



Leccio

ESG Report

2023

Beyond Production:

A Payback To The Planet,
Its People, And The Principles That
Sustain Them



Ceramics, born from earth's foundational elements, connect us to the planet.

From raw materials to lasting products, our journey begins with the earth and extends to the communities we serve.

As responsible stewards of this material, every piece of ceramic carries a story of earth and community.

At Lecico, we are committed to shaping that story with responsibility and care.



About this Report

This ESG Report covers Lecico's operations for 2023 and provides a comprehensive view of the company's environmental, social, and governance performance.



Reporting Period:

1st of January 2023 – 31st of December 2023

Reporting Boundaries:

Lecico's operations in Egypt, including factories located in Khorshid (Lecico Egypt S.A.E.) and Borg El Arab, Alexandria – encompassing Lecico for Ceramic Industries S.A.E., European Ceramics S.A.E., and International Ceramics S.A.E.

Reporting Standards:

Prepared in accordance with the GRI Standards (2021) – specifically GRI 2 (General Disclosures) and GRI 3 (Material Topics).

External Assurance:

Conducted by MGM Climate Business Developers.



MGM
Climate Business Developers

Contact:

Sarah Reyad – sreyad@lecico.com

This report reflects Lecico's ongoing commitment to transparency and accountability in communicating its sustainability progress and priorities.

Index

Introducing Lecico

- An Overview
- Word by the CEO
- Word by the Sustainability Officer
- 2023 Progress Highlights
- ESG Vision: Paying back to Earth and its People
- Stakeholder Engagement & Materiality Index

The Planet

- Energy
- Carbon Footprint
- Water
- Waste

The People

- Workers
- Occupational Health & Safety
- Diversity & Inclusion
- Customers

The Principles

- Business Ethics
- Innovation & Digital Responsibility
- Risk Management & Responsible Decision-Making
- Regulatory Compliance





A legacy rooted in history a future built on sustainability

For over five decades, Lecico has stood at the forefront of the ceramics industry—one of the world’s largest producers of sanitary ware and a leading manufacturer of tiles in Egypt and Lebanon. Established in 1975, Lecico has grown from a regional manufacturer into a global exporter, renowned for delivering European-quality ceramics at competitive value to markets across Europe, the Middle East, and beyond.

With a legacy spanning 56 years, Lecico’s operations reflect a balance between industrial scale and environmental responsibility. From sourcing earth’s raw materials to shaping them into essential products, the company recognizes its deep connection to the planet and the people it serves.

Today, Lecico’s purpose extends beyond production—it is about creating value sustainably. Through its subsidiaries, Lecico manages the manufacturing, sales, and distribution of its ceramic products while maintaining a steadfast commitment to quality, resource stewardship, and community well-being.



50
Years
in business

7,000+
Employees

Serving
50+
Countries

Lecico Through the Years

Craftsmanship, Innovation, And Sustainable Growth

1967

Production of **sanitary ware** begins in Lebanon, laying the foundation for Lecico's reputation as a producer of durable, high-quality ceramics.



1959

Lecico is founded in **Lebanon** by the **Gargour family** and **Joseph Ghorra**, united by shared values of trust, quality, and ambition.

1978

Full **sanitary ware and tile production** commences at the **Khorshid factory** in Alexandria, Egypt—setting the stage for Lecico's rise as a leading regional manufacturer.



1975

Lecico Egypt S.A.E. is established, marking the company's expansion into Egypt and the beginning of a new era of industrial scale and global reach.

1997

Sanitec, a leading European sanitary ware manufacturer, becomes a shareholder in Lecico, strengthening international collaboration and technical exchange.



1987

Trading subsidiaries are established in the **United Kingdom (Lecico PLC)** and **France (Lecico France)**, reinforcing Lecico's presence in key European markets.

1999

A new production milestone: "**Lecico for Ceramic**" begins operations in **Borg El Arab**, expanding capacity and advancing Lecico's industrial footprint.



1998

Lecico earns multiple **international quality certifications**—ISO 9001, KIWA, and NF—cementing its commitment to global manufacturing excellence.

2010

Lecico diversifies into **brassware manufacturing** with the launch of "**Sarrdesign**"—broadening its product portfolio and design expertise..



2004

Another major factory, "**European Ceramics**", launches in Borg El Arab, further reinforcing Lecico's export capabilities and production diversity.

2023

After more than **six decades of innovation and growth**, Lecico stands as one of the **world's largest producers of sanitary ware and ceramics**, driven by a commitment to **quality, sustainability, and community impact**..



2011

"**International Ceramics**" factory begins tile production in Borg El Arab, Egypt—boosting Lecico's role as a leading regional tile exporter..

Lecico's business highlights

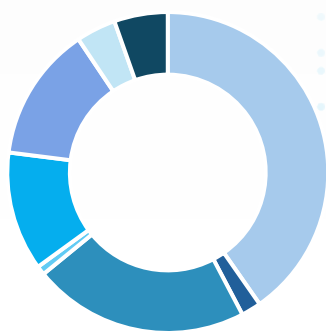
global reach, responsible growth

With a legacy built on consistency and responsible growth, Lecico continues to shape the ceramics industry across borders. Operating from Egypt and Lebanon, the company serves a vast market spanning more than 50 countries, supplying essential products that support homes, communities, and infrastructure worldwide.



In 2023, exports represented 73% of total sanitary ware sales volume, while the tile division contributed 12.8% of total export sales. Lecico remains one of the leading sanitary ware brands in the United Kingdom and Ireland, with over 65.5% of its sanitary ware products sold in international markets.

Each market Lecico reaches reflects the same principle that defines its work—a business built with principles, respect for resources, and commitment to the people it serves.



- Egypt
- UK
- Rest of Europe
- Middle East
- Lebanon
- Germany
- OEM
- Other



Board of Directors

The Board of Directors is responsible for overseeing ESG strategy. Specific roles related to governance include the Chairman, Mr. Gilbert Gargour, and the CEO and Managing Director, Mr. Taher Gargour. Mr. Mohamed Hassan serves as an Executive Director and Finance Director. Decision-making related to ESG is led by Sustainability Officer Sarah Reyad, who oversees these efforts.



MR. GILBERT GARGOUR
Chairman



MR. ALAIN GARGOUR
Non-Executive Director



MR. ELIE BAROUDI
Non-Executive Director
and Audit Committee
Chairman



MR. TAHER GARGOUR
CEO and Managing
Director



MR. TOUFICK GARGOUR
Non-Executive Director



MR. MOHAMED HASSAN
Executive Director



DR. RAINER SIMON
Non-Executive Director
and Audit Committee
Member



MS. MENATALLAH SADEK
Independent Director and
Audit Committee Member



MR. KARIM ZAHRAN
Independent Director and
Audit Committee Member



MR. COLIN J SYKES
Independent Director and
Audit Committee Member

Our Payback to the Planet and People Lecico's Vision

A Message from the CEO

At Lecico, our journey spans decades of craftsmanship, innovation, and industrial excellence in ceramics. With every tile we shape, every piece we create, we are guided not just by performance, but by a deeper responsibility – to the planet, to the people who make and use our products, and to the principles that sustain them. This is our guiding principle: a payback to the planet, its people, and the principles that sustain them.

We recognize that leadership in industrial ceramics is not only measured by market reach or technical expertise, but by how we manage our environmental footprint, foster our communities, and uphold the highest ethical standards. From optimizing energy and water use, and minimizing waste to cultivating a safe, inclusive workplace and maintaining unwavering ethical governance, our mission is clear: to create lasting value for all stakeholders while protecting the world that supports us.

Our ESG journey is rooted in 4 core beliefs: that responsible practices strengthen reputation and brand loyalty, drive operational efficiency, mitigate risk, and unlock access to capital—all of which reinforce the resilience and sustainability of our business.

As we continue to innovate and grow, we do so with respect for our heritage and a commitment to giving back—ensuring that every action we take today contributes to a more sustainable, responsible, and ethical tomorrow.

Together, with our employees, partners, and communities, we aim to set a new standard in the ceramics industry: one where industrial leadership and sustainable responsibility are inseparable, and where our payback to the planet, its people, and the principles that sustain them defines every step forward.



A handwritten signature in blue ink, appearing to read 'T. Gargour'.

TAHER GARGOUR
MANAGING DIRECTOR
AND CEO

A Strategy Built on Responsibility, Principles, and Impact

Word by Lecico's Quality and Supply Chain Director

At Lecico, sustainability is not an afterthought - it is the continuation of a legacy built on responsibility. For over half a century, our products have been shaped from the earth's materials, and with that privilege comes an unshakable duty to protect the planet that sustains us, the people who power our growth, and the principles that define who we are.

Our journey is one of transformation - from production to payback. We are rethinking how energy is used, how water is preserved, how waste becomes value, and how every improvement in safety, equity, and governance reinforces the trust placed in us by our employees, customers, and communities.

Overseeing this mission is Lecico's Quality & Supply Chain Director, myself, supported by members of the Quality and Supply Chain Sustainability Office. Together, they guide the company's ESG performance, ensure alignment with global standards, and drive progress toward a future where every step in production pays back to the planet, its people, and the principles that sustain them.

This report reflects not only our performance, but our promise: to advance with an industrial footprint that pays back - in cleaner production, empowered people, stakeholder engagement, and a business model built to endure.



Sarah Reyad

Quality and Supply
Chain Director

Lecico's 2023 Year Highlights



Environmental

 **3,435,957** GJ



560,106 m³
Total Water Withdrawal



54,297
Tonnes



Social



1.5%
Employees with
Disability



7,000+
Total Employees



887,744
Total training hours
delivered



Governance



15
Conducted
Audits

EGP



1.84 M
R&D Expenditure



0
Corruption
Incidents

Our ESG Vision

Embedding Sustainability in Every Decision



Our vision is rooted in respect – for the earth’s resources, for the people we serve, and for the generations to come. At Lecico, we see sustainability not as a separate effort, but as part of how we grow and operate every day.

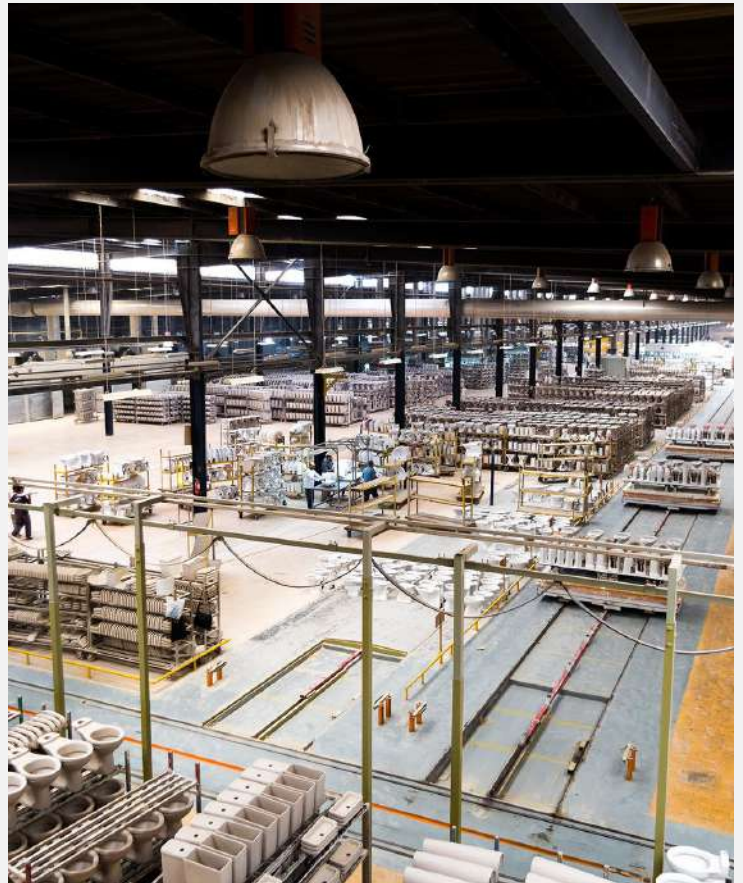
We are building a future where responsible use of natural resources, community well-being, and strong governance go hand in hand with business success. Guided by a low-carbon roadmap and a dedicated ESG framework, we are embedding these principles into every decision, every process, and every product.

By doing so, we aim to create lasting value—not only for our shareholders, but for society and the environment we are entrusted to protect.

Our ESG plan is anchored in two key pillars: the development of a low-carbon roadmap and the establishment of an ESG Reporting Framework. This report has been prepared in line with national and international standards, including the GRI Standards, the UN Sustainable Development Goals (SDGs), and Egypt’s Vision 2030.










The Framework defines the scope, boundaries, and reporting standards for our disclosures, with reference to GRI 102: General Disclosures. It also serves as a guide for integrating ESG principles into Lecico’s operations and decision-making.

This report is prepared in accordance with the GRI Standards (2021) – GRI 2 (General Disclosures) and GRI 3 (Material Topics) and covers the period from 1st of January 2023 to 31st of December 2023.



ESG Materiality Indexing Matrix for Alignment KPIs with UN SDG Targets, and Egypt Vision 2030

Material Topic	Key KPIs	Relevant UN SDGs & Targets	Egypt Vision 2030 Alignment
Energy Efficiency & Carbon Footprint	<ul style="list-style-type: none"> - Total energy consumption (GJ) - Scope 1 & 2 GHG (tCO₂e) - Energy intensity (GJ/ton) - Emission intensity (tCO₂e/revenue or tCO₂e/FTE) 	<ul style="list-style-type: none"> SDG 7.2 – Increase share of renewables SDG 7.3 – Double global rate of energy efficiency improvement SDG 13.2 – Integrate climate measures into national policies SDG 9.4 – Upgrade infrastructure for clean technologies 	<ul style="list-style-type: none"> • Economic Development Pillar: Improve energy efficiency across industries. • Environmental Pillar: Transition to low-carbon growth; reduce energy intensity.
Water Management	<ul style="list-style-type: none"> - Total withdrawal (m³) - Water consumption intensity (m³/ton) - % recycled/reused 	<ul style="list-style-type: none"> SDG 6.4 – Increase water-use efficiency across sectors SDG 6.3 – Improve water quality & recycling SDG 12.2 – Sustainable management of natural resources 	<ul style="list-style-type: none"> • Environmental Pillar: Sustainable water resource management. • Infrastructure Pillar: Expand wastewater treatment and reuse.
Waste & Circularity	<ul style="list-style-type: none"> - Waste generated (t) - Recycling rate (%) - Hazardous waste handled (t) 	<ul style="list-style-type: none"> SDG 12.5 – Substantially reduce waste generation through prevention, reduction, recycling, reuse SDG 12.4 – Environmentally sound waste management SDG 9.4 – Cleaner industrial processes 	<ul style="list-style-type: none"> • Environmental Pillar: Circular economy, maximize recycling rates. • Economic Development: Promote industrial waste valorization.
Maximize Use of Renewable Energy	<ul style="list-style-type: none"> Total amount of RE (GJ) 	<ul style="list-style-type: none"> SDG 7.2: By 2030, substantially increase the share of renewable energy in the global energy mix. SDG 7.3: By 2030, double the global rate of improvement in energy efficiency. SDG 12.2: By 2030, achieve sustainable management and efficient use of natural resources. SDG 13.2: Integrate climate change measures into national policies, strategies, and planning. 	<ul style="list-style-type: none"> • Environmental Dimension: Expand renewable energy use, especially in industry; promote low-carbon growth. • Economic Dimension: Diversify energy mix and enhance industrial energy efficiency. • Energy Strategy 2030 Targets: Reach 42% renewable energy in the national mix by 2035.
Skills & Training	<ul style="list-style-type: none"> - Training hours per employee (hrs/FTE) - % employees trained on ESG/ethics 	<ul style="list-style-type: none"> SDG 4.4 – Increase number of youth/adults with skills for employment & sustainability SDG 8.5 – Full and productive employment, equal pay for work of equal value 	<ul style="list-style-type: none"> • Social Justice Pillar: Human capital development and skills training.
Occupational Health & Safety (OHS)	<ul style="list-style-type: none"> - Lost-time injury rate (LTIR) - Serious accidents (count) - TRIR 	<ul style="list-style-type: none"> SDG 8.8 – Protect labor rights, promote safe working environments SDG 3.9 – Reduce deaths/illnesses from hazardous substances 	<ul style="list-style-type: none"> • Social Development Pillar: Safe, inclusive workplaces. • Health Pillar: Occupational health standards.
Diversity & Inclusion	<ul style="list-style-type: none"> - % female employees - % women in leadership - Workers with determination (%) - Gender pay ratio 	<ul style="list-style-type: none"> SDG 5.5 – Ensure women’s full participation and equal leadership opportunities SDG 10.2 – Empower social and economic inclusion of all SDG 8.5 – Equal opportunity employment 	<ul style="list-style-type: none"> • Social Justice Pillar: Gender equality, empowerment of women, inclusion of people with disabilities.

Material Topic	Key KPIs	Relevant UN SDGs & Targets	Egypt Vision 2030 Alignment
Ethics & Integrity	- Confirmed ethics violations (cases) - % workforce trained on Code of Conduct - Whistleblowing cases handled	 SDG 16.5 – Substantially reduce corruption and bribery  SDG 16.6 – Develop accountable and transparent institutions	<ul style="list-style-type: none"> Governance Pillar: Strong institutions, zero tolerance for corruption.
Regulatory Compliance	- Compliance violations (incidents) - Fines paid (USD/EGP) - Corrective actions completed (%)	 SDG 16.3 – Promote rule of law at national/international levels  SDG 16.6 – Effective, accountable institutions	<ul style="list-style-type: none"> Governance Pillar: Rule of law, effective governance, zero material fines.
Risk Management	- ESG risks identified (count) - ESG risks mitigated (%)	 SDG 13.1 – Strengthen resilience and adaptive capacity to climate-related hazards  SDG 12.6 – Encourage companies to adopt sustainable practices	<ul style="list-style-type: none"> Governance Pillar: Institutional resilience and risk management integration.
Innovation & Digital Responsibility	- R&D expenditure (million EGP/USD) - Innovations launched (count)	 SDG 9.5 – Enhance scientific research and innovation capacity  SDG 12.6 – Companies adopting sustainable practices  SDG 16.10 – Ensure public access to information and protect fundamental freedoms (data privacy)	<ul style="list-style-type: none"> Economic Development Pillar: Promote innovation and industrial competitiveness. Digital Transformation Pillar: Strengthen digital infrastructure, and innovation culture.



Operational Footprint and Reporting Boundaries



Lecico is one of the world's largest producers of sanitary ware and a leading manufacturer of ceramic tiles, operating a broad network of manufacturing and trading entities across Egypt, Lebanon, and the United Kingdom.

Its footprint reflects a long industrial heritage supported by strong production capabilities and an extensive international distribution network.

Lecico's key manufacturing and trading entities located in Egypt, Lebanon, and its trading subsidiaries in the United Kingdom:

Egypt

Khorshid: Produces both sanitary ware and ceramic tiles.

Borg El Arab: Home to three major manufacturing subsidiaries –

- Lecico for Ceramic Industries
- European Ceramics
- International Ceramics

All specializing in sanitary ware and tile production.

Lebanon

Kafrchima: Lecico's Lebanese manufacturing facility, focused on producing ceramic wall and floor tiles for local and regional markets.

United Kingdom

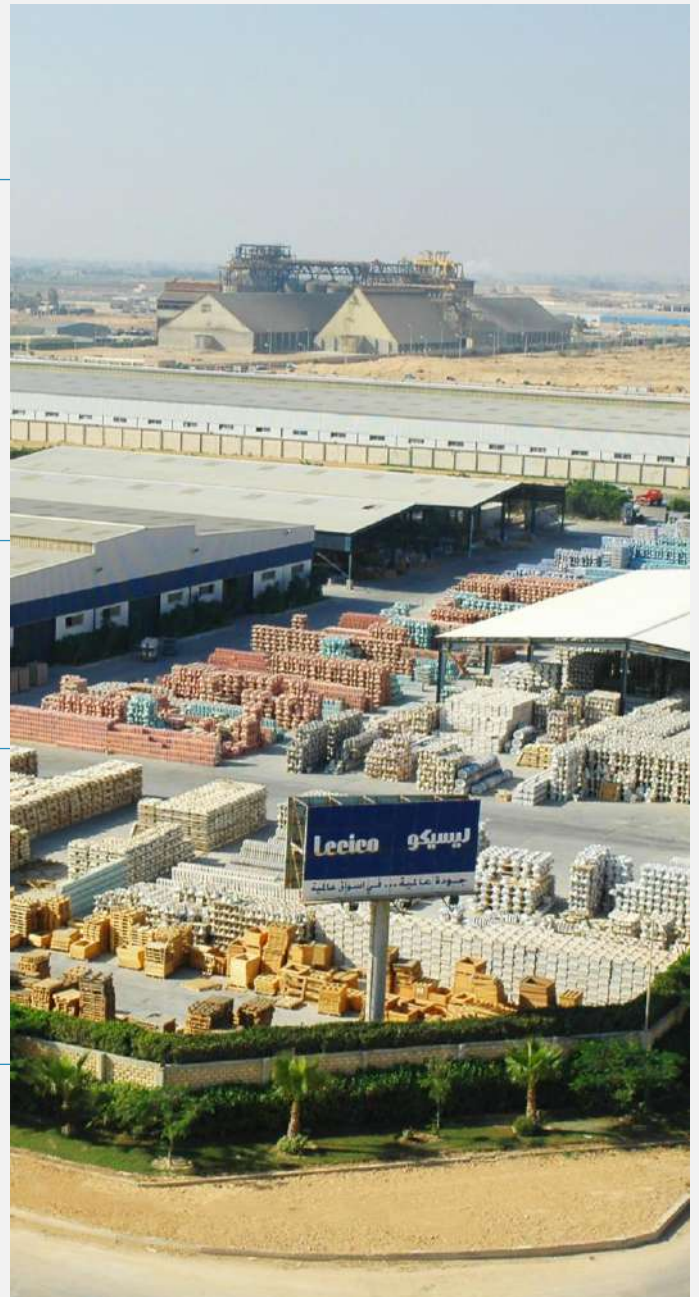
Lecico PLC: The company's primary international trading subsidiary, supporting exports and distribution across Europe, the Middle East, and Africa through a wide network of agents, merchants, and partners

For the purposes of this ESG report, the reporting boundaries include four key factories in

Alexandria:

- Khorshid (1)
- Borg El Arab (3).

Together, these sites represent Lecico's core manufacturing footprint, forming the basis for the company's environmental, social, and governance performance disclosures.



Stakeholder Engagement

Where Responsibility Begins



Process to Determine Material Topics

GRI 3-1

In 2024, Lecico conducted a comprehensive double materiality assessment aligned with GRI 3: Material Topics (2021) to define the ESG issues most relevant to its operations and stakeholders.

The process followed a multi-step approach:

- Topic Identification – Potential material topics were identified through peer benchmarking, global reporting standards (GRI, SASB/ISSB), regulatory scanning, and internal risk registers.
- Stakeholder Engagement – Over 150 stakeholders were consulted through surveys and interviews, including employees, customers, suppliers, community representatives, and investors.
- Prioritization – Each topic was evaluated along two axes:
 - Importance to stakeholders, and
 - Impact on Lecico’s business success.
- Validation – The resulting Materiality Matrix and priority topics were reviewed and validated by Lecico’s Executive Team and the ESG Committee.

This assessment serves as the foundation for Lecico’s sustainability strategy, ensuring that reporting and action plans reflect both stakeholder expectations and business priorities.

Lecico's Stakeholders and Engagement Channels



Stakeholders



1. Governance & Investors

Stakeholders:

Investors & Shareholders,
Board of Directors, Financial Analysts

Engagement Channels:

Emails
Annual General Meetings
Half-yearly Board Meetings
Regular meetings (face-to-face)
Phone calls



2. Leadership & Workforce

Stakeholders:

Executive Management, Contractors,
Employees, Trade Unions

Engagement Channels:

Corporate intranet
Regular meetings (face-to-face)
Weekly meetings
Phone calls
Emails
Mentorship and shadowing programs
Performance reviews and appraisals
Compliance reporting and audits



3. Market & Business Partners

Stakeholders:

Customers (Local & Export),
Suppliers & Vendors, Industry Associations

Engagement Channels:

Account managers
Company website
Social media platforms
Regular visits
Frequent supplier visits
Emails
Phone calls
Regular meetings (face-to-face)



4. Communities & Society

Stakeholders:

Local Community
Representatives, NGOs,
Academic Institutions

Engagement Channels:

Emails
Regular meetings (face-to-face)
Phone calls
Community programs and partnerships
Volunteer initiatives
Educational collaborations and internships



6. Regulators & Policy Makers

Stakeholders:

Regulatory Authorities

Engagement Channels:

Emails
Regular meetings (face-to-face)
Phone calls
Compliance reporting and audits



5. Environment & Sustainability Advocates

Stakeholders: Environmental Groups

Engagement Channels:

Emails
Regular meetings (face-to-face)
Phone calls
Collaborative sustainability programs

Materiality Index

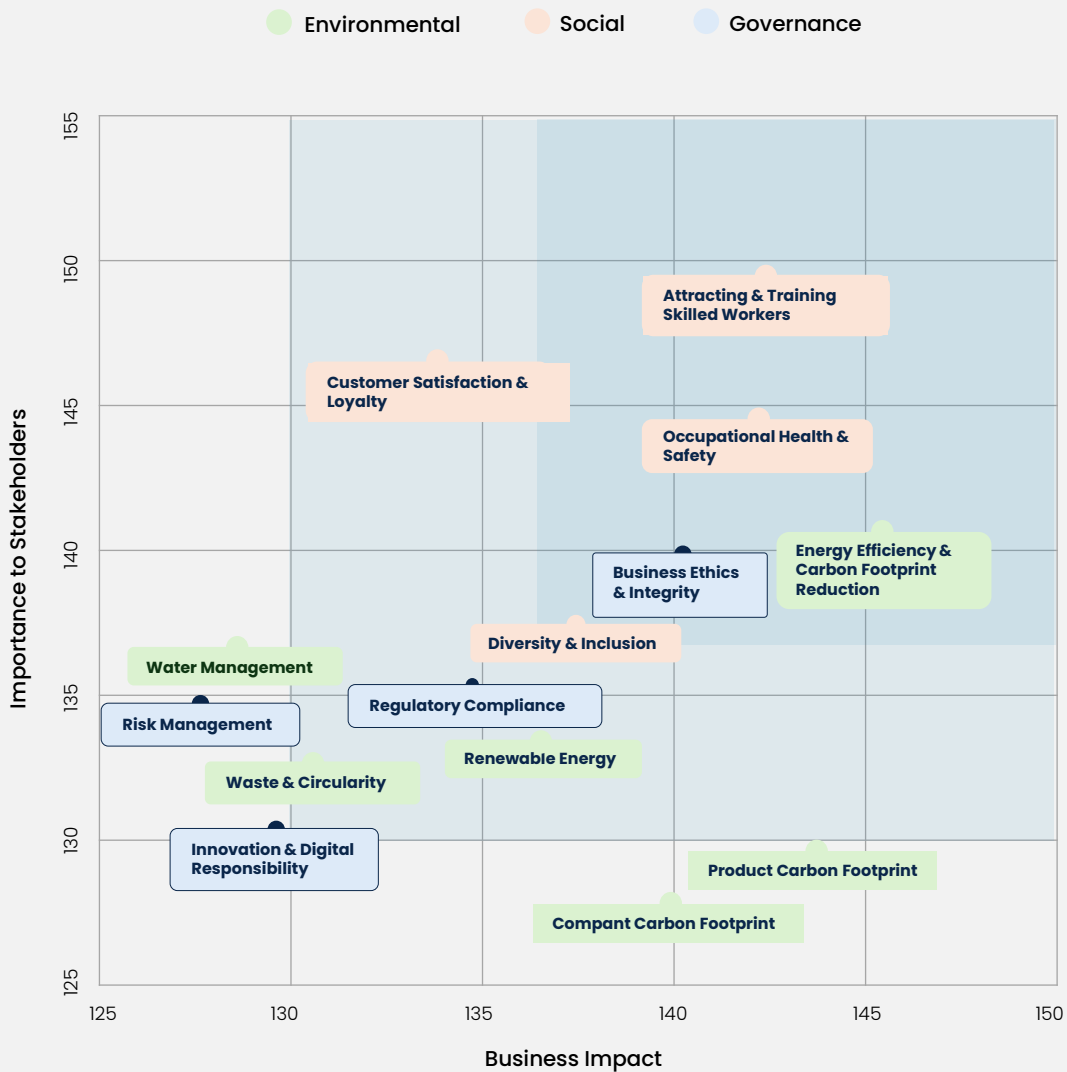
Translating Stakeholder Insight into Sustainable Action

Materiality and Sustainability Focus

The development of Lecico's sustainability strategy is guided by a structured materiality assessment, aligning with GRI 3: Material Topics (2021). This process identifies and prioritizes the environmental, social, and governance topics that matter most to both stakeholders and Lecico's long-term success.

Input was gathered through stakeholder surveys and management consultations, ensuring that Lecico's ESG priorities reflect real-world impacts, expectations, and business relevance.

Importance to Stakeholders vs Business Impact



List of Material Topics

GRI 3-2



Environmental

- Energy efficiency and carbon footprint reduction
- Maximizing the use of renewable energy
- Water management
- Waste and circularity



Social

- Attracting and training skilled workers
- Occupational health and safety
- Diversity and inclusion (equal opportunity)
- Customer satisfaction and loyalty



Governance

- Sound business ethics and integrity
- Risk management for informed decision-making
- Innovation and digital responsibility
- Regulatory compliance

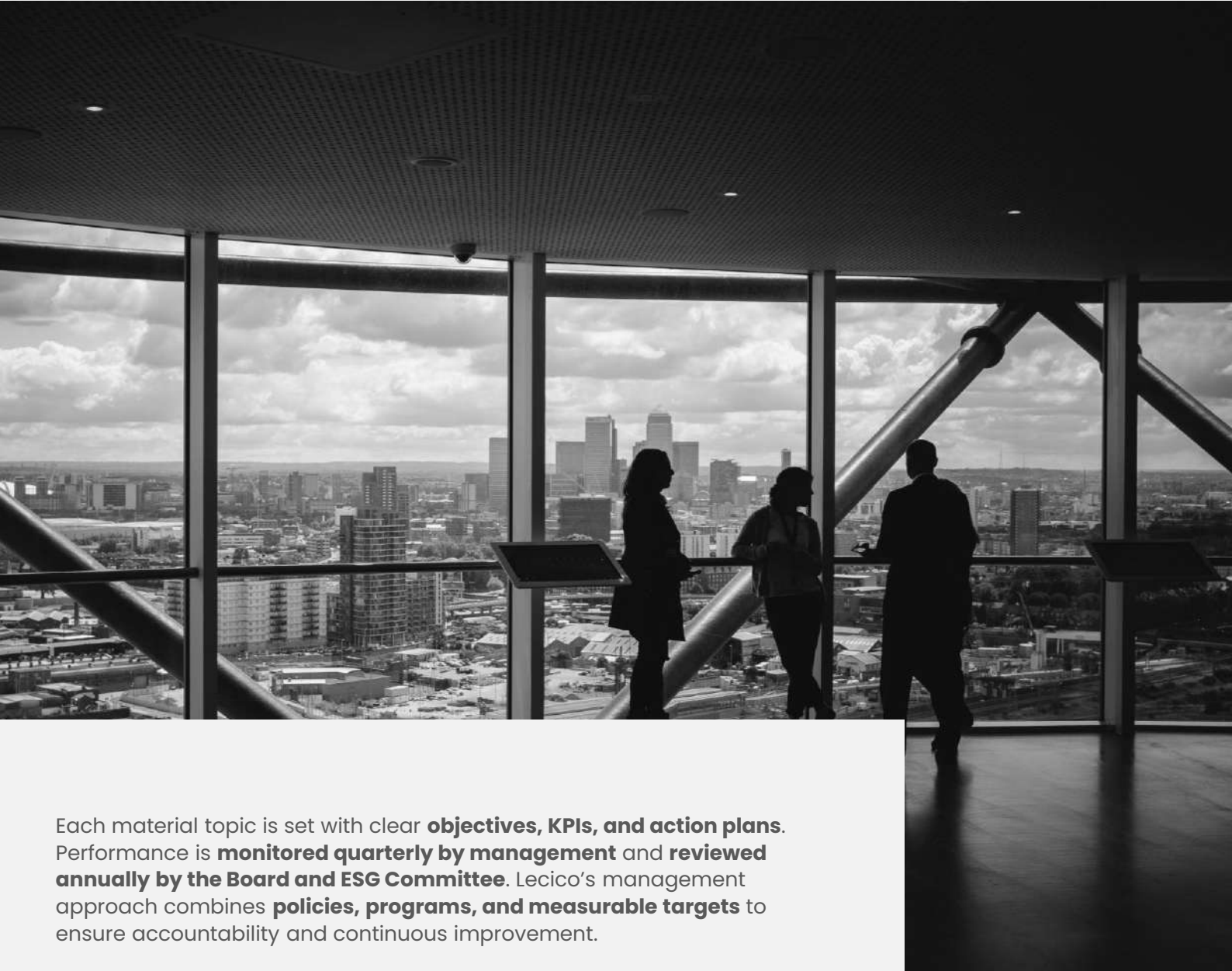


The double materiality assessment ensures that Lecico’s ESG strategy and disclosures focus on what truly matters. The identified topics directly structure the ESG Report, align with the GRI Standards, and form the basis of the targets and KPIs outlined in the Dashboard.

Material Topic	Stakeholders Affected	GRI Disclosure(s)	KPI(s)	Management Approach (GRI 3-3)
Energy efficiency & consumption	Employees, regulators, investors	GRI 302-1, 302-3, 302-4	Total energy (GJ), Energy intensity (GJ/m ² tiles & GJ/SW-unit), % renewable energy	Energy audits, facility upgrades, renewable sourcing (RECs), annual monitoring through energy dashboards
Product and Company Carbon footprint	Investors, regulators, community	GRI 305-1, 305-2, 305-3, 305-4, 305-5	Scope 1, 2 & 3 (tCO ₂ e), Scope 1&2 emissions intensity (tCO ₂ e/ m ² tiles & tCO ₂ e /SW-kg), Product CFP intensity (tCO ₂ e /ton SW) Reduction % vs. base year	Climate strategy aligned with Paris Agreement, efficiency programs, renewable integration, annual GHG verified externally
Water management	Community, regulators, employees	GRI 303-2, 303-3, 303-5	Total water (m ³), Water intensity (m ³ / ton, m ³ / m ² tiles & m ³ / SW-kg), % reused	Water efficiency fixtures, recycling systems, greywater reuse pilots, water risk assessments in stressed areas
Waste & circular economy	Community, customers, regulators	GRI 306-1, 306-2, 306-3, 306-4	Total waste (t), Recycling rate (%)	Waste segregation, supplier take-back agreements, paperless initiatives, continuous monitoring via waste audits
Maximize Use of Renewable Energy	Community, customers, regulators	GRI 302-1, 302-3, 302-4, 305-1, 305-5	Total amount of RE (GJ)	Energy audits, facility upgrades, renewable sourcing (RECs), annual monitoring through energy dashboards
Employee development	Employees, unions, regulators	GRI 401-1, 404-1, 404-2	Turnover rate (%), Training hours/FTE	HR policies, training programs (leadership, digital skills, ESG literacy), annual employee surveys
Occupational health & safety	Employees, contractors, regulators	GRI 403-2, 403-9	Injury rate per 1M hrs, Lost-time injuries	Safety culture programs, quarterly audits, training sessions, near-miss reporting system
Diversity & inclusion	Employees, investors, society	GRI 405-1, 405-2	% women employees, % women in leadership, senior management, middle management, office workers, and operatives, and gender pay ratio	Diversity policy, inclusive hiring, leadership mentoring, pay equity reviews
Customer satisfaction & trust	Customers, regulators	GRI 416-1, 417-1	NPS, Churn rate (%)	Quality assurance programs, customer engagement surveys, responsible marketing guidelines
Ethics & integrity	Employees, investors, regulators	GRI 102-16, 102-17, 205-2, 205-3	Ethics violations (cases), % employees trained on ethics	Code of Conduct, whistleblowing channel, annual ethics training, Board oversight
Compliance	Regulators, investors	GRI 307-1, 419-1	Compliance violations (incidents), Compliance audits	Regulatory monitoring, internal audits, compliance reporting to Board
Risk management	Investors, regulators, community	GRI 102-15, 102-30	Identified ESG risks (count), Mitigated ESG risks (count)	Enterprise risk management framework, quarterly risk committee reviews
Innovation	Customers, investors	GRI 417-3	R&D expenditure (M USD), Innovations launched (#)	R&D strategy, partnerships with universities/tech firms, innovation KPIs

Management of Material Topics

GRI 3-3



Each material topic is set with clear **objectives, KPIs, and action plans**. Performance is **monitored quarterly by management** and **reviewed annually by the Board and ESG Committee**. Lecico's management approach combines **policies, programs, and measurable targets** to ensure accountability and continuous improvement.

The 2025 ESG Report will focus on Lecico's most material issues, reflecting the outcomes of the 2025 assessment and the company's commitment to continuous, transparent improvement across all ESG pillars.



Planet

Our Environmental
Responsibility

Planet

Our Environmental Responsibility



Ceramics are crafted from the earth's most symbolic rawest materials: its soil & water. This anchors our industry in a profound connection to the planet and deepens our responsibility towards it.



Yet, the very process that transforms these resources into a durable, essential product is also intensive—demanding significant energy. This duality poses a challenge at the heart of responsibility. At Lecico, we recognize this conflict and confront it with commitment.



Through our focus on Energy, Emissions, Water, Waste, and Circularity we are committed to reducing our footprint, conserving resources, and ensuring that every improvement in efficiency becomes a payback to the planet.

Energy, Emissions, Water, Waste & Circularity



According to the Materiality Assessment, prioritized actions will be taken towards:

- Efficient Management of Energy Consumption
- Measuring Carbon Footprint (Product & Company)
- Efficient Management of Water Consumption
- Effective Waste Management & Recycling
- Maximize the Use of Renewable Energy

Lecico's 2023 Environmental Highlights

2023 Environmental Metrics

 **3,435,957 GJ**
Total Energy Consumption

 **560,106 m³**
Total Water Withdrawal

Standards & Benchmarking

Our approach is benchmarked against national energy codes and leading industry peers, with reporting guided by GRI 302 303, 305, and 306 standards to ensure transparency and accountability.



Environmental Stewardship: A Payback to the Planet

Lecico continues to strengthen its commitment to sustainability by advancing environmental performance and transparency across all operations.

In 2023, Lecico joined EcoVadis, a leading global sustainability rating platform, and is working toward achieving a 50% score by the end of 2025.

ecovadis

The company also began reporting under the Task Force on Climate-Related Financial Disclosures (TCFD) framework to the Egyptian Exchange (EGX), reflecting its commitment to transparent climate governance.

During the same year, Lecico launched its carbon footprint measurement program, collecting emissions data and engaging expert consultations to establish a detailed carbon baseline. This will inform the company's carbon reduction roadmap and upcoming Sustainability Report.



Across all entities, Lecico strives to:

- Minimize material, supply, and energy use while prioritizing renewable and recyclable resources.
- Reduce waste generation in every stage of operations.
- Implement environmentally responsible transport policies.
- Engage employees in environmental initiatives and policy awareness.
- Develop and promote products that conserve energy and minimize environmental impact.
- Ensure full compliance with all current and future environmental regulations.
- Advance energy efficiency projects, such as the heat transfer initiative, which redirects exothermic kiln heat to dryers—lowering workplace temperatures and reducing fuel consumption in line with legal environmental standards.

EI Efficient Management of Energy Consumption

GRI 302: Energy

Energy Consumption within the Organization

GRI 302-1

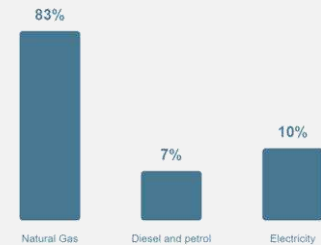
Energy is at the heart of ceramics production— as ceramic production is a highly energy-intensive process.

Firing and drying alone rely on natural gas as the dominant fuel.

Lecico aims to lower overall energy use and drive greater efficiency across all operations.



Total Energy Consumption by Source, 2023 (GJ)



3,435,957 GJ
Energy Consumption in 2023



79 m³/year

Natural Gas Consumption

Across all sites

Production USE
kilns

91 GWh

Electricity Consumption

Across all sites

Production USE
Grinding, milling, spray
drying and plant service

1.5 m Liter Petrol **5.4 m Liter Diesel**

Consumption

Across all sites

Production USE
Forklifts, transportation
and handling, and backup
system

Energy Intensity GRI 302-3

Lecico monitors and reports energy intensity for both its products, tiles and sanitary ware to provide a transparent measure of energy performance relative to output.

These insights guide informed decisions on optimizing processes via efficiency programs and digitalization initiatives across production lines, which reduced overall consumption and energy intensity per product.



Ceramic Tiles

⚡ 0.01 GJ /m² 2023
10-15% reduction
target by 2029

Sanitary Ware

⚡ 0.02 GJ /kg 2023
15-20% reduction
target by 2029



Reduction of Energy Consumption GRI 302-4

Current Actions

Lecico implements ongoing energy reduction measures spanning process optimization, efficiency upgrades, and digitalization initiatives across production lines - which have already contributed to lowering overall energy consumption and improving operational performance.

Process Optimization and Digital Monitoring

Through advanced monitoring and smarter scheduling, Lecico has improved kiln efficiency and reduced energy losses caused by production interruptions.

Product Design Improvements

By adopting skirted designs and optimizing casting techniques, Lecico has lowered product loss rates and reduced the amount of energy required per sellable piece.

Additionally, smarter packaging design now allow tiles and sanitaryware to be packed more compactly, increasing transport capacity by 2x and reducing the number of trips and emissions.

Heat Recapturing System

Lecico has historically been among the first ceramic manufacturers in the region to adopt energy-saving technologies in its production processes.

Since 2015, the company has operated a heat recapturing system across all factories, capturing hot air from kiln cooling zones and reusing it in drying activities.

The project has significantly improved energy efficiency in the final drying stages, making them approximately 95% gas-free and saving around 1.6 million cubic meters of natural gas annually.



Heat Recapturing from Kilns



Reduction of Energy Consumption An Extended Plan for a Long-Term Vision GRI 302-4

Spag-less Casting System

The Spag-less casting system is an advanced mould drying technique designed to remove absorbed water more efficiently. It operates using lower heat alongside compressed air channeled through internal mould pathways, significantly reducing energy consumption during drying.

This technology enables a 30% reduction in cast-shop drying demand, contributing directly to lower carbon emissions.

By 2027, the system is planned to be deployed across approximately 40% of total production, with an estimated annual savings of 600,000 cubic meters of natural gas.



600,000 m³

Gas saved annually



30%

Reduction in cast-shop
drying (Less carbon
emissions)



High-Pressure Casting System

Building on this success, Lecico is expanding its energy strategy through high-pressure casting systems, advanced kiln technologies, and broader application of heat recuperation across the production line.

The upcoming expansion of high-pressure casting and kiln modernization projects is expected to further reduce energy intensity across both product categories by 2027–2029.



Reduction of Energy Consumption

An Extended Plan for a Long-Term Vision

GRI 302-4

High-pressure casting

High-pressure casting technology replaces traditional casting methods, eliminating the need for drying in casting areas, reducing overall energy use.

It also enhances production efficiency, ensures consistent quality, and reduces product losses & waste by minimizing defects during shaping and de-molding.

Forecasted energy metrics over total production:



17%

Reduction in natural gas usage in casting drying



6 million m³

saved annually



35%

Energy intensity per piece

Heat Recapturing Expansion – Dryers

Building on the success of kiln heat recapturing, Lecico is extending heat recapturing systems to additional production areas: dryers.

These upgrades will reduce the gas needed to reach dryer setpoints by around 45%, and improve stability and efficiency by minimizing production interruptions, further lowering energy use per tile.



45%

Reduction in natural gas usage in dryer setpoints



900,000 m³

saved annually



15%

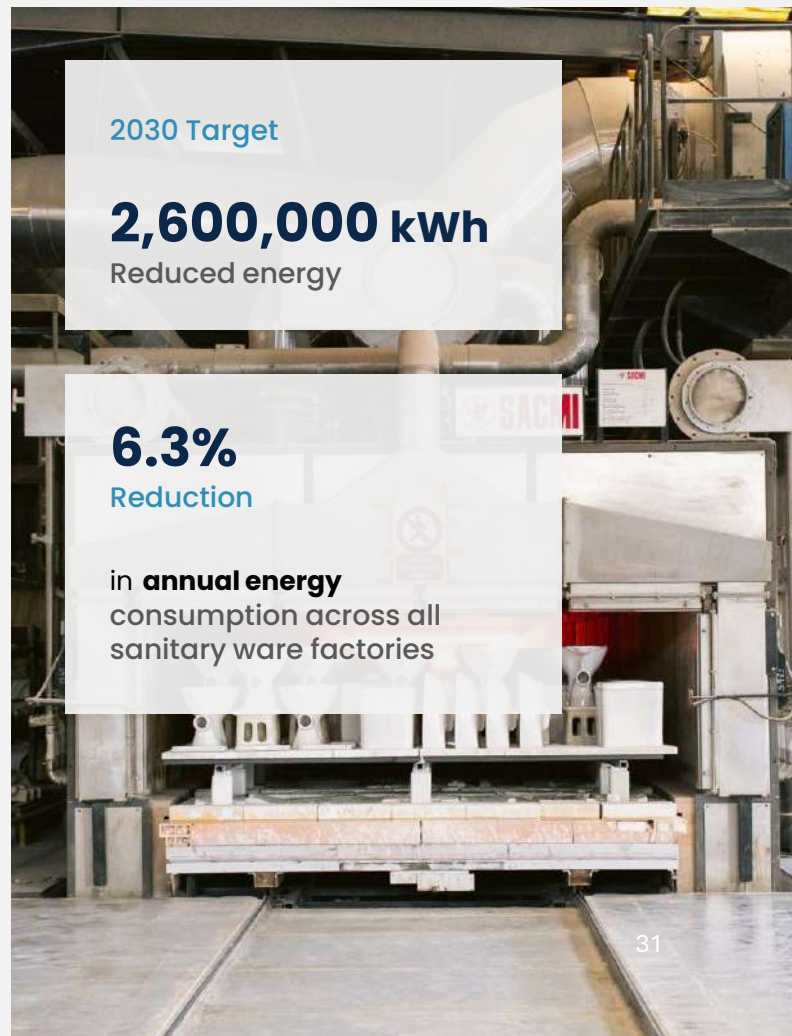
Dryer Energy Consumption

Reduction of Energy Consumption An Extended Plan for a Long-Term Vision GRI 302-4



Planned Outcomes by 2029

- **Driving Efficiency Through Innovation:** Lecico is combining retrofitted technologies, such as heat recuperation systems—with new investments in high-pressure casting and advanced kiln technologies to transform its energy footprint and production efficiency.
- **Reducing Dependency on Natural Gas:** These combined efforts are projected to save over 8.5–9 million m³ of natural gas annually, achieving an 11.4% reduction compared to 2023 consumption levels.
- **Lowering Carbon Emissions:** The reduction in natural gas use translates directly into fewer CO₂ emissions, reinforcing Lecico’s climate action commitments and contributing to a more sustainable production model.
- **Extending the Impact to Electricity Use:** Building on the same philosophy of continuous improvement, Lecico is also expanding its focus to optimize electricity consumption through improved monitoring, staff awareness, and operational best practices.



E2 Maximizing the Use of Renewable Energy

GRI 302 & 305: Energy

Renewable Energy and Biogas Feasibility Study

In 2023, Lecico did not operate any on-site renewable energy generation. Thermal energy for firing and drying processes was supplied primarily by natural gas, while electricity was sourced from the national grid.

As a result, the share of renewable energy was not considered material for 2023. Accordingly, Lecico's disclosures focused on energy efficiency (GRI 302-3/302-4) and emissions management (GRI 305).



To reduce dependency on fossil fuels, Lecico has evaluated the replacement of a portion of natural gas use in kilns with biogas or biomethane, aiming to introduce renewable, dispatchable heat suitable for continuous firing operations.

The evaluation considered multiple areas:

- **Fuel Pathway & Quality:** Assessing raw biogas versus upgraded biomethane, methane content (CH_4), Wobbe index, and required removal of H_2S and siloxanes to protect burners and kiln refractories.
- **Kiln Integration:** Evaluating burner compatibility, control curve adjustments, flame stability, co-firing ratios, and potential impacts on product quality for both tiles and sanitary ware.
- **Supply & Logistics:** Exploring reliable sourcing from municipal or industrial organic waste, options for compression or pipeline injection, on-site storage, and supply continuity.
- **Safety & Compliance:** Reviewing system pressure, purging requirements, leak detection, and permitting obligations.
- **Economics & GHG Impact:** Comparing the levelized cost of heat (LCOH) against natural gas, calculating avoided CO_2 emissions per cubic meter of biogas, and estimating the contribution to Lecico's 2030 gas reduction and GHG targets.

E3 Measuring Carbon Footprint

GRI 305: Emissions

Accurate carbon accounting is essential for meeting global climate goals and complying with emerging regulatory standards. Lecico is committed to measuring, managing, and systematically reducing carbon emissions across its operations and throughout the entire product lifecycle.

Scope 1 – Direct GHG of Sanitary Ware: GRI 305-1

In 2023, Lecico’s direct greenhouse gas (GHG) emissions (Scope 1) totaled approximately 126,054 tCO₂e, primarily driven by:

- Stationary fuel combustion: Natural gas used in kilns, dryers, and other thermal processes.
- Mobile sources: Diesel and LPG consumption in company-owned vehicles, forklifts, and material-handling equipment.
- Natural gas remains the dominant contributor, accounting for over 75% of Scope 1 emissions and around 51% of combined Scope 1 and 2 emissions—a reflection of the energy-intensive nature of ceramics manufacturing.

Emissions were calculated in accordance with the GHG Protocol and GRI 305 standards, using country-specific emission factors for natural gas, petrol, and diesel from Ecoinvent V3.11.

Scope 2 – Energy Indirect GHG of Sanitary Ware: GRI 305-2

In 2023, Lecico’s Scope 2 GHG emissions, generated from purchased electricity, totaled 37,710 tCO₂e.

Electricity represents a smaller portion of Lecico’s footprint—around 11% of total emissions and 33% of combined Scope 1 and 2 emissions—yet remains a key focus area. Lecico is actively pursuing energy efficiency initiatives and renewable energy assessments to further reduce indirect emissions across its operations.

Calculations follow a location-based approach using Egypt’s national grid emission factors (medium voltage, country mix) from Ecoinvent V3.11, in alignment with GRI 305-2.

Lecico Scope 1&2 GHG emissions carbon footprint 2023 of sanitary ware

Scope	Category	Source	Kg CO ₂ e	tCO ₂ e	% Total Lecico	% Total Sc.1&2	% Total scope
Scope 1 Direct Emissions	Mobile Combustion	Owned/Controlled Vehicles	18,830,212.6	18,830.2	6%	16%	24%
	Stationary Combustion	Fuel consumption on-site Or for Generators	48,041.0	48.0	0%	0%	0%
		Natural Gas combustion	58,190,500	58,190.5	17%	65%	75%
	Fugitive emissions	Refrigerants Leakage	398,932.0	398.9	0%	0%	1%
		Fire Suppressions	491.4	0.5	0%	0%	0%
	• Total Scope 1			77,468,000	77,468	23%	77%
Scope 2 Indirect Emissions	Purchased Electricity	Purchased Electricity	37,709,695.9	37,709.7	10%	23%	100%
	• Total Scope 2			37,709,695.9	37,709.7	10%	23%

Scope 3 – Other Indirect Emissions:
GRI 305-3

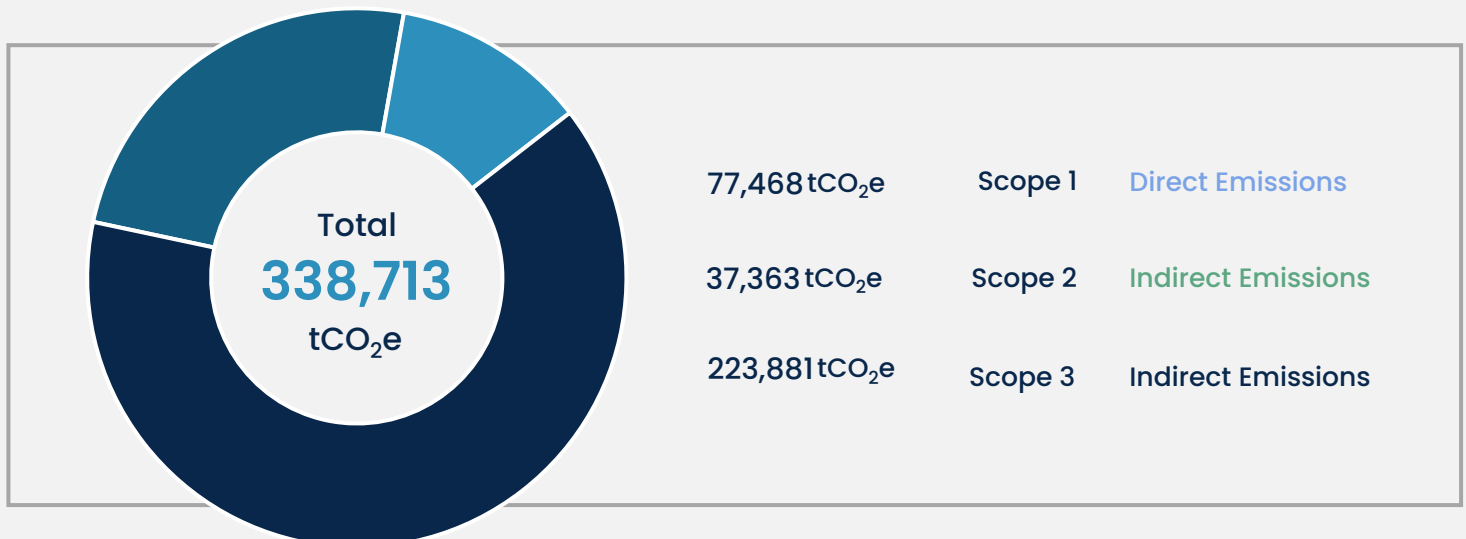
In 2023, Lecico’s Scope 3 emissions were approximately 223,093.7 tCO₂e, representing 66% of total company emissions. The largest contributors were:

- Purchased goods and services (ceramic raw materials, packaging) 89% of the total scope 3 emissions.
- Fuel- and energyrelated activities WTT (Well-to-Tank) 8% of the total scope 3 emissions.

The methodology followed the GHG Protocol Corporate Value Chain Standard, using a mix of supplier-specific and database emission factors (Ecoinvent V3.11 & DEFRA).

Lecico Scope 3 GHG emissions carbon footprint 2023 for sanitary ware

Scope	Category	Activity	tCO ₂ e	% Total Lecico	% Total Sc.3
Scope 3 Indirect Emissions	Purchased goods and services & Consumables	Raw Materials	166,396.2	42%	71%
		Packaging Materials	16,577.8	4%	7%
		Other Consumables	16,671.2	4%	7%
		Water & Wastewater	684.4	0%	0%
	Capital Goods	Capital Goods	865.3	0%	0%
	Fuel- and energy related activities WTT (Well-to-Tank)	Fuel- and energy related activities WTT (Well-to-Tank)	26,123.8	7%	11%
	Waste generated in Operation Process	Waste generated in Operation	10.3	0%	0%
	Business Travels	Business Travels	209.7	0%	0%
	Employee Commuting	Employee Commuting	5,529.0	1%	2%
	End of Life Treatment	Waste	26.0	0%	0%
	• Total Scope 3			223,093.7	59%



Compliance and Benchmarking: Fully aligned with GRI 305, ISO 14064/67, and EU CBAM reporting frameworks.

GHG Intensity

GRI 305-4

To ensure transparent and comparable reporting, Lecico monitors Scope 1 and 2 GHG emissions intensity across multiple indicators: per unit of activity, revenue, and employee.

- In 2023, emissions intensity was approximately 23.34 tCO₂e per full-time employee (FTE) and 1,258.16 tCO₂e per million USD in revenue, alongside intensity metrics per 6.95 kg CO₂e/m² of tiles and 1.29 kg CO₂e/kg of sanitary ware.

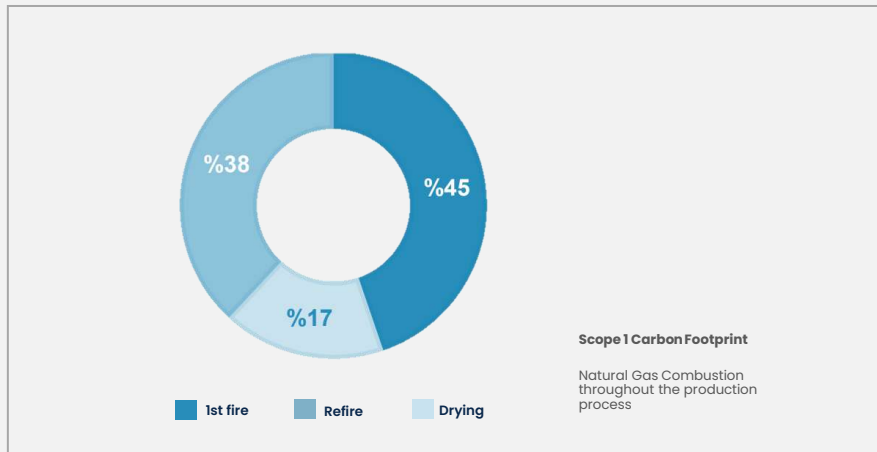
This reflects:

- Operational efficiency improvements – such as optimized kiln scheduling, digital monitoring, and reduced product loss rates.
- Energy-saving initiatives – including high-pressure casting and heat recuperation systems.

These indicators align with GRI 302-3 (Energy Intensity), as well as the Task Force on Climate-related Financial Disclosures (TCFD) and Partnership for Carbon Accounting Financials (PCAF) methodologies.

Lecico Scope 1 & 2 GHG emissions intensity 2023

Scope 1&2 GHG emissions Intensity (per)	(tCO ₂ e)
Revenue (million USD)	1,258.16
Employee (FTE)	23.34
Ton product (S.W & Tiles)	0.93
Sq meter of tiles	0.00695
Kg of sanitary ware	0.00129



Product Carbon Footprints (PCF) & Life Cycle Assessment (LCA) Results

In alignment with EU and UK CBAM methodologies and the standards ISO 14040-44 and ISO 14067, Lecico conducted gate-to-gate Life Cycle Assessments (LCAs) for its sanitary ware products.

The assessments showed an average product carbon footprint of 2.02 tCO₂e per ton of sanitary ware, with the majority of emissions originating from natural gas consumption during firing and drying processes.

Reducing GHG Emissions

GRI 305-5

Decarbonization Pathways and Targets

Lecico’s decarbonization strategy focuses on reducing greenhouse gas emissions at the source—particularly from natural gas combustion in kilns and dryers, which account for the majority of its footprint. The company is advancing several pathways to reduction through process innovation and technology upgrades:

Pathways to Reduction

- High-pressure casting expansion and spag-less casting to reduce emissions from the use of conventional casting methods, and eliminating the need for drying and significantly cutting gas use.
- Further roll-out of kiln and dryer efficiency programs, including advanced heat recuperation systems.
- Continuous product and process optimization to reduce loss rates and lower energy consumption per sellable piece.

Targets



Natural Gas

7.6 million m³

Saved Annually

By 2030*



CO₂ savings

15,322 tCO₂e

Avoided Annually

9% Reduction

Of Total Scope 1 & 2 Emissions

This initiative directly supports SDG 13 (Climate Action) and Egypt Vision 2030 goals for low-carbon industrial growth. It also strengthens Lecico’s energy strategy (GRI 302-4) by linking efficiency improvements to measurable climate impact.

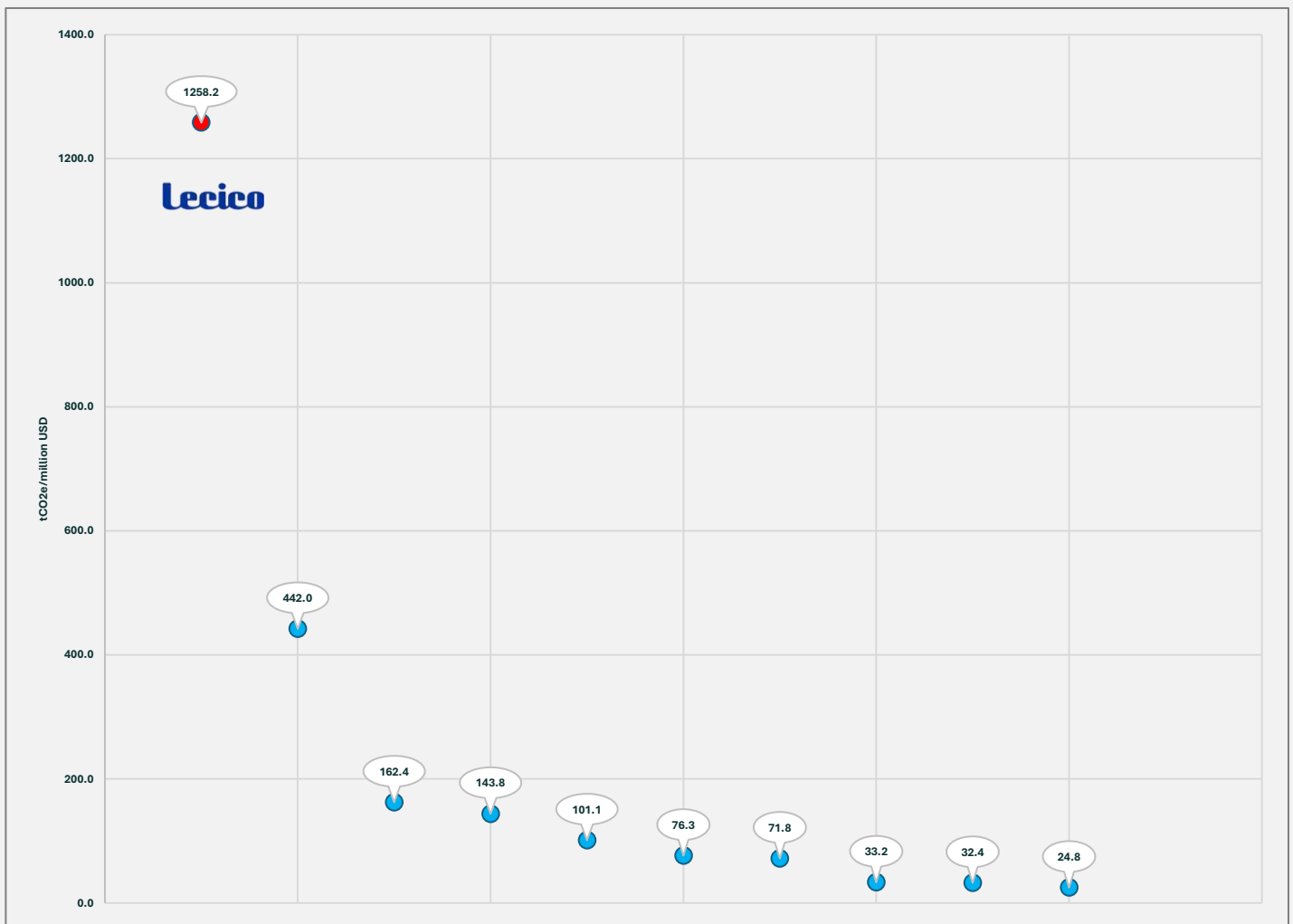
*Assuming full production capacity.

Climate Financial Metrics (TCFD & PCAF Alignment)

In alignment with TCFD recommendations and the Partnership for Carbon Accounting Financials (PCAF) methodology, Lecico reports climate intensity metrics that link environmental performance to financial outcomes.

In 2023, Lecico’s carbon intensity was 1,258.16 tCO₂e per million USD in revenue, providing a clear measure of the company’s carbon efficiency and transition readiness. This disclosure supports investor transparency and strengthens Lecico’s alignment with global climate reporting expectations.

Scope 1&2 Emissions/million USD



Benchmarking Against Industry Peers

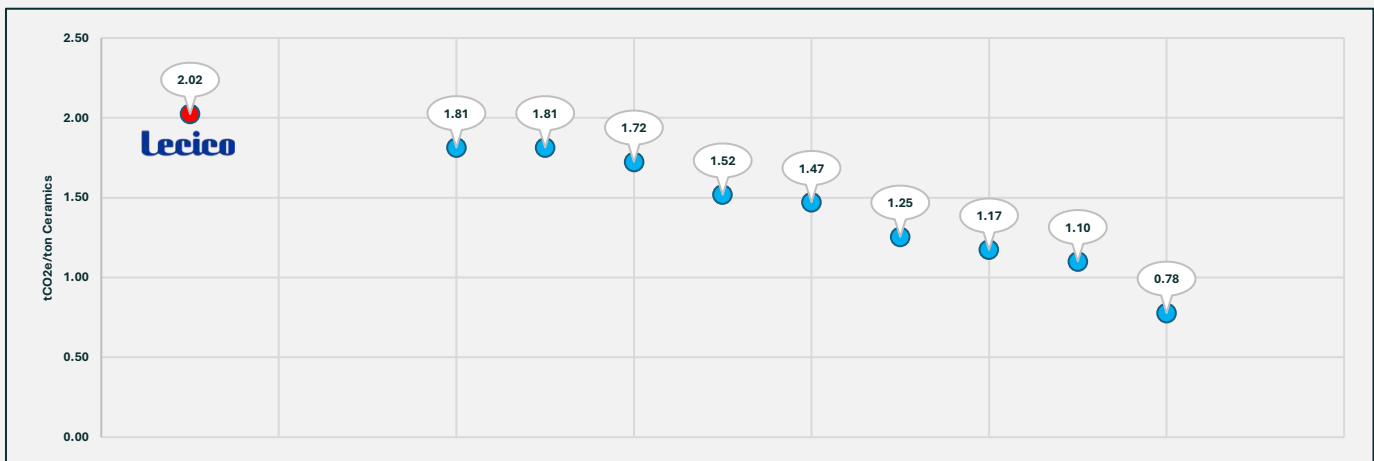
Comparative benchmarking shows that Lecico’s current emissions intensity remains above that of leading global ceramic manufacturers. This difference primarily stems from the continued use of conventional kiln technologies and Egypt’s natural gas–dominant energy mix.

Lecico is actively closing this gap through a clear decarbonization roadmap that includes:

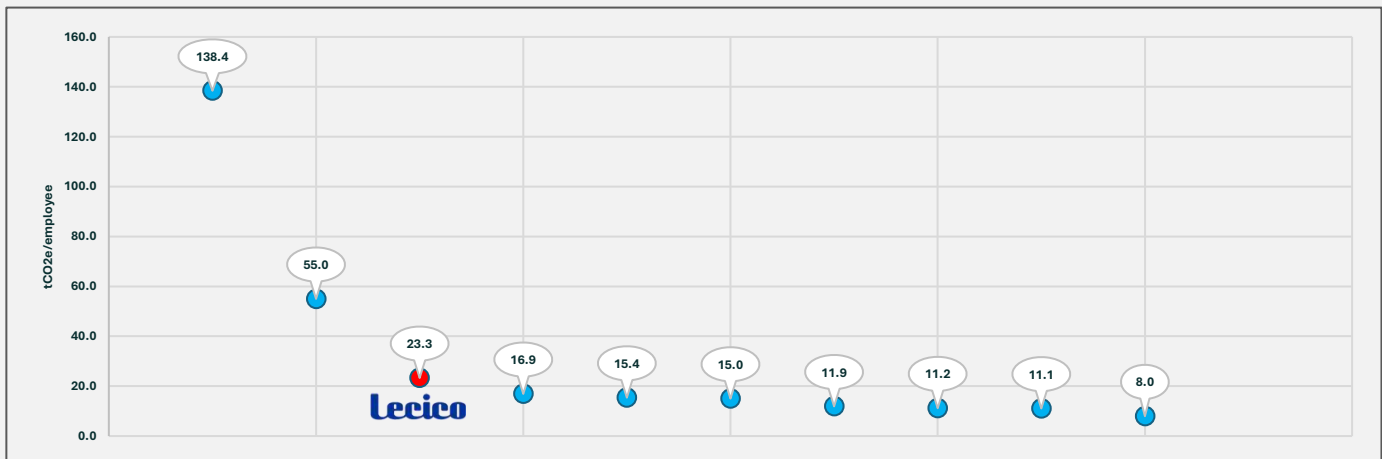
- High-pressure casting implementation to cover 40% of production by 2027.
- Efficient dryer and kiln recuperation systems, targeting 55% coverage by 2029.
- Annual CO₂ reduction of 15,322 tCO₂e by 2030.

By openly communicating both its challenges and progress, Lecico demonstrates transparency, accountability, and a defined path toward global best practice in sustainable ceramics manufacturing.

LCA (gate-to-gate) for 1 ton of Vitreous China (VC) Ceramic Sanitaryware



Scope 1&2 Emissions/employee



E4 Efficient Management of Water Consumption

GRI 303: Water and Effluents

Water, one of the earth's essential elements, is vital to ceramics production—used in slurry preparation, glazing, and mould cleaning.

Water Withdrawal & Consumption

GRI 303-3
GRI 303-5

All of Lecico's water withdrawals are sourced from municipal supplies and fully comply with local permitting requirements. Based on facility-level utility data and meter readings, no significant impacts on water bodies were identified, in accordance with GRI reporting standards.

Management of Water-Related Impacts

A Forward-Looking Initiative

GRI 303-2

In 2023, Lecico strengthened its efforts to monitor and manage water consumption across all facilities.

The company's approach focused on reducing freshwater dependence and optimizing usage through targeted initiatives, including:

- Water risk assessments to identify operations located in water-stressed regions.
- Closed-loop recycling systems for slurry and glaze processes in selected facilities.
- Preventive maintenance and leak detection programs to eliminate unnecessary consumption.



560,106 m³ 2023
Water Withdrawal



1.6 m³
Water Consumption
Per tonne of product
2023

Ceramic Tiles



0.00072 m³/m²
2023

Sanitary Ware



1.13E-11 m³/kg
2023

Management of Water-Related Impacts A Forward-Looking Initiative GRI 303-2

Water Recycling Project:

In early 2015, Lecico launched a water recycling initiative aimed at dramatically improving water efficiency across its operations.

By 2023, through advanced treatment and reuse systems, 90% of incoming water is now treated and recycled. Treated water is redirected to production processes, while untreated water is reused in tile preparation.



38,000 - 42,000
m³/month
Fresh Water Consumption
2023



60% Reduction
In Fresh Water
Consumption



10,000-18,000
m³/month
Fresh Water Consumption
2024

Efficiency efforts include recycling slurry and glaze water streams, upgrading equipment, and implementing leak detection systems to minimize uncontrolled water losses.

These initiatives position Lecico among the regional leaders in industrial water stewardship, directly contributing to SDG 6 (Clean Water & Sanitation) and supporting Egypt Vision 2030 goals for sustainable resource efficiency.



E5 Effective Waste Management & Recycling

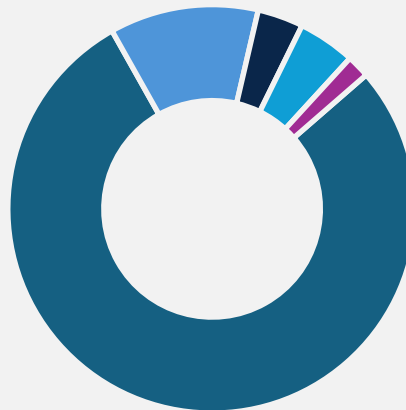
GRI 306: Waste & Circularity

Lecico advances a circular approach to manufacturing by reusing materials, reducing waste, and applying a rigorous waste accounting system aligned with GRI 306 and Egyptian environmental standards

Waste Generation & Composition GRI 306-1 GRI 306-3 GRI 306-4

Understanding what our waste is made of helps us reduce and manage it more effectively.

Lecico's 2023 waste profile illustrates the composition of all waste streams generated across its operations.



- Sewage Waste**
86.3%
- Non-Hazardous Solid Waste**
13%
- Industrial Waste**
0.3%
Car batteries, electrical wire tanks, aluminum sheets, metal drums, rigid plastics, scrap iron, wood, waste oils, rubber, cartons, and nylon
- Medical Waste**
0.047%
Generated from on-site medical clinics and healthcare activities
- Hazardous Waste**
0.024%
Solid (0.009%) and liquid (0.015%): Ink cartridges, batteries, fluorescent bulbs, chemical containers, oil-soaked sand, and used filters



Waste Diversion & Management of significant waste-related impacts

GRI 306-4 (cont.)
GRI 306-2

Lecico manages waste through a structured and compliant framework focused on segregation at source, recycling, and responsible disposal through vendor take-back programs, and partnerships with certified contractors.

The company prioritizes renewable and recyclable materials, reintegrating byproducts back into production to reduce landfill waste and conserve raw resources.

Lecico’s waste management practices are aligned with Egyptian environmental regulations and GRI Standard 306:

- **Non-Hazardous Solid Waste**
Includes gypsum, cartons, and sanitary ware scraps. Managed through municipal contracts with the Al-Montazah District.
- **Hazardous Waste**
Covers ink cartridges, batteries, contaminated scrap, oils, and chemical containers. Managed by certified contractors and disposed of through the Nasreya Hazardous Waste Center.
- **Medical Waste**
Collected and treated by Nahdet Misr Company, ensuring full compliance with healthcare regulations.
- **Sewage and Sludge Waste**
Managed by the Sewage Company using licensed and approved disposal methods.



Waste Diversion & Management of significant waste-related impacts

GRI 306-4 (cont.)
GRI 306-2

Sustainable Packaging and Material Reuse

Lecico continuously works to reduce waste at every stage of its value chain by improving packaging practices and promoting reuse. Across all operations, Lecico companies aim to:

- Purchase recycled and recyclable packaging wherever feasible, including pallets and cartons.
- Return and recover reusable pallets from suppliers and customers.
- Reuse packaging materials opened at branches for internal transfers and deliveries.
- Promote electronic communication to significantly reduce paper use across operations.
- Ensure full compliance with environmental standards and legislation while maintaining transparency through published quality and environmental reports.



Material Topic	KPI (unit)	2023 Baseline	2030 Target	SDG Targets
Energy efficiency	Energy intensity – tiles (GJ/m ²); SW (GJ/kg)	0.01; 0.02	-15–20% vs '23	7.3, 9.4, 13.2
Carbon footprint reduction	Scope 1+2 (tCO ₂ e); emissions intensity (tCO ₂ e/FTE)	163,764; 23.34	≥9% reduction	13.2, 12.2, 9.4
Water management	Freshwater consumption (m ³ /y); Intensity (m ³ /ton)	560,106; 0.35–0.38	Sustain ~60% ↓ vs '23	6.3, 6.4, 12.2
Waste & circularity	Recycling rate (%)	82.3	>90% & zero landfill	12.5, 12.4, 9.4



People

The Heart of
Everything We Do



People-

The Heart of Everything We Do



Working in ceramics is a labor-intensive craft, combining the intensity of high-temperature processes with the precision of modern production.

It is work that depends on human skill, focus, and resilience at every stage -from molding and firing to quality control and logistics.

At Lecico, we recognize that our strength lies in our people - the thousands who operate our lines, maintain our standards, and uphold our reputation.

Their well-being, safety, and growth are not just priorities, but the foundation of our sustainability journey.



For them, everyday, we choose to create a workplace where they feel valued, protected, and empowered to progress - ensuring that our success as a business is always a shared one.

Employment, Health & Safety, Training, Diversity, Customer Trust



As one of Egypt's leading manufacturers, Lecico is committed to building a safe, inclusive, and high-performing workplace, strengthening customer trust, and ensuring that social, environmental, and ethical considerations remain a core focus.

According to the Materiality Assessment, prioritized actions will be taken towards

Social (S):

- Attracting & Training of Skilled Workers
- Monitoring Occupational Health & Safety
- Diversity & Inclusion (Equal Opportunity)
- Monitoring Customer Satisfaction & Loyalty

Lecico's 2023 Social Highlights



7,000+

Total Employees



887,744

Total training hours delivered

White & blue collar employees



1.5%

Employees with Disability



S1 Attracting & Training Skilled Workers

GRI 404: Training and Education

Recruitment & Turnover

GRI 401-1

Building and maintaining a skilled workforce is essential to sustaining operational excellence and long-term competitiveness.

Ceramics manufacturing is a labor-intensive industry, particularly for blue-collar workers who perform physically demanding tasks in high-heat and production-line environments. This reality makes workforce retention a persistent challenge, especially during the early months of employment.

In 2023, Lecico hired 2,862 new employees, with an overall turnover rate of 27.3%.

Retention Snapshot (2023)

Recognizing the challenge of early-tenure turnover, particularly among blue-collar workers, Lecico introduced a retention bonus program with milestone rewards at:

- 4 months: LE 500
- 8 months: LE 750
- 12 months: LE 1,000



2,862

Total New Hires
2023



1,226

Contracted



35%

Overall Retention
Indicator

Recruitment & Turnover

GRI 401-1

Lecico provides a range of employee welfare and protection programs designed to promote financial security and well-being. The company operates several employee pension schemes, including a dedicated retirement fund, and recently introduced a partial-contribution Private Health Insurance plan for administrative staff, alongside a Group Accidents Policy that covers all employees.

In 2023, Lecico contributed over LE 15.5 million toward end-of-service indemnities, accident and medical insurance, and employee aid programs, reflecting its commitment to safeguarding staff welfare and ensuring long-term stability.

These initiatives reinforce Lecico's alignment with UN SDG 8.5 (Decent Work and Equal Pay) and Egypt Vision 2030 Objective 7.2.3 (Social Protection and Labor Inclusion) - ensuring that every employee benefits from a workplace built on security, dignity, and care.



EGP 15.5 M

End-of-Service
Indemnities, Insurance, &
Aid Programs
2023



Training Hours & Programs for Upgrading Employee Skills

GRI 404-1

GRI 404-2

In 2023, Lecico delivered a total of 887,744 training hours, of which 8,320 for white collar and 879,424 for blue collar – reflecting the company’s ongoing commitment to building workforce capability at every level.

At Lecico, training isn’t a one-size-fits-all process – it’s tailored to the way each department works and the skills it needs most. Every team faces different challenges, and what’s essential for one role may not apply to another.

That’s why training is role-specific and adaptive:

- Blue-collar employees begin their journey through mentorship and on-the-job shadowing, learning directly from experienced peers until they master their tasks.
- White-collar staff rotate across departments to build a broader understanding of Lecico’s operations, encouraging collaboration and strategic thinking.

This flexible approach makes development more relevant and effective. Regular performance reviews and annual appraisals further refine the process, identifying new areas for growth and ensuring that training remains dynamic and aligned with real operational needs.

In 2023, Lecico’s internal development efforts included:

- 45 employees across Quality Control, Planning, Export, HR, Cost Control, Sales, Finance, Marketing, and Purchasing trained on “How to Conduct a Successful Interview.”
- 26 university students from Engineering, Science, Commerce, and Workers’ University completing internships across Lecico’s factories.
- 657 workers trained internally on Codes of Conduct (COC), anti-bribery and anti-corruption, sustainability, and labor rights, delivered through group sessions held in open-air factory spaces to ensure accessibility and engagement.

Together, these initiatives reflect Lecico’s belief that continuous learning is not a formality – it’s how progress happens. By tailoring programs to real roles and real people, Lecico ensures that every employee grows in a way that strengthens both the company and the communities it serves.



887,744

Total Training Hours
2023



125.5* Hours

Per Employee/Year
2023

*Average Hours Per Employee

Core Upskilling Programs

Lecico believes that true innovation begins with its people. Developing employee skills is not only essential for operational excellence but also fundamental to sustaining a culture of continuous improvement and scientific contribution.

Beyond operational training, Lecico invests in continuous learning for all employees through programs covering:

- Leadership essentials
- Digital literacy and data skills
- Health, Safety & Environment (HSE) fundamentals
- ESG awareness for supervisors



In parallel, Lecico encourages its workforce to contribute to advancing global research in ceramics and materials engineering. In recent years, Lecico's engineers and specialists have authored or co-authored five peer-reviewed scientific publications in respected international journals. These studies focus on process optimization, defect reduction, sustainable material use, and performance enhancement in ceramic sanitaryware and tiles.

These achievements reflect Lecico's commitment to:

- Building deep technical and scientific expertise within its workforce.
- Strengthening its reputation as a knowledge contributor in the global ceramics industry.
- Advancing SDG 4.4 (skills for employment and sustainability) and SDG 9.5 (enhancing scientific research and innovation capacity).

By investing in people and encouraging research-driven learning, Lecico empowers the next generation of skilled professionals who drive efficiency, sustainability, and innovation, paying back to both the planet and its people.

S2 Occupational Health & Safety

GRI 403: Occupational Health and Safety

A strong safety culture goes beyond compliance—it reflects Lecico’s commitment to the people who power its operations.

By minimizing risks, preventing injuries, and upholding the highest national and international safety standards, Lecico works to protect its people, sustain productivity, and ensure that progress never comes at the expense of well-being.



Hazard Identification, Risk Assessment & Incident Prevention

GRI 403-2

Lecico operates a structured Health, Safety, and Environment (HSE) management system designed to identify risks early and prevent workplace incidents.

The system includes:

- Quarterly safety audits with corrective action tracking to ensure continuous improvement.
- Near-miss reporting with shop-floor feedback loops to promote a proactive safety culture.
- Regular toolbox talks and targeted refreshers for high-risk activities such as kiln operations, material handling, and confined space entry.
- Strict work-permit controls for hot work, confined spaces, and energy isolation to minimize the potential for serious accidents.
- Ergonomic improvements and job rotation programs at packaging and sorting lines to reduce repetitive strain injuries, lower musculoskeletal risk, and enhance return-to-work outcomes.

Health, Safety & Environmental Compliance

In 2023, Lecico expanded its Health, Safety, and Environment (HSE) framework with a new system for radiation safety management—protecting workers from exposure to radioactive materials used in production.

Key actions included conducting biannual medical examinations for employees working with or near radioactive materials.

Beyond radiation protection, Lecico maintains comprehensive environmental, packaging, and waste reduction policies that also contribute to a safer and more organized work environment. These policies are communicated across all facilities, and employees are encouraged to actively participate in achieving the company’s sustainability and safety goals.

Initiatives such as reusing plastic hoods and reusing multi-use packaging have reduced material waste while improving operational safety and efficiency.

All Lecico factories in Egypt are certified under ISO 9001, ISO 14001 and ISO 45001:2018 - ensuring a unified, audited framework for continual improvement across quality, environment, and worker protection.



Lecico’s HSE system fully complies with Egyptian occupational and environmental laws and is audited annually by the Bureau of Health and Safety and the Egyptian Environmental Affairs Agency (EEAA).

The company adheres to key legislation, including:

- Labor Law No. 12 (2003): Occupational health, safety, and work environment requirements.
- Law No. 45 (1954, amended by 68/2016): Industrial and commercial licensing.
- Law No. 79 (1975) & Law No. 135 (2010): Social security and pensions.
- Environmental Law No. 4 (1994) and subsequent amendments No. 9 (2009) and No. 105 (2015): Environmental protection and compliance.
- Ministerial Regulations and Decisions (1995–2017): Implementation standards for occupational and environmental safety.

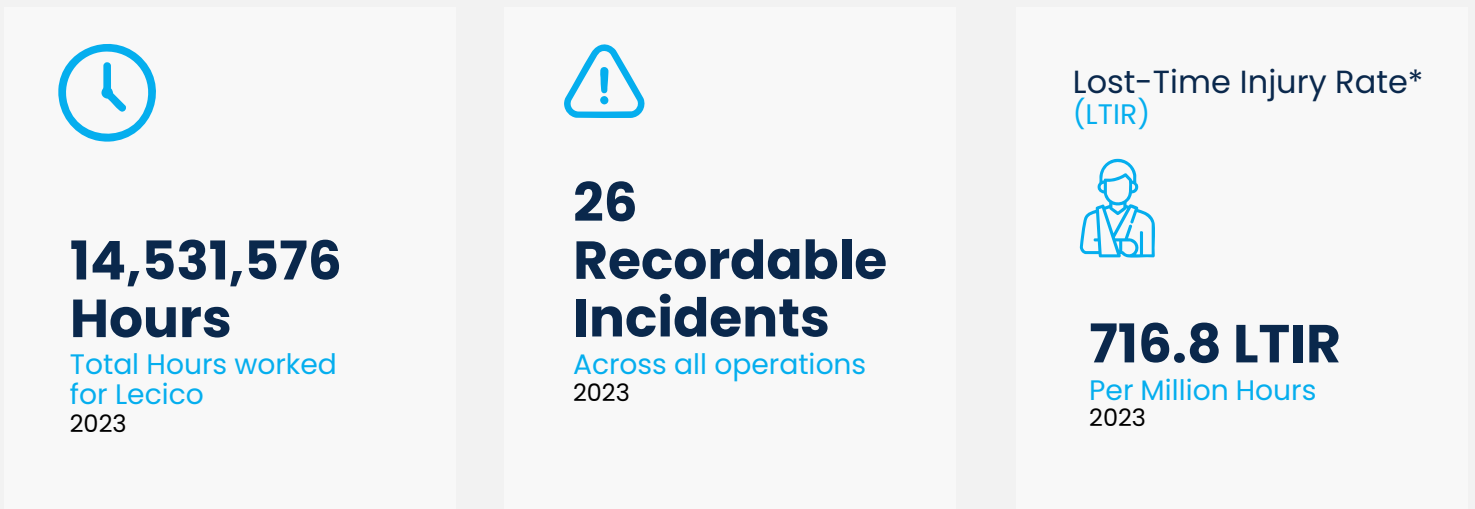
Together, these frameworks ensure Lecico’s operations remain safe, compliant, and aligned with both national standards and international best practice—a vital part of the company’s ongoing commitment to protecting people, the planet, and the principles that sustain them.

Work-Related Injuries

GRI 403-9

Lecico places strong emphasis on the responsible management of workplace injuries, ensuring every incident is addressed with immediate care, fair compensation, and preventive follow-up to avoid recurrence.

In 2023, total hours worked reached 14,531,576, with the following key indicators:



Workplace Injury Policy (Established 2025)

- In 2023, workplace incidents were handled on a case-by-case basis. Building on these experiences, Lecico introduced a standardized Workplace Injury Policy in 2025, formalizing both response and prevention.
- This policy reinforces Lecico’s commitment to ensuring that every worker is protected, supported, and treated fairly—strengthening both individual well-being and organizational resilience.

The policy ensures:

- Immediate medical response: Coverage through public health insurance or private hospitals for severe cases, with authority for urgent care.
- Income protection: Personal accident insurance ensures full salary coverage during recovery, with additional compensation when applicable.
- Compensation: Structured payments for partial disability (200,000–300,000 LE) and full disability.
- Incident investigation: Each case is reviewed by a dedicated committee to identify root causes and enforce corrective actions.



S3 Diversity & Inclusion (Equal Opportunity)

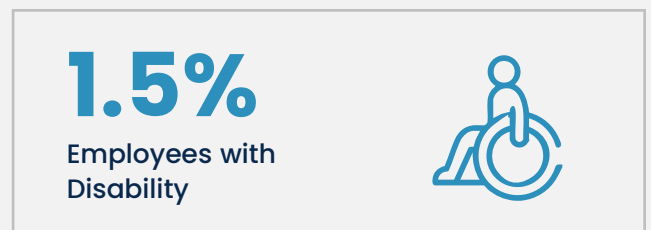
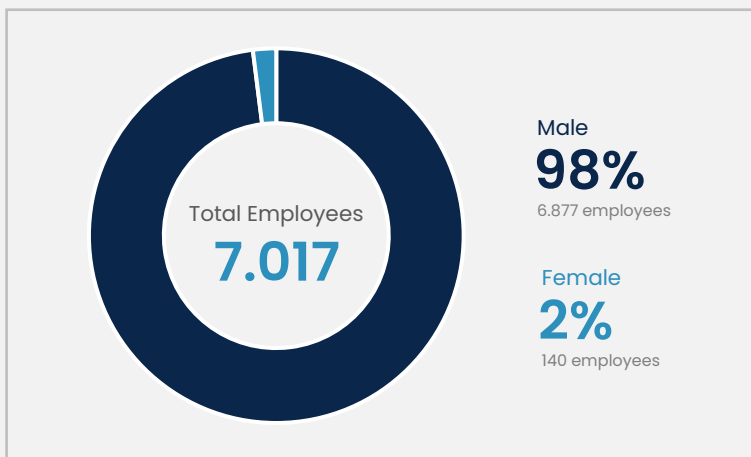
GRI 405: Diversity and Equal Opportunity

Diversity of Governance Bodies and Employees

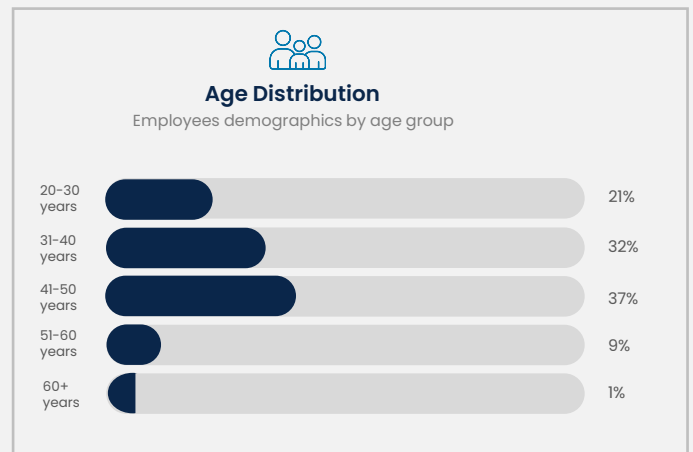
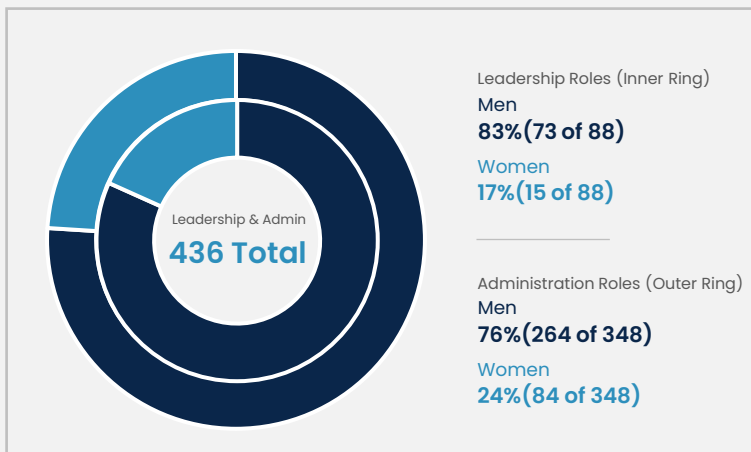
GRI 405-1

Lecico upholds a strong commitment to fairness, inclusion, and respect across all its operations. The company's Equal Opportunity Policy ensures that every employee—and every candidate seeking to join—has access to the same rights, resources, and opportunities, regardless of gender, race, religion, nationality, or ethnic background.

Employment is based solely on merit, ability, and performance. Lecico also ensures that persons with disabilities are provided with fair employment opportunities suited to their capabilities. In cases where an employee becomes disabled during service, the company makes every effort to support continued employment through retraining, role adaptation, or redeployment, ensuring that inclusion remains a lived practice rather than a principle on paper.



Women in Leadership



Community Well-Being & Shared Prosperity

At Lecico, responsibility begins with care for our people, their families, and the communities that surround us.

Every act of support, every shared experience, and every community initiative is part of our ongoing payback to the people who shape our success.

Beyond the workplace, we promote employee well-being and work-life balance through programs that reflect our values and culture.



Mr. Taher Gargour, CEO, alongside the owner of El-Amal Village Association, during his visit and donation in support of persons with disabilities.

Employee Well-being

We believe that a healthy, balanced life empowers stronger performance and deeper commitment.

In 2023:

- 28,859 subsidized holiday days enjoyed by staff and families.
- LE 568,700 in support programs including Hajj and Umrah pilgrimages, childbirth, marriage, and bereavement aid.
- Seasonal bonuses provided during Ramadan and other key holidays.

These initiatives advance UN SDG 3.4 (Promote Well-being) and Egypt Vision 2030 Human Development Goal 4.3.1 (Enhancing Citizens' Quality of Life).

Caring Beyond the Workplace: Strengthening Communities and Lives



Community Engagement

Our commitment extends to the wider community through charitable giving and local partnerships. In 2023, Lecico contributed LE 1,196,545 to social and humanitarian causes, including:

- Reconstruction support for the Port of Beirut, honoring Lecico's Lebanese roots.
- Donations to Egyptian schools and educational programs.
- Medical assistance for employees and local families in emergencies.

These efforts support UN SDG 11.3 (Inclusive, Sustainable Communities) and Egypt Vision 2030 Objective 1.2.3 (Social Inclusion and Community Participation).

Integrity in Contributions

All community and charitable engagements follow Lecico's Anti-Bribery and Anti-Corruption Policy.

We do not make political donations, ensuring neutrality, transparency, and alignment with our core value of integrity—because true responsibility is measured not only by impact, but by intent.

These actions reinforce UN SDG 11.3 (Inclusive, Sustainable Communities) and Egypt Vision 2030 Objective 1.2.3 (Social Inclusion and Participation).



Gender Pay Ratio

GRI 405-2

In 2023, Lecico maintained full pay equity across comparable roles.
Average remuneration for women: 8,000 EGP
Average remuneration for men: 8,000 EGP
Pay ratio (women to men): 100%

This reflects Lecico's firm commitment to equal pay for equal work, in line with SDG 5.1 (End discrimination against women and girls) and SDG 8.5 (Equal pay for work of equal value)



0%

Gender Wage Gap

Building the Female Leadership Pipeline

To further strengthen female representation in higher-paying managerial roles, Lecico launched the "MentorHER" sponsorship track in 2023—an initiative designed to accelerate career growth for high-potential women in administrative and technical positions.

The program includes:

- Targeted training in leadership, technical, and digital competencies.
- Job-shadowing opportunities with senior leaders.
- Mentorship and sponsorship to support advancement and promotion readiness.

Through maintaining pay equity and cultivating a strong female leadership pipeline, Lecico advances its alignment with Egypt Vision 2030's gender equality goals and international best practices in inclusive growth.



S4 Monitoring Customer Satisfaction & Loyalty

GRI 417: Marketing and Labeling

Customer Experience, Trust, & Satisfaction

At Lecico, customers are at the center of every decision we make. Beyond production, Lecico's relationship with its customers reflects its broader purpose—a payback built on trust. By listening, improving, and delivering with integrity, Lecico turns every interaction into a step toward lasting partnerships and shared growth.

Product and Service Health & Safety Assessment GRI 416-1

All Lecico sanitaryware and tile products undergo rigorous quality, safety, and compliance evaluations before market release and at regular intervals thereafter. In 2023, no major product safety non-compliance cases were recorded. Lecico's strong after-sales framework – including on-site technical support, customer bulletins, and spare parts services –ensures prompt and effective resolution of customer feedback and claims.

Marketing and Labeling GRI 417-1

In 2023, Lecico recorded no incidents of marketing or labeling non-compliance, reflecting the company's commitment to transparent communication and ethical market practices.

Lecico strengthened customer relationships through loyalty and partner programs that included annual rebates, early access to new products, flexible payment terms, exclusivity agreements, logistics support, and in-store training and events—fostering long-term collaboration across global markets.

Customer Outcomes (2023):

- Customer churn: 0% overall – while a few small accounts paused purchases due to price competition from low-cost imports, this was fully offset by increased demand from other clients.
- Market resilience: Emerging trade measures, including anti-dumping and tariff policies, continue to support fair competition and sustainable market share.





The Principles

Integrity That Sustains Our Mission



The Principles –

Integrity That Sustains Our Mission

In an industry defined by precision, endurance, and global reach, Lecico's integrity is what anchors its progress. Every decision, from boardroom strategy to production floor execution, is guided by principles of honesty, transparency, and accountability.

Governance at Lecico is more than oversight—it is the structure that sustains trust, protects our stakeholders, and ensures that growth never comes at the cost of ethics.



Through our focus on Ethics, Compliance, Risk, and Innovation, we uphold the systems that keep our business responsible, resilient, and ready for the future—honoring the integrity that sustains us all.

Ethics, Compliance, Risk, and Innovation

According to the materiality assessment, key governance practices and goals include:



- Promoting and Practicing Sound Business Ethics
- Monitoring and Ensuring Regulatory Compliance
- Using Risk Management to Guide Decision-Making
- Promoting Innovation & Digital Responsibility

EGP

1.84 M

R&D Expenditure
2023

15

Conducted
Audits
2023

0

Corruption
Incidents
2023



G1 Promoting Sound Business Ethics

GRI 205: Anti-Corruption

Ethical conduct is the foundation of trust—with customers, regulators, suppliers, and investors alike. In a globally connected industry, strong business ethics safeguard Lecico from compliance and reputational risks while reinforcing long-term credibility.

Lecico is committed to embedding ethics, transparency, and accountability across all operations, integrating anti-corruption measures and clear ethical standards into every aspect of its governance framework.



Values, Standards, and Mechanisms for Advice and Concerns

Lecico's Code of Conduct defines clear expectations for ethical behavior across all operations and business relationships.

A confidential whistleblowing channel enables employees and partners to raise concerns safely and without fear of retaliation.

While structured ethics and compliance training was partially rolled out in 2013 to 2,500 employees, Lecico has committed to boosting workforce training coverage by 2026, reinforcing a culture of integrity and accountability across the organization.

Anti-Corruption

GRI 205-2
GRI 205-3

Lecico upholds a zero-tolerance policy toward bribery, fraud, and conflicts of interest, embedding integrity at every level of its operations. In 2023, no corruption incidents were recorded, marking a strong foundation for continued ethical governance.

In 2023, anti-corruption training sessions were conducted and attended by approximately 2,500 workers and employees, demonstrating Lecico's strong commitment to Ethics and Compliance Training Programs.

The company's commitment to ethical excellence was recognized through its SMETA audit, where Lecico received a Best Practice Award for Business Ethics, underscoring its drive to build a culture rooted in transparency and accountability.

G2 Monitoring and Ensuring Regulatory Compliance

GRI 307: Environmental Compliance

GRI 419: Socioeconomic Compliance

Compliance forms the backbone of Lecico’s credibility and long-term resilience. Operating in a globally regulated industry, the company continually adapts to evolving standards in environmental protection, labor rights, and industrial performance.

Through rigorous monitoring, regular audits, and proactive policy updates, Lecico safeguards stakeholder trust, minimizes legal and financial risks, and upholds its reputation as a responsible and transparent manufacturer.

Environmental Compliance GRI 307-1

Socioeconomic Compliance GRI 419-1

Product Quality Assured by	Management System Audit	Factory Audit	Product Audit
 National French Certification Mark	✓	✓	✓
 National Dutch Certification Mark	✓	✓	✓
 Technical Inspection Association	✓	✓	
 National Nordic Certification Mark	✓	✓	✓
 American Society Mechanical Engineers Standards	✓	✓	✓
 Int'l Environmental Management Standard	✓	✓	
 Int'l Health & Safety Management Standard	✓	✓	
 Int'l Management System Standard	✓	✓	
 Proud Member of the BMA (Bathroom Manufacturers Association)			
 Sedex Membership Reference No. ZC400092008 (Supplier Ethical Data Exchange) 1-Labor Rights 2-Environmental Aspects 3-Health and Safety 4-Business Ethics			

In 2023, Lecico recorded 3 regulatory non-compliance incidents, primarily administrative or permitting-related in nature.

- **Total Fines:** Not material, limited to administrative fees.
- **Corrective Actions:** All addressed through CAPAs (Corrective and Preventive Action Plans) with continuous follow-up by HSE and compliance teams.
- **Audits:** 15 internal and external audits were conducted across environmental, occupational health, and socio-economic areas, with all findings resolved through documented improvement measures.

Annual Environmental Performance Audits & Certification

Lecico conducts annual environmental performance audits to ensure ongoing compliance and improvement. All factories in Egypt are ISO 14001 certified, demonstrating the company’s commitment to robust environmental management systems, while ensuring product quality, and safeguarding employee well-being and continuously enhancing sustainability performance.



G3 Using Risk Management to Guide Decision-Making

GRI 201: Economic Performance

GRI 307: Environmental Compliance

Lecico's risk management approach is rooted in anticipation and adaptation—integrating Environmental, Social, and Governance (ESG) factors into strategic decision-making to ensure business continuity and long-term resilience.

Key Impacts, Risks, and Opportunities; Effectiveness of Risk Management

In 2023, the introduction of the UK Carbon Border Adjustment Mechanism (CBAM) highlighted the growing importance of accurate carbon reporting, sustainability compliance, and export-related cost management.

In response, Lecico launched comprehensive Life Cycle Assessment (LCA) and Carbon Footprint of Products (CFP) studies to better understand and manage its environmental impact across all operations.

These efforts form part of a broader ESG framework, designed to align Lecico with international standards, enhance transparency, improve resource efficiency, and reinforce its reputation as a responsible manufacturer.

By doing so, the company not only mitigates regulatory risks but also strengthens its competitiveness and readiness for a low-carbon future.

Key Highlights (2023):

- Identified ESG risks: 1 (CBAM-related).
- Mitigated ESG risks: 1 (100% mitigation success).
- Integrated risk categories: Climate (carbon pricing, energy dependency), human rights (worker health, supply chain screening), and innovation risk (product development and market adaptability).
- Oversight: ESG risks are reviewed at the board-level committees, ensuring that sustainability considerations directly inform strategic and operational decisions.



G4 Promoting Innovation & Digital Responsibility

GRI 417: Marketing and Labeling

Innovation is central to Lecico’s long-term competitiveness and growth. In a rapidly evolving ceramics industry, advancing technology and smarter production methods enable the company to enhance quality, reduce resource consumption, and meet shifting customer and regulatory expectations.

By investing in R&D, modernizing processes, and developing future-ready products, Lecico strengthens its position as a forward-thinking manufacturer committed to sustainable progress.

R&D and Product Portfolio Departments

GRI 417

As the ceramics industry evolves, Lecico continues to look ahead—embracing innovation to meet emerging market needs and sustainability expectations. Global trends are shaping a new era of ceramics, one defined by water-efficient designs, advanced materials, and refined aesthetics.

To lead this transformation, Lecico established two dedicated teams:

- The Research & Development (R&D) Department, driving innovation in product design, process optimization, and quality enhancement.
- The Product Portfolio Department, responsible for analyzing market trends, refining product ranges, and ensuring a balanced, future-ready lineup that aligns with both customer preferences and regulatory requirements.

In 2023, Lecico invested 1.84 million EGP in R&D, resulting in 10 new product and process innovations. The focus areas for 2024–2026 include:

- Evaluation for the application of biogas fuel in kiln operations.
- Expansion of heat recuperation systems to capture and reuse waste heat.

Together, these functions enable Lecico to stay ahead of market shifts, strengthen its competitive position, and deliver sustainable, high-performance products that reflect the company’s commitment to continuous progress and excellence.



10+

New Products & Process Developments

2023



1.84 Million EGP
R&D Expenditure

2023

Employee Involvement in Research and Innovation

Lecico's commitment to innovation extends beyond its dedicated R&D and Product Portfolio departments—it is deeply rooted in the knowledge, curiosity, and technical excellence of its people. Employees across production, quality, and materials engineering actively contribute to applied research that advances both the ceramics industry and Lecico's operational performance.

Over the past years, Lecico's engineers and specialists have co-authored multiple peer-reviewed studies, demonstrating leadership in process optimization, material enhancement, and environmental innovation.

These include:

1. Youssef, E., Mostafa, N., Saab, A., El Khoury, J., Nassif, R., Abboud, M., & Lteif, R. Experimental Study of the Effects of Clay Washing on the Reduction of Glaze Pinholes.
2. Youssef, E., Mostafa, N., Khoury, J. E., Merhej, T., & Lteif, R. (2023). Glaze surface defects causes and prevention controls. *J. Ceram. Sci. Technol.*, 14(1), 1-10.
3. Mahmoud, M. E., Yakout, A. A., Halbas, A. M., & Osman, M. M. (2016). Remediation of Cr (VI) via combined self-reduction and adsorption by chemically modified carbon sorbents. *Turkish Journal of Chemistry*, 40(6), 906-920.
4. Mahmoud, M. E., El-Khatib, A. M., Halbas, A. M., & El-Sharkawy, R. M. (2020). Investigation of physical, mechanical and gamma-ray shielding properties using ceramic tiles incorporated with powdered lead oxide. *Ceramics international*, 46(10), 15686-15694.
5. Mahmoud, M. E., El-Khatib, A. M., Halbas, A. M., & El-Sharkawy, R. M. (2021). Ceramic tiles doped with lead oxide nanoparticles: their fabrication, physical, mechanical characteristics and γ -ray shielding performance. *Radiation Physics and Chemistry*, 189, 109780.



Future ESG Roadmap, KPIs, and SDG Commitments

A payback to the planet, its people, and the integrity that sustains them.

Statement of Commitment

Lecico's journey toward sustainability is one of continuous improvement—driven by responsibility to the planet, our people, and the integrity that sustains our business. Building on the 2023 ESG baselines and the successful 2015 water-recycling project, Lecico is advancing a balanced yet ambitious roadmap designed to:

- Reduce environmental footprint through decarbonization and circularity.
- Strengthen workforce capability, safety, and inclusion.
- Deepen governance, ethics, and data responsibility.

Our ESG roadmap aligns with the GRI Standards, the UN Sustainable Development Goals (SDGs), and Egypt Vision 2030, ensuring Lecico's growth continues to create shared value for society and the environment.



Lecico's 2030 Sustainability Targets

A Cross-Pillar Action Plan

1. Decarbonization and Energy Efficiency

- Expand high-pressure casting and heat recuperation technologies.
- Target a 13% reduction in Scope 1 and 2 emissions by 2030.

2. Circular Economy and Resource Recovery

- Increase raw material recovery (clay, glaze, magnets).
- Eliminate avoidable waste to landfill.
- Strengthen partnerships for product take-back and recycling.

3. Governance and Integrity

- Achieve 100% ethics and compliance training by 2026.
- Reduce compliance incidents and maintain zero data breaches.
- Embed ESG risk management into enterprise decision-making.

4. Water Stewardship and Circularity

- Operate the 2024 recycling system at design efficiency (≥90% recycling, ≥60% reduction in freshwater use vs. 2023).
- Extend closed-loop reuse systems to additional production lines.

5. People and Culture

- Expand training hours per FTE and leadership development for women.
- Maintain a robust health and safety culture, with improved leading indicators.
- Reinforce diversity and inclusion across all levels of the organization.

2023 ESG Performance (KPIs)

KPI	Unit	2023
Total energy consumption	GJ	3,429,570
Scope 1 emissions for sanitary ware	tCO ₂ e	126,054.3
Scope 2 emissions for sanitary ware	tCO ₂ e	37,709.7
Water withdrawal	m ³	560,106
Recycling rate	%	82.3
Training hours per employee	hrs/FTE	1.78
Women in leadership	%	17
Injury rate	per 1e6 hrs	716.8
Net Promoter Score (NPS)	score	0.8
Customer churn	%	0
Compliance violations	cases/incidents	12
ESG risks mitigated	%	100
Data breaches	incidents	0

Lecico 2030 ESG Roadmap

Lecico's roadmap to 2030 is a vision of progress grounded in responsibility, transforming industry challenges into opportunities for renewal.

Medium-term 2026–2028

Expansion

- Raise average training hours to ≥10 per FTE and reach ≥25% women in leadership roles.
- Reduce energy intensity for tiles and sanitary ware by at least 10% from 2023 levels.
- Maintain zero data breaches and strengthen cybersecurity oversight.
- Cut regulatory and compliance incidents by 50% versus 2023.
- Elevate material recycling rate to above 90%, moving toward a circular economy model.

Short-term 2024–2025

Foundation

- Commission and optimize the 2024 water recycling system, targeting 90% reuse and 60% reduction in freshwater withdrawal.
- Deliver a minimum of 5 training hours per FTE, with a focus on health, safety, and leadership skills.
- Achieve 100% employee participation in ethics and compliance training.
- Reduce Lost-Time Injury Rate (LTIR) to below 450 and eliminate serious incidents.
- Improve Net Promoter Score (NPS) compared to the 2023 baseline.

Long-term 2029–2030 and beyond

Leadership

- Replace 7.6 million m³ of natural gas annually, avoiding 15,322 tCO₂e in emissions.
- Achieve a 15–20% reduction in energy intensity relative to 2023.
- Sustain 60% lower freshwater consumption compared to baseline.
- Maintain 100% gender pay equity.
- Reduce LTIR below 250, sustaining a zero serious accidents record.
- Achieve zero material fines and data breaches, reinforcing Lecico's integrity and compliance leadership.

Collective Responsibility for a Sustainable Future

A Call to Action

Sustainability is not a solitary effort—it is a shared responsibility. Lecico invites its employees, suppliers, customers, financial partners, and regulators to join in shaping a future that gives back to the planet, its people, and the principles that sustain them.

Together, we can make a lasting impact: from near-miss reporting and safety audits to co-developing eco-efficient product designs, advancing renewable energy pilots, and strengthening responsible supply chain practices. Each contribution, no matter how small, becomes part of a collective payback—one that ensures lasting value for our communities and the world we share.



Appendix

A. Material Topics Table (GRI 3-2 & 3-3)

Material Topic	Stakeholders Affected	GRI Disclosures	KPI(s)	Management Approach
Energy efficiency & consumption	Employees, investors, regulators	302-1, 302-3, 302-4	Energy (GJ), Intensity, % RE	Audits, upgrades, RE sourcing
Climate change & GHG	Investors, regulators, community	305-1, 305-2, 305-3, 305-4, 305-5	Scope 1, 2, intensity, reduction %	Net-zero pathway, efficiency, renewables
Water management	Community, regulators, employees	303-2, 303-3, 303-5	Withdrawal (m ³), intensity, reuse %	Efficiency fixtures, reuse systems, risk reviews
Waste & circularity	Community, customers, regulators	306-1/2/3/4	Waste (t), recycling rate	Segregation, take-back, paperless
Maximize Use of Renewable Energy	Community, customers, regulators	GRI 302-1, 302-3, 302-4, 305-1, 305-5	Total amount of RE (GJ)	Audits, upgrades, RE sourcing
Employment & development	Employees	401-1, 404-1/2	Turnover %, hrs/FTE	HR programs, training, surveys
Health & safety	Employees, contractors	403-2, 403-9	LTI rate, incidents	Audits, training, near-miss reporting
Diversity & inclusion	Employees, investors, society	405-1, 405-2	% women, % women leaders, pay ratio	Policy, inclusive hiring, pay reviews
Customer trust	Customers, regulators	416-1, 417-1	NPS, churn %	QA, responsible marketing, engagement
Ethics & integrity	Employees, investors, regulators	102-16/17, 205-2/3	Violations, training %	Code, whistleblowing, training
Compliance	Regulators, investors	307-1, 419-1	Incidents, audits #	Monitoring, audits, reporting
Risk management	Investors, regulators	102-15, 102-30	Risks identified/mitigated	ERM integration, committee reviews
Innovation	Customers, investors	417-3	R&D (M), innovations #	R&D strategy, partnerships
Promoting Innovation & Digital Responsibility	Employees, customers, investors	417-1	R&D spend (10 mn EGP); Innovations (#); Publications (#)	R&D strategy, responsible digitalization, process optimization, research publication support

B. GRI Content Index (2021) – Core Disclosures

Statement of use		Lecico Egypt S.A.E . has reported in accordance with the GRI Standards for the period of 1st of January 2023 till 31st of December 2023.		
GRI 1 used		GRI 1: Foundation 2021		
Applicable GRI Sector Standard(s)		No applicable GRI Sector Standards		
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION	
			REASON	EXPLANATION
General disclosures				
GRI 2: General Disclosures 2021	2-1 Organizational details	Page 3,5,6,7		
	2-2 Entities included in the organization's sustainability reporting	Page 3		
	2-3 Reporting period, frequency and contact point	Page 3		
	2-4 Restatements of information	N/A this is Lecico's 1st ESG Report		
	2-5 External assurance	Page 3		
	2-6 Activities, value chain and other business relationships	Page 5,6,7,15		
	2-7 Employees	Page 5, 48, 55		
	2-8 Workers who are not employees	Page 48		
	2-9 Governance structure and composition	Page 8		
	2-10 Nomination and selection of the highest governance body		Confidentiality constraints	This is not public data.
	2-11 Chair of the highest governance body	Page 8		
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 8		
	2-13 Delegation of responsibility for managing impacts	Page 8, 9, 10		
	2-14 Role of the highest governance body in sustainability reporting	Page 8, 9, 10		
	2-15 Conflicts of interest	Page 63		
	2-16 Communication of critical concerns	Page 63		
	2-17 Collective knowledge of the highest governance body	Page 8, 71		
	2-18 Evaluation of the performance of the highest governance body		Confidentiality constraints	This is not public data.
	2-19 Remuneration policies	Page 58		
	2-20 Process to determine remuneration		Confidentiality constraints	This is not public data.
	2-21 Annual total compensation ratio		Confidentiality constraints	This is not public data.
	2-22 Statement on sustainable development strategy	Page 9, 10		
	2-23 Policy commitments	Page 63, 64		
	2-24 Embedding policy commitments	Page 64		
	2-25 Processes to remediate negative impacts	Page 64		
	2-26 Mechanisms for seeking advice and raising concerns	Page 63		
	2-27 Compliance with laws and regulations	Page 62, 63, 64		
	2-28 Membership associations	Page 64		
	2-29 Approach to stakeholder engagement	Page 16, 17		
	2-30 Collective bargaining agreements	Page 17, 53		

Material topics

GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 16, 18		
	3-2 List of material topics	Page 19, 20		
Anti-corruption				
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 20		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Page 63		
	205-2 Communication and training about anti-corruption policies and procedures	Page 50		
	205-3 Confirmed incidents of corruption and actions taken	Page 64		
Materials				
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 20		
	301-2 Recycled input materials used	Page 42		
	301-3 Reclaimed products and their packaging materials	Page 42		
Energy				
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 20		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 26		
	302-2 Energy consumption outside of the organization	Page 34		
	302-3 Energy intensity	Page 27		
	302-4 Reduction of energy consumption	Page 28, 29, 30, 31		
	302-5 Reductions in energy requirements of products and services	Page 28, 29		
Water and effluents				
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 20		
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Page 39, 40		
	303-2 Management of water discharge-related impacts	Page 39, 40		
	303-3 Water withdrawal	Page 39, 40		
	303-5 Water consumption	Page 39, 40		
Emissions				
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 20		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 33		
	305-2 Energy indirect (Scope 2) GHG emissions	Page 33		
	305-3 Other indirect (Scope 3) GHG emissions	Page 34		
	305-4 GHG emissions intensity	Page 35, 37, 38		
	305-5 Reduction of GHG emissions	Page 36		
Waste				
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 20		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Page 41, 42		
	306-2 Management of significant waste-related impacts	Page 42, 43		
	306-3 Waste generated	Page 41		
	306-4 Waste diverted from disposal	Page 42, 43		

Employment				
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 20		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 48		
	401-2 Benefits provided to full-time employees	Page 48,49, 50, 51, 54		
	401-3 Parental leave	Page 53		
Occupational health and safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 20		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Page 52, 53, 54		
	403-2 Hazard identification, risk assessment, and incident investigation	Page 52, 53		
	403-3 Occupational health services	Page 53		
	403-5 Worker training on occupational health and safety	Page 51		
	403-6 Promotion of worker health	Page 56		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 52, 54		
	403-8 Workers covered by an occupational health and safety management system	Page 52, 53, 54		
	403-9 Work-related injuries	Page 54		
	403-10 Work-related ill health	Page 54		
	Training and education			
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 20		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Page 50		
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 50, 51		
Diversity and equal opportunity				
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 20		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 55		
	405-2 Ratio of basic salary and remuneration of women to men	Page 58		
Local communities				
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 20		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Page 57		
Customer health and safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 20		
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Page 59		
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Page 59		
Marketing and labeling				
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 20		
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Page 59		
	417-2 Incidents of non-compliance concerning product and service information and labeling	Page 59		
	417-3 Incidents of non-compliance concerning marketing communications	Page 59		

C. ESG Materiality Indexing Matrix for Alignment KPIs with UN SDG Targets, and Egypt Vision 2030

Material Topic	Key KPIs	Relevant UN SDGs & Targets	Egypt Vision 2030 Alignment
Energy Efficiency & Carbon Footprint	- Total energy consumption (GJ) - Scope 1 & 2 GHG (tCO ₂ e) - Energy intensity (GJ/ton) - Emission intensity (tCO ₂ e/revenue or tCO ₂ e/FTE)	 SDG 7.2 – Increase share of renewables  SDG 7.3 – Double global rate of energy efficiency improvement  SDG 13.2 – Integrate climate measures into national policies  SDG 9.4 – Upgrade infrastructure for clean technologies	<ul style="list-style-type: none"> Economic Development Pillar: Improve energy efficiency across industries. Environmental Pillar: Transition to low-carbon growth; reduce energy intensity.
Water Management	- Total withdrawal (m ³) - Water consumption intensity (m ³ /ton) - % recycled/reused	 SDG 6.4 – Increase water-use efficiency across sectors  SDG 6.3 – Improve water quality & recycling  SDG 12.2 – Sustainable management of natural resources	<ul style="list-style-type: none"> Environmental Pillar: Sustainable water resource management. Infrastructure Pillar: Expand wastewater treatment and reuse.
Waste & Circularity	- Waste generated (t) - Recycling rate (%) - Hazardous waste handled (t)	 SDG 12.5 – Substantially reduce waste generation through prevention, reduction, recycling, reuse  SDG 12.4 – Environmentally sound waste management  SDG 9.4 – Cleaner industrial processes	<ul style="list-style-type: none"> Environmental Pillar: Circular economy, maximize recycling rates. Economic Development: Promote industrial waste valorization.
Maximize Use of Renewable Energy	Total amount of RE (GJ)	 SDG 7.2: By 2030, substantially increase the share of renewable energy in the global energy mix.  SDG 7.3: By 2030, double the global rate of improvement in energy efficiency.  SDG 12.2: By 2030, achieve sustainable management and efficient use of natural resources.  SDG 13.2: Integrate climate change measures into national policies, strategies, and planning.	<ul style="list-style-type: none"> Environmental Dimension: Expand renewable energy use, especially in industry; promote low-carbon growth. Economic Dimension: Diversify energy mix and enhance industrial energy efficiency. Energy Strategy 2030 Targets: Reach 42% renewable energy in the national mix by 2035.
Skills & Training	- Training hours per employee (hrs/FTE) - % employees trained on ESG/ethics	 SDG 4.4 – Increase number of youth/adults with skills for employment & sustainability  SDG 8.5 – Full and productive employment, equal pay for work of equal value	<ul style="list-style-type: none"> Social Justice Pillar: Human capital development and skills training.
Occupational Health & Safety (OHS)	- Lost-time injury rate (LTIR) - Serious accidents (count) - TRIR	 SDG 8.8 – Protect labor rights, promote safe working environments  SDG 3.9 – Reduce deaths/illnesses from hazardous substances	<ul style="list-style-type: none"> Social Development Pillar: Safe, inclusive workplaces. Health Pillar: Occupational health standards.
Diversity & Inclusion	- % female employees - % women in leadership - Workers with determination (%) - Gender pay ratio	 SDG 5.5 – Ensure women’s full participation and equal leadership opportunities  SDG 10.2 – Empower social and economic inclusion of all  SDG 8.5 – Equal opportunity employment	<ul style="list-style-type: none"> Social Justice Pillar: Gender equality, empowerment of women, inclusion of people with disabilities.
Ethics & Integrity	- Confirmed ethics violations (cases) - % workforce trained on Code of Conduct - Whistleblowing cases handled	 SDG 16.5 – Substantially reduce corruption and bribery  SDG 16.6 – Develop accountable and transparent institutions	<ul style="list-style-type: none"> Governance Pillar: Strong institutions, zero tolerance for corruption.
Regulatory Compliance	- Compliance violations (incidents) - Fines paid (USD/EGP) - Corrective actions completed (%)	 SDG 16.3 – Promote rule of law at national/international levels  SDG 16.6 – Effective, accountable institutions	<ul style="list-style-type: none"> Governance Pillar: Rule of law, effective governance, zero material fines.
Risk Management	- ESG risks identified (count) - ESG risks mitigated (%)	 SDG 13.1 – Strengthen resilience and adaptive capacity to climate-related hazards  SDG 12.6 – Encourage companies to adopt sustainable practices	<ul style="list-style-type: none"> Governance Pillar: Institutional resilience and risk management integration.
Innovation & Digital Responsibility	- R&D expenditure (million EGP/USD) - Innovations launched (count)	 SDG 9.5 – Enhance scientific research and innovation capacity  SDG 12.6 – Companies adopting sustainable practices  SDG 16.10 – Ensure public access to information and protect fundamental freedoms (data privacy)	<ul style="list-style-type: none"> Economic Development Pillar: Promote innovation and industrial competitiveness. Digital Transformation Pillar: Strengthen digital infrastructure and innovation culture.



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