

Thank you.. The annual report on the Environmental, Social And Governance Disclosures has been successfully registered and your registration code number is 35237. You are kindly requested to print the report and attach it to the annual report of the Board of Directors attached to the annual financial statements for the year 2023/2024.



الهيئة العامة للرقابة المالية
FINANCIAL REGULATORY AUTHORITY



Annual report for FY **2023/2024**

on Environmental, Social and Governance Disclosures Related to
Sustainability (ESG)

In implementation of the authority's Decrees no. **(107)** and **(108)** for the year
2021

First: Introduction

This report on the disclosure of Environmental, Social and Governance (ESG) reflects the strength of the company's management to implement the principles of sustainable development and integrate sustainability practices into the company's activities and operations, which generates confidence among investors that enables them to make informed investment decision, By identifying risks and opportunities that may not be monitored by traditional financial reports, especially in light of the increasing demand by investors for **ESG** Data and how companies integrate sustainability practices into the daily operations and activates in order manage the risks and opportunities associated with the various dimensions of sustainability, and thus enhance its financial position. Based on the **FRA** responsibility towards **NBFI** including listed Companies on the Egyptian Stock Exchange, and within the framework of assisting these companies to submit annual reports to disclose ESG sustainability standards in accordance with the **FRA** decisions No. **107** and **108** of **2021**, and to facilitate them, the **FRA** has prepared this electronic form to companies to fulfill the **KPIs** for the disclosure of sustainability standards **ESG**.

Therefore, please be careful, accurate and transparent when filling out this form, and please attach the report form within the annual report prepared by the Board of Directors attached to the annual financial statements for the year 2023/2024 In case of any inquiries related to this matter, you can contact sustainable development department via email

sustainable.development@fra.gov.eg

Secand: Basic Data on The Status of Company

1. Select the company's name: QALA For Financial Investments
2. Select the company's sector: Non-bank financial services

Third: Basic Data of The Person Responsible for Completing The Report

1. Name : Ahmed Salman
2. Job Title: Sustainability Specialist
3. Email: Asalman@qalaaholdings.com

Fourth: Environmental KPIs

1. Environmental Operations & Oversight (E1)

1. Has the company developed any official Environmental and Social (E&S) or Sustainability policies?

Yes

Qalaa Holdings has embraced a multifaceted investment strategy guided by a balanced economic, environmental, social, and governance (EESG) framework, central to our multi-pronged investment approach. From the outset, we've prioritized responsible investment practices, considering economic, environmental, and social factors, this triple bottom line approach has allowed us to build a diverse portfolio of companies spanning various sectors, fostering sustainable economic growth and job creation across Egypt and Africa.

As part of our responsibility to “Lead by Example”, we continue to adopt sound, sustainable, efficient, and inclusive practices, and policies throughout our operations. Additionally, we also focus on setting goals and targets that incorporate sustainable and responsible practices into strategic business activities across the Group, its subsidiaries, and its various stakeholders.

Qalaa, along with its major subsidiaries, has developed several policies for environmental sustainability, safety, quality, and community development. These policies include performance indicators for monitoring and improving performance, with ongoing efforts to implement them across all subsidiary companies. This aligns with the company's efforts and sustainable environmental and social practices in its various projects, which serve environmentally friendly policies and significantly contribute to climate adaptation and mitigation efforts.

We remain deeply committed to incorporating international best practices across our operations, and our sustainability efforts are guided by the United Nations Sustainable Development Goals (SDGs). As such, we continuously refine and enhance our practices to ensure full compliance with the SDGs and Egypt's Vision 2030, especially in the fields of education, human rights, labor, gender equality, governance, and environmental sustainability.

Furthermore, as a founding member of the United Nations Global Compact (UNGC), we strive to firmly uphold the global compact's 10 principles and contribute to the collective global action it seeks to achieve. Accordingly, we apply robust codes of conduct, regulations, and procedures that have been drafted in compliance with the principles at the holding and subsidiary levels.

The energy sector represents 87% of Qalaa's consolidated revenues; thus, the majority of examples provided in this disclosure will focus on Qalaa Holdings' subsidiaries operating in this sector.

For example:

- Egyptian Refining Company (ERC) has issued its operational Health & Safety, Community Development, Environment, and Quality policy that includes sustainability and governance standards according to ISO 9001, 14001, 45001, and GRI Sustainability Standards. The company provides a leading model in the energy sector as the first company in the oil & gas sector to issue the first sustainability and governance report that includes gender equality and women's empowerment standards, concepts of Social Responsibility and environmental sustainability, as well as preparing GHG inventory report and emissions reduction roadmap.

- TAQA Arabia is committed to integrating environmental protection, community development, and governance issues into all its activities and services provided to customers and aspires to strengthen governance practices, promote equality among the employees, and reduce carbon emissions resulting from their operations.

- The Egyptian Company for Solid Waste Recycling (ECARU) aims to participate and remain at the forefront of all waste management, treatment, and recycling projects, specializing, and focusing on all aspects related to this field. The company works on several environmental activities that promote environmental sustainability and help in achieving social sustainability goals.

- Engineering Tasks Group (ENTAG) is specialized in the design, construction, manufacture, supply, and installation of systems and equipment for sorting, processing, and disposal of rejects resulting from waste by burying them in sanitary landfills, which the company also designs and has its own environmental policies in the Project Management process in accordance with international standards.

2. Is this policy originating from within the company or derived from global or national policies?

Yes

This policy is formulated internally within the company, deriving from both internal sources and external references such as national policies, best practices, and international standards. The policies of Qalaa and its subsidiaries primarily adhere to the following principles:

- The company's commitment as a responsible investor to the Triple Bottom Line and Lead by Example strategies focusing on the economic,

environmental, and social aspects which is embedded in our DNA. Qalaa Holdings voluntarily became a founding member in the United Nations Global Compact (UNGC) in 2015 and published its first sustainability report spanning from 2015 to 2016. Additionally, it proudly joined the "Business Ambition for 1.5°C" initiative, marking its position as the first Egyptian company and among the initial 177 global firms confronting climate change challenges. This strategic commitment underscores our corporate responsibility and leadership in mitigating carbon emissions, thus paving the way for a more sustainable future for generations to come.

- Aligning all our operational practices with the United Nations Sustainable Development Goals (SDGs) and Egypt's Vision 2030 which reflects our steadfast commitment to integrating globally recognized best practices into every aspect of our operations.
- KPIs of the International Finance Corporation (IFC) for managing environmental, social, and governance risks.
- Qalaa upholds the highest standards of governance and corporate responsibility, emphasizing the significance of precise reporting that upholds transparency and integrity values across reporting mechanisms and frameworks. Compliant with the mandates set forth by the Financial Regulatory Authority, the company maintains unwavering dedication to environmental and social sustainability standards, alongside governance principles.

For Example:

- Egyptian Refining Company (ERC) is steadfast in adhering to its sustainability policies, rooted in its self-imposed commitment to local environmental standards, encompassing Egyptian environmental law, waste management regulation law, and other pertinent legislations and ministerial directives. Furthermore, ERC aligns its practices with international benchmarks, including those established by the International Finance Corporation (IFC), the United Nations Sustainable Development Goals (SDGs), and Egypt's National Vision for Sustainability 2030.
- TAQA Arabia has developed environmental sustainability, social participation, and governance policies in line with Egypt's Vision 2030 and its alignment with the United Nations Sustainable Development Goals (UNSDGs).
- The Egyptian Company for Solid Waste Recycling "ECARU" operates in alignment with the national strategy for solid waste management, contributing to the fulfillment of the United Nations Sustainable Development Goals (SDGs). Its initiatives are strategically linked to various SDGs, including Gender Equality (Goal 5), Affordable and Clean Energy

(Goal 7), Sustainable Cities and Communities (Goal 11), Responsible Consumption and Production (Goal 12), Climate Action (Goal 13), and Partnerships for the Goals (Goal 17).

3. Does the company identify and assess the environmental and social risks arising from its economic activity?

Yes

Within the Qalaa Holdings group, the dedicated risk management officer systematically conducts thorough assessments of risks that influence economic activities and their outcomes. The company diligently identifies and appraises environmental and social risks stemming from its economic endeavors across its diverse portfolio of companies and investments in various sectors, exemplified by but not limited to:

- **Egyptian Refining Company ERC conducted a full-fledged study to assess environmental and societal risks, in addition to implementing a set of advanced reporting tools to evaluate projects, which included, but not limited to**

- o **The company is dedicated to rigorously managing greenhouse gas (GHG) risks by studying and identifying strategies to minimize GHG emissions. This includes calculating GHG emissions and maintaining an inventory for the base year, with ongoing monitoring through GHG inventory reports and decarbonization plans. Recognizing the significance of proactive environmental measures, the company actively engages in issuing pertinent reports and voluntarily participates in various initiatives aimed at reducing GHG emissions. It also prioritizes energy and fuel consumption rationalization, as well as reporting and disclosing the environmental impacts of projects. Additionally, the company joins mandatory reporting programs and actively participates in carbon markets.**

- o **ERC was the first refinery that published a GHG inventory report in the Oil & Gas sector, in addition to issuing its first Sustainability Report in 2021.**

- o **The company began to issue an annual report to monitor the volume & inventory of (GHG) and electricity consumption. It's worth noting that the system for preparing this report is in strict accordance with the standards and guidelines of the Greenhouse Gas Protocol (GHG), corporate accounting and reporting standards, the International Finance Corporation, the Intergovernmental Panel on Climate Change (IPCC) standards, and the American Petroleum Institute (API) memorandum. The report also complies with ISO 16064.**

- o **As part of its keenness to issue this report with the highest levels of**

integrity and transparency, one of the major consulting offices conducts a comprehensive review of all the data contained in the report before publishing it; to ensure the correctness and quality of the data and the integrity of the procedures followed to ensure and control quality.

- o The company has implemented a comprehensive set of procedures and an environmental management system to regularly identify and monitor environmental aspects and components of project operations. This includes assessing environmental impacts during normal operations and planned maintenance activities, both major and minor. Through these measures, the company conducts a thorough review of all data included in the report prior to its issuance, ensuring the accuracy and quality of the data and the integrity of the procedures followed to ensure and monitor quality.

- TAQA Arabia's key principles in the sustainability policy are to establish a framework for environmental and social risks, including but not limited to:

- o Ensure that all applicable laws and regulations are followed.

- o Respect human rights, support diversity and inclusion, and ensure that TAQA's business activities and operations are not associated with any practices that could be considered contrary to this.

- o Acknowledges that its operations may have direct and indirect effects on the environment and society and is committed to developing measures to mitigate these impacts whenever feasible.

- o Support the transition to a green economy and adopt sustainable business practices.

- The Company for Solid Waste Recycling (ECARU) works by conducting the environmental impact studies necessary for the company's economic activities, which identify and assess the environmental and societal risks arising from its economic activities and help the company to reduce these risks and mitigate their effects on society and the environment.

4. Does the company follow specific policies concerned with waste recycling, water consumption, or energy consumption?

Yes

Qalaa Holdings and most of its subsidiary companies have implemented tailored policies focused on waste recycling and resource conservation, with a particular emphasis on water and energy. Ongoing initiatives aim to establish a uniform approach to be uniformly applied and enacted throughout all entities, alongside standardized reporting protocols. For example:

- **Egyptian Refining Company (ERC) adheres to a waste management plan, based on the Egyptian environmental law, waste management regulations, and World Bank standards, conducting an environmental and social impact assessment study for the company. In this context, approximately 331.6 tons of municipal solid waste and over 3000 tons of hazardous waste resulting from ERC's operations have been collected and redirected to licensed waste management facilities.**
- **As part of its sustainable consumption and production policy, the company operates a cooling system using an environmentally friendly closed-loop water cycle, with water reuse facilitated by cooling towers, thereby enhancing water efficiency. Additionally, the company collects gases generated from refining processes, processes them, and subsequently reuses them as fuel to reduce natural gas consumption. Furthermore, the Egyptian Refining Company regularly updates its systems, including the installation of environmental measurement systems by Cairo Petroleum Refining Company in accordance with the contract terms between them.**
- **TAQA Arabia manages waste through a set of procedures to ensure its disposal and minimize potential risks. These include waste reduction, reuse, recycling, treatment, and finally, safe disposal. Furthermore, the company implements a document shredding process for obsolete or unused documents, redirecting them for recycling purposes. Additionally, it upholds various policies focused on waste recycling and water conservation, integral to the company's sustainability strategy and its commitment to environmental stewardship and enhancing quality of life.**
- o **Waste Management Policies:**
 - ☐ **Supplying support, encouragement, and guidance to employees for proper waste management.**
 - ☐ **Offering training and awareness programs for employees regarding the importance of recycling and how to do it effectively.**
- o **Water Consumption Policies:**
 - ☐ **Setting objectives to reduce water consumption and improve water use efficiency.**
 - ☐ **Raising awareness among employees about the importance of conserving water.**
- o **Energy Consumption Policies:**
 - ☐ **Implementing procedures to reduce energy consumption in buildings and facilities.**
 - ☐ **Encouraging the use of renewable energy sources such as solar and wind power.**

- Providing educational and guidance programs for employees on how to reduce energy consumption in their daily activities.
- TAWAZON: Specializes in providing waste management solutions and environmentally friendly alternatives to coal and natural gas.
 - o The Egyptian Company for Solid Waste Recycling “ECARU” implements a policy focused on solid waste recycling, aiming to increase the recycling rates through the adoption of the latest global technologies and strategies in solid waste management. This aims to reduce the sanitary burial rate of non-recyclable materials significantly. This has been achieved with high efficiency in waste recycling in Dakahlia Governorate, where burial rates have generally reached only 29%, and 22% in some facilities.
 - o Engineering Tasks Group ENTAG adopts a policy of increasing recycling rates by embracing the latest global technologies and strategies in solid waste management, aiming to reduce the sanitary burial rate of non-recyclable materials, in addition to reducing consumption rates of fossil fuels and promoting reliance on clean energy.
- Nile Logistics contracts waste management transportation companies of all types to remove waste from sites. These companies operate under the supervision of the related governmental bodies, which determine safe waste disposal methods, whether through recycling or burial.
- Dina Farms:
 - o Energy Consumption Policies:
 - Dina Farms utilizes cutting-edge high-efficiency irrigation systems to reduce water consumption.
 - o Energy Consumption Policies:
 - The company promotes energy conservation by establishing a 6-megawatt solar power station, implemented by TAQA Arabia, funded by the European Bank for Reconstruction and Development. This solar power station meets approximately 20% of Dina Farms' total energy consumption.
 - o Waste Recycling Policies:
 - Animal manure is utilized as organic fertilizer for agricultural fertilization.
- Al-Badar: Utilizes recycled materials in the manufacturing of printing and packaging products to produce a diverse range of printing and packaging products.
- Uniboard: The company represents one of Qalaa Holdings' environmentally friendly strategic investments and is considered a key element in achieving vertical integration within the group of subsidiary companies. The company benefits particularly from the abundance of paper waste. The total production capacity of the company's factory is 135

thousand tons annually, and the company holds a significant market share in the production of duplex cardboard.

5. Does the company set any goals related to reducing greenhouse gas (GHG) emissions?

Yes

Qalaa is exerting efforts to accelerate the transition to a low-carbon economy, leveraging its role in mobilizing capital and committing to the successful challenge of achieving a carbon-neutral future, alongside its rigorous implementation of carbon emission prevention plans. Within this strategic framework, the company is committed to implementing an environmental monitoring program to assess air quality in its surrounding areas, aiming to preserve air cleanliness in adjacent communities.

Additionally, the company is working on enhancing its resources, energy efficiency, and completing benchmarking to set carbon reduction goals towards net-zero emissions by 2050. To achieve this goal, Qalaa and its subsidiaries have established the necessary infrastructure to measure and manage their progress, such as climate, water, and waste-related policies that play a crucial role in regulating how Qalaa utilizes its resources.

Notably, Qalaa was among the early Egyptian companies to commit and join the "Business Ambition for 1.5°C" campaign to address the challenge of climate change. By joining this campaign, the company reaffirms its responsibility and leadership in efforts to reduce its carbon footprint, achieve decarbonization, and build a more sustainable future.

At the subsidiary level, most of the companies measure and monitor emissions, seeking to reduce them, and ensure prudent resource consumption and optimal use of energy sources, gradually transitioning to clean and renewable energy.

For example:

- **Egyptian Refining Company ERC:** The company's environmental teams have initiated the implementation of the "Sustainability Reporting and GHG Monitoring & Accounting System" program, aligning with the attainment of Goal 13 within the UN Sustainable Development Goals. This implementation encompasses the following stages:
 - o Appointing key personnel from each department to be the focal point regarding GHG & Sustainability related data.
 - o Development of all relevant administrative procedures establishing a framework for measuring and monitoring greenhouse gas emissions and disclosing sustainability practices to ensure their consistent

implementation and adherence by senior management.

o Finally, completing the data gathering process and final disclosure of project results, including:

Issuing the greenhouse gas report for the base year 2020.

Finalizing internal greenhouse gas measurements for 2021 and 2022.

Completing the final version of the sustainability report for 2020-2023.

Appointment and contracting with an independent specialized company for auditing.

• TAQA Arabia: TAQA continuously monitors and measures emissions, striving to reduce them through:

o Increasing solar power stations, with the company's total investments in solar energy exceeding \$105 million.

o Installing and operating electric vehicle charging stations, hybrid solutions, co-generation, trigeneration, and green hydrogen.

o Registering solar-powered energy & decarbonization projects in carbon registries such as Gold Standard and GCC.

o Converting diesel-powered vehicles to natural gas.

o Improving energy efficiency in the company's operations and facilities, thereby reducing greenhouse gas emissions per unit or total production.

• The Egyptian Company for Solid Waste Recycling "ECARU": Under the contract with Dakahlia Governorate to provide solid municipal waste treatment and recycling services within the governorate's scope, with a capacity of 3500 tons/day, the company aims to annually reduce 200 thousand metric tons of carbon dioxide equivalent and adopts a transition strategy towards clean energy by reducing reliance on fossil fuels by 40% by 2025, thus helping to reduce 20 thousand metric tons of carbon dioxide equivalent annually.

• Engineering Tasks Group ENTAG Adopts a transition strategy towards clean energy use in operations by reducing reliance on fossil fuels by 30% by 2025, helping to reduce 5 thousand metric tons of carbon dioxide equivalent annually.

6. Does the management have any system/certification regarding the company's environmental practices (ISO 14001 certification)?

Yes

Most of Qalaa's companies in various sectors have obtained certificates related to their environmental practices with the implementation of the quality system in accordance with the requirements of international standards, for example:

- **Egyptian Refining Company (ERC):** The company is in the process of acquiring ISO 9001, ISO 14001, and ISO 45001 quality certifications.
- **TAQA Arabia:** Operates through an integrated management system (IMS) that includes all of our organization's operations and standards in one smart system, by setting a set of policies, procedures and instructions for this system in accordance with ISO 14001.
- **The Egyptian Company for Solid Waste Recycling (ECARU):** Applies the quality system in accordance with the requirements of international standards ISO 9001 in quality, ISO 14001 in the field of environment and ISO 45001 in the field of occupational safety and health.
- **Engineering Tasks Group (ENTAG):** Implements the quality system in accordance with the requirements of international standard ISO 9001 in quality, ISO 14001 in the field of environment and ISO 18001 in the field of occupational safety and health.

2. Carbon Emissions / Greenhouse gases (GHG) (E2)

1. Does the company calculate the total amount of carbon emissions (Carbon Footprint) in metric tons?

Yes

Qalaa's climate policy aims to minimize the carbon footprint of its business to achieve net zero. Qalaa has adopted a multi-pronged investment strategy that places environmental sustainability, innovation, and value creation at the core of its operations. The company's climate strategy is based on ensuring that all its businesses and subsidiaries comply with all the climate laws and regulations of the various countries in which it operates. Ensuring compliance of all its operations and those of its subsidiaries with climate laws and regulations in various countries of operation, prioritizing investment in green projects that ensure energy security. In this context, several key companies within the Qalaa Holdings group calculate their total carbon emissions annually, with plans underway to extend this practice to the rest of the group's companies. Gradually transitioning its operations to clean energy and reducing the carbon footprint of its projects, for example:

- **Egyptian Refining Company (ERC)** has issued its first annual GHG inventory report, which amounted to 1.6, 1.3 and 1.577 metric tons of carbon dioxide equivalent for 2020, 2021 and 2022 respectively. The

project's results include the following:

- o 29% reduction in total sulfur dioxide emissions through the production of solar conforming to European specifications
- o Preventing 186 thousand of sulfur dioxide emissions and preventing 100.357 tons of sulfur emissions in the atmosphere of Cairo annually
- o All refineries of ERC are equipped with low-NOx stoves, which keeps the concentration of nitrogen oxides at low levels, as well as the use of natural gas as a clean fuel. The Egyptian Refining Company has developed a round-the-clock environmental monitoring program to monitor the air quality in areas affected by refining emissions and chimneys, in order to maintain air purity in the surrounding communities.
- o ERC recently established a 34-kW solar power plant to provide the amount of electricity needed for the company's administrative offices, which contributed to reducing greenhouse gas emissions generated by Target 2 (electricity consumption) by 0.025% and 0.02% for 2021 and 2022, respectively.
- TAQA Arabia calculates carbon emissions in accordance with ISO 14064-1: 2018. In terms of reducing harmful emissions, the company is working to reduce them through its solar energy projects, where the total emissions reduced as a result of these projects amounted to 86,507.48 tons of carbon dioxide. This is due to the reduction of carbon emissions in the following solar energy projects:

Location MTCO₂e

Benban 67,849.23

Dina Farms 4,714.28

SomaBay 3,654.62

Nabq 9,554.45

Nuweibaa 645.96

Dolphina 88.94

Total CO₂ emission reductions 86,507.48

- The Egyptian Company for Solid Waste Recycling (ECARU), which is the only Egyptian company registered under its name under the Clean Development Mechanism (CDM) project in 2011, with the Municipal Solid Waste Recycling Project in southern Cairo. Therefore, since 2008, the company has been calculating carbon emissions annually for the activity of recycling and treating municipal solid waste.
- Engineering Tasks Group ENTAG began in the year 2023 to calculate the total carbon emissions resulting from operations to achieve the company's strategy to reduce dependence on fossil fuels and the trend towards the

use of clean energy.

• **As for GlassRock, the company has calculated the total carbon emissions, where the reduction of carbon dioxide emissions is 40% in buildings that use insulating materials produced by Glassrock.**

3. Energy sources usage and diversification (E3)

1. Does the company calculate the total amount of energy directly consumed?

Yes

Most of Qalaa's major companies calculate the total volume of energy consumed annually, for example:

- As for the Egyptian Refining Company, the company calculates the total amount of energy consumed periodically through its Operations Technology Department according to the following:

1. Scope One: direct emissions.

- **GHG.**
- **Fuel burning - Owned vehicles.**
- **Fuel burning - Diesel.**
- **Fuel burning - Natural Gas**
- **Refrigerant leakage.**

2. Second Two: direct emissions.

- **Purchased and generated electricity.**

3. Scope Three: indirect emissions.

- **Fuel burning - Owned vehicles.**
- **Fuel burning - Diesel.**
- **Fuel burning - Natural Gas.**
- **Water usage & wastewater treatment.**
- **Solid waste disposal.**
- **Purchased goods.**
- **Downstream transportation.**
- **Fuel Burning – Business travel.**
- **Travel.**
- **Exports.**

- **Paper consumption.**

- **The Egyptian Company for Solid Waste Recycling “ECARU”:** calculates the volume of energy consumed annually from electricity and fuel in its various forms.

- **Engineering Tasks Group (ENTAG)** calculates the volume of energy consumed annually directly from electricity and fuel in its various forms.

2. Does the company calculate the percentage of energy consumption according to the type of generation source?

Yes

Most of Qalaa’s major companies annually calculate the percentage of energy consumption according to the type of generation source, for example:

- **The Egyptian Company for Solid Waste Recycling (ECARU)** calculates the volume of energy consumed annually in terms of electricity and fuel in its various forms.

- **As for the Egyptian Refining Company:** calculates energy consumption according to the source of generation on an annual basis through its Operations Technology Department.

- **To ensure continuous improvement, TAQA Arabia** monitors, measures, watches, records and analyzes the performance of occupational health and safety operations, the environment, and all types of consumed energy, including electricity, water and fuel, with the aim of periodic evaluation of performance and the extent of commitment to achieving goals by monitoring all consumed water bills in all branches and headquarters. It is planned, as a new vision, in line with the sustainable development goals, to set a goal to reduce the amount of water used.

3. Does the company calculate the percentage of annual saved energy?

Yes

Most of Qalaa’s companies calculate the percentage of energy saved annually in order to periodically evaluate performance to ensure continuous improvement. for example:

- **The Egyptian Company for Solid Waste Recycling "ECARU" and ENTAG** carried out research and studies to optimize energy usage, which led to a reduction in the percentage of electricity consumed.

- **Egyptian Refining Company ERC** calculates energy savings on an annual basis through its Operations Technology Department.

4. Water Usage (E4)

1. Does the company calculate the total amount of water annual consumed?

Yes

Qalaa major companies calculate water usage and monitor bills for consumed water for the purpose of periodic evaluation of performance, for example:

- The Egyptian Refining Company (ERC) calculates the total water consumption of all activities on an annual basis, and the company consumed 7,074,024 cubic meters of water.
- TAQA Arabia Company: To ensure continuous improvement, TAQA monitors, measures, watches, records and analyzes the performance of occupational safety and health operations. The environment and all types of energy consumed from electricity, water and fuel with the aim of periodic evaluation of performance and the extent of commitment to achieving goals by monitoring all consumed water bills in all branches and headquarters. The main project is planned as a new vision in line with the sustainable development goals, setting a goal to reduce the amount of water used.
- The Egyptian Company for Solid Waste Recycling "ECARU" and ENTAG calculate the quantities of water consumed annually through consumption bills from the service provider at the level of the different governorates as well as drinking water suppliers at the level of the multiple operations sites.
- Dina Farms: Calculates the total amount of water consumed by employing highly efficient irrigation systems and implementing globally sustainable agricultural practices to preserve water resources.

2. Does the company calculate the total amount of annual water recycled and treated?

Yes

Egyptian Refining Company (ERC) calculates the quantities of recycled water annually and has also developed an industrial wastewater management system where industrial wastewater is collected through separate sewers and directed to the wastewater treatment plant at the Egyptian Refining Company, where it undergoes triple treatment and is confirmed to comply with national standards for drainage and then

eventually discharged into the National drainage system. These actions are carried out to contribute to the achievement of SDG 12, which emphasizes responsible consumption and production.

The Egyptian Company for Solid Waste Recycling (ECARU) and The Egyptian Company for Solid Waste Recycling (ETAG) are committed to contracting with sanitation companies in various governorates for the safe disposal of sewage waste.

5.Waste Management (E5)

1. Does the company calculate the total amount of waste generated or recycled and that, which has been treated according to type and weight?

Yes

- As for the Egyptian Refining Company, the quantities of generated and recycled waste are calculated monthly.
- TAQA Arabia Company has a management system for the disposal of hazardous and non-hazardous waste from the beginning of sorting the waste according to its type and safe disposal of it, whether by being buried in sanitary landfills or recycled.
- The Egyptian Company for Solid Waste Recycling "ECARU" annually treats approximately one million tons annually of municipal solid waste to produce organic fertilizer and energy alternatives from fuel used as an alternative to coal as an energy source for the cement production sector, in addition to treating and recycling approximately 500 thousand tons annually of waste. Agriculture to produce organic fertilizers and energy alternatives and the supply of waste to the paper and wood production industries.

Fifth: Social KPIs

1.Gender Diversity & Pay Ratio (S1)

1. Does the company disclose the number of male and female employees according to the type of employment (temporary or permanent)?

Yes

Qalaa and its subsidiaries disclose the number of male and female employees by type of employment (temporary or permanent employment) and for the year 2023:

- **Permanent employment: 13,165**
- **Temporary employment: 239**

2. Does the company disclose the percentage of total employees who are male and female?

Qalaa and its subsidiaries disclose the percentage of the total number of male and female employees.

Males: 96%

Females: 4%

3. Does the company disclose the percentage of positions held by males and females (specifically for entry-level and mid-level jobs)

Qalaa and its subsidiaries publicly report the gender distribution across junior and middle-level positions at both Qalaa and subsidiary levels, assessing performance regularly to drive ongoing enhancement. This stems from the company's policy, as it has aligned itself with Sustainable Development Goals (SDGs) set by the International Labor Organization and the Women's Empowerment Principles (WEPs), which Qalaa joined in 2021, to promote equality and prevent discrimination.

Males: 94.91%

Females: 5.09%

4. Does the company disclose the percentage of positions held by males and females (specifically for senior-level and executive positions)?

Qalaa Holdings and its subsidiaries disclose gender representation in senior and executive positions in their annual reports, ESG disclosures, and UN Global Compact sustainability reports. This reflects our commitment to governance and sustainability, guided by the ILO standards and Women's Empowerment Principles adopted in 2022 for equality and non-discrimination.

Qalaa and its subsidiaries disclose the percentage of positions occupied by males and females for senior and executive positions, as Qalaa and its subsidiaries have a large number of women who hold leadership positions, as women represent 25% of the company's board of directors, and more than 39.1% occupy managerial positions. There is 100% representation of women in the International Legal Affairs and Sustainability and Corporate

Communications teams. At the level of subsidiaries, women occupy influential leadership positions, as there are two women occupying the position of CEO, two women occupying the position of financial director, and two women heads of departments, in addition to honoring 6 women among the 50 most influential women in the Egyptian economy. Noting that it joined the Women's Empowerment Principles (WEPs) and seriously seeks to increase the proportion of women's representation on the basis of equal opportunities and equality and to create a supportive environment for women to achieve their ambitions during the full life cycle of working women, beginning with ensuring the diversity of applicants for different job opportunities, and appointing Egyptian women competencies in various areas while creating a supportive work environment to empower women and help them to be creative, with their representation in leadership and management positions and focus on results and added value in all their jobs.

For example, TAQA Arabia discloses the percentage of the total number of male and female employees, which stems from the company's policy and orientation towards the Sustainable Development Goals and in accordance with ILO in achieving equality and non-discrimination.

Males: 91.5%

Females: 8.5%

5. Does the company disclose the average pay ratio for females compared to the males?

There is no difference in the wages' levels among all employees in the group, as the average wages of males reached 23,533 EGP, while the average wages of females: 22,713 EGP.

2.Employee Turnover rate (S2)

1. Does the company disclose the annual percentage rate of turnover for full-time employees?

Qalaa and its subsidiaries disclose the percentage of turnover of permanent employees in several reports and disclosures, headed by the annual (ESG) report submitted to the Financial Regulatory Authority. The percentage of permanent employee turnover on annual basis is 8%.

For example, TAQA Arabia discloses information related to employee turnover, wages, or the percentage occupied by males and females, which is an indicator of the company's interest in its customers, their needs and desires, and its ability to exploit various opportunities in the surrounding environment and gain a competitive advantage, to attract, select and develop employees who can contribute effectively to the company's progress and achieve its desired goals.

2. Does the company disclose the annual percentage rate of turnover for part-time employees?

Qalaa Holdings discloses the turnover rate of temporary employees in various reports and disclosures, notably in the annual Environmental, Social, and Governance (ESG) disclosure submitted to the Financial Regulatory Authority. The percentage of temporary employee turnover on an annual basis is around 2%.

3. Does the company disclose the annual percentage rate of turnover for contract employees and consultants?

Qalaa Holdings discloses the turnover rate of permanent employees with contracts in various reports and disclosures, notably in the annual Environmental, Social, and Governance (ESG) disclosure submitted to the Financial Regulatory Authority. The percentage turnover rate for contract workers and/or consultants on an annual basis is around 9%.

3.Non-Discrimination (S3)

1. Does the company follow a policy condemning sexual harassment and a non-discrimination policy based on any racial, religious, or gender basis?

Qalaa Holdings' policy unequivocally condemns all forms of sexual harassment in accordance with Egyptian labor law, whether at the level of the Holding or its subsidiaries, as outlined in the company's internal regulations and Code of Conduct.

On the subsidiaries level, TAQA Arabia is committed to providing a work environment free from discrimination, harassment, intimidation, coercion, and non-discrimination based on race, color, religion or gender by providing equal opportunities at work. TAQA complies with all relevant laws

in its business and employment decisions (such as hiring, employment, training, salaries, and promotions), and we do not discriminate against individuals on the basis of race, color, gender, age, national origin, religion, marital status, citizenship, disability or any other legally protected situations.

Egyptian Refining Company (ERC) is committed to applying declared policies against harassment and discrimination in all its forms.

4.Global Health & Safety Standards (S4)

1. Does the company follow an occupational health and safety (OHS) policy and/or a policy related to global health and safety standards (for example ILO's International Labor Standards on Occupational Safety and Health)?

There are policies for health and safety departments in all Qalaa subsidiaries depending on the activity of each company.

At the level of the Egyptian Refining Company, the company follows international safety standards for IOSH, NEBOSH and HABC, in addition to the standards of the International Labor Organization, as well as taking into account the specifications used in the refining industry according to the American Petroleum Institute, as well as manufacturers and operators of the gas industry.

TAQA is committed to Quality, Safety, Occupational Health and the environment through the application of integrated systems that comply with all legal requirements, regulations, legislation and international standards ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018.

2. What is the number of occupational accidents if any?

At Qalaa Holdings, the health, safety, and well-being of our employees are paramount. We take pride in maintaining a commendable track record of zero fatality occupational incidents at the holding level, a testament to our unwavering commitment to robust Health, Safety, and Environmental (HSE) measures across our organization and subsidiaries.

Both the holding and our subsidiaries diligently uphold key safety measures to mitigate potential risks. Our advanced HSE measures include, but are not limited to:

1. Conducting comprehensive risk assessments and hazard identification procedures.
2. Providing regular safety training and awareness programs for all employees.
3. Implementing strict safety protocols and procedures in all operational activities.
4. Continuously monitoring and auditing safety performance to identify areas for improvement.

Our subsidiaries from ERC, TAQA Arabia to TAWAZON have maintained an exemplary standard of zero fatality incidents, showcasing the effectiveness of our rigorous safety measures and protocols in fostering a secure working environment. Nevertheless, we continue monitoring the latest developments and state-of-the-art practices, while also enhancing our protocol. Looking ahead, our commitment to fortifying and enriching our HSE measures remains paramount. Through persistent evaluation, adaptation, and innovation, we aim to cultivate an environment of continuous improvement, fostering an even safer working environment for our valued employees.

Our steadfast dedication to excellence in health and safety remains the cornerstone of our corporate ethos. With collective resolve and concerted efforts, we are confident in our ability to sustain and uphold the highest standards of occupational safety across our organization.

3. Does the company offer trainings related to environmental, social AND Occupational Health and safety (OHS) issues for employees. If the answer is yes, please disclose the number of trainings hours?

The number of training hours in Egyptian Refining Company ERC is around 56,714.

The number of training hours in TAQA Arabia related to environmental, social, occupational health and safety issues for employees is around 12,723

5.Children & Forced Labor (S5)

1. Does the company follow a policy prohibiting child labor and forced labor?

In accordance with Qalaa Holdings' and its subsidiaries' policy, the employment of children and forced labor is prohibited and criminalized. The company is committed to upholding international standards regarding labor and combating child labor, as stipulated by the International Finance Corporation and the International Labor Organization, both directly and indirectly through contractors and subcontractors.

- TAQA Arabia adheres to the policy of prohibiting child labor and forced labor, promoting international labor standards and combating child labor and forced labor. Accordingly, TAQA company has not employed anyone under the age of eighteen in jobs that may interfere with their education or harm their social development accordance with the Child Rights Act 1996. TAQA also prohibits the use of forced labor of its employees to work against their will, forced labor, physical punishment, or coercion of any kind related to work in accordance with the IFC and ILO standards, directly or indirectly through contractors and subcontractors.
- According to the stated policies of the Egyptian Refining Company, the employment of workers under the age of 18 is prohibited, as well as the forced employment of Labor is prohibited.

2. Does that policy apply to the suppliers and vendors dealing with the company?

The company obliges suppliers and vendors dealing with it under contracts not to employ children or forced labor.

All Qalaa dealings are with entities or companies that follow the Egyptian labor law or are in line with international standards related to workers' rights.

For example:

- All contracts of suppliers dealing with the Egyptian Refining Company ERC include clauses on full compliance with the provisions of the Egyptian labor law and the company's policies regarding non-discrimination, Prohibition of employment of workers under the age of 18, criminalization of harassment and prohibition of forced employment of workers.
- TAQA Arabia applies all policies to prohibit child labor and forced labor for all contractors and subcontractors.

6.Labor Rights (S6)

1. In addition to the requirements of Egyptian Labor Law, does the company follow the laws and standards of the International Labor Organization or any other international framework, standards, or laws related to labor's rights?

The company follows the Egyptian labor law completely without any exceptions, a law inspired by the standards of the International Labor Organization. As part of its commitment to supporting the United Nations guidelines on respecting labor and human rights, as well as the standards set by the International Labor Organization (ILO), Qalaa adheres to a set of values and principles of integrity, responsibility, and transparency across the company and its subsidiaries. These include:

- Diversity and inclusion
- Stakeholder engagement and community involvement
- Respect for human rights
- Providing a healthy work environment

Qalaa keeps abreast of developments regarding international labor laws and standards in a way that does not contradict the Egyptian Labor Law.

- The Egyptian Refining Company ERC applies the standards of the International Labor Organization in particular with regard to child labor and forced labor
- TAQA Arabia has developed a human rights framework to identify, prevent and mitigate any negative impacts on human rights in all our activities, as part of TAQA's strong support for the United Nations guidelines on Labor and Human Rights (UNGPs). Based on this framework, TAQA is committed to earning that trust through a set of values that represent the highest standards of integrity and excellence. This is done by:
 - o Respect for Human Rights
 - o Community and stakeholder engagement
 - o Diversity and inclusion
 - o Provide a safe and healthy workplace.

2. Does that policy include the suppliers and vendors dealing with the company?

The company obliges its suppliers and vendors to comply with the standards of the Egyptian Labor Law.

For example, TAQA Arabia applies all labor rights policies to all contractors and subcontractors.

1.Board Diversity (G1)

1. Does the company disclose the number and percentage of the board of directors occupied by males and females?

Yes

The company regularly discloses to relevant stakeholders the diversity index in its management and the number of board seats held by males and females. This reflects the company's commitment to the principle of "leading by example," achieving equality and diversity, and preventing discrimination in female representation on boards of directors. Women currently represent 25% of the total board membership before the issuance or activation of any rules or regulations related to minimum female representation on the board. Qalaa Holdings discloses the number and percentage of the board of directors occupied by males and females across various channels including the company's annual report, readily accessible on its official website. Additionally, gender diversity statistics are included in the Environmental, Social, and Governance (ESG) and Task Force on Climate-related Financial Disclosures (TCFD) disclosures submitted annually to the Financial Regulatory Authority (FRA). Furthermore, these figures are incorporated into the sustainability report submitted to the United Nations Global Compact (UNGC), which is published on both Qalaa Holdings' and UNGC's websites.

For example, TAQA Arabia discloses the percentage of total board seats held by males and females, reflecting the company's policy and commitment to achieving equality and non-discrimination in line with sustainable development goals.

2. Does the company disclose the number and percentage of committee chairs occupied by males and females?

Yes

It is disclosed to the concerned stakeholders and partners periodically. For example, TAQA Arabia discloses the percentage of male and female chairpersons across its committees, aligning with the company's commitment to equality, equity, and non-discrimination in accordance with sustainable development goals.

2.Bribery / Anti-corruption (G2)

1. Does the company issue any decisions related to combating bribery / corruption and follow them?

Yes

The company adheres to the highest standards of integrity, transparency, and anti-corruption frameworks, and has a whistleblowing system in place. It strongly confronts any unethical behavior and follows clear and proper procedures in accordance with local and international laws and regulations in this regard.

It's worth mentioning that Qalaa Holdings joined the Integrity Initiative (INI) in June 2017, aiming to encourage all stakeholders in the Egyptian business community to maximize collective efforts in combating corruption and fostering a conducive business environment in Egypt.

For example:

- TAQA Arabia firmly opposes and prohibits any violations of laws or regulations related to unethical behaviors and illicit business practices, including corruption, money laundering, and unfair competition. The company is committed to the highest standards of integrity and transparency through:
 - o Clear disclosure of boundaries and functional responsibilities at all levels.
 - o Continuous guidance to employees on exercising due professional care to combat bribery and corruption.
 - o Implementing proper and clear procedures in compliance with laws and regulations.
 - o Assessing corruption risk and adopting enhanced financial policies and controls.
 - o Continuous monitoring and review of all activities to deter, detect, and prevent suspected practices.
-

3.Ethics and Code of Conduct (G3)

1. Does the company issue code of conduct / Ethic and follow them?

Yes

There is an approved code of ethics and honor that every employee signs after reading it. The code of conduct has been officially published on the company's website.

For example, TAQA Arabia has established core principles of code of conduct within the organization, encapsulating legal and ethical standards for employee behavior through specific, endorsed policies. The company actively promotes compliance to governmental regulations and laws, emphasizing prompt reporting of any violations to the designated personnel identified in this documentation.

4.Data Privacy (G4)

1. In addition to the requirements of the Egyptian data protection law, does the company follow any other international frameworks, rules, or recommendations regarding data privacy?

Yes

The company upholds a confidentiality and non-disclosure agreement, which all employees and contractors are required to sign as a condition of their engagement.

5.Sustainability Reporting & Disclosure (G5)

1. Does the company issue sustainability report according to GRI, CDP, SASB, IIRC, UNGC, or any other type of sustainability reports frameworks?

Yes

Qalaa has a long track record of responsible investment efforts and initiatives. In 2014, the company joined the United Nations Global Compact initiative (UNGC).

The company proudly stands in alignment with the United Nations Global Compact, affirming its steadfast commitment to its Ten Principles covering human rights, labor, environment, and anti-corruption. Qalaa Holdings and all its subsidiaries embrace a comprehensive framework of codes of

conduct, regulations, and procedures crafted in accordance with the principles of the UN Global Compact and the Sustainable Development Goals (SDGs). The company's initiatives aim to advance the agenda of environmental, social, and governance sustainability, seamlessly integrating it into its operational business model to fulfill the United Nations' Sustainable Development Goals.

Consolidating its commitment to transparency and good governance, and in 2015 the company adopted the United Nations Sustainable Development 17 goals, with a focus on 12 of those goals to achieve community and economic development and protect the environment and resources within a framework of good governance and transparency and in order to achieve a sustainable future for future generations. (ESG).

The company issued the first sustainability report based on GRI standards in 2015 and presented the annual UN Global compact ESG report, and a comprehensive sustainability report is being studied based on the group's new global standards.

2. Is the company striving to achieve specific goals from the United Nations Sustainable Development Goals?

Yes

The company has identified 12 SDG goals which it managed to focus on achieving them which included goals: 4,5,6,7,8,9,10,11,12,13,16,17.

On top of them are the following nine goals during 2023:

SDG Goal 4: Improving The Quality of Education

Qalaa and its subsidiaries have succeeded in directly benefiting about 46.9 thousand direct beneficiaries (about 600,000 direct and indirect beneficiaries) through the various educational initiatives it launched, including Qalaa Financial Services Center, the "Mostakbaly" program for students and teachers, ASEC Academy, and Qalaa Holdings Scholarship Foundation. These initiatives provide a variety of scholarships and vocational training courses at a group of the most prominent universities and leading institutes on the national and international arenas, in addition to focusing on improving the infrastructure of the educational system and developing the capabilities and competencies of teachers.

SDG Goal 5: Gender equality

Qalaa Holdings and its subsidiaries implement workplace policies aimed at fostering a supportive environment for women. These policies include flexible working hours for female employees during and after maternity leave, facilitating a smooth return to work, and opportunities for skill

development. Qalaa's strategy revolves around supporting and empowering women in the workplace, guided by the principle of "Leading by Example." This approach is built on four key pillars.

- Implementing the principle of equal opportunities and gender equality and appointing Egyptian and creating a supportive environment for women to achieve their aspirations during the full life cycle of working women, starting with ensuring the diversity of applicants for different job opportunities and appointing qualified Egyptian women in various field. It's worth noting that the percentage of women in Qalaa Holdings are 25% on the Board of Directors, 39.1% in various senior leadership positions, 13.04% in middle management, where there is 100% representation of women in the International Legal Affairs team within the company representing 46% of the total beneficiaries across 15 Egyptian governorates. Additionally, the company succeeded in benefiting over 8,975 women in the Mostorod region through economic "Tamkeen" programs it initiated.

- - Launching various social development programs and initiatives to train, prepare, and empower women. It is worth noting Qalaa Holdings Scholarship Foundation focus on achieving gender equality, with women
- Awarding and honoring female talents in the public sphere, highlighting their vital role across various sectors, and contributing to changing stereotypical beliefs about the role of Egyptian women in both the local and international business communities. Qalaa has honored six women among the 50 most influential women in the Egyptian economy and three female leaders within the company listed in Forbes for their impactful roles in the Middle East

- Actively participating in national and international initiatives and supporting governmental and UN efforts to enhance the status of women, achieve equality, and provide equal opportunities between genders. As part of its ongoing efforts to promote gender equality in the workplace and achieve women's economic empowerment, Qalaa joined the United Nations Women Empowerment Principles (WEPs) and developed an action plan encompassing various key performance indicators (KPIs) that are currently being implemented and monitored for performance. Joining the WEPs initiative and implementing its seven principles reflects Qalaa's commitment to "Lead by Example" in promoting women's roles and unleashing their potential as key partners in the workforce, societal advancement, and driving Egypt's economy forward. Additionally, Qalaa's participation as a partner in the "Gender Gap Bridging Catalyst" initiative, aimed at supporting women's empowerment and bridging the gender economic gap, was launched by the Ministry of International Cooperation

and the National Council for Women, in partnership with the World Economic Forum.

SDG Goal 7: Affordable Clean Energy

Through its investments in the energy sector, which include the Egyptian Refining Company, TAQA Arabia, and TAWAZON, Qalaa Holdings aims to lead in providing affordable clean energy solutions and local alternatives to imports. The company continues its commitment to expanding alternative energy and renewable projects, such as wind energy and environmentally friendly natural gas, which are readily available domestically. For instance, TAQA Arabia offers innovative solutions to support the state's plan to convert cars to run on natural gas by updating and developing technologies for assisting vehicles. Additionally, TAQA Arabia launched a solar power plant with a capacity of 65 megawatts in the Benban Solar Energy complex in Aswan, the largest complex for generating solar energy in Egypt, serving over 1.34 million customers across 42 cities. The company is also working on delivering natural gas to El Wadi El Gedid Governorate. Over the years, the company inaugurated several solar power stations, including a 6-megawatt solar power plant at Dina farms, funded by the European Bank for Reconstruction and Development, largest solar PV plant in Sharm El Sheikh that feeds power to over 6,000 hotel rooms in Sharm El Sheikh, and a 7-megawatt solar power plant in Ascom.

It's worth noting that as part of our strategy to provide practical solutions for clean energy, ECARU, Qalaa, and Axens signed a memorandum of understanding to conduct technical and economic studies for the second-generation biofuel project (advanced bioethanol) and sustainable aviation fuel production. The project will be implemented in two phases, with the first focusing on advanced bioethanol production and the second on sustainable aviation fuel. The project studies are expected to take about seven months, with the company aiming to export its second-generation biofuel production, aligning with Egypt's strategy to maximize the use of various waste types, contribute to sustainability, promote waste recycling, and thereby enhance economic growth.

SDG Goal 8: Decent Work & Economic Growth

Currently, Qalaa and its subsidiaries employ over 17,500 employees, providing them with comprehensive benefits such as health insurance, allowances, and perks to ensure a good standard of living. The company is actively seeking various new investment opportunities to create new job openings and contribute to achieving the desired economic development.

SDG Goal 9: Industry, Innovation, and Infrastructure

Qalaa aims to develop energy and infrastructure solutions that contribute to

environmental preservation by investing in innovative projects distinguished by the utilization of advanced construction technologies and extensive expertise in infrastructure, along with the latest manufacturing technology advancements.

SDG Goal 10: Reduced Inequality

The primary objective of all company initiatives is to mitigate economic and social inequalities by fostering capacity building through providing educational opportunities and human development. For example, the company's community development projects, including "Tamkeen", "Reyada", "Mashrouy", and "Takaful", contribute to empower women, youth, and individuals with disabilities. The number of direct and indirect beneficiaries from these programs have reached 9,565, 16,850, and 14,340 respectively.

SDG Goal 12: Responsible Consumption & Production

Qalaa Holdings' subsidiaries are committed to implementing strict waste management policies, with some relying on waste in the production of various materials such as energy alternatives (Tawazon Company) and duplex panels (Al Shorouk, a subsidiary of the National Printing Company). Additionally, thermal insulation solutions (Glass Rock Insulation Company) contribute to reducing the installation costs of cooling and heating systems by 30-40%, accompanied by a reduction in operating costs by 25-30%. In terms of sustainability, Qalaa and its subsidiaries adhere to a circular economy model, emphasizing resource optimization rather than waste, and manufacturing environmentally friendly products. For instance, ICDP has transitioned to natural gas, saving approximately between 1.5 to 2 million pounds annually, aiming to reduce consumption and the company's carbon footprint. Similarly, the Egyptian Refining Company utilizes closed water circuits to minimize water consumption and avoids dumping hazardous waste into the environment, prioritizing environmental and occupational safety according to the highest international standards.

SDG Goal 13: Climate Action

Qalaa Holdings integrates environmental sustainability standards and practices into all its core operations by adopting a strategy that focuses on enhancing profitability while contributing to environmental preservation and uplifting surrounding communities. This encompasses companies operating in energy, infrastructure, logistics, and electricity sectors, including the Egyptian Refining Company, Nile Logistics, and TAQA Arabia. Qalaa makes significant efforts to reduce its carbon footprint by investing in renewable energy solutions and integrating them into its business model through clean energy and green projects, transitioning towards a green

economy. In December 2019, the company announced becoming one of the signatories in the Business Ambition 1.5°C, aiming to reduce our greenhouse gas emissions at the pace and scale necessary to limit global warming.

For example, the Egyptian Refining Company prepared a greenhouse gas emissions inventory report and developed a plan to manage and reduce greenhouse gas emissions starting from 2020 and periodically thereafter, aligning with Sustainable Development Goal 13 on climate change.

SDG Goal 17: Partnerships For the Goals.

Strategic partnerships represent a key pillar of Qalaa's plan aimed at maximizing positive impact on economies and surrounding communities and benefiting the greatest number of individuals from these communities. Qalaa and its subsidiaries engage in fruitful partnerships with business sector institutions, export credit agencies, international development finance institutions, educational institutions, and governmental bodies such as ministries of education, higher education, social solidarity, planning and administrative reform, youth and sports, and international cooperation. Additionally, they collaborate with international sustainability organizations and rating agencies such as UN Women, UN Global Compact, Global Impact Investing Network (GIIN), Global Reporting Initiative (GRI), and a wide range of civil society organizations to identify goals, necessary mechanisms for their achievement, and evaluate them optimally to maximize their positive economic, environmental, and societal impact on the Egyptian economy. Moreover, Citadel also forms innovative climate solution partnerships, such as signing a memorandum of understanding between the Egyptian Waste Recycling Company (ECARU), Qalaa Holdings, and the French company, Axens, to conduct the necessary technical and financial studies for the second-generation sustainable biofuel production project (bioethanol) and sustainable aviation fuel (SAF) production.

3. Does the company identify these goals and report on the progress made within the framework of the United Nations Sustainable Development Goals (SDGs)?

Yes

The company sets a number of goals related to climate change, local community development, poverty alleviation, gender equality, and quality education, and reports on its progress in its periodic reports to the United Nations, annual reports, and others.

For example, TAQA Arabia announces its performance results publicly

according to the standards of the Global Reporting Initiative (GRI). The United Nations Global Compact (UNGC) is considered the largest global initiative for corporate sustainability, consisting of ten principles to encourage the adoption of best practices in human rights, labor, environment, and anti-corruption. These principles have become part of Arab Energy's strategy, and for supporting public accountability and transparency, the company issues report on progress on an annual basis.

4. Has the company clearly declared its commitment towards corporate social responsibility standards?

Yes

The company is committed to implementing a comprehensive, publicly declared plan for corporate social responsibility and community development through:

- Allocating sustainable financing for initiatives in this regard, whether through pioneering initiatives such as the scholarship program in collaboration with the government, or the "Decent Life" initiative.
- Committing to uplift surrounding communities, investing in infrastructure, enhancing living standards, supporting youth and the local community.
- Measuring environmental impact, embodying performance, and community engagement.
- Establishing partnership circles.
- Promoting environmental awareness in surrounding communities, focusing on education, human development, and creating shared value.

For example:

- The Egyptian Refining Company is implementing a large and sustainable community development program that includes improving the quality of education, women & youth empowerment, income generation, and empowering people with disabilities, in addition to providing outstanding educational grants for outstanding students. It's worth noting that the company conducted a detailed study to assess the social and environmental impact of the project on surrounding communities, focusing on four main areas within its programs for the development of surrounding communities, which include:
 - o Future program to support education and scholarships.
 - o Project and empowerment program to increase income and entrepreneurship.
 - o Entrepreneurship program to build youth capacities.
 - o Solidarity program to support people with disabilities.

- TAQA Arabia is committed to developing Egyptian society with the aim of translating the core values of the company into a framework that benefits society. The company is committed to corporate social responsibility initiatives to ensure sustainable development and to transform current challenges into unique strengths that can be harnessed to build the nation.

Corporate social responsibility is based on the following points:

- o Three core pillars: education, health, and the environment.
- o Social impact on the surrounding community.
- o Project sustainability.

5. Does the company follow a clear and explicit policy / principle regarding community investments?

Yes

Qalaa Holdings is firmly committed to fostering responsible and sustainable investments as integral components of its ongoing endeavors to enrich and improve the lives and livelihoods of its employees and bolster the welfare of neighboring communities. Understanding that human capital stands as the cornerstone investment and the pathway to realizing corporate objectives, Qalaa places paramount importance on addressing the diverse needs of its workforce and the communities in which it operates. Human capital serves as a driving force behind social impact, with the company's community initiatives serving as crucial components in advancing holistic human capital development, thus striving to cultivate a more cohesive and inclusive national economy. The company's initiatives and programs are strategically aligned to contribute to the attainment of sustainable development objectives pertinent to human capital enhancement.

For example:

- The Egyptian Refining Company adopts transparent policies governing corporate investment in social development and dedicates a fixed annual budget for this purpose, underscoring its commitment to fostering sustainable growth and social progress.
- TAQA Arabia is steadfast in its commitment to corporate social responsibility endeavors aimed at ensuring sustainable development and leveraging current challenges into unique strengths that can contribute to nation-building. As part of this commitment, the company has established a specialized eye care hospital in the Suez area, catering to the needs of all residents and neighboring communities during the COVID-19 pandemic. Furthermore, TAQA Arabia actively participates in the private sector

initiative organized by AMCHAM Egypt, providing ventilators and essential supplies to public hospitals. Additionally, TAQA Arabia proudly supports Ahl Masr Foundation, a pioneering nonprofit organization dedicated to treating and preventing burns and advancing research in this critical area. In the realm of education, the company extends its impact by offering numerous scholarships to students pursuing master's studies in renewable energy, covering tuition fees. Moreover, through collaboration with Um Habiba Foundation, TAQA Arabia facilitates the training of talented students in various aspects of solar energy, including technical, social, health, and security dimensions.

6. Does the company participate in public or private sector initiatives concerned with community development?

Yes

The company has established a comprehensive blueprint for uplifting local communities through a dedicated team focused on corporate social responsibility. Since its inception in 2004, Qalaa Holdings has embraced the significance of collaborative endeavors and actively contributed to governmental initiatives such as "Hayah Karima" and social protection networks. Furthermore, it has played an instrumental role in extending vital services like gas and energy to remote villages, alongside engaging in various private sector and civil society initiatives.

Forging strategic partnerships forms a cornerstone of Qalaa Holdings' approach, aimed at amplifying positive impacts on both regional economies and adjacent communities, while maximizing benefits for as many individuals as possible. Qalaa Holdings and its subsidiaries forge fruitful collaborations with business sector institutions, export credit agencies, international development finance institutions, educational bodies, and governmental entities, including ministries of education, higher education, social solidarity, planning, monitoring, administrative reform, youth and sports, and international cooperation. Additionally, they partner with esteemed international sustainability organizations and rating agencies like the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women), the United Nations Global Compact, the Global Impact Investing Network (GIIN), the Global Reporting Initiative (GRI), and an array of civil society organizations.

A wide array of civil society organizations collaborate to define goals and necessary mechanisms, ensuring their optimal implementation to maximize

their positive economic, environmental, and social impact on the Egyptian economy.

For example, TAQA Arabia endeavors to enhance social life by developing infrastructure, and public services, and fostering economic and educational opportunities, thus improving the quality of life. TAQA Arabia believes that community development is the primary objective for achieving sustainable development. These initiatives aim to promote sustainable development and contribute to the social and economic well-being of communities. The company has engaged in various activities, including:

- Participation in social and environmental initiatives: Engaging in initiatives like "Hayah Karima" in Egypt aimed at enhancing the quality of life for residents in rural and remote areas, including the New Valley region. A significant step in this context is providing natural gas to villages, improving living conditions, and offering a clean and cost-effective cooking method. Additionally, participation in volunteer programs and community service activities.
- Education: Providing numerous scholarships for students to fund master's studies in renewable energy. The scholarship covers tuition fees. Collaboration with Um Habiba Foundation to train skilled students in the field of solar energy (technical, social, health, security).

6.External Assurance (G6)

1. Are the company's ESG disclosures assured by an independent third party?

Yes

Qalaa Holdings is exploring collaboration with an environmental consulting firm and sustainability reporting service providers, as well as a third party, to prepare a comprehensive report for Qalaa and its subsidiaries. This report will undergo review and auditing of the data and information included, aligning with key global frameworks for reporting.

For Example:

- The Egyptian Refining Company has contracted with an independent third party to review and verify the accounts of carbon emissions inventory, which constitutes a significant part of the company's environmental disclosures.

- TAQA Arabia is committed to building sustainable, equitable, healthy, and diverse communities through a blend of innovative real solutions and exemplary Environmental, Social, and Governance (ESG) performance. These efforts are internally reviewed by a team trained in various topics such as

- o Climate action
- o Carbon removal
- o Waste management.
- o Health and safety
- o Diversity and its impact on communities
- o Shareholder rights
- o Board diversity and structure.

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