

# ABU QIR FERTILIZERS CONVOY TO SUSTAINABILITY

SUSTAINABILITY REPORT 2021-2022



## **Report Parameters**

The 2021/2022 Sustainability Report is prepared In Accordance with Global reporting initiative: Core Option

The report has been subjected to third-party assurance by

**Dcarbon-Egypt**

## **Reporting Cycle**

Biannual

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01

# INTRODUCTION

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- ABOUT THIS REPORT
- MESSAGE FROM THE CHAIRMAN



# ABOUT THIS REPORT

This is the company's third report to demonstrate Abu Qir's sustainability progress and outline our value creation to our stakeholders for the fiscal year ending in 30/6/2022. Some Information before 2021 and after 2022 may be included to emphasize relevant context to the reporting period.

Sustainability Reporting Standards: The Global Reporting Initiative (GRI) standards were followed in preparing this report. The report aligns with Egypt's sustainable growth plan, Vision 2030, and the UN Sustainable Development Goals (SDGs).

This Sustainability Report contains forward-looking statements that are expected in the landscape of the fertilizer industry both nationally and regionally. These statements do not guarantee future performance, and undue reliance should not be placed on them.

Although Abu Qir's financial, environmental, social, and governance (ESG) performance and business model have demonstrated the ability to allow swift adaptation to change, there is no guarantee of the magnitude or the pace of such changes due to the rapid dynamics of technologies, stakeholder needs, as well as the potential undetected disruption of the country's social and economic status.



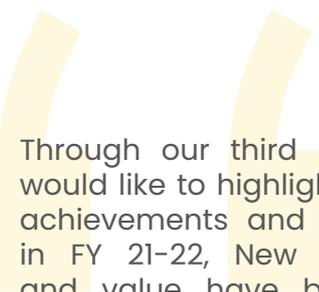
# CHAIRMAN MESSAGE



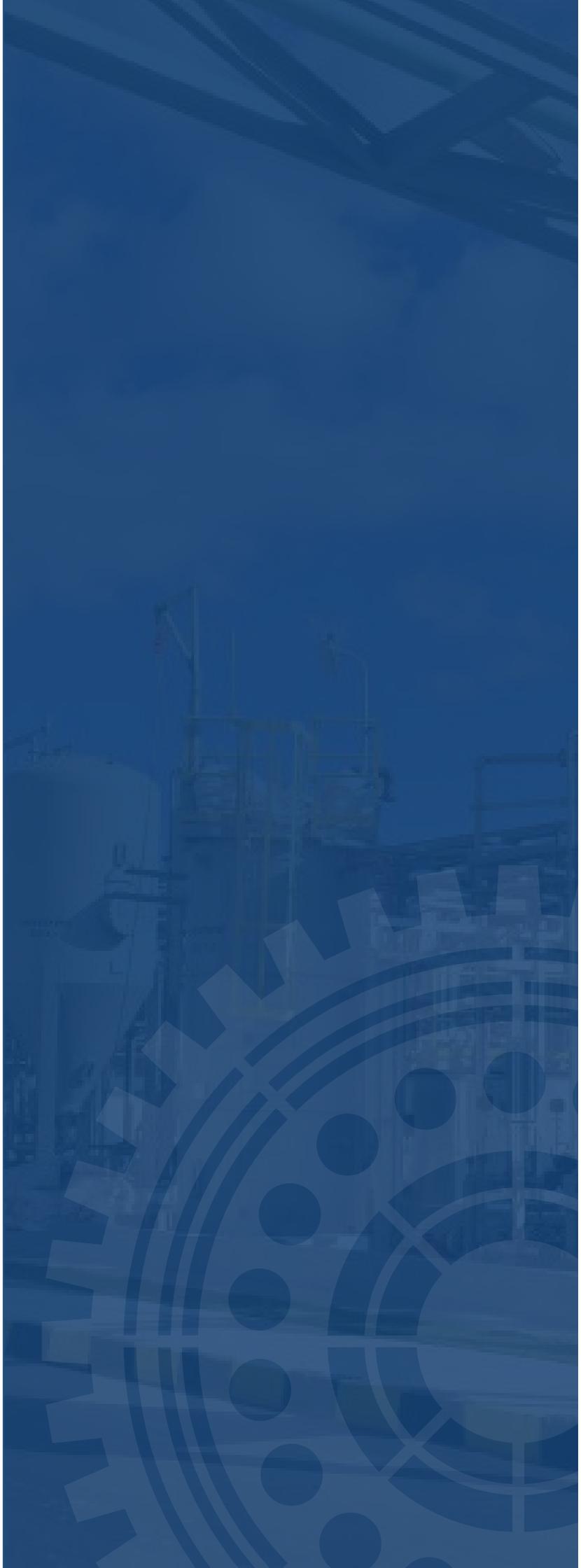
## Dear Stakeholders

AFC is one of the most important fertilizer companies in the Middle East, which was established in 1976. It is a success story with continuous hard work. . The reason behind the success of the company is not only related to the management philosophy, vision and the quality of the products we offer, but also to work in the spirit of a single team serious and strong, which brings together all elements of success together, where we have one of the largest and qualified groups of employees who represent the real value Today, we work in the language of the future.

For many years AFC has recognized how critical sustainability is, so we make sure to keep track of our sustainability performance through a number of key performance indicators (KPIs). These KPIs are based on measurements related to various physical volumes (e.g., greenhouse-gas emissions, freshwater use, material loss, energy production and consumption)



Through our third report, we would like to highlight our holistic achievements and performance in FY 21-22, New opportunities and value have been created strengthening our local and global position. Following Egypt's vision, ABU QIR has been at the forefront in bringing the vision's goals to life by fostering the path of socio-economic development and innovation. Towards long-term sustainable growth, has undertaken a set of measures and initiatives under Business Transformation to realize its carefully developed strategies, therefore, keeping pace with, and even staying a step ahead of fertilizers industry. The results of the implementation of strategies and projects have improved considerably the efficiency of our operations, therefore, reinforcing our position and competitiveness.





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# OUR SUSTAINABILITY PERFORMANCE AT A GLANCE

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# OUR SUSTAINABILITY PERFORMANCE AT A GLANCE

## ENVIRONMENTAL



- Decreasing trend in energy usage intensity and electricity consumption per ton of production.

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- Multiple energy-saving projects

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- New Cooling Tower for Abu Qir 1

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- Solar power generation project, reduction by **175** tons of CO<sub>2</sub> annually

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- Planting **93,600** square meters and cultivating **36,100** trees across our facilities.

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- Treating wastewater through our Zero Liquid Discharge (ZLD) Unit.

## ECONOMIC



- Revenues reaching EGP **16.331 Bn** in FY 2022

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- Assets increased to EGP **22.372 Mn** in FY 2022

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- Gross profit have reached  
EGP **4,103,858.535 Mn** in FY 2022

## SOCIAL



- Providing **16 million** bags of subsidized fertilizer through the Ministry of Agriculture.

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- Bashaer Al-Khair Project.

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- Local Infrastructure Investments reached EGP **23 Mn.**

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- Establishing a school complex adjacent to the residential city.

The background is a blue-tinted composite image. It features several wind turbines on the left side, a city skyline with various skyscrapers in the center, a large green tree on the right, and a recycling symbol (three chasing arrows) overlaid on the right side. The overall scene suggests a focus on sustainable energy and urban development.

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# CORPORATE GOVERNANCE

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- SUSTAINABLE GOVERNANCE
- STAKEHOLDER ENGAGEMENT
- RISKS AND OPPORTUNITIES



## **VISION:**

We aim to uphold our prominent market standing by producing and promoting a wide range of nitrogen-based and liquid fertilizers. We strive to maintain a strong presence domestically and globally while adhering to international standards and regulations.

## **MISSION:**

We are committed to efficient and responsible operations that prioritize environmental safety. Our unwavering commitment to producing high-quality products that meet and exceed customer expectations remains our top priority. We continue to optimize our resource utilization to ensure environmental sustainability and minimize operational risks. Simultaneously, we focus on making strategic investments that satisfy our stakeholders and drive revenue growth. Throughout these endeavors, we remain dedicated to safeguarding the rights and interests of our employees and all other stakeholders.

## **OUR STRUCTURE:**

Our responsive governance framework empowers us to generate value for all our stakeholder groups. Our corporate governance principles delineate the management structure, organizational framework, and operational procedures aimed at ensuring transparency and ensuring enduring, sustainable success. As such, our internally crafted governance policies and procedures encompass our code of ethics, ethical policy statement, business mission statement, corporate governance code, and industry-leading best practices in corporate governance, which serve as our guiding principles in pursuit of corporate sustainability. We remain fully compliant with all relevant laws and regulations throughout our business operations.

# SHAREHOLDING STRUCTURE

Position as of 30/06/2022

SHAREHOLDER	NATIONALITY	NUMBER OF SHARES	OWNERSHIP RATE
Alpha Oryx Limited	United Arab Emirates	271,573,655	21.52%
Egyptian General Petroleum Corporation	Egyptian	241,153,540	19.11%
Industrial Development Authority	Egyptian	127,186,459	10.08%
Nasser Social Bank	Egyptian	74,477,970	5.90%
Holding Company for Chemical Industries	Egyptian	69,055,673	5.47%
Union of Shareholder Employees	Egyptian	63,500,000	5.02%
Al Ahly Capital Holding Co.	Egyptian	52,810,553	4.19%
Misr Insurance Co.	Egyptian	40,305,635	3.19%
Egyptian Chemical Industries - Kima	Egyptian	34,009,360	2.70%
Egypty Life Insurance Co.	Egyptian	24,366,384	1.93%
Investment Funds & Individuals	Multinational	263,586,491	20.89%
<b>Total</b>		<b>1,261,875,720</b>	<b>100%</b>

Position as of 30/06/2024

SHAREHOLDER	NATIONALITY	NUMBER OF SHARES	OWNERSHIP RATE
Alpha Oryx Limited	United Arab Emirates	271,573,655	21.52%
Saudi Egyptian Investment Company	Saudi Arabia	257,405,245	20.40%
Egyptian General Petroleum Corporation	Egyptian	241,153,540	19.11%
Nasser Social Bank	Egyptian	74,477,970	5.90%
Holding Company for Chemical Industries	Egyptian	69,055,673	5.47%
Union of Shareholder Employees	Egyptian	63,500,000	5.03%
Investment Funds & Individuals	Multinational	284,709,637	22.57%
<b>Total</b>		<b>1,261,875,720</b>	<b>100%</b>

## BORAD OF DIRECTORS:

The Board of Directors at our company carries out a multifaceted range of responsibilities to ensure effective governance and sustainable growth. It is at the helm of formulating and endorsing the company's strategic directives and primary objectives, setting the course for our long-term success. Additionally, it is dedicated to establishing comprehensive policies that guide our interactions with stakeholders, emphasizing transparency and accountability. The Board also plays a pivotal role in im-

plementing and overseeing stringent control and risk management protocols, which are instrumental in optimizing operational efficiency. Furthermore, it is committed to transparently communicating the company's essence and performance, enabling shareholders and the public to make well-informed decisions and chart its future. Safeguarding the rights of our stakeholders is another critical aspect of the Board's responsibilities, involving creating and enforcing policies aligned with

### POSITION AS OF 30/06/2022

NAME	REPRESENTATION
Engineer / Abed Ezz El-Regal Abd El Aal El Malahy	Chairman & CEO and Egyptian General Petroleum Corporation Representative
Engineer / Saad Mohamed Helal	Egyptian General Petroleum Corporation Representative
Mr. Omar Mohamed Hassan Mehanna	Alpha Oryx Limited Representative
Mr. Ahmed Mohamed Al Hameli	Alpha Oryx Limited Representative
Mr. Mohamed ElSayed Fadel El Zalal	Industrial Development Authority
Mr. Mohamed Hemdan Ashmawy	Nasser Social Bank Representative
Accountant / Emad Eldin Mostafa Khaled	Holding Company for Chemical Industries Representative
Mrs. May Hesham Asfour	Al Ahly Capital Holding Co.
Mr. Esssam Mansour Abd El Aziz	Misr Insurance Co.
Engineer / Hani Sayed Mohamed Dahi	Experienced Member
Chemist / Saad Ibrahim Abu El Maaty	Experienced Member
Mr. Ahmed Al Yamani Abdel Hay	Employees and Employees Union Representative

official regulations. The Board also actively embraces and formalizes the company's key budgets and internal financial guidelines, ensuring prudent financial management and fiscal responsibility.

The Board of Directors (BoD) structure of the company is composed of 12 members including the Chairman and CEO, representing different parties according to the following structure:

## POSITION AS OF 30/06/2024

NAME	REPRESENTATION
Engineer / Abed Ezz El-Regal Abd El Aal El Malahy	Chairman & CEO and Egyptian General Petroleum Corporation Representative
Engineer / Ibrahim Abdelkader Mekki Mahgoub	Egyptian General Petroleum Corporation Representative
Mr. Omar Mohamed Hassan Mehanna	Alpha Oryx Limited Representative
Mr. khalfan Saeed Mohamed Abdulla AlQemzi	Alpha Oryx Limited Representative
Mr. Nasser Abd El Aziz Abd Allah Abanmi	Saudi Egyptian Investment Company Representative
Mr. Ahmad Khalil Abd El Fattah Kordi	Saudi Egyptian Investment Company Representative
Dr. Mohamed Abdel Fadeel Mohamed Helal	Nasser Social Bank Representative
Accountant / Emad Eldin Mostafa Khaled	Holding Company for Chemical Industries Representative
Engineer / Hani Sayed Mohamed Dahi	Experienced Member
Geologist / Alaa Abdel Fattah Kassem El Batal	Experienced Member
Ms. Salma Khalfan Salem Sahmi Alhajeri	Independent Member
Ms. Huda Ali Redha Al Lawati	Independent Member
Mr. Ahmed Al Yamani Abdel Hay	Employees and Employees Union Representative

## COMMITTEES

Our corporate governance process places significant emphasis on Board committees, which are integral to our operations and follow well-defined reporting procedures and areas of responsibility.

The Board appoints committees in alignment with their yearly objectives; these committees play a vital role in reviewing and providing guidance to achieve those objectives. We maintain a structured committee framework that is subject to regular review, ensuring that there is no duplication of responsibilities.

These committees fall into two categories: standing committees, which have a more permanent presence, and ad-hoc committees, established for a specific duration and disbanded once their objectives are met. Committee chairs are pivotal in leading these committees and translating the Board's objectives into actionable agendas for committee meetings.





**HEALTH /  
SAFETY AND  
ENVIRONMENTAL  
COMMITTEE**

**Monthly meeting**

- Review and discuss the current environmental profile of existing projects and upcoming initiatives within and beyond the Abu Qir region.
- Continuously monitor all company employees' health and safety status and track their development plans.
- In an emergency or potential risk, convene immediate meetings to verify the effectiveness of equipment and procedures, ensuring swift action and decision-making.

**INVESTMENT  
COMMITTEE**

**Periodical meeting**

- Formulate the investment objectives and corporate policies related to the company's investment activities.

**AUDIT  
COMMITTEE**

**Periodical meeting**

- Oversee risk management and internal control measures, internal and external audit processes, and the reporting and monitoring of Key Performance Indicators (KPIs).

# SUSTAINABLE GOVERNANCE

Owing to the nature of our operations, the paramount focus lies on Health and Safety. In addition to consistent communication, we continually monitor our operations and activities to minimize adverse impacts and enhance positive contributions with prudence. Moreover, ensuring safe working conditions is a crucial facet for the well-being of our employees, aiming to curtail accidents and injuries. Environmental protection is another critical priority, prompting us to conduct

regular employee training sessions to promote awareness of environmental sustainability. We diligently follow up on our practices, processes, and methods through internal and external management system audits.

We have implemented a sustainability management system to pursue sustainability across all aspects. This system empowers us to assess our plans, objectives, and processes while efficiently monitoring our sustainable initiatives to ensure their successful implementation and a positive impact. Our management system provides the judicious utilization of resources, safeguards human rights, and promotes a favorable operational influence. Our Health and Safety manager and relevant departments oversee implementation, with reviews conducted at the departmental level. The outcomes are deliberated in executive committees and CSR Committee meetings and subsequently incorporated into our risk control system, where they are analyzed for urgency and relevance before being put into action as necessary.



We have initiated the integration of sustainability criteria into our selection process for suppliers, contractors, and service providers. This revised selection process now considers economic, sustainable, and ethical considerations. We are committed to working diligently along our supply chain to foster sustainable development, mitigate negative impacts, and amplify our positive contributions.

The Legal Department is vital in pursuing operational objectives and sustainability goals. It works to prevent legal proceedings, reduce legal costs, and enhance awareness of relevant laws and regulations among our employees, particularly in occupational health and safety procedures and environmental protection. In the event of any issues, the Department is responsible for receiving complaints and claims against the company and endeavoring to reach an amicable settlement in accordance with applicable laws and regulations. Additionally, it represents the company in disputes before judicial authorities, reconciliation boards, arbitration committees, and centers.



## BUSINESS CODE OF CONDUCT

In alignment with our corporate policies, Abu Qir adheres to a comprehensive Code of Conduct that serves as a guiding compass for the daily decisions made by our management, employees, suppliers, and operations. We further extend our ethical standards through our Suppliers' Code of Conduct to fortify our culture of compliance, ensuring that Abu Qir's suppliers operate ethically per our established norms.

This code addresses various issues, from our unwavering human rights commitment to our rigorous anti-corruption protocols. It not only aids in regulatory compliance but also serves as a safeguard against potential risks and liabilities. Our Legal Department plays a pivotal role in ensuring that all our operations, transactions, and decisions strictly adhere to the applicable laws and regulations. By diligently upholding compliance, we mitigate the risk of legal disputes, safeguarding our reputation and standing.

At Abu Qir, we are dedicated to fostering a culture where our employees, contractors, and suppliers can voice their concerns without fearing retaliation. To facilitate this, we have established a whistle-blowing mechanism that allows us to detect issues early and prevent significant harm or damage. Notably, this system has consistently yielded zero incidents of corruption, bolstering our reputation for quality and ethical standards. Furthermore, we have implemented a Competition Compliance Policy and accompanying documentation that employees are required to endorse annually to prevent corruption and uphold robust business ethics. To ensure sustained progress, we have devised policies and set targets within each division, fostering a transparent dialogue about our sustainability achievements and ongoing progress.

Our HR Department supports and ensures employees comply with our policies and Code of Conduct. This support is partly realized through regular checks and inquiries, which are prompted by the number of queries we receive related to compliance matters and measures. Additionally, we have established a dedicated system on our intranet to streamline and enhance this process.





## **STAKEHOLDERS, MATERIALITY, AND RISK MANAGEMENT**

At Abu Qir, our unwavering commitment to prioritizing the interests of shareholders and employees stems from our recognition that their input and suggestions are pivotal in our continuous development. Consequently, we have established a simple and accessible process that empowers shareholders to share their feedback and recommendations. They can do so by sending a letter or an email to the Corporate Relations Department, whose contact details are readily available on the company's website. Additionally, they can voice their concerns during general meetings.

These recommendations are subject to regular review, and necessary actions are promptly taken. Similarly, employees can submit requests or recommendations at any time, either directly to the management or the relevant departments, through their supervisors or managers. Furthermore, our dedicated intranet system offers employees a platform to report violations of the code of conduct and enables them to ask questions anonymously via an intranet portal. The relevant officers address all questions within an appropriate timeframe.



## STAKEHOLDER ENGAGEMENT

Our stakeholder engagement process acts as a mechanism to act upon the concerns of our stakeholders. We have established a transparent communication process that fosters meaningful interactions and drives forward-looking outcomes. Stakeholder interests encompass many factors, including risks, opportunities, and emerging trends.

Abu Qir has meticulously identified its stakeholders by considering its operations, activities, and relationships within the national, sectoral, and local contexts. The following stakeholders have been identified:

- Shareholders
- Board of Directors
- Employees
- Suppliers and Vendors
- Government Entities
- Clients and Customers
- Financial Institutions
- Industry Affiliation
- Local Community, Academia, and NGOs
- Peers

Based on the various channels of communication with our stakeholders, the following issues and expectations are addressed, and our responses are illustrated in the following table:

STAKEHOLDERS	COMMUNICATION CHANNEL	ISSUES AND EXPECTATIONS	RESPONSE TO EXPECTATIONS
 <p><b>Shareholders</b></p>	<p>Annual general meeting, EGX disclosures, annual reports. Website: abujir.net</p>	<p>Financial profitability &amp; sustainable business growth.</p>	<p>The management at Abu Qir adheres to a well-structured approach that encompasses effective planning and budgeting, an efficient management system, ongoing performance monitoring, and the optimal utilization of resources.</p>
 <p><b>Board of Directors</b></p>	<p>Board meetings, various reports.</p>	<p>Financial efficiency, corporate governance, compliance with laws &amp; regulations, risk management, safe and efficient operations, and sustainable business growth.</p>	<p>Streamlined planning and budgeting, a highly efficient management system, continuous performance monitoring and reporting mechanisms, cost reduction strategies, and the maximization of resource utilization are all integral components of our operational approach at Abu Qir.</p>
 <p><b>Employees</b></p>	<p>Direct meetings, HR surveys, employee conferences, special purpose meetings or interviews, and direct phone calls.</p>	<p>Safe working environment, attractive benefits package, career path development, training and development, recognition and reward, employee and family well-being. Transparency and effective strategy and policy communication.</p>	<p>We are implementing several initiatives at Abu Qir to enhance human resources management:</p> <ol style="list-style-type: none"> <li>1. Introducing new health plans.</li> <li>2. Updating our HR policy.</li> </ol> <p>We are implementing several initiatives at Abu Qir to enhance human resources management:</p> <ol style="list-style-type: none"> <li>1. Introducing new health plans.</li> <li>2. Updating our HR policy.</li> <li>3. Launching training and career development programs.</li> <li>4. Establishing a key-positions retention plan.</li> <li>5. Implementing both internal and overseas training programs.</li> <li>6. Introducing a sophisticated Human Resources data analysis system.</li> </ol>

STAKEHOLDERS	COMMUNICATION CHANNEL	ISSUES AND EXPECTATIONS	RESPONSE TO EXPECTATIONS
 <p><b>Clients &amp; Customers</b></p>	<p>Daily operational contacts, scheduled meetings, regular operating reports, direct phone calls, and emails.</p>	<p>Company profile, operating costs, quality of products, availability, and quality of products.</p>	<p>We adhere to international management and operational standards as a fundamental aspect of our approach. We implement preventive maintenance plans to guarantee uninterrupted production, enhance operational efficiency, and maintain product quality.</p> <p>Our commitment to excellence includes round-the-clock monitoring and a robust follow-up system to consistently meet our objectives.</p>
 <p><b>Suppliers and Vendors</b></p>	<p>Public tenders, regular contacts, vendors registration and inspection process, emails, phone calls, direct meetings.</p>	<p>Transparency in the bidding evaluation process, input prices, operation efficiency and profession, and times required to provide service, long-term relationships, on-time deliveries, on-time payment, compliance to rules and regulations, compliance with safety procedures, and commitment to the environment and human rights.</p>	<p>We are dedicated to establishing a comprehensive framework for our supplier relations:</p> <ul style="list-style-type: none"> <li>-Developing a supplier's manual and a robust code of ethics.</li> <li>-Implementing a tendering process that guarantees transparency and fairness.</li> <li>-Enforcing a transparent payment policy to enhance trust and reliability.</li> <li>-Fostering a workforce of professional and committed employees.</li> <li>-We uphold a strict human and labor rights policy to ensure ethical practices across our supply chain.</li> </ul>

STAKEHOLDERS	COMMUNICATION CHANNEL	ISSUES AND EXPECTATIONS	RESPONSE TO EXPECTATIONS
 <p><b>Financial Institutions</b></p>	<p>Regular meetings, financial reports, annual audit reports, and feasibility studies.</p>	<p>Transparency of management system, professional monetary management system, long-term planning, liquidity, risk management. Exchange rate, interest rate, overdraft facility availability of foreign exchange.</p>	<p>Our financial strategy at Abu Qir revolves around prudent monetary management, encompassing the following key components:</p> <ul style="list-style-type: none"> <li>-The implementation of an effective monetary management policy.</li> <li>-Diversification of our sources of funds to ensure financial stability.</li> <li>-Strict compliance with all banking regulations and rules.</li> <li>-Development of well-structured medium- and long-term financial plans.</li> <li>-Continually monitor our financial performance and liquidity to ensure fiscal health and resilience.</li> </ul>
 <p><b>Peers</b></p>	<p>Market research surveys, participation in bid-dings, and direct contact through meetings, emails, and phone calls.</p>	<p>Responsible competition, fairness, and equal opportunities, transparency.</p>	<p>At Abu Qir, we embrace the following principles to reinforce our commitment to responsible business practices and collaborative relationships:</p> <ul style="list-style-type: none"> <li>-Transparent disclosure to enhance our brand reputation and foster trust.</li> <li>-Adherence to responsible competition principles to maintain fair and ethical business conduct.</li> <li>-A spirit of cooperation and support, extending help when required to promote mutual growth and success.</li> </ul>

STAKEHOLDERS	COMMUNICATION CHANNEL	ISSUES AND EXPECTATIONS	RESPONSE TO EXPECTATIONS
 <p data-bbox="185 539 360 618"><b>Industry Affiliation</b></p>	<p data-bbox="432 365 679 573">Reports to/from industry/trade chamber, Direct meetings, conferences, and focal points.</p>	<p data-bbox="715 349 983 589">Job opportunities, Training in new relevant technologies, socially-responsible, environment friendly.</p>	<p data-bbox="1007 315 1433 663">We are dedicated to upholding international standards in both management and operations. Our focus includes implementing comprehensive plans to ensure uninterrupted production, enhance operational efficiency, and sustain the quality of our products.</p>
 <p data-bbox="137 898 408 1066"><b>Regulators and Relevant Governmental Entities</b></p>	<p data-bbox="432 786 695 999">Reports to/from gov. Agencies, direct meetings, inspections, auditors' reports, focal points.</p>	<p data-bbox="715 730 983 1043">Compliance with laws and regulations, certifications, licenses, contribution to national priorities, and support community development.</p>	<p data-bbox="1007 775 1433 1021">Direct environmental monitoring from the MOE. The laws and regulations compliance, third-party quality inspections, and certification (ISO 9001-14001, 45001, accountability state authority)</p>

## MATERIAL TOPICS

We prioritize identifying, evaluating, and managing material topics crucial in uncovering business opportunities and mitigating potential risks. These material topics significantly impact our operations, so we continuously assess their progress to foster sustainable growth. To address these priority areas, we integrate them into our policies, strategies, and actions. Following a comprehensive materiality review, we have identified the following material topics:



1. Regulatory Changes and Compliance
2. Business Integrity
3. Circular economy
4. Air, Water, and Waste
5. Climate Change
6. Socio economic impact on communities
7. Supply chain and sustainability
8. Talent Retention
9. Product quality / safety
10. Digitalization
11. Energy efficiency
12. Sustainable and Regenerative Agriculture
13. Customer Management
14. Protection of Ecosystems
15. People, Culture, and Leadership
16. Security, Emergency, and Data Privacy
17. Occupational health and safety

## ABU QIR MATERIALITY MATRIX



## RISKS AND OPPORTUNITIES

We diligently engage in the process of identifying both risks and opportunities to mitigate adverse outcomes and proactively pursue potential advantages. It is crucial to recognize that risks can potentially disrupt our operations; therefore, we take a cautious approach to identifying and assessing these risks, subsequently implementing suitable control measures. Conversely, we actively embrace opportunities to gain a competitive edge in the market. Our primary commitment is to ensure business continuity, and our risk identification process plays a pivotal role in conducting accurate materiality assessments and engaging with stakeholders. Additionally, we adopt a precautionary approach by introducing various initiatives to enhance our operations' efficiency. During the risk assessment process, Abu Qir categorizes identified risks as follows:

<b>RISK</b>	<b>DEFINITION</b>
<b>Strategic Risks</b>	These encompass all geopolitical and economic risks that have a bearing on the formulation of corporate strategy and, in turn, influence the trajectory of growth and development for the company.
Laws & Regulations	Abu Qir strictly adheres to and complies with all relevant laws and regulations.
Financial Risks	This involves allocating funds and managing cash flow while also considering the fluctuations in currency exchange rates.
Products Prices Risk	Anticipating future product pricing involves an analysis of input costs and the pricing of final products.
Operational Risk	We are prepared to address potential challenges such as shortages in raw materials (natural gas, raw water, etc.), a lack of essential chemicals or catalysts for production, disruptions in the external electricity grid, and potential human errors that may arise during our operations.
Market Supply and Demand	The growing demand for fertilizers anticipates a need for readily available raw materials in this industry. This availability is paramount, as it substantially influences securing the sector's global standing and fostering the development and support of several other interlinked sectors.
Exchange Rate	The fluctuation of the domestic currency concerning foreign currencies.
Cyber Security and Technological Disruptions	Cyber-attacks pose a significant risk to the industry due to their direct impact on plant operations and production, particularly on the follow-up and monitoring systems. If servers and networks are infected with a destructive virus, it could lead to a complete shutdown or, worse yet, result in potentially dangerous malfunctions.
Water Scarcity	The world, including Egypt, faces the challenge of ensuring access to fresh water.
CBAM	Threatening our trade exports to the European Union
IFRS (S1/S2)	Quantifying and Integrating risks into Financial Statements
HR Risks	Availability of high calibers and the ability to retain them
Research and Development	Adapting to cutting-edge technologies in production and developing environmentally friendly products are essential considerations, especially in light of the global challenges the agriculture sector faces due to the increasing world population.



## REPORTING RISKS AND OPPORTUNITIES

Upon conducting assessments of potential risks, opportunities, and environmental and social impacts, these findings are subjected to a thorough analysis to ascertain their capacity to impede or advance our business objectives. This valuable information is then disseminated through an intricate network system, expertly constructed by our IT Department, to reach various Committees and management teams.

Within this framework, the Committees utilize our Risk Management System to meticulously document, analyze, and present all pertinent risks, facilitating informed decision-making and action plans. HSE-related risks are specifically communicated through the HSE Department, while other risks are reported separately through our dedicated Risk Management System.

In addition, the Audit Committee plays a pivotal role in overseeing critical matters on compliance with laws and regulations and adherence to our Code of Conduct. The Internal Audit Department collaborates closely with the Audit Committee, sharing insights into compliance with laws, violations of the Code of Conduct, the investigative process, outcomes, and measures taken to prevent recurrences.

Drawing upon the valuable input from various Board Committees, our Board of Directors conducts formal reviews and in-depth discussions concerning organizational impacts, risks, and opportunities during their quarterly meetings, ensuring a robust governance framework.

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## OUR CORPORATE PERFORMANCE EVALUATION

The Human Resources Department, in collaboration with the Board Committees, conducts an annual assessment of our mission and objectives. After evaluating performance, recommendations are presented for approval by the Board of Directors. This process fosters alignment between our goals and the bonus payments to our employees and executives. Notably, our Board of Directors and Executive Committees possess expertise in managing economic, environmental, and social issues, ensuring we remain at the forefront of sustainability practices.

To ensure that the company and its employees remain attuned to the latest trends and developments in sustainability, they actively engage in necessary training and participate in international and national conferences and meetings. These initiatives serve to enrich their knowledge and enhance overall productivity.





04

# OPERATIONAL EXCELLENCE

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- OUR PROGRESS IN  
SUSTAINABLE PRODUCTION

## **I. REVOLUTIONIZING ENERGY**

- LABORATORY AND QUALITY CONTROL
- QUALITY ASSURANCE
- MAINTENANCE
- ASSET INTEGRITY
- QUALITY ASSURANCE
- IT

## OUR PROGRESS IN SUSTAINABLE PRODUCTION:

In 2020/2021 and 2021/2022, Abu Qir Fertilizers Company continued its commitment to sustainable and responsible production across its three state-of-the-art facilities. These facilities are instrumental in the company's mission to meet the growing demand for high-quality fertilizers while minimizing its environmental footprint.





## RESPONSIBILITIES OF THE PRODUCTION DEPARTMENT:

The Production Department at Abu Qir Fertilizers Company ensures efficient, safe, and sustainable operations. We maintain strict control over operating conditions, following detailed guidelines from our Operating Manual and charts. Our team supervises all production activities and diligently monitors process deviations to maintain product quality and safety.

We also analyze daily, monthly, and annual reports to optimize production and resource utilization. Our objective is to keep operating conditions at their optimum for safety and cost-efficiency and minimize operational losses.

We are committed to workforce development, providing relevant and practical training to our engineers and operators. Furthermore, we swiftly correct any deviations in operating parameters and actively seek ways to improve our processes through equipment modifications and operational changes.

The Production Department is responsible for determining our personnel's training needs, rewards, and disciplinary actions, and we closely monitor and approve efficiency reports. These responsibilities underscore our dedication to achieving sustainability goals and ensuring the continuous improvement of our workforce and production processes.

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## PRODUCTION FACILITIES:

Abu Qir Fertilizers Company operates three production facilities to manufacture essential products. These facilities are integral to our operations:



Comprising two essential plants, this facility plays a pivotal role in our production capacity.

- Ammonia Plant: With a design production capacity of 1,200 tons per day.
- Urea Plant: The Urea plant at Abu Qir I is designed to produce 1,750 tons of high-quality urea per day.

This facility strengthens our production capabilities by featuring three major plants.

- Ammonia Plant: With a design production capacity of 1,000 tons per day.
- Nitric Acid Plant: With a design production capacity of 1,800 tons per day.
- Ammonium Nitrate Plant: With a design production capacity of 2,400 tons per day.

Comprising two main plants, Abu Qir III adds substantial production capacity to our operations.

- Ammonia Plant: Designed to produce 1,200 tons per day of ammonia.
- Urea Plant: : The Urea plant at Abu Qir III is designed to produce 1,750 tons per day of urea.

**NATURAL GAS + WATER + AIR**

**ABU QIR I:** — [ AMMONIA  
UREA PRILLS

**ABU QIR II:** — [ AMMONIA  
NITRIC ACID  
AMMONIUM NITRATE

**ABU QIR III:** — [ AMMONIA  
UREA GRANULES

**CO<sub>2</sub>**

## PROGRESS AND ACHIEVEMENTS

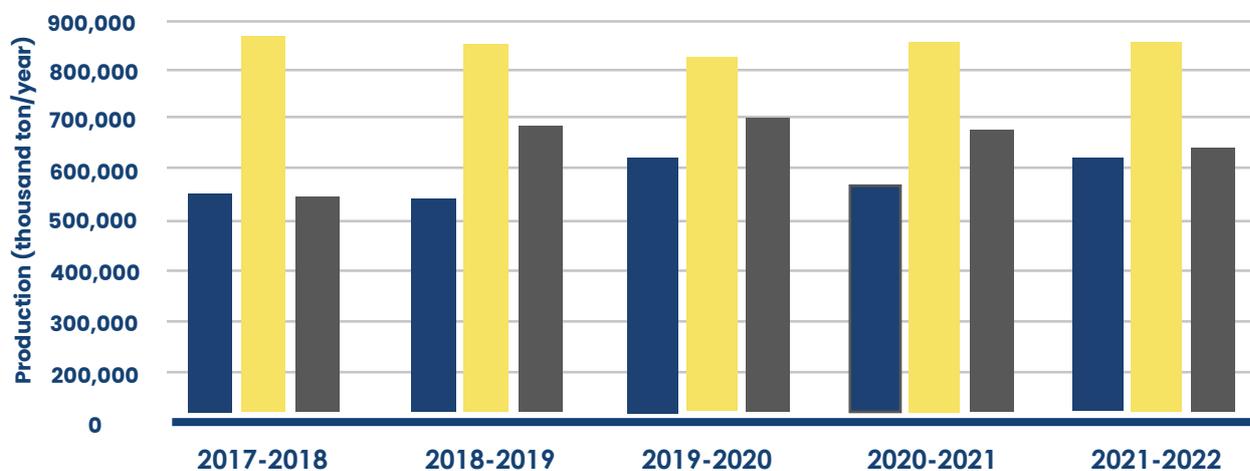
As we progress in our sustainability journey, it is essential to reflect on our progress and achievements in the production sector over the years. The following table provides a comparative overview of production capacity and achievements for 2021 and 2022:

Facility	Product	Design Capacity (tons/year)	Production (tons/ Fiscal Year)		Achievement (Production/Plan) (%)		Target
			2020-2021	2021-2022	2020-2021	2021-2022	
Abu Qir I	Ammonia	401,500	410,456	408,323	102.2%	101.7%	≥95%
	Urea	565,750	615,752	610,815	108.8%	108%	≥95%
Abu Qir II	Ammonia	365,000	347,595.5	338,522.2	95.2%	92.74%	≥95%
	Nitric Acid	657,000	660,077	654,052.6	100.5%	99.55%	≥95%
	Ammonium Nitrate	876,000	857,237.9	864,563	97.85%	98.7%	≥95%
Abu Qir III	Ammonia	438,000	444,105	408,474	101.4%	93.2%	≥95%
	Urea	638,750	689,932.9	644,089	108%	100%	≥95%

The following graph demonstrates the production pattern of both Ammonia and Urea plants in Abu Qir III during the past six years in ton/year alongside the production KPI achieved in each year in percentage (%), followed by an illustration graph showing the production in the three plants for urea and ammonium nitrate production summed up, the designed capacity for all three plants, and the performance of production units in comparison with the designed capacity.

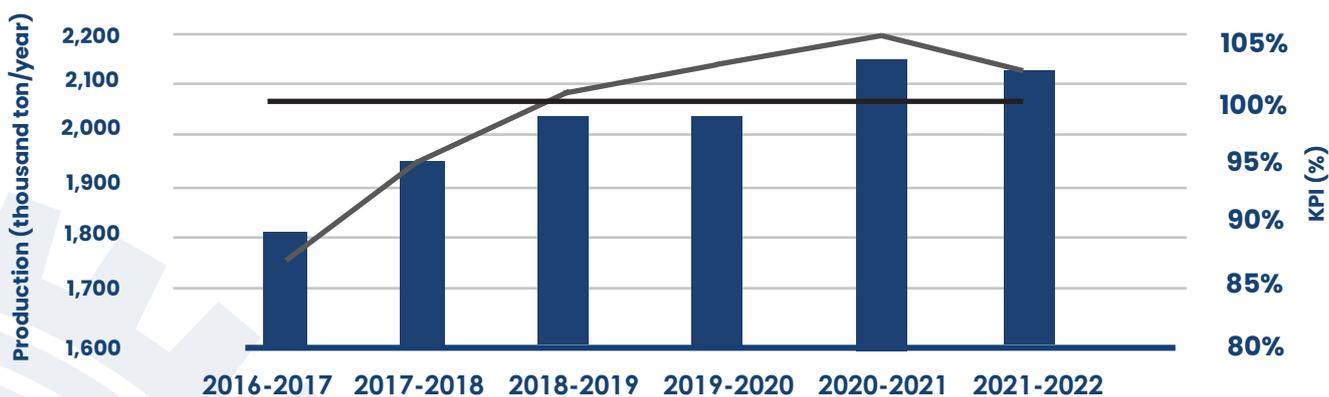


### ABU QIR III Production



	2017-2018		2018-2019		2019-2020		2020-2021		2021-2022	
	planned	achived								
Urea 1	586000	557000	500000	531415	500000	6115401	500000	615752	511500	610815
Amounium nitrate	874000	878000	750000	859741	68000	827563	750000	857237	784800	864563
Urea 3	674000	551000	550000	691537	550000	7029111	550000	689932	525000	644089

### Plants Production



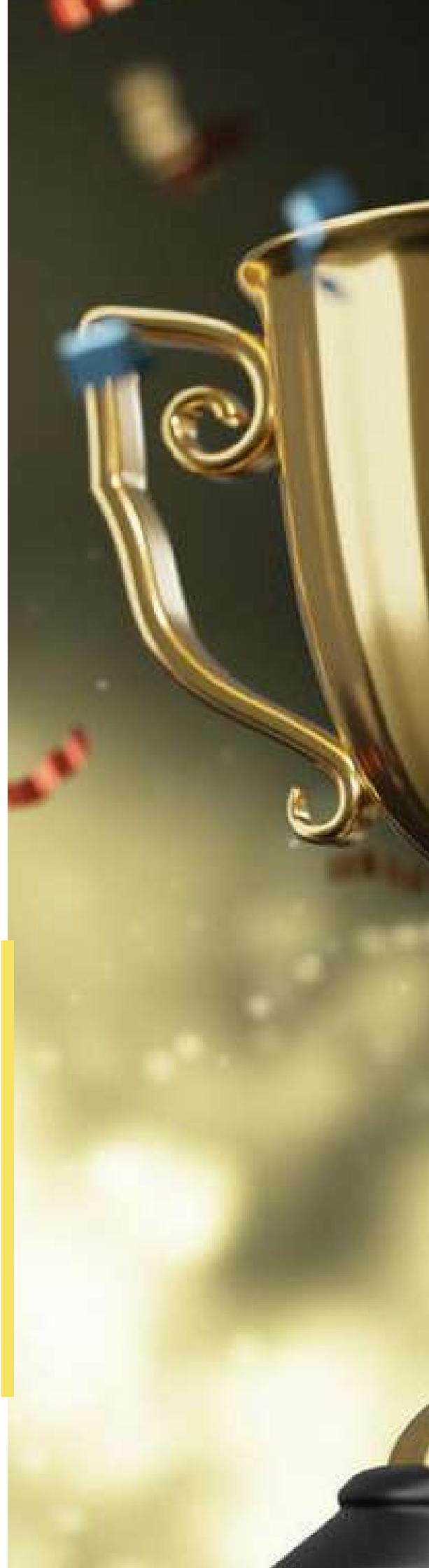
	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Actual Production	1,808	1,945	2,034	2,034	2,162	2,119
Designed Production	2,080	2,080	2,080	2,080	2,080	2,080
Production KPIs	87%	94%	98%	101%	104%	102%

## ACHIEVEMENTS

Over the past two years, each of our plants at Abu Qir has achieved notable milestones. In Abu Qir I, significant safety and efficiency improvements were realized by installing a leak detection system, transitioning from oil seals to water seals in the NH<sub>3</sub> pump (H.P.), and introducing a new booster compressor. These enhancements not only bolstered safety measures but also reduced oil seal ingress, enhancing the efficiency of the H.P. synthesis process and bolstering production reliability and capacity.

Meanwhile, Abu Qir II showcased a solid commitment to preventive maintenance and operational excellence through rigorous planning and periodic shutdowns for catalyst gauze replacements. Notably, the successful replacement of a Waste Heat Boiler in the Ammonia plant and a comprehensive unit shutdown, including tray replacements and a shift to ACT-1 as an activator, substantially improved overall performance.

Abu Qir III's exemplary achievements were underscored by meticulous planning and execution of an annual shutdown. This initiative elevated plant efficiency and reliability, ensuring continuous safe operations and extending operational periods. Key achievements included a comprehensive upgrade of the overall operating system (DCS), replacing equipment in the urea plant, renewing tubes in the ammonia plant, and replacing steam piping in the high-pressure steam boiler. The reduction in production in 2022 for both ammonia and urea plants was an intentional outcome of the successful annual shutdown, reflecting a strategic trade-off for improved operational efficiency, safety, and long-term reliability. These achievements reflect our unwavering dedication to elevating our facilities and processes for sustainable, responsible, high-quality fertilizer production.



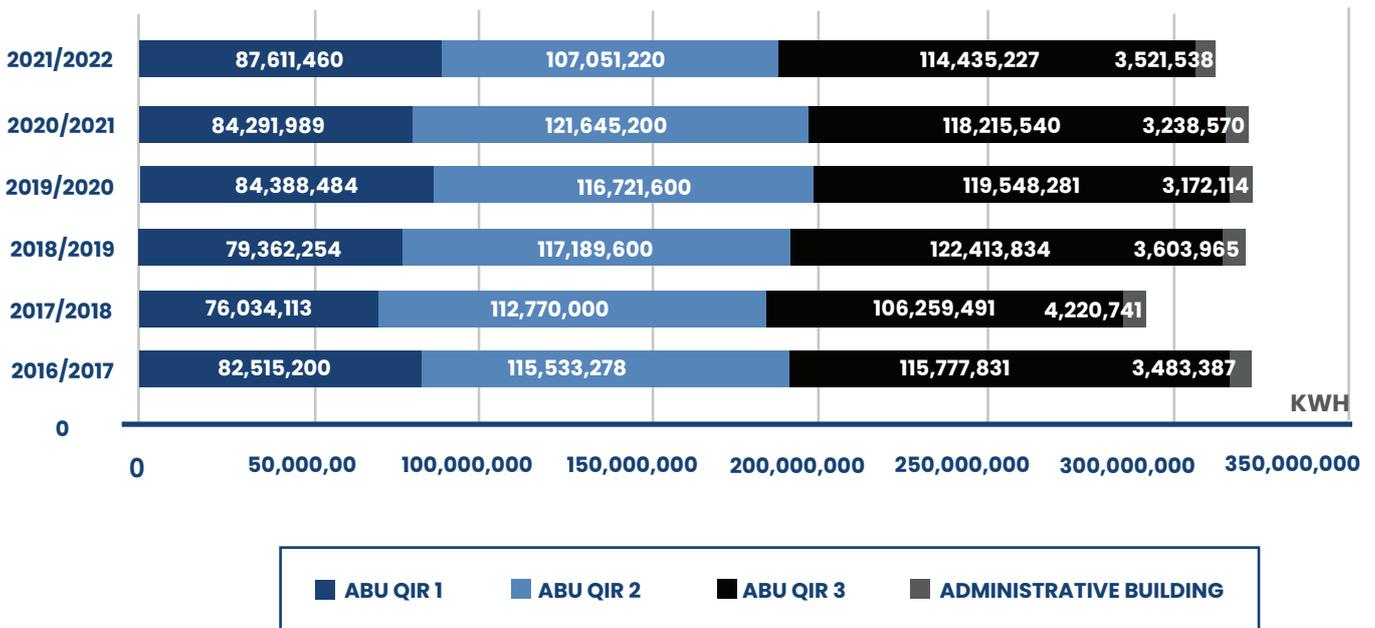


## REVOLUTIONIZING ENERGY

Abu Qir Fertilizers Company recognizes the critical importance of energy consumption and is committed to responsible energy management. The company’s comprehensive energy management strategy is designed to optimize energy use, reduce costs, and minimize environmental impact. Here, we provide an overview of energy consumption and energy-saving activities.

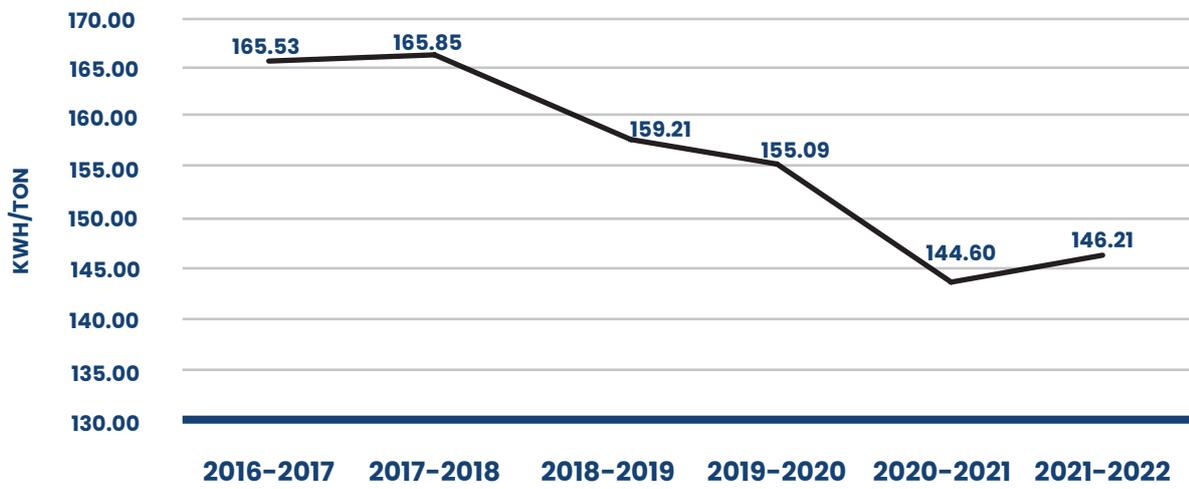
Abu Qir Fertilizers Company has diligently monitored and managed its energy consumption to ensure operational efficiency and sustainability. As of 2022/2023, the total energy consumption at our company was approximately 309.8 GWh, representing the least energy consumption since 2018. This figure encompasses energy usage in all areas, including the three production plants and administrative buildings.

**ELECTRICITY CONSUMPTION (KWH)**



A noteworthy aspect of our energy management strategy is the observation of energy consumption trends over the years. Over the past five years, we have observed a decreasing trend in energy usage intensity and electricity consumption per ton of production. This data underscores our continuous commitment to optimizing energy efficiency and reducing carbon footprint. The following figure illustrates this trend, showing the downward trajectory in energy consumption.

### INTENSITY (KWH/TON PRODUCTION)



## ENERGY SAVING ACTIVITIES:

### Electrical Energy Saving Activities:

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Our energy-saving projects do not only aim to optimize our energy consumption and pave the way for a more environmentally responsible future. Our commitment to reducing energy usage and incorporating clean energy sources aligns with our vision for a greener, more sustainable operation. In the previous years, besides solar energy introduction to the energy mix, we managed to implement multiple energy-saving projects as follows:



A significant step in energy conservation was the replacement of most lighting systems in plants and administration buildings with energy-efficient LED fixtures. This change involved upgrading more than 2000 fixtures to LED technology, contributing to reduced electricity consumption and increased efficiency.

To further enhance energy efficiency, Abu Qir Fertilizers Company replaced old low-voltage standard motors with high-efficiency IE3 premium motors. This initiative covered approximately 20% of the installed motor base and resulted in reduced energy consumption.

The company also comprehensively reevaluated the lightning protection system for plants and buildings. This assessment led to the installation of a new lightning protection grid, enhancing safety and infrastructure protection.







## SOLAR PANEL PROJECTS:

In alignment with Egypt's Vision 2030, which aims to maximize renewable energy's participation in the energy mix and reach a target of 42% renewable energy in Egypt's electrical energy generation by 2035, Abu Qir Fertilizers Company is dedicated to sustainable energy practices. Abu Qir Fertilizers Company has embarked on a transformative journey by integrating solar energy into our energy mix by embarking on the following projects:

- **Abu Qir Green Vision:** We are unwavering in our commitment to optimizing energy usage and load management while integrating sustainable, renewable energy sources into its operational framework. The company's journey towards environmental sustainability began with the inauguration of an innovative solar energy project feeding the administrative building. Operating since June 2022, this project is located on the roof of the company's social club and has a capacity of 117 kilowatts. The station generates an annual output of 200 MWh. This significant production leads to a yearly reduction of 175 tons in CO<sub>2</sub> emissions, demonstrating the company's dedication to environmental sustainability and clean energy solutions. This project's substantial investment of 1 million Egyptian pounds further underscores this commitment.
- **Project Under Development:** Abu Qir Fertilizers Company is progressing towards a larger project containing eight new power plants with a capacity of 2.5 Megawatts, anticipated to generate 3,912 MWh/year. This endeavor is expected to reduce 2,737.5 tons of CO<sub>2</sub> emissions annually, with an estimated investment of 80-90 million Egyptian Pounds. The following table shows the location of these stations, utilizing the roofs of the existing buildings, with the potential energy generation and GHG reduction over the year.

STATION	ESTIMATED ENERGY GENERATION (MWH/YEAR)	ESTIMATED CO <sub>2</sub> REDUCTIONS
1 Admin Building	128	CO <sub>2</sub> Emissions Reductions
2 Car Port	545	
3 Spare Parts Warehouse	1215	2737.5
4 Material Store	387	
5 ZLD	209	Tons/year
6 Railway (Slop & Roof)	619	
7 Plastic Area	344	
8 Factories Admin Building & Workshops	465	
<b>Total</b>	<b>3912 MWh/Year</b>	

**THIS EXPANSION AIMS TO ADDRESS MULTIPLE OBJECTIVES:**



**ENVIRONMENTAL TARGET**

Reduce CO<sub>2</sub> emissions from production processes.



**FINANCIAL TARGET**

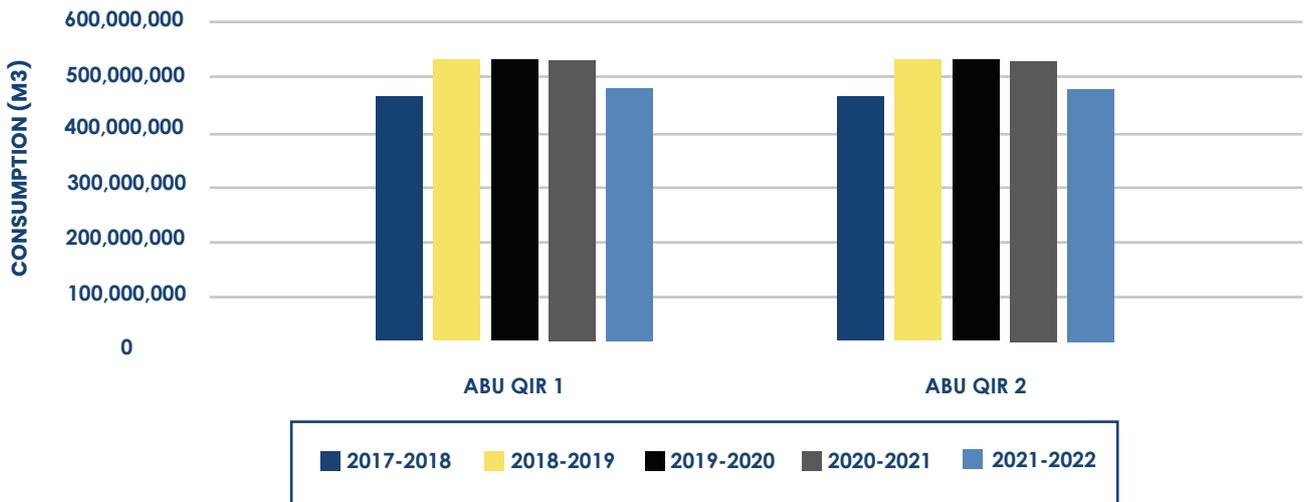
Invest in renewable and green energy.



**LOAD CONSUMPTION BALANCE**

Contribute to industrial energy loads from renewable sources, reducing reliance on natural gas-based internal steam turbine generation.

## NATURAL GAS CONSUMPTION (M3)



## LABORATORY AND QUALITY CONTROL

Ensuring our products' exceptional quality is a paramount commitment for us. The superiority of our fertilizers not only distinguishes us from our industry peers but also fortifies our position as a market leader in Egypt and upholds our esteemed reputation in global markets.

Notably, our laboratory is accredited by the Egyptian Accreditation Council EGAC as per the international standard for the competence of testing and calibration laboratories ISO/IEC 17025:2017 in water analysis since 2010. We are planning to expand the scope of accreditation to include some chemical analysis of the final product, emphasizing our dedication to precision and adherence to international standards.

As part of our quality control efforts, our chemists have superior knowledge, experience, and training, underscoring the expertise that fuels our commitment to excellence. In addition to laboratories equipped with cutting-edge technology, we empower our personnel to surpass expectations in their roles.



# Key Responsibilities of the Quality Control Department:

The primary objective of our laboratory activities is unwavering: to achieve the highest standards in the most efficient and timely manner, utilizing cutting-edge technologies, techniques, and standardized methods. The following vital responsibilities define our commitment to quality control:

- 1 Technological Advancements and Integration:**

We invest in updating our laboratories with the latest technologies and analytical instruments to adapt to the quantum leap in laboratory analyses and technologies. This integration is pivotal in maintaining our competitive edge and ensuring that our personnel are equipped with state-of-the-art tools to meet the demands of an evolving industry landscape.
- 2 Continuous Improvement of Personnel Competence:**

The leap in laboratory analyses and technologies necessitates a parallel enhancement of personnel competence. Our commitment extends to ensuring that our personnel are consistently equipped with the required standard of competence at all levels. This commitment to skill development is essential to meet the evolving demands of our field and to uphold the high standards of Abu Qir.
- 3 Quality Objectives and Performance Improvement:**

Central to our quality control efforts is establishing and achieving quality objectives. We are committed to setting benchmarks that drive performance improvement across our laboratories. This commitment ensures that we meet and exceed the highest standards in our analytical processes and deliver results that inspire confidence.
- 4 ISO/IEC 17025 Standard Compliance and Accreditation Scope Extension:**

We recognize the dynamic nature of industry standards, particularly the ISO/IEC 17025 standard. Our commitment is to be continuously aligned with updates to these standards.
- 5 Statistical Methods and Data Management:**

We are actively expanding the application of statistical methods and data management techniques to enhance our analytical capabilities. This involves equipping our personnel at all levels with the necessary knowledge of statistical analysis. By integrating statistical methods, we aim to monitor labs' activities and analysis outputs more effectively, fostering data-driven decision-making.
- 6 Digital Transformation of Lab Analyses:**

Embracing the digital era, we are committed to digitizing lab analysis initiatives. Our digitization journey commenced by implementing a paperless system for reporting data analysis results. We continuously seek innovative ideas to further enhance and streamline our digital processes, ensuring efficiency, accuracy, and accessibility in our analytical workflows.



## QUALITY ASSURANCE

At Abu Qir, our commitment to quality is unwavering. For over two decades, we have built a robust Quality Framework integral to our operational strategy.



### • ISO 9001:2015

o This standard sets out the requirements of a quality management system which helps us to improve our overall performance and address risks and opportunities associated with our context and objectives



### • ISO 14001:2015

o Environmental responsibility has been a key pillar of our operations since 2000 when we received our environmental management certification. This reflects our dedication to an effective environmental management system and proactive environmental stewardship approach.



### • ISO 45001:2018

o In 2021, we elevated our commitment to workforce safety by transitioning from OHSAS 18001 to ISO 45001. This change underscores our focus on fostering a safe working environment and prioritizing the well-being of our employees and stakeholders.



### • ISO 50001:2018

o Our energy management system, certified under ISO 50001, exemplifies our systematic efforts to boost energy performance. Since obtaining this certification in 2017 and updating it in 2021, we have reinforced our pledge to sustainability and operational efficiency.





## TRANSFORMATION & IMPROVEMENT

The digitization of our management systems in 2017 marked a significant milestone in our quality journey. This strategic move has reduced paperwork, expedited inter-departmental communication, and strengthened document control, propelling us toward a future of innovation and agility.

Our Quality Assurance Department employs a rigorous system to measure the effectiveness of our integrated management system through several key initiatives:



### DOCUMENT MANAGEMENT

We maintain a robust system to ensure all documentation is current, fostering a culture of transparency and accountability



### MANAGEMENT REVIEW

Our continuous investment in employee development empowers our team to maintain our high standards.



### TRAINING AND AWARENESS

Our continuous investment in employee development empowers our team to maintain our high standards.



### INTERNAL AUDITS

Through regular reviews, we identify and act upon opportunities for process improvement.



### CORRECTIVE ACTIONS

We promptly address any issues to uphold and exceed our standards of excellence.

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## MAINTENANCE

Our maintenance strategy encompasses developing and updating maintenance plans, scheduling essential work orders, managing resources efficiently, and ensuring comprehensive documentation and reporting. The Department's commitment to continuous improvement underpins every function, from preventive maintenance planning to performance monitoring and vendor management. These functions are critical to maintaining our high compliance and safety standards, which align with our corporate values and the stringent expectations of global best practices.

Our Key Performance Indicators (KPIs) are more than metrics—they are a testament to our Department's dedication to operational integrity and efficiency. The table below illustrates our KPI performance over the reporting years, revealing a pattern of consistent improvement and reliability. The steady increase in the performance of planned maintenance showcases our team's ability to forecast maintenance needs and adapt plans to meet the evolving demands of our operations. Our equipment availability and compliance metrics demonstrate an industry-leading standard of minimizing downtime—a critical factor in uninterrupted production.



KPI	2020-2021	2021-2022	GROWTH RATIO	TARGET YEAR (TY)
Performance of Planned Maintenance	95.1%	95.4%	100.3%	80%
Equipment Availability	98.5%	98.6%	100.1%	90%
Planned Maintenance Compliance	95.4%	95.6%	100.2%	90%
Schedule Adherence of Annual Turnarounds	98.8%	99.1%	100.3%	90%

## Factory Shutdowns

Our annual shutdowns are meticulously planned and executed to avoid losses in operational efficiency. This aims to prevent unexpected shutdowns that can lead to financial losses. The highest number of shutdowns happened in 2021, while there was an improvement in 2022-2023.

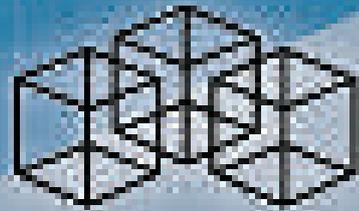
DAYS/ YEAR	ABU QIR I NO. OF SHUT- DOWNS		ABU QIR II NO. OF SHUT- DOWNS			ABU QIR III NO. OF SHUT- DOWNS		TOTAL NO OF SHUT- DOWNS
	AMM.	UREA	AMM.	N.A	A.N	AMM.	UREA	
2021/2022	11.4	12.17	3.29	18.64	25.5	2.13	3.52	76.82
2020/2021	5.44	4.71	27.34	6.6	15.18	33.69	27.15	120.11
2019/2020	4.17	2.83	21.60	6.52	15.28	5.2	4.7	60.3
2018/2019	5.58	3.79	29.73	19.83	28.72	3.2	2.6	93.45
2017/2018	58.16	46.1	10.42	7.54	14.65	0.0	3.5	140.47

## NEW ENGINEERING OFFICE SECTOR

Abu Qir has transitioned to a centralized purchasing system for our engineering office. Until 2018, our inventory cycle and purchasing requisition were paper-based. Then, the inventory system was switched to an in-house custom-made Oracle-developed system. In 2021, the purchasing requisition was released by the maintenance head directly to the purchasing department. This allowed for computerized withdrawal and return of goods and requests for purchasing goods.

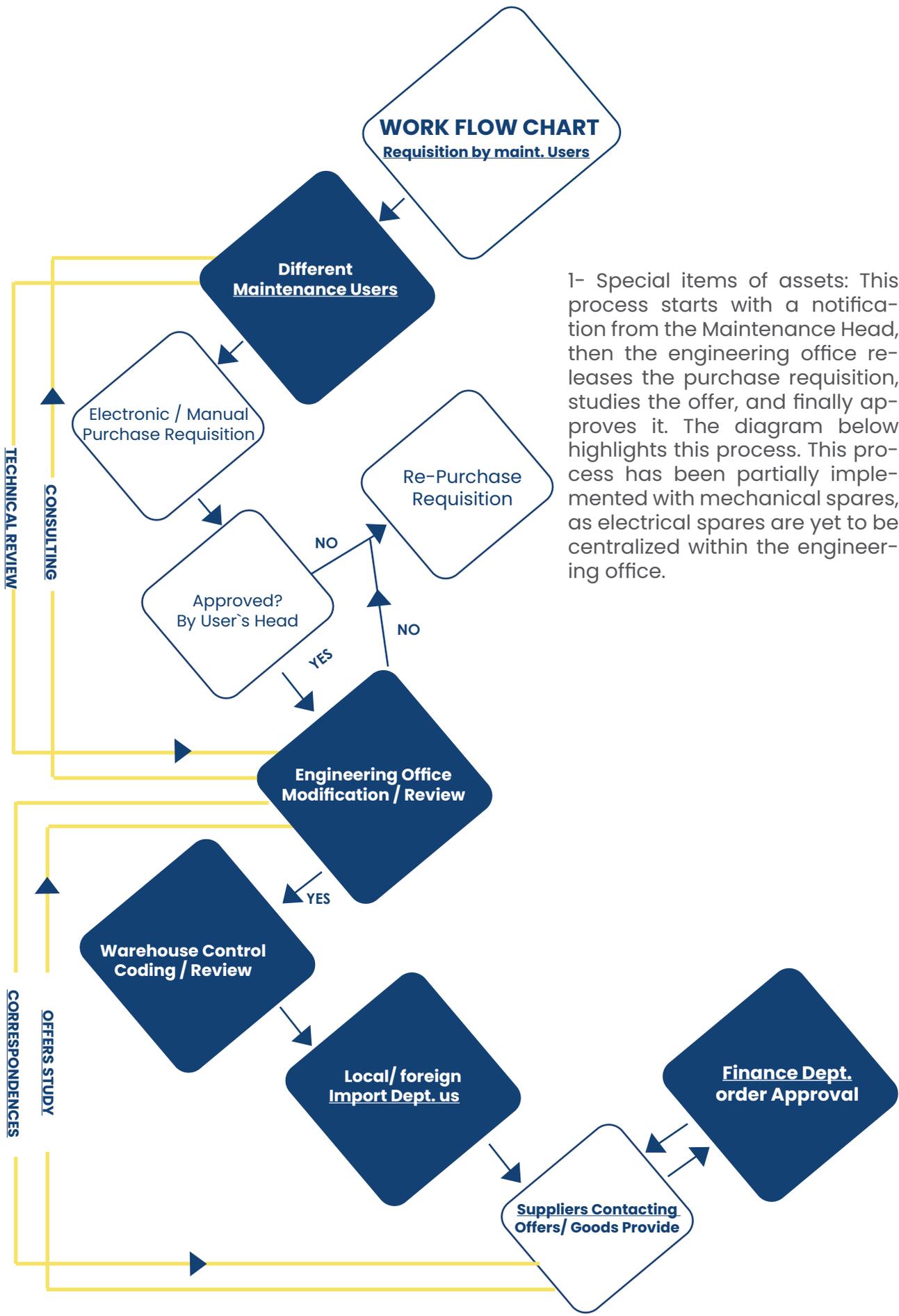
During this reporting year, the new engineering office department was established to centralize the purchasing cycle, handle the purchase requisitions, study offers, and give final approvals. Our digitalized centralized purchasing system has already been implemented through the utilization of the SAP ERP system. The centralized process via this new department cooperatively working with the purchasing department undergoes two scenarios:



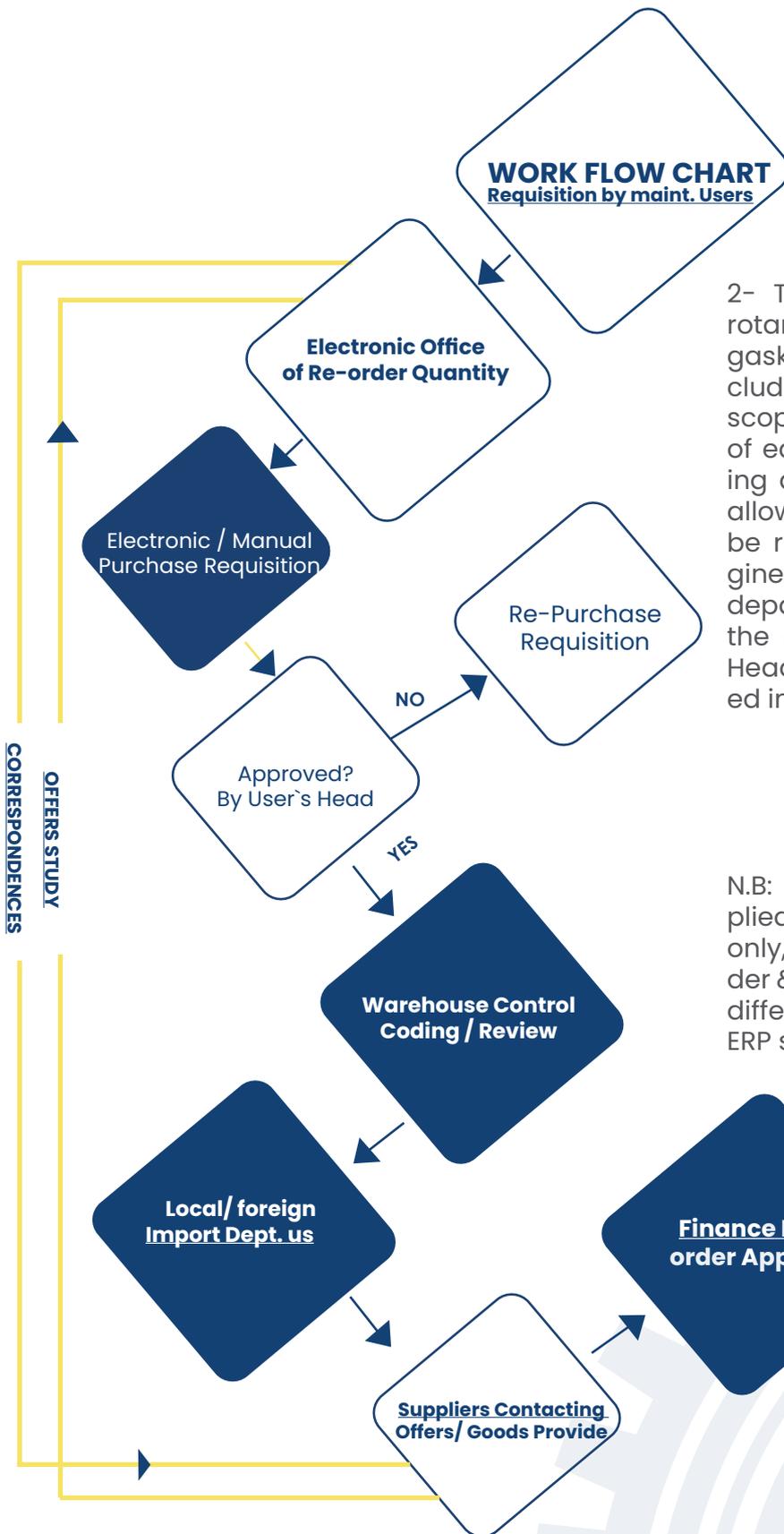


# ENGINEERING

— OFFICE —



1- Special items of assets: This process starts with a notification from the Maintenance Head, then the engineering office releases the purchase requisition, studies the offer, and finally approves it. The diagram below highlights this process. This process has been partially implemented with mechanical spares, as electrical spares are yet to be centralized within the engineering office.



2- The general spares: Bearings, rotary shaft seals, valves, bolts, gaskets, and insulation are all included in our new Department's scope. We study the consumption of each item and adjust re-ordering and maximum quantities. This allows the purchase requisition to be released directly from the engineering office to the purchasing department without the need for the approval of the Maintenance Head. This workflow is demonstrated in the diagram below.

N.B: This scenario is partially applied to the "Bearings & Oil Seals" only, till the finalizing of the Re-order & Max. Stocks with the aid of the different Maintenance Users & the ERP system.

## ASSET INTEGRITY AND UTILITY MANAGEMENT

### CAMA Certification

**Our digital transformation journey continues with the integration of SAP's Open-Text and Ariba modules, facilitating a more streamlined and sustainable supply chain. We also celebrate the CAMA certification accomplishment, which reflects our dedication to professional growth in line with global asset management standards.**

Our commitment to excellence in Asset Integrity and Utility Management is a cornerstone of our operations at Abu Qir. Asset integrity ensures the reliability and sustainability of our physical assets, while our Utilities Department upholds the highest standards in industrial water treatment and production.

We have revolutionized the way we manage asset integrity. By establishing a centralized purchasing process and adopting a semi-centralized Oracle-based system, we have laid the groundwork for a fully integrated SAP ERP system. This system enhances our dynamic information management capabilities, leading to significant improvements:

**01**

A 10% reduction in inventory values by consolidating identical and unused items

**02**

A 50% enhancement in access to inventory spare parts, ensuring rapid maintenance responses

**03**

An 80% achievement rate in sourcing of spare parts within the shortest possible lead times

**04**

Completion of 100% of correspondences & technical study/approval within the purchasing cycle



## ACHIEVEMENTS

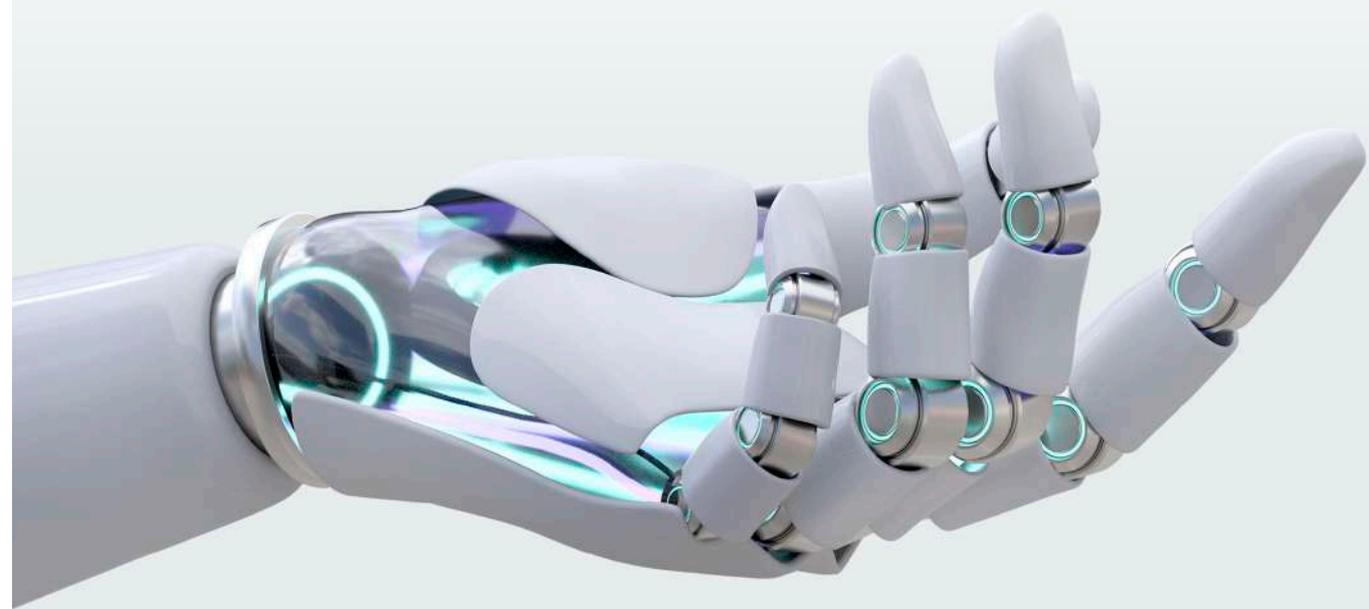
The achievement in planned maintenance compliance and schedule adherence underlines our department's capacity for detailed foresight and precise execution. This is particularly evident in the successful execution of the Abu Qir 3 annual turnaround in May 2022. This was a testament to our proactive and strategic planning, resulting in minimized production loss and enhanced operational efficiency.

Looking ahead, the department is set to integrate new KPIs such as Mean Time Between Failures (MTBF) and Mean Time to Repair (MTTR) in our next reporting cycle. These KPIs will provide deeper insights into our maintenance effectiveness and strengthen our predictive maintenance strategies.



## DIGITAL TRANSFORMATION

Our digital initiative at ABU QIR stands as one of the most revolutionary endeavors in Egypt's fertilizers sector, heralding a new era of sustainability, resilience, and growth. By harnessing cutting-edge technologies such as Cloud computing, IIoT, Artificial Intelligence, and Big Data analytics, ABU QIR aims to establish a digital ecosystem. This ecosystem integrates intelligent solutions across all organizational activities, leveraging innovative platforms like SAP S4/HANA Cloud, Signavio Process Intelligence, SAP Digital Manufacturing Cloud DMC, SAP cloud analytics SAC, Ariba digital Suppliers, and Asset Intelligent Management. It's crucial to understand that this transformation isn't merely a project; it symbolizes a strategic journey. With highly skilled digital cross-sectional teams, ABU QIR is primed to extract maximum value from these transformative systems.



## Those platforms provide an array of advantages for ABU QIR such as:



### **SAP S4/HANA Cloud:**

Provides real-time analytics, simplifies business processes, enhances productivity, and enables faster decision-making through streamlined operations.



### **Signavio Process Intelligence:**

Optimizes business processes by analyzing and visualizing process data, identifying inefficiencies, and facilitating continuous improvement efforts.



### **SAP Digital Manufacturing Cloud DMC:**

Enhances manufacturing operations by providing visibility into production processes, improving efficiency, reducing downtime, and enabling predictive maintenance.



### **SAP Cloud Analytics SAC:**

Delivers comprehensive analytics capabilities, empowering users to gain insights from data across the organization, make data-driven decisions, and drive business growth.



### **Ariba Digital Suppliers:**

Streamlines procurement processes, enhances supplier collaboration, reduces costs, and improves supply chain visibility and efficiency.



### **Asset Intelligent Management:**

Enables proactive asset management, improves asset performance and reliability, reduces maintenance costs, and extends asset lifecycles through predictive maintenance and optimization.



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# ENVIRONMENTAL COMMITMENT

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Abu Qir Fertilizers Company is steadfast in environmental responsibility, acknowledging the imperative of reducing environmental impacts in our core business operations. This commitment extends to active participation in social activities related to waste management and recycling, with the understanding that promoting recycling benefits the environment and contributes value to the crude oil refining industries.

## ROLE AND INITIATIVES:

The Environmental Department at Abu Qir Fertilizers Company is pivotal in promoting environmental awareness and ensuring a healthy and sustainable operating environment.

The department actively engages in various environmental protection programs, some of which are highlighted below:



### ENVIRONMENTAL AWARENESS PROGRAMS:

These initiatives are designed to raise environmental consciousness among all employees, fostering a sense of environmental responsibility.



### COMPLIANCE WITH ENVIRONMENTAL LEGISLATION:

Ensuring strict adherence to environmental regulations is a fundamental part of the department's role, reflecting the company's dedication to environmental compliance.



### ENVIRONMENTAL MANAGEMENT SYSTEM:

Implementing an environmental management system provides a structured framework for effective environmental stewardship and continuous improvement.



### **ENVIRONMENTAL PROTECTION MONITORING PROGRAM:**

Ensuring strict adherence to environmental regulations is a fundamental part of the department's role, reflecting the company's dedication to environmental compliance.



### **ENVIRONMENTAL PROJECTS AND DEVELOPMENTS PROGRAM**

Initiatives under this program focus on innovation and development, including projects to reduce the company's carbon footprint and manage waste efficiently.

## ENGAGEMENT WITH STAKEHOLDERS:

Abu Qir Fertilizers Company maintains an ongoing dialogue with various external and internal stakeholders to ensure environmental objectives are met:

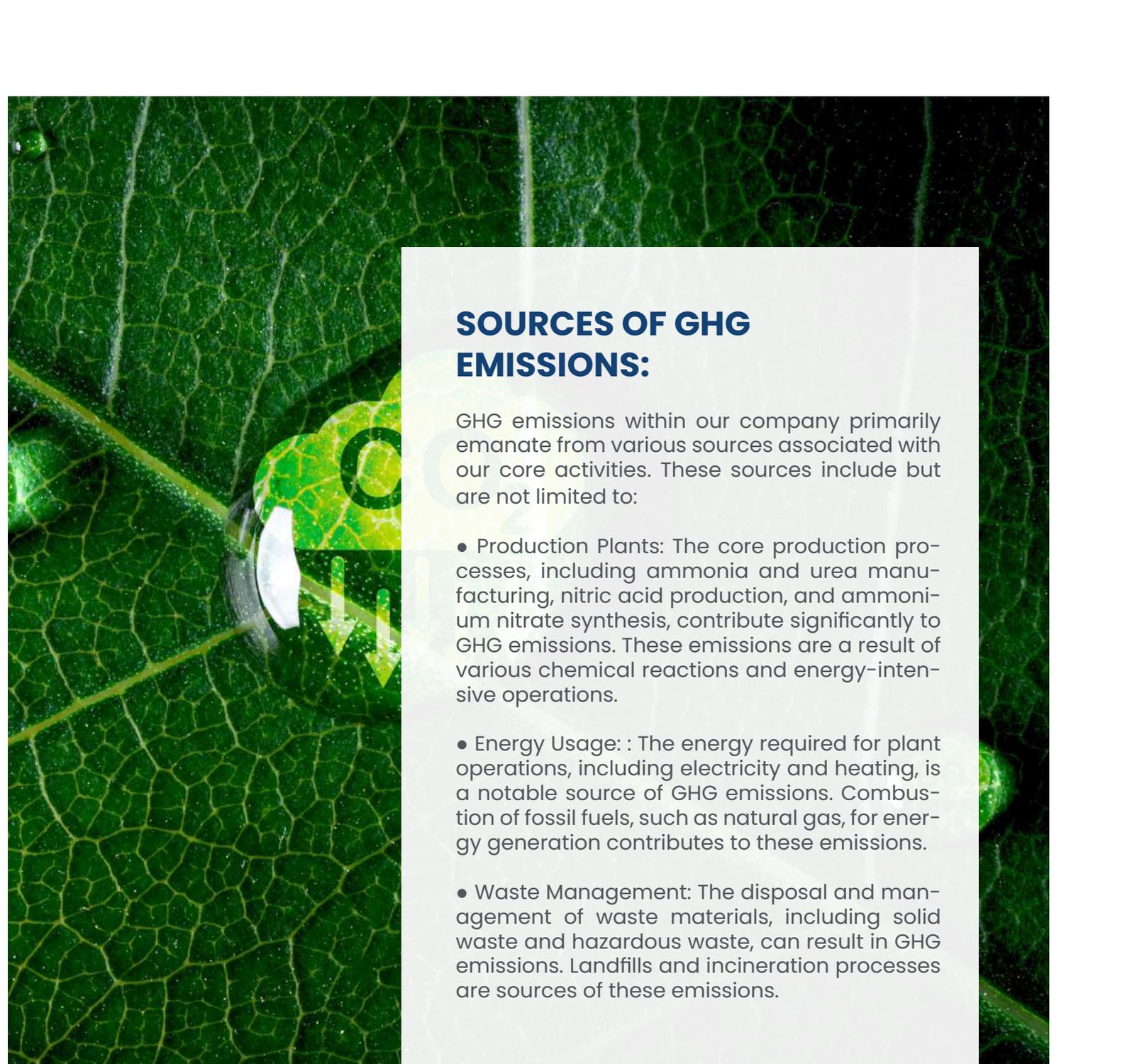
**INTERNAL STAKEHOLDERS:** Engagement with internal departments, such as Production, Water Production, Clinic, and Maintenance, occurs daily, with a mandatory focus on monitoring gaseous emissions, industrial drainage, and the removal of solid, oil, hazardous waste, and medical waste.

**EXTERNAL STAKEHOLDERS:** Engagement with external entities, including the Environment Affairs Agency, the local community, waste management devices, the Industrial Development Authority, and the Ministry of Health, is a vital part of the company's environmental initiatives. This engagement focuses on obtaining environmental licenses, ensuring compliance with regulations, and monitoring employees' health.



## GHG EMISSIONS

Abu Qir diligently monitors and addresses greenhouse gas (GHG) emissions in pursuing sustainable and responsible operations. Understanding the sources of these emissions is paramount in our commitment to reduce our carbon footprint and minimize our environmental impact.



## SOURCES OF GHG EMISSIONS:

GHG emissions within our company primarily emanate from various sources associated with our core activities. These sources include but are not limited to:

- **Production Plants:** The core production processes, including ammonia and urea manufacturing, nitric acid production, and ammonium nitrate synthesis, contribute significantly to GHG emissions. These emissions are a result of various chemical reactions and energy-intensive operations.
- **Energy Usage:** : The energy required for plant operations, including electricity and heating, is a notable source of GHG emissions. Combustion of fossil fuels, such as natural gas, for energy generation contributes to these emissions.
- **Waste Management:** The disposal and management of waste materials, including solid waste and hazardous waste, can result in GHG emissions. Landfills and incineration processes are sources of these emissions.

## EMISSIONS OVER THE YEARS:

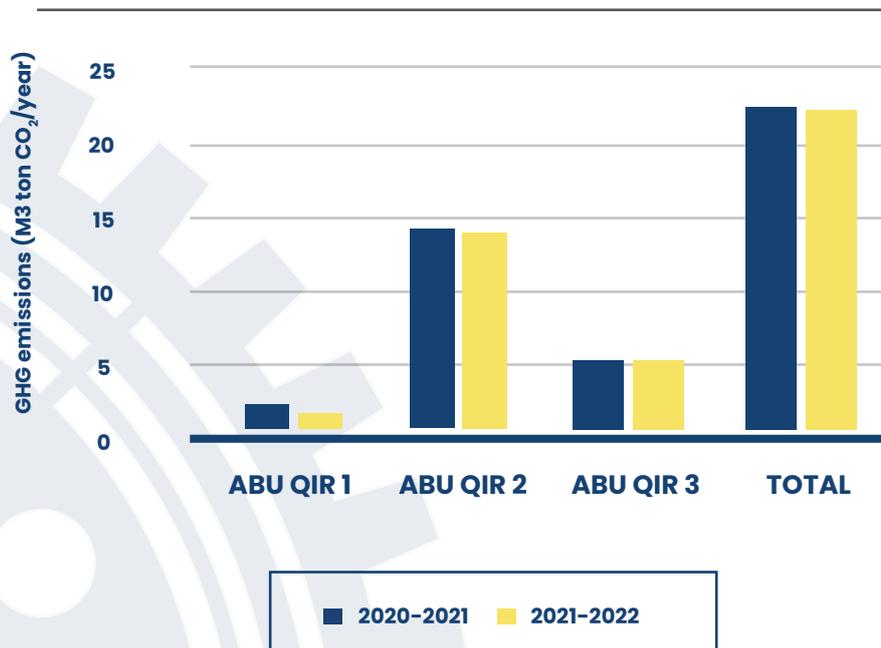
To comprehensively understand our GHG emissions, we track and monitor historical data on each production plant's absolute emissions figures and intensity over the past several years. These figures are expressed in metric tons of carbon dioxide equivalent (CO<sub>2</sub>e) and are instrumental in assessing our progress towards emission reduction.



Year	2020-2021	2021-2022	UNIT
Abu Qir 1	3.210	3.185	M3/Ton Co2 /year
Abu Qir 2	14.675	14.665	M3/Ton Co2 /year
Abu Qir 3	5.810	5.797	M3/Ton Co2 /year
Total	23.695	23.647	M3/Ton Co2 /year



### PLANTS GHG EMISSIONS



## REDUCTION EFFORTS TO MITIGATE GHG EMISSIONS

Abu Qir Fertilizers Company is steadfast in its commitment to mitigating GHG emissions through various ongoing initiatives and planned projects. These reduction efforts address emissions from multiple sources within our operations and showcase our dedication to environmental stewardship.

### ONGOING REDUCTION INITIATIVES:

#### **Nitrous Oxide from Ammonium Nitrate Production:**

Ammonium nitrate production processes can release nitrous oxide, a potent GHG. Our initiative focuses on capturing and reducing these emissions to minimize our carbon footprint. The N<sub>2</sub>O emissions reduction initiative will substantially reduce 1,346,842 tons of CO<sub>2</sub> equivalent annually.

#### **Nitrous Oxide Removal and Absorption Unit (Nitric Acid Plant):**

Our nitric acid plant has a nitrous oxide removal and absorption unit, significantly reducing emissions. Annually, this initiative saves approximately 1,065,000 tons of CO<sub>2</sub> equivalent, substantially reducing emissions from our nitric acid operations.

#### **Carbon Dioxide Liquefaction and Reuse:**

We've implemented three plants for the liquefaction and reuse of carbon dioxide, an essential greenhouse gas. These plants are vital in minimizing emissions and reducing our carbon footprint. Annually, they save around 206,700 tons of CO<sub>2</sub> equivalent.

#### **Waste Recycling:**

Our commitment to responsible waste management includes recycling different types of waste. We recycle 1,800 tons of regular solid waste annually, avoiding emissions equivalent to 1,980 tons of CO<sub>2</sub>. Recycling 105 tons of finished catalyst waste also prevents emissions of 1,395 tons of CO<sub>2</sub>. Further, the recycling of 1,000 tons of various solid hazardous waste results in an emissions reduction of 2,980 tons of CO<sub>2</sub>. Recycling 105 tons of discarded oils also reduces emissions, saving 862 tons of CO<sub>2</sub>.

#### **Solar Power Generation Project:**

We have initiated an experimental solar power generation project on a small scale, contributing to emissions reduction by saving approximately 170 tons of CO<sub>2</sub> equivalent annually.

#### **Green Spaces and Tree Planting:**

Creating green spaces covering about 93,600 square meters and cultivating 36,100 trees across our facilities are vital in reducing emissions. These green spaces and trees collectively contribute to an emissions reduction of 19.6 tons of CO<sub>2</sub> and 1,900 tons of CO<sub>2</sub> equivalent, respectively.

## FUTURE PROJECTS:

Our future projects are designed to reduce GHG emissions further and promote sustainability:

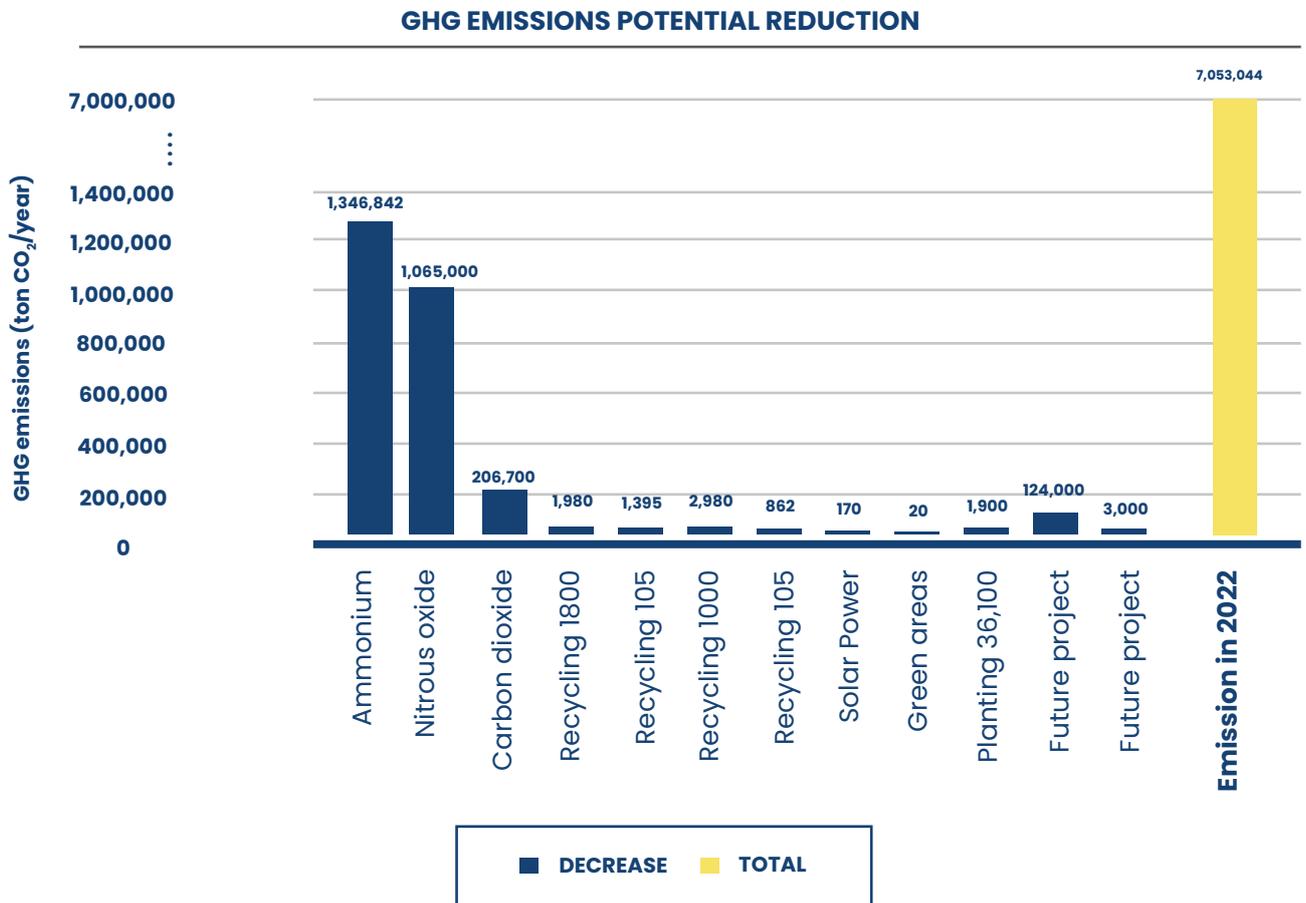
### Urea Plant 3 Productivity Enhancement:

We plan to increase the productivity of our urea plant three by reusing the remaining carbon dioxide from plant 2. This initiative is anticipated to reduce emissions by 124,000 tons of CO<sub>2</sub>.

### Solar Energy Generation on Rooftops:

Another noteworthy project in development involves installing solar cells on the rooftops of our company's buildings. This project is expected to generate electric energy and save an estimated 3,000 tons of CO<sub>2</sub> equivalent.

These ongoing and future initiatives underscore our unwavering commitment to reducing GHG emissions and contributing to a more sustainable and environmentally responsible future. We remain dedicated to continually improving our environmental performance and promoting sustainable practices throughout our operations.



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## PARTNERSHIPS:



Abu Qir Fertilizers Company has entered into valuable partnerships to further its environmental objectives:

### **ENVIRONMENT AFFAIRS AGENCY (EPAP3 ZLD PROJECT)**

This partnership is dedicated to developing an integrated treatment plant for industrial wastewater with a Zero Liquid Discharge (ZLD) system, aiming to optimize water consumption and recover a substantial portion of treated water.

### **ALEXANDRIA UNIVERSITY**

This collaboration aims to rehabilitate the Amiya Canal sewage station in the Al-Tabia neighborhood.

### **BEHEIRA GOVERNORATE**

In partnership with Beheira Governorate, the company participates in constructing a facility for solid waste management, contributing to improved waste management in the region.

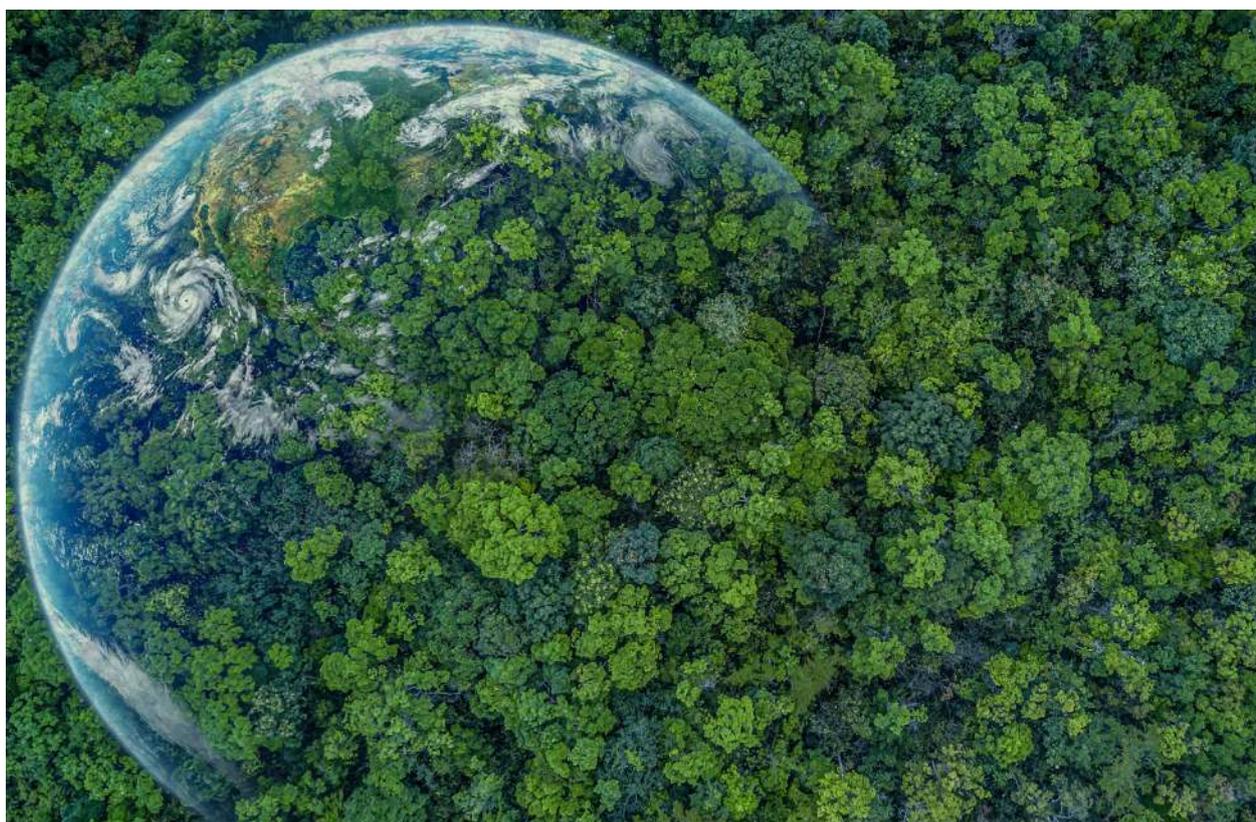
The company is actively working towards establishing comprehensive monitoring systems for emissions, industrial and sanitary drainage, and waste management, aiming to reduce its carbon footprint. These environmental initiatives and partnerships underscore Abu Qir Fertilizers Company's unwavering dedication to responsible and sustainable environmental practices.



## AIR EMISSIONS

We acknowledge the importance of monitoring and mitigating air pollutant emissions from our operations, particularly those from our boiler stacks. We are committed to minimizing our environmental impact and maintaining compliance with regulatory standards. Below, we present our air pollutant emissions data from 2021 and 2022, focusing on the concentration of specific pollutants, including carbon monoxide (CO), sulfur oxides (SOx), and nitrogen oxides (NOx).

EMISSIONS CONCENTRATIONS/YEAR (G/M <sup>3</sup> )	2020-2021	2021-2022
CO (Carbon Monoxide)	487.296	500.300
SOx (Sulfur Oxides)	112.32	110.50
NOx (Nitrogen Oxides)	691.2	800.2
Total	5,851,564	7,021,877
Intensity	2.71	3.31

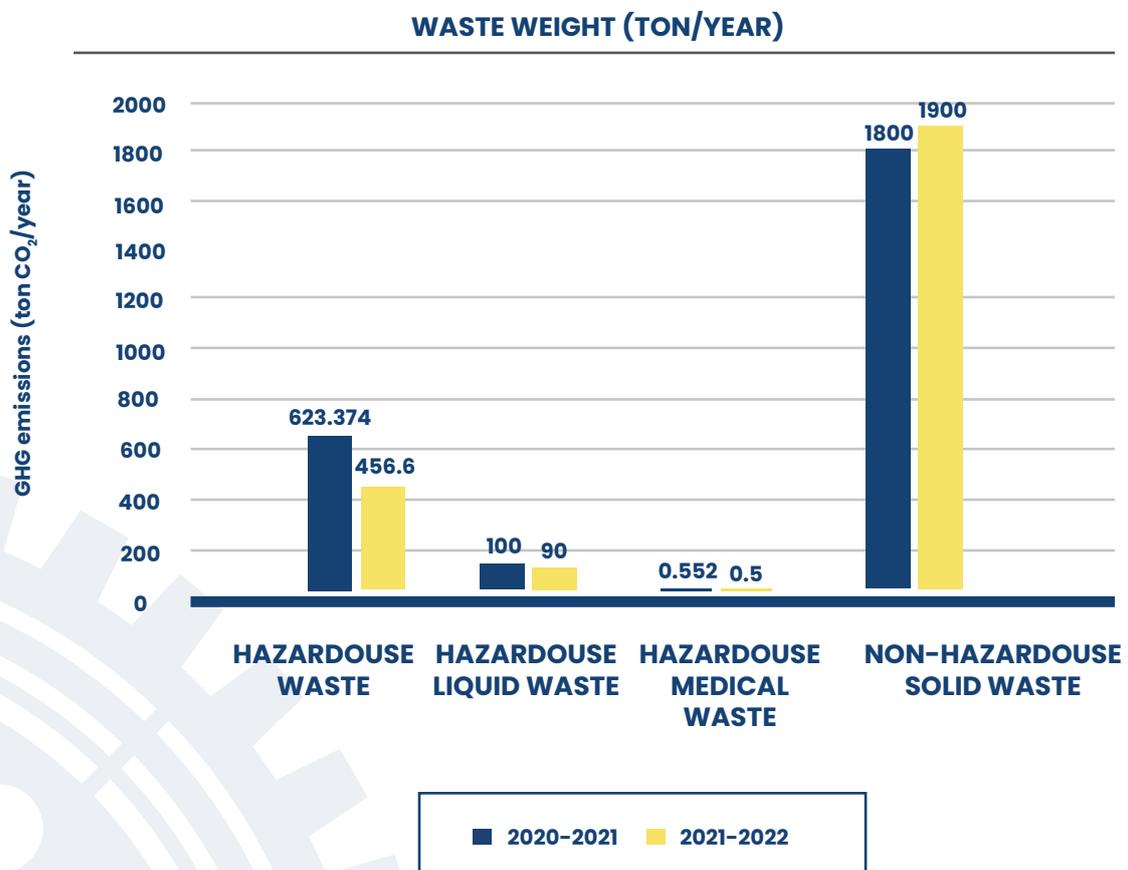


# WASTE

Effective solid waste management is a crucial aspect of our commitment to environmental sustainability and responsible corporate citizenship. Abu Qir Fertilizers Company strongly emphasizes implementing comprehensive waste management practices to minimize environmental impact, promote resource conservation, and adhere to regulatory requirements.

Our waste management process begins with adequately segregating waste materials. We classify waste into various categories, including regular domestic solid waste, general hazardous waste, liquid hazardous waste, and medical hazardous waste. This segregation allows us to handle each type of waste with the appropriate procedures to prevent contamination and promote recycling or responsible disposal.

The following graphs illustrate the generated waste in 2021 and 2022 based on category type and the contribution of each waste item to the overall waste generated in both years.



**WASTE GENERATED IN 2020/2021 IN TONS**



**WASTE GENERATED IN 2021/2022 IN TONS**

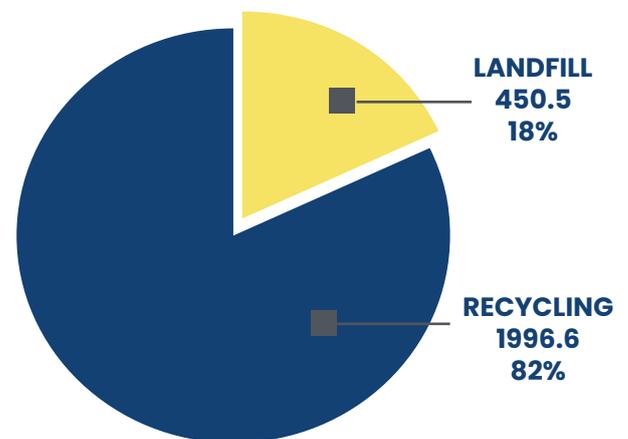
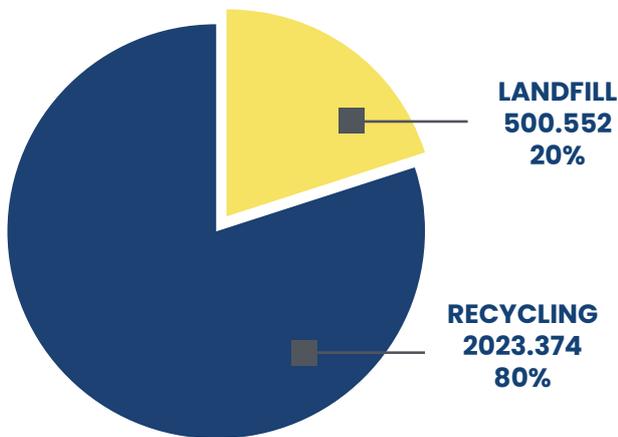


## RECYCLING INITIATIVES:

At Abu Qir Fertilizers Company, we are committed to reducing our environmental footprint by actively participating in recycling initiatives. We recycle significant quantities of waste materials annually, including regular solid waste, hazardous waste, and discarded oils. Our recycling efforts contribute to reducing the overall volume of waste sent to landfills and help conserve valuable resources. The graph below shows the improvement in recycling percentages in 2022 compared with 2021 and the waste minimization in 2022.

WASTE END-OF- LIFE IN 2020/2021 IN TONS

WASTE END-OF- LIFE IN 2021/2022 IN TONS



## WASTE DISPOSAL AND TREATMENT:

We follow strict disposal and treatment protocols for waste materials that cannot be recycled. These protocols ensure that the Egyptian Environmental Affairs Agency (EEAA). The disposal methods are selected to minimize the environmental impact, and we maintain records of waste disposal activities to monitor and verify compliance.

## WASTE REDUCTION AND MINIMIZATION:

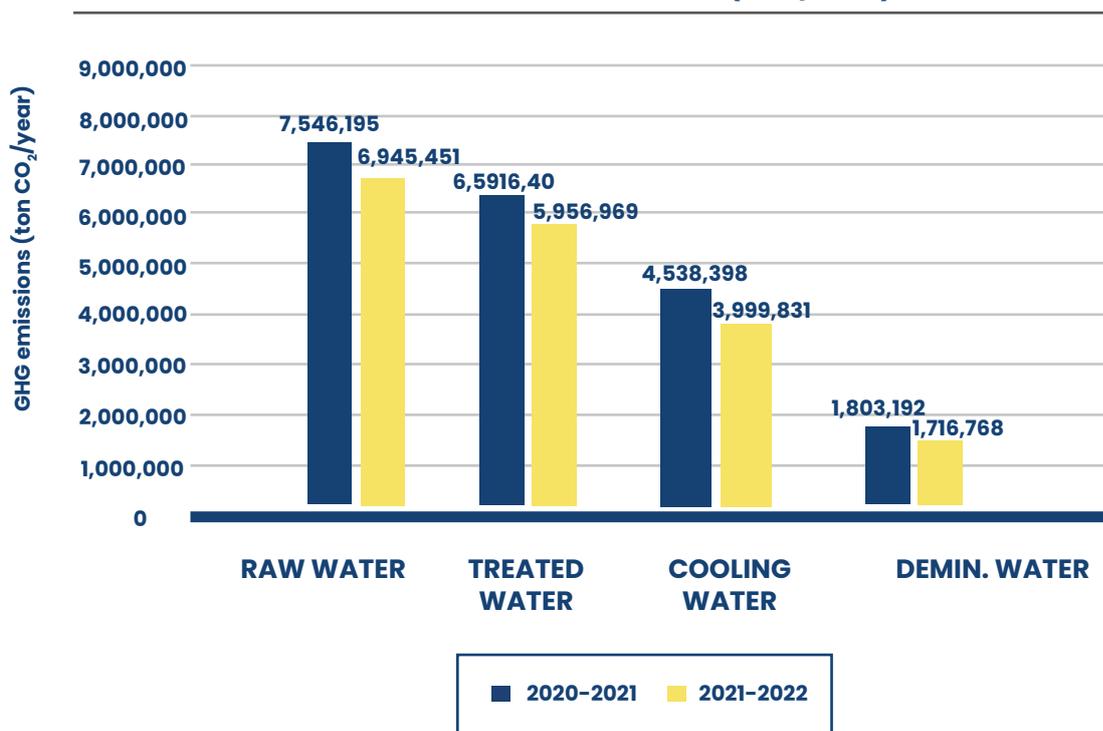
As part of our commitment to reducing waste generation, we continuously work on waste reduction and minimization strategies within our operations. By implementing more efficient processes and exploring opportunities for waste prevention, we aim to decrease the volume of waste generated and minimize its environmental impact.

## WATER

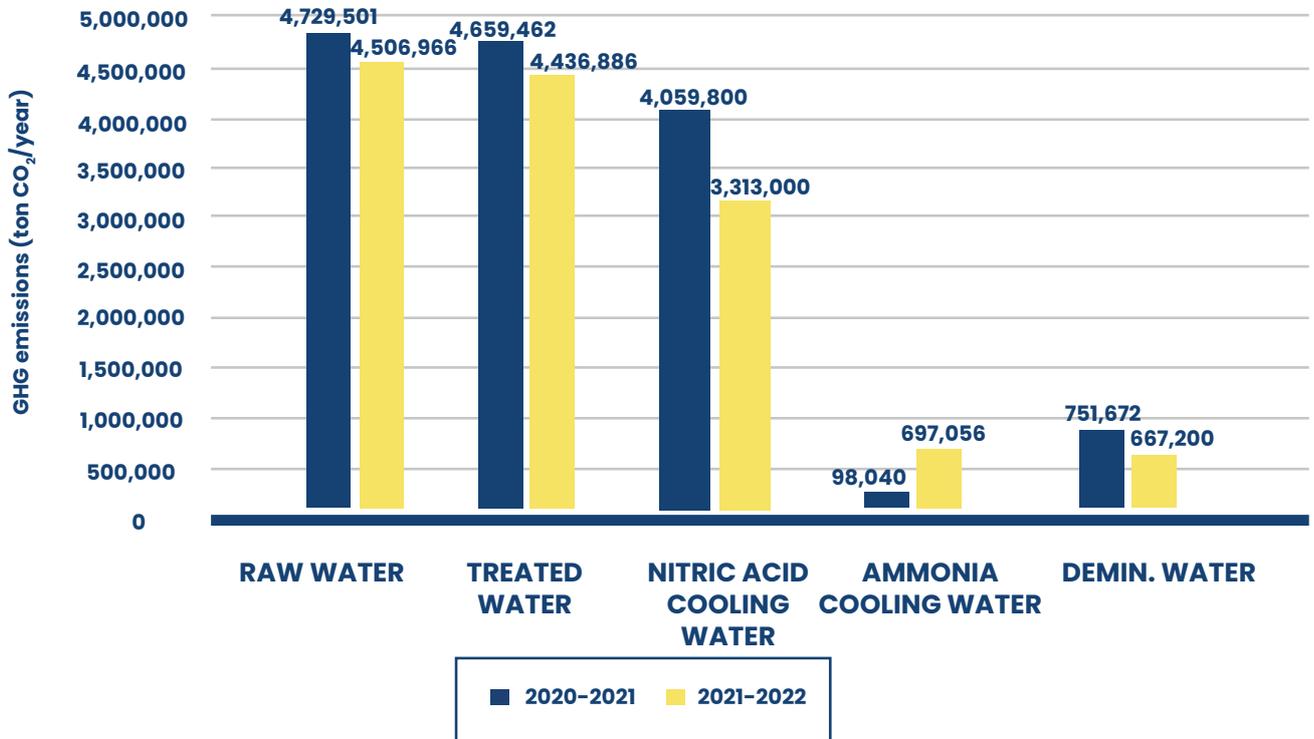
At Abu Qir Fertilizers Company, our Utilities Department plays a pivotal role in managing industrial water treatment and producing various types of water essential for our plant operations. We focus on achieving high water quality standards while reducing our dependence on raw water sourced from the Nile River by recycling treated wastewater through our Zero Liquid Discharge (ZLD) Unit. The following chart shows our reduction in water consumption each year and water consumption per 1 unit of product, proving our commitment to reducing our water footprint and consumption.



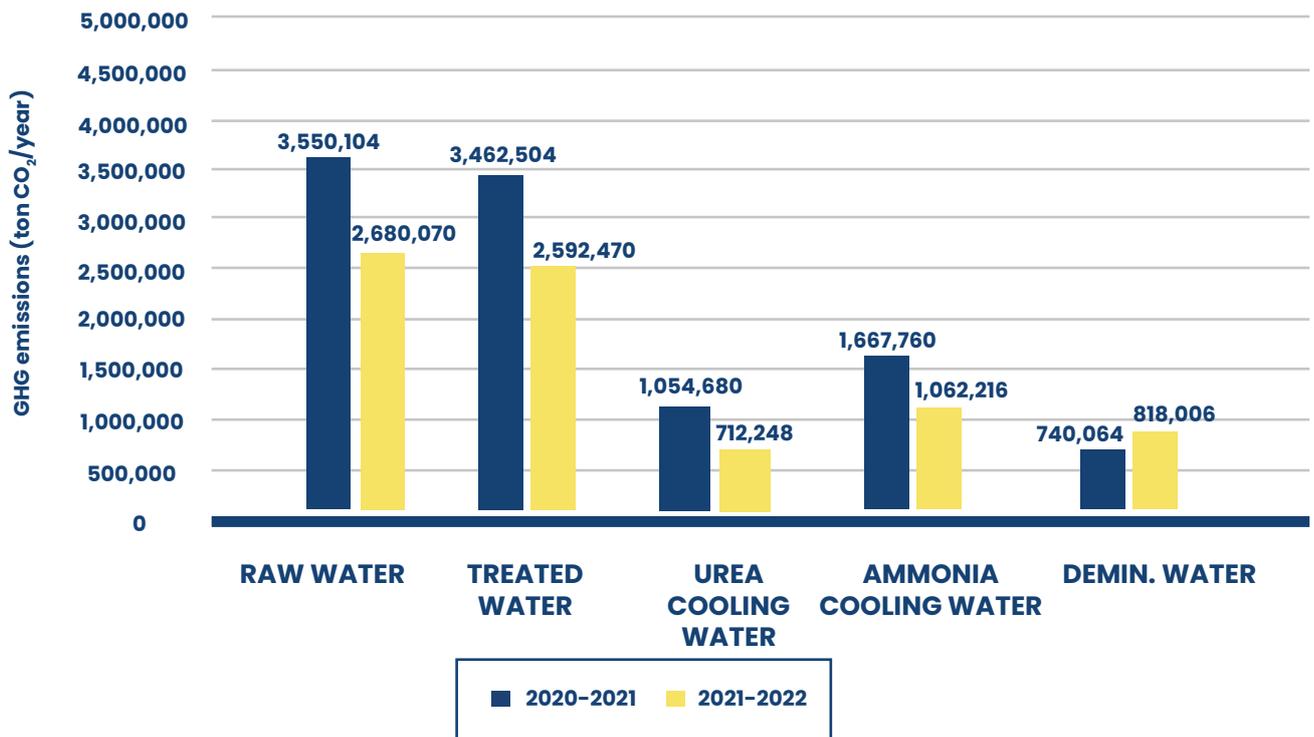
**WATER CONSUMPTION FOR AQ I (M<sup>3</sup>/YEAR)**



### WATER CONSUMPTION FOR AQ II (M<sup>3</sup>/YEAR)



### WATER CONSUMPTION FOR AQ III (M<sup>3</sup>/YEAR)



## ENVIRONMENTAL STEWARDSHIP ACHIEVEMENTS:



### Zero Liquid Discharge Unit:

We have installed a state-of-the-art Zero Liquid Discharge Unit. This significant addition enables us to minimize liquid waste generation, making water usage more sustainable and eco-friendlier.



### Cooling Tower Expansion:

Our commitment to improving water management is exemplified by the ongoing installation of a new Cooling Tower for Abu Qir I Plants.

This expansion will enhance our cooling capabilities, contributing to more efficient plant operations.



### Water Management:

Our sustained leadership in water management is further evidenced by hosting the International Water Treatment Conference for over three decades.



## TREATMENT TECHNOLOGIES:

Our approach to water treatment is multifaceted and employs various advanced techniques to ensure the highest water quality standards:

- 1 EQUALIZATION:** We use equalization processes to balance and stabilize water properties, allowing for consistent treatment results.
- 2 DECALCIFICATION:** Removing calcium ions is crucial in preventing scale buildup and ensuring the longevity of our equipment and systems.
- 3 PHYSICAL-CHEMICAL TREATMENT FOR AMMONIA REMOVAL:** We utilize physical and chemical treatments to efficiently remove ammonia from our water sources, enhancing the quality of water used in our processes.
- 4 BIOLOGICAL TREATMENT FOR DENITRIFICATION:** Biological treatment processes play a significant role in the denitrification of our water sources, reducing the nitrogen content and minimizing environmental impacts.
- 5 TDS Reduction by Hybrid System (UF and RO):** To ensure the reduction of Total Dissolved Solids (TDS), we implement a hybrid system comprising Ultrafiltration (UF) and Reverse Osmosis (RO) technologies. This advanced approach significantly enhances our water purification capabilities, ensuring that our water meets the highest quality standards.

Our water management practices not only reflect our commitment to environmental sustainability and contribute to efficient and responsible resource utilization across our facilities. We remain dedicated to advancing our water treatment technologies and expanding our initiatives to enhance our environmental stewardship.



06

# MARKETING FOR A GREEN FUTURE

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- MARKETING
- SALES

## MARKETING

At Abu Qir Fertilizers, our marketing and communication strategy is meticulously designed to measure customer behaviors and solidify our position as a pioneering force in the marketing of fertilizers, specifically UAN, locally and internationally. Our approach fosters strong connections with our customers, stays abreast of industry changes, and ensures the highest customer satisfaction.

Our marketing team is proactive in participating in multiple international conferences and exhibitions. This deliberate engagement allows us to stay closely connected with our customers, understand their evolving needs, and remain attuned to dynamic and sophisticated business environment changes. Participating in these forums positions ourselves at the forefront of industry trends and innovations, reinforcing our commitment to delivering cutting-edge solutions to our

customers. We are dedicated to fostering strong connections with our customers. By actively seeking their feedback, understanding their challenges, and providing tailored solutions, we aim to ensure customer satisfaction.

Our internal policies mandate strict adherence to legal requirements and industry standards in all marketing and communication activities. This includes compliance with advertising regulations, data protection laws, and industry codes of conduct.

We also have established an ethical decision-making framework that guides our team members in navigating complex situations. This framework encourages employees to consider the ethical implications of their actions, promoting responsible decision-making in marketing and communication initiatives.

### CUSTOMER SATISFACTION AT ABU QIR:

At Abu Qir, our approach to measuring Customer Satisfaction is guided by a comprehensive policy to understand, meet, and exceed customer expectations. Our policy is structured around these stages:

**1** We employ proactive methods to solicit and understand our customers' needs and expectations. This involves gathering feedback through surveys, interviews, and direct interactions to gain insights into what our customers value most in our products and services.

**2** Once customer needs and expectations are gathered, our teams are committed to confirming their understanding. This involves effective communication channels to clarify potential ambiguity and ensure a mutual understanding between the customer and our organization.

## KEY PERFORMANCE INDICATORS (KPIs) FOR CUSTOMER SATISFACTION:

### RECOMMENDATION FOR OUR COMPANY:

The likelihood of customers recommending our company to others is a crucial KPI. This metric reflects our customers' overall satisfaction and positive experiences, indicating the perceived value and quality of our products and services.

### EXTREMELY SATISFIED / VERY SATISFIED:

Assessing the level of satisfaction among our customers is essential. This KPI measures the proportion of customers who express extreme or very high satisfaction levels. It provides insights into the overall effectiveness of our efforts in meeting and surpassing customer expectations.

### HIGH CUSTOMER RETENTION:

The retention rate of our customers is a crucial indicator of their ongoing satisfaction. High customer retention signifies that our products and services consistently meet or exceed expectations, fostering loyalty and trust.

### HIGH CUSTOMER LOYALTY:

Customer loyalty is measured by evaluating repeated business, engagement, and the likelihood of customers continuing their relationship with our company over the long term. A high level of customer loyalty indicates sustained satisfaction and a positive customer experience.



**3** Our commitment to quality and continuous improvement ensures that our offerings are designed to exceed customer satisfaction.

## OUR MAIN ACHIEVEMENTS



# 1

### **EXCEEDING UREA EXPORT TARGETS:**

During the fiscal year 2021/2022, the company met and exceeded its urea export targets. The quantity of urea exports reached an impressive 1.14 million tons, surpassing the initial target of 0.75 million tons. This accomplishment reflects the department's effective marketing strategies and the global demand for the company's products.

# 2

### **DIVERSIFICATION OF EXPORT CLIENTS:**

The Department successfully expanded its global reach by attracting over 40 export clients from different countries. This diversification of export clients strengthens the company's presence in international markets and establishes it as a reliable and preferred supplier globally.

# 3

### **GLOBAL MARKET PENETRATION:**

Abu Qir Fertilizers Company has been successful in marketing its products on a global scale. The export of urea products, exceeding the target, has been facilitated through partnerships with over 40 clients across different countries, reflecting the company's expansive global reach.

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## **CERTIFICATIONS:**

### **REACH, CERTIFIED BY ECHA IN 2021:**

Abu Qir Products obtained the REACH certification to comply with the new European chemicals' legislation. This certification ensured that their products met the rigorous standards set by REACH, guaranteeing their chemicals' safety and environmental friendliness.





## SALES

In terms of product sales, Abu Qir Fertilizers Company has exhibited a commendable performance during the reporting year 2021/2022, as highlighted by the following:

**UREA EXPORT:** Despite a slight decrease in volume sales in 2022 (1.14 million tons) compared to 2021, the company exceeded the KPI target with a growth ratio of 0.75 million tons. This achievement signifies the company's commitment to maintaining a strong market presence for urea products globally.

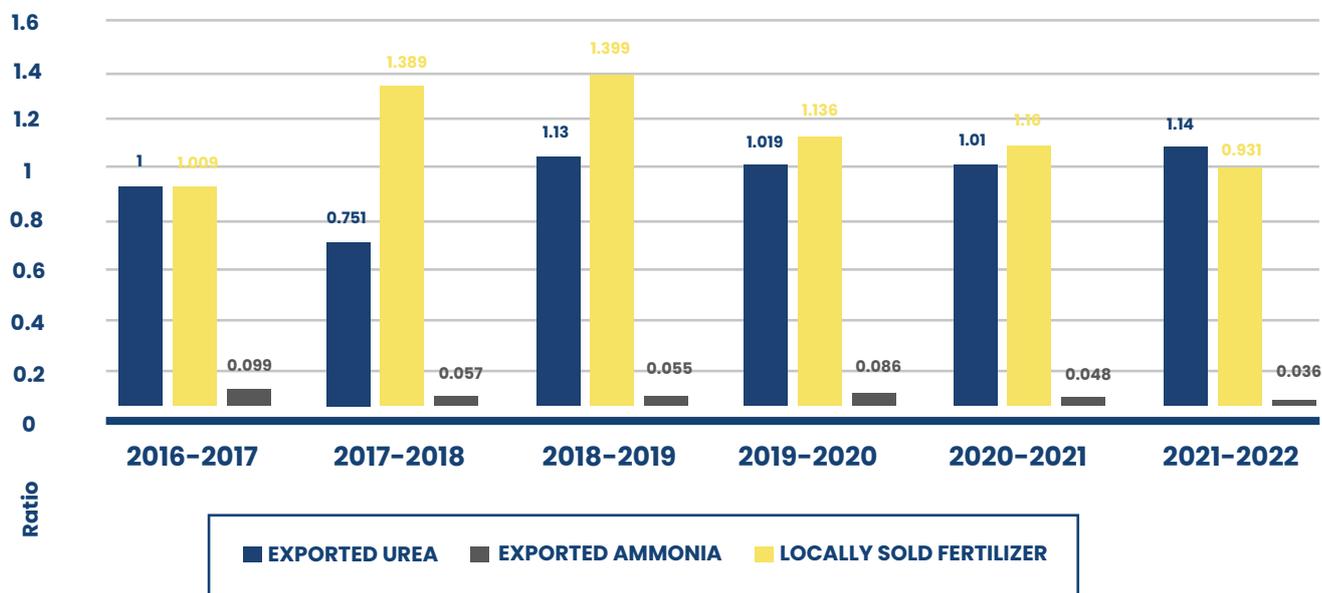
**AMMONIA EXPORT:** Despite a slight decrease in volume sales in 2022 (1.14 million tons) compared to 2021, the company exceeded the KPI target with a growth ratio of 0.75 million tons. This achievement signifies the company's commitment to maintaining a strong market presence for urea products globally.

**SOLID FERTILIZERS FOR LOCAL MARKET:** Despite a slight decrease in volume sales in 2022 (1.14 million tons) compared to 2021, the company exceeded the KPI target with a growth ratio of 0.75 million tons. This achievement signifies the company's commitment to maintaining a strong market presence for urea products globally.



The following graph illustrates the sales trend for the three products from 2016 to 2022.

### SALES



In 2021, Abu Qir's products were registered under the Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) framework in compliance with the new European chemicals legislation. This certification underscores the company's commitment to ensuring the safety and compliance of its products following European regulations. Finally, Diversification of export markets has led to sales in 24 countries worldwide, demonstrating a broad and diversified market presence.



07

# **RESEARCH, INNOVATION, AND FUTURE PROJECTS**

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## **RESEARCH, INNOVATION, AND FUTURE PROJECTS**

The Research and Development (R&D) department at Abu Qir Fertilizers Company is pivotal in driving innovation, sustainability, and continuous improvement across our operations. Committed to enhancing production efficiency, cost-effectiveness, product diversification, and environmental stewardship. Here, we explore the multifaceted responsibilities and initiatives that define the R&D department's contributions.

### **ROLES AND RESPONSIBILITIES:**

Our multifaceted responsibilities include enhancing production efficiency through comprehensive performance reviews of our plants. This process identifies operational deficiencies, proposes innovative solutions, and suggests strategies to recover losses in the production process. The department also focuses on reducing operational costs by minimizing the consumption of raw materials and energy while addressing production losses, contributing to the financial sustainability of our operations. Moreover, R&D actively works on proposing new products to diversify our portfolio, enhancing operational flexibility to adapt to market requirements. It is critical to boost company profits by identifying opportunities by studying and proposing new projects in various fields. Furthermore, we are dedicated to minimizing emissions from our factories by exploring the feasibility of emission reduction and suggesting necessary measures to mitigate environmental impact, aligning with our commitment to sustainability and reducing our carbon footprint.

Status Update on Previous Projects:

We believe in continuous progress, and as such, several projects are currently in various stages of development and implementation:

### **DEVELOPMENT OF THE STEAM TRACING NETWORK IN UREA FACTORIES:**

We've completed the necessary equipment connections during the most recent shutdown, marking a significant step forward.

### **METHANOL AND AMMONIA PRODUCTION PLANT:**

Our project company has been established, and we've finalized the land contract. We are exploring the possibility of implementing the project using green hydrogen, which is under active study.

### **NORTH ABU QIR FOR AGRI-NUTIRENTS:**

Our team has completed the feasibility study, established the project company, and is in the prequalification shortlist evaluation stage. Negotiations for process licensors' Non-Disclosure Agreements are finalized, and we are assessing the potential of incorporating green hydrogen into this project.

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## **A PROJECT TO REDUCE CARBON DIOXIDE EMISSIONS AND RAISE THE PRODUCTION CAPACITY OF ABU QIR PLANT (3) (UREA PLANT EXPANSION):**

Unfortunately, we had to cancel the tender for this project due to technical offers not meeting the specified conditions and the inability of EPC contractors to align their offers with the tender requirements. We are actively exploring alternative options for this project.

## **TREATING INDUSTRIAL WASTEWATER UNIT:**

We are currently reviewing this project in collaboration with the utilities sector.

## **DEVELOPMENT OF THE AMMONIA PLANT ABU QIR (1):**

The reactor has been delivered and is awaiting connection with the plant during the next shutdown.

## **DESALINATION OF SEA WATER PROJECT:**

We are evaluating this project in collaboration with the North Abu Qir Company.



## NEW ANTICIPATED PROJECTS:

### ENERGY EFFICIENCY FOR THE COMPLEX:

In partnership with the EBRD bank, we are undertaking a comprehensive study exploring various avenues for optimizing energy consumption and reducing carbon dioxide emissions across our three plants. The scope of this study encompasses a review of our current production techniques and equipment, assessing our emissions against European Union standards, benchmarking our energy consumption against leading international companies, and evaluating the feasibility of incorporating new energy-efficient measures. This project will be instrumental in helping us reduce our environmental footprint while enhancing our operational efficiency. We've completed the non-disclosure agreement (NDA) with our consultant, and the signing of the EBRD agreement is underway.

### POSSIBILITY OF APPLYING GREEN GRANULATION TECHNOLOGY:

In line with our commitment to environmental responsibility and the objectives of Egypt's Vision 2030, we are considering the adoption of Green Granulator units for urea production. This initiative serves multiple purposes, including accommodating increased production capacity at Abu Qir (3), reducing emissions from existing units at both Abu Qir plants (1 and 3), and eliminating the use of urea formaldehyde—a substance with adverse environmental and health impacts. With its versatile applications, green urea aligns with global trends by reducing energy requirements during the granulation process and minimizing emissions. We are in the process of signing an NDA with process licensors to evaluate this granulation technology.





### **GREEN HYDROGEN STUDIES:**

Our commitment to environmental sustainability extends to the study of green hydrogen and green ammonia. These studies are motivated by several factors, including their potential to reduce carbon emissions, eliminate greenhouse gases and harmful pollutants, serve as an efficient energy carrier, diversify our energy mix, and create new economic opportunities. Our discussions and negotiations with specialized companies have put us on the path to establishing green hydrogen production projects.

### **LOW CARBON PATHWAY (LCP):**

In collaboration with the EBRD bank and Egyptian fertilizer companies, we are part of an ongoing effort to address emissions within the nitrogen fertilizer sector in Egypt. This encompasses discussions about regulations, nitrogen efficiency use, local demand for urea fertilizer, and alignment with global policies like the Carbon Border Adjustment Mechanism (CBAM) and US H2 Credit & CO2 Capture and Storage. Our approach to decarbonization involves enhancing operational flexibility and reducing energy consumption, utilizing proven technologies.



08

# FINANCIAL DEVELOPMENT

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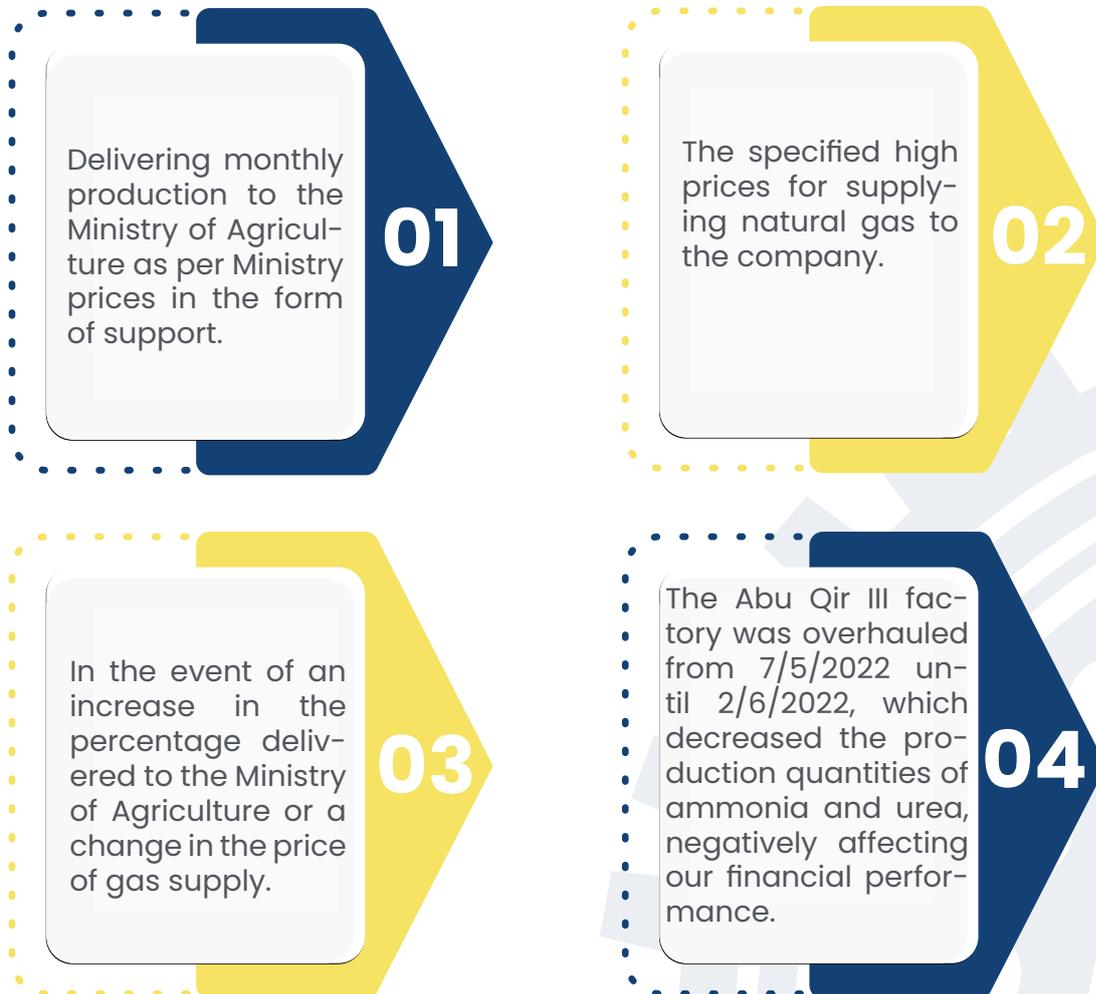
# FINANCIAL DEVELOPMENT

We establish a comprehensive and precise financial system to ensure that our financial position is always robust and that we have all the resources required to keep operating our manufacturing facilities profitably.

The Department is responsible for various key tasks within the organization. Firstly, they are responsible for preparing accurate and timely financial statements, ensuring that all financial information is properly recorded and reported. Additionally, they prepare budgets and feasibility studies, providing valuable insights into proposed projects' financial viability and potential outcomes. The Department also plays a crucial role in decision-making processes by preparing reports that analyze financial data and present it clearly and concisely, aiding management in making informed choices. The Department actively applies investment plans, evaluates potential investment opportunities, and monitors their performance. Lastly, the Department reviews contracts with clients and suppliers, ensuring compliance, accuracy, and favorable terms for the organization.

The finance team collaborates with all other departments to ensure all its requirements are satisfied, particularly the budgets for our firm's sales and marketing operations, HR, and all other teams.

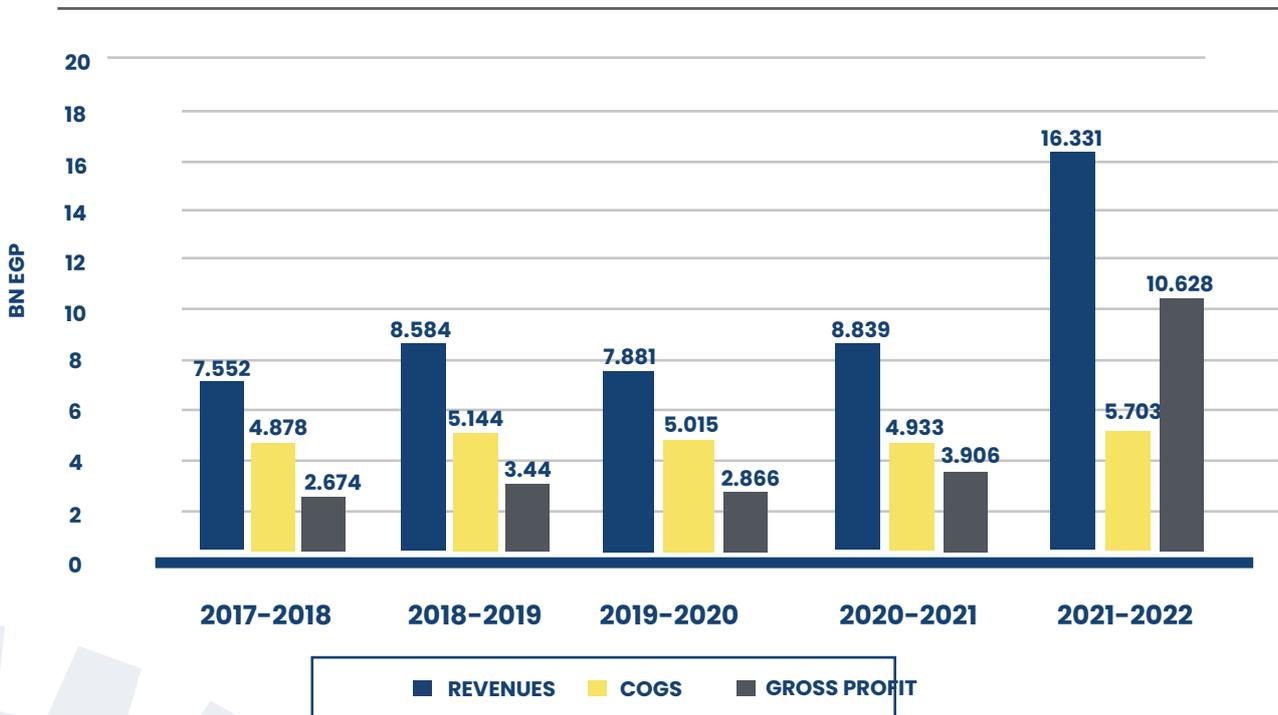
## THE FOLLOWING CHALLENGES COULD BE FACED WHEN IT COMES TO THE ADHERENCE TO SOVEREIGN DECISIONS:



## OUR DEPARTMENT HAS MANAGED TO TAKE SOME ACTIONS TO MITIGATE SOME RISKS

- 1- Maximizing exports to avoiding the risks of changing exchange rates and reducing the tax impact.
- 2- All replacement and renovation operations for all the company's factories and infrastructure have been completed, and this has been reflected in increasing production rates, reducing consumption, and improving financials.
- 3- The company's management was able to plan the liquidity available to manage the company's financial portfolio as shown in the next graph.

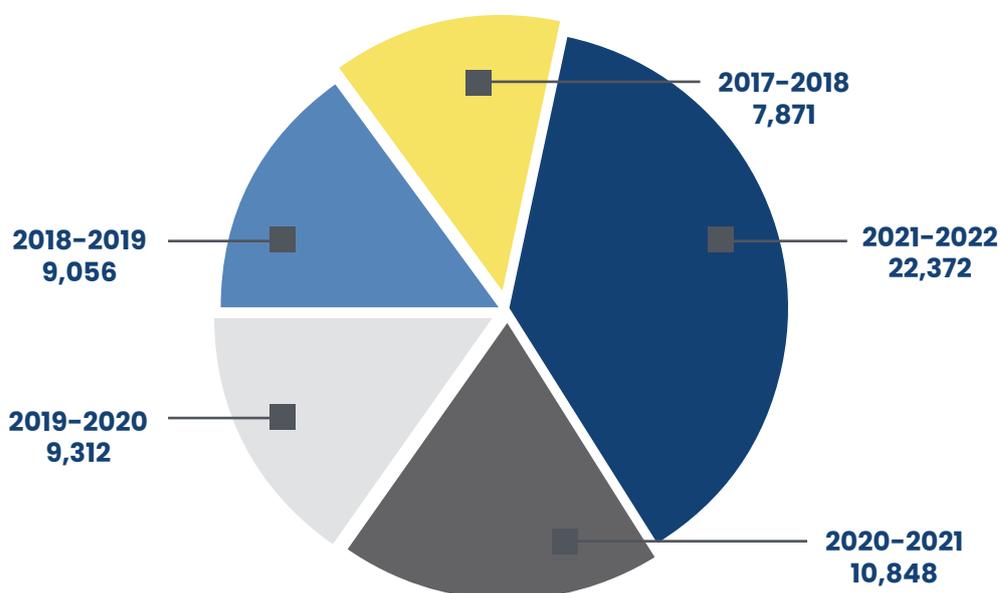
**EARNINGS BREAKDOWN (BN EGP)**



Throughout our company's history, we have consistently achieved positive earnings, a trend clearly illustrated in the accompanying graph. Over the past five consecutive years, our revenues have displayed remarkable growth, with a particularly significant surge observed between 2021 and 2022, reaching an impressive EGP 16.331 billion. This notable revenue increase is paralleled by a substantial rise in our gross profit, a testament to our ability to generate profit that exceeds our operational costs. This accomplishment underscores our commitment to ensuring financial sustainability and long-term success.



## TOTAL ASSETS



In 2018, Abu Qir's total assets stood at EGP 7.871 Mn. By 2019, they had increased to EGP 9.056 Mn. Continuing this upward trajectory, the value rose to EGP 9.312 million in 2020. The subsequent years saw even more substantial growth, with the value reaching EGP 10.848 million in 2021 and EGP 22.372 million in 2022.

This progression underscores the effectiveness of Abu Qir's investment strategy in generating consistent returns and enhancing its asset base. It also indicates a proactive approach to capital allocation, prioritizing investments with favorable risk-return profiles.

### THE INCREASE IN ABU QIR'S ASSETS OVER THE REPORTING YEARS CAN BE ATTRIBUTED TO TWO MAIN FACTORS:

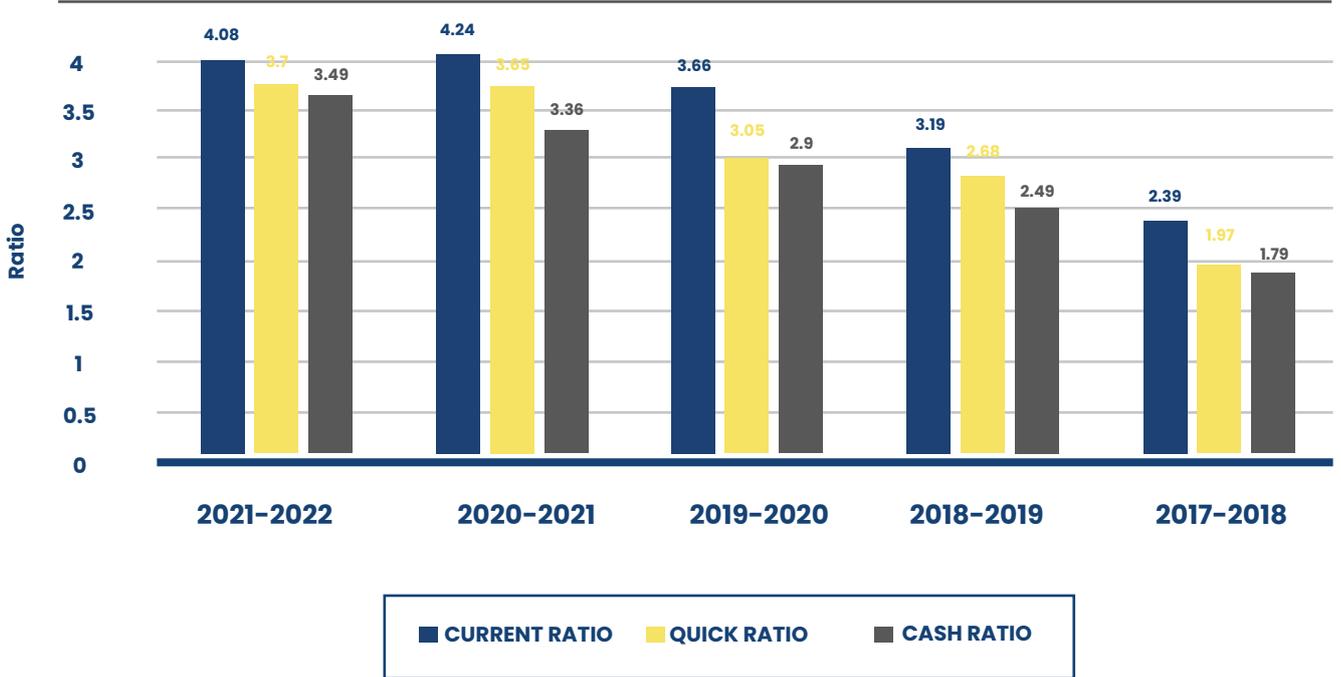
#### EVALUATION OF FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (OCI):

This involves assessing the value of financial investments based on their current market value rather than their historical cost. This approach likely contributed to a significant portion of the observed increase in asset value.

#### GROWTH IN THE VALUE OF FINANCIAL ASSETS, PARTICULARLY TREASURY BILLS:

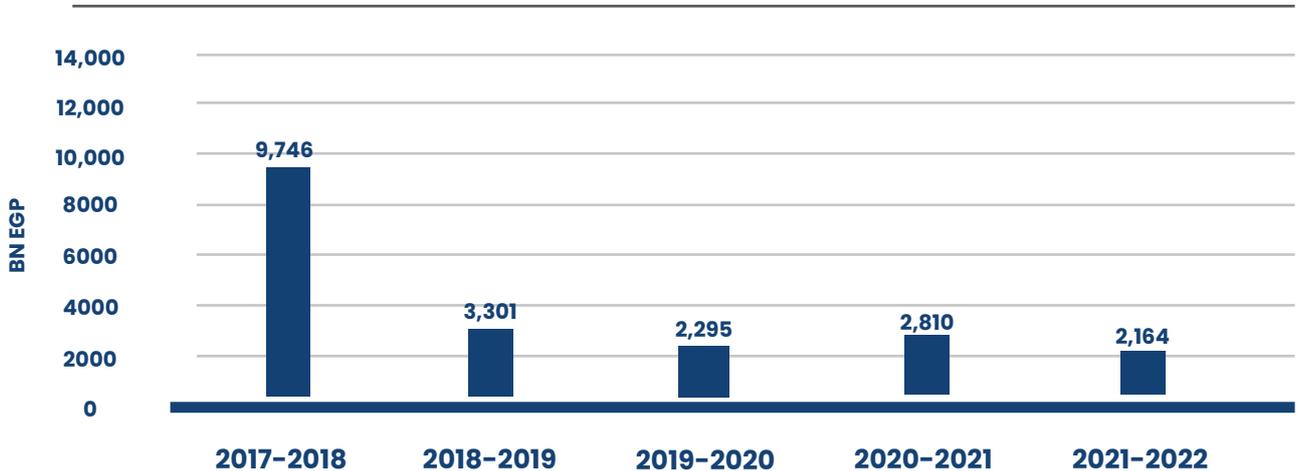
The value of Abu Qir's treasury bills has shown a notable upward trend over the years. This reflects Abu Qir's efforts to invest in treasury bills, which are typically considered safe investments with relatively stable returns. The substantial increase in treasury bill value from 2018 to 2022 indicates a strategic allocation of funds into secure financial instruments, contributing significantly to the overall growth in asset value.

## FINANCIAL PERFORMANCE ANALYSIS



Liquidity ratios demonstrate a substantial margin of safety in the company’s liquidity management, a critical factor particularly evident during the recent global economic crisis. The company enhanced its liquidity, steadily increasing throughout the last five consecutive years.

## EBIT



Our company’s sound financial management and resilience reflects the significant rise in our Earnings Before Interest and Taxes (EBIT) over the past years, reflected in our company’s good financial management and stability. This increase can be attributed to multiple factors, including revenue growth and prudent cost control measures. The enhanced EBIT underscores our improving profitability and positions us for a more robust financial future. Our increasing EBIT is a testament to our financial strength and strategic focus, setting the stage for sustainable growth and continued success.



09

# HUMAN DEVELOPMENT

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- PRIORITIZING OCCUPATIONAL SAFETY AND HEALTH
- HUMAN RESOURCES

## PRIORITIZING OCCUPATIONAL HEALTH AND SAFETY

As a responsible corporation operating within an industry dealing with hazardous materials, we consider it our obligation to promote a safety-conscious environment among our employees and industry counterparts.

In our plants, every employee undergoes an induction program covering safety protocols, emergency responses, proper utilization of protective gear, and other essential tasks. Annual training sessions are also conducted to acquaint employees with the latest global health and safety developments. These measures aim to enable our business to operate in the safest manner possible during unprecedented circumstances.

Our company holds a significant value for our employees, and their mental and physical well-being is a top priority. Due to the hazards present in the fertilizer industry, we have stringent policies regulating safe chemical handling, protective gear usage, emergency procedures, extensive pre-job training, informational materials, machinery safety, and proper hazardous waste disposal.

We ensure that our adherence to a robust Occupational Health and Safety Management System that aligns with international standards. Oversight by a Health and Safety Team ensures policy adherence, while a Safety Committee and Board of Directors monitor operations and decisions.

Our Health and Safety Department conducts frequent tours, investigates incidents, monitors gas leaks, drills for emergencies and firefighting, and ensures compliance with local authorities such as the Civil Defense Force, Government Safety Office, and Egyptian Environmental Affairs.

## RESPONSIBLE PRODUCTS

During the specified reporting period, we experienced zero instances of non-compliance concerning our products and services' health and safety impacts. We diligently ensure that all our products meet the stringent safety standards set by international organizations such as ISO. Our commitment extends beyond our employees' safety to ensuring that our customers can use our products without concern for any adverse health effects. Importantly, none of our products have been prohibited in international markets, and we safely export them to markets that enhance our company's values.



	FEMALE		MALE	
	2021-2022	2020-2021	2021-2022	2020-2021
Number of Injuries	0	0	0	0
Injury Rate	0	0	0	0
Occupational Disease Rate (ODR)	0	0	0	0
Lost Working Days Rate (LDR)	0	0	0	0
Absenteeism Rate (AR)	0	0	0	0
Work-Related Deaths	0	0	0	0



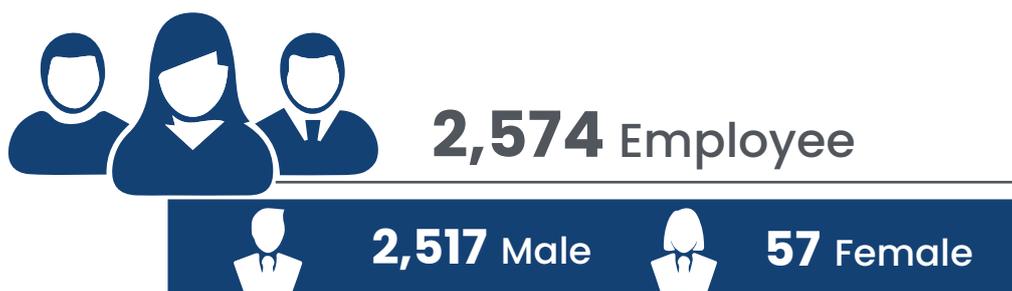


## HUMAN RESOURCES

To report on our commitment to sustainability from the human resources perspective, we at Abu Qir must highlight our diversity and inclusivity efforts and our employee development, training, and social initiatives.

### EMPLOYEE DEMOGRAPHICS

Out of our total of 2,574 employees in 2022, 2,517 are males, and 57 are females, showcasing the need for our ongoing efforts to enhance gender diversity and inclusivity within the organization.



### AGE AND GENDER DISTRIBUTION OF PERMANENT WORKERS (2020–2021):

AGE GROUP	MALE	FEMALE	TOTAL
Less than 30	31	1	32
30-50	1667	47	1714
More than 50	881	13	894
Total Employees	2579	61	2640

### AGE AND GENDER DISTRIBUTION OF PERMANENT WORKERS (2021–2022):

AGE GROUP	MALE	FEMALE	TOTAL
Less than 30	24	1	25
30-50	1576	44	1620
More than 50	917	12	929
Total Employees	2517	57	2574

## RECRUITMENT AND TURNOVER

In line with our commitment to diversity and inclusivity, we maintain a robust recruitment process to provide job opportunities to our community. Between 2021 and 2022, we hired 17 individuals. Managing recruitment allows us to maintain a stable and efficient workforce.

### NEW HIRES (2020-2021):

AGE GROUP	MALE	FEMALE	TOTAL
Less than 30	10	1	11
30-50	1	0	1
More than 50	0	0	0
Total Employees	11	1	12

### NEW HIRES (2021-2022):

AGE GROUP	MALE	FEMALE	TOTAL
Less than 30	5	0	5
30-50	0	0	0
More than 50	0	0	0
Total Employees	5	0	5



In the last two years, we had a turnover of 120 employees aged over 50 and 6 employees under the age of 50. Based on cases of leaving in 2021, the turnover rate was 2% and 3% in 2022. All our employees and workers are hired permanently. This entails a temporary contract period before extending to permanent annual contracts.

### STAFF TURNOVER (2020-2021):

AGE GROUP	MALE	FEMALE	TOTAL
Less than 30	1	0	1
30-50	3	2	5
More than 50	52	1	53
Total Employee Resignations	56	3	59

### STAFF TURNOVER (2021-2022):

AGE GROUP	MALE	FEMALE	TOTAL
Less than 30	1	0	1
30-50	4	1	5
More than 50	64	3	67
Total Employee Resignations	69	4	73



## BENEFITS FOR EMPLOYEES

We are committed to enhancing the well-being of our employees through a comprehensive benefits package. This includes the following:



**SOCIAL INSURANCE:** insurance for workers following social insurance principles as stated in the laws regulating the matter; it is mandatory under national law.



**HEALTH CARE:** The company provides health care only to employees, not their families, through the General Authority for Health Insurance (mandatory). The treatment fund for workers and their families is an additional service, and its effect extends in the event of leaving service (age sixty).



**DISABILITY SUPPORT:** Provided for permanent and temporary employees According to the laws regulating the matter, including 50% tax exemption (financial sectors/tax administration), which is mandatory under national law.



**CHILDCARE LEAVE:** The company applies the laws regulating vacations, and female colleagues obtain all their rights. This is provided for permanent and temporary employees and is mandatory under national law.

CHILDCARE LEAVE FOR EMPLOYEES	2020-2021	2021-2022
Total number of employees entitled to parental or female leave in the company	61	57
Number of employees who took parental leave	7	5
Total number of employees who returned to work in the reporting period after the end of parental leave	4	4
Total number of employees who returned to work after the end of parental leave and who are still working 12 months after their return to work	2	4

In the context of employees returning from childcare leave, there are two instances where individuals chose not to resume their work responsibilities following the conclusion of the leave period.



### **RETIREMENT RULING:**

Benefits include private insurance benefit for retirement; in addition to the benefits of private funds, it is provided for the worker, and the benefits are according to each fund's regulations. This is mandatory by national law.



### **STOCK OWNERSHIP**

The Union of Contributing Workers owns a share of the company's capital and divides its capital among the workers in the form of shares, the return from which is distributed annually to the workers. This is also available for permanent workers.



### **HOUSING**

Abu Qir provides housing for its permanent employees through its residential city, in addition to soft loans to improve housing.



### **COMPANY-PROVIDED TRANSPORTATION**

To facilitate temporary and permanent workers and provide comfort, the company provides appropriate means of transportation for its employees to all regions to reach work at the most convenient and safe time.



### **INTEREST-FREE LOANS:**

Abu Qir provides its permanent employees with soft, interest-free loans for housing, purchasing cars, and facing social circumstances.



### **EDUCATIONAL SCHOLARSHIPS**

Educational scholarships are not provided to workers, but the necessary administrative approvals are granted to complete their studies during work and in accordance with the controls for enrollment in studies and the following rewards and bonuses.



### **OVERPAYMENTS:**

The company offers social allowances that are mandatory by national law for permanent and temporary employees.



## EMPLOYEE POLICIES

### OPERATIONAL CHANGES AND EMPLOYEE COMMUNICATION:

At Abu Qir, we prioritize clear communication with our employees regarding significant operational changes. To ensure transparency, we regularly inform our workforce about organizational procedures, including crucial events like annual factory overhauls and adjustments to work hours during Ramadan. These instructions are shared with employees two weeks before the events, giving them enough time to prepare.

In organizations with collective bargaining agreements, we emphasize the importance of joint decision-making to build trust and enhance working relationships. Collective bargaining primarily focuses on improving working conditions and ensuring workers receive appropriate benefits. This process adheres to relevant laws and with external bodies, such as the Ministry of Labor.

### MINIMUM NOTICE PERIODS IN OUR POLICIES:

Abu Qir's commitment to minimum notice periods is integral to our corporate policies and standard employment contracts. We fully comply with the Egyptian Labor Law referenced in our employment contracts. This commitment ensures we adhere to regulations and maintain a strong foundation for our employment practices.

### INCORPORATING EMPLOYEE OPINIONS:

Our company places great importance on incorporating the opinions of our valued employees into decision-making processes. We have established permanent committees of employees, including young representatives, to make necessary decisions on various issues. These committees also feature representatives from trade unions, employees elected to company funds, and individuals involved in various committee activities. To further ensure employees' voices are heard, we actively seek their opinions through surveys, including those working in different systems like trips.

### LEAVE POLICIES:

Regarding leave policies, Abu Qir provides this benefit to all employees without gender-based discrimination. Leave duration is determined based on purpose and aligned with internal regulations and legal requirements. We ensure that employees receive their full annual leave, which includes a minimum of five continuous days. Special leave without salary is also granted based on reasons stated by the worker and evaluated by company management. This approach is integral to our policy, aligning with balancing work regularity and employee well-being.

## **TRANSITION ASSISTANCE FOR CONTINUED EMPLOYMENT**

Abu Qir is committed to assisting employees, particularly those approaching retirement or facing termination. This support includes pre-retirement planning, administrative procedures to address retirees' needs, severance pay considerations that account for factors like age and years of service, and employment services to attract and retain the best talent. We also offer training and advisory assistance to facilitate a smooth transition to a non-working life for retiring individuals.

## **EMPLOYEE PERFORMANCE REVIEWS**

Performance reviews for employees play a crucial role in fostering professional development and organizational success. The evaluation process is facilitated through an automated system, allowing those overseeing the assessments to offer constructive feedback on an employee's weaknesses while emphasizing areas that require improvement. In certain instances, evaluators may recommend reassigning the employee to a different work team to prevent a decline in performance, with the optimistic goal of enhancing skills and capabilities. The evaluation elements cover a comprehensive spectrum, ensuring a holistic view of the employee's professional and personal dimensions. This includes assessing relationships with colleagues, superiors, and subordinates and evaluating regularity in work. Furthermore, efforts are underway to implement additional tools, such as an expansive performance map, to comprehensively track and monitor employee performance across various locations. Through these multifaceted approaches, performance reviews serve as a dynamic mechanism for continuous improvement and growth within the workforce.

## **NON-DISCRIMINATION, COMPLAINTS, AND GRIEVANCE MECHANISMS:**

Performance reviews for employees play a crucial role in fostering professional development and organizational success. The evaluation process is facilitated through an automated system, allowing those overseeing the assessments to offer constructive feedback on an employee's weaknesses while emphasizing areas that require improvement. In certain instances, evaluators may recommend reassigning the employee to a different work team to prevent a decline in performance, with the optimistic goal of enhancing skills and capabilities. The evaluation elements cover a comprehensive spectrum, ensuring a holistic view of the employee's professional and personal dimensions. This includes assessing relationships with colleagues, superiors, and subordinates and evaluating regularity in work. Furthermore, efforts are underway to implement additional tools, such as an expansive performance map, to comprehensively track and monitor employee performance across various locations. Through these multifaceted approaches, performance reviews serve as a dynamic mechanism for continuous improvement and growth within the workforce.

# EMPLOYEE TRAINING AND DEVELOPMENT

## TRAINING FOR SECURITY PERSONNEL:

Security personnel receive training based on identified needs, ensuring their competence in safeguarding our assets and individuals. The training policy entails developing the KSAs of all the organizational human resources, including the security personnel, who receive training courses based on their training needs determined through the training needs analysis handled for the whole company.

Security personnel receive various training courses such as Supply Chain Security Management, Dealing with Strikes, Emergency Dealing Plan, and more.

The data presented in the table below illustrates Abu Qir’s dedication to enhancing employee development through a comprehensive range of training programs designed to cater to the needs and roles of our workforce. The training initiatives spanned 2021–2022, reflecting our ongoing commitment to nurturing our employees’ skills and expertise.

2021/2022				
TRAINING COURSE	EMPLOYEE CATEGORY	NUMBER OF TRAINEES		TOTAL NUMBER OF TRAINING HOURS
		MALE	FEMALE	
Technical Programs	Top Management	195	6	2411
	Middle Management	88	6	1793
	Technicians	182	6	3047
	Newly Hired	3	0	12
	Seniors	14	0	312
	Coordinator [MS1]	78	0	1309
	Total	560	18	8884

**2021/2022**

TRAINING COURSE	EMPLOYEE CATEGORY	NUMBER OF TRAINEES		Total Number of Training Hours
		Male	FEMALE	
Administrative & Human Development Programs	Top Management	164	10	3269
	Middle Management	144	7	2926
	Specialists	155	6	2965
	Seniors	12	2	231
	Coordinator	95	0	1431
	Total	570	25	10822
Industrial Security & Laboratories	Top Management	4	0	80
	Middle Management	3	0	60
	Technicians & Specialists	46	0	744
	Seniors	2	0	36
	Coordinator	17	0	312
	Total	72	0	1232
Seminars/Conferences	Top Management	11	3	102
	Middle Management	5	0	62
	Total	160	3	164
<b>Total</b>		<b>1362</b>	<b>46</b>	<b>21102</b>

In the technical training programs, various levels of employees, from top management to newly hired staff, benefited significantly from these training opportunities. We invested 8,884 training hours in 2021/2022, ensuring our employees receive essential skills and knowledge relevant to their roles. Also, we prioritize administrative and human development programs, emphasizing training hours: 10,822 hours in 2021/2022. This highlights our commitment to equipping employees across all levels with the administrative and human development skills essential for their professional growth.

In Industrial Security & Laboratories, we continue to invest in our employees' safety and knowledge, evident in the allocation of 1,232 training hours in 2021/2022. The training was distributed among various levels of employees, emphasizing its inclusive nature.

Our dedication also extends to participation in seminars and conferences, where both top management and middle management personnel benefit. These events such as:

- **AFA Technical Seminar**
- **Disaster Roots Annual Event**
- **Egypt CSR & Sustainability Forum**
- **Low-Carbon Pathway For The Nitrogen Industry Fertilizers**
- **Safety Equipment & Breathing Relief Valves**
- **Prospects for Equipment Reliability in Industrial Companies**
- **Developing Speed Reducers and Steam Turbines in Industry**
- **Environmental Pollution and its Impact on Climate Change**
- **The Eleventh International Forum for Social Responsibility**
- **Luxor Conference for Sustainable Development and Social Responsibility**
- **33rd International Fertilizer Technology Conference**
- **Water Treatment Technology Conference**

## AVERAGE TRAINING HOURS (2021/2022):

This is handled in a well-organized manner, where all the external training courses, conferences, and workshops are pre-planned and reviewed by our diversely multi-dimensional Higher Executive Training Committee on an annual and continuous basis. This is in addition to the process-loaded conferences, which take place on an on-demand basis by the organizational suppliers.

DESCRIPTION		2021/2022
Average Training Hours/ Employee		16.7
Average Training Hours/Male Employee		17.3
Average Training Hours/ Female Employee		326.4
Average Training Hours	Top Management	12.2
	Middle Management	19
	Technicians & Specialists	14.8
	Newly Hired	3.7
	Seniors	17.1
	Coordinator	16.5

Our annual average training data reveals a consistent allocation of training hours across all employee levels. The average training hours per employee have remained relatively steady, with 16.7 hours in 2021/2022. Due to our commitment to inclusive and equitable access to training and development opportunities, this trend extends to both male and female employees.

## TRAINING INITIATIVES

One of our key initiatives is providing external training, which is funded based on the strategic direction set by the company's Board of Directors and Financial Budget Planning Committee. This funding is planned and allocated annually, ensuring our employees access valuable training opportunities aligned with our organizational goals.

### EXTERNAL TRAINING:

2021/2022			
EXTERNAL TRAINING	NUMBER OF EMPLOYEES PROVIDED WITH COURSES		TOTAL NUMBER OF TRAINING DAYS
	MALE	FEMALE	
Training, Conferences, and Work Groups	24	2	130
Process-Loaded Conferences	12	0	60
Total	36	2	190

The impact of these external training initiatives on our business performance is closely monitored. We employ a multifaceted approach, assessing tangible improvements in employee performance as observed by their superiors. We also gauge the acquisition of implicit and explicit knowledge, which employees then apply in their roles and share with their colleagues, where a part of the employees' allowances are preserved until they return from the attended conference and re-present what he was exposed to through the conference to his colleagues and superiors through an internally handled seminar that includes both PowerPoint presentation and several handouts.

### ASSESSMENT OF TRAINING IMPACT

We employ various performance evaluation methods to measure the impact of training on our business performance. These evaluations help us monitor individual and group performance, ensuring alignment with the company's goals. Line managers are crucial in nominating employees for training based on their understanding of training needs. They also evaluate the impact on business quality through performance evaluations and maintain open communication with our training and personnel affairs teams.



In our commitment to the well-being and happiness of our employees, we actively cultivate an enriching and enjoyable work environment through various entertainment initiatives:

- 1** We organize recreational activities, including trips to summer and winter resorts.
- 2** We conduct sports activities for employees and their children, facilitated through our dedicated Employees' Sports and Social Club.
- 3** We organize a competition for memorizers of the Holy Qur'an in the holy month of Ramadan every year and distribute financial prizes and certificates of appreciation to the winners.
- 4** We organize special parties to honor the ideal mother and the ideal employee within the company. Additionally, we take pride in recognizing outstanding children annually, contributing to a culture that appreciates and celebrates achievements within and beyond the professional realm.



10

# **SOCIAL DEVELOPMENT**

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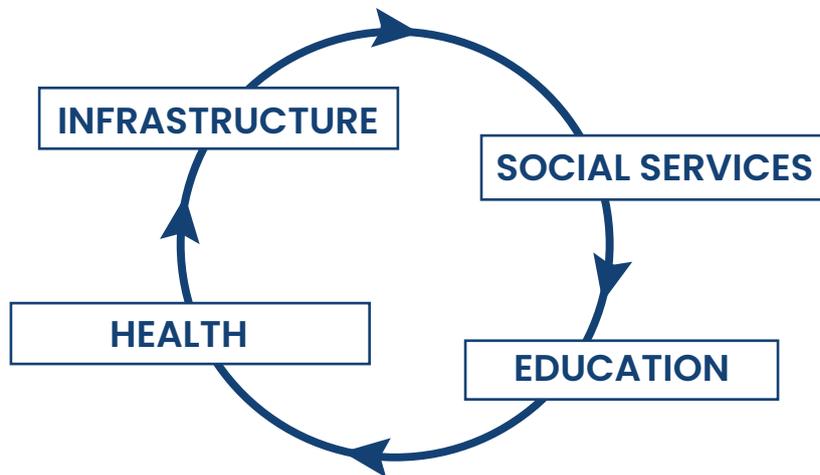
-ABU QIR'S CSR PILLARS

## ABU QIR'S CSR PILLARS

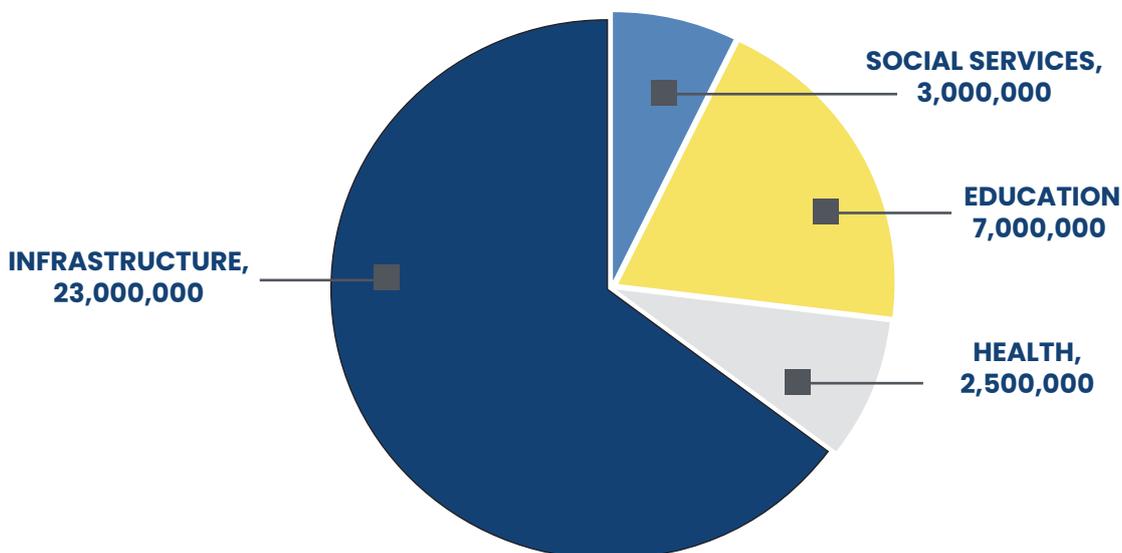
As a responsible corporate entity, we have a fundamental obligation to contribute to the community in which we operate. As a part of the industrial sector, we recognize our pivotal role in shaping a sustainable future, so we navigate the challenges and opportunities within our industry to remain steadfast in our pursuit of a balanced and responsible approach that aligns with the highest standards of corporate citizenship.

Abu Qir stands on four pillars of commitment, each crafted to contribute meaningfully to the well-being and progress of the communities we serve. They act as the cornerstones of our dedication to responsible corporate citizenship. This section delves into our Corporate Social Responsibility (CSR) initiatives, representing our tangible actions to mitigate our environmental impact, champion social causes, and uphold ethical business practices.

### OUR FOUR MAIN PILLARS



### VALUE OF INVESTMENTS IN EACH PILLAR 2021-2022 (MN EGP)



## SOCIAL SERVICES



VALUE OF INVESTMENTS

EGP 3 MN

As a part of our influential role in contributing to the community, we support Egyptian farmers with an annual provision of approximately 16 million bags of subsidized fertilizer through the Ministry of Agriculture. Simultaneously, we also contribute to the well-being of the Egyptian community across crucial realms such as health, education, and infrastructure, aligning with SDGs and Egypt's Vision of 2030.

### **BASHAER AL-KHAIR PROJECT:**

This project is a testament to Abu Qir's commitment to social responsibility and the overarching vision of the Decent Life Initiative. In alignment with the state's efforts to eliminate slum areas, this project represents a significant milestone in urban development.

The "Bashayer Al-Khair 1" project, located in Alex governorate, is an integrated initiative designed to transform the informal settlement of Gheit Al-Enab within a remarkable timeframe of just 18 months. The project spans 12 acres adjacent to Ghat al-Enab Square, spanning a civilized residential complex catering to the local community and comprising 17 buildings; the complex houses 1,632 residential units, each covering an area of 92 square meters. This provides dignified housing and accommodates over 8,000 individuals from the region.

The project also includes a mosque and a hospital with 175 beds, ensuring spiritual and physical well-being. Furthermore, a vocational training and employment center boasts 17 educational workshops and six classrooms, fostering skill development and education. Additionally, 58 commercial stores are designated for small and micro projects, contributing to the community's economic empowerment. The project also features a commercial market, an educational garden for children, and a center for individuals with special needs, promoting inclusivity and community support.

In essence, the Bashaer Al-Khair project is more than just infrastructure; it symbolizes the promise of a better future for generations. Providing a sound social, cultural, and health environment within a civilized urban society is an element of hope, rescuing individuals from suffering and need. Moreover, this initiative is conducted closely with charitable societies officially recognized and approved by the Ministry of Social Solidarity.



## EDUCATION:



**VALUE OF INVESTMENTS**

**EGP 7 MN**

We have established a school complex adjacent to the residential city, serving as a focal point for educational excellence within the surrounding community.

Recognizing some students' financial barriers, we extend our support by covering students' educational expenses across various levels in Alexandria and Beheira governorates. Additionally, we proudly sponsor ceremonies that honor the academic achievements of top students in primary education throughout the Alexandria governorate.

In collaboration with the Decent Life Campaign under the state's umbrella, we have established a fundamental education school in the village of Khartoum, Badr Center, Beheira Governorate. This state-of-the-art facility spans five floors with a capacity for 360 male and female students, encompassing primary, preparatory, and kindergarten education. Valued at EGP 6 Mn, the school is equipped to accommodate individuals with special needs, aligning with our commitment to inclusivity.

Our dedication extended to higher education through a scientific and research partnership with Alexandria University. Additionally, we actively sponsor conferences and workshops organized by the university, contributing to the academic and research landscape and fostering innovation and excellence in education.

## HEALTH:



We have initiated medical convoys to neighboring villages, the Montazah neighborhood, and nearby schools. These convoys aim to conduct comprehensive medical examinations for families and students, provide essential medications, and contribute to the medicine fund in Beheira Governorate. This proactive approach aligns with our commitment to ensuring access to healthcare for all. We have supplied hospitals with critical medical resources in response to the ongoing global challenges, notably the COVID-19 pandemic. This includes providing masks to Alexandria University hospitals and supporting the frontlines in the battle against the virus.

Additionally, we contribute to enhancing healthcare facilities by supplying examination and diagnostic equipment and collaborating with the Directorate of Health Affairs in Alexandria to equip operating rooms.

## INFRASTRUCTURE:



We have been responsible for providing essential utilities, including electricity, water, and sewage services, to village residents in the areas neighboring our company. This reflects our dedication to improving the quality of life for these communities and ensuring access to fundamental necessities.

We have allocated resources to support extensive operations. This includes monitoring, paving, and maintaining roads in Alexandria and Beheira governorates, covering a total distance exceeding 200 kilometers. Our investment in these infrastructural developments is carried out with meticulous attention to details and in collaboration with all necessary facilities.



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# **ALIGNING WITH SUSTAINABILITY: MAPPING ABU QIR ACTIVITIES WITH ESG FRAMEWORKS**

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## SUSTAINABLE DEVELOPMENT AGENDA

The following table links the Sustainable Development Goals (SDGs) to UNCC principles, SASB indicators, and Abu Qir’s contribution.

SDGS	UNGC PRINCIPLES / SASB STANDARDS	ABU QIR'S CONTRIBUTION
 <p>1 NO POVERTY</p>	<p>UNGC Principle #1,2,3,4,5,6</p>	<p><b>NO POVERTY:</b> Abu Qir conducts independent evaluations to assess the social, economic, and environmental effects of its products and services. The company strives to enhance the share of locally sourced and manufactured products in Egypt, generating employment opportunities and boosting income in impoverished regions. In addition to its fertilizer production and sales, which contribute to the Egyptian economy through tax payments and fulfilling essential population needs, Abu Qir guarantees that its employees receive salaries well above the government-mandated minimum wage, ensuring a respectable standard of living for its most valuable resource – its workforce.</p>
 <p>2 ZERO HUNGER</p>	<p>UNGC Principle #1,2,7,8,9</p>	<p><b>ZERO HUNGER:</b> Global food security, both today and in the future, hinges on the indispensable role of fertilizers. To ensure plants' well-being, growth, and resilience in the face of climate stress, providing them with concentrated, consistent, and readily available nutrients is essential. Mineral fertilizers are pivotal in global food security, contributing to approximately half of the world's food production.</p> <p>In Egypt, the demand for fertilizers and their strategic significance will likewise increase to fulfill the fundamental food requirement for the population. Consequently, the impact of fertilizers is immediately evident in terms of production efficiency. With proper utilization of other agricultural inputs, such as water, a single cropping season in Egypt has the potential to double or even triple farm productivity.</p>
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>UNGC Principles #1,2,3,4,5,6,10 SASB: RT-CH-320/ RT-CH-540a.</p>	<p><b>GOOD HEALTH AND WELL BEING:</b> Abu Qir is committed to the belief that all accidents can be prevented, a commitment that has led to three consecutive years of zero injuries. This dedication is deeply rooted in our Health, Environment, Safety, and Quality Policy. Safety remains a paramount concern, and we consistently establish ambitious Key Performance Indicators (KPIs) for occupational safety. Our primary focus is on initiatives that will further foster a culture of safety within Abu Qir, reducing exposure to hazards through leadership in safety and a greater sense of personal responsibility towards oneself and others.</p> <p>In addition, Abu Qir continually strives to enhance working conditions for its employees throughout the entire value chain. We also provide healthcare services and insurance coverage for employees and their families. This commitment ensures the well-being and safety of the Abu Qir family with a proactive approach to detecting and treating any illnesses, thereby safeguarding the health of our entire workforce.</p>

SDGS	UNGC PRINCIPLES / SASB STANDARDS	ABU QIR'S CONTRIBUTION
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>UNGC Principles #1,2,3,4,5,6,10 SASB: RT-CH-320/ RT-CH-540a.</p>	<p>Furthermore, a significant portion of Abu Qir's Corporate Social Responsibility (CSR) budget is allocated to healthcare initiatives. We make it a point to dedicate a portion of our profits to the betterment of the most vulnerable segments of society, underlining our commitment to social responsibility.</p>
 <p>4 QUALITY EDUCATION</p>	<p>UNGC Principle #1,2</p>	<p>QUALITY EDUCATION: We are dedicated to sharing knowledge with various stakeholders, including university students, industry leaders, peers in the market, and our employees. This knowledge-sharing is facilitated through multiple initiatives, such as internship programs for university students, training sessions for industry peers, and on and off-the-job training for our employees. It has been demonstrated that higher levels of education have a profoundly positive impact on an individual's life in various ways. Ensuring the quality of education necessitates a comprehensive system, whether in terms of methodological development or the construction of facilities to accommodate students. In this regard, Abu Qir Company actively contributes to advancing education in Egypt by constructing a complex of schools located outside residential areas. This complex includes primary, preparatory, and secondary schools, reflecting our commitment to educational development in the region.</p>
 <p>5 GENDER EQUALITY</p>	<p>UNGC Principles #1,2,3,4,5,6</p>	<p>Gender Equality: Abu Qir is aware of the pivotal role in advancing gender equality in Egypt. Our corporate shared value initiatives have empowered numerous women and granted them a reliable income stream, fostering their independence. These efforts encompass partnerships and collaborations with various non-governmental organizations and institutions in Egypt, which offer women in different villages the opportunity to learn various crafts and facilitate the sale of their products. These initiatives, in turn, secure a stable and sustainable source of income for these women.</p>
 <p>6 CLEAN WATER AND SANITATION</p>	<p>UNGC Principles #1,2,7,8,9</p>	<p>Clean Water and Sanitation: In alignment with the national sustainable development agenda and in response to the water conservation challenges stemming from the impacts of climate change, which are projected to reduce water resources in Egypt, we have been diligently exploring opportunities to harness wastewater, including industrial wastewater. As part of our strategy, we are committed to a comprehensive plan to fully utilize industrial drainage resources, striving to achieve 100% utilization of industrial wastewater within the allocated timeframe.</p>

<p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p> 	<p>UNGC Principle #1,2,7,8,9 SASB: RT-CH-120</p>	<p>Affordable Clean Energy: Abu Qir is steadfastly advancing its energy efficiency initiatives within its facilities. Our ongoing efforts are focused on curbing energy consumption and actively seeking cleaner and more sustainable energy sources to power our production processes.</p>
<p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p> 	<p>UNGC Principle #1,2,3,4,5,6 SASB: RT-CH-410</p>	<p>Decent Work and Economic Growth: Abu Qir is a significant catalyst for the economic growth of the Alexandria governorate and the broader Egyptian landscape. Our unwavering commitment to upholding the most stringent labor standards and safeguarding human rights permeates every facet of Abu Qir’s operations and resonates throughout the entire value chain. This unwavering dedication fuels economic development and represents a significant opportunity to foster advancements in human development.</p>
<p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	<p>UNGC Principles #3,4,5,6,7,8,9 SASB: RT-CH-410b</p>	<p>Industry, Innovation &amp; Infrastructure: Abu Qir’s administration strongly emphasizes the ongoing enhancement of production and distribution methods, as well as the modernization of operational concepts. These strategic priorities can only be realized through the continual improvement of infrastructure within the factory and the road network that connects to it.</p> <p>Acknowledging the pivotal role of scientific development and research in maintaining our leadership position, Abu Qir has established a dedicated research and development department. Recently, this department has played a pivotal role in propelling production systems forward. Its impact, however, extends beyond our organization, reaching national companies operating in the same field. Innovative projects and training initiatives have made this far-reaching influence possible, underscoring our unwavering commitment to continual progress and knowledge sharing.</p>
<p><b>10</b> REDUCED INEQUALITIES</p> 	<p>UNGC Principles #1,2,3,4,5,6,10</p>	<p>Reduce Inequalities: Our company’s policy, whether applied internally or externally, is defined by a steadfast commitment to complete equality and the eradication of discrimination among all individuals. This principle holds for employees, suppliers, or customers, irrespective of their political, religious, or ethnic backgrounds. Within our company, every individual is regarded as equal in terms of their rights and responsibilities.</p>

SDGS	UNGC PRINCIPLES / SASB STANDARDS	ABU QIR'S CONTRIBUTION
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>UNGC Principle #1,2,7,8,9</p>	<p>Sustainable Cities and Communities: One of the key objectives of sustainable development is to ensure that everyone has access to suitable and secure housing, along with essential services, at affordable prices. This objective has been a top priority for Abu Qir since its establishment.</p>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>UNGC Principles #7,8,9 SASB: RT-CH-130</p>	<p>Responsible Consumption &amp; Production: Abu Qir is deeply committed to ensuring that every stage of our production process is characterized by minimal waste generation, the most efficient use of energy, and a comprehensive approach to waste management and recycling even after production is complete. We maintain a proactive approach to machinery upkeep, which leads to heightened energy efficiency, reduced harmful emissions, fewer spare parts, and extended machine lifespans, contributing to a sustainable production process.</p> <p>In addition to machinery maintenance, we closely monitor our raw material usage to prevent unnecessary excesses, thus ensuring responsible consumption and minimizing waste. This dedication aligns with our commitment to environmental responsibility and efficiency, leaving no room for wastage. Importantly, all our products are designed with safety in mind, adhering to market regulations without any prohibitions.</p>
 <p>13 CLIMATE ACTION</p>	<p>UNGC Principles #7,8,9 SASB: RT-CH-110</p>	<p>Climate Action: At Abu Qir, our unwavering commitment lies in producing our products while strictly adhering to rigorous standards. By doing so, we not only meet the highest quality criteria but also ensure that the consumption of our products has a positive impact on the environment. We aim to mitigate climate change and prevent soil degradation. We constantly monitor our emissions to ensure they remain well below the limits of governmental regulations. This proactive approach underscores our dedication to environmental responsibility and sustainability.</p>
 <p>14 LIFE BELOW WATER</p>	<p>UNGC Principles #7,8,9 SASB: RT-CH-140</p>	<p>Life Below Water: As we acknowledge our responsibilities, the installation of a cutting-edge ZLD Unit underscores our commitment to sustainable water management and pollution prevention.</p> <p>The ZLD system, aims to optimize water consumption and recover a substantial portion of treated water.</p>

<p><b>15</b> LIFE ON LAND</p> 	<p>UNGC Principle #1,2,7,8,9 SASB: RT-CH-120</p>	<p>Life on Land: In a recent development, Abu Qir has made substantial investments to expand the green spaces within the company premises. This expansion enhances indoor air quality and contributes to creating a more aesthetically pleasing and pleasant environment. The company strongly emphasizes maintaining and nurturing these green areas to ensure their continued existence and vitality.</p>
<p><b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS</p> 	<p>UNGC Principles #1,2,3,4,5,6,10</p>	<p>Peace, Justice, and Strong Institutions: Abu Qir strongly emphasizes upholding ethical standards throughout its value chain. We actively engage with local, regional, and international organizations to advocate for responsible business practices, including anti-bribery and anti-corruption measures. Our commitment to integrity is clearly articulated in our code of conduct, and we maintain a strict zero-tolerance policy towards corruption. In the event that any instance of corruption is identified or reported, our administration promptly takes the necessary corrective actions.</p> <p>Furthermore, Abu Qir takes a firm stand against discrimination, sexual or verbal harassment, and any form of violence within our company. We are dedicated to ensuring that our plant is a safe and inclusive environment where our valued employees can work peacefully and without fear of such issues. Our company's commitment to fostering a respectful and supportive workplace is unwavering.</p>
<p><b>17</b> PARTNERSHIPS FOR THE GOALS</p> 	<p>UNGC Principle #1,2,3,4,5,6,7,8,9,10 SASB: RT-CH-530a</p>	<p>Partnerships for the Goals: In our quest to have a positive impact and align with Egypt's Sustainable Development Strategy 2030 and the United Nations Sustainable Development Goals (SDGs), we recognize the importance of partnering with like-minded organizations and stakeholders. Collaboration is integral to our journey. Abu Qir actively engages with governmental institutions such as the Ministry of Environment, Ministry of Trade, and Ministry of Agriculture. These collaborations are pivotal in helping us achieve our objectives and enhance Egypt's standing in terms of environmental, social, and economic sustainability. We are dedicated to working together with these institutions to drive progress. Moreover, Abu Qir extends its partnerships to encompass a range of local non-governmental organizations (NGOs) and civil society entities. These collaborations aim to create a brighter and more equitable future for the most vulnerable segments of our society. We contribute to positive social change and inclusive development by uniting our efforts with these organizations.</p>



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# GRI INDEX

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# GRI INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE NUMBER	OMISSION	
			REASON	EXPLANATION
General Disclosures				
GRI 2: General Disclosures 2021	2-1 Organizational details	2	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.	
	2-2 Entities included in the organization's sustainability reporting	2		
	2-3 Reporting period, frequency and contact point	2, 9		
	2-4 Restatements of information			
	2-5 External assurance	158		
	2-6 Activities, value chain and other business relationships		Information unavailable/incomplete	
	2-7 Employees	115		
	2-8 Workers who are not employees		Information unavailable/incomplete	
	2-9 Governance structure and composition	20-23		
	2-10 Nomination and selection of the highest governance body		Information unavailable/incomplete	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE NUMBER	OMISSION	
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General Disclosures				
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body		Information unavailable/incomplete	
	2-12 Role of the highest governance body in overseeing the management of impacts	34		
	2-13 Delegation of responsibility for managing impacts		Information unavailable/incomplete	
	2-14 Role of the highest governance body in sustainability reporting	24, 25		
	2-15 Conflicts of interest		Information unavailable/incomplete	
	2-16 Communication of critical concerns	25-27		
	2-17 Collective knowledge of the highest governance body		Information unavailable/incomplete	
	2-18 Evaluation of the performance of the highest governance body	37		
	2-19 Remuneration policies		Information unavailable/incomplete	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE NUMBER	OMISSION	
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General Disclosures				
GRI 2: General Disclosures 2021	2-20 Process to determine remuneration		Information unavailable/incomplete	
	2-21 Annual total compensation ratio		Information unavailable/incomplete	
	2-22 Statement on sustainable development strategy	10 11		
	2-23 Policy commitments	25-26, 92, 112, 120, 122		
	2-24 Embedding policy commitments	25-26, 92, 112, 120, 122		
	2-25 Processes to remediate negative impacts	34-37		
	2-26 Mechanisms for seeking advice and raising concerns	25-27		
	2-27 Compliance with laws and regulations	18		
	2-28 Membership associations	136-141		
	2-29 Approach to stakeholder engagement	27-32		
	2-30 Collective bargaining agreements		Information unavailable/incomplete	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE NUMBER	OMISSION	
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Material Topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	32	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.	
	3-2 List of material topics	33		
Economic Performance				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	12 13		
	201-2 Financial implications and other risks and opportunities due to climate change		Information unavailable/incomplete	
	201-3 Defined benefit plan obligations and other retirement plans	118-119		
	201-4 Financial assistance received from government		Information unavailable/incomplete	
Market Presence				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage		Information unavailable/incomplete	
	202-2 Proportion of senior management hired from the local community		Information unavailable/incomplete	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE NUMBER	OMISSION	
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Indirect Economic Impacts				
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	14, 130, 133		
	203-2 Significant indirect economic impacts		Information unavailable/ incomplete	
Procurement Practices				
GRI 204: Procure- ment Practices 2016	204-1 Proportion of spending on local suppliers		Information unavailable/ incomplete	
Anti-corruption				
GRI 205: Anti- corruption 2016	205-1 Operations assessed for risks related to corrup- tion	25-26		
	205-2 Communi- cation and training about anti-corrup- tion policies and procedures		Information unavailable/ incomplete	
	205-3 Confirmed incidents of cor- ruption and actions taken	25-26		
Anti-competitive Behavior				
GRI 206: Anti-com- petitive Behavior 2016	206-1 Legal actions for anti-competi- tive behavior, an- ti-trust, and mo- nopoly practices		Information unavailable/ incomplete	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE NUMBER	OMISSION	
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Tax				
GRI 207: Tax 2019	207-1 Approach to tax		Legal prohibitions	
	207-2 Tax governance, control, and risk management		Confidentiality constraints	
	207-3 Stakeholder engagement and management of concerns related to tax		Confidentiality constraints	
	207-4 Country-by-country reporting		Confidentiality constraints	
Materials				
GRI 301: Materials 2016	301-1 Materials used by weight or volume		Information unavailable/incomplete	
	301-2 Recycled input materials used		Information unavailable/incomplete	
	301-3 Reclaimed products and their packaging materials		Information unavailable/incomplete	
Energy				
GRI 302: Energy 2016	302-1 Energy consumption within the organization		Information unavailable/incomplete	
	302-2 Energy consumption outside of the organization		Information unavailable/incomplete	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE NUMBER	OMISSION	
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Energy				
GRI 302: Energy 2016	302-3 Energy inten- sity		Information unavailable/ incomplete	
	302-4 Reduction of energy consumption		Information unavailable/ incomplete	
	302-5 Reductions in energy requirements of products and ser- vices		Information unavailable/ incomplete	
Water and Effluents				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource		Information unavailable/ incomplete	
	303-2 Manage- ment of water dis- charge-related impacts		Information unavailable/ incomplete	
	303-3 Water with- drawal		Information unavailable/ incomplete	
	303-4 Water dis- charge		Information unavailable/ incomplete	
	303-5 Water con- sumption	86-87		
Biodiversity				
GRI 304: Biodiver- sity 2016	304-1 Operational sites owned, leased, managed in, or ad- jacent to, protected areas and areas of high biodiversity val- ue outside protected areas		Information unavailable/ incomplete	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE NUMBER	OMISSION	
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Biodiversity				
GRI 304: Biodiver- sity 2016	304-2 Significant impacts of activities, products and services on biodiversity		Not applicable	
	304-3 Habitats protected or restored		Not applicable	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		Not applicable	
Emissions				
GRI 305: Emis- sions 2016	305-1 Direct (Scope 1) GHG emissions	76-77		
	305-2 Energy indirect (Scope 2) GHG emissions		Information unavailable/ incomplete	
	305-3 Other indirect (Scope 3) GHG emissions		Information unavailable/ incomplete	
	305-4 GHG emissions intensity	82		
	305-5 Reduction of GHG emissions	78-79		
	305-6 Emissions of ozone-depleting substances (ODS)		Information unavailable/ incomplete	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		Information unavailable/ incomplete	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE NUMBER	OMISSION	
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Waste				
GRI 306: Waste 2020	306-1 Waste gener- ation and significant waste-related im- pacts		Information unavailable/ incomplete	
	306-2 Manage- ment of significant waste-related im- pacts	85		
	306-3 Waste gener- ated	83-84		
	306-4 Waste divert- ed from disposal	85		
	306-5 Waste direct- ed to disposal	85		
Supplier Environmental Assessment				
GRI 308: Supplier Environmental As- sessment 2016	308-1 New suppliers that were screened using environmental criteria		Information unavailable/ incomplete	
	308-2 Negative envi- ronmental impacts in the supply chain and actions taken		Information unavailable/ incomplete	
Employment				
GRI 401: Employ- ment 2016	401-1 New employee hires and employee turnover	116-117		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part- time employees	118-120		
	401-3 Parental leave	118		

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE NUMBER	OMISSION	
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Labor/Management Relations				
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods re- garding operational changes	120		
Occupational Health and Safety				
GRI 403: Occupa- tional Health and Safety 2018	403-1 Occupational health and safety management sys- tem	112		
	403-2 Hazard identi- fication, risk assess- ment, and incident investigation		Information unavailable/ incomplete	
	403-3 Occupational health services	112		
	403-4 Worker partic- ipation, consultation, and communication on occupational health and safety		Information unavailable/ incomplete	
	403-5 Worker train- ing on occupational health and safety		Information unavailable/ incomplete	
	403-6 Promotion of worker health		Information unavailable/ incomplete	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relation- ships		Information unavailable/ incomplete	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE NUMBER	OMISSION	
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Occupational Health and Safety				
GRI 403: Occupa- tional Health and Safety 2018	403-8 Workers cov- ered by an occu- pational health and safety management system		Information unavailable/ incomplete	
	403-9 Work-related injuries	112-113		
	403-10 Work-related ill health	112-113		
Training and Education				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	125		
	404-2 Programs for upgrading employee skills and transition assistance pro- grams	122-123		
	404-3 Percentage of employees receiving regular performance and career develop- ment reviews		Information unavailable/ incomplete	
Diversity and Equal Opportunity				
GRI 405: Diversity and Equal Oppor- tunity 2016	405-1 Diversity of governance bodies and employees		Information unavailable/ incomplete	
	405-2 Ratio of basic salary and remunera- tion of women to men		Information unavailable/ incomplete	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE NUMBER	OMISSION	
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Non-discrimination				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken		Confidentiality constraints	
Freedom of Association and Collective Bargaining				
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		Information unavailable/incomplete	
Child Labor				
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor		Information unavailable/incomplete	
Forced or Compulsory Labor				
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		Information unavailable/incomplete	
Security Practices				
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures		Information unavailable/incomplete	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE NUMBER	OMISSION	
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Rights of Indigenous Peoples				
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples		Information unavailable/ incomplete	
Local Communities				
GRI 413: Local Communities 2016	413-1 Operations with local community en- gagement, impact assessments, and development pro- grams		Information unavailable/ incomplete	
	413-2 Operations with significant ac- tual and potential negative impacts on local communities		Information unavailable/ incomplete	
Supplier Social Assessment				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria		Information unavailable/ incomplete	
	414-2 Negative social impacts in the sup- ply chain and actions taken		Information unavailable/ incomplete	
Public Policy				
GRI 415: Public Policy 2016	415-1 Political contri- butions		Information unavailable/ incomplete	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE NUMBER	OMISSION	
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Customer Health and Safety				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories		Information unavailable/ incomplete	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		Information unavailable/ incomplete	
Marketing and Labeling				
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and ser- vice information and labeling		Information unavailable/ incomplete	
	417-2 Incidents of non-compliance concerning product and service informa- tion and labeling		Information unavailable/ incomplete	
	417-3 Incidents of non-compliance concerning market- ing communications		Information unavailable/ incomplete	
Customer Privacy				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints con- cerning breaches of customer privacy and losses of cus- tomer data		Information unavailable/ incomplete	

## **Independent Limited Assurance Statement**

**To the Board of Directors**

**Abu Qir Fertilizers**

Dcarbon for Environmental Consultancy (DCarbon) is a sustainability consultancy firm registered under Egyptian law no. 159 for the year 1981 and its executive regulation. Dcarbon is a certified Global Reporting Initiative (GRI) training partner and a GRI Gold Community member. Our main goal is to assist public and private organizations understand and address their economic, environmental, and social impact.

**Abu Qir Fertilizers** (AFC) engaged Dcarbon to perform an Independent Limited Assurance review for the consolidated sustainability report covering the fiscal years starting July 1<sup>st</sup>, 2020, and ending June 30, 2022.

### **Engagement Summary**

- **Scope of DCarbon assurance engagement:** Whether the 2021-2022 fiscal year information, data, and narrative presented in the Report are fairly presented in accordance with the reporting criteria.
- **Reporting criteria:** The GRI Sustainability Reporting Standards (GRI Standards 2021).
- **Assurance level:** Limited assurance.
- **Respective responsibilities:** AFC Management is responsible for preparing the report content per the reporting criteria and selecting the disclosures to be verified. DCarbon, on the other hand, is responsible for providing conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgment. This clear division of tasks ensures a comprehensive and unbiased review of the report.

AFC management's responsibility includes selecting and applying appropriate methods for preparing the report and making plausible assumptions and estimates of non-financial disclosures under the given circumstances. The responsibility further includes the internal controls, which management has determined necessary to prepare a sustainability report free from misstatement, whether due to fraud or error.

DCarbon's engagement with AFC has revealed the active and integral role of AFC's leadership and management in governing the release of this report. Their commitment and involvement, along with the dedicated sustainability team and departmental focal persons, have significantly contributed to the quality of this report, demonstrating commitment to sustainability.

### **Assurance Scope, Boundary, and Limitations**

**The Scope** covers AFC Governance, Business Strategy and Policies, Materiality Assessment, and stakeholder engagement process.

**The Boundary** covers data and information captured across its operational and business functions. It includes the Company's Head Office support functions, Corporate Governance, and stakeholders' engagements as part of this assurance and as indicated in the Report.

**The Limitation:** the limited assurance review process was conducted with utmost thoroughness. It included sustainability data and information for operations in Egypt from fiscal years starting July 1<sup>st</sup>, 2020, and ending June 30<sup>th</sup>, 2022, per the GRI Standards.

**Assurance scope excludes:**

- Data and information in the Report outside the reporting period indicating historical data to establish the narrative for the reporting period disclosures or forward-looking statements by AFC.
- Verification statements indicating testimonials, opinions, success stories, and/or aspirations.
- Verification of claims (limited to data and information presented).

**Assurance procedures**

The assurance was conducted by **DCarbon’s multidisciplinary independent team of experts** in auditing economic, social, and environmental information and abiding by our values of integrity, confidentiality, professional competence, objectivity, and due attention.

The nature, timing, and extent of procedures followed were based on the rounds of engagement with relevant departments and senior management at AFC and the sustainability focal points delegated by the Board of Directors. The Executive Management was responsible for identifying material sustainability issues, establishing and maintaining appropriate internal performance management, and developing the relevant systems for the reported data.

Mr. Mohamed Sherif, Ms. Zeina El Nadi, and Eng. Ali Zaki, DCarbon’s Senior Sustainability analyst, supported aligning GRI standards, data mining, and verifications.

**Assurance activities included procedures to obtain evidence about the reliability of the disclosures:**

- Interview the employees delegated by AFC regarding the sustainability strategy, principles, and management.
- Matching the non-financial disclosures shown in the report with the documents provided.
- Review the evidence of internal policies, procedures, and strategy documents provided by AFC.
- Review of materiality and stakeholders’ engagement process deployed by AFC.
- Evaluation of the processing and monitoring of data collection for GRI disclosures.
- Review of the Report narrative to ensure that there is no misrepresentation of disclosures as per the scope of assurance and our findings.

**Conclusion**

Our opinion has been formed based on the outcome of the activities performed outlined. Considering the risk of material error, we believe that the evidence we have obtained is sufficient and appropriate to provide the basis of our conclusion.

Based on our activities, nothing has come to our attention to indicate that the 2021-2022 sustainability report information and data are not fairly presented in accordance with the reporting criteria. **This GRI in Accordance Report meets all the GRI Standards requirements.**

DR.   
**Chairman & CEO**





# Abu Qir FERTILIZERS

**SUSTAINABILITY REPORT 2021-2022**