



Global Compact Annual Communication on Progress (COP) SADKO 2016

Sadko Statement of Support

Dear Sadko Stakeholders,

I am pleased to confirm that Sadko Company reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In the annual Communications on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely,
Hadia Sadek Ghabbour
President
Sadko Egypt

HUMAN RIGHTS

Principle 1 Business should support and respect the protection of international human rights within their sphere of influence.

Principle 2 Business should make sure they are not complicit in human rights abuses.

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| 1. Investing in our communities | Achievement |
| <ul style="list-style-type: none">• Upon our belief into building a better future and reinforcing co-operation with our main traders, we engaged 16 of the main trader's sons (who are already engaged into their family businesses) in a program that provided training and technical assistance.• Coaching and support for artistic school activities during the academic year: to enhance the extra-curricular activities in some governmental schools, particularly arts and environmental awareness. | ongoing |
| 2. University Students encouragement. Scholarships | Ongoing sponsorships |
| TUB (Technische Universität Berlin). We have encouraged further scholarship programs by sponsoring students who will add great value to our country in the fields of sustainable energy, urban development & water energy. | |
| 3. Nile University undergraduate scholarship is a new initiative for us. We have selected two students, in the Engineering & Business Administration fields with emphasis on solving country problems through their studies. | Ongoing |



ENVIRONMENT

Principle 7 Businesses should support a precautionary approach to environmental challenges.

Principle 8 Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 9 Businesses should encourage the development and diffusion of environmentally friendly technologies.

1. The company trains workers to respond to accidents and emergencies, including carrying out emergency drills at least once a year to prevent any accidents affecting the environment and human health.
2. We have initiated practical activities to reduce energy consumption.
3. Attempts at reducing waste is continuous. We have introduced the recycling method through Men Jadeed Co. to recycle non organic waste.
4. The appliances we sell have environmentally friendly technologies. For example the Kiriazi Refrigerator (Premiere):
 - ✚ These refrigerators are available in different volumetric capacities from 339 liters to 690 liters.
 - ✚ Glass shelves thermally treated for increasing load capacity.
 - ✚ Automatic alarm in case of leaving the cabinet or freezer door opened for more than two minutes.
 - ✚ 3Carbon filters to remove bad odor from inside the refrigerator
 - ✚ Energy save Motor provides up to 30% of the energy consumed
 - ✚ Group of ultra-violet bulbs directed to vegetable drawers for sterilization and longer vegetables reservation.

LABOUR STANDARDS

Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4 Businesses should eliminate all forms of forced and compulsory labour.

Principle 5 Businesses should uphold the effective abolition of child labour.

Principle 6 Businesses should eliminate discrimination in respect of employment and occupation.

1. Our Staff enjoy a healthy environment which ultimately creates an atmosphere of creativity and loyalty. established in Company.
2. The company ensures that staff are provided with safe, suitable and sanitary work facilities.
3. In regards to the education expenses of the staff's children, the company is donating payment of the education expenses – certain criteria apply - to decrease expense load on parents, to upgrade level of education & to motivate the children to achieve their potential. This year the company added another condition for the students which is community work accompanied by proof of work executed with a video, photos, etc. Ongoing
4. The workweek is limited to 48hrs and overtime is infrequent and limited.
5. We provide a living wage that enables staff to meet their basic needs for their families.
6. Staff are paid holiday leave & sick leave. Maternity leave is for 3 months & after the 3



- months, the mother has the right to take one hour per day for one year to feed her child.
7. All staff have official employment status.
 8. The Company respects the privacy of its staff whenever any information is gathered and deals with it strict confidence.
 9. We have an established summer vacation package for all Company staff & their families on all levels, well studied locations for the staff to take their vacations with their families that is reviewed annually. Ongoing
 10. We are taking steps to increase number of women working in the company and have already hired two Ladies one in the Marketing department & one responsible for culture change & special projects. Ongoing
 11. An emergency crisis plan starting with our main warehouse is underway to secure the staff & premises. Main Warehouse security has been established.

ANTI-CORRUPTION

Principle 10 Businesses should work against corruption in all its forms including extortion and bribery.

1. Through our Code of Business Conduct we are committed to conducting business with fairness, integrity and respect for the law and our values.
2. Appropriate corrective and preventative actions are taken depending on the nature and outcome of each case.
3. The company evaluates the risk of corruption when dealing with public officials.
4. The company has and promotes a function by which workers can safely report suspicion of corruption related cases and allocates resources to systematically addressing the issues that are identified.
5. The company has a policy rejecting corruption and requires that all directors, managers and workers to behave ethically and in conformity with the law.

Sadko definition of bribery and extortion:

- We do not take the rights of others by means of bribery.
- We take our rights through the law & not by force.
- We do not bribe anyone to take our rights.
- The fundamentals of our company lie within our Values, Vision & Mission which include high moral values & respect of human rights, whether ours or of others. This is the example represented to all our employees. Company regulations & instructions are clear & specifically to our financial vehicles in the company.

Thank you.

This is our Communication on progress in implementing the principles of the UN Global Compact.

We welcome feedback on its contents.