



Sustainability Strategy 2020 -2023

*Accelerating the transition towards
a sustainable, digital and resilient
energy future*

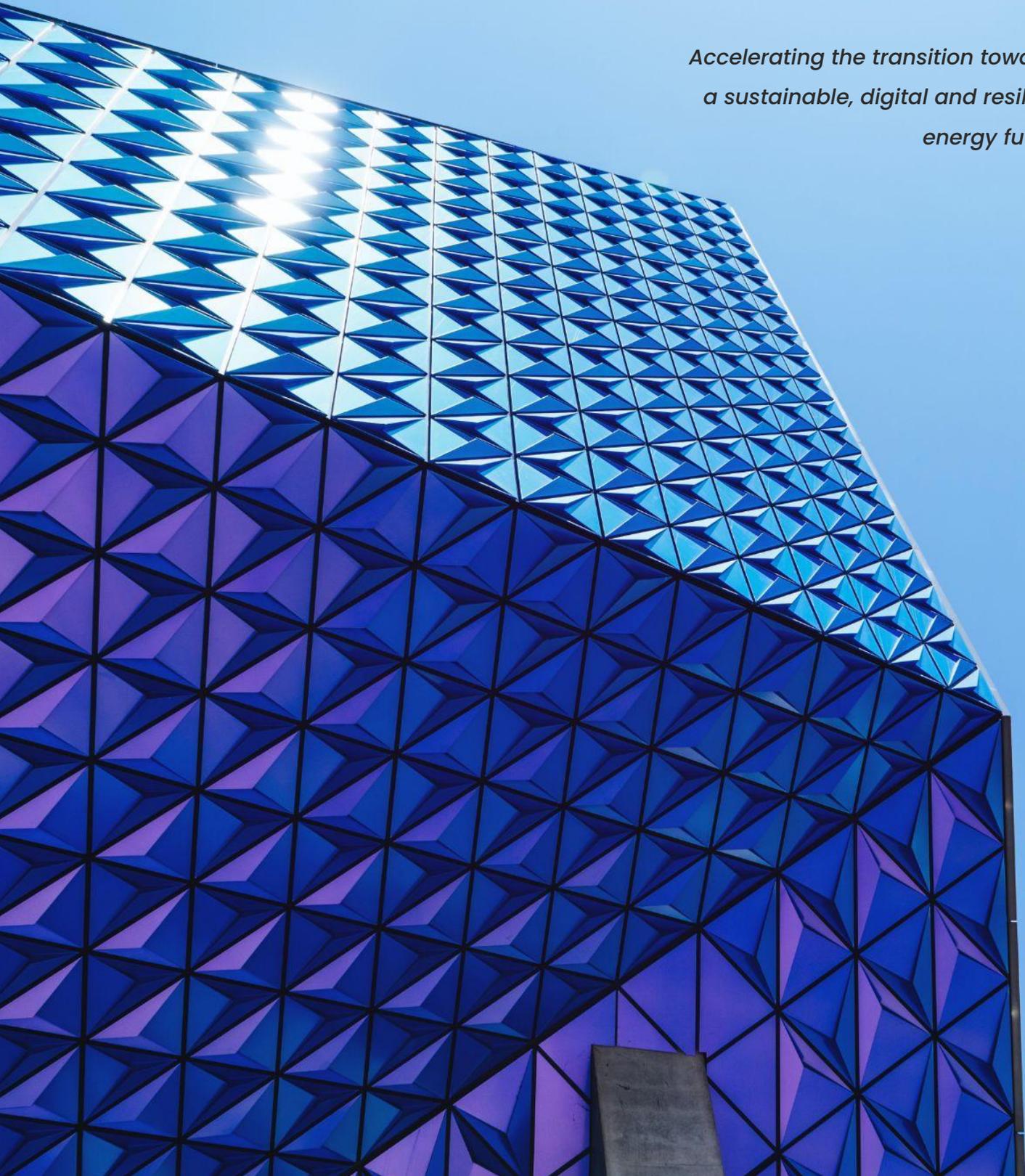


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Our Vision

During the past century, energy has been crucial to improving the quality of life and providing basic services to the global population. Those achievements came along with significant pressure on the Planet, and today we face the need to reconcile this contradiction. Based on this knowledge, we believe that a sustainable future is the only future we can afford. As a company of 15,000 employees, 950 suppliers and working in 110 countries, we have a share to contribute.

To continue providing our customers with high quality, reliable and affordable energy products, the Group should also be sustainable and resilient over the long term. We can only if our business strategy and development are aligned with nature that sustains us and provides abundant resources.

With this new sustainability strategy, we aim to extend and enhance our positive impact, providing energy services to a growing customer base, driving decarbonisation, digitalisation and sustainable transition in Egypt and beyond. 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 across our value chain and engaging everyone to leverage the full-scale transformation of the energy system towards sustainability.

We strive to 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. Our initial steps will aim at improving sustainability governance to ensure an effective and smooth transition.

We will further fully employ the power of digitalisation and innovative technology to drive decarbonisation and resource efficiency while supporting employees and customers in leading sustainable, healthy and prosperous lifestyles in a busy and fast-paced world.

Sustainable financial growth aligned with low-carbon scenarios will assure our shareholders and investors are on board with the evolving business, increasing coverage and positive impact locally and worldwide. Ultimately, we will pursue a culture of innovation, diversity, transparency and trust, which is essential to keep the efforts grounded in what matters to all our stakeholders and the flourishing future we strive to create.

The strategy is aimed to assist in fulfilling our broader strategic vision and long-term commitments, distilled across four pillars: Planet & Resources; Technology & Innovation; Governance & Economy; and People & Communities. It highlights the strategic measures which we will adopt over the short, medium and long term in line with the global commitments and targets.

From risk to opportunity

We analysed, assessed and developed mitigation measures to sustainability risks based on five drivers: markets, regulations; technological change; reputational issues; and environmental aspects. The risk groups and factors are attuned to a low carbon scenario, listed below and the main mitigation actions. The analysis of sustainability risks and opportunities relevant to our operations is further reflected in our long-term commitments.

RISKS/OPPORTUNITIES	RESPONSES
<ul style="list-style-type: none"> ● A decline in hydrocarbons demand ● Loss of results and cash flow ● "Stranded assets" ● Decreasing shareholders' returns ● Price fluctuations ● Rising operation and investments costs for hydrocarbons ● Cuts to fossil fuel subsidies ● Higher carbon tax ● Breakthroughs in renewables, energy storage and sustainable mobility ● Interruptions of industrial operations ● Difficulty in complying with legal and other requirements ● Damage to plants and infrastructures ● Recovery and maintenance costs ● Employee health and productivity deterioration ● Impacts on stakeholders' relations ● Impacts on stock price ● ESG scores and investor views 	<ul style="list-style-type: none"> ● Improve sustainability governance ● Implement a sustainability management system ● Identify, assess and manage environmental and social risks and impacts across the value chain ● Align goals with SDGs and national priorities ● The transition towards a sustainable business model ● Adopt circular economy principles ● Adopt a product stewardship approach ● Align asset development with low-carbon scenarios ● Foster impactful partnerships for sustainability ● Model an optimal sustainable energy mix ● Increase the share of renewable energy /resources ● Achieve science-based climate and water targets ● Facilities comprehensive ESG integration ● Ensure transparent ESG disclosures ● Define and monitor SMART sustainability targets ● Invest in sustainable infrastructure ● Protect critical infrastructure via nature-based and technical measures ● Diversify the portfolio across geographies and less vulnerable sectors

Looking back and moving forward

From the very start creating a better world was at the foundation of Elsewedy values. A family business created to improve energy systems for the country was the beginning of a sustainability journey that has developed and evolved over time. With substantial achievements reflected in our recent Sustainability Reports, we are ready to step up our ambition towards the next stage.

MILESTONES	
1962	<ul style="list-style-type: none"> • Elsewedy Company appointed by the Egyptian Government as • Leading supplier of all electrical materials for (High Dam) in Aswan
2004	<ul style="list-style-type: none"> • First ISO 9001 certification obtained
2014	<ul style="list-style-type: none"> • Elsewedy ELECTRIC PSP • Proudly Made in Egypt' seal introduced • Becoming a signatory of the UN Global Compact in 2017 • Enhancements in product quality and durability
2017-2018	<ul style="list-style-type: none"> • First Group Sustainability Report and Carbon Footprint Report • Sustained compliance with ISO 14001 and OHSAS 18001 certificates • Best in-house legal team in Africa and best performance certification from JICA • First Group Carbon Footprint report
2019	<ul style="list-style-type: none"> • First Group GRI Sustainability report and GRI community member • Second Group Carbon Footprint report • Elsewedy Cables first in MENA to gain ISO 14067 and ISO 14064 • 41 social projects • ECOVADIS – BRONZE Rating • EL SEWEDY PSP certified with SA 8000 • 60% of purchases made in Egypt, 40% in operational companies' locations • 10 companies a year established around the world
2020	<ul style="list-style-type: none"> • Obtained ISO 45001 for select subsidiaries
2021	<ul style="list-style-type: none"> • Major revision of group policies to extend contributions to sustainability • New sustainability strategy adopted for 2030 • Rigorous Climate and Water policies introduced • Submission to Climate and Water CDP and S&P CSA

Sustainability Framework

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. Aspirational targets have been defined for each commitment, with key targets provided below.

The framework highlights areas where we can do our best to support the global transition towards sustainability, including actions to address environmental change, a fully sustainable business model, and comprehensive ESG integration. Considering the groups' expertise in developing smart and sustainable solutions, we devised Technology & Innovation as an essential pillar of our sustainability ambition while preserving a solid stance on all other facets of our action.

The measures further outlined in this strategy shall be formalized within applicable corporate-level policies operational worldwide, applicable to all subsidiaries and enacted through high-level operating procedures. However, some of the measures shall be applicable within specific boundaries, such as office buildings, facilities, construction sites, greenfield developments, or else, depending on exposure to risks or other relevant criteria.

Pillars	SDGs	Commitments	Key targets
Governance & Economy	8, 12, 17	Corporate Citizenship	<ul style="list-style-type: none"> Conduct a comprehensive review of organizational structure, departments, roles and responsibilities by 2023 Conduct a comprehensive review of all existing corporate policies, standards, instructions, plans and procedures by 2023 Develop a corporate context analysis and formalized risk assessment related to the production facilities, turnkey projects, and renewables
		Sustainable Business Model	<ul style="list-style-type: none"> Introduce a comprehensive metric for shared value creation by 2023 Establish a Corporate Environmental and Social Management System (C-ESMS) by 2023
		ESG Integration	<ul style="list-style-type: none"> 100% of employees trained on sustainability and ESG topics by 2023 100% of investment portfolio accounted for under scope 3 emissions by 2030 All suppliers and new investments comply with ESG criteria by 2030
		Partnerships for Change	Join one globally recognized coalition or initiative for each of the pillars of this strategy by 2023
Technology & Innovation	9, 11, 12	Digitalization with Purpose	<ul style="list-style-type: none"> 100% coverage by digital services by 2030 100% Digital Sustainability Management System and GHG Accounting Systems by 2025
		Smart Technology	<ul style="list-style-type: none"> 100% coverage of own office buildings and facilities, and clients by remote energy monitoring and smart appliances by 2030 50% electric fleet by 2030
		Responsible Innovation	100% EPD/ Green Label products by 2030
Planet & Resources	6, 7, 12, 13, 14, 15	Climate & Water Action	<ul style="list-style-type: none"> 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 Reduce water consumption by 40% for all office buildings and factories by 2030

			<ul style="list-style-type: none"> • 2X investments in renewable energy, climate and water projects by 2025 • Net-zero emissions by 2030 • Net-zero emissions from the entire supply chain 2050
		Safe Materials & Chemicals	100% supplier compliance to internal standards for chemical and material safety by 2030
		Circular Economy	<ul style="list-style-type: none"> • 100% of packaging free from single-use plastics by 2030 • 90% of sourced materials by volume are renewable, recycled or recyclable by 2030 • 100% green office buildings by 2030 • Zero Waste to Landfill by 2030
		Protecting Ecosystems & Biodiversity	<ul style="list-style-type: none"> • Develop a formalized process for identification, assessment and management of risks and impacts on biodiversity and ecosystem services by 2023 • 1% for the Planet starting from 2023 • Net Zero Biodiversity Loss by 2030
People & Society	3, 4, 5, 10, 12, 1	Wellbeing, Health & Safety	<ul style="list-style-type: none"> • All employees assessed on a comprehensive wellbeing metric by 2023 • Zero fatalities, major injuries and severe accidents annually • Revise labour management policies and procedures according to good international practices by 2023
		Employee Development	<ul style="list-style-type: none"> • Introduce two new awards by 2023 • Assess Corporate Performance Objectives (CPOs) to eliminate unnecessary workload, processes, or reports by 2023 • 100% workplace satisfaction by 2025 • 100% of employees trained on sustainability and ESG topics by 2023
		Diversity & Inclusion	<ul style="list-style-type: none"> • Comprehensive diversity and inclusion assessment report by 2023 • 30% women within the workforce by 2030 • 40% women within the board and management by 2030
		Human & Labour Rights	<ul style="list-style-type: none"> • All operations are reviewed for human rights compliance annually • 100% of employees covered by human rights training on an ongoing basis • Zero human and labour rights violations across the supply chain from 2025
		Social and Community Impact	<ul style="list-style-type: none"> • 15 new community projects with a balanced contribution to all SDGs within geographic boundaries by 2023 • All new developments have community-driven

			action plans by 2025 <ul style="list-style-type: none"> • 100,000 unprivileged people from local communities trained by 2030
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Governance and Economy

Unlocking sustainable and inclusive growth

At the core of our sustainable growth ambition, we will be generating more value from fewer resources across the entire value chain, acknowledging the physical limits of decoupling and enhancing our supply chains. We will strive for excellence in ESG compliance of our new investments and aim to create sustainable value for our business, customers and society while delivering growth and profits.

Corporate citizenship

We have made significant progress in sustainability governance within the group and across our subsidiaries during the past decade. This strategy marks another milestone in the journey towards sustainability but postulating sustainability at the centre of our activities.

We commit to further supporting sound, robust and effective sustainability governance and high standards of corporate ethics and integrity as the foundation of the Group’s corporate citizenship efforts.

Priority areas

- Forming teams and assigning responsibilities across the Group to ensure holistic and streamlined sustainability governance
- Supporting high business ethics and integrity standards
- Act on suspected misconduct and adopt control measures

Aspirational targets

- Conduct a comprehensive review of organizational structure, departments, roles and responsibilities by 2023 to improve the external representation of the Group
- Conduct a comprehensive review of all existing corporate policies, standards, instructions, plans and procedures to align all documentation, integrate IFC Performance Standards, ensure adoption at corporate and subsidiary levels and avoid overlaps and potential confusion between different tools and mechanisms by 2023
- Conduct a comprehensive review of Emergency Response planning to ensure coherent application across all sectors and subsidiaries by 2023
- Develop a corporate context analysis and formalized risk assessment related to the production facilities, turnkey projects, and renewables projects by 2023
- Zero cases of violating our Code of Conduct annually

Sustainable Business Model

Sustainable business model innovation is crucial for the Elsewedy Electric Group. Our suppliers undergo reviews to ensure their adherence to local laws and international regulations and agreements in HSE, human rights adherence, environmental regulations, labour rights, child labour, and other supply chain

sustainability issues. Over the next period, we will further transform our business models and supply chains towards sustainability. Our key priority will be implementing a product stewardship approach to help Elsewedy become one of the major producers of sustainable electric products in Egypt and beyond.

Using the power of digital technology, we will also improve our material tracking automation and material planning towards creating a unified and responsible supply chain system. Starting 2021, we will implement a standardised process throughout all our companies for screening suppliers for environmental health and safety and social sustainability aspects as the starting point towards developing broader ESG criteria following good international best practices and international requirements.

We will ensure the alignment of our financial targets and sustainability goals and assess and mitigate financial risks connected to climate change.

Priority areas of action

- Sustainable business model innovation
- Alignment of financial and sustainability metrics

Aspirational targets

- Introduce a comprehensive metric for shared value creation, such as sustainable return on investment or total impact by 2023
- Establish a Corporate Environmental and Social Management System (C-ESMS) to cover all sectors, subsidiaries and projects and formalized Corporate Environmental and Social Management Plans (ESPMs) within the scope of relevant applications (such as greenfield developments) by 2023

ESG Integration

Building on previous efforts, we will strive to incorporate social and environmental criteria within our investment efforts. We will seek to consider both financial return and sound social/environmental practices. We will develop comprehensive ESG criteria, with ESG assessments for 100% of new projects, strictly aligning investment criteria with sustainability priorities.

We will also focus on sharing information and knowledge on ESG-related matters, including developing an information repository in each division to share information with other divisions, offices, and regions to improve communication and learning. Such information will include business practices, scripts from regulatory conference calls, and breakout sessions from training conferences. Disclosure on major ESG international platforms is already being adopted with a gradual increase in exposure to major media for similar businesses.

Commitment

Priority areas of action

- Internal ESG integration in line with industry standards and regulatory requirements
- ESG assessments and ratings
- ESG integration across the supply chain
- ESG-aligned investment

Aspirational targets

- ESG investment framework adopted by 2023
- Sustainability due diligence and gap analysis for 100% of suppliers by 2023
- Integrate identification, assessment and management of ESG risks within a formal risk management process, ensuring coverage of all sectors and subsidiaries by 2023
- Ensure 100% coverage of all office buildings, facilities and sites by a regular audit process by 2023
- Develop corporate procedures that regulate the modalities to be adopted for the risk identification and impact assessment to ensure 100% coverage of new applicable developments (such as greenfield developments) by ESIA's starting from 2023
- Develop a group-wide due diligence process for all new acquisitions in line with the IFC standards by 2023
- Group-wide comprehensive ESG guidelines and procedures integrated by 2025
- Disclose the corporate's ESG performance on ALL major national and international platforms by 2030
- Gold Rating by EcoVadis, S&P Global Gold Class and CDP A list for Climate and Water by 2025
- 100% of investment portfolio accounted for under scope 3 emissions by 2030
- All suppliers comply with ESG criteria by 2030
- All new investments comply with ESG criteria by 2030

Partnerships for Change

We recognize that our strength and capacities as a Group can be multiplied by effectively collaborating with a range of local and international partners, initiatives and coalitions.

We commit to leveraging the power of partnerships and collaborations to expand upon our commitments and upscale our positive impact while addressing pressing societal and environmental challenges.

Priority areas of work

- Scanning prospective partnerships and collaborations
- Applying a methodology and process to assess the effectiveness and feasibility of collaborations that drive positive change

Aspirational targets

- Join one globally recognized coalition or initiative for each of the pillars of this strategy by 2023

Technology & Innovation

Driving the digital revolution

Technology has the power to facilitate social change. We will harness this power to explore and utilise positive opportunities for improving quality of life, increasing our competitiveness and treading more ambitious sustainability trajectories. We will use digital technology to empower consumers to optimise their home energy management and adopt more sustainable living patterns. Crucially, we will transform our built environment and mobility, investing efforts into smart green buildings, electrifying fleets and improving our monitoring and management capabilities.

Digitalization with Purpose

By digitalising our business lines and the energy sector at large, we allow energy suppliers to optimise their valuable assets, integrate renewable energies from variable and distributed resources, and reduce operational costs. New digital solutions will help balance the grid, optimise supply chains, defer grid investment, and generate new revenue streams. By implementing blockchain, real-time demand response and the internet of things (apps), our products and systems gather information and feedback, allowing utility companies to manage energy use, anticipate demand and optimise costs, making them attuned to the continuously evolving societal needs.

We commit to driving an evolutionary redesign of the energy markets while ensuring a consistent, reliable, and available energy supply when needed.

Priority areas of action:

- Analyzing and harnessing the disruptive potential of digital technology and technological innovation
- Developing digital management systems for data collection, KPIs tracking, analysis and benchmarking
- Developing remote monitoring systems to complement the digital management systems.
- Developing digital solutions that help to upscale sustainability transitions

Aspirational targets

- Digital Sustainability Data Management system and GHG accounting system by 2025, to cover all office buildings, production facilities, new developments, acquisition and renewable energy projects
- 100% coverage by digital services by 2030
- Invest twice the current amount by 2030 in innovative digital services and products that facilitate the transition to SDGs with a focus on sustainable cities and communities and by leveraging proprietary technologies
- 50% Electric Fleet by 2030

Smart Technology

Digitalisation and technology allow us to reduce energy bills for citizens and enterprises while enabling them to adopt sustainable lifestyle habits and participate in mechanisms of flexible demand. We are

working to ensure uniformity of our customer management, resource allocation, asset operation and maintenance processes.

Personalised data-driven experience based on sensors, smart meters and analytic platforms will give consumers effective control over their data and energy consumption in real-time. This will also enable customers to receive usage and outage alerts, earn credits and rewards, manage bills, and view new offers, while increasing engagement, open platform ecosystems plug-ins and achieve higher retention rates.

By implementing machine learning, regulatory and marketing structures for customer electricity trades technology, we aim to obtain the necessary data and enable the customers to select the best way to pay for their energy. This will lead to a positive learning loop of analysis and improvement, facilitating the essential link between responsible consumption and production.

We commit to progressive transformation of Elsewedy into a platform-based group that provides affordable and accessible energy for all, putting consumers at the centre of sustainable energy transition. We will continue improving our management systems with the help of digital tools, research & development and innovation. We will also use the power of technology to facilitate intelligent fleet management and gradual transition to an electric fleet.

Technological innovation and digitalisation will further contribute to sustainability, safety and circularity across our facilities, infrastructure and transport.

Priority areas of action:

- Future-proofing of our networks and customer processes through grid digitalization
- Optimization of Home Energy Management through Virtual Assistance
- Customer experience management
- Improving energy choices via smart appliance and AI
- Optimization of Transaction Management through Peer transactions to boost revenue streams, grip balance, optimize supplies and improve customer experience
- Smart buildings and sustainable fleets

Aspirational targets

- 100% coverage of own facilities by remote energy monitoring and smart appliances by 2025
- 100% coverage of clients by remote energy monitoring systems and smart appliances by 2030
- 100% smart office buildings by 2030
- 50% electrical fleet by 2030

Responsible Innovation

Priority areas of action

- Harnessing group capacities and solutions to develop the next generation of sustainable solutions
- Developing product stewardship guidelines in line with stringent ESG and Impact criteria

Aspirational targets

- Product Stewardship Guidelines (PSGs) operational by 2023
- One product within each product category has EPDs by 2025
- All products to have EPDs / Green Labels by 2030

Planet & Resources

Aligning with nature for a livable future

At Elsewedy, we know that our potential for development depends on how successful we are in appreciating nature and respecting its limits. We will focus on achieving a holistic transition to environmental sustainability, enacted through rapid decarbonisation, renewable energy, further improving our energy efficiency and wise use of resources. We aim to produce superior solutions that simultaneously meet rigorous environmental sustainability requirements while delivering outstanding performance, longevity and user experience. We will align our path with the low carbon scenarios, extending the energy management system and utilise novel tools that extend our journey towards supporting a liveable planet for all.

Climate & Water Action

Climate change and water scarcity are crucial challenges to humanity and the future of the Planet. The Group [Climate Policy](#) and [Water Policy](#) outline key principles and priorities for our climate and water action, with the former focusing on mitigation and adaptation and the latter focusing on water sustainability, circularity and resilience. Both policies also address the issue of climate and water-related losses and damages. During this decade, we will strive to meet the rising energy needs of a growing population while ensuring deep and rapid decarbonisation and a responsible approach to water. We will particularly align our activities with CDP A list requirements for climate and water.

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.

Priority areas of action:

- Identifying, assessing and managing climate and water risks and opportunities
- Reducing organizational carbon and water intensity, absolute GHG emissions and water use
- Energy management system
- Reducing the carbon and water footprint of our products
- Developing specific smart, climate a water-resilient and carbon neutral solutions
- Investing into renewable energy and climate-resilient infrastructure
- Capacity building and consulting on climate and water action

Aspirational targets

- By 2023 develop Climate Action Plan and Water Action Plan
- Appoint a corporate energy manager by 2023
- Conduct a group-wide comprehensive GHG emissions assessment covering all operations and subsidiaries by 2023
- Net-zero GHG emissions of business operations by 2030
- 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

- Reduce water consumption by 40% for all office-buildings and factories by 2030 via water efficiency and water management measures
- 2X investments in renewable energy, climate and water projects by 2025
- 100% of revenue from low-carbon or net-zero products by 2040
- Net-zero GHG emissions from the entire supply chain by 2050
- Wastewater Zero across operations by 2030

While going through this transition, we will ensure inclusive learning opportunities for people to gain new skills and develop as professionals in a rapidly evolving field.

Protecting Ecosystems and Biodiversity

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

We support the Convention for Biological Diversity, the Nature Needs Half concept and forward-looking work by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services, as well as other international and local initiatives working for the benefit of the Planet.

We commit to protecting and restoring nature’s diversity and beauty by preventing negative impacts on the environment and extending our contribution to restoring and rewilding global ecosystems.

Priority areas of work

- Adopting ecosystem-based management and nature-based solutions within applicable facilities, developments and sites
- Assessing impacts on ecosystems and biodiversity
- Implementing projects that promote biodiversity protection and ecosystem restoration

Aspirational targets

- Revise current Environmental Policy to ensure global applicability, compliance to IFC requirements, effective separation of environmental and OHS matters, as well as consideration of ecosystem services and biodiversity protection by 2023
- Develop a formalized process for identification, assessment and management of risks for and impacts (direct and indirect) on biodiversity and ecosystem services by 2023
- Assess Group Global Biodiversity Score by 2023
- 1% for the Planet starting from 2023
- Net Zero Biodiversity Loss by 2030

Safe Materials and Chemicals

The materials and chemicals we use have a legacy: from extraction and processing to transportation, use and end-of-life, they can keep impacting human health and ecosystems for decades and centuries ahead.

We commit to eliminating hazardous and harmful materials and chemicals from our value chain and using safe alternatives in whatever we do.

Priority areas of action

- Supply chain transparency and traceability
- Creating Inventory, categorizing and rating materials and chemicals used
- Identifying, assessing and managing our impact on human health and biodiversity
- Developing a comprehensive framework and internal standards for suppliers with a list of restricted hazardous and potentially harmful materials and chemicals in manufacturing and final products exceeding industry standards and regulatory requirements
- Identifying, assess, developing and implementing alternatives to hazardous and potentially harmful materials and chemicals suited to specific applications and contexts

Aspirational targets

- Conduct a group-wide audit regarding for storage and handling of hazardous materials and waste, including the risks of water and soil contamination by 2023
- Integrate assessment of exposure to hazardous materials and chemicals into the regular audit process by 2023
- Adopt and implement a procedure for Inventory and control of refrigerants by 2023
- 100% transparency across supply chains by 2023
- An inventory of all materials and chemicals used in manufacturing and final products by 2023
- Criteria and processes for prioritizing safe chemicals and materials in line with or exceeding recognized industry standards and regulatory requirements by 2025
- 100% supplier compliance to internal standards for chemical and material safety by 2030

Circular Economy

We live in a world that is 8.6% circular, which leads to a significant number of resources being wasted or landfilled, while feasible, practical and sustainable alternatives are abundant. Elsewedy Electric is committed to maximising efficiency and ensuring sustainable use of the Earth's limited resources. Our approach focuses on optimising productivity and value while minimising input. We aim to improve the environmental and energy performance of all our existing office buildings and adopt green design criteria for the new ones.

Between 2020 and 2023, we will assess all our facilities and resources to produce a baseline report and action plan to promote sustainable refurbishment, operational and maintenance measures. Further, going full circle is more than doing less harm, but about proactively helping nature to recover, replenish and thrive.

We envision a circular future, where everything has value and nothing goes to waste. We commit to becoming a circular business, ensuring efficient and sustainable use of resources

Priority areas of action:

- Energy, water and resource use management and monitoring
- Managing the life cycle of products, equipment, facilities and infrastructure

- Improving efficiency across the value chain
- Reducing product energy, water and material footprint
- Protecting and restoring ecosystems
- Creating fully circular and sustainable products
- Attaining circular and sustainable certifications and labels

Aspirational targets:

- Conduct a group-wide waste management audit by 2022
- 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
- Resource Efficiency Index covering all products by 2025
- 100% of packaging free from single-use plastics by 2025
- 100% coverage by ISO 50001 for all sites by 2025
- 90% of sourced materials by volume are renewable, recycled or recyclable by 2030
- 100% green office buildings by 2030
- Processes for considering water, energy, materials, and indoor environmental quality considerations for buildings and facilities in place by 2023
- 100 % of the new buildings certified green
- Zero Waste to Landfill by 2030

People & Society

Empowering a thriving society

Building on previous achievements, we aim to continue promoting and enhancing talent within our workforce, investing in training and addressing local causes through creating shared value and contributing to achieving the SDGs. We will keep building trust and confidence among employees, improving upon diversity, inclusivity, safety, promoting sustainable lifestyles, encouraging open communication and supporting employee wellbeing. We will also monitor the success of our actions and ensure that nobody is left behind and everyone is given equal opportunity to do their best. And those who are in a less favourable situation will be particularly encouraged to realise their potential.

Wellbeing, Health and Safety

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

We commit to promoting physical and mental health of our employees, to stand behind our promise of being an employer of choice.

Priority areas of action

- Improving coverage of lectures on managing stress, medical care and physical activities
- Ensure Continuous and high-quality training, improving awareness and enhancing management procedures and monitoring
- Identifying health hazards, assessing exposure and impact, including improved identification, assessment and management of OHS risks and medical surveillance
- Encourage sustainable lifestyles among employees, paying particular attention to creating a culture of sustainability leadership among Elsewedy executives
- Provide relevant physical infrastructure, options at the workplace and incentives for sustainability leaders

Aspirational targets

- All employees assessed on a comprehensive wellbeing metric by 2023
- Integrate assessment of working conditions and terms of employment across all subsidiaries into a regular audit process
- Develop dedicated procedures on matters of Noise pollution and communicable diseases, applicable worldwide to all contexts of potential risk by 2023
- Revise labour management policies and procedures, working conditions and employee guidelines according to good international practices, ensure consideration of relevant risks and global coverage by 2023
- Zero fatalities, major injuries, accidents and work-related diseases annually

Employee Development

We aim to foster a leadership culture that facilitates employee potential. To improve employee effectiveness and foster creativity, we will encourage making decisions at the appropriate level, creating

autonomy within boundaries based upon the level of risk, assessment and revision of our practices in terms of delegation of authority.

We commit to providing all our employees with meaningful career growth opportunities, allowing them to do their best, help gain new skills and fulfil their aspirations.

Priority areas of action

- Creating realistic workload expectations, providing for sufficient staffing and ensure a reasonable length of time to complete assigned tasks
- Supporting management in focus on "people management"
- Encouraging and gather employee insights on improvement opportunities.
- Improving the transparency and effectiveness of the Elsewedy Human Resources Committee (HRC)

Aspirational targets

- Conduct a comprehensive training needs review and assessment, formalized within the training matrix by 2023
- Assess Corporate Performance Objectives (CPOs) to eliminate unnecessary workload, processes, or reports by 2023
- Introduce "360°" Supervisory Assessment Feedback instrument into leadership training as a developmental tool by 2023
- Introduce two new awards for employees: Corporate Culture Innovator Award and Sustainability Leadership Award by 2023
- 100% workplace satisfaction by 2025

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 also recognize that social patterns

We commit to improving the gender balance in both the general workforce and executive positions, with over three fourth currently being male, making extra effort to reach out to and employ highly qualified women and support their career growth.

Priority areas of action

- Bridging the diversity and inclusion gap
- Providing equal opportunities for all
- Integrating inclusion and diversity considerations in development programs at all levels

Aspirational Targets

- Update the corporate maternity leave policy for global applicability by 2023
- Revise policies and procedures for consideration of Grievances Related to Sexual Harassment and Gender-based Violence; Protection and Remediation Measures against Discrimination and Workers with disabilities by 2023

- Meet minimum legal requirements regarding hiring of people with disabilities across subsidiaries
- 30% women within the workforce by 2030
- 40% women within the board and management by 2030

Human Rights

While our society has made significant progress safeguarding human rights over the past decade, violations remain a common issue, requiring a careful and diligent approach.

We commit to protecting and cherishing human rights within our operations and across the supply chain in line with our Code of Conduct and the UN Guiding Principles on Business and Human Rights

Priority areas of action

- Training on human rights
- Assessment of human rights compliance and action on human rights violations
- Integrating verification and enforcement of the respect of Human Rights within the supply chain auditing procedures
- Implement proper policies, measures and monitoring mechanisms to mitigate adverse effects of retrenchment of workers, child and forced labour

Aspirational Targets

- All operations and suppliers are reviewed for human rights compliance annually
- 100% of employees covered by human rights training on an ongoing basis
- Integrate the consideration of Informal land use rights and impacts on indigenous peoples into C-ESMS, and in particular for land acquisition and greenfield development projects by 2023
- Conduct screening of all directly employed workers under the age of 18 by 2023
- All cases of human rights violations within operations and across the supply chain identified, addressed and corrective measures adopted annually
- Zero human and labour rights violations within operations annually
- Zero human and labour rights violations across supply chain from 2025

Social and Community Impact

We commit to expanding our positive impact on vulnerable groups and communities facing significant environmental and social challenges and exploring best practices and expertise to scale positive change.

Priority areas of action

- Assessing impacts of our previous and ongoing initiatives across Accessible Education, Better Healthcare and Inclusive Development
- Identifying and applying opportunities to extend contribution to SDGs across communities where we operate
- Stakeholder engagement and consultation
- Projects and campaigns to enhance group contribution to all SDGs where this impact matters most and where our expertise can work best

- Providing tailored training on sustainability, resource efficiency and renewable energy for underprivileged communities and groups

Aspirational targets

- Integrate considerations on conservation of tangible and intangible cultural heritage, and chance find into the C-ESMS
- Establish a corporate-level Stakeholder Engagement Plan and procedures for site-specific Stakeholder Engagement Plans and Community Grievance Mechanisms, including facilities in operation, renewable energy, facilities under construction and greenfield developments by 2023
- 15 new community projects with balanced contribution to all SDGs within geographic boundaries by 2023
- All new developments have community-driven action plans by 2025
- 100,000 unprivileged people from local communities trained by 2030

Looking Ahead

Setting our sustainability foundation, along with short and long-term priorities for achieving our long-term commitments enables us to build upon all that has already been completed, address barriers and risks and harness opportunities. We strive to evolve and transform the Group to meet emerging challenges and extend our efforts to support the industry and society towards sustainable trajectories.

From top quality products to adaptable holistic energy services addressing the needs and expectations of our customers and stakeholders, we are looking forward to an exciting and empowering part of Elsewedy quest. Our journey is now about making sustainability integral to all Elsewedy operations and processes, unlocking the power of digitalisation, decarbonisation, green finance and other sustainable opportunities unfolding in front of our eyes.

The goals set out in this plan are part of a much longer journey aimed at the ultimate success of the Global Sustainable Development Goals, Paris targets, Egypt's 2030 vision and our long-term commitments. Confident about the chosen path, we will use the incredible potential of our employees and partners to do our best.

With bold ambitions in mind, we shall not forget that rapid progress in any area should never leave other areas behind. Transparency, gender equality, fair wages, human rights and safety will go hand in hand with ambitious climate goals, green finance and other developments.

Building on a culture of holistic thinking and systems approach, we will seek to utilise available leverage points while overcoming barriers to change. We will aim beyond making incremental improvements and make sure all our actions align well with the chosen path and embrace the complexity of our environment.

Embracing risk and uncertainty as a new reality, we will stay curious and open to respond to the rapidly changing world. Only through a balanced and holistic approach can we achieve the future that is truly sustainable for all. Meanwhile, this is far more than just about an individual company doing its share. Effective collaboration across industries and supply chains is required to make real change happen. Driven to fuel progress towards sustainability, we invite all stakeholders to collaborate on creating a vibrant economy, thriving society and a liveable climate.

With targets set and sustainability compass adjusted, we are ready to head full speed towards the future we want and the future we can create together.