

# Qalaa Holdings Communication on Progress 2019



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This report is available to all stakeholders on our  
website: [qalaaholdings.com](http://qalaaholdings.com)

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## To our stakeholders:

I am extremely proud of the fact that **Qalaa Holdings** was one of the first regional adopters of a multifaceted business and investment strategy that has sustainability and environmental protection at its core. Since inception more than a decade ago, we have strived to ensure that our investments are responsible across the economic, environmental and social spheres. This triple bottom line strategy has helped us to invest in and build a diverse array of companies in multiple sectors that are fueling sustainable economic growth and job creation in Egypt and across Africa.

This vision clearly aligns with international best practices as outlined by the UN Sustainable Development Goals (SDGs) and the UN Global Compact (UNGC). We stand firm in supporting the ten principles of the compact, which we believe work in favor of employees and employers alike. The holding company and its subsidiaries adhere to and administer codes of conduct, regulations and procedures that promote compliance with the principles, which were drafted by the UNGC under the four fundamental areas of Human Rights, Labor, Environment and Anti-Corruption. Our efforts demonstrate our reliability and dedication to make a positive, sustainable impact on our operations, our people and the surrounding community.

In 2019 we made the decision to take things a step further with a group-wide initiative that promotes collective action towards maximizing efficiency and achieving quantifiable sustainability targets. Our 2019 Communication on Progress (COP) highlights some of these important initiatives. We also commit to sharing this report and relevant information with all our stakeholders and public audiences through our primary communication channels, and we reaffirm our commitment to the UNGC and its message during the upcoming year.

**Ahmed Heikal**  
Chairman and Founder





**Qalaa Holdings** continued to uphold smart and sustainable investment and operational strategies in 2019. Commendable improvements in the Egyptian economic landscape paired with tactical shifts and investments have helped the company exceed its annual goals, while simultaneously instilling more sustainable protocols and practices across its own and its subsidiaries' operational frameworks.

In 2004, Ahmed Heikal founded **Qalaa Holdings** as a beacon for sustainable investments that pave the way for economic growth in the region and create value for all stakeholders. For the past 15 years, the company and its subsidiaries have contributed to the foundational corners of the Egyptian economy, while ensuring that operational efficiency is regularly examined and adjusted. Ongoing development brings forth as much benefit to internal processes and procedures as possible, mitigates risk and decreases any and all undesirable impact on the well-being of any affected party.

Among the most notable milestones crossed by **Qalaa Holdings** subsidiaries in 2019 was the successful completion of the USD 4.4 billion refinery of the Egyptian Refining Company (ERC). Moreover, TAQA Arabia, our energy distribution subsidiary, inaugurated its 65 MW solar plant in Benban, Egypt, the largest solar park in the world, and solid waste management subsidiary Tawazon also saw increases in

biomass and RDF productions. Remaining **Qalaa Holdings** subsidiaries Nile Logistics, ASCOM, ASEC Holding, Gozour and National Printing Company have also adhered to enforcing policies that contribute to sustainable efficacy, taking both UNGC principles and guidelines and the UN's Sustainable Development Goals (SDGs) into account.

As a leading energy and infrastructure investor in Africa and in light of pressing Climate Action trends we will hold ourselves and each member of our team accountable to lead by example in adopting sound, sustainable, efficient and inclusive practices and set goals and targets that integrate sustainability into strategic and tactical business activities across **Qalaa Holdings**, its subsidiaries and stakeholders (contractors, suppliers and supply chains).

As such, **Qalaa Holdings** continues to align its practices with the SDGs and Egypt's Vision 2030, especially in the areas of education, human rights, labor, environment, anti-corruption, forging partnerships, and proudly promotes responsible business practices. The SDGs address some of our most pressing global challenges related to poverty, inequality, climate change, and environmental degradation. While we aim to make progress on all 17 goals, we have chosen to focus on 8 SDGs in particular in order to achieve maximum impact.

# 2019 SDG Milestones



*Dina Farms' responsible water use*

## We continued our focus and have expanded on achieving the following goals in 2019:



### SDG 4: Quality Education

The **Qalaa Holdings** Financial Services Center, the Mostakbaly program, ASEC Academy, the **Qalaa Holdings** Scholarship Foundation (QHSF) and other initiatives by **Qalaa Holdings'** subsidiaries continue growing, impacting over 300,000 beneficiaries. The initiatives offer a variety of scholarships and vocational training to undergraduate and postgraduate students on national and global scales, as well as support infrastructural developments and teacher capacity building within the country.



### SDG 5: Gender Equality

**Qalaa Holdings** and its subsidiaries boast a high number of women in leadership positions, with females representing 25% of the board of directors. More than 36.4% of the females are in managerial positions across the group, many of which have been recognized as some of the most influential women in Egypt and the MENA region. It is also worth noting that 45% of its QHSF scholarship recipients are female from more than 15 governorates. To date, over 8,500 women benefitted from economic empowerment programs in Mostorod.



### SDG 7: Affordable and Clean Energy

With the inauguration of the ERC second-stage refinery and the solar power plant, and with other environmentally conscious projects regularly in the works, **Qalaa Holdings** remains dedicated to investing in renewable energy and waste-recycling ventures, reducing its carbon footprint and generally lowering harmful emissions.



### SDG 8: Decent Work and Economic Growth

**Qalaa Holdings** and its subsidiaries now employ over 15,000 individuals who are beneficiaries of optimum employment, health, safety and welfare benefits. Regular increases in investment opportunities drive job creation and improve economic prospects, which we fuel at every possible opportunity.



### SDG 9: Industry, Innovation and Infrastructure

Maintaining a streak of solid investments in projects that employ innovative concepts, advanced building techniques, dense infrastructural knowledge and state-of-the-art technology is among our core targets to introduce alternatives and move the energy and infrastructure industries in a less harmful direction.



### SDG 12: Responsible Consumption and Production

**Qalaa Holdings** subsidiaries employ strict waste management policies, with some of them using waste as input to produce a variety of materials that range from clean alternative energy (Tawazon) to duplex boards (Shorouk, a subsidiary of National Printing Company), and Glassrock thermal insulation solutions that allow the reduction of cooling and heating setup cost by 30-40% and running cost by 25-30%.



### SDG 13: Climate Action

**Qalaa Holdings** has integrated sustainability and environmental protection into its core operations, through the employment of a responsible investing triple bottom line model leveraging its investments in the spaces of energy, power, logistics and infrastructure, including the ERC Refinery, Nile Logistics, as well as TAQA Power. In December 2019, **Qalaa Holdings** took its commitment one step further, becoming one of the first 177 signatories to a pledge that will see it commit to 1.5°C science-based emissions reduction targets.



### SDG 17: Partnerships for the Goals

Strategic partnerships continue to be a key cog in **Qalaa Holdings'** moves to widen the reach and impact of its sustainable efforts on surrounding communities. The holding company and its subsidiaries collaborate with a large variety of community-based organizations that assist in setting accountability measures, monitoring progress and, in turn, maximizing impact.



# Description of Actions



## Human Rights

**Qalaa Holdings** views respect for human rights as the fundamental base on which ethical businesses thrive. We believe in full and ultimate reverence for individuals and their rights and work diligently to remain mindful of our company and its subsidiaries' practices in relation to this. Employees are asked to adhere to a code of conduct that endorses honesty, integrity and hard work, and in return, the company commits to making sure that everyone is treated with fairness and respect, and that employee rights are fully protected.

Understanding the potential effects of poor situational awareness, **Qalaa Holdings** makes sure that countries, governorates and communities are researched rigorously prior to the implementation of any of its projects. After breaking ground, it then proceeds to heavily monitor its operations and tracks performance across its projects to ensure that none of them are committing human rights violations.

In addition, and as a fundamental right at **Qalaa Holdings**, human resources policies ensure the provision of health and social insurances for every employee and reiterate the company's zero-tolerance policy for discrimination against employees of different backgrounds, religions, sex or otherwise.

## Labor

**Qalaa Holdings** remains at the forefront of industry leaders that champion worker rights. We deliver wages and benefits that enable decent living conditions, and continuously update our compensation framework in coherence with the country's changing economic conditions. Available benefits range from dignified minimum wages to life and health insurance, social insurance, disability coverage and various types of holidays and leaves, as per the law.

Our zero-tolerance policy for child labor and all types of forced labor remains intact; every **Qalaa Holdings** project is supported by workers who have exceeded the legal working age, and who receive health and safety trainings and circulars that inform them on how to protect themselves against any outbreaks.

The company's employment guide also forbids discrimination against a potential/current employee for their race, religion, sex, nationality, age or social status. Company policies are regularly adjusted to co-exist with national labor laws, and fully respect international human rights laws in providing employees with decent compensation and benefits.

As a solid advocate of women in business and leadership positions, we are proud to report that 13.6% of our female employees are in senior management positions and 36.4% are in middle management, with 9% of our female leaders being recognized as some of the most influential women in Egypt and the MENA region, and awarded as such.

In terms of age groups, Qalaa remains an advocate of young people in business, with the larger portion (41.7%) of its employees falling between 30 and 40 years of age. 25.3% are between the ages of 41 and 50, and 15.4 % between the ages of 51 and 60.

The SAP SuccessFactors Talent Management System launched by **Qalaa Holdings** in 2018 continues to play a vital role in assessing employee talents across the holding company in 2019. The platform is used for steady performance and career development reviews, which assist in monitoring employee efficacy and give the company enough insight to provide necessary trainings. Around 297 hours of employee training were recorded in 2019.

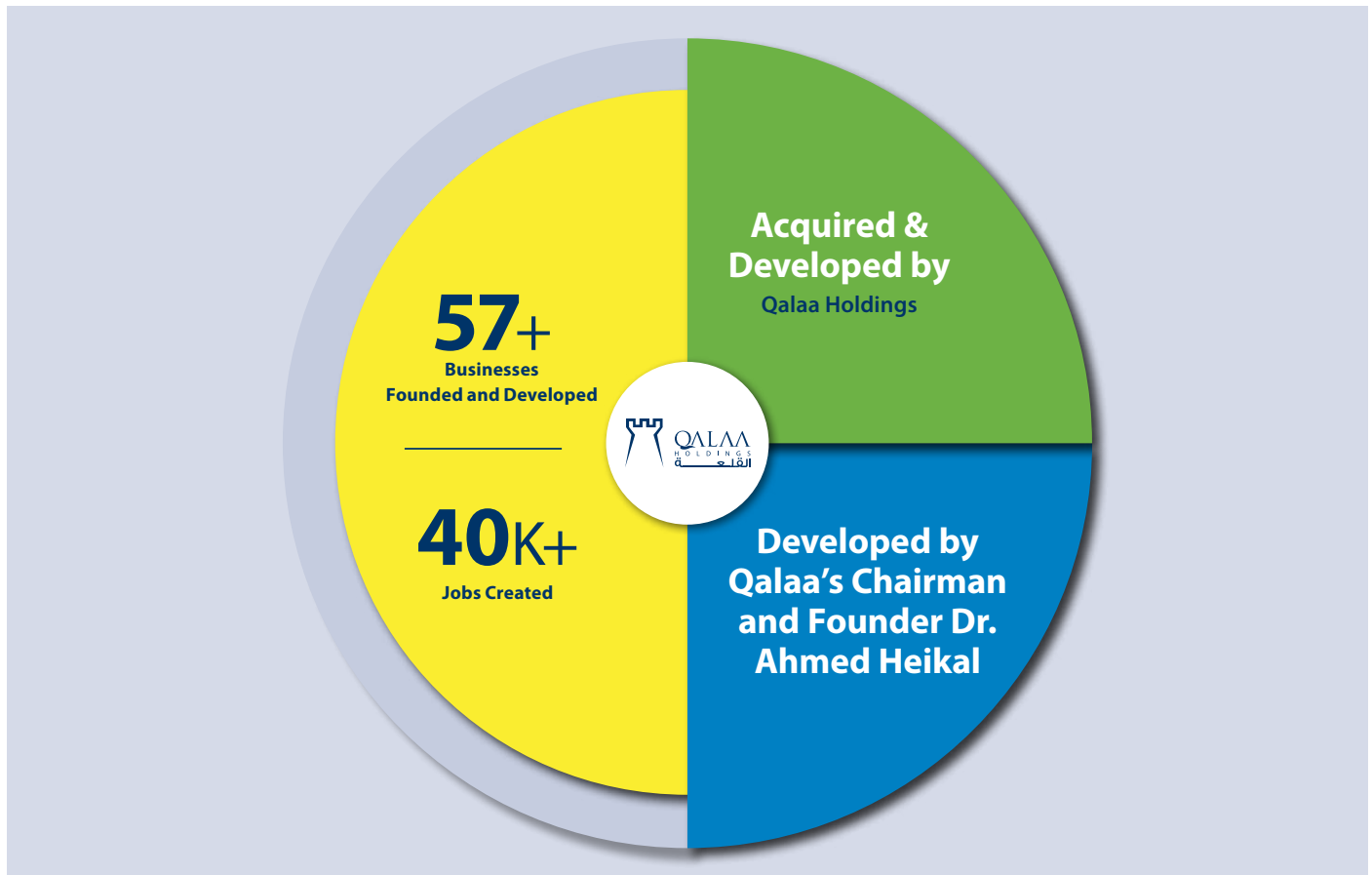
## Environment

The volatile nature of the sectors within which **Qalaa Holdings** operates has made the company highly aware of the impact it has on its surroundings. We are, therefore, constantly on the lookout for ways to eliminate the harmful effects our activities may cause. We have made and continue to make significant progress throughout our subsidiaries in terms of production, consumption, and waste management with the aim of achieving climate neutrality and zero carbon footprint.

Our ERC refinery is expected to eliminate a notable 93,000 tons and 186,000 tons of the country's sulfur and sulfur dioxide emissions, respectively, while TAQA's expected emissions reduction is projected to be 78,000 tons annually. Our Environmental Compliance Strategy is still in effect, bringing together global guidelines and standards from every country we operate in, like Shorouk's FSC certification and Tawazon's GIC certification.

Qalaa's commitment was made public at the 25th Annual United Nations Climate Change Conference (COP 25) and represents a major business contribution to the Climate Ambition Alliance: a growing multi-stakeholder group convened by the COP 25 that brings together countries, businesses, investors, cities and regions working towards achieving net-zero emissions by 2050.

# Economic Development Impact



## Notable Sustainability Developments 2019

**Qalaa and its subsidiaries are constantly refining practices to fully comply with the HSEG guidelines that correspond with the UNGC's principles, the SDGs and Egypt's Vision 2030. Among our most notable sustainability developments and efforts in 2019 are:**

1. **Qalaa Holdings** has formally established the first dedicated position, Chief Sustainability Officer, to spearhead the company's sustainability initiatives and practices across all its subsidiaries.
2. The establishment of a Sustainability Committee at the corporate board level, where the members include managing director, co-founder and chief sustainability officer. The committee assists **Qalaa Holdings** management in drafting short and long-term policies, and guidance on strategies and goals that promote responsible and sustainable practices across the company and its subsidiaries as well as to relevant stakeholders to mediate risks and create shared value.
3. Maintaining a firm approach in assessing impact and possible environmental outcomes of continuing and future projects, and then actively working to moderate the outcomes.
4. Encouraging the transformation to cleaner energy and confirming responsible disposal of waste in all possible contexts. This was especially evident this year as the company inaugurated its ERC and TAQA's solar power plant, as well as the increased efforts of Tawazon in waste management and recycling.
5. Complying with environmental regulations through ongoing review of environmental risk and opportunities, social impact, labor standards, health and safety policies to uphold the highest industry standards and timely action to address any risks.
6. **Qalaa Holdings** continues to be the partner of choice for developmental finance institution (DFI) partners, partly due to its adherence to rigorous environmental and social development standards and robust reporting mechanisms.

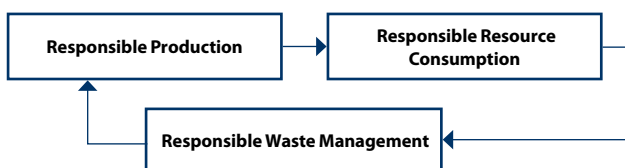
# 2019 Environmental Developments



## Samples of Responsible Environmental Developments in 2019



ERC, Qalaa's flagship USD 4.4 billion second-stage refinery, was successfully completed and became fully operational, selling 1.3 MT value add of products as of November 2019. This highly anticipated project is expected to have resounding, multifaceted effects on Egypt, economically, environmentally and socially. In an unprecedented move for Egypt, the refinery is expected to supply enough high-value Euro V diesel (the cleanest fuel of its type in the world) annually to eliminate a significant portion of its import capacity. It is also expected to eliminate a notable 93,000 tons and 186,000 tons of the country's sulfur and sulfur dioxide emissions, respectively. To ensure having no discharge of wastewater to Ismailia Canal, ERC established a tertiary Industrial Wastewater Treatment Facility and utilizes closed cooling water circuits to reduce cooling water consumption from Ismailia Canal and prevent thermal water pollution.



The energy subsidiary remained committed to diversifying its portfolio and reaffirmed its goals to expand in renewable energy with the launch of its 65 MW solar power plant in Benban Solar Park, Aswan, Egypt. This EGP 1.35 billion investment is now part of the largest solar park in the world, and factors in Egypt's 2022 plan of producing 20% of its electricity needs through renewable resources. TAQA has also continued examining opportunities for expansion into alternative energy and wind power. TAQA transmits and distributes natural gas connections to more than 1.2 million customers in 42 cities across Egypt, with expected emissions reduction to be around 78,000 tons annually from its 65 MW PV solar power plant in Benban, Aswan.



Qalaa's solid waste management subsidiary, Tawazoon, maintained strong efforts in providing cleaner and recycled alternative fuels from waste such as biomass-derived fuel (BDF), solid recovery fuel (SRF) and refuse-derived fuel (RDF) to heavy consumers as a source of thermal energy throughout 2019. As of the end of September 2019, the company formed linear to circular production, and produced and distributed 480,000 tons of RDF, 21,830 tons of organic compost and 1.3 million tons of biomass.



The river transportation subsidiary remains one of the most fuel-efficient and environmentally friendly methods of transportation available in Egypt and neighboring Sudan and South Sudan. Nile Logistics has a large fleet of fuel-efficient, environmentally friendly river barges that transport cargo along the Nile. The company continues to transport the equivalent of 20-40 truckloads on each barge with a fraction of the fuel and money usually invested in other methods of transport.



# 2019 Environmental Developments



GlassRock's thermal insulation solutions can save up to 40% of the cooling and heating load and minimize the global carbon dioxide footprint from heating and cooling while using calculated percentage of recycled materials. The USD 70 million sustainable insulation materials company maintains a total annual production capacity of 30,000 metric tons of rock wool and 20,000 metric tons of glass wool. Both materials are considered key in **environmentally friendly** construction as they are, thus far, some of the most optimum materials used to reduce carbon dioxide emitted by buildings. GlassRock continues to target export sales above 50% of revenue before year-end 2019.



National printing includes four vertically integrated subsidiaries producing quality materials through an efficient and environmentally friendly production process. One is El Baddar, a printing and packaging subsidiary that develops corrugated sheets and boxes that are widely used for shipping, particularly in the food industry. El Baddar products are renowned in the market for their strength, durability, lightness, recyclability, and cost-efficiency. The company recycles paper and materials in the production of packaging and printing products. In 2019, Uniboard recycled 80,000 tons of waste paper to produce 120,000 tons of duplex paper.



With an agricultural footprint of over 10,000 acres, Dina Farms is the leading private sector dairy farm in Africa. Throughout its operations, Dina Farms applies an efficient and advanced irrigation systems technology (drip and pivot irrigation) and promotes sustainable and responsible farming.

## Anti-Corruption

**Qalaa Holdings** has grown into one of the strongest investments holding companies in the region, with its strategic subsidiaries placing it at the forefront of the energy and infrastructure sectors. Throughout the company's journey, it has maintained a strong commitment to sound governance and business practices to promote a culture of integrity, fairness, openness and transparency. The holding company's corporate culture has produced solid frameworks that decrease chances of fraud, create shareholder value and optimize safe channels of interaction. Formal quarterly (or on an as-needed basis) meetings bring together **Qalaa Holdings** management, industry platform teams and senior management of subsidiary companies to recap and possibly rework policies as needed or seen fit. We also remain active members of the Egyptian Junior Business Association's Integrity Network Initiative (INI), constantly seeking newer and more efficient techniques in fighting corruption and fraud.

Among our heavily active anti-corruption mediums in 2019 are the company's Internal Audit committee, department and teams, who operate independent of management but with participation of a wide cross section of executives from **Qalaa Holdings** and its subsidiaries. They exercise impeccable efforts in updating the Risk Management Framework and the anti-fraud, insider-trading and financial reporting policies, among others. They also advise employees on how to accomplish project objectives systematically and with minimal risk, and ensure the unwavering implementation of the zero-tolerance for fraud policy. **Qalaa Holdings'** Internal Audit department functionally reports to the Audit Committee and has administrative reporting lines to the Chairman and Chief Executive Officer. **Qalaa Holdings** engages the services of only the most reputable audit firms for both ongoing statutory audits and due diligence for all subsidiaries. Strict internal controls and reporting standards are a cornerstone of the governance principles at **Qalaa Holdings** and its subsidiaries. Financial and operational reports are transparent to all parties with a vested interest — from management and board members to shareholders.

Our online whistle-blowing channel also remains active and accessible to all **Qalaa Holdings** and non-**Qalaa Holdings** employees, and all records are investigated seriously. In doing this, we reinforce the culture of accountability and further assert our position in fighting corruption through all channels and at all costs.

With a zero-tolerance approach to fraud, the Internal Audit function has implemented an Anti-Fraud Policy to promote consistent corporate integrity, honesty, and ethical behavior within **Qalaa Holdings** and its subsidiaries. This approach helps protect the organization's assets, reputation, and employees. The Anti-Fraud Policy was reinforced by setting up an anonymous whistle-blowing channel to receive information from inside and outside the company on the **Qalaa Holdings** website. **Qalaa Holdings** believes in continuously promoting and empowering the company's control environment. Accordingly, the Internal Audit function has developed a Risk Assessment Framework to be followed throughout the organization. Risk assessment contributes to the effective and efficient demonstrable assessment of objectives and the improvement of performance on multiple fronts. **Qalaa Holdings'** Internal Audit strives to ensure the presence of the Internal Audit function across all platforms, in its capacity to oversee, monitor, guide, advise, and administer its platform. In addition, our Management Committee is a monthly forum that engages a wider management team across **Qalaa Holdings** to review market developments and progress on corporate initiatives at **Qalaa Holdings** and its subsidiaries.

## Social Development Impact

Sustainable projects and initiatives that operate under the #4 SDG, Quality Education, to deliver on **human capital development (HCD)**, remain at the core of our social contributions. **Qalaa Holdings'** educational and HCD support programs continued growing in 2019 as follows:

### Qalaa Holdings Scholarship Foundation (QHSF)

QHSF is the largest private sector funded scholarship program in Egypt, created to facilitate Egyptian students' access to post-graduate education. The foundation continued growing this year under the guidance of its independent board of trustees and the management of its full-time Executive Director. The **Qalaa Holdings** Scholarship Foundation (QHSF) grants 15-20 scholarships per year to exceptional Egyptian students pursuing graduate degrees at top universities abroad on the condition that they return to Egypt to work after completing their studies.

The foundation is sustainably funded by an endowment from **Qalaa Holdings** to grant academic scholarships for talented and promising young Egyptian men and women to pursue post-graduate degrees abroad in a wide variety of fields, including filmmaking, anthropology, global mental health, mechanical engineering, biotechnology, and architecture. So far, over 195 scholarships were provided to students from more than 15 governorates across Egypt to more than 60 global universities since the foundation's inception, with 45% of the scholars being women.



QHSF continues to uphold its primary stipulation of returning to Egypt upon completion of studies. In doing so, it aims to encourage learners to invest their newly acquired global knowledge in Egypt, through finding employment or launching their own businesses. Alumni scholars have started businesses that are already contributing to Egypt's economic growth and development, including Amina Abou Douma, founder of Teatro Eskendria, Randa Fahmy, co-founder of KarmSolar and Hisham Wahby, founder of over 18 startups.

### Qalaa Holdings Financial Services Center (QHFSC)

In keeping with **Qalaa Holdings'** commitment to education in Egypt, QHFSC, in collaboration with the American University in Cairo, was founded to help students develop the skills and qualifications needed to pursue careers in securities trading, risk management, and asset allocation. The center remains one of **Qalaa Holdings'** central projects and is recognized as the first center of its kind in the MENA region. QHFSC focuses on human capital development to foster economic growth and social transformation; it offers students trainings and qualifications that will assist them in pursuing careers in risk management, securities trading and asset allocation. **Qalaa Holdings** donated USD 250,000 in seed funding to establish the center and USD 30,000 annually to ensure sustainability of operations. The center provides students with unique learning opportunities by integrating hands-on, practical education with financial concepts. Throughout the years, the company has invested USD 180 million in databases and software to ensure the center continues to operate seamlessly. QHFSC has trained over 2,738 graduates, researchers and faculty members so far across its expanding geographic network in Egypt.



## TAQA Arabia Scholarship Programs

As a socially responsible corporation that prioritizes human and community development, TAQA Arabia kept its TAQA International Master's program running and fully funded the studies of a Master's student in the field of renewable energy this year. It also continued endowing its additional scholarships for students working in the alternative energy sector, who looked to pursue graduate studies in alternative energy and related disciplines.



## ASEC Academy

The academy was created to shine a spotlight on the importance of vocational training and is accredited by the Arab Union for Cement and Building Materials. Its multiple programs, designed to train engineers, chemists, geologists and technicians employed in the cement industry, continued running this year, and the number of trainees reached 16,000 by the end of 2019.



## Cross-Cutting Trainings and Initiatives

At subsidiaries like TAQA Power and ASEC Holding, local employees learn from specialists and engineers working on site. Engineers and workers hired to build ERC's refinery have also gained experience and benefited from working with over 15 nationalities on site that will qualify them to work on similar projects going forward.





## ERC Community Development Initiatives

The Egyptian Refining Company (ERC), **Qalaa Holdings'** flagship investment in second-stage mega project refinery, conducted the most comprehensive Environmental and Social Impact Assessment (ESIA) ever commissioned in Egypt for an industrial project based on international/IFC standards to minimize negative project impacts. As a

result, ERC has been focusing on the following four main arenas: educational support through "Mostakbaly," economic opportunity and income raising through "Tamkeen" and "Mashrouy," youth volunteering and capacity building through "Reyada," and special needs support through "Takaful."

### 1. Supporting Education

The **Mostakbaly** scholarship program, now in its fourth year, provides students with opportunities to pursue undergraduate degrees in various specialties at some of Egypt's most prestigious public and private universities. Including the 2019 round of scholarships, the program has thus far awarded a total of 81 beneficiaries from Mostorod, El Khesous, Shobra El Kheima and Matarreya. In a further expansion of the program this year, an additional 26 students were awarded scholarships to attend vocational training at the highly regarded Don Bosco Cairo, an Italian secondary school that focuses on much-needed vocational and technical training. In addition to scholarships, the Mostakbaly program has, since 2017, provided a total of 7,798 students with in-kind aid and 939 teachers with educational training. Three students pursuing Master's degrees at the universities of Sheffield, Imperial and Manchester in the United Kingdom have also been sponsored by the program. "Mostakbaly for Teachers" has provided another 30 teachers this year with high-level training in early-years education at the American University in Cairo. Including the 2019 round of scholarships, the program has thus far, awarded a total of 96 beneficiaries from Mostorod, El Khesous, Shobra El Kheima and Matarreya. As of 2019, the total number of beneficiaries reached 299,355.



### 2. Women and Youth Economic Empowerment

Through **Tamkeen**, its financial and non-financial support platform, ERC continued to support female entrepreneurs. By 2019, the program had provided 245 beneficiaries in artistic training, 153 beneficiaries in economic empowerment projects. **Mashrou3y**, a youth empowerment program designed to support new and existing small projects developed by youth, has supported 66 youth start-ups, 1,124 vocational training opportunities, and 3,500 employment opportunities (3,200 directly at ERC and 300 at other projects). As of 2019, the total number of Tamkeen beneficiaries reached 8,680 and the total number of Masrou3y beneficiaries reached 56,155.



### 3. Youth Volunteering and Capacity Building



Among ERC's primary goals is to encourage youth to volunteer and participate in community initiatives, especially because they are the area's best chance at sustainable and ongoing efforts that could be inherited from generation to generation. It has successfully established this through its **Reyada** program, which has trained 100 volunteers on managing social initiatives thus far, 30 of whom are currently directing volunteer groups on their own. As of 2019, the total number of Reyada beneficiaries reached 1,440.



### 4. Special Needs Support



ERC launched **Takaful** with the vision of providing community members with special needs an equal chance to integrate into and contribute to their communities. The program has so far worked in partnership with governmental institutions and local community development associations in empowering over 700 individuals with different abilities. As of 2019, the total number of Takaful beneficiaries reached 5,405.



# Partnerships for the Goals

17 PARTNERSHIPS FOR THE GOALS



## Establishing Strategic Win-Win Partnerships

**Qalaa Holdings** believes that partnering with like-minded local and international organizations who are working towards common goals will enable us to further our reach and add more value to our communities. Our global partnerships further help us ensure that our local initiatives work within a wider global movement that will have a resounding impact across borders.

Throughout the year, **Qalaa Holdings** has been dedicated to leading by example and demonstrating how responsible investing and

partnerships in the public and private sectors are able to promote sustainable development. The company has worked to establish partnerships and set measures for accountability in order to ensure that its practices are able to transform the lives of local communities.

**Qalaa Holdings** has collaborated so far with over 44 civil society organizations, 8 academic institutions, 6 governmental entities and 6 international sustainability organizations and ratings agencies to guarantee wide and resounding impact.

### Civil Society

44+



### Academia

8+



### International Sustainability Organizations, Initiatives and Ratings Agencies

5



### Government

6+





# The Way Forward

## Between 2004-2019 significant progress has been made.

We are currently developing reporting mechanisms to help us track sustainability KPIs such as consumption and the efficient use of resources.



## Looking Ahead

Responsible investment now includes smart, sustainable practices by default. As leading investors in the region, we plan to carry on implementing projects, activities and initiatives that promote and instill ethics and practices of sustainability wherever our reach extends, be it among our subsidiaries, partners or within the communities in which we operate. Creating self-sustaining modules and group-wide targets to reduce our carbon footprint for a greener tomorrow is the only way we can guarantee a brighter, more successful future for generations to come.

The inauguration of ERC, TAQA's solar park in Benban and the expansion of the energy-efficient products and services that our subsidiaries are continuing to pioneer, will help usher in a new era with larger, ambitious and higher targets. We look forward to leading by example to bring about the circular economy in Egypt and the region.

We also remain adamant on supporting academic initiatives, be it through further enriching our existing foundations or through exploring more initiatives, independently or in partnership with landmark academic institutions.

Environmental awareness and proactive action towards clean energy, efficient resource consumption and neutral-positive impact will remain at the center of our operations. We will continue exploring more ways to raise both corporate and societal awareness on key environmental issues and environmentally friendly practices, and we will transfer our knowledge through our subsidiaries' official channels to as many stakeholders as possible, in an effort to positively impact and transform the thoughts and approaches of every involved party.

### The following is our outlook on sustainably responsible practices at Qalaa in 2020 and beyond:

- Take inventory of existing policies and practice and work with subsidiaries to set and maintain group-wide HSEG standards
- Continue to refine ESG monitoring and reporting structure to allow for collection of measurable data and set indicators/KPIs at holding and platform levels for responsible resource consumption, production and waste management
- Ensure continued awareness of labor, social and environmental risks across all subsidiaries and leverage opportunities to achieve shared value and develop best practices
- Continue adopting sound, sustainable, efficient and inclusive practices across all stakeholders in current and potential investments
- Keep examining internal policies to ensure the adoption of international best practices in health, safety, governance, labor and the environment
- Conduct industry-specific training, as needed, for senior managers in sustainability and SDG awareness at the group and subsidiary levels
- Assist individual managers in setting goals to gradually integrate sustainability into all business operations and performance assessments
- Prioritize benchmarking carbon footprint comprehensively and continue voluntary sustainability reporting on progress
- Continue to explore and identify ways to reduce carbon footprint across our investment portfolio to reach neutrality by 2030
- Develop a plan for climate change benchmarking and set group-wide science-based targets in line with Science-Based Targets Initiatives (SBTI)
- Seek for international certifications, affiliations and reporting agencies to ensure compliance with international best practices in all sectors