

Qalaa Holdings Water Policy

1. Purpose and vision

Qalaa Holdings is committed to doing business responsibly and sustainably, with a focus on strategic sectors. As a regional pioneer in sustainability and ESG reporting, we aim to contribute to a circular, greener economy through inclusive growth and development strategies. We believe that integrating ESG considerations into our investment processes enhances business and financial performance over the medium and long term.

Water scarcity is a global issue affecting our subsidiaries across Africa. As a responsible investor, Qalaa Holdings and its subsidiaries play a crucial role in managing our water-related footprint and promoting green investments that address these issues. This policy integrates leading practices in water-related risk management into our daily operations and investment practices, ensuring we maintain the highest standards of care.

The objective of this Policy is to bring leading practice in integrating water related risks into Qalaa's day-to-day operations and investment practices. This will enable Qalaa to sustain its position as a pioneering responsible investor which leads by example by maintaining the highest standard of care in its investment approach.

Our Water Compliance Strategy is based on strict adherence to national water laws, regulations, and international commitments. Qalaa Holdings ensures the adoption of global guidelines, management systems, and standards at both the holding and subsidiary levels. As a member of the United Nations Global Compact (UNGC) and the Global Impact Investing Network (GIIN), we align our strategy with the following UN Sustainable Development Goals (SDGs):

- **Goal 6: Clean Water and Sanitation**
- **Goal 9: Industry, Innovation, and Infrastructure**
- **Goal 12: Responsible Consumption and Production**

2. Scope

This policy applies to Qalaa Holdings and its subsidiaries, when relevant, across the regions where we operate. It encompasses all activities, from investment decisions to daily operations, ensuring a unified approach to water stewardship.

3. Guiding Principles

a) Core Values and Philosophies:

We cultivate a proactive culture by fostering a strong sense of ownership for water-related responsibilities across all levels. Through active engagement, consultation, and training, we empower our people and encourage their participation in shaping and sustaining this proactive culture.

b) Holistic Approach

Water management shall be approached in an integrated manner, considering all aspects across short, medium, and long terms. This approach should maximize impact by recognizing and leveraging co-benefits, synergies, and trade-offs.

c) Resilience

Given changes in the water cycle and shifts in water resource quality and availability, a flexible and adaptive strategy is crucial. We continuously refine and improve our actions, applying solutions effective across various water conditions while fostering an iterative learning process.

d) Stakeholder Engagement

Qalaa Holdings recognizes that its business impact extends beyond direct operations. We engage with our supply chain and assess downstream impacts of our products, services, and solutions.

e) Transparency

Qalaa Holdings shall provide clear and sufficient information, explain assumptions, and ensure that boundaries, baselines, and estimates are well-defined. This will enable the replication of results and the drawing of meaningful conclusions, fostering trust in Qalaa Holdings' water related practices.

f) Water Justice and Intergenerational Equity

We address differentiated impacts, responsibilities, and vulnerabilities associated with water stress. Actions prioritize support for vulnerable groups, communities, and regions, considering long-term impacts on future generations to promote equitable and inclusive water management.

4. Priority Areas of Action

a) Operations' Impact Measurement and Management:

We measure and understand our direct impact on surrounding communities and find solutions for sustainable watersheds. Qalaa Holdings and its subsidiaries are committed to using, treating, and discharging water safely and through:

- Following applicable water-related standards, regulations, and permits.
- Continuously decreasing water usage across our operations.
- Improving water use efficiency, especially in water-stressed areas.
- Integrating water-efficient technology in new facilities.
- Investing in water conservation projects and infrastructure.
- Ensuring treated wastewater supports aquatic life.
- Providing access to clean water and sanitation for all employees.
- Considering environmental impacts, linkages, and tradeoffs such as energy efficiency, climate change, waste generation, and circular economy

b) Integration

Embed water sustainability into strategic planning and decision-making processes. Integrate water considerations across the entire lifecycle of our businesses and investments, adopting sustainable water management practices to address water scarcity and support global sustainability.

c) Engagement

For Qalaa and its subsidiaries to have visibility and influence over these issues, it must continue and expand its engagements with its value chain and encourage them to:

- Demonstrate a commitment to the measurement and management of water consumption
- Identify water-related risks
- Set goals for improving water efficiency and managing risks
- Enabling them to develop their strategies, policies, and processes, set goals, and report on their performance
- Provide environmental training and sustainability resources.
- Reward suppliers for reducing water-related impacts.

d) Collaboration

Improving global water management efforts requires collaboration among relevant stakeholders such as governmental entities, non-governmental organizations, communities, individuals, suppliers and customers. Qalaa is committed to collaborate with all relevant stakeholders to identify opportunities to drive efficient usage of water to reduce its water footprint. These efforts would include:

- Establishing partnerships with local and international organizations including the United Nations, NGOs, and peer companies to support water conservation, treatment, and reuse within Qalaa's operations and communities
- Engaging with communities and stakeholders to increase awareness of water protection measures and foster water-related initiatives.

5. Compliance:

a) Commitment to Compliance:

We commit to transparent reporting on our water footprint activities and progress. We operate honestly and ethically, quantifying and publicly reporting our water usage, consumption, and discharge. This information is communicated comprehensively and transparently to local communities. Water initiatives shall align with Qalaa Holdings' broader sustainability efforts, business strategy, national and international commitments, and relevant frameworks, ensuring coherence and reinforcing overall objectives.

b) Monitoring and Reporting:

Monitoring and reporting are integral components of our regulatory compliance framework. We have established a robust system to track, evaluate, and communicate our water-related performance. This includes:

- **Regular Monitoring:** Implementing systematic monitoring of water usage, consumption, and discharge across all operations.
- **Data Collection:** Utilizing advanced technologies and methodologies to collect accurate and comprehensive water-related data.
- **Performance Evaluation:** Conducting regular assessments to evaluate compliance with water-related regulations and standards.
- **Transparent Reporting:** Providing clear, consistent, and transparent reports on our water performance to stakeholders, regulatory bodies, and the public.
- **Continuous Improvement:** Using monitoring and reporting insights to identify opportunities for improvement and to enhance our water management practices.

6. Responsibilities

All employees, partners, and stakeholders of Qalaa Holdings are responsible for supporting and adhering to this policy. The Board of Directors is responsible for the biennial review of the policy, ensuring its relevance and effectiveness in the face of evolving water related challenges.