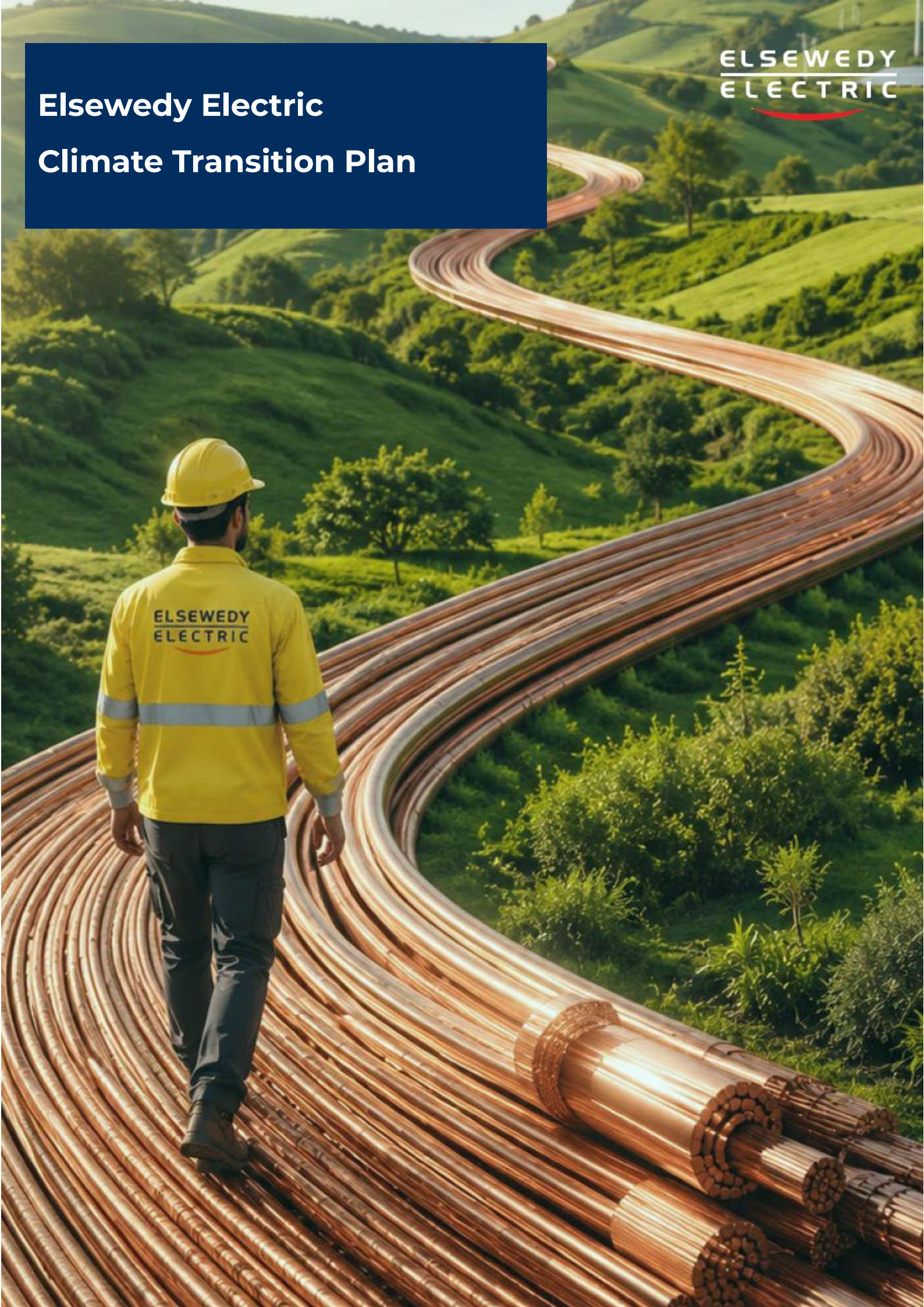


Elsewedy Electric Climate Transition Plan

ELSEWEDY
ELECTRIC



INSIGHTS FROM THE CHIEF EXECUTIVE OFFICER

As Elsewedy Electric advances its journey as a globally integrated leader in energy and infrastructure, I am proud to present our **Climate Transition Plan**, a strategic roadmap that aligns our industrial expansion with our commitment to decarbonization and long-term value creation. Our legacy, built on engineering excellence and purpose-driven leadership, naturally positions us to lead the regional shift toward a low-carbon, resilient economy.

Transitioning to a sustainable future requires both ambitious targets and disciplined operational execution. Building on our solid financial performance and operational strength, this Climate Transition Plan outlines clear, science-aligned targets to systematically reduce our Scope 1, 2, and 3 emissions. By integrating climate risk governance into our core business model, we are ensuring that environmental stewardship directly fuels our competitive advantage and long-term resilience.

Central to our strategy is driving progress through innovation, energy efficiency, and renewable integration across our operations and supply chains. From expanding our clean mobility solution, **PLUG**, to pioneering grid-scale energy storage projects globally, we are actively enabling the infrastructure required for the global energy transition. Furthermore, through our Environmental and Social Management System (ESMS), we continue to embed climate considerations into every operational decision across all subsidiaries.

Realizing this vision demands strong ecosystem collaboration. We remain dedicated to partnering with global industry leaders, financial institutions, and local communities to accelerate sustainable development, scale low-carbon technologies, and promote circular economy principles.

Looking ahead, our Climate Transition Plan is more than an environmental commitment; it is our strategic framework for shaping a future where industrial growth and climate resilience go hand in hand. With gratitude to our employees, partners, and stakeholders, I look forward to continuing this vital journey, driving decarbonization, delivering excellence, and building a better tomorrow, together.



Eng. Ahmed Elsewedy

President and CEO,
Elsewedy Electric

INSIGHTS FROM THE GROUP CHIEF SUSTAINABILITY OFFICER

Climate change is an active reality reshaping the global economic, industrial, and social landscape. For an engineering and infrastructure leader like Elsewedy Electric, decarbonization is both a strategic imperative and a defining commercial opportunity. Operating across emerging and global markets, we recognize our responsibility to lead by example, demonstrating that industrial growth can be successfully decoupled from environmental impact on our path toward **net-zero emissions by 2050**.

Our journey toward this commitment is grounded in data transparency, rigorous governance, and operational discipline. Having expanded our emissions reporting to cover **all operational facilities and relevant Scope 3 categories**, we have established a precise baseline to drive actionable decarbonization. Building on our solid progress, including reductions in carbon intensity, we are formalizing our long-term strategy through our comprehensive **Climate Transition Plan (CTP)**.

This Climate Transition Plan serves as our operational blueprint to align our portfolio with international climate goals and the 1.5°C threshold of the Paris Agreement. Codifying our strategy into clear execution pathways, the plan rests on **four core decarbonization pillars**:

Electrification & Efficiency:

Accelerating fleet electrification, phasing out operational fossil fuel reliance, and mandating energy-efficiency retrofits across all manufacturing facilities.

Renewable Energy Integration:

Expanding on-site solar generation and securing long-term Power Purchase Agreements (PPAs) to maximize clean energy self-supply across key assets.

Product Decarbonization & Eco-Design: Scaling our **Environmental Product Declarations (EPDs)** and Life Cycle Assessments (LCAs) to engineer low-loss cables, high-efficiency transformers, and sustainable infrastructure solutions for global markets. In addition to expanding in the markets of clean energy transition and directing more sales regions with rapidly decarbonizing electricity grids.

Upstream Supply Chain

Engagement: Partnering with suppliers through our Supplier ESG Assessments to enforce carbon-intensity benchmarks, particularly for raw materials like copper and aluminum.

Our commitment to transparent reporting and robust ESG governance continues to earn strong international recognition. From being named among the **TIME 500 World's Best Companies for Sustainable Growth** to achieving leading scores across **S&P Global, Sustainalytics, CDP, and EcoVadis**, these benchmarks validate that our sustainability strategy delivers tangible value for our business, investors, and society.

Guided by our leadership and supported by our dedicated workforce, we are embedding climate resilience into every level of our organization. At Elsewedy Electric, sustainability is not a static destination but a **continuous journey**; one driven by innovation, accountability, and measurable impact. We remain committed to collaborating with our clients, partners, and communities to build an industrial future that is both highly competitive and enduringly sustainable for generations to come.



Mrs. Manal Hassan

Group Chief Sustainability Officer,
Elsewedy Electric

Vice Chairman, Elsewedy
Electric Foundation

Foundations

Our strategic climate ambition

Elsewedy Electric Group is committed to achieving net-zero greenhouse gas emissions across its full value chain by 2050, in alignment with the 1.5°C pathway set out in the Paris Agreement and the latest guidance of the Intergovernmental Panel on Climate Change (IPCC). This commitment is embedded in the Group's Sustainability Strategy and is operationalized through a set of near-, medium-, and long-term targets.

30% reduction in Scope 1 and 2 emissions by 2030 with a base year of 2023 and 25% reduction in Scope 3 emissions from category 1 and 11 by 2035 with a base year of 2024. With a long-term target to achieve net-zero GHG emissions across full value chain, consistent with a 1.5 C pathway.

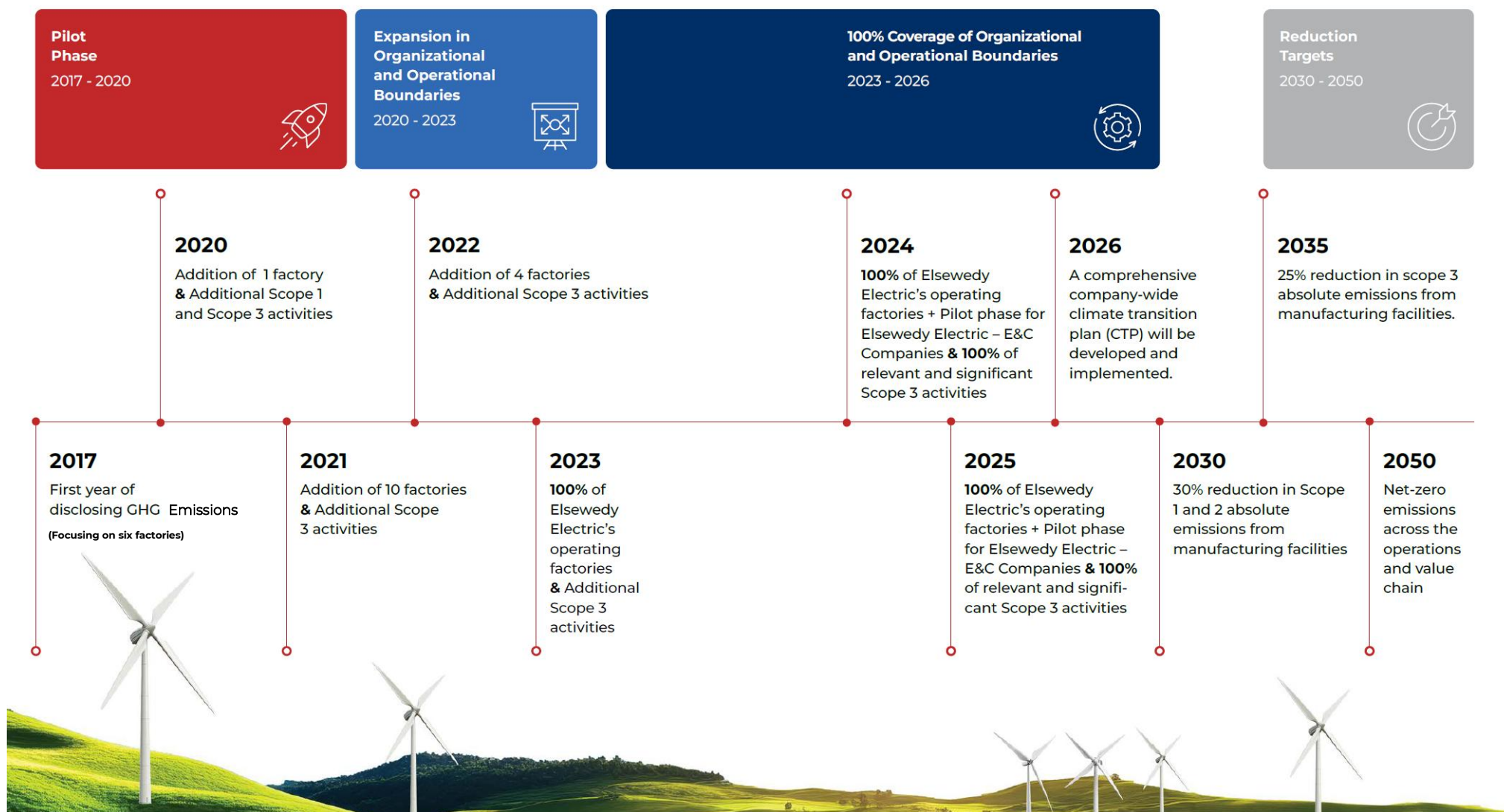
Both targets are considered science-based and are aligned with the CDP disclosure framework. The Group's decarbonisation trajectory is informed by the IEA Net Zero Emissions by 2050 (NZE 2050) scenario and updated annually as part of the integrated sustainability planning cycle.

Elsewedy Electric reinforces its strategic climate ambition through active membership of leading global frameworks and collaborative initiatives:

- GRI Community Member — global sustainability reporting standards
- Task Force on Climate-related Financial Disclosures (TCFD) — supporter and aligned reporter
- UN Global Compact — signatory to the ten principles, including climate action
- Alliance for Industry Decarbonization — coordinated by the International Renewable Energy Agency (IRENA)
- Chapter Zero Egypt Association — supported by the European Bank for Reconstruction and Development (EBRD)



Journey to Elsewedy Electric 2050



Our Sustainability Strategy

Elsewedy Electric's Sustainability Strategy is aligned with key international and national frameworks, including the United Nations Sustainable Development Goals (UNSDGs), the Paris Agreement, Egypt Vision 2030, and regional energy transition strategies. Structured around **four interconnected pillars, Governance & Economy, Technology & Innovation, Planet & Resources, and People & Society**, the strategy establishes the framework through which Elsewedy Electric manages sustainability risks, captures opportunities, and measures progress against its long-term commitments.

Climate Action sits under the "**Planet & Resources**" pillar and is guided by a Group **Climate Policy** emphasizing both mitigation and adaptation, guided by the TCFD's recommendations to provide investors and stakeholders with clear and actionable insights into climate-related risks and opportunities.

The company assesses short-to-medium-term climate risks as moderate, including new policy/regulatory impacts and rising product carbon footprint requirements, while treating long-term physical climate risks to its operating regions as the primary concern.

Elsewedy commits to leadership in facilitating the transition to a net-zero carbon, climate-resilient world powered by 100% renewable and sustainable energy.

Priority areas of action:

- Identifying, assessing and managing climate risks and opportunities
- Reducing organizational carbon intensity and absolute GHG emissions
- Reducing the carbon footprint of products
- Developing smart, climate-resilient, carbon-neutral solutions
- Capacity building and consulting on climate action
- Investing in renewable energy and climate-resilient infrastructure

Key targets:

Target	Target Year
100% corporate-wide coverage of Scope 1, 2, and 3 GHG emissions accounting	2026
Interim Scope 1, 2, and 3 reduction targets introduced	2025
Net-zero emissions, Scope 1 & 2	2050
Net-zero emissions, Scope 3 (entire supply chain)	2050
100% of investment portfolio accounted for under Scope 3 emissions	2030

Supporting targets from adjacent commitments (Resource Efficiency & Renewable Sources):

- 40% of energy consumption from renewable sources by 2030
- 20% reduction in energy consumption intensity by 2030
- 40% reduction in water withdrawal intensity by 2030
- Double investment in renewable energy, climate action, and water projects (vs. 2020 baseline) by 2030

Climate Risk and Opportunity Identification Process

Elsewedy Electric has a formal, annually conducted process for identifying, assessing, and managing environmental dependencies, impacts, and climate-related risks and opportunities across the full value chain — covering direct operations, upstream, and downstream activities. The process considers all time horizons (short, medium, and long-term) and employs an assessment methodology informed by both internal expertise and external sustainability consultants.

The process encompasses the following risk types:

- Physical risks (e.g. extreme weather events, water stress)
- Transition risks (policy, market, technology, and reputational)

Short-term	0 – 5 years
Medium-term	6 – 9 years
Long-term	10 – 30 years

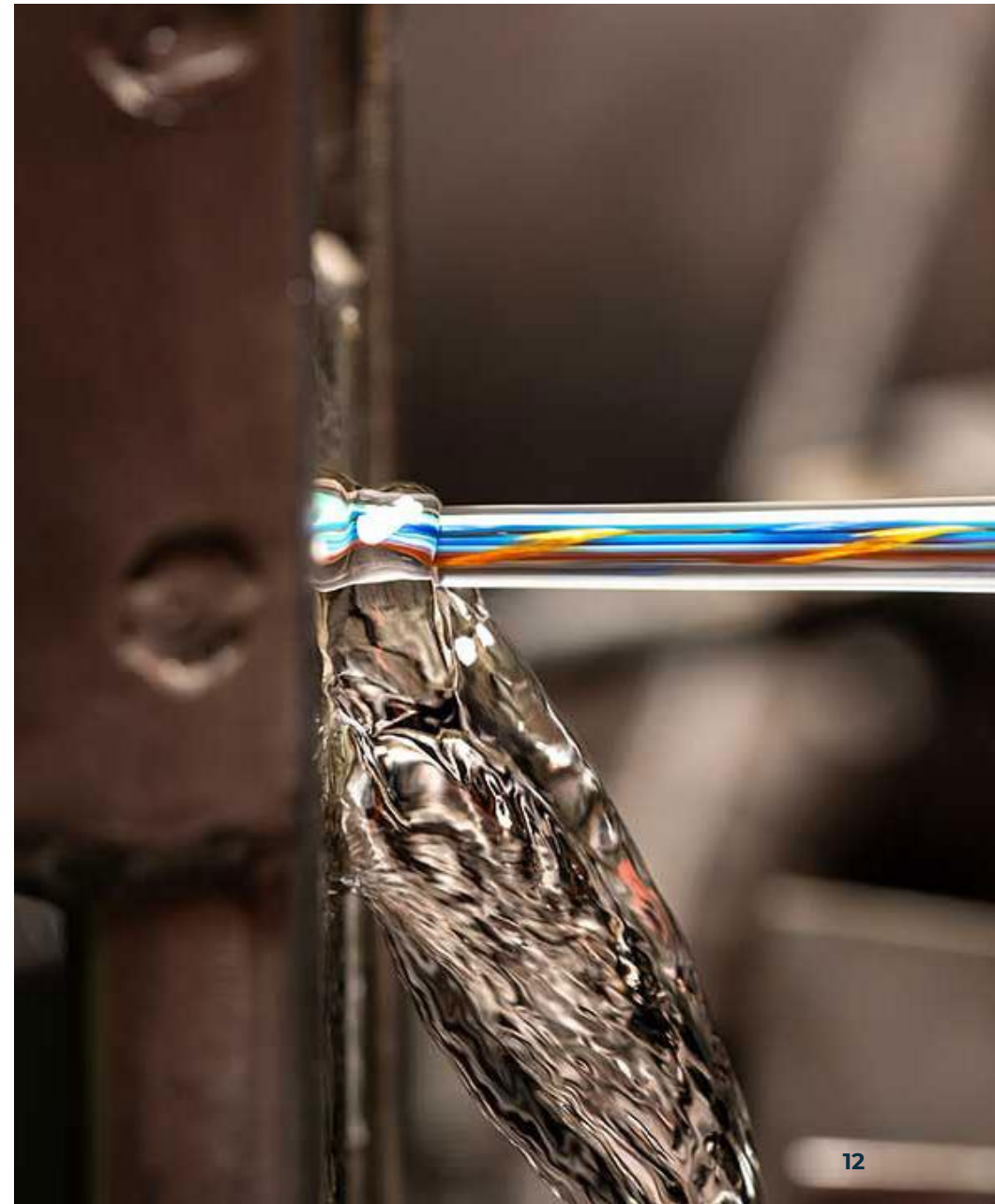
Scenario used: IEA NZE 2050

Rationale: The IEA NZE 2050 scenario was selected as it represents the most ambitious and widely recognized pathway for limiting global warming to 1.5°C above pre-industrial levels.

To strengthen our climate risk assessment, Elsewedy Electric will expand its scenario analysis to incorporate additional scenarios covering both transition and physical risks.

The risk identification and assessment process includes scoping sessions involving the Board, key internal stakeholders, and external experts. Identified risks and opportunities are assessed using a structured impact assessment methodology that considers probability of occurrence, intensity, spatial and temporal scale, and sensitivity of receptors. Each identified risk or opportunity is followed by a documented response, including a planning phase, monitoring mechanisms, and reporting obligations.

The Group employs a systems-based approach to assess the interconnections between environmental dependencies, impacts, risks, and opportunities. This includes tools such as GHG inventory assessments, environmental impact studies for new facilities, and risk/opportunity assessment frameworks. Critical environmental resources assessed include water, energy, raw materials, and ecosystems.



Overview of Climate-related Risks Identified

Virtually certain | Very likely | Likely | More likely than not | About as likely as not

Classification	Type of Risk	Description	Materiality of the Risk	Response
Transition Technology	Transition to lower-emissions technology and products	There is an accelerating need to transition product portfolios towards lower-emissions technology, reduce material intensity, eliminate plastics, improve recyclability, and enhance product energy efficiency. Customers are raising environmental performance requirements; failure to develop products and services aligned with these requirements creates the risk of demand substitution.	Likelihood: More likely than not Magnitude: Medium	Continuous investment in R&D (USD 242 million in 2025). Systematic publication of verified EPDs: 44 EPDs published as of September 2026, including 17 in 2024. Target: 100% EPD/Green Label product coverage by 2030. The LCA process underpinning EPDs identifies carbon hotspots, enabling innovation in low-emission product design.
Transition Market	Increased costs of raw materials and supply chain	Global inflationary pressures, supply chain disruptions, and rising energy and petrochemical prices have already resulted in higher costs for essential raw materials, increased logistics costs, and operational cost inflation across the Group.	Likelihood: Virtually certain Magnitude: High	Geographic diversification of the supplier network; exploration and qualification of alternative and sustainable materials; vertical integration and expansion of self-supply capabilities. Transition to renewable energy to mitigate energy cost exposure. Therefore, Elsewedy Electric has a set of energy-related targets within its sustainability strategy.
Transition Reputation	Increased stakeholder concern and ESG compliance	Non-compliance with applicable energy, environmental and water regulations can expose companies to regulatory penalties, increased financing risk and difficulty securing or maintaining bank financing. Such non-compliance may also result in negative publicity, loss of stakeholder confidence and strained relationships with customers, investors and financial institutions, ultimately leading to reputational damage.	Likelihood: About as likely as not Magnitude: Medium to High	Robust sustainability governance; transparent disclosure aligned with GRI, TCFD, CDP and TPT frameworks; proactive engagement with investors, customers, and regulators; participation in Chapter Zero Egypt, IRENA Alliance for Industry Decarbonization, and UN Global Compact.
Transition Policy	Carbon Border Adjustment Mechanism (CBAM) and carbon pricing	As a leading manufacturer of cables, transformers, and meters exporting to more than 100 countries including multiple EU member states, part of Elsewedy Electric's products is exposed to the EU Carbon Border Adjustment Mechanism (CBAM). CBAM requires EU importers of covered products to pay a carbon price equivalent to that paid under the EU Emissions Trading System (ETS). Currently, aluminum wire rods and steel wires exported by Elsewedy Electric fall within CBAM product categories, creating compliance obligations for European customers and potentially impacting export volumes. In 2025, approximately 40% of revenues were derived from international sales of all types of products. As CBAM products coverage expands over the upcoming years, additional product lines are expected to fall within the scope of the CBAM, thereby increasing the Group's regulatory exposure and carbon-related financial risk.	Likelihood: More likely than not Magnitude: Medium	Enhancement of GHG accounting systems to align with GHG Protocol and ISO 14064, covering all material Scope 3 categories. Development of a more rigorous, quarterly data recording system for energy and emissions data. Active engagement with internal and external stakeholders to develop a company-wide Climate Transition Plan. Ongoing monitoring of CBAM regulatory developments through policymaker engagement and industry platforms. In addition to working on low emissions products using modern technologies and engaging with suppliers to decarbonize the supply chain.
Physical Acute	Increased frequency and severity of extreme weather events	Elsewedy Electric operates manufacturing facilities and project sites across regions exposed to extreme weather events, including flooding, heatwaves, and sandstorms. The increasing frequency and severity of such events, consistent with climate projections under both orderly and disorderly transition scenarios, poses risks to operational continuity, asset integrity, and supply chain reliability.	Likelihood: More likely than not Magnitude: Medium	Integration of acute physical risk into the C-ESMS and Environmental and Social Management Plans (ESMPs). Alignment with IFC Performance Standards for new greenfield developments. Climate resilience to be incorporated into capital expenditure planning.
Physical Chronic	Water stress and reduced water availability	Elsewedy Electric operates in several countries classified as high water stress, including Egypt. Progressive water scarcity driven by climate change, population growth, and competing demands poses a material risk to manufacturing operations that depend on water for cooling and production processes. The assessment has been carried out using the WRI Aqueduct tool using the optimistic SSP1-RCP2.6 scenario, which limits global temperature rise to 1.3°C–2.4°C above pre-industrial levels by 2100.	Likelihood: Likely Magnitude: Medium	Revised Water Policy adopted, aligned with international climate standards. Target: 40% reduction in water withdrawal intensity by 2030 (baseline: 2023). Water-related risks integrated into ESMS, supplier assessments, and strategic planning processes. Sensitivity analysis and quantitative scenario assessments underway. Water risk assessments conducted for operational sites in high-stress geographies.

Overview of Climate-related Opportunities Identified

Classification	Type of Opportunity	Description	Materiality of the Opportunity	Strategy
Resource Efficiency	Increased efficiency of production and distribution processes	Enhancing energy efficiency across our manufacturing facilities yields substantial operational cost savings. Simultaneously, optimizing internal processes delivers a dual climate opportunity: driving down our operational carbon footprint (Scope 1 & 2) while expanding our market share in high-efficiency grid infrastructure to support downstream decarbonization (Scope 3).	Likelihood: Virtually certain Magnitude: Medium	ISO 50001-aligned energy management systems to be adopted across all manufacturing facilities, with annual energy audits. Renewable energy to be explored and installed across facilities. In addition to adopting modern low-energy technologies. Target: 40% of energy consumption from renewable sources by 2030.
Products & Services	New low-carbon products and services through R&D	Continuous investment in R&D drives the development of new low-carbon products, improved product sustainability, and access to growth markets in renewable energy, energy storage, and digital energy services. In 2025, Elsewedy Electric allocated USD 242 million to R&D. The Group is targeting 1% of annual revenue dedicated to low-carbon product and technology investment.	Likelihood: Very likely Magnitude: Medium-high	Doubling of investments in renewable energy, climate action, and water projects compared to 2020 by 2030. Dedicated project teams with structured timelines, reporting lines, and stakeholder engagement for each R&D initiative.
Products & services	EPDs and low-emissions product portfolio expansion	The development and publication of EPDs for 100% of the product portfolio by 2030 enables market differentiation, supports customer procurement decisions, and opens access to sustainability-conscious markets. As of September 2025, 44 verified EPDs have been published. LCA processes identify carbon hotspots and drive low-emission product design. Digitalization of the energy sector enables optimization of renewable energy integration, grid balancing, and demand management.	Likelihood: Very likely Magnitude: Medium-high	Dedicated project team with structured timelines for LCA and EPD verification. Ongoing investment in digitalization. Strategic sharing of production technology across the Group.
Reputational Capital	Improved ESG ratings and enhanced access to capital	Enhanced ESG performance and transparent climate disclosure are increasingly linked to access to sustainability-linked financing, green bonds, and investment from ESG-focused institutional investors. Improved scores on major ESG indices (e.g. MSCI, Sustainalytics, FTSE) can reduce the cost of capital and open new financing channels.	Likelihood: Likely Magnitude: Medium	Continued alignment with GRI, TCFD, CDP, and TPT frameworks. Active engagement with sustainability-linked financing instruments. Ongoing ESG performance improvement and transparent public reporting.
Energy Source	Transition to renewable energy sources	Strategic Value of Renewable Transition: Transitioning operations to clean energy reduces exposure to fossil fuel price volatility, lowers Scope 2 market-based emissions, and underpins progress toward our 2030 target of 40% renewable energy sourcing. • Operational Decarbonization: Scaling clean energy consumption within direct operations via on-site solar assets (e.g., Iskraemeco Slovenia) and contractual instruments (e.g., 100% I-REC coverage for Elsewedy Electric for Electrical Products). • Grid & Infrastructure Contribution: Enhancing broader grid decarbonization and energy security through utility-scale investments, including a 50 MW / 100 MWh BESS project in Greece alongside large-scale solar and wind developments in Egypt.	Likelihood: Very likely Magnitude: Medium	To achieve its target of 40% renewable energy by 2030, Elsewedy Electric is executing a dual strategy combining structured I-REC procurement with on-site rooftop solar PV expansion. The Group will drive implementation by conducting site feasibility assessments, allocating dedicated capital expenditure, and replicating proven operational models, such as the 100% I-REC coverage at Elsewedy Electric for Electrical Products and the 870 kW solar system at Iskraemeco Slovenia, across its manufacturing facilities.

Implications of the company's strategic Ambition on business operations and value chain

Elsewedy Electric Group is a leading integrated energy solutions provider, with operations spanning cables and wires, transformers, meters, engineering and construction (E&C), turnkey solutions, renewable energy, and digital services. The Group operates across more than 100 countries, with manufacturing facilities primarily in Egypt and the MENA region, and a significant export presence in Europe, Africa, and beyond.

The Group's business model is inherently linked to the global energy transition: its core products (cables, transformers, meters) are critical enablers of electrification and grid modernization, while its renewable energy and digital services divisions are directly aligned with decarbonisation pathways. This dual role — as both a manufacturer subject to transition risks and an active enabler of the low-carbon economy — shapes the Group's strategic response to climate change.

Elsewedy Electric employs climate scenario analysis to assess the resilience of its business model and strategy under different climate futures. The primary scenario used for transition risks is the IEA Net Zero Emissions by 2050 (NZE 2050) scenario, representing the most ambitious and widely recognized pathway for limiting global warming to 1.5°C above pre-industrial levels.

The scenario analysis has identified a critical strategic dependency: the achievement of Elsewedy Electric's long-term climate targets is highly contingent on the pace of global electricity grid decarbonisation. The majority of the Group's products **indirectly consume electricity** during their use phase; consequently, the emission factors of the grids in the markets where products operate are a primary determinant of lifecycle emissions. This recognition has driven two strategic responses:

- Amplifying the Group's role in supporting grid decarbonisation, including through expanded investments in renewable energy projects (e.g. the Group's solar and wind projects in Egypt and the 50 MW / 100 MWh Battery Energy Storage System (BESS) agreement in Greece, valued at EUR 41.9 million, signed in December 2024).
- Accelerating the improvement of product energy efficiency and the publication of Environmental Product Declarations (EPDs) to provide customers with transparent lifecycle emissions data.

Assumptions and External Factors shaping our strategy

This section sets out the key assumptions and external factors that underpin the Group's transition plan.

Key Assumptions

Pace of Global Grid

Decarbonisation: The Group's long-term Scope 3 emissions trajectory is highly sensitive to the rate at which electricity grids in key markets decarbonize. Slower-than-expected grid decarbonisation would increase the lifetime emissions of Elsewedy's products and make the net-zero target harder to achieve through product efficiency improvements alone.

Regulatory Environment (CBAM and Carbon Pricing):

The plan assumes progressive implementation of the Carbon Border Adjustment Mechanism (CBAM) and the potential introduction of national carbon pricing mechanisms within 3 years. A faster or broader regulatory rollout would increase near-term compliance costs.

Technology and Cost Curves for Renewables:

The plan assumes continued cost reduction in renewable energy technologies (such as solar PV and battery storage), consistent with the IEA NZE 2050 trajectory. A slowdown in these cost reductions would affect the economics of the Group's renewable energy investment program.

Availability and Cost of Raw

Materials: The plan assumes that supply chain diversification and vertical integration strategies will partially mitigate the impact of raw material price volatility. Prolonged or worsening supply chain disruptions would negatively affect this assumption.

Water Availability in Operating

Geographies: The plan assumes that water management investments and efficiency measures will be sufficient to maintain operational continuity. In a high-water-stress scenario, more significant climate adaptation investments may be required.

Stakeholder and Customer

Demand for Sustainable Products:

The plan assumes continued and growing customer demand for Environmental Product Declaration (EPD)-verified, low-carbon products. A slowdown in this market trend would impact the justification for R&D investments and the EPD program.

Direct Operations (Scope 1 and 2) Decarbonization Levers

We are reducing greenhouse gas emissions in our direct operations—mainly originating from our manufacturing sites—by improving energy efficiency, shifting to renewable energy, and sites and vehicles electrification.

Organic Growth

As a market leader experiencing robust global growth, **Elsewedy Electric is actively executing expansion plans** to scale productivity and establish new manufacturing facilities internationally. Consequently, this rapid industrial scaling is projected to drive a corresponding increase in the Group's Scope 1 and Scope 2 emissions.

Transitioning to Renewable Energy

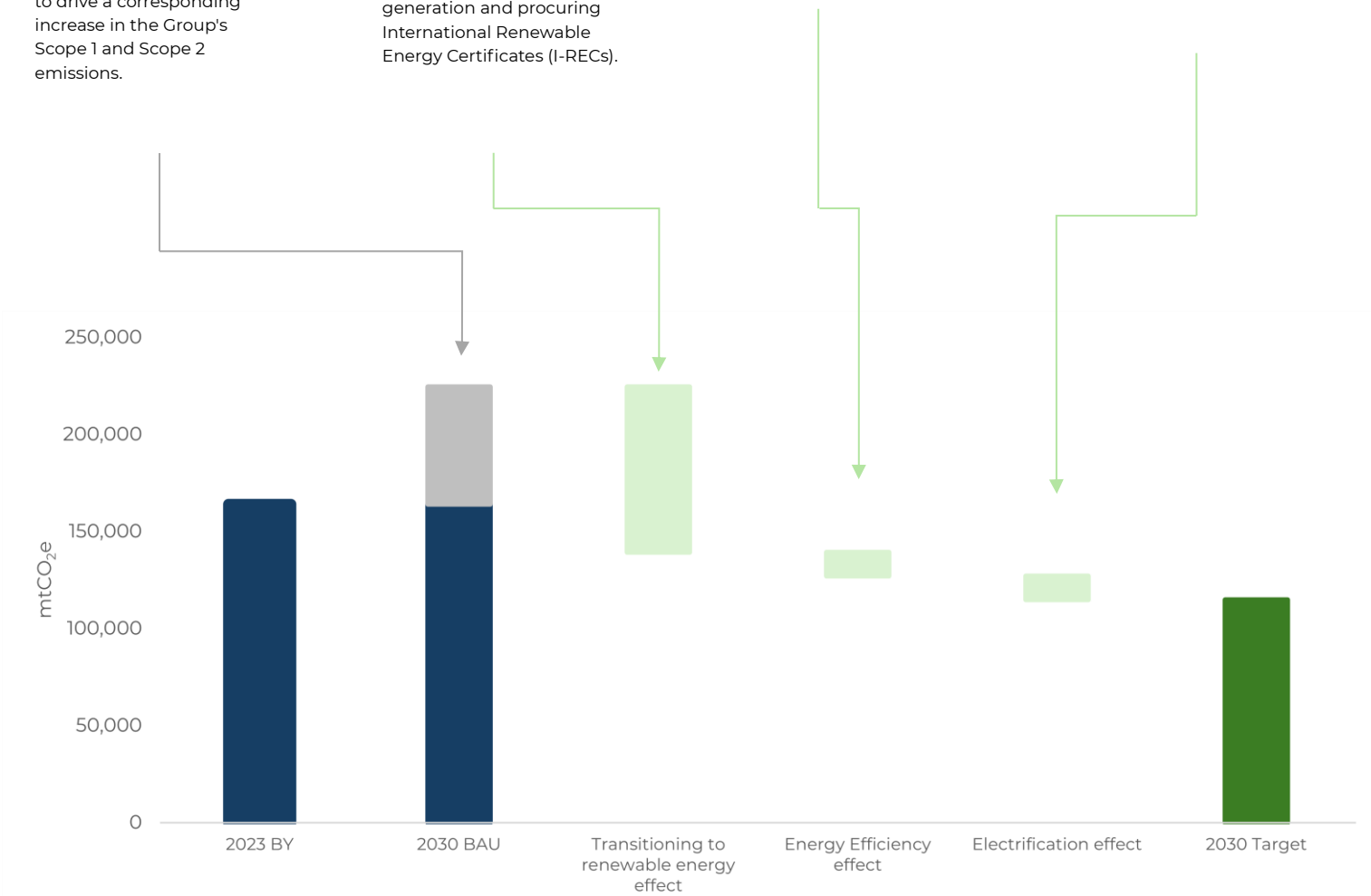
A central pillar of Elsewedy Electric's strategy to meet its Scope 1 and Scope 2 targets is transitioning to renewable energy. This commitment will be achieved through a dual approach: expanding onsite renewable energy generation and procuring International Renewable Energy Certificates (I-RECs).

Energy Efficiency

Enhancing energy efficiency during production is a critical lever for reducing our Scope 1 emissions, serving as a cornerstone of our emission reduction roadmap.

Sites and fleet electrification

Transitioning from internal combustion equipment and vehicles to electric alternatives represents a critical lever for decreasing our reliance on fossil fuels and driving down our overall emissions footprint.



Broader Value Chain (Scope 3) Decarbonization Levers

We are actively reducing value chain greenhouse gas emissions, primarily from Categories 1 and 11, by engaging with suppliers to support their decarbonization efforts, sourcing lower-carbon materials, and advocating for broader industry decarbonization.

Engagement with Suppliers and Supporting Their Decarbonization

To build a resilient supply chain essential to its climate transition goals, Elsewedy Electric systematically embeds ESG criteria across the entire supplier lifecycle, from initial prequalification to ongoing performance evaluations. This sustainable procurement approach is governed by four core frameworks: the Third-Party Code of Conduct Policy, Subcontractor Assessment, Supplier Prequalification Questionnaire, and Supplier Management Procedure.

Sourcing of Lower carbon Materials

Elsewedy Electric is driving supply chain decarbonization and circularity by systematically transitioning its material inputs to renewable, recycled, or recyclable alternatives. To directly lower the embodied carbon of its products and reduce Scope 3 Category 1 emissions, the Group targets having 90–100% of all sourced materials by volume—including metals, polymers, and packaging—meet these sustainable criteria by 2030, with progress monitored annually.

Strategic R&D Investment for Low-Carbon Innovation

Elsewedy Electric drives product portfolio decarbonization by committing to invest at least 1% of annual revenues into low-carbon R&D, a baseline it significantly exceeded in FY2025 by allocating USD 242 million (4.2% of revenue) to sustainability-focused innovation. R&D efforts focus on reducing full lifecycle carbon intensity by cutting in-use energy losses, substituting carbon-intensive materials, and supporting renewable energy integration. Key priority areas include advanced conductor and insulation materials, high-efficiency transformer cores, digital monitoring solutions, and specialized infrastructure for green hydrogen and renewables.

Enabling Customer Decarbonization via Product Transparency

Elsewedy Electric empowers customers to make low-carbon procurement decisions by committing to publish third-party verified Environmental Product Declarations (EPDs) for 100% of its product portfolio by 2030. These standardized lifecycle assessment reports disclose comprehensive environmental impacts—from raw materials to end-of-life—enabling direct carbon comparisons. Priority is given to high-impact products like energy cables, power transformers, and winding wires, with 44 EPDs already published and verified on the EPD Hub platform.

Minimizing In-Use Resistive Losses in Product Design

Elsewedy Electric targets its primary source of Scope 3 Category 11 emissions by prioritizing the reduction of resistive energy losses directly at the product design stage for cables and transformers. Because even a 1% improvement in conductor efficiency yields substantial cumulative carbon savings over multi-decade product lifespans, the Group embeds loss-reduction criteria into engineering through optimized conductor cross-sections, enhanced insulation dielectric performance, reduced transformer core losses, and advanced thermal management systems.

Take-Back and End-of-Life Material Recovery

Elsewedy Electric is establishing a structured take-back and recycling program in partnership with certified metal recyclers to recover high-value materials—such as copper, aluminum, and core steel—from cables and transformers at the end of their operational lives. By closing the material loop, the Group prevents waste, secures high-quality secondary feedstocks for manufacturing, and reduces both primary material dependence and downstream Scope 3 emissions (Categories 1 and 12) through documented avoided emissions.

Growing the Renewable Energy and Net-Zero Infrastructure Product Portfolio

Elsewedy Electric is driving down the weighted average carbon intensity of its Scope 3 Category 11 emissions through a strategic, dual-pronged strategy: actively shifting its revenue mix toward clean energy transition infrastructure, and prioritizing product sales in markets with rapidly decarbonizing electricity grids. The Group is actively expanding its footprint in wind components, solar balance-of-system solutions, and cable systems for green hydrogen. By directly displacing fossil-fuel-based energy systems across the broader grid, these specialized product lines serve as actively carbon-reducing solutions over their operational lifespans.

Metrics and Targets

Precise measurement is the foundation of meaningful progress. Our Climate Transition Plan (CTP) is anchored in robust metrics and forward-looking targets that guide our strategic decisions while ensuring transparent accountability.

Defining and annually disclosing Key Performance Indicators (KPIs) allows us to track our trajectory over time and establish a basis for quantifiable targets. Elsewedy Electric publishes annual metrics covering energy consumption and Scope 1, 2, and 3 emissions within our Carbon Footprint (CFP) and Sustainability Reports, alongside our comprehensive CDP disclosures.

By establishing clear, CDP-aligned targets that stretch our capabilities without sacrificing business viability, we cultivate the balance between aspiration and accountability required to drive transformative change. This metrics-driven framework ensures our sustainability ambitions translate into measurable value for all stakeholders.

Target Setting

Elsewedy Electric has established in 2024 a near-term target to reduce its Scope 1 and 2 emissions by **30% by 2030**, against a **2023 baseline**. This serves as a critical milestone toward our long-term objective of achieving **net-zero operations by 2050**.

Following the expansion of our Scope 3 coverage to encompass all relevant and material categories, Elsewedy Electric established near- and long-term value chain targets in 2026. Specifically, we have committed to a **25% reduction in Scope 3 emissions by 2035** against a **2024 baseline**, focusing mainly on upstream emissions from purchased goods and services, as well as downstream emissions from the use of sold products. This near-term milestone will help our ultimate long-term commitment to achieving a **net-zero value chain by 2050**.

These core emissions targets are supported by existing operational decarbonization goals, as well as new milestones currently being finalized as part of our evolving **climate strategy**.

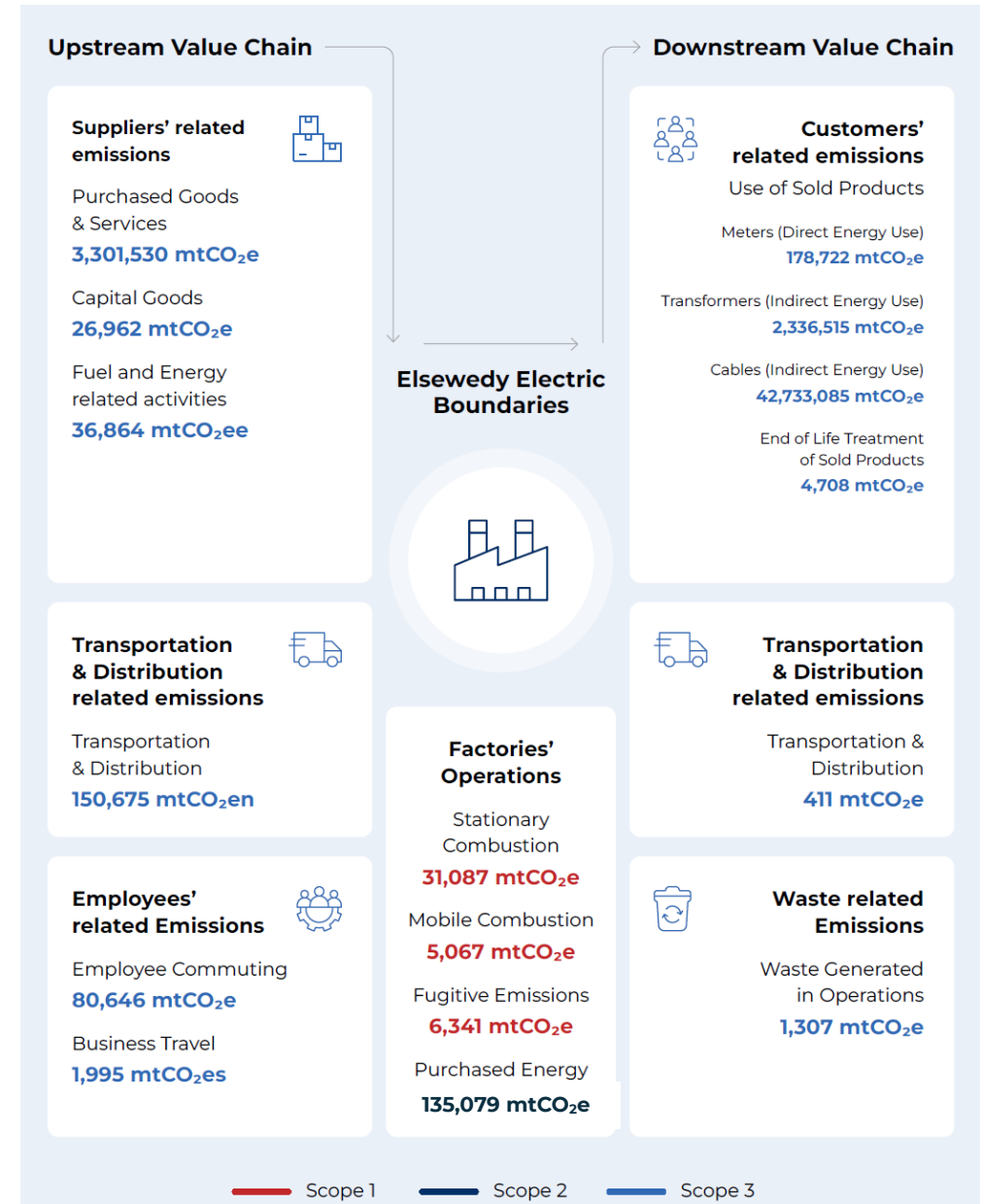
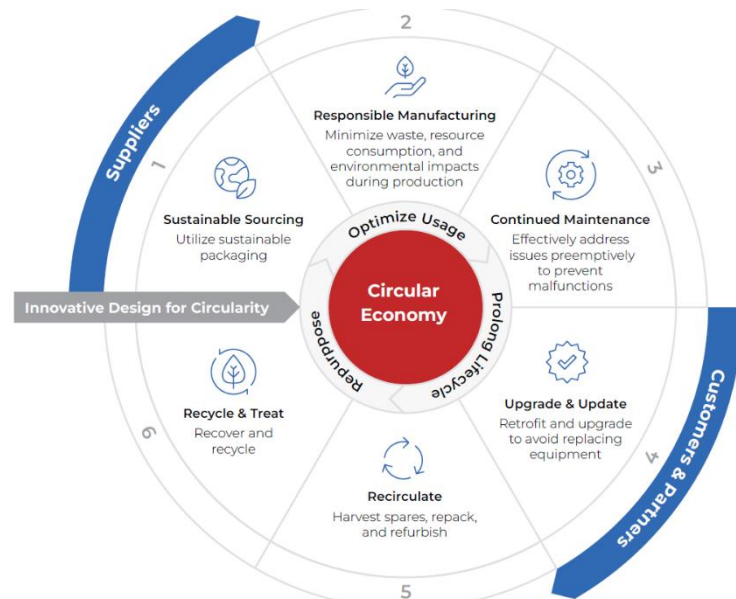


Climate Strategy Implementation

Elsewedy Electric's 2025 Carbon Footprint

In the 2025 CFP assessment, Elsewedy Electric maintained full reporting coverage across its manufacturing operations, encompassing all **30 operational factories**. This includes **three new facilities** that commenced operating in 2025. In addition to expanding the reporting boundary, continued efforts were made to improve the quality, accuracy, and completeness of the collected data, further strengthening the reliability of the GHG inventory.

Emissions from Elsewedy Electric's downstream value chain, account for **79%** of the company's total emissions, mainly stemming from the use of sold products emissions, while emissions from factory operations constitute **less than 1%**. upstream value chain emissions comprise around **20%**, mainly originating from the purchased goods and services emissions.



Direct Operations

Our direct operations represent the area of our value chain where we exert the greatest control. To enhance climate resilience across our business, our strategy focuses on maximizing energy efficiency within our manufacturing facilities, transitioning progressively toward renewable and self-generated energy sources, and systematically reducing emissions across our sites and fleet.

Emissions from operations are the Scopes 1 and 2 of the Group's carbon footprint, representing **164,065 mtCO₂e** in **2023**. Direct **Scope 1** emissions result mostly from **fuel combustion in the manufacturing sites**. Indirect **Scope 2** emissions result primarily from the **electricity** consumption of manufacturing sites.

The **majority (93%)** of our operational emissions stem from energy consumption activities mainly **Scope 1 stationary combustion** in equipment and machines and **Scope 2 purchased energy** within our manufacturing facilities. Consequently, our primary decarbonization levers are focused on energy-efficiency and clean energy projects.

Energy Efficiency

We focus first on continuing to promote efficient energy use in our factories and advance these efforts by implementing programs and frameworks designed to foster a zero-loss mindset and empower our employees to identify and apply operational efficiencies that optimize resources.

Elsewedy Electric commitments

- 100% coverage by remote energy monitoring systems: Elsewedy Electric is currently analyzing the different options of remote monitoring systems to be adopted, including real-time ones. By 2030.
- Reduce energy consumption intensity by 20% and maintain the achieved target by 2030.

To achieve this, two enablers are identified; data management system and energy management system through ISO 50001.

Data Management System

Elsewedy Electric is working on implementing a third-party ESG data management system to support the integration and tracking of sustainability data across the organization, including energy related data.

ISO 50001 Energy Management System

The Group aims to certify all sites with ISO 50001. As of end **2025, 36%** of Elsewedy Electric sites are ISO 50001 certified as part of the Group's Integrated Management System to drive energy excellence. With the support of this certification, sites are able to understand and reduce their energy footprint.

Transitioning to Renewable Energy

One of the main decarbonization levers for operational emissions is the transition to renewable energy, either through on site solar PV systems or through PPAs and I-RECs. Given that **purchased energy** emissions represents **76%** of our operational (Scope 1 and 2 emissions), transitioning to renewable energy is one of the main projects we are focusing on.

Elsewedy Electric commitments

- 40% of energy consumption from renewable energy sources by 2030

Sites and Fleet Electrification

Company vehicles generated **5,428 mtCO₂e** emissions in 2023, **3.3%** of Elsewedy Electric's Scope 1 and 2 emissions.

To reduce these emissions, Elsewedy looks at opportunities to limit the use of fuel-based vehicles and equipment as much as possible and to shift to **electric ones** wherever possible.

Elsewedy Electric commitments

- Transition to an electrified fleet wherever technically and financially feasible (50% by 2030)

Zero CO₂ Sites

In 2025, emissions from energy consumption at sites accounted for **27,536 mtCO₂e**, which is **17%** of Scopes 1 and 2 emissions. The path towards Net-Zero operations by 2050 will require more than just powering sites with renewable electricity. While many applications can be electrified, some applications from industrial sites are more challenging to electrify with current technologies. As such, Elsewedy Electric will work on identifying applications at sites that currently have electrification alternatives as well as those which will require the use of fossil-free fuel solutions under the current circumstances.

As a general rule, a **Zero-CO₂ site emits no greenhouse gases related to energy** and monitors energy digitally, meaning:

- no fossil fuels from direct energy consumption (exceptionally up to 3% of a site's total energy can be exempted from the fossil-free requirement, on a case-by-case basis, if the application does not have a feasible fossil-free alternative on the market);
- digital energy monitoring;
- No CO₂ offsets.

Beyond using renewable electricity and fuels, it remains critical to continuously improve energy efficiency. That is why the program also requires digital energy monitoring. For large sites, this means installing meters to monitor the site's significant energy uses and connecting them to a digital system.

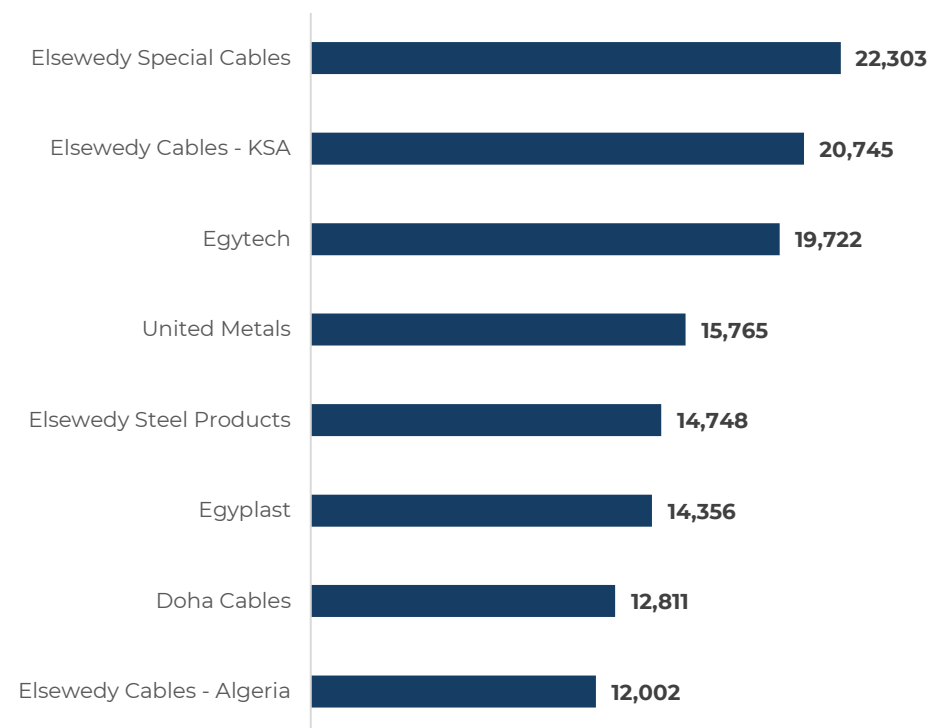
Elsewedy Electric commitment

- Net-zero emissions for scope 1 and 2 by 2050

Priority Manufacturing facilities withing the Group

Across the Group's manufacturing network, Scope 1 and 2 emissions are highly concentrated: just eight facilities account for approximately **80%** of the total. Among these, **Elsewedy Special Cables, Egytech, and Elsewedy Cables – KSA** are the top three emitters. Consequently, our immediate decarbonization efforts and capital allocation will be strategically prioritized across these high-impact facilities to maximize emission reductions.

Top Emitting Manufacturing Facilities in Scope 1 and 2 as of 2023 (the BY) (mtCO₂e)



Value Chain Emissions (Scope 3)

Decarbonizing the supply chain

Achieving Elsewedy Electric's net-zero ambition by 2050 requires action at every tier of the value chain, not only within the Group's own manufacturing operations. The decarbonisation of the supply chain is therefore one of the most significant and complex challenges in this transition plan.

In **2024**, emissions from purchased goods and services (GHG Protocol Scope 3, Category 1) totaled **3,525,437 mtCO₂e**, making this the single largest contributor to Elsewedy Electric's **upstream carbon footprint**. It represents **18%** of the Group's total lifecycle emissions (**cradle-to-grave**) and **87%** of all **cradle-to-gate** upstream Scope 3 emissions. The vast majority of these emissions arise from the extraction and processing of key raw materials (principally copper, aluminum, PVC, and steel) that are essential inputs to the Group's core cable, transformer, and electrical products manufacturing activities.

The scale of this challenge underscores a fundamental truth: the Group's own operational efficiency gains, while necessary and material, are insufficient on their own to deliver the level of absolute decarbonisation required to align with a 1.5°C pathway. Meaningful supply chain decarbonisation requires a structured, multi-year program of supplier engagement, capability building, and procurement transformation; Paired with systemic shifts in material sourcing towards lower-carbon and circular alternatives.

Elsewedy Electric recognizes that decarbonising the world at scale demands immediate and collective action across industries and value chains. The Group is committed to playing a leadership role in this effort, not merely by setting expectations for its suppliers, but by actively supporting them in building the capacity, data infrastructure, and decarbonisation roadmaps needed to reduce their emissions in a verifiable and measurable way.

3,525,437

mtCO₂e Scope 3
Cat. 1 (Purchased
Goods & Services,
2024)

18%

of total Group
emissions (cradle-to-
grave, 2024)

87%

of upstream Scope 3 emissions
(cradle-to-gate, 2024)

Context: Why Scope 3 Category 1 Emissions Are So Large

The primary raw materials used in cable manufacturing (copper and aluminum) are among the most energy-intensive metals to produce, with global average emission factors of approximately 3 to 4 mtCO₂e per tonne of copper and 8 to 17 mtCO₂e per tonne of aluminum (primary production), depending on the energy mix of the smelter's country of operation.

As Elsewedy Electric is classified in the capital goods sector (CDP), its Scope 1 and 2 emissions are relatively modest compared to its value chain footprint. This is characteristic of manufacturing businesses whose climate impact is embedded primarily in their supply chains and in the use of their sold products.

This structural reality means that supplier engagement and sustainable material sourcing are the two highest-leverage decarbonisation interventions available to the Group on the upstream of its value chain.

Sustainable Material Sourcing

A foundational pillar of Elsewedy Electric's supply chain decarbonisation strategy is the systematic transition of its material inputs towards renewable, recycled, and recyclable alternatives. This approach directly reduces the embodied carbon of the Group's products, contributes to Scope 3 Category 1 emission reductions, and supports the circular economy principles embedded in the Group's Sustainability Strategy.

Elsewedy Electric has set a target to ensure that **90–100% of sourced materials** by volume **are renewable, recycled, or recyclable by 2030**. This target encompasses the full range of material inputs across the Group's manufacturing operations, including primary metals, polymers, packaging, and auxiliary materials. Progress towards this target is assessed annually through the Group's supply chain management processes and C-ESMS.

The key actions driving further improvement include:

- Prioritizing the procurement **of recycled-content metals**, particularly recycled copper and aluminum, where quality standards and supply chain traceability can be assured. Recycled aluminum, for example, requires approximately 95% less energy to produce than primary aluminum, representing a transformational reduction in embedded Scope 3 emissions per ton sourced.
- Expanding the use of **bio-based and recyclable polymer compounds** in cable insulation and sheathing, reducing the Group's dependence on virgin PVC and fossil-fuel-derived materials.

- Advancing circular economy practices in cable drum management: in 2024, **30% of wooden cable drums and 18% of steel cable drums were fully recycled after use**. The Group is progressing towards a target of **100% recycled wood** in cable drums to minimise life-cycle environmental impacts.
- Systematically **reducing and eliminating single-use** plastics across all packaging operations, with a target of **100% single-use plastic-free packaging by 2026**

Elsewedy Electric Commitments

- 90-100% of sourced materials by volume are renewable, recycled, or recyclable by 2030.
- 100% of packaging free from single-use plastics by 2030.
- 100% recycled wood in wooden drums by 2030.

Green Procurement Framework

Underpinning the Group's material sourcing ambitions is a comprehensive, company-wide Green Procurement Framework, developed as an integral component of the Group-wide Corporate Environmental and Social Management System (C-ESMS). The Framework applies to all subsidiaries and business lines and establishes the principles, processes, and criteria that govern how Elsewedy Electric selects, evaluates, and works with its supplier base.

The Framework establishes a clear hierarchy of procurement preferences: recycled and renewable materials are prioritized over virgin equivalents; suppliers with verifiable lower-carbon production processes are favored; and material choices are evaluated on a lifecycle basis rather than on purchase price alone. This lifecycle perspective is reinforced by the Group's ongoing Life Cycle Assessment (LCA) program, which identifies carbon hotspots in the upstream supply chain and enables targeted procurement interventions at the points of highest impact.

Supplier Selection, Assessment and Engagement

Elsewedy Electric recognizes that a resilient and responsible supply chain is fundamental to achieving its climate transition objectives. The company is systematically embedding Environmental, Social, and Governance (ESG) criteria into every stage of the supplier lifecycle, from initial selection and prequalification through to ongoing performance assessment and capacity building, ensuring that sustainability standards are upheld across the entire value chain.

Elsewedy Electric has developed a comprehensive set of **policies and procedural documents** that together govern supplier engagement and ensure consistent **ESG standards throughout the procurement process**:

- 1- Third-Party Code of Conduct Policy
- 2- Subcontractor Assessment
- 3- Supplier Prequalification Questionnaire
- 4- Supplier Management Procedure

As part of its expanding climate accountability framework, a number of Elsewedy Electric factories have begun **requiring suppliers to assess their products greenhouse gas emissions through product carbon footprint calculations and EPDs**. This practice will be progressively expanded and implemented across all factories and facilities in the coming years, ensuring that Scope 3 emissions data is captured with increasing comprehensiveness across the supply chain.

In the supplier selection process, Elsewedy Electric applies a structured set of requirements that all suppliers must satisfy:

- 1- Suppliers must hold a valid **ISO 9001:2015 certification**. Failure to provide evidence of certification or customer approval entitles Elsewedy Electric to place the supplier "ON HOLD" from conducting business with any Elsewedy sites and plants.
- 2- The selection of **sub-suppliers** shall follow a multi-disciplinary decision-making process, taking into account relevant factors including, but not limited to: business volume, pricing, financial stability, resource availability, technological capabilities, logistics routes, and manufacturing capacity.

- 3- Suppliers must maintain a clearly defined and documented **process for monitoring the performance** and compliance of their own **sub-suppliers**.
- 4- Suppliers shall use only those sub-suppliers directed or **approved by Elsewedy Electric**, where applicable.

Elsewedy Electric continues to strengthen the sustainability and resilience of its supply chain by advancing its **Supplier Management System** in alignment with the **Group-wide ESMS**.

Elsewedy Electric Group continued to strengthen its supply chain throughout 2025 by enhancing its Supplier Management System and embedding sustainability across all procurement operations.

A key component of this enhanced framework is the introduction of a structured **ESG assessment** and classification tool designed to evaluate suppliers holistically based on their environmental, social, and governance performance. The tool assesses policies, actions, key performance indicators, and supporting evidence across the following ESG dimensions:

- Environmental management
- Labour and human rights
- Ethics and governance
- Sustainable procurement

Supply Chain Targets

- **All** suppliers to comply with ESG criteria by **2030**. ESG compliance criteria for suppliers were developed in 2023 and are currently under implementation.
- **All new investments** to comply with ESG criteria by **2030**, with ESG KPIs identified for each new investment and clear roles and responsibilities assigned to sustainability focal points.
- **A Supplier ESG Capacity Building Program** to be developed by **2026**, and adopted and implemented for all primary suppliers based on their ESG performance. Establishment of the program is scheduled within the next two years.

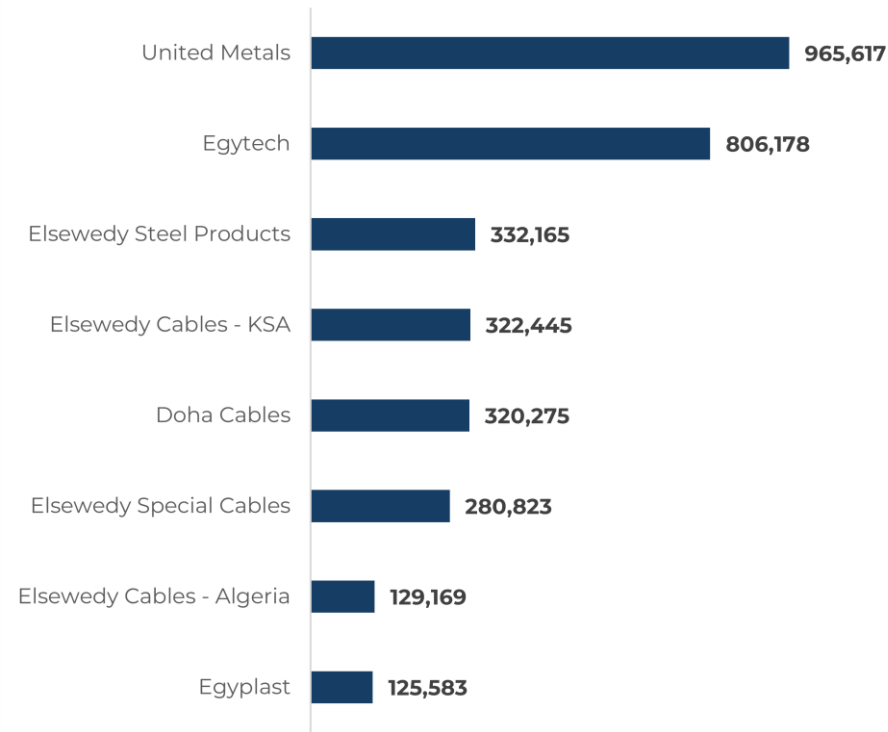
2025 Progress

While the ESG supplier assessment tool maintained its pilot status through 2025, supplier data is presently gathered manually. The automated tool is currently under final development and is expected to be operational soon, enabling a streamlined rollout across the Group's entire supplier base.

Priority Manufacturing facilities within the Group

Across the Group’s manufacturing network, upstream Scope 3 emissions are highly concentrated. Specifically, **8** key facilities account for approximately **90%** of our Scope 3, Category 1 (Purchased Goods and Services) footprint, with **United Metals** and **Egytech** serving as the primary drivers. Consequently, we will strategically direct our immediate decarbonization efforts, capital allocation, and supplier engagement initiatives toward these high-impact facilities to maximize emission reductions.

Top Emitting Manufacturing Facilities Upstream
Scope 3 - Category 1 as of 2024 (the BY) (mtCO₂e)



Decarbonizing the Downstream Emissions (influencing for decarbonization)

Elsewedy Electric recognizes that the most material component of its value-chain emissions footprint lies downstream, in the energy consumed and carbon released during the operational lifetime of its products once installed by customers. Use-of-sold-products emissions (Scope 3, Category 11) therefore occupy a central position in the Group's transition strategy, addressed through a suite of complementary actions spanning customer transparency, research and innovation, product design, circularity, portfolio transformation, and policy advocacy.

Enabling Conscious Customer Decision-Making through Environmental Product Declarations

Informed procurement decisions by customers are among the most powerful levers for reducing in-use carbon intensity across the installed base of Elsewedy Electric products. To support this, the Group has committed to publishing Environmental Product Declarations (EPDs) for 100% of its product portfolio by 2030. EPDs are independently verified, standardised lifecycle assessment documents that disclose the full environmental profile of a product — from raw material extraction through manufacturing, transportation, installation, use, and end-of-life — in a format that enables credible, like-for-like comparison across suppliers and product lines.

As of September 2025, Elsewedy Electric had published and third-party verified 44 EPDs on the EPD Hub platform, establishing an auditable and internationally recognised baseline. The programme is being progressively scaled to cover the entirety of the product catalogue, with priority given to high-volume and high-impact product categories such as energy cables, power transformers, and winding wires.

By equipping customers — including utilities, project developers, engineering contractors, and industrial buyers — with verified lifecycle carbon data at the point of specification, Elsewedy Electric enables the embedding of embodied and operational carbon considerations into procurement criteria and investment appraisal processes. This is consistent with the TPT expectation that companies disclose how they are empowering customers and value-chain partners to make lower-carbon choices, and positions Elsewedy Electric as a transparency leader in the electrical equipment sector.

Research and Development Investment in Low-Carbon Products and Technologies

Accelerating the decarbonisation of the Group's product portfolio requires sustained investment in innovation. Elsewedy Electric has established a commitment to allocate a minimum of 1% of revenues annually to research and development focused on low-carbon products and technologies.

In the financial year 2025, the Group invested USD 242 million in research and development, representing 4.2% of Group revenue — a level of R&D intensity that significantly exceeds the policy floor and reflects the strategic importance the Group places on technological leadership in the energy transition.

R&D efforts are directed toward reducing the carbon intensity of products across their full lifecycle, with particular emphasis on innovations that lower in-use energy losses, enable compatibility with low-carbon energy systems, and substitute carbon-intensive materials with lower-impact alternatives. Priority research workstreams include advanced conductor materials and insulation systems, high-efficiency transformer core technologies, digital monitoring solutions that extend asset life and reduce operational losses, and product architectures suited to renewable energy integration and green hydrogen infrastructure.

Designing Products for Lower In-Use Resistive Losses

The dominant source of in-use emissions across Elsewedy Electric's product portfolio is resistive energy loss — the electricity dissipated as heat during the transmission and distribution of power through cables and transformers. Reducing these losses at the product design stage is therefore one of the highest-leverage interventions available to the Group for reducing its Scope 3 Category 11 emissions footprint.

A 1% improvement in conductor efficiency, applied at scale across the global installed base of Elsewedy Electric cables, translates to substantial cumulative energy savings and associated carbon reductions over the multi-decade service lives of these assets. The Group is embedding in-use loss performance as a core design criterion across its cable and transformer engineering program, targeting measurable improvements in conductor cross-section optimization, insulation dielectric performance, core loss reduction in transformers, and thermal management systems that maintain efficiency under real-world operating conditions.

These design improvements are being documented and disclosed through the Group's EPD program, enabling customers to identify and specify lower-loss products with confidence. Over the investment cycle, progressive tightening of loss performance standards across the product range is expected to reduce the carbon intensity of Category 11 emissions on a per-unit and portfolio basis.

Take-Back and End-of-Life Material Recovery

A credible downstream transition strategy must address what happens to Elsewedy Electric products at the end of their operational lives. Cables and power transformers contain significant quantities of copper, aluminum, and grain-oriented electrical steel — materials that are energy-intensive to produce from primary sources but which can be recovered and recycled at high efficiency rates, substantially reducing lifecycle carbon emissions.

Elsewedy Electric is developing a structured take-back and end-of-life recycling programme for cables and transformers, to be implemented in partnership with certified metal recyclers across the Group's key markets. The programme is designed to close the material loop on copper, aluminum, and transformer core steel — ensuring that these materials re-enter the production system as high-quality secondary feedstocks rather than being lost to landfill or informal recovery channels.

By capturing end-of-life materials at verified recycling standards, the Group will reduce the primary material intensity of its own manufacturing operations, lower the carbon footprint associated with upstream raw material sourcing, and generate documented avoided-emissions benefits attributable to Category 12 (end-of-life treatment of sold products) and upstream Scope 3 categories. This circular economy approach is integral to the Group's broader transition pathway and is aligned with the increasing expectation from investors, regulators, and customers for demonstrable material stewardship across the product lifecycle.

Growing the Renewable Energy and Net-Zero Infrastructure Product Portfolio

The carbon intensity of Elsewedy Electric's Scope 3 Category 11 emissions is determined not only by the efficiency of individual products but by the aggregate composition of the Group's revenue mix. A strategic shift in the product portfolio toward infrastructure that enables the clean energy transition, rather than infrastructure that is carbon-neutral in use at best, will progressively reduce the weighted average carbon intensity of emissions attributable to sold products over time.

Elsewedy Electric is actively growing its presence in the renewable energy and net-zero infrastructure segment, with particular focus on wind energy components, solar balance-of-system (BOS) solutions including DC and AC cabling, and cable systems engineered for compatibility with green hydrogen production, storage, and distribution infrastructure. These products serve to displace fossil fuel-based energy systems, meaning that their contribution to Scope 3 Category 11 is not merely neutral but actively carbon-reducing in the context of the broader energy system.

As the share of net-zero enabling infrastructure grows as a proportion of Group revenues, the carbon significance of Elsewedy Electric's sold product base shifts: from products whose in-use phase generates emissions, toward products whose in-use phase generates avoided emissions at scale. The Group will track and disclose the revenue share attributable to transition-aligned products as a key performance indicator within its climate transition reporting framework.

The Group will prioritize expanding product sales in regions with rapidly decarbonizing electricity grids, ensuring that the operational use-phase emissions of our infrastructure solutions are continuously minimized.

Policy Advocacy for Electrification and Clean Energy Transition

Elsewedy Electric operates across a broad geographic footprint spanning emerging and developed markets in Africa, the Middle East, Europe, and Asia. In many of these markets, the pace at which the installed base of electrical infrastructure transitions to lower-carbon configurations is shaped as much by regulatory frameworks, grid investment policies, and electrification mandates as by individual procurement decisions. The Group therefore regards policy advocacy as a material component of its downstream transition strategy.

Elsewedy Electric actively engages with policymakers, regulatory bodies, and industry associations in its operating markets to advocate for ambitious climate and clean energy policy frameworks, including national electrification targets, grid modernization program, minimum energy performance standards for electrical equipment, and public procurement requirements for low-loss and lifecycle-assessed products.

These advocacy positions are aligned with the Group's commercial interests in transition-enabling infrastructure and are consistent with a science-based understanding of the pace of decarbonisation required across the energy sector.

By contributing to the policy environment in which its customers and end-users operate, Elsewedy Electric supports the systemic conditions necessary for its own downstream transition pathway to succeed — and demonstrates the kind of value-chain leadership that the TPT framework identifies as characteristic of companies with credible and ambitious climate transition plans.

To address residual emissions that cannot be eliminated through direct abatement interventions across Scopes 1, 2, and 3, Elsewedy Electric intends to utilize high-integrity carbon credits as a final neutralization mechanism. At the conclusion of the target period, the Group plans to procure and permanently retire verified carbon removal credits corresponding to its remaining unabated emissions baseline. This neutralization step will strictly complement—rather than substitute for—the primary decarbonization levers across the Group's value chain, ensuring full alignment with science-based net-zero principles and high-standard carbon accounting frameworks.

Financial Planning

Elsewedy Electric has taken deliberate steps to integrate climate-related risks and opportunities into its financial planning processes. This integration spans capital expenditure decisions, revenue strategy, operating cost management, and asset valuation; reflecting the Group's recognition that a credible climate transition requires financial commitments that are coherent with, and supportive of, its operational and strategic decarbonization objectives.

The financial planning approach is structured around three interconnected dimensions:

- 1- **Investment and capital allocation** aligned with the sustainability strategy;
- 2- **Revenue growth** through climate-aligned products and markets;
- 3- **Research and development** as a long-term value driver.

Capital Allocation & Investment Strategy

Climate and water considerations are embedded in Elsewedy Electric's capital allocation decisions, with the Group committing to a substantial scale-up of investment in sustainability-aligned activities. This commitment is formalized as a key target within the Group's Sustainability Strategy.

Doubling Investment in Renewables, Climate Action & Water by 2030

Elsewedy Electric has set a target to **double the Group's investment in renewable energy, climate action, and water projects by 2030** compared to 2020 levels. This commitment directly links the Group's capital allocation strategy to its climate transition objectives and reflects the recognition that the energy transition represents both a financial risk, if not addressed, and a significant commercial opportunity.

This investment doubling target encompasses:

- Capital expenditure in **renewable energy** infrastructure and technology, including solar PV, wind power, and smart grid systems
- Investment in climate action initiatives, including **energy efficiency upgrades, facility modernization, and low-carbon technology** adoption across the Group's manufacturing facilities

CAPEX for Environmental Management & Certification

The Group is actively increasing capital and resource allocation for environmental management activities that **enhance both operational performance and market positioning**. This includes:

- **Product environmental certification:** Expanded investment in Environmental Product Declarations (EPDs), Green Labels, and product lifecycle assessments. The target is EPD coverage for **100% of products**, with 44 EPDs covering approximately 450 products already published as of September 2026.
- **Carbon management and ISO certifications:** Increased allocation for **ISO 14001** (Environmental Management), **ISO 50001** (Energy Management), and related climate-aligned certification programs across all facilities.

- **Green building design:** Investment in **smart, energy-efficient building design** for new facilities and retrofits of existing infrastructure, including the deployment of building management systems (BMS) and on-site renewable energy.
- **People and capacity:** Allocation of dedicated personnel, training budgets, and time resources to sustainability and climate functions, building internal capability to manage the transition effectively.

Group Environmental & Social Management System (ESMS)

A Group-wide Environmental and Social Management System (ESMS) was successfully established in 2023 and is currently being rolled out across all subsidiaries and departments. The ESMS provides the governance infrastructure through which climate and sustainability considerations are systematically embedded in operational and financial decision-making. Its progressive deployment across the Group's asset base represents a significant capital and operational investment, underpinning the credibility and consistency of the Group's transition commitments.

Sustainable Revenue Strategy

Elsewedy Electric's climate transition strategy is **not only about managing risk**; it is fundamentally about **capturing the commercial opportunity** presented by the global energy transition. The Group defines **sustainable revenues** as **annual revenues aligned with the Corporate Knights Sustainable Economy Taxonomy, categorized by tier**.

As of the 2025 reporting period, Elsewedy Electric's sustainable revenues reached approximately **EGP 13.83 billion**, spanning **four categories** of the **Corporate Knights Taxonomy**. These revenues reflect the Group's established and growing commercial presence in climate-aligned markets and provide a concrete financial anchor for the transition plan.

Smart Utility Management Software

Elsewedy Electric has developed an **innovative utility management software solution** designed to serve sustainability objectives. The software provides advanced intelligence for managing today's utilities, helping to reduce waste, conserve resources, and minimize the environmental impact of energy consumption.

The solution is designed to be quick to deploy and fully interoperable, enabling integration with existing metering infrastructure regardless of type. This ensures rapid realization of benefits for utility clients, making it a commercially attractive and climate-positive product offering.

Smart Buildings & Energy-Efficient Infrastructure

Smart buildings represent a strategically important growth area for Elsewedy Electric. **Increased energy efficiency** in buildings directly reduces greenhouse gas emissions and minimises environmental impact.

The Group's R&D investment in smart building technologies, including intelligent energy management, building automation, and integrated renewable energy systems, creates both new revenue streams and contributes to the Group's broader climate commitments.

These revenue streams are expected to grow materially as the Group's investments in **renewable energy, smart infrastructure, and water treatment** scale up in line with the investment doubling target by 2030.

Research & Development as a Climate and Financial Value Driver

Elsewedy Electric is committed to investing in research and development as a core mechanism for simultaneously reducing environmental impact, decreasing direct and indirect product costs, and opening new markets. The Group's R&D strategy is structured around four focus areas, each with direct financial implications for the transition plan.

1. Advanced Materials & Circularity

Enhancing packaging efficiency, minimizing raw material consumption, and identifying sustainable alternatives to critical inputs. R&D teams are developing solutions to support material recirculation and improve product resilience, contributing to a more circular and resource-efficient economy. This directly reduces input costs and mitigates supply chain risk associated with commodity price volatility and regulatory restrictions on hazardous materials. Egyplast, a Group subsidiary, leads this effort through its dedicated plastics R&D department, pioneering biodegradable additives for plastic packaging.

2. Clean Technology & Efficiency

Innovating higher-efficiency products, smart technologies, and digitalization tools to reduce energy consumption and optimize performance across the product portfolio. These innovations reduce the lifetime cost of ownership for customers, enhance product competitiveness, and lower the carbon footprint of sold products — directly contributing to Scope 3 Category 11 emission reductions and supporting the Group's EPD program with improved environmental performance data.

3. Smart Infrastructure & Electrification

Investing in smart green buildings, electrifying the company fleet, and advancing digital capabilities to optimise asset utilisation, integrate renewable energy, and reduce operational costs. These investments generate direct OPEX savings, reduce Scope 1 emissions from operations, and position the Group as a technology leader in the smart infrastructure market — a rapidly growing segment of the regional energy transition.

4. Risk Mitigation & Regulatory Anticipation

Proactively anticipating shifts in technology, evolving regulations, and changing customer demands through forward-looking R&D investment. Publishing EPDs for all products provides regulatory readiness for EU CBAM and green public procurement requirements. R&D investment in this area reduces the transition risk of stranded products and assets, protecting long-term asset values and revenue streams.

Internal Carbon Pricing

While Elsewedy Electric does not currently apply an internal price on environmental externalities, we are strategically planning its implementation within the coming years. Historically, market mechanisms and regional regulations provided limited financial incentives to incorporate these externalities into corporate pricing models. However, we are keenly aware of the rapidly shifting regulatory landscape and the rising global push toward carbon and environmental pricing.

Determining a fair, accurate, and robust internal price remains highly complex due to market volatility, extensive data requirements, and inherent uncertainties regarding future climate impacts. Establishing this mechanism demands specialized expertise and technical resources that we are actively working to build.

To date, our sustainability capital and resources have been intentionally prioritized toward laying a solid operational foundation. This includes:

- **Governance and Compliance:** Extensively updating our corporate sustainability policies.
- **Product Transparency:** Developing Environmental Product Declarations (EPDs) to map product lifecycles.
- **Operational Decarbonization:** Advancing value-chain digitalization, investing in renewable energy projects, and driving energy-efficiency initiatives across our manufacturing facilities.



Climate Governance

Policies

Elsewedy Electric's policies adopt a holistic approach to addressing environmental, climate, water, and biodiversity challenges. The policies emphasize the importance of comprehensive sustainability, circularity, and resilience across the company's operations and supply chain. Elsewedy Electric is committed to embedding these considerations into its strategic planning, decision-making processes, and research and development activities. Beyond its environmental policy, Elsewedy Electric has also established a dedicated climate policy that addresses climate change in greater depth. This policy is aligned with the Paris Agreement, the United Nations Sustainable Development Goals, and the United Nations Framework Convention on Climate Change (UNFCCC). It applies across the Group, encompassing all business lines, subsidiaries, and branches in every market where the company operates, as well as to collaborations and joint ventures where applicable.

Board level and top management Oversight

Elsewedy Electric has established comprehensive board oversight to ensure the effective implementation of its Sustainability Strategy, acknowledging its significance to the organization's overall strategy and operations. The Group CEO receives regular updates on the progress of all ESG workstreams and reports these to the full Board. Additionally, all sustainability initiatives are overseen by the Group's ESG, Sustainability & CSR department, which is led by the Group Chief Sustainability Officer, who provides updates to the executive management as needed. To reinforce accountability, some of the executives' bonus is tied to measurable environmental performance outcomes, determined as a percentage of base salary and assessed annually under board-level oversight. Key performance indicators include progress toward environmental targets, performance against external sustainability indices, securing board approval of the Climate Transition Plan, and increasing the share of renewable energy in total energy consumption. By linking remuneration to these metrics, Elsewedy Electric ensures that sustainability performance is embedded into strategic and financial planning while driving continuous improvement across the Group.

Top Management Oversight	Board of Directors, and Group President and CEO 	Group CSO 
	Review and guide the Group's strategy, oversee the setting of corporate targets, and manage value chain engagement.	Oversee the integration of sustainability considerations into the review of the Group's strategy, financial planning, goals, and KPIs.
Supervision and Monitoring	Group ESG, Sustainability, & CSR department 	
	Oversee and track the execution of the sustainability strategy and performance, ensuring alignment with organizational goals. Manage innovation projects, fostering the development of new ideas and solutions. Additionally, handle the relationship between internal and external stakeholders to ensure effective communication and collaboration.	
ESG Streamlining and Integration	Sustainability Champions and Focal Points 	Partnerships and Experts 
	Implement the company's strategy, programs, and policies while executing the sustainability action plan to achieve the strategy's targets. Additionally, support efforts to raise awareness and promote understanding of these initiatives throughout the organization and across various functions and subsidiaries.	Elsewedy Electric leverages expert committees and consultants to aid in the implementation of its sustainability strategy. The Group also forms partnerships with industry leaders and experts, fostering collaboration and knowledge exchange through seminars and joint initiatives.

THE GROUP CHIEF EXECUTIVE OFFICER

Elsewedy Electric's CEO plays a crucial role in advancing the Company's sustainability efforts. This includes approving budgets for climate-related projects and endorsing targets and plans that align with the Company's sustainability goals.

By actively participating in the approval of these budgets and plans, the CEO ensures the Company remains dedicated to sustainability and prioritizes climate-related initiatives within its operations. This commitment is vital for achieving the Company's sustainability objectives and demonstrating accountability to stakeholders, including customers, investors, and the broader community.

The CEO's extensive knowledge encompasses sustainability, energy efficiency, net zero initiatives, clean energy, renewable electricity opportunities, and water scarcity.

Additionally, the CEO demonstrates proficiency in strategic execution, including supporting the transition to a low-carbon economy, managing risks, engaging stakeholders, and implementing climate-related visions and strategies. Familiarity with international policies and best practices, such as the GHG Protocol and UNFCCC, further underscores the CEO's competence. Proven participation in major international climate change events adds to the CEO's credibility in the field.

The Group's sustainability department and consultants provide the CEO with an annual comprehensive ESG materiality assessment, which informs key sustainability decisions and actions.

THE GROUP CHIEF SUSTAINABILITY OFFICER (CSO)

The Group CSO at Elsewedy Electric is a key leader in driving the organization's comprehensive sustainability agenda, as well as overseeing and monitoring the implementation of the Group Sustainability Strategy. This role is essential in integrating sustainability considerations into every aspect of the company's strategy, operations, and decision-making processes. The CSO ensures that sustainability is embedded in the Group's strategic planning, financial management, budgeting, and the establishment of goals, targets, and sustainability performance indicators.

A major responsibility of the CSO is to align Elsewedy Electric's efforts with global sustainability commitments, such as the UN SDGs, overseeing the achievement of the Company's GHG reduction targets, and to pursue a path toward a more sustainable and responsible future. The CSO continuously monitors and reports on the organization's progress in meeting its sustainability goals, identifying areas where further action or improvement is needed.

In addition to overseeing the integration of sustainability across the organization, the CSO is responsible for enhancing the company's resilience to a broad range of sustainability challenges. This includes developing strategies to manage risks and capitalize on opportunities related to ESG issues. The CSO plays a critical role in reviewing and updating the company's sustainability policies, ensuring they remain relevant and effective in addressing issues such as climate change, resource management, human and labor rights, and social responsibility.

Furthermore, the CSO leads key initiatives, such as the development of Environmental Product Declarations (EPDs), which aim to increase transparency and accountability in the company's environmental impact. In close partnership with the CEO, the CSO ensures that sustainability is a core focus across all business activities, with regular meetings and updates to drive the company forward in fulfilling its sustainability commitments and positioning Elsewedy Electric as a leader in sustainable business practices.

To enforce climate accountability, 10% of C-suite monetary incentives (representing the Chief Sustainability Officer) are tied to climate change management.

Key Responsibilities of the CSO

1. Climate Strategy & Corporate Integration

- **Strategic Oversight:** Oversee the integration of material climate-related considerations into the review of the Group's overarching strategy, financial planning, budgeting, goals, targets, and KPIs.
- **Resilience & Risk Management:** Build organizational resilience to withstand the impacts of climate change under various severity scenarios. This involves supervising, promoting, and pushing for strategies to mitigate climate risks (e.g., extreme weather events, shifts in market demand) and capitalizing on emerging sustainable business trends and technologies.
- **Policy Authorization:** Review, revise, and approve the Group's policies on climate change, water, and environmental matters to ensure they remain proactive and up to date.

2. Targets, Performance, & International Alignment

- **Global Alignment:** Align organizational efforts with international climate commitments, including reduction targets aligned with a 1.5°C scenario, the United Nations Sustainable Development Goals (SDGs), and a net-zero future.
- **Goal Tracking:** Monitor the implementation of environmental, climate, and social commitments as part of the Group's 2025 and 2030 sustainability goals.
- **Progress Monitoring:** Continuously evaluate and report on progress toward meeting climate commitments while identifying strategic areas where further action or intervention is required.

3. Climate Disclosure, Reporting, & Lifecycle Assessment

- **ESG Disclosures:** Review non-financial reporting systems and products, including annual ESG disclosures such as CDP questionnaires and S&P's Corporate Sustainability Assessment (CSA).
- **Carbon Tracking:** Oversee the compilation and publication of annual sustainability and carbon footprint reports.
- **Product-Level Impact:** Champion and guide lifecycle assessment projects, including playing a key role in the execution of Environmental Product Declarations (EPDs) (an ongoing project since 2022).

4. External Engagement & Value Chain Leadership

- **Climate Advocacy:** Manage external communications and decisions regarding environmental, sustainability, and climate issues, actively addressing value chain impacts, regulatory updates, and market trends.
- **Institutional Commitments:** Sign official commitment letters on behalf of the company for sustainability-related initiatives and international climate compacts.

5. Culture & Capacity Building

- **Capability Advancement:** Update the Company's Corporate Social Responsibility (CSR) programs alongside internal and external training initiatives to build organization-wide capacity and awareness around climate and sustainability issues.

THE GROUP ESG, SUSTAINABILITY, AND CSR DEPARTMENT

All sustainability initiatives are monitored by the Group ESG, Sustainability, and CSR department, led by Mrs. Manal Hassan, the Group CSO, who provides updates to the executive management.

As the CSO, a key responsibility is to ensure that sustainability-related challenges are appropriately addressed across the organization. This includes overseeing the integration of climate-related considerations into the review of the Group's strategy, financial planning, budgeting, goals, targets, and KPIs.

The CSO plays a critical role in aligning the organization's efforts with international climate commitments, such as targets aligned with a 1.5°C scenario, the UN SDGs, and a net-zero future. This involves monitoring and reporting on the organization's progress toward meeting these commitments and identifying areas needing further action.

Key Responsibilities of the ESG, Sustainability, and CSR Department

- Developing/updating and implementing Elsewedy Electric's Sustainability Strategy and action plans across the Group in collaboration with pertinent stakeholders
- Serving as the primary focal point for internal and external stakeholders on sustainability issues at Elsewedy Electric

Partnerships

Elsewedy Electric actively participates in and aligns with leading international sustainability frameworks and climate platforms:

1. United Nations Global Compact (UNGC)

Elsewedy Electric is fully committed to the **Ten Principles of the United Nations Global Compact**, which govern human rights, labor standards, environmental stewardship, and anti-corruption. We actively embed the UNGC framework and its core principles into our overarching strategy, corporate culture, and day-to-day operations to ensure sustainable value creation across all business units.

2. Global Reporting Initiative (GRI) Community

Demonstrating our long-standing commitment to data transparency and rigorous ESG disclosures, Elsewedy Electric has been reporting its sustainability performance in accordance with **GRI Standards since 2018**. To further deepen our involvement in the evolution of sustainability reporting, we officially became a **GRI Initiative Community Member in 2020**.

3. Alliance for Industry Decarbonization (AFID)

As a proud member of the **Alliance for Industry Decarbonization**, Elsewedy Electric actively engages in global, industry-level dialogue to accelerate net-zero transitions. This global platform facilitates cross-border cooperation, enabling us to exchange technical insights, pilot experiences, and operational best practices. This collaboration directly strengthens the development and execution of our robust decarbonization strategies, ensuring complete alignment with national and global net-zero commitments.

4. Chapter Zero Egypt (CZE)

Elsewedy Electric reinforces its boardroom climate governance through its strategic partnership with **Chapter Zero Egypt**. As part of the global Climate Governance Initiative (CGI) maintained in collaboration with the **World Economic Forum (WEF)**, CZE serves as the 27th global chapter. Through this partnership, we equip and activate our board members and executive leadership with the specialized expertise required to prioritize climate risks, capitalize on green opportunities, and seamlessly incorporate climate change mitigation into our long-term corporate strategy.

Stakeholder Engagement

Clients and Customers

Maintaining **strong client relationships** and ensuring customers can make **informed purchasing decisions** based on the environmental performance of Elsewedy Electric's products is a central engagement priority. Customer engagement on climate and sustainability topics takes place through a multi-channel approach combining both interactive and one-way communication.

Interactive engagement channels include **direct meetings, telephone calls, and emails**, which allow for real-time sharing of information on sustainability efforts, GHG emissions from operations, and specific product environmental performance. **One-way communication** channels complement direct engagement and include:

- Quarterly newsletters providing updates on sustainability initiatives and product developments
- Annual magazines covering the Group's broader sustainability journey and highlights

- The Annual Sustainability Report, which provides comprehensive disclosure of climate and environmental performance
- Participation in webinars, seminars, and industry exhibitions to disseminate information and foster dialogue
- Active presence on social media platforms for ongoing engagement with a broad audience

A distinctive feature of **Elsewedy Electric's customer engagement** on climate is **the publication of Environmental Product Declarations (EPDs)**. As of September 2026, the company has published **44 EPDs**. Each EPD is developed in accordance with **EN 15804+A2** and **the Product Environmental Footprint (PEF) methodology**, and provides customers with verified, third-party-assessed environmental data across the full product lifecycle.

The **EPD indicators** cover:

- **Environmental Impacts:** Carbon footprint (GWP), ozone depletion, acidification, eutrophication, smog creation, and abiotic resource depletion.
- **Resource Consumption:** Primary energy demand (renewable and non-renewable), water use, and secondary raw material inputs.
- **Waste Generation:** Operational and end-of-life hazardous, non-hazardous, and radioactive waste streams.
- **Output & Circularity Flows:** Material recovery, components for reuse, recycling, and exported energy.

Finance Community

The finance community, encompassing institutional **investors, equity analysts, credit rating agencies, ESG rating providers**, and other capital market participants, is a key stakeholder group in Elsewedy Electric's climate transition journey. Their expectations and demands for transparency shape the Group's disclosure strategy and engagement practices, and their assessments directly influence the Group's access to and cost of capital.

To support the investment community's assessment of the Group's climate performance and transition readiness, Elsewedy Electric provides **comprehensive non-financial disclosures** aligned with leading international standards and frameworks. **The Annual Sustainability Report and Carbon Footprint Report** and dedicated sustainability disclosures go beyond minimum regulatory requirements, focusing on the information needs of financial stakeholders and presenting clear, data-driven insights on:

- **Absolute and intensity-based Scope 1, 2, and 3 GHG emissions**
- **Progress against the 30% Scope 1 & 2 reduction target by 2030 and 25% Scope 3 target by 2035**
- **Climate-related financial risks and opportunities**, consistent with TCFD and ISSB (IFRS S2) requirements
- The Group's **climate governance** structure and Board-level oversight of climate strategy
- **Scenario analysis and resilience assessment** under different warming pathways

Elsewedy Electric participates in leading global ESG and climate rating frameworks to enable independent evaluation of its performance and facilitate transparent peer comparison. These include:

- CDP (Carbon Disclosure Project): Responding annually to CDP Climate Change and Water Security questionnaires, providing detailed disclosure on emissions, climate risks, governance, and reduction strategy
- S&P Global Corporate Sustainability Assessment (CSA): Participating in the annual CSA

EPDs Climate Importance

EPDs give customers the data they need to make climate-informed procurement decisions; particularly relevant for clients subject to EU CBAM requirements, green building certification schemes (LEED, BREEAM), and Scope 3 supply chain reporting obligations. Elsewedy Electric's EPD program directly supports customer decarbonization strategies by providing product-level carbon footprint data in a standardized, internationally recognized format.

The table besides consolidates Elsewedy Electric's stakeholder engagement activities, channels, and climate-related topics across all key stakeholder groups. This overview is provided in accordance with the TPT Disclosure Framework's requirement to demonstrate a systematic and comprehensive approach to stakeholder engagement in the context of climate transition.

Stakeholder Group	Engagement Modes	Climate & Sustainability Topics Shared	Frequency
Clients & Customers	– Direct meetings – Phone calls & emails – Quarterly newsletters – Annual magazines – Annual Sustainability Report – Webinars, seminars & exhibitions – Social media channels	– Products & project updates – Sustainability efforts & GHG emissions – Environmental Product Declarations (EPDs) – Climate transition progress – Product environmental performance (EN 15804+A2 / PEF)	Ongoing / Quarterly / Annual
Investors & Finance Community	– Annual Integrated Report – Sustainability & Carbon Footprint Reports – CDP questionnaire responses – S&P Global CSA participation – Direct investor engagement & dialogue	– GHG emissions & reduction targets – Climate Transition Plan progress – TCFD/ISSB-aligned climate disclosures – Climate risks & opportunities – Water security	Annual / As required
Shareholders	– Sustainability & Carbon Footprint Reports – CDP responses – Annual General Meetings – Investor relations communications	– Emissions performance & targets – Reduction initiatives & roadmap – Climate change risk exposure – Water security disclosures – ESG ratings performance	Annual
Suppliers & Value Chain	– Supplier ESG assessments – Supplier Prequalification Questionnaire – Third-Party Code of Conduct – Capacity building programme (from 2026) – Direct procurement engagement	– ESG compliance requirements – GHG emissions reporting (carbon footprint) – Water-related risk management – Scope 3 emission reduction targets – Supplier decarbonization expectations	Ongoing / Annual assessment
Regulators & Standard-Setters	– Regulatory filings & disclosures – Policy consultations – Industry association participation – Voluntary framework reporting (CDP, SBTi, ISSB)	– Regulatory compliance (CBAM, EU taxonomy) – Environmental product performance – Climate-related financial disclosures – Net-zero alignment & science-based targets	As required / Annual

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