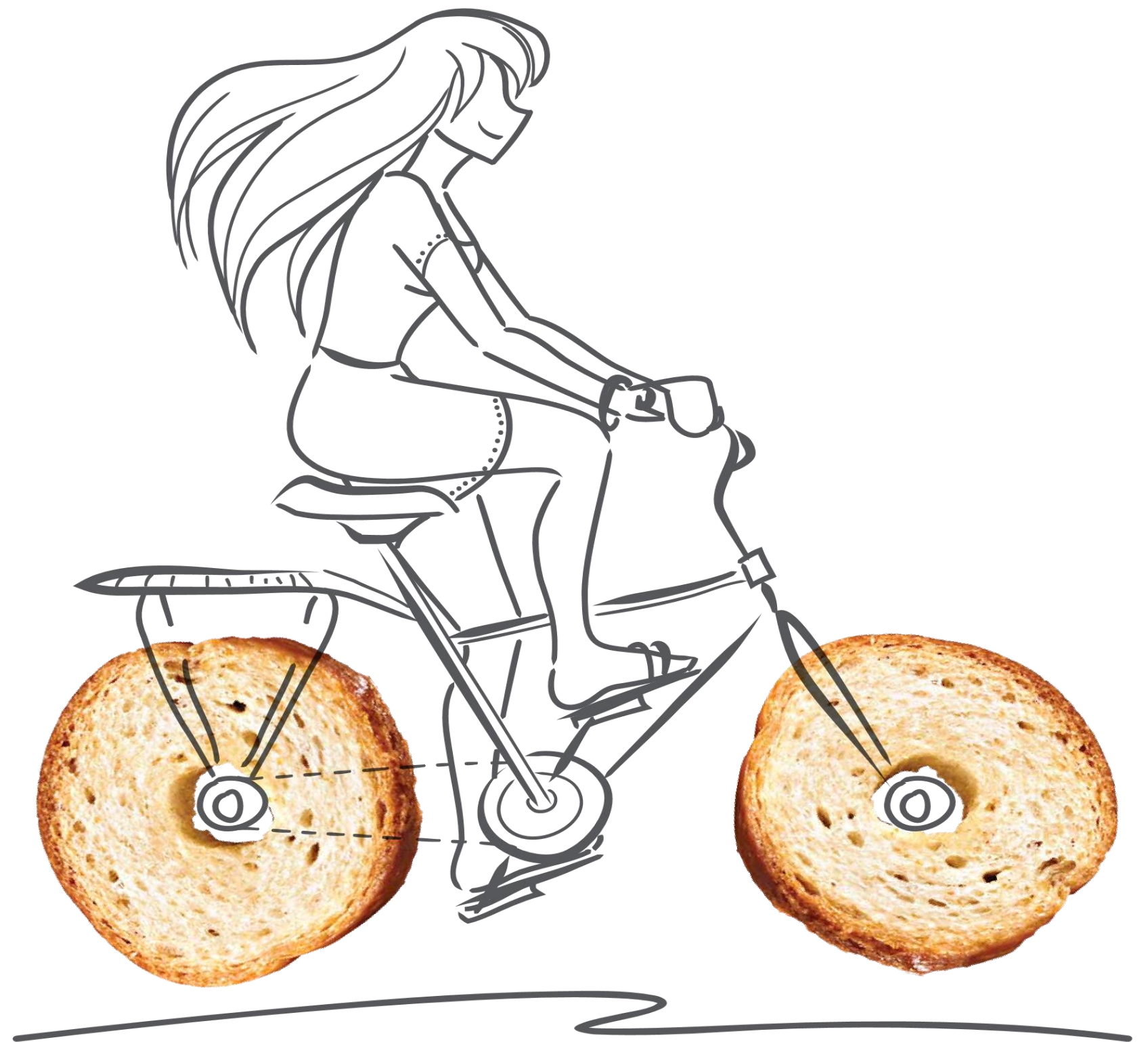


EDITA

Communication on Progress
Report May 2019



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5 ISO

Certified Manufacturing Facilities

>17

Regional Export Destinations



EDITA at a Glance

Edita is a leader in the fast-growing, packaged snack food industry in Egypt, continuing to stand out for its high-quality, innovative, and extensive range of branded snack products including cakes, croissants, rusks, wafers and candy products

Since its inception in 1996, Edita Food Industries has established itself as a market leader in the Egyptian and regional snack food industry with over 6,000 employees and 127 SKUs at year-end 2018.

During the year, Edita built on its recognized reputation for high quality and innovation and successfully held its leading market share in the croissant, cake and candy segments while continuing to capture market share in the rusks and wafers segments. 2018 also marked the beginning of operations of Edita's joint venture (JV) with Morocco's Dislog Group, further expanding the company's regional presence across 17 markets and paving the ground for Edita's first overseas manufacturing facility in the near future. Through its 29 production lines spread across five state-of-the-art production facilities and a strong nationwide distribution network, Edita continues to serve its 57 thousand direct wholesales and retail customers, successfully meeting the growing consumer demand. Today, Edita's brand portfolio encompasses a diverse selection of high-quality products, including household names such as Molto, TODO, Bake Rolz, Bake Stix, Mimix, HoHo's, Twinkies, Tiger Tail and Freska.

Commitment Letter from Our Chairman

Dear Shareholders,

In 2019 Edita continued to grow in results. This year for our company was a successful one on many levels, from business growth, human capital enhancement, compliance culture affirmation and commitment to the society, Edita also worked on diversifying and expanding its portfolio to cater to its customers' needs across all territories in which it operates.

A lot of these achievements are fruits of Edita Employees' passionate drive for results and commitment to the code of Conduct, our customers' loyalty & our Values. I am proud that this is Edita's second Communication on progress to the United Nations Global Compact (UNGC), as Edita has been a signatory to the Ten principles of the UNGC since 2017.

For this our business and non-business acts are mapped against these 10 principles in the areas of Human Rights, Labor, and Environment and Anti-Corruption to help us move towards a more sustainable entity.

In conclusion, we hereby reconfirm our commitment to the 10 Principles of the United Nations Global Compact and we also commit to share all the available information with our stakeholders using all our primary channels of communication.

Thank you

Hani Berzi

Chairman and Managing Director

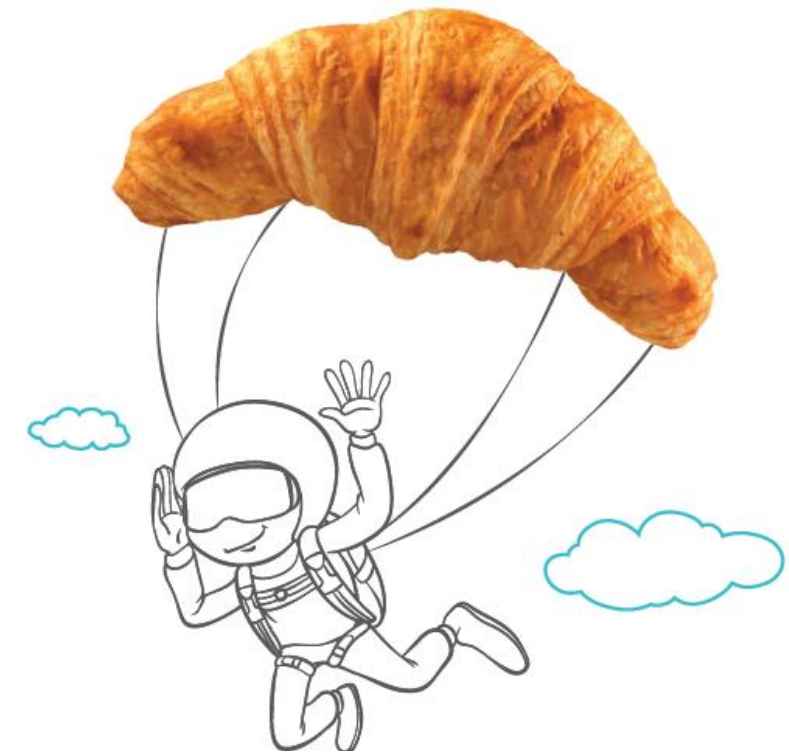


EDITA IMPLEMENTING THE TEN GLOBAL COMPACT PRINCIPLES

HUMAN RIGHTS PRINCIPLES

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2: Make sure that they are not complicit in human rights abuses



LABOR PRINCIPLES

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

Principle 4: The elimination of all forms of forced and compulsory labor

Principle 5: The effective abolition of child labor

Principle 6: The elimination of discrimination in respect of employment and occupation

ENVIRONMENTAL PRINCIPLES

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

Principle 8: Undertake initiatives to promote greater environmental responsibility

Principle 9 :Encourage the development and diffusion of environmentally friendly technologies

ANTI-CORRUPTION PRINCIPLES

Principle 10: Businesses should work against all forms of corruption, including extortion and bribery

HUMAN RIGHTS PRINCIPLES



HUMAN RIGHTS

EDITA recognizes that human rights are an integral part of the business. Edita is committed to conducting its business in a manner that respects the rights and dignity of all its stakeholders (customers, employees, suppliers, shareholders). We focus on Human Rights Principles adherence for our staff and our community.

Edita's skilled and dedicated employees are the driving force behind the company's success. Edita goes the extra mile to ensure that its people retain and develop the skills that enable them to continue creating value, while working to create an environment that fosters both fulfilling experiences and a culture of inclusiveness.

Our Staff: (Policies and Guiding principles)



EDITA HR Policies

which are composed of a number of policies that outline the Company's aims in areas such as diversity, working environment, stress ,health and employee training and environmental sustainability.



The Code of Conduct

which contains rules and policy statements that help employees in their daily decision making regarding issues such as conflicts of interest, internal and confidential information, anti-corruption and bribery. And which govern the relationship of the company with others such as suppliers, stakeholders, employees ,...etc.



The Whistler Blowing Policy

This year, Edita is aiming to implement a whistler blowing policy which encourages all employees to speak out if they have legitimate concerns about malpractice or wrongdoing within the company..



Our people

EDITA skilled and dedicated employees are the driving force behind the company's success.

EDITA goes the extra mile to ensure that its people retain and develop the skills that enable them to continue creating value, while working to create an environment that fosters both fulfilling experiences and a culture of inclusiveness.

Learning & Development

EDITA offers its employees a wide range of rigorous training and development programs, challenging them to refine their skills and boost their profile in the job market. Investments in our people are commitments that have proven self-remunerating, enabling team members to fulfill their roles with greater effectiveness.

Edita Sales & Manufacturing Academies

The Edita Sales Academy (ESA) and the Edita Manufacturing Academy (EMA) welcome hundreds of employees each year, imparting job-specific skills, general principles, as well as soft skills, focusing on people management skills, operational efficiency framework and help develop them into coaches for their direct reports. Meanwhile, the EMA delivered the 7 Habits of Highly Effective People - Industrial Version workshop. The first workshop was for Edita's E07 facility with 785 attendees over two days for a total of 1,570 training days.

Edita Quality Academy

Participants at our Quality Academy International Certificate Program receive best-in-class training covering areas of quality and productivity improvement at Edita's manufacturing lines. In 2018, the academy delivered the second module of the Quality Improvement using Six Sigma Methodology. The program targeted the quality and production team, where they presented their projects and ideas for improvements at the plants.



Diversity and Inclusion

EDITA is committed to cultivating a diverse workforce and creating an environment in which employees' unique experiences and perspectives are celebrated. We strategically recruit employees with a wide range of backgrounds from across the country, and we consider a variety of perspectives when making strategic decisions. Edita maintains a strict zero-tolerance policy regarding discrimination, and we hold regular awareness sessions and sensitivity trainings to ensure that employees understand the company's commitment to inclusion.

Skill Bites Training

The Skill Bites Training program is a classroom intervention ranging from two to three hours (bite) and targeting a specific skill. Topics covered are chosen based on employee needs and the training goals of the company, including creative thinking, multiplier leadership, time management and emotional skills. Edita delivered 39 sessions to 719 attendees under the program in 2018.

CLIMATE SURVEY 2018

In 2018, the HR department conducted a Climate Survey to gauge employees' perception of the organization and better understand how Edita can improve their experience at the company and build a culture of inclusiveness. The survey focused on seven main dimensions, namely loyalty & commitment; communication & collaboration; performance & compensation; leadership; work/life balance; learning & career progression and strategic orientation. The results showed a high sense of employee belonging as well as wide acceptance of the diversity and inclusion concept. Edita's employees also felt they worked in a safe and healthy working environment and saw at their disposal the tools necessary to achieve their goals and objectives.

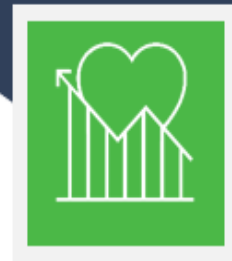
412

The number of employees that completed the survey



75% Overall Satisfaction

Climate survey DIMENSIONS



LOYALTY & COMMITMENT

Measure employees level of commitment towards Edita and degree to which they are satisfied with their overall experience



COMMUNICATION & COLLABORATION

Measure how employees interact with each other & understanding of roles & responsibilities



PERFORMANCE & COMPENSATION

Measure satisfaction with Compensation, performance management, rewards and incentives and Benefits



LEADERSHIP

Measure managers Leadership capabilities



WORK & LIFE BALANCE

Measure Work life balance of Employees and their satisfaction with their current lifestyles.



STRATEGIC ORIENTATION

Measure the efficiency of corporate strategy, how well its cascaded and how its translated into goals and actions.



LEARNING & CAREER PROGRESSION

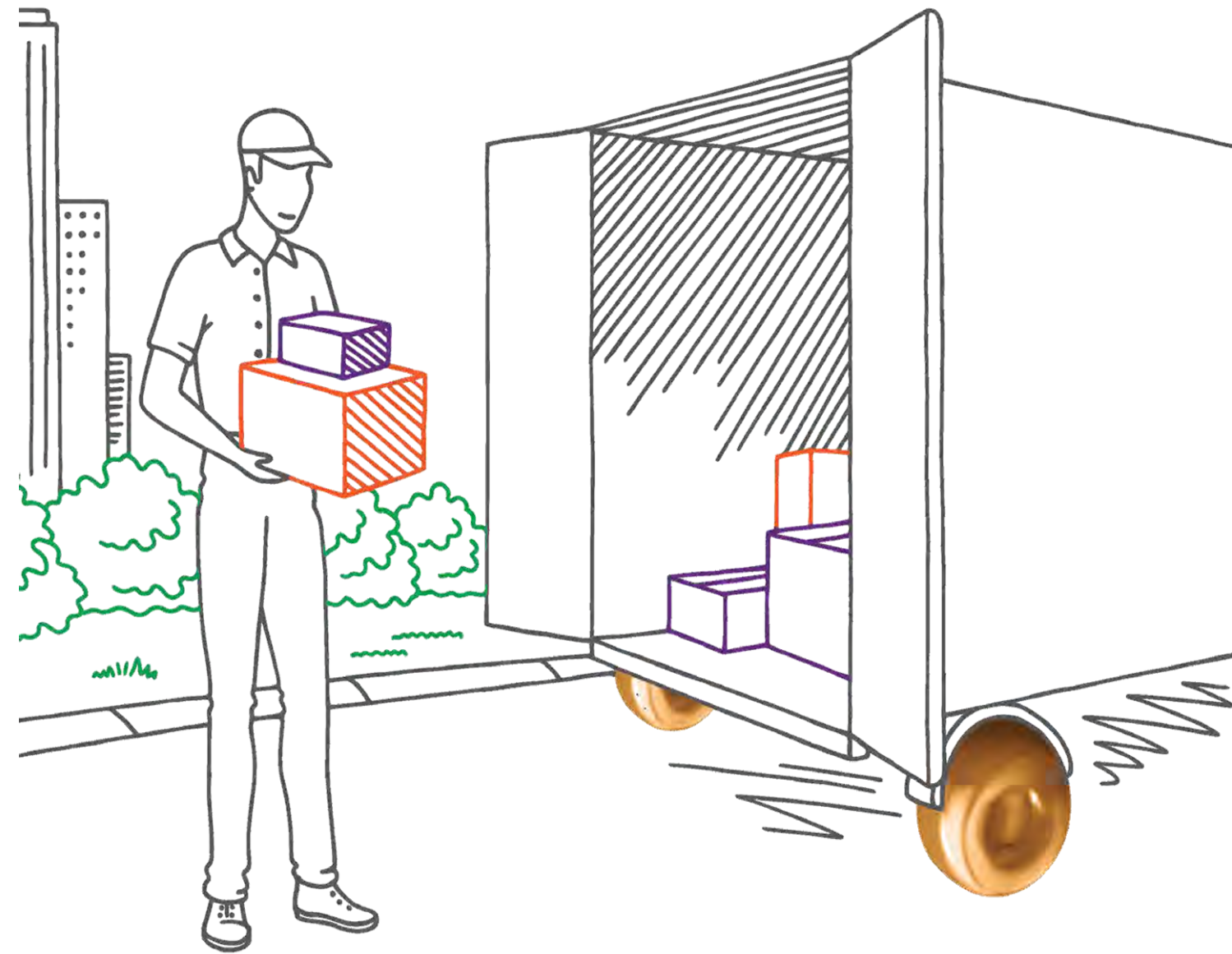
Measure Satisfaction with current career progression opportunities & success of Learning Projects

LABOR PRINCIPLES



EDITA supporting Staff

- ❑ EDITA is governed by rules and regulation that govern the labor. These rules are related to wages, leaves, duties of each employee and termination. The Egyptian labor law supports this through its articles in terms of wages , leaves, duties, investigation in case of violation, working hours and breaks in addition to articles related to social and health services.
- ❑ EDITA does not use forced, compulsory or child labor. Our people want to work for an organization that encourages and respects individuals, and this is one of our Core Values. Our target is to create a culture of diversity.
- ❑ EDITA is aware of the challenge of balancing professional achievement and personal wellbeing. We care about helping our employees succeed, and are focused on providing resources to improve their health and that of their families, creating a culture that appreciates differences, and offering more opportunities to grow both professionally and personally at work and in the communities where they live.



THE 7 HABITS OF HIGHLY EFFECTIVE PEOPLE

❑ In cooperation with Franklin Covey Egypt, we have been the first company in Egypt to deliver The 7 Habits of Highly Effective People – Industrial Version to the workers in the plants so as to create a new culture that is based on the 7 habits of highly effective people

❑ The start was at E07, where the following were done in the period from March to December 2018:

- # No. of attendees: 785 workers
- # No. of workshop/2 days each: 37 /2 days
- # No of training days: 1570 training days



EDITA implements 100 Million Health Initiative

- According to the Ministry of Health, 100 Million Health Initiative that targets the elimination of VIRUS C, EDITA has cooperated with the ministry officials to hold the campaigns in all of its premises to ensure the following:

- Employees are tested
- Provide the right medical treatment to employees who were diagnosed with the virus
- Ensure Edita Staff are insured with the appropriate medical insurance coverage
- The safety and health of edita staff is guaranteed

تزامناً مع مبادرة "100 مليون صحة" ونظراً لأهميتها للاعتناء بصحة المواطنين، فقد قررت شركة ايديتا تقديم كل الدعم للحملة وتوفير فريق طبي تابع لوزارة الصحة في الإدارة الرئيسية ومصانع ايديتا في منطقته السادس من أكتوبر وذلك للقيام بالتحاليل اللازمة لموظفي الشركة بناء على المواعيد المذكورة:-

Location	Date	Time
HQ	4 th - 5 th March	10:00 am till 3:00 pm
E06	6 th - 7 th March	10:00 am till 9:00 pm
E07	10 th - 11 th March	10:00 am till 9:00 pm
E08	12 th March	10:00 am till 9:00 pm
E06	13 th - 14 th March	10:00 am till 9:00 pm
E07	17 th - 18 th March	10:00 am till 9:00 pm
E08	19 th March	10:00 am till 9:00 pm

وسنوافيكم فيما بعد بباقي الوحدات الإدارية التي سيتم زيارتها

Total
Participants
3283

Total
Percentage
85.4%



EDITA TEAM BONDING ACTIVITY

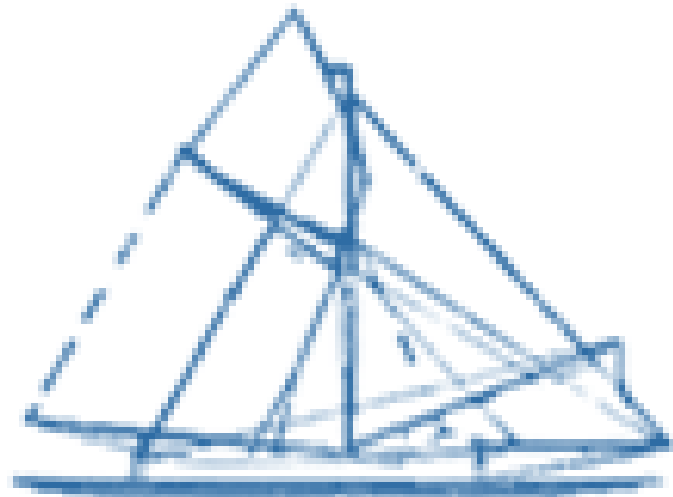
teambonding

EDITA organized the Walk A Mile In My Shoes and the Sail My Ship activities as two team bonding initiatives aimed at facilitating and improving communication and team collaboration between the different departments. The programs also work to manage conflicts and promote a unified vision for the company's future path.

Over the course of 1 day each, the total number of employees training for Walk a Mile In My Shoes and Sail My Ship were 70 and 60.



Ignite Your Teamship



EDITA Employee Engagement Initiatives

Employee engagement is at the core of the Edita's human resources function, with the company continuously working to maintain open channels of communication across all organizational levels.



MOTHERS DAY 2018



At the HQ, Our Ladies came to work to find a package of cosmetics from Yves Rocher. Then they were invited to the celebration that had “She is powerful” Decorations and an “Open Buffet”.



In the plants , We shared Mothers day in each plant Separately. We spent our time having lunch , We also distributed an electric Grill as a thank you to all our female workers





LABORS DAY 2018

قوتنا في وحدتنا

We celebrated Labors day on Three different days to be able to spend a full day in each Plant.
Promoting Team Collaboration

Our Message for the today, We are Strong Together
Our gift to our employees was a T-shirt with the Slogan printed on it

قوتنا في وحدتنا



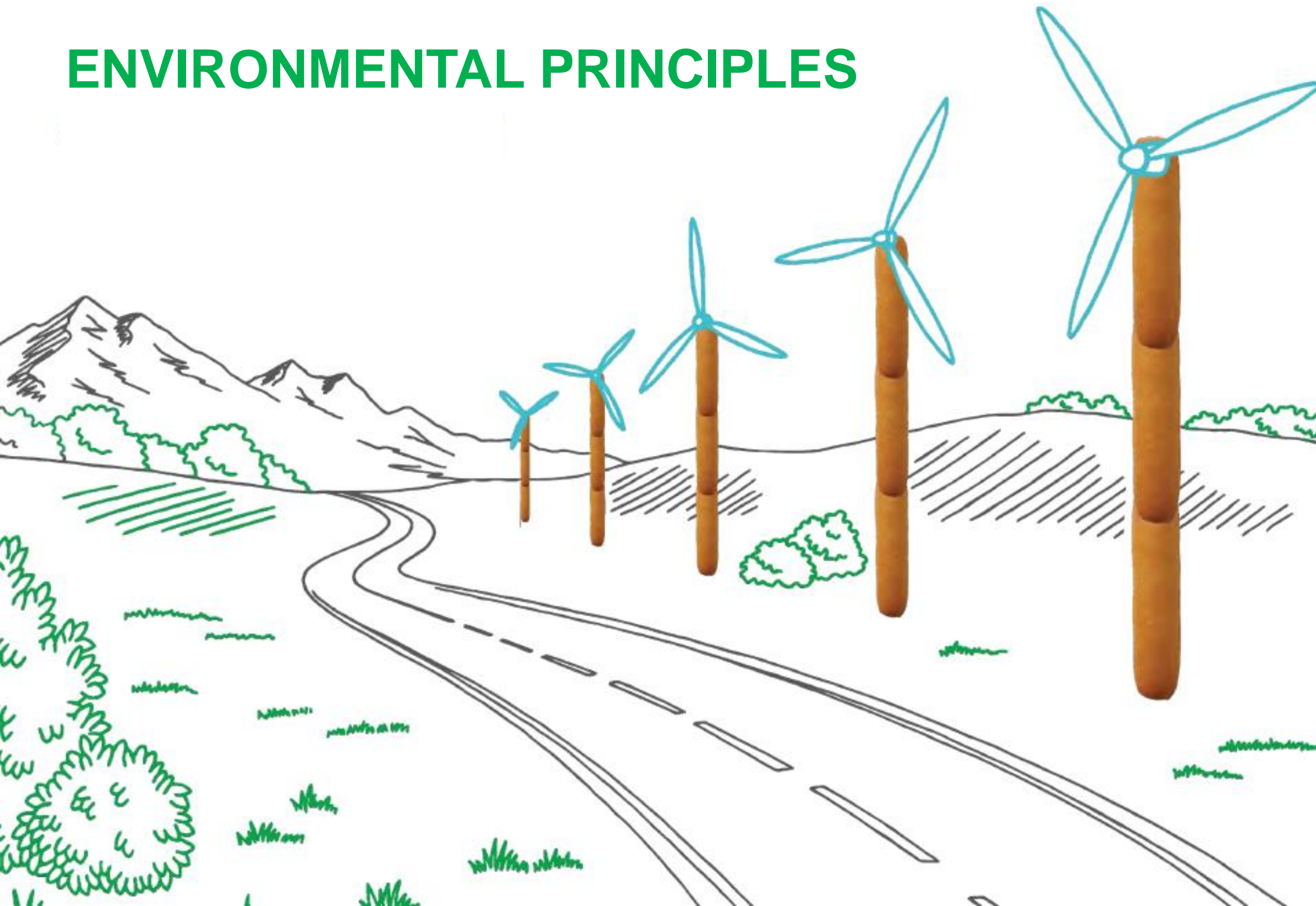
دورة رمضان لكرة القدم ٢٠١٨



We kicked off the football tournament with a celebration for our employees who participated in the 2018 tournament
As follows:-

- We started with distributing certificates for all participants of Ramadan football tournament (2 teams).
- Then we had a small welcoming speech to thank our teams for their efforts and dedication.
- Finally we had lunch together and took some photos.

ENVIRONMENTAL PRINCIPLES

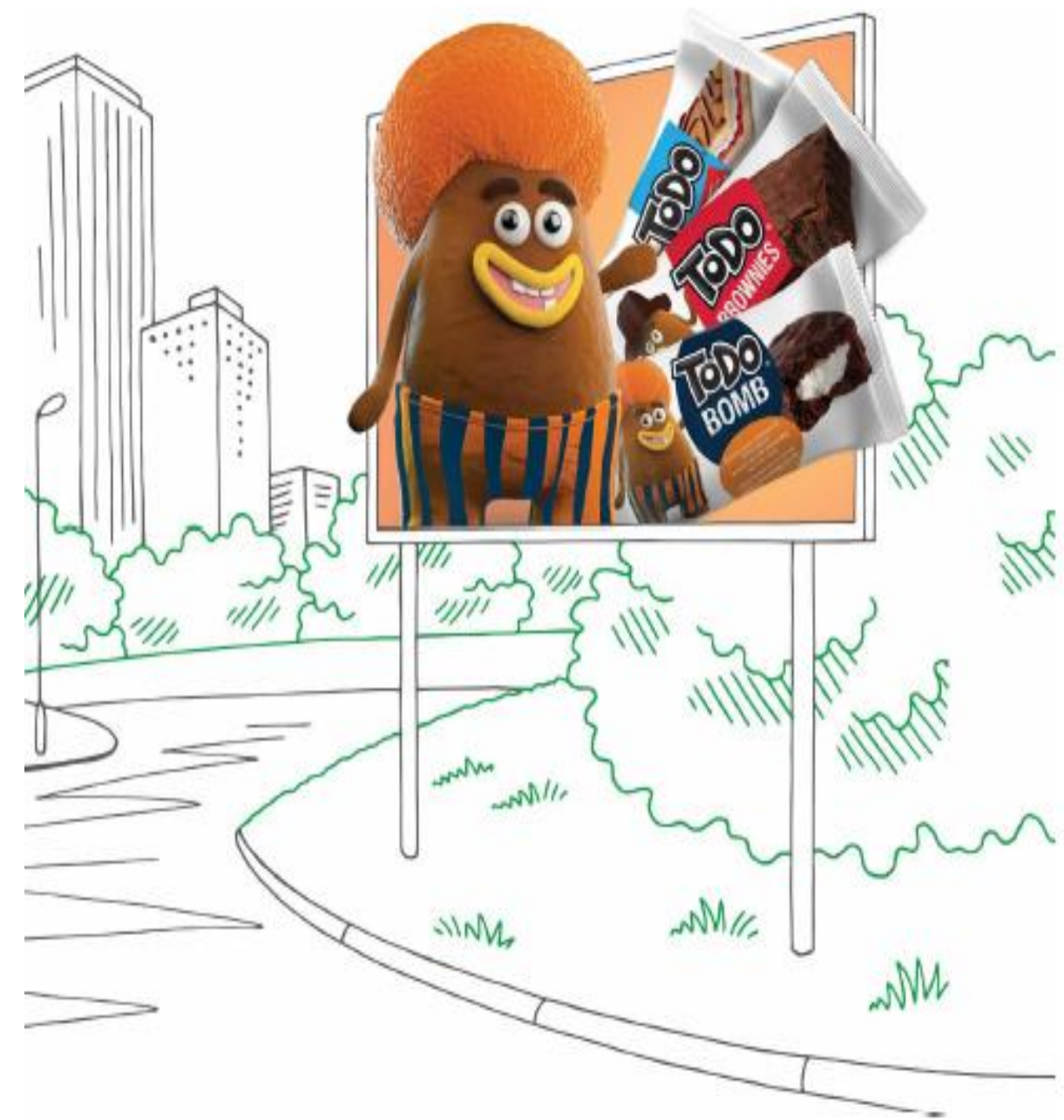


Environmental Sustainability

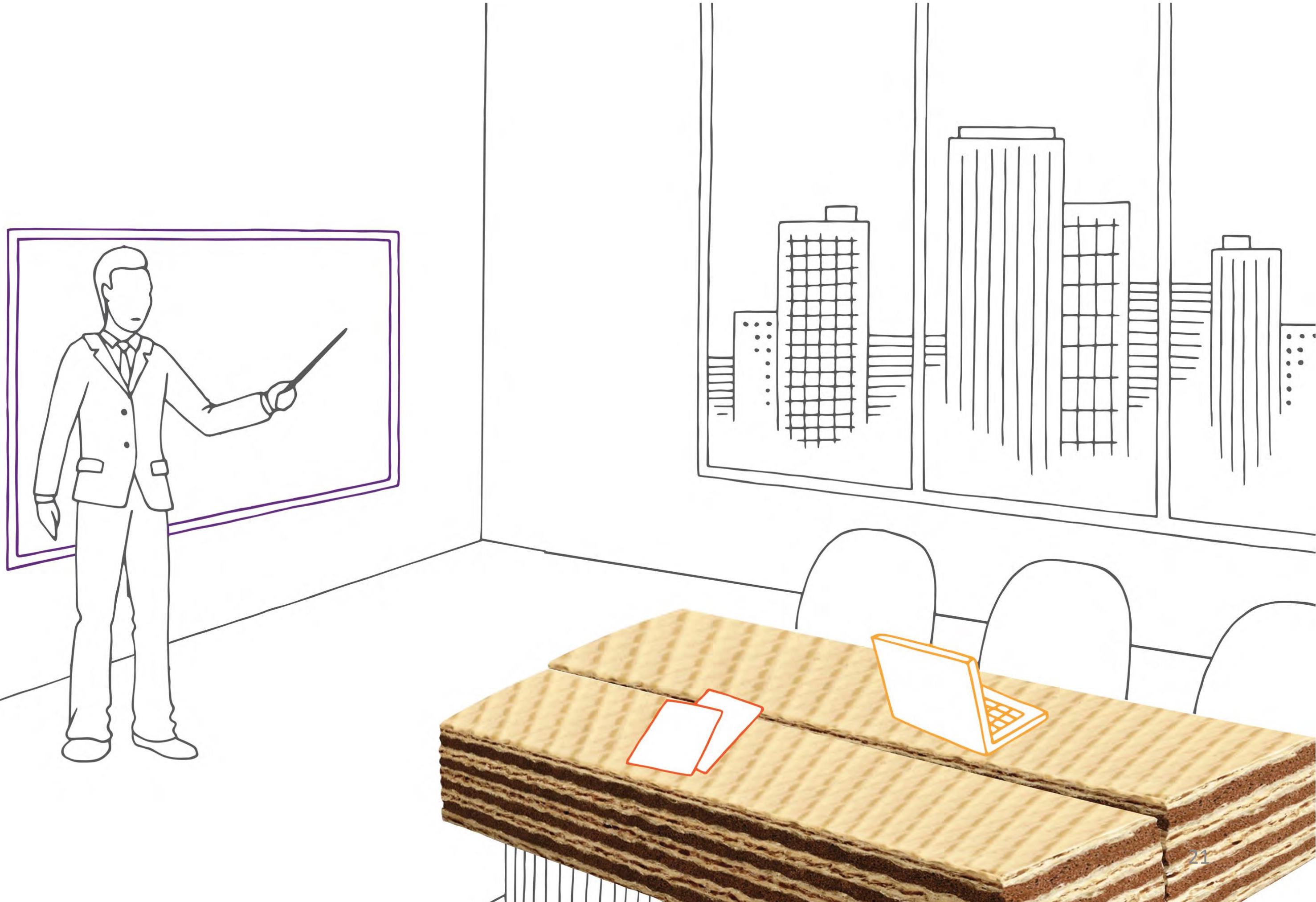
We have integrated a commitment to sustainability into our business strategy because we believe that Edita's success as a business is measured not only by our profitability but also by our positive impact on Egyptian society

A key way we honor our commitment to our communities is by limiting our impact on the environment in which our customers, employees and other key stakeholders live. To that end, we have located all of our production facilities within industrial zones and far from residential areas. Our SHE policies ensure that Edita is in full compliance with national regulations and international standards for environmental protection, and we are proud to have attained the ISO 14001 certification for environmental management across all factories. Our Edita Risk and Environmental Management System (eREMS) also provides a comprehensive framework for evaluating and eliminating environmental risks created by our operations. The company is engaged in continuous efforts to reduce our waste production as well as our consumption of energy and other resources. Recent efforts in these areas include the following:

- ❑ Certifying plant E08 (new plant) in Edita's ISO 14001 certification
- ❑ Full operation of E06 Waste Water Treatment Plant with an on spec outlet effluent matching the legal thresholds.
- ❑ Issuing a new procedure for monitoring the social & environmental performance of Edita's suppliers and contractors.
- ❑ Edita plants have managed to decrease the electricity consumption per production ton by 4 % in 2018 vs 2017, and the waste disposal per production ton by almost 19.5 %.
- ❑ Issuing environmental registers for 15 distribution centers.
- ❑ In addition to all previous initiatives and within Edita's laid out environment management plan and the resources conservation program, a detailed monitoring plan is now being set, including the installation of separate electric meters and water flow meters for the production lines.



ANTI CORRUPTION PRINCIPLES



Anti-Corruption

Edita complies with all laws and regulations in the Egyptian market; our Internal Auditing Department uses a systematic approach to regularly evaluate and improve our system of internal controls.

Employees are held to high standards of ethical behavior, and they are acquainted with our Code of Conduct, zero-tolerance policies related to bribery and corruption, and anonymous channels to report whistleblowing when they begin work. The Compliance and Corporate Governance Department regularly holds sessions to inform employees about laws that affect Edita's business.

Compliance

EDITA adopts a comprehensive corporate compliance program with the purpose of:

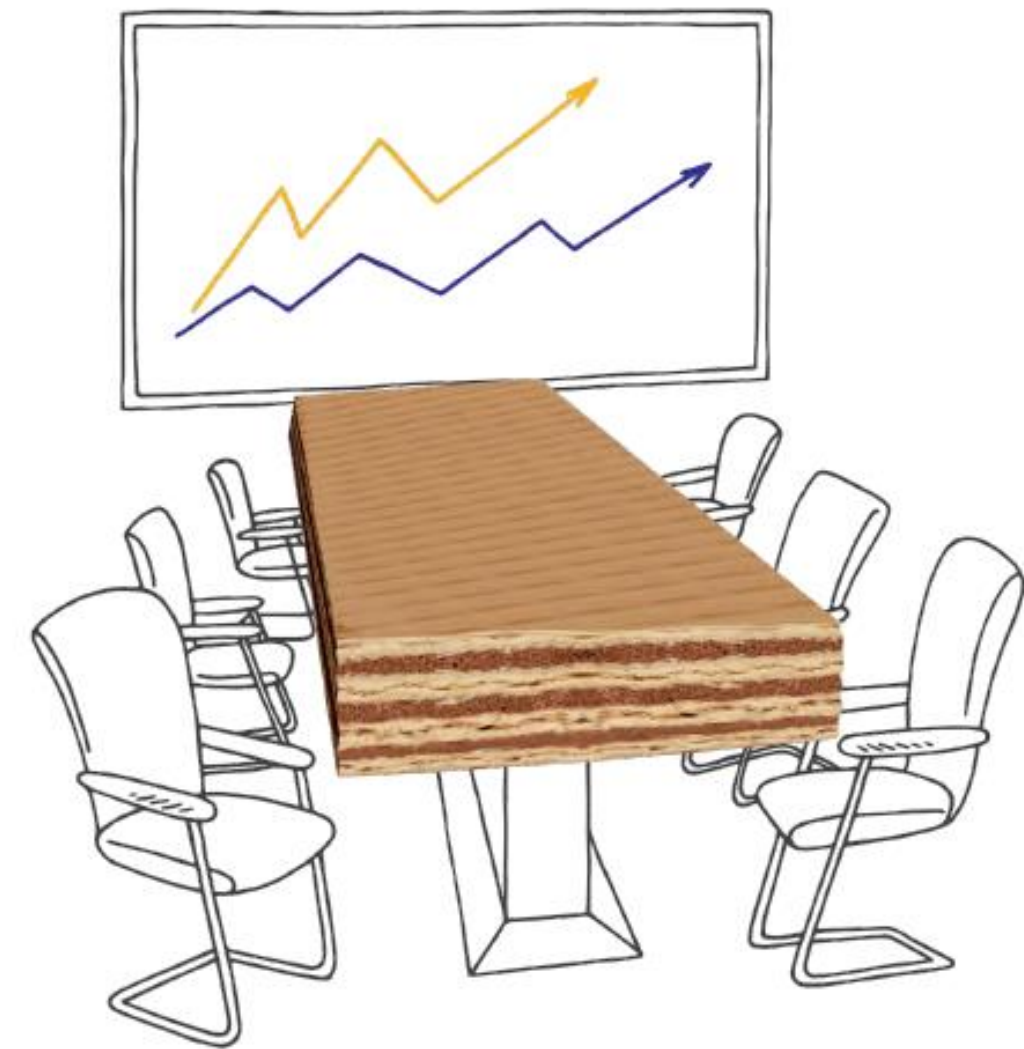
- Preventing violations from occurring and eliminating the company's exposure to the severe sanctions imposed by the relevant laws.
- Educate the company's employees on the laws affecting our business, which include securities, antitrust, environmental and other laws.

Information Security

In May and June 2018, one of the most reputable security companies in Egypt, "Security Meter," conducted an information security assessment upon a request from a member from the audit committee. The audit scope included Edita's network assessment, physical security assessment for Datacenters, information security assessment, and some operations/processes assessments. A summary for the assessment report had been presented to the audit committee along with planned dates for important projects like the IPS (Intrusion Prevention System), The report actions are followed up by the Information Security team in addition to keeping an eye on agreed planned projects.

During 2018, we continued the DLP (Data Loss Prevention) ongoing endeavor for protecting Edita's information assets. We configured the system (purchased and implemented in 2017) with different policies in order to block unauthorized operations and tighten our security controls

The DLP system reports are monitored by the Information Security team on a daily basis for detecting any violations, reducing false positives, along with analyzing and investigating security breaches.

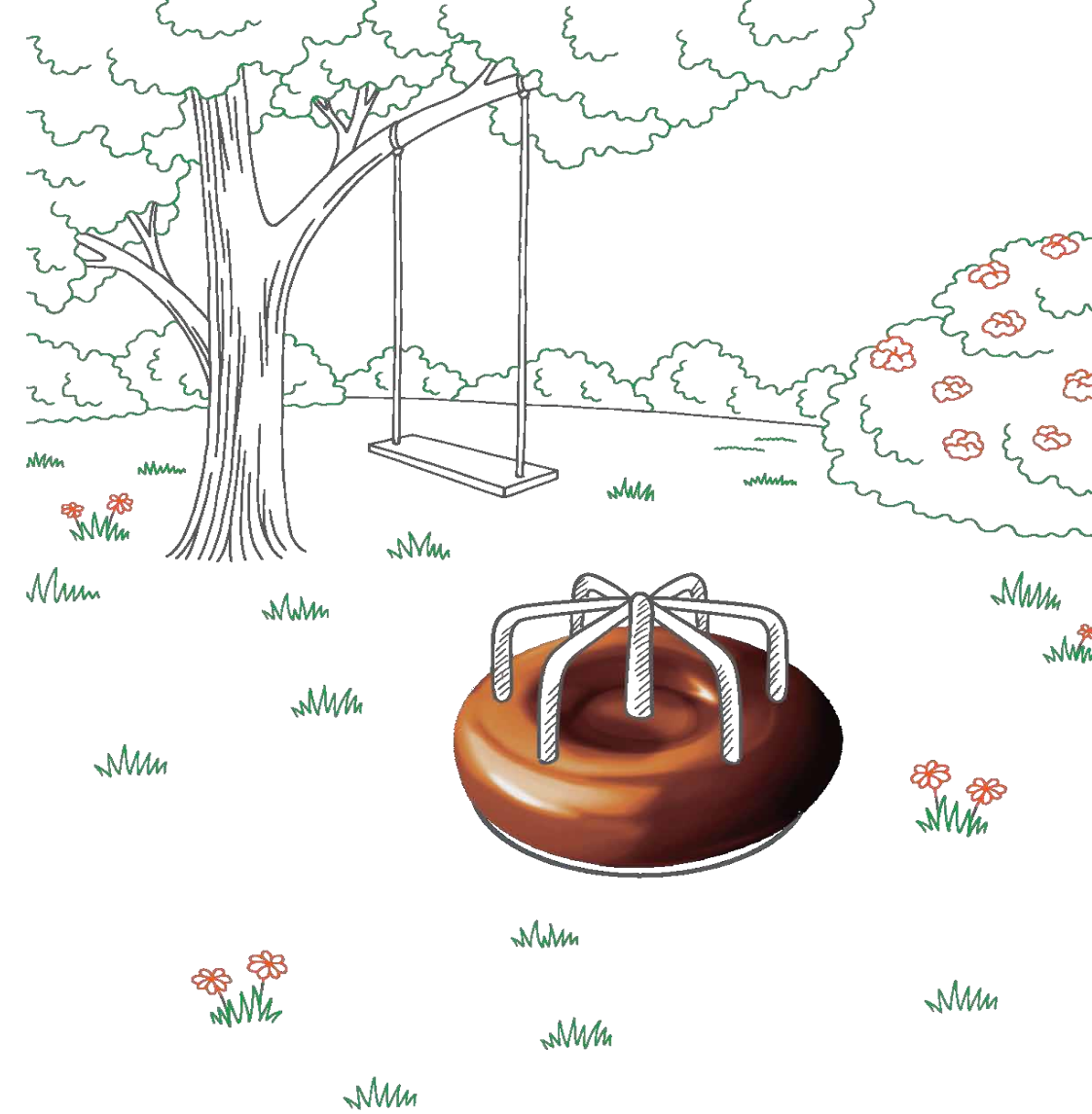


Anti-Corruption

Audit Committee

In accordance with EGX listing rules, the Board of Directors has established an Audit Committee, made up of four competent and experienced Non-Executive Directors, three of whom are independent. Primary functions delegated by the Board to the Audit Committee include assisting the Board in fulfilling its oversight responsibilities in connection with:

- The inspection and review of internal audit procedures.
- The inspection and review of accounting standards and any changes resulting from the application of new accounting standards.
- The inspection and review of internal audit procedures, plans and results.
- The inspection and review of the periodic administrative information presented to the different levels of management and the methods of such preparation and timing of submission.
- Ensuring the implementation of appropriate supervisory procedures in order to protect our assets.
- Ensuring adherence to auditor and EFSA recommendations.
- The inspection of the procedures carried out in preparing and reviewing
 - I. the financial statements,
 - II. offerings relating to securities, and
 - III. estimated budgets, cash flow and income statements.
- Advising on the appointment of auditors to perform services other than the preparation of financial statements.
- The inspection and review of the auditor's report regarding the financial statements and discussing the comments.
- Ensuring the preparation by an independent financial advisor of a report concerning any related party transactions before being ratified
- Ensuring the application of the necessary supervisory methods to maintain our assets, conduct periodic evaluation of administrative procedures and prepare reports to the Board.



EDITA CONTRIBUTION TO THE SOCIETY

“Reporting on the SDGs”

SUSTAINABLE
DEVELOPMENT **GOALS**



EDITA CSR BUILDING PIONEERS

Our Center of Excellence

In accordance with the world SDG's , Edita has cultivated the roots of change starting with "Ta3awon" school in Beni Suef and plans to sustain and scale it across thousands of students for years to come.

We have chosen name of building pioneers to announce our vision in building pioneers on every levels; among children, mothers, employees, educators. Through those pioneers, our message can be delivered far beyond we seek.

We centered our objective around development of children; as being :

- Are our main customer.
- A Target to impact & easier to change

Adding to, mothers were targeted being the care takers of the children.

We worked with Educate Me foundation in delivering 3-day camp for children, that aims at providing and equipping children with 21st century skills and enhancing our values system including inclusiveness and respect.

Our employees were highly engaged and were a great adding value in such camps.

The impact has been awesome on both qualitative and quantitative levels :

- ☐ Total number of students :785 students
- ☐ Total Number of Camps: 6 camps / 3 days each
- ☐ Total number of training days: 2,355
- ☐ Total number of Mothers: 450 mothers.
- ☐ Total number of employees: 14 employees



EDITA CSR BUILDING PIONEERS

Our Center of Excellence

□ Scope:

To develop a responsible, self motivated student through nurturing 21st century skills.



785
Students



3-day
Camp
Showcase



Beni-Sueif
governorate



علمنا بي
Educate Me
Partnership



□ Mothers:

Educate Mothers on how to raise healthy children in poor areas by teaching them the following:

- ✓ The food pyramid and all aspects to proper nutrition?
- ✓ How to raise children properly with limited budget ?(with existing and readily available food)
- ✓ Understanding the importance of raising a healthy child and how that affects the community.



450
Mothers



1 day
workshop

EDITA CSR BUILDING PIONEERS - CAMPS PHOTOS





Edita Food Industries S.A.E.