



UN Global Compact

Communication on Progress Report



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

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 display 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 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 2019 -2020. 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.



Contents

A Message from the Chairman of the Board	1
I. About DMG	3
Mission:	3
Vision:	3
Values:	3
II. Human Rights and Labor Pillar	4
➤ Foundation:	5
1. <i>DMG Learning Academy</i> :	6
2. <i>Beacon of Goodness</i> : (منارة خير)	6
Labor	7
➤ HR Policies:	7
➤ iDMG:	8
➤ Benefits & Activities	8
➤ iDMG University:	8
III. Environment	9
➤ New Building	10
➤ DMG going green	10
IV. Anti-Corruption:	11
➤ • Corporate Governance:	12
➤ Anti-Corruption mechanisms:	12
V. DMG Actions during COVID-19:	13

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 advantage 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 makes DMG distinct in what it offers.



Mission:

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

Vision:

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

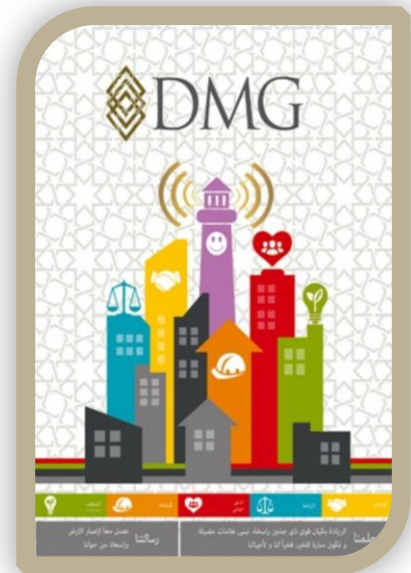
Values:

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

II. Human Rights and Labor Pillar

DMG is all about Human beings. Respect, Integrity, Family bond, Safety, Passion for Growth and Innovation are our Core values.

At DMG Group, we value our people and we consider them as the most valuable asset and the cause of our success throughout the years. At our Group, we work diligently to ensure that our employees live a good, decent life and that this life 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, policies set in place to achieve that, and its outreach is extensive to ensure that we are truly influencing life and fulfilling our mission.



Our DMG mission, bringing life to land “إعمار الأرض”، 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, and Prohibiting Harassment as well as implementing safety measures at the work place.

The Code is communicated to all DMGians; the office employees and the employees at 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 acts as the implementing arm for charity activities for the group. The foundation has four 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. As well as spread it through "Manaret Elkhair" (as each student will give back the academy knowledge to two of his friends).
- Annually, 100 student/trainee are graduated from the Academy since its establishment in 2015. Academy achievements to-date are 575 graduates. In addition, 35 Academy Instructors, all volunteers from DMG different functions.



2. 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 who are less fortunate) and these programs extends to DMG employees who are less fortunate and are in need for help to cover their basic needs. During 2019-2020, the initiative supported over 113 cases with an amount of EGP MN 5800. The support was directed to cases with chronic diseases, medications, surgeries, education fees, marriage preparations and financial grants.

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 labor;
- **Principle 5:** the effective abolition of child labor; 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 environment and experience as well as comply with the Egyptian Labor 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 that 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.** Living 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's 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.

The program graduated 12 Light leaders, whose main objective is to take part in delivering happiness and facilitating the different wellbeing programs across the group.

➤ **Benefits & 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.

➤ **IDMG 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.

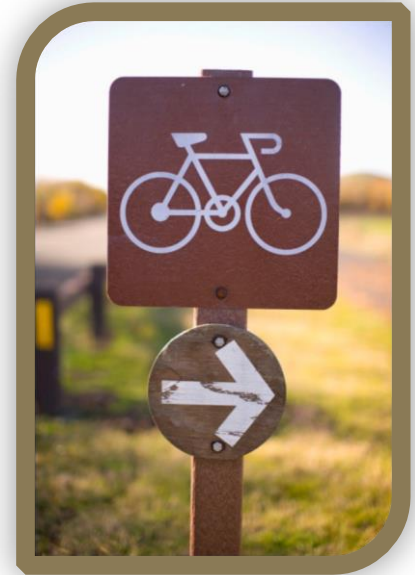
III. Environment

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

Principle 8: Commence initiatives to promote greater Environmental responsibility; and

Principle 9: Inspire the development and diffusion of Environmentally friendly technologies.

The Real Estate and Engineering Sector is without Query one of the hardest sectors to work at. 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 with our superior design of the Happy Building, what is even more remarkable is the green technology used in the building. The new HQ for DMG group is the first of its kind where we have made several technological investments that work on cost cuttings, energy savings, and 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. 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 surround the building.
3. Only LED lights are used to minimize electricity consumption.
4. Panels placed on each floor where it can be customized to ensure maximum efficiency control of all energy used such as heat, electricity.

➤ **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 a healthy working environment.
3. DMG uses a sewage waste treatment technology in its recent projects; Hyde Park, Chill out Park & ICity for irrigation purposes. In its recent projects, ICity, DMG will use underground water to irrigate the greenery area of the edible plants.
4. “Curve” a group company collaborated 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 at 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.

IV. 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 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 mechanisms:**

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.

V.DMG Actions during COVID-19:

DMG acted responsibly since the break out of the pandemic, lead by its chairman, giving priority to people's safety and to create an agile working environment that is capable of sustaining the ongoing business, avoid any laying off process and considering the different needs of the labor force.

Action during the Pandemic contributed and was towards SDGs goals 1, 3, 5,8,17



Goal 1: No Poverty:

Goal 8: Decent work and economic growth:

DMG contributed to the nationwide program for supporting daily paid blue collars who cannot find work opportunities due to the pandemic. The Company donated EGP MN 2 to the Egyptian Food Bank that was leading the initiative. 25% of the donated amount was an initiative by DMG employees, and the rest was DMG Match to maximize the support.



Goal 3: Good Health and Well-being:

As a Real Estate company, DMG initiated the PCF-Protocol to be applied to all its construction sites, and took a step further to present it to the government to implement across all construction locations in Egypt.

Upon the break out of the Pandemic, DMG stopped all its construction operations to avoid more spreading of the Covid-19. Then, a committee was formulated to put a cohesive plan to deal with the pandemic. Awareness campaigns and instructions took place everywhere. Labor had to follow certain measures in order to reach the site. Regular checks took place during working hours. More than one checkpoint were in place. Capacity was lessened by 40%. For every type of activity, a matrix for the expected risk and how to avoid was developed and followed.



For the blue collars, all instructions and safety measures were taken at all different buildings. Capacity was lessened by 50% and during peak periods reaching that all buildings were working from home. Zoom meetings were followed by all employees allowing no external visitors to enter the buildings. Masks, sanitizers, were everywhere at the entire building and projects' sites. Scheduled sanitization to the building and projects' sites took place since the start of the pandemic. All positive cases are medically taken care of by the company and are not allowed to come back to work unless they are fully recovered.

Goal5: Gender Equality



Ensuring women's representation and inclusion in all planning and decision-making:

At the early stage on the COVID pandemic, our Chairman composed an Emergency group that was equally balanced to reach immediate decisions and take immediate actions.

In terms of communication, "WhatsApp Group" was the tool at the time and video conferencing, with physical meetings whenever needed to reach well-studied decisions that ensure employees safety and well-being whether at the HQ or all our projects' sites.

We had a daily video conferencing meeting for the executive committee, a diverse team both women and men are represented enabling the company take better, more sustainable decisions whether in times of revolution back in 2011. Working effortlessly on several scenarios enabling the company to be risk proactive.

During COVID era. Top management had a long-term vision and did tremendous investment in information technology. Technology that supported the company will optimal ERP systems, data security, up-to-date servers and an well balanced IT department of men and women well prepared ahead of time. The IT team strived to make all laptops updated with software that enable all employees to work remotely and be connected to the company's server round the clock with an IT department that strived with full support round the clock which ensured a smooth working environment and achieving the company's financial targets and on time. Many companies in the country had to shut down, as they were not able to operate in Pandemic.

We had most women operate from home specially ones with kids at school age, as there were no schools operating, and working women had to be staying home to take care of the kids e-learning and health condition during pandemic..

All women with medical and immunity conditions were allowed in alignment with their line managers to operate from home without any deductions whether it was their annual leave or transportation allowance.

We had a 24/7 hotline with a resident doctor who handled all needed medical situations for all employees against COVID testing and protocol management as well as all PCR tests needed at full coverage by the company.

Goal 17: partnership for the goals

Collaboration is how DMG carries out its impactful activities. Collaborating to achieve the goals is a mandate to success. DMG collaborated with:



- The Egyptian Food Bank to support the blue collars who lost their jobs since the start of the pandemic.
- The Ministry of labor force and immigration to bring back Egyptians abroad, who were stuck and could not come home due to flights stoppage.
- Center for disease Control and Ministry of Health to put in place the safety measures for construction sites and manufacture the sanitizing gates.
- Masr El Khair foundation, where DMG donated an amount of EGP MN 2 to provide medical stuff at different hospitals with the required medical tools during the pandemic.



DMG

TOGETHER FOR A HAPPIER LIFE

