



# ABU QIR FERTILIZERS AND CHEMICAL INDUSTRIES COMPANY

## RESPONSIBLE GROWTH FOR SUSTAINABLE FUTURE

SUSTAINABILITY REPORT  
2022-2024



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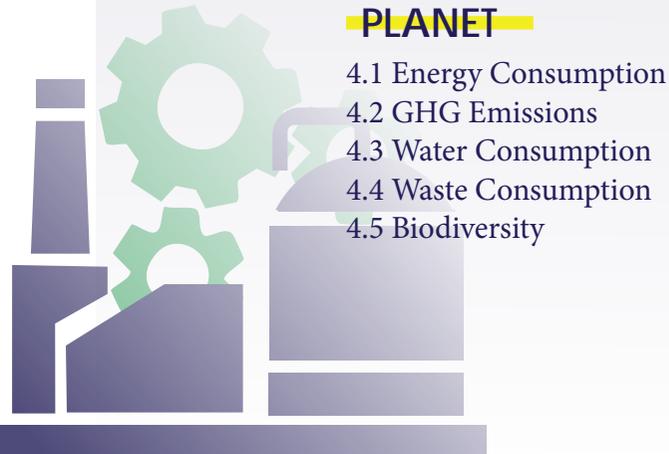
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## Introduction

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About the Report  
Leadership Message

# About the Report

In this report, the terms “Abu Qir,” “the company,” “AFC,” “we,” “us,” and “our” refer to Abu Qir Fertilizers and Chemical Industries Company.

## Reporting Period

This is the company’s fourth sustainability report, encompassing the two-year period from 1st of July 2022 until 30th of June 2024. It provides a comprehensive overview of the company’s sustainability-related activities and highlights how it creates value for its stakeholders. To ensure a clearer understanding of Abu Qir’s sustainability journey, this report also refers to certain information before and after the specified period.

## Reporting Guidelines

Our report was developed in accordance with the Global Reporting Initiative (GRI) Standards 2021 and highlights the company’s dedication to the environmental, social, and governance (ESG) principles, aligned with Egypt Vision 2030 and the UN’s sustainable development goals (SDGs).

## Forward-looking Statements

This Sustainability Report may include forward-looking statements regarding Abu Qir’s business and sustainability agenda, often identified by such terms as “will,” “planned,” or “expected.” These statements express the company’s current perspective on future developments within the fertilizer industry, both nationally and regionally.

## Assurance

The Assurance Statement to this Sustainability Report was provided by DCarbon Egypt.

## For Further Information

**Name:** Eng. Walid Abdou

**Position:** QHSE & Sustainability consultant

**Email:** walid.abdou@abugir.com

# Leadership Message

It gives me great pleasure to present our fourth Sustainability Report, encompassing the two-year period from July 1st, 2022, to June 30th, 2024, which reflects Abu Qir Fertilizers' ongoing commitment to responsible growth, environmental stewardship, and sustainable value creation.

At Abu Qir Fertilizers, we remain confident in our company's ability—driven by our highly skilled and dedicated team—to continue achieving and advancing our ambitious goals and growth trajectory. Our success is built on a foundation of operational excellence, innovation, and adherence to the highest standards of safety, quality, and social responsibility.

Sustainability lies at the core of our corporate philosophy and strategic vision. We consider it not merely a responsibility, but also a fundamental pathway to achieving long-term growth, competitiveness, and shared prosperity for our stakeholders and society at large.

Anchored in our commitment to global ESG standards, we continue to embed sustainability principles across every aspect of our operations—from enhancing energy efficiency and reducing emissions, to driving innovation, ensuring safety, and strengthening community engagement. Our goal is to ensure that every stage of our value chain contributes to the preservation of natural resources and the protection of our environment for future generations.

In response to the evolving global challenges across industrial and energy sectors, Abu Qir has proactively aligned its strategy with international sustainability frameworks, including the UN's SDGs and Egypt's Vision 2030. This alignment strengthens our resilience, future-readiness, and ability to adapt to global sustainability trends and emerging regulatory requirements.

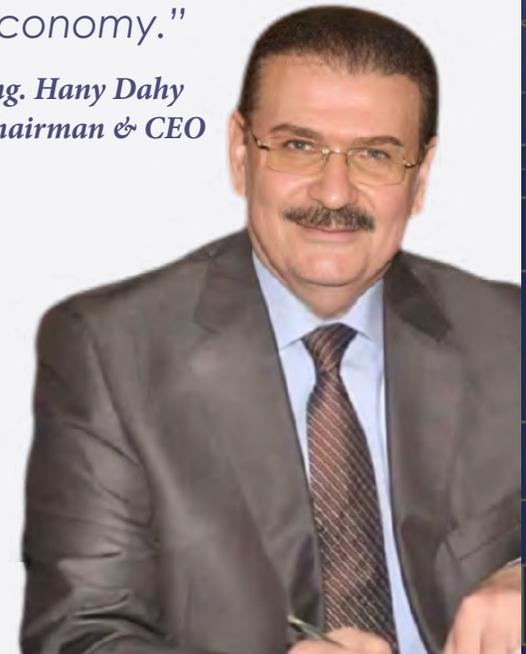
As we continue to strengthen our contribution to Egypt's national strategy for sustainable development and food security, we reaffirm our unwavering commitment to maximizing long-term value for our shareholders and all stakeholders. This commitment underpins every strategic decision we make and guides our actions toward achieving sustainable economic, environmental, and social impacts.

Our continued investments in advanced technologies, digital transformation, and human capital development form the backbone of our mission to achieve operational excellence while minimizing our environmental footprint. We firmly believe that innovation, transparency, and responsible governance are the cornerstones of enduring success and stakeholder trust.

With over four decades of achievements, Abu Qir is a leader in the fertilizer industry—an institution that continuously evolves to meet global challenges and opportunities with agility and responsibility. I am confident that, supported by our people's dedication and our clear strategic vision, we will continue to drive growth, reinforce resilience, and deliver on our promise of sustainable value creation for generations.

*As we look to the future, Abu Qir Fertilizers reaffirms its steadfast commitment to leading by example in sustainable industrial practices—contributing to Egypt's transition toward a green, inclusive, and sustainable economy."*

**Eng. Hany Dahy**  
Chairman & CEO



# 01



## Company Overview

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- 1.1 Abu Qir at a Glance
- 1.2 Products Portfolio
- 1.3 Business Model
- 1.4 AFC 2024 ESG Highlights
- 1.5 Memberships & Associations
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# 1.1 Abu Qir at a Glance

Abu Qir Fertilizers and Chemical Industries Company is one of the largest producers of nitrogen fertilizers in Egypt and the Middle East, contributing nearly 50% of Egypt's total nitrogen fertilizer production. Established in 1976 under Ministerial Decree No. 374, the company has since grown into a leading industrial entity with a strong reputation for operational excellence, product diversity, and environmental responsibility. Headquartered on Abu Qir Bay, 20 kilometers east of Alexandria, the company has been pivotal to strengthening Egypt's agricultural sector and food security while expanding its footprint in international markets.

Abu Qir Fertilizers operates through three major production complexes—*Abu Qir I*, *Abu Qir II*, and *Abu Qir III*—supported by the Urea Ammonium Nitrate (UAN) Unit and a dedicated Plastic Factory. Together, these facilities form the foundational pillars of Egypt's nitrogen fertilizer industry, producing a diversified range of ammonia, urea, nitric acid, ammonium nitrate, UAN solutions, and fertilizer packaging materials. This robust operational base has enabled the company to establish itself as Egypt's leading producer and a prominent player in regional and international markets, distinguished by its production capacity, diversified portfolio, and commitment to sustainable industrial practices.

## Corporate Identity

Officially declared a public company in 1980 under Ministerial Decree No. 107, AFC operates as an Egyptian joint stock company. Over the years, the company has adapted to evolving legal frameworks, shifting from the Public Sector Companies Law No. 97 of 1983 to Law No. 159 of 1981, following a decision ratified by its General Assembly in May 1996.

The company manufactures, packages, and markets all types of nitrogen fertilizers, chemical products, and related materials, ensuring a **robust trading and export presence** across local and international markets.

### Vision

“To uphold Abu Qir Fertilizers’ position as the leading producer and marketer of nitrogen-based, liquid, and compound fertilizers in both local and global markets, in full alignment with international standards.”

### Mission

We operate with efficiency and effectiveness, following a safe and environmentally responsible approach to produce our diverse range of products at the highest levels of quality expected by our customers. We optimize the use of our resources and implement our investments in a manner that satisfies our clients, safeguards environmental sustainability, mitigates operational risks, protects the lives and rights of our employees, and upholds the rights of all stakeholders.



## Shareholding Structure

The following table outlines the structure of the company's shareholders on 30th of June 2025.

No.	Shareholder Name	Nationality	No. of Shares	Types of Shares	Ownership Percentage
1	Alpha Oryx Limited Company	Emirates	271,573,655	Nominal	21.52%
2	Saudi Egyptian Investment Company	Saudi	257,405,245	Nominal	20.40%
3	Egyptian General Petroleum Corporation	Egyptian	241,153,540	Nominal	19.11%
4	Nasser Social Bank	Egyptian	74,477,970	Nominal	5.90%
5	Holding Company for Chemical Industries	Egyptian	69,055,673	Nominal	5.47%
6	Workers' Shareholders Union of Abu Qir Fertilizers Company	Egyptian	65,000,000	Nominal	5.15%
7	Other Shareholders		283,209,637	Nominal	22.45%
<b>Total</b>			<b>1,261,875,720</b>		



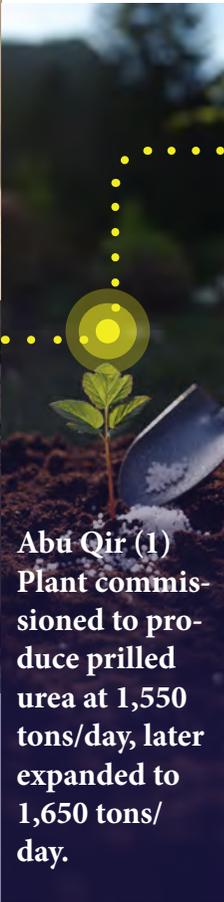
# Milestones Through the Years

1976



Abu Qir Fertilizers was founded under Ministerial Decree No. 374.

1979



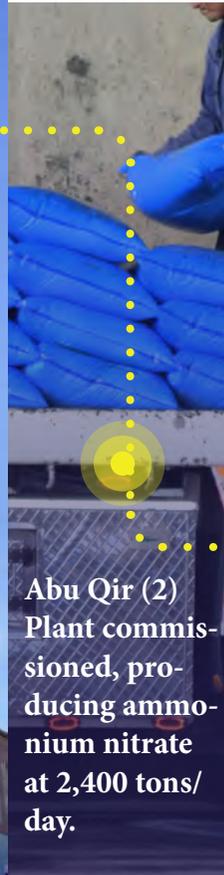
Abu Qir (1) Plant commissioned to produce prilled urea at 1,550 tons/day, later expanded to 1,650 tons/day.

1980



Declared as an Egyptian Public Company under Ministerial Decree No. 107.

1991



Abu Qir (2) Plant commissioned, producing ammonium nitrate at 2,400 tons/day.

1996



Ammonia (1) Plant expanded from 1,000 to 1,100 tons/day, further increased to 1,120 tons/day in 2012.

1998



Abu Qir (3) Plant commissioned, producing urea granules at 1,750 tons/day, later increased to 1,925 tons/day.

2006



UAN Unit commissioned with a capacity of 1,000 tons/day, later expanded to 2,000 tons/day.

2018



Ammonia (3) Plant capacity expanded from 1,200 to 1,230 tons/day.

2019



Plastic Bags Factory commissioned to produce 40 million fertilizer bags annually.

## Recent Achievements (2022–2024)



### Abu Qir I

Installed a leak detection system, shifted NH<sub>3</sub> pump seals from oil to water, and added a booster compressor to improve safety, efficiency, and reliability.



### Abu Qir II

Conducted preventive maintenance, including the replacement of a Waste Heat Boiler, catalyst gauze, and trays, achieving improved plant performance.



### Abu Qir III

Upgraded the distributed control system (DCS) operating system, urea plant equipment, ammonia plant tubes, and high-pressure steam boiler piping. These measures intentionally reduced 2022 production as part of a long-term efficiency and reliability strategy.

## In 2022:

Abu Qir Fertilizers launched its first Solar Panel project in June 2022. The pilot system was installed on the rooftop of the company's social club, with a total capacity of 117 kWp.

## In 2022/2023:

Reduced total energy consumption to approximately 309.8 GWh, the lowest level since 2018.

## In 2024:

Recognized by Forbes as one of Egypt's top-100 performing companies, distinguished for its strong business performance, financial resilience, innovation, and commitment to sustainability.

Awarded the **Industry Stewardship Champion** by the International Fertilizer Association (IFA) for exceptional commitment to safety, environmental protection, energy efficiency, and sustainability leadership.

Completed a comprehensive DCS and Emergency Shutdown System (ESD) Revamp Project for Plants 1 & 3, replacing legacy systems with modern, cyber-secure platforms that enhanced operational reliability, strengthened safety performance, improved energy efficiency, and reduced environmental impact. The project also advanced digital transformation through real-time monitoring, predictive maintenance capabilities, and stronger system integration, thereby suitably positioning the company for future innovation and sustainable growth.

# Recent Achievements (2022-2024)



# 1.2 Products Portfolio

## Production Facilities

Abu Qir operates through three main plants, each consisting of plants that contribute to the company's integrated production network:



### Abu Qir I

- Ammonia Plant – Design production capacity: **1,100 tons/day**
- Urea Plant – Design production capacity: **1,550 tons/day**

### UAN Unit

- UAN unit : **2000 tons/day**



### Abu Qir II

- Ammonia Plant – Design production capacity: **1,000 tons/day**
- Nitric Acid Plant – Design production capacity: **1,800 tons/day**
- Ammonium Nitrate Plant – Design production capacity: **2,400 tons/day**

### Plastic Factory

- The Plastic Bags Factory was commissioned to produce fertilizers Plastic Bags with a production capacity of **40 mn bag/year**.



### Abu Qir III

- Ammonia Plant – Design production capacity: **1,200 tons/day**
- Urea Plant – Design production capacity: **1,750 tons/day**



## Product Range

Abu Qir offers a wide portfolio of nitrogen-based fertilizers and chemicals, ensuring alignment with agricultural requirements in both local and international markets.



### Granular Ammonium Nitrate (33.5% N)

1

- Nitrogen: 33.5% wt
- Moisture: 0.8% wt max
- Grain size: 92% min (2–4.5 mm)
- Grain size: 90% min (1–3.55 mm)

### Prilled Urea

2

- Nitrogen: 46% wt min
- Biuret: 1.0% wt max
- Moisture: 0.5% wt max
- Grain size: 90% min (1–3.55 mm)
- Prilled white treated with anti-caking agent

### Granular Urea

3

- Nitrogen: 46% wt min
- Biuret: 1.0% wt max
- Moisture: 0.5% wt max
- Grain size (2–4.5 mm): 95% min
- White granules treated with anti-caking agent

### UAN (Urea Ammonium Nitrate)

4

- Total Nitrogen: 32.0% wt min
- Urea/Ammonium Nitrate ratio: 0.7–0.8
- pH: 7–7.5
- Free Ammonia: 0.1% wt max
- Corrosion Inhibitor: 100–200 ppm

### Liquid Ammonia

5

- NH<sub>3</sub>: 99.5% wt min
- Water: 0.5% wt max
- Oil: 10.0 ppm max
- Shipping: via marine line at Abu Qir sea berth
- Temperature: approximately –30°C at ship manifold

# Services Portfolio

Further to fertilizers and chemicals, Abu Qir provides a comprehensive package of industrial services, leveraging its expertise, trained workforce, and specialized equipment.

## 01

### Global Maintenance & Plant Shutdowns/Turnaround

- Preventive, predictive, and corrective maintenance across disciplines (mechanical, electrical, instrumentation, fire protection, bulk handling).
- Shutdown and turnaround maintenance.
- Maintenance management using Computerized Maintenance Management Systems (CMMS).
- Skilled engineers, technicians, and fully equipped workshops.
- Inspection, corrosion and vibration monitoring, thermo-vision scanning, oil analysis, intelligent pigging, dielectric loss analysis, and other non-destructive testing.

## 02

### Turbo-Machinery, Vibration Diagnosis, and Balancing

- Installation, commissioning, and start-up services.
- Spare parts supply (new and re-furbished).
- Troubleshooting and on-site maintenance.
- Overhauls and performance testing.
- Emissions control and compliance support.
- On/off-site dynamic balancing and machine alignment (dial indicator and laser methods).

## 03

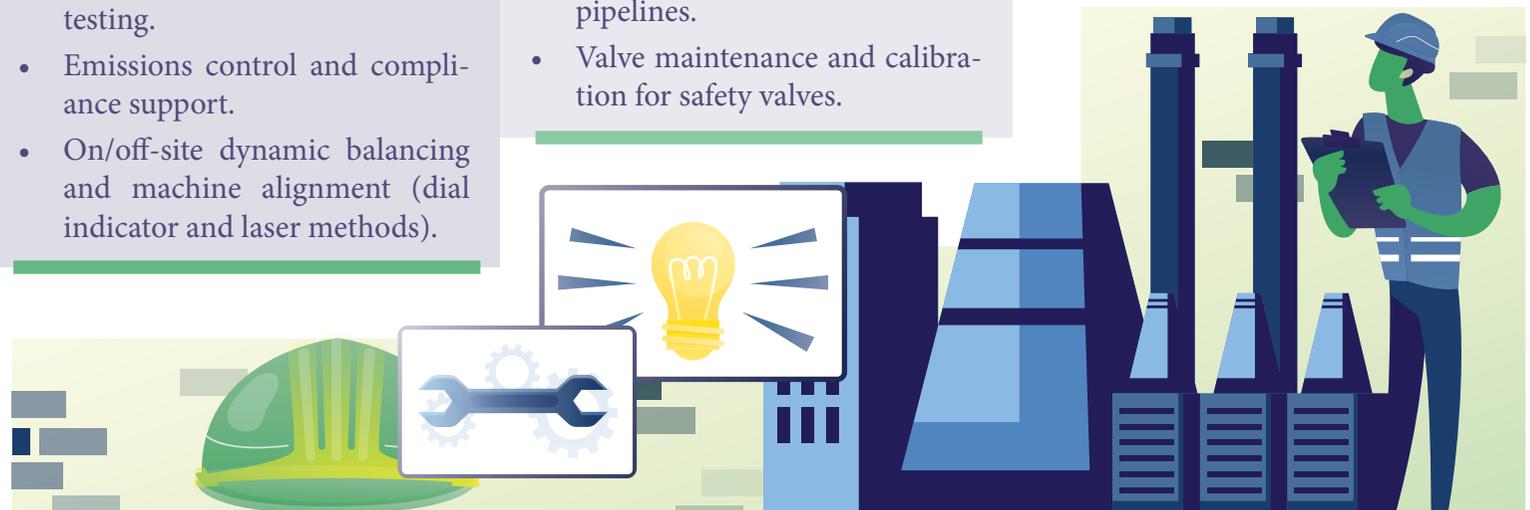
### Construction and Piping Works

- Revamp and modification of storage tanks, vessels, boilers, heaters, exchangers, and coolers.
- Painting, coating, and thermal insulation.
- Fabrication and installation of pipelines.
- Valve maintenance and calibration for safety valves.

## 04

### Workshop Works

- Fabrication capabilities, including lathing, blacksmithing, boring, rolling, hydraulic bending, grinding, drilling, carpentry, and forming.



## 05

### Inspection Works

- Non-destructive testing: ultrasonic thickness, magnetic particle, hydrostatic/vacuum testing, infrared pyrometry, hardness, dye penetration, video scope inspections, ultrasonic leak detection, ferrite content measurement, heat treatment, and positive material identification.

## 06

### Lifting Services

- Crane rental services with qualified engineers and technicians.
- Fleet includes cranes ranging from 10 to 250 tons, Clarks (3 tons), and scaffold erection services.

## 07

### Water Treatment Services

- Filter nozzle installation, gravel/sand filling, resin filling, and carbon filter erection.
- High-velocity water jet cleaning for exchangers and condensers.
- Commissioning and operation of demineralized water treatment units.





## 08

### Electrical Maintenance Works

- Low-voltage motor rewinding/repair and bearing replacement (1.1–160 kW).
- Full dismantling, connection, and testing services.

## 09

### Instrumentation Maintenance and Calibration

- Wide range of devices: flow, pressure, level, temperature instruments, transducers, and control valves.

## 10

### Laboratory Analysis

- **Water Analysis Lab:** pH, conductivity, total dissolved solids (TDS), hardness, chlorides, metals, photometric analysis, flame photometric analysis, TSS, inhibitors.
- **Miscellaneous and Plasma Lab:** sand and gravel analysis, single-element measurement.
- **Environmental Lab:** TOC (solutions and solids), bacterial counts, natural gas, DO, BOD, COD, stack emissions.
- **Plastic Lab:** plastic bag testing (weight, tensile strength, elongation, thickness, burst).
- **Oil Lab:** contamination, water content, acidity, flash point, viscosity, density, and pour point testing.



## Domestic Market

AFC supplies the Egyptian market with a designated quota to the Ministry of Agriculture in the form of prilled and granular urea and ammonium nitrate. Beyond this regulated quota, the company also serves the local market with advanced fertilizers enhanced by secondary and micronutrients, thus offering soil-enriching properties that replenish essential elements lost to intensive irrigation and agricultural use. Further to improving soil quality, these fertilizers help reduce nitrogen emissions, support environmental health, and preserve biodiversity. Key locally marketed products include:

- **Prilled Urea** – produced in Abu Qir I, packaged in distinctive 50kg blue bags.
- **Granular Urea** – produced in Abu Qir III, packaged in 50kg transparent bags.
- **Ammonium Nitrate** – produced in Abu Qir II, packaged in 50kg orange bags.

## International Presence

As Egypt's largest producer of nitrogen fertilizers and one of the leading producers in the Middle East, AFC maintains a strong international presence. Its strategic location on the Mediterranean Sea, near the ports of Abu Qir and Dekheila, provides a competitive advantage in accessing global markets. The company has over 120,000 tons of storage capacity for urea, enabling long-term storage and smooth export operations in both liquid and packaged form. Products available for export include:

- **Granular Urea** – produced to international standards with high durability for storage and transportation.
- **Prilled Urea** – where Abu Qir holds the leading position as the largest producer in Egypt and North Africa, supplying both agricultural and industrial uses.
- **Urea Ammonium Nitrate (UAN) Solution** – exported via tanks at Damietta Port, supporting markets that use spraying or drip fertilization techniques.
- **Fully-Refrigerated Anhydrous Ammonia** – Abu Qir Company produces liquid ammonia at a concentration of 99.9% and is exported through its maritime and anchorage line.



# 1.3 Business Model

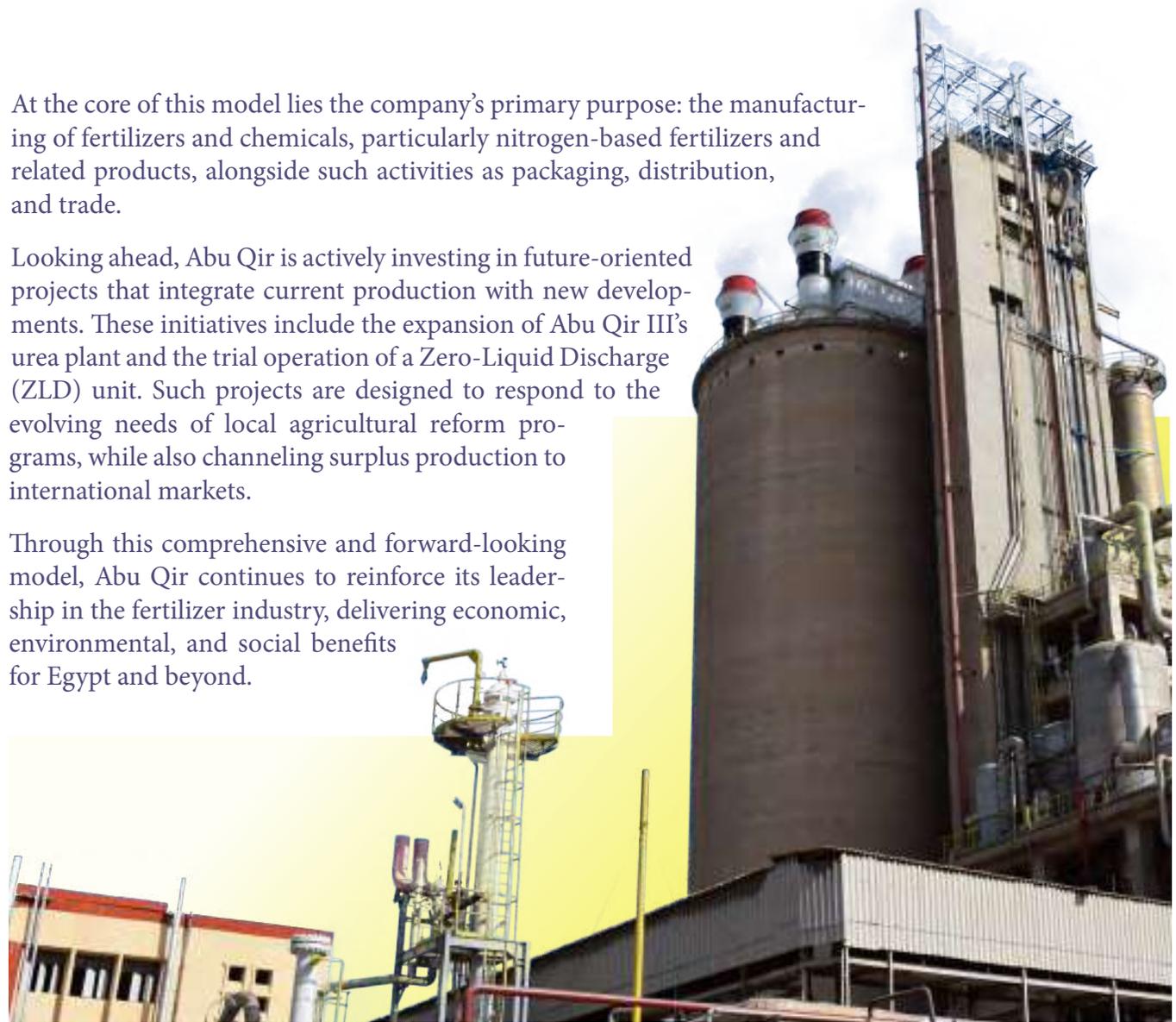
Since its establishment, AFC has pursued a business model centered on operational excellence, sustainable growth, and value creation for both the national and international markets. This approach is guided by the company's clear vision to maintain its pioneering position in the production and marketing of nitrogenous fertilizers and UAN, while consistently adhering to international standards. This commitment is further reflected in Abu Qir's Industry Policy (publicly available in both Arabic and English on the company's website), which underscores its transparency and alignment with global best practices.

The company operates under an integrated model that combines efficient resource use, safe and environmentally responsible production, and the delivery of high-quality products that meet customer expectations. Further to driving profitability, this model ensures environmental sustainability, reduces operational risks, and safeguards employee well-being and stakeholder rights. In so doing, the company seeks to maximize returns while strengthening its role in supporting agricultural development and food security.

At the core of this model lies the company's primary purpose: the manufacturing of fertilizers and chemicals, particularly nitrogen-based fertilizers and related products, alongside such activities as packaging, distribution, and trade.

Looking ahead, Abu Qir is actively investing in future-oriented projects that integrate current production with new developments. These initiatives include the expansion of Abu Qir III's urea plant and the trial operation of a Zero-Liquid Discharge (ZLD) unit. Such projects are designed to respond to the evolving needs of local agricultural reform programs, while also channeling surplus production to international markets.

Through this comprehensive and forward-looking model, Abu Qir continues to reinforce its leadership in the fertilizer industry, delivering economic, environmental, and social benefits for Egypt and beyond.



# 1.4 AFC 2024 EESG Highlights



## Economic

- Maintains strong financial resilience despite market volatility, supported by disciplined cost control, strengthened liquidity ratios, and robust cash generation.
- Continuing revenue generation in a challenging environment, with total revenues increasing by 13.5% over three years.
- Initiates planning for a next-generation Digital Twin system, enabling predictive maintenance, real-time performance monitoring, and optimized asset reliability to support long-term value creation.



## Environmental

- Stable energy consumption performance, maintaining efficiency across all plants.
- Continued contributions from existing solar PV station, generating 184,969 kWh in 2023/2024 and reducing grid electricity dependency.
- Enhances carbon sequestration efforts, with Abu Qir's green infrastructure capturing nearly 1.92 million kg of CO<sub>2</sub> annually through landscaped areas and over 36,100 trees.
- ZLD operations sustained, ensuring full industrial wastewater recycling, supporting both environmental compliance and resource efficiency.



## Social

- Significant investment in capacity-building, delivering 50,800 training hours in 2024, including leadership, technical, health, safety, and environment (HSE), and human development programs.
- Zero injuries and fatalities recorded in 2024, supported by a strong near-miss reporting culture and over 5.58 million safe working hours.
- Employee contributions to benefit plans shifted from a negative balance in 2023 to a positive one in 2024, with an increase of 351.5%.



## Governance

- Robust and independent governance structure, supported by five specialized Board committees
- Zero corruption incidents, backed by a strong Code of Ethics, strict conflict-of-interest controls, and a confidential whistleblowing mechanism accessible to employees, contractors, and suppliers.
- Enhanced risk management practices, establishing clear risk appetite, systematic risk identification, and proactive mitigation aligned with the company's scale and growth ambitions.

# 1.5 Memberships & Associations

Abu Qir is committed to aligning its operations with internationally recognized sustainability frameworks. Through its membership and active participation in global initiatives, the company demonstrates compliance with the *United Nations Global Compact (UNGC) principles*, supports the achievement of the *UN's SDGs*, and reports in line with *SASB standards*. The following table highlights how Abu Qir translates these commitments into concrete contributions across its operations and stakeholder engagements.

SDG	UNGC Principles/ SASB Standards	Abu Qir's Alignment & Contribution
	UNGC #1,2,4,5,6	Independent evaluations assess the socio-economic and environmental impacts of Abu Qir's operations. The company supports local sourcing, job creation in low-income regions, and pays above-minimum wages, ensuring decent living standards for employees.
	UNGC #1,2,7,8,9	Fertilizers are essential for global food security. Abu Qir provides a reliable supply of fertilizers that sustains Egypt's agricultural productivity and meets national food requirements.
	UNGC #1,2,3,6,10; SASB: RT-CH-320, RT-CH-540a	Abu Qir enforces strict HSE and quality policies. Safety culture and accident prevention are priorities, alongside improvements in healthcare-related services.
	UNGC #1	The company runs such initiatives as internships and training for students and graduates. By investing in education, Abu Qir builds skills and capacity across Egypt's workforce.
	UNGC #1,2,4,5,6	Abu Qir advances female empowerment through inclusive roles, professional training, leadership programs, and social support systems.
	UNGC #1,2,7,8,9	We reduce water impact through wastewater treatment, recycling, and sustainable water management practices in full regulatory compliance.
	UNGC #1,2,7,8; SASB: RT-CH-110a	The company invests in energy efficiency and seeks cleaner sources for operations.

SDG	UNGC Principles/ SASB Standards	Abu Qir's Alignment & Contribution
	UNGC #1,2,3,4,5,6; SASB: RT-CH-410a	Abu Qir contributes to the Egyptian economy by maintaining high labor standards and ensuring dignified employment across its value chain.
	UNGC#3,4,6,7,8,9; SASB: RT-CH-410b	Investments in infrastructure, innovation, and modern technologies enhance production and distribution capacity.
	UNGC #1,2,3,4,5,6,10	Equal opportunities are promoted across employees, suppliers, and communities, with zero tolerance for discrimination.
	UNGC #1,2,7,8,9	Abu Qir prioritizes the provision of safe and affordable housing and services.
	UNGC #7,8,9; SASB: RT-CH-130	Operations focus on efficiency, reduced waste, recycling, machine maintenance, and raw material optimization to minimize environmental impact.
	UNGC #7,8,9; SASB: RT-CH-110	Emissions are closely monitored to remain below regulatory limits, supporting climate change mitigation and soil protection.
	UNGC #7,8,9; SASB: RT-CH-140	The installation of a ZLD unit improves water reuse and pollution prevention.
	UNGC #1,2,7,8,9; SASB: RT-CH-120	Abu Qir invests in green spaces that improve air quality and workplace well-being.
	UNGC #1,2,3,4,5,6,10	Strong ethical policies, anti-corruption measures, and zero-tolerance for harassment support a safe and fair workplace.
	UNGC #1-10; SASB: RT-CH-530a	Abu Qir collaborates with government bodies, NGOs, and civil society such as AFA, IFA and Chapter zero to achieve SDGs and support Egypt Vision 2030.

# 1.6 Awards & Recognition



2023

The company was honored and celebrated by the Al-Ahram newspaper.



2024

The company's shares achieved their highest ever price, reaching EGP 108.50.



The company's stock continues to be listed in the Morgan Stanley Index in the semi-annual review.



Abu Qir was honored for ranking among the top 100 companies operating in the Egyptian market in 2023.



Abu Qir ranked ninth in Forbes's Middle East list of the 50 most powerful companies in Egypt for 2024.



The company's shares are listed in the Sharia index on the Egyptian Stock Exchange.

# 02



## Abu Qir's Sustainability Journey

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- 2.1 ESG Framework
- 2.2 Value Creation Model
- 2.3 Alignment with SDGs and Egypt Vision 2030
- 2.4 Stakeholder Engagement
- 2.5 Materiality Assessment

## 2.1 ESG Framework

### Environmental Stewardship



### Social Responsibility



### Governance Excellence



### Sustainability Management System



At AFC, sustainability is a foundational principle that shapes our corporate strategy, informs decision-making, and underpins the long-term value we create for stakeholders and society. As one of Egypt's largest fertilizer producers, we recognize our responsibility to advance agricultural productivity while safeguarding the environment, supporting our people, and strengthening governance practices.

Our ESG framework provides a structured approach to integrate ESG priorities across the business. It aligns with national and global sustainability agendas, including Egypt's Vision 2030 and the UN's SDGs. Through this framework, we ensure that our growth is responsible, inclusive, and resilient.



### Environment:

We are committed to reducing our carbon footprint, conserving natural resources, and complying with environmental standards, such as Egyptian Environmental Law No. 4 of 1994 and ISO 14001 certification. Our strategy emphasizes emission control, water reuse, waste valorization, and biodiversity protection.



### Social:

We invest in our people and communities, prioritizing employee well-being, workplace safety, skill development, and equal opportunities. Beyond our workforce, we support local communities and contribute to food security by providing high-quality fertilizers that enhance agricultural productivity.



### Governance:

Strong governance is foundational to our sustainability journey. Our governance framework ensures accountability, transparency, and ethical conduct across all organizational levels. This includes national regulatory compliance, risk management, and alignment with international best practices.

# Sustainability Management System

To operationalize our ESG commitments, Abu Qir has established a **Sustainability Management System** that embeds sustainability principles into planning, objectives, and operational processes. This system enables us to monitor initiatives effectively, ensure the judicious use of resources, safeguard human rights, and maximize positive impacts across our value chain.



## Ensuring Compliance

Organizations ensure compliance with environmental standards through a multi-faceted approach. At Abu Qir, this is achieved by:

- **Establishing a Framework** – developing policies, systems, and standards that integrate environmental and social priorities.
- **Monitoring and Assessment** – conducting regular audits and evaluations to track performance against commitments.
- **Corrective Actions** – addressing gaps and implementing improvements where needed.
- **Staying Updated** – keeping pace with evolving regulatory requirements, international standards, and best practices.

By embedding ESG principles at the core of our decision-making and supporting them with robust management systems, Abu Qir Fertilizers is building a future where economic growth goes in tandem with environmental protection, social progress, and strong governance.



## 2.2 Value Creation Model

Abu Qir Fertilizers generates long-term value by effectively managing and transforming the resources and relationships that underpin its operations. In line with integrated reporting principles, the company's business model is built around six interconnected capitals—*Financial, Manufactured, Natural, Human, Social & Relationship, and Intellectual*—which serve as the essential inputs that enable sustainable growth and national impact.

Each capital provides distinct forms of value, yet their real strength emerges through their integration. Financial capital enables investments in new technologies, asset upgrades, and environmental initiatives. Manufactured capital forms the operational backbone that supports reliable production and market competitiveness. Natural capital provides energy, raw materials, and environmental systems that sustain industrial activity. Human capital (that is, our skilled workforce) drives operational excellence, innovation, and safety. Social and relationship capital builds trust

with stakeholders, strengthens supply chains, and secures the company's license to operate. Intellectual capital, through systems, innovation, and organizational knowledge, enhances decision-making, efficiency, and adaptive capacity.

Through a cohesive value-creation process, AFC transforms these inputs into outputs that reinforce economic performance, environmental stewardship, and social contribution. This model illustrates not only how the company delivers fertilizer products but also how it creates **holistic, long-term value**—from efficient resource use and reduced environmental impacts to skilled employment, community development, and national food security.

The following table outlines the transformation of capital inputs into measurable outputs through our core business activities, illustrating how Abu Qir's integrated approach drives sustainable performance and stakeholder value creation.

## Inputs

### Financial Capital

- Revenue: EGP 16.33 Bn
- Total Assets: EGP 22.02 Bn
- Current Ratio: 4.41

### Human Capital

- 2480 employees across operations (total workforce)
- 82% of new hires under age 30
- 110 employees recruited
- 50,800 total training hours invested

### Natural Capital

- ZLD system fully implemented.

- Extensive green infrastructure**, including 75,709 m<sup>2</sup> of landscaped areas and 36,102 trees that act as natural carbon sinks.

- Comprehensive **waste management system**, including recycling programs and licensed disposal channels for hazardous and non-hazardous waste.

- Comprehensive greenhouse gas (GHG) monitoring framework** covering Scopes (1, 2 and 3) emissions across the 3 plants.

### Manufactured Capital

- 3 fertilizer production plants (ammonia, urea, nitric acid, ammonium nitrate)
- Advanced maintenance facilities (mechanical, electrical, instrumentation)
- Emergency backup power systems with diesel generators
- Storage and distribution infrastructure
- Laboratory and quality control facilities

### Intellectual Capital

- Implements phase one of SAP S/4HANA Cloud, SAP Analytics Cloud, SAP Digital Manufacturing Cloud, and Ariba Supplier Management.**

- DCS and ESD System Revamp Project for Plants 1 & 3.**

- Digitizing maintenance and supply chain** by integrating SAP PM, MM, and PS modules.

### Social & Relationship Capital

- Supports education** at all levels by building a school in Beheira Governorate in partnership with Decent Life initiative, including students with disabilities, and by supporting universities through research funding, conferences, and workshops.

- Launched medical convoys** reaching neighboring villages and schools.

- Improved transportation infrastructure** by maintaining and paving over 200 kms of roads across Alexandria and Beheira Governorates.

- Developed 64 housing units** in various villages under the Borg El-Arab Development Project.

## Creating Sustainable Value Through Integrated Operations

Manufacturing Excellence

Health, Safety & Environmental Stewardship

Innovation & Digital Transformation

Resilient Supply Chain Management

People Development & Organizational Culture

Stakeholder Partnership & Community Development

Governance, Ethics & Compliance

## Outputs

### Financial Capital

- Revenue: EGP 18.53 Bn (+13.47%)
- Total Assets: EGP 42.31 Bn (+92.2%)
- Current Ratio: 5.98 (+35.6%)

### Human Capital

- Strengthened workforce diversity with 82% young talent integration
- Enhanced operational capacity through 110 newly trained professionals
- Improved employee capabilities with 50,800 training hours delivered
- Fostered culture of continuous learning and development

### Natural Capital

- Promoted coastal ecosystem** protection by reducing freshwater use and minimizing marine discharge.
- Annual sequestration of approximately 1.92 million kg of CO<sub>2</sub>**, achieved through combined absorption from green areas and trees.
- A total of 2,063.39 tons of waste recycled in 2024**, reflecting a 10.7% increase compared to 2023.
- Stable annual GHG performance**, with controlled emissions across all plants and year-over-year.

### Manufactured Capital

- Enhanced plant reliability and extended operational lifespan through preventive maintenance
- Improved energy efficiency and reduced downtime across all facilities
- Strengthened operational resilience with upgraded emergency power systems
- Optimized production capacity utilization

### Intellectual Capital

- Achieved 90% reduction in spare parts lead time** through digitalized procurement

- Improved decision-making** through real-time data analytics

- Enhanced cross-functional collaboration** via integrated systems

### Social & Relationship Capital

- Expanded access to quality education**, promoted inclusion, strengthened local skills, and **fostered academic collaboration** and knowledge exchange.

- Improved access to healthcare services** and contributed to the overall well-being of children and families.

- Improved transportation safety and accessibility**, benefiting local communities by supporting smoother mobility and reducing travel disruptions.

- Enhanced community living conditions** by providing safe, modern housing and supporting social development in underserved villages.

*By transforming its six capitals through operational excellence, digitalization, responsible resource management, and strong governance, Abu Qir Fertilizers creates sustained economic, environmental, and social value—supporting national food security, global competitiveness, and long-term shareholder value.*

## 2.3 Alignment with SDGs and Egypt Vision 2030



- Create job opportunities in low-income regions and prioritize local sourcing.
- Provide wages above the minimum to ensure decent living standards.



- Provide a reliable fertilizer supply to ensure national food security.
- Enhance agricultural productivity through high-quality nitrogen fertilizers and UAN products.



- Implement medical convoys to villages, schools, and Montazah district, offering examinations and medications.
- Collaborate with the Directorate of Health Affairs to Supply hospitals with essential medical equipment and equip operating rooms.
- Enabled the establishment of a medical center in Buhoth to improve local healthcare access.



- Collaborate with Decent Life Initiative, the flagship presidential program, to establish a foundational education school in Khar-toum, Badr Centre, and Beheira Governorate, offering quality education to up to 360 students.
- Support higher education by partnering with Alexandria University to fund research, sponsor conferences, and promote innovation and academic excellence.



- Provide inclusive roles for women within the workforce while taking the industry's nature into consideration.
- Promote women's empowerment and leadership and strengthen social support systems.



- Implemented ZLD systems to maximize water reuse, reduce effluent discharge, and support sustainable water management.
- Apply wastewater treatment to reduce water impact.



- Invest 2,655 MWp solar project will generate 4,432 MWh annually and cut CO<sub>2</sub> emissions by 3,200 tons.
- Launched an 117 kWp solar PV (pilot) project, generating 550,000 kWh over 3 years, reducing electricity costs by EGP 700,000 and contributing 184,969 kWh to the renewable energy transition.



- Maintain high labor standards and provide wages above the national minimum.
- Implemented extensive training, upskilling, and talent-retention programs, which strengthened employee capabilities.



- Improve community infrastructure by monitoring, paving, and maintaining roads across Alexandria and Beheira, covering over 200 km.
- Deliver essential utilities, including electricity, water, and sewage services, to neighboring communities.
- Invest in major infrastructure, including expansion of the Abu Qir III urea plant and production technologies.



- Built a fundamental education school in Khartoum village, Beheira, which includes support for students with disabilities.
- Provide financial support for education across Alexandria and Beheira Governorates.
- Ensure benefits and legal protections for employees with disabilities, including mandatory tax exemptions.



- In 2024, Abu Qir implemented the Borg El-Arab Development Project: delivered 64 housing units in villages near facilities with an emphasis on infrastructure safety, resilience, and sustainability.



- Abu Qir's strategy emphasizes carbon footprint reduction, conserving resources, emission control, and water reuse.
- Improve procurement efficiency: purchase orders reduced from 1,032 to 889 via better forecasting and inventory governance.



- Installed EnviNOx technology (2006) to reduce emissions by over 1.5 million tons of CO<sub>2</sub> equivalents.
- Measurable air emission improvements (2023–2024): CO ↓1.2%, SOx ↓1.9%, NOx ↓1.4%.



- Operate a ZLD unit to recycle up to 85% of treated wastewater, reducing discharge to the sea.
- Responsible water discharge system to minimize impacts on marine biodiversity.



- Integrate green infrastructure and extensive tree planting across facilities to enhance biodiversity and ecosystem resilience.
- Maintain 36,102 trees across sites, acting as carbon sinks, sequestering ~2.16 million kg CO<sub>2</sub>/year.
- Landscaped areas (7,571 ha) contribute an additional ~15,823 kg CO<sub>2</sub>/year absorption.



- Implement a comprehensive Competition Compliance Policy that all employees endorse annually to prevent corruption and promote ethical business conduct.



- Collaborate with General Petroleum Company, Petrojet, Enppi, EDC, and the Orman Association to rebuild 64 houses across several villages.
- Partner with Amoun Pharmaceutical to support the Children's Heart Center (Catheterization Unit) at Smoha University Hospital with medical equipment.
- Work with Enppi to equip a mobile diagnostics unit (mobile emergency unit) for East Alexandria Hospital.

## 2.4 Stakeholder Engagement

We recognize that strong, trust-based relationships with our stakeholders are essential to sustaining long-term value creation and responsible growth. This approach goes beyond simple communication; it is a structured, ongoing process designed to ensure transparency, responsiveness, and mutual respect.

Through open and honest dialogue, we gain critical insights into emerging trends, potential risks, and new opportunities. These exchanges allow us to adapt to evolving expectations while reinforcing our governance framework and enhancing the quality of our services.

Abu Qir has carefully identified its stakeholders by considering the full scope of its operations and activities. By integrating their perspectives into our decision-making, we strengthen our ability to deliver shared value, address pressing challenges, and contribute to sustainable development in the communities we serve.



Stakeholder Group	Engagement Channels	Impacts, Needs and Expectations	Level of Engagement
<b>External Stakeholders</b>			
<b>Government and Regulators</b>	<ul style="list-style-type: none"> <li>Formal communications</li> <li>Regulatory meetings</li> <li>Regulatory portals for disclosures and compliance reporting</li> <li>Regulatory reporting and disclosures (annual and corporate governance report)</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory and legal compliance</li> <li>Safe and efficient operations</li> <li>Licenses, certifications, and statutory approvals</li> <li>Risk management</li> <li>Transparent reporting and accountability</li> <li>Support community development</li> </ul>	<ul style="list-style-type: none"> <li>High power</li> <li>High interest</li> </ul>
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>Annual general meetings</li> <li>Company website</li> <li>The Egyptian Exchange (EGX) platform</li> <li>Ongoing dialogues and information requests</li> </ul>	<ul style="list-style-type: none"> <li>Return on investment (ROI) and financial profitability</li> <li>Sustainable growth and long-term business performance</li> <li>Transparency and effective communication</li> </ul>	<ul style="list-style-type: none"> <li>High power</li> <li>High interest</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Personal meetings</li> <li>Direct phone calls, emails</li> <li>External visits</li> <li>Customer satisfaction surveys</li> <li>Investigations</li> <li>Customer service channels</li> </ul>	<ul style="list-style-type: none"> <li>On-time delivery of products and services, as per specifications</li> <li>Delivering value for money</li> <li>High-quality standards across all products and services</li> <li>Delivering innovative designs</li> <li>Effective communication and prompt responsiveness</li> <li>Professional installation expertise</li> </ul>	<ul style="list-style-type: none"> <li>High power</li> <li>High interest</li> </ul>

Stakeholder Group	Engagement Channels	Impacts, Needs and Expectations	Level of Engagement
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Regular contacts</li> <li>Calls</li> <li>Emails</li> <li>Vendor registration</li> <li>Inspection and quality control processes</li> </ul>	<ul style="list-style-type: none"> <li>Payment for services rendered</li> <li>Safeguard against any health and safety risk</li> <li>Strong and positive working relationships</li> <li>Commitment to the environment and human rights</li> <li>Transparency in the bidding evaluation process</li> </ul>	<ul style="list-style-type: none"> <li>Medium power</li> <li>Medium Interest</li> </ul>
<b>Certification Bodies</b>	<ul style="list-style-type: none"> <li>Regular audit meetings</li> <li>Emails</li> <li>Formal letters</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with registered standards and frameworks</li> <li>Respect and adhere to certification requirements</li> <li>Compliance with all relevant legal obligations and other requirements</li> <li>Readiness for audits with necessary documentation</li> </ul>	<ul style="list-style-type: none"> <li>High power</li> <li>High interest</li> </ul>
<b>Peers</b>	<ul style="list-style-type: none"> <li>Direct meetings</li> <li>Calls</li> <li>Market research surveys</li> <li>Participation in bidding</li> </ul>	<ul style="list-style-type: none"> <li>Ethical competition</li> <li>Fairness and equal opportunities</li> <li>Transparency</li> </ul>	<ul style="list-style-type: none"> <li>Medium power</li> <li>Medium interest</li> </ul>
<b>Industry Affiliation</b>	<ul style="list-style-type: none"> <li>Reports to/from industry</li> <li>Trade chamber</li> <li>Direct meetings</li> <li>Conferences</li> <li>Focal points</li> </ul>	<ul style="list-style-type: none"> <li>Socially responsible and environmentally friendly practices</li> <li>Job opportunities</li> <li>Training in relevant new technologies</li> </ul>	<ul style="list-style-type: none"> <li>High power</li> <li>High interest</li> </ul>
<b>Financial Institutions</b>	<ul style="list-style-type: none"> <li>Regular meetings</li> <li>Financial reports</li> <li>Annual audit reports</li> <li>Feasibility studies</li> </ul>	<ul style="list-style-type: none"> <li>Compliant financial obligations</li> <li>Long-term planning</li> <li>Transparency of the management system</li> <li>Risk management</li> </ul>	<ul style="list-style-type: none"> <li>High power</li> <li>Medium interest</li> </ul>

Stakeholder Group	Engagement Channels	Impacts, Needs and Expectations	Level of Engagement
<b>Local Communities</b>	<ul style="list-style-type: none"> <li>• Press releases</li> <li>• Public events and awareness campaigns</li> <li>• CSR initiatives</li> <li>• Volunteering activities</li> <li>• Direct meetings</li> </ul>	<ul style="list-style-type: none"> <li>• No complaints on noise, parking, safety, pollution, or waste</li> <li>• Community consideration in operations</li> <li>• Ethical business conduct</li> <li>• Sustainable and responsible environment</li> </ul>	<ul style="list-style-type: none"> <li>• High power</li> <li>• High interest</li> </ul>
<b>Internal Stakeholders</b>			
<b>Board of Directors (BoD)</b>	<ul style="list-style-type: none"> <li>• Annual general meeting</li> <li>• Board meetings</li> <li>• Various reports</li> </ul>	<ul style="list-style-type: none"> <li>• Policy and regulatory compliance</li> <li>• Financial efficiency</li> <li>• Strong governance, oversight, and transparency</li> <li>• Accurate, sufficient information and credibility</li> <li>• Business and sustainability strategies</li> <li>• Risk management</li> <li>• Safe and efficient operations</li> </ul>	<ul style="list-style-type: none"> <li>• High power</li> <li>• High interest</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Face-to-face meetings</li> <li>• Internal surveys and feedback mechanisms</li> <li>• Whistleblowing and grievance mechanisms</li> <li>• Employee conferences</li> <li>• Direct phone calls</li> </ul>	<ul style="list-style-type: none"> <li>• Opportunities for professional growth and development</li> <li>• Timely and fair compensation</li> <li>• Health and safety in the workplace</li> <li>• Work–life balance initiatives</li> <li>• Job security and stable employment</li> <li>• Adherence to ethical business conduct</li> <li>• Transparency and effective communication of strategy and policies</li> <li>• Recognition and reward</li> </ul>	<ul style="list-style-type: none"> <li>• High power</li> <li>• High interest</li> </ul>

## 2.5 Materiality Assessment

Our dedication to sustainability has driven us to conduct a comprehensive materiality assessment to identify the key ESG factors most relevant to our business and stakeholders. As one of the leading fertilizer producers in the region, Abu Qir is dedicated to addressing the sustainability challenges inherent to large-scale industrial operations—from managing our environmental footprint and safeguarding ecosystems to ensuring the health, safety, and well-being of our workforce and surrounding communities.

Our approach focuses on identifying, evaluating, and managing topics that uncover new business opportunities while mitigating potential risks. These topics are closely linked to our operations, and we continuously monitor their progress to support sustainable growth. We integrate these priority areas into our policies, strategies, and day-to-day practices.

### Identification and Prioritization Process

Our process began with a thorough identification of ESG topics most relevant to Abu Qir's activities and sector. This analysis considered the national and regional context, fertilizer industry dynamics, peer benchmarking, and alignment with our organizational strategy. From this, we developed a list of potentially material topics that reflect our areas of greatest impact.

To ensure robust prioritization, we engaged with a wide range of internal and external stakeholders, which allowed us to incorporate diverse perspectives and ensured that the material topics reflect both our business priorities and the expectations of the communities, partners, and markets we serve.

**Following a rigorous double materiality review, we identified the material topics most significant to Abu Qir:**



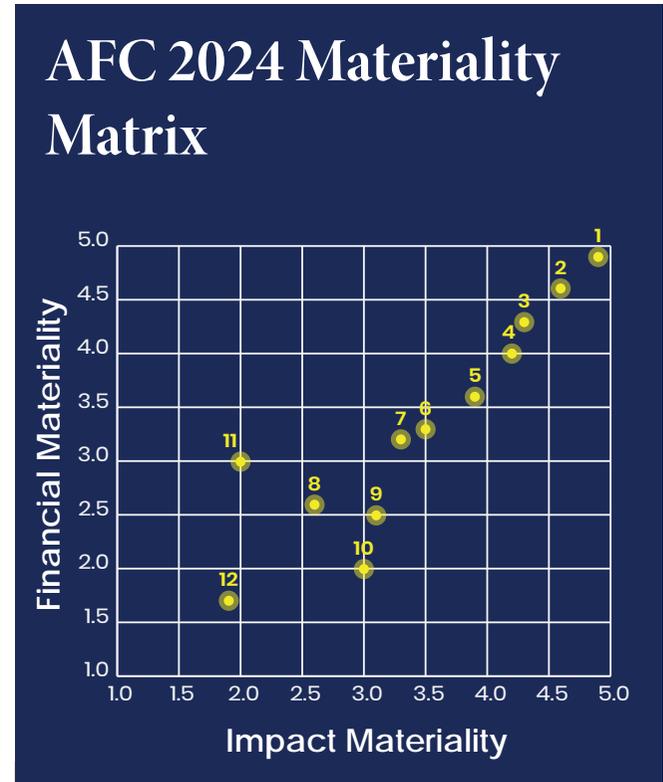
## Management Approach

At AFC, we recognize that the effective management of material topics is critical to ensuring sustainable growth, operational resilience, and long-term value creation. Our management approach is designed to anticipate risks, capture opportunities, and integrate sustainability considerations into daily operations and strategic planning. By aligning business practices with responsible environmental stewardship, social responsibility, and strong governance, we aim to safeguard our workforce, strengthen stakeholder trust, and positively contribute to national and global sustainability priorities.

The following table presents our management approach for each material topic, outlining how we address challenges, mitigate risks, and build on opportunities to ensure continuous progress.

Material Topic	Management Approach
<b>1. Occupational Health &amp; Safety</b>	Due to the industrial nature of fertilizer production, protecting employees and contractors is vital. Abu Qir ensures strict safety standards, regular training, and monitoring systems to minimize risks and safeguard well-being.
<b>2. Financial Growth (Including Customer Management)</b>	We deliver sustainable financial performance through operational excellence, market expansion, and cost optimization. Strong engagement with farmers, distributors, and partners enables us to understand customer needs, ensure satisfaction, and build smooth and strong relationships that drive mutual growth.
<b>3. Business Integrity</b>	Abu Qir upholds the highest ethics, transparency, and accountability standards. Strict anti-corruption policies, robust internal audits, and comprehensive compliance programs reinforce ethical conduct across all operations and guarantee stakeholder trust and responsible governance.
<b>4. Climate Change &amp; Protection of Ecosystems</b>	AFC is actively working to reduce GHG emissions through energy efficiency and low-carbon technologies. We also monitor and manage impacts on water and biodiversity, investing in measures to reduce environmental runoff and protect local ecosystems.
<b>5. Product Quality/ Safety</b>	Abu Qir prioritizes the delivery of safe, high-quality fertilizers through rigorous testing, monitoring, and compliance with international product-safety standards.
<b>6. Circular Economy &amp; Resource Efficiency</b>	We embed circular economy principles by optimizing water and energy use, minimizing waste, recycling process materials, and finding beneficial uses for by-products. Investments in process optimization reduce our environmental footprint while lowering costs.

Material Topic	Management Approach
<b>7. Supply Chain &amp; Sustainability</b>	We collaborate with suppliers to build a resilient, responsible supply chain. By promoting ethical sourcing, environmental stewardship, and ESG compliance throughout our value chain, AFC ensures reliable raw material supplies while driving positive sustainability outcomes.
<b>8. People, Culture, Leadership, &amp; Talent Retention</b>	Our people are the core of our success. We foster an inclusive, high-performing culture through strong leadership, career development, competitive compensation, and ongoing training and development plans. This supportive environment attracts, develops, and retains skilled employees committed to our vision.
<b>9. Regulatory Changes &amp; Compliance</b>	Abu Qir ensures full regulatory compliance through vigilant monitoring, robust management systems, regular audits, and employee training. Proactive tracking of regulatory changes strengthens our compliance posture, helps us mitigate risks, and enables us to capitalize on emerging opportunities.
<b>10. Socio-economic Impact on Communities</b>	We generate shared value through employment, local procurement, skills development, and community investments in education, healthcare, and infrastructure. Ongoing stakeholder dialogue ensures our operations address community concerns and creates positive impacts.
<b>11. Sustainable &amp; Regenerative Agriculture</b>	We support farmers with products and practices that enhance soil health, preserve biodiversity, and promote long-term food security.
<b>12. Security, Emergency, &amp; Data Privacy</b>	We maintain comprehensive emergency preparedness, plant security protocols, and advanced cybersecurity systems to safeguard facilities, people, assets, and sensitive data. Our integrated approach ensures operational resilience and effective crisis response.



# 03

## Growth with Purpose

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- 3.1 Leadership through Governance & Business Ethics
- 3.2 Risk Management
- 3.3 Operations & Production
- 3.4 Markets & Reach
- 3.5 Digital Transformation

# 3.1 Leadership through Governance & Business Ethics



## Board of Directors

The Board of Directors (hereafter, BoD or “Board”) is composed in accordance with Article (21) of the Company’s Articles of Association and in compliance with Companies Law No. 159 of 1981. In line with these requirements, the BoD comprises 13 members, including representatives of key shareholders, experienced professionals, and independent members. This composition ensures that the Board is well-equipped to fulfill its responsibilities and provide effective oversight.

### Role and Responsibilities

The Board is responsible for the company’s overall direction and strategic supervision. Its core duties include:



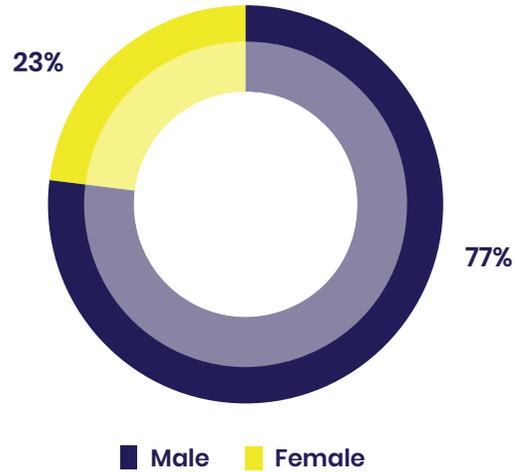
The General Assembly entrusts Board members to act in the best interests of all shareholders and stakeholders, exercising independence of judgment beyond the groups they represent. To support its work, the Board establishes specialized committees and may delegate certain responsibilities, while maintaining ultimate accountability to the General Assembly.

## Board of Directors

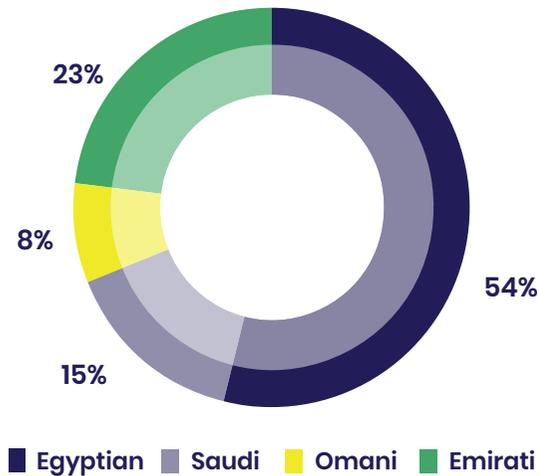
Number	Name	Nationality	Role	Entity Represented
1	Eng. Hany Sayed Mohamed Dahy	Egyptian	Chairman and CEO (Executive)	Experienced
2	Eng. Salah Eldin Elsayed Abd El Kerim	Egyptian	Board Member (Non-Executive)	Experienced
3	Mr. Omar Mohamed Hassan Mehana	Emirati	Board Member (Non-Executive)	Alpha Oryx Limited Company
4	Mr. Khalfan Saeed Mohamed AlQemzi	Emirati	Board Member (Non-Executive)	
5	Mr. Nasser Abdulaziz A. Abanmi	Saudi	Board Member (Non-Executive)	Saudi Egyptian Investment Company
6	Mr. Ahmed Khalil A Kordi	Saudi	Board Member (Non-Executive)	
7	Eng. Ebrahim Abulkader Mekky Mahgoub	Egyptian	Board Member (Non-Executive)	Egyptian General Petroleum Corporation
8	Acc. Amal Mohamed Hassan Ali Tantawy	Egyptian	Board Member (Non-Executive)	
9	Mr. Ossama Elsayed Mohamed Khalil	Egyptian	Board Member (Non-Executive)	Nasser Social Bank
10	Acc. Emad Eldeen Moustafa Khaled	Egyptian	Board Member (Non-Executive)	Holding Company for Chemical Industries
11	Ms. Salma Khalfan Salem Sahmi Alhajeri	Emirati	Board Member (Non-Executive)	Independent Member
12	Ms. Huda Ali Redha Al Lawati	Omani	Board Member (Non-Executive)	Independent Member
13	Mr. Ahmed El-Yamani Abdel Hay	Egyptian	Board Member (Executive)	Employees & shareholders Employees Union

## Board Independence & Diversity

BoD Members by Gender



BoD Members by Nationality

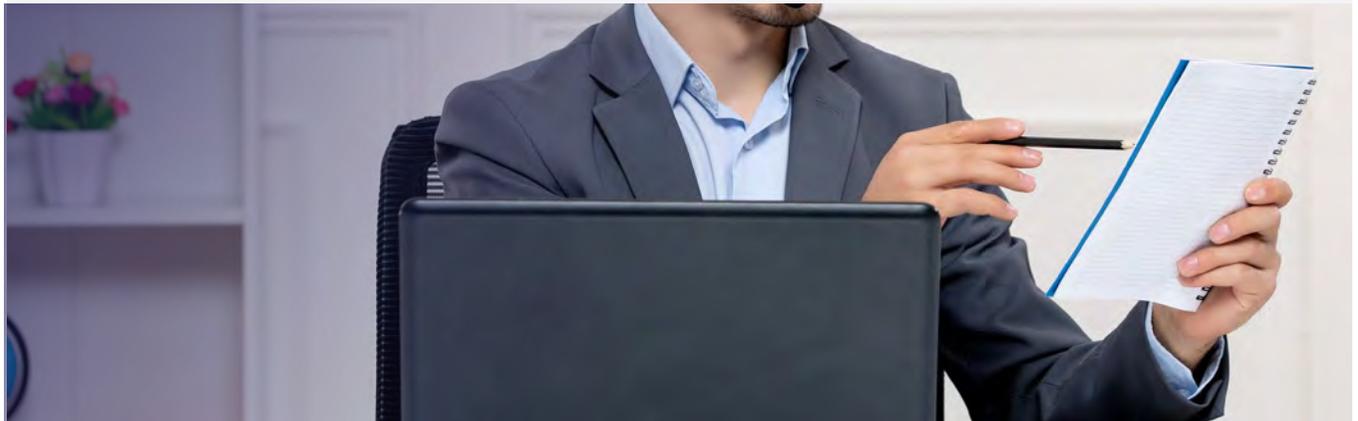


## Chairman and CEO

Eng. Abed Ezz ELRegal served as **CEO and Chairman** until the end of February 2025. Building on this legacy, Eng. Hany Dahy was appointed **CEO and Chairman** in March 2025.



To ensure effective oversight, the BoD appointed a Deputy and assistants to the Managing Director to monitor executive management performance.



## Board Committees

### A- Audit and Governance Committee

The Audit and Governance Committee is independent and oversees the integrity of the company's internal controls, financial statements, accounting policies, and regulatory and legal compliance. It reviews and follows up on internal and external audit plans, reports, and recommendations, while ensuring corrective actions are taken. The Committee evaluates the performance and independence of the External Auditor, recommends their appointment and fees, and approves any non-audit services. It also monitors the internal audit function, reviews information security systems, addresses regulatory violations, and ensures proper disclosure of investment transactions. In line with Board Resolution No. 127 (30/08/2020), the Committee's scope was expanded to include the responsibilities of Governance, Compliance, and Risk Management Committees, as outlined in the Egyptian Corporate Governance Guide.





## B- The Executive Committee and Investment Management

The Executive Committee, which also incorporates the responsibilities of the Investment Committee under Board Resolution No. 127 (30/08/2020), works independently and is responsible for shaping the company's strategy and investment policies. Its duties include setting criteria for investments, participation and exit policies, and liquidation procedures; evaluating new projects and resource use;

and enhancing the company's technical, competitive, and marketing capacities. The Committee also oversees the use of surplus liquidity to maximize returns, ensures the effective deployment of production resources, and facilitates access to technical assistance to improve overall performance.



## C- Occupational Safety, Health, Social Responsibility, and Environmental Protection Committee

The Occupational Safety, Health, Social Responsibility, and Environmental Protection Committee manages its work independently and ensures the company's compliance with societal and environmental responsibilities in line with the Egyptian Corporate Governance Code. Its role includes

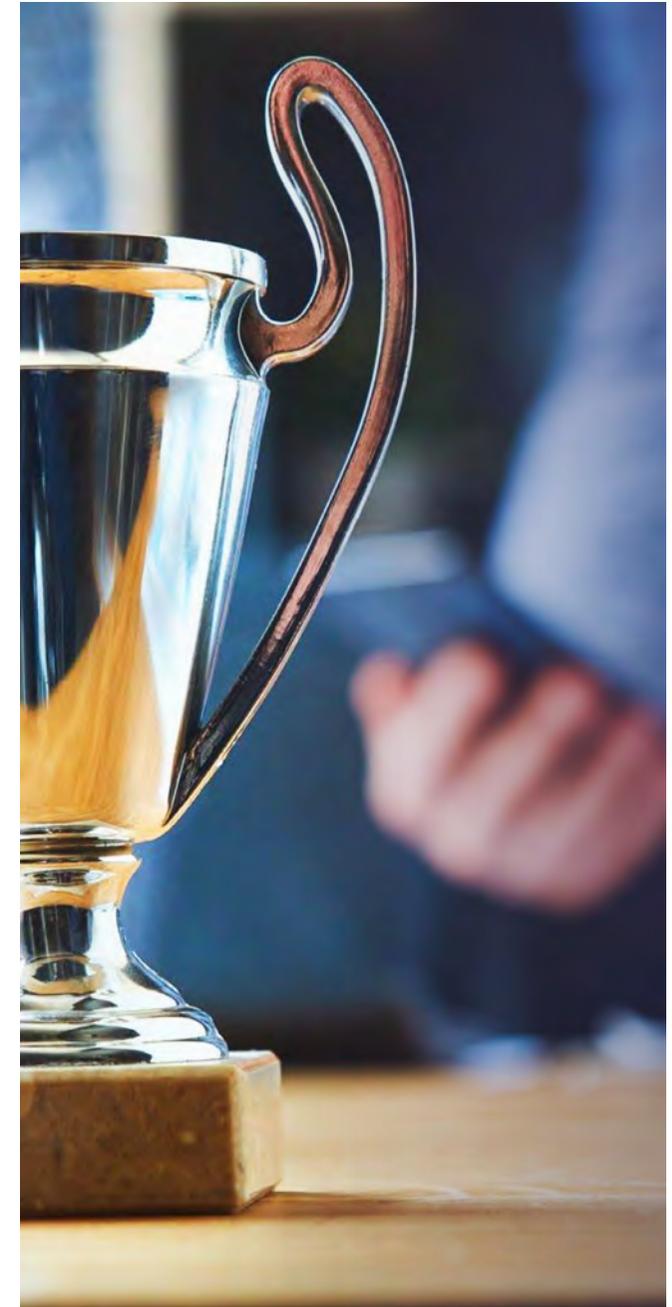
monitoring occupational safety and health across all sites, overseeing environmental policies, and strengthening the company's sustainability and community relations by reporting recommendations to the BoD.



## D- Nominations, Rewards, and Benefits Committee

The BoD established the Nominations, Rewards, and Benefits Committee under Resolution No. (12) dated 31 July, 2024, composed of selected Board members and executive management representatives. The committee reviews promotion nomina-

tions for top management positions and evaluates and proposes policies and standards related to financial and in-kind employee benefits, ensuring they remain fair, competitive, and aligned with the company's strategic priorities.





## E- Determination of the Financial Indicators for the Investment Company Projects Committee

The BoD formed the Committee under Resolution No. (77) dated 15 January 2025, consisting of Board members and executives. The committee's role is to set financial benchmarks for projects similar to the

company's planned investments and to determine the minimum internal rate of return (IRR) that these projects, and the company's own investment projects, must achieve.



# Code of Ethics and Conduct

We recognize that our employees carry significant responsibilities due to the sensitive nature of our industry. To guide their actions and protect AFC's reputation, we have adopted a Code of Ethics and Professional Conduct built on the following principles:

## Integrity and Fairness:

Employees are expected to uphold honesty, impartiality, and equal treatment in all dealings, fostering trust with customers, partners, and stakeholders.

## Professional Excellence:

Staff members are committed to performing their duties with efficiency, competence, and diligence.

## Teamwork and Respect:

Collaboration, mutual respect, and non-discrimination are core values, ensuring an inclusive and supportive work environment.

## Transparency and Accountability:

We promote transparency in business practices while safeguarding confidential and sensitive information. Only authorized representatives may disclose company information publicly.

## Confidentiality and Data Protection:

Employees are required to maintain strict confidentiality of operational, commercial, and technical data. Robust information security measures, including secure archiving and cyber protection systems, ensure that data remains protected.

## Commitment to Sustainability:

All employees are expected to align with the company's sustainability policy, integrating environmental stewardship and responsible practices into daily operations.

## Conflict of Interest Policies:

### A. Insider Trading Policy

The company maintains strict oversight to prevent insider trading. Any trading of the company's shares by insiders is monitored and controlled in accordance with the rules set by regulatory authorities.

### B. Related Party Transactions and Affiliates Policy

All related party transactions, including dealings involving Board members or basic shareholders, are monitored to ensure transparency. Such transactions require **prior approval from the General Assembly**, including approval of any contracts concluded during the previous year. Additionally, any party with a direct interest in a related transaction is **prohibited from voting** on that matter in the General Assembly, ensuring unbiased decision-making.

## Whistleblowing Policy:

We foster a culture of openness and accountability where employees, contractors, and suppliers can safely raise concerns without fear of retaliation. Our formal whistleblowing mechanism detects issues at an early stage, prevents harm, and strengthens trust. This system has consistently yielded zero corruption incidents, reinforcing the company's reputation for integrity and high ethical standards.

## Sustainability Governance

The Corporate Social Responsibility (CSR) and Sustainability Department is central to advancing Abu Qir's sustainability agenda. Its responsibilities include monitoring key performance indicators, such as energy efficiency, carbon emissions, water consumption, and waste management, alongside implementing CSR initiatives. The company also strengthens its long-term sustainability impact by contributing to scientific research in partnership with universities and institutes.

Additionally, Abu Qir has established a **Sustainability Management System** that embeds sustainability principles across its planning, objectives, and operational processes. This system enables the company to monitor initiatives effectively, ensure the judicious use of resources, safeguard human rights, and maximize its positive impact.

Oversight of the system is ensured through a clear governance structure: the Health and Safety Manager and relevant departments oversee implementation, with outcomes reviewed at the departmental level. These results are elevated to the Executive and CSR Committees and are subsequently integrated into the company's risk control system to ensure relevance, urgency, and accountability in decision-making.

Sustainability considerations are also extended to the supply chain, with economic, sustainable, and ethical criteria incorporated into the selection of suppliers, contractors, and service providers. This integration strengthens Abu Qir's ability to foster sustainable development, mitigate risks, and enhance its positive contributions.

Moreover, we actively invest in **training programs** and encourage participation in both national and international conferences and meetings to ensure that the company and its employees remain attuned to the **latest sustainability trends and developments**. These initiatives enrich knowledge, strengthen capabilities, and enhance overall productivity, reinforcing the company's commitment to sustainable growth.



## Compliance

We are firmly committed to upholding the highest ethical and legal standards across all operations. Our **Code of Conduct** and **Suppliers' Code of Conduct** guide management, employees, and partners in their daily decisions, covering such areas as human rights, anti-corruption, and regulatory adherence.

We have also adopted a **Competition Compliance Policy**, along with the required supporting documentation, which all employees must endorse annually to help prevent corruption and uphold ethical business practices.

Through the **Competition Compliance Policy**, divisional policies and measurable targets, the company fosters transparent dialogue on sustainability progress and responsible business conduct.

The **Compliance Department** is central to ensuring that all operations strictly adhere to applicable laws, supervisory regulations, and internal policies. Its mandate includes evaluating non-compliance risks, offering consultations, and preparing reports to prevent reputational or financial harm. Compliance is a shared responsibility, extending from the Board and top management to every employee.

### *Key responsibilities of the Compliance Department include:*

Monitoring staff compliance with laws, governance systems, and company policies.

Overseeing adherence to the Code of Ethics and Professional Conduct.

Ensuring periodic updates of customer data.

Preventing illegal or unethical practices such as money laundering, corruption, or financing of terrorism.

Receiving and investigating complaints confidentially, escalating findings to the Audit and Governance Committee, and ensuring protection for complainants.

The BoD is responsible for approving compliance policies set by top management, while all employees are expected to understand and apply these policies. Through this system, Abu Qir ensures transparency, accountability, and the highest ethical standards in all its activities.

## Internal Audit and Governance Structure

The company maintains a General Department for Internal Audit and Governance, which consolidates three key functions: Internal Audit, Governance & Compliance, and Risk Management. This structure ensures alignment between assurance, oversight, and risk practices.

### *Reporting Lines:*

- **Technically:** the department reports to the **Audit and Governance Committee**, ensuring independence and accountability in oversight.
- **Administratively:** it reports to the **Chairman and Managing Director**, ensuring effective implementation of recommendations and integration into company operations.

### A. Internal Audit Department

The Internal Audit Department evaluates the company's internal controls and risk exposure. It bases its systems and procedures on identified risks, supported by inputs from the Board, external auditors, and company management. These risks are **regularly updated, monitored, and evaluated**, with the results used to strengthen assurance and prevent control weaknesses.

## B. Governance, Compliance, and Risk Management

This division reflects the company's commitment to embedding governance principles and safeguarding compliance while systematically managing risks and business integrity. It is divided into three specialized units:

**Governance Department** – Reinforces governance principles, follows up on their implementation, and enhances their effectiveness across company activities.

**Compliance Department** – Identifies and evaluates compliance risks, advises management, and monitors adherence to laws, regulations, and supervisory requirements. It prepares regular reports to prevent reputational damage and legal penalties from non-compliance.

**Risk Management Department** – Oversees the identification, analysis, and management of risks in line with the company's activities, size, and operating market. Guided by the Board, it defines risk appetite, sets mitigation strategies, and ensures risks are managed proactively and within acceptable thresholds.

# 3.2 Risk Management

AFC's risk management framework categorizes risks across operational and ESG dimensions. Each identified risk or opportunity is thoroughly evaluated so as to determine its potential impact on business objectives. Once assessed, the findings are analyzed and disseminated across the organization through an advanced IT-enabled system. This ensures that committees and management teams have access to accurate, timely data to guide decision-making. HSE risks are communicated directly through the HSE Department, while other risks are tracked and reported via the dedicated Risk Management System.

**Governance supporting this framework:** The Audit Committee oversees compliance with laws, regulations, and the Code of Conduct, supported by the Internal Audit Department, which provides insights into violations, investigations, and corrective measures. Moreover, the BoD reviews and discusses risks, opportunities, and organizational impacts on a quarterly basis, drawing on inputs from all relevant committees. This layered oversight structure reinforces accountability and strengthens organizational resilience.

## Risk Management Department

The Board is responsible for setting the company's risk strategy, which predominantly involves determining potential risks, the means to address them, and the company's overall level of risk appetite. Aligned with this strategy, the Risk Management Department carries out the following responsibilities:

- Conducting timely and accurate analyses of potential risks.
- Defining the company's risk appetite based on the likelihood and impact of each risk.
- Setting out risk policies and specific indicators to measure, follow up, and monitor risk exposure.
- Regularly evaluating the effectiveness and efficiency of existing policies, recommending adjustments when necessary to reflect changes in the market or internal environment.
- Ensuring the availability of adequate and efficient information and communication systems for monitoring and reporting risks.
- Providing senior management and governance committees with regular, reliable reports that highlight compliance with risk thresholds, breaches, root causes, and mitigation plans.

# 3.3 Operations & Production

## Production

Abu Qir's production strategy is designed to maximize efficiency, reduce resource consumption, and ensure reliable supply across its three integrated complexes (Abu Qir I, II, and III). Operations are guided by demand forecasting, just-in-time (JIT) systems, and strong supplier relationships, supported by SAP, real-time monitoring, and predictive maintenance tools.

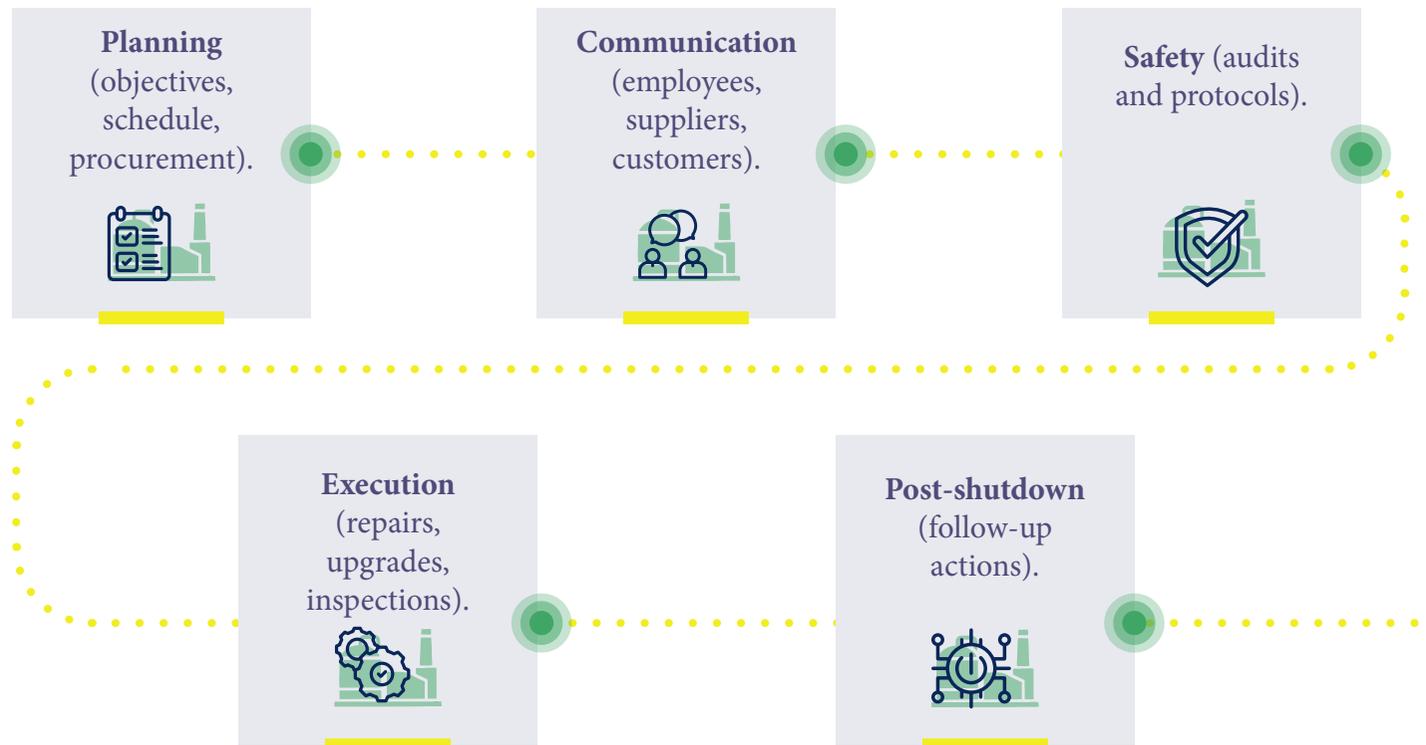
Sustainability principles—namely, continuous efforts to reduce emissions, manage water responsibly, and lower our carbon footprint—are embedded in production. Life Cycle Assessments (LCAs) are also applied to evaluate product and process impacts from cradle to grave.

*The Production Department ensures safe and economical operation of facilities by:*

- Controlling operating conditions per the Operating Manual.
- Monitoring daily, monthly, and annual reports.
- Correcting process deviations and minimizing operational losses.
- Training engineers and operators and managing personnel performance.
- Suggesting and implementing process or equipment modifications for improvement.

## Shutdown and Contingency Planning

Many unexpected factors can negatively affect production planning and execution. In case of natural gas shortages, production is not fully suspended. Instead, fertilizer types are prioritized based on market demand, while downtime is used for scheduled maintenance and major overhauls, ensuring long-term reliability. We follow a strict shutdown framework:



## Production Performance

### Abu Qir I



#### Design capacity:

- » 1,100 t/day Ammonia.
- » 1,550 t/day Urea.

#### 2023 achievements:

- » Ammonia production reached 106.3% of the planned quantity, while production efficiency was 94.2% of its design quantity.
- » Urea production reached 117.1% of the planned quantity, while production efficiency was 103.2% of its design quantity.

#### 2024 achievements:

- » Ammonia production reached 92.2% of the planned quantity, while production efficiency was 75.8% of its design quantity due to a shortage in gas during the reporting year.
- » Urea production reached 107.9% of the planned quantity, while production efficiency was 88.7% of its design quantity.

#### Key achievements:

- » Successful 2024 turnaround.
- » Erection of a brand-new ammonia converter and booster.

### Abu Qir II



#### Design capacity:

- » 1,000 t/day Ammonia.
- » 1,800 t/day Nitric Acid.
- » 2,400 t/day Ammonium Nitrate.

#### 2023 achievements:

- » Ammonia production reached 102.8% of the planned quantity, while production efficiency was 92.9% of its design quantity.
- » Nitric acid production reached 110.3% of the planned quantity, while production efficiency was 98.8% of its design quantity.
- » Ammonium nitrate production reached 107.7% of the planned quantity, while production efficiency was 96.4% of its design quantity.

#### 2024 achievements:

- » Ammonia production reached 80.5% of the planned quantity, while production efficiency was 72.8% of its design quantity due to a gas shortage.
- » Nitric acid production reached 106.6% of the planned quantity, while production efficiency was 95.5% of its design quantity.
- » Ammonium nitrate production reached 104% of the planned quantity, while production efficiency was 93.2% of its design quantity.

#### Key achievements:

- » Preventive maintenance at AN plant.
- » Shutdowns to replace catalyst gauzes.
- » Waste Heat Boiler 08E001 replacement.
- » Full Unit-05 overhaul with tray replacement and ACT-1 activator upgrade.

### Abu Qir III



#### Design capacity:

- » 1,200 t/day Ammonia.
- » 1,750 t/day Urea.

#### 2023 achievements:

- » Ammonia production reached 115.5% of the planned quantity, while production efficiency was 101.7% of its design quantity.
- » Urea production reached 124% of the planned quantity, while production efficiency was 108.7% of its design quantity.

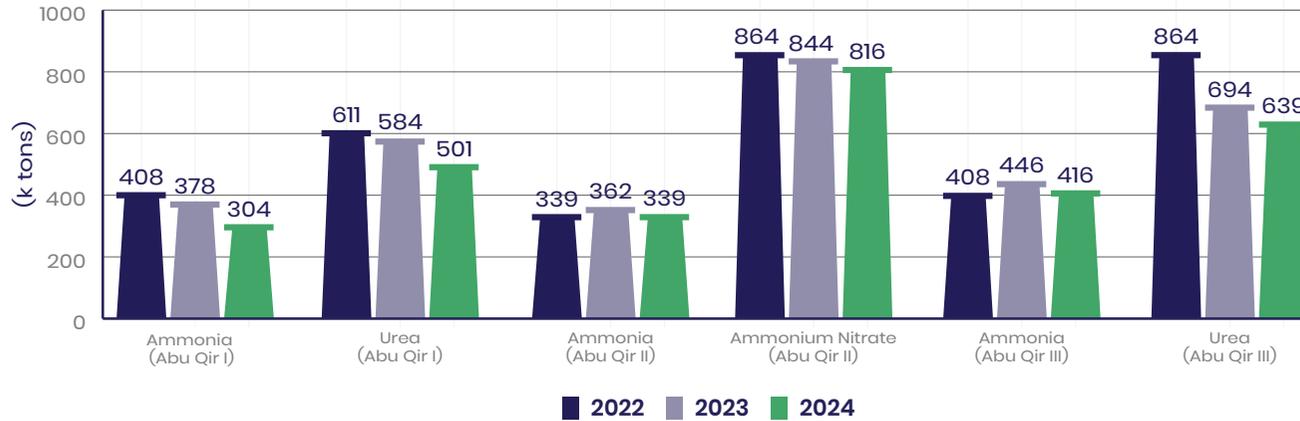
#### 2024 achievements:

- » Ammonia production reached 105.2% of the planned quantity, while production efficiency was 95.1% of its design quantity.
- » Urea production reached 110.6% of the planned quantity, while production efficiency was 100% of its design quantity.

#### Key achievements:

- » DCS upgrade.
- » Replacement of urea-unit equipment, ammonia tubes, and HP boiler piping.

Consolidated Production Volumes (k tons)



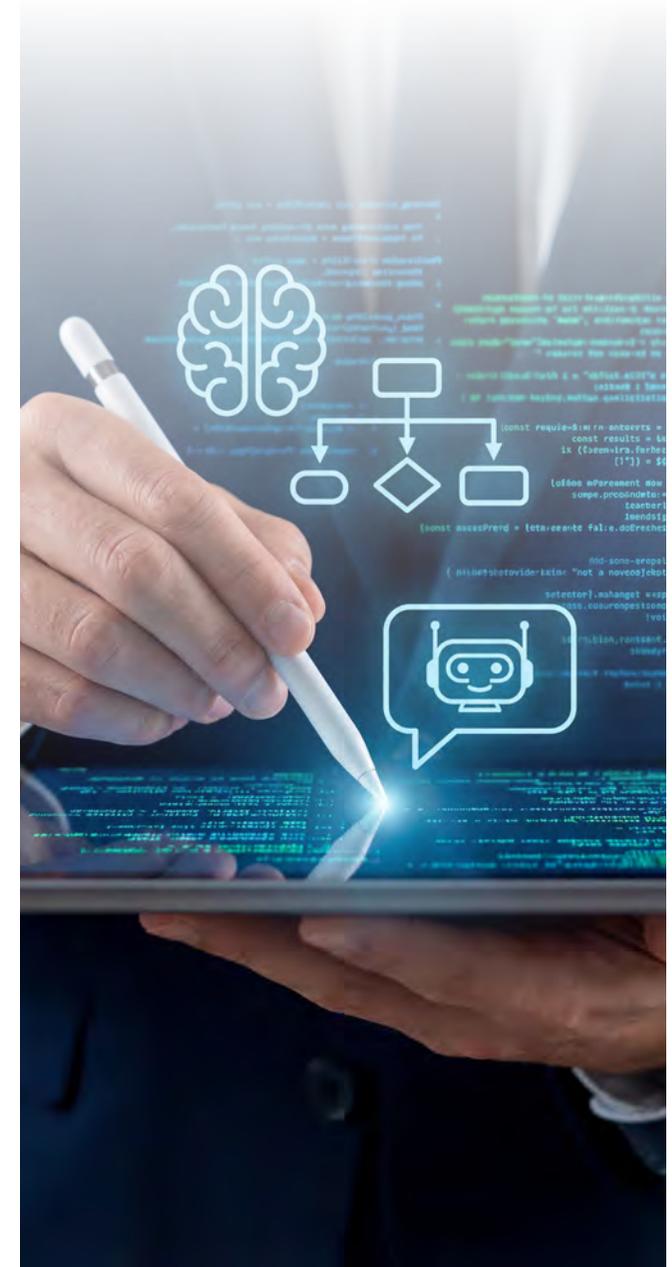
## Quality Assurance

Our dedication to quality continues to be the cornerstone of our operational excellence. We have built and maintained an Integrated Management System (IMS) that is continuously certified and audited to meet international standards. This system enables us to monitor performance, identify areas for improvement, and ensure compliance across all departments and operational levels.

Our IMS is fully aligned with all clauses and sub-clauses of the **ISO 9001:2015 Standard, ISO14001:2015, ISO5001:2018 & ISO45001:2018**, and applies risk-based thinking to enhance resilience and maintain consistency. The system

is reviewed annually through external audits by CERTIFICATION BODY SGS, complemented by regular internal audits conducted by trained in-house teams. These audits span across departments to verify efficiency and compliance, reinforcing a culture of continuous improvement.

We also implement comprehensive non-conformity procedures, starting with the issuance of non-conformity reports, followed by root cause analyses, and concluding with corrective and preventive actions. These processes are reviewed during the annual management review meeting and serve as critical performance evaluation tools.



## Certifications



As the backbone of our IMS, Abu Qir maintains certifications in *four key international standards*:

**ISO 9001:2015 – Quality Management System:** Ensures continuous performance improvement through risk assessment, customer focus, and consistent processes.

**ISO 14001:2015 – Environmental Management System:** This system drives our proactive environmental stewardship.

**ISO 45001:2018 – Occupational Health and Safety Management:** This system reinforces our dedication to workplace safety and employee well-being.

**ISO 50001:2018 – Energy Management System:** Introduced in 2017 and updated in 2021, this certification showcases our commitment to energy efficiency and operational sustainability.

## Quality Laboratory & Control

Our Quality Control Department is essential to upholding our standards. The process begins with evaluating supplier quality, ensuring that all incoming raw materials comply with our strict specifications. Throughout the production line, real-time analyses are conducted to monitor product consistency and efficiency, and final product samples are thoroughly tested before market release.

*To ensure excellence across our laboratories, we continue to prioritize:*

1

**Technological Advancements and Integration:** Investing in advanced analytical tools to keep pace with evolving industry technologies.

2

**Continuous Improvement of Personnel Competence:** Regular training and upskilling to maintain high performance across all laboratory staff.

3

**Quality Objectives and Performance Improvement:** Setting internal benchmarks to drive consistent, measurable progress.

4

**ISO/IEC 17025 Compliance and Scope Extension:** Maintaining EGAC accreditation in water analysis and aiming to extend its scope to include chemical analysis of final products.

5

**Statistical Methods and Data Management:** Integrating data tools and analytical techniques for enhanced decision-making.

6

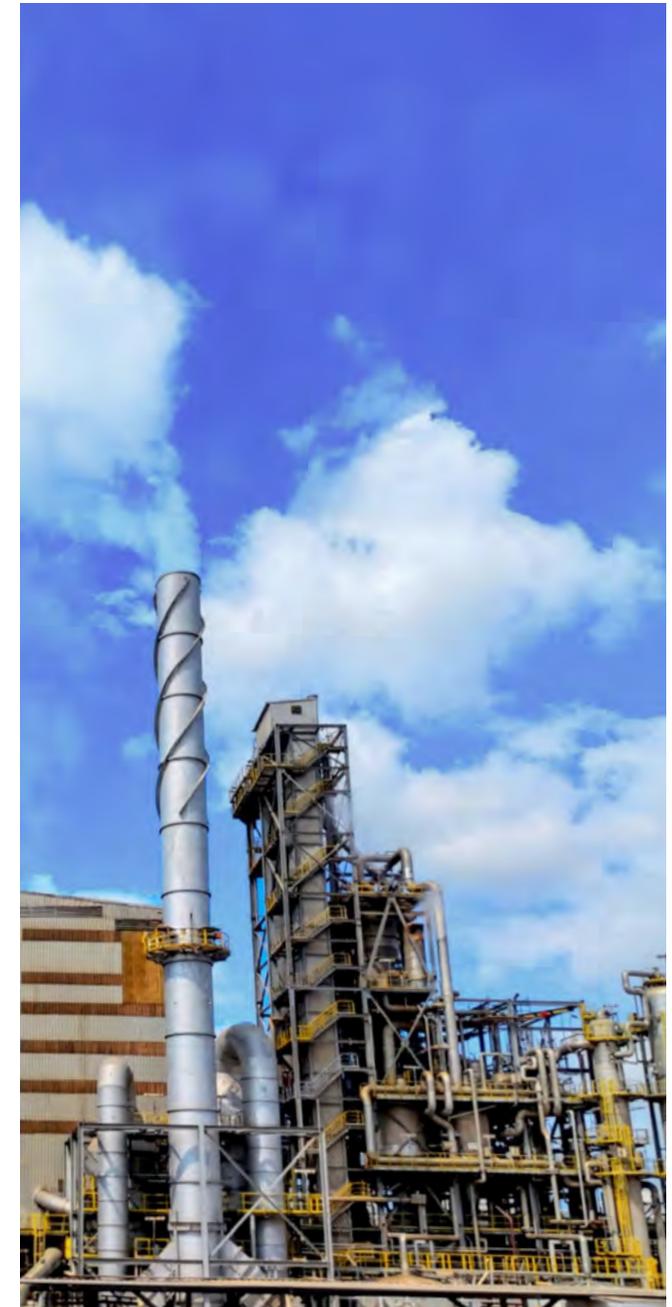
**Digital Transformation of Lab Operations:** Shifting toward paperless systems and digital tracking of lab results for efficiency and traceability.

# Maintenance

Abu Qir's Maintenance Planning Department safeguards the reliability and efficiency of production assets through structured preventive, predictive, and corrective programs. Its mandate extends from daily work orders to annual shutdowns and major turnarounds, thereby ensuring that assets remain safe, compliant, and available for sustained fertilizer production. The department applies international standards in reliability-centered maintenance (RCM) and asset management, integrating Lean, TPM, and continuous improvement tools.

*The following table outlines the responsibilities of the Maintenance Planning Department:*

Responsibility Area	Key Activities
<b>Strategy &amp; Lifecycle</b>	Develops maintenance strategies based on criticality and lifecycle analysis.
<b>Preventive &amp; Predictive</b>	Creates PM/PDM schedules, integrates vibration, oil, and thermography monitoring.
<b>Resource Allocation</b>	Manages manpower, tools, spare parts, and contractor coordination.
<b>Work Order Management</b>	Plans, issues, and closes CMMS work orders with full documentation.
<b>Shutdowns &amp; Turnarounds</b>	Plans, budgets, and evaluates annual shutdowns and major TAs.
<b>Systems &amp; Reporting</b>	Maintains SAP PM/EAM systems, asset master data, key performance indicators (KPIs), and dashboards.
<b>Compliance &amp; Audits</b>	Ensures SHEQ compliance, supports internal/external audits.
<b>Training &amp; Development</b>	Provides mentoring and system training for maintenance staff.





Item	2019/20	2023/24	Growth Ratio	Target
<b>Performance of Planned Maintenance (PM+PDM)</b>	95.1%	96.2%	101.1%	80%
<b>Equipment Availability/Downtime</b>	98.5%	99.1%	100.1%	90%
<b>Planned Maintenance Compliance</b>	95.4%	95.7%	100.3%	90%

## Major Turnaround — AFC-1

### Scope & Planning

Initiated six months in advance; covered static and rotating equipment; >600 work orders optimized.

### Resource Mobilization

Internal teams and specialized contractors mobilized without delays.

### Execution

99.1% schedule adherence.

### Safety

Zero Lost-Time Injuries (LTIs); coordinated with HSE under strict protocols.

### Performance Impact

+15% availability for critical ammonia assets; -30% emergency maintenance calls.



## Certification & Capability Development

In 2023, the Head of Maintenance Sector achieved the **Certified Maintenance and Reliability Professional (CMRP)** credential from the **Society for Maintenance & Reliability Professionals (SMRP)**. This milestone strengthens Abu Qir's application of global RCM practices within the fertilizer sector.



# Systematic Maintenance Cycles

Abu Qir applies structured workflows as follows:

Cycle Type	Core Features	Tools & Systems
<b>Corrective Maintenance (CM)</b>	Triggered by work requests; approved, planned, resourced, and executed via Oracle EAM.	Oracle EAM, Safety Permits, WR/WO Tracking
<b>Preventive Maintenance (PM)</b>	Scheduled based on vendor manuals, runtime rules, and meter readings.	Oracle EAM R12, Last Service Info, Forecasting
<b>Predictive/Condition-Based (PDM/CBM)</b>	Monitors vibration, temperature, oil, and lab results; generates WOs when limits are exceeded.	Quality Action Log, SAP/Oracle EAM
<b>Emergency Shutdown Maintenance</b>	Special CM type with detailed logs of causes/timing, feeding into asset availability KPIs.	EAM Work Orders, Asset Logs
<b>Annual Shutdowns &amp; Turnarounds</b>	Governed by committees; detailed scheduling, critical path tracking, daily reporting, lessons learned.	EAM R12, Master Schedule Reports

## 2024 Key Maintenance Achievements

- Successful execution of **AFC-1 Turn-around**.
- Expanded **CBM programs** (vibration analysis, thermography, oil analysis).
- Strengthened SAP PM/EAM integration with updated asset master data.
- Improved availability by **15%** for critical ammonia assets post-turnaround.
- Reduced emergency maintenance calls by **30%**.
- Achieved global recognition with **SMRP certification** at leadership level.



## Engineering Office

Abu Qir's Spare Parts Control function continues to evolve with the support of the Engineering Office, established in January 2021 to tender evaluations, and centralize all technical studies, spare parts governance, and technical documentation. This centralization improved coordination between maintenance teams, procurement, and engineering affairs, ensuring consistent technical quality and faster response to maintenance needs.

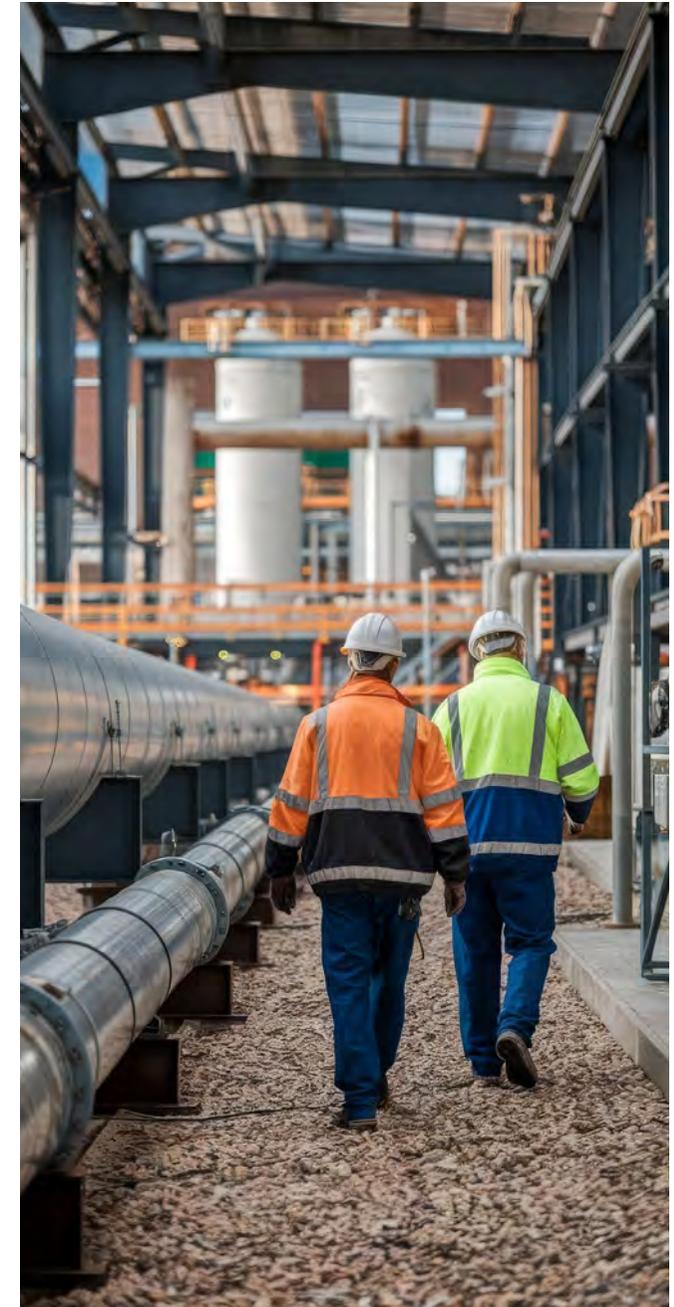
The Engineering Office is pivotal in evaluating purchase requests, preparing technical specifications, reviewing vendor offers, managing common spare parts, and maintaining all technical drawings and as-built plant documentation. These actions significantly strengthened reliability across all production units by reducing duplication, ensuring adherence to engineering standards, and maintaining accurate, up-to-date information for maintenance decision-making.

The clear objectives established allow the sector to function at a heightened operational efficiency. These objectives include reducing inventory values by merging duplicate items, accelerating access to spare parts, ensuring competitive technical-commercial quotations, reducing overall spare-parts lead times, and improving the quality and speed of technical correspondence. Their importance lies in supporting cost control, minimizing downtime, and increasing the resilience of maintenance operations.

## Engineering Office Objectives (2023–2024 Progress):

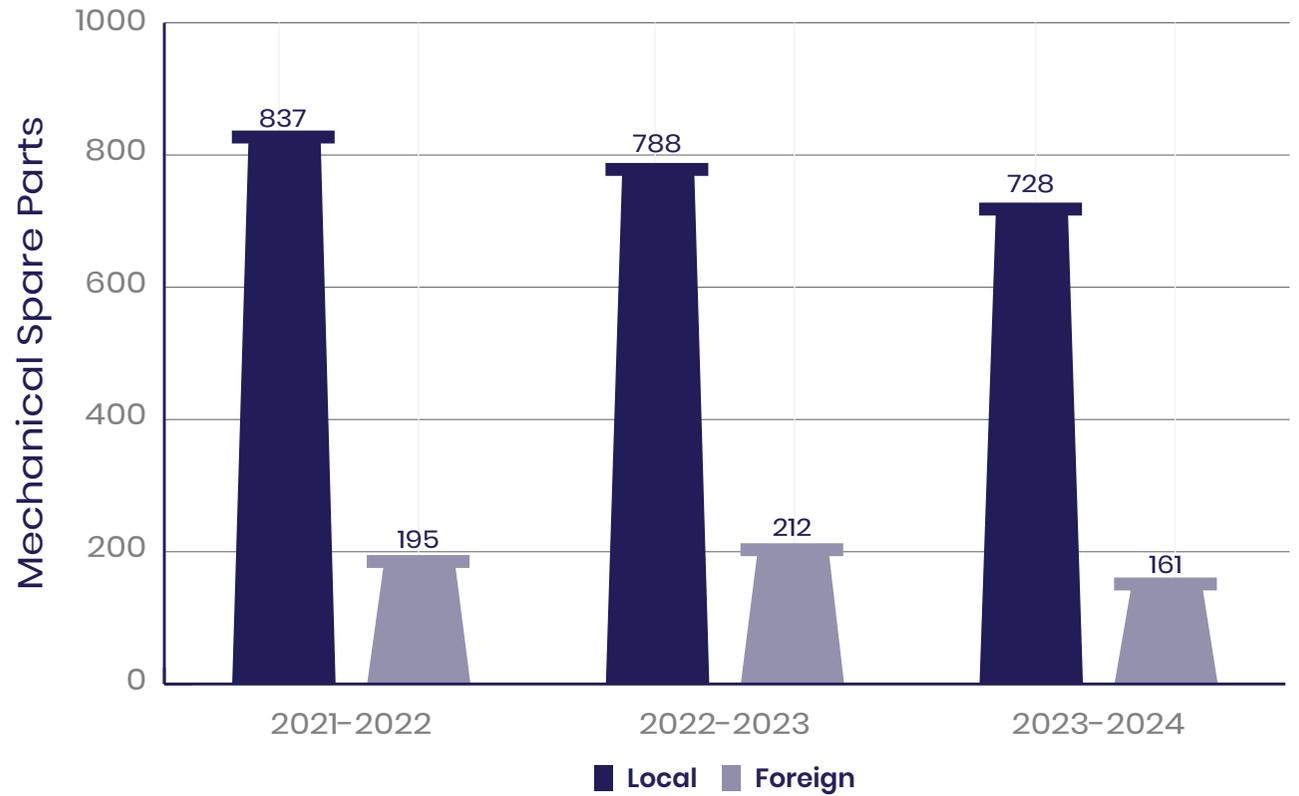
Objective	Result
Reduction of inventory values by merging identical items	<b>30%</b>
Improved access to spare parts	<b>80%</b>
Obtaining best technical-commercial quotations	<b>90%</b>
Reduction of spare parts lead time	<b>90%</b>
Completion of technical correspondences & approvals	<b>100%</b>

Over the past three years, spare parts procurement activities across mechanical maintenance sectors have shown a steady shift toward improved planning and sourcing efficiency. Total purchase orders dropped from 1,032 in 2021–2022 to 889 in 2023–2024, driven by more accurate demand forecasting, improved inventory governance, and technical review consolidation under the Engineering Office.





### Mechanical Spare Parts Procurement



The data shows a consistent overall reduction in procurement volume. Foreign sourcing declined from 195 orders to 161 over three years. Local orders also reduced, reflecting stronger inventory management and fewer emergency or corrective maintenance requirements. Specific sectors, such as Pipe and Facilities Maintenance, demonstrate increasing local procurement, while Urea and Acid & Nitrate Maintenance show declines.

Cost optimization remained a major outcome of these improvements. Through expanded supplier networks, competitive bidding, and the identification of suitable technical alternatives, AFC achieved significant savings in both local and foreign procurement.

### Cost Savings Achieved (2021–2024)

*Foreign procurement savings:*

EUR  
1,067,000

*Local procurement savings:*

EGP  
3,615,600

In preparation for the 2025 annual overhauls, the Engineering Office completed all required technical and procurement documentation, including 9 operations, 6 tenders, and 27 purchase requests. These efforts ensure that all critical equipment, spare parts, and contracts will be ready ahead of schedule, supporting shorter downtime and improved reliability during the upcoming maintenance cycle.



## Utility & Asset Integrity

By managing industrial water treatment, cooling water supply, and demineralized water production, the Utilities Department is key to guaranteeing our continuous and sustainable operations. Its mission is to provide high-quality utilities that meet the technical requirements of fertilizer plants and to minimize the environmental footprint through advanced treatment and water reuse initiatives.

The department adopts a dual strategy for its water management:

- Reducing raw water consumption from the Nile, thereby conserving national freshwater resources.
- Minimizing chemical usage in treatment processes, reducing both operational costs and carbon emissions.

This strategy is implemented through advanced monitoring, strict quality control across the entire treatment cycle, and the operation of a ZLD unit. The ZLD system is designed to recycle up to 85% of treated wastewater, reducing discharges to the sea and ensuring that Abu Qir's operations align with national sustainability priorities.

## Utilities Production Performance

	Abu Qir I	Abu Qir II	Abu Qir III
<b>Demineralized Water Production</b>	113.9%	115.7%	127.2%

## Water Consumption and Discharge

Item	2023/2024 (m <sup>3</sup> /hr)
<b>Total Water Consumption</b>	2,000 m <sup>3</sup> /hr
<b>In Water-Stressed Areas</b>	1,800 m <sup>3</sup> /hr
<b>Water Discharge</b>	650 m <sup>3</sup> /hr



## Key Achievements

<b>ZLD Unit</b>	Commissioning of a new ZLD unit, achieving high water recycling rates and lowering effluent volumes.
<b>Cooling Infrastructure</b>	Installation of a new Cooling Tower for Abu Qir I and replacement of one cell in the Cooling Tower serving Nitric Acid and Ammonia plants.
<b>Knowledge Leadership</b>	Hosted the <b>34th International Water Treatment Conference</b> ; upcoming 35th edition in 2026.
<b>Capacity Building</b>	Will organize a national sustainability workshop (in May 2025) for Egyptian companies to promote responsible water management practices.

Through these initiatives, Abu Qir has strengthened its role as a leader in industrial water stewardship. The combination of ZLD technology, efficient cooling systems, and knowledge-sharing platforms has reduced reliance on freshwater withdrawals, lowered chemical consumption and associated emissions, and enhanced resilience in water-stressed regions.



# 3.4 Markets & Reach

Abu Qir’s local and international leading position is maintained through a comprehensive marketing strategy that emphasizes customer satisfaction, market diversification, and compliance with international trade standards. The Marketing Sector is responsible for promoting the company’s products, increasing sales volumes and revenues, opening new markets, and strengthening relationships with existing clients.

The company markets both solid and liquid fertilizers domestically and globally, while also implementing such innovative strategies as selling by-products (e.g., CO<sub>2</sub>) and entering the carbon certificates market to enhance both environmental and financial performance. This reporting year saw an 8% increase in solid fertilizer sales in the local market.



## Market Performance

Item	2022/23	2023/24	Growth Ratio	Target (2024/25)
Urea Export	1.18 M tons	1.03 M tons	-12%	0.842 M tons
Ammonia Export	0.081 M tons	0.033 M tons	-59%	0.076 M tons
Solid Fertilizers (Local Market)	0.914 M tons	0.987 M tons	+8%	0.977 M tons

## Main Highlights

Exported **1.03 M tons of urea**, exceeding the target of 0.842 M tons.

Strengthened long-term contracts for **carbon dioxide sales**, adding environmental and economic value.

Expanded global presence, reaching **31 countries** and serving **64+ clients**.

Entered the **carbon certificates market**, with returns exceeding four times previous values.

## Marketing and Communication Strategy

Abu Qir's marketing approach is built around ethical communication, customer-centric engagement, and international presence.



**Objectives:** To preserve market leadership in nitrogenous fertilizers; measure customer behaviors, such as visits, purchase frequency, and information requests.



**Customer Engagement:** Participation in international conferences and exhibitions to build relationships, track market trends, and ensure alignment with global standards.



**Ethical Standards:** All marketing activities are guided by principles of integrity, humility, and honesty. Content is verified through structured reviews, regulatory compliance, and fact-based messaging.

Several marketing tools are used to execute the aforementioned strategy. They can be divided into the following four categories:

Category	Examples
Digital	Company website, email newsletters, LinkedIn, WhatsApp, SMS campaigns.
Traditional Media	Brochures, posters, newspaper ads, POS materials at agro-dealers.
Events & Exhibitions	International fertilizer conferences, local agricultural fairs.
Dealer Support	Training programs to enable distributors and retailers to educate farmers on fertilizer use.

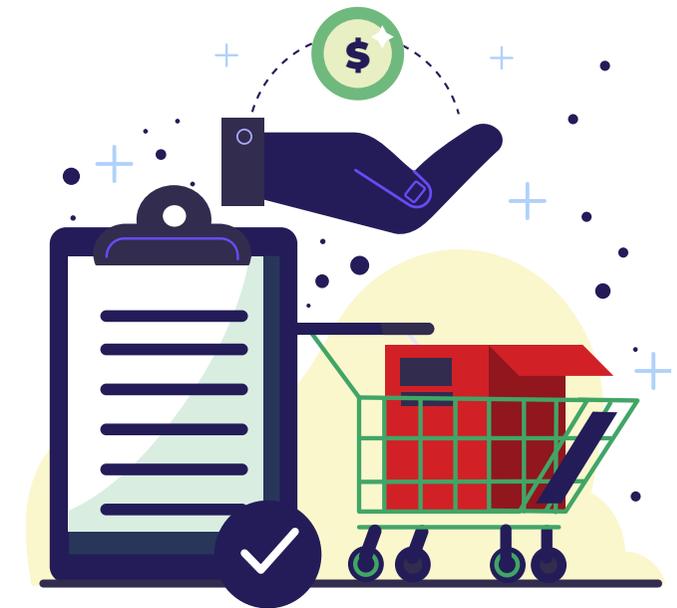
Two significant campaigns undertaken in 2023/2024 were “Grow Faster with Nitrogen” and “Increase yield with Effective Nitrogen Fertilizer.” Both benefited from the attendance of over 900 farmers in the Nile Delta and across key agricultural areas to strengthen relationships, transfer knowledge, and improve customer loyalty.

## The Main Two Campaigns

Campaign	Focus	Beneficiaries	Impact
Grow Faster with Nitrogen	Engagement with farmers in the Nile Delta to highlight benefits of nitrogen fertilizers.	600+ farmers	Strengthened relationships, promoted nitrogen-sensitive crops, such as corn and vegetables.
Increase Yield with Effective Nitrogen Fertilizer	Awareness campaign in key agricultural areas on the role of nitrogen fertilizers in improving yields.	300+ farmers	Improved customer loyalty and sales, increased adoption of nitrogen fertilizers.

## Compliance and Market Access

To ensure smooth access to European markets, Abu Qir complies with EU REACH regulations through its partnership with Reach Only Representative (Ireland) Ltd. Such substances as ammonia, ammonium nitrate, formaldehyde, magnesium nitrate, and urea are registered under REACH, ensuring that all exports to the EU meet regulatory requirements.



## 3.5 Digital Transformation

Abu Qir's digital transformation is further solidifying its key position in the Egyptian fertilizer sector. By harnessing advanced technologies, such as cloud computing, artificial intelligence, industrial internet of things, and big data analytics, Abu Qir is building a fully integrated digital ecosystem that empowers smarter decision-making and operational excellence.

Our digitalization strategy is being implemented in two phases. The first, launched in 2022, focused on deploying SAP ERP Cloud across all departments (excluding HR and its dependencies) to automate workflows, simplify business processes, and enhance integration. This phase also introduced advanced analytical tools and dashboards to provide real-time insights, supporting more effective and data-driven decision-making. As of 2024, Phase One has been successfully finalized, with all outstanding issues resolved during testing and parallel operations.

The second phase will expand integration by incorporating HR modules into the SAP ecosystem, completing full data integration across the company. This step will ensure seamless connectivity between all functions and enable predictive analytics for both operational and workforce management.

In parallel, Abu Qir has migrated from on-premises systems to cloud-based operations and upgraded all Oracle applications to the latest available versions. This move enhances system reliability, security, and scalability while reducing IT infrastructure costs.



*Our digital ecosystem also leverages cutting-edge SAP platforms, including:*

SAP S/4HANA Cloud

Signavio Process Intelligence

SAP Digital Manufacturing Cloud (DMC)

SAP Analytics Cloud (SAC)

Ariba Digital Suppliers

Asset Intelligent Management

Together, these platforms provide solid tools for supply chain optimization, asset management, process intelligence, and supplier collaboration. This transformation represents a strategic journey to strengthen Abu Qir's resilience and competitiveness. With highly skilled digital cross-functional teams leading the process, Abu Qir is positioned to extract maximum value from these transformative systems and to set new benchmarks for the fertilizer industry in Egypt and the wider region.

## The Engineering Office Digital Transformation & Supply Chain Strategy

Further to the core SAP ecosystem, digital transformation has become a primary enabler of maintenance excellence. The Engineering Office has integrated SAP PM, MM, PS, and ARIBA modules to fully digitalize the spare parts and supply chain cycle, thus ensuring accurate demand planning and faster procurement workflows. Technical documentation has also transitioned to OpenText Extended ECM, allowing unified control of engineering drawings, as-built revisions, and technical data across all plants.

As part of AFC's dedication to operational excellence and sustainable value creation, the company continues to advance a fully integrated digital ecosystem that transforms the end-to-end supply chain. Our digital transformation strategy focuses on establishing seamless connectivity across all internal processes—linking Plant Maintenance (SAP PM), Materials Management (SAP MM), and major overhaul management through SAP Project Systems (PS) to enhance governance, transparency, and automated process control. This integrated ecosystem extends beyond internal functions to include our suppliers through the Arriba Supplier Management platform, ensuring responsible sourcing, improved supplier collaboration, and enhanced supply chain resilience.

Through intelligent automation, material requisitions are now directly connected with Production Planning (SAP PP). Material Requirements Planning (MRP) automatically anticipates and generates purchase requisitions based on actual production forecasts, equipment needs, and inventory thresholds. This capability significantly optimizes resource use, reduces waste, and supports a sustainable level of material consumption.

Across this digital value chain, our systems and processes are embedded within innovative solutions and analytics tools that enhance accuracy, reduce manual intervention, and promote data-driven decision-making. By integrating people, processes, and technology, AFC is advancing a more efficient, transparent, and sustainable supply chain ecosystem that supports long-term operational excellence and environmental stewardship.



## The Engineering Office Vision for the Next Stage of the Digital Transformation

A major advancement during 2023–2024 is **the planning of the Digital Twin System Project**. The system provides real-time monitoring, predictive maintenance capabilities, and detailed asset simulations that improve equipment reliability, support energy optimization, and reduce operational downtime. This initiative aligns with national and global priorities for operational efficiency and decarbonization, positioning Abu Qir to adopt next-generation maintenance and asset management practices.

# 04

## Planet

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- 4.1 Energy Consumption
- 4.2 GHG Emissions
- 4.3 Water Consumption
- 4.4 Waste Consumption
- 4.5 Biodiversity

Here at AFC, we do not simply view environmental protection as a regulatory requirement; instead, we consider it a core value that defines our operations. As one of Egypt's leading fertilizer producers with a strong industrial presence on the Mediterranean, Abu Qir recognizes its responsibility for balancing industrial growth with the preservation of natural ecosystems. The company's approach to environmental stewardship extends beyond compliance, embedding sustainability principles into every stage of its operations—from resource efficiency and emissions reduction to waste management and biodiversity protection.

By adopting an integrated environmental management framework, Abu Qir strives to minimize its footprint, optimize the use of natural resources, and positively contribute to the national and global climate agenda. This commitment reflects the company's long-term vision: delivering agricultural and industrial value while safeguarding the environment for future generations.

## Environmental Protection Strategy

AFC has established a robust Environmental Protection Strategy that combines compliance, innovation, and continuous improvement. The company adheres to Egyptian Environmental Law No. 4 of 1994 and its amendments, securing all necessary approvals and licenses, and renewing them regularly. Moreover, we are certified with ISO 14001 for its Environmental Management System, reflecting alignment with international standards.

### *The strategy prioritizes:*

**Resource efficiency:** Converting waste into economic returns and recycling water generated from industrial processes through advanced treatment units.

**Air quality management:** Reducing emissions via specialized units for nitrous oxides, nitrogen, and ammonia removal, with recovered materials reused in operations.

**Innovation and technology:** Deploying the latest environmental technologies to ensure emissions, industrial drainage, and waste remain within regulatory limits.

This integrated approach ensures that environmental protection is not merely compliance-driven, but a cornerstone of operational excellence and long-term sustainability.

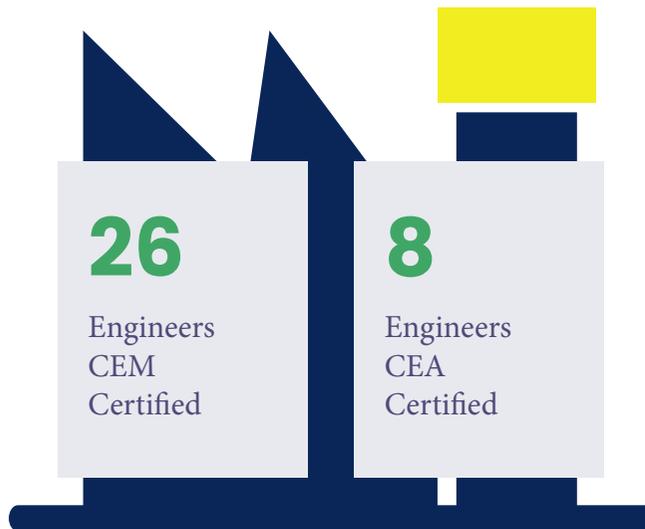
## 4.1 Energy Consumption

Another linchpin of our operational efficiency and environmental responsibility is energy management. Recognizing the sector's energy-intensive nature, the company heavily emphasizes monitoring, controlling, and optimizing energy use across all facilities. By doing so, AFC not only supports cost efficiency and competitiveness but also advances its contribution to national and global climate change mitigation efforts.

The company follows a systematic approach that combines the close monitoring of energy consumption at each production plant with targeted efficiency initiatives in administrative and support facilities. This integrated strategy ensures that every kilowatt-hour is accounted for and that potential savings opportunities are identified. At the same time, AFC invests in renewable energy sources, such as solar power, to diversify its energy mix and gradually reduce dependency on conventional sources.

This holistic approach reflects the company's alignment with Egypt's vision for sustainable industrial development and the global transition toward low-carbon operations.

Through continuous improvement, AFC strives to balance production demands while minimizing its environmental footprint, while also investing in building strong internal capabilities. This includes preparing and qualifying a fully trained team for the energy management system across all company sectors and securing internationally recognized certifications—such as Certified Energy Manager (CEM) and Certified Energy Auditor (CEA) from the Association of Energy Engineers (AEE)—to ensure effective, science-based energy performance management.



## Energy Consumption and Efficiency Performance

During the **2023/2024** fiscal year, AFC's **total energy consumption** reached **315.67 million kWh**, compared to **313.27 million kWh** in **2022/2023**, reflecting a slight year-on-year increase of less than 1%. This overall stability demonstrates the company's commitment to maintaining efficient energy use despite variations in production activity across different facilities.

## Energy Reduction Targets

We have set formal energy reduction targets to strengthen our dedication to operational efficiency and sustainability. Using a baseline of **1,500,000** units, we aimed to achieve a **0.5% reduction in energy consumption** by **2024**. By the reporting year, we had already achieved **85% progress** toward this goal. This performance highlights the effectiveness of ongoing efficiency initiatives and reflects steady progress toward meeting the target within the planned timeframe.

## Renewable Energy Use

In line with our commitment to diversifying its energy sources and supporting the transition to renewable power, we launched the **Solar Panel project** in **June 2022**. The pilot project was installed on the rooftop of the company's **social club**, with a total installation capacity of **117 kWp**.

Since its commissioning, the solar station has contributed to reducing dependence on conventional electricity sources while generating direct financial savings. Over its first three years of operation, the system has produced a cumulative **550,000 kWh**, resulting in avoided consumption costs of nearly **EGP 700,000**. The project's total investment was **EGP 1Mn**, underscoring the company's strategic investment in clean energy solutions.

*During the reporting periods:*

In **2022/2023**, the station generated **192,026 kWh**.

In **2023/2024**, production reached **184,969 kWh**, maintaining a stable renewable energy contribution to the company's overall energy mix.

In the interests of transparent reporting, AFC presents its **total electricity consumption** while also distinguishing between power drawn from the **national grid** and electricity generated internally through solar energy. In 2022/2023, total consumption amounted to **313,278,563 kWh**, of which **192,026 kWh** was generated from solar, resulting in a net grid consumption of **313,086,537 kWh**.

Similarly, in 2023/2024, the company's total electricity use reached **315,672,727 kWh**. After accounting for the renewable contribution from the solar PV project (**184,969 kWh**), the **net grid electricity consumption** stood at **315,487,758 kWh**.

By presenting both **total energy consumption** and **net grid consumption**, AFC highlights not only the scale of its energy needs but also the tangible impact of renewable energy in reducing reliance on external sources and supporting the company's long-term sustainability objectives.

**In 2022/2023:**

- Total electricity consumption: **313,278,563 kWh**
- Solar PV contribution: **192,026 kWh**
- **Net grid & Generator Production: 313,086,537 kWh**

**In 2023/2024**

- Total electricity consumption: **315,672,727 kWh**
- Solar PV contribution: **184,969 kWh**
- **Net grid & Generator Production: 315,487,758 kWh**



## Energy Consumption Performance Across Operations

Consumption KW.Hr	2022/2023	2023/2024
<b>AFC1</b>	77,406,384.00	79,143,102.00
<b>AFC2</b>	115,460,400.00	118,872,000.00
<b>AFC3</b>	117,267,239.00	115,398,778.00
<b>Admin &amp; Facilities</b>	2,952,514.00	2,073,878.00
<b>Solar Energy</b>	192,026.00	184,969.00
<b>Total Consumption</b>	313,278,563.00	315,672,727.00

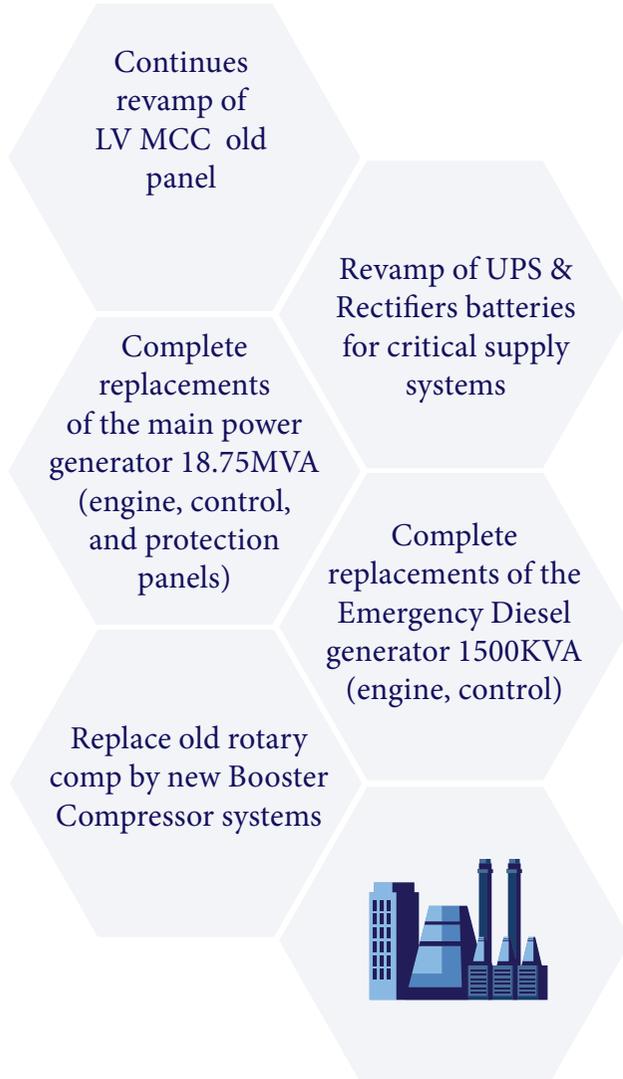
## Our Achievements

At Abu Qir, we are proud of our continued progress in advancing sustainability and operational excellence. Each milestone reflects our dedication to responsible resource management, reducing our environmental impact, and contributing positively to our community and stakeholders. These achievements are both a testament to our commitment and a driving force motivating us to set higher goals for the future.

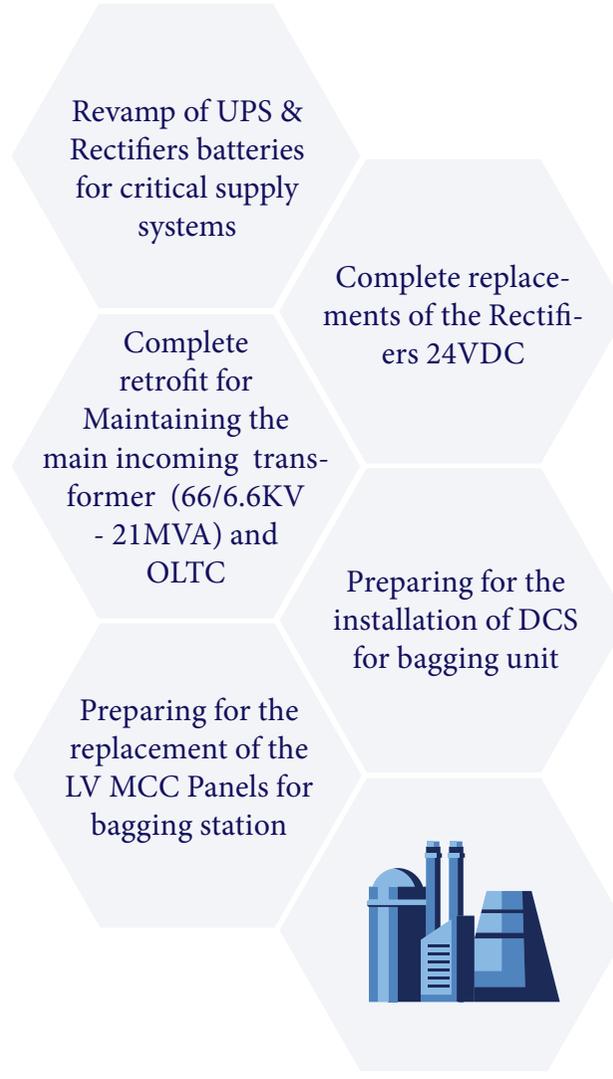
As such, we take pride in presenting our key achievements across our three main production facilities—Abu Qir I, II, and III—reflecting our continuous commitment to enhancing operational efficiency, safety, and sustainability.



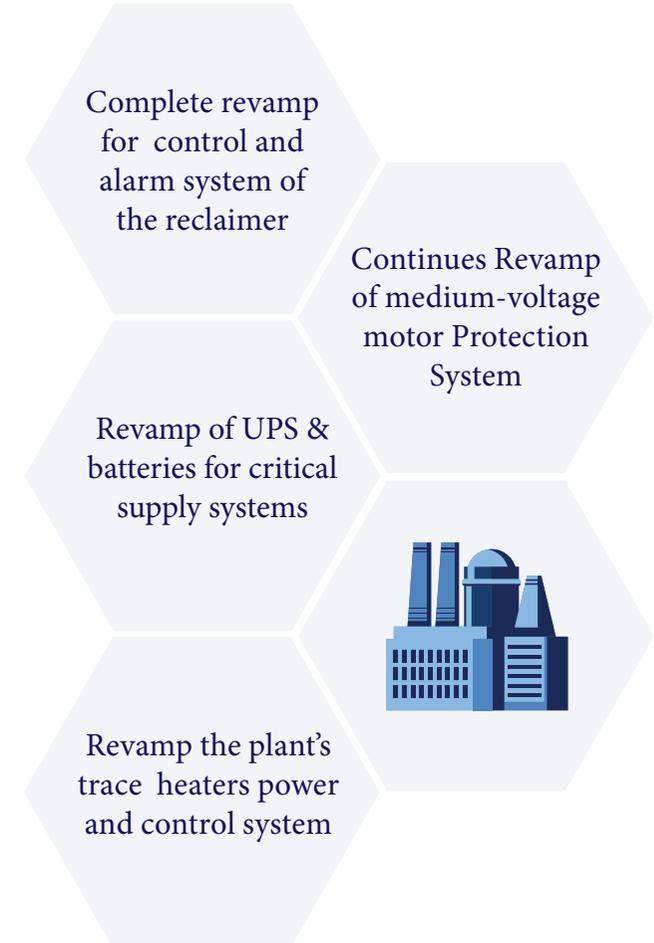
## AFC1 Main Achievements 2023–2024



## AFC2 Main Achievements 2023–2024



## AFC3 Main Achievements 2023–2024



## Our Future Plans

Abu Qir has developed a comprehensive roadmap for improving energy efficiency, reducing operating costs, and furthering national sustainability efforts. This roadmap is built upon a series of key pillars, each representing a strategic intervention area to ensure continuous improvement. These pillars outline the future plans of the company in optimizing electricity usage, adopting renewable energy, upgrading infrastructure, and implementing smart systems.



## Pillar 1 — Enhancing the Efficiency of Electric Motors

The first major pillar focuses on improving the efficiency of electric motors, which constitute nearly 90% of the company's total electrical load. The aim is to reduce overall energy consumption and costs by systematically upgrading motor systems to international high-efficiency standards. The objective is to replace motors of **IE1 (Standard Efficiency)** with **IE3 (Premium Efficiency)** models, following a planned replacement schedule based on each motor's service life. During the **2023–2024** fiscal year, significant progress was achieved through the replacement of **34 motors** of varying capacities, representing a **total rated power of 1355 kW**.

This intervention alone resulted in an **estimated annual energy saving of 200,000 kWh**, which translates to approximately **EGP 400,000 in cost reductions**. The methodology applied involves identifying motors nearing the end of their useful life, selecting high-efficiency replacements, installing them within operating facilities, and continuously monitoring their performance to ensure projected savings are realized.

This program is not a one-time intervention, but rather a phased and continuous process. With further replacements in coming years, the annual savings are expected to increase considerably, reinforcing Abu Qir's role in adopting modern, energy-conscious practices. The initiative not only demonstrates a financial benefit but also supports national and environmental goals of reducing overall power demand and enhancing sustainable industrial operations.

**Estimated annual energy saving of 200,000 kWh**

## Pillar 2 — Planning for the Use of Solar Energy as a Renewable Source

Abu Qir is actively investing in renewable energy to advance its sustainability strategy and reduce its reliance on conventional electricity sources. The company has embarked on a large-scale solar energy project (2.65 MWp) with a total budget of EGP 90 Mn for Stage 1, which is currently under construction, and EGP 100 Mn for Stage 2. The initiative is divided into two phases:

- **Stage 1:** Execution progress has reached **approximately 90%**, with full operation expected by December 2025 (now running 2.22MWp, with total yield of 700,000 kWh as of 5th November 2025).
- **Stage 2:** Set to begin in 2026, with an estimated power of 2.5–3 MWp.

Once Stage 1 is completed, the project will have an installed capacity of 2.655 MWp (**equivalent to 4,500 PV panels, each rated at 590Wp**). The solar installations are distributed across key facilities, such as administrative buildings, carports, warehouses, and the rooftops of many buildings. Based on simulations, the project is expected to generate 4,432 MWh of clean energy annually, resulting in an estimated CO<sub>2</sub> emission reduction of **3,200 tons per year**.

Station	No. of PV Panels	Installed Capacity (kWp)	Estimated Annual Energy (MWh/year)
<b>Admin Building</b>	152	89.68	150
<b>Car Port</b>	750	442.5	707
<b>Spare Parts Warehouse</b>	1404	828.36	1400
<b>Material Store</b>	488	287.92	481
<b>ZLD</b>	216	127.44	205
<b>Railway (Slop &amp; Roof)</b>	624	368.16	640
<b>Plastic Factory Area</b>	392	231.28	380
<b>Factories Admin Building &amp; Workshops</b>	474	279.66	469
<b>Total</b>	<b>4,500</b>	<b>2,655 kWp (2.655 MWp)</b>	<b>4,432 MWh/year</b>

This project represents a significant step toward Abu Qir's decarbonization pathway. By producing over 4,400 MWh of renewable electricity annually, the company will reduce both operational costs and emissions. The expected 3,200 tons of CO<sub>2</sub> savings per year highlights the project's environmental impact, equivalent to offsetting emissions from thousands of passenger vehicles annually. With the project scheduled to begin full operation by December 2025, the company is positioning itself as a leader in integrating renewable energy within Egypt's industrial sector.

**Expected 3,200 tons of CO<sub>2</sub> savings per year**

## Pillar 3 — Replacing and Modernizing Lighting Systems with Energy-Efficient Ones

Abu Qir has adopted a clear plan to replace all traditional lighting with modern, energy-saving systems (primarily LED). The program is designed to reduce electricity consumption, extend the lifetime of lighting units, and lower maintenance costs.

### Actions and Scope

- Number of lamps targeted for renewal: 10,000 lamps.
- Number of street lighting poles to be replaced/upgraded: 1,000 poles.
- Implementation stages: the lighting plan is being executed in 3 distinct stages (phases).
- Expected energy savings (from the program): 1,500,000 kWh per year (as reported in the PDF).

### Expected Results

- **Direct financial savings:** significant reductions in electricity bills, tied to the 1.5 million kWh/year saving.
- **Operational benefits:** lower frequency of lamp replacement and maintenance, thanks to the longer lifespan of LED units.
- **Environmental impact:** reduced energy consumption contributes to Abu Qir's wider sustainability targets, lowering CO<sub>2</sub> emissions and aligning with national energy efficiency goals.

Expected energy savings 1,500,000 kWh per year

## Pillar 4 — Continuous Improvement of the Power Factor Correction System

A critical element of Abu Qir's future energy-saving program is the continuous improvement of its power factor correction system. The company is committed to maintaining the efficiency of this system across all factories, which directly contributes to improving the performance of the electrical network and reducing overall energy losses.

Through the ongoing program, Abu Qir achieves **annual savings of approximately EGP 1 Mn** by reducing charges related to low-power factor performance. These savings are secured by ensuring that the company consistently operates within optimal power factor limits. Specifically, Abu Qir maintains a **power factor of between 0.95 and 0.98**, well above the penalty threshold of **0.92**. Operating in this range not only maximizes financial incentives but also reflects the high level of control and reliability built into the company's electrical systems.

By continuously upgrading equipment, monitoring performance, and fine-tuning operations, Abu Qir ensures that its power factor correction system remains effective and delivers tangible financial and technical benefits. This pillar highlights the company's ability to combine technical precision with economic efficiency in its pursuit of sustainable energy practices.

Expected annual savings of approximately  
EGP 1 Mn

## Pillar 5 — Upgrading Factory Control Systems to Reduce Idle Periods

Abu Qir also recognizes the importance of upgrading its factory control systems to reduce idle periods and energy waste. The modernization process involves moving towards digital and smart control solutions capable of monitoring operations in real time, automatically adjusting processes, and minimizing downtime. By integrating these systems, the company ensures smoother production, increased productivity, and reduced electricity consumption. This pillar demonstrates how smart automation can both optimize energy use and enhance the competitiveness of Abu Qir's industrial operations.

## Pillar 6 — Implementing Smart Energy Meters Integrated with SAP

A further step in Abu Qir's future plan is the deployment of smart energy meters across all its facilities. These meters will be directly linked to the company's SAP system, allowing real-time data collection, tracking, and analysis of energy consumption. Through this integration, management can gain accurate insights into usage trends and the ability to detect inefficiencies instantly. The adoption of smart metering enhances transparency, accountability, and responsiveness, ensuring that every kWh is efficiently managed. This digital transformation pillar highlights the company's commitment to data-driven decision-making in energy management.

## Pillar 7 — Updating Emergency Power Systems for Factories

Abu Qir is implementing a comprehensive program to modernize and upgrade its emergency power systems, ensuring stable and reliable backup energy during electricity outages. These upgrades are critical for safeguarding continuous industrial operations and enhancing overall energy security.

In **Abu Qir Diesel Generator 1**, a complete overhaul was executed in 2024, which included the full replacement of the machine. The new unit is a **Mitsubishi generator rated at 1,500 kVA**, representing a **50% increase in available capacity** compared to the older model.

This upgrade not only improves overall system stability, particularly during grid disconnections, but also reduces **diesel fuel consumption by approximately 8%**, delivering both economic and environmental benefits.

For **Abu Qir Diesel Generator 2**, a major development program was scheduled for 2025, focusing on **modernizing the operating and protection systems** to enhance performance and reliability.

Meanwhile, **Abu Qir Diesel Generator 3** is currently under preparation for its next major overhaul, which will be executed in the upcoming maintenance cycle. This proactive planning ensures that all critical backup systems are systematically renewed and maintained at the highest operational standard.

Through these initiatives, Abu Qir guarantees that its factories remain resilient to power interruptions, while simultaneously improving efficiency, reducing fuel consumption, and enhancing the stability of its backup power infrastructure.

**Expected to reduce diesel fuel consumption by approximately 8%**

## 4.2 GHG Emissions

At AFC, we recognize that addressing GHG emissions is central to our role in combating climate change and advancing Egypt's SDGs. Our strategy focuses on both reducing emissions from our operations and enhancing carbon absorption through natural and technological solutions. By implementing energy efficiency initiatives, expanding renewable energy projects, and leveraging green areas as natural carbon sinks, we are committed to lowering our carbon footprint and moving closer to Egypt's Vision 2030 for carbon neutrality.

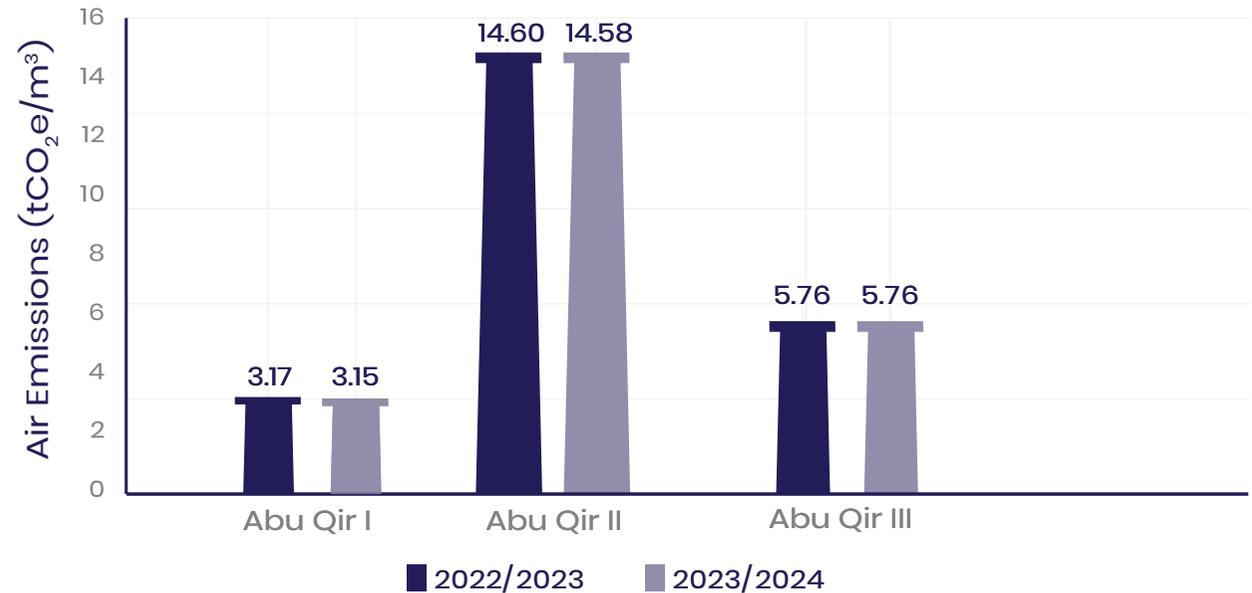
### Sources of GHG Emissions

GHG emissions within our company mainly arise from activities linked to our core operations. These emissions are generated from several sources, including energy consumption and waste management activities. The use of fossil fuels, such as natural gas, for energy production in boilers contributes significantly to our emissions profile, while waste handling activities also result in associated GHG emissions. To effectively manage and reduce these emissions, we track and quantify them at key operational points.

### Air Emissions

To better understand our GHG emissions, we maintain historical records from key operational sources. Emissions are quantified through direct measurements taken at boiler stacks, providing a consistent basis for assessing emissions over time. The data below represent GHG emissions expressed per cubic meter of flue gas emitted from our boilers across the reporting periods.

Air Emissions (tCO<sub>2</sub>e/m<sup>3</sup>)



The reported GHG emissions across Abu Qir Fertilizers Company's three production plants demonstrate overall stable environmental performance, with only minor year-to-year variations attributable to differences in process characteristics rather than operational inefficiencies. As shown in the figure, Abu Qir I recorded a slight decrease in emission intensity from 3.17 tCO<sub>2</sub>e/m<sup>3</sup> in 2022/2023 to 3.15 tCO<sub>2</sub>e/m<sup>3</sup> in 2023/2024, while Abu Qir II similarly declined marginally from 14.60 to 14.58 tCO<sub>2</sub>e/m<sup>3</sup>. Abu Qir III remained stable across both reporting periods, maintaining an emission intensity of 5.76 tCO<sub>2</sub>e/m<sup>3</sup>.

Abu Qir I and Abu Qir III operate integrated ammonia–urea production systems, where the carbon dioxide generated during the ammonia synthesis process is captured and internally consumed as a feedstock in urea manufacturing. This closed-loop utilization significantly reduces direct CO<sub>2</sub> releases to the atmosphere, resulting in lower emission intensity compared to other production routes and reflecting effective carbon management practices.

In contrast, Abu Qir II functions primarily as a nitric acid production plant, a process that inherently generates CO<sub>2</sub> as a by-product. During operation, part of the generated carbon dioxide is released to the atmosphere, while another portion is captured, liquefied, and supplied through the Air Liquide facility for reuse in the production of carbonated beverages. This practice represents a form of CO<sub>2</sub> recovery and recycling; however, due to the nature and scale of nitric acid production, the overall CO<sub>2</sub> emission intensity of Abu Qir II remains higher than that of Abu Qir I and Abu Qir III, despite stable operations and the absence of any significant escalation in emissions.

Overall, the observed differences in emission levels among the three plants primarily reflect process-related factors, while operational controls remain consistent across all facilities.

## Composition of Measured Air Emissions

The emissions presented above in carbon dioxide equivalent terms are further detailed in the table below, which breaks them down into their main contributing gaseous components, providing additional context on the composition of the reported emissions.

Parameter	2022–2023	2023–2024	Unit
CO	488.0	482.0	G/m <sup>3</sup>
SO <sub>x</sub>	108.0	106.0	G/m <sup>3</sup>
NO <sub>x</sub>	695.0	685.0	G/m <sup>3</sup>

Air emissions performance showed measurable improvement across all monitored parameters in 2023–2024. Carbon monoxide (CO) concentrations decreased by 1.2%. Sulfur oxides (SO<sub>x</sub>) declined by 1.9%. Nitrogen oxides (NO<sub>x</sub>) improved from 695.0 to 685.0 G/m<sup>3</sup>, a 1.4% reduction year-over-year.



## Carbon Sequestration through Green Infrastructure

The company continues to strengthen its commitment to reducing GHG emissions not only through technological improvements and operational efficiencies but also by leveraging the natural carbon absorption potential of its extensive green areas and tree coverage.

### Absorbed CO<sub>2</sub> by Landscape Areas

Based on data from the U.S. Environmental Protection Agency (EPA, 2021), urban forests sequester approximately **0.57 metric tons of carbon per hectare per year**, equivalent to **2,090 kg CO<sub>2</sub> per hectare per year**. With a total landscaped green area of **75,709 m<sup>2</sup> (7.571 hectares)** across AFC's plants, surrounding roads, club, and housing colony, this translates to an annual absorption of approximately **15,823 kg CO<sub>2</sub>**.

### Absorbed CO<sub>2</sub> by Trees

Abu Qir also maintains **36,102 trees** of various species and ages, which act as significant natural carbon sinks. According to the EPA (2021), a fully grown urban tree absorbs roughly **60 kg of CO<sub>2</sub> per year**. Applying this standard, Abu Qir's tree coverage contributes approximately **2,166,120 kg CO<sub>2</sub> per year** in sequestration.

For landscaping trees of different sizes, scientific studies (Carbon Footprint of Landscape Tree Production in Korea) show annual uptake rates of **16.8 kg CO<sub>2</sub> (DBH 7 cm)**, **44.7 kg CO<sub>2</sub> (DBH 10 cm)**, and **89.1 kg CO<sub>2</sub> (DBH 13 cm)**. Applying these factors across the full tree population results in additional absorptions of:

- **606,514 kg CO<sub>2</sub>/year** (DBH 7 cm)
- **1,613,759 kg CO<sub>2</sub>/year** (DBH 10 cm)
- **3,216,688 kg CO<sub>2</sub>/year** (DBH 13 cm)

### Average Annual Absorption

Considering both fully grown and landscape trees, the average annual CO<sub>2</sub> uptake is calculated at approximately **1,900,770 kg CO<sub>2</sub>/year**.

### Total Contribution of Green Areas and Trees

When combined with the contribution of landscaped areas, AFC's natural carbon sinks absorb nearly **1.92 million kg CO<sub>2</sub> per year**.

This significant uptake directly supports Egypt's **Sustainable Development Strategy 2030** and contributes to the company's broader roadmap towards **carbon neutrality**. By integrating green infrastructure and tree planting into its facilities, AFC can both mitigate its carbon footprint and enhance biodiversity and ecosystem resilience.

## Decarbonization Strategy

AFC has developed a clear and ambitious **long-term decarbonization plan** that reflects its commitment to reducing GHG emissions and aligning with global climate goals. This roadmap demonstrates how the company has consistently invested in advanced technologies and operational improvements to lower its carbon footprint year after year.

The journey began as early as **1999**, with such efficiency improvements as **condensate stripping** and **urea revamp projects**, and has since expanded into large-scale, high-impact initiatives. Notably, the installation of **Envi-NO<sub>x</sub> technology in 2006** reduced emissions by over **1.5 million tons of CO<sub>2</sub> equivalents**, representing one of the most significant breakthroughs in the fertilizer sector.

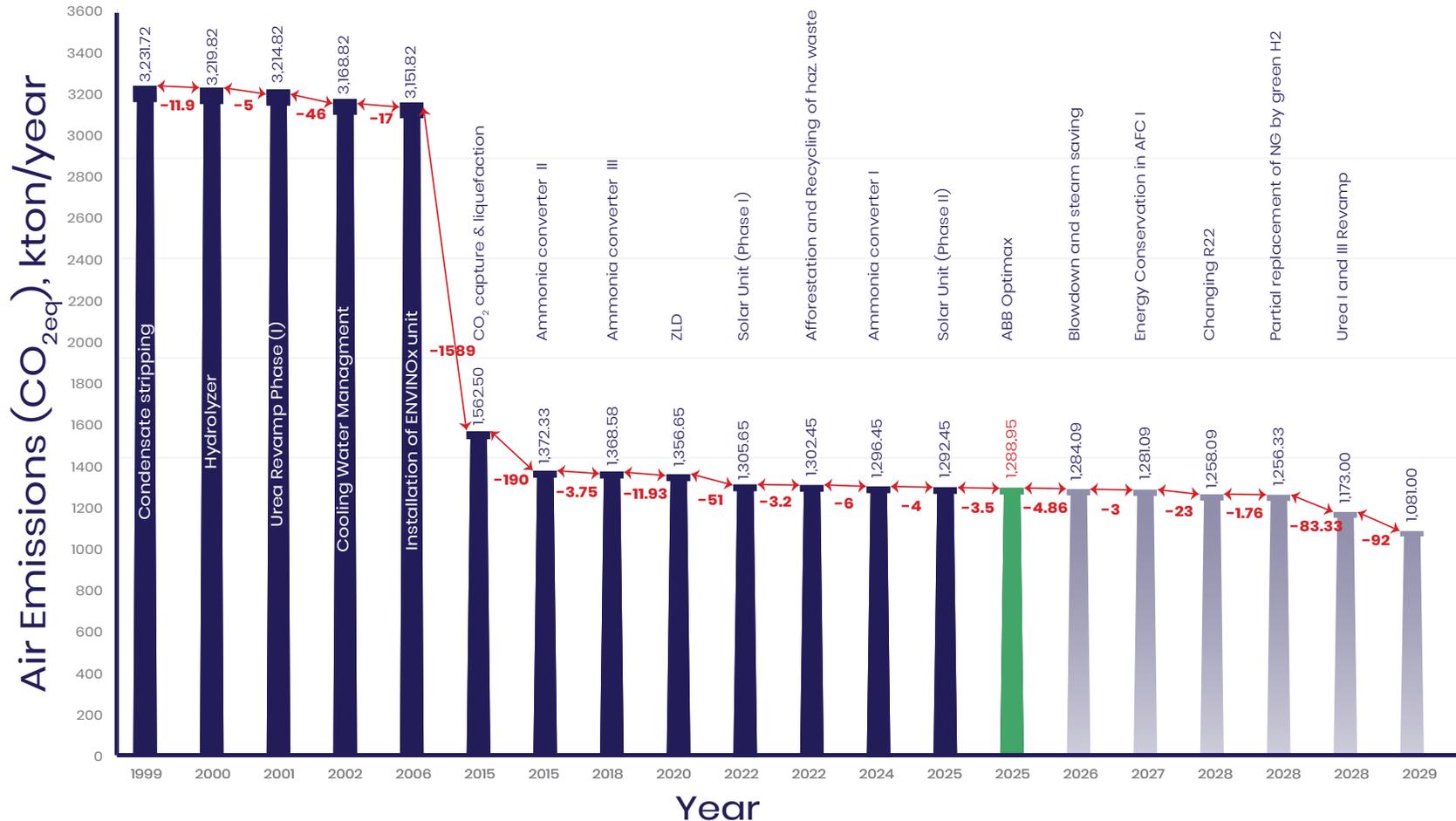
In recent years, AFC has advanced into **carbon capture, renewable energy, and water-energy nexus solutions**. The **CO<sub>2</sub> capture and liquefaction project in 2015** alone reduced emissions by **190,000 tons**, while **ZLD technology in 2020** added another **51,000 tons reduction**. Renewable energy projects, such as the solar unit (**Phase I in 2022** and the upcoming **Phase II in 2025**), further diversify the energy mix and cut reliance on conventional sources.

Looking forward, Abu Qir is scaling its ambition with pioneering solutions, such as:

- Partial replacement of natural gas with green hydrogen by 2028 expected to reduce emissions by over 83,000 tons of CO<sub>2</sub> annually.
- Urea I & III revamp projects by 2028, with a reduction potential of 92,000 tons CO<sub>2</sub>.
- ABB Optimax and energy conservation projects to drive smarter, cleaner operations.

## Impact of the Plan

Through this continuous progression, AFC has already reduced emissions from 3,231 kt CO<sub>2</sub> in 1999 to a projected 1,081 kt CO<sub>2</sub> by 2029—a reduction of nearly two-thirds in three decades.



This trajectory demonstrates both regulatory compliance and the company's leadership in decarbonization within the fertilizer industry. It positions Abu Qir as a forward-looking company actively contributing to national priorities and the global ambition of carbon neutrality.

## 4.3 Water Consumption

As a resource, water is critical to a wide range of AFC's operation processes, including cooling systems, steam generation, and the treatment of raw materials. Recognizing the strategic importance of water to both its business and the surrounding environment, the company has developed a structured approach to monitor, manage, and optimize water use across its three main plants.

In line with its sustainability strategy, the company seeks not only to secure a reliable water supply for operations but also to minimize waste and enhance recycling wherever possible. The company continuously invests in improving treated water efficiency, maximizing the performance of cooling systems, and expanding the use of demineralized water to ensure the highest levels of operational reliability and resource conservation.

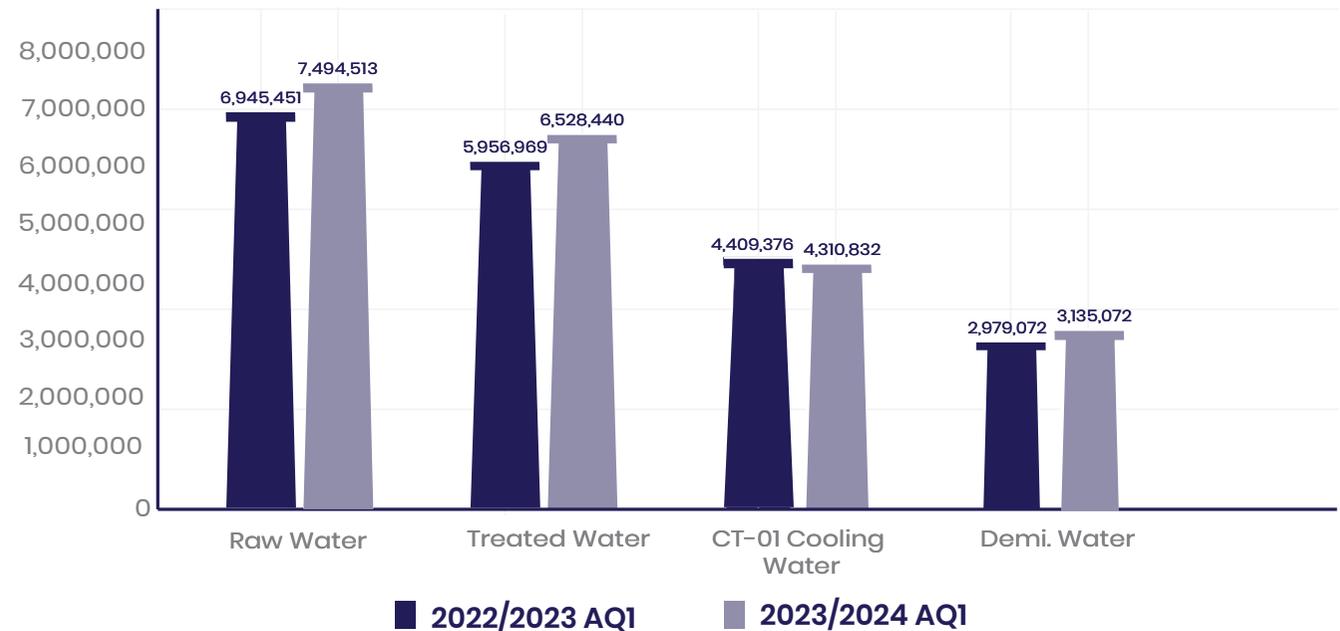
Through systematic measurement and reporting, we ensure that water consumption is closely tracked, allowing the company to identify trends, address inefficiencies, and implement targeted conservation initiatives. These efforts reflect our broader commitment to responsible resource management, environmental stewardship, and long-term sustainability.

### Water Consumption

We closely monitor our water use across raw, treated, cooling, and demineralized categories to ensure efficient operations. Tracking consumption at Abu Qir I, II, and III helps the company manage resources responsibly and identify areas for improvement.

#### Water consumption at Abu Qir I, II, and III for 2022/2023 and 2023/2024

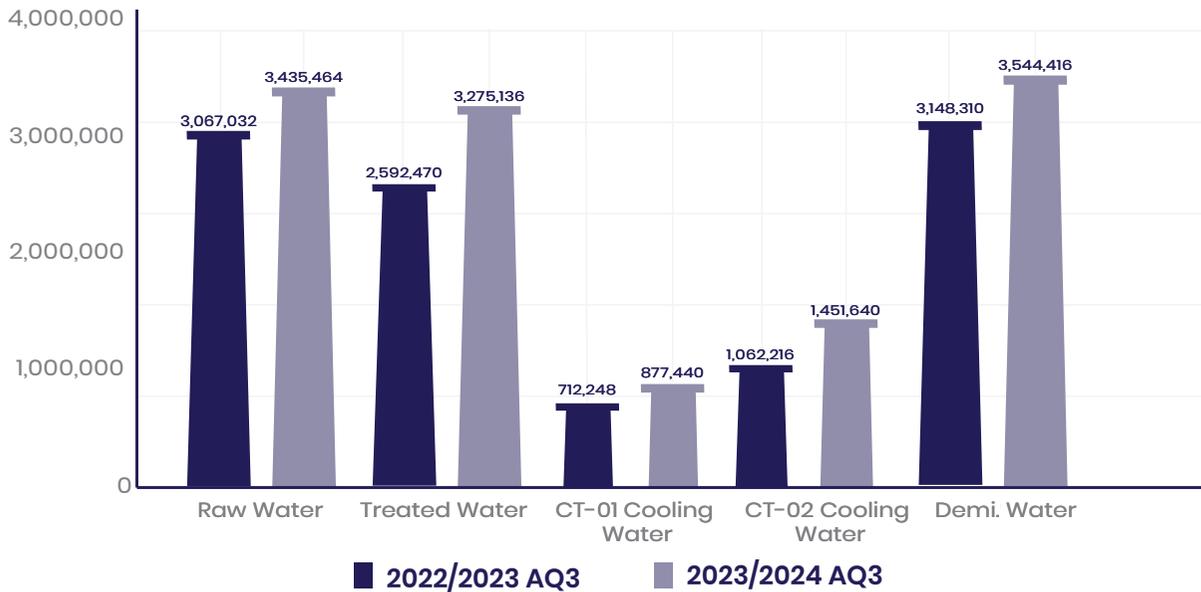
#### Water Consumption for Abu Qir I (M<sup>3</sup>/YEAR)



### Water Consumption for Abu Qir II (M<sup>3</sup>/YEAR)

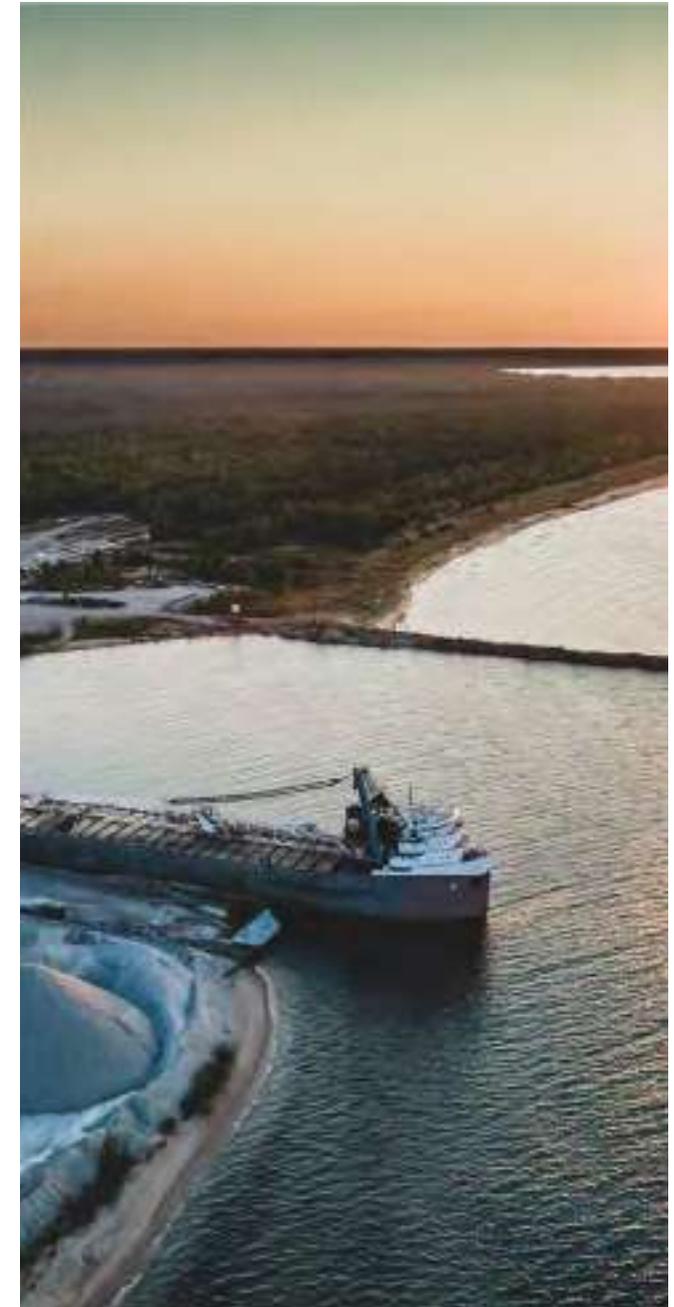


### Water Consumption for Abu Qir III (M<sup>3</sup>/YEAR)



## Water Treatment Technologies

AFC adopts a comprehensive and advanced approach to water treatment, applying multiple technologies to ensure that the water it uses meets the highest quality standards. These solutions are designed to protect equipment, enhance efficiency, and minimize environmental impact, reflecting the company's commitment to sustainable resource management.



## 4.4 Waste Consumption

### Waste Management

AFC strongly emphasizes the importance of sustainable waste management, ensuring that both hazardous and non-hazardous waste streams are handled responsibly. The company follows a dual approach that combines **recycling** with **safe disposal through specialized companies licensed by the Environmental Affairs Agency**. This ensures compliance with environmental regulations while transforming waste into valuable resources and minimizing ecological impacts.

### Waste Recycling and CO<sub>2</sub> Reduction

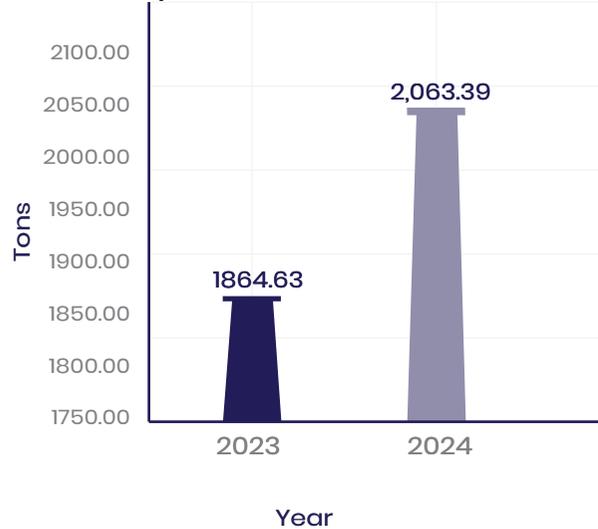
Through comprehensive recycling initiatives, ACF achieves significant reductions in CO<sub>2</sub> emissions associated with waste disposal. The table below highlights the quantities of different waste types recycled and their corresponding CO<sub>2</sub> reduction impact for 2023 and 2024.

Waste Type	Recycled Amount 2023 (tons)	CO <sub>2</sub> Reduction 2023 (tons CO <sub>2</sub> )	Recycled Amount 2024 (tons)	CO <sub>2</sub> Reduction 2024 (tons CO <sub>2</sub> )
<b>Solid Waste</b>	1,800.00	900.00	1,950.00	975.00
<b>Plastic Waste</b>	46.9	70.35	74.6	111.90
<b>Organic Waste</b>	13.27	39.81	27.29	81.87
<b>Rubber Waste</b>	2.7	5.40	8.00	16.00
<b>Batteries</b>	1.8	0.18	2.00	0.20
<b>Electronic Waste</b>	1.03	2.06	1.5	3.00
<b>Total</b>	<b>1,856.7</b>	<b>1,017.80</b>	<b>2,063.39</b>	<b>1,187.97</b>

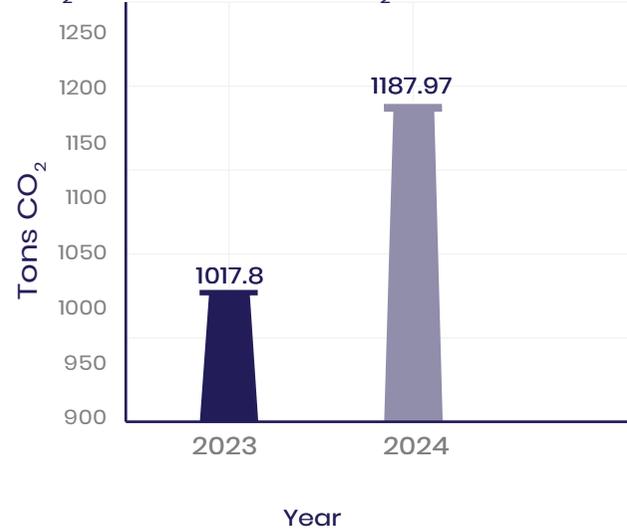
In 2024, Abu Qir significantly enhanced its waste recycling performance compared with 2023, reflecting continuous improvement in environmental efficiency and carbon reduction initiatives. The total quantity of recycled waste increased **from 1,864.63 tons in 2023 to 2,063.39 tons in 2024**, representing a **10.7% year-on-year increase**.

Correspondingly, the total reduction in CO<sub>2</sub> emissions rose **from 1,017.80 tons CO<sub>2</sub> in 2023 to 1,187.97 tons CO<sub>2</sub> in 2024**, marking a **16.7% increase**. These achievements demonstrate Abu Qir's strengthened commitment to climate mitigation. This improvement indicates not only better waste management efficiency but also a growing positive contribution to reducing the company's carbon footprint and supporting national sustainability targets.

Waste Recycled Amount (Tons)



CO<sub>2</sub> Reduction (Tons CO<sub>2</sub>)



## Safe Disposal Practices

Waste that cannot be recycled is disposed of safely through certified contractors authorized by the Environmental Affairs Agency. These companies ensure that disposal methods comply with environmental standards and avoid any harmful impacts.



## Broader Environmental Integration

Waste management is integrated into the company's broader environmental strategy, which includes:

**Converting waste into economic returns** through recycling and resource recovery.

**Rationalizing water use** by treating and recycling water from industrial processes for reuse in cooling operations.

**Continuous monitoring** of environmental performance across key areas:

- » Industrial drainage
- » Gas emissions from stacks
- » Solid, hazardous, and medical waste
- » Returned oils

By adopting **advanced scientific technologies** and applying rigorous monitoring systems, our waste management process both complies with regulations and leads to a cleaner environment and long-term sustainability.



## 4.5 Biodiversity

As a fertilizer producer with operations located near the Mediterranean coast, AFC recognizes the importance of safeguarding marine and coastal ecosystems. While our activities carry potential biodiversity interactions—particularly through air emissions (e.g., NO<sub>x</sub> and NH<sub>3</sub>) and port operations—we operate strictly within the legal environmental limits set by Egyptian regulations and international standards.

*To minimize risks, the company ensures:*

**Strict monitoring of emissions** (NO<sub>x</sub>, NH<sub>3</sub>, and particulates) to remain within permissible thresholds.

**Responsible water discharge management** through advanced treatment technologies, preventing harmful impacts on marine biodiversity.

**Compliance with environmental laws and permits**, ensuring that our operations do not create significant adverse impacts on local biodiversity.

By maintaining strong environmental management systems and applying continuous monitoring, AFC demonstrates its commitment to protecting biodiversity in and around its operational areas, particularly sensitive marine habitats.

# 05

## People

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- 5.1 Empowering our Employees
- 5.2 HSE & Well-being
- 5.3 Suppliers
- 5.4 Community Engagement



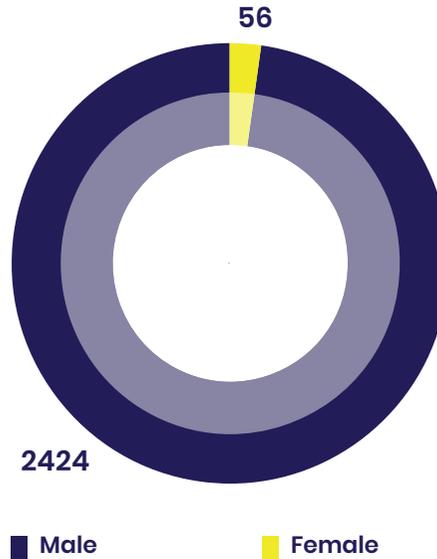
# 5.1 Empowering our Employees

Our dedication to sustainability begins with our people. Our employees are the heart of our operations, driving innovation, excellence, and long-term value across every aspect of our business. We recognize that cultivating a diverse, inclusive, and empowered workforce is essential not only for our success today but for a sustainable future.

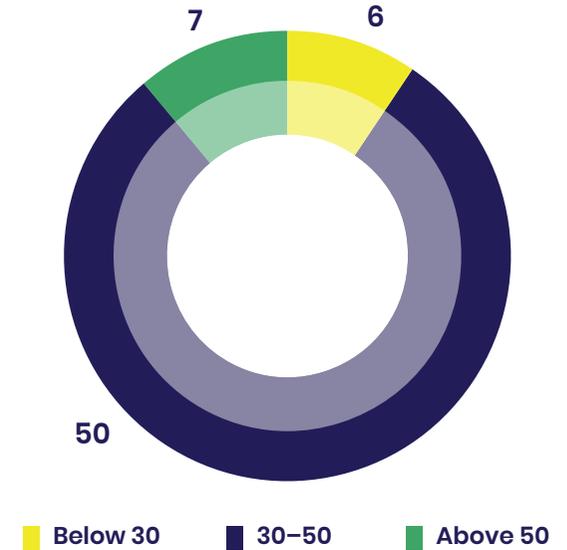
## Our Diverse Workforce

We are dedicated to highlighting diversity within our workforce. Out of our total workforce of 2,480 employees, about 97.74% are male, and 2.26% are female—taking the nature of the industry into consideration. While these figures represent our current composition, they also reinforce our ongoing efforts to advance inclusion, equity, and diversity.

Number of Employees by Gender in 2024



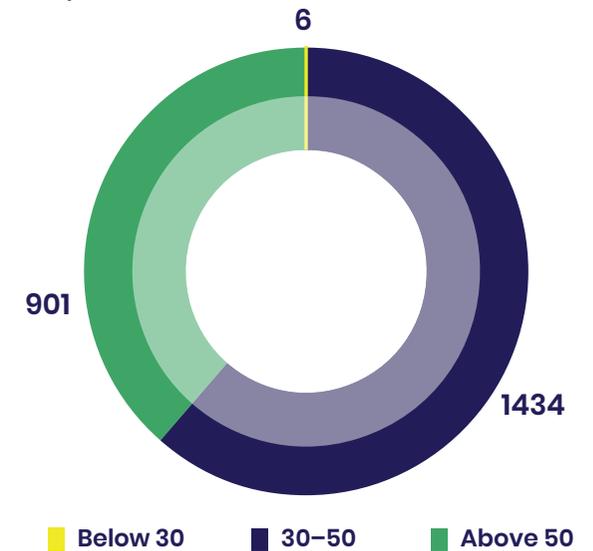
Number of Female Employees by Age Group 2023-2024



## Age Diversity

Abu Qir's employees represent a balanced age structure, where young talent brings energy and new ideas, while experienced staff provide knowledge and guidance. In 2024, employees aged between 30-50 represented the largest segment in both genders at 59.8%, while those over 50 comprised 38.2% of the workforce. The employees under the age of 30 accounted for the smallest segment among both males and females, representing just 1.9% of the workforce. This indicates that, within a highly experienced workforce, there is an opportunity to attract and develop younger talent to ensure long-term sustainability and innovation.

Number of Male Employees by Age Group 2023-2024



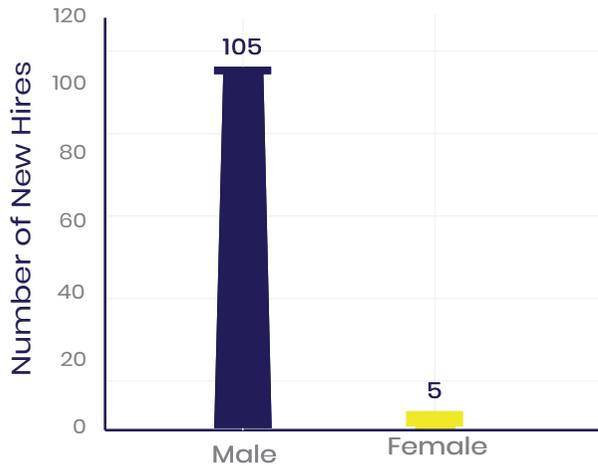
## Hiring and Turnover

We strive to bring in talented new employees who share our vision and passion for innovation, and to sustain our growth. We are committed to developing our employees and equipping them with the skills they require. New employees complete a one-year training and development program, after which they are appointed within the company. In 2024, Abu Qir witnessed a significant increase in hiring activity. In 2024, a total of 110 new employees were appointed after completing the program, indicating a notable increase compared to 2021–2022, when only 17 new individuals were hired.

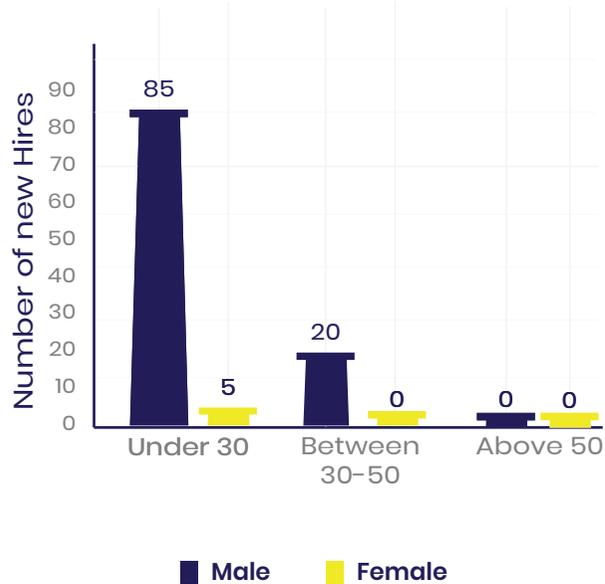
Our hiring efforts demonstrate our focus on youth employment and early-career professionals, as most new hires under the age of 30 made up 82%. Meanwhile, 18% of new employees were aged between 30–50, with no hires above the age of 50.



New Hires by Gender in 2024

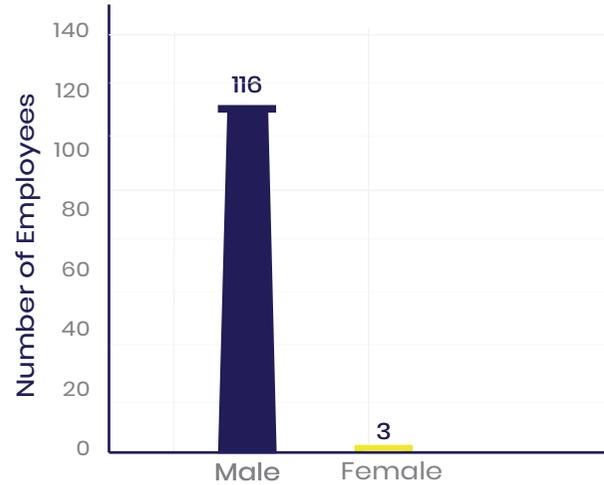


New Hires by Age and Gender in 2024



Employee turnover at Abu Qir remains low at 4.9%, indicating a high level of satisfaction among employees and demonstrating the company's dedication to long-term workforce stability and sustainable growth.

Turnover By Gender in 2024



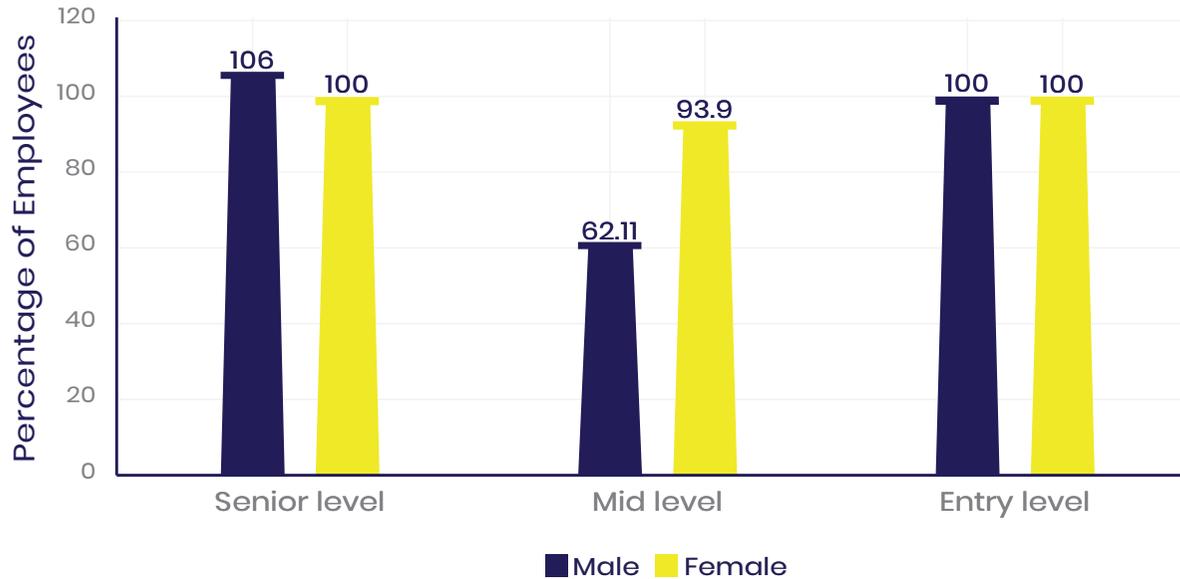
## Training and Career Development

Fostering the professional growth of our employees is the cornerstone of Abu Qir's human capital strategy. Indeed, we ensure that our workforce is equipped with the skills and knowledge needed to drive long-term success. Upon that, we follow a **regular periodic performance appraisal** that ensures employees' performance is evaluated fairly and consistently.

Moreover, AFC carries out a **training needs assessment** to identify skill gaps and help achieve the company's priorities and employees' career development. Beyond this, we conduct a mutually set training program agenda that allows employees to actively participate in setting the training agenda and fostering engagement.

All employees—regardless of their sex or position—are included in these processes. In 2024, 106% of male employees and 100% of female employees at the senior level participated. At the mid-level, male employees accounted for 62.11%, while female employees represented 93.9%. At the entry level, both sexes received 100% regular performance reviews and career development opportunities, reflecting Abu Qir's dedication to inclusiveness and gender diversity.

## Performance and Career Development by Category and Gender (%) in 2024



Abu Qir offers a diverse range of training programs. These cover **health and safety, technical areas (operations, maintenance, instrumentation), administrative and human development, in addition to other courses needed or requested** to upgrade employees' skills and enhance their competencies.

In 2024, a total of 50,800 training hours were provided for all employees. Female employees received 1,775 hours, while male employees received 49,025

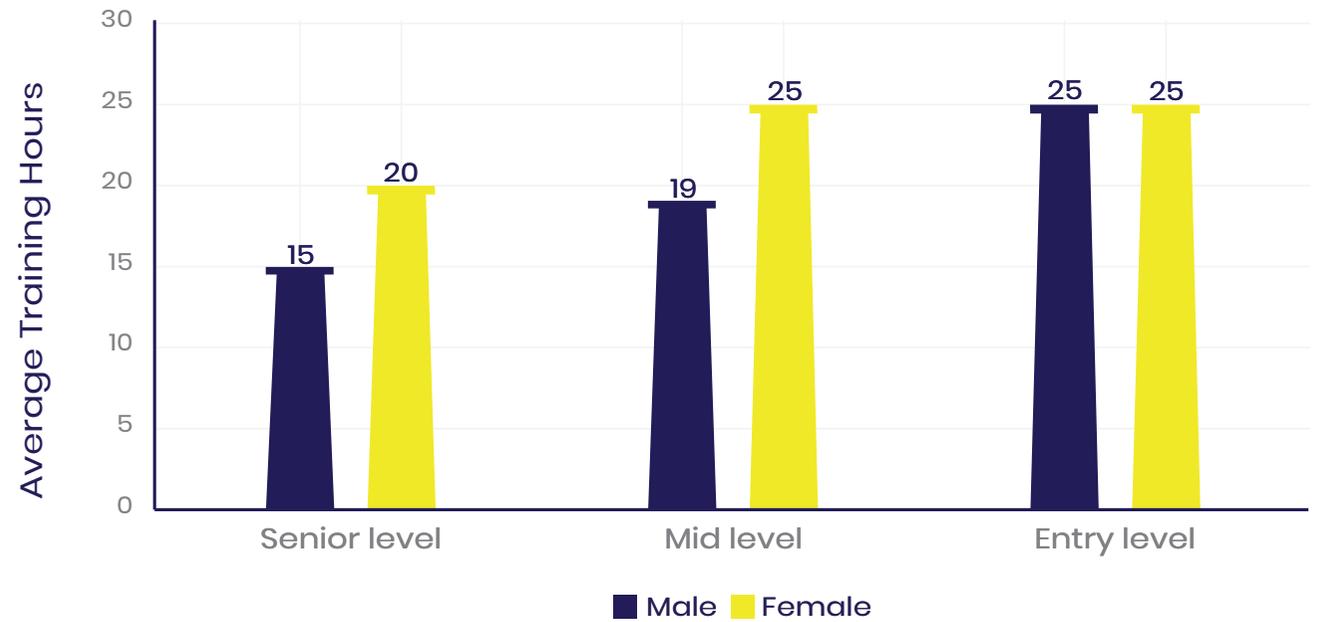
hours. At the senior level, females received an average of 20 hours, compared to approximately 15 hours for males. At the middle level, females averaged 25 hours, while males received around 19 hours. At the entry level, both males and females received approximately 25 training hours. This demonstrates Abu Qir's focus on career development, inclusion, and nurturing young potential.

AFC provided 50,800 training hours for all employees in 2024





Average Training Hours by Category and Gender in 2024



# Employee Rights and Benefits

At Abu Qir, we support our workers by offering a comprehensive benefits package designed to attract and empower top talent. Benefits for employees help them maintain a healthy work-life balance. Notably, employee contributions to benefit plans shifted from a negative balance in 2023 to a positive value in 2024, representing an increase of approximately 351.5%, reflecting AFC's dedication to employee welfare. Our offerings include:

## Social Insurance

- It follows the principles and rules established in social insurance laws.
- Coverage is a legal obligation and must be applied under national law.

## Disability Support

- Benefits are provided to both permanent and temporary employees with disabilities.
- They are provided according to the laws that regulate this matter.
- Employees receive a 50% tax exemption from the financial sectors/tax administration. This exemption is mandatory under national law.



## Health Insurance

- AFC increased the Health Insurance Fund by 1.3% in 2024 compared to 2023, reflecting its dedication to safeguarding employee health.
- The company offers healthcare to employees only, not to their families.
- Healthcare is mandatory and provided through the General Authority for Health Insurance.
- There is also a treatment fund that covers workers and their families as an extra service; this fund continues to provide benefits even after retirement at the age of 60.

## Childcare Leave

- The company follows the laws that regulate employee vacations.
- Female employees receive all their maternity leave rights.
- These rights apply to both permanent and temporary employees. Applying these laws is mandatory under national law.

## Allowances

- The company provides social allowances to both permanent and temporary employees that are mandatory by national law.

## Salaries and Wages

- AFC increased employee salaries and wages in 2024 compared to 2023, reflecting its dedication to supporting employee well-being.

## Retirement Regulations

- The company provides private insurance benefits for retirement.
- These benefits are in addition to the advantages offered by private funds and are provided to the worker according to each fund's regulations.
- Providing these benefits is mandatory under national law.

## Stock Ownership

- The Union of Contributing Workers holds a share of the company's capital.
- The union distributes its capital among workers in the form of sukuk.
- Returns from these sukuk are distributed to workers annually.
- This benefit is available to permanent employees.

## Housing

- Abu Qir offers housing to its permanent employees through its residential city.
- The company also provides soft loans to help employees improve their housing.

## Employee Transport Services

- The company provides transportation for both temporary and permanent employees.
- The service covers all regions where employees need to travel.
- Transport is scheduled to be convenient and safe for employees.

## No-Interest Loans

- Abu Qir provides its permanent employees with soft, interest-free loans to support housing, car purchases, and personal or social needs.

## Training and Rehabilitation

- In 2024, AFC contributed to the training and rehabilitation fund, supporting employee skill development.

## Educational Scholarships

- The company does not provide educational scholarships to employees.
- Employees are granted the necessary administrative approvals to continue their studies while working.
- Study continuation must comply with the rules for enrollment in educational programs.
- Employees may receive rewards and bonuses linked to their studies.



## Employee Notice Period Framework

Abu Qir emphasizes minimum notice periods, which are a key part of our corporate policies and standard employment contracts. Our practices fully comply with the Egyptian Labor Law, as referenced in all employment agreements. This approach ensures that we meet legal requirements while maintaining a solid and fair foundation for our employment practices.

## Leave Policies

Abu Qir's leave policies are provided to all employees without any gender-based discrimination. The length of leave depends on its purpose and is aligned with both internal regulations and legal requirements. Employees are guaranteed their full annual leave, which includes at least five consecutive days. Additionally, subject to managerial approval, special unpaid leave may be granted based on employee requests. This approach reflects our dedication to balancing consistent work operations with employee well-being.



## Employee Communication, Participation, and Consultation

We foreground maintaining open and transparent communication with our employees. Management regularly shares company policies on quality, environment, energy, health, safety, and security to ensure that all staff are aware of organizational objectives and workplace requirements. Department managers also communicate specific goals to their teams, while the Human Resources and Training Departments support employees through training programs, recruitment, and performance evaluations.

To foster a safe and inclusive work environment, employees are informed about emergency procedures and expected actions during incidents. They also receive updates on non-conformities, corrective measures, and audit findings, helping them stay engaged in continuous improvement processes.

Our employees are not only recipients of information but also active participants. They play a direct role in identifying workplace hazards, reporting incidents, and contributing to risk assessments in their respective areas. Through participation in HSE committees, workers are consulted on the issues that affect them and are involved in setting objectives that guide the company's performance.

## Grievance Mechanisms

Abu Qir maintains robust grievance mechanisms to ensure employee concerns are heard and addressed fairly. Employees can raise HR-related grievances via email or directly to their supervisors. 100% of reported cases are resolved within the specified timeframe, thus ensuring that all grievances are handled promptly. In all cases, the employee submitting the complaint must be protected from any form of retaliation or harassment for exercising this right.

These mechanisms are part of the company's dedication to upholding human rights principles, which are embedded within the company's code of conduct.

Through these efforts, the company reinforces a culture of transparency, accountability, and respect for all employees.



## 5.2 HSE & Well-being

AFC places the highest priority on safeguarding the well-being of its employees, contractors, and stakeholders. The company operates under an integrated HSE management system that aligns with ISO 45001:2018 and is supported by structured procedures for monitoring, measurement, accident investigation, hazard identification, and risk-based thinking.

A systematic hazard identification and risk assessment (HIRA) process is applied across all facilities, including Abu Qir I, II, III, plastics plant, utilities, warehouses, and administrative buildings. The methodology ensures that occupational and environmental risks are identified, evaluated, and controlled through engineering, administrative, and personal protective measures.

Regular inspections, calibration of monitoring devices, and the documentation of results guarantee compliance with Egyptian legislation and international standards. Routine monitoring covers:

- Air emissions, industrial wastewater, noise, and illumination levels.
- Workplace gas leak detection, emergency equipment readiness, and fire-fighting systems.
- Occupational conditions such as ergonomic factors and exposure to chemicals.

We apply a structured process for reporting, investigating, and documenting accidents and near misses. Root cause analyses are conducted to identify both surface and underlying causes, followed by corrective and preventive measures to avoid recurrence. Findings are shared across departments and are incorporated into updated procedures, training modules, and technical controls.

All incidents are recorded in dedicated registers, including workplace injuries, occupational diseases, and serious accidents, ensuring transparency and regulatory compliance. Near-miss reporting is encouraged as part of a proactive safety culture, enabling the company to act before risks escalate into accidents.

Abu Qir maintains an extensive HSE training schedule. Training effectiveness is evaluated through pre- and post-training assessments, observation, and feedback mechanisms:



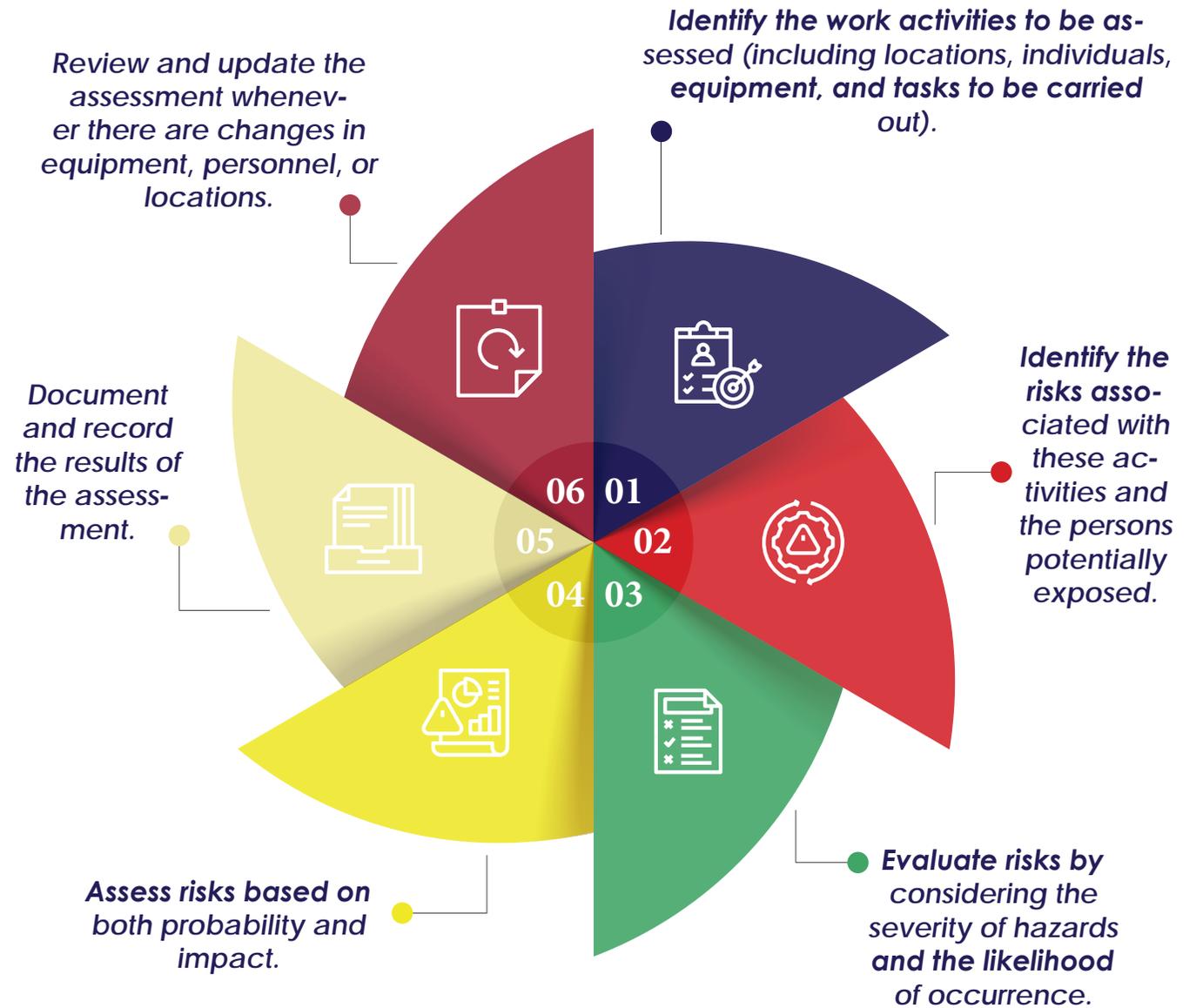
AFC integrates risk-based thinking into operational planning, considering external and internal factors, such as regulatory changes, environmental challenges, and technical risks. Opportunities for improvement are identified alongside risk mitigation actions, such as contracting certified waste disposal providers, installing continuous emissions monitoring devices, and enhancing emergency readiness.

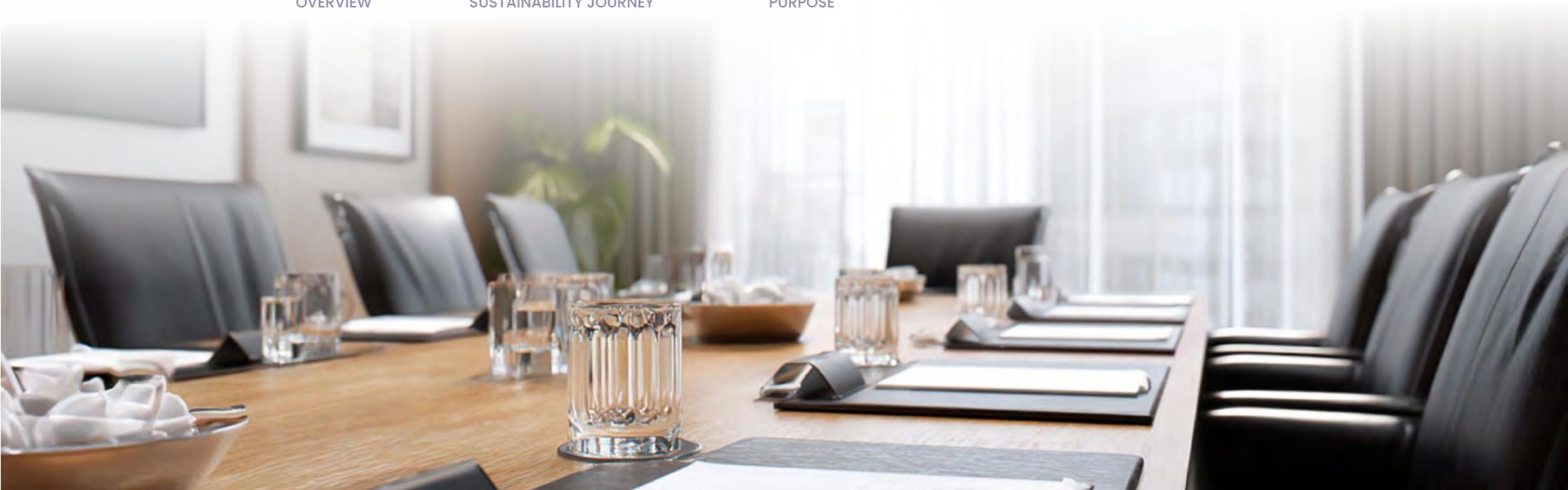
**HSE Performance Indicators for 2024:**

Indicator	2023	2024
Number of Injuries	0	0
Fatalities	0	0

Recording approximately 5.58 million continuous working hours without injury in fiscal year 2023/2024, the company's zero-injury performance in 2024 strongly evidences the effectiveness of its preventive measures and strengthened safety vigilance. This milestone, coupled with the rise in near-miss reporting, reflects a workforce that is increasingly engaged in proactive hazard identification and committed to maintaining a safe working environment.

*We follow a structured six-step process for risk assessment to ensure safety:*





## Risk Assessment Responsibilities:

As part of our health and safety framework, risk assessments are conducted through a structured process. A multidisciplinary team conducts each assessment to ensure full coverage of operational, technical, and compliance considerations. ***The team typically includes:***

- A representative from the operational unit where the activity or task is being assessed.
- A representative from the HSE Department.
- A representative from the unit responsible for executing the work.
- A contractor representative when contractor activities are involved.
- A representative from Technical Studies when specialized technical input or Management of Change (MOC) procedures are required.

## Evaluation Process

To support HSE protection, each department or unit manager prepares a comprehensive register of potential risks associated with their activities. This is done in coordination with the HSE Officer using the approved HSE-01/1 form.

***The evaluation process includes:***

- Assessing each hazard based on probability and severity.
- Determining whether the hazard can be eliminated completely or only controlled/reduced.
- Considering incident history, recurrence of past injuries or accidents, and learnings from similar operations.

If any risk remains unacceptably high after controls, it is classified as a significant and non-approvable risk, and the activity cannot proceed.

## 5.3 Suppliers

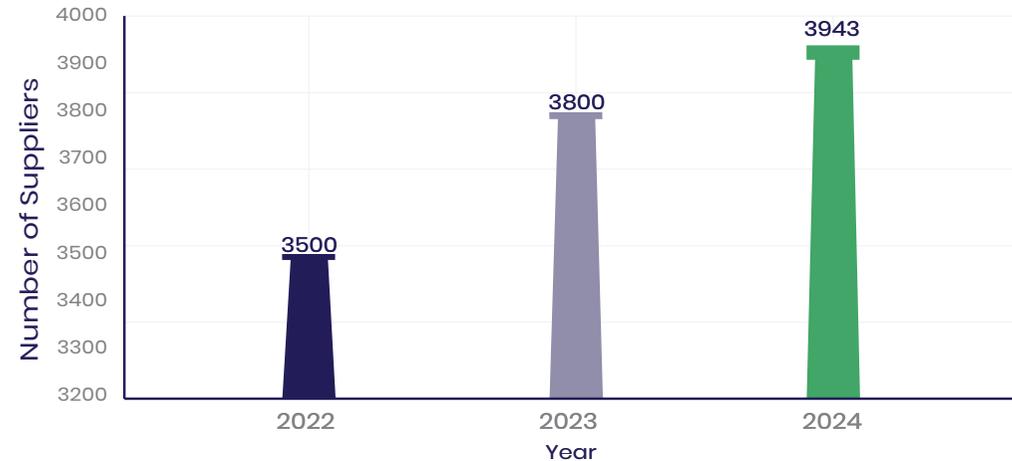
Our suppliers are integral to ensuring efficiency, reliability, and value across our operations. The company manages procurement and supplier relationships through an internal regulation that governs purchasing procedures and interactions with suppliers, serving as the main reference for rules and standards. While this regulation is for internal use only (i.e., not shared externally), it provides a clear framework for responsible procurement. In line with this framework, Abu Qir also integrates anti-corruption regulations into its supplier relationships to ensure that procurement processes remain fair, transparent, and governed by the highest standards of integrity.

Building on this foundation, Abu Qir is committed to preventing child labor within its premises and enforces strict measures to ensure suppliers and contractors comply with labor regulations, health and safety standards, and ethical practices. This commitment underlines our broader responsibility toward safeguarding human rights within our supply chain.

Reflecting the importance of these partnerships, Abu Qir's supply chain is both extensive and growing. Indeed, the company's engagement with suppliers increased by **8.57%** from 2022 to 2023 and by **3.76%** from 2023 to 2024. This increase reflects efforts to diversify suppliers in response to global and local economic challenges, political conditions,

and currency fluctuations, thereby strengthening supply chain resilience. Suppliers are both local and international, ensuring flexibility and security of operations.

Number of Suppliers



While managing a diverse supply chain, Abu Qir continuously monitors supplier performance to maintain high standards. In some cases, challenges have arisen, such as deviations from technical specifications or delays in delivery schedules. To address this, the company has implemented accountability measures, including financial deductions for delays, warnings in cases of repeated non-compliance, and, where necessary, the removal of suppliers from the approved list. These steps reflect our commitment to fostering partnerships built on quality and trust, ultimately creating a more resilient and value-driven supply chain.

Looking ahead, Abu Qir is continually enhancing its supplier management approach. While social screening criteria have yet to be applied when selecting new suppliers, we plan to introduce such measures in the future, further strengthening our commitment to responsible sourcing. Environmentally, AFC requires all suppliers to comply with ISO 14001 standards, which serve as the foundation for environmental impact assessments. Every supplier undergoes this evaluation, and, to date, no significant cases of environmental non-compliance have been identified.

Through these practices, Abu Qir ensures that its supplier relationships extend beyond transactions to become drivers of shared value. By fostering transparency, accountability, and sustainability across its supply chain, the company both strengthens its own operational resilience and contributes to broader economic stability and environmental stewardship.

## 5.4 Community Engagement

AFC is deeply dedicated to community engagement as an integral part of its corporate responsibility. As one of Egypt's leading industrial companies, the company recognizes that its role extends beyond producing high-quality fertilizers to positively contributing to the well-being of its surrounding communities. Guided by the expectations of stakeholders, including employees, local neighborhoods, regulators, and suppliers, and considering such external challenges as climate change, community ethics, and evolving customer needs, the company actively seeks to strengthen its relationship with society.



### Our CSR Policy:

Our clear and well-defined policy on our social and environmental responsibilities reflects our ongoing commitment to supporting both economic and social development. The company's initiatives and achievements in these areas are systematically documented and reported in the BoD's Report, demonstrating transparency and accountability in its efforts to create a positive impact on society and the environment.

### Our Main Pillars Of CSR Activities:

Our CSR efforts are centered around targeted initiatives that address key areas of community development. AFC emphasizes **Education, Health, Infrastructure, and Social Services** in recognition of their pivotal role in shaping the well-being and future of society.

By engaging meaningfully with the community through partnerships, external initiatives, and direct support, we not only build trust but also reinforce our position as a socially responsible industrial company. These efforts reflect our dedication to creating shared value and contributing to national development priorities, while aligning with international sustainability standards and the SDGs.



**Education**



**Infrastructure**



**Healthcare**



**Social Services**

AFC contributed to the Decent Life initiative by building a primary school in Khartoum, Badr Centre, benefiting 360 students

## Empowering Minds, Building Futures

We believe that education is the cornerstone of sustainable societal progress. Driven by this commitment, we actively support initiatives that expand access to learning and create meaningful opportunities for the next generation.

In collaboration with the **Decent Life Initiative**, the flagship presidential plan, we brought this vision to life in the village of Khartoum, Badr Centre, Beheira Governorate. We established a fundamental education school, serving as a source of hope and opportunity for the local community.

Spanning 5 floors, the school can welcome 360 (both male and female) students across multiple grade levels. The facility is equipped to support students with disabilities, ensuring that every child has the chance to thrive. This school stands as more than just infrastructure; it reflects Abu Qir's dedication to shaping futures and promoting sustainable development within the communities we serve.

Acknowledging the financial obstacles some students encounter, we also provide support by covering educational expenses across various levels in Alexandria and Beheira Governorates. Additionally, we take pride in sponsoring ceremonies honoring the academic excellence of top-performing primary school students in Alexandria, reinforcing the value of achievement and motivation.

Our dedication also extends to higher education, where we partner with Alexandria University to support scientific research and innovation. Further to financial contributions, we sponsor conferences and workshops organized by the university, helping to enrich the academic environment and promote a culture of excellence and innovation.



### Education Investment

Year	Investment (EGP)
2023	4,000,000
2024	5,000,000

Education spending increased from EGP 4 Mn in 2023 to EGP 5 Mn in 2024, thus reflecting our growing emphasis on long-term community capacity building. The rise demonstrates a strategic focus on supporting learning, skill development, and educational infrastructure, which aligns with national priorities and the company's social responsibility objectives.

## Healthcare Empowerment

We consider healthcare as a fundamental right and a pillar of community well-being. Guided by this belief, we launched **medical convoys** throughout the year reaching neighboring villages, the Montazah neighborhood, and nearby schools. These convoys offered families and students comprehensive medical examinations, delivered essential medications, and supported the medicine fund in Beheira Governorate.

Our efforts transcend mere temporary relief; they reflect a proactive commitment to making healthcare accessible to all. In line with this, we also

equipped hospitals with critical medical resources, helping them respond more effectively to the ongoing health challenges.

Beyond emergency response, we continue to enhance healthcare facilities by providing examination and diagnostic equipment. We also collaborate with the Directorate of Health Affairs in Alexandria to equip operating rooms, indicating our long-term dedication to improving medical infrastructure and services.

Additionally, reflecting our dedication to meeting essential community needs, we actively facilitated the establishment of a medical center in Buhoth.



### Health Investment

Year	Investment (EGP)
2023	6,000,000
2024	7,000,000

Health-related investments rose from EGP 6 Mn in 2023 to EGP 7 Mn in 2024, indicating a strengthened commitment to improving public health outcomes. This increase reflects our prioritization of medical support, healthcare accessibility, and wellness initiatives within surrounding communities.

## Infrastructure

AFC is dedicated to enhancing community infrastructure to improve daily life. To support this goal, we have allocated resources for extensive road operations, including monitoring, paving, and ongoing maintenance across Alexandria and Beheira Governorates, covering a total distance of over 200 kms.

These efforts are enacted with meticulous attention to detail and in close collaboration with all relevant authorities and facilities, with a focus on providing communities with safe, resilient, and sustainable infrastructure.

We unceasingly strive to make a difference in the lives of people living near our company. By providing electricity, water, and sewage services, we help these communities meet essential basic needs and live more comfortably. Through these efforts, we are dedicated to building stronger, healthier, and more resilient communities.

In 2024, AFC improved over 200 km of roads across Alexandria and Beheira, enhancing community infrastructure and daily life

AFC provides electricity, water, and sewage services to support healthier and more resilient communities in 2024



### Infrastructure Investment

Year	Investment (EGP)
2023	5,000,000
2024	10,000,000

Infrastructure spending increased significantly from EGP 5 Mn in 2023 to EGP 10 Mn in 2024. This rise indicates an expanded commitment to infrastructure development and reinforces the company's role in supporting essential community services and strengthening local infrastructure through targeted, high-impact initiatives.



## Social Services

Our belief that contributing to the community is pivotal has led us to improve the quality of life for residents in the areas where we operate. Through our initiatives, we provide essential social services, housing, and infrastructure support that empower local communities and foster sustainable development.



### Borg El-Arab Development Project

In 2024, reaffirming our commitment to improving the lives of neighboring communities, we undertook the Borg El-Arab Development Project to enhance living conditions in villages surrounding our facilities. As part of this initiative, 64 housing units were developed and delivered in the villages of Abu Masoud, Halab, and Khaled Ibn Al-Walid in El-Amreya district.

The project was supported through dedicated contributions that reflect our commitment to social development and the importance we place on providing safe and comfortable housing.

AFC launched Borg El-Arab Development Project, developing 64 housing units in 2024



### Social Activities Investment

Year	Investment (EGP)
2023	5,000,000
2024	5,000,000

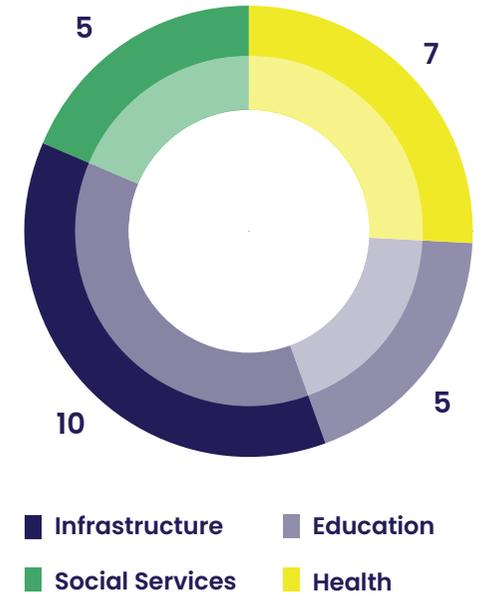
Investment in social activities remained stable at EGP 5 Mn across both years, demonstrating consistent support for community engagement programs. Maintaining this level of funding reflects our ongoing commitment to cultural, recreational, and social initiatives that strengthen community cohesion.

# Our Investment Across Our Csr Pillars Through 2023 And 2024:

### Abu Qir CSR Investment 2023/2024



### CSR Investment 2024 (EGP Mn)



# CSR Pillars and their Alignment with SDGs and Egypt Vision 2030

CSR Pillar	Abu Qir Initiatives	Alignment with SDGs	Alignment with Egypt Vision 2030
<b>Education</b>	<ul style="list-style-type: none"> <li>Built a fundamental education school in Khartoum, Badr Centre (360 students, special needs support).</li> <li>Financial support for students in Alexandria and Beheira.</li> <li>Sponsoring academic excellence ceremonies.</li> <li>Supporting Alexandria University research, conferences, and workshops.</li> </ul>		
<b>Healthcare</b>	<ul style="list-style-type: none"> <li>Medical convoys in villages, Montazah, and schools.</li> <li>Supplied hospitals with essential equipment.</li> <li>Equipped operating rooms in collaboration with Alexandria Health Directorate.</li> </ul>		
<b>Infrastructure</b>	<ul style="list-style-type: none"> <li>Carried out road monitoring, paving, and maintenance across Alexandria &amp; Beheira (200+ km).</li> <li>Provided essential utilities: electricity, water, and sewage services to neighboring communities.</li> <li>Coordinated with authorities to ensure safe, reliable, and sustainable infrastructure.</li> </ul>		
<b>Social Services</b>	<ul style="list-style-type: none"> <li><b>Borg El-Arab Development:</b> developed and delivered 64 housing units in the villages of Abu Masoud, Halab, and Khaled Ibn Al-Walid in El-Amreya, supported by a donation of EGP 7.3 Mn.</li> </ul>		

## Strategic Partnerships and Collaborations

We recognize that creating a lasting community impact requires collaboration. Through collaboration with governmental authorities, NGOs, and energy sector partners, we extend the reach of our initiatives and amplify their benefits. To put this commitment into action, we have established the following partnerships and collaborations:

### Some Collaborations and Partnerships for Community Development in 2023–2024

Collaborating Entity	Objective from Collaboration
General Petroleum Company, Petrojet, Enppi, Egyptian Drilling Company (EDC) and the Orman Association	Rebuild 64 houses in the villages of Bakkar, Halab, Abu Masoud, and Khaled Ibn Al-Walid in Al-Ameriyat district
Amoun Pharmaceutical	Support the Children's Heart Center (Catheterization Unit) at Smouha University Hospital, with medical equipment
Enppi	Equip a mobile diagnostics unit (mobile emergency unit) for East Alexandria Hospital
Ethydco, Amoun, Sidpec, Midor, Enppi, and Specto.	Support participation in the World Cities Conference



# 06



## Profit

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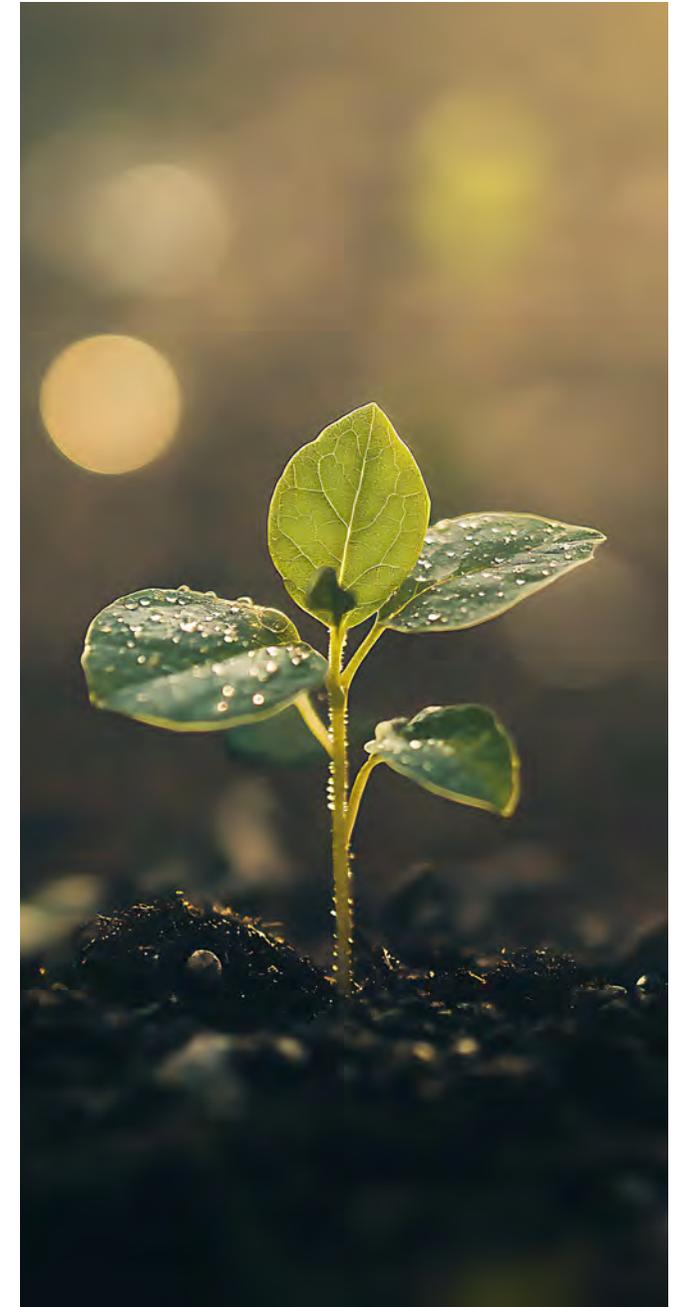
### 6.1 Financial Resilience

# 6.1 Financial Resilience

AFC maintains a precise financial system designed to safeguard its strong financial position and ensure the availability of resources necessary to sustain profitable operations. The Finance Department is responsible for preparing accurate and timely financial statements, developing budgets and feasibility studies, and providing essential reports and data that support effective decision-making. The department manages fixed assets, monitors inventory levels, oversees banking operations (e.g., deposits, treasury bills), and reviews all sales, purchasing, payroll, and expense procedures. It also ensures financial compliance in contracts, engages with governmental entities (e.g., taxation authorities, stock exchange bodies, regulators), and works closely with all other departments to rationalize costs and optimize resource allocation. Through these efforts, financial management and controls contribute directly to the company's value creation by strengthening financial resilience, enabling growth, and supporting long-term sustainability.

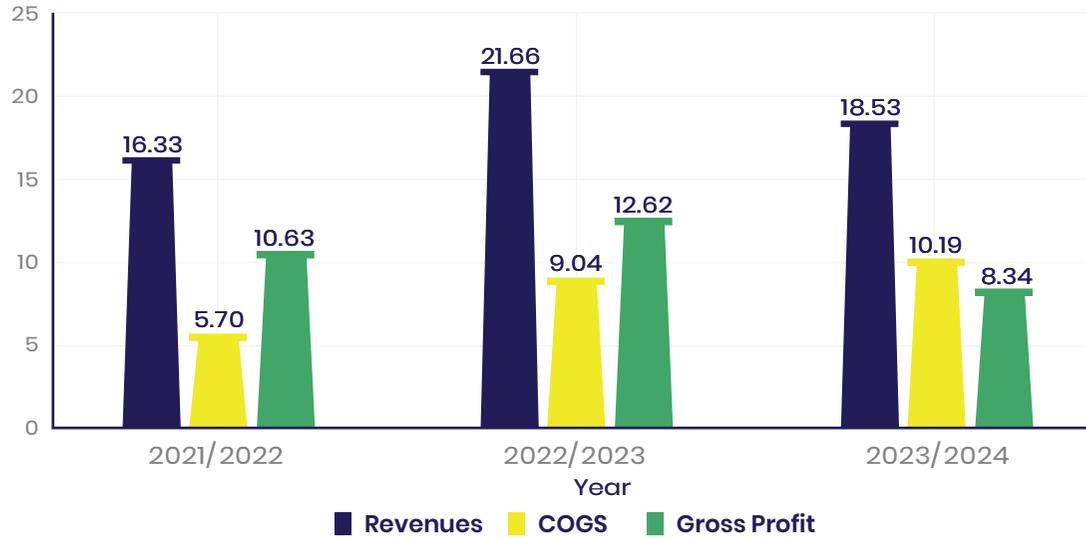
## Financial Risks Identified and the Management Approach

Financial Risks	Management Approach
<p><b>Operational interruptions (scheduled overhaul of Abu Qir III plant):</b> Shutdown during May–June 2022 temporarily reduced ammonia and urea production, impacting revenues.</p>	<p>The company adopts preventive maintenance scheduling, invests in continuous renewal of plants and infrastructure, and plans overhauls to reduce disruption to overall production and supply.</p>
<p><b>Exchange rate volatility:</b> Sharp currency fluctuations increase costs and require high levels of foreign currency liquidity.</p>	<p>Abu Qir applies cash flow management, maintains adequate reserves in foreign currency, and carefully plans foreign payments to minimize exposure to sudden exchange rate movements.</p>
<p><b>Sovereign decisions: delivery to the Ministry of Agriculture at fixed subsidized prices/specified natural gas supply price:</b> These policies reduce realized sales revenues and increase input costs.</p>	<p>The company focuses on improving production efficiency and diversifying financial planning to maintain profitability under these constraints.</p>



# Revenue and Profitability Trends

Earnings Breakdown Bn



Over the past three reporting periods, AFC has maintained revenue generation despite operating in a challenging environment. Between FY 2022 and FY 2024, revenues increased by **13.5%**, cost of goods sold by **78.8%**, while gross profit declined by

**21.5%**. Compared to FY 2023, revenues decreased by **14.5%** and gross profit by **33.9%**, while cost of goods sold rose by **12.7%**, reflecting lower sales revenues and higher production costs during FY 2023/2024.



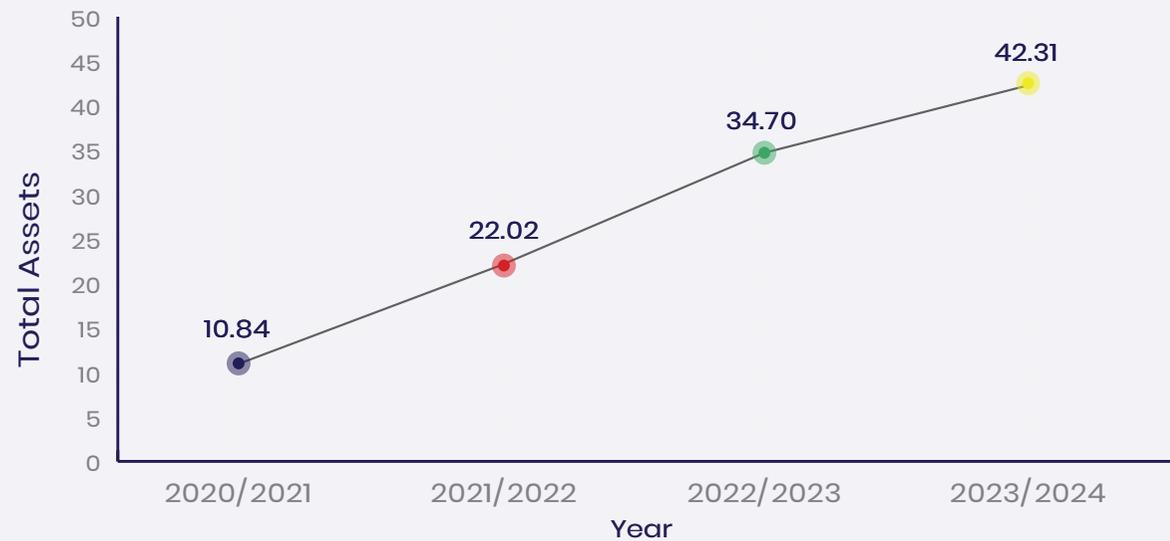
This decline was driven by a lower sales value due to reduced average export prices, as well as a **5% decrease in sales volume** resulting from reduced production at Abu Qir I during its planned overhaul in **May 2024**, in addition to fluctuations in natural gas supply during **June 2024**.





## Asset Growth

Total Assets Bn

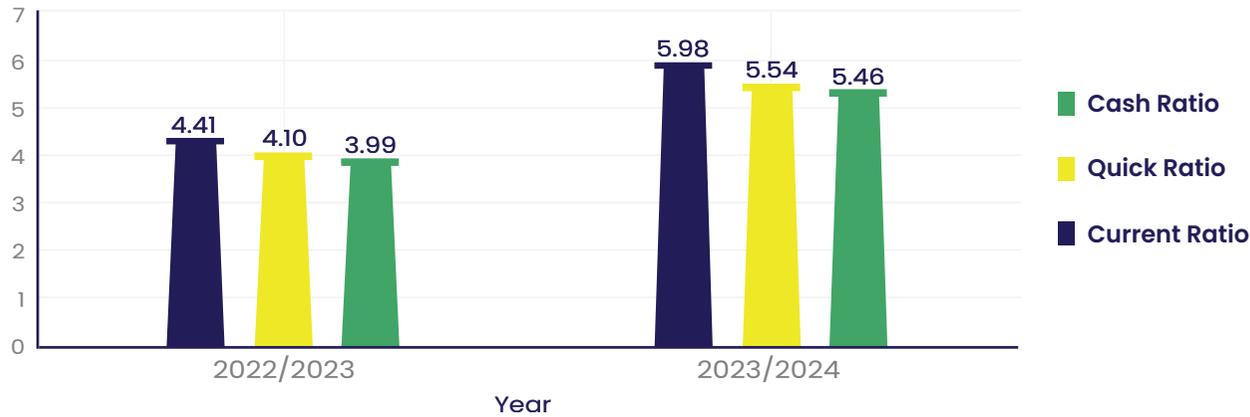


Our asset base has continued to expand steadily over the past four years, reflecting our solid financial position and ongoing investment strategy. Total assets increased by **103%** between FY 2021 and FY 2022, followed by a **57.6%** rise in FY 2023 and a further **21.9%** increase in FY 2024. This was achieved through disciplined capital allocation toward projects with clear value potential and maintaining a balance between reinvestment and returns, reinforcing the company's resilience.

## Financial Performance Analysis

Liquidity ratios have consistently strengthened in recent years, with 2024 marking a peak across all three measures. This reflects tighter working capital management and stronger cash generation, providing the company with a wider buffer against external risks.

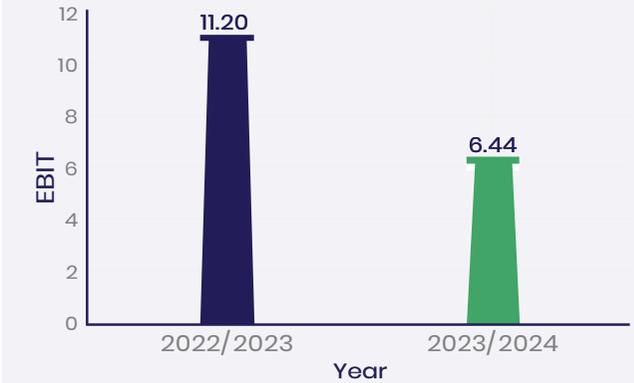
### Performance Ratios



## Operating Performance (EBIT)

EBIT decreased by **42.86 %** between FY 2023/24 and FY 2022/23. This reflects the impact of higher input costs and global market volatility.

### EBIT Bn



Overall, Abu Qir's financial performance demonstrates resilience in the face of external pressures, supported by disciplined risk management and prudent capital allocation. Our ability to sustain profitability, expand our asset base, and strengthen liquidity highlights a solid foundation for future growth. Looking ahead, these strengths position Abu Qir to continue creating long-term value for shareholders, stakeholders, and the wider Egyptian economy, in line with national development.

# 07

## Appendices

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7.1 Indices

7.2 List of Acronyms

7.3 Assurance Letter

# 7.1 Indices

## GRI Index

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
<b>General disclosures</b>					
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	P.7			
	2-2 Entities included in the organization's sustainability reporting	P.7			
	2-3 Reporting period, frequency and contact point	P.4			
	2-4 Restatements of information			None	
	2-5 External assurance	P.126			
	2-6 Activities, value chain and other business relationships	P.12 - 18 P.26 - 27			
	2-7 Employees	P.88 - 90			
	2-8 Workers who are not employees				Information unavailable
	2-9 Governance structure and composition	P.40 - 41			
	2-10 Nomination and selection of the highest governance body				Information unavailable
	2-11 Chair of the highest governance body	P.41			
	2-12 Role of the highest governance body in overseeing the management of impacts	P.49 - 50			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 2: General Disclosures 2021	2-13 Delegation of responsibility for managing impacts				Information unavailable
	2-14 Role of the highest governance body in sustainability reporting	P.48			
	2-15 Conflicts of interest	P.47			
	2-16 Communication of critical concerns	P.47 P.95			
	2-17 Collective knowledge of the highest governance body				Information unavailable
	2-18 Evaluation of the performance of the highest governance body				Information unavailable
	2-19 Remuneration policies				Information unavailable
	2-20 Process to determine remuneration				Information unavailable
	2-21 Annual total compensation ratio				Information unavailable
	2-22 Statement on sustainable development strategy	P.5			
	2-23 Policy commitments	P.47 - 49 P.90 P.95 -98 P.99			
	2-24 Embedding policy commitments	P.47 - 49 P.90 P.95 - 98 P.99			
	2-25 Processes to remediate negative impacts	P.50			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
<b>GRI 2: General Disclosures 2021</b>	2-26 Mechanisms for seeking advice and raising concerns	P.47 P.95			
	2-27 Compliance with laws and regulations	P.7 P.49			
	2-28 Membership associations	P.20 - 21			
	2-29 Approach to stakeholder engagement	P.31 - 34			
	2-30 Collective bargaining agreements				Information unavailable
<b>Material topics</b>					
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	P.35			
	3-2 List of material topics	P.36 - 37			
<b>Economic performance</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	P.35 - 37			
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	P.109			
	201-2 Financial implications and other risks and opportunities due to climate change				Information unavailable
	201-3 Defined benefit plan obligations and other retirement plans	P.93			
	201-4 Financial assistance received from government				Information unavailable
<b>Market presence</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	P.35 - 37			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
<b>GRI 202: Market Presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage			Information unavailable	
	202-2 Proportion of senior management hired from the local community			Information unavailable	
<b>Indirect economic impacts</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	P.35 - 37			
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	P.102			
	203-2 Significant indirect economic impacts	P.101			
<b>Procurement practices</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	P.35 - 37			
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers			Information unavailable	
<b>Anti-corruption</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	P.35 - 37			
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption			Information unavailable	
	205-2 Communication and training about anti-corruption policies and procedures			Information unavailable	
	205-3 Confirmed incidents of corruption and actions taken	P.47			
<b>Anti-competitive behavior</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	P.35 - 37			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
<b>GRI 206: Anti-competitive Behavior 2016</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices			Information unavailable	
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<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	P.35 - 37			
<b>GRI 301: Materials</b>	301-1 Materials used by weight or volume			Information unavailable	
	301-2 Recycled in put materials used			Information unavailable	
	301-3 Reclaimed products and their packaging materials			Information unavailable	
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	P.69			
	302-2 Energy consumption outside of the organization			Information unavailable	
	302-3 Energy intensity				
	302-4 Reduction of energy consumption	P.69			
	302-5 Reductions in energy requirements of products and services			Information unavailable	
<b>Water and effluents</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	P.35 - 37			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	P. 81			
	303-2 Management of water discharge-related impacts			Information unavailable	
	303-3 Water withdrawal			Information unavailable	
	303-4 Water discharge			Information unavailable	
	303-5 Water consumption	P.81 - 82			
<b>Emissions</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	P.35 - 37			
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions			Information unavailable	
	305-2 Energy indirect (Scope 2) GHG emissions			Information unavailable	
	305-3 Other indirect (Scope 3) GHG emissions			Information unavailable	
	305-4 GHG emissions intensity	P.77			
	305-5 Reduction of GHG emissions	P.77 - 79			
	305-6 Emissions of ozone-depleting substances (ODS)			Information unavailable	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	P.78			
<b>Waste</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	P.35 -37			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts			Information unavailable	
	306-2 Management of significant waste-related impacts	P.85 - 86			
	306-3 Waste generated				
	306-4 Waste diverted from disposal	P.84			
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<b>Supplier environmental assessment</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	P.35 - 37			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria			Information unavailable	
	308-2 Negative environmental impacts in the supply chain and actions taken			Information unavailable	
<b>Employment</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	P.35 - 37			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	P.90			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	P.93 - 94			
	401-3 Parental leave			Information unavailable	
<b>Labor/management relations</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	P.35 - 37			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
<b>GRI 402: Labor/ Management Relations 2016</b>	402-1 Minimum notice periods regarding operational changes			Information unavailable	
<b>Occupational health and safety</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	P.35 - 37			
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	P.96			
	403-2 Hazard identification, risk assessment, and incident investigation	P.96 - 98			
	403-3 Occupational health services			Information unavailable	
	403-4 Worker participation, consultation, and communication on occupational health and safety	P.95			
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	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	P.97			
	403-8 Workers covered by an occupational health and safety management system			Information unavailable	
	403-9 Work-related injuries	P.97			
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<b>Training and education</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	P.35 - 37			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	P.91			
	404-2 Programs for upgrading employee skills and transition assistance programs	P.90 - 92			
	404-3 Percentage of employees receiving regular performance and career development reviews	P.90			
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GRI 3: Material Topics 2021	3-3 Management of material topics	P.35 - 37			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	P.40 - 41			
	405-2 Ratio of basic salary and remuneration of women to men			Information unavailable	
<b>Non-discrimination</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	P.35 - 37			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken			Confidentiality constraints	
<b>Freedom of association and collective bargaining</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	P.35 - 37			
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	
<b>Child labor</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	P.35 - 37			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
<b>GRI 408: Child Labor 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labor			Information unavailable	
<b>Forced or compulsory labor</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	P.35 - 37			
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor			Information unavailable	
<b>Security practices</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	P.35 - 37			
<b>GRI 410: Security Practices 2016</b>	410-1 Security personnel trained in human rights policies or procedures			Information unavailable	
<b>Rights of indigenous peoples</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	P.35 - 37			
<b>GRI 411: Rights of Indigenous Peoples 2016</b>	411-1 Incidents of violations involving rights of indigenous peoples			Information unavailable	
<b>Local communities</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	P.35 - 37			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessment, and development programs			Information unavailable	
	413-2 Operations with significant actual and potential negative impacts on local communities			Information unavailable	
<b>Supplier social assessment</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	P.35 - 37			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria			Information unavailable	
	414-2 Negative social impacts in the supply chain and actions taken			Information unavailable	
<b>Customer privacy</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	P.35 - 37			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data			Information unavailable	

## IR Content Elements

IR Content Elements	Page Number
A. Organizational overview and external environment	P.4
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## IR Guiding Principles

IR Guiding Principles	Page Number
A. Strategic focus and future orientation	P.4 - P.7
B. Connectivity of information	Throughout the report
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G. Consistency and comparability	Throughout the report

## 7.2 List of Acronyms

Acronym	Description
<b>GRI</b>	Global Reporting Initiative
<b>ESG</b>	Environment, Social and Governance
<b>UN SDGs</b>	United Nations Sustainable Development Goals
<b>UNGC</b>	United Nations Global Compact
<b>EGP</b>	Egyptian Pounds
<b>EUR</b>	Euro
<b>Bn</b>	Billion
<b>Mn</b>	Million
<b>K</b>	Thousand
<b>UAN</b>	Urea Ammonium Nitrate
<b>DCS</b>	Distributed Control System
<b>CMMS</b>	Computerized Maintenance Management Systems
<b>TDS</b>	Total Dissolved Solids
<b>ZLD</b>	Zero-Liquid Discharge
<b>HSE</b>	Health, Safety, and Environment
<b>GHG</b>	Greenhouse Gas
<b>ESD</b>	Emergency Shutdown System
<b>BoD</b>	Board of Directors

Acronym	Description
<b>CSR</b>	Corporate Social Responsibility
<b>LCA</b>	Life Cycle Assessment
<b>IMS</b>	Integrated Management System
<b>RCM</b>	Reliability-Centered Maintenance
<b>KPIs</b>	Key Performance Indicators
<b>ZLTI</b>	Zero Lost-Time Injuries
<b>CMRP</b>	Certified Maintenance and Reliability Professional
<b>SMRP</b>	Society for Maintenance & Reliability Professionals (SMRP).
<b>CM</b>	Corrective Maintenance
<b>PM</b>	Preventive Maintenance
<b>PDM/CBM</b>	Predictive / Condition-Based
<b>PP</b>	Production Planning
<b>MRP</b>	Material Requirements Planning
<b>CEM</b>	Certified Energy Manager
<b>CEA</b>	Certified Energy Auditor
<b>AEE</b>	Association of Energy Engineers
<b>DEI</b>	Diversity, Equity, and Inclusion

## 7.3 Limited Assurance Statement

### To the Board of Directors

#### Abu Qir Fertilizers (AFC)

DCarbon is a sustainability and environmental consultancy firm registered under Egyptian law no. 159 for the year 1981 and its executive regulation. DCarbon is certified by the Global Reporting Initiative (GRI) as a global training partner and a GRI Gold Community member. Our primary focus is to assist public and private organizations in understanding and mitigating their economic, environmental, and social impacts.

AFC's Board of Directors engaged DCarbon to perform a Limited Assurance review of its (2022-2024) Sustainability Reporting process (the Report).

#### Scope, Boundary, and Limitations

The scope of assurance has included data and information for operations in Egypt from 01 July 2022 to 30 June 2024, in accordance with the Global Reporting Initiative's (GRI) Standards for 2021.

The report's boundary comprises data and information captured across its operational and business functions. The boundary 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 Assurance scope excludes:

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

### Responsibilities of the Company's Management

Management was responsible for preparing and fairly presenting the selected information included in this report in accordance with the GRI Standards. It was responsible for asserting that the internal controls enabled the preparation of information free from material misstatement. Through our prolonged engagement with Abu Qir Fertilizers, we have observed that the leadership and management that governed the release of this report have actively proven their periodical oversight of the process, as well as the departmental focal persons involved in the process.

### Responsibilities of the Assurance Provider

The Assurance Provider was responsible for aligning the reported data in accordance with the GRI Standards 2021. It was also responsible for assessing the materiality and stakeholders' engagement process, as well as the Sustainability Governance structure.

### Assurance Methodology

The assurance methodology included procedures to obtain evidence about the reliability of disclosures in terms of:

- Evidence of internal policies, procedures and strategy documents provided by the company.
- Processes to determine material topics, and stakeholders' engagement framework deployed at the company.
- Assessment of the systems used for data collection and reporting on the standard.
- Alignment with GRI Standards for 2021, Egypt Vision 2030 and United Nations Sustainable Development Goals (SDGs).
- Review of the report to ensure that there is no misrepresentation of disclosures as per the scope of assurance and our findings.

### Limited Assurance

Limited Assurance was obtained for disclosures on stakeholder engagement, materiality assessment, and governance.

We advise stakeholders to review the annual report for assurance of financial performance and other standards of practice.

### Conclusion

We have reviewed Abu Qir Fertilizers (2022- 2024) Sustainability Report. Based on the activities performed and evidence received, the Sustainability Report has been compiled, in all material's respect, in accordance with the GRI Standards 2021.



**Ehab Shalaby, Ph.D.**  
Chairman





**ABU QIR FERTILIZERS AND CHEMICAL INDUSTRIES COMPANY**