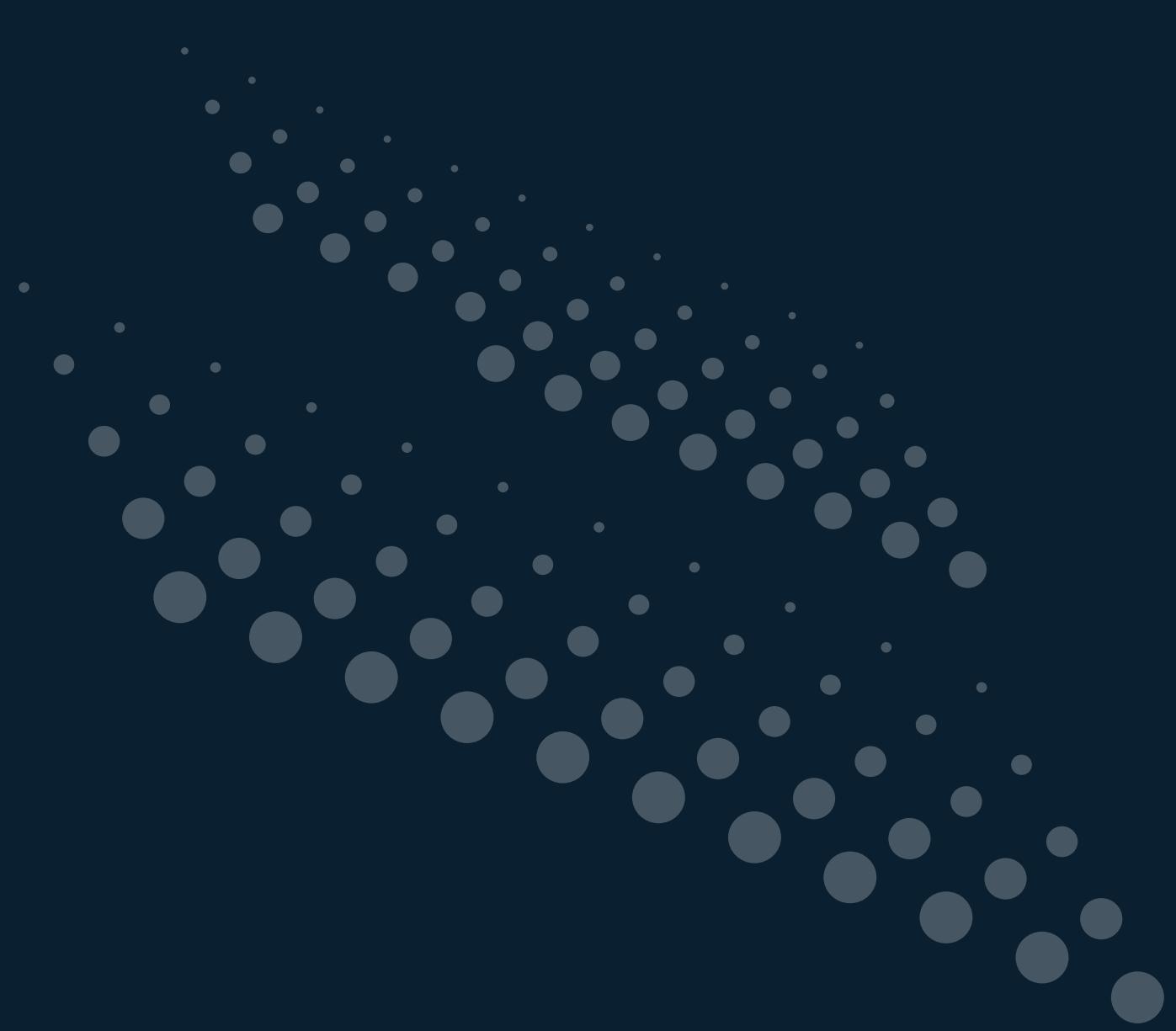




PHOENIX



# ESG REPORT 2024

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## OUR COMMITMENT

Phoenix Group is committed to building a future where business success and sustainability go hand in hand. By embedding sustainability into our decision-making processes and corporate culture, we are ensuring that our activities contribute meaningfully to a more inclusive, sustainable future. As a responsible and forward-thinking organization, Phoenix Group integrates ESG considerations across all levels of our investment process — from strategy formulation to execution — demonstrating our commitment to both financial success and a positive societal impact.

This foundational work marks the beginning of our journey to align our operations with the highest standards of governance and sustainability. We are determined to create responsible growth, uphold ethical business practices, and promote transparency as we build a more sustainable future for our company, our stakeholders, and the communities in which we operate.



## A. The Four Pillars of Our Sustainability Strategy

At Phoenix Group, our sustainability strategy is built on four key pillars that guide our decisions and actions. These pillars are designed to create long-term value for all stakeholders while driving positive change and ensuring a sustainable future for our business and the communities we serve.



PILLAR 1



PILLAR 2



PILLAR 3



PILLAR 4

**SOLID GOVERNANCE  
AT OUR CORE**

**EMPOWERING PEOPLE  
FOR TOMORROW**

**PIONEERING  
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## B. Materiality Assessment

At Phoenix Group, our Materiality Assessment is essential for identifying and focusing on the ESG issues that matter most to our business and the communities we serve. We engage with key stakeholders including our shareholders, employees, governments, and regulators through interviews and discussions to understand their concerns and priorities. By combining this direct feedback with industry insights, we ensure our efforts are aligned with the most pressing issues, enabling us to drive meaningful and positive change.

### Key Material Topics for Phoenix Group

01

**Sustainable Investment in Cryptocurrency Technology and Infrastructure Innovation**

02

**Ethical Business Practices and Governance**

03

**Regulatory Compliance and Industry Standards**

04

**Workforce Diversity in Leadership Roles**

05

**Employee Health, Safety, and Wellbeing**

06

**Diversity, Equity, and Inclusion in the Workforce**

07

**Employee Training and Development**

08

**Community Engagement and Social Impact**

## C. Stakeholder Engagement

Stakeholder	Method of Engagement
 Shareholders	Dedicated section on the company website
	Investor relations and updates
	Annual and quarterly financial reports
	Participation in Annual General Meetings (AGMs)
	Regular press communications and updates
 Investors	Dedicated investor relations page on the website
	Publicly available company reports
	Earnings calls and meetings
	Investor roadshows
 Employees	Regular performance evaluations
	Employee engagement surveys and feedback
	Publicly available company reports
 Government and Regulators	Publicly available company reports
	Engagement sessions between senior leadership and regulatory bodies
	Adherence to applicable laws and industry regulations
 Communities	Company website providing updates and insights
	Publicly available company reports

## D. Driving Sustainable Growth and Our Commitment to the SDGs

At Phoenix Group, we are committed to aligning our business strategy with the United Nations Sustainable Development Goals (SDGs). Our sustainability approach focuses on creating long-term value while making a positive impact on the environment and society. We emphasize strong governance by upholding ethical business practices and regulatory compliance to foster integrity and transparency across all levels of the organization. We are also dedicated to driving innovation in the cryptocurrency sector, continuously advancing our technological infrastructure to ensure scalability, security, and environmental responsibility.

Additionally, we are deeply committed to empowering our people by creating an inclusive and supportive work environment. By prioritizing employee well-being, diversity, and career development, we ensure that our workforce thrives and contributes to the company's long-term success. Our sustainability efforts also extend to reducing inequalities, providing equal opportunities for all employees, and creating a culture that values respect and inclusion. Through these efforts, Phoenix Group is actively contributing to the achievement of the SDGs, particularly those focused on economic growth, clean energy, innovation, health and well-being, and quality education, while ensuring that sustainability remains a key driver of our business.



# 01

## SOLID GOVERNANCE AT OUR CORE



### Objective:

To embed a culture of integrity, accountability, and transparency at all levels of our organization, ensuring that our operations are conducted ethically and comply with regulatory frameworks.



### Key Material Topics:

- Ethical Business Practices and Governance
- Regulatory Compliance and Industry Standards



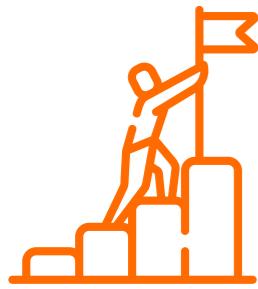
### Aligned UN SDGs:

SDG 16: Peace, Justice, and Strong Institutions



02

## EMPOWERING PEOPLE FOR TOMORROW

**Objective:**

To foster an environment that supports growth, well-being, and development across all levels, enabling individuals and the organization to thrive in an evolving business landscape.

**Key Material Topics:**

- Workforce Diversity in Leadership Roles
- Employee Health, Safety, and Wellbeing
- Employee Training and Development
- Diversity, Equity, and Inclusion in the Workforce

**Aligned UN SDGs:**

SDG 3: Good Health and Well-being  
SDG 5: Gender Equality  
SDG 8: Decent Work and Economic Growth



03

## PIONEERING SUSTAINABLE PROGRESS

**Objective:**

To influence the investment landscape by integrating ESG principles into decision-making. Strive to achieve financial growth while upholding ESG commitments and promoting innovative technological solutions to address sustainability challenges when applicable.

**Key Material Topics:**

- Sustainable Investment in Cryptocurrency Technology and Infrastructure Innovation

**Aligned UN SDGs:**

SDG 9: Industry, Innovation, and Infrastructure



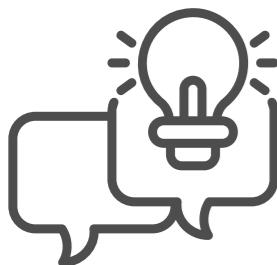
# 04

## SHAPING POSITIVE CHANGE



### Objective:

To create lasting positive change by promoting responsible practices and ensuring that our actions have a beneficial impact on both our organization and the broader community.



### Key Material Topics:

- Community Engagement and Social Impact



### Aligned UN SDGs:

- SDG 4: Quality Education
- SDG 3: Good Health and Well-Being
- SDG 17: Partnerships for the Goals

# SOLID GOVERNANCE AT OUR CORE

### A. Board of Directors

At Phoenix Group, the Board of Directors play a crucial role in guiding the company toward success through strong leadership and active oversight. Each Board member brings unique perspectives, skills, and experience, all of which contribute to well-informed decision-making. The Board meets quarterly to assess the company's performance, make key operational decisions, and ensure alignment with regulatory requirements.

The governance structure adheres to best practices, with a clear separation between the roles of Chairperson and CEO to ensure independent oversight. In line with the company's commitment to diversity and inclusion, women represent 25% of the Board, and 46% of the female workforce hold key decision-making roles within the Group.

To maintain high governance standards, the Board relies on Committees — including Audit and Risk, and Nomination and Remuneration — to provide additional oversight in key areas such as financial integrity, risk management, and executive compensation.

For more details on the composition, attendance, and professional backgrounds of our Board members, please refer to the Corporate Governance Report 2024.

### B. Governance Framework: Laying the Foundations for Growth

At Phoenix Group, we are dedicated to creating a strong governance framework that drives sustainable growth and aligns with our ESG strategies. Our focus is on establishing clear governance practices rooted in transparency, accountability, and ethical conduct.





### C. Transparent Reporting and Stakeholder Communication

We believe transparent reporting is essential for building trust with our stakeholders. By openly communicating our financial results and operational performance, we keep our stakeholders informed and confident in our dedication to ethical business practices. This transparency not only ensures compliance with regulatory standards but also enhances our reputation as a company rooted in integrity and honesty. We are committed to fostering strong relationships with investors, shareholders, and the wider community through clear, consistent, and honest communication.



## D. Governance Development: Next Steps

As we lay the foundation for responsible governance, Phoenix Group is taking steps to formalize several key policies in the coming year.

Our focus for the upcoming year is to formalize key policies, internal controls, enhance our governance practices, and further align our operations with global best practices.

## E. Detailed Disclosure

### I. BOARD DIVERSITY

*Percentage: Total Board Seats Occupied by Men and Women*

Category	Men (%)	Women (%)
Total Board Seats	75%	25%

*Percentage: Committee Chairs Occupied by Men and Women*

Category	Men (%)	Women (%)
Committee Chairs	0%	100%

### II. BOARD INDEPENDENCE

*Percentage: Total Board Seats Occupied by Independent Board Members*

Category	Total Board Seats	Independent Board Members	Percentage of Independent Board Members (%)
Total Board Seats	4	3	75%

# EMPOWERING PEOPLE FOR TOMORROW

## A. Cultivating a Positive, Safe, and Empowering Work Environment

At Phoenix Group, we firmly believe that our people are the cornerstone of our success. We strive to create a dynamic workplace culture where collaboration, innovation, and inclusivity are central to how we operate. Our approach is not just about achieving business goals, but also about ensuring that every employee feels valued, respected, and empowered to contribute their best work.

We are dedicated to cultivating an environment where individuals can thrive both professionally and personally. As the organization grows, so does our focus on providing the necessary resources and opportunities to support employee development.

In 2024, we made significant strides in integrating equity into all aspects of our operations, from recruitment to performance reviews. We ensure that all employees have access to the same resources and support systems, regardless of their background. Our approach to equity is centred around removing barriers, promoting fairness in decision-making, and creating opportunities that empower all employees to reach their full potential.

As part of our focus on learning and development, we conducted Certified Data Centre Professional (CDCP) training to provide participants with comprehensive

insights into the key components of data centers. Additionally, we successfully launched employee engagement initiatives designed to strengthen team collaboration and enhance the overall employee experience.

At Phoenix Group, we prioritize creating an inclusive environment where diverse perspectives are not just welcomed but valued. Our team is made up of 19 nationalities across five regions, including the UAE, Oman, USA, Canada, and the Netherlands. This global and culturally diverse workforce drives creativity, encourages innovative problem-solving, and contributes to a positive workplace culture. We believe that by embracing different voices, we foster an environment where everyone can thrive.

To further reinforce our commitment to health and safety, Phoenix Group has achieved a significant milestone in 2024, completing 1,475,216 man-hours across our operations in the UAE (Dubai and Abu Dhabi), USA, and Oman with zero safety incidents. This accomplishment highlights our continuous focus on maintaining high standards of safety and operational excellence, guided by adherence to a robust occupational health protocols and global safety standards.





## B. Building an Inclusive and Equitable Workforce

At Phoenix Group, diversity and inclusion are more than just values we uphold—they are principles we embody in our actions. We are devoted to cultivating a workforce that reflects a wide range of cultures, backgrounds, and experiences, while fostering an inclusive and equitable environment where everyone has the opportunity to thrive.

With a workforce that includes individuals from over 19 nationalities, Phoenix Group embraces a culture of diversity and inclusivity. While we celebrate this broad representation, we also align with national initiatives like Emiratization in the UAE and Omanization in Oman, which aim to enhance the presence of local nationals in the workforce. As part of these efforts, 5.26% of our workforce in UAE and Oman consists of Emirati and Omani nationals, reflecting our commitment to both diversity and local talent development.

We recognize that diversity not only enhances our company culture but also leads to better decision-making, more innovative solutions, and a greater ability to meet the diverse needs of our stakeholders.

Phoenix Group firmly believes in equality of opportunity and operates a zero-tolerance policy for any form of discrimination or harassment, including sexual harassment. Our workplace is one where every employee can feel safe, supported, and confident in their ability to contribute to the organization's success without fear of bias or exclusion.

## C. Detailed Disclosure

### I. EMPLOYEE TURNOVER

*Percentage: Year-over-year change for full-time employees*

Year	Number of Full-time Employees	Year-over-Year changes (%)
2023	135	79%
2024	202	49.6%

*Percentage: Year-over-year change for contractors/ consultants*

Year	Number of contractors/ consultants Employees	Year-over-Year changes (%)
2023	5	4%
2024	15	2%

### II. GENDER DIVERSITY

*Percentage: Total Enterprise Headcount Held by Men and Women*

Category	Men (%)	Women (%)
Total Enterprise Headcount	88%	12%

*Percentage: Entry- and Mid-Level Positions Held by Men and Women*

Category	Men (%)	Women (%)
Entry-level Positions	92%	8%
Mid-level Positions	59%	41%

*Percentage: Senior- and Executive-Level Positions Held by Men and Women*

Category	Men (%)	Women (%)
Senior-level Positions	78%	22%
Executive-level Positions	80%	20%

### III. TEMPORARY WORKER RATIO

*Percentage: Total enterprise headcount held by contractors and/or consultants*

Category	Contractors/Consultants (%)
Total Headcount	7%

### IV. INJURY RATE

*Percentage: Frequency of Injury Events Relative to Total Workforce Time*

Category	Total Injury Events	Total Workforce Time (hours)	Injury Frequency (%)
Injury Frequency	0	1,475,216	0

### V. NATIONALISATION

*Percentage of National Employees*

Category	Total Employees in UAE and Oman	National Employees	Percentage of National Employees (%)
UAE and Oman Employees	190	10	5.26%

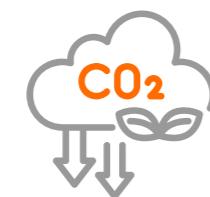


# PIONEERING SUSTAINABLE PROGRESS

## A. Driving Technological Innovation for Sustainability

Phoenix Group recognizes the transformative power of technology in addressing global sustainability challenges. From renewable energy solutions to digital technologies, we are continuously exploring how emerging innovations can contribute to both sustainable progress and business growth. As we expand our portfolio of investments, we prioritize opportunities that help reduce environmental impact while driving economic value.

Cryptocurrency mining has been historically associated with significant carbon emissions due to the high energy demands of traditional mining processes. To mitigate this, Phoenix Group has embraced hydropower mining as a more sustainable alternative. By utilizing energy generated from renewable hydropower sources in Oman and Canada, we have been able to significantly reduce the carbon footprint of our mining operations.

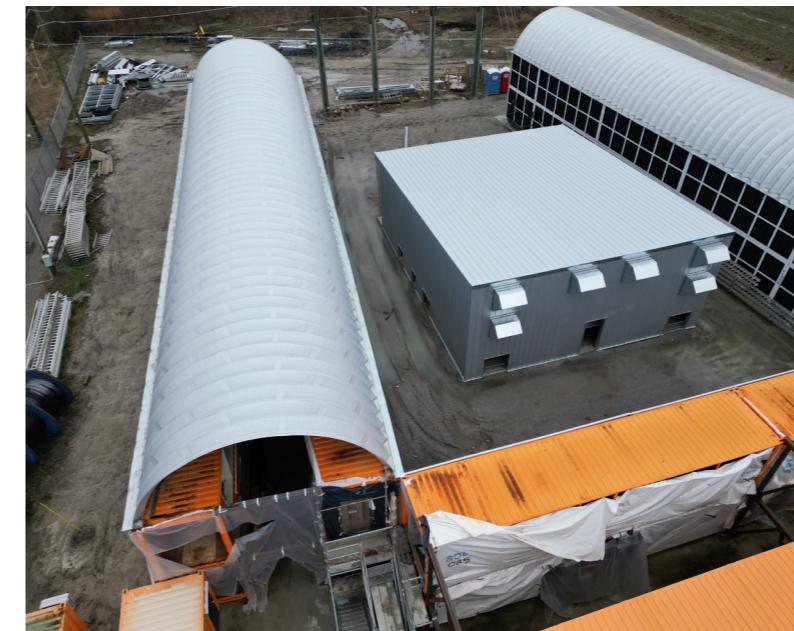


In fact, our use of hydropower has allowed us to avoid emitting approximately

**133,850 tonnes**

CO2 into the environment.

This integration of hydropower with blockchain infrastructure allows us to scale our cryptocurrency investments in a way that aligns with our broader sustainability goals.



## B. Leveraging Cold Climate Locations for Enhanced Sustainability

In addition to harnessing renewable energy sources, our strategic presence in naturally cool regions, like St. Leon in Canada, minimizes reliance on additional cooling infrastructure. This approach greatly reduces one of the largest energy demands in cryptocurrency mining operations.

Operating in naturally cooler climates allows us to enhance energy efficiency and reduce both our carbon footprint and operational costs. The lower temperatures in these regions minimize the need for energy-intensive cooling systems, commonly required in warmer areas, making our mining operations more environmentally friendly.

As we plan for the future, we are exploring additional locations in regions with colder climates, including a potential site in North Dakota. This expansion supports our sustainability objectives by situating operations in cooler climates, thereby reducing energy consumption and optimizing the efficiency of our mining activities.



# SHAPING POSITIVE CHANGE

## A. CryptoWeekly Sponsorship: Supporting Education and Networking

Phoenix Group, in its commitment to raise awareness around digital assets, blockchain, and the Web3 space, is proud to sponsor Crypto Weekly — the first mainstream talk show dedicated entirely to these transformative technologies. Hosted by leading industry figures and influencers Henri Arslanian and May Ban Khadra, the show is aired exclusively on CNBC Arabia.

Crypto Weekly aims to educate and engage its audience by offering in-depth coverage of the rapidly expanding blockchain industry. As the only program of its kind in the region, it connects with a diverse viewership across the Middle East, helping to simplify complex blockchain concepts and explore its potential to reshape industries.

The show brings together global thought leaders, innovators, and executives to share their expertise, explore emerging trends, and discuss breakthroughs in the digital finance ecosystem. With new episodes airing every Monday, offers fresh perspectives and invaluable insights for those staying ahead in the ever-changing world of digital assets. More than just a blockchain primer, Crypto Weekly equips audiences with the knowledge and tools to navigate and excel in this rapidly evolving landscape.



## B. Phoenix Group at ADFW 2024: Advancing the Dialogue on Crypto, Blockchain, and Financial Innovation

Phoenix Group was proud to be an Official Partner of Abu Dhabi Finance Week (ADFW) 2024, the MENA region's leading financial event. Throughout the week, we maintained a strong presence and played a key role in shaping the discussions around digital assets and the future of blockchain technology. Our leadership team captivated the audience with keynote speeches that raised awareness about the growing importance of these innovations in finance.

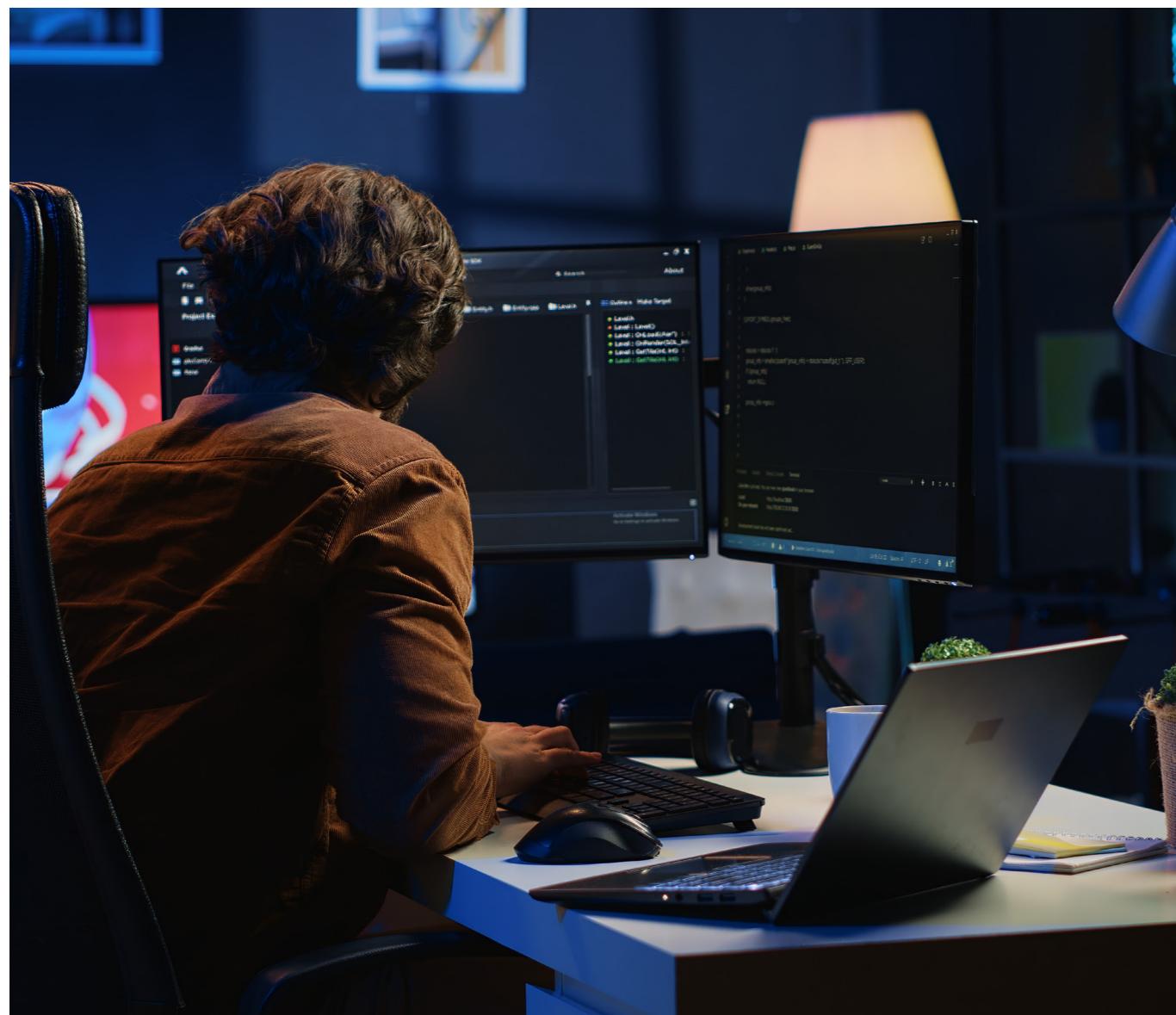
Phoenix Group's CEO, Mr. Munaf Ali, delivered an impactful keynote at the ADFW Capital Markets Forum. Speaking to an audience of executives, investors, and industry leaders, he highlighted the increasing significance of digital assets and shared Phoenix's accomplishments in this rapidly evolving space. His insights sparked further discussions on the future potential of blockchain and its role in transforming finance.

In addition, Group CFO Mr. Sheharyar Malhi took the stage at the International Family Office Congress, where he presented crypto solutions as an innovative investment strategy. His session provided family offices with valuable insights on how virtual assets can foster growth and unveiled new opportunities for investment in the fast-evolving digital finance landscape.

Our participation at ADFW 2024 further solidified Phoenix Group's role as a thought leader in the digital asset space, creating momentum for ongoing conversations on the future of finance and blockchain technology.

## C. Cyber Q Collaboration: Enhancing Digital Security Awareness

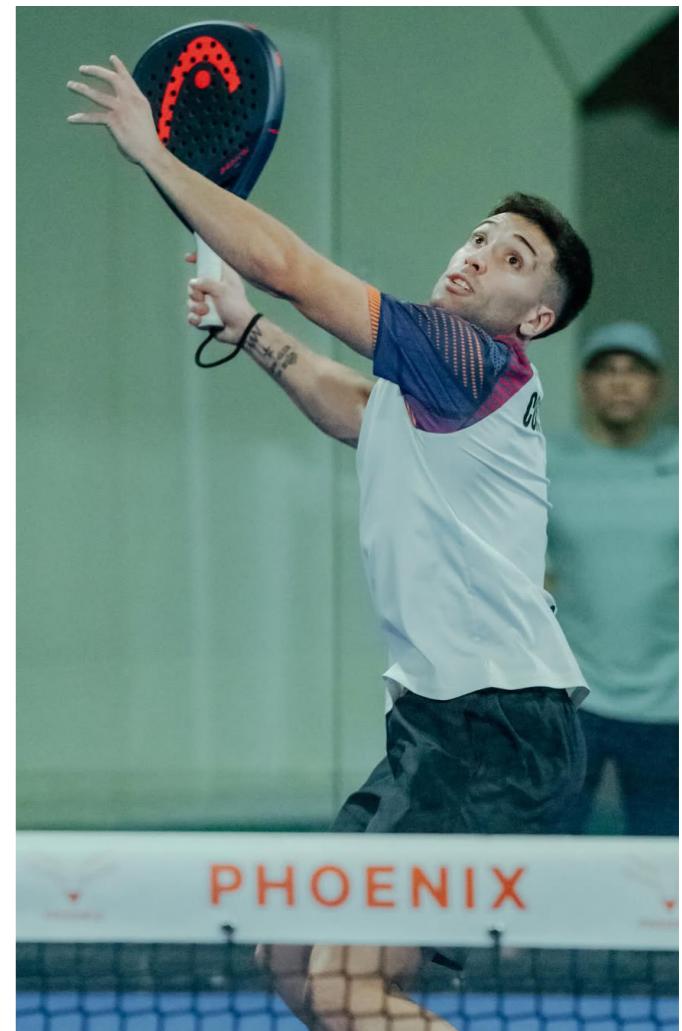
At Cyber Q, in partnership with the UAE Cybersecurity Council, Phoenix contributed to discussions surrounding security challenges in the digital space. As part of this collaboration, we showcased our advanced mining and hosting technologies, emphasizing how innovation is key to building a more secure and efficient digital ecosystem. We were proud to join industry leaders like Amazon, Google, and IBM in sharing insights and expertise on securing the future of digital technologies.



## D. Promoting Health and Wellbeing: Phoenix Major Padel Tournament

Phoenix Group, in partnership with Emirates Padel Center, proudly sponsored and organized one of the largest padel tennis tournaments in the region — the Phoenix Major Padel Tournament. Held from May 9th to May 12th, 2024, the event proved to be a major success, attracting 64 teams and featuring a prize pool of up to 100,000 AED.

While the event served as an excellent platform for raising awareness about Phoenix Group's innovative role in the crypto industry, it also provided a meaningful opportunity to promote health and well-being. By encouraging active participation in a dynamic sport, the tournament not only strengthened our connection with the sports community but also highlighted our commitment to fostering a healthy lifestyle and engaging in community-driven initiatives.





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