



MACRO
PHARMACEUTICALS



Macro Group Pharmaceuticals

Our environmental, social, and
governance efforts



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OUR ENVIRONMENTAL, SOCIAL, AND GOVERNANCE EFFORTS

Macro Group Pharmaceuticals



About us

Established in 2005, Macro Group Pharmaceuticals is the largest and one of the fastest-growing cosmeceutical companies in Egypt, principally engaged in the manufacture and sale of a wide range of cosmeceutical and nutraceutical products. As a pioneer in the country's cosmeceutical industry, with a leading market share of 23% recorded in 2020, we are mindful of our commitment to the Company's stakeholders to act and grow responsibly. We therefore follow specific environmental, social, and governance (ESG) criteria in building our sustainability frameworks, and create shared and added value where viable through our growing, diversified endeavors.

Driving long-term, sustainable value is a fundamental objective at Macro Group. Through targeted initiatives, we aim to maximize operational synergies, improve our impact on the environment, and proactively serve our stakeholders and surrounding communities. To this end, Macro Group applies a stringent quality assurance system, with five ISO accreditations standing testament to our continuous dedication to product quality and facility hygiene and safety, strives to achieve gender equality and ensure the equitable development of employees throughout the organization, and is an active player in the community through social welfare programs, emphasizing transparency and accountability in all that we do.

Contribution to UN's Sustainable Development Goals

Our ESG efforts are also aligned with the United Nations' 2030 Agenda for Sustainable development, and so we contribute to the realization of as many of the Sustainable Development Goals (SDGs) as our operation allows us to, in line with the company's mission and objectives.



ESG Pillars

Safety & Environment

We strive to minimize our impact on the environment and ensure an accident-free workplace while ensuring that our products are safe and produced at the highest quality

Social Welfare & Equality

We are committed to improving our community, promoting gender equality, and ensuring the equitable development and treatment of our people across all departments

Corporate Governance

We are committed to the continuous cultivation of Macro Group's values and conduct our business to high ethical standards with an emphasizing on transparency



Accreditations



9001:2015

Quality Management
Systems



14001:2015

Environmental Management
System



22716:2007

Cosmetic Good Manufacturing
Practices



45001:2018

Occupational Health & Safety
Management Systems

Our sustainability efforts

Safety & Environment

Macro Group actively works to minimize its impact on the environment. We implement the highest standards of occupational, health, and environmental safety across our premises, and regularly launch initiatives that aim to reduce waste, conserve energy, and eliminate the use of harmful raw materials.

Green practices



Waste reduction

We are transitioning to paperless transactions and replaced cardboard boxes with durable, reusable boxes used for packaging and shipping



Energy saving

We continuously strive to minimize the energy we consume, and to this end have replaced all regular light bulbs with LED bulbs to reduce energy consumption



Raw materials

We switched to raw materials that have less impact on the environment using Material Safety Data Sheets (MSDS), which contain information on the potential hazards of any given raw chemical product and how to work safely with it.



Social Welfare & Equality

Our Employees

A balanced and supportive work environment that champions safety, diversity, and support, and eradicates discrimination and corruption is key to business wellbeing and growth. Macro Group therefore looks to bridge the gender gap by affording more employment opportunities to female candidates; and hire fresh graduates to bolster employment among youth and uplift the job market.

Macro Group hires

834

employees

More than

40%

of our total workforce is female

More than

29%

of females are in senior management positions

More than

81%

of our salesforce are fresh graduates

Employee Learning and Development

We contribute to our employees' professional development by heavily investing in trainings across all of our operating areas, which include Cairo, Alexandria, the Delta, and Upper Egypt. Using innovative programs and education, we work to raise knowledge and professional capabilities among our employees.

Furthermore, we create enabling initiatives such as the 12-day Macro Academy training program, which raised the skill levels of the company's top performers and introduce the new generation of Macro's Great Leaders. Candidates are selected annually based on criteria and interviews.

Initiatives in 2020

Community Welfare

Social contributions and support are part and parcel of Macro Group’s sustainable development initiatives, and so we aim to invest in projects that provide varied support and empower community members.

Awards and Recognition

To date, Macro received three community engagement and conference awards for its social initiatives and support efforts. These recognition awards were received from:

The International Cos-
metic Congress (ICC)
Derma 2019

The “Pharmacy Expo”
Committee

Governor of Al
Qalyubeia
Macroderma 2

Medical convoys



+8000

beneficiaries

School Support



+3000

students



5

governorates

Macroderma



+7000

patients



250

junior
physicians

In collaboration with the Ministry of Health and Population, we send convoys to underserved governorates with hygiene products and medical support

We provide medical support as well as school and hygiene supplies to schools across five governorates

We launched the Care & Learn initiatives in Ismailiyah and Qalyubeia governorates to train physicians and treat patients



Corporate Governance Framework

Governance

Macro Group relies on its executive management and Board of Directors to manage, monitor, and provide counsel on operations at the company. Through our robust governance framework, we build up on the values of integrity, transparency, and accountability

to foster sustainable growth and fortify value creation for stockholders. As of 2021, Macro Group is listed on the Egyptian Stock Exchange and regularly reviews its procedures and structures to improve its capabilities and provide higher returns.

Our Board of Directors is comprised of industry veterans and business experts that bring extensive knowledge and experience to the company. Its role encompasses setting the company’s strategic goals and ensuring that the necessary resources and controls

are in place to effectively meet them while managing potential risks. It also monitors the performance of the business and its executive management against its strategic objectives, and reinforces the company’s role as a sustainable business operator.

Our Board of Directors

| Name | Position | Year Appointed |
|----------------------|--|----------------|
| Dr. Ahmed El Nayeb | Non-Executive Chairman representing Leo 1 | 2021 |
| Mr. Ahmed Rady | Non-Executive Vice-Chairman representing Leo 1 | 2021 |
| Mr. Tamir Saeed | Non-Executive Board Member representing Leo 1 | 2021 |
| Mr. Norbert Lurz | Non-Executive Board Member representing Leo 1 | 2021 |
| Mr. Ahmed Badreldin | Non-Executive Board Member representing Leo 1 | 2021 |
| Dr. Hisham Wasfy | Executive Managing Director representing Leo 1 | 2021 |
| Mr. Maurits Pot | Non-Executive Board Member representing Leo 1 | 2021 |
| Ms. Samia El Baroudy | Non-Executive Board Member (Independent) | 2021 |
| Ms. Sahar El Sallab | Non-Executive Board Member (Independent) | 2021 |

Our Committees

Audit Committee

The primary role of the audit committee is to monitor the integrity of the Macro Group’s financial statements and review the effectiveness of its internal financial controls. The audit committee shall meet as many times as may be deemed necessary provided that it meets at least four times per year. Its key functions are to assist the Board in fulfilling its oversight responsibilities in connection with the following, among other things:

- inspection and review of the procedures regarding the internal inspection of Macro Group and its compliance;
- the study of the followed and alternative audit policies that are a result of the new audit standards;
- inspection and review of the tools and mechanism of the internal audit, its procedures, plans, results and the study of the internal audit report the following up of its implementation;
- inspection of the methods that are used in the preparation of the audit;
- inspection of the preliminary draft of the financial statements before presenting it to the board as a preface before submitting it to the auditor;
- proposal of appointing the auditor and determining their expenses and to view the related matters in regard to their resignation or removal which does not infringe the law;
- stating of opinion in regards to the permission of appointment of the auditor to carryout services on behalf of the company other than the revision of the financial statements and in regards to the estimated costs which does not infringe upon their independence;
- study of the auditor’s report pertaining the financial statements and discussing its substance in what was noted from comments, notes and reservations and the follow up in regards what was done in order to resolve such issues from the perspective of management and the company’s auditor; and
- ensure that a report is submitted to the board by non-conflicted competent experts concerning all related party transactions including their nature and the extent of which such transactions harm Macro Group or the interests of its shareholders, if at all.

Members

| | |
|----------------------|----------|
| Ms. Samia El Baroudy | Chairman |
| Ms. Sahar El Sallab | Member |
| Mr. Tamir Saeed | Member |



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