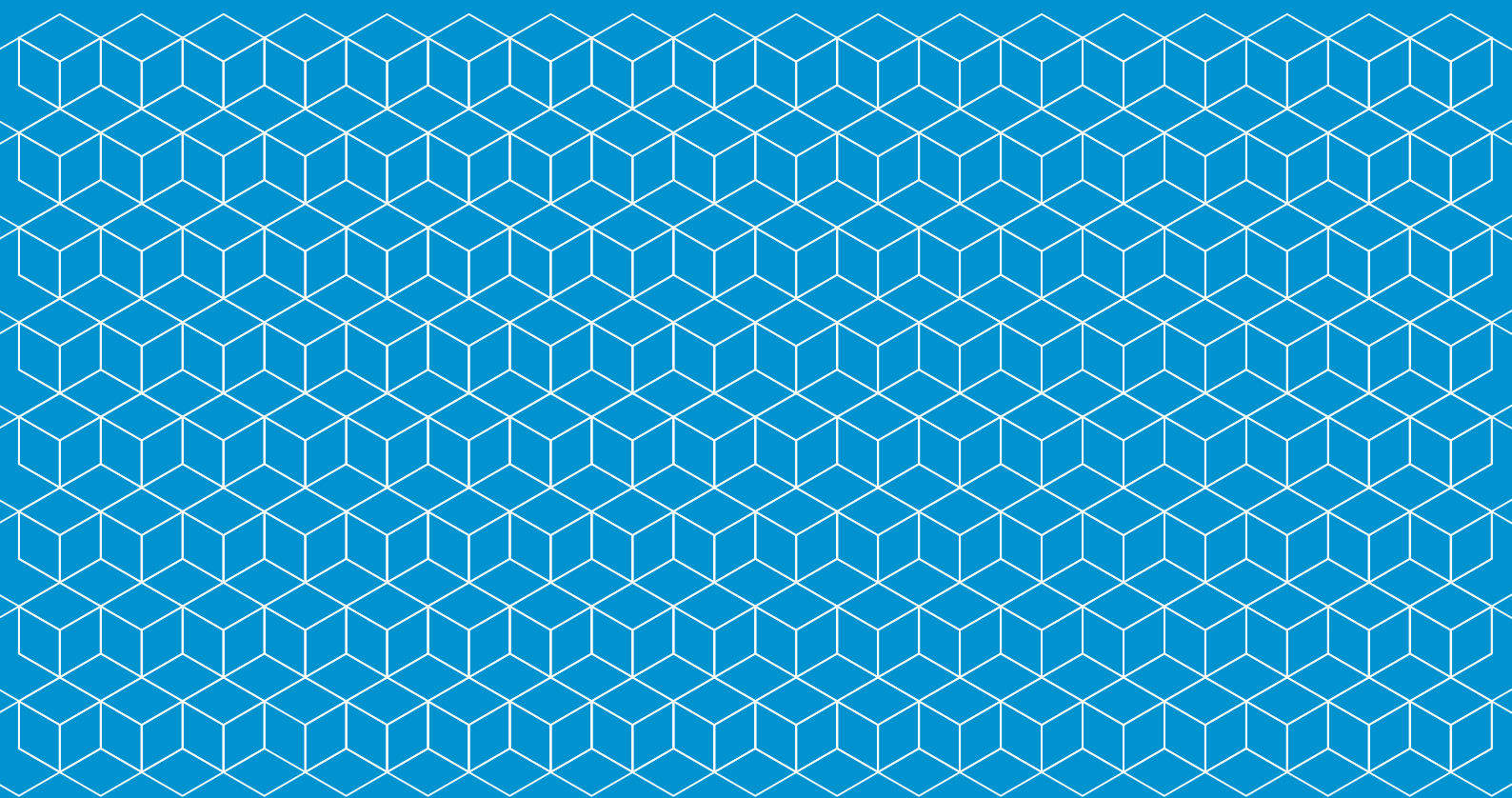


United Nations Global Compact Communication on Progress 2017/2018



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Part 1

Statement of Continued support by the Managing Director

I am pleased to communicate SODIC's renewed and continuous commitment to the Ten Principles of the United Nations Global Compact across the areas of Human Rights, Labour, Environment and Anti-corruption.

In our annual Communication on Progress we describe our work towards sustaining the Ten Principles and the larger Global Development Goals where we have direct or indirect influence.

Our efforts to uphold the principles stem from our belief that they are vital to ensure a sustainable successful business model, and are reflected in our operations, policies, structure and social responsibility programmes.

We are proud to share our progress with the United Nations Global Compact network and all our stakeholders, and look forward to another year of doing better and more to achieve global sustainability.

Sincerely,

Magued Sherif

Magued Sherif
Managing Director, SODIC



Part 2

Communication on Progress

A Labour

1. Preference to Egyptian Companies

SODIC prioritizes awarding contracts to Egyptian construction companies including SIAC, Gamma and Rowad to support local businesses that effectively contribute to the Egyptian economy and employs over 30,000 Egyptian workers indirectly through these companies.



2. Safety Enforced on-site

SODIC ensures a safe environment for employees working on-site projects and applies the safety procedures in compliance with industry, national and international standards. We also ensure that all contracted construction companies apply our "Construction Safety Manual" securing a safe environment for employees working on projects and providing them with all necessary safety equipment.



3. Comprehensive Medical Coverage

All our Employees are medically insured through the world's leading medical insurance companies BUPA and AXA.



4. Planning for Retirement

SODIC offers employees a Pension Plan program that both provides for their future and acts as a strong retention tool.



5. A Channel for Voicing Labour Needs

SODIC has an established people committee that is composed of employees from different departments. The aim of this committee is to promote a culture of openness and employee engagement whereby employees are allowed to channel their concerns and acquire feedback on any business related issues as well as come up with new initiatives that can improve the employee experience and raise the engagement levels.



6. Regulated Performance Management & Compensation

SODIC has preset policies and procedures related to staff compensation and performance management. Results of Company performance, salary increases and bonuses are communicated transparently to company staff.



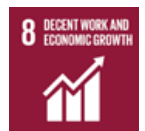
7. Empowering Young Mothers

SODIC has dedicated a space to their working mothers where they can bring their young ones to spend the day during their working day. The dedicated space is fitted with its own bathroom and kitchenette and equipped with feeding chairs, sleeping mats and toys. The nursery also doubles as an after school facility for older children. SODIC has recently upgraded the facility to include an outdoor play area.



8. Summer Program for Employees' Children

All our employees' children are invited to join a weekly summer youth program that SODIC organizes and sponsors, which engages the children in community work through SODIC's social responsibility programs.



9. Employee Transportation & Parking

All employees are given the option of commuting by company provided buses reducing carbon footprint through group transportation. All employees who choose to use their cars have their own allocated shaded parking spots to protect their cars and provide hassle free daily parking.



10. Safe & Inclusive Working Environment

SODIC protects its employees against workplace harassment including physical, verbal and sexual harassment, abuse, or threats through enforcing Grievance & Code of Conduct policies. SODIC applies high privacy standards when it comes to handling its employee's sensitive information and disclosure of any personal information is done with the employee's knowledge and consent.



11. Work - Life Balance Culture

A Calendar of Holidays and planned bridges are sent to all employees at the beginning of each year to allow employees to plan their vacations ahead of time. SODIC encourages its employees to use their vacation days to achieve and maintain productivity and a healthy work life balance.



12. Fostering a Culture of Community

SODIC promotes a culture of community and fosters a sense of belonging through activities such as daily breakfast and lunch held at its own cafeteria with meals provided at cost, as well as celebrating festivities such as Christmas, secret santa and Ramadan.



13. Promoting Human Interaction and Social Integration

All residential projects are designed to have common areas and open spaces where residents can interact, socialize and carry out different outdoor activities, this aims to increase inclusion and a sense of belonging to the community. The nature of these common areas varies between picnic zones, barbeque areas, Kids playgrounds, amphitheatres and more, all serving one purpose: promoting human interaction and social integration; a basic human right that SODIC perceives as an indispensable component within any flourishing human development.



14. Clean Energy

SODIC built a SODIC Ride solar station (10 KWp) which started producing electricity in January 2018 with energy generated used to charge the electric golf carts, allowing residents to commute between neighbourhoods using clean energy. Solar panels with 140 KWp are planned to be installed at the Westtown Hub parking to be used as both car shading and a clean energy source.



SODIC has shifted to using more environment-friendly technologies in building its projects by using:

- Un-traditional construction systems like the I-Block to minimize the electrical consumption in "Strip 2"
- Post-tension slabs to reduce steel bar quantities in "The Polygon"
- Water treatment plants to secure additional resources for domestic water & sewage treatment plants for the recycling of sewage water for irrigation in "Caesar Project"

SODIC targets cutting down energy consumption by at least 50% by using energy saving light bulbs in all street lamp posts in some of its projects to starting with Vilette in East Cairo.

SODIC regulates water consumption by using automatic sensors on all water taps across its offices.



15. Environmentally Conscious Developments

SODIC East: SODIC's latest mixed use development, a self-sufficient city spanning 655 acres, was planned with an environment-friendly approach. The development comprises a series of residential parcels that are designed around central social nodes; green open areas that essentially act as breathing pockets. These nodes are connected to one another through a network of pedestrian paths, promoting walkability and facilitating a healthier lifestyle and walking from one place to the other, through which carbon emissions and pollution are cut down. The project also features cycling tracks that were designed to reach all parts of the project, offering an alternative cleaner means of transportation.



EDNC: SODIC reduced its project's carbon footprint adding energy shading shelves to the design at an early stage. Through Easttown District New Cairo, SODIC's premium non-residential project in East Cairo, the buildings' facade was designed as a dynamic play between harmonious grids intersected by an abstract set of cut-outs. The merge of the protruding gridded ribs, acting as a shading device, intersected by a double glazed curtain wall, where both elements work together to reduce the thermal transfer through the building. The building's form and facade strategy have been proportioned to provide an ideal day-lighting through an optimum organization of office space to encourage a healthier and productive environment.



SODIC is keen to develop full-fledged communities combining the Business Park and Retail zone all in one place to build-on and complement the ready-to-move-in high-end residential apartments, through which SODIC's plan of creating sustainable and self-sufficient communities will become a manifested reality. Easttown marks an important transition between urban space and landscape. Two city blocks joined with one continuous spine, forming a unified space for walking, shopping and working to eliminate everyday commuting. It offers a sustainable commercial opportunity, consisting of Business and leisure hubs.



16. Code of Conduct & Governing Policies

SODIC Deploys and regularly updates a set of code of conduct policies to protect the company against all sorts of legal risks, policies include and are not limited to:

- Code of Conduct Policy
- Gifts Policy
- Related Party Transactions Policy
- Insider Trading Policy
- Grievance Policy

All Employees sign declaration forms adhering to the code of those polices and agreeing to all disciplinary actions in the event of policy violation. SODIC Employees undergo anti-fraud training to raise their awareness towards any underlying risks.

An internal portal for SODIC employees, the intranet program, increases transparency on any internal changes happening in the company; changes reported include policy, leadership and organizational changes.



Part 3

Social Responsibility Programmes

Our commitment to social responsibility stems from our true belief that running a business is about more than just commercial success, but about conducting a responsible business and achieving social benefit.

Since inception, SODIC has supported many different social development programmes. Over the past five years we have focused our development efforts on three pillars that reflect our true values and leverage off our core competencies; Education, Slum Rehabilitation and Relief.

SODIC's CSR philosophy is rooted in scalable impact and eventual financial sustainability. The programmes and initiatives we support benefit over 7,000 families every year.



Education

Sustainable development starts with well-educated children who are able to sustain themselves and their families and fully contribute to their societies. Investing in education has the single highest return on investment and in turn benefit to Egypt's future.

Tawasol

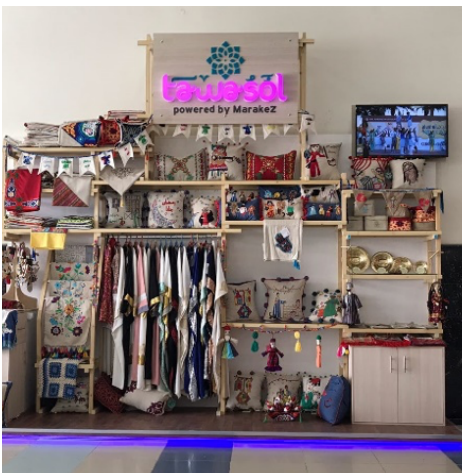
Providing Quality Education and Creating Jobs in Istabl Antar

Tawasol runs a small community school for children who had escaped schooling and provides them with schooling, vocational training, arts and drama classes as well as hot meals every day. The school is registered with the Ministry of Education.

With SODIC's constant support Tawasol was able to sustain the education of 83 students, all of them have passed their exams in the academic year 2017/2018.

This year Tawasol launched its first permanent outlet for its handmade products at Mall of Arabia. Tawasol participated in several exhibitions in 2018 to increase exposure and sales, building on the online store launched last year with the support of SODIC. Tawasol's online store achieved sales of EGP 755,000 making EGP 232,000 in profit.

SODIC supported the school covering its running cost and contributed to the purchase of a 1,000 Sqm land plot in Ezbet Khairallah to build a new school that will take up to 500 students, the school is well under construction.



Educate Me

Providing Quality Education in Talbeya & Scaling through Public School Training

Educate-Me is an Egyptian non-profit founded in 2010. It is now a registered community-school in Talbeya, a slum area of Giza.



It runs preschool and K-2 classes in the school. In addition to traditional curriculum topics, Educate-Me concentrates on building key character traits in its students that broaden and enhance their knowledge, skills and attitudes and support them to self-actualise. Educate-Me has expanded its remit over the last year with SODIC's support, launching a Professional Development Programme, which offers for-fee teacher trainings to both private and public school educators in an effort to scale Educate-Me's impact beyond the confines of one slum in Cairo.

Over the past year Educate Me has provided quality education for 230 children at the Talbeya Preschool and Community Schools broken down to 100 children (Aged 4-8) and 130 children (Aged 9-15) respectively.

4,000 public school teachers were trained on educational psychology, behavior management and teaching methodology.

Educate Me is at 30% cost recovery.



Nafham.com

Founded in 2011, Nafham.com is a 'massive open online course' (MOOC) learning platform, designed to bring quality education material to Egyptian children through simple, open-source means. SODIC has supported Nafham.com since 2016.



Over the last three years, Nafham.com has become the top online video learning platform in the Arab region, attracting 4 million unique visitors annually and doubling its user base yearly, without incurring any extra cost to its operations. It has accumulated a library of more than 23,000 videos, digitised to make the public school curricula of Egypt, KSA, Algeria, Kuwait and Syria easily accessible.

Nafham maintains impressive usage rates, with an average of 700,000 site visits per month. Their business plan includes creating different revenue streams, and an ambition to expand to 18 countries across the Arab world. Nafham.com is currently at 73% cost recovery though advertising on its website.



Slum Rehabilitation

As an Egyptian real estate developer, it is our responsibility to play a part in the development and rehabilitation of Egypt's slums, this encompasses projects such as housing, infrastructure, job creation and much more.

Connecting fresh water to 1000 Homes in Ezbet Khairalla

In November 2017 SODIC signed a contract with Cairo Governorate, the Holding Company for Water and Wastewater and the GIZ to connect fresh water to 1000 homes in Ezzbet Khair Allah. The project is to be carried out over 2018 and is fully funded by SODIC at an estimate cost of EGP 1 million.



The full scope of the agreement entails connecting the chosen homes to the fresh water and wastewater networks in place in Ezbet Khairallah, installing a fire fighting network, providing vocational training on construction and installation of water and wastewater connections. The project will also employ youth in the collection of water tariffs and create water consumption awareness programs in the schools of Ezbet Khairallah.



Relief

Our relief programme allows for philanthropic initiatives where employees get the chance to be involved in giving back to our wider community.

Relief initiatives include blood drives, salary drives and blanket drives, food distribution as well as donations to different entities.



Annual Ramadan Packing & Distribution

SODIC employees came together again this year to prepare 500 Ramadan staple bags and successfully distributed them across Upper Egypt.



Annual Charity Run

SODIC hosted its 4th annual charity run in collaboration with Cairo Runners to raise funds for the Magdi Yacoub Heart Foundation. Over 7,000 runners participated and contributed to raising over EGP 438,000.



Other Initiatives

Eslem Abuali - The Super Adaptive

Eslem Abuali, an achieved Egyptian Paralympic swimmer represents Egypt in many competitions and has won many international medals. Eslem ranked no. 1 para swimming champ across Arab & Africa and no. 5 para swimming champ worldwide.

In 2017, SODIC entered into a long term sponsorship agreement with Eslem for 4 consecutive years to cover all his necessary expenses and costs, enabling him to fully focus on competing as a dedicated professional full time athlete.



