edita

the sweet side of life

BEYOND PRODUCTS

SUSTAINABILITY REPORT 2023

Contents

Group Chairman and CEO's Note

Dear Shareholders,

I am pleased to present Edita's 2023 Sustainability Report, marking another year of our business's commitment to environmental consciousness, social impact, and prudent governance. This past year has been instrumental in solidifying our sustainability framework, and I am thrilled to share the initiatives and outcomes detailed within this report.

At Edita, we understand the critical role we play as an industry leader in upholding global standards of environmental, social, and governance (ESG) practices. We firmly believe that embracing these principles is not only essential for our business's growth but also imperative for broader environmental and social development. Consequently, we are always exploring ways to maximize our sustainability framework by reducing our carbon footprint, enhancing our resource efficiency, and setting strategies directed at elevating and empowering surrounding communities. In doing so, we strive to establish a benchmark for driving positive change within our industry and beyond.

The dedication of our Sustainability Committee has been instrumental in refining our ESG strategy and assessing its impact across our organization. Through continuous development and measurement, we ensure that our sustainability initiatives yield meaningful results, driving progress in environmental and social sustainability.

Delving deeper into each of our pillars, let's begin with the paramount importance we place on the health and safety of our employees. This year, we continued to prioritize fostering a safer and more supportive work environment for all. Through conducting regular surveys and monitoring, we identified many areas for improvement and implemented proactive interventions to enhance employee well-being and workplace conditions. Additionally, comprehensive training programs were implemented to equip individuals with the knowledge to mitigate potential risks, promoting a safe environment characterized by awareness and caution.

Moving on to our digitalization efforts, in late 2023, we partnered up with leading digital finance solution provider Fawry to facilitate cashless collections across our points of sale, enhancing trade cash management and operational efficiency. This integration of cutting-edge e-payment services will streamline financial transactions and elevate our operational efficiency to new heights.

As for our environmental initiatives, our rigorous revisions and monitoring efforts enabled us to establish tangible targets and continuously reduce our carbon footprint and energy consumption. Notably, we saved 585 metric tons (Mton) of carbon and achieved an 11% decrease in carbon footprint by the end of 2023. Moreover, our focus on water conservation through various initiatives, such as internal awareness campaigns, targeted improvements in consumption at specific plants, and the installation of meter gauges, led to a decrease of 3.70 m^3 in average water consumption, while waste minimization efforts resulted in a 24.2% decrease in waste production.

Beyond our environmental initiatives, our dedication to social responsibility remains unwavering. We actively support local communities and champion diversity and inclusion within our workforce. Moving forward, we are committed to forging partnerships and collaborating with NGOs and community-driven organizations that share our values of empowering communities through healthcare, education, and social development. Together, we aim to make a positive impact and create lasting change in the areas we serve.

As we look ahead, our determination to achieve greater impact across all fronts remains steadfast. Whether it is reducing our environmental footprint, enhancing production efficiency, or uplifting the conditions of surrounding communities, we are committed to driving meaningful change. Our sustainability journey stands as a testament to our unwavering commitment to creating long-term value for our stakeholders while contributing to ESG progress, not only within Egypt but also across the globe.

Hani Berzi
Chairman and CEO

edita At a Glance

Leveraging its dynamic business model, along with over 26 years of industry experience and innovative capabilities, Edita maintains its leading position in the Egyptian snack food market.

Established in 1996, Edita Food Industries has proven its agility in responding to the changing tastes and preferences of consumers across various segments of the snack food industry. Edita first gained recognition for introducing the first-ever packaged croissant in Egypt in 1997, quickly earning the reputation of a trusted provider of snack food delicacies. Since then, the company has managed to maintain its leading position by continuously introducing innovative value propositions to the market, always meeting consumer demands. Today, Edita's product lineup exceeds 140 SKUs spanning cakes, bakery, wafers, rusks, candy, biscuits, and frozen foods. The company's diverse portfolio includes well-known brands, such as Molto, HOHOs, Twinkies, Tiger Tail, TODO, Freska, Bake Rolz, Bake Stix, MiMix, and Oniro. More recently, the company also ventured into the frozen food segment with the introduction of Molto Forni, expanding its portfolio of brands. Operating seven state-of-the-art facilities in Egypt and an additional facility in Morocco, Edita houses 34 production lines. Its regional presence extends to over 20 export markets, reflecting the company's commitment to expansion and excellence.

In 2023, Edita Food Industries maintained its robust performance, successfully navigating global and local challenges, such as inflationary pressures and a harsh operating environment. At home, Edita made significant strides in executing its long-term strategy by expanding production capacity, introducing new SKUs, migrating consumers to higher price points, and stimulating demand across various segments. Meanwhile, on the regional front, Edita's exports proceeds continued to yield impressive results, contributing to the company's growing presence and success in the market.

Edita continues to uphold a legacy marked by continuous growth and innovation, enabling the company to cement its prominent position in the market despite escalating competition and operational challenges. Looking ahead, Edita plans to harness its research and development capabilities, technical expertise, and strong brand equity to promote further expansion in the snack food industry, creating value for both its customers and shareholders alike.

7,000 Employees

34 Production Lines

7 State-of-the-Art Facilities

12.1 EGP BN 2023 Revenues (+58.1% y-o-y)

4.0 BN Packs Sold in 2023

>20 Regional Export Destinations

+140 SKUs Across Seven Segments

Bakery
Molto

Cakes
TODO, HOHOs, Twinkies, Tiger Tail

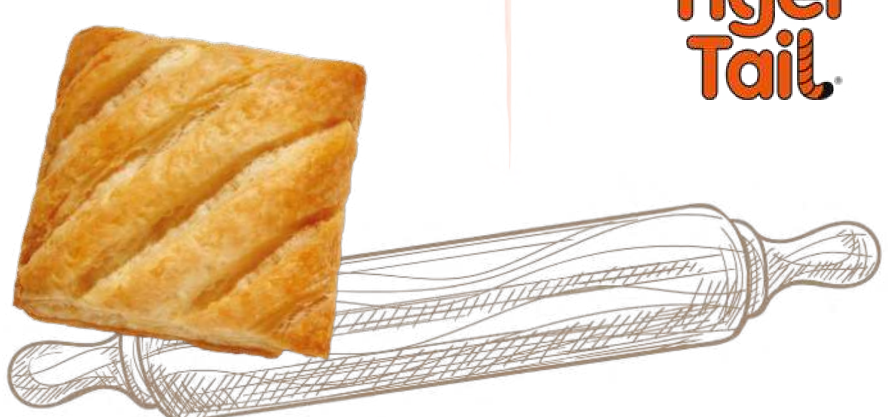
Wafers
Freska

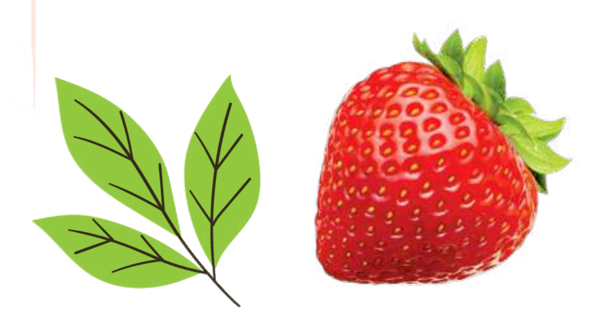
Rusks
Bake Rolz
Bake Stix

Candy
MiMix

Biscuits
Oniro

Frozen
Molto Forni





Mission, Vision & Values

Edita's principles reflect a constant pursuit of operational excellence and sustainable, long-term value creation for the company and its stakeholders alike.

MISSION

Together, spreading joy through trusted brands

VISION

Setting the benchmark for snacking with our high-quality, innovative products

Trust

Edita believes in mutual trust. The company trusts in its people, its biggest asset, and believes in their contribution to the growth of the company, and they, in turn, trust in the company to develop and nurture their potential to achieve their career goals.

Responsibility

Responsibility toward Edita's stakeholders and community, as well as commitment to quality, is pivotal to the company's strategy and operations.

Innovation

Innovation is what defines and leads Edita as a company.

Teamwork

Teamwork is core. Edita believes that the power of "we" is key to achieving its goals.

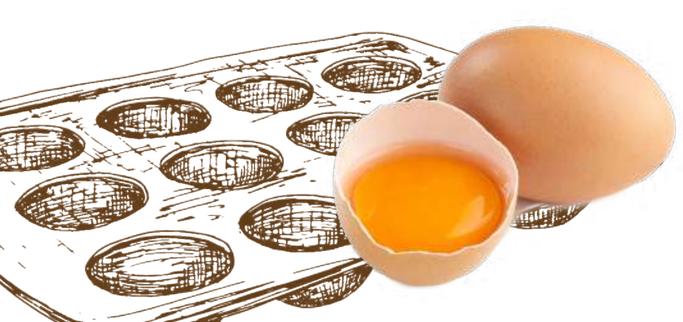
Our Strategy

Edita's ESG strategy stands as a testament to the company's continuous drive toward elevating performance and impact by embracing a well-defined sustainable vision.

CONTINUING ITS STEADFAST APPROACH TO ESG

Over the past years, Edita has demonstrated an unwavering commitment to ESG principles, cultivating a strong sustainability framework. The company actively adopts policies geared toward achieving a positive and sustainable impact. With a focus on its stakeholders and a forward-looking perspective that realizes the significance of creating long-term and sustainable growth, Edita continues to accelerate along this successful path. The company ensures that its operational growth aligns seamlessly with its sustainable growth, and it is dedicated to advancing on both fronts in the years to come.

Edita places the interests of its employees, stakeholders, customers, surrounding communities, and all other stakeholders at the core of its sustainability approach. To ensure that their interests are met, Edita has crafted six pillars that govern its sustainability strategy: efficient energy and resource consumption, consumer well-being, stakeholder engagement, health and safety, digital transformation, and strong governance.



INSIDE EDITA'S STRATEGY PILLARS

Efficient Energy and Resource Consumption

Energy and resource consumption play a pivotal role in shaping the environmental landscape and supporting its well-being. Accordingly, the company has implemented comprehensive strategies and tools to reduce energy consumption, minimize greenhouse gas (GHG) emissions, and regulate water usage throughout its operations. Edita's objective is to achieve a 10% reduction in emissions per unit for all energy resources and total water usage by the year 2030. Furthermore, the company is actively exploring the integration of renewable and clean energy sources into its operations for the future.

Consumer Well-being

As a consumer-centric company, Edita deeply values its responsibility toward offering high-quality products for its customers. Keeping ahead of current trends, the Research and Innovation (R&I) department works diligently to improve the nutritional value and sustainable packaging of the company's portfolio. Edita is committed to using only natural ingredients, flavors, and colors, as exemplified by the substitution of hydrogenated fats with non-hydrogenated fats in products, including Molto products, Bake Rolz, Bake Stix, uncoated wafer products (Freska Sticks and Freska Fingers), and Oniro's uncoated products. The R&I team is actively exploring ways to extend this concept to all products. At the end of 2023, the company introduced its first-ever vegan product under the Freska brand, aligning with emerging health trends and the growing demand for plant-based products.

Stakeholder Engagement

Edita deeply emphasizes the importance of maintaining open and transparent lines of communication with all its stakeholders. Through various communication channels, the company builds active engagement and receives valuable feedback, helping identify potential areas for improvement in its operations. The company's channels include a diverse range of both formal and informal communication methods, including regular meetings, surveys, social media, and community events. Demonstrating its commitment to social responsibility, the company has proactively developed its Stakeholder Engagement Plan (SEP). This plan not only serves as a mechanism for addressing community grievances but also ensures that stakeholders' feedback is considered and acted upon. On this front, the company actively contributes to the protection and elevation of its surrounding communities through its subsidiary, the Edita Foundation for Social Development. By collaborating with various organizations, the foundation focuses on improving education, health, and overall quality of life for the local population. In the coming years, there are plans to develop additional programs and establish partnerships that cater to diverse communities with the aim of introducing more impactful initiatives.

Health and Safety

Edita is committed to safeguarding the health and safety of its diverse stakeholders. In prioritizing the well-being of its employees, the company strictly adheres to robust safety, health, and environment (SHE) policies, ensuring the application and availability of suitable personal protective equipment (PPE) in the workplace. Across all its plants, Edita implements ISO 45001 international standards to uphold and enhance safety practices.

Digital Transformation

Edita embraces digital transformation as it presents unparalleled opportunities that hold the potential to reshape every aspect of daily operations. As such, the company has put in extensive effort to identify and enhance efficiency throughout its operations by integrating a range of digital solutions, including SAP applications, QR code identification systems, and handheld devices, to streamline and automate processes. Notably, Edita has undertaken large-scale centralization and automation initiatives, which has been evident in the complete digitalization and automation of pay slips — aiming to save time, reduce paper usage, and optimize resource allocation.

Strong Governance

Edita's robust governance structure continues to underpin the company's success. With a team of experienced professionals spanning various fields, the company possesses strong business acumen that enables it to effectively navigate and address challenges within its environment. In its commitment to strengthen ESG frameworks and advance on its holistic sustainability initiatives, Edita consistently communicates its progress to provide accessible details through diverse channels. The company releases sustainability and progress reports, all of which are made public. Furthermore, Edita proactively interacts with stakeholders via open communication channels, including the annual shareholders' meeting, to actively seek feedback and pinpoint potential areas for improvement.

SUSTAINABILITY COMMITTEE

Established in 2021, the Sustainability Committee consists of seven members from the Industrial Operations, Investor Relations, Treasury, Admin, and Compliance departments. The committee is responsible for designing ESG initiatives across Edita's operations and evaluating various issues to find the optimal resolutions.

MEASURING IMPACT

Measuring the impact of environmental and social change is just as crucial as developing an all-inclusive strategy. To that end, Edita has refined various mechanisms to monitor the impact of its initiatives and programs. These include a scorecard program applied across all its plants; the Environmental and Social Action Plan (ESAP), with specific action points for each plant to measure performance; the Edita Vendor Assessment Plan (EVAP), which is designed to identify and re-build collaboration with the most ethical and professional vendors in the market; and a waste disposal management system that tracks and categorizes various waste types to ensure proper recycling.

"Edita has demonstrated an unwavering commitment to ESG principles, cultivating a strong sustainability framework."

Aligning with Global Standards

Edita's commitment to sustainability is underscored by its adherence to both local and international ESG standards, which drive the company's ESG initiatives.

Edita is steadfast in its commitment to align with the United Nations Global Compact's (UNGC) pillars, the United Nations' Sustainable Development Goals (SDGs), Egypt's sustainability strategy, and Egypt's Vision 2030. The company integrates goals and targets from each of these frameworks into its strategy, to systematically reduce the adverse impact of Edita's operations on the environment. As part of its comprehensive strategy, Edita also strives to contribute to the development of its communities and enhance shareholder value through the adoption of responsible governance and practices.

SUSTAINABLE DEVELOPMENT GOALS

UN GLOBAL COMPACT PRINCIPLES

Since 2017, Edita has been an active member of the UNGC, consistently honoring the compact's 10 principles. These principles center on human rights, labor, the environment, and anti-corruption. The company demonstrates its commitment by adhering to both local and globally recognized human rights regulations, which include safeguarding complete employee rights, implementing conscientious initiatives to reduce environmental impact, and mitigating risks against corruption through stringent policies and mechanisms.

Human rights

Edita places significant weight on complying with both local and internationally recognized human rights laws. The company takes meticulous care in ensuring it respects human rights within its operations and throughout its supply chains. Edita maintains a monitoring process for its business and requires all stakeholders to follow similar standards. Furthermore, Edita ensures that its spaces remain comfortable and safe, actively encouraging anyone to report any suspicions or violations that may go against these regulations.

Labor

Edita's employees are provided lawful and comprehensive rights under their employment. The company ensures that they have the opportunity to communicate feedback, report any forms of discrimination, and address formal and informal challenges through multiple channels. Under its labor laws, the company also endorses equal opportunity hiring, fair compensation, and multiple learning and development empowerment tools.

Environment

Edita has embarked on a journey of environmental consciousness, constantly exploring ways to mitigate the negative impact of its operations on the environment. In the past years, the company has dedicated efforts to minimize its carbon footprint by implementing eco-friendly initiatives whenever possible. This includes updates to its environmental strategies, environmental management and waste disposal systems, as well as obtaining international certifications that are a testament to the company's implementation of more sustainable methods.

Anti-Corruption

Edita does not tolerate any form of corruption. The company adopts stringent anti-corruption policies and information security systems to combat any threats that include extortion, bribery, data and recipe theft, and more. Additionally, it has a whistleblowing mechanism that allows employees to anonymously report violations.

UN Sustainable Development Goals

In its unwavering commitment to sustainability, Edita actively contributes to the realization of the UN's SDGs, which range from eradicating poverty and hunger to improving health and education, reducing all forms of inequality, increasing partnerships for the goals, and more.

TOP TIER: PRIORITY SDGS WHERE OUR IMPACT IS MOST CLOSELY LINKED:

5 GENDER EQUALITY

SDG 5
- Diversity and Inclusion
- Equal Opportunity Hiring
- Board of Directors' Composition (25% females)

8 DECENT WORK AND ECONOMIC GROWTH

SDG 8
- Employee Affairs

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

SDG 9
- Embracing Digital Transformation
- Preservation Through Efficiency
- Supply Chain Management
- Waste Control

11 SUSTAINABLE CITIES AND COMMUNITIES

SDG 11
- Embracing Digital Transformation
- Energy Consumption
- Packaging and Sustainable Solutions
- Waste Control

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

SDG 12
- Employee Affairs

THE COMPANY'S IMPACT ALSO EXTENDS TO:

2 ZERO HUNGER

SDG 2
- Donating Edita Products to Communities in Need

3 GOOD HEALTH AND WELL-BEING

SDG 3
- Health Initiatives by Edita Foundation
- NFSA Warehouse Registration

4 QUALITY EDUCATION

SDG 4
- Education initiatives by Edita Foundation

6 CLEAN WATER AND SANITATION

SDG 6
- Water Usage

10 REDUCED INEQUALITIES

SDG 10
- Diversity and Inclusion
- Equal Opportunity Hiring

17 PARTNERSHIPS FOR THE GOALS

SDG 17
- Partnership for Energy Consumption
- Corporate Social Responsibility (CSR)

OCCUPATIONAL HEALTH AND SAFETY

Occupational Health and Safety

Maintaining a safe and healthy workplace is essential, as adverse conditions can significantly affect employee well-being, productivity, and overall operational efficiency. Edita's SHE team is dedicated to vigilantly monitoring workplace conditions, identifying potential issues causing distress, and proactively implementing measures to ensure seamless operations and positive outcomes. The company places a keen focus on key aspects throughout the organization, examining how risks can be addressed and mitigated in the future.

ERGONOMIC CONDITIONS AND SICK LEAVE

Poor ergonomic conditions and uncomfortable workstations can lead to increased instances of employee demotivation and physical aches. Moreover, prolonged exposure to such conditions may result in health issues, negatively impacting overall well-being and potentially leading to increased absenteeism and occupational sick leave rates.

To reduce these impacts, the company has been strongly monitoring sick leave patterns and lost time injury rates to detect sudden or consistent increase in sick leaves that may signal potential health issues or workplace stress requiring attention. Through this, Edita has been able to identify occupational ergonomic hazards and effectively mitigate their associated risks. Additionally, Edita conducted a comprehensive ergonomic survey, focusing on specific workstations, such as packaging tables and manual lifting tasks. The survey identified potential risk factors, revealing issues that include muscular strain, back injuries, and other conditions among employees engaged in these tasks.

Building upon the survey findings, Edita took decisive actions to improve ergonomic conditions by involving key stakeholders, including management, safety professionals, and labor workers. The company began using more suitable lifting accessories for manual tasks, specifically designed to facilitate the lifting, moving, and transporting of heavy loads, thereby reducing the risk of injuries and other ergonomic issues. Furthermore, Edita prioritized employee well-being by ensuring they have adequate rest and recovery periods. To ensure sustained improvements, the company plans to conduct regular health surveillance and implement additional measures, such as optimizing chair height to enhance employee comfort in the future.

As a result of these proactive interventions, Edita observed a decrease in sick leave rates, indicating a positive impact on employee health and well-being. Conducted surveys subsequently revealed a reduction in reported ergonomic cases, reflecting the effectiveness of the implemented measures in improving workplace conditions and minimizing associated health issues.

Year	Absenteeism Rate
2019	3.69
2020	6.03
2021	4.47
2022	5.26
2023	5.33

Lost Time Injury Rate

0.21 in 2023

*Lower than 0.25 target

DUST EXPOSURE

Sugar dust pollution in the workplace poses significant challenges, negatively affecting both employee health and equipment safety. It can have detrimental effects, contributing to potential combustible dust hazards, compromising worker safety, and posing an explosion risk if not controlled. As such, it is crucial to emphasize the critical need for effective measures to reduce dust pollution in the workplace for the well-being of employees and the optimization of work environments.

The company has been monitoring dust exposure and other similar factors by implementing an annual environmental measurement plan in the workplace. Based on this plan, Edita was able to identify areas where excessive dust particles were being produced.

To reduce sugar dust particles, Edita installed and maintained efficient dust collection systems with proper ventilation. This initiative was executed at key locations where sugar dust is generated, such as the E08 Central Sugar mills in 2020, Morocco Sugar Mill in 2022, and E10 in 2023. Additionally, strategies were implemented to control static electricity, a potential ignition risk, with the use of grounding equipment and incorporating anti-static materials in processing areas.

Utilizing industrial-grade dust collectors led to the effective filtration, capturing, and containing of sugar dust particles, which resulted in a significant reduction in dust ignition incidents.

NOISE CONTROL

Excessive noise levels can cause stress, hearing impairment, and decreased concentration among workers. As a result, Edita has deployed tools to identify machinery within production areas that contribute to elevated noise levels and disrupt the workplace.

In 2023, the company implemented noise maps as a vital tool to evaluate and manage noise exposure within its production areas, ensuring the safety of its employees. These visual representations of sound levels across different areas offer valuable insights, aiding in the identification and mitigation of noise pollution. It also serves as a tool to assess whether there is a need for the implementation of further protective measures, such as using PPE or implementing specific noise control measures, ensuring the well-being of the workforce where necessary.

The action plan involved implementing targeted control measures for areas with the highest noise levels. This was achieved by deploying engineering controls, such as managing air leakage points, maintaining loose fixation, and rotating equipment. In situations with uncontrolled noise levels, workers were provided with protective PPE.

This helped Edita assess the outcomes of its newly implemented noise control program, as well as work toward reducing noise pollution and enhancing overall workplace noise conditions.

Mechanical sound produced per machine

Machine	2022-Value (dBA)	2023-Value (dBA)	OOS
Dough Mixer	83.00	80.00	
Doug Lamination	84.00	81.00	
Dough Placing in Trays	82.00	81.00	
Fermentation	77.00	78.00	
Trays installation on Conveyor	83.00	82.00	
Oven Start	88.00	83.00	
Oven End	84.00	81.00	
Cooling Tower	82.00	80.00	
Chocolate Injection	85.00	81.00	
Product Transfer	82.00	80.00	
Packaging	82.00	85.00	85.00
Tray Washer	83.00	80.00	
Tool Washers	83.00	79.00	

MACHINERY SAFETY (GUARDS & BARRIERS)

Effective machinery safety barriers are pivotal in safeguarding workers and preventing accidents within industrial settings. These physical safeguards are designed to create a protective barrier between individuals and hazardous machinery or processes. The implementation of such barriers is instrumental in fostering an overall safer workplace environment.

Machinery barriers encompass various forms, including installed guards or safety limit switches that monitor the position of movable machine components like doors, gates, or robotic arms. To prioritize worker safety and operational security, Edita developed a complete log for all types of guards on every machine within production halls across all production lines. This log serves as a valuable database, allowing for the verification of the existence and effectiveness of machinery barriers through a software tool integrated into newly digitized handheld devices, which is planned to be developed in 2024.

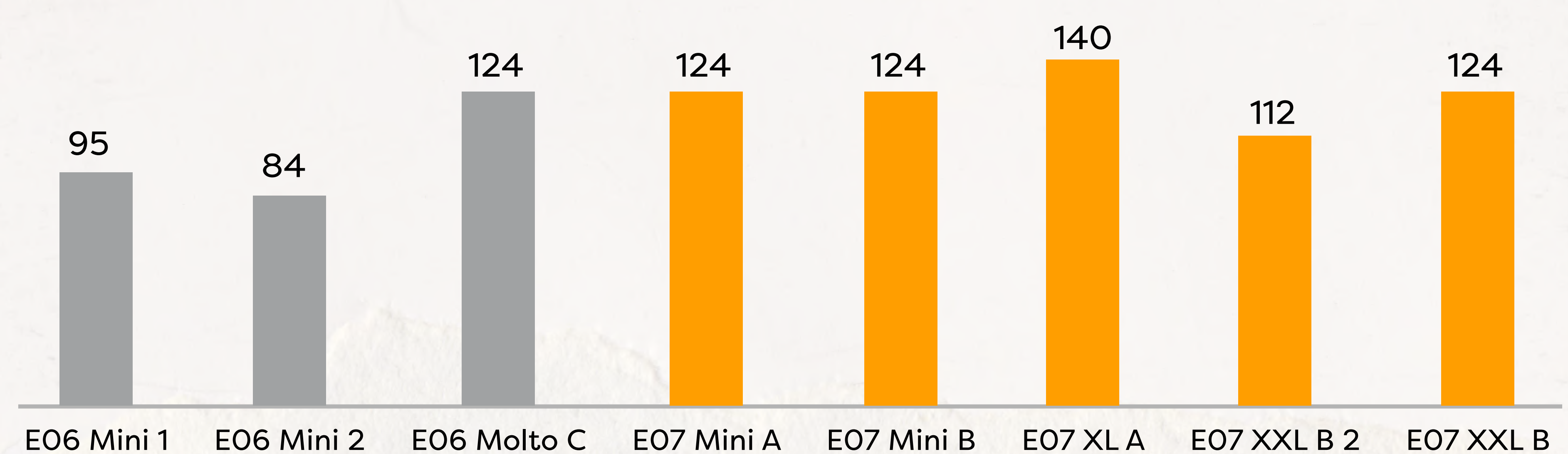
The data log ensured machinery was in a secure position before permitting the machine to operate, effectively preventing potential collisions or entanglements. Moreover, this initiative brought about a reduction in the consumption of paper checklists and the time required for data logging, and it introduced an enhanced and verified method for promptly notifying maintenance of malfunctioning or missing barriers. It also proved instrumental for the SHE department in addressing machinery barrier discrepancies among various types of machinery within similar production lines, accommodating differences in manufacturers, manufacturing models, or technologies.

5,106 limits switches

33 production lines

576 machinery equipment

Molto Safety Barriers Plant E06 vs E07



TRAINING & SAFETY CULTURE

Training employees is essential for their own safety, as knowledge acts as a powerful tool in risk reduction. By conducting comprehensive training, individuals become equipped with the necessary information to recognize and address potential dangers, significantly reducing the overall risk of accidents. This fosters a safe environment, filled with employees who contribute to a culture of awareness and cautiousness.

Recognizing this, Edita conducted a comprehensive training program for risk safety assessment to equip its supervisory-level employees with the skills to identify potential hazards in the workplace that could pose risks to employees. The "IOSH Managing Safety" training course encompassed 210 employees, informing them on health and safety risk management. In addition to this, the SHE department conducted over 30,500 training hours for more than 5,000 employees in production plants on subjects related to occupational safety.

Employees demonstrated the ability to assess and comprehend risk factors associated with various tasks, processes, or work environments. They identified risks based on severity and likelihood, prioritizing those requiring immediate attention. Additionally, employees actively engaged in experimenting with and implementing suitable hazard control measures, including the selection and implementation of engineering controls, administrative controls, and the proper utilization of PPE.

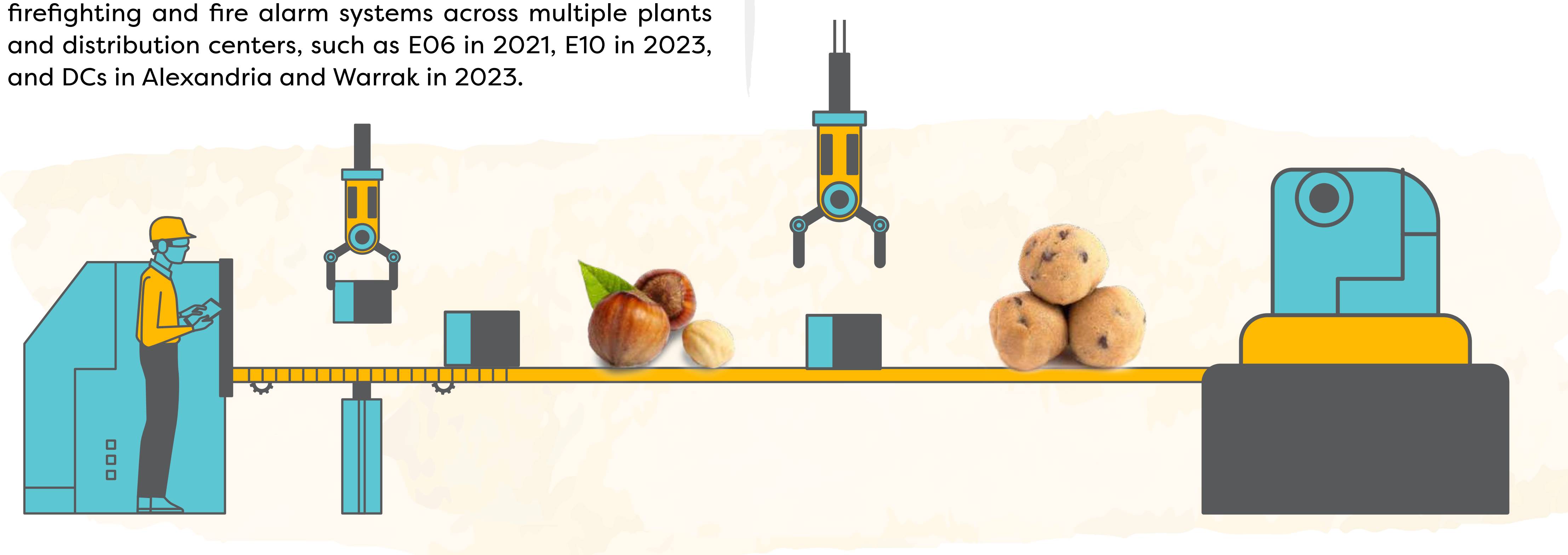
EMERGENCY RESPONSE & BUSINESS CONTINUITY

Renovating firefighting and fire alarm systems significantly enhances the overall effectiveness and reliability of fire safety measures within Edita's facilities. This ensures that emergency response systems align with the latest codes and legislations, which have been designed to elevate the overall standard of fire safety in the organization.

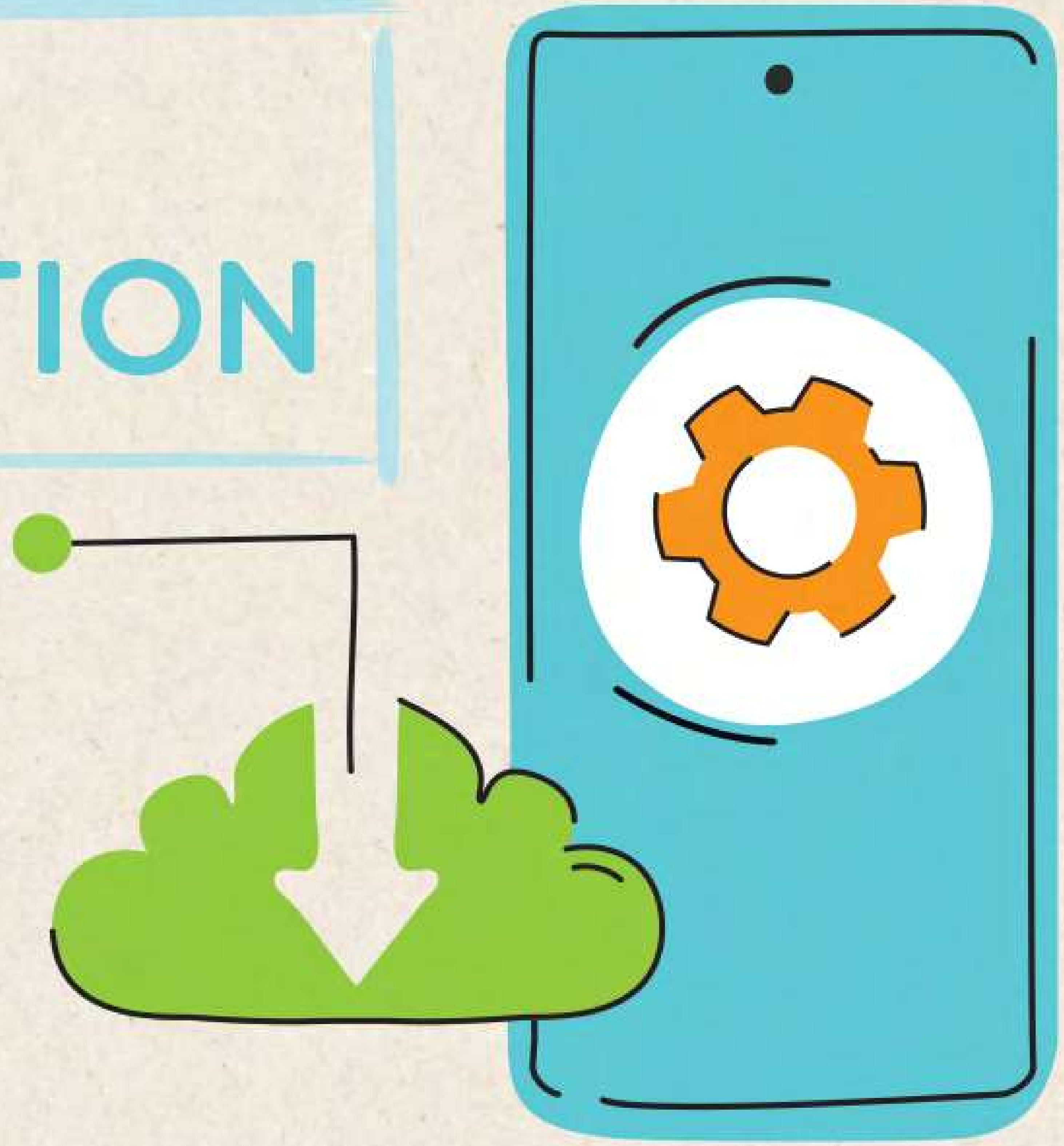
As such, the company regularly monitors renovation and maintenance activities to extend the lifespan of firefighting and fire alarm systems and prevent unexpected failures. In doing so, Edita guarantees the continual operational effectiveness of the systems over the long term, contributing to the sustained reliability of Edita's fire safety measures. Such regular monitoring has led Edita to upgrade its firefighting and fire alarm systems across multiple plants and distribution centers, such as E06 in 2021, E10 in 2023, and DCs in Alexandria and Warrak in 2023.

The outcome of these efforts has been the prevention of unexpected failures, ensuring that the systems remain operational over the long term. Additionally, it has helped the company identify other issues, such as civil defense measures required in E07 and E08 that have been integrated into the company's 2024 action plan.

Moreover, all 14 distribution centers mandated by civil defense authorities to have both automatic firefighting systems and fire alarm systems are currently fully operational. Meanwhile, the remaining distribution centers have been approved by civil defense authorities to be equipped with manual fire extinguishing tools.



DIGITAL TRANSFORMATION



Digital Transformation

Edita's commitment to digitalization has been steadily growing over the years, as workflows and company-wide processes undergo more transformations to embrace digital technologies.

Edita has placed digitalization at the forefront of its operations, recognizing the integral role it plays in the efficiency and optimization of all processes across the company. As such, the company has devised a long-term digital plan that will help facilitate the transformation of culture, ensuring the seamless integration of digitalization into its day-to-day operations. Throughout the year, Edita has set forth many objectives toward this goal, aiming to streamline procedures and ensure accuracy.

100% y-o-y decrease in paper usage

270,000 paper saved on the shop floor

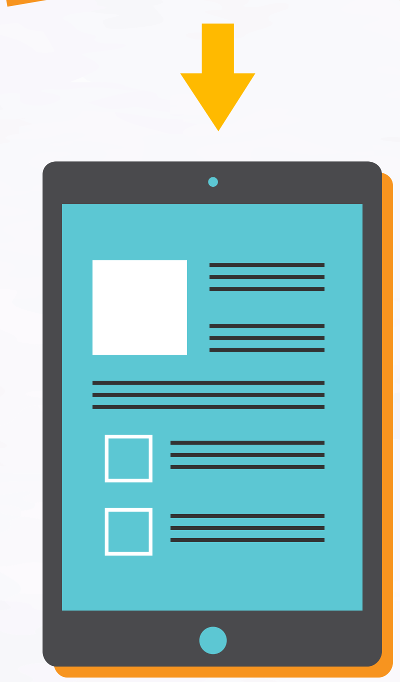
GOING PAPERLESS

A reduction in paper usage falls directly within Edita's sustainability strategy, aiming to reduce the use of unnecessary resources, enhance efficiency, and transition toward more advanced and trusted methods of operational and monitoring tools and technology. In the upcoming years, the company will be implementing a significant number of both ongoing and future initiatives to achieve its paperless targets and goals.

In the span of 2022 and 2023, the company successfully transitioned from traditional hard-copy cards to digital ones. This included the use of digital observation cards, digital firefighting inspection records, and digital SHE reporting.

E07, our biggest factory, is now running paperless. 144 types of reports are now done without the use of paper, all completed using digital tools by 99 trained users. 270K pieces of paper have been saved throughout the year after 31 handheld devices had been activated to support this change, covering 10 production lines.

144 types of reports are now done without the use of paper, all completed using digital tools.



31 handheld devices have been activated to support this change, covering 10 production lines.

2020 & 2021

Edita partners with SAP to launch an upgraded digital solution for sales and distribution, aimed at streamlining processes, which included:

- The implementation of a trust receipt system to reduce paper usage across the network.
- The introduction of an interaction channel for sales representatives, drivers, and managers to communicate while on the road.
- The launch of a live route optimization application to guide drivers to optimal routes.
- A total of 700 devices were utilized across 25 distribution networks.

2022

Updates to the SAP applications:

- The successful incorporation of central functions and processes into the SAP platform.
- The migration of New Product Development (NPD) and Management of Change (MOC) cycles from paper to digital workflows.
- The implementation of QR codes in four of Edita's plants for better traceability and operations.
- The integration of eight processes related to vendor receipt, quality inspection, and supplier evaluation into the SAP application.
- A total of 716 devices utilized across 25 distribution networks

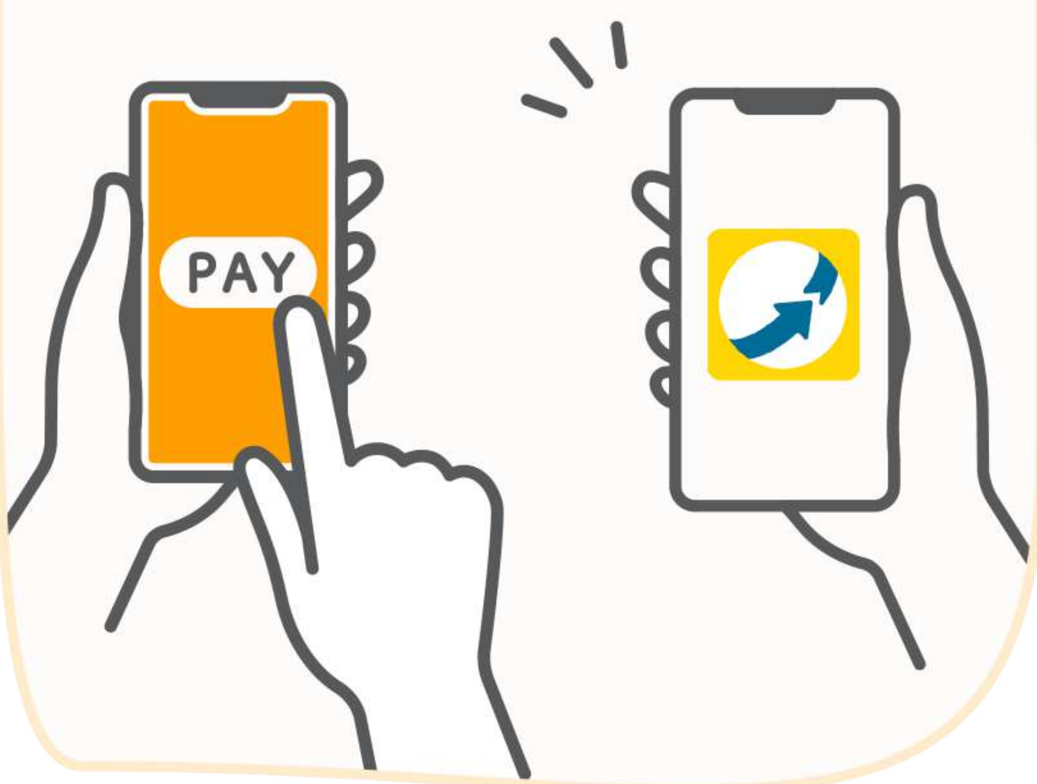
- Edita partners up with Total Energies to acquire fleet trucks equipped with fuel cards, enabling cashless payments and enhancing fleet management efficiency.

2023

- The company established eight systems to supervise the cycles of vendor receipt, quality inspection, and suppliers' evaluation in the quality module (QM) of the SAP platform.
- The central functions and processes management successfully designed and launched the cycles of both NPD and MOC on the SAP platform.
- Edita's largest factory, E07, is now running paperless: 144 types of reports have been completed without paper use, saving 270K pieces of paper throughout the year. This was supported by activating 31 handheld devices to cover 10 of the facilities' production lines.

CASHLESS PAYMENTS AND COLLECTIONS

In late 2023, Edita signed an agreement with Fawry to facilitate cashless collections across its points of sale, enhancing trade cash management and operational efficiency. Through this partnership, Edita will deploy Fawry's fintech solutions to transform its trade cash management processes, enabling distribution and retail partners to deposit sales funds through Fawry's e-payment network, which has extensive reach across Egypt. In addition to this, the integration of Fawry's cutting-edge e-payment services will improve the overall performance of the company's trade cash cycle, streamline its financial transactions, and elevate Edita's operational efficiency to new heights.



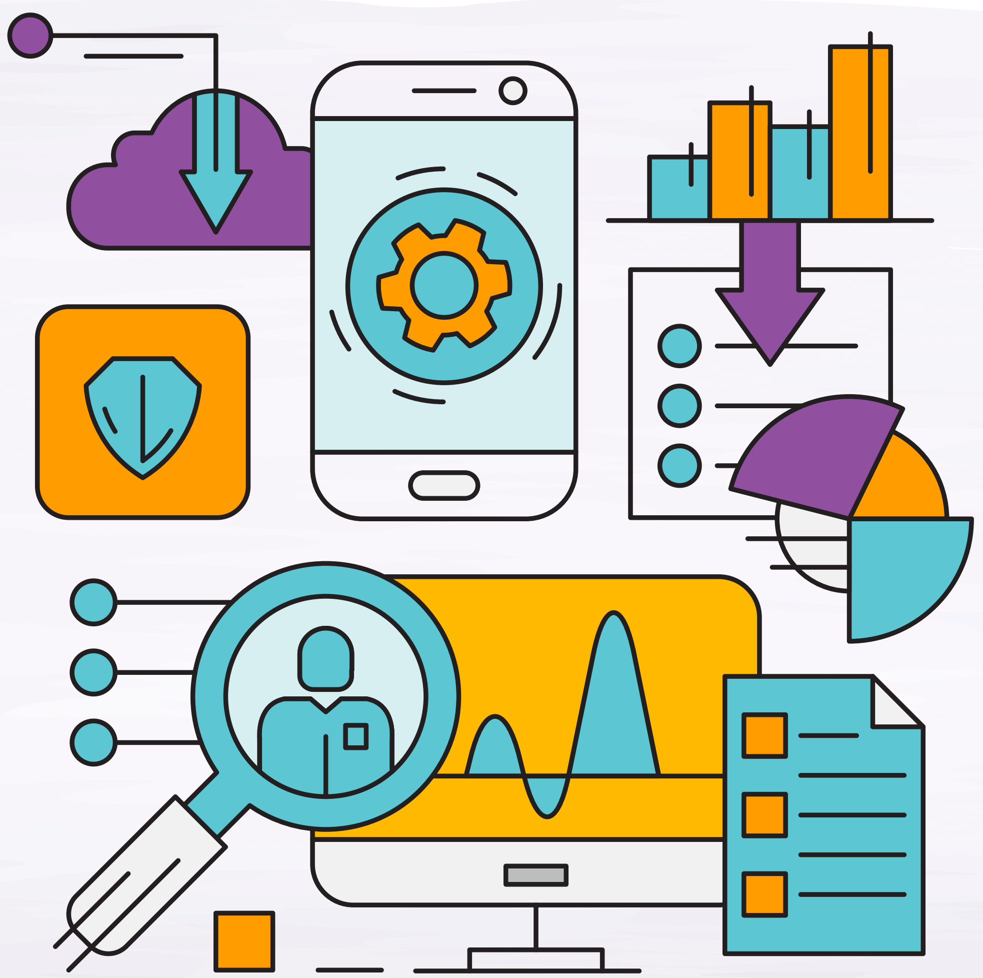
2024 & BEYOND:

- Handheld digital devices are currently being used in the croissant production line pilot to log data, a system that will soon be adopted by all production lines.
- Central functions, including maintenance, SHE, and quality, will be receiving handheld devices to log their periodic measurements, fill their checklists, and follow up their periodic tasks.
- All factories are expected to become 100% paperless, except for E09.
- Edita plans to go green in the shop floors of all remaining four plants
- Digital firefighting inspection is currently being tested in three plants and is expected to be fully operational across five plants in the first quarter of 2024. The scanning tool will have a multi-purpose function, allowing it to include machinery safety checklists applied by the production team and other tasks within its inspection.
- Digital SHE reporting has been successfully tested in two plants, namely E06 and E07, and is expected to be fully operational across five plants in the first quarter of 2024.
- Edita plans to install In-Vehicle Monitoring Systems (IVMS) in 20% of its total sales-owned vehicles by the end of 2024. The IVMS will incorporate features such as GPS tracking, facilitating the location of a vehicle in cases of theft or emergencies and generating alerts for speeding, harsh braking, or other unsafe driving behaviors, thus encouraging drivers to adhere to safety protocols.

QR CODE IDENTIFICATION SYSTEM

In 2023, Edita fully integrated the QR code identification systems across all its distribution centers, building on the success of systems implemented across its plants in 2022. This barcode identification system has been effective in addressing errors associated with manual data logging by automatically assigning a posting date to each barcode serial number, seamlessly linking it with its corresponding processed order. The SAP system also facilitates the automatic printing and recording of all associated data.

To enhance the streamlining of processes further down the supply chain, each of Edita's storekeepers has been provided with a handheld device tailored for scanning barcodes and extracting all essential information pertaining to the batch they are managing. This information encompasses details such as the batch number, posting date, order number, and more. As such, the system substantially contributes to the traceability of products throughout the entire supply chain.



ONLINE PERFORMANCE PROJECT

In 2021, handheld devices were trialed and distributed to employees at Edita's E07 plant. Following the successful trial, they were implemented across the entire plant, covering all 10 production lines and central functions, including quality, maintenance, and safety, in 2023. The project has proven efficient in standardizing forms and data input, improving data accuracy, reducing documentation, and decreasing the usage of paper, ink, and photocopiers.

It also saved time and costs. These handheld devices seamlessly integrated with the SAP application, facilitating faster data access, extraction, monitoring, and analysis, as well as the complete digitization of production line reports. Building on this success, Edita is determined to extend this technology to all remaining plants, with ongoing plans to implement it across all other plants in the future.

ENVIRONMENT

Energy Consumption

Edita is committed to continually enhancing the processes used to identify, monitor, and mitigate its environmental impact. To achieve this, the company employs various environmental management systems that are crucial for rigorous monitoring, enhancing energy conservation, and promoting responsible consumption across its footprint. With ISO 14001 certification for all seven manufacturing facilities, the company has crafted a specialized SHE manual, imparting adaptive best practices, including environmental sustainability. To minimize environmental risks from operations, the company also heavily relies on the Edita Risk and Environmental Management System (eREMS). Each system uniquely contributes to Edita's commitment to conserving energy resources.

MONITORING ENERGY CONSUMPTION

Monitoring energy consumption enables organizations to detect inefficiencies and implement the necessary strategies to reduce energy usage. At Edita, we have found that annual benchmarking serves as a valuable tool for identifying areas in need of improvement and for establishing targets in our pursuit of long-term sustainability goals.

A specialized energy profiler has been developed across various plants to monitor and benchmark the consumption of all equipment within production facilities. As part of this process, each plant is provided with a scorecard to easily identify deviations in measurements. This helps maintenance teams in tracing the root causes of overconsumption of natural gas and increases in our carbon footprint. An example of this monitoring is the examination of emissions from oven burners used in production lines. Additionally, another method of investigation involves inspecting compressed air networks in Edita plants, further enhancing the overall monitoring and benchmarking efforts.

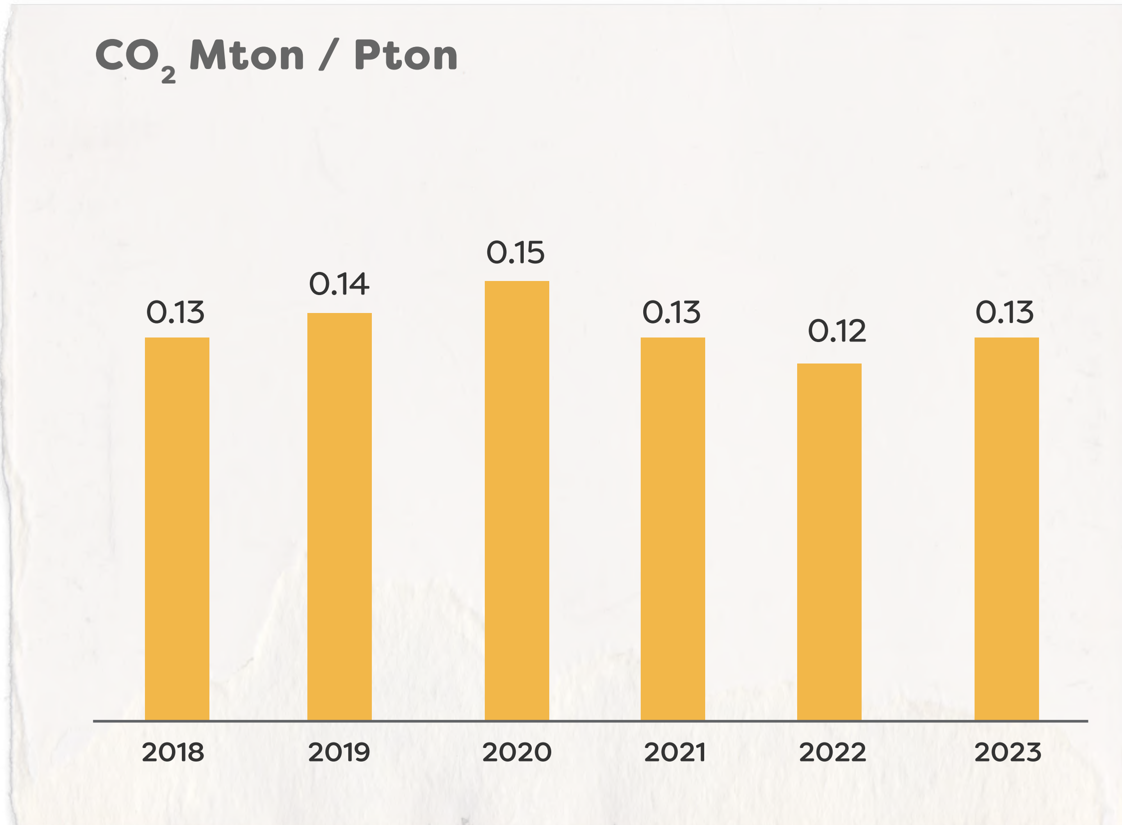
ACTION PLAN

Edita has established a list of actions to address excessive energy consumption and carbon emissions. This includes regular maintenance protocols and immediate attention to any detected leakages, ensuring a proactive stance in equipment upkeep. Additionally, over 50 burners have undergone rigorous testing for carbon monoxide (CO) emissions, facilitating the early detection of abnormal releases and equipment malfunctions. In addition to burner testing and maintenance efforts, a heat recovery system has been implemented across chocolate production lines.

OUTCOME

Burner testing and maintenance efforts have enabled prompt and effective responses to prevent potential issues. Moreover, analysis of the scorecards revealed that all plants achieved notable improvements in energy conservation and carbon emission reduction compared to production capacity due to Edita's new developments across its plants. In addition to this, the implementation of a new heat recovery system, which uses instant closing technology, lowered the energy consumption required to cool various sub-assemblies from 80°C to 25°C. These innovations resulted in substantial savings in kilowatt-hours per batch, translating to an overall 40% increase in capacity savings across all plants.

These initiatives also lead to substantial cost savings on utility bills, thereby enhancing overall operational efficiency. Beyond company benefits, the reduction in energy and water consumption has a positive impact on the environment, including lowering GHG emissions and minimizing water usage, in turn aligning with broader sustainability goals.



"All these tests have confirmed that Edita is compliant with environmental regulations regarding the release of pollutants into the air."

EDITA'S CONSUMPTION IN 2023

Energy Consumption in 2023

Utility type	Unit	2021 Consumption	2022 Consumption	2023 Consumption	Change Rate (2023–2022)	Reason
Grid Electricity	MwH/ production ton	0.47	0.46	0.48	4.35%	Higher production levels
Natural Gas	M^3/Pton	81.19	82.79	80.64	-2.60%	Enhanced energy preservation method
Carbon Dioxide	Mton/Pton	0.13	0.12	0.13	8.33%	Due to a different source of energy consumption

Carbon Emissions across factories

	E06	E07	E08	E10	E15
No. of burners off spec	4	9	0	2	0
Average of spec readings (CO)	835	1,519	0	548	0

2023 vs 2020

33% increase in production

11% decrease in CO_2 footprint

ENERGY CONSERVATION ACROSS PLANTS

Preventive maintenance for compressed air networks is pivotal in conserving energy and enhancing overall system efficiency. However, these procedures can be energy-intensive, and inefficiencies within the systems may result in unnecessary energy consumption and increased operational expenses. As time passes, compressed air systems may develop air leaks, leading to considerable energy loss. Regular preventive maintenance programs typically incorporate routine leak detection surveys to swiftly identify and repair leaks. By promptly addressing these leaks, the system's overall efficiency is improved, reducing the need for continuous air compressor operation to compensate for lost pressure.

A thorough inspection of the compressed air networks in Edita plants resulted in a list of actions aimed at maintaining leakages, leading to significant consumption savings throughout the year.

585 Mtons of carbon saved in 2023

2,512,963 kMh consumption saved in 2023

4% annual electricity consumption avoided

	E06	E07	E08	E10	E15
Number of points	**121**	**105**	**17**	**15**	**13**
Avoided consumption KWh/year	1,109,752	992,528	142,840	125,003	142,840
Avoided cost/year (EGP)	1,651,000	1,478,867	212,506	186,000	212,506
Plant average consumption	17,867,775	26,003,444	8,110,750	7,012,140	3,621,327
Percentage of consumption savings / year	6.21%	3.82%	1.76%	1.78%	3.94%
Carbon emission avoided (Mtons/year)	259	231	33	29	33

PRESERVATION THROUGH EFFICIENCY

At Edita, we recognize the significance of preserving energy. Therefore, the company has implemented stringent policies to monitor our energy consumption, enabling the development of increasingly effective conservation strategies. Our primary focus is on reducing GHG emissions and ensuring the continual preservation of resources as part of our overarching optimization plan.

The company utilizes monthly scorecards to oversee its consumption, individually tailored for each plant and centrally calculated. These scorecards outline the operational and consumption targets for produced tonnages and Edita snack food categories. They are regularly reviewed, monitored, and compared against set targets and previous year's results. They also provide justifications and recommendations for enhancements, assisting the team in addressing any deficiencies, discrepancies, or breaches, and facilitating updates to management. The team also uses the scorecards to explore areas for potential energy savings and emission reductions, subsequently incorporating their findings into the Energy Saving Action Plan (ESAP). Furthermore, Edita schedules a comprehensive energy audit every other year, conducted by a third-party consultancy, to identify potential opportunities.

Looking Ahead

Edita remains committed to prioritizing energy preservation and emission reduction targets in its strategic initiatives. Recognizing that significant growth is unattainable without a commitment to sustainability and environmental consciousness, the company actively implements concrete plans to ensure its resources align with these principles.

The company is determined to further reduce emissions by enhancing production efficiency and enacting multiple energy conservation initiatives. Edita is actively exploring the centralization of utilities and production operations to optimize resource utilization. This will be achieved through consolidating chillers with standardized setpoints, reassessing the design and dimensions of compressed air networks to minimize pressure drops, reviewing compressed air usage practices, evaluating compressed air storage capacity, implementing variable speed drives, and introducing economizers to reduce electricity consumption by expanding utilization.

Edita is exploring various methods to reduce consumption, including the widespread implementation of its existing steam boilers across facilities. These boilers effectively heat water with steam, subsequently increasing the temperature of the target vessel. Additionally, the company plans to leverage the technology of its latest heat recovery systems, which facilitate instant cooling and reduce the energy consumption needed for cooling various sub-assemblies.

Water Usage

Edita's approach to resource conservation centers around minimizing water usage while embracing recycling and upcycling. In efforts to support this, the company has implemented a rigorous consumption plan aimed at promoting water conservation across its various operations. This involves conducting internal awareness campaigns, enhancing target consumption levels in specific plants, and installing water meter gauges to monitor and regulate usage.

By installing water flow meters for each area, including locker rooms, bathrooms, production areas, and utility areas, the company has been able to monitor water consumption and identify the root causes behind excessive water usage. This enables the company to benchmark against annual targets, reduce its environmental footprint, and continue its eco-conscious path.

Edita has implemented various wastewater treatment and water saving initiatives aimed at enhancing utilization rates. One example of this was the hard candy cleaning optimization initiative, which recycled caustic soda in the tank. Another example was in the Freska line, which used a chemically developed substance to clean and sanitize materials in a significantly shorter amount of time.

The optimization efforts resulted in substantial savings, including a reduction of 448 kg in caustic soda usage, a 25-minute decrease in cleaning time, and a 45 m^3 reduction in water usage. Similarly, the use of upgraded materials led to a two-hour reduction in cleaning time and saved 20 m^3 in water consumption. Collectively, along with other water-saving projects, Edita successfully reduced downtime for releasing production lines after cleaning by more than 640 hours. Furthermore, the company achieved other significant savings, including a reduction of over 800 kg in cleaning chemicals and a decrease of more than 250 m^3 in water consumption.

3.70 m^3 /production ton – Average water consumption in 2023

>640 hours saved in cleaning time

>800 kgs saved in cleaning chemicals

>250 m³ reduced in water consumption

AIMS AND TARGETS

Edita remains committed to its water conservation journey by actively pursuing more efficient and practical solutions to reduce water usage during changeover and startup operations. With a dedicated quality team, the company consistently seeks opportunities to reassess and enhance methods, contributing to overall water conservation efforts on a broader scale. Moreover, in alignment with regulatory requirements and the guidelines set by the IFC, the company is in the process of installing more water treatment plants across its E15 facility. Furthermore, it is actively seeking consultancy services to commence work on installing water treatment systems at its E07 and E08 plants. On this front, the company has already implemented measures to control effluents from its plants before discharge. As of 2018, two of the plants have already been covered under this initiative. Edita plans to extend this coverage to all five plants by the year 2026. Edita has already signed a contract to execute a 75-m^3 wastewater treatment plant in Edita Confectionary Industries in Beni Suef, with the project scheduled to commence in July 2024.

Water Consumption in 2023

2021	2022	2023
3.35 m^3/production ton	**3.57** m^3/production ton	**3.70** m^3/production ton

Waste

In 2023

127,602.2 tons Edita's overall production (+2.29% from 2022)

867 tons Waste produced (-24.2% from 2022)

0.69% Percentage of waste out of overall production capacity (0.91% from 2022)

WASTE MINIMIZATION EFFORTS

Waste minimization stands as a crucial component within Edita's sustainability framework. As such, the company maintains its targeted percentages through continuous monitoring and efficient tracking, which have proven instrumental in identifying areas of weakness and inefficiency, enabling Edita to consistently reduce waste production.

Over the years, the SAP monitoring system has been the company's preferred tool for evaluations. By setting annual targets for each production line and product category, and monitoring performance at each stage, Edita continues to reduce waste production rates and enhance efficiency. In the year 2023 alone, the company successfully lowered the percentage of waste in its total production capacity by 24.2%. This achievement was made possible as each of Edita's plants met their annual targets, aligning with the maximum amount of waste allowed per category for each facility.

The company continues to advance its waste minimization strategy by setting increasingly ambitious yearly percentage improvements for each production line. Furthermore, the company actively incorporates additional statistical tools to enhance monitoring capabilities, ensuring prompt detection and response to any issues that may arise. This is only the beginning of new focus on waste minimization, and Edita is dedicated to developing an even more comprehensive long-term waste control plan that will unfold in the years ahead.

WASTE DISPOSAL MANAGEMENT SYSTEM

Edita follows the standard operating procedures (SOPs) for waste management, offering a systematic approach to the process, documentation, and disposal procedures necessary to improve sustainability levels. This waste disposal management method enables the company to track the routes of various types of waste, such as cartons, papers, expired products, production waste, scraps, and consumables. All waste undergoes the recycling process, leading the company to engage only with waste disposal companies that comply with the system's requirements and possess a registered license for collecting and recycling waste.

In this process, Edits ensures the collection of all hazardous materials in a designated area, strategically located away from residential areas to prevent any potential harm that it may cause. Waste groups are systematically categorized based on materials, including carton, paper, plastic, chemical, wood, metal, organic, and others. Waste is also sorted according to its level of hazardousness.

The next step in the process involves the assistance of government-authorized companies that transport hazardous materials to specific locations in line with regulations set by the Ministry of Environment. Non-hazardous waste is shredded to prevent human reuse, and it is then sold to authorized dealers as per contracts established with Edita. Any residual waste is collected twice daily and transported to designated waste locations outside the plant by three contractors, each responsible for a specific region: Beni Suef, 10th of Ramadan City, and October City.

SOCIAL

Stakeholder Engagement

Regular and effective stakeholder engagement is central to Edita's overarching strategy, as the company recognizes it as a vital path toward achieving sustainable growth and success.

Edita values consistent and effective communication with stakeholders as pivotal for fulfilling its social responsibilities and fostering sustainable growth and operational development. As such, the company prioritizes flexible and transparent channels to engage stakeholders, aiming to gather valuable feedback through various communication methods, including meetings, surveys, social media, and community events. In 2019, Edita introduced a Stakeholder Engagement Plan (SEP) as part of its Edita Vendor Assessment Plan (EVAP) to address community concerns and ensure transparent resolution of feedback. Since then, the company has consistently benefited from introducing this plan and gaining valuable feedback and insights.

EMPLOYEES

Edita recognizes the crucial role of employees in its success and prioritizes building lasting relationships with them through personalized communication. The company provides multiple communication channels, including emails, newsletters, CEO messages, and departmental meetings, to keep employees informed. Furthermore, Edita regularly conducts climate surveys and administers the In Touch program, allowing employees to express their thoughts and feedback. The company also employs IVoiceUp, a whistleblowing platform that encourages both employees and suppliers to report issues or suggest improvements. These efforts reflect Edita's commitment to cultivating an atmosphere of open communication and inclusivity, which contributes to a positive and efficient workplace environment.

CUSTOMERS

Edita is cognizant of the importance of fostering strong customer-business relationships. As a result, it remains immensely in touch with its consumer base, ensuring prompt and effective communication of all relevant updates. This is achieved through a variety of channels, including its website, social media platforms, and advertising campaigns, to announce product launches, promotions, and other relevant information.

Moreover, Edita places immense value on gathering feedback to continually enhance its products and provide the best possible service to its customers. As such, these communication channels also serve as avenues for customers to share their satisfaction levels and express any concerns or complaints about sales or products through the website or the company's hotline. To efficiently address and resolve complaints, Edita continuously improves both channels to provide quality customer service.

Moreover, Edita evaluates the efficiency of its external communication and customer service through routine market research. A specialized team at Edita's call center conducts monthly surveys by contacting a random selection of customers who had recently interacted with the hotline. The team verifies the resolution of all inquiries and complaints and then assesses customer satisfaction levels. Additionally, the company leverages its customer relationship management (CRM) system to document and address consumer complaints, facilitating the ongoing enhancement of Edita's customer communication strategies and delivery of top-tier support services.

BUSINESS PARTNERS

Edita positions its suppliers, distributors, traders, and contractors as key to its operational success. The company aims to maintain consistent and clear communication with them through its website, advertising and public relations efforts, an annual wholesalers' event, and more interpersonal methods. It ensures that they are informed of their compliance obligations, operational best practices, and health and safety requirements; updated on all the company's important announcements; and rewarded for their contributions to the company. Additionally, Edita conducts monthly surveys to gather traders' feedback to help improve operations and solidify mutually successful business relationships. The survey covers multiple areas relating to the quality of Edita's products, prices, services, and more. It is conducted by a specialized call center team that targets a random sample of the company's traders to measure satisfaction and resolution levels. Through this ongoing communication and feedback process, Edita can strengthen its partnerships and continuously improve its operations, thereby securing the company's sustained success in the long term.

SHAREHOLDERS

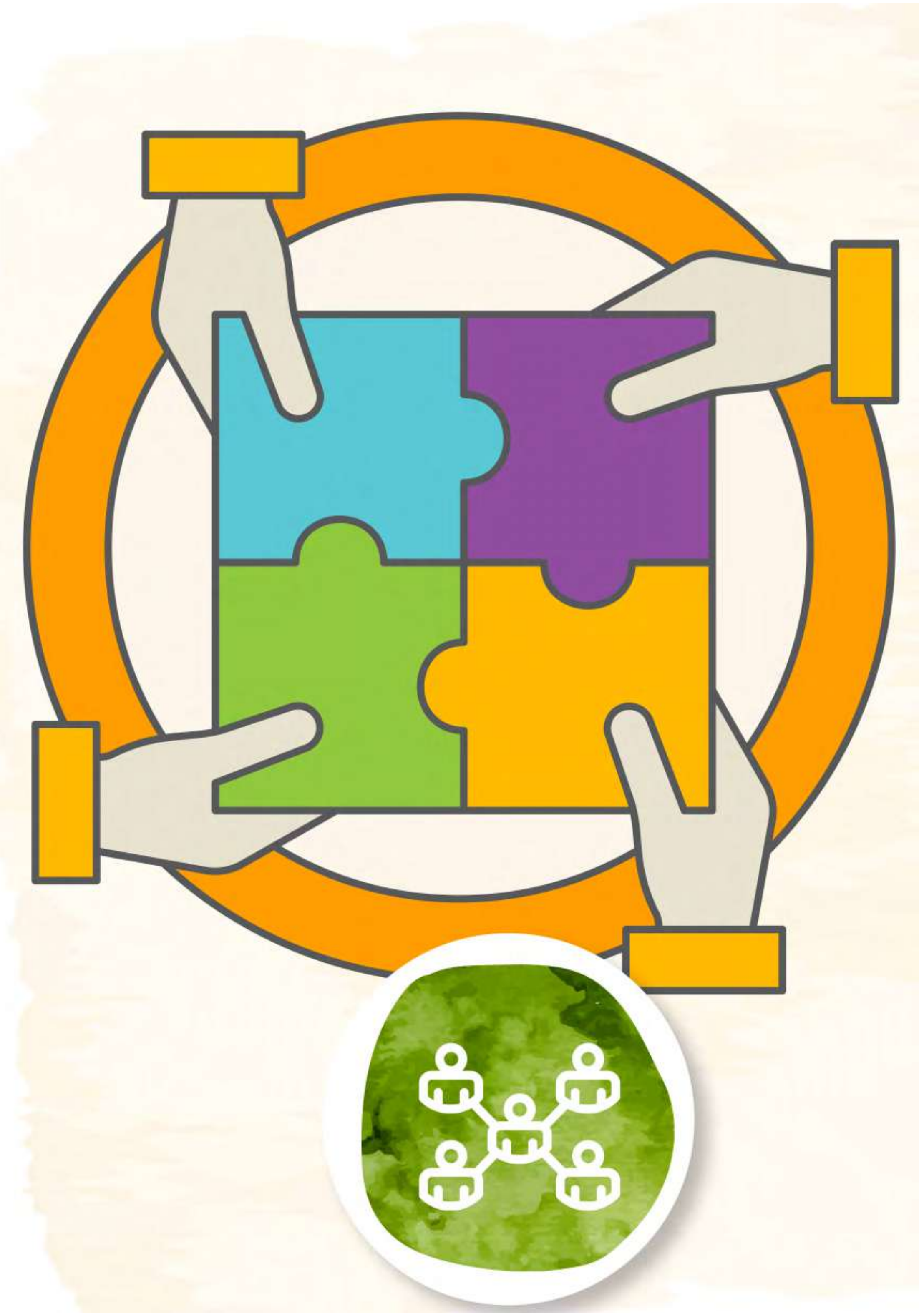
Edita, a company listed on the Egyptian Exchange (EGX), is required to regularly disclose all information related to the company to its shareholders, in addition to publishing its quarterly financial and annual reports. Edita's Investor Relations department fulfills this obligation by keeping the company's corporate and investor relations websites current with the latest information, press releases, news updates, and sustainability reports. The department also organizes an annual shareholders' meeting, as well as one-on-one meetings, investor conferences, and investor roadshows.

GOVERNMENT

Edita strongly contributes to the realization of Egypt's sustainable development strategy, Vision 2030, by embracing sustainable production practices. The company maintains active communication channels with all relevant governmental entities and regulators and ensures that any changes to national laws, policies, and regulations are reflected in its corporate policies. To this end, Edita prioritizes transparency in all interactions, maintaining its reputation as a dependable contributor to the progress of Egypt's fast-paced consumer goods market.

NON-GOVERNMENTAL ENTITIES

Edita prioritizes sustainable and responsible operations and actively seeks opportunities to give back to the communities it serves. To achieve these goals, the company partners up with various standards organizations, industry associations, and environmental agencies to ensure its operations remain environmentally friendly and efficient. Additionally, Edita forms partnerships with non-governmental entities, like Misr El Kheir, Tahya Misr Fund, Magdi Yacoub, and others, aiming to identify potential collaborations aligned with shared objectives of social responsibility and community development. These efforts continue to solidify its reputation as a responsible corporate entity dedicated to advancing society while also meeting its operational targets.



Employee Affairs

Edita is deeply committed to ensuring the well-being and professional growth of its employees. The company invests in safeguarding their rights and supports their development by providing customized training programs and advancement opportunities.

7,069 Total number of employees, excluding outsourcing

1,050 Total number of terminations

9.6% Turnover rate (voluntary)

4.6% Turnover rate (for cause)

LABOR RIGHTS

Edita guarantees that its employees receive lawful and comprehensive rights and fair compensation as per their employment agreements and in adherence to the Egyptian labor law and international standards for fair labor practices. Additionally, Edita ensures that neither the company nor its partners participate in illegal activities, including forced labor, child labor, or any infringement upon human and labor rights. Furthermore, the company fosters a safe work environment by implementing zero-tolerance policies against all forms of discrimination and harassment.

COMPENSATION AND BENEFITS

Edita tailors various compensation schemes for each employee segment, ensuring fair and equitable remuneration in accordance with legal requirements and industry standards. The company also employs additional incentives to acknowledge and reward employees for their valuable contributions to its success.

In 2023, Edita's pay strategy remained unchanged. However, due to economic shifts, inflation, and currency devaluation, special salary adjustments were implemented in July 2023. These adjustments were separate from the regular merit increase typically conducted in January and entailed a 10% increase for blue-collar workers and a 15% increase for white-collar workers.

The company also guaranteed high levels of compensation for its top position holders through special salary adjustments, considering both the criticality of their roles and the average market pay. These adjustments were facilitated by Edita's robust cost-saving initiatives, which targeted reductions in MOH costs and certain CAPEX spending, along with strategic repricing strategies.

Diversity and Inclusion

18% Female employees in management positions

Stringent policies are implemented throughout Edita's operations to combat any form of discrimination, including age, gender, race, religion, disability, or other distinctive characteristics. To ensure that all employees are fully informed of these policies, new hires receive comprehensive briefings on discrimination policies during their onboarding process, with related documents readily available and regularly updated on the company's SharePoint platform. Furthermore, Edita has established trusted reporting and whistleblowing mechanisms, namely IVoiceUp and In Touch, allowing employees to anonymously report any violations. These systems are tied to a strict penalties framework to ensure that any infractions are promptly and effectively investigated and addressed.

To empower its female employees and celebrate them, Edita celebrated International Women's Day by hosting an event for all women in the company and recognized one woman from each department for their hard work.

EQUAL OPPORTUNITY HIRING

Employees and New Hires by Gender*

Year		2021		2022		2023
Employees by gender	**Number**	**%**	**Number**	**%**	**Number**	**%**
Female	264	3.14%	225	3.17%	311	4.39%
Male	8,129	96.85%	6,868	96.82%	6,758	95.6%
Total	8,393		7,093		7,069	
New hires by gender	**Number**	**%**	**Number**	**%**	**Number**	**%**
Female	18	0.67%	41	3%	-	5.37%
Male	8,129	96.85%	1,306	97%	-	94.6%
Total	2,683		1,347		1,153	

**Includes outsourcing*

New Hires by Category and Gender

Year	2021			2022			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
New hires (blue collar)	7	2,618	2,625	21	1,235	1,256	27	994	1,021
New hires (white collar)	11	47	58	20	71	91	26	75	101

New Hires – Management

Year	2021			2022			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
New hires	3	3	6	6	9	15	2	9	11

New Hires by Age Group

	2022		2023	
	Number	%	Number	%
New hires under 30	738	64%	738	64%
New hires over 30	256	19%	415	36%

Edita places strong emphasis on equal opportunity employment as a core component of its anti-discrimination efforts. The company ensures that candidates from all regions of the country are evaluated solely on their qualifications and job experience, aiming to establish equitable representation across its departments and foster a diverse internal culture. Despite challenges posed by the industry's nature, Edita actively seeks to hire suitable female candidates and individuals with disabilities. Cultural barriers sometimes hinder the hiring of female workers for shift-based positions at its plants. To counter this, Edita prioritizes the recruitment of female candidates for fixed-hour roles.

Edita is also dedicated to providing its employees with equal benefits, opportunities, and support. The company diligently works to narrow the gender pay gap within its workforce and invests in empowering its female employees through tailored developmental programs designed to facilitate their progression into leadership and decision-making positions. Furthermore, Edita conducts thorough reviews of all induction materials, policies, and communication resources to ensure the clear promotion of gender equality throughout the organization.

ANTI-SEXUAL HARASSMENT POLICY

Edita implements a rigorous anti-sexual harassment policy, mandating all employees to refrain from making any remarks, gestures, or actions that could be interpreted as sexual harassment. Victims or witnesses are strongly encouraged to report any incidents to the company's Compliance and Corporate Governance department. Upon receiving reports, the department promptly conducts thorough investigations into the alleged violations, and severe, lawful actions are taken against offenders.

ASSESSMENTS, SURVEYS, AND CAREER MANAGEMENT

Career advancement aligns with Edita's strategy to foster the growth of its employees and facilitate their upward trajectory. The company consistently evaluates the knowledge and skills of its workforce and implements job rotation initiatives aimed at preparing employees for future leadership roles, improving business processes, and mitigating monotony.

LEARNING AND DEVELOPMENT

1,041 Overall training attendees

46 Training sessions

20 Training providers

In 2023, the company's training plan demonstrated notable success, encompassing various components that include skill bites, learn with leaders, and functional training. The Learning and Development (L&D) department implemented a diverse array of training methods and tools tailored to meet employees' needs effectively. This included addressing requested technical training to strengthen functional skills, thereby enhancing the quality of work across the organization. Additionally, several soft skills training courses were offered to all Edita employees, further enriching their professional capabilities.

Notably, a new initiative called "Learning Week" was introduced company-wide, catering specifically to white-collar employees across all plants. Furthermore, a comprehensive three-month program titled "Leading the Way" was developed and executed to support first-time managers in navigating their initial managerial responsibilities. A fresh competition was launched, granting all employees access to bite-sized books and audio materials through Edita's e-library, aligning with the organization's commitment to promoting learning in an engaging manner. Moreover, recognizing the importance of fostering teamwork and camaraderie, the L&D department organized various team-building activities throughout the year, emphasizing the company's dedication to learning with enjoyment.

ACADEMY TRAININGS

Edita Sales Academy was on hold this year. However, Edita Manufacturing Academy continued its journey with the blue-collar employees by providing training on the "7 Habits of Highly Effective People."

	2021	2022	2023
TOT trainees	0	6	4
Trained workers at EMA	On hold	246	85
Training days at EMA	On hold	492	170
Trained workers in total so far at EMA	1,237	1,483	1,568
Training days since the launch of EMA	183,892	219,484	2,106

SOFT SKILLS TRAINING

957 Total No. of attendees

21 No. of training topics

2,035 No. of training days

96% Satisfaction rate

FUNCTIONAL TRAINING/ ETHICAL TRAINING

84 Total No. of attendees

26 No. of training topics

14,532 No. of training days

98% Satisfaction rate

OVERALL TRAINING

1,041 Total No. of attendees

46 No. of training Topics

20 No. of training Days

IN 2023

9 Team bonding activities

In 2023, a total of nine team-building activities were conducted, each contributing to fostering camaraderie and collaboration among team members. These activities included five Ramadan activities, held weekly throughout the month, as well as additional events, such as a food truck outing, a caricature session, an eatery cooking competition, and a base camp getaway. Each activity provided a unique opportunity for employees to bond, unwind, and strengthen their relationships outside of the traditional work setting. These engagements not only enhanced morale and team spirit but also promoted a positive work culture.

Consumer Well-being

At Edita, we prioritize the well-being of our consumers. Recognizing our market position and extensive presence, the company ensures that its products adhere to the highest standards of safety, quality, innovation, and ethical communication. By focusing on our consumers' needs, we have built a reputation for reliability and excellence in the industry.

Edita is steadfast in its commitment to delivering unparalleled quality through the seamless integration of efficient and innovative systems across every stage of the product development journey. From the initial creation to final delivery, Edita vigilantly pays attention to the handling of its products, complying with the highest standards that meet consumers' expectations. These systems encompass a robust supply chain framework, ongoing developments to product lifecycle management and quality control systems, and a dedicated Research and Innovation (R&I) department. By using these technologies and systems, Edita continues to bring to market a new, exciting, and improved product mix.

PRODUCT SAFETY AND QUALITY MANAGEMENT

Edita's dedication to producing high-quality products extends to its compliance with strict food safety and quality standards. Edita is registered on the whitelist of the National Food Safety Authority (NFSA), and the company regularly benchmarks its operations against the best international guidelines and practices in production value and care. To this end, Edita has obtained four primary food safety and quality management certificates across all seven of its state-of-the-art plants in line with both local and global best practices.

The certifications are:

- Food Safety Management System (ISO 22000)
- Quality Management System (ISO 9001)
- Food Safety System Certification (FSSC 22000)
- HALAL Food Certification

In addition to this, the company's factories are located at a safe distance from residential areas and undergo regular audits to guarantee the safety of surrounding communities and compliance with the highest standards.

RESEARCH AND INNOVATION

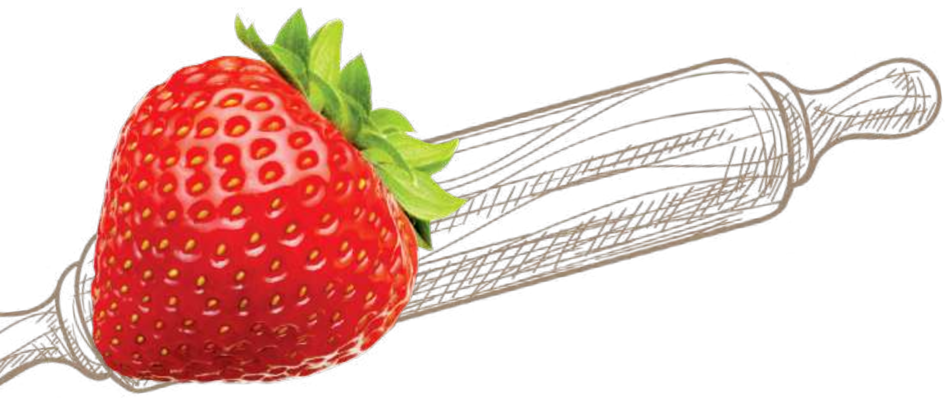
Since its inception, Edita's dedicated R&I department has continuously introduced a variety of safe and delicious products, always keeping its consumers eagerly awaiting the latest releases. The department is responsible for conducting lab work, developing prototype samples, and conducting scale-up trials to ensure that products are ready for the market. Furthermore, the R&I department assesses factors such as shelf life, production capabilities, and labeling to guarantee that its products meet regulatory requirements set by the National Food Safety Authority (NFSA) and the Egyptian Organization for Standardization and Quality (EOS). By persistently capitalizing on these proven methods, the company is determined to stay ahead of market trends through launching its unique and innovative products. More recently, the company unveiled its first-ever vegan product under the Freska brand, offering healthier alternatives and catering to the diverse needs of consumers.

NUTRITIONAL VALUE

Edita is committed to improving the nutritional content of its snack foods to prioritize the health and well-being of its customers. As such, Edita only uses natural ingredients and does not incorporate synthetic flavors or colors in its production process. In 2019, the R&D department began an initiative to replace partially hydrogenated fats with non-hydrogenated fats across its product lines. Currently, all Molto and Freska SKUs and many of Edita's cakes have already undergone the change, with the rest of the company's product lines following suit. Edita's Molto range is now free of hydrogenated fats, and in 2021, the NFSA approved it to be labeled as such. The R&I department continues to explore the diverse ways of enhancing its product mix and reducing sugar and salt content, aiming to bring to market a healthier and more nutritious snack.

ETHICAL MARKETING

Edita's marketing framework is built on the pillars of transparency, openness, and honesty. As a part of this framework, Edita is dedicated to offering customers platforms to share their feedback and concerns through its hotline and social media channels. The company has embraced a no-censorship policy on its social media platforms, except for inappropriate content, fostering an environment where customers can freely express their opinions and engage in constructive dialogues. Valuing customer input, Edita actively integrates feedback into its business practices.



edita
Foundation For Social Development

Edita Foundation for Social Development

The Edita Foundation for Social Development is committed to improving the lives of both individuals and families in its surrounding communities through initiatives that provide long-term impacts.

In March 2020, Edita established the Edita Foundation for Social Development with the aim of enhancing the company's social impact and consolidating its various CSR initiatives in Egypt. This foundation was launched to further the company's mission and vision by centralizing its longstanding social efforts under one entity. Since its inception, the foundation has implemented numerous projects focused on healthcare, education, and COVID-19 relief efforts.

Actively committed to supporting the communities it operates in, the Edita Foundation collaborates with various social organizations to empower vulnerable individuals. The company considers these partnerships essential for engaging with the communities around it, reinforcing its commitment to prioritizing people.

The foundation centers its activities on promoting social development and sustainability in Egypt, particularly emphasizing education and healthcare. It aspires to lead in community service and giving back to the people. Its social responsibility initiatives encompass sponsoring and participating in projects related to educational development, healthcare provision, and community support. Additionally, the foundation contributes to its efforts by donating its popular snack products.

CSR Initiatives in 2023

Collaboration with Al-Khair and Baraka and the New Woman Foundation

The Edita Foundation for Social Development partners up with Al-Khair and Baraka charity organization and the dedicated New Woman Foundation. The project, funded with a donation of EGP 3 million from Edita Food Industries, aims to address chronic malnutrition-related growth impairment in Ezbat Khairalla and Asmarat over a 30-month period.

Collaboration with Baserty Foundation

The Edita Foundation for Social Development is cooperating with the Baserty Foundation to sponsor a two-year Higher National Diploma Scholarship offered to a minimum of 20 graduates from technical schools chosen based on a thorough joint selection process. Each student will receive EGP 330,000 per year as fees for two years, totaling EGP 660,000, in addition to a three-month training program at one of Edita's plants each summer. At the end of the two years, Edita plans to hire up to 15 of the top graduates.

Blended Learning Journey

Throughout 2022 and extending into 2023, the Edita Foundation collaborated with Educate Me to sponsor their one-year blended learning program, designed for public school educators and principals. The aim of this partnership was to benefit over 5,000 individuals within the program's reach.

100 teachers were chosen to participate in the course, which emphasizes equipping educators with crucial skills necessary for navigating both in-person and virtual learning environments. The program is designed to foster active, collaborative, and constructive learning environments. It comprises two levels of training, along with digital literacy team training, supplemented by coaching and follow-up sessions.

100	Educators trained
97	Schools
5,000	Students

School Transformation Journey

The Foundation kicked off the School Transformation Journey program in 2019 for governmental schools, seeking to improve the student's learning outcomes academically and socially by developing the different pillars of the educational process and building a support system in schools.

Over the span of three years, the program trained teachers, counselors, school administrators, and educational leaders from the Ministry of Education on means to enhance students' self-learning capabilities, as well as cognitive and psychological development. Its goal was to transform schools into independent learning entities by 2022.

The second phase was launched in 2020, where both in-person and virtual trainings were held in compliance with pandemic restrictions. The program came to an end with its third phase, executed in 2022, which focused on implementing activities that ensure the program's sustainability beyond Edita's presence, as well as make sure that parents continue to constitute a foundational pillar of the educational process.

41	Educators benefited
54	Training days
211	Training Hours
2050	Students

BUSINESS CONTINUITY

Business Continuity

Over the years, Edita's dynamic and resilient business model has successfully navigated through increasing inflationary pressures and devaluations, thanks to its repricing initiatives, strategic regional expansion, and export growth strategies.

In 2023, Edita remained committed to its business model, effectively managing inflationary pressures by implementing direct and indirect price increases, reconfiguring products, and migrating consumers to higher price points. By offering a diverse range of sizes, including downsized and upsized variations, as well as enhanced value propositions, the company catered to various income groups, ensuring accessibility to its products at lower and higher price points. These initiatives maintained uninterrupted demand for Edita's products, bringing in strong revenues and maintaining profitability.

In addition to this, the company continued to adapt to evolving consumer trends, introducing over 30 new products across all its segments – owing to the efforts of its R&I team. These offerings featured exciting new flavors and differentiated products that quickly gained traction in the market. Edita's ongoing ability to innovate and deliver unique, delicious treats strengthened its leading position, enhanced its competitiveness, and expanded its consumer base.

The R&I department also played an integral role in Edita's recent penetration into the frozen food segment, growing its market presence, as well as demonstrating the company's agility in diversifying revenue streams and tapping into new market segments.

On a regional level, Edita achieved remarkable success by surpassing the one-billion mark in export sales. This achievement reduced its reliance on the local currency and positioned the company to benefit from export sales, denominated in hard currency, further strengthening Edita's financial stability.

Edita's commitment to staying ahead of market dynamics and consumer preferences, along with its exploration of new segments and geographies, solidifies the company's leading position in the snack food industry. By continually innovating, diversifying its product offerings, and expanding into new markets, Edita ensures its business continuity and sustains its competitive edge in the industry

Future Initiatives

In line with Edita's commitment to sustainability, several initiatives are scheduled for the upcoming years. These endeavors are geared toward bolstering safety, efficiency, and environmental accountability across the organization's operations. Each initiative represents a stride toward Edita's vision of evolving into a more sustainable enterprise.

1. Expansion of In-Vehicle Monitoring Systems (IVMS)

To enhance the safety and security of both drivers and vehicles, Edita plans to install In-Vehicle Monitoring Systems (IVMS) in 20% of its total sales-owned vehicles by the end of 2024. IVMS will incorporate features such as GPS tracking, aiding in locating vehicles in cases of theft or emergencies. Furthermore, the systems will generate alerts for speeding, harsh braking, or other unsafe driving behaviors, fostering a culture of adherence to safety protocols among drivers.

2. Effluent Control and Wastewater Treatment

Edita has already put in place measures to manage effluents from its plants prior to discharge, with two plants included in this initiative as of 2018. The company's objective is to extend this coverage to encompass all five plants by 2026, with a particular focus on wastewater treatment. A contract has been signed to construct a 75-m^3 wastewater treatment plant in Edita Confectionary Industries in Beni Suef, scheduled to commence operations in July 2024, thereby advancing the company's efforts toward sustainable water management.

3. Paperless Operations and Digital Solutions

- All of the organization's factories are expected to become 100% paperless by 2024, except for E09, streamlining operations and reducing paper waste.
- Digital firefighting inspection, currently being tested in three plants, is expected to be fully operational across five plants in the first quarter of 2024. The scanning tool will encompass machinery safety checklists and other essential tasks, enhancing efficiency and safety in the workplace.
- Digital SHE reporting, successfully tested in two plants, is also scheduled to be fully implemented across all Edita's plants in Egypt by the first quarter of 2024, promoting transparency and accountability in environmental and safety practices.

These future initiatives underscore Edita's proactive approach toward sustainability, encompassing safety, environmental stewardship, and operational efficiency. By embracing these initiatives, Edita endeavors to not only mitigate its environmental footprint but also foster a culture of safety and responsibility throughout its operations.

In 2024

20% IVMS in owned vehicles

100% Paperless across six facilities

CORPORATE GOVERNANCE

Organizational Structure

Adopting a new organizational structure marks a strategic evolution essential for Edita's sustained growth and expansion.

As the company continues to diversify revenue streams, deepen its presence across segments, and expand its regional footprint, this revamped structure serves as a robust framework, poised to navigate the differences across landscapes. By redefining roles, the new structure fosters agility and adaptability, ensuring Edita remains responsive to market dynamics and customer needs. It serves as a catalyst for innovation, empowering specialization across the company's many segments, industries, and regions, driving efficiency, and unlocking new avenues for development. This transformative approach not only fortifies Edita's current operations but also lays the foundation for future scalability, propelling the company to unprecedented heights of success and influence in its industry.

Edita Food Industries S.A.E

- Edita Participations Cyprus Limited
- Edita Food Industries Morocco
- Edita for Trade and Distribution
- Edita Foundation for Social Development

- Edita Food Industries Business Unit
- Edita Confectionary Industries
- Edita Frozen Food Industries
- Edita Holding for Investment

**The conversion of Edita Holding for investment into a 159 company is ongoing.*

Corporate Governance

The Board of Directors at Edita consists of leading professionals in the FMCG and financial sectors within the region, bringing extensive experience to the company. These seasoned leaders have been instrumental in elevating Edita from a small family enterprise to a prominent publicly traded entity with a strong business model and rapidly expanding regional footprint.

Throughout 2023, the Board of Directors played a crucial and decisive role in addressing the challenges posed by local inflationary pressures, safeguarding Edita's growth trajectory. Leveraging their business acumen, the Board offered strategic insights and consistent guidance that proved invaluable in enabling the company to achieve and surpass its strategic objectives for the year. Currently, the Board comprises seven members, including two executives and five non-executives, three of whom are independent.

Eng. Hani Berzi

Group Chairman and CEO

Mr. Berzi has 38 years of experience in the food and beverage industry, having started his career in 1986 by joining Tasty Foods Egypt, his family's snack food business. Mr. Berzi subsequently held the position of Sales and Marketing Vice President at Tasty Foods Egypt, after a sale of a part of its shares to PepsiCo, from 1990 to 1992. In 1993, Mr. Berzi founded Digma Trading Co., which is specialized in the distribution of food products. He also founded Edita Food Industries in 1996 and became Chairman of the Board in 2006. Mr. Berzi is also a member of the board of the Chamber of Food Industries, a member of the Egyptian Centre for Economic Studies, Chairman of the Egyptian-Greek Business Council (Egyptian side), Chairman of the Food Export Council, and Board Member of the Export Development Fund. Previously, he was a member of the boards of a number of companies, including Technopack in 1987, Rotopak in 1989, and Egypt Sack in 1997, and he also served as a Board Member of the Federation of Egyptian Industries. He graduated from Ain Shams University (Cairo, Egypt) with a BSc in Computer and Control Engineering.

Mr. Samir Nabih Aziz Berzi

Vice Chairman

Mr. Berzi has 41 years of experience in the food and beverage industry, having started his career by joining Tasty Foods Egypt. In 1986, Mr. Berzi founded Berzi Confectionary, which was later acquired by Tasty Foods Egypt. He subsequently held the position of Industrial Operation Vice President at Tasty Foods Egypt after a sale of a part of its shares to PepsiCo. Mr. Berzi has also established a number of companies, including Digma Trading, a fast-moving consumer goods distribution company, and Edita Food Industries. Mr. Berzi became a Board Member of Edita Food Industries in 1996. He is also the Chairman of Digma Trading and Edita Confectionary Industries; a member of the American Chamber of Commerce; a Board Member and shareholder of Le Pacha 1901; a Board Member and shareholder of Mirage Hotels S.A.E, which owns the JW Marriott at Mirage City; and a Board Member and shareholder of Sakkara Tourism Investment S.A.E, which owns the Mirage City compound in New Cairo. He graduated from Cairo University (Cairo, Egypt) in 1982 with a BA in Commerce.

Ms. Fatma Lotfy
Board Member

Ms. Lotfy has been a member of Edita's Board of Directors since 2015, with over 37 years of commercial and investment banking experience under her belt. Since she began her career in the late 1980s, Ms. Lotfy has held senior and key executive positions in a number of renowned international and local banks, and she sits on the boards of several large-scale financial institutions. Since 2015, she has been a Board Member of Credit Libanias Beirut, and she is currently the Chairperson of EFG Hermes Finance. Prior to that, Ms. Lotfy was the Deputy Chairperson and Managing Director at Bank Audi Egypt, the First Deputy Chairperson and Managing Director at Alexbank Intesa San Paolo and Managing Director and Board and Executive Committee Member at Al Watani Bank of Egypt (currently NBK Egypt), in addition to several other senior positions at various institutions including the Commercial International Bank (CIB). Ms. Lotfy is also highly engaged in her role as an active corporate citizen through her activities as a member of the Egyptian European Council, the Young Presidents Organization (YPO), the Egyptian British Chamber of Commerce, and the Egyptian American Chamber of Commerce, in addition to being an active member of the Economic Committee of the Women's National Congress.

Mr. Hussein Choukri
Independent Board Member

Mr. Choukri is among the pioneers of Egypt's investment banking sector. He joined the Investment Banking department of Morgan Stanley in New York as an Associate in 1980 and acted as Managing Director from 1987 to 1993. In 1993, he became its Advisory Director and served in this capacity until 2007. In 1996, he established HC Securities & Investment, which is currently one of the leading investment banks in the Middle East and North Africa. Mr. Choukri is a Board Member of a number of associations and reputable companies, including Holding Company for Tourism, Hotels, and Cinema and the Egyptian-British Business Council (EBBC). Mr. Choukri joined Edita as a Board Member in January 2015. Mr. Choukri is the Head of Edita's Remuneration Committee and is also a member of the Audit Committee. He graduated from Ain Shams University with a degree in Commerce and obtained a degree in Management from the American University in Cairo.

Ms. Sahar El Sallab
Independent Board Member

Ms. El Sallab worked and trained at Citibank Cairo and Athens before spending 28 years working at the Commercial International Bank (CIB), where she assumed the roles of Vice Chairman and Managing Director. She was also the Chairperson of the Commercial International Capital Holding Company (CI Capital) and is currently Chairperson of HitekNOFAL Company and a Board Member at the National Bank of Egypt. After significant private sector experience, she became the Deputy Minister of Trade and Industry for Development and Investment in Internal Trade in Egypt. Ms. El Sallab has been nominated as one of the 100 Most Powerful Arab Women 2011 by South African Magazine and one of the 10 Most Powerful Egyptian Women in 2011 by the Egypt Business Directory. Ms. El Sallab is also the Head of Edita's Audit Committee. She graduated from the American University in Beirut and from the Harvard Kennedy School for Management.

Mr. Mounir Fakhry Abdel Nour

Independent Board Member

Mr. Abdel Nour is a veteran banker, industrialist, and public servant. Mr. Abdel Nour first entered government service in 2011 as Minister of Tourism, a post he held until 2012. He rejoined cabinet as Minister of Trade and Industry in July 2013 and went on to serve as Minister of Trade, Industry, and Investment and as Minister of Trade, Industry, and SMEs until he left office in September 2015. Prior to entering government, Mr. Abdel Nour was a banker with Banque de l'Union Européenne and American Express. He founded Vitrac, a leading Egyptian maker of jams, juices, and syrups, in the 1980s and grew the company into a category-defining player with a dominant market share in Egypt and strong export network. Mr. Abdel Nour led Vitrac's sale in 2002 to Hero Group, a leading Switzerland-based, international consumer foods company. Mr. Abdel Nour was Chairman of Hero Middle East from 2004 to 2011. He is currently a Board Member of GB Auto, Domty, and Beltone Financial. His past directorships include service to the Egyptian Exchange (1999–2002), the Federation of Egyptian Industries (2004–2007), the Egyptian Competition Authority (2005–2007), among others. Mr. Abdel Nour holds a BSc in Statistics from Cairo University's School of Economics and Political Science and an MA in Economics from the American University in Cairo.

Mr. Tamir Saeed

Board Member, Representing Kingsway

Mr. Saeed has 20 years of experience in the finance industry, having started his career at Goldman Sachs where he spent eight years in a variety of roles in the firm's Investment Banking, Equity Derivatives Trading, and Principal Strategies groups. Currently, Mr. Saeed is a Managing Partner at Kingsway Capital Advisors LLP, a leading investment management firm based in London, England, specialized in managing institutional capital with a long-term investment horizon and a focus on high-quality consumer franchises in frontier and emerging markets. Aside from Edita, Mr. Saeed is a Board Member of a number of reputable companies in Egypt and the broader region, including Al-Eqbal Investment Company (EICO) in Jordan. He graduated from the University of Cambridge (United Kingdom) with an MA in Economics, and he is a CFA Charterholder.

COMPLIANCE AND CORPORATE GOVERNANCE DEPARTMENT

Edita's Compliance and Corporate Governance department actively safeguards the company against sanctions by ensuring strict adherence to all relevant laws governing its operations. The department's responsibilities include aligning corporate policies with Edita's strategy, mission, and vision, as well as ensuring compliance with government laws, regulations, and mandates. Specifically tailored policies and procedures have been established for Edita Morocco to meet local regulatory standards.

Furthermore, the department keeps employees informed about pertinent laws and corporate policies affecting their roles, covering areas such as securities, antitrust, and environmental regulations, and it oversees their compliance. The department also oversees Edita's whistleblowing channel, ensuring it functions effectively. Complaints received through the whistleblowing channel are handled impartially and confidentially, with the identities of the whistleblowers protected.

A key aspect of the department's role is to stay up to date with new laws and regulations, continually reviewing and updating existing policies to reflect the latest changes. The corporate policy manual, encompassing internal policies and operational procedures, undergoes revisions as needed to remain current. Moreover, the department vigorously examines all contracts and agreements with third parties to ensure alignment with Edita's policies, risk management standards, and legal requirements.

In collaboration with auditing entities, the department works to prevent any illicit activities, such as money laundering, corruption, or terrorism funding, from occurring within Edita.

Code of Conduct

Edita's governance and compliance efforts are supplemented by its professional Code of Conduct, which draws clear standards and guidelines for employee behavior with regards to work ethics, information security, health and safety, compliance with the related laws and regulations, and protecting the company's assets and resources. The code adheres to a stringent standard and provides a comprehensive framework that helps foster a culture of integrity, honesty, and professional efficiency.

NFSA Warehouse Registration

All branches of Edita's Digma distribution network have applied for the first batch registration of the NFSA warehouses' whitelist. In 2022, the company added 17 of its distribution centers to the NFSA whitelist. This guarantees that the company meets all established food safety guidelines and complies with all specifications and standards set by NFSA for food handling.

Custom (ACI)

In accordance with the new Egyptian Customs Law no. 207 of 2020, effective as of November 2020, and its related decree, Edita is registered in the Advance Cargo Information (ACI) system. All cargo data and documents, including commercial invoices, packing lists, bills of lading, and cargo manifests, are submitted 48 hours before the vessel departs from a loading port. All exporters that Edita maintains relationships with are also registered and verified by the ACI system, which has streamlined and fast-tracked customs procedures for export operations to Egypt.

AUDIT COMMITTEE

In accordance with EGX listing rules, the Board of Directors established an Audit Committee to assist in fulfilling its oversight responsibilities. These include reviewing internal and external audit reports, auditing financial statements, monitoring any changes across the Egyptian Accounting Standards (EAS) or the International Financial Reporting Standards (IFRS), as well as monitoring and assessing any assignments deployed to the company's Internal Audit department.

The committee advises on the appointment of auditors and mediates between the Board and auditors when needed. As part of its mandate, the Audit committee ensures that Edita adheres to the recommendations of the auditors and the European Food Safety Authority (EFSA). In addition, the committee is in charge of revising internal audit procedures, as well as Edita's policies and procedures, to comply with laws and regulations. It also supervises internal audit findings and reports potential risks to the Board to ensure an effective risk management process and internal control system are in place.

Audit Committee Members

Name	Attendance
Fatma Lotfy	4/4
Hussein Choukri	4/4
Sahar El Sallab	4/4
Mounir Fakhry Abdel Nour	4/4

REMUNERATION COMMITTEE

The Remuneration Committee develops Edita's policies on pay, compensation, and benefits for the company's employees and senior managers. It also sets the frameworks, terms and conditions of employment of Edita's Chairman of the Board and executive directors and determines their detailed remuneration throughout their employment and upon their dismissal. Furthermore, it ensures that executive directors receive adequate incentive based on their contribution to the company's performance. The Remuneration Committee also makes certain that transparency is exercised between the Board and Edita's shareholders on how remuneration for executive directors is determined. Its quarterly meeting is attended by Edita's VP of HR and Administration, with other directors able to attend per relevance to the meeting's subject matter.

Finally, the committee grants promotions and bonuses in the form of annual profit shares to employees based on their performance throughout the year. For the year-ended 31 December 2023, Edita distributed EGP 300 million from the company's profits to shareholders and EGP 60 million to employees. In addition, annual board remuneration per member is set at EGP 1 million.

Name	Attendance
Fatma Lotfy	1/1
Hussein Choukri	1/1
Sahar El Sallab	1/1
Mounir Fakhry Abdel Nour	1/1

INTERNAL AUDIT DEPARTMENT

Edita's Internal Audit department administers a number of policies and procedures aimed at strengthening the company's compliance efforts and organizational operations by protecting against corruption, promoting ethical conduct, and adding value to the company. In this regard, the department monitors the implementation of several internal anti-violation policies, codes, and regulations; oversees the alignment of company policies with legal regulations and sound business practices; ensures the operation's consistency with business objectives; supervises the company's risk management framework and controls; and works diligently to ensure ethical conduct among employees.

The department is responsible for investigating any reports of wrongdoings, including, but not limited to, fraud, embezzlement, theft, and waste, which may come to its attention as it supervises the company's operations. It also reviews the company's hiring processes to adhere to Edita's commitment to a transparent and merit-based hiring process. Led by Edita's pre-established strategic objectives, the Internal Audit department acts as an advisor and consultant that regularly reviews the company's operations. The department issues exhaustive reports to the Audit Committee, Edita's Chairman, and VPs outlining findings and providing recommendations pertaining to the company's different divisions based on its assessments.

CYBER SECURITY

A strong cyber security framework builds trust with employees, customers, and partners. By knowing that their data is safe and secure, they are encouraged to engage with Edita's digital services. It is essential for securing Edita's continuous innovation and the successful implementation of new technologies and digital transformation initiatives, allowing the company to confidently adopt cloud-based services (SAP, email, and office applications) and other emerging technologies while mitigating associated security risks.

Moreover, a risk-based approach to cyber security helps prioritize investments and ensure security controls are aligned with evolving threats. Effective risk management contributes to a more robust IT governance framework.
During 2023, Edita implemented a Vulnerability Assessment and Penetration Testing program that involves yearly systems and network scans, prioritization of vulnerabilities, and patching/remediation processes. This proactive approach significantly reduces the window of opportunity attackers can exploit in the company's network. Additionally, to safeguard Edita's systems, Information Security perpetually performs internal assessments on digital infrastructure, network, and applications to ensure that the access management process (SAP roles and SharePoint permissions) is controlled, managed properly, and aligned with best practices.

Additionally, a new Security Operations Center (SOC) has been established to monitor network activities 24/7 from a cyber security perspective. This proactive security operations method will stop security threats in their early stages and detect/alert about any suspicious behavior, even over a long-time span. This minimizes the window of opportunity for attackers and reduces the potential damage from a cyber-attack.

Clear and updated policies and procedures establish a well-defined framework for secure IT operations. A new cyber security policy that paves the way to certify Edita as an ISO 27001-compliant organization, and to maintain a strong security posture, is under approval by management. This ensures that security initiatives will support the success of digital transformation and contribute to achieving Edita's strategic goals.

RISK MANAGEMENT DEPARTMENT

In alignment with Edita's recent restructuring and heightened emphasis on fostering a culture of risk awareness, a dedicated Risk Management Department has been established to oversee both financial and non-financial risks. This department systematically identifies, evaluates, and addresses risks on an ongoing basis, proactively and reactively, focusing on potential impacts on current operations and new ventures. The Risk Management Framework at Edita centers around two main pillars:

a) Risk Management and Mitigation: This involves the identification, assessment, and management of various financial and non-financial risks, including strategic, operational, and reputational risks. It also encompasses proposing controls and mitigation plans to minimize losses, conducting risk assessments for new projects before their implementation, and evaluating changes to existing projects along with associated controls.

b) Crisis and Business Continuity Management (BCM): A dedicated focus is placed on crisis and business continuity management, involving the development and maintenance of Crisis Management and Business Continuity plans. These plans include disaster recovery procedures and contingency measures to ensure Edita's ability to respond effectively to unexpected events or emergencies. Coordination with relevant heads during incidents ensures timely and efficient actions, with proposed plans submitted for approval to the Internal Audit Executive Head, Risk Committee, and Group CEO.

The Risk Management Department also prioritizes promoting risk awareness and understanding by communicating relevant information to stakeholders and executives.

APPENDICES

APPENDIX A:

EDITA'S ENVIRONMENTAL MANAGEMENT SYSTEMS AND PLANS

SHE Policies

The Safety, Health and Environment (SHE) manual was created by Edita in 2016, and it consists of a combination of policies and protocols that create a healthy and environmentally conscious work environment. SHE policies are built on the core pillars of property protection, injury prevention, and environmental sustainability, and they provide adaptive guidelines on operational best practices under those pillars for the Industrial Operations department.

eREMS

The Edita Risk and Environmental Management System (eREMS), launched in 2016, is key to minimizing environmental risks. Next to its role in maintaining health and safety across Edita's premises, it monitors the company's consumption, emissions, and waste disposal; ensures that risks are reported and swiftly mitigated; and is regularly updated per internal and external insights. The system's standards include:

- Detailed environmental management policies
- Opportunities assessment systems
- Operational controls
- Monitoring and review protocols
- Management review protocols
- Risk assessment systems
- Environmental accidents investigation protocols
- Emergency preparedness protocols for potential environmental hazards

The system evolves as per changes in local and international best practices, and it grows to encompass new laws, regulations, or guidelines as they are introduced.

ESAP

The Environmental and Social Action Plan (ESAP) is a four-year plan laid out in 2019 to set indicators and expected dates of completion for company-wide improvements. The plan covers tasks that range from employee protection and stakeholder engagement activities to monitoring, supply chain, and wastewater treatment efforts.

APPENDIX B:

SUPPLIER SELECTION AND MATERIAL ACQUISITION FRAMEWORK

1. Evaluating the commodities' market and reaching out to multiple suppliers to request proposals for strategic and additional raw materials, including their supply period.
2. Examining suppliers' documents and certificates, and conducting pre-audits in collaboration with the Compliance and Corporate Governance department.
3. Pre-auditing suppliers' facilities and procedures used across them, as per an Edita's specifications quality checklist.
4. Conducting screenings per the standards determined by the ISO 14001, as well as requesting pesticide tests for all acquired raw materials.

APPENDIX C:

PAY STRATEGY

Blue-Collar	White-Collar	Management
Average between the median and upper quartile of the fast-moving consumer goods (FMCG) market	Average between the median and upper quartile of the general market	Average between the upper quartile and the top 10 companies in the general market

APPENDIX D:

EMPLOYEE BENEFITS

Standard employee benefits that apply outside the few temporary restrictions caused by COVID-19 include social insurance coverage and medical and life insurance coverage, the values of which are determined according to the income level of each employee. Other benefits include a "13th month" bonus payment for all employees in the form of splits distributed on different religious feast celebration days. Promotions and extra bonuses in the form of annual profit shares are also granted to employees based on their performance throughout the year.

Based on job nature and seniority, some additional fringe benefits are offered, including fuel and mobile phone allowances, two meals per day for every blue-collar worker, transportation buses for all employees, company cars for some managers, and further benefits that are determined on a case-by-case basis. In an attempt to support its pool of female employees, the company provides them with convenient maternity leaves that can be extended as unpaid vacations. As a result, all the company's working mothers have returned to work after their leaves had ended.

APPENDIX E:

EDITA'S TRAINING ACADEMIES

Edita Sales Academy (ESA)

Established to refine the skills of the Edita sales team, ESA collaborates with international training entities to deliver top-tier programs to employees.

Edita Manufacturing Academy (EMA)

EMA pioneered the delivery of the industrial version of Franklin Covey's "7 Habits of Highly Effective People." The academy collaborated with FC Egypt to deliver the program across its factories to all blue-collar workers.

Edita Quality Academy

Using the data-driven Six Sigma Methodology to improve its quality processes, the Edita Quality Academy began training the company's Quality and Production Team in 2018 on real-life improvement projects across the plants.

APPENDIX F:

AUDIT COMMITTEE RESPONSIBILITIES

The Audit Committee's primary responsibilities include assisting the Board in fulfilling its oversight responsibilities in connection with:

- The inspection and review of internal audit procedures and the company's system of internal control to ensure compliance with laws and regulations;
- The inspection and review of accounting standards and any changes resulting from the application of new accounting standards;
- The inspection and review of internal audit procedures, plans, and results;
- The inspection and review of the periodic administrative information presented to the different levels of management and the methods of such preparation and timing of submission;
- Ensuring the implementation of appropriate supervisory procedures in order to protect our assets;
- Ensuring adherence to auditor and EFSA recommendations;
- The inspection of the procedures carried out in preparing and reviewing:

1. financial statements
2. offerings relating to securities
3. estimated budgets, cash flow, and income statements;

- Advising on the appointment of auditors to perform services other than the preparation of financial statements;
- The inspection and review of the auditor's report regarding the financial statements and discussing the comments;
- Ensuring the preparation, by an independent financial advisor, of a report concerning any related party transactions before being ratified; and
- Ensuring the application of the necessary supervisory methods to maintain our assets, conduct periodic evaluation of administrative procedures, and prepare reports to the Board.

APPENDIX G:

Edita's Internal Policies and Procedures

Strict policies, codes, and regulations allow Edita to maintain efficiency and transparency across its operations and create a successful work environment where all types of corruption can be swiftly identified and eliminated.

WHISTLEBLOWING

Edita designed a formal policy to encourage employees to report any instances of corporate wrongdoing, irregularities, misconduct, and violations against laws and internal policies. The policy explains how an employee can use the internal system IVoiceUp to anonymously report adverse incidences, suspected corruption, bribery, and any other suspicious activities. It also explains how the complaint will be handled, in reassurance on how seriously Edita handles all submitted grievances. Furthering its anonymity pledge, the policy also clearly states that under no circumstances will whistleblowers be pursued for their submissions or will the process affect their careers at Edita.

ANTI-BRIBERY/ANTI-CORRUPTION (ABAC)

Edita has a strict, zero-tolerance policy in place against all forms of bribery, kickback, and corruption, which it defines as employees using their official positions for personal gain. Under the company's Code of Conduct, any individual who receives any form of bribery or commissions — offering or receiving any material of value for the purpose of incurring change in personal behavior or professional decisions — will be penalized. Employees should not provide or seek to obtain any valuable exchanges with customers, suppliers, individuals, or institutions that are involved in a business relationship with Edita, and they must not accept, directly or indirectly, any offering that is intended to alter business decisions.

GIFTS

Under its HR policy, Edita clearly states that employees are not permitted to accept gifts from other employees of the company, or from entities that the company is in business with. Symbolic gifts of a specified lower value are excluded from the policy, with the HR department available to advise on individual cases.

INFORMATION SECURITY

Under this policy, Edita describes the minimum level of information protection that must be implemented across its operations to mitigate risks that stem from the theft, loss, misuse, damage, or abuse of company assets. The policy also explains the responsibility of Edita's people in protecting the confidentiality and integrity of the data they handle at all times. Through strict adherence, Edita strives to protect its information and data banks, maintain adequate regulatory compliance, and ensure business continuity. More details on the company's related efforts can be found in the Information Security and Data Protection section.

PROJECT MANAGEMENT

Edita created this policy to homogenize its project management protocols and ensure that all its projects follow a consistent framework across their versatile phases. The policy insists on clear project ownership and employs methodologies that facilitate successful delivery against clear time, cost, and quality parameters. Since implementation, this policy has proven essential to Edita's success, and it has assisted the company in streamlining operations for better results.

MANAGEMENT OF FIXED ASSETS

A consistent growth in its fixed assets has prompted Edita to enforce a policy that helps it monitor asset location, quantity, condition, maintenance, and depreciation status. The company believes this to be crucial for financial accounting purposes, as well as beneficial in safeguarding assets against theft, corruption, and misuse.

APPENDIX H:

FINANCIAL AND NON-FINANCIAL DISCLOSURES

Edita is listed on the Egyptian Exchange (EGX) and the London Stock Exchange (LSE), and it strictly adheres to the listing rules of both entities. It is also subject to their disclosure requirements, and it accordingly submits annual and quarterly financial statements that follow the directives of the EAS and the IFRS. Notice of all materials published is mandatory to the EGX, the LSE, and the Egyptian Food Safety Authority (EFSA), and all publications are made easily accessible to Edita's stakeholders and the wider public through the company's website and at least two local daily newspapers. Edita's corporate affairs are also governed by the Egyptian Companies Law, Egyptian Capital Market Law, and all other laws applicable to Egyptian companies.

Non-Financial Disclosures

Company goals, strategies, and plans
Employee care, learning, and development
Ownership structures of sister companies and subsidiaries
Transactions with relevant third parties
Potential risks and risk management techniques
Disclosure to shareholders and regulators on stocks
Periodical, timely reports to the EGX and the LSE
Disclosure of board decisions and reports
Disclosure of decisions of the General Assembly

APPENDIX I:

A SUMMARY OF EDITA'S CODE OF CONDUCT

The code introduces the laws governing Edita and requires its employees to bear the responsibility of understanding and complying with these laws and any other regulations relevant to Edita's operations, as well as all the company's policies and procedures. The Work Ethics Code is part and parcel of Edita's essential values that govern the employee's actions and behaviors. Such values include integrity, distinction, respect, commitment, enthusiasm, team spirit, and communication. Employees are expected to perform all operations with honesty and integrity with work colleagues and companies dealing with Edita. This includes prohibiting the stealing of information, unethical commercial practices, forging or concealing information, or any other kind of falsification.

The code requires Edita to take all necessary procedures to protect its employees against any unfair privileges or defaults resulting from discriminatory factors. It also prohibits bribery, getting commissions, and receiving any gifts, donation, loan, or any other means of complementary actions, as well as practicing commercial business or activities during or after working hours, and all other forms of corruption.

As an integral part of the company's HR policy, non-compliance of any worker regarding the code will lead to the application of corrective measures in accordance with the labor law and the internal disciplinary regulations of the company. The code requires Edita's employees to report any violation of the code and/or any breach of the applied laws and regulations. These reports will be handled seriously on a confidential basis and via a complete and equitable investigation, during which any false or misleading testimonies will lead to the immediate termination of the concerned worker.

APPENDIX J:

CRISIS MANAGEMENT COMMITTEE RESPONSIBILITIES

Through extensive observation of company-wide dynamics, national and international behaviors, and varying trends, the committee is tasked with:

- Conducting sensitivity analyses and determining potential threats in a timely manner, thus allowing for proper planning, response, and mitigation;
- Conducting gap and impact analyses that look at Edita's capabilities in managing different risks, and providing recommendations per the potential impact of a crisis, the likelihood of its occurrence, and recovery requirements in case of excess impact; and
- Developing risk mitigation plans and protocols based on versatile scenarios, categorized by the operational sector that is most likely to be affected, likelihood, and immediate responses.

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