewedy Electric will integrate this into its data management system for the next reporting cycle.

DISCLOSURE FRAMEWORK	DISCLOSURE NUMBER	DESCRIPTION	RESPONSE
→ GRI	405-1	Diversity of governance bodies and employees	ESG Metrics: Elsewedy Electric Employees, Employees in Management Positions Omission: "a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories". Information unavailable. Currently, Elsewedy Electric doesn't analyze the diversity of its governance bodies by age. The Bank aims to align its monitoring and data management with the requirements and disclose applicable data in the next sustainability report.
→ SASB	RT-EE-150.a1	Amount of hazardous waste generated; percentage recycled	Omission: Information unavailable. We are currently developing a group-wide Environmental and Social Management System, which will include setting a waste management system in which hazardous waste data will be tracked and monitored.
	RT-EE-150.a2	Number and aggregate quantity of reportable spills, quantity recovered	Omission: Information unavailable. We are currently developing a group-wide Environmental and Social Management System, which will facilitate the tracking and reporting of this data.
	RT-EE-250.a1	Number of recalls issued; total units recalled	Omission: Information unavailable. No centralized information is collected and each company has its own system to collect data required for this disclosure.
	RT-EE-250.a2	Total amount of monetary losses as a result of legal proceedings associated with product safety	Omission: Information unavailable. We are currently developing a group-wide Environmental and Social Management System, which will facilitate the tracking and reporting of this data.
	RT-EE-410.a1	Percentage of products by revenue that contain IEC 62474 declarable substances	Omission: Information unavailable. No centralized information is collected on that matter.
	RT-EE-410.a2	Percentage of eligible products, by revenue, that meet ENERGY STAR® criteria	Omission: Information unavailable. No products are currently assessed to meet ENERGY STAR® criteria.
RT-EE-440.a1	Description of the management of risks associated with the use of critical materials	Omission: Information unavailable. We are currently developing a group-wide Environmental and Social Management System, which will facilitate the tracking and reporting of this data, however the new Elsewedy Electric's 2020-2023 Sustainability Strategy sets the tone for mitigating such risks.	

TCFD AND CDP CONTENT INDEX

TCFD RECOMMENDATION	REFERENCE	OUR CDP CLIMATE CHANGE RESPONSE
Governance		
a. Describe the board's oversight of climate-related risks and opportunities.	Organization Structure	C1.1
b. Describe management's role in assessing and managing climate-related risks and opportunities.	Elsewedy Electric's Climate Policy (section: Responsibilities)	C1.1
Strategy		
a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Supply Chain, Responding to Climate and Water Challenges, A Way Forward: Setting our Science-Based GHG Reduction Targets & Decarbonization	C2.3b, 2.4, 2.4a
b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Elsewedy Electric's Sustainability Strategy Elsewedy Electric's Climate Policy	C1.1
c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Setting our Science-Based GHG Reduction Targets	

TCFD RECOMMENDATION	REFERENCE	OUR CDP CLIMATE CHANGE RESPONSE
Risk Management		
a. Describe the organization's processes for identifying and assessing climate-related risks.	Elsewedy Electric's Sustainability Strategy (P.14) Elsewedy Electric's Climate Policy	C2.1, C2.3, C2.3B
b. Describe the organization's processes for managing climate-related risks.	Elsewedy Electric's Sustainability Strategy (P.14) Elsewedy Electric's Climate Policy	C2.1, C2.3, C2.3B
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Elsewedy Electric's Sustainability Strategy Elsewedy Electric's Climate Policy	C2.3b, 2.4, 2.4a
Metrics and Targets		
a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	We are currently developing a group-wide Environmental and Social Management System, which will facilitate the tracking and reporting of this data	C4.2, 4.2a, 4.2b
b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	2020 GHG Emissions ESG Metrics: GHG Emissions Elsewedy's Carbon Footprint Report 2020	C6.1, 6.3, 6.5, 6.10
c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Responding to Climate and Water Challenges A Way Forward: Setting our Science-Based GHG Reduction Targets & Decarbonization Elsewedy's Carbon Footprint Report 2020 Elsewedy Electric's Sustainability Strategy	C4.1, 4.2

UNGC CONTENT INDEX

DISCLOSURE	DESCRIPTION	RELEVANT SECTION	PAGE NO.
Principle 1: Human Rights	Organization Structure	See Elsewedy's SR 2018-19	24-25
Principle 2: Human Rights	Businesses should make sure they are not complicit in human rights abuses.	See Elsewedy's SR 2018-19	80-85
		Supply Chain	52
Principle 3: Labour	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	See Elsewedy's SR 2018-19	80-85
Principle 4: Labour	Businesses should uphold the elimination of all forms of forced and compulsory labour	See Elsewedy's SR 2018-19	80-85, 114-121
		Supply Chain	52

DISCLOSURE	DESCRIPTION	RELEVANT SECTION	PAGE NO.
Principle 5: Labour	Businesses should uphold the effective abolition of child labour	See Elsewedy's SR 2018-19	80-85
		Supply Chain	52
Principle 6: Labour	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	See Elsewedy's SR 2018-19	80-81
		Diversity & Inclusion	39
Principle 7: Environment	Businesses should support a precautionary approach to environmental challenges	Policies and Procedures, 2020 Environmental Performance	27-28, 68-72
		Read: Elsewedy Electric's Sustainability Strategy Elsewedy Electric's Climate Policy Elsewedy Electric's Water Policy	
Principle 8: Environment	Businesses should undertake initiatives to promote greater environmental responsibility	ESG Performance, Delivering Sustainable Value, Supply Chain, Planet and Resources	
		Read: See Elsewedy's Corporate Presentation	
Principle 9: Environment	Businesses should encourage the development and diffusion of environmentally friendly technologies.	Delivering Sustainable Value, Responding to Climate and Water Challenges, Renewable Energy Projects and Carbon Offsetting	
		Read: See Elsewedy's Corporate Presentation	
Principle 10: Anti-corruption	Businesses should work against corruption in all its forms, including extortion and bribery.	Anti-competitive Behavior & Anti-corruption	27

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