

1 all

PUSHING THE BORDERS Annual 2021

Annual 2021 Report 2021 PUSHING THE BORDERS



reword	04
a Glance	08
21 Highlights	14
isiness Strategy	20
anagement Discussion & Analysis	28
nes of Business	34
Woven	36
Tufted	40
Non-Woven	44
Oriental Weavers Hospitality	48
vironmental Investments	54
cial Investments	66
orporate Governance	76
Group Structure	78
Board Members	80
- Board Committees	88
2021 Highlights	90
- Stock Performance	91
nancial Statements	94



FOREWORD



FOREWORD



Dear shareholders,

2021 was an exceptional year for Oriental Weavers. Insurmountable efforts were dedicated to Group-wide improvements, and our performance throughout the year was not impacted by the COVID-19 surge witnessed earlier in the year. Many of our major improvements have come in the form of internal reorganization, operational procedures, and product and process enhancement. We have also invested in capacity expansion activities that allowed us to scale up our manufacturing on local and global scales. This, coupled with improvements across our lines of business that were driven mainly by our woven and tufted segments, continued to drive Oriental Weavers' growth and ambitions.

Despite uncertainty surrounding global textile markets in the wake of COVID-19, we saw a remarkable increase in demand across both our local Egyptian retail market and intercontinental footprint. As a result, we recorded an impressive 20.2% y-o-y growth in revenues at the end of 2021 despite global supply chain disruptions, lead-time delays, and obstructions to many of our seasonal market operations.

Throughout the year, we continued to diversify our local retail presence in Egypt, our highest margin market, by increasing the number of showrooms and physical stores where demand is available. Export

sales to the USA, Arab countries, Russia, factory and our first ever manufacturing China, Africa, and Europe were also subject to exceptional growth. Our dual strengths as local retailers and global exporters allowed us fluctuation in oil prices, we maintain a cautious to take on operational obstacles with agility, leaning on our Egyptian market in times of global turbulence, and shifting focus toward as we navigate the year. Moving forward, distribution activities to weather local volatility. we hope to continue expanding on existing

A cornerstone of our operational vision is a commitment to reduce Oriental Weavers' carbon footprint and champion sustainable manufacturing practices. Our factories work In closing, I would like to express my gratitude under meticulous directives to minimize production waste. We also regularly partake in initiatives that are launched in Egypt and abroad and are in line with our internal sustainability goals. In 2021, we launched to Oriental Weavers every day. Thank you for a new product line made entirely from an exceptional year. recycled, reused, and traceable materials. We also launched our first fully solar-powered showroom in Alexandria and participated in the UK-based tree planting green initiative. Through the initiative, customers are given the chance to plant a tree for every one meter of carpet they purchase, and I am proud to say that we have set a target of 10,000 trees to be planted by the end of 2022.

We have started the new year with great vigor and confidence in what 2022 has to offer. This comes on the back of our plans to inaugurate Nefertari, a new machine-woven carpet

Chair

facility bearing a female name. However, with the conflict in Ukraine resulting in inevitable stance on unnecessary expenditure, and we will look to innovate from within the Group business opportunities, while simultaneously exploring all available avenues for generative, integrated expansion across our verticals.

for the hard work and diligence of our employees, partners, and board members. Our shared vision and path forward grow evermore promising with the value you bring

Yasmine Khamis

AT A GLANCE



ABOUT ORIENTAL WEAVERS

Oriental Weavers continues to lead the region with innovation and diversity across its operations, continuously expanding its capacities to tailor to the ever-growing demand for rugs and carpets in regional and global markets

> **Oriental Weavers is** recognized for the impeccable designs, superior quality, and innovation of its products, and it has become a worldwide exporter and a major player in the Egyptian textiles industry.

1st

Global producer by volume



Oriental Weavers, the region's flagship rugs and carpets manufacturer, was founded in 1979 by the late industrialist and entrepreneur Mohamed Farid Khamis. Throughout its decades of operations, Oriental Weavers has relentlessly worked its way to becoming the world's largest manufacturer of machine-woven carpets, and a global leader in tufted and jet-printed rugs and carpets. The company continues to expand on its product offerings with an eye to providing customers with the finest textile products at competitive price points. Today, Oriental Weavers is extensively recognized for the impeccable designs, superior quality, and innovation of its products, and it has become a worldwide exporter and a major player in the Egyptian textiles industry.

Oriental Weavers' Subsidiaries

Oriental Weavers was established as part of the Oriental Group, and it has rapidly grown to become a constituent element to the Group's consolidated growth. The majority of Oriental Weavers' raw materials are sourced in-house through its prominent subsidiaries and sister companies, enabling the company to reap the benefits of the complete vertical integration across its value chain.

At present, Oriental Weavers' portfolio houses seven subsidiaries, with its operational footprint spanning over local, regional, and international markets.



Showrooms in Egypt

The Woven Segment

Oriental Weavers' woven manufacturing processes encompass the production of three grades of machine-woven rugs and carpets. During the weaving process, surface yarn is inserted and intertwined with backing yarn, comprising of jute weft threads and warp threads. Five of Oriental Weavers' subsidiaries operate in the manufacturing of woven textile products, three of which operate in the local market, in addition to one in the USA and one operating in China.

Oriental Weavers International

Established in 1998 as an export-focused freetrade company, Oriental Weavers International (OWI)'s production facilities are dedicated to handling the extrusion of synthetic fibers, the dyeing and spinning of wool, and the finishing of woven carpets and rugs. OWI's wide array of commercial and residential carpets, rugs, and upholstery is exported to high-demand markets, such as North and South America, Europe, the Middle East, Asia, and Australia. To further expand its operational footprint and manufacturing capacities, the company established a high-tech yarn production facility in 2014, with a record-high capacity of 100 tons per day. Additionally, OWI's supermajority stake of 79% in China's Oriental Weavers Tianjin enables the company to leverage its innovative product offerings and extensive industry expertise to capture a larger market The Tufted Segment share in emerging Asian markets.

Oriental Weavers Textiles

Oriental Weavers Textiles was established in 2005 as another export-centric subsidiary to Oriental Weavers' portfolio. Situated in a free-zone area with a large parcel of land, the company is perfectly positioned to allocate its resources to lucratively serve Oriental Weavers' future expansion plans in the woven textiles segment. As such, Oriental Weavers Textiles has

Situated in Dalton, Georgia, Oriental Weavers USA was launched in 1993 as Oriental Weavers' arm in the USA. The company markets and distributes woven carpets and rugs that are produced in OW's local market of Egypt, and other Asian countries, to mass market merchants and megastores. Additionally, Oriental Weavers USA serves retailers and department stores, alongside taking its products to the digital sphere, with the company showcasing its products on online furniture marketplaces, such as Target, Kohl's, Amazon, Wayfair, and Rugs Direct. **Oriental Weavers Tianjin Company Ltd., China** Oriental Weavers China was established in 2006

In the tufting manufacturing process, fibers such as yarn are first inserted and pulled through the primary backing fabric, holding the fibers in place. After carpet design and printing are done, an anchor coating of adhesive is applied to further hold the tufts in place, and a secondary backing cloth is then added. As of year-end 2021, there are two subsidiaries that operate in the tufted segment in Oriental Weavers' local market of Egypt: MAC Carpet and its private free-zone subsidiary, New MAC.

Export continents

undergone the process of converting its land, housing a new manufacturing plant, and adding 11 state-of-the-art production looms, with an eye to bolstering its operational efficiency and production volumes.

Oriental Weavers USA

with an eye to capturing the rapidly growing demand for woven carpets and rugs in China and neighboring East Asian countries. At present, Oriental Weavers China's fiber extrusion and woven production facilities extend over 140,000 m² of land in Tianjin's industrial zone.

Distribution offices

MAC Carpet (Fiber Factory)

Established in 1981, MAC Carpet (Fiber Factory) is Oriental Weavers' arm operating in the tufted carpeting segment and a leading Egyptian exporter to more than 100 countries, supplying a multitude of big-box retailers across the world. The company manages four manufacturing sites in Egypt, with a diverse portfolio ranging from wall-to-wall carpeting and door and kitchen rugs to rubber backed bathroom mats, multilevel textured mats, car mats, children's rugs, and much more. MAC Carpet also produces three-dimensional advertising floor panels, runners, and artificial turf for indoor and outdoor purposes. In line with its plans to further build on the success of its product offerings, MAC Carpet began broadening its portfolio in 2018 to house more products that are highly demanded in key markets. Later in 2019, the company took on new bespoke ultrasonic cutting machinery, breaking ground for Oriental Weavers' entry into the carpet tiles segment.

The company owns a 98% stake in its subsidiary, New MAC, a tufted manufacturing facility operating in a free-zone area in Egypt.

The Non-Woven Segment

The processes of manufacturing carpets out of non-woven materials include the use of chemical and thermal treatments to bond fibers together. At present, the Egyptian Fibers Company (EFCO) is the Group's sole manufacturer of non-woven carpets and rugs that has worked its way to becoming a leading producer in its markets of operations.

Egyptian Fibers Company

Established in 1978 as an integral part of the Oriental Weavers Group, the Egyptian Fibers Company (EFCO) exports its products to over 67 countries across the globe. In line with the highest environmental and quality management standards, EFCO leverages its highly-advanced machinery for the production of the master batch, polypropylene staple fiber, and needle felt carpets. This includes wall-to-wall carpeting of various weights with customized widths; indoor and outdoor rugs; patterned, printed, engraved, and embossed mats; underlay rolls and rug pads; car mats; and bathmats.

Our Mission and Vision

Oriental Weavers' comprehensive suite of innovative and affordable offerings has cemented the company's leading position in the machine-made area rugs industry on a global scale. The company strongly focuses on ensuring that clients are provided with products of unmatched quality, prompt delivery, and competitive prices.





Enriching people's lives through innovative, sustainable, and value-driven rugs and carpets crafted by passionate and creative minds.

Sustaining our position as an industrial trendsetter and the world's market leader of rugs and carpets, spreading happiness and warmth to every room in the world.

26

Production facilities



Exported volumes in 2021





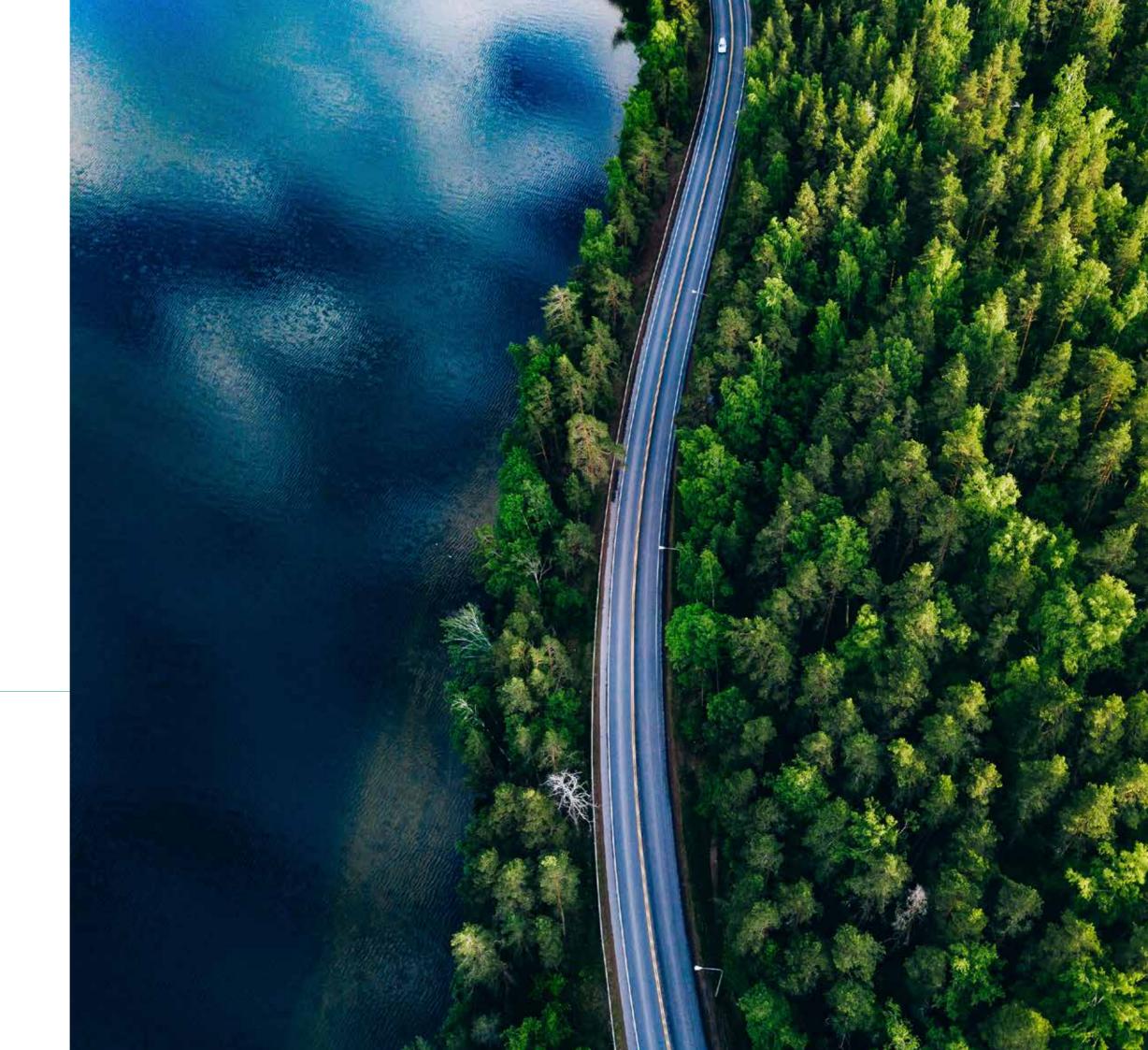
Our Geographical Footprint

Alongside strengthening its leading position in the local Egyptian market, Oriental Weavers continues to expand its regional and global presence. At present, Oriental Weavers exports approximately 68% of its production to over 130 countries worldwide.

Our Production Facilities

The Group's extensive production capabilities enable it to adapt quickly and effectively to changes in different market conditions, ultimately bolstering operational efficiency across its footprint. Through its manufacturing facilities and warehouses in Egypt, China, and the USA, Oriental Weavers produces an aggregate of over four million copyrighted designs by leveraging its robust, vertically integrated business model to manage and control the entire production process.

2021 HIGHLIGHTS



2021 **HIGHLIGHTS**

Oriental Weavers' business strategies continued to bear fruit in 2021, with multiple essential operational and ESG-centric milestones achieved during the year

Operational Highlights



Exceptional financial performance

Revenues reached a record high of EGP 11.4 billion in FY2021, with demand for Oriental Weavers' products positively impacted by a boom in home and space renovations. segments through one of the country's liveliest The Group's global markets witnessed an especially remarkable rise due to its growing popularity, with supply to local markets also expanding to meet increasing demand.



New York is now home to the Oriental Weavers showroom in the USA. The showroom now serves as a gateway to capturing larger market states. The USA market has played a substantial role in increasing the Group's woven segment's revenues in FY2021 due to an increase in demand for its products during the year.



Capacities expand for artificial grass

MAC, Oriental Weavers' tufted arm, has expanded its manufacturing capacity of artificial grass this year in response to high local and global demand. More affordable than real grass, the product also serves as an eco-conscious alternative and requires less to no maintenance. Seeing the potential of this promising product, MAC now has four new machines that are dedicated to its production.



R&D grows at EFCO

Keeping innovation at the center of its efforts, EFCO-the Group's non-woven arm-increased its research and development capacities in 2021. This led to multiple improvements across its operations, including the release of more innovative designs and adherence to prompt order delivery. Customer loyalty has since been on the rise at the company, and EFCO aims to sustain this by further bolstering its R&D capacities and consistently exceeding customer expectations.



Oriental Weavers • Annual Report 2021 • 17

ESG Highlights



A solar energy debut

In 2021, and moving toward the use of clean energy, Oriental Weavers began the process of inaugurating its first-ever solar plant in Alexandria. The plant operates at a capacity of 259 KWh and is expected to generate over 520 MWh and eliminate up to 262 tons of CO² emissions every year. The Group also introduced outdoor solar-powered lighting to some of its production facilities during the year.



EFCO: Greener every day

EFCO has eliminated the use of all hazardous chemicals from its production processes in 2021. It also now manufactures 80% of its products from recycled polyester and aims to transition the remaining 20% of its portfolio in the near future. Furthermore, and as part of its green manufacturing practices, the company packages its products in recycled plastics and carton.



in 2021.

disruptive water-free textile dyeing technologies

Prioritizing resource efficiency, Oriental Weavers invested a total of USD 897K in 2021 across multiple 15K MWh in electricity savings, the projects led m³ and recycled over 12K m³ of water through its

of 2022.



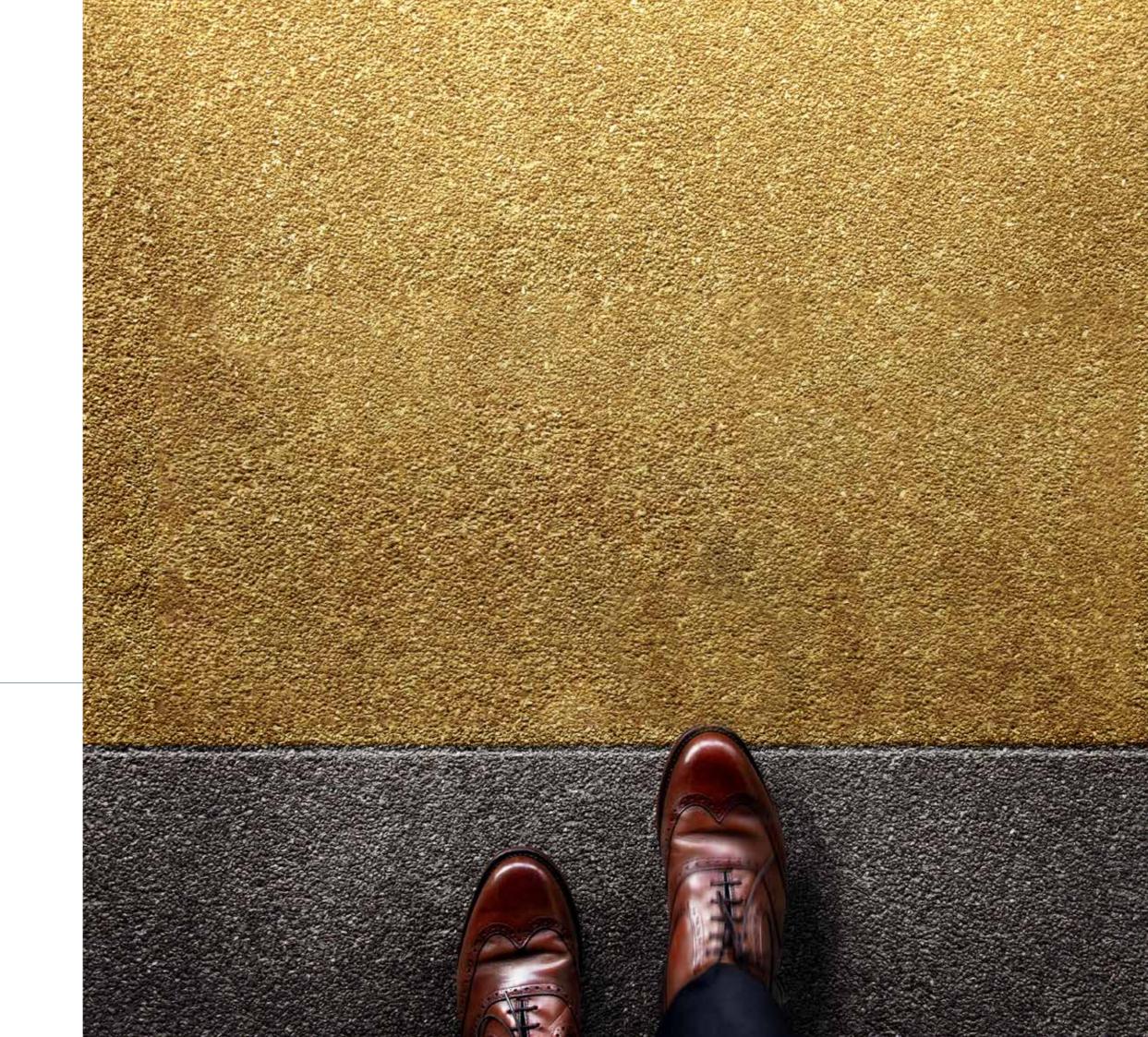


Planting trees in Egypt and the UK

In its local market. Oriental Weavers has collaborated with its real estate arm to launch energy saving projects. Next to generating up to a tree planting initiative, with the goal to plant a total of one million trees by the end of 2025. to a reduction of over 7.5K tons in CO² emissions So far, Oriental Weavers has successfully planted during the year. The Group also conserved 8K around 403K trees, leading to an annual carbon footprint reduction of over 20.7K tons.

> Internationally, the Group's hospitality arm has joined a UK-based initiative that gives customers the opportunity to plant a tree with every meter of carpet they purchase. This initiative aims to contribute to the planting of 10K trees by the end

BUSINESS STRATEGY



FOUR **DECADES OF EXCELLENCE**

Oriental Weavers' strategies are at the core of the company's success, ensuring that resources are efficiently allocated to create sustainable value and generate great returns for all stakeholders

> **Oriental Weavers' strategic** development takes on a stakeholder-centric approach, delivering sustainable value through its vertically integrated business models and innovative product offerings.

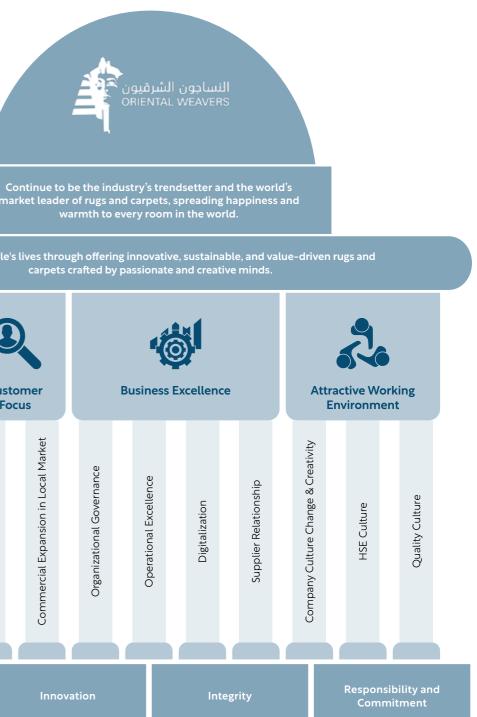
Oriental Weavers' strategies were developed with an eye for accelerating the growth of its operations. The company's strategic development takes on a stakeholder-centric approach, delivering sustainable value through its vertically integrated business models and innovative product offerings. The company implements its strategy through key directions that include profitable growth, customer focus, business excellence, and an attractive working environment. Through these directions, Oriental Weavers continues to penetrate new markets, develop existing product offerings, and enhance operational efficiency across production facilities.

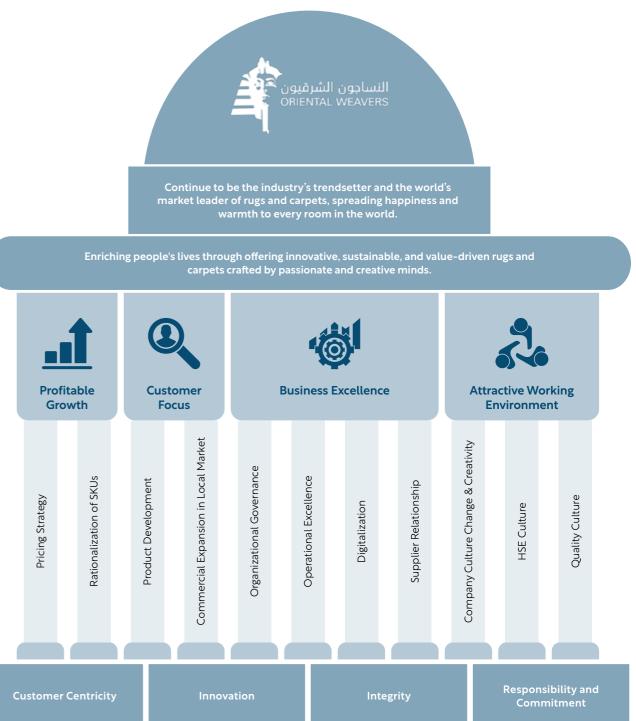
Profitable Growth

One of Oriental Weavers' strategic directions is to continue on its growth trajectory across its regional and global footprints. The company manufactures a myriad of innovative textile products that not only capture larger market shares but also generate lucrative returns for shareholders and other stakeholders alike.

Pricing Strategy

Oriental Weavers' pricing strategy plays a pivotal role in maximizing profitability, achieving healthy liquidity positions, penetrating new markets, increasing local and global market shares, and surpassing competition. As pricing strongly affects how manufactured goods are received by markets, the company's







main objective is to create high-profit margin products with superior quality at competitive prices that serve the ever-growing interests and needs of customers. Additionally, Oriental Weavers places a strong value on ESG standards across its operational capacities, adopting a multitude of energy saving projects that create long-term value to its stakeholders.

SKU Rationalization

SKU rationalization aims to measure the value and lucrativeness of stocked products by leveraging key metrics, such as inventory and storing costs, supplier costs, and historical data, to determine whether the inventory of finished goods and raw materials should be eliminated. The company's strategy to reduce product offerings aims to streamline manufacturing processes, lower unit costs, enhance material management capacities, and increase purchasing economies of scale. Oriental Weavers' efficient rationalization of its SKUs was also implemented with an eye to enhancing manufacturing efficiency, simplifying supply chain management processes, freeing up valuable resources, enhancing product quality, and generating a healthier return on assets.

Customer Focus

As one of the world's largest machine-made rug and carpet manufacturers, Oriental Weavers has

been serving its roster of clients for over 40 years. To create an effective customer-centric strategy, Oriental Weavers consistently prioritizes the needs of its clientele by focusing on critical aspects, such as product development and commercial expansions in the company's local market of Egypt.

Product Development

As part and parcel of the company's product development functions, Oriental Weavers continues to heavily invest in state-of-the-art machinery and looms that best serve dynamic market trends. Additionally, its substantial inhouse R&D capabilities aim to bolster product development, paving the way for the company to create, design, and market unrivaled product offerings.

Commercial Expansions in the Local Market

With a lion's share of around 80% in the Egyptian market, Oriental Weavers aims to sustain its position as the country's leading carpet and rug manufacturer of choice. The company aims to continue expanding its presence by establishing more showrooms to increase customer accessibility. Another constituent element of the company's domestic expansion plan is to increase its sales channels by forming lucrative partnerships with big-box furniture retailers and wholesalers. Additionally, the substantial change in consumer behavior toward online shopping has grown significantly on the back of the onset of COVID-19. This has strongly motivated Oriental Weavers to invest heavily in bringing its operations to the digital sphere. The company has since altered its strategy to better serve online customers, expanding its digital presence by featuring its products across multiple e-commerce platforms. These efforts not only satisfy customers but also bolster the value and volume of sales while generating high profitability.

Business Excellence

As a global and regional pioneer in the carpet and rugs industry, business excellence is a key strategic direction for Oriental Weavers. The company continuously strengthens its systems and practices to enhance efficiencies, bolster performance, and create sustainable value for stakeholders.

Organizational Governance

Oriental Weavers aims to maintain the cohesion of the organization by implementing the best ethical business practices. The main features falling under Oriental Weavers' governance framework include operational disclosures and transparency, personnel accountability, stakeholder value maximization,

The philosophy behind operational excellence is based on optimizing internal processes to eliminate waste in order to reduce operating costs and enable the organization to compete in local and global markets with profitable growth. Oriental Weavers' operational excellence strategy includes the introduction of lean manufacturing techniques and tools as a model of waste elimination and value maximization. The company also focuses on improving functions, systems, processes, and personnel. To define the best practices, establish room for improvement, and inspire competition across the Group, Oriental Weavers has created an internal benchmarking process between the company and its subsidiaries and factories. Additionally, and to ensure the company is also delivering a solid performance across its global footprint, Oriental Weavers has created an external benchmarking process with multinationals and global organizations.

sustainability and environmental governance, compliance and internal controls, shareholders' rights protection, and work environment regulations. With this framework, Oriental Weavers continues to build an environment of responsibility, transparency, and trust, which is essential for cultivating long-term investment, financial stability, and business growth.

Operational Excellence

Digital Transformation

With the onset of COVID-19, an organization's ability to adapt to market volatilities, supply chain disruptions, and changes in customer demand has become fundamental. As such, Oriental Weavers has undergone the extensive process of integrating digital technology across the company's different departments and functions and refurbishing its operational business models. The company's System Applications and Products (SAP) system aims to create a digital platform that increases data accessibility and facilitates the mobility of information across the production cycle, ultimately bolstering business processes and operational agility.

Supplier Relationships

Oriental Weavers aims to fortify its long-term relationships with suppliers through a systematic supply relationship management (SRM) approach that monitors and evaluates the vendors that supply goods and raw materials to the company. By doing so, it can efficiently determine which suppliers are critical, each supplier's contribution to the company, and the strategies needed to improve their performance if necessary. Implementing the SRM approach across Oriental Weavers' supply chain helps optimize the entire business value chain to extend far beyond immediate supplier impact. Additionally, it enables the company to secure the consistent and timely supply of raw materials at the highest quality levels and at competitive prices.

Attractive Working Environment

Oriental Weavers strongly believes that people are the main contributors to the success of any organization. One of the company's longstanding missions has been the creation of an energetic and passionate working environment that fosters creativity, innovation, and diversity. This not only enables teams to work to the best of their capabilities but also plays a pivotal role in bolstering the company's efficiency and productivity.

Cultural Change and Creativity

Oriental Weavers aims to improve its working environment through increasing employee satisfaction, which is measured by the company's turnover rates. The company aims to become the employer of choice by continuously creating value in the workplace, giving employees a shared sense of commitment, and offering employees the right prospects to make a difference through their work.

HSE Culture

Health, Safety, and Environment (HSE) encompasses a roster of tools, systems, and procedures that aim to identify potential workplace hazards, develop the best practices to minimize and eliminate those hazards, and educate employees on accident response and prevention. This includes firefighting and first aid training, the provision of emergency phone numbers for hospitals, and educating employees on the necessary on-site HSE training in case of any occupational accidents. Additionally, HSE also includes determining and analyzing potential risks or dangers arising from inside the organization and from external stakeholders.

Quality Culture

At Oriental Weavers, quality culture development is a vital factor in creating an attractive working environment for employees. It extends far beyond traditional quality management tools, playing a pivotal role in promoting products in new and existing markets. The company's quality culture development philosophy aims to alter the organization's overall perception to one that thinks about quality as a lifestyle and to create an environment that encourages employees to prioritize quality across all their actions. The company achieves this through enhancing quality skills across the workforce, embedding quality control functions and steps across all processes and systems, and maintaining solid relationships across its value chain.



Oriental Weavers • Annual Report 2021 • 27

MANAGEMENT DISCUSSION AND ANALYSIS



MANAGEMENT DISCUSSION **AND ANALYSIS**

Oriental Weavers recorded stellar results for the year, with revenues ramping up to reach a new high of EGP 11.4 billion

> **Oriental Weavers' flexible** business models enabled the company to withstand unprecedented market challenges and effectively capture a large share of the substantial growth in demand witnessed in both export and domestic carpet markets.

11.4 EGP Consolidated revenues







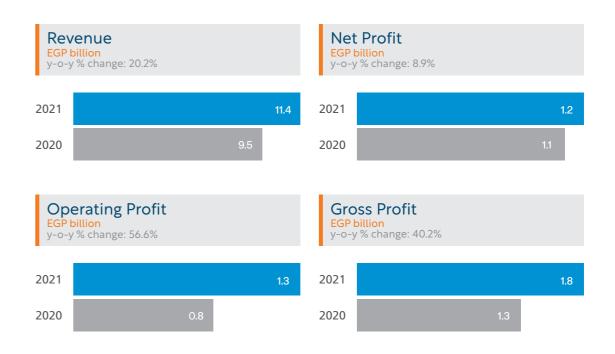
Overall Financial Performance

Strong Top-Line Growth

2021 was an exceptional year for Oriental Weavers, with the company successfully capturing the upside of the significant recovery in global and local markets and delivering an impressive performance across its core operations. By the end of the year, the company recorded total revenues amounting to EGP 11.4 billion, reflecting a y-o-y climb of 20.2% from the EGP 9.5 billion registered at year-end 2020. The increase in revenues was primarily driven by Oriental Weavers' flexible business models that enabled the company to withstand unprecedented market challenges and effectively capture a large share of the substantial growth in demand witnessed in both export and domestic carpet markets.

Healthy Profitability Margins Gross Profit

In 2021, Oriental Weavers recorded a consolidated gross profit of EGP 1.8 billion, reflecting an increase of 40.2% y-o-y from EGP 1.3 billion recorded at year-end 2020, on the



back of the significant increase in revenues for the year. As a result, the gross profit margin increased by 229 basis points to reach 16.1% up from 13.8% in 2020, reflecting the company's strength in effectively managing costs despite the substantial rise in prices of raw materials. In 2021 specifically, raw materials such as polypropylene recorded a price y-o-y increase of 40.7%, reaching a yearly average of USD 1.5K/ton against the yearly average of USD 1K/ ton recorded at the end of 2020.

Operating Profit

Oriental Weavers' net operating income for the year climbed by 56.6% y-o-y, to record EGP 1.3 billion at the end of 2021, up from EGP 840 million at year-end 2020. On the margin level, the company's operating profit margin recorded a y-o-y growth of 268 basis points to reach 11.5%, up from the 8.9% margin recorded in the previous year.

Interest Income

Oriental Weavers' interest income increased by 20% y-o-y to reach EGP 184 million by the end of 2021, from the EGP 153 million recorded in the previous year. The company's incurred interest expenses for the year stood at EGP 197 million, up by 89% y-o-y from the interest

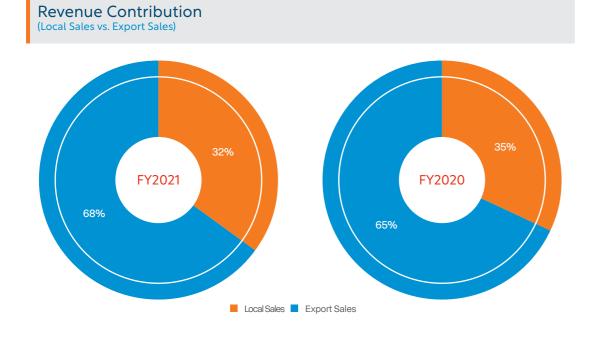
expenses of EGP 104 million in 2020. As a result of the increase in expenses, which was driven by the capacity increase of 3% and the increase in capital expenditure for the year, the net interest loss for the year stood at EGP 13.3 million, in comparison to the net interest income of EGP 49 million booked at year-end 2020.

Net Profit

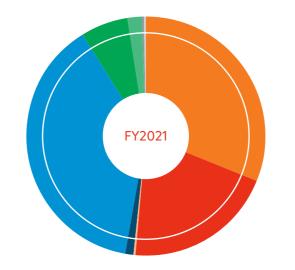
On a bottom-line basis, the company's net income for the year stood at a record-breaking EGP 1.2 billion, recording a y-o-y increase of 8.9% from the EGP 1.1 billion recorded in the previous year. On a margin basis, Oriental Weavers registered a net income margin of 10.6%, reflecting a drop of 111 basis points from the 11.7% net income margin at year-end 2020, which came in the hands of the lower export rebates collected during the year.

Performance in Egypt

On the domestic front, Oriental Weavers was able to sustain the lion's share in the Egyptian carpet market, with total local revenues growing by 10.4% y-o-y in 2021 to record EGP 3.7 billion versus EGP 3.3 billion at year-end 2020. The company's local sales, representing approximately 32% of



Revenue Contribution by Region



the company's consolidated top-line, stem from retail outlets and showrooms, wholesalers, the public sector, and contracts and hotels. Retail outlets and showrooms, representing 55% of total domestic sales, grew by 5% y-o-y to record a revenue of EGP 2 billion in 2021 against the EGP 1.9 billion recorded in the previous year. The wholesale sector, which contributed 41% to total local sales in 2021, came in at second place, recording a revenue y-o-y increase of 18%. By the end of the year, revenues from the wholesale sector stood at EGP 1.5 billion compared to the EGP1.3 billion booked one year previously. Parallel to brick-and-mortar sales. Oriental Weavers' presence in the digital sphere continues to grow rapidly, with the company's products available for purchase on prominent digital marketplaces, such as Carpets Online (https://carpetsonline. com/), Jumia, Soug, Homzmart, Manzzeli, Efreshli, FactoryToMe, and most recently Amazon. At present, online sales represent less than 1% of total domestic sales. In 2021, online sales in the domestic market recorded EGP 1.6

million, reflecting an increase of 68.4% from EGP 950k in 2020

Regional and Global Performance

Revenues across Oriental Weavers' export markets increased significantly on the back of the relaxation of restrictions, re-openings of businesses, and mass rollouts of COVID-19 vaccines, which led to a remarkable pickup in demand levels across the world. While lockdowns were occasionally imposed throughout the year to curb the spread of the virus, the increasing level of home renovations increased as people spent more time at home and continued to look for innovative and luxurious floor coverings for residential purposes. In line with this, Oriental Weavers began aggressively implementing strategies to bolster its sales, develop its product offering, and enhance operational capacities across its

footprint. These strategies reaped significant benefits to the company, with export revenues ramping up by 26% y-o-y to register EGP 7.7 billion by the end of 2021, up from the EGP 6.2 such as Germany, France, Poland, and the UK, billion recorded in 2020.

In the USA and Canada, sales through the company's wholly-owned subsidiary, Oriental Weavers USA, and its direct exports from Egypt, recorded EGP 4.3 billion at year-end 2021, reflecting a y-o-y increase of 11% from EGP 3.9 billion in 2020. The USA and Canada were the largest contributors to Oriental Weavers' export sales, with a contribution of 38%, as the company continued to expand its client base and bolster its digital presence across both countries. Throughout the year, regional retail and online sales witnessed a significant climb, with the US population making the largest number of online purchases.

In Europe, export revenues climbed by 38% y-o-y to stand at EGP 2.3 billion in 2021, up

Oriental Weavers' exports to African countries, including Libya and Tunis, also witnessed significant growth during 2021. By the end of the year, African export revenues had grown to record EGP 132 million, reflecting a remarkable 52% y-o-y increase from the EGP 86.2 million registered in the previous year. Additionally, the company's exports to Arab countries, such as Saudi Arabia (KSA) and the United Arab Emirates (UAE). recorded a two-fold increase in revenues to reach EGP 694.8 million, up from the EGP 296.8 million registered in 2020. Oriental Weavers continues to expand on its geographical footprint in the MENA region, with a strong focus on promising countries that include the UAE, Jordan, Kuwait, and Algeria.

Local Sales	31%
Europe	20%
Contracts & Hotels (Axminster)	<1%
Africa	1%
America & Canada	38%
Arab Countries	6%
Asia	2%
Russia & China	<1%
Other	<1%

from the EGP 1.6 billion recorded at yearend 2020. The sales generated from Oriental Weavers' exports to major European countries, contributed 20% to the company's total sales, coming in second after the USA and Canada.

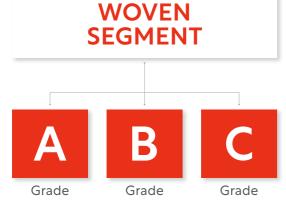
LINES OF BUSINESS



WOVEN SEGMENT

Oriental Weavers' woven segment led the company's success in FY2021, with a 76% contribution to consolidated revenues

> **Oriental Weavers' woven** division manufactures and sells machine-made area rugs domestically and internationally through stateof-the-art facilities located in Egypt, the USA, and China. The division's products come in A, B, or C grades, with all three steadily growing their revenues in FY2021.





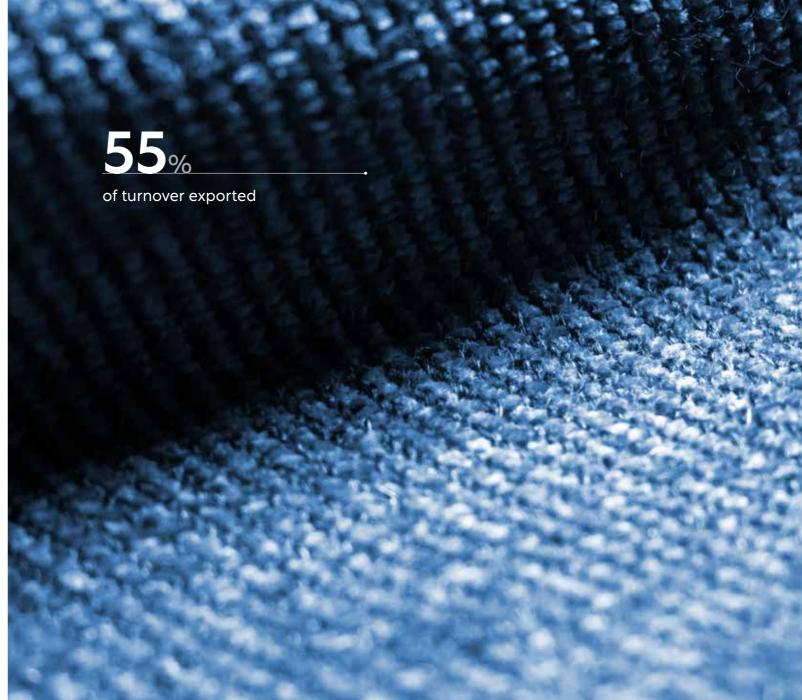
Total woven revenues in FY2021 (+19.8% y-o-y)

2021 Highlights for Woven's Grades

The woven division was once again at the forefront of Oriental Weavers' segmental performance. The segment witnessed a substantial increase in revenues this year, primarily driven by the high demand witnessed in global export markets. Despite the global hike in raw material prices and the supply chain disruptions witnessed during the year, Oriental Weavers strived to bolster its operational capacities and woven offerings regionally and internationally.

In 2021 specifically, the woven segment booked total volumes of 77.1 million sqm, up by 15.7% y-o-y from 66.6 million sqm in 2020. This is a testament to the company's successful business strategies and an ability to effectively manage costs while maintaining healthy margins across its operational footprint.

55%



45 Dedicated designers

500

Local industrial designs and yarn patents



Design companies worldwide



Designs



Woven Grade A revenues in FY2021 (+6.5% y-o-y)

Woven Grade A

to EGP 689.4 million, and export reflected a slight the end of 2021, down from the 5.2 million sqm decline of 4% y-o-y to EGP 333.1 million. Total volumes manufactured and sold both domestically

Grade A's domestic revenues grew by 12.4% y-o-y and internationally recorded 4.1 million sqm at recorded in 2020. At the end of the year, the grade's contribution to total revenues stood at 9%.



Woven Grade B revenues in FY2021 (+41.2% y-o-y)

Woven Grade B

In the Egyptian market, Grade B revenues were stable at EGP 1.2 billion in FY2021, up 15.1% from the EGP 1 billion in FY2020. Volumes sold to the domestic market came in at 6.6 million sqm during the year, 1.9% down from 6.7 million sqm at year-end 2020. This was driven by the general shift in consumer shopping behavior and dynamics, as the year Weavers' consolidated revenues came in at a saw local clients purchasing more high-end, high-margin products. All in all, despite the fall in sold volumes, a value-driven recovery was witnessed during the year.

On the global front, export revenues recorded an impressive EGP 2.7 billion at the end of 2021, up by a solid 53.2% y-o-y. This naturally meant that export volumes also witnessed a significant climb, up 54.9% from 16.9 million sqm in 2020 to 26.2 million sgm in 2021. At the end of the year, the woven Grade B's contribution to Oriental strong 34%.

1.8EGP

Woven Grade C revenues in FY2021 (+8.2% y-o-y)

Woven Grade C

Sales from Grade C in the local market marginally declined, dropping by 5.2% to EGP 1.1 billion in FY2021, with volumes decreasing by 8.5% to 15.6 million sqm in FY2021, on the back of the higher demand witnessed for more luxurious categories. On the global front, both revenues and volumes recorded strong

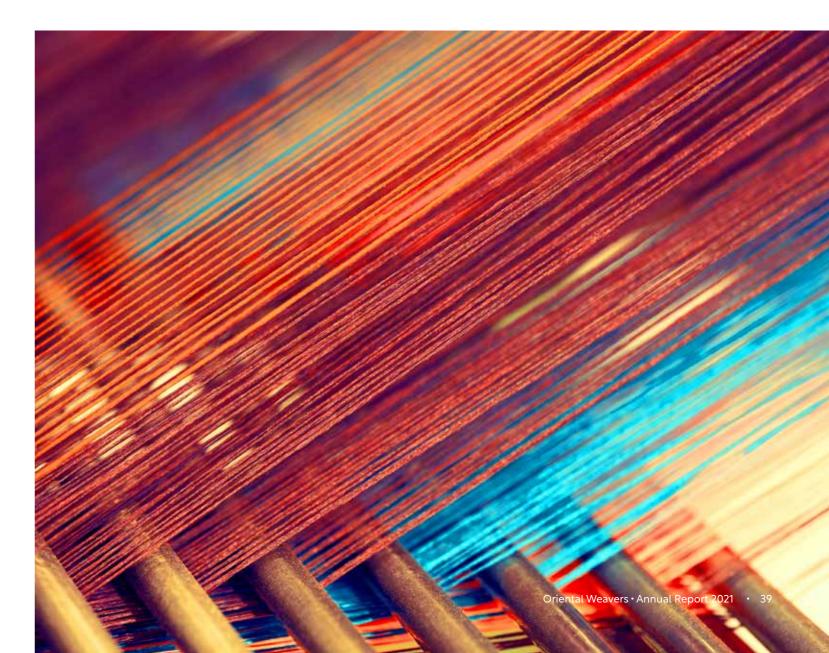
numbers, with the grade's top-line climbing by 40.6% to EGP 678.8 million, up from EGP 483 million in FY2020. Volumes grew by 27.8% to 10 million sqm in FY2021, up from 7.8 million sqm in FY2020. By the end of the year, Grade C had contributed 16% to the company's consolidated revenues.

Woven's Global Footprint

Oriental Weavers USA

Oriental Weavers USA distributes woven carpets In FY2021, Oriental Weavers USA's volumes and rugs to mass market merchants, retailers, and megastores in the United States. In 2021, revenues generated by Oriental Weavers USA the growth in volumes sold and the strong in its local market represented 17% of Oriental Weavers' total sales.

witnessed a substantial pickup in demand, particularly following the onset of COVID-19. Working from home was becoming more common, which at the end of 2021. led more people to refurbish their homes with new furniture and home decor accessories.



2021 Highlights

increased by 12.4% y-o-y to 14.4 million sqm, up from 12.9 million sqm in FY2020. Despite market demand, the US arm recorded a slight revenue increase of 4.5%, primarily due to the impact of the global supply-chain issues that Throughout 2020 and 2021, the US market began to arise particularly in the second half of the year. Consequently, Oriental Weavers maintained a total revenue of EGP 1.9 billion

TUFTED SEGMENT

2021 was exceptional for Oriental Weavers' tufted segment on all fronts, with MAC's revenues recording double-digit y-o-y growth to EGP 2.1 billion

> **Boasting a remarkable** track record of 40 years, MAC produces a wide range of tufted products, exporting over 85% of its product turnover to over 130 countries around the world.

Oriental Weavers' Tufted division manufactures and distributes a diversified product mix, ranging from wall-to-wall and area carpets and rugs to doormats, kitchen rugs, bathroom mats, children's rugs, and artificial turf. Throughout the years, the segment has grown to become a primary constituent of the company's overall success. MAC, Oriental Weavers' sole tufted arm, is a leading regional printed carpets and rugs manufacturer. Boasting a remarkable track record of 40 years, the company produces a wide range of tufted products, exporting over 85% of its product turnover to over 130 countries around the world. MAC is also known as a third-party manufacturer to some of the world's most renowned brands, such as IKEA and Walmart.

16

Dedicated designers



of turnover exported



2.1EGP

Total tufted revenues in FY2021 (+17.4% y-o-y)

2021 Highlights

Despite economic pressures and market instabilities prompted by COVID-19, demand for home furnishings continued to rise at breakneck speed, as working from home started to become a long-term solution. In efforts to further

bolster its position in the market, MAC kicked off its three-year expansion plan, investing in highly advanced machinery that broadened its operational scope to house digital printing.

As a result, MAC recorded a 17.4% y-o-y increase in total revenues to EGP 2.1 billion in FY2021, with total volumes coming in at 41,719 sqm, up 17.9% y-o-y from 35,400 sqm in FY2020. The significant growth in revenues and volumes sold was primarily driven by MAC's performance on the export front.

The tufted segment sustained its position as the second highest contributor to Oriental Weavers' consolidated revenues in 2021, standing at 19%.



Total sales from tufted pieces in FY2021 (+12.4% y-o-y)

MAC – Tufted Pieces

Tufted pieces performed admirably in the local market during the year, with revenues ramping up by 37.8% to reach EGP 264.8 million versus EGP 192.2 million in FY2020. The hike in revenues came on the back of the proceeds y-o-y climb. Export volumes witnessed a 9.7% from supplying big-box retailer Carrefour, in y-o-y hike to 29,182 sqm, against 26,594 sqm in addition to the expansions of MAC's distribution channels during the year. On a volume basis, MAC registered 4,474 sqm in 2021, a 27.9% y-o-y

increase. Internationally, tufted pieces continued to capture a large share of demand in key export countries, such as the USA, with revenues coming in at EGP 1.5 billion in FY2021, reflecting an 8.9% FY2020. At year-end 2021, sales generated from tufted pieces recorded a 16% contribution to the Group's consolidated top-line.

362.1 EGP

Total sales from wall-to-wall carpeting in FY2021 (+49.9% y-o-y)

MAC - Wall-to-Wall Tufted

Shedding light on the product's performance sales surging by 90.3% y-o-y to EGP 208.5 in the domestic market this year, MAC million, and volumes exported rose by 68.9% recorded a total revenue of EGP 153.6 million, y-o-y to 5,959 sqm. All in all, MAC's wall-toa 16.3% climb compared to EGP 132 million in wall carpeting products contributed 3% to FY2020. Sales volume in the Egyptian market Oriental Weavers' consolidated revenues by also increased by 18.2% y-o-y to 2,104 sqm the end of 2021. in FY2021, versus 1,780 sqm in FY2020. On the exports side, sales and volumes both ramped up significantly in FY2021, with



NON-WOVEN SEGMENT

Revenues from Oriental Weavers' non-woven segment continued to grow at a solid pace, as demand for needle felt products continued to pick up in local and international markets

> **Oriental Weavers'** non-woven segment comprises felt products, including carpets used for automotive applications, exhibition halls, and home purposes. The Group's non-woven products are manufactured through the company's armand Egypt's leading manufacturer of needled punch and polypropylene products—the Egyptian Fibers Company (EFCO). **EFCO sells approximately** 45% of its wide array of products domestically and exports the remaining turnover to a multitude of countries across the world.

55%

of turnover exported

67

Export countries

Printing lines

Polyester and polypropylene production lines

872

Employees



522.3 EGP

Total non-woven revenues in FY2021 (+31.6% y-o-y)

2021 Highlights

Over the past two years, the COVID-19 pandemic proved to be much more than a temporary crisis. Increases in prices of commodities and inflationary pressures, in addition to rising supply chain disruptions, have led to delays in raw material deliveries and inventory shortages. These unprecedented issues continue to pose threats to manufacturers on a global scale as they continue to search for ways to navigate by the double-digit growth registered from operational challenges and meet consumer demand. EFCO was not exempt from the impact of the pandemic, and had to deploy strategies that aimed to build flexibility and resilience across its value chain in the face of market turbulence. In alignment with this, EFCO

shifted its focus to local suppliers. The company successfully managed to utilize more local raw materials instead of relying on imports, which not only saved inventory costs but also ensured prompt delivery times. Additionally, EFCO focused on enhancing its internal capacities, investing in new production lines and machinery, and strengthening its R&D capabilities. This enabled the company to effectively cater to the changing market dynamics and growing consumer demand.

As a result of EFCO's efforts. Oriental Weavers' non-woven segment closed the year with strong results. Total non-woven revenues stood at EGP 522.3 million, reflecting a 31.6% increase from EGP 397 million in 2020, primarily driven both local and export sales. Total volumes for the year also witnessed a climb of 17% in 2021. recording 19.9 million sqm versus 17 million sqm one year previously. By the end of 2021, the non-woven segment's contribution to Oriental Weavers' consolidated revenues came in at 5%.



Total domestic revenues in FY2021 (+15.3% y-o-y)

Local Market

by 15.3% in 2021 to reach EGP 209.4 million, up from EGP 181.7 million recorded at yearend 2020. In efforts to capture the upside of fluctuated throughout the year but remained market demand and leverage its state-of- largely flat on a yearly basis, with a slight y-o-y the-art digital machinery, EFCO managed to increase of 1.8%. By the end of 2021, revenues increase its productivity throughout the year. Total volumes produced and sold during the total non-woven sales.

In EFCO's home market of Egypt, sales grew year increased by a solid 13.2% to record 10.7 million sqm at year-end 2021 compared to 9.5 million in 2020. EFCO's average prices from the Egyptian market represented 40% of

312.9 EGP

Total export revenues in FY2021 (+45.3% y-o-y)

Export Markets

demand, and to mitigate the impact of the recorded one year previously. Total volumes increase in propylene prices, EFCO increased its average price level by approximately 2021, closing the year with 9.1 million sqm sold, 19.3%. As a result, the non-woven segment up from 7.5 million sqm in the previous year. By outperformed on the exports front, delivering the end of the year, export sales contributed exceptional results in 2021. Export revenues 55% to the total revenues generated by the climbed by a remarkable 45.3%, registering non-woven segment.



In efforts to reap the fruit of the increase in global EGP 312.9 million against the EGP 215.3 million also witnessed a significant climb of 21.8% in

ORIENTAL WEAVERS HOSPITALITY

Oriental Weavers Hospitality delivered resilient results in 2021 despite global pandemic aftermath from the previous year

Oriental Weavers Hospitality (OW Hospitality), the Group's carpeting arm in the hospitality sector, was established in 2012. The company manufactures a variety of premium axminster woven carpets, hand-tufted rugs, and machine-tufted carpets, with a client base of local and international hotels and high-profile governmental projects. Stationed in London with offices spread out across the USA and in the UAE, OW Hospitality continues to solidify its flagship position in the global hospitality industry.

100

Export countries

6

Continents

25

International projects in 2021

47^{EGP}

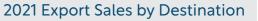
Total export revenues in FY2021 (-20% y-o-y)

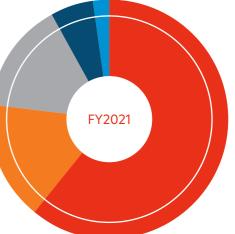
2021 Highlights

Export Markets

The global tourism sector took a hard hit after the onset of the pandemic in 2020. Hotels in particular witnessed a significant drop in occupancy rates and revenues following the lockdowns and travel restrictions that were imposed on a global scale. In early 2021, many pandemic-related challenges remained present, with new variants of the virus emerging, vaccine rollouts slowing down, and rates of business and leisure travel decreasing. Despite these challenges, the hospitality industry remained resilient. In the second half of 2021, travel and tourism slowly began to pick up, and hotels began to witness a gradual recovery. However, the emergence of the Omicron strain, rising inflationary pressures, and supply chain disruptions near Q4 stagnated economic growth in the sectors.

As a result of the instability that was present in global markets during the year, OW Hospitality's export revenues declined by 20% y-o-y to EGP 47 million from EGP 58.7 million in FY2020. Despite this, the company still managed to secure various projects across 10 export countries. These projects included furnishing rooms, corridors, and public areas in prestigious hotels in the MENA region, Europe, Asia, and the USA.





USA	61%
UK	16%
KSA	15%
UAE	6%
Iraq	2%



Export Markets in 2021 by Region

Region: MENA

Country	Hotel	Project	
KSA	Umluj Hotel Tabuk	Rooms, Corridors, Public areas	
25200.30	Casablanca Grand Hotel	Rooms	
	Vitory Hotel	Rooms, Corridors, Public areas	
	Sunset Hotel	Rooms, Corridors, Public areas	
UAE	Fountain View Hotel	Public areas	
	Palm Jumeirah	Public areas	
	Intercontinental Grand Marina	Rooms, Corridors, Public areas	
lraq	V Hotel Baghdad	lotel Baghdad Rooms, Corridors, Public areas	
Region: Asia			
Turkey C*	Sheraton Ankara	Public areas	

Export Markets in 2021 by Region (Cont.)

UK	Piccadilly Theatre	Public areas
	Marriott Leeds	Corridors
	Hilton Sofia	Rooms, Corridors, Public areas
	Westin Dublin	Rooms, Corridors
Spain		
	Westin Valencia	Rooms, Corridors
Italy		
	Four Seasons San Domenico	Corridors
Region: North America		
USA	WinStar Casino	Public areas
	Grosvenor Park	Rooms, Corridors, Public area
	Hilton Canopy	Rooms, Corridors, Public area
	Curio Nashville Broadway	Corridors
	Choctaw Grand Theater	Public areas

	Willistal Casilio	Fublic aleas
=	Grosvenor Park	Rooms, Corridors, Public areas
	Hilton Canopy	Rooms, Corridors, Public areas
_	Curio Nashville Broadway	Corridors
	Choctaw Grand Theater	Public areas
	Grand Bohemian Greenville	Corridors
	Marriott Seattle	Rooms
	Renaissance Ross Bridge	Corridors
	Caesar's Palace Casino	Public areas

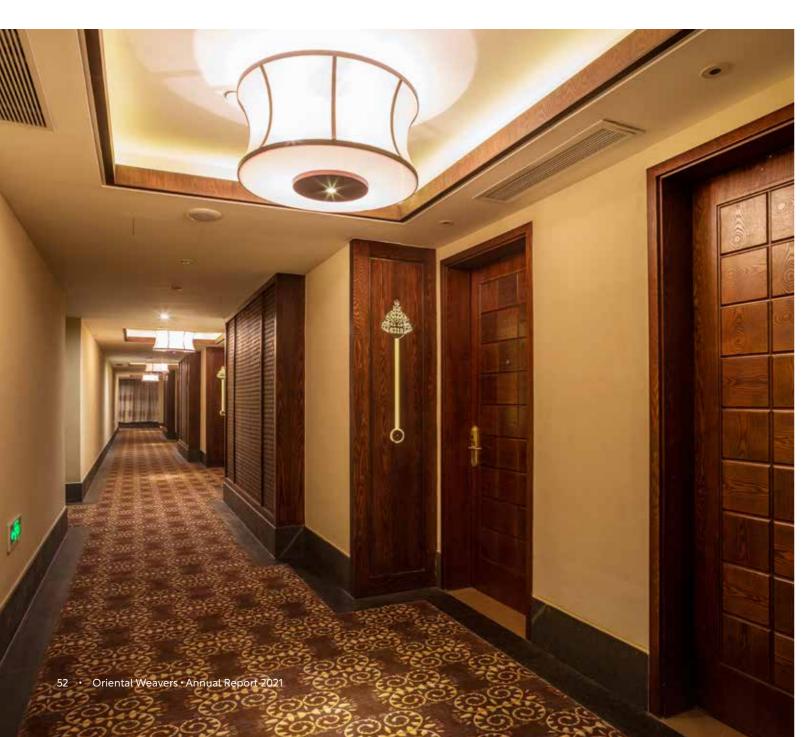


Total local revenues in FY2021 (+7% y-o-y)

Local Market

Hospitality delivered exceptional results on generating total returns of EGP 135.3 millionthe back of an expansion in project scope an increase of 7% y-o-y from the EGP 126.1 during the year. The company installed million recorded at year-end 2020.

In the Group's home market of Egypt, OW over 315.5k sqm of axminster carpeting,



112

Local projects in 2021

Most Notable Local Projects in 2021 **Finished Projects** Al Masa Al Alamein Hotel Government district Hilton Secon Nile Towers General Intelligence Shooting Club in the New Administrative Capital Conrad Cairo Hotel Luxor Apruterotil Hotel The military entity El Alamein Hotel District ministries National universities The Opera House in the New Administrative Capital King Suleiman University – Sinai Tor Rixos Sharm El Sheikh Hotel Four Seasons Hotel Sharm El Sheikh Hayat Regency Hotel Cairo Festival City Radamis Nile Cruise Nile Ritz Carlton Hotel Fairmont Nile City Zewail University of Science Hotel Le Meridien Cairo Airport Police Academy



ENVIRONMENTAL INVESTMENTS



ENVIRONMENTAL INVESTMENTS

Oriental Weavers leverages sustainable production and consumption patterns that preserve the integrity of the natural system and create shared value for communities and the planet at large





Oriental Weavers has installed wastewater treatment units in compliance with the legal requirements of safe disposal of industrial wastewater

Oriental Weavers began its shift to clean energy by installing a solar power plant at one of its mega showrooms, and it has started rolling out outdoor solar lights in its production facilities

(0)

Oriental Weavers continuously strives to reduce the environmental impact of its manufacturing activities by using innovative technological solutions and clean energy sources.

A Longstanding Commitment to Sustainability

As Egypt's leading carpets and rugs manufacturer, Oriental Weavers bears a major responsibility to mitigate the negative impact its manufacturing processes may impose on the environment. Accordingly, the company manufactures its products in line with the highest local and international standards, employing an environmental management system in compliance with Egyptian laws and regulations and ISO 14001. Oriental Weavers continuously strives to reduce the environmental impact of its manufacturing activities by using innovative technological solutions and clean energy sources. With these efforts, the company has successfully managed to significantly reduce its water and energy consumption, integrate recycled materials into new products, and reduce greenhouse gas and carbon emissions across its footprint.

At present, the green aspect of Oriental Weavers' sustainable development strategy revolves around four main pillars; energy saving, environmental impact, waste management, and tree planting. These elements fall in line with five of the United Nations' Sustainable Development Goals (SDGs).





Oriental Weavers works toward a zerowaste environment through an effective waste management system



Oriental Weavers sets annual energy targets that directly impact climate change concerns, such as greenhouse gas emissions and tree planting, to offset carbon dioxide emissions



Oriental Weavers' Environmental Impact Assessments and risk mitigations across the Group aim to positively impact life on land

Oriental Weavers · Annual Report 2021 · 57



Energy Saving Energy Efficiency

As climate change becomes a growing concern worldwide, Oriental Weavers aims to minimize the adverse ecological impact of its stations in the coming years, with capacities of manufacturing processes. Oriental Weavers' efforts to reduce its carbon footprint, reduce greenhouse gas emissions, and substitute current energy sources with cleaner alternatives have played a pivotal role in driving higher energy efficiency across the company's production facilities. As part and parcel of its energy saving initiatives, Oriental Weavers and its subsidiary companies are committed to reducing greenhouse gas and carbon emissions by 30% over the span of five years through the implementation of a highly efficient energy management system. Above and beyond, Oriental Weavers has marked several major milestones in energy saving for the year 2021, investing a total of USD 897K across several energy saving projects that saved up to 15K MWh in electricity consumption and reduced over 7.5k tons in carbon dioxide emissions.

Invested across energy saving projects in 2021

Renewable Energy

Oriental Weavers continues to make strides in using renewable energy sources, establishing its first ever solar power station in 2021. The solar power plant boasts a capacity of 259 KW, and it is expected to generate over 520 MWh per year, in addition to eliminating up to 262 tons of carbon dioxide emissions. The company has also introduced outdoor solar-powered lighting to some of its production facilities with an eye to minimizing electricity utilization and enhancing cost-effectiveness. As part and parcel

of its strategy to save energy, Oriental Weavers aims to continue investing in more solar power up to 5 MW. At present, the company is in the process of establishing a solar power plant at its export free-trade subsidiary, Oriental Weavers International (OWI), with a capacity of 1 MW.



Reduction in GHG and carbon emissions by 2025

897EGP



Total energy saved in 2021

7.5 K/tons

Carbon emissions reduced in 2021

20%

Reduced water consumption

Water Saving

In efforts to reduce water consumption, Oriental Weavers invests in innovative waterefficient technologies that limit its significant dependence on water. The company's five-year water-saving strategy includes reducing total water consumption by 20% through leveraging a zero liquid discharge (ZLD) engineering

treatment process. Oriental Weavers also began investing in disruptive water-free textile dyeing technologies, with an eye to reducing 50% of water used for dyeing purposes. In 2021, Oriental Weavers successfully conserved 8K m³ and recycled over 12K m³ tons of water.

Environmental Impact



100%

Legal compliance with environmental regulations In order to ensure the utmost legal conformance to environmental laws and regulations, Oriental Weavers carries out an Environmental Impact Assessment on an annual basis. Through this assessment, the Group is able to effectively monitor, assess, and specify potential risks and opportunities related to climate change and consistently work toward environmental risk mitigation. Oriental Weavers' environmental efforts include the investment in new environmentally friendly technologies and equipment, recycling processes, and staff awareness. The Group has also formed an Emergency Committee that is responsible for consistently promoting the safeguarding and maintenance of the environment across the Group.

50%

Reduction of generated solid waste by 2025

Waste Management

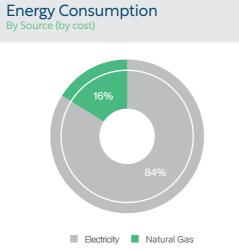
Oriental Weavers typically generates solid waste of approximately 3K tons from its synthetic fiber and carpet manufacturing processes. In order to enhance operational efficiency, the company has introduced policies to reduce waste and reuse and recycle resources and finished products. Oriental Weavers currently recycles approximately 30% of generated poly propylene, polyester, polyethylene, and wooden waste inhouse. In addition to internal recycling, Oriental



Weavers also sells its solid waste of carpet, carton, and yarn to its subsidiaries and sister companies to be used as raw materials in their production processes. Above and beyond, the company utilizes a lean manufacturing system across its production facilities. This robust business model enables Oriental Weavers to reduce product defects and other non-value-adding activities, all while delivering products of superior quality at lower costs and greater efficiency levels.

Tree Planting

A constituent element of Oriental Weavers' sustainable development strategy is planting more trees. By doing so, the company aims to contribute to preventing global warming as trees play an important part in absorbing carbon dioxide while releasing oxygen back into the air. In collaboration with the Group's realestate arm, Orientals for Urban Development (OUD), Oriental Weavers has adopted tree planting initiatives, with a five-year plan to plant a total of one million trees. As of 2021, the company has successfully planted around 403K trees, with a yearly carbon emissions reduction of over 20.7K tons.



Eleo Unit (ctricity Consumption	
2021		147
2020	128	

	147	2021	135
	147	2021	130
128		2020	
14	40	2019	

Ene Unit (ergy Saved			Carbon Emissions Unit (tons)
2021		15		2021*
2020		18		2020
2019			26	2019



019		107.5k
Tot	al Water Recycled	

Natural Gas Consumption

Unit (000 m ³)	Recycled

2021	10	
2020	10	
2019		12

* Emissions increased due to the increase in the company's production



Trees planted by 2025

2019

2019

2021 2020 2019

iental Weavers • Annual Report 2021

Sustainability Across the Group

Now more than ever, it is extremely important for Oriental Weavers and its subsidiaries to prioritize the broader influences that are changing the world. The need to demonstrate ethical behavior and responsible investing continues to grow, as consumers become more in touch with the connection between the products and services they purchase and use and the impact they have on the environment. Investor sentiment also continues to shift, as investors become more concerned about how much a business integrates sustainability into its operations. As such, Oriental Weavers works diligently alongside its subsidiaries to ensure that the Group's business practices not only generate financial returns but also promote positive impact across the board. The company and its subsidiaries follow robust frameworks that enable them to effectively reduce the environmental impact of manufacturing activities and to leverage processes that enrich their operational excellence through the lens of sustainability.

MAC Carpet

MAC, Oriental Weavers' foothold in the tufted carpeting segment, has been integrating sustainability into the fabric of its operations since 2010. As an industrial pioneer, the company's significant responsibility toward the environment and society shapes its core values and principles. MAC's environmental development strategy aims to reduce overall energy consumption, such as natural gas, electricity, and water.

As part of its commitment to reduce carbon and greenhouse gas emissions and use cleaner energy sources, MAC uses renewable energy sources and other effective methods to reduce electricity consumption and to generate power for its plants. Additionally, the company strongly focuses on reducing the consumption of water in its manufacturing processes, and it has successfully reduced consumption from 25 liters per sqm in 2010 to less than 15 liters per sgm in 2021. To enhance its production capacities even further, MAC has introduced a waste management system across its operations, installing water treatment plants that reuse and recycle industrial wastewater for manufacturing purposes.

With its operations in line with the best international standards and practices, MAC takes pride in being recognized by some of the most prominent and influential organizations across the globe. The company is ISO 9001, ISO 14001, and ISO 50001 certified, as it continues to provide sustainable products and services that live up to both customer and regulatory requirements. Additionally, MAC conforms to the BRC Global standards for safe and risk-free consumer products, and it has successfully obtained the BRC issue 4 certification. In 2021 specifically, MAC was awarded the UNIDO Chemical Leasing Award in recognition of the company's effective operations with chemicals in its production processes. All in all, these diligent efforts have successfully contributed to the company's strategy of working toward the

long-term goal of a zero-waste environment and paving the way for a sustainable future.

Egyptian Fibers Company

The Egyptian Fibers Company (EFCO) continues to play a pivotal role in driving sustainable development in the regions in which it operates. Throughout the years, EFCO has continued to implement environmental policies and mobilize resources to ensure that its manufacturing operations are in line with the best international standards and practices. The company's ethical responsibility toward the environment entails manufacturing products that are safe, sustainable, and environment-friendly. In line with this, EFCO follows a set of regulations that strictly prohibit the use of hazardous materials at any stage of production, utilizing raw materials that are chemical-free and non-hazardous to manufacture its products. The company also places a strong value on the importance of recycling and reusing resources, in line with its efforts to manage waste across its footprint. In alignment with this, EFCO began using recycled polyester in its manufacturing processes, with approximately 80% of its products now manufactured using recycled materials, instead of the previously used polypropylene. In addition harmful substances. EFCO was also awarded to sustainable raw materials, EFCO also strongly focuses on using biodegradable and sustainable packaging. As such, the company packages its products using recycled plastics and carton. On the waste management and water consumption front, EFCO uses boilers to reuse and recycle water for its manufacturing processes. The company has

In 2021, EFCO's efforts toward sustainable development were commemorated through numerous awards and accolades. The company's products now carry the OEKO-TEX Standard 100 label, indicating that all materials used in EFCO's production process are 100% free from the Control Union certification, verifying that the recycled content of the company's products are in compliance with the Global Recycled Standard (GRS). It is also worthy to mention that EFCO is ISO 14001 and ISO 45001 certified, in line with the Environmental Management System standards and requirements.

Oriental Weavers works diligently alongside its subsidiaries to ensure that the Group's business practices not only generate financial returns but also promote positive impact across the board.

successfully built three water treatment units that are large enough to cover all extensions, working at full capacity to purify contaminated water.

SOCIAL INVESTMENTS



SOCIAL INVESTMENTS

Social responsibility is a longstanding priority at Oriental Weavers, as the company remains committed to serving customers, employees, and community members beyond business objectives, keeping them at the core of its diversified social efforts

In 2021, Oriental Weavers' social responsibility initiatives revolved around three main initiatives: youth empowerment, health, and well-being.



Beneficiaries from the "Top 100 Students" program to date



Expenditure on "Top 100 Students" program

Maximizing Social Impact

Oriental Weavers creates social value and impact for the benefit of its surrounding communities. The company contributes to the growth and development of key industries, such as healthcare and education, through a plethora of initiatives and programs it deploys through its expansive footprint. In 2021, Oriental Weavers' social responsibility initiatives revolved around three main initiatives: youth empowerment, health, and well-being. These pillars fall in line with four of the 17 SDGs.

Social Initiatives

Youth Empowerment Through Learning and Development Initiatives

Mohamed Farid Khamis for Community Development Foundation

To bolster the education and development of the community's youth, Oriental Weavers takes on initiatives that support students throughout their higher education journey. In 2021, the company sponsored 520 students through the "Top 100 Students" program, sponsored by the Mohamed Farid Khamis Foundation (MFK Foundation) and in collaboration with the Ministry of Education. The education program, now active for almost 20 years, provides students with a comprehensive suite of financial and moral support services ranging from university fees and allowances to books, equipment, accommodation, and training courses.



4 EDUCATION

Oriental Weavers diligently works to ensure people receive equitable access to quality healthcare through its own charitable hospital, investing in medical equipment, making healthcare donations, and sponsoring patients through their medical journeys Oriental Weavers consistently aims to provide the necessary financial and moral support to university students, in addition to providing the necessary equipment to disabled students to ensure equality of academic access





As the world becomes more interconnected, Oriental Weavers continues to form inclusive, crosssector partnerships and collaborations with prominent local and global organization, working together to achieve the shared vision of sustainable growth and development



Oriental Weavers aims to protect the rights of its personnel and promote an inclusive, safe, and healthy working environment for all its employees, and the company offers world-class specialized training courses that unlock a multitude of career prospects for its employees



3.8K

Students per year under the Student Mobility program

Khamis Foundation for Community Development During the year, Oriental Weavers joined forces with the Khamis Foundation for Community Development to launch a student mobility

1.1K Hours of on-site training given in 2021

Student Internships and On-Site Training Oriental Weavers partnered with Ain Shams of the company's more expansive learning and University, the United States Agency for International Development (USAID), and other universities across Egypt are offered on-site organizations to offer internships and various training. This is typically delivered over three other training programs to students looking to weeks, and covers Oriental Weavers' various kick-start their careers. Additionally, and as part departments and facilities.

6

Years as sponsors

ENACTUS

Throughout the years, Oriental Weavers has been a proud sponsor of ENACTUS, participating in its annual events for community development projects. ENACTUS is a leading global, non-profit to build a more sustainable world. organization that aims to connect student with



Expenditure on Student Mobility program

program, providing transportation modes to students around the 10th of Ramadan area and helping them commute to and from universities.

development agenda, students from different

academic and business leaders. Through its platform, ENACTUS is committed to using the power of entrepreneurship and social innovation

50%

of the hospital's revenues are allocated to charitable causes

Healthcare Initiatives

Oriental Weavers continues to support a myriad of non-profit organizations in the Egyptian healthcare sector, such as non-governmental organizations (NGOs) and state-owned hospitals, in efforts to ensure equal access to healthcare across the country.

Mohamed Farid Khamis Specialized Hospital The Company fully sponsors the Farid Khamis



Expenditure on hospital renovations

Foundation for Development, which owns the Mohamed Farid Khamis specialized hospital. In 2021, the hospital underwent major renovations, establishing new wings that include a blood bank and an Intensive Care Unit, which were mostly funded by Oriental Weavers and its subsidiaries. This refurbishment aims to expand the hospital's patient capacities and to enable it to onboard more pro bono cases.



Expenditure in financial subsidies and medications in 2021

Nation-wide Access to Healthcare

Additionally, Oriental Weavers focuses on promoting equal access to healthcare in underserved Egyptian governorates. In alignment its Breast Cancer Foundation, the company with this, the company has established and equipped a number of medical units and hospitals in several Egyptian villages, such as breast cancer while contributing to medical Kafr Al Sheikh, Belbeis, and many more. Above and beyond, and with the onset of COVID-19, Oriental Weavers has been actively donating to human development as part of its focus on private and public hospitals to help provide the necessary financing for medical and protective equipment. Hospitals and centers that the company has donated to over the years include Baheya, El Nas, El Orman, and Abu El Reesh Hospital.

Patient Sponsorships

In efforts to support community members in

need. Oriental Weavers continues to sponsor patients across various medical fields. Through continues to honor its commitment to raising awareness and supporting women living with studies and conducted research. Oriental Weavers has also adopted speech delay and the healthcare sector. In alignment with this, the company established dedicated classes for children with speech delays, and it continues to sponsor children with disabilities.

Well-being Initiatives

Oriental Weavers takes part in various development to safekeep the health and well-being of local communities and be an asset to society





Expenditure on winter blankets under the "Eed El Dafa" campaign

The Egyptian Clothing Bank

In 2021, Oriental Weavers collaborated with the Egyptian Clothing Bank to help thousands The campaign extended support to thousands of families in need of winter supplies and of families across the governorate of Sharqia.



Expenditure on "Tahya Misr" initiatives

Donations to mosques

Hayah Karima Initiative

Karima initiative to provide several mosques

clothing through the "Eed El Dafa" campaign.

31EGP

Oriental Weavers took part in the Hayah and family homes across the country with wall-to-wall carpeting.

HSE and Employee Rights at Oriental Weavers

Oriental Weavers' Health, Safety, and Environmental (HSE) policy aligns with the Egyptian Labor Law, the US Occupational Safety and Health Administration (OSHA), and the International Labor Organization (ILO). As human In 2021, Oriental Weavers updated its code capital has been the most crucial asset to the years of success the company has achieved and celebrated. Oriental Weavers adheres to the highest industrial standards that cover key aspects, such as employment contracts, wages, benefits, policies, working hours, health and safety, training and development, gender equality, and anti-discrimination.

Code of Professional and Ethical Conduct

Oriental Weavers has developed and implemented a code of conduct that aligns with Egyptian laws and regulations and International

2.9% Employee turnover

268 Women employed

201

best practices. To raise awareness and to ensure full compliance to the code of conduct, multiple seminars and awareness sessions have been conducted across the company's departments. of conduct, setting higher standards for the company and its stakeholders.

Health and Safety

Oriental Weavers' commitment to promoting a healthy and safe work environment remains unwavering. The company's health and safety programs foster a highly proactive approach to finding and preventing potential occupational hazards before they can cause injury or illness to employees. Oriental Weavers' health and safety programs leverage integral tools and procedures, such as firefighting, first aid, and employee emergency onsite training, to increase



Average annual salary for men and women

18.7_K

Men employed

16.1_K

Women in entry/mid-level positions Men in entry/mid-level positions

Women in senior/executive positions

health and safety awareness and responsibility across the board. To further ensure the safe continuity of its operations, Oriental Weavers conducts periodic risk assessments across its production facilities to identify potential risks and take necessary preventative measures to mitigate them.

Child and Non-Consensual Labor

Oriental Weavers adheres to the International Declaration of Human Rights, with a strong belief that child labor poses significant harm on a child's physical and mental health, well-being, and educational development. Accordingly, the company maintains transparent HR policies and procedures for its management, employees, suppliers, and service providers that strictly forbid any form of forced or child labor. This includes hiring only those who are over 18 years of age and making it adamantly clear to all entities within the Group's value chain that they must adhere to the same labor standards and practices.

Violence and Sexual Harassment

As part of Oriental Weavers' long-term commitment to providing the safest environment to its employees, the company has a zero-tolerance policy for violence and sexual harassment. The company recognizes the right of all employees to a workplace free of harassment and sets clear frameworks to address and eliminate violence and harassment through an integrated and inclusive approach. All allegations and complaints

ment is to face disciplinary action, up to and including dismissal. Anti-Discrimination Oriental Weavers is dedicated to building and maintaining a workplace that does not tolerate any form of discrimination. The company's policies prohibit any discrimination between employees, whether on the basis of religion, ethnicity, body shape, gender, race, marital status, age, disability, or competencies. At Oriental Weavers, everyone is treated fairly and equally in terms of wages, salaries, benefits, and working conditions. Additionally, the company's employment decisions, including recruitment, dismissals, and any other matters regarding terms and conditions of employment, are not exempt from anti-discrimination mandates.





Men in senior/executive positions



Women on the BOD



Men on the BOD

are taken very seriously, and any person found to have engaged in violence or sexual harass-

CORPORATE GOVERNANCE



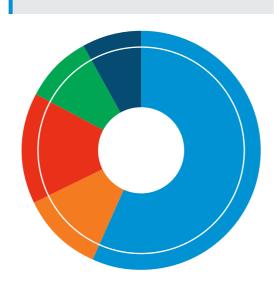
CORPORATE GOVERNANCE

Oriental Weavers maintains a strong corporate governance framework to safeguard the interests of its shareholders and improve the efficiency of its systems and processes across its global footprint

Oriental Weavers follows principles of fairness, openness, and transparency across its operations. In 2021, the company introduced an Internal **Governance division** that aims to ensure the utmost compliance with the best practices and standards. With a sound governance framework in place, Oriental Weavers continues to grow with confidence and integrity.

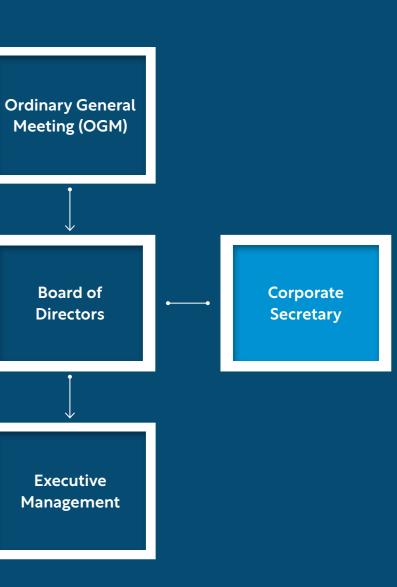
Group Structure

Shareholders Structure



Khamis Family	56.82%
Fitaihi Holding Group	11.13%
Foreign Institutions	14.90%
Local Institutions	9.36%
Retail	7.79%

Governance Structure Audit and Risk Committee



Board of Directors

Yasmine Mohamed Farid Khamis	Non-Executive Board Member, Chairwoman	
Salah Abdel Aziz Abdel Motalab	Board Member, CEO and Managing Director	
Farida Mohamed Farid Khamis	Board Member, Vice Chairman	
Mohamed Mahmoud Fawzy Khamis	Executive Board Member, Managing Director for Development Affairs	
Amr Mahmoud Fawzy Khamis	Executive Board Member, Managing Director for Manufacturing	
Mahmoud Amin Saad	Board Member	
Mohamed Katary Abdullah	Board Member	
Medhat Hussein	Board Member	
Hani Mahmoud Amin	Board Member	
Wadouda Abd El Rahman Badran	Independent Board Member	
Seif El Din Awni	Non-Executive Board Member representing Misr Life Insurance	
Khaled El Said Ahmed Mohamed	Non-Executive Board Member representing Misr Insurance Holding Company	
El-Sayed Moatasseim Ibrahim Rashed	Independent Board Member	
Mohamed Mohamed Ali Amer	Non-Executive Board Member	
Mohamed Mohamed Farid Khamis	Non-Executive Board Member	

Board Committees

Internal Audit and Risk Committee

15

Members

Board of Directors

Oriental Weavers' Directors boast a wide spectrum of expertise, with a solid understanding of manufacturing, sales and distribution, and finance. The company's Board of Directors plays a proactive part in shaping the company's strategies, policies, and management team functions. Selected by a majority vote of the company's shareholders, the Board consists of

independent directors, executives, institutional investors, and shareholder representatives. The Board meets on a quarterly basis, with each member leveraging their extensive leadership experience in strategic planning to assess key performance indicators, collectively steering Oriental Weavers on the trajectory to sustainable success.

Board Responsibilities

The Board of Directors is tasked with setting Oriental Weavers' strategic goals, approving the general plans and policies governing the company's operations, and supervising the performance of the executive management. The Board also ensures the efficiency of



internal controls and risk management policies, determines the best ways for applying good governance, and endorses professional policies and procedures that enable the company's employees to bolster their performance.

To achieve this, the Board:

- · Reviews, approves, and monitors the longterm strategic objectives and business plans of the management team;
- Assesses the major risks facing the company and the steps taken by the management team to mitigate such risks;
- · Oversees the accuracy of the company's financial statements, compliance with legal requirements, the qualifications and independence of the company's external auditors, and the performance of the company's internal audits; and
- · Continuously reviews and updates the company's Code of Business Conduct and Ethics to ensure compliance with applicable laws and regulations.

self-evaluation, and the term of the Board is renewed every three years. As part of Oriental Weavers' code of ethics policies and procedures, the Board follows all conflict of interest and insider trading principles. Board members submit an annual disclosure form detailing ownerships, in addition to any board membership in other companies. Members who may have any conflicts of interest concerning board decisions are not permitted to vote or attend discussion processes.

Moreover, the Board ensures that the company's management is fulfilling its duties by monitoring the effectiveness of managerial decisions, strategic plans, and policies. It has a periodical reporting system and convenes on a monthly basis to review the main performance indicators of the company, such as sales, financials, inventory, and productivity, as well as to review capital expenditure needs and status.

The Board of Directors undergoes an annual

Board Members



Ms. Yasmine Mohamed Farid Khamis Non-Executive Board Member, Chairwoman

Ms. Yasmine Mohamed Farid Khamis is a recognized strategic leader in the carpet industry who is known for her contributions to both the industry and Oriental Weavers. Throughout her extensive career in marketing, she has held numerous executive positions within Oriental Weavers, serving as a board member and director in a number of the company's subsidiaries. She adopted advanced technology to create innovative yarn systems, constructions, and designs. After completing her BA in mass communications at the American University in Cairo, Ms. Khamis went on to study color theory and design at the prestigious Pratt Institute in New York City, USA. She also studied accounting and fiber materials at the University of North Carolina, USA.



Mr. Salah Abdel Aziz Abdel Motalab Board Member, CEO and Managing Director

Mr. Salah Abdel Aziz Abdel Motalab joined Oriental Weavers in 1997 after serving in the Egyptian Armed Forces, where he held high-level administrative positions. Over his 24 years with Oriental Weavers, he held numerous top-tier planning and administrative positions, such as heading the Projects and Contracts Department and, subsequently, the Planning Department. As Head of Planning, he spearheaded Oriental Weavers' expansion program. He continues to do so in his current position as the Chairman and CEO of the company.



Ms. Farida Mohamed Farid Khamis **Board Member Vice Chairman**

Ms. Farida Mohamed Farid Khamis serves as the Deputy Chairman of Finance at Oriental Weavers, bringing extensive experience in investor relations. She also serves as an executive board member for several Oriental Weavers' subsidiaries. Ms. Khamis earned her BA in business administration from the American University in Cairo and subsequently completed training sessions at Citibank in New York, USA, and with EFG Hermes, Egypt. Ms. Khamis is a member of the Young Presidents Organization (YPO), and she has been involved with the organization at both regional and international levels. She also has a broad background working within non-governmental organizations, as she has been the Chairwoman of the Khayrazad Organization for Social Care since 2007.



Eng. Mohamed Mahmoud Fawzy Khamis Executive Board Member, Managing Director of Development Affairs

Mr. Mohamed Mahmoud Fawzy Khamis serves as Managing Director for Development Affairs. His 20 years of experience has driven the extensive development of Oriental Weavers' domestic distribution network, leading to a marked increase in the company's domestic market share. He graduated from the Textile Technology Program at the University of North Carolina, USA, where he also focused on operations management and domestic sales.

Eng. Amr Mahmoud Fawzy Khamis Executive Board Member, Managing Director of Manufacturing

Mr. Amr Mahmoud Fawzy Khamis serves as Managing Director for Manufacturing. During his long career, he has been instrumental in developing and expanding the operations of Oriental Weavers, as he was intricately involved in supply chain and production management, in addition to his involvement in planning, sales, and marketing activities. Mr. Khamis joined Oriental Weavers after receiving his degree in Textile Technology from the University of North Carolina, USA.

Mr. Mahmoud Amin Saad **Board Member**

With over 25 years of experience in exports, Mr. Mahmoud Amin Saad served as the Head of the Exports Division at the company. In his capacity, he led and oversaw the company's expansion in over a hundred new export markets by strengthening the transportation and distribution infrastructure throughout the company's diverse footprint. Mr. Amin has also been heavily involved in product development and marketing, as evident in his work at the Domotex Exhibition. His contribution also extends to developing financial systems within the company, as well as training and employee development, shipping, and logistics. Mr. Amin held numerous high-level administrative positions as an officer in the Egyptian Armed Forces from 1966 to 1982.







Mr. Mohamed Katary Abdullah Board Member

With over 30 years of financial management experience, Mr. Mohamed Katary Abdullah currently serves as the Director of Finance at the company. In his capacity, he plays a vital role in securing the company's financial position while helping transform Oriental Weavers into one of Egypt's leading corporations.



Eng. Medhat Hussein Board Member

Eng. Medhat Hussein joined Oriental Weavers in 1986. During his 30-year tenure at the company, he assumed a number of key managerial positions, including the Head of Quality, Health, Safety, and Environmental Department; Procurement Director; and Head of the Design and Engineering departments.



Prof. Wadouda Abd El Rahman Badran Independent Board Member

Prof. Wadouda Abd El Rahman Badran has been a professor of Political Science at the Faculty of Economics and Political Science, Cairo University, since 1991. In November 2013, she was appointed as the Dean of the Faculty of Business Administration and Economics and Political Science at the British University in Egypt. She was also the Cultural Counselor and Director at the Egyptian Embassy in London, UK. Prof. Badran holds a PhD in political sciences from Carleton University, Ottawa, Canada, and she earned her BA from the Faculty of Economics and Political Sciences, Cairo University, Egypt.

Mr. Seif El Din Awni Non-Executive Board Member representing Misr Life Insurance

Mr. Seif El Din Awni is the founder and Managing Director of Elite Financial Consultancy House, a financial advisory company and independent financial advisor licensed from the FRA in Egypt. Prior to this, he was the Managing Director at Post for Investment (PFI) and the Managing Director at Wedian Securities Brokerage. Mr. Awni previously sat on the Board of 138 Pyramids and Delta Inspire for Investments, serving as a non-executive board member. At present, Mr. Awni is a non-executive member on the Board of Oriental Weavers, representing Misr Life Insurance. He holds a BA in business administration from Cairo University, an MBA from the German University in Cairo (GUC) in finance and investment, and an MSc in finance from Helwan University. Mr. Awni is also an enrolled student in the PhD program of the GUC with a specialization in finance and investment.



Mr. Hani Mahmoud Amin Board Member

Mr. Hani Amin serves as the General Exports Director at Oriental Weavers, and he joined the company's Board of Directors as of 2021. He boasts over 20 years of experience in the exports field, having worked in many export regions worldwide. Throughout his career at Oriental Weavers, Mr. Amin has worked in both Oriental Weavers Egypt and the company's arm in the USA, partnering with a multitude of major international customers and companies. He graduated from the American University in Cairo in 1997 with a BA in economics. He also holds an MA in business administration with a specialization in marketing.



Mr. Khaled El Said Ahmed Mohamed Non-Executive Board Member representing Misr Insurance Holding Company

Mr. Khaled El Said has worked at Misr Insurance Holding for over 30 years, and he currently serves as the Head of the South Cairo region and holds several other positions within the company. Mr. El Said joined Oriental Weavers' Board of Directors in 2020, serving as a non-executive board member representing Misr Insurance Holding. In 2015, he sat on the Board of Egyptian Compressors Manufacturing company-a position he held until 2020. He holds a BA in commerce from Ain Shams University and a postgraduate diploma in general insurance from Cairo University, and he is a registered insurance consultant at the Financial Supervisory Authority under decree no. 248 of 2007.



Mr. El-Sayed Moatasseim Ibrahim Rashed Independent Board Member

Mr. El-Sayed Moatasseim Ibrahim Rashed worked as an economic consultant for various entities and corporations, including the Egyptian Cabinet, Immigration and Egyptians Abroad Minister, Secretary-General of Social Fund for Development in Sharkia and Cairo Governorates, Economy and Foreign Trade Ministry, and the Economy Union and Office Manager of Secretary-General of the Arab League. He also worked as the Undersecretary, Head of the Central Department for Investors Societies, at the General Authority for Investments (GAFI).



Mr. Mohamed Mohamed Ali Amer Non-Executive Board Member

Mr. Mohamed Mohamed Ali Amer worked extensively in the domestic and international banking sectors for 35 years. He received his BA in commerce and bank management from Ain Shams University in Egypt and MA in finance from Cairo University, Egypt.



Mr. Mohamed Mohamed Farid Khamis Board Member

Mr. Mohamed Farid Khamis has held numerous positions at Oriental Weavers, including serving as Vice-President from 2009 to 2011. He was heavily involved in launching investments in technology and recalibrating warehouse logistics. In 2011, he was appointed as Vice-Chairman of Orientals for Urban Development (OUD). Under his leadership, the company grew to become one of the leading real estate developers in Egypt. He has overseen the launch of several projects in Cairo and the Red Sea spanning the real estate, tourism, and agricultural sectors. Moreover, Mr. Khamis has been a driving force in creating sustainability initiatives across the company's portfolio. He is also involved in a number of philanthropic initiatives focusing on educational programs, social care, and healthcare funding, including the M. F. Khamis Foundation, the Al-Azhar Khamis Advance Schools, the Khamis Healthcare Institution, and the Khamis Limited Income Support Foundation. Mr. Khamis holds a BA in marketing from the British University in Egypt.



Board Committees

The Board has an Audit and Risk Committee tasks, with an eye for ensuring compliance and dedicated to fulfilling its diverse duties and

responsible behavior across the business.





Members

Meetings per year

Audit and Risk Committee

Mohamed Mohamed Ali Amer	Non-Executive Board Member
Wadouda Abd El Rahman Badran	Independent Board Member
El-Sayed Moatasseim Ibrahim Rashed	Independent Board Member

The committee meeting is held four times annually, with all members attending

The Audit and Risk Committee is mandated to ensure that all required controls are established in place and correctly exercised. It oversees the accuracy of financial statements, compliance with laws and regulations in markets of operation, and the qualifications and independence of the company's internal audits and external auditor.

The committee's main responsibilities include:

- Reviewing the company's internal controls and drawing up a written report on the committee's opinion and recommendations
- Overseeing risk management policies and practices of Oriental Weavers' global operations and supervising the implementation of the company's global risk management framework
- Reviewing financial statements before submission to the Board of Directors and making necessary recommendations
- Reviewing the adopted accounting policies

and making necessary recommendations

- · Nominating external auditor(s) to be appointed to the company by the Board of Directors
- · Reviewing the audit plan set by the external auditor and making remarks accordingly
- · Studying the observations or violations received from the regulatory authorities and following up on progress
- · Ensuring the company's compliance with internal and external systems, regulations, and laws, as reported by the Compliance Department and other relevant departments
- Discussing and approving the annual plan of the Internal Audit Department, following up on its effectiveness, and ensuring that it covers all the company's departments and activities
- · Reviewing the internal audit reports, identifying the company's shortcomings and reasons, and following up on the corrective actions
- · Reviewing and evaluating the company's early warning system and proposing the

means for its improvement and effective application

- Executing and following up on any other work assigned by the Board of Directors
- · Overseeing and monitoring the internal audit function to ensure its effectiveness in carrying out its work and tasks
- · Recommending any appointments, dismissals, and remunerations of the head of internal audit to the Board of Directors
- · Recommending the appointment, dismissal, and compensation of the external auditors to the Board and evaluating performance after assessing their independence, scope of work, and engagement terms
- · Ensuring the independence, objectivity, and fairness of the external auditor and the effectiveness of the audit work, taking into consideration the relevant rules and standards

Executive Management

Members

Yasmine Mohamed Farid Khamis Chairwoman Salah Abdel Aziz CEO and Managing Director Mohamed Mahmoud Fawzy Khamis Managing Director of Development Affairs Managing Director of Manufacturing Amr Mahmoud Fawzy Khamis Mohamed Katary Abdullah Director of Financial Affairs Hani Amin **Export Sales Director** Radwa Mostafa Kamel Group Treasury and Budgeting Manager Yasmine ElGohary Investor Relations Manager

Shehta Farouk

· Resolving any disagreements between the management and the external auditor regarding financial statements and accounting policies

 Ensuring clear lines of communication between the Committee, the external auditor, the head of internal audit, and management

Executive Management

Oriental Weavers is managed by a world-class executive team of industry veterans who have each served the company for over 20 years. The team has been instrumental in the company's long-term success, with each member contributing to developing the company into a flagship carpet and rug manufacturer on a global scale.

Title

Group Financial Controller

2021 Corporate Governance Highlights

Board Meetings

Board Members	Attendance
Yasmine Mohamed Farid Khamis	6/6
Salah Abdel Aziz Abdel Motalab	6/6
Farida Mohamed Farid Khamis	6/6
Mohamed Mahmoud Fawzy Khamis	6/6
Amr Mahmoud Fawzy Khamis	4/6
Mahmoud Amin Saad	5/6
Mohamed Katary Abdullah	6/6
Medhat Hussein	6/6
Hani Mahmoud Amin	1/6
Wadouda Abd El Rahman Badran	6/6
Seif El Din Awni	6/6
Khaled El Said Ahmed Mohamed	6/6
El-Sayed Moatasseim Ibrahim Rashed	6/6
Mohamed Mohamed Ali Amer	6/6
Mohamed Mohamed Farid Khamis	1/6

In 2021, the Board of Directors set the dates, pro- and discussed establishing new branches and cedures, and agendas for the General Assembly shutting down a few others.

Changes to the Board of Directors

Throughout the year, Oriental Weavers' Board necessary corrective measures to be taken to of Directors underwent several changes. Mr. Mahmoud Fawzy Khamis stepped down from his position, and Mr. Hani Mahmoud Amin was All in all, Oriental Weavers' continued commitelected to join the Board.

Compliance

In 2021, Oriental Weavers set a strategic priority to develop a compliance program. In doing so, the company aims to focus on the necessary actions to prevent areas of risk, ensure internal procedures are aligned with applicable laws and regulations, and lead a firm commitment to oversee the transparency and access of to embed rules that enhance an ethical culture.

As part of its compliance program, Oriental works closely with senior management to ensure Weavers has adopted a new code of conduct that details the company's procedures and systems. This ensures that the company's practices are in-line with international channels, including conferences, meetings, press agreements and national laws and regulations.

Alongside the code of conduct, Oriental Oriental Weavers understands the constantly Weavers has developed a new employee awareness campaign. This campaign was launched to provide training on company procedures regarding key topics, such as discrimination, conflicts of interest, insider trading, using business assets and information, fair dealings with employees, commercial partners, government authorities, and contact with the media and clients.

Additionally, and as a constituent element of the compliance program, employees at Oriental Weavers supply written compliance statements confirming their adherence to non-conflict and data privacy policies. They also complete compliance assessments to reaffirm a commitment to applicable laws and regulations. By doing so, this allows the

90 • Oriental Weavers • Annual Report 2021

early detection of any potential risks and the mitigate them.

ment to reviewing its policies and procedures aims to ensure clarity and efficiency across the company's functions and core operations.

Investor Relations

Oriental Weavers' Investor Relations (IR) department leverages an effective approach that integrates finance, marketing, and communication information between the company, its investors, and its stakeholder base. The IR department that investors are always informed about the company's current programs and future plans. Information is communicated through various releases, and presentations, in addition to an updated IR website and a yearly annual report. changing landscape of markets and the everevolving needs of investors, and it aims to ensure that investors have the necessary information to make informed decisions in a timely manner.

Stock Performance

Code	ORWE.CA
Share Listing	Cairo, Egypt
Currency	EGP
Shares Outstanding	655,107,268
Par Value/Share	EGP1

Oriental Weavers has been listed on the Egyptian Exchange (EGX) since 1993. As of 31 December 2021, the company's 665 million shares registered a price per share (PPS) of EGP 8.69 and a market capitalization of c. EGP 5.7 billion. Oriental Weavers is covered by leading domestic and international research houses. At present, eight institutions regularly issue research reports on the company.

During the year, key mandates by the Egyptian government contributed to bolstering the company's share price for the year. In June 2021, the Ministry of Trade and Industry announced the imposition of anti-dumping fees on imported Turkish machine-made rugs, ranging between 21.2% and 33.3%. This mandate enabled Oriental Weavers to capture a larger share in the local market, as Turkish imports of machine-made rugs previously contributed 94% to Egypt's total rug imports.

The second mandate came in September 2021 when the Egyptian government announced a new export rebate program with highly favorable rates to be applied on exports from July 2020 up until June 2023. Oriental Weavers expects to reap the rewards of this mandate, anticipating a higher collection of rebates in the future, which will significantly contribute to the company's profitability margins.

Navigating the Pandemic

Throughout 2021, Oriental Weavers' IR department continued to take part in local and international virtual investor conferences, with the participation of the senior management, meeting over 70 international and local investment funds. In 2021, Oriental Weavers ensured that its senior management and investors were regularly connected via quarterly conference calls and one-on-one meetings, which were held virtually due to the COVID-19 pandemic.



31 Dec
01 Feb
01 Mar
29 Mar
26 Apr
01 Jun
29 Jun
03 Aug
01 Sep
29 Sep
31 Oct
28 Nov
26 Dec

2020
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
2021
<t



FINANCIAL STATEMENTS

