



UN global compact

Communication on Progress Report



I. A Message from the Chairman of the Board

“Together we bring life to land, improve living communities, earn respect of our stakeholders & become their ultimate choice.”

We believe in the power of goodness, which is the root of any success that could be achieved and the route to reach happiness.

Goodness Happiness Success



To our stakeholders,

DMG's keenness on becoming a truly sustainable organization has been in line with the UN Global Compact's 10 principle and with this report we showcase how we have progressed with the 10 principles along with the overall sustainability of the group. With this Communication, we express our intent to advance those principles within our sphere of influence. We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals. DMG will make a clear statement of this commitment to our stakeholders and the general public.

We are pleased to confirm that DMG reaffirms its support of the ten principals of the UN Global Compact and we look forward to continuing our work with the Egyptian Local network. In this report, we summarize the progress we made to integrate the principles into our strategy, corporate culture and day to day operations in -2017 2018. Our future strategy will focus more on the sustainability and governance issues and will expand to tackle the SDGs towards a happier life for all.

Yours Sincerely

Ayman Ismail

Chairman of the board.

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I. About DMG

DMG was established more than two decades ago as an engineering and contracting company. Today DMG is a group in the Middle East with member companies in the three sectors of engineering, real estate and hospitality.

The DMG family of companies is vertically integrated with an innovative and unique approach to delivering projects. The group's companies strive individually in their core specialties and succeed in adding considerable value to their sister companies.

In collaboration between the DMG member companies, a project is materialized from concept to design, contracting to sales then facilities management. The business model and leverage of DMG enables the group to grow rapidly within the region.

The DMG family is made up of 1500 professionals and administrators creating an integrated network of dedicated talent that make DMG distinct in what it offers.

- **Mission:**

Leadership with a strongly rooted organization, building landmarks & standing as a beacon of goodness “Khair”, priding ourselves & our future generations.

- **Vision:**

Together we bring life to land, improve living communities, earn respect of our stakeholders & become their ultimate choice.

- **Values:**

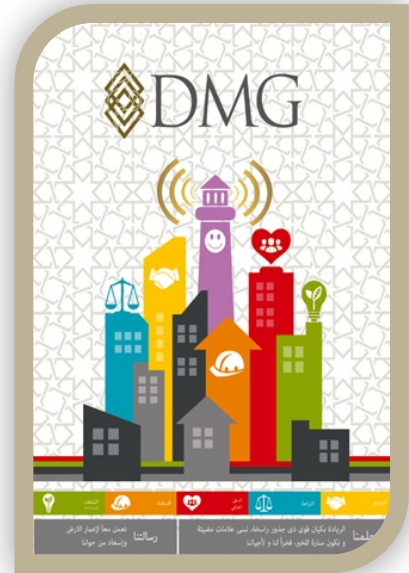
Respect, Integrity, Family Bond, Safety, Passion for Growth, Innovation.



II. Human Rights and Labour Pillar

DMG is all about Human beings. Respect, Integrity, family bond, safety and passion for growth and innovation are our Core values.

At DMG Group, we value our people and we consider the most valuable asset and the cause of our success throughout the years. At our Group we work diligently on ensuring that our employees live a good, decent life and that extends to our neighboring communities. We aim to develop the communities in the same manner we create our unique and innovative programs. The Group understands that at this day and age we are responsible for both our employees and the community. The group has several initiatives, programs and policies set in place to achieve that and its outreach is extensive to ensure that we are truly impacting life and fulfilling



Our DMG mission; bringing life to earth “الارض اعمار”، and establishes a commitment to provide a better quality of life for each of its stakeholders and to the community. It covers all the Human rights aspects including Respect, equality, dignity, prohibiting harassment and implementing safety measures in the work place.

The Code is communicated to all DMGians; the office employees and the employees in the different projects’ sites through specialized sessions, after which they sign the code and are expected to acknowledge, respect and abide by its content.

- **Human Rights:**

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

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

- **Foundation:**

As of January 2018, DMG Foundation for Sustainable development has launched and it acts as the implementing arm for charity activities for the group. The foundation has 4 main scopes and they are:

1. **DMG Learning Academy:**

DMG REAL ESTATE & CONSTRUCTION FUTURE LEADERS LEARNING ACADEMY is a fully funded scholarship program by Dar Al Mimar Group form (DMG)

that aims at supporting and empowering young Engineers in the field of Architecture, Civil Engineering & Construction Management, to provide them with the required skills to be able to compete in the Real Estate market.

This is achieved by Bridging the Gap between academic studies and the market requirements throughout a 220 hours' program that includes offsite (lectures) and onsite training.



Real Estate and Construction Future Leaders Academy is a collaboration between two main partners: DMG (Dar AL Mimar Group), and Pearson-UK & International Academy for Advanced Research and Studies (IARS).

Community Development... Towards shared value initiatives

What does the Academy do?

- Act responsibly towards decreasing the gap in vocational training between theoretical University Education & the practical needs of the market, as part of DMG CSR Program of improving the Real estate/Engineering sector quality of educations & calibers.
- Help engineering students build a practical understanding of the different functions of Engineering & RE sectors and choose their real interest in RE & Eng. Career. They can do this by utilizing the opportunity DMG's integrated model.
- Empower our target groups and increase student's potential for recruitment capitalizing on their exposure and experiences in the real state sector business
- Promote DMG Culture of giving back towards community development & happiness responsibility. Aa well as spread it through "Manaret Elkhair" (as each student will give back the academy knowledge to 2 of his friends)

Academy Achievements:

- Applicants 2800
- Graduates 250

- Governorates 7
- Universities 18
- Instructors 35
- Academic hours 100H * 250 students = 25000 H
- Onsite training hours 140H * 250 students = 35000 H



2. Slums Development:

With DMG's extensive resources, both financial and technical, we have assisted Terous Misr Foundation in development the slums area in Akhmim, Sohag. The development aims to provide hospitable living environment for those who are less fortunate and living in poorer living circumstances.

3. Entrepreneurship Program:

DMG community is one that caters and aims to develop the community and as part of our role is to cater and foster innovation. The newest program is one that will serve the R.E and engineering sector where the foundation will help young creators and innovators to propel their ideas help them grow. The program will provide financial and non-financial support (such as business management skills, mentorship, and financial literacy.)

4. Beacon of Goodness: (منارة خير)

DMG promotes the **Culture of giving back** towards community development & happiness responsibility. This program works on helping those in need be it health support, financial (Marriage Grants, paying debts of those less fortunate) and this programs extends to DMG employees who are less fortunate and are dire need of help.

Labor

- **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 labour;
- **Principle 5:** the effective abolition of child labour; and
- **Principle 6:** the elimination of discrimination in respect of employment and occupation.



DMG is a people centric organization that prides itself in being a group that cultivates talents. The group has worked on several aspects to ensure that employees are satisfied, developed as well as truly motivated.

➤ HR Policies:

The organization's HR policies are extensive and all serve the purpose of providing the employees with the best working experience as well as comply with the Egyptian Labour law.

1. Flexible working hours that allow the employees to have a work-life balance.
2. Premium health insurance to all DMG employees as well as their families.
3. Career development plans that are prepared with all department heads and communicated to all employees.
4. Training programs to help employees develop their knowledge base.
5. Compensation schemes that are designed to help employees cope with the current economic situation as well as salaries that are competitive to the current market.
6. Fair appraisal systems to assess and reward the employees; top talented and top performers are rewarded in the different events throughout the year.

➤ iDMG:

At DMG we are aware that work-life balance is a very important thing and we know that employees are affected by the day to day life. With that being said we launched the DMG Happiness Academy to help our employees achieve three things; a. Happiness Framework and Values, b. Living Positively and Building Positive Communication, c. Leaving the Wheel of Wellness, Goodness and Success.

The Happiness Academy is of the utmost importance for the employees' journey at DMG and so far 769 employees have successfully completed the academy sessions. As part of DMG's including the employee's family in the success, there are plans of extending the program to family members to ensure that our

employees truly gain the maximum benefit as well as help them live a more positive life both at work and at their homes.

The program aims to help employees live by the wheel of wealth better which is a DMG copy righted initiative that addresses the needs for a good wellbeing. It works on four main areas; spirit, Body, Mind and heart. DMG year is divided into the four seasons of the wheel. Each quarter has its relevant activities, events and emails with relevant information and instructions. All DMG premises are branded with the initiative leaving all working places with a cheerful and encouraging spirit.

➤ **Activities**

- In the aim of helping employees achieve a happier life DMG has launched several activities and benefits that ensure that employees are satisfied at their job.
- On a monthly basis DMG has several Yoga and meditation sessions that ensure that all employees are truly attuned to their health and are peaceful. Along with these sessions are several ones that help employees prevent injuries and long-term pain by teaching them how to sit properly at their desks.
- The benefits department at DMG plan several trips a year that are both discounted as well as offer payment plans. These trips are for employees and their families with the same benefits to further develop the DMG community.

➤ **"الأقربون اولي" Al-Akraboon Awla initiative**

This program was started by DMG employees to assist our casual labor in the first place (casual labor are those whom are not officially belonging to the group of companies and are managed by external parties). The program aims at maintaining the minimum requirements of their basic needs. The requester is not obliged to return the money once proved eligible. The initiative supported over 30 cases 95% of the cases covered chronic diseases including cancer related therapies and the rest were directed to other basic needs requirements. Our future plan includes increasing the allocated fund by DMG contribution that will be a match to the amount and assist more cases.

➤ **DMG University:**

In the group's ongoing efforts to provide the employees with best work experience, the DMG university was launched to offer employees throughout different departments and companies within the group; courses, tools and programs that will assist them and allow them to do their jobs better. The programs range from sector specific to general courses such as project management, presentation skills, and communications skills...etc.

I. Environment:

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

Principle 8: undertake initiatives to promote greater environmental responsibility; and

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

The Real Estate and Engineering Sector is without question one of the hardest sectors to work in. We have taken it upon ourselves to challenge that and the group began working on several green initiatives that not only extend to the facilities we use but also the communities we are developing.



- **New Building**

DMG has moved into a new state of the art building in May, 2018 and while we pride ourselves in the superior design of it, what is even more remarkable is the green technology used in the building. The new HQ for the DMG group is the first of its kind where we have made several technological investments that work on cost cuttings, energy savings, overall employee wellbeing.

1. The new building uses a motion sensor system that operates by evaluating sound, movement and heat. The system automatically shuts off if there are no sounds /movements to ensure that no energy is wasted.
2. The building is surrounded by glass panels that are designed to trap heat in the winter and assist the cooling in the summer time to minimize the use of all cooling devices and cut down on all negative emissions.
3. Only LED lights are being used to minimize electricity consumption.

4. All energy used such as heat, electricity is controlled by panels placed on each floor where it can be customized to ensure maximum efficiency.

- **DMG going green**

1. Mountain View Compounds are 100% powered by LED lights.
2. DMG has a zero-tolerance smoking policy on all its premises and has allocated designated areas to promote and healthy working environment.
3. DMG uses a sewage waste treatment technology in its recent projects; Hyde park, chill out park & lcity for irrigation purposes. In its recent projects, l city, DMG will use groundwater to irrigate the greenery area of the edible plants.
4. “Curve” a group company partnered with an entrepreneur producing “Compost or organic fertilizers”. Curve financed the project and developed the right technical specifications with the entrepreneur ending with a satisfying good final product that employs almost the population of an entire village. The partnership lasted for almost a year leaving us with a list of “dos and don’ts” to work on in similar future initiatives.

- **Future plans**

- All DMGs future project will be powered by Solar panels.
- Along with the foundation’s entrepreneurship program we will create a waste management program that caters towards management of construction waste in a responsible manner.
- DMG enforces a no-smoking policy in all its premises, where a special area is designated for smokers to keep a clean and healthy work environment.
- An irrigation system will be implemented on all facilities where it utilizes water in an efficient manner.

II. **Anti-Corruption:**

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

DMG prides itself in being a pioneer in the market and it is constantly ensuring that all laws are being followed. DMG has always been keen on ensuring that they are both transparent and accountable.



- **Corporate Governance:**

Effective governance starts with a Board of Directors that is independent, engaged, committed, and effective. This framework furnishes DMG's Board of Directors with the foundations to establish, maintain, and monitor standards and policies for ethics, business practices, and compliance that span the company. Because the successful implementation of good corporate governance practices that depends on an approach that extends beyond simple compliance with legal requirements this document provides a framework for establishing a culture of business integrity, accountability, and responsible business practices.

DMG is committed to developing effective, transparent and accountable corporate governance practices. Our corporate governance philosophy is to adopt practices that are not only fully compliant with Global Best Practices and other legislative requirements but that is genuinely effective - yielding a Board that is constructively and actively engaged in corporate oversight.

Therefore, the Board of Directors (the "Board") of DMG (the "Company") has adopted the following corporate governance principles to provide a framework for the effective governance of the Company in an effort to enhance long-term shareholder value.

The Board intends to review these principles and other aspects of corporate governance from time to time and shall make such changes as it deems necessary in its discretion and to the extent required under any applicable securities laws and stock exchange regulations.

- *The rights of shareholders and key ownership functions:*

The Board of Directors will protect and facilitate the exercise of shareholders' rights.

- *The equitable treatment of shareholders:*

The Board of Directors will ensure the equitable treatment of all shareholders including minority and foreign shareholders.

- *The role of stakeholders in corporate governance:*

The Board of Directors will recognize the rights of stakeholders established by law or through mutual agreements and encourage active co-operation between the Company and its stakeholders to create wealth, jobs and the sustainability of a financially sound enterprise.

• Disclosure and transparency:

The Board of Directors will ensure that timely and accurate disclosure is made on all material matters regarding the Company, including the financial situation, performance and governance of the Company.

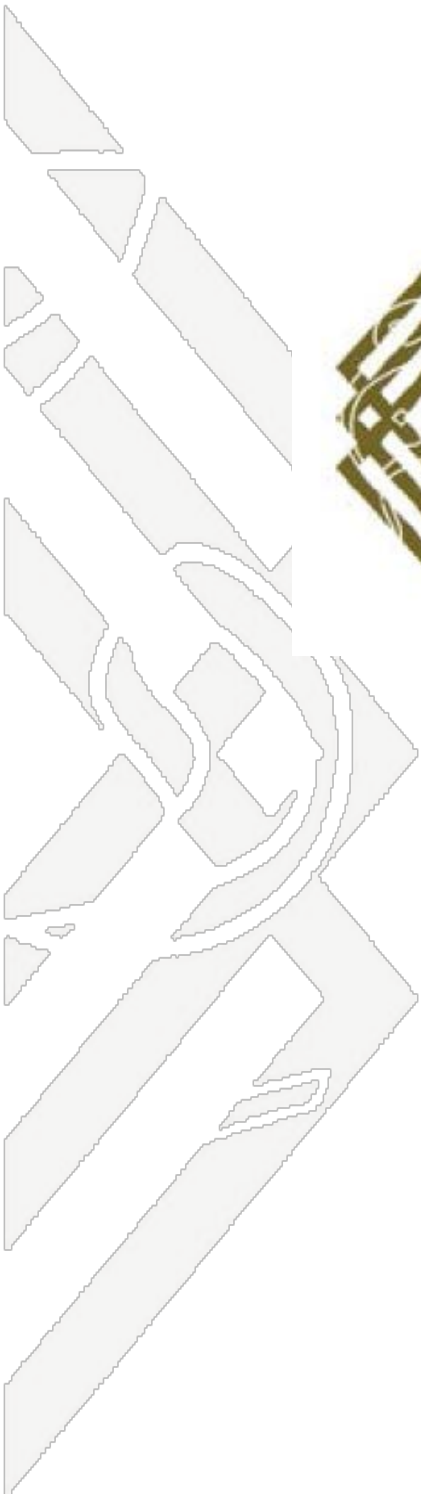
• The responsibilities of the Board:

The Board of Directors will ensure the strategic guidance of the Company, the effective monitoring of management to the Company and its shareholders.

• **Anti-Corruption:**

The Management commitment to combat corruption in its official policies, where our Code of conduct signed and known by heart to all of our employees' states clearly our values and our commitment to prohibit any form of corruption or bribery including; conflict of interest, information dissemination, banking accounts, gifts, outside activities for directors, top executives and employees, corporate opportunities, relationships with suppliers and Nepotism disclosure. An "investigation committee" for corruption related issues, directly reporting to the chairman is entitled to investigate any violation to the code. A violation of the Code may result in appropriate disciplinary action including the possible termination from employment with the Company, without additional warning.

Not only that but management has created a system called "Tawasol" is our internal mechanism to communicate and report on any violation to the Code. A box is installed in all of our premises across all group companies. Any complaints or reporting is put directly inside the box. The complaints are handled with complete confidentiality and are revised by top management and discussed immediately. The necessary action is taken to assure proper dealing with each case and avoid any similar violation in the future.



DMG

TOGETHER FOR A HAPPIER LIFE

