



Building Sustainable Communities



Sustainability Report 2020 - 2021

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Disclaimer

This sustainability report has been prepared for the use of all SODIC stakeholders. The report is crafted with careful attention to accuracy. This report may contain commitments to strategic, social or environmental actions intended to better SODIC's performance based on present circumstances. Such promises may be subject to changes due to unforeseen events or unpredicted occurrences, and the actual outcome may differ from the expected results. Please note that this website's information or in this report may be changed or removed without prior notice. Financial data presented in this report is given in rounded figures and not intended for financial decision-making. For any business decisions relying on financial information, please visit SODIC's annual report at:

<https://s3.amazonaws.com/inktankir2/SODIC/SODIC-Annual-Report-2019-vf1.pdf>

Letter from the Managing Director



I am very excited to share SODIC's first sustainability report, marking an important milestone in honouring our commitment to driving a sustainable business. In its simplest form sustainability means a better future for everyone, creating value while allowing for more opportunities for future generations. In this report we highlight our efforts to achieve just that, and explain our commitments and contributions towards our economy, communities and the environment. In this report we also disclose how the company responded to the COVID 19 outbreak, and the

measures taken to protect our employees and different communities while ensuring business continuity.

SODIC has been a signatory to the United Nations Global Compact (UNGC) since 2014. We support all its principles on human rights, labour rights, and the environment. We support the United Nations Sustainable Development Goals (SDGs) that address pressing global challenges. In this first report we reiterate that commitment and present our progress against specific goals of focus.

Responsibility towards the economy

Since SODIC's founding, we have been developing arid desert land on the outskirts of Greater Cairo, building communities meant to last, promoting population settlement in new urban communities to help decentralise Egypt's heavily urbanised cities. As the Government of Egypt continues to implement its Sustainable Development Strategy Vision 2030 (SDS), SODIC continues to play an active role in delivering carefully planned, low-rise, mixed-use developments to provide residents and occupants with a much improved quality of life, enhancing community wellbeing and leaving a lasting legacy for future generation.

As a pioneer of West Cairo, SODIC is one of the key founders of the vibrant city of Sheikh Zayed with our development SODIC West accounting for 15% of Sheikh Zayed City and home to over 24,000 residents. Much as we did 25 years ago, today we are laying the foundations for New Zayed, once again creating that value in nascent new generation cities, inviting newer generations to populate them by offering them products and services relevant to them and answering to their needs.

Through our operations we contribute to a sector that makes up over 16% of Egypt's GDP, we directly employ +3900 employees through SODIC and its subsidiaries and indirectly employ over 30,000 through the construction of our projects. We use the services of over 3,400 local suppliers, 95% of which are locally based. We proudly continue to prioritise awarding contracts to Egyptian construction companies to support local businesses that successfully contribute to the Egyptian economy.

People first and foremost

Our business is centered around people. Our purpose is to create places where they can fulfill their aspirations.

Employees are the driving force to attaining business sustainability. A non-family owned institution, SODIC's people strategy promotes personal and professional development, incentivizes competence and high-performance, and builds a unique sense of ownership.

SODIC dedicates continuous efforts to our long-term goal of becoming an employer of choice, adding value to the company and ensuring sustainability through systemically fostering a culture that truly sets us apart, and allows our employees to thrive and push our business forward.

SODIC is a customer-focused business that timely delivers quality products based on a detailed understanding of our customers' needs. SODIC has built a solid reputation on honouring its commitments, and we are proud to have delivered our homes and commercial spaces ahead of contractual delivery date 91% of the time over the past five years. With over 30,000 residents and a customer base of over 13,000 homeowners, we are constantly working to improve our customer experience at all stages of the customer journey. In 2019 and 2020 we spent a lot of time and effort on measuring customer satisfaction, holding ourselves against world-class standards. We are proud of the progress we have made towards our customer satisfaction goals, with our Net Promoters Score moving up 13 points in one year to score a solid 43 by the end of 2020.

SODIC has always been committed to its wider community, partnering with social enterprises with the objective of impacting the lives of underprivileged communities in a way that is meaningful, sustainable and scalable. SODIC is committed to achieving social impact across three targeted focus areas: education, rehabilitation and equal opportunities. We also host a Relief Program, which channels in-kind donations to those most in need, helping our employees fulfil their personal desire to give back to communities. Of our most notable achievements in 2020 was the opening of Tawasol's second community school at the heart of the impoverished neighbourhood of Istabl Antar. The new school is built over 1,050 m² with a capacity to host over 500 students. We are also very proud of our work with Future Eve Foundation (FEF) in Minya in Upper Egypt, where SODIC funds microloans that allowed 640 widows and single mothers to improve their living conditions. We are also very proud to have sponsored the Special Olympics' First Pan-African Games in Egypt in 2020 which drew 800 athletes from 42 countries as part of our efforts towards equal opportunity for all.

Commitment towards our environment

We are conscious of the impact of the construction industry on the environment. The sector consumes significant amounts of non-renewable resources and is responsible for substantial landfill waste.

SODIC's management approach towards reducing energy consumption to date has centered on improving efficiency. Our most significant measure taken toward reducing our energy consumption was the launch of a solar power initiative, which provided approximately 95% of SODIC HQ's energy needs in 2020, and which we will continue to implement over the coming years across our facilities and holdings.

While historically SODIC had integrated some design and construction components for better efficiencies and less consumption. In December 2019, we proudly brought to the market our new generation development VYE in New Zayed, featuring solar-powered townhouses for the first time in the market and equipped with electric vehicle charging stations. The project as a whole is designed for eco-friendly living, centered on the reduction of carbon emissions and pollution caused by day-to-day living.

While all our projects are built through third party contractors, we take serious measures to guarantee all SODIC contractors fulfil our environmental requirements, especially regarding waste disposal and pollution.

With 25 years of successful operations, SODIC is a leading Egyptian real estate developer with a track record of credibility and successfully weathering challenges. We look forward to reporting on more progress across ESG areas and making bigger strides towards driving a sustainable business.

SODIC Response Amid COVID-19

As this report is compiled and drafted amid the Covid-19 global pandemic, it is important to disclose how the company responds to such a critical situation. SODIC and its subsidiaries take all the necessary actions and precautions to ensure safety at work, and on-site is maintained. Our commitment to our employee and community safety is unwavering, so we sought to include this vital safety and mitigation information for our stakeholders in this report, despite the conclusion of this report.

As soon as it was revealed to be a global threat, we created a cross-functional team to respond to our stakeholders' inquiries on COVID-19. Our team worked around the clock to address our employees' health and safety concerns and our communities and carry out our responsibilities towards our stakeholders. A work-from-home policy was immediately implemented to ensure business continuity while ensuring our employees and their families were safe. We took preventative measures at the workplace; we intensified disinfection and cleaning of our offices, and reduced the number of people present at the workplace, provided a dedicated hotline for inquiries, made an agreement with Tabibi Clinics to answer any medical queries from our employees and to provide the medical services needed.

We know that having a customer-centric approach to a crisis pays dividends when the crisis eventually ends. It's a strategy that has worked well for SODIC over the years, and we are confident that this will allow us to emerge stronger than before. We have gone to great lengths to safeguard SODIC communities. Prior to lockdown, we suspended all operations at our sports clubs, cancelled planned gatherings and organised events. We worked on disinfecting public areas and residential buildings. We asked restaurants, coffee shops, and entertainment venues to close their doors in line with national health regulations to limit public gatherings. We supported tenants and waived rental fees for the lockdown period.

We believe in corporate citizenship and are aware of the responsibility we have towards society-at-large. We are keen on taking the necessary measures to keep our society safe. We redirected our marketing resources towards raising awareness of COVID-19, including utilising SODIC's outdoor billboards and digital platforms towards this endeavour.

SODIC allocated EGP 5 million to initiatives related to the COVID-19 crisis. We donated ventilators and monitors to El Sheikh Zayed Specialised Hospital to prepare and equip a building wing to receive COVID-19 patients. We distributed safety packages in Ezebt Khairallah, an impoverished area in central Cairo; and provided its residents with immunity boosters, sanitisation kits and hygiene advice. In cooperation with the Ministry of Health, SODIC helped equip three public hospitals to receive COVID-19 patients. Furthermore, we commissioned 50 fully equipped portable quarantine units for the Abbassia Fever Hospital and Mansoura Chest Hospital and equipped 21 rooms in El-Mahala Fever Hospital to serve as complete isolation units.



'Our efforts stem from our responsibility towards the health and safety of our employees and their families and the health and safety of communities living in our developments and of society at large'. Magued Sherif, Managing Director.



About the Report

Introduction to the Report

This report is SODIC's first standalone sustainability report. The report aims to cover SODIC's economic, social and environmental impact. It highlights the vision, mission

and values by which we operate and strive to build sustainable communities. This report is meant to provide our stakeholders with accurate and timely information to increase their understanding and confidence in the company. This being our first sustainability report, we have endeavoured to balance reporting our sustainability data quantitatively and effectively communicating our story to our valued stakeholders.

Reporting Scope

This report covers the financial years 2019 & 2020 ending on the 31st of December 2019 & 2020 respectively. This report covers SODIC's operations in Egypt. The economic, social and environmental disclosures are compiled based on SODIC activities' in Egypt.

Reporting Principles

This report has been prepared in accordance with the Sustainability Reporting Standards issued by the Global Reporting Initiative (GRI): Core Option and the UN Global Compact Principles. The report follows the Reporting Guidelines and Principles of the GRI Standards for defining report content and report quality.

Materiality

To identify key issues, we conducted several rounds of internal interviews and consultations to ascertain the topics that have substantial environmental, social, and economic impacts on the business and significantly influence our stakeholders' decisions. Identification of material topics was also based on our vision and mission, our values and strategies, and the interests and expectations of our stakeholders. In future reporting, we shall consider conducting a more formal stakeholder consultation exercise to acquire substantive feedback from our various stakeholders to enable more focused reporting in the future.

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Performance Highlights

SODIC by the Numbers

25+ years of operations

Total units sold: 15,000+

Total units delivered: 11,000+

Number of residents living in our developments today: 30,000+

Number of developments: 10

Land: 16 million m² total land bank; of which +10 million m² have been developed, and +5 million m² are awaiting development

9 years of future sales through existing land

SODIC in 2019/2020

	SODIC in 2019	SODIC in 2020
Total revenue	EGP 5.3 billion	EGP 5.6 billion
Gross Contracted Sales	EGP 7.3 billion	EGP 7.4 billion
CAPEX	EGP 3.1 billion	EGP 3.4 billion
Total units delivered	1,176	1163
Total number of employees	4,152	3,876
SODIC employees	660	685
Subsidiary employees	3,310	3,011
Indirect employment estimate	30,000	30,000
Contribution to the community through CSR programme	EGP 5 million	EGP 8.3 million
Payments to suppliers	3 billion EGP	2.4 billion EGP
Solar energy	-----	95% of SODIC HQ is to be powered by solar energy in 2020

About SODIC

Who We Are

SODIC is a customer-focused, mixed-use developer. Twenty Five years of passion and driven by a progressive vision, innovation is at the heart of everything we do. Our purpose is to deliver dynamic communities that our residents belong to, honouring their diversity and choice of SODIC for such a long-term commitment. Since its inception, SODIC has been operating with the deep-rooted belief that there is infinite untapped potential in Cairo's outskirts, away from the noise, pollution, and traffic of

the city centre. There lies the opportunity for us to provide our residents with a radically improved quality of life, and deliver for our investors simultaneously.

Established in 1996 under Law No. 159 of 1981, Sixth of October Development and Investment Company (SODIC) is a legally registered Egyptian joint-stock company founded with an authorised capitalisation of EGP 2.8 billion. The company has been listed on the Egyptian Stock Exchange since 1998. Our headquarters are located in Sheikh Zayed City, Giza Governorate and our Sales Offices are located in Sheikh Zayed, Heliopolis and New Cairo.

Our Activities

SODIC is a developer of large-scale, mixed-use communities in West Cairo, East Cairo and the North Coast. Our developments cater to Egypt's growing need for residential, commercial, and retail establishments; they encompass residential developments, office buildings, schools, medical establishments, entertainment facilities, retail establishments, and restaurants that provide services to Egyptians' broad swath society. They serve a community of homeowners, residents, tenants, and business owners. SODIC business encompasses various activities and services, all relating to real estate development. This includes the development of land, selling, purchasing, leasing and/or management of commercial and residential properties, and the management of sports and entertainment facilities.

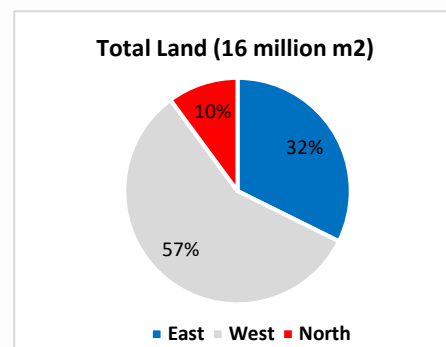
Also, via our facility management subsidiary, we offer residents and occupants an array of services, including security services, gardening and landscaping, cleaning services, maintenance services, and Internet and cable connectivity to homeowners.

A Diversified Land Bank

SODIC has 10 developments spread over three main areas: West Cairo, New Cairo and the North Coast. Our total land bank is 16 million m², of which, over 10 million m² is launched and has been developed or is currently in development.

Our diverse land bank and prime assets portfolio give us the necessary tools to provide for our stakeholders' immediate needs and ensure a long-term sustainable business model. Our land bank's size and diversity play a substantial role in helping SODIC mitigate concentration risks and overcome unforeseen challenges. It also provides us with an estimate of 9 years of sales visibility. We are uniquely positioned to meet the future demand for quality housing and commercial space with 6 million m² of undeveloped land in East Cairo, West Cairo and the North Coast.

As our development business thrives, we are constantly diversifying and strengthening our investment portfolio. With a market value of some EGP 13 billion and offering around 250 thousand square meters of leasable areas strategically located in our mature developments, the portfolio has the potential to deliver EGP 600 million of recurring income by 2024. From office buildings and retail outlets to healthcare and sports facilities, these diverse projects have been planned to support the integrated living experience we promise our customers. They also anchor value in our



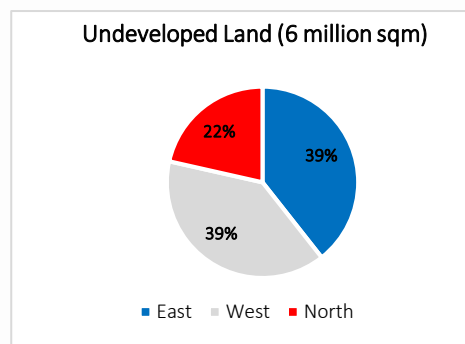
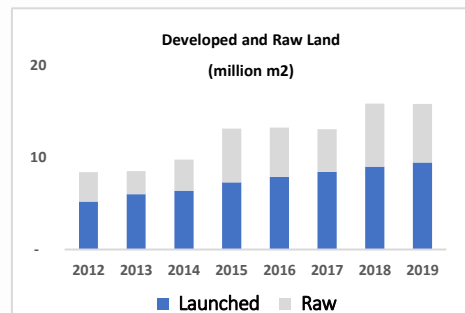
developments and stock, offering valuable amenities to our residents and building more resilience into our business model.

Our Projects

WEST CAIRO

SODIC West

For over 25 years, SODIC has been developing its flagship community SODIC West. SODIC West is the largest gated community in West Cairo comprising 1,500 acres (6,300,000 m²), constituting 15% of Sheikh Zayed's total area. The fully integrated community features 14 diverse sub-developments with more than 7,000 units. Today, over 24,000 people reside in this development, with a potential population of 45,000 people. With 18,000 cars through its gate daily, three schools, and more than 200,000 m² of built-up area of commercial and retail space, SODIC WEST is designed to become a dynamic community, truly peerless in Greater Cairo. SODIC West also has an 18-hole championship golf course, The Allegría, designed by Greg Norman and managed by Troon, which hosts local and international events.



October Plaza

October Plaza is strategically located within the 6th of October City, just a 15-minute drive from SODIC West. October Plaza uses contemporary architecture to create a diversity of activities including a 1.7Km safe walking path, cycling paths, swimming pools and meeting spots to provide its community with a whole-of-life experience. In September 2015, SODIC acquired this 30-acre plot (126,000 m²) of land through an auction held by the New Urban Communities Authority (NUCA).

VYE

VYE is SODIC's first of three neighbourhoods on our most recent 500-acre (2,100,000 m²) development in New Zayed. Together, the three neighbourhoods will create a one of a kind mixed-use development that will serve as New Zayed's city centre. VYE was developed innovatively and sustainably to target the next generation of homebuyers seeking modern, eco-friendly living options. The trend-setting development brings to the market the first-of-its-kind expandable apartment within a multi-family building, called Neo and its sister development, Sol, the first solar-powered townhouses and twin homes in Egypt.

Master-planned, with free-flow access to features and amenities, VYE's outdoor spaces are designed to cater for sports and community activities and are Wi-Fi connected to serve as co-working spaces for a growing entrepreneurial generation, all whilst being linked to the main Nova Park, delivering busy and vibrant living throughout.

Karmell

Karmell is our second development on the 500 acres land plot in New Zayed. Inspired by the Californian town Carmel-by-the-sea, Karmell is designed as a small town themed around easy living. A charming town spread over 240 acres of land with shops spread all around and nature interwoven in everyday life, Karmell brings a walkable enjoyable central town experience lending itself to a graceful carefree way of life. A truly unique development for the seekers of simple understated luxury, Karmell brings a special experience of convenience and a laid-back and refined approach to everyday life.

Nestled between Vye and the main axis of New Zayed, Karmell is beautifully centred to benefit from its location within the larger project and offers modern innovative homes efficiently designed to provide privacy at accessible prices.

The Estates

Five minutes away from SODIC West and spanning 150 acres (630,000 m²) in New Zayed, SODIC's high-end signature community features 160,000 m² of landscaped open spaces. The upscale-gated community is master-planned with a 13% footprint to ensure privacy and seamless integration with nature. Serviced by a world-class designer clubhouse and spa at the heart of the project, The Estates will boast spacious, luxurious homes ranging from mansion-like villas to townhouses and twin homes.

New Cairo

Eastown

Eastown is SODIC's 204 acres (856,800 m²) mixed-use development strategically located on road 90, the main street and central axis of New Cairo, immediately adjacent to the American University in Cairo. Eastown offers multiple-family homes, prime office space and high-end retail units. With the residential component nearing completion, our development efforts are now focused on EDNC, Eastown's commercial component situated on 150,000 m² of prime land directly located on East Cairo's high street, Road 90, and adjacent to the American University in Cairo in New Cairo. EDNC will be the cornerstone of our recurring-income portfolio.

Kattameya Plaza

Located only minutes away from the American University in Cairo and Future University, Kattameya Plaza raises the bar for contemporary apartment living in Egypt. Designed and planned by ArchGroup — the world-class firm behind the design of Grosvenor House in Dubai — and landscaped by Evergreen, Kattameya Plaza is the perfect place for those looking to strike the ideal balance between a healthy lifestyle, the comfort and safety of a gated residential community, without having to sacrifice easy access to the amenities of city life. Amenities include 24/7 property management and security services, and a convenience quarter accommodating a supermarket, nursery, gym, pharmacy, laundry services, restaurants and coffee shops. Kattameya Plaza also boasts three swimming pools (with one specifically designed for children), safe play areas for children, jogging paths, a multipurpose sports field, and community areas. This project was completed in 2016.

Villette

Villette's launch in 2014 marked SODIC's first single-family offering in East Cairo. The project, strategically located at the centre of New Cairo, was designed and planned by the world-renowned American firm SWA and comprises several neighbourhoods constructed around a village centre. It offers over 2,400 units that range from standalone villas to apartments. Villette offers its residents all the benefits of a luxurious suburban development: outdoor space, activities, and tranquillity, alongside an inviting town centre.

SODIC East

Designed to be the twin city of SODIC West, SODIC's flagship project on the West side of Cairo, SODIC East is a new beginning for East Cairo. It is perfectly positioned to capture the growing demand for quality lifestyle seekers in East Cairo. A few minutes' drive from New Cairo, SODIC East is SODIC's latest large-scale development in Egypt's rapidly expanding market on this side of Greater Cairo and provides a compelling opportunity for young couples and property investors.

The co-development project is expected to contain approximately 5,000 residential units, in addition to commercial and retail properties. SODIC manages all internal infrastructure and construction work and sales and marketing activities, while Heliopolis Housing will provide all external infrastructures to the land plot.

The Mediterranean North Coast

Caesar

Launched in 2015, Caesar marks SODIC's first second-home development on the Mediterranean North Coast. Caesar offers a community of homes built on terraced levels with unobstructed sea view and a beachfront that stretches over 1 kilometre. Caesar is one of the most exclusive residential communities on the North Coast. The first phase of Caesar was delivered in 2018, ahead of schedule.

June

Capitalising on the success of Caesar, June, located at Km 90 on the Matrouh Alex Road, offers Miami-inspired hotel-serviced apartments and villas, spread over 280 acres along one of the most beautiful bays on Egypt's North Coast. The new Dabaa road, which is currently operational, will facilitate a much smoother commute from Cairo, providing ease of access to this summer getaway in only two hours.

Mission, Vision and Values

In developing our mission, we applied a middle-up approach; our vision, mission, and strategy were developed by senior managers and heads of departments then presented to the Managing Director and the Board of Directors for approval. It was then cascaded by the Managing Director, responsible for overseeing that they are clearly communicated to all employees and ensuring that those values are abided by.

Our Mission

To deliver sustainable developments that redefine the real estate market in Egypt.

Our Vision

To be the developer, investment and employer of choice in Egypt.

Our Values

SODIC has five principal values that intersect with our set of leadership competencies, known as 'The SODIC Way'. All our employees must receive induction training on our core values and leadership competencies. Those at the director-level and higher must also complete our 'Leadership Training Journey'.

Agility: We are forward-thinking, initiating change in the market, and adapting to market conditions before they have become a reality. We find opportunity in challenges and always find ways to lead through uncertainty. We embrace change as part of our operating universe and use it as a stepping-stone for growth. WE CHAMPION CHANGE.

Integrity: We show integrity in all our working relationships, with our colleagues, customers and all stakeholders. We communicate with honesty and openness and demonstrate transparency in all actions.

Synergy: We believe that every team member contributes with their skills, strengths, perspective and hard work. We encourage a culture of inclusion and cooperation, built on respect, trust and diversity. We work first and foremost towards the benefit of the collective. WE WORK TOGETHER

Commitment: We are results-driven and committed to creating value and return-on-investment to our stakeholders. We deliver on our promises and work conscientiously and diligently at every level of the organization to ensure excellence in delivering results. WE DELIVER.

Ownership: We believe in structure but insist on free thinking. We lead and inspire others to perform through taking on responsibility. We expect our people to get it done and allow them to learn as they grow. We are committed to contributing to our own and the company's success. WE ARE ACCOUNTABLE.

We are proud of our core values and where they have taken us as a company, but our mission is to lead our industry, not to follow. That is why 'The SODIC Way' also includes self-examination that we as a company, continue to reflect the best of Egypt and its people. At present, we are examining these core principles as we shift from a competency-based approach to business to a value-based model.

We have conducted surveys and held workshops to develop values unique to our current environment and are aligned with our mission statement.

Ethics and Integrity

SODIC is continuously and proactively working to avert any unethical conduct or illegal activity that may lead to potential reputational harm or damage to the business or its stakeholders. We promote ethical principles in our day-to-day business practices.

Our internal code of ethics and professional conduct provide clear guidelines for ethical behaviour and professional conduct for all SODIC employees and members of the Board of Directors to enhance our core values and strengthen our reputation and credibility. This code of conduct provides core principles that support daily employee decisions,

empower them to handle ethical dilemmas they might encounter in everyday work, and govern their day-to-day relations with colleagues, agents, customers, suppliers, and stakeholders. The code includes a set of policies that are an integral part of SODIC's business philosophy.

It is the responsibility of each employee to read, comprehend and abide by the code's provisions at all times. Each new employee signs an acknowledgement form confirming they understand the standards to which they will be held as part of the SODIC family. An employee's responsibility does not end with a simple acknowledgement of the code; we require all employees to report unethical conduct, illegal acts, violations or potential violations of our internal policies and the code of conduct immediately, to maintain SODIC's commitment to an ethical workplace. If any employee becomes aware of conduct that may conflict with the company's values and principles, this employee must report such behaviour to management as stipulated in the code. Violations are reported to line managers, department heads, or human resources. All reported violations must be substantiated by documentation. All reported violations and complaints are dealt with professionally, treated with strict confidentiality, including protecting the complainant's identity or whistle-blower when and wherever possible.

Our whistleblowing procedures are reviewed by our Audit Committee and ensure that complaints and concerns expressed by employees of SODIC, its subsidiaries, and affiliated businesses and related outsiders regarding the business and operations of the Group are heard and addressed appropriately. The mechanism outlines the procedures for reporting, classifying, documenting, and investigating complaints and taking the subsequent appropriate corrective actions. Another tool for ensuring ethics and integrity in the workplace is our 'Speak Up' portal, accessible to every employee to voice any work-related concern. Through Speak Up, employees can log in anonymously to inquire about an issue or file a grievance. Grievances submitted on the portal are directly received and dealt with by human resources. Additionally, 'Ask HR', is another channel through which employees can send their inquiries for any work-related matter or ask for advice on a particular situation or behaviour. All our policies, grievance mechanisms and Code of Conduct are available on the SODIC intranet for all employees at all times.

One career dispute related to compensation was received in 2019. It was handled by line management, the concerned department head, and human resources and was resolved to satisfy the complainant. In 2020, there was one formal grievance that was investigated by human resources and was resolved according to our internal policies and code of conduct.

Waivers of any provisions of the Code for company officers must be approved by the Managing Director and/or the Board of Directors or its designated committee and promptly disclosed as per applicable laws and regulations.

Our set of internal policies and code of conduct include guidelines to ensure ethics and integrity are reinforced at all times in all activities. Our policy manual includes policies on equal opportunity and non-discrimination, grievances, harassment, alcohol and drugs, smoking, workspace relations and conflict management, conflicts of interest, use of company property and assets, public speaking and fundraising, employee privacy, confidentiality and information security, customer, supplier and government relations,

and gifts and entertainment.

Our Journey

1996

SODIC is established as a publicly-traded company with more than 6,000 shareholders
The company purchased a plot of land in Sheikh Zayed as part of its founders' vision of developing a residential community on Cairo's western outskirts

1997

Beverly Hills development is launched on a 1.7 million m² plot of land, which today is home to over 2,900 families

2006

Welcomed a new management team

2007

Launched The Allegria, transforming the company's brand identity into a luxury developer

2008

Diversified our land bank and acquired 1 million m² in East Cairo

2009

Ventured into the commercial sector with The Polygon and The Strip developments as well as the luxury sector via the mixed-use development, Forty West

2011

SODIC becomes the first developer to launch a project after the Egyptian Revolution with our Westown Residences, selling out within 48 hours

2012

Launched Westown Hub, our first leasable asset in SODIC West

2013

Launched our Eastown Residences, a project that has demonstrated phenomenal success in terms of sales and price appreciation

2014

Resolved outstanding land disputes, became the first developer to acquire a sizeable land plot after the 2011 revolution, buying a 301-acre plot in New Cairo and launched Vilette

2015

Made entry to the North Coast market and launched Caesar

2016

Concluded deal with Heliopolis Housing on SODIC EAST

Launched Westown Medical Centre — our first medical development

2017

With the turmoil caused by the devaluation of the Egyptian Pound behind us, 2017 led to another growth cycle in the Egyptian economy; SODIC East's landmark first launch of EGP 1.7 billion sold out

Issuance of a presidential decree rezoning Al Yosr to residential land allowed for monetisation of the plot

2018

Signed agreement for second land plot in the North Coast

Awarded 500-acre plot in West Cairo in a partnership deal with NUCA

Launched EDNC

2019

Inaugurated New Zayed with two new projects The Estates & VYE

Launched Club S with its debut at The Allegria Golf Club

Launched Allegria residences in SODIC West

2020

Launched karmell development on 500 acres land plot in New Zayed

Our Sustainability Approach

Building Sustainable Communities

Our aim is not just to build houses, but to build communities. Our approach's foundation is to build safe and active neighbourhoods while being a responsible and profitable business. In its simplest form, sustainability means a better future for everyone. Our sustainability approach shapes our strategy, leads innovation, and drives value creation. We believe this attracts investments, increases profitability and brings prosperity to the wider community.

Our sustainability efforts are focused on six key areas:

- Creating Value
- Developing Our People
- Delivering to Our Customers
- Protecting the Environment
- Sustainability in the Supply Chain
- Supporting Our Community

We follow international standards and internally developed guidelines to manage our people's safety and wellbeing, protect the environment and engage with the community to improve their lives, thereby enhancing our performance and creating value. We strive to embed sustainability across the business and engage with stakeholders to make well-informed decisions that benefit the business and the wider community.

Value creation is our business's primary focus; we aspire to create value for all our stakeholders. We aim to bring profits to our shareholders, returns to our investors, satisfaction and innovative solutions to our customers, personal enrichment and career development to our employees, reliability and continuity to our suppliers, and job opportunities and improved quality of life to our community. Our business strategy is geared towards aligning the interests of the various stakeholders to create good for all.

Sustainability in SODIC starts behind the scenes, where our 'DEEP' philosophy for our people seeks to Develop, Encourage, Engage, and Protect our employees. SODIC offers its employees various learning programmes and training courses to develop their personal and professional skills. We foster a corporate culture of inclusion and expression that encourages employees to come forward with innovative ideas and solutions, voice their concerns, speak up if needed, and maintain an appropriate work-life balance. We conduct employee satisfaction surveys to promote a positive workforce and ensure our employees are content and engaged at work. We seek to protect our employees' health and wellbeing; we internally developed our Health and Safety Manual to ensure the safety of our employees, and we give special attention to the safety and wellbeing of all our customers, residents, and tenants.

We adopt a customer-focused business strategy; our customers are our number one priority; without them, we could not have gotten to where we are today as a company. Customer engagement, customer satisfaction, customer privacy, the quality of our products, innovative solutions and timely deliveries are all tools to ensure sustainable loyal relationships with our customers, both existing and new, that will, in turn, ensure business continuity.

Customers now want more than just four walls and a roof when buying a home. We have responded to these market demands by constantly working to improve our operations to meet our customers' needs and ensure their safety and wellbeing and that of all residents and occupants via our security measures, green spaces, shopping centres, and local sports facilities in our developments. Our journey begins by embedding the concept of sustainability into the design and plan of our projects. Our projects are designed to offer various services and amenities to the homeowner, occupants and the surrounding community. We offer our customers fully integrated communities that encompass residential buildings, schools, medical centres, entertainment facilities and sports centres, as well as shops and restaurants. We manage our projects to ensure the safety of all residents, occupants and visitors.

SODIC is happy to be building communities, but we also aspire to build environmentally conscious communities. Besides being aware of our consumption of raw material and resources and our efforts to reduce it, we are constantly working with our employees on being more environmentally conscious and developing initiatives within our offices. Projects such as the solar sheds, Baddel e-bikes, and installation of LED lights, are some of our internal initiatives to reduce our impact on the environment.

Our procurement processes guarantee a sustained, high-quality service. We guarantee our suppliers' stability and ensure they are abiding by all applicable laws and regulations. All contracts with vendors and suppliers reference national laws and regulations, which emphasise elements of human and labour rights and provide criteria for environmental issues such as waste. Our contracts also include internally developed

rules and regulations that ensure workers' general health and safety on all of our sites. SODIC is currently in the process of becoming CIPS certified (Chartered Institute of Procurement and Supply).

SODIC is passionate about helping young people, women and the physically challenged individuals in the community to acquire the skills and the knowledge needed to face the challenges of daily life. We aim to offer them an opportunity to improved livelihoods and a better future. We believe education sets the fundamentals for community development and economic growth; we partner with local NGOs to help support the learning process of underprivileged students and provide improved learning opportunities in impoverished areas, as well as supporting female working initiatives to improve their lives and their families' lives.

UN Sustainable Development Goals

We are signatories to the United Nations Global Compact (UNGC), and we support all its principles on human rights, labour rights, and the environment. We support the United Nations Sustainable Development Goals (SDGs) that address pressing global challenges. Many of the SDGs are relevant to both SODIC and Egypt. Still, our biggest contribution is to these particular goals: ending poverty, good health and wellbeing, quality education, decent work and economic growth, sustainable cities and communities, and industry innovation and infrastructure.

Ending Poverty: Poverty reduction is a global goal and a role of governments; however, we believe our industry is a key contributor to poverty alleviation through employment opportunities, that being a labour-intensive industry, we provide thousands of employment opportunities through our value chain. We use around 4000 local suppliers and employ over 30,000 people directly & indirectly.



Good health and wellbeing: Healthy people are a mainstay to a successful business and a prosperous society. Our people's health and wellbeing are core values to us; we comply with applicable laws, internally developed guidelines and voluntarily adopted international standards to ensure the safety and wellbeing of our employees, our customers, and the community at large. We also contribute to societal wellbeing by supporting the arts and athletics; we sponsored Para-athletes in 2019 and sponsoring the Special Olympics first Pan African games in Egypt in 2020.



For more information, see *Our People* and *Supporting the Community* .

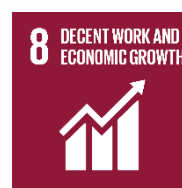
Quality Education: Egypt's education system is strained with the continuing population growth and the investments required to support the education system are enormous. Quality education is fundamental to developing the skills and knowledge needed to enable people to shoulder the responsibility of a developing community and provide them with good livelihoods. We contribute to quality education by developing an educational curriculum and providing teacher training and vocational training



For more information, see *Supporting the Community*.

Decent Work and Economic Growth: we contribute to economic growth through tax payments and employment opportunities. We observe all applicable labour laws and regulations and human rights principles and offer our people a decent and safe workplace. We develop our people and help them build their skills. We make sure all contractors and suppliers commit to the same standards.

For more information, see *Our People* .



Sustainable Cities and Communities: We contribute to sustainable communities by planning and designing our projects to promote sustainable living. We provide our customers, residents and occupants with a healthy and safe environment in an inclusive community that offers sports facilities, medical facilities, services, and amenities to address their needs.



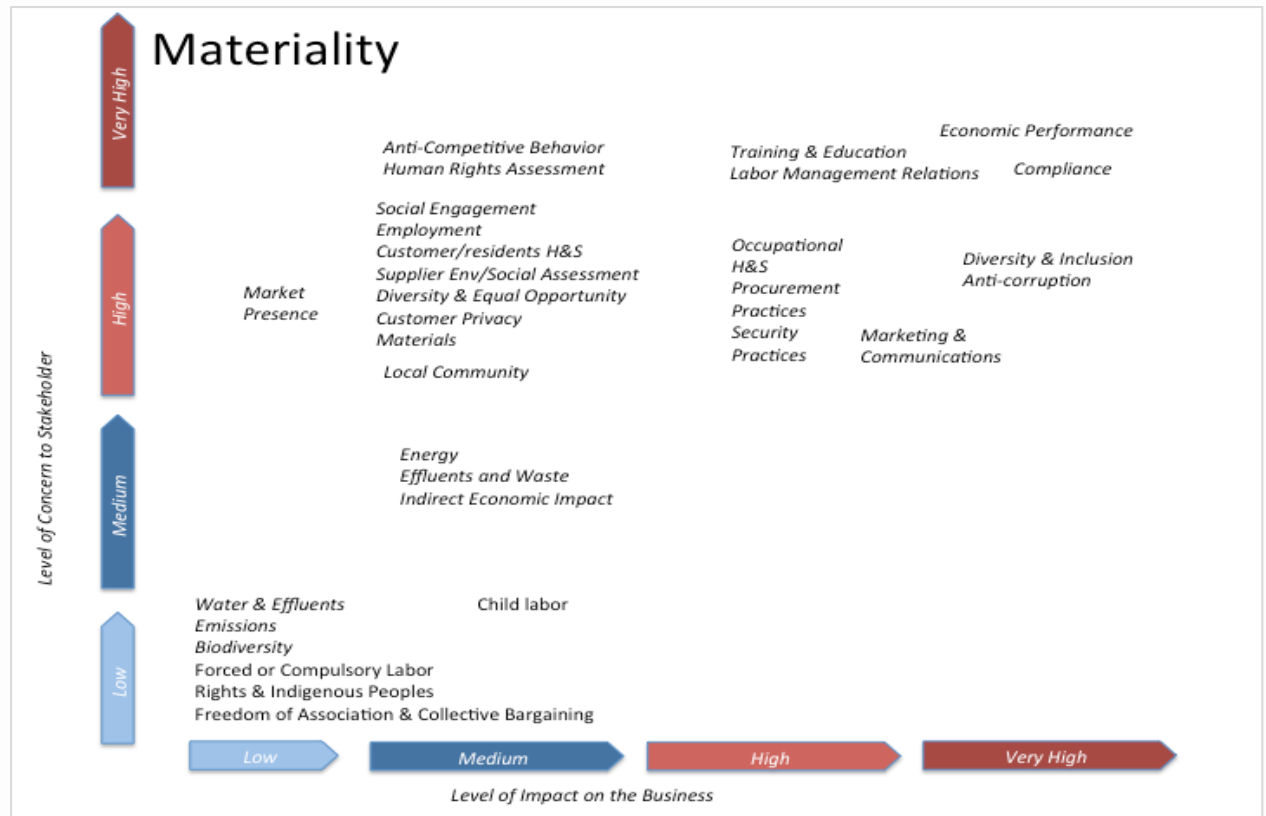
Industry Innovation and Infrastructure: We seek to use the most efficient structural methods to reduce material usage and energy. Within our projects, we aspire to optimise our buildings' form and design to provide natural daylight reducing consumption of electricity. Some of our projects use load-bearing walls in our buildings; those are isolated concrete foam that provides exceptional noise reduction and thermal insulation, resulting in less energy consumption. We have similarly used the flat slabs method in some of our construction that resulted in a reduction in material usage. We are introducing the new concept of expandable apartments within a multi-family building design (Neo) that allows residents to grow their home as their family grows. SODIC is also a pioneer in introducing the first solar-powered town and twin homes in Egypt (Sol).



SODIC introduced a new innovative finishing solution, FlexiFinish®, to the market, coinciding with the launch of its upscale Villette apartment buildings, the VResidences. FlexiFinish® offers clients an almost finished unit at a reduced cost and more flexibility of adding the final touches to their taste.

Materiality Approach

As this is our first sustainability report, we have carefully thought about what to report on that is material to SODIC. We have had internal formal and informal discussions with executives and department heads and the sustainability team in SODIC to identify the topics most material to us in accordance with the GRI materiality principle. We trust it will be more beneficial to perform a formal stakeholder consultation to better identify the topics our stakeholders want to see reporting on in the future.



Stakeholder Engagement

Our stakeholders play a vital role in the success of our business. It is an undeniable fact that stakeholders, be they our employees, suppliers, investors or customers, influence our business and our business decisions and impact them and their livelihoods. These interrelated connections with our stakeholders create our existence's fundamental pillar and our drive for progress. For our business to grow, we need to continue to offer new solutions, innovative ideas and develop new projects. We seek our stakeholders' support always, so we engage them and benefit from their knowledge and expertise; we involve them in reducing our risks and increasing our success.

Management Approach

We have determined the engagement strategy for each stakeholder group, identified the channels of engagement, worked with their concerns and/or ideas, and developed a mechanism to address those concerns and/or opinions.

Stakeholder	Strategy	Methods of Engagement	Key Sustainability Concerns Raised During the Engagement Process	Response	Frequency of Engagement
Customers & Residents	Engagement	<p>We engage directly with customers at our developments and sales centres, via our website, through social media, our mobile app, focus groups, satisfaction surveys and post-occupancy research;</p> <p>We host community events to create a sense of belonging and affinity in our developments.</p>	<p>Customers prioritize product quality and expect us to deliver a defect-free home;</p> <p>Wanting to feel welcome and engaged in their new community as quickly as possible;</p> <p>Services, amenities and the quality of our facility management are also of key importance;</p> <p>Affordability of housing remains a concern for many buyers.</p>	<p>We design our products to meet high quality standards;</p> <p>We engage with reputable suppliers and we supervise construction to ensure quality in execution;</p> <p>We carry out community events to create a sense of belonging;</p> <p>Our subsidiary, Edara, provides services to occupants;</p> <p>We now offer more flexible and longer-term payment plans.</p>	Daily

Employees	Involvement Engagement	<p>We engage with our employees and seek their views through a range of formal and informal channels, including:</p> <p>Interviews</p> <p>Meetings</p> <p>Newsletter & Intranet</p> <p>SODIC Training Academy</p> <p>Innovation portal</p> <p>Surveys</p> <p>Employee Engagement (team building events, companywide gatherings & town hall meetings)</p> <p>Speak-Up portal & grievance mechanism</p>	<p>Alignment on company's mission, vision, and objectives</p> <p>Reward and recognition</p> <p>Equal opportunity</p> <p>Wellbeing of employees</p> <p>Employee retention</p> <p>Being updated on the running projects, achievements, revenues, and company developments</p> <p>Clear career path/growth</p> <p>Channels to voice and discuss employee complaints</p> <p>Involvement in strategy implementation</p>	<p>Induction Programme</p> <p>Rewards and recognition programmes</p> <p>Talent Programmes/Academics</p> <p>Health & Safety Manual</p> <p>Newsletter</p> <p>Company events</p> <p>Organisational announcements</p> <p>Speak-Up portal</p> <p>Innovations platform</p> <p>Strategy events</p> <p>Town hall meetings</p> <p>Exit interviews</p> <p>Survey outcome reports</p> <p>Introducing a clear performance management policy</p> <p>Grievance Policy</p> <p>Significant operational changes and calendars are provided at the beginning of the year</p>	Ongoing—quarterly and/or annually
Investors	Engagement	Communication with investors and analysts are an ongoing practice throughout the year and	<p>Financial & Operational performance</p> <p>ESG impacts</p>	<p>Commitment to compliance to SODIC governing framework.</p> <p>Periodic publication of corporate governance reports.</p>	<p>Annual Shareholder Meeting</p> <p>Annual UNGC Communication on</p>

		<p>includes:</p> <p>Regularly scheduled Investor Relations events,</p> <p>One-on-one and group meetings,</p> <p>Tours of our properties,</p> <p>Routine contact with the Investor Relations Department,</p> <p>Investor Conferences and Roadshows,</p> <p>Annual Shareholder Meeting,</p> <p>IR website,</p> <p>IR mailing list, and</p> <p>Annual Report.</p>	<p>Corporate Governance</p> <p>Anti-corruption</p> <p>Transparency</p>	<p>Periodic publication of UNGC communication on progress reports.</p> <p>Publication of a GRI-based sustainability report.</p> <p>Communication of business objectives and annual targets.</p> <p>Timely periodic communication of results.</p>	<p>Progress Report</p> <p>Annual communication of business objectives and targets</p> <p>Quarterly Governance Report</p> <p>Quarterly periodic communication of results</p> <p>Regular Disclosures</p>
Suppliers & Contractors	Integration Contractual agreements	<p>Tenders processes ended with contracts</p> <p>Supply purchase orders</p> <p>Regular meetings</p> <p>Contractual letters</p> <p>Technical submissions</p> <p>Correspondences</p>	<p>Scope of works and liabilities</p> <p>Supply agreements</p> <p>Fairness in awarding of contracts</p> <p>Timely payment of dues,</p> <p>Occupational Health and Safety.</p>	<p>Procurement Process</p> <p>Payment of dues on time</p> <p>Health and Safety rules shared and enforced</p>	Regularly

Land partners	Engagement	<p>Some of our developments are delivered through partnership agreements with private landowners. This involves engagement through meetings at the agreement phase and is subsequently governed by the terms of the contract executed on the deal.</p> <p>Engagement through the life of the project includes periodic reporting on the performance and progress of the project.</p>	Fulfilling business obligations from financial commitments and delivery timelines	SODIC adheres with all its contractual obligations, including on-time delivery and meeting financial obligations.	Regularly
Local Authorities/Regulators	Engagement Involvement	<p>We interact with the:</p> <p>Ministry of Housing, New Urban Communities Authority (NUCA) & Local Governorates in relation to our business, Land tenders, Land Conditions submission and discussions,</p>	<p>Government priorities include:</p> <p>Placemaking, Timely execution and delivery, Expanding urban development to the outskirts of congested city to alleviate pressure on the city centre infrastructure.</p> <p>ESG impacts are becoming of increasing importance.</p> <p>Financial & Operational</p>	<p>Commitment to compliance with SODIC governing framework</p> <p>Periodic publication of corporate governance reports</p> <p>Communication of business objectives and annual targets</p> <p>Timely periodic communication of results</p> <p>Timely disclosures and adherence to</p>	<p>Quarterly governance report</p> <p>Annual UNGC communication on progress report</p> <p>Annual communication of business objectives and annual targets</p> <p>Quarterly periodic communication of</p>

		<p>Meetings, Technical submissions, and Correspondence.</p> <p>As a listed entity, we engage with the EGX and the FRA through:</p> <p>EGX and FRA disclosures, Project approval processes, and Quarterly Financial Results.</p>	<p>performance on projects where NUCA is our land partner,</p> <p>Adherence to land award conditions,</p> <p>Adherence to approvals and building permits,</p> <p>Adherence to local laws and regulations,</p> <p>Occupational Health and Safety, and</p> <p>Compliance with listing rules and regulations.</p>	<p>listing rules</p> <p>Commitment to compliance with all rules and regulations</p> <p>Periodic reports and communication</p> <p>Adherence to relevant local laws regulations</p> <p>Code of conduct and business ethics</p> <p>Compliance with approvals and building permits</p> <p>Health and Safety rules enforced on site</p>	<p>results</p> <p>Regular disclosures</p> <p>Regular compliance</p>
Community NGOs	Engagement Partnership	<p>We partner with non-governmental organisations on all our community initiatives to ensure maximum impact.</p>	<p>Providing education to underprivileged children</p> <p>Providing equal opportunity and women empowerment</p> <p>Providing decent living conditions</p>	<p>Our community activities focus on education, rehabilitation and equal opportunities.</p>	<p>Periodic meetings</p> <p>Periodic progress reports</p>

Creating Value

Building Better Places

We believe that real estate is about much more than just buildings; we believe it's a platform for innovation and inspiration. Since SODIC's founding, we have been operating with a deep-rooted belief that there is untapped potential in Cairo's outskirts, away from the congested city centre. From early on, we recognised the vast opportunity to provide our customers with a better quality of living, deliver results for investors and bring life to the arid desert land surrounding Greater Cairo by building communities meant to last and provide its residents and occupants with a profound sense of belonging.



As the Government of Egypt continues to implement its Sustainable Development Strategy Vision 2030 (SDS), SODIC continues to play an active role in two key aspects of SDS: first, by promoting population settlement in the new developments to help decentralise Egypt's heavily urbanised cities of Cairo and Alexandria; and secondly, by delivering carefully planned, low-rise, mixed-use developments to provide residents and occupants with green and open spaces. We are proud to say that our developments provide a minimum of 50% of its total area of green and open spaces.

Placemaking

As a pioneer of West Cairo development, SODIC is one of the key founders of the vibrant city of Sheikh Zayed on western outskirts of Cairo. Our development SODIC West accounted for 15% of Sheikh Zayed City and was one of the first projects launched in the Sheikh Zayed Area. Since our inception, we committed to a responsible and holistic approach to new developments, and we succeeded in delivering on this promise of superb placemaking. We have catered to the evolving desires of the Egyptian people; our customers, residents and occupants by providing them with vast green public spaces that promote happiness, health and wellbeing through our high-quality projects, enhancing community wellbeing and leaving a lasting legacy for future generations.



SODIC West was only the beginning; today, we have ten integrated large-scale projects catering to a wide range of residential, commercial and retail customers in West Cairo, East Cairo and the North Coast.

In 2019, we deepened our ties to the Sheikh Zayed area and its urban residents when we launched the city-centre developments of Estates and VYE, offering residential homes as part of integrated mixed-use developments and offering a wide range of products to meet the budgetary constraints of homebuyers at all levels without sacrificing on quality.

On the East side of Cairo, we continue to develop our world-class, 655-acre development SODIC East, adjacent to El Shorouk City, just minutes away from New Cairo and the New Administrative Capital, providing customers with an integrated, mixed-use development that includes an impressive proportion of over 84% public green spaces versus built-up areas.

Delivering low-rise, mixed-use developments with large green and open spaces in these

new urban communities allows us to create positive change on Egypt's outsized urban footprint and further shape consumer's tastes when looking to buy a new home. On average, 50% of the developed land in our existing developments is dedicated to open spaces and road infrastructure.

Infrastructure and the Wellbeing of Our Residents

We plan and invest in infrastructure and facilities that help make our developments places where people want to live long-term, live their best lives, build personal businesses, or raise families. This commitment includes community and leisure facilities, medical facilities, retail outlets, transport infrastructure, educational establishments, green spaces and public art.



Increasingly, we aim to install infrastructure at the earliest possible stage, to help in the successful development of a new community, increase sales by making new developments more desirable to prospective buyers and provide new facilities to benefit existing residents.



Our developments' design and layout can impact future residents' health and wellbeing. We encourage walking and cycling and to encourage residents to adopt healthier lifestyles by integrating natural elements, green spaces, and access to leisure and exercise facilities. Inside our homes, we consider factors such as noise, natural light, air quality and renewable energy.

In addition to our internal infrastructure, SODIC also makes donations to support public infrastructure works. In 2019 SODIC contributed EGP 5 million to the maintenance of El Mehwar, a vital highway connecting central Cairo with Sheikh Zayed and the Sixth of October districts, used daily by hundreds of thousands of Egyptians to commute to and from the city for business and leisure. We also donated EGP 5 million to Tahya Misr Fund, a national fund established to implement national development projects in urban development, healthcare, social support and economic empowerment.

Integrated Communities

When moving into a new home, people want to feel they are part of a thriving local community; they want to feel they belong. However, it takes time and effort to establish social networks on new developments. The way we live, work and shop today often means fewer day-to-day opportunities to interact with the people who live nearby. To help create that sense of belonging, we organise large-scale events and community gatherings throughout the year to engage communities. The infrastructure we weave into our development, including schools, medical facilities, office and retail spaces, provides our residents with opportunities to set down roots in the development and thrive and engage their neighbours on a more personal level. Our clubs and sports facilities also provide a platform for our residents to connect. During the year, we launched Club S in The Allegría, a state-of-the-art sports and social club serving our 20,000 residents in SODIC West.



We also place great focus on mobility to and from, as well as within, our developments. Through Edara, our facility management arm, we operate a bus service to and from SODIC West providing residents with an option to reduce their carbon footprint daily commute to the city centre. We also offer various environmentally friendly options for internal transport inside our developments, such as electronic bicycles and electric club car service in SODIC West. Our newest development in East Cairo, SODIC East, is situated 3 minutes away from the monorail station currently under development by the government, providing ease of accessibility to the development, and encouraging people to use public transport to reduce their carbon footprint.

Homes and Offices of the Future

We invest in research to remain on the cutting edge of modern home building meeting and exceeding continuously changing customer needs. This innovation-driven approach has improved SODIC's efficiency in response to social, demographic, economic and environmental trends. Our Chief Development Officer coordinates our research efforts. In 2019, we rolled out two new home innovations focusing on energy and resource efficiency. Solar-powered townhouses (Sol) were introduced in VYE to provide clean energy to residents. Expandable apartments (Neo) were also offered in VYE, thereby minimising the built-up space and materials used, but designed to grow with our homeowners as their need for space increases, Neo grows with their families.

In addition, SODIC is introducing a new office concept that offers office spaces fully furnished and equipped from the high-speed internet and conference rooms down to the tea and coffee machines; basically, it is furnished with everything needed to start an office. The new solution will be launched at The Portal Business Park, located at the center of SODIC West and includes over 30,000 sqm of Class A office space. This solution is planned to be offered across all SODIC commercial projects at later stages.



Economic Value Creation

Twenty Five years of success in the real estate development sector has secured SODIC's legacy as a business success story. Still, we aim to provide a legacy of value creation and positive long-term sustainable community impact. As we pursue excellence in everything we do, we ensure our ability to sustain profitable returns, employment, environmentally positive development and strong governance for decades to come through the consumer knowledge that the SODIC brand stands for quality, longevity, and genuine concern for customers' satisfaction and wellbeing; from the day they purchase their first SODIC house and on through the years as their development management.



Although our business model today is primarily focused on the development and sale of mixed-use projects, we have, in recent years, been building prime assets within our developments to retain for lease to build greater resilience into our business model.

Financial performance

In 2019, we recorded EGP 5.3 billion in revenues, an increase of 43% from the previous year, with EGP 1.5 billion in gross profit and EGP 719 million of net profit. The Board of Directors recommended a dividend of EGP 0.55 for our shareholders, a 10% growth over the previous year despite the outbreak of COVID-19, signalling confidence in SODIC's strength and sustainability. During 2019, we made EGP 1.2 billion in land payments to the government and our land partners. We spent over EGP 3.1 billion on construction, allowing us to deliver 1,170 units across our developments. We sold 1,400 units across our projects in 2019 with a record of EGP 7.3 billion in new sales.

In 2020, we continue to perform, and we achieved EGP 5.6 billion in revenues, with EGP 1.8 billion in gross profit and EGP 820 million of net profit. The Board of Directors recommended a dividend of 0.55 for our shareholders, the proposal to distribute dividends for the third year in a row despite the uncertainty caused by the ongoing COVID19 pandemic is a testament to the confidence of the management in the future prospects of the company and the resilience of the sector, and demonstrates the company's commitment to have a sustainable distribution to shareholders backed by SODIC's liquid balance sheet, solid financial performance, and strong cash flows. During 2020, we made EGP 503 million in land payments to the government and our land partners. We spent more than EGP 3.4 billion on construction, allowing us to deliver 1163 units across our developments. We sold 1361 units across our projects in 2020 generating EGP 7.4 billion in new sales, a new record.

Contribution to the Economy

We operate in a sector of significant national importance with real estate and construction, contributing to over 16% of Egypt's GDP¹.

Using our 25 years' experience, we help shape the residential development sector's future success through an open and positive dialogue with the government. Another, more immediate, contribution comes through employment. SODIC directly employs more than 600 employees with an additional 3,300 employees employed by our operating subsidiaries, mainly our facility management arm, Edara. SODIC also indirectly employs over 30,000 people by creating opportunities across our value chain and outsourcing to contractors and other service providers for construction purposes. We contribute directly to public finances through taxes on profits, land and property, and indirectly through our material acquisition and subcontracted work along our supply chain. Our local suppliers compose 95% of our overall pool of suppliers; we use the services of over 3,400 – 4,000 local suppliers to whom we make payments of between 2.4 - 3 billion Egyptian pounds annually. The value of land has appreciated over the past 25 years in Sheikh Zayed, where SODIC contributed to the development of 15% of the total land area of the city over the past 25 years.

SODIC did not receive any major financial assistance from any government agency or authority; including government incentives, subsidies or tax exemptions during the reporting period.

Table 1 Financial Performance 2019

Items in EGP (unless stated otherwise)	2018	2019	2020
Gross Contracted Sales (EGP)	5.5 billion	7.3 billion	7.4 billion
Delivered Units	1,079 units	1,176 units	1,163 units
CAPEX	2.4 billion	3.1 billion	3.4 billion
Revenue	3.7 billion	5.3 billion	5.6 billion

¹ <https://www.gafi.gov.eg/English/whyegypt/Pages/Economical-Indicators.aspx>

Gross Profit	1.2 billion	1.5 billion	1.8 billion
Operating Profit	336 million	702 million	1 billion
Net Profit Attributable To Equity Holders	449 million	719 million	820 million
Total Operation Costs (COGS / Cost Of Sales)	2.5 billion	3.9 billion	3.8 billion
Year-End Cash And Equivalents	3.3 billion	2.9 billion	1.5 billion
Dividend Per Share	0.5	0.55	0.55
Basic Earnings Per Share	1.29	2.06	2.30
Total Payrolls	141 million	216 million	248 million
Total Benefits	33 million	48 million	35 million
Finance Income	512 million	444 million	221 million
Finance Cost	110 million	216 million	148 million
Taxes	287 million	209 million	265 million
Community Investment	5.4 million	5 million	8.3 million

For the financial year ending December 31st 2020, the Company has chosen early adoption of EAS/IFRS amendments; In addition, some reclassifications and changes in presentation on the financial statements were introduced to provide a better representation of our liabilities to our clients. Figures for 2020 presented here reflect the aforementioned changes.

Developing Our People

Our Culture

[Our People Matter]



Employees are the driving force in attaining business sustainability, becoming the keystone of any business' success and longevity in the dynamic and volatile world in which we live. While we are determined to build lasting structures, we collectively believe that such a goal cannot be accomplished without building a strong and capable team, fully equipped and motivated to the realisation of this goal. We have built our workplace culture with this ethos in mind, ensuring it permeates every level of our corporate culture.

Our culture embraces learning and growth, innovation and creativity, accountability and responsibility. We aim to promote an environment within SODIC where our employees work together to reach their ambitions while achieving organisational goals and building healthier, more sustainable communities. We seek to attract and retain talented employees who will optimise our performance and achieve our goals. To that

end, we developed a variety of programmes; our Employee Ownership Programme aligns employees with company strategy, our leadership development programmes and incentives; the Talent Management System and the SODIC Graduate Development Programme cultivates young leaders across the organisation; and our Retention Plan that cements SODIC's positioning as an employer of choice and retains SODIC's talented and high calibre employees.

SODIC's culture supports and encourages innovation and change. We always welcome ideas that allow SODIC to excel and transform; we encourage our employees to develop original ideas that provide solutions to workplace challenges, conflict resolution and goal setting. We recognise that innovation is a requirement, not a luxury. To that end, we have set up an innovation programme that encourages our employees to take an active role in SODIC's future growth and direction. This yearly challenge asks employees to develop and submit inventive and ground-breaking ideas that address the business's key issues.

In 2019, 32 of 96 ideas submitted to our innovation portal were studied further to ascertain their practicality and utility for the company. Eight of those ideas are currently ready for implementation, and three are already being implemented. In 2020, 'The Cube' online portal provided space for a variety of activities, where employees were able to join webinars, solve riddles, contribute to charity (the Egyptian Food Bank), as well as submit innovative ideas, all related to COVID-19 challenges, and out of the 43 ideas presented, 10 were voted top ideas and 15 were recommended for further study.



We foster a culture of accountability and responsibility. We expect our people to assume responsibility for their work activities, personal actions and business decisions affecting the business, directly or indirectly, and address issues proactively and persistently.

Our HR strategy promotes personal and professional development, incentivises competence and high-performance, and builds a sense of ownership. SODIC dedicates

continuous efforts to our long-term goal of becoming an employer of choice, investing heavily in recruiting, training, and retaining the best talents in the market. Our recruitment strategy is tied to our organisational goals. Management adopts a set of human resource policies for selection and recruitment, promotion, compensation, training and development amongst other principles to ensure SODIC attracts and retains top talents in the market. Our HR strategy focuses on adding value to the company and ensuring sustainability through our greatest asset: our employees.



Our Workforce



We manage our workforce in a manner that optimises performance and enhances competency. We have a diverse team of employees with a wide range of skills. We seek to retain skilled and talented individuals that drive the business forward and increase productivity. We have systems that enable consistent engagement with our employees, to inspire and incentivise them. SODIC established a set of policies and a code of conduct that ensures every employee understands their rights and responsibilities. We are aware that business decisions affect our employees, so to avoid creating unnecessary concern about organisational or structural changes, we inform employees of operational changes well in advance, and take all the necessary measures to ensure alignment on operational changes. Compared to local minimum wages, our entry-level wages, show the competitiveness of SODIC's compensation packages. Our minimum wage is higher than both the industry average and the national minimum wage; and notably, ancillary jobs are compensated at a rate that is more than double the national average. Our efforts to maintain a healthy and satisfied workforce are reflected in the relatively low employee turnover rate. In 2019 and 2020, we had

an average of 4,152 and 3,876 people respectively directly employed (2018: 3,429) across SODIC and its subsidiaries, of which an average of 850 are employed in SODIC HQ, and 3,150 are employed in SODIC subsidiaries. We also provided opportunities for 30,000 workers on our sites. Our voluntary employee turnover rate for those in SODIC's HQ was 13% in 2019 and 9% in 2020 (2018: 11%). We aim to keep this below 15%, far below the industry norm, which stands at around 25%.

Headcount	2019			2020			
	Male	Female	Total	Male	Female	Total	
Sodic HQ	SODIC Payroll	516	144	660	529	156	685
	Outsourced	151	16	167	146	18	164
	Consultants	11	4	15	12	4	16
Total Sodic HQ Employment	678	164	842	687	178	865	
Subsidiaries	EDARA	2,021	108	2,129	1,782	102	1884
	SODIC Clubs & Hotels	375	49	424	399	55	454
	Beverly Hills	727	30	757	649	24	673
Total Subsidiaries Employment	3,123	187	3,310	2,830	181	3,011	
Total SODIC Employees (w/o outsourced & consultants)	3,639	331	3,970	3,359	337	3,696	
Total Operating Group	3,801	351	4,152	3,517	359	3,876	
Contractors (Approximate number)	30,000			30,000			
Total Workforce	34,152			33,876			

Human Rights

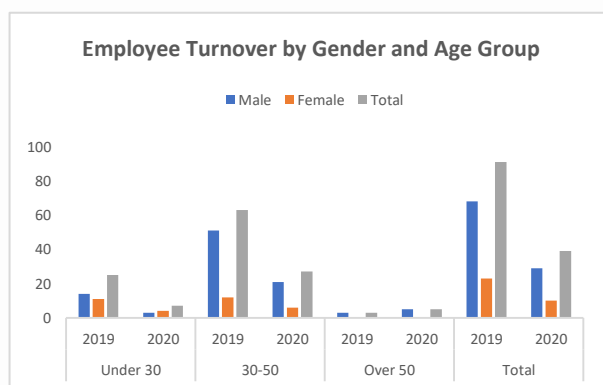
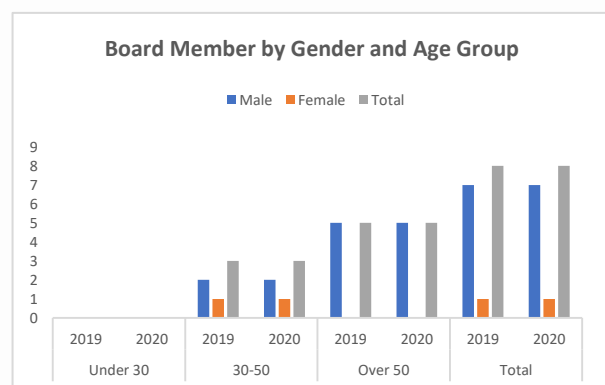
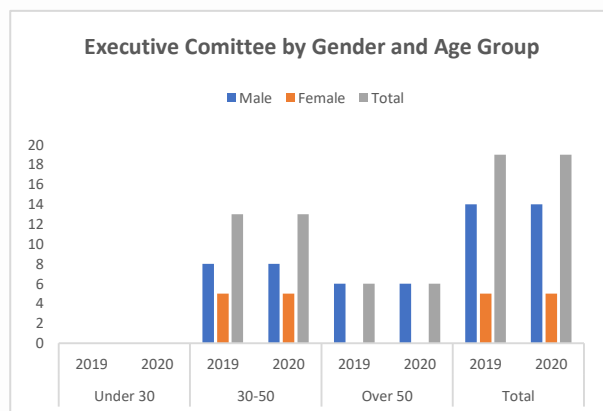
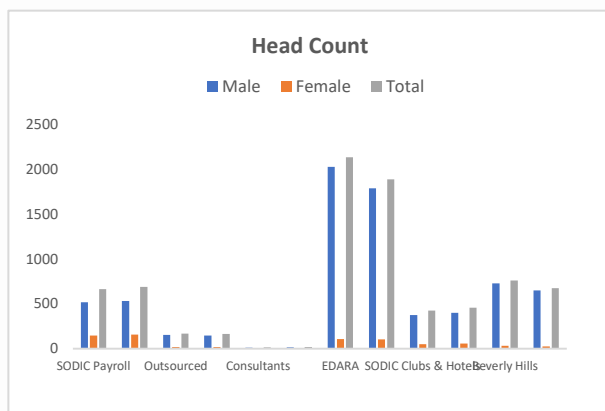
Management Approach

SODIC has a set of internally developed policies and procedures overseen and reviewed by the audit committee to guarantee human rights and labour rights in the workplace. We also conform to all the applicable national rules and regulations related to human rights and labour rights. Furthermore, SODIC is a signatory to the UNGC principles. We are adamant in monitoring human rights and labour rights in the workplace and ensuring that all contractors apply the same standards with their workers involved in SODIC projects.

Work-Life Balance



SODIC promotes a work-life balance culture, so employees can enjoy their professional, personal and family lives equally. We develop an annual calendar with all holidays and communicate it to employees at the beginning of the year to plan their vacations accordingly.



Voicing Concerns



SODIC promotes employee engagement; the Employee Committee aims to promote a culture of openness and employee engagement. Through this committee, employees can voice their concerns and acquire feedback on any business-related issue. Through the same committee, they can also suggest new ideas to improve employees' experience and raise their engagement levels. There are also multiple tools available for employees to voice their concerns; whether through our Speak Up portal, our grievance mechanism or our whistleblowing procedures all aimed at guaranteeing employee engagement in personal issues as well as organisational-wide matters.

Non-Discrimination



SODIC's Code of Conduct includes a section on 'Equal Opportunity and Non-Discrimination, which reads as follows:

'All SODIC employees are treated equally. SODIC has no preference and does not undergo any discrimination towards employees belonging to a particular ethnic group, colour, religion, gender or race.



'We also apply no differentiation against employees in regards to social status, marital status, age and/or disability. We value our employees' contributions, and all employment practices are based on performance and capability. SODIC provides equal employment opportunity for all candidates and does not apply any discrimination against them regarding the above criteria.

'Our human resources policies ensure that employment practices such as hiring, advancement, termination, remuneration, and training decisions are based on objective factors, performance and capabilities and not in any way related to gender, age, nationality, ethnicity, race, language, mental or physical disability, or any other discriminating factor. Instead, this is determined by skills, qualifications and/or experience required for the position in question'.

SODIC has had no reports of incidents of discrimination.

[Zero incidents of discrimination](#)

Child Labour

[Zero-tolerance to child labour](#)



SODIC has a zero-tolerance policy regarding child labour and has had no incidents of child labour in 2019 - 2020. SODIC guarantees this by strictly adhering to the applicable national labour laws and regulations. Additionally, our contractual agreements with our suppliers, service providers or contractors clearly state that they should conform to the relevant national labour laws and regulations and refrain from hiring any children in SODIC's projects or any of their operations. Any violation to any of the terms of the contract would be grounds for penalties or termination depending on the contract's nature.

Harassment



SODIC promotes a harassment-free environment. There is a harassment policy in place that protects employees from any form of harassment. There is a secure reporting mechanism in place and in case of the occurrence of any such incident, management, after a thorough investigation, will take the necessary corrective and/or disciplinary actions.

Safe Workplace



It is a mandate and an ongoing commitment for SODIC to protect its employees' health, safety, and wellbeing and ensure a safe workplace for all. Workplace violence is not tolerated, whether within the company premises or outside it in any work-related activity.

Abuse of alcohol and illegal drugs compromises work productivity and jeopardises the company's image. Employees, vendors, and visitors cannot consume alcohol or drugs on the company premises or during work-related activities. Violations are reported, investigated, and the necessary corrective and/or disciplinary action is taken.

Maintaining a smoke-free environment conveys SODIC's commitment to sustain a safe and healthy work environment for all employees. All employees, vendors and visitors are prohibited from smoking inside company premises.

Employee Satisfaction

SODIC ran an Internal Net Promoters Score survey asking our staff how likely they were to recommend SODIC as an employer, achieving a high score of 44.7. We are breaking down the INPS measurement on critical employee response points to understand, realistically, our strength areas and shortcomings as an employer. We want to make sure our employees are engaged across the organisation and at every touchpoint.

Employee Benefits

- Medical Insurance
- Life Insurance
- Travel and Transportation
- Career Development Paths
- Pension and Retirement Plan
- Fellowship Fund
- Daycare Centre
- Flexible Working Hours



All SODIC employees enjoy the same benefits, and they are all, including the outsourced employees, covered by medical insurance, life insurance, pensions and retirement programmes. Our employees' medical insurance is provided by two of the leading international providers of medical insurance. Our employees are covered either by BUPA, a British international healthcare provider and multi-faceted insurance group, or AXA, a French multinational insurance firm.

The Fellowship Fund is a fund for SODIC employees aiming to alleviate or mitigate financial hardships incurred by our employees. The Fund may cover financial

obligations that are not covered by employee medical insurance such as marriage, child delivery, family deaths, and/or accidents. Our primary focus is to create a family-like bond with our employees and make them feel supported in difficult times. Allianz manages the Fund together with a back-office investment manager from EFG. The Fund is financed by 100 Egyptian pounds deducted from each employee's monthly salary and an equal amount contributed by SODIC. Between 2015 and now the fellowship fund covered more than 202 births, 103 marriages, 43 medical cases and operations for a totalling over EGP 985,000.

A pension plan for SODIC's employees was created in 2015. SODIC contributes an amount equivalent to 7% of the employee's annual salary, and the employee contributes 3% of their yearly salary, with total contributions amounting to EGP 20 million in 2019. In 2020, due to COVID, contributions were suspended for most of the year. Contributions go into an investment fund, and in the case of an employee leaving SODIC, they are compensated for their investment and the interest

Employee Digital Portals



SODIC developed the digital portal, 'My SODIC', available to SODIC employees, to enhance employee engagement and productivity. We designed an online employee handbook that communicates employee benefits, rights, and obligations on the portal. The manual states employee-related matters such as terms of employment, career progression, leave entitlements, internal transfers, insurance and pension plans. Additionally, we designed 'The Cube' online portal for sharing innovative ideas, allowing employees to post new ideas and discuss them with their colleagues and management. SODIC also maintains a set of behavioural policies on the company intranet that remain in effect and are reviewed yearly.

Travel and Transportation

All employees are given the option of commuting to work on company provided buses, reducing their carbon footprint through mass transit. SODIC provides transportation services to all non-managerial level employees with its fleet of 28 vehicles, transporting around 378 of our staff daily, this was reduced in 2020 due to the work from home arrangements in response to covid-19. Employees who choose to use their cars have personalised parking spots reserved to protect their cars and provide hassle-free daily parking. All employees below managerial level are entitled to transportation as part of their benefits. Our business travel policy provides employees working on remote sites with accommodation, a *per diem*, a salary uplift, and transportation allowance.

Diversity and Inclusion

Diversity and inclusion are of high priority to our business; they enable us to better understand our customer base, widen our potential talent pool, and increase our teams' productivity and effectiveness. We are making progress on our Diversity and Inclusion Strategy, but have more to do. In 2019, we welcomed our first female representative to our Board of Directors, Mrs Elizabeth Critchley. The step mirrors our diversity efforts internally to have an inclusive environment for women. In 2019, 26% of our leadership team were women, and females represented 22% of SODIC's

Headquarters' staff, and continues to be so in 2020. SODIC also promotes a diverse and inclusive workforce through the various religious, educational, socio-economic and political backgrounds. We aspire to create a pool of a truly diverse workforce that will wholly benefit our creativity, productivity and ROI.

Our Working Mothers



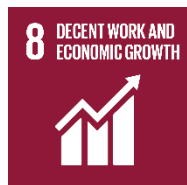
As part of our women's empowerment initiative, SODIC dedicated space for a daycare centre to provide our working mothers with a place to leave their children in a safe and healthy environment while at work. The SODIC daycare is fitted with bathroom facilities, a kitchenette and equipped with feeding chairs, sleeping mats and toys. The daycare centre also doubles as an after-school facility for older children. SODIC has recently upgraded the facility to include an outdoor play area.

Training and Development

Our Management Approach



SODIC passionately supports career development and growth. We are committed to the continuous development of our people. Our employees are our greatest assets; we support talented and ambitious employees to achieve their potential. Our training and development policy fosters both individual and organisational objectives, and are cost-effective. The human resources department sets an annual learning and development budget, develops training procedures and designs a training plan for all employees.



SODIC implements an application-based training and development programme for eligible staff and every year between 60-70% of eligible employees apply. In 2019, 246 employees received training, around 50% of SODIC's eligible employees, in 2020, 23 employees received training as some were on hold due to COVID -19. On average, training sessions last two days or 16 hours. A training calendar is sent to employees during performance management and is categorised by objectives and management level (seniority).

Besides our Leadership and Management Programmes, SODIC seeks efficiency from its employees by promoting strong foundational work ethics, such as team building and performance excellence, cooperation and collaboration, adaptability and responsiveness, and encouraging a culture of accountability on the individual level and amongst its teams.

Our Development Programmes

Leadership Programme: Equipping our leaders with the tools necessary to grow, maintaining our leadership capabilities and preparing the next generation of leaders.

Management by Objectives (MBO): cascading SODIC's strategy through strategic initiatives broken down into work objectives and assigned to different departments. These objectives ensure organisational alignment towards one vision.

Retention Plan: Developing a comprehensive retention plan that will cement SODIC's positioning as an employer of choice and retain SODIC's talented and innovative team members.

SODIC's human resources department and the learning and development division offer yearly internship programmes. We are constantly on the lookout for new and talented individuals to add to the SODIC family, so our internship opportunities for undergraduate university students allow them to gain practical work experience and utilise their skills and help them learn to balance the personal requirements of a full-time job. Our Recruitment Department takes this opportunity to source new and enthusiastic employees for a potential full-time job from this pool of interns.

- 2016: hosted 29 interns
- 2017: hosted 30 interns
- 2018: hosted 50 interns
- 2019: hosted 37 interns
- 2020: hosted 11 interns (numbers reduced due to covid-19)

Talent Management Programme

This programme identifies exceptionally talented individuals, designs a plan for their development path, and conducts regular follow-ups, ensuring they progress along the right track. This development path enables talented, ambitious employees to move up the organisational leadership ladder to make their way up to the directorship level. The directorship level and above are promoted through the 'Pro' panel where executive coaches monitor their development plans and evaluate their target achievements.

SODIC Learning Academy

SODIC 101 - Fundamentals: This programme provides an in-depth insight into everything about SODIC. Its objective is to know and understand SODIC's value proposition, achievements, plans, culture and more. All SODIC newcomers are eligible for this.

SODIC 201 – The SODIC Way: This programme focuses on instilling the SODIC culture and competencies. Its objective is to inform employees on using the SODIC Way to guide their behaviour, conduct business and make decisions as part of the SODIC family. All SODIC employees are eligible for this.

SODIC 301 - Value Chain: This programme focuses on the SODIC Development Value Chain. Its objective is to give a high-level instruction of SODIC's end-to-end project life cycle. All SODIC employees are eligible for this.

Vertical Academies: Project Controls and Project Management

Our vertical academies expand on the learning academies to tackle job specifics. In 2019, we launched our Project Controls and Project Management Academies. In 2020, we are creating additional four vertical academies for Design, Sales, Quality and IT.

Health and Wellbeing

Our management approach



With the construction sector being based primarily on physical labour, both employees and workers' health and safety, including those indirectly employed by SODIC, is a major priority. In Egypt, the construction sector often includes a level of casualness; informal day labourers and an informal system lacking core values of professional

principles and is lax on safety regulations. SODIC is therefore adamant about addressing such challenges and ensuring the safety of all workers on its projects. We established comprehensive health and safety policies and procedures and developed a health and safety manual that all SODIC employees, contractors, and all work outsourced by SODIC must comply with. The Health and Safety Manual and Guidance Note clearly outline all the rules employees, workers and contractors must abide by, details every step on how to conduct, record and review risk assessments, and identifies the person responsible for the implementation of the relevant policies. SODIC developed the Health and Safety Manual and Guidance Note to ensure the safety of its employees as well as the safety of all workers working in any of its projects. A comprehensive safety management system was designed on the principles of ISO 9001, ISO 14001 and OHSAS 18001, with a strong focus on:

- Fostering a culture of safety through the development of policies and procedures;
- Ensuring employees' adherence by sustained safety and task-oriented training;
- Clearly defining safety responsibilities and accountabilities;
- Regular safety oversight;
- Hazard identification;
- Risk management; and
- Developing emergency response plans.



Wellness Programme

Our wellness programme is a new initiative aiming at providing a healthy work-life balance for SODIC employees. A healthy work-life balance raises productivity and employee engagement levels. Our wellness programme offers:

- Employee extracurricular activities, such as health and fitness challenges administered by the HR team;

- Health screening tests;
- Employee sports clubs include running, biking and diving, all run by SODIC employees passionate about that activity; and
- Awareness sessions on various topics that benefit employees, both on the personal and professional levels such as personal finance management, self-awareness sessions, such as NLP and Enneagram, and parenting sessions.

Safety of Our Employees

Directors and site supervisors are responsible for employees under their mandate and must ensure they are not exposed to unnecessary risks at work. We strongly believe that this duty extends beyond what is legally required and covers the moral responsibility that every person is responsible for their own behaviour and must ensure no one is harmed due to their actions or decisions.

The objectives of our health and safety manual are to:

- Provide safety procedures for ensuring a minimum level of safety to employees, property, and equipment and against hazards associated with our industry;
- Prevent accidents, diseases and harmful effects on the health of workers arising from employment in construction sites;
- Ensure appropriate design and safe implementation within projects;
- Provide means of analysing from the point of view of safety, health and working conditions, construction processes, activities, technologies and operations, and of taking appropriate measures of planning, control and enforcement;
- Take all reasonable measures within its control to protect the environment as well as the safety and health of the employees, other people, the general public, and its own personnel;
- Avoid damage or nuisance to people or property by pollution resulting from construction projects underway in their neighbourhoods; and
- Know and understand laws governing its activities along with any site requirements and work hazards.

Safety on Site

Site engineers and managers are trained to respond quickly, responsibly, and effectively to emergencies, and are provided with personal protective equipment to safely perform the functions of their positions. All sites have sufficient and suitable ventilation, lighting, and potable water, washing facilities, sanitary facilities and suitable eating areas.

Safety of Outsourced Workers

To ensure workers' safety, in particular, all our contractual agreements incorporate a Health and Safety section that indicates our health and safety requirements, the contractor should abide by. All contractors working with SODIC are responsible for ensuring all workers' safety and wellbeing under their mandate and must provide adequate welfare facilities on site as detailed in the Egyptian Labour Law.

The contractor must ensure that:

- Sufficient toilet facilities are provided, are easily accessible from working areas and cleaned regularly;
- Adequate washing facilities are provided for the number of workers on-site and are kept clean, provided with soap and towels. Showers are provided where they are

- necessary due to the risk of exposure to harmful elements;
- Adequate changing and break facilities are provided for workers to take meal breaks;
- Appropriate supplies of clean drinking water are provided for workers on all projects;
- Work conducted in extreme temperatures has a clear and established policy in place to protect workers from extreme weather exposure; and
- Where contractors provide workers off-site living accommodation, the standards should meet all relevant local regulations.

Reward and Recognition

SODIC developed a motivational programme 'Reward & Recognition Program' that aims at rewarding employees who go the extra mile, lead innovation initiatives, overachieve on their targets, collaborate with different departments and act as ambassadors of our corporate culture. We also use the award system to build a learning culture. One of our challenges is that some people do not acknowledge the quantitative value of training. We overcome this through recognition programmes and by making sure there are development plans as a part of employee evaluations.

Delivering to Our Customers

Our Management Approach

We are a customer-focused business aspiring to deliver a quality product based on a detailed understanding of our customers' needs. We are constantly working to improve our customer service at all stages of the development process and to consistently achieve customer satisfaction with our products. We seek to further identify factors that contribute to customer satisfaction and integrate them into our daily business practices and our interaction with existing and potential customers. We consistently build and deliver on time and strive to deliver the highest quality residential developments in Egypt.

We conduct market research and surveys to identify core market demands, how they are currently being met, and ways to more effectively address them in the future to exceed customer expectations. We measure our performance against strategic competitors in our sector and focus on customer experience as a crucial market leadership element. We measure net promoter scores as a benchmark against our peers, internally across our touchpoints, and customer satisfaction within each touchpoint quarterly. We receive customer feedback on different offerings and services through our various engagement channels, including but not limited to, our sales and service centres, our call centre and our Community App.



Customer Centricity

SODIC's mind-set has shifted from a sale-driven business model to a consumer-centric one with a clear understanding of its customer experience. We have been working towards enriching our customer experience through a 360°-branding tool that serves as a compelling strategy to achieve our vision in becoming the developer of choice.

Because SODIC has such a large and diverse client base, we are unwavering in our commitment to serve each client with focus on their unique needs and requests. Our customers and their wishes are our primary focus. We develop and sustain productive relationships with our customers. We maintain regular communication with them to identify their issues and evaluate their satisfaction in order to continuously improve our provision of services. We performed a 360°-brand survey to identify touch points in our customer's experience and develop a more cohesive brand strategy that aligns with our overall corporate strategy and market trends. Customers have become more attentive and knowledgeable to environmental, social and market factors available within residential development industry's products; this poses challenges to bring new customer solutions and meet customers' expectations. Customer awareness plays a pivotal role when it comes to SODIC's performance indicators and therefore their experience and feedback are invaluable to us.

SODIC assumes responsibility for improving service delivery above and beyond customer expectations. This is comprehensively implemented through our behaviour indicator, which helps us in monitoring the quality of services provided to clients and make timely adjustments as required. We continuously seek feedback through customer satisfaction surveys to develop a clear understanding of client needs and outcomes.

Timely Delivery of Quality Products

We built our reputation on honouring our commitments, and we are proud to have

delivered our homes and commercial spaces ahead of contractual delivery date 91% of the time over the past five years.

SODIC's goal is to provide every customer with a high-quality property. We are investing in processes to guarantee consistency in our products' quality and the customer experience throughout our projects. Producing technically correct, high-quality housing projects on time is, put simply, the reason we have been so successful over the years. SODIC exceeds customer demands while reducing the costs caused by delays and waste, always endeavouring to improve upon our record for our clients, shareholders, employees and the communities in which they operate.

Customer Engagement

We want customer engagement to be a simple and easy way to communicate and do business with SODIC. Our Community Management Department establishes new and innovative engagement methods to improve customer experience and embeds customer feedback into our services and developments. We provide various communication engagement tools for our customers to give feedback, get in touch, and request information. These include our call centre, website, mobile application, and social media channels and are working to increase our digital reach for our customers by introducing additional innovative and accessible channels. We performed a survey focusing on customer satisfaction with SODIC as a developer, as a post-sales service provider and with our completed residential communities. We want to know what our customers say about us to modify, enhance and expedite our provision of services. We analysed and classified our customers' comments and noted the positive and negative ones to develop our services' quality.

We realized that the satisfaction of our customers, whether residents, tenants, or visitors is essential to our business model's success, which is why, moving forward, we will be incorporating their Net Promoter Score (NPS) in our key performance indicators.

It is also important to measure our performance in comparison to that of competitors. In 2020, we conducted an NPS exercise in partnership with Kantar Group to measure customers' recommendations of their developer to others. SODIC's NPS grew by 30 points, coming in first with a score of +43.

Customer Satisfaction

We track a basket of variables relating to our customer's experience, as no one element encompasses all aspects of a customer's journey with us. This includes measuring Net Promoters Score across touchpoints and projects and customer satisfaction surveys and research. We performed several surveys to measure clients, tenants, homeowners, and residents' satisfaction. Our Homeowners and Residents Survey showed that the most important factor rating for residents is customer service, with 37% of respondents giving highest priority to customer service, followed by unit delivery (25%), community management (21%) and least prioritised factor being facility management (16%).

Table 2 Level of Satisfaction of Homeowners and Residents (2019)

Service	Satisfied	Neutral	Dissatisfied
Customer Service	53%	22%	25%
Community Management	53%	24%	23%
Unit Delivery	70%	21%	9%
Facility Management	72%	16%	12%

While our delivery speed and facility management show a high satisfaction rate, our customer service and community management needed improvement, we are constantly working to meet our customers' expectations and increase their level of satisfaction.

In 2020, we ran a customer verbatim analysis to get real-life spoken feedback from customers about their experience with SODIC, as well as other developers, to help us uncover key issues that we can address to improve our service quality. We surveyed 240 customers, and received 318 positive comments noting that our on-time delivery (26%), reputation (18%), available facilities & services (16%) and communication (12%), are by far higher than our peers.

	SODIC	Developer A	Developer B	Developer C
Positive comments	82%	69%	36%	64%
Negative comments	18%	31%	64%	36%

Our tenants' satisfaction is essential to our business model; it reflects on the business and the level of services provided to our residents and occupants. Our tenants' happiness and satisfaction guarantee their loyalty and ensure the sustainability of SODIC's business model by reducing turnover and increasing revenue. We conduct regular surveys to measure our tenants' happiness and satisfaction levels to ensure consistency and excellence throughout our projects.

A survey was conducted to rate tenants' satisfaction with security performance, housekeeping, pest control, façade cleanliness, common areas, mechanical, electrical and plumbing works, the general appearance of landscaped areas and the performance of our operations team in The Strip I. The survey was conducted in April and November 2019, covering 22 and 34 units respectively with 427 participants in April and 680 in November. The survey results show significant improvements in satisfaction rates between April and November.

Table 3 Customer Satisfaction Survey for The Strip I

Satisfaction Level	April 2019	November 2019
Unsatisfactory	0.008%	0.003%
Partially Meets Expectations	3%	1.76%
Meets Expectations	57%	36%
Exceeds Expectations	28%	31%
Outstanding	11%	31%

Facility Management

Similarly, another survey was conducted to examine the tenants' satisfaction levels at Westtown Hub, and it predominantly reported outstanding results in the areas of general cleanliness, safety and security, maintenance, common green areas, customer service and operational team.

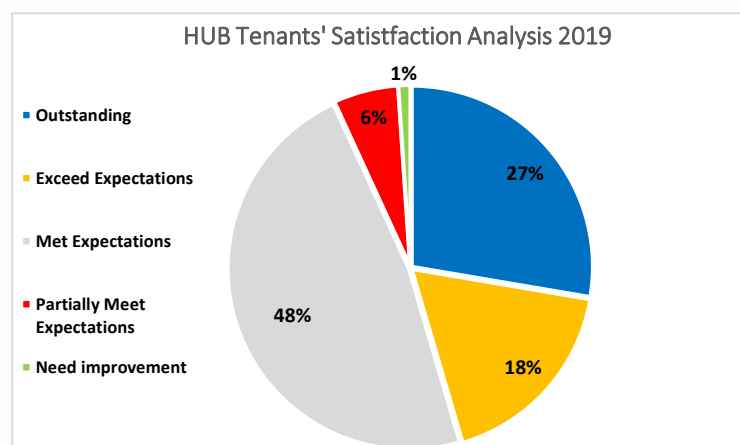


Table 4 Customer Satisfaction Survey of Commercial Tenants in Westtown Hub

Protecting Our Environment



The construction industry has a substantial impact on the environment. The sector consumes significant amounts of non-renewable resources and is responsible for half of global landfill waste.

According to the International Energy Agency (IEA), 'the sector represents the largest share of global energy-related carbon emissions, accounting for 36% of global energy use and around 40% of energy-related carbon emissions.'

During 2019, SODIC initiated strategic projects to mitigate its energy consumption and reduce its carbon footprint. Those include investing in solar-powered covered parking lots and offering our clients solar-powered homes. SODIC understands the vital importance of implementing and expanding these initiatives throughout all of our operations in tandem with building on our environmental reporting to further encompass environmental KPIs regarding water and air emissions, and resource usage,

as part of maintaining an environmentally and financially sustainable business model.

Our Precautionary Approach to Environmental Protection

As population growth drives mounting demand on the construction industry, the use of materials is increasing considerably, especially of concrete and steel, contributing significantly to carbon emissions and negatively affecting the environment. We are consciously taking measures when and wherever possible using cutting edge construction methods that result in the most efficient use of our resources, to mitigate wasteful or inefficient use of energy and materials, reducing our carbon emissions and overall environmental impact.

Our awareness of the risks of air, water, and noise pollution posed by our industry informs our precautionary approach, which prioritises protecting site employees and local residents living near our construction sites.



In our land development approach, we actively work to reduce our environmental risks and reduce consumption. We manage our environmental risks in two respects: internally and externally. Internally, we developed initiatives to reduce consumption such as paper recycling, the installation of automatic water taps to decrease water consumption, the use of LED lights throughout our operations, the use of electric-powered shuttles as a mode of transportation for SODIC West residents, and a major initiative that provides shaded parking to employees and visitors also includes mounted solar panels, to generate electricity for SODIC headquarters. Having commenced operations in November, the amount of electricity generated through this initiative in 2019 was 51 Mwh. In 2020 516 Mwh were generated by the solar sheds covering 95% of SODIC HQ.

Externally, due to our business's nature, we outsource our construction activities to contractors and subcontractors; and to best manage the impact of our business on the environment, SODIC developed an Environment Manual that provides the framework for construction activities within the structures of local environmental regulations. SODIC ensures its contractors take all reasonable measures within their control to protect the environment. The contractor is responsible for communicating all information in the Environment Manual to its personnel and subcontractors.

The manual stipulates all environmental requirements by which contractors have to

abide. The manual is primarily concerned with the discharge and disposal of hazardous material in the air, water or ground. It stipulates that contractors shall take all necessary measures to reduce air and water pollution, and maintain accurate records and reporting systems on solid and hazardous waste.

Project Managers are ultimately responsible for environmental concerns in their project. They must ensure that adequate arrangements are in place and abide by SODIC and the Egyptian government's environmental regulations. Contractors are jointly responsible for compliance with applicable environmental regulations on their projects.

Environmental Protection in the Workplace

Managing our Consumption

Water Consumption

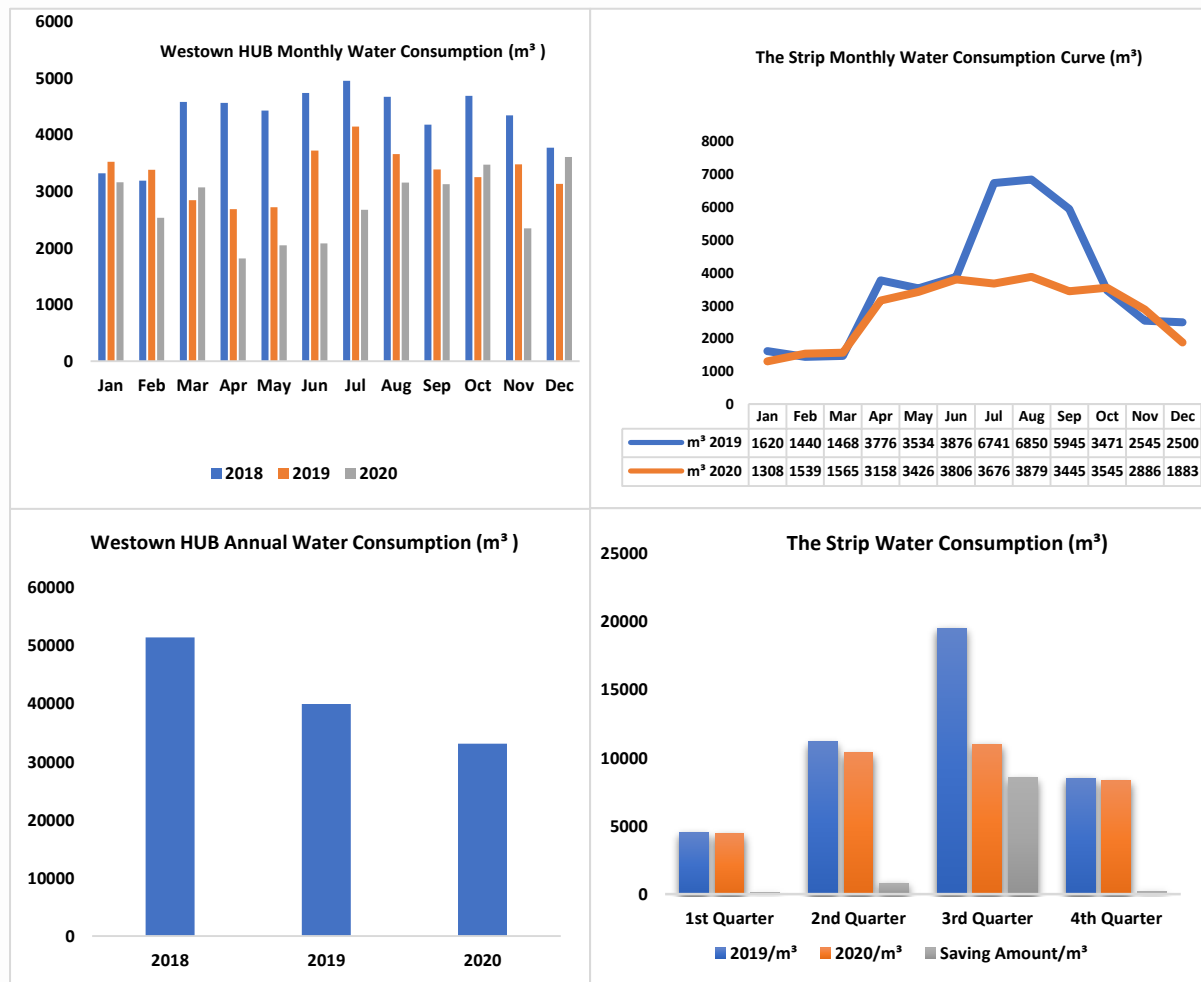
SODIC relies on piped municipal water supplied and managed by the Ministry of Water Resources and Irrigation (MWRI). According to the Ministry*, municipal water needs are met by two sources: surface water, which supplies about 83% of total municipal water, and groundwater, which supplies the remaining 17%. At SODIC Headquarters, our approach to reducing water consumption is based on engaging with our staff to raise awareness and motivate them to be more efficient with their water usage. There is regular communication with our employees regarding water consumption mitigation through responsible use.

However, water usage during and after project completion is perhaps the area where we have the most room for improvement. This is due to the large amount of water required for the construction and maintenance of residential and commercial real estate projects and the considerable amounts of water required to maintain a golf course in one of our projects.

The total amount of water consumption in 2019 for The Allegria golf course was approximately 1,280,000 m³ (1.28 million litres) and 1,270,000 m³ (1.27 million litres) in 2020. SODIC is in the process of examining options for reducing this.

SODIC has made efforts to reduce water consumption in certain developments, with the overarching goal of expanding these policies across the rest of the organisation. One early success is The Strip, a shopping mall located in SODIC West that offers a variety of retail shops, supermarkets, personal services, restaurants and cafes, and financial and courier services. The Strip has saved 16% of its brackish water consumption between 2018 and 2019. It managed to do so by taking a preventative approach and pro-actively fixing irrigation issues early, including rearranging irrigation

timing and reprogramming the automatic irrigation panels effectively and efficiently.



In 2020, we saved 22% of our water consumption for irrigation in The Strip in comparison with 2019 by applying some measures such as changing the irrigation method of 350 Ficus Benjamins from flooding system to a dripper irrigation one, carrying out regular preventive maintenance, repairing irrigation network, enhancing irrigation hoses to reduce waste water, automating three irrigation control panels to have a more efficient system and adjusting the irrigation times according to seasons and plan needs to avoid water waste.

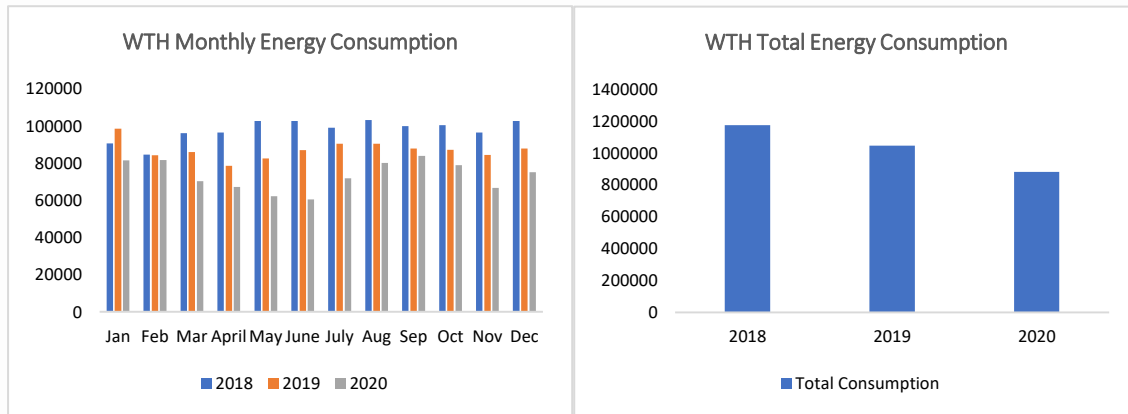
Westtown Hub, a SODIC development located in SODIC West, is home to some of Sheikh Zayed's finest restaurants and cafes and has also seen some success in reducing water consumption. It has done so by improving maintenance efforts, combined with more efficient use, similar to what was implemented in The Strip. This has resulted in a 22% reduction in water usage.

Energy Consumption

SODIC's management approach towards reducing energy consumption to date has centred on improving efficiency by converting facility lighting to LED bulbs. Still, our most significant measure taken toward reducing our energy consumption was the launch of a solar power initiative, expected to provide approximately 95% of SODIC HQ's energy needs by as early as 2020, and which we will continue to implement over

the coming years across our facilities and holdings.

Several of our residential and commercial projects have converted to energy-saving LED lights, with more of our projects planned to follow suit; this has resulted in a significant amount of energy savings. In 2019, SODIC installed sensors for the parking lots in many of our projects, so that lights only turn on when there is movement in the area, further increasing our energy efficiency. In The Strip, SODIC managed to save 11.5% on electricity consumption between 2018 and 2019 by converting to LED lights and switching lights off 5 hours earlier. In 2020, we saved a further 23% compared to 2019.



By converting to LED lights, and monitoring air conditioning use, Westtown Hub's (WTH) electricity consumption was reduced by 11% between 2018 and 2019 and by 16% between 2019 and 2020.

In November 2019, SODIC launched its first initiative to generate clean electricity through solar power by providing shaded parking to residents and visitors that included mounted solar panels. The 'solar parking' implemented in Westtown Hub parking lot is expected to generate 365MWh – 400 MWh of electricity annually and provides shaded areas for more than 100 cars, while also generating clean energy from the solar panels mounted on top.

Initiatives to reduce electricity consumption in The Strip and Westtown HUB

- Replaced 30 halogen up lights (70W) to LED lights (9W), which achieved a 385 kW h reduction per month.
- Replaced 30 halogen earth spikes 80W to LED lights 10W, which achieved 441 kW reduction per month.
- The A/C units in the garbage rooms work only during trash collection.
- The lighting timing from sunset till 01:00 AM and street lighting till 4 AM.
- Alternate the Exhaust Fans of the electricity Ring Main Unit room and the Low Voltage room limited working hours during mid-day only.
- Converted luminaire units into LED.
- Monitored the ACs in the offices to reduce the working hrs. as much as possible.

Ensuring that mall's elevators, sound system, ACs, and gate barriers are all switched off during curfew hours and any other time the mall is not in use.

SODIC Ride was launched to promote a culture of energy efficiency and awareness

among residents. This is an on-demand shuttle service accessible to SODIC West



residents. They can locate and request solar-powered golf carts to commute within the area, providing a clean and eco-friendly means of transportation. Additionally, SODIC has signed an agreement with Baddel (Cycle), the first e-bike sharing company in Cairo. Baddel has launched its first phase comprising four stations with 25 e-bikes around SODIC West. It will launch the second phase of five additional stations to provide a more comprehensive network of access to and transportation using e-bikes.

Managing our Waste

Solid Waste

Our approach to waste management has been mainly focused on compliance with local laws while improving our employees' awareness of best practices and conducting limited recycling efforts. SODIC is committed to providing a healthy and clean environment for its residents, and we endeavour to foster greater awareness regarding waste management and recycling in our communities while improving our practices year-on-year. Recycling companies pick up much of our construction and paper waste; however, this process has yet to be audited, limiting the quantifiable data available regarding cost, efficiency and environmental impact. Some of our projects, such as Kattameya Plaza, have begun separating between different types of waste, and we have plans for training our employees and increasing their awareness regarding separating waste at the workplace. Furthermore, we are working on an initiative to replace all our plastic bags with environmentally friendly biodegradable ones.

Contractor Waste Disposal

Contractors dispose of their own waste; however, there are guidelines regarding the disposal of material onsite or offsite; any violations could result in termination of the contract with the contractors. Our contracts with suppliers stipulate their responsibility for ensuring that different waste streams are segregated and removed from construction sites by licensed waste disposal companies. Minimum requirements for safe waste segregation and disposal include the following categories:

- All hazardous wastes, including waste oils, paints, thinners, and solvents.

- Construction waste, which includes general waste arising from construction activities.
- Food waste, which is to be kept in sealed containers and cleared daily.

Any lightweight waste such as packaging must be placed in containers or rubbish skips and covered to prevent the waste being blown around the construction site. The lead contractor is strictly prohibited from burning any waste onsite.

Carbon Emissions

Our organisation is increasingly striving to reduce its carbon footprint through being environmentally conscious in its developments and constructions.

SODIC reduced its EDNC project's carbon footprint by adding energy shading shelves to the design at an early stage. Throughout EDNC, SODIC's premium non-residential project in East Cairo, the buildings' facade was designed as a dynamic synthesis between harmonious grids intersected by an abstract set of cut-outs. The merging of the protruding gridded ribs, acting as a shading device, intersected by a double-glazed curtain wall, guaranteeing both elements work together to reduce the building's thermal transfer. The shape of the building and its facade design has been proportioned to provide natural daylight through optimisation of office space to encourage a healthier, more productive environment.

In EDNC, SODIC also implemented load-bearing walls (isolated concrete foam), a structural concrete system for walls, usually made of rigid thermal isolation that stays in place as a permanent interior and exterior substrate for walls. These walls contribute to better sound and thermal insulation, leading to a reduction in electrical consumption in the buildings.

SODIC used post-tensioned slabs in The Strip's development. These flat slabs are typically band beam slabs or ribbed slabs. Post-tensioned slabs offer the thinnest slab type, as concrete is worked to its strengths, mostly being kept in compression. Longer spans can be achieved due to pre-stress, which can also counteract deflections. The benefit of using post-tensioned slabs is based on reducing steel reinforcement required for construction.

In December 2019, SODIC announced its ambitious upcoming development VYE, which is the first of three neighbourhoods comprising its newest 500-acre integrated project located in New Zayed. Featuring the option of solar-powered townhouses and providing electric vehicle charging stations, VYE aims to provide eco-friendly living in West Cairo by reducing carbon emissions and pollution caused by day-to-day living.

Sustainability in the Supply Chain

Sustainable Procurement



As previously noted, SODIC has between 3,400 – 4,000 suppliers divided between consultants and contractors. Our operations utilise local providers, 95% of our suppliers are locally based. SODIC prioritises awarding contracts to Egyptian construction companies including SIAC, Gamma and Rowad to support local businesses that successfully contribute to the Egyptian economy and employ over 30,000 Egyptian workers indirectly.

through these companies. Our procurement also favours local resources whenever it is practical; for example, when working on construction projects in the North Coast, we have utilised local limestone abundantly.

Social Impact of our Supply Chain

The first, most obvious impact on our supply chain is economical, as the total value of payments made to suppliers annually ranges between 2.4 and 3 billion EGP. Additionally, SODIC supports and contracts small- and medium-sized enterprises where possible, depending on the firm's capacity vis-à-vis the volume of work.

SODIC makes a concerted effort to implement best practices in procurement management. One major step toward improvement in this area is currently being taken, as we are in the process of becoming certified by the Chartered Institute of Procurement and Supply (CIPS). CIPS is one of the world's largest non-profit organisations dedicated to leading global excellence in procurement and supply, with a global membership of over 200,000 procurement and supply professionals.

Project management teams, supervising consultants, and the contractors are jointly responsible for compliance with applicable health and safety regulations as well as national laws and regulations related to human rights and labour rights on their sites. Project Managers are ultimately responsible for safety measures in their projects. They must ensure that adequate arrangements are in place to safeguard the project's health and safety elements and the welfare of all employees under their purview. Furthermore, they are responsible for providing a report to the company in the case of any human rights or health and safety violations observed onsite.

Additionally, our contractual agreements with the contractors stipulate adherence to applicable national laws, including human and labour rights protections. SODIC is committed to ensuring that health and safety measures are taken to safeguard all workers' wellbeing onsite as well as passers-by and onlookers. The contractor must provide an enclosed chute whenever materials are dropped from higher than seven meters to any point lying outside the building's exterior walls.

[\[There are zero incidents of child labour on our construction sites\]](#)

Environmental Impact of Our Supply Chain

The construction industry has a substantial impact on the environment. The whole process, from the extraction of raw material, the manufacturing of building material, energy consumption, creation of solid and hazardous wastes, and water and air pollutants is a source of concern for SODIC. While SODIC tries to improve our clients' quality of life, we are careful not to harm the environment because we work to provide cleaner, greener communities for our clientele. We take preventive measures internally to reduce our impact on the environment, make sure our contractors are abiding by the laws and regulations, and that waste and pollutants are discharged correctly and safely.

We developed a procedure manual to help safeguard the environment and reduce our adverse environmental impacts. SODIC's Environment, Health and Safety (EHS) Manual outlines the environmental requirements for which contractors are responsible and are held accountable to, in compliance with Egyptian environmental laws and regulations.

Because most of our projects use external contractors, we take steps to guarantee all SODIC contractors fulfil these environmental requirements, especially regarding waste disposal and pollution, as stipulated in their supplier contractual agreement with SODIC

Protection of the Environment in the Supply Chain

Our main approach to protecting the environment impacted by our supply chain is to ensure they thoroughly comply and adhere to all national environmental laws and regulations. Our contractual agreements with construction contractors specify that the contractor must not dump, release, or otherwise discharge or dispose of any hazardous substances or waste material without the authorisation of the Compliance Review Board. All waste disposals must be in accordance with local waste management laws.

All spillage or discard of hazardous substances into the environment must be reported to SODIC-EHS Department, immediately. When environmental contamination resulting from a contractor's actions occurs, the contractor shall take proper precautionary measures to counter any known environmental fallout or hazards associated with said contamination. These would include remedial procedures such as spill control, containment and notification of the proper authorities.

It is the contractor's responsibility to comply with Environmental Protection Law Number 4 of 1994 and the Amendments of 2005 in Egypt.

Air Pollution

Depending on the type and quantity of material, the contractor may be required to have an emergency contingency plan for the release of material into the atmosphere. The contractor shall also be aware of local ordinances affecting air pollution.

The contractor shall take all necessary actions to minimise airborne pollution, such as dust and windblown material during construction, and ensure sites limit dust pollution by regularly dampening dust patches.

The contractor shall ensure that all trucks leaving the site en route to the dump are properly covered to prevent dust, rocks, sand, and other detritus from falling into the streets.

The Compliance Review Board reserves the right to halt the work if it considers that the contractor's measures for preventing pollution from dust or windblown material are inadequate. The contractor shall have no right to request an extension of the completion date due to such delays.

Water Pollution

Our contractual agreements specify that contractors must not dispose of waste solvents, petroleum products, toxic chemicals or solutions in the city sewage or water drainage systems. They shall not dump or bury garbage in the ground. All waste must be taken to an approved disposal facility regularly and per relevant authorities' requirements. The contractor is also responsible for controlling all site run-off, erosion, and other environmental damage directly caused by their work.

Waste Removal and Disposal

The collection, removal and disposal of builders' personal waste and construction debris are the contractor's responsibility who shall comply with the requirements stipulated in the contractual agreement and articulated in the HSE Manual.

Our contractual agreement specifies that the contractor comply with current statutory and municipal regulations and requirements for personal and construction-related waste disposal. The contractor is responsible for promptly removing rubbish containers from the site as soon as they are full. The contractor must maintain clear records and an accurate reporting system on all solid waste disposals.

The Compliance Review Board reserves the right to instruct another contractor to remove or change over any full or overflowing rubbish containers, without notification to the contractor and charge the contractor for all costs involved.

Supporting the Community



Our approach focuses on achieving a sustainable and scalable impact that will integrate and enhance the underprivileged communities' livelihoods. We implement community initiatives that support and empower the underprivileged through improving education and vocational training. We support the arts and sports to improve the livelihoods of people. Presently, SODIC's corporate citizenship programmes impact over 9,000 lives annually.

SODIC is committed to achieving social impact across three targeted focus areas: education, rehabilitation and equal opportunities. We also host a Relief Program, which channels in-kind donations to those most in need. These corporate benevolence structures also help our employees fulfil their personal desire to give back to communities, but oftentimes, do not know how or where to start. Now, employees have many choices of how and where they want to help needy, based on internal SODIC 'drives', or via our partnerships with external NGOs.

Driven by its commitment to inclusion, SODIC strives to provide equal opportunity for disabled individuals through our community programmes where we strongly support the underprivileged, empower women, sponsor para-athletics, and provide special needs education children with compromised mental or physical health conditions.

Educate-Me:

Educate-Me is a non-profit organisation that develops education curricula in a community school in Talbeya for children aged 4 to 15 years old. Educate Me also offers teacher training to private and public school educators for a fee – sponsored by the private sector – to broaden its impact beyond the boundaries of Talbeya and generate revenue streams for its operations. With the support of SODIC, Educate Me has benefited over 70,000 students and 5,000 educators and can now recover over 65% of its operating costs.



Tawasol:

Tawasol runs a small community school for dropouts. The school provides children of the impoverished neighbourhood of Stabl Antar with regular schooling and vocational training on a range of trades. Tawasol sells the products handmade by community members on an online platform to generate income to cover school costs. The students perform small productions and acrobatic performances for a fee, giving them the space for boosting creativity and personal development while generating income for the community. SODIC has contributed to running the operations of the school since 2012 and has contributed to the purchase of a plot of land that is home to a new school in Ezbet Khairallah. In 2020, Tawasol, along with SODIC, celebrated the opening of its second community school at the heart of the impoverished neighbourhood of Istabl Antar. The new school is built over 1,050 m² with a capacity to host over 500 students providing the same multi-disciplinary experience in a much healthier and well-equipped environment. Facilities include a science lab, theatre, library, gym, food court, medical clinics and auditorium among many others. The school will as well act as a community hub, offering health services that include free weekly check-ups and funding programs for students and neighbouring community members.

“Education is one of our strongest corporate citizenship platforms, we are very proud of Tawasol and are privileged to have played a small part in this big victory for the community of Ezbet Khairallah.” said Magued Sherif, SODIC’s Managing Director “We have been working with Tawasol for over 10 years, we have watched the community school grow, we were there when this land was bought and every step on this long journey to this day, this school is a dream come true for SODIC as well.”



Future Eve Foundation (FEF)

Based in Minya in Upper Egypt, Future Eve Foundation runs a female empowerment initiative that provides microloans to widows and single mothers. The microloans are used to finance microenterprises and/or improve women’s living conditions. In 2019, SODIC contributed EGP 500,000 to the fund that provided 369 widows in Minya with microloans for home improvement, bringing the total fund to EGP 1 million and in 2020, we contributed an additional EGP 300,000 to the fund to impact 640 widows in Minya with microloans for home improvement, bringing the total fund to EGP 1.3 million. Providing financing for impoverished women without access to bank loans at affordable, subsidised, interest rates resulted in a loan repayment rate of over 99%.



Bright Tomorrow for Child Protection (BTCP)

BTCP supports children on the autism spectrum with the aim of building their ability to attend mainstream school when possible and improve connectivity and interaction skills with the surrounding community. In 2019, BTCP impacted over 347 children suspected to have undiagnosed autism and neurodevelopmental disorders to achieve technical independence in their daily lives and join mainstream schools.



Eslam Abu Ali

SODIC is proud to sponsor an exceptional athlete. Eslam Abu Ali is the first Egyptian Para-triathlete to complete the Ironman 70.3 race and was ranked 5th globally in the 100m breaststroke at the 2017 World Para-Swimming Championships in Mexico. We continue to support Eslam in his incredible journey as an inspirational and multifaceted athletic talent.



Special Olympics – A Legacy of Firsts

SODIC proudly sponsored the Special Olympics' First Pan-African Games in Egypt. The games drew 800 athletes from 42 countries to compete in 4 sports; football, basketball, athletics and bocce. The sponsorship underscores SODIC's commitment to all people's inherent value in society if given a chance. The success of the games can be seen in the gender ratios, across the four sports categories, an equal number of male and female athletes participated, showing both the popularity and the significance of these games.



Relief Program

SODIC's Relief Program runs annual donations drives, blood drives, blanket drives, and food packing and distribution with all collections channelled conscientiously and diligently to those most in need. In 2019, SODIC supported over 2,500 families and another 3,700 families in 2020.

Employee Volunteerism

SODIC encourages social responsibility and volunteerism amongst its employees through regular blood, blanket and donation drives, for the support of Egyptian Children's Cancer Hospital, Magdy Ya'acoub Foundation and Ahl Misr.

Governance

The Board of Directors

The Board of Directors was elected during ordinary general meeting held on 29/03/2018, and consists of 11 members, serving a term of three years - until the general meeting of 2021. It is comprised of 2 executive members and seven non-executive members of whom 3 members are independents. The Chairman of the Board is a non-executive independent member. SODIC is aware that the gender diversity of the board is perceived as a value-added; it creates room for more creativity and changes the dynamics in the boardroom. Female representation in the current board is 12.5%, during 2019, we welcomed Elizabeth Critchley as our first female representative on the board.

The board's diversity allows for a combination of different perspectives, experiences and problem-solving approaches that enhances its performance and enables SODIC to meet stakeholders' expectations and achieve customer satisfaction. Our board members come from various backgrounds with different skill sets and expertise; they have strong regulatory and financial knowledge, rich local and international business experiences, and technical and analytical skills that benefit the board and the company.

The board's performance is evaluated during the ordinary General Assembly Meeting where all shareholders are invited; any shareholder can raise their concerns, if any, regarding the performance of the board or senior management.

Osama Saleh

Chairman (Non-Executive)

Osama Saleh is the newly appointed non-executive Chairman of SODIC as of April 1, 2020. Saleh has over 40 years of experience, during which he has held several leading positions in the public and private sectors. Saleh is a renowned Egyptian economist who once served as the Minister of Investment.

Saleh served as Chairman of the Egyptian Mortgage Finance Authority (MFA), Chairman of the General Authority for Investment and Free Zones (GAFI) and the Regional Manager of American Express Bank Ltd. He is currently the non-executive Chairman of the Board of Directors of Ayadi for Investment and Development, Ayadi for Urban Development, Abu Soma Tourism Development Company and Damietta City Furniture Company. He is the Founder and Chairman of Riseinvest for Financial Consultancy and Investment Solutions and Chairman of the Egyptian Serbian Business Council.

Saleh is also a Board Member of several authorities and companies, including the National Investment Bank, NI Capital Company, Akhbar Al-Youm Investment Company and the Holding Company for Electricity Distribution. Saleh was awarded a BA in Commerce from Cairo University.

Magued Sherif

Managing Director – Executive

SODIC's Managing Director, Magued Sherif, has over 35 years of professional experience.

The architect began his career as a Site Engineer with Orascom Construction Industries in 1986. Early in his career, Sherif worked as Head of the Privatization Unit at Arthur Anderson and spent seven years at Bechtel Egypt and Bechtel Limited. Sherif's past positions include several leadership positions with prominent companies in the industry. He was Egypt Country Head and Properties Chief Executive Officer at Majid Al Futtaim Properties. For 10 years, he served as General Manager and Senior Vice President at Palm Hills Developments, starting from the company's inception. Sherif was also Chief Executive Officer and Managing Director at Hyde Park Properties for Development from 2012 to 2014.

Sherif was most recently the Co-Founder and Managing Director of The Venturers LLC and the Co-Founder of AA Investments LLC, both in Orlando, Florida.

Sherif holds a BSc in Architecture from Cairo University, Egypt, and an MBA from the American University in Cairo.

Walid Abanamay

Board Member (Non-Executive)

Walid Sulaiman Abanamay has been the Managing Director of Al-Mareefa Al – Saudia Company since 1997. Prior to this, he served in the Treasury and Corporate Banking Departments of SAMBA Financial Group. Abanamay has served on the Board of Directors of several companies and funds including, Jousour, Beltone Financial, UGIC, Mena Capital Fund and GB Auto. He also served on the Boards of SAFCO, Nasr City, Al Inmaia, Al Raya Holdings and Al Masafi. Abanamay holds a Bachelor of Science in Computer Science from Southern Illinois University, a Master's degree in Management Information Systems from the University of Illinois and a PhD in Business Administration specialising in Finance from Southern Illinois University.

Jonathan Franklin

Board Member (Non-Executive)

Jonathan Michael Franklin is the former Chief Executive Officer of Olayan Financing Company, the entity that holds the Olayan family investments and businesses in the Arab world. Franklin joined Olayan in 2007 as Head of Investments and was appointed CEO in 2019, having also served as President of the Industrial Division from 2010 to 2016. He is a member of the Executive Committee of Olayan Financing Company and a member of the boards of Olayan Saudi Holding Company, Olayan Real Estate Company and Abu Soma Development Company.

Franklin started his career with JP Morgan, primarily in New York, where he was a member of the Mergers and Acquisitions department, focusing on transactions in the energy sector. He returned to London after 17 years with JP Morgan to join Chase Manhattan Bank as Head of Investment Banking for oil and gas companies in Europe,

the Middle East and Africa. He was a partner at Ernst and Young from 2001 to 2005, leading the firm's UK and European M&A advisory business. Franklin holds a BA Hons degree in History from Cambridge University.

Timothy Collins

Board Member (Non-Executive)

Timothy Collins is the CEO and Senior MD of Ripplewood Advisors, LLC. Before founding Ripplewood, Collins worked for Cummins Engine Company, Lazard Frères & Company, and Booz, Allen & Hamilton. He is currently holding the position of Chairman of AS Citadele Banka and serves on the board of EFG. Collins has served on several other public and private company boards, including Asbury Automotive, Shinsei Bank, Advanced Auto, Rental Services Corp., CIB, Gogo, and Citigroup (after receiving public funds). He serves as the Senior Becton Fellow and Visiting Lecturer at Yale Law School and is Chairman of the Yale School of Management Board of Advisors. Collins has a BA in Philosophy from DePauw University and an MBA in Public and Private Management from Yale University's School of Management.

Elizabeth Critchley

Board Member (Non-Executive)

Elizabeth Critchley is a Partner at Ripplewood and runs the day-to-day operations. Before joining Ripplewood, Critchley was a Founding Partner of Resolution Operations which raised 660 million GBP via a listed vehicle at the end of 2008 and went on to make three acquisitions in financial services (Friends Provident plc for US\$2.7 billion, most of Axa's UK life businesses for US\$4 billion, and Bupa for US\$300 million). This consolidation strategy was financed through a combination of debt and equity raisings and structured vendor financing. Until the inception of Resolution Operations, Critchley was a Managing Director at Goldman Sachs International where she ran the European FIG Financing business. She has structured, advised, or invested in transactions with more than fifty global financial and corporate entities. Critchley has a First Class Honours Degree in Mathematics from University College London.

Hisham El-Khazindar

Board Member (Non-Executive)

Hisham El-Khazindar is the Managing Director and Co-Founder of Qalaa Holdings. El-Khazindar also serves on the board of several leading regional companies and the Advisory Committee of the Emerging Markets Private Equity Association. He also serves as a Trustee of the American University in Cairo, a Trustee of the Cairo Children's Cancer Hospital, and a Fellow of the Aspen Institute's Middle East Leadership Initiative. Before co-founding Qalaa Holdings, El-Khazindar was Executive Director of Investment Banking position at EFG Hermes. During 1999-2000, Al-Khazindar was on secondment to Goldman Sachs in London. El-Khazindar holds a Bachelor's in Economics from the American University in Cairo and an MBA from Harvard Business School.

Omar Elhamawy

Board Member (Executive)

Omar Elhamawy, SODIC's Chief Financial Officer, joined SODIC in May 2013. Elhamawy has overseen the successful completion of SODIC's EGP 1 billion capital increase, as well as the signing of over EGP 6 billion of medium-term debt facilities.

Prior to joining SODIC, Elhamawy spent eight years as a Director within Beltone's investment banking division, where he focused on the real estate sector through his close involvement in both M&A and capital market transactions. His most notable transactions include advising Mena for Touristic and Real Estate Investments on a capital increase, advising Beltone Private Equity on the tender offer and acquisition of Madinet Nasr Housing & Development, as well as advising Amer Group on its IPO.

Elhamawy holds a BA in Business Administration from the American University in Cairo and is a CFA charter holder.

Roles and Responsibilities of the Board of Directors

The Board of Directors (BOD) manages the company's affairs based the mandate given by the General Assembly.

The BOD sets the strategic objectives of the company.

The BOD closely monitors the company's status at all times, lays down the mechanisms and systems needed to ensure the company respects all applicable laws and regulations and complies with internal rules and regulations.

The BOD regularly reviews the company's internal rules of procedures to ensure its sustainability and efficiency.

The BOD carries out its duties in accordance with applicable laws and regulations, as well as SODIC internal rules and regulations to ensure compliance.

The BOD oversees the company's internal control systems' efficiency, its risk management mechanisms, and ensures the application of an effective governing system.

The BOD ensures that the executive management is fulfilling its duties within the set plans and in a way that serves the company's and shareholders' interests.

The BOD regularly evaluates risk and opportunities related to economic, social, and environmental factors,

Compensation of the Highest Governance Body

The Remuneration Policy and the Committee Compensation Charter govern the BOD compensation process and their benefit plan. The board of directors determines non-executive members' compensation based on the market and industry average. The compensation of the Chairman and that of the Managing Director is determined by the board and approved by the ordinary General Assembly. Compensation of Executive Board Members and is determined according to the human resources remuneration policies, variable pay policy, and the Compensation Committee. Termination payment is included in their contracts and is governed by Egyptian Labour Law.

A cumulative vote allows minority shareholders to nominate and elect directors.

Committees of the Highest Governing Body

Committees of the Board

The BOD guarantees that the board committees' formation is done following general procedures established by the board which includes specifying the objective and the function of each committee, its term of operation, authorities granted to it, and oversight of established committees.

There are three board committees:

- Audit Committee
- ESOP and Compensation Committee
- Executive Committee

Audit Committee:

The Audit Committee comprises three non-executive members, including two independent members and one expert member. The committee convened four times during 2019 and four times during 2020 in accordance with the legal requirement of conducting periodic meetings.

Audit Committee Roles and Responsibilities

In general, the committee is responsible for the oversight of the internal audit department and the company's procedures.

The Audit Committee shall:

- Review the internal audit system, ensure proper implementation and submit a report including recommendations.
- Review accounting policies and any changes thereof and include its recommendations in a report.
- Review internal audit reports and ensure proper implementation of recommendations therein.
- Review reports of the internal audit department, preparation methods, feedback of management regarding these reports and the corrective actions.
- Review the procedures applied in preparing and reviewing financial statements, the prospectus of subscriptions, public offerings, and private placements.
- Review financial statements before submission to the board and the external auditor.
- Ensure compliance with laws and regulations and efficient investigations on incidents of non-compliance.
- Review the procedures of communicating the Code of Ethics to employees and monitor compliance with the Code.
- Assess the qualifications, performance, and independence of the external auditor, nominate external auditor(s), determine fees, and administer their resignation and/or termination, without prejudice to the law.
- Approve assigning additional tasks to the external auditor and deciding the additional tasks' fees.
- Review the external audit report's comments on the financial statements and follow up with corrective measures.
- Review the internal audit department's plan and assess its efficiency and capacity.
- Invite Internal Audit Manager, external auditor, and any others as deemed necessary to attend committee meetings.

ESOP and Compensation Committee:

The ESOP and Compensation Committee is comprised of five non-executive Board members, of whom three are independent. The committee convenes regularly and reports its activities to the Board of Directors. The Board of Directors appoints the committee to assist the board in fulfilling its responsibilities related to employees, managers, senior executives, and directors' compensation plans.

The ESOP and Compensation Committee Roles and Responsibilities

- Recommend policy for bonus and reward of board members, committee members, and senior executives and review these policies annually.
- Establish and amend performance-related standards for determining bonuses as per Committee Compensation Charter.
- Supervise the Financial Regulatory Authority (FRA)-approved ESOP plan applying to employees, managers and Executive Board Members. The plan includes the issuance and allocation of a portion of the company's shares to employees, managers and Executive Board Members to incentivise them by linking increases in share price and yield under the plan to the advantages the shareholders gain, thereby improving the company's performance in the long-term.
- Review and approve the annual bonus plan for employees in light of their Performance Indicators.
- Review and evaluate the company's long-term incentive plan, ensure alignment with company objectives and strategies, and recommend amendments where needed.

EXCOM – Executive Committee

The Executive Committee is an internal committee composed of the heads of the company's departments. Currently made up of 9 members, the committee follows up on strategic initiatives and strategic KPIs, discusses and addresses critical issues related to strategy implementation, proposes, approves and ensures implementation of policies and procedures and key business processes that enable achieving targets, and manages high-level risk issues. The committee carries out its responsibilities in a way that adheres to company core values, aligned across departments so the company can achieve its goals in an effective and timely manner. The committee regularly convenes, either fortnightly or monthly.

Critical concerns are raised to the executive committee, and if need be, may be escalated to the board's attention.

Investor Relations

In keeping with our commitment to open and transparent communication, SODIC runs an active investor relations program. Communication with investors and analysts is an ongoing practice throughout the year and includes regularly scheduled Investor Relations events, one-on-one and group meetings with the Executive Directors, as well as tours of our properties and routine contact with the Investor Relations department.

In addition to such initiatives, the Executive Board members attend the Annual General Assembly, which is an opportunity for all shareholders to engage in direct communication with the Directors on a one-on-one basis.

Materials, including investor presentations, can be downloaded at ir.sodic.com.

Disclosure and Transparency

SODIC, as a listed company, is bound by the disclosure rules and new listing rules set by the Egyptian Exchange and approved by the Egyptian Financial Regulatory Authority.

Accordingly, SODIC is in compliance with the corporate governance, financial reporting and disclosure provisions of the rules.

SODIC reports all its financials on a quarterly basis and announces all major news and developments regarding the company's operations in a clear, coherent and timely manner. All material matters concerning the corporation, including company objectives, financial and operational results, major share ownership and voting rights, information about board members, related party transactions and governance structures and policies are expressed and conducted with complete transparency.

SODIC continues to support the United Nations Global Compact and its principles on human rights, labor, environment and anticorruption. Reporting on social and environmental performance is an integral part of the regular corporate disclosure and reporting practice; the main goal is to provide stakeholders with a view of SODIC's position and performance on sustainability practices.

Conflicts of Interest

A Conflict Of Interest Policy sets out the rules and guidance to ensure that no external organisation or individual dealing with SODIC will apply any unjustified influence. The policy sets a framework for employees and relevant persons to identify, disclose, manage and monitor conflicts of interest.

Our Code prohibits acting in conflict with the company's interests, and we manage our business relationships with our responsibility toward SODIC in mind.

The policy applies to all employees, board or committee members, suppliers and consultants. The Conflict of Interest Policy identifies the various situations that could be considered a conflict of interest, sets the procedures an employee needs to follow if there is suspicion of a conflict of interest, and who to notify or approach for advice. Those may be the HR department, Head of Department, Managing Director or CFO. SODIC does not have any cross-shareholding with suppliers or controlling shareholders, and any contracts with related parties are disclosed and approved at the General Assembly Meeting. Any related parties or related parties' agreements are reported to the board and are communicated to shareholders and investors.

Risk Management

Our risk management approach is designed to enable us to achieve our objectives and diminish as much as possible risks that can negatively impact our performance.

We aim to mitigate risks we cannot avoid and reduce their impact through several tools, including our annual achievement targets, five-year plan, and our overall business strategy. SODIC established a risk management approach that identifies, analyses and evaluates potential risks, and sets action plans to avoid, reduce or mitigate these types of risk. Our approach includes regulatory compliance, rules and regulations, internal controls, targets and KPIs, policies and procedures, international standards and due diligence reports. Additionally, the Board of Directors oversees the risk management processes' efficiency and adequacy. The Board of Directors has overall

responsibility for overseeing risk management internally, within the communities and markets in which it operates, and the construction and real estate development industry at large.

The Internal Audit carries out discussions with various department heads to help identify and assess potential risks. This includes the following:

- Analyse risks in an accurate and timely manner.
- Categorise potential risks into high-, medium- and low-level risks based on their prospective impact on operations and the likelihood of occurrence.
- Develop an action plan to avoid, reduce and/or mitigate risks and develop specific indicators to measure, follow up and monitor such risks.
- Provide accurate, in-depth reports that enable sound decision-making and submit these reports to the Audit Committee, which reports its recommendations to the Board of Directors.

Types of risks identified

Operational Risks: these are risks associated with day-to-day operations and are mainly due to system and procedures errors or due to external, uncontrollable events. To avoid this kind of risk, SODIC developed internal controls, policies and procedures, adopted international standards and guidelines, and regularly ensures proper and adequate documentation and reporting.

Financial Risks: these risks are associated with liquidity, market, and credit risks that contribute to the success or failure of the business. We have a risk management framework in place to reduce such risks. We do proper monitoring, check credit scores, and uphold strategic cash flow and credit management. We quantify our risks upon taking up any new project and develop progress reports that demonstrate any specific risk and the barriers that need to be overcome to avoid such risks. We set our prices based on local parameters that may hinder operations' success, such as construction costs, inflation, availability of contractors, demand for the product, and/or competition. To further mitigate those risks, SODIC develops risk dashboards as part of its regular risk assessment, with original plans, key performance indicators and targets. Performance is measured monthly to evaluate the achievement of, or deviation from, each target, and detailed reports focusing on financial KPIs for each project are submitted quarterly and annually.

Liquidity and credit risks: SODIC deals with several financial institutions to diversify its funding sources. We have built excellent relations with our creditors, and we have always been successful at financing our debts. Our balance sheet is strong and highly liquid, with a 0.37x debt-to-equity ratio as of 31st December 2020. Our approach to fiscal responsibility has left us in a position where we can finance some of our projects with our internal cash surplus, eliminating the need to borrow for these developments.

Collection risks: When dealing with one single client in large amounts, SODIC reviews their creditworthiness or history with SODIC to ensure their reliability.

Market risks: Risks associated with market risk are competition within the real estate sector, demand versus prices, changes in market prices and inflation. We manage our market risk by diversifying our client base. We build strong relationships with our customers and aim to create loyalty. Our high quality landbank is distributed between

our main markets of East and West Cairo and the North Coast. The quality and diversity of our land bank allow us to mitigate concentration risks and offer differentiated products addressing different market needs, ultimately making the company as a whole more resilient to interruptions in any specific market.

Compliance Risks: Risks identified and associated with losses occurring due to non-compliance with internal rules and regulations or with government regulations, permits and guidelines. SODIC adopted policies and procedures to mitigate this type of risk, including, but not limited to, Insider Trading Policy, Related Parties Policy, and Whistleblowing Policy.

Land Acquisition and Due Diligence

We perform due diligence in the pre-development stages before land acquisition. Our land acquisition strategy includes assigning potential land plots, conducting a preliminary study, performing due diligence in terms of legal ownership, confirming rights to transfer ownership, deeds of purchase and land registries, investigating any disputes over land or possible claims by a third party, and exploring revenue sharing options where applicable.

Opportunities for the Construction & Real Estate Sector

Studies show that buildings represent 50% of global asset value while being the source of approximately 20% of direct and indirect greenhouse gas emissions globally. Additionally, many buildings around the world are exposed to various climate-related risks.

There have been some significant efforts in the global real estate industry to adopt new green building strategies and technologies to reduce the sector's overall impact. These initiatives are beginning to make significant headway in the real estate sector. According to the World Green Building Trends 2016, the global green building sector doubles roughly every three years. While government regulations and advocacy groups may partly drive progress in this area, the main drive behind the trend towards greener buildings, and the one most likely to ensure its long-term continuation, might be that green buildings tend to be more cost-effective in the long-term for developers, property manager and residents.

Studies and empirical data have shown that green initiatives can boost profits for developers, landlords and tenants in various ways. Green buildings tend to command better rents, higher occupancy rates, and reduced operating expenses than typical commercial buildings for developers and landlords. For tenants, green initiatives often result in health improvements, lower costs of utilities via solar panels for water heating and home electrical uses, and increasingly, access to local gardens and composting facilities for reduced trash needing to be collected. The costs of implementation, traditionally viewed as a barrier to widespread usage, are also becoming less of an obstacle to economies of scale. While the moral argument for greener buildings will continue to influence the real estate industry, the green building movement's ultimate success will likely be driven by the superior cost efficiency and business sustainability.

Compliance and Internal Control

We aim to create value for our employees, customers and shareholders. Stemming

from our belief in being a responsible business, a substantial part of this responsibility is being comprehensively compliant. SODIC applies a firm compliance system to ensure regulatory compliance, i.e. compliance with all applicable laws and regulations. We developed a set of policies, procedures, guidelines and regulations produced by relevant departments. Those procedures ensure the accuracy and quality of information and safeguard the company's tangible assets while increasing productivity and efficiency.

SODIC developed procedures to evaluate suppliers, contractors and service providers before carrying out any contractual activities; we continually check and review their performance regularly to ensure full compliance at all times. Ethical compliance, health and safety and legal compliance are stressed upon before contractual agreements and throughout the projects.

Internal compliance to safety standards, codes of conduct, internally developed policies and adopted standards are substantial to our business's success. Policies are updated and reviewed annually through the annual implementation and internal audit programmes. Through these programmes, risks are identified and evaluated and actions, where necessary, are recommended, and their implementation is monitored.

Proper communication of our compliance programme is essential to ensure full compliance. All our policies, codes and guidelines are published on the intranet and communicated to all employees in Arabic and English and are communicated to all our outsourced contractors and service providers through our Procurement Department.

The internal audit department makes sure all standards and guidelines are adhered to, and the Audit Committee oversees that all is in place and is communicated clearly and adequately to all employees. All internal controls are the responsibility of the directors.

The Compliance Review Board assists in reviewing and assessing applicable regulations, policies, and procedures, including environmental protection and management. This contributes to proactively identifying potential areas of risk in adhering to compliance requirements and proposing interventions.

For more information on our policies, please feel free to contact us.

Incidents of non-compliance during 2019: we had one recorded incident of non-compliance for the delay in submitting financial statements with a penalty fee of EGP 5,000. The committee examined the cause of this delay and implemented the necessary corrective actions for reporting deadlines in the future.

Anti-Corruption

Corruption limits progress and growth and leads to many undesired results to the business and society. Currently, SODIC manages corruption through various mechanisms such as Whistleblowing and the Speak Up, policies such as Conflict of Interest, Insider Trading and Related Parties, in addition to our Code of Conduct and Gift Policy. However, we believe we still need to commit to proactively developing a specific anti-corruption programme including policies and training programmes to directly address corruption internally and externally in the supply chain that will reflect our zero tolerance for any such practice.

Appendix I

Awards and Memberships

Awards

Euromoney

2016: Best Residential Project
2016: Best offices / Business Project – The Polygon
2014: Best Office Business Developer in Egypt – The Polygon
2011: Best Developer Overall – Egypt
2011: Best Mixed-Use Developer – MENA
2011: Best Residential Developer – MENA
2010: Best Developer Overall – Egypt
2010: Best Mixed-Use Developer – MENA

Cityscape

2017: Best Community, Culture & Tourism Award
2017: Best Commercial Project Award
2015: Best Mixed-Use Built Development
2013: Best Residential Project, Built – The Allegria
2013: Best Commercial and Mixed Use Project, Future – The Polygon

Business Today

2011: 'Best Company by BT100 Rank Change' – BT100 Crystal Awards

Ministry of Trade & Industry

2010: Enterprise Innovation Award, given for registering all of its trademarks with the Internal Trade Development Authority, an affiliate of the Ministry of Trade and Industry

CNBC Property

CNBC Arabian Property 2009: Best Architecture – The Allegria
CNBC Property 2008: Best Development in Egypt with a 5-Star Award – The Allegria
CNBC Property 2008: Best Golf Course Development with a 4-Star Award – The Allegria

American Society of Landscape Architects

2007: Award of Merit from the American Society of Landscape Architects (ASLA) for its master plan, developed by world-renowned master planners EDAW – The Allegria

Memberships

- American Chamber of Commerce
- British Egyptian Business Association
- Egyptian Businessmen's Association
- Investors Association of El Sheikh Zayed
- General Union of Chambers of Commerce
- الشعبة العامة للإستثمار العقاري

Annex I

GRI Index

This report has been prepared in reference to the **Global Reporting Initiative's (GRI) Sustainability Standards**. The GRI Standards allow companies to report their material impacts for a range of economic, environmental, and social issues. The table below summarises SODIC's materiality position in relation to each of the GRI Standards.

Materiality

- Indicates an indicator that is not material to SODIC
- Indicates an indicator that is material to SODIC

Coverage

- Not Reported (indicates cases that are not relevant to SODIC, cases that are confidential, and/or cases where SODIC lacks relevant information at the moment and is committed to addressing this deficiency in future reporting)
- Partially Reported (indicates cases where only part of the indicator may be relevant, and/or cases where SODIC compiles partially, but not wholly, relevant information and is working towards reporting fully on them in the future)
- Fully Reported

The 10 Principles of the UN Global Compact (UNGC)

Human Rights

Businesses should:

1. Support and respect the protection of internationally proclaimed human rights; and
2. Ensure that they are not complicit in human rights abuses.

Labour

Businesses should:

3. Uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. Work toward the elimination of all forms of forced and compulsory labour;
5. Work toward the effective abolition of child labour; and
6. Work toward the elimination of discrimination in respect of employment and occupation.

Environment

Businesses should:

7. Support a precautionary approach to environmental challenges;
8. Undertake initiatives to promote greater environmental responsibility; and
9. Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

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

Table 5 GRI Index

Disclosure Number	Disclosure Title	Materiality	Page #	Comments	UNGC Principle	Coverage
GRI 102: General Disclosures						
102-1	Name of the organisation	●				●
102-2	Activities, brands, products and services	●				●
102-3	Location of headquarters	●				●
102-4	Location of operations	●				●
102-5	Ownership and legal forms	●				●
102-6	Markets served	●				●
102-7	Scale of the organisation	●				●
102-8	Information on employees and other workers	●			6	●
102-9	Supply chain	●				●
102-10	Significant changes to the organisation and its supply chain			None		●
102-11	Precautionary principle or approach	●			7, 8, 9	●
102-12	External initiatives	●		Global Compact		●
102-13	Membership of associations	●				●
102-14	Statement from senior decision-maker	●				●
102-15	Key impacts, risks, and opportunities	●				●
102-16	Values, principles, standards, and norms of behaviour	●			1-10	●
102-17	Mechanisms for advice and concerns about ethics	●		In our Code of Conduct		●
102-18	Governance structure	●				●
102-19	Delegating authority	●		Not a core indicator, but can work on this process for the future		●

102-20	Executive-level responsibility for economic, environmental, and social topics	●		<p>The Executive Director of Strategy, Research, PR & CSR is responsible for social topics and reports to Managing Director.</p> <p>Environmental – None?</p> <p>The CFO, who is also an executive member of the BOD, is responsible for economic topics and reports to the Managing Director.</p>		
102-21	Consulting stakeholders on economic, environmental and social topics	●		A consultation with stakeholders is done on an informal basis. A formal stakeholder consultation process for a better performance in the future to be conducted.		●
102-22	Composition of the highest governing body and its committees	●				●
102-23	Chair of the highest governing body	●				●
102-24	Nominating and selecting the highest governance body	●				●
102-25	Conflicts of interest	●				●
102-26	Role of highest governance body in setting purpose, values and strategy	●				●
102-27	Collective knowledge of highest governance body	●				●
102-28	Evaluating the highest governance body's performance	●				●
102-29	Identifying and managing economic, environmental and social impacts	●				●
102-30	Effectiveness of risk management processes	●				●
102-31	Review of economic, environmental and social topics	●				●

102-32	Highest governance body's role in sustainability reporting	●				●
102-33	Communicating critical concerns	●				●
102-34	Nature and total number of critical concerns	●				●
102-35	Remuneration policies	●		Will need LINK to policy		●
102-36	Process for determining remuneration	●		Will need LINK to policy		●
102-37	Stakeholders' involvement in remuneration			Not applicable		
102-38	Annual total compensation ratio					●
102-39	Percentage increase in annual total compensation ratio					●
102-40	List of stakeholder groups	●				●
102-41	Collective bargaining agreements	●			3	●
102-42	Identifying and selecting stakeholders	●				●
102-43	Approach to stakeholder engagement	●				●
102-44	Key topics and concerns raised	●				●
102-45	Entities included in the consolidated financial statements	●		Reference info in annual report https://s3.amazonaws.com/inktankir2/SODIC/SODIC-Annual-Report-2019-vf1.pdf		
102-46	Defining report content and topic boundaries	●				●
102-47	List of material topics					●
102-48	Restatements of information			Not applicable, this is SODIC's first sustainability report.		
102-49	Changes in reporting			Not applicable, this is SODIC's first sustainability report.		
102-50	Reporting period	●				●

102-51	Date of most recent report			Not applicable, this is SODIC's first sustainability report.		
102-52	Reporting cycle	●				●
102-53	Contact point for questions regarding the report	●				●
102-54	Claims of reporting in accordance with the GRI Standards	●				●
102-55	GRI content index	●				●
102-56	External assurance					
GRI 103: Management Approach						
103-1	Explanation of the material topic and its boundary	●				●
103-2	The management approach and its components	●				●
103-3	Evaluation of the management approach	●				●
GRI 201: Economic Performance						
201-1	Direct economic value generated and distributed	●				●
201-2	Financial implications and other risks and opportunities due to	●				●
201-3	Defined benefit plan obligations and other retirement plans	●				●
201-4	Financial assistance received from government	●				●
GRI 202: Market Presence						
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	●				●
202-2	Proportion of senior management hired from the	●		SODIC operates only in Egypt and hires locally at all levels.	7	

	local community					
GRI 203: Indirect Economic Impacts						
203-1	Infrastructure investments and services supported	●				●
203-2	Significant indirect economic impacts	●				●
GRI 204: Procurement Practices						
204-1	Proportion of spending on local suppliers	●				●
GRI 205: Anti-Corruption						
205-1	Operations assessed for risks related to corruption	●				●
205-2	Communication and training regarding anti-corruption policies and procedures	●			10	●
205-3	Confirmed incidents of corruption and actions taken	●		There was one incident of corruption that was investigated and resolved according to SODIC's internal policies. We are unable to provide further information on the incident due to confidentiality and legal constraints.	10	●
GRI 206: Anti-Competitive Behaviour						
206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	●		SODIC did not have any anti-competitive behaviour, anti-trust, or monopoly practices lawsuits in 2019		●
GRI 207: Tax						
207-1	Approach to tax					●
207-2	Tax governance, control, and risk management					●
207-3	Stakeholder engagement and management of concerns related to tax					●
207-4	Country-by-country reporting	●				●
GRI 301: Materials						

301-1	Materials used by weight or volume	●			7, 8, 9	●
301-2	Recycled input materials used	●				●
301-3	Reclaimed products and their packaging materials	●				●
GRI 302: Energy						
302-1	Energy consumption within the organisation	●			7, 8, 9	●
302-2	Energy consumption outside of the organisation	●			7, 8, 9	●
302-3	Energy intensity	●			7, 8, 9	●
302-4	Reduction of energy consumption	●	22, 47, 48		7, 8, 9	●
302-5	Reductions in energy requirements of products and services	●			7, 8, 9	●
GRI 303: Water and Effluents						
303-1	Interactions with water as a shared resource	●	51		7, 8, 9	●
303-2	Management of water discharge-related impacts	●			7, 8, 9	
303-3	Water Withdrawal	●		SODIC utilises national water resources	7, 8, 9	●
303-4	Water Discharge	●			7, 8, 9	
303-5	Water Consumption	●	51-53		7, 8, 9	●
GRI 304: Biodiversity						
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	●				●
304-2	Significant impacts of activities, products and services on biodiversity	●				●
304-3	Habitats protected or restored	●				●

304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	●				●
GRI 305: Emissions						
305-1	Direct (Scope 1) GHG emissions	●			7, 8, 9	●
305-2	Energy indirect (Scope 2) GHG emissions	●			7, 8, 9	
305-3	Other indirect (Scope 3) GHG emissions	●			7, 8, 9	
305-4	GHG emissions intensity	●			7, 8, 9	
305-5	Reduction of GHG emissions	●			7, 8, 9	●
305-6	Emissions of ozone-depleting substances (ODS)	●			7, 8, 9	●
305-7	Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant air emissions	●			7, 8, 9	
GRI 306: Waste						
306-1	Water generation and significant waste-related impacts	●	51, 55-59		7, 8, 9	●
306-2	Management of significant waste-related impacts	●	51, 55-59		7, 8, 9	●
306-3	Waste generated	●			7, 8, 9	
306-4	Waste diverted from disposal	●				
306-5	Waste directed to disposal	●	55-59			●
GRI 307: Environmental Compliance						
307-1	Non-compliance with environmental laws and regulations	●		No incidents of non-compliance with local environmental laws.	7, 8, 9	●
GRI 308: Supplier Environmental Assessment						
308-1	New suppliers that were screened using environmental criteria	●		In 2019, 3,400 of new suppliers were registered In 2020, 600 new suppliers were added and screened	7, 8, 9	●

308-2	Negative environmental impacts in the supply chain and actions taken	●				●
GRI 401: Employment						
401-1	New employee hires and employee turnover	●			6	●
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	●			6	●
401-3	Parental leave	●				●
GRI 402: Labour/Management Relations						
402-1	Minimum notice periods regarding operational changes		45,46, 47, 48			●
GRI 403: Occupational Health & Safety						
403-1	Occupational health and safety management system	●		OHSAS 18001 is an internationally recognised assessment specification for occupational health and safety management systems. There are also internally developed HSE management systems.	1, 2	●
403-2	Hazard identification, risk assessment and incident investigation	●		Hazard identification, risk assessment and incident investigation are addressed in the HSE Guidance Notes.	1, 2	●
403-3	Occupational health services	●		Occupational health services are detailed in the HSE Guidance Notes. Occupational health services are detailed in the HSE Guidance Notes.	1, 2	●
403-4	Worker participation, consultation and communication on occupational health and safety	●			1, 2	●
403-5	Worker training on occupational health and safety	●		Details on training are provided in the HSE Guidance Notes and the EHS Manual	1, 2	●

403-6	Promotion of worker health	●			1, 2	●
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	●		SODIC Health and Safety Guidance Notes & Manual addresses our approach to preventing or mitigating significant negative occupational health and safety impacts that are directly related to our operations.	1, 2	●
403-8	Workers covered by an occupational health and safety management system	●		All workers with contractors on sites under SODIC management and workers in SODIC subsidiaries are covered by our health and safety management systems	1, 2	●
403-9	Work-related injuries	●			1, 2	●
403-10	Work-related ill health	●			1, 2	●
GRI 404: Training & Education						
404-1	Average hours of training per year per employee	●	6, 49, 50		6	●
404-2	Programmes for upgrading employee skills and transition assistance programmes	●	6, 49, 50		6	●
404-3	Percentage of employees receiving regular performance and career development reviews	●	6, 49, 50		6	●
GRI 405: Diversity & Equal Opportunity						
405-1	Diversity in governance bodies and employees	●	6, 46, 48		1,2	●
405-2	Ratio of basic salary and remuneration of women to men	●	6, 46, 48	The ratio is 1:1	1,2	●
GRI 406: Non-discrimination						
406-1	Incidents of discrimination and corrective actions taken	●	46,48		6	●
GRI 407: Freedom of Association & Collective Bargaining						
407-1	Operations and suppliers in which the right to freedom of association and collective	●	3		1, 2, 3, 4, 5, 6	●

	bargaining may be at risk					
GRI 408: Child Labour						
408-1	Operations and suppliers at significant risk for incidents of child labour	●	47	Covered in contractual agreements	5	●
GRI 409: Forced or Compulsory Labour						
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	●			4	
GRI 410: Security Practices						
410-1	Security personnel trained in human rights policies or procedures	●				●
GRI 411: Rights of Indigenous Peoples						
411-1	Incidents of violations involving rights of indigenous peoples	●				
GRI 412: Human Rights Assessment						
412-1	Operations that have been subject to human rights reviews or impact assessments	●	47,48		1,2	●
412-2	Employee training on human rights policies or procedures	●			1,2	●
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	●	37,39, 40		1,2	●
GRI 413: Local Communities						
413-1	Operations with local community engagement, impact assessments and development programmes	●	41,42			●
413-2	Operations with significant actual and potential negative impacts on local communities	●	41,42			●
GRI 414: Supplier Social Assessment						
414-1	New suppliers that were	●		In 2019, 3,400 of new		

	screened using social criteria			suppliers were registered In 2020, 600 new suppliers were added and screened		
414-2	Negative social impacts in the supply chain and actions taken	●				●
GRI 415: Public Policy						
415-1	Political contributions	●		No political contribution whether monetary or in-kind is made to political parties or representatives in any way	10	
GRI 416: Customer Health & Safety						
416-1	Assessment of the health and safety impacts of product and service categories	●				●
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	●		None		
GRI 417: Marketing & Labelling						
417-1	Requirements for product and service information and labelling	●				●
417-2	Incidents of non-compliance concerning product and service information and labelling	●		None		●
417-3	Incidents of non-compliance concerning marketing communications	●		None		●
GRI 418: Customer Privacy						
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	●				●
GRI 419: Socio-Economic Compliance						
419-1	Non-compliance with laws and regulations in the social and economic area			In 2019, we had one recorded incident of non-compliance for delay in submitting financial statements resulting in a penalty fee of EGP 5,000.		●

