

## Sustainability Policy

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## Manual Control and Distribution

1. The Chief People Officer (CPO) is the custodian of this Sustainability policy. The CPO is expected to ensure that this Policy is a true and accurate representation of the applicable policies and that it is kept up-to-date at all times.
2. This Sustainability Policy shall be made available to the employees in a non-editable version on the Company's Intranet. All employees who are involved in sustainability policies shall have a thorough understanding of this document. The Company's Sustainability processes shall be executed in alignment with this document.
3. All requests for revisions shall be addressed to the CPO. This document shall be reviewed annually or more frequently if required. Amendments shall be made, if any are required, and superseded versions of this document shall be retained for future reference.

Any violation of this Policies and Procedures Manual shall be reported to the Head of the Legal Department.

## Introduction

In line with the United Nations Sustainable Development Goals of 2030, the regulations dictated by the Financial Regulatory Authority (FRA), and other relevant sustainability frameworks, Beltone Holding (BH) aims to strengthen its sustainability positioning in a way that supports the company's long-term successful performance and fosters its capacity in order to fulfill its obligations and commitments to all stakeholders.

BH's Sustainability Plan aims at undertaking the necessary actions towards sustainability through mitigating climate change risks, reducing harmful environmental impact and empowering marginalized communities, including the informal sector, ensuring equal opportunities, and undertaking efforts to increase accountability through transparent reporting.

In compliance with the relevant decrees issued by the Financial Regulatory Authority (FRA) in Egypt, BH has set out a Sustainability Policy to follow and promote sustainable practices, to reduce the environmental impact of all of its operations through the below list of objectives:

- Increasing communication and ESG awareness, as well as encouraging responsible environmental and socially conscious behavior among employees,
- Enforcing green policies including recycling, regulating energy consumption, and promoting renewable energy,
- Promoting social development policies, such as prioritizing employees' health and safety, human rights, and gender equality,
- Complying with applicable laws and regulations, and
- Integrating sustainability considerations into all business decisions.

## Scope

The goal of this policy is to incorporate environmental, social, and economic principles into all aspects of BH's operations and to ensure that all employees are fully aware of the Sustainability Policy and are committed to implementing and adhering to it. The Sustainability Department is committed to introducing sustainability practices to all relevant stakeholders and supporting all business parties with the needed knowledge.

## Roles & Responsibilities

Establishing the Sustainability Department stems from our commitment to the national and international sustainability and ESG frameworks and guidelines, including the United Nations' Sustainable Development Goals 2030, TCFD Reporting, GRI Standards, and the regulations of the Financial Regulatory Authority (FRA). The Sustainability Department is responsible for implementing the required actions to ensure that Beltone operates within an environmentally and socially responsible context and complies with the relevant sustainability frameworks. The Sustainability Department will work closely with all relevant teams across BH to introduce the necessary practices that reflect our values and ensure that our products and services meet our environmental and social commitments.

The Sustainability Department's role includes but is not limited to:

- a. Developing the sustainability strategy that dictates BH's long-term ESG targets.
- b. Developing measurable KPIs to monitor ESG progress towards BH's ESG targets identified in the sustainability action plan.
- c. Suggesting processes by which improvements can be implemented in accordance with BH's commitment to sustainability.
- d. Proposing activities that respond to BH sustainability action plan, ambitions and goals, addressing various areas including energy consumption, recycling, community needs, and equal opportunities.
- e. Developing and implementing Corporate Social Responsibilities (CSR) programs in alignment with the UN Sustainable Development Goals.
- f. Reporting on sustainability and ESG performance on a regular basis, to comply with all relevant regulations, including FRA's.

## Sustainability Policies

### 1. Environmental

- a. All departments shall align their business activities with the UN Sustainable Development Goals (SDGs), specifically the following three goals prioritized and selected by the Head of Sustainability:
  - i. **SDG 8:** Decent work and economic growth
  - ii. **SDG 13:** Climate Action
  - iii. **SDG 17:** Partnerships for the goals
- b. The Sustainability Department shall be responsible for organizing sustainability awareness sessions with the Learning & Development function. The sustainability awareness sessions shall be mandatory for new and existing employees and shall adhere to BH's internal and external sustainability policy.
- c. The Sustainability Department shall develop an annual Sustainability/ESG Report to be presented to and approved by the Group CPO and the Executive Committee.
- d. The Sustainability Department shall fill out the FRA report and any other reporting requirements on an annual basis. The report should be reviewed by the Compliance Department to ensure compliance with the relevant decrees and by the CEO of each subsidiary to validate the data.
- e. The Head of Sustainability shall discuss and approve any new sustainability initiative that a Head of Department suggests for his/her department.

### a) External Sustainability

BH plays a vital role in its investments' operational impact in terms of promoting sustainable practices and a responsible investment approach, to reduce BH's environmental and social impact. When making investment decisions, ESG aspects shall be considered.

The aim of the external sustainability policy is to encourage all subsidiaries to work with clients who are aware of and follow the sustainability and ESG frameworks. The Sustainability Department will work closely with subsidiaries to advise the necessary actions that shall be implemented, and to ensure the sustainability of the operations of each business.

Additionally, each subsidiary shall follow the listed initiatives, including but not limited to:

1. Making investment decisions based on the sustainability frameworks and practices. These decisions shall be communicated and confirmed by each business line, the Sustainability Department, and the Executive Committee.
  - a. Brokerage companies, including Beltone Securities Brokerage (BSB), Beltone Fixed Income (BFI), Beltone Securities Holding (BSH), and Beltone Market Maker (BMM), shall aim for 10% of transactions to be with companies that endorse ESG positive practices.
  - b. Beltone Asset Management shall consider the environmental, social and governance risks prior to the approval of a fund.
  - c. Beltone Consumer Finance shall support the green economy by dealing with merchants that engage in ESG positive practices as well as equal opportunities, for example, by engaging with women-owned businesses.
  - d. BLC shall consider the environmental, social and governance risks during the assessment of their potential partnerships with clients.
  - e. Beltone Investment Banking (BIB) employees shall evaluate ESG risks and opportunities and aim at maximizing deals with companies with recognizable ESG performance by conducting ESG screening.
  - f. The Sustainability Department shall arrange the mechanism with the Head of Research to encourage producing research papers on the green economy and/or the carbon market on a quarterly basis.
  - g. All other support functions shall abide by the policies in this document.
2. The Head of Sustainability shall meet with the Department Heads and CEOs of each subsidiary to discuss the means on how to integrate ESG into their operations.
3. All Heads of Departments shall be responsible for communicating quarterly reports on the pre-approved sustainability action plan. The accuracy of the data shall be the responsibility of each Head of Department.
4. At least 10% of each business line's affiliates and/or clients shall be environmentally friendly. This KPI shall be monitored on an annual basis by the Sustainability Department.
5. During the first quarter of the year, the Sustainability Department will kick off its data collection process with the Heads of Business. This process is determined through an agreement between the Head of Sustainability and the Heads of Business on a set of KPIs and data indicators based on ESG Frameworks' reporting requirements (such as GRI: Global Reporting Initiative) to be consolidated and collected to represent the annual ESG performance. Accordingly, a Sustainability Report will be developed and presented to the Top Management.

6. If two affiliates or clients have the same return on investment amounts, the affiliate or client scoring higher on the ESG compliance criterion shall be given priority.

## b) Internal Green Policies

### I. Action Plan

A Sustainability Action Plan is developed by the Sustainability Department on an annual basis to outline how the company and its subsidiaries will achieve the approved sustainability goals throughout the year. The aim of the action plan is to embed ESG and sustainability into all business operations of Beltone Holding.

1. The Sustainability Department shall be responsible for developing an action plan on an annual basis. The Action Plan shall be approved by the Group CPO and the Board of Directors and shall be aligned with the relevant parties.
2. All action items shall be followed and implemented by all the employees throughout the year. Each Head of Department shall report on the sustainability activities conducted by his/her department on a quarterly basis to the Sustainability Department.
3. The Sustainability Department shall undertake, monitor, and report on the relevant action items concerning the implementation of the sustainability action plan.

### II. Carbon Footprint

BH measures and assesses its carbon footprint in order to identify carbon reduction opportunities. Taking progressive actions in line with the UN's SDGs (Goal 13: Climate Action) contributes to improving business efficiency. To guarantee more efficient business practices and decision-making processes, BH will report on its Carbon Footprint to the key stakeholders.

1. BH's carbon footprint annual report will be conducted by a third party, who will also provide the Sustainability Department with an annual decarbonization plan. The decarbonization plan will be put into action through yearly planned activities to reduce BH's energy consumption.
  - a. The annual decarbonization plan shall include all methods/actions to reduce business Greenhouse Gases (GHG) emissions and environmental impact.
  - b. The implementation of the decarbonization plan shall be monitored by the Sustainability Department, to ensure that the percentage of GHG emissions decreases.

### III. Energy Consumption

BH shall aim to reduce energy consumption through a series of actions that will be implemented in accordance with the sustainability action plan and the annual decarbonization plan through promoting and ensuring the implementation of at least the following initiatives/activities:

- a. Using clean and renewable sources of energy in BH offices.

- b. Setting the air conditioners at a certain temperature during the summer and winter seasons. Ideally, the temperature settings shall be maintained at 24-25 degrees. The temperature shall be regulated by the Admin Team.
- c. Installing motion-activated lights in BH offices by the Admin Team.
- d. Encouraging employees to turn off the lights in any rooms not being used.
- e. Encouraging employees to switch off computer screens and other electronic devices when they are not being used.

#### **IV. Reduction of Water Usage**

BH shall take the required action to monitor our water consumption, including but not limited to in-house practices such as hanging water-saving signs and providing instructions in the bathroom to encourage employees to save water.

#### **V. Waste Management**

BH will establish a waste management system to efficiently manage waste created at BH's premises until its final disposal. Additionally, the three R's "Reduce, Reuse, Recycle" approach shall be implemented while working in the office.

##### *Reduce*

- 1. All employees shall reduce single-use plastic consumption by using reusable water bottles and filling them from the water dispensers available in BH's offices.
- 2. All employees shall limit printing out paper and shall consider printing on both sides of the paper, where applicable.
- 3. Email signatures shall include "Please consider the environment before printing this email".
- 4. Pop-ups for employees' printing shall be implemented by the IT Department to ensure that they truly need to print.

##### *Reuse*

- 1. Rollups shall be upcycled into giveaways provided to the employees including but not limited to card holders, lunch bags and/or laptop cases.
- 2. The giveaways shall be presented to new employees during their onboarding process as an indicator of sustainability.
- 3. Employees shall be provided with E-cards instead of physical business cards.

##### *Recycle*

- 1. Waste separation baskets shall be well spread across BH's shared areas.
- 2. Recycling instructions shall be hung on the walls next to the recycling waste bins to raise awareness.
- 3. In the event of contracting with an upcycling company, the Sustainability Department shall ensure that the recyclable items are collected and delivered to the upcycling company according to the contract. BH shall also ensure its contribution to a green recycling initiative. For example, the Sustainability Department will reuse all rollups and any other advertising materials for recycling purposes.



## c) External Reporting

1. The Sustainability Department shall be responsible for submitting an external report to the Financial Regulatory Authority (FRA).
2. According to the FRA, companies with a capital ranging from EGP 100 million to EGP 500 million shall only be required to submit the ESG report, while companies with more than EGP 500 million in capital shall include both ESG and TCFD reports in the annual reports.
3. The FRA annual report consists of two reports:
  - a. Environmental, Social, and Governance (ESG) report, which includes BH's performance regarding a set of ESG KPIs dictated by the FRA.
  - b. Task Force Climate-related Financial Disclosures (TCFD) report, which includes climate action and carbon footprint emissions performance and indicators.
4. The deadline for submitting the annual sustainability report shall be the end of Q1.
  - a. The Sustainability Department shall attach the ESG and TCFD reports with the annual board reports and the annual financial statement and send them to the FRA.
5. BH, Beltone Consumer Finance, BSB and BLC shall submit a separate report to the FRA on an annual basis. The Head of Sustainability is responsible for developing the reports, obtaining sign-off from the relevant parties and submitting the reports to the FRA's website. The CEO of each subsidiary, along with the Chief Compliance Officer (CCO) shall attach the submitted report and send it to the FRA along with each subsidiary's annual report.
6. The relevant sign offs shall be obtained from:
  - a. The Compliance Department shall ensure that the report complies with the relevant FRA decrees and shall receive proof of submission of the report to the FRA.
  - b. Each Head of Business shall ensure the data accuracy of the report components.
7. A separate Sustainability report shall be developed by a third party under the supervision of the Sustainability Department on an annual basis. The report shall be published to BH's website and shall contain sustainability, ESG and CSR activities conducted throughout the year as well as expenditures, savings, results of investment and an annual plan for the upcoming year.

## 2. Social

BH is an equal opportunity employer and employs personnel without regard to race, ancestry, nationality, ethnicity, language, religion, gender, marital status, physical and/or mental disability.

This policy applies to all terms and conditions of employment, including hiring, placement, promotion, termination, layoff, recall, and transfer, leaves of absence, compensation, and training opportunities. BH abides by the Prohibiting Child Labor clause in the Egyptian Labor Law.

### a) Grievance Policy

1. The Grievance Policy shall cover grievances of individual employees rather than collective complaints which will be handled by the HR Department.
2. All grievances shall be recorded in writing, either through an e-mail or the submission of an e-form, to avoid misunderstanding and misinterpretation.

3. The HR Department shall communicate an e-form that is accessible throughout the entire year where employees shall submit their grievances to ensure anonymity if required. The employee shall specify his/her department and company name to ensure the correct action is taken.
4. Employees may choose to skip the informal reporting of an incident and proceed directly to filling in the form.

Please refer to BH's Code of Conduct for further details on the Grievance mechanism and procedures.

## **b) Harassment**

BH does not tolerate any type of behavior, whether it is verbal, written, or physical, that might be seen as undermining a person's character, dignity, physical, or psychological integrity, risking their personal security or employment, or having a negative effect on society.

Any employee who suspects that they are a victim of harassment or witnessed one of these situations needs to immediately inform their Direct Manager and/or HR team.

## **c) Health & Safety**

All employees, visitors and customers shall respect and comply with the health and safety policies to ensure that BH provides a healthy and safe workplace. Refer to the Code of Conduct for further details.

If any of the employees are harmed in BH's facilities, the appropriate action and treatment will be taken according to the Labor Law.

## **3. Governance**

### **a) Gender Representation**

To abide by the relevant FRA decrees, BH shall report male and female representation on the Board of Directors and internal committees to the FRA on an annual basis. Furthermore, BH's sustainability action plan & KPIs will include equal opportunities and representation considerations within its policies & procedures, such as gender ratios, and number of females in leadership positions and career progression.

### **b) Anti-Bribery and Anti-Corruption**

1. BH has a zero-tolerance approach to bribery and corruption; accordingly, all employees shall be committed to acting professionally, fairly, and with integrity.
2. BH shall abide by all laws pertaining to bribery and corruption, whether issued in Egypt or abroad.
3. Any employee who violates this policy shall face disciplinary action, which may result in dismissal for gross misconduct and the termination of their contract with immediate effect.

4. Employees who engage in bribery and corruption shall be subject to internal sanction regulations. For more details, refer to the Anti-Bribery and Anti-Corruption Section in the Compliance Manual.

**c) Code of Conduct**

BH employees are required to abide by the Code of Conduct issued by the HR Department.

**d) Confidentiality**

All employees who receive confidential information shall be required to sign and abide by a non-disclosure agreement (NDA).

## Appendices

## Appendix 1 – Abbreviations

Abbreviation	Term
CEO	Chief Executive Officer
CPO	Chief People Officer
CRO	Chief Risk Officer
CSR	Corporate Social Responsibility
ESG	Environmental, Social, and Governance
FRA	Financial Regulatory Authority
GRI	Global Reporting Initiative
GHG	Greenhouse Gases
HR	Human Resources
KPI	Key Performance Indicator
NDA	Non-Disclosure Agreement
SDGs	Sustainable Development Goals
SDS	Sustainable Development Strategy
TCFD	Task Force Climate-related Financial Disclosures
UN	United Nations

## Appendix 2 – Definitions

Terms	Definition
<b>Sustainability</b>	Sustainability is the ability to continuously support or maintain a process over time. In terms of business and policy context, sustainability aims to prevent the depletion of natural or physical resources.
<b>Green Economy</b>	A green economy is an economic system or sector that is based on or guided by environmentalist principles. According to the United Nations Environment Programme (UNEP), a green economy is defined as “one that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities. In its simplest expression, a green economy can be thought of as one which is low carbon, resource-efficient and socially inclusive.”
<b>Carbon Footprint</b>	Carbon footprint is the volume of greenhouse gases (including carbon dioxide and methane) that are generated by our activities and/or operations.
<b>Sustainable Development Goals (SDGs) - UN Goals</b>	The UN adopted the Sustainable Development Goals (SDGs) in 2015 as a call to action for people all over the world to address five crucial issues: people, planet, prosperity, peace, and partnership. The SDGs consist of 17 Sustainable Development Goals to be achieved by the year 2030.
<b>ESG Framework</b>	The Environmental, Social, and Governance (ESG) framework is used to evaluate how well a company performs in relation to numerous ethical and sustainable challenges. It also offers a tool to gauge the opportunities and hazards for business in certain fields.