

A wide-angle, high-angle aerial photograph of a modern urban residential complex. The complex consists of numerous modern apartment buildings with light-colored facades and dark-framed windows. The buildings are arranged in a grid pattern, with extensive green landscaping including lawns, trees, and shrubs. A large, prominent arch-shaped bridge is visible in the background, spanning a valley. The sky is clear and blue.

DEVELOPING FOR TOMORROW

SUSTAINABILITY REPORT 2021

THE COMPANY (GRI 2-1)

Throughout this report, "SODIC", "the company", or "we" are referring to the Sixth of October for Development and Investment Company "SODIC" (S.A.E.), SAE. Established as a Joint Stock Company (S.A.E), under Investment law no. 159 of 1981. Listed in Egypt Stock Exchange (EGX) on 10 March 1998.

SCOPE OF THE REPORT PERIOD AND CYCLE COVERED (GRI 2-3)

This is the first Annual Sustainability Report featuring one calendar year from 1 January to 31 December 2021. Some information before and after these dates may be included to emphasize context relevant to the reporting period.

REFERENCED REPORTING GUIDELINE

The report is prepared according to the Global Reporting Initiative Sustainability Reporting Standards: Core option.

DATE OF PREVIOUS REPORT SUSTAINABILITY

Not applicable – This is SODIC's first Annual Sustainability Report.

FORWARD-LOOKING STATEMENTS

This Sustainability Report contains forward-looking statements on various future estimation and paramount considerations that are expected in the landscape of the construction and real estate industry, both nationally and regionally. While SODIC's proven agility allows swift adaptation, there are no assurances of the magnitude or pace of such changes due to the rapid dynamics of the technologies and the markets we serve. Additionally, the emerging social disruptions and economic fallbacks caused by the COVID-19 pandemic can't be predicted due to its unexpected lasting impacts into 2021. Crisis response measures presented in this report don't constitute a commitment into the future; they only reflect actions taken during the reporting period, which are subject to change according to updated national regulations and arising issues.

MISTAKES AND TYPOGRAPHICAL ERRORS

Any errors discovered following the publication of the report will be corrected and updated on our website.

In consideration to the environment, our reports are published as a downloadable PDF file on our website.

FOR FURTHER INFORMATION: (GRI 2-3)

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MANAGING DIRECTOR'S MESSAGE

We are very excited to be sharing SODIC's first Sustainability Report, highlighting the progress we have made in line with the United Nations Global Compact (UNGC) principles and the Sustainable Development Goals (SGDs).

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Over the years, and now more than ever, the real estate sector has proven to be a key pillar to economic and sustainable development. 2021 was a year of many unprecedented challenges, with tightening supply-chain disruptions and strengthening inflationary pressures that continued to inflict a sense of uncertainty across the globe. Nonetheless, this year was also a year of boundless opportunities, and we strongly capitalized on focusing on these opportunities while facing the challenges head on.

As a leading developer in the Egyptian real estate space, we are fully aware of the responsibility we bear to the communities in which we operate. It is of the utmost importance for us at SODIC to continue leading by example, creating healthy and sustainable developments that push the envelope and create long-term economic, social, and environmental value across our communities.

2021 was a year of major change for us, as we continued to look for ways to scale up our operations responsibly. In that context, we focused on developing innovative green designs across our projects, complying with responsible construction guidelines and integrating sustainable practices in livable communities. As part of our commitment to carbon reduction, we have started measuring our carbon footprint this year. Working toward a sustainable future is at the helm of our priorities. We are aware that we do not just build for the present; we build for generations to come.

Our commitment to our communities extends beyond providing them with sustainable, state-of-the-art developments. We prioritize establishing a long-term relationship built on support, trust, and understanding with all our stakeholders and strive to always fulfill their long-term and aftersales needs. In order to provide our residents with access to a full range of amenities and outdoor living, our sports management arm, Club S,

is now expanding to its fourth sports club, soon to be operational in Villette, New Cairo, further promoting an active and healthy lifestyle across our communities. We have also significantly enhanced our aftersales services through our subsidiary, Edara. Established 10 years ago, the company is responsible for institutionalizing SODIC's efforts to provide its residents with the ever-improving quality of life it promises.

Our efforts have proven quite impactful among our stakeholders. In 2021, we were selected through our annual Net Performer Score (NPS) benchmarking survey as the number one developer in the market.

Alongside our commitment to our residents and society, we strive to protect the safety and wellbeing of our employees. Stemming from our firm belief that SODIC's success is anchored by its team, we aim to consistently maintain a secure and engaging workplace that enables them to get the job done safely and efficiently. Our people are our most valuable asset, and we work to maintain an environment that allows them to find a sense of accomplishment and meaning in what they do.

Outside our core business, we continue to work towards the goal of bettering people's lives within our wider communities. Partnering with key social enterprises in strategic sectors has been a fundamental part of our Corporate Social Responsibility (CSR) plans, and our biggest achievements at SODIC are those that support and contribute to the overall wellbeing of our society. Between 2020 and 2021, SODIC has made social investments in excess of EGP 16 million – one of our proudest spendings to date. The projects range from education to home rehabilitation, as well as several relief initiatives with direct impact on impoverished communities.

We strive to always positively impact not only the lives of our communities and stakeholders but that of our nation as a whole. As part of our efforts to support the

Egyptian economy's sustainable development, we prioritize awarding local contractors. With 95% of our supply chain being local, we create job opportunities for more than 30,000 Egyptian workers every year. We also continuously opt for hiring the services of Small and Medium Enterprises (SMEs) whenever the workload fits their capacities. We are committed to always working toward contributing to the enhancement of the lives of communities, wherever we operate.

Despite the continuous challenges posed by the COVID-19 pandemic and its repercussions, we still managed to set new financial records and gained new investors. In 2021, we exceeded our targets by booking EGP 11.4 billion in gross contracted sales against a guidance of EGP 8.8 billion, reflecting a 54% y-o-y growth in contracted sales.

Our success can only ever be as impactful as it is due to how keen we are to upholding high levels of governance, transparency, and trust in the way we run our operations. To promote and adopt responsible practices in the country, SODIC has become the first company in Egypt to become accredited by CIPS. This entails unparalleled governance and transparency, befit for a company of SODIC's size and reputation. The accreditation also enables us to continue building trust with our suppliers, customers, and shareholders.

Our newly established Center of Excellence Department further ensures that our operations follow the highest of standards. It is concerned with governance, business processes, and service management excellence, and it is responsible for arranging the frameworks, committees,

and charters that ensure all business processes are managed in the most agile and adept way.

SODIC's sustainability journey kicked off in 2014, when we first joined the United Nations Global Compact (UNG) initiative, and we have since implemented more rigorous tactics to advance our ESG governance framework. At SODIC, we believe that our sustainability journey starts from within the company, and in alignment with this, we are pleased to announce that around 95% of SODIC's headquarters has now transitioned to becoming solar-powered.

In our ever-evolving sustainability journey, I am proud to report that in late 2021, a dedicated unit was established to set our economic, environmental, social, and governance (EESG) strategy. In 2022 we embarked on measuring our carbon footprint — reported in this sustainability report — to be able to make a serious commitment towards reduction.

Looking ahead, we recognize that there is still much more to do and a greater difference to be made. While we are incredibly proud of our achievements thus far, we remain determined to create more meaningful impact across our operational footprint. This is just the beginning.

MAGUED SHERIF
MANAGING DIRECTOR

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OVERVIEW

Sixth of October Development and Investment Co. (SODIC) is one of Egypt's largest real estate development companies. We strive to create and deliver sustainable developments that redefine the real estate market, and our goal is to lead the Egyptian real estate landscape through diversity, experience, and value creation.

SODIC is a customer-focused developer with a progressive vision that places innovation at the center of everything we do. Our customers place their trust in us for the long-term. In turn, we strive to provide them with sustainable developments that continue to flourish well into the future.

Based in Cairo and traded on the Egyptian stock exchange (EGX) under the code OCDI.CA, SODIC is one of the few non-family-owned companies on the EGX that is prudently governed by our management under a robust corporate governance framework.

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25 YEARS OF SODIC

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In 2021, SODIC marked its 25th anniversary of developing premium, large-scale, mixed-use communities in West Cairo, East Cairo, and the North Coast, bringing to the market award-winning developments that meet the country's ever-increasing demand for high-quality residential, commercial, and retail properties.

Since inception in 1996, SODIC has operated with the deep conviction that there is endless untapped potential in the outskirts of Cairo, away from the congested city center. It is this vision that has allowed us to offer our customers a quality of life and in turn deliver returns to our investors over the last 25 years.

With the establishment of the Beverly Hills community in 1996, SODIC laid the groundwork for the Sheikh Zayed we know today, growing into the thriving metropolis of SODIC West.

Our sprawling, mixed-use communities in West Cairo, East Cairo, and the North Coast are home to residential developments, office space, educational institutions, healthcare facilities, recreational centers, sports clubs, and retail businesses that serve a variety of demographics — from homeowners, residents, tenants, and business owners. Approaching each new project with a fresh perspective, today the company has +10 mixed-use developments, some of which are still under development, in three distinct regions of Egypt.

We aim to urbanize new cities with an unwavering dedication to quality and timely delivery. As such, SODIC's operations has expanded over the past 25 years to include a variety of real estate development-related services, including land development, leasing, and/or

management of commercial and residential properties, as well as the management of sports and entertainment venues.

Our value proposition lies in our ability to fully service our developments, making this model one of the first in the market. We manage our communities through our facility management company EDARA, a one-stop service provider that caters to our residents and visitors. Over the years, EDARA has become one of Egypt's leading facility management companies, providing security, landscaping, maintenance, and cleaning services, among other solutions.

Our next-generation projects are designed to respond to our residents' need to be part of a larger, more sustainable ecosystem, with innovative and modern designs, green buildings, and smart homes and commercial properties in the making.

READ ON: [Green Buildings and Smart Cities](#)

We build world-class real estate developments, with vibrant, integrated communities and a rich portfolio of residential, recreational, and business amenities and activities that bring prosperity to the wider community, while attracting investments and strengthening our business growth.

SODIC's well-diversified land bank, prime asset portfolio, and strong balance sheet enable us to deliver unique communities that generate long-term value for all stakeholders and mitigate concentration risks.

OUR DEVELOPMENTS

As of 31 December 2021, SODIC's land bank stands at 16 million m², of which 4.8 million m² is unlaunched land currently under development across key markets in the North Coast and East and West Cairo, with a sales backlog of over EGP 22 billion and EGP 19.5 billion in receivables.

SODIC has a portfolio of over 10 mixed-use developments, office, retail, leisure and recreational, clubs, and healthcare properties, with a total of over 16,000 units sold and 12,000 units delivered across all projects. In 2021, 1,163 units were delivered.

LIVABLE COMMUNITIES



NEXT GENERATION PROJECTS

NEW ZAYED, WEST CAIRO



EAST CAIRO



NORTH COAST



NON-RESIDENTIAL ASSETS

WEST CAIRO



EAST CAIRO



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SERVING OUR COMMUNITIES

CLUB S

Club S is SODIC's sports management arm. It runs three sports clubs across its different communities in East and West Cairo, with the fourth soon to be operational in Villette in New Cairo.

At the heart of SODIC's community experience, Club S is a committed promoter of active living. It brings residents a variety of exciting sports experiences, along with entertainment and wellness offerings for families.

EDARA

A key differentiator for SODIC is its subsidiary, EDARA. Established 10 years ago, the company is responsible for institutionalizing SODIC's efforts to provide its residents with the ever-improving quality of life it promises.

KEY HIGHLIGHTS OF 2021

SODIC's strong track record in the Egyptian market and its credible reputation of the timely delivery of prime communities helped SODIC gain strong visibility among strategic and institutional investors. In 2021, these unique value propositions encouraged an Abu Dhabi investor consortium that is 70% controlled by Aldar Properties (Aldar), one of the United Arab Emirates' (UAE) largest real estate development and asset management companies, and 30% by ADQ, one of the region's largest holding companies, to acquire a majority stake (85.52%) in SODIC.

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THE NORTH COAST



WEST CAIRO



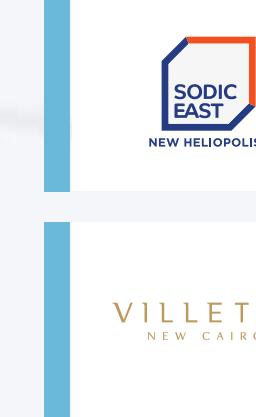
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New Zayed

THE ESTATES
RESIDENCES

EAST CAIRO



KATTAMEYA
PLAZA

BOARD OF DIRECTORS

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LEADERSHIP TEAM

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The Board of Directors governs the company and directs its business strategy and management. It has the authority to make decisions on all corporate matters reserved to the general meeting of shareholders or another body by law or the Articles of Incorporation.



TALAL AL DHIYEBI
CHAIRMAN OF
THE BOARD
(NON-EXECUTIVE)

Talal Al Dhiyebi is the Group Chief Executive Officer at Aldar Properties, having previously held the positions of Chief Development Officer and Executive Director of Asset Management, among other senior positions within the group.

Al Dhiyebi serves on the boards of numerous companies, including Chairman of Aldar Investment, Chairman of Aldar Estates, Chairman of Musanada, Vice-Chairman of Aldar Education, and board member of Miral Asset Management, Abu Dhabi Motorsports Management, Sandooq Al Watan, Abu Dhabi Housing Authority, and Abu Dhabi Chamber of Commerce and Industry.

Al Dhiyebi is a graduate of electrical engineering from the University of Melbourne, Australia.

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OSAMA SALEH
**DEPUTY CHAIRMAN
OF THE BOARD
(INDEPENDENT)**

Osama Saleh served as Non-executive Chairman of SODIC from 1 April 2020 until 16 January, 2022. Saleh has over 40 years of experience during which he 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 the Chairman of the Egyptian Mortgage Finance Authority (MFA), Chairman of the General Authority for Investment and Free Zones (GAIFI), 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 received a BA from the Faculty of Commerce, Cairo University.



JONATHAN EMERY
**BOARD MEMBER
(NON-EXECUTIVE)**

Jonathan Emery is the Chief Executive Officer at Aldar Development and is responsible for all development activities across the company.

Throughout his 30+ years in the global real estate industry, Emery has held senior positions at leading developers, including UK Managing Director at Hammerson and Managing Director of Development and Communities at Majid Al Futtaim. Most recently, he has held senior positions at Lendlease—a multinational construction, property, and infrastructure company—where he was both CEO of the firm's global residential practice and Managing Director of Property for Europe, and prior to that, he was their Managing Director of Development for Australia.

Emery graduated from Nottingham Trent University in the UK. He has also attended a number of other academic institutions including Henley Management College, Harvard, and INSEAD, and he has been a visiting professor at Yale University.



DAVID DUDLEY
**BOARD MEMBER
(NON-EXECUTIVE)**

David Dudley is the Chief Partnerships and Investments Officer at Aldar Development and is responsible for executing and managing development partnerships, including joint ventures, public-private partnerships, land acquisition, and corporate acquisitions. Dudley also plays a key role in the development and implementation of Aldar Development's strategy for international expansion and asset class diversification.

Dudley has over 25 years of global experience in real estate advisory, development management, asset management, and transactions. Prior to joining Aldar, he held senior positions at JLL, including Director of Operations and Head of Abu Dhabi, KSA, and Egypt, and prior to that, he held senior roles with JLL in Hong Kong, Asia, Russia, and the UK.

Dudley holds a BSc (Hons) in urban land economics from Sheffield Hallam University. He serves as a board member for various Aldar Development Partnerships.

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SANA KHATER
BOARD MEMBER
(NON-EXECUTIVE)

Sana Khater is the Executive Director of Group Finance at Aldar Properties and is responsible for leading the company's finance functions across reporting, assurance, controllership, and managing relationships with subsidiary management teams, external auditors, and regulators.

Khater has over 25 years of experience in the finance and banking sectors, having held several financial leadership positions within publicly-listed companies spanning UAE, Kuwait, and Canada. Most recently, she served as Chief Financial Officer at Waha Capital.

Khater holds a degree in accounting and finance from McGill University, as well as a range of other qualifications from the American University of Beirut, Saïd Business School, University of Oxford, IMD, and Wharton. She serves as an Independent Audit Committee member at Abu Dhabi Health Services Company (SEHA).



FAHAD ABDULLA AL MAHMOOD
BOARD MEMBER
(NON-EXECUTIVE)

Fahad Abdulla Al Mahmood is the Managing Director of Aldar International and is responsible for leading Aldar's expansion into international markets. The company's first new market entry was completed in 2021 through the acquisition of a majority stake in one of Egypt's leading real estate companies, SODIC.

Since joining Aldar in 2013, Al Mahmood has held a number of senior positions including Chief Ventures Officer at Aldar Development, Executive Director of Stakeholder Management, and Director of Infrastructure and Government Relations. Before his time at Aldar, he spent seven years at Emirates Advanced Investment as a secondee from the UAE Government, where he was employed as an engineer since 2001.

Al Mahmood received his MBA from the New York Institute of Technology and his BSc in electrical and electronics engineering from the United Arab Emirates University (UAEU).



OMAR MEHANNA
BOARD MEMBER
(NON-EXECUTIVE)

Omar Mehanna is the Head of Sovereign Partnerships at ADQ.

Mehanna has over 20 years of investment and banking experience across multiple sectors, including real estate and infrastructure, technology, and financial services. His previous roles include Head of Investments at Abu Dhabi Investment Office, Global Head of Merchant Banking at NBAD, and Head of HSBC MENA Investment Banking.

He is a qualified ICAEW Chartered Accountant from PwC UK and currently serves as a member of the Board of Directors of Amoun Pharmaceuticals.

Mehanna received his MSc in management (Artificial Intelligence thesis) and BSc in econometrics and mathematical economics from London School of Economics.

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AMER AL AMERI
BOARD MEMBER (NON-EXECUTIVE)

Amer Al Ameri is the Head of Venture Capital and Technology Investments at ADQ.

Prior to joining ADQ, he spent two years at the Abu Dhabi Executive Office as a member of the team managing the Abu Dhabi government's flagship Ghadan 21 program. He also held investment roles at the Abu Dhabi Investment Council. Al Ameri currently serves as a member of the Board of Directors of Invest AD, a specialist principal investment and asset management company focused on the MENA region, as well as some of the region's most promising start ups.

Al Ameri is a Chartered Financial Analyst (CFA) Charterholder and has an MBA from the University of Oxford.



MAGUED SHERIF
BOARD MEMBER (EXECUTIVE)

Magued Sherif is SODIC's Managing Director. He has over 35 years of professional experience during which he held several leadership positions with prominent companies in the industry. Some of his past positions include Egypt Country Head and Properties Chief Executive Officer at Majid Al Futtaim Properties Egypt, as well as General Manager and Senior Vice President at Palm Hills Developments for a 10-year period 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.

Most recently, Sherif was the Co-Founder and Managing Director of Venturers LLC in Orlando, Florida, and the Co-Founder of AA Investments LLC in Orlando, Florida. Earlier in his career, Sherif was the Head of the Privatization Unit at Arthur Anderson, in addition to spending seven years at Bechtel Egypt and Bechtel Limited. He began his career as a Site Engineer with Orascom Construction Industries in 1986.

Sherif holds a BSc in architecture from Cairo University, Egypt, in addition to an MBA from The American University in Cairo.



DALIA KHORSHID
BOARD MEMBER (INDEPENDENT)

Dalia Khorshid is the Chairwoman and CEO of MASAR. Prior to that, she founded and chaired Eagle Capital for Financial Investment. Khorshid is the former Egyptian Minister of Investment, a position through which she led the charge on Egypt's investment law.

Khorshid has over two decades of extensive and diverse experience in the banking and financial sector with some of the biggest corporate names in Egypt. Prior to her stint as Minister, Khorshid spent 11 years as Executive Vice President and Group Treasurer at Orascom Construction Limited and Group Treasurer at OCI NV, where she successfully spearheaded their multi-billion-dollar fundraising initiatives. She also spent a year with the groups as Deputy Corporate Finance and Investment Banking Group Head of the North African region, where she skillfully brought numerous deals to completion, including cementing a loan to OCI-owned Algerian Cement Company and advising on several high-level M&A transactions.

Khorshid held numerous roles within Citibank's Corporate Banking Group in Egypt, working her way from Management Associate to Vice President of the division to Head of Corporate Finance and Investment Banking in Citibank Middle East and North Africa. Khorshid also spent three years as Relationship Manager of the Corporate Banking Group of CIB, Egypt's largest private sector bank. Khorshid holds a BA in business administration from The American University in Cairo.

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* While developing this report, the Board Chair and Members have been changed.
We present in this report the new Board of Directors as of December 2021.

MANAGEMENT COMMITTEE

The management committee members, led by the Managing Director, are responsible for the delivery of the board-approved business strategy and the management of the day-to-day operations of the business.

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MAGUED SHERIF
MANAGING DIRECTOR

Magued Sherif is SODIC's Managing Director. He has over 35 years of professional experience during which he held several leadership positions with prominent companies in the industry. Some of his past positions include Egypt Country Head and Properties Chief Executive Officer at Majid Al Futtaim Properties Egypt, as well as General Manager and Senior Vice President at Palm Hills Developments for a 10-year period 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.

Most recently, Sherif was the Co-Founder and Managing Director of Venturers LLC in Orlando, Florida, and the Co-Founder of AA Investments LLC in Orlando, Florida. Earlier in his career, Sherif was the Head of the Privatization Unit at Arthur Anderson, in addition to spending seven years at Bechtel Egypt and Bechtel Limited. He began his career as a Site Engineer with Orascom Construction Industries in 1986.

Sherif holds a BSc in architecture from Cairo University, Egypt, in addition to an MBA from The American University in Cairo.



AHMED EL-HALAWANY
CHIEF DEVELOPMENT OFFICER

Ahmed El-Halawany is the Chief Development Officer at SODIC. He has over 15 years of experience in managing the development portfolio of prominent real estate players in Egypt and the region.

Prior to joining SODIC, El-Halawany served as the Chief Development Officer at Orascom Development in Egypt, where he led the real estate business unit in El Gouna with special focus on projects' progress, revenues, deliveries, and cash flow management.

El-Halawany also served as the Development Director for Malls and Residential Units at Marakez and as the Development Director at Eagle Hills Properties. At SODIC, El-Halawany held the same position, overseeing Eastown for over two years. Earlier in his career, El-Halawany spent five years as Development Manager at Emaar Properties, Mivida, following his role as Design Architect at Dar El Handasah.

El-Halawany holds a BSc in architecture from Cairo University.



AYMAN AMER
CHIEF OPERATING OFFICER

Ayman Amer is the Chief Operating Officer at SODIC, heading the development business unit and overseeing operations from land acquisition and project development to marketing and sales of SODIC's developments. He has over 20 years of experience in the real estate, project management, and construction industries in North Africa.

Amer previously served as SODIC's Chief Business Development and Procurement Officer, where he was responsible for setting and monitoring SODIC's procurement strategy across all divisions, as well as expanding the company's land bank and forming strategic partnerships with operators.

Prior to joining SODIC, Amer spent four years as Procurement and Cost Control Manager at Turner International Middle East (TIME), following his post as Senior Procurement Engineer at Orascom Construction Industries (OCI).

Amer holds a BSc in architectural engineering from Cairo University and a diploma in project management from The American University in Cairo as a Certified International Procurement Professional.

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HEBA MAKHLOUF
CHIEF INVESTMENT OFFICER

Heba Makhlof is the Chief Investment Officer at SODIC. She oversees the Investments Business Unit, including SODIC's mergers and acquisitions, as well as the operations of all SODIC's current and future leasable assets and all post-delivery customer touchpoints.

Makhlof joined SODIC in 2014 with over ten years of corporate finance and corporate banking experience gained in the UK, France, and Egypt.

Prior to joining SODIC, Makhlof served as Vice President of Corporate Finance at BNP Paribas in London and Paris, where her responsibilities covered Africa. During that period, she advised on an array of M&A transactions across diversified sectors, including telecoms, oil and gas, and banking. Before joining BNP Paribas, she spent four years as Vice President at Delta Rasmala investment banking in Cairo and three years as a Credit Analyst at BNP Paribas banking in Cairo.

Makhlof holds a BA in business administration from Cairo University.



OMAR ELHAMAWY
CHIEF FINANCIAL OFFICER

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 8 billion of medium-term debt facilities.

Prior to joining SODIC, Elhamawy spent eight years as the Director of 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, and 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.



YASSER EL SAID
CHIEF PROJECTS OFFICER

Yasser El Said is the Chief Projects Officer at SODIC with over 30 years of experience in the real estate, project management, and construction sectors in Egypt and the Gulf region. In his capacity, he oversees the technical, controls, and design divisions.

Prior to joining SODIC in 2010 as Senior Projects Manager, El Said spent four years as Project Manager at Dubai-based Nakheel Co. and served as Construction Manager at project management firm Hill International. During his work in Egypt, El Said spent nine years with ABB USAID, taking part in various USAID projects.

El Said holds a BSc in civil engineering from Mansoura University.

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HISHAM SALAH
CHIEF TECHNOLOGY OFFICER

Hisham Salah is SODIC's Chief Technology Officer. Salah has more than 30 years of professional experience in the areas of information technology and corporate systems. Among his achievements is founding and leading the first in-house fiber to the home (FTTH) and triple-play residential project in 2009.

Salah's previous experience includes serving as Vice President of Technology at Palm Hills Developments, where he was responsible for the company's strategic direction and execution of all IT projects and systems. Previously, he headed the Communications and Government divisions at Microsoft, where he was responsible for sales and key strategic initiatives supporting the company's growth. Before joining Microsoft, Salah contributed to establishing Commercial International Life (currently known as AXA) as Head of Information Technology. He began his career at Commercial International Bank (CIB), where he held various positions in information technology and operations.

Salah holds an MSc in information technology from Middlesex University in London.



NADINE OKASHA
STRATEGY, BRAND, AND SUSTAINABILITY EXECUTIVE DIRECTOR

Nadine Okasha is the Strategy, Brand, and Sustainability Executive Director at SODIC. In her current capacity, Okasha heads SODIC's strategy management office and several other corporate functions, including market research and customer experience, as well as SODIC's corporate marketing, public relations, social responsibility, and sustainability functions.

Prior to joining SODIC, she held the position of Business and Organizational Development Senior Manager at Azza Fahmy Jewelry from 2007, where she oversaw the Dubai and Bahrain markets. In 2004, Okasha relocated to France, where she served as Business Development Manager and Headquarter Representative at Kato International S.A.S, tasked with growing the UK and German markets.

Okasha began her career in Nasgeyat for Trade and Industry in a marketing role in February 2003. She earned her BSc in chemical engineering from Cairo University in 2002 and her certification from the Wharton School of Business Executive Development program in 2009.



AHMED SAMIR
PEOPLE AND CAPABILITIES EXECUTIVE DIRECTOR

Ahmed Samir is SODIC's Executive Director of People and Capabilities, overseeing SODIC's Human Resources function, Center of Excellence & Transformation as well as Innovation. Ahmed has over 17 years of experience in Human Resources & Organization Development across different industries and operating levels.

Prior to joining SODIC in 2014, Samir held the position of Head of Organization Development at Orascom Telecom Holding. Before that, Samir had successfully led the HR startup for three new operations, including WIND Mobile in Canada. Before joining Orascom, Samir held the position of Organization Consultant at LOGIC Management Consulting and was involved in developing an array of HR foundations and strategies as well as running assessment centers and mega recruitment projects for many clients in different sectors including but not limited to tech, shipping, FMCGs, and telecoms.

In 2011, Samir joined Vodafone as Senior Team Leader for Organization Effectiveness and Change. He started his career in 2005 with Saudi German Hospitals Group, Dubai.

Samir holds a BA in business administration from the Faculty of Commerce, English section at Cairo University, as well as a number of certifications from renowned HR institutes, including HAY Group, Towers Watson, and SHL.

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CORPORATE STRATEGY AND ECONOMIC PERFORMANCE

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OUR CORPORATE STRATEGY

SODIC identifies itself as a company that conducts business in an authentic, aspirational, and progressive manner, with a leadership team that strives to always be the first to venture into new spaces. For the first 10 years of operation, SODIC focused on being first movers, exploring Cairo's western outskirts. It then strengthened its presence as an upscale developer that prioritizes and excels in providing quality delivery. Since 2018, its strategy has shifted to focus on and provide a comprehensive living experience for its residents and tenants.

SODIC's corporate strategy has also helped it remain structured, agile, and resilient. The company has

excelled at weathering storms, having over 25 years of experience of successful operations amidst change and macro uncertainty by leveraging its core values of integrity, synergy, commitment, ownership, and agility. To become leaders by market share, the aspirational values SODIC strives to embody in the next phase of its growth are being winners, creative, customer-obsessed, and sustainable.

SODIC's new strategy revolves around five main themes: growth and expansion, scaling up operations, customer-centricity, digital transformation, and cultural transformation.

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VISION



To lead the Egyptian real estate landscape through diversity, experience, and value creation.

MISSION



We create and deliver sustainable developments that redefine the real estate market. We work hand-in-hand with our stakeholders, safeguarding their interests and earning their trust for life.

VALUES



THE COOLEST COMPANY



PROGRESSIVE



AUTHENTIC



ASPIRATIONAL

ASPIRATIONAL VALUES



WINNERS



CREATIVE



CUSTOMER-OBSSESSED



SUSTAINABLE

CORE VALUES

INTEGRITY

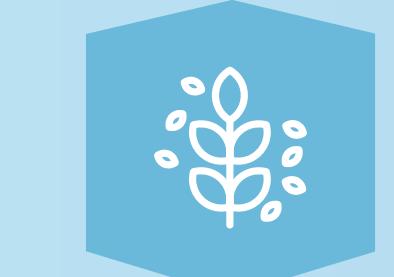
SYNERGY

COMMITMENT

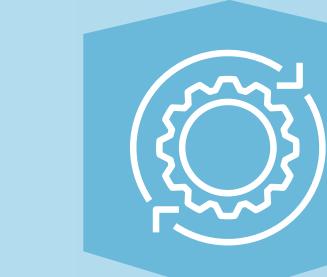
OWNERSHIP

AGILITY

STRATEGIC THEMES



GROWTH & EXPANSION



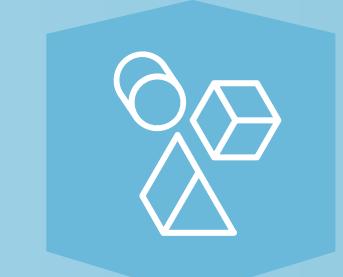
SCALING UP OPERATIONS



CUSTOMER CENTRICITY



DIGITAL TRANSFORMATION



CULTURE TRANSFORMATION

GROWTH & EXPANSION

SODIC's new strategy has identified key priorities to ensure growth and expansion. These include expansions in East Cairo, West Cairo, and the North Coast; entering new markets; unlocking the potential of

existing non-residential assets; and exploring new asset classes, such as education and clubs and other investment opportunities.

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In 2021, SODIC hit numerous milestones, including:

GROWTH IN WEST CAIRO, EAST CAIRO, AND THE NORTH COAST

- Re-launching the 464-acre plot in New Zayed after the area was re-zoned was one of our primary goals. The plot was re-launched in 2022, meeting the ever growing demand for quality homes in West Cairo. The 464 plot is planned to be the next SODIC West. Estimated to generate about EGP 36 billion in sales, it is one of SODIC's flagship destinations and future growth drivers.
- We are elevating our presence in East Cairo, which is home to a large portion of all urban development opportunities in Egypt, and we plan to generate 45–50% of our total sales from this promising region. With 655 acres and 8,000 expected units, SODIC East is a powerful step into that market, generating 17% of our contracted sales in 2021 and 50% of our East Cairo sales in the same year.
- After the success of our North Coast project, Caesar, which is practically fully delivered, the company launched June in 2021, 8 km east of Caesar. Its unique typography allows unobstructed sea views to almost 70% of residents, with land elevation reaching 55m above sea level. The project was launched in 2021 and generated some EGP 4.14 billion in sales, almost a third of the company's contracted sales value for the year. Total sales to be generated from June are estimated in the range of EGP 22 billion over the next six years.

UNLOCKING THE POTENTIAL OF EXISTING NON-RESIDENTIAL ASSETS

- The commercial component of SODIC's mixed-use development, Eastown, and SODIC's flagship asset in East Cairo, EDNC, is strategically located directly on Road 90—the main street and central axis of New Cairo—and is immediately adjacent to AUC. EDNC is designed as a dynamic office and retail complex, comprised of 85,000 m² of office and retail built up area, of which around 40,000 m² are leasable. The project is developed with a focus on sustainability, with buildings' forms and façades proportioned to provide ideal daylighting through an optimum organization of office space. EDNC is designed to encourage a healthier and more productive environment with a reduced carbon footprint.
- The company's premium properties are strategically placed in mature flagship developments.
- Through these assets, whether completely or almost finished, we serve more than 30,000 residents.
- These varied projects, which range from office buildings and retail stores to healthcare and sports facilities, have been developed to complement the integrated living experience the company provides clients. Additionally, providing residents with desirable amenities and strengthening the durability of the business model anchors value in SODIC's properties and its shares.
- SODIC closed a deal with the first Finnish-British School in SODIC East, which will create further value to our customers and generate more demand for our East Cairo project.



SCALING UP OPERATIONS

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At the core of our 2023 priorities for scaling up the company's operations are fully deploying a new operating model, rolling out of the Centre of Excellence, ramping up project execution capabilities through contracting and procurement strategies, and setting up a new asset management arm.

We transformed from a normal functional structure to one that has two fully-accountable business units—the Development unit and the Asset Management and Investment unit. Both units are enabled by a very well-governed execution capability and served by integrated support functions to design and deliver the best experience to our communities. The Development business unit consists of all things related to the development, sales, and marketing of our projects; new land acquisitions; customer relations; customer service; and handover. The Asset Management and Investment unit looks after all post-handover activities that have

to do with livability, retail, recurring income, leasable income portfolio, as well as our new M&As and investment decisions.

Our project execution capabilities continue to deliver SODIC's strongest promise of timely delivery. As part and parcel of its value-driven strategy, SODIC has cemented a solid reputation in the market for prompt project delivery at 91% ahead of schedule delivery.

The company continued to make progress on construction on several projects throughout the year, including residential Six West and commercial project The Polygon X in our flagship destination SODIC West. It also advanced in construction on Sky Condos, the first multi-family offering in East Cairo project Villette as well as EDNC, the commercial component of Eastown and the company's flagship commercial project in East Cairo.

A total of 1,163 units were delivered by SODIC over the course of 2021:

345

in West Cairo projects

800

in East Cairo projects

18

in North Coast projects

CUSTOMER CENTRICITY

A customer-focused approach requires investment in a company's customer journey and touchpoint enhancements.

SODIC's business model integrates a "customer centricity" approach as one of its core strategic pillars. The company focuses on the customer's entire experience, from the very first encounter with SODIC's brand to their lifelong journey living or doing businesses in its developments.

SODIC's competitive advantage lies in its capacity to adapt to the ever-changing dynamics and demands of the industry and its clients, as well as its consistency

in delivering high-quality products on time or ahead of schedule, all while offering unrivaled customer service.

The company aims to provide a seamless customer experience with as few points of contact as possible. Residents receive superior property management services from EDARA, making SODIC's projects some of the most sought-after in the Egyptian market. As challenging as it often is due to the extended length of the customer journey, the company's strategy ensures it stays focused to achieve its goals.

READ ON: The Developer of Choice - Our Customer Journey

Once a year, SODIC outsources a renowned market research agency to measure and score customer satisfaction. In 2021, its ranking in this scoring system climbed to see SODIC become the number one real estate developer by customer satisfaction—a culmi-

nation of efforts made over the years in community and facility management, after-sale communication, client servicing, as well as the company's development strategy.

DIGITAL TRANSFORMATION

SODIC's digital transformation journey started several years ago, and today, with a new operating model and organizational structure that were designed in 2021,

the company is well-prepared with the tools it needs to achieve its ambitious plans.

Our transformation is streamlined across our five scopes:



The first, and probably most important, step in SODIC's digital transformation journey was the automation of the company's entire business processes and building innovative systems (CRM, EPPM, ERP, BI, etc.), which are aligned with the its strategic vision, support efficient

decision-making, and eliminate data discrepancy and redundancy across all departments. These systems are also used as a central command hub to help automate the business and make reporting and decision-making easier.

CULTURE TRANSFORMATION

Our top priorities to achieve culture transformation is to focus on our operating model readiness, to continue improving our performance management framework to drive alignment, and to ensure an evolving culture of transformation that will help us adapt to emerging conditions and achieve a creative competitive culture that will deliver growth.

Integrating more ambitious values into the core of our operations and collective mindset requires the internal empowerment of our taskforce, with the help of proper enablers to motivate talents and push innovation forward.

READ ON: Partners of Success

ECONOMIC PERFORMANCE

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SUSTAINABLE ECONOMIC VALUE CREATION (GRI 2-1)

SODIC maintains a diverse shareholder base that ranges from large-scale institutions with global footprints to smaller local funds and individual investors.

Subsidiaries support the company across varying stages in the development of communities. SODIC has five representative offices across West Cairo, East Cairo, and the North Coast to help connect with and easily reach out to residents and potential clients.



For more details, please check our 2021 Annual Report [here](#).

The company's responsible investment approach assures sustainable, long-term profits, SODIC adds value through an ambitious but smart land acquisition and development plan that enables it to accomplish record turnaround and delivery times while ensuring developments are in high demand.

In 2021, total net cash receipts amounted to EGP 4.95 billion, with 6% delinquencies compared to EGP 4.28 billion and an 8% delinquency in 2020.

Overall backlog of unrecognized revenue hit EGP 22.76 billion as of 31 December 2021, giving the company a solid revenue outlook. Following the reclassification, backlog can be defined as the sum of advances from customer accounts and off-balance-sheet, post-dated cheques pertaining to undelivered units as of year-end 2020.

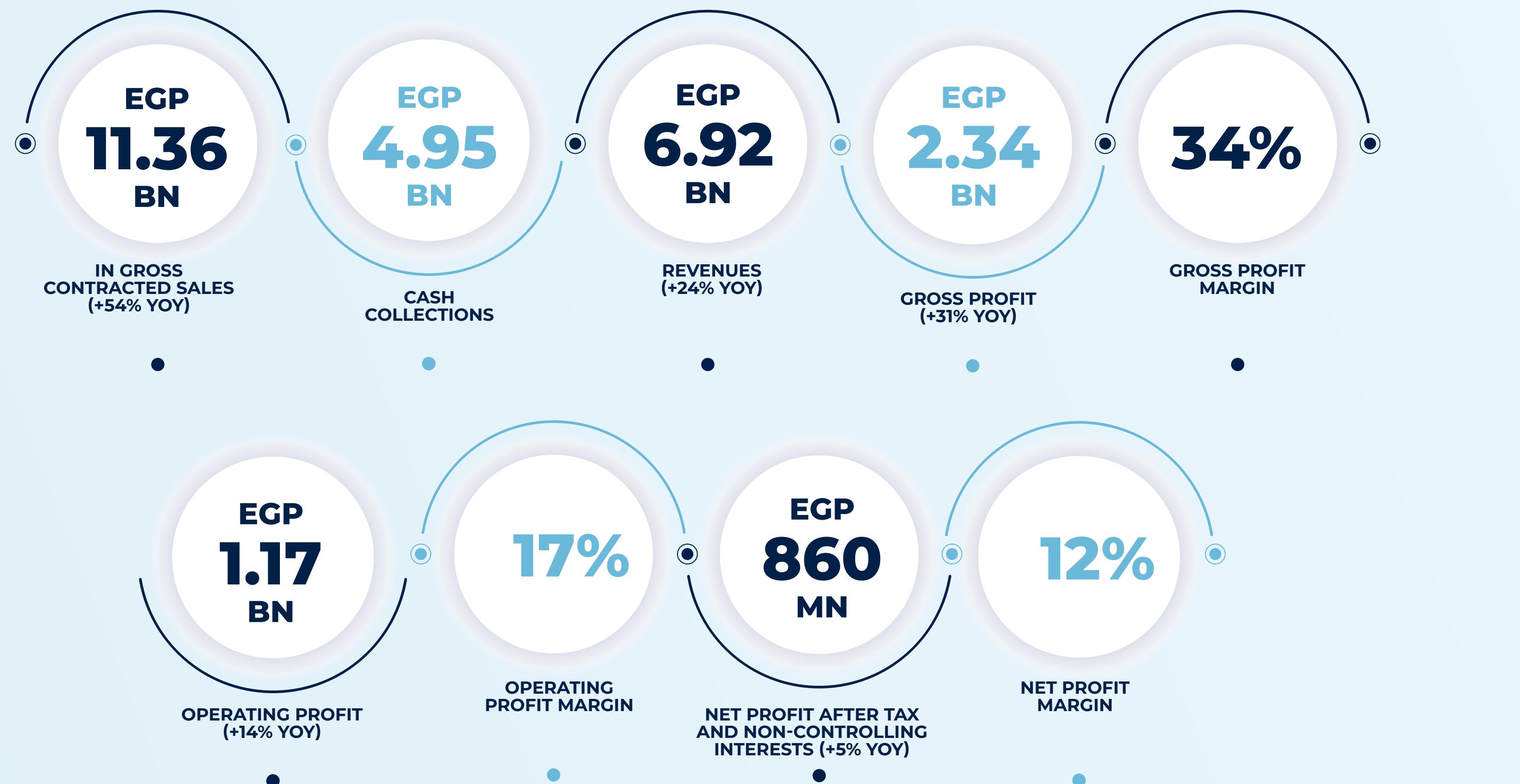


2021 FINANCIAL HIGHLIGHTS

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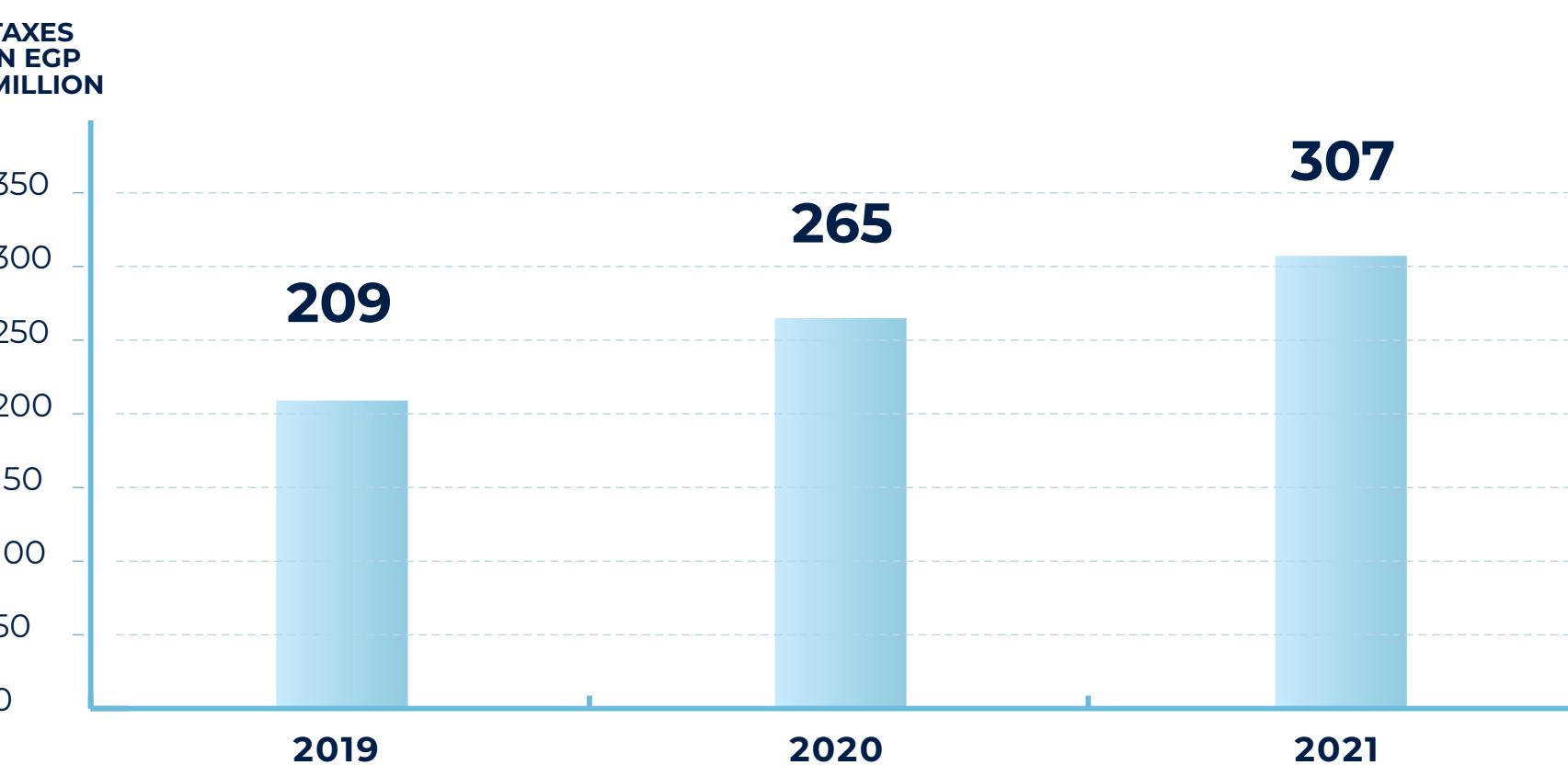
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SHAREHOLDING CHANGES

On 14 December 2021, a consortium consisting of Aldar and ADQ bought approximately 85.52% of SODIC's outstanding share capital. SODIC was valued at EGP 7.1 billion in the all-cash mandatory tender offer, with a purchase price of EGP 20.0 per share, resulting in a transaction value of EGP 6.1 billion. The consortium's goal is to strengthen SODIC's position as a leading national developer in terms of scale and reputation by expanding the company's portfolio of mixed-use residential communities in Greater Cairo, the North Coast, and other prime locations in Egypt.

Aldar is a market leader in Abu Dhabi and one of the leading real estate development and asset management companies in the UAE. Aldar owns and operates landmark real estate projects in Abu Dhabi, such as residential, commercial, and retail assets on Yas Island, the world-renowned leisure, shopping, and entertainment destination, and on Saadiyat Island, the capital's up-and-coming lifestyle and cultural destination. Aldar's

commercial interests include strategic investment, fee-based development management, schools, hospitality, leisure and entertainment, facilities management, and others. Aldar takes pride in being customer-centric and innovative, with a dedication to corporate governance, operational excellence, sustainable practices, and personnel development.

ADQ is an Abu Dhabi-based investment and holding company with an expansive portfolio of investments in several sectors such as energy and utilities, food and agriculture, healthcare and life sciences, and transport and logistics. As a strategic partner of Abu Dhabi's government, ADQ is committed to accelerating the transformation of the Emirate into a globally competitive and knowledge-based economy. Over the last year, the company has made several key investments in Egypt as part of its commitment to investing in the country's economic growth.



AWARDS AND RECOGNITION

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MEIRA

2017 AND 2018: BEST INVESTOR RELATIONS CORPORATE IN EGYPT

SODIC was recognized as the Leading Corporate for Investor Relations in Egypt by the Middle East Investor Relations Association (MEIRA) for two years in a row.

The process to select winners in the best practice category was run by MEIRA in collaboration with research

company Extel, and it reflects the feedback of the investment community toward which SODIC is continuously committed to uphold the highest levels of engagement and transparency.

“Across the Middle East, we have been seeing tremendous efforts to implement the best practices in investor relations and corporate governance. In all categories, this year’s award winners have demonstrated their unequivocal commitment to further advancing the quality of IR in the Middle East.”

Andrew Tarbuck, MEIRA Chairman

CIPS: CHARTERED INSTITUTE OF PROCUREMENT & SUPPLY

2021: CIPS AWARD FOR EXCELLENCE IN PROCUREMENT

The Chartered Institute of Procurement and Supply – MENA (CIPS MENA) is the leading international body representing purchasing and supply management professionals, and it has over 70,000 members in 150 countries. It is a world-renowned center of excellence on purchasing and supply management issues. The activities of procurement and supply chain professionals have a significant impact on the profitability and efficiency of all types of organizations. CIPS offers corporate solution packages to improve businesses.

The Procurement Excellence Programme (PEP) award is a globally recognized award presented to organizations that demonstrate excellence in their procurement and supply chain activities. The award drives regular improvements, value across supply chains and highlights procurement’s role as a fundamental part of an organization’s strategy and effectiveness. Previous recipients of this award include British Petroleum, Chevron, The Royal British Legion, The UK Government Commercial Function, and Total, among many others.

“Procurement reports to the highest levels of leadership at SODIC, and the business is clearly taking its supply chain management seriously. With the procurement team responsible for a high portion of SODIC’s spending, the company is in a strong position to continue to improve, innovate, and develop stronger procurement goals and support the business. I hope we work with them again in the future.”

Alan Martin, Head of Procurement Excellence at CIPS

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EUROMONEY

2016: Best Residential Project
2016: Best Offices/Business Project – The Polygon



CITYSCAPE

2017: Best Community, Culture, and Tourism Award
2017: Best Commercial Project Award



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, and 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 and Industry
2010: Enterprise Innovation Award (awarded 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 Five-Star Award – The Allegria
CNBC Property 2008: Best Golf Course Development with a Four-Star Award – American Society of Landscape Architects (ASLA) – The Allegria
2007: Award of Merit – ASLA – The Allegria (for its master plan, developed by world-renowned master planners EDAW)

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INTRODUCTION

We are proud to present SODIC's first Sustainability Report, prepared and issued according to GRI Standards.

This report presents SODIC's operations and achievements in 2021, with specific focus on key material issues that set the foundation for a new transformational approach in our ESG undertakings, indicators, initiatives, and strategic decisions.

Our first Sustainability Report highlights specific data and forward-looking plans—where applicable—to ensure that our impacts are identified through the lens of projected global challenges, as well as in relation to the local context of the countries and regions where we operate.

The report largely follows the latest GRI Standards of 2021, with reference to a number of global real estate benchmark frameworks, including GRESB, WorldGBC Health & Wellbeing, SASB, among others.

While the main objective of reporting is to provide our stakeholders with ample information about our ESG performance and impacts through reliable and comparative data, developing this report also had its own set of strategic objectives. Steered by SODIC's management, preparing this report also aimed to enhance our employees' capabilities and knowledge of ESG practices and goals. It also aimed to involve them in the development and improvement of ESG indicators in efforts to further integrate sustainability into the company's culture and operations.

This aligns with the newly established SODIC 2.0 operating model, our new blueprint that will help us deliver on our latest strategy of growth. The new model as articulated by the Executive Director of People and Capabilities: "It is the change we need to materialize our expansion plans."

SODIC's expansion plans are supported by the company's vision for 2022–2026. The Executive Director of Strategy, Brand, and Sustainability confirmed that the strategy aims: "to lead the Egyptian real estate landscape through diversity, experience, and value creation. Our mission remains the same: to create and deliver sustainable developments that redefine the real estate market."

REPORT'S FOCUS AREAS

Against this backdrop, the report captures the alignment of SODIC's latest ESG strategy with its corporate strategy.

READ ON: EESG Strategy

This alignment ensures a core integration of ESG into our business model, and allows for an authentic impact assessment of our practices.

Based on GRI principles, the report captures how we capitalized on past sustainability efforts to account for how our overall impact has changed. Our materiality development process featured in the report represents how our current business restructuring is helping us better identify the concerns of our stakeholders and the management approach needed to properly and effectively address said concerns. This is achievable through an overview of performance measures across the life cycle of our projects during land acquisition, design, construction, handovers, and operations.

We also present how human capital, customer care, and supply chain management are enablers to ESG performance and responsible growth.

The report equally focuses on SODIC's sustainability governance as a vital component in safeguarding our stakeholders' interests and securing the fundamental principles of transparency, accountability, continuity, and resilience through a set of roles and responsibilities, rules and policies, and—above all—through leadership and a culture of care and duty based on reliable impact assessments.

ESG risks and opportunities are highlighted throughout the report, based on the context of each component of the business life cycle, with the intention of disclosing the areas and aspects that lag behind our desired benchmarks, even in the cases where solutions are not yet formulated. This level of transparency sets the path for sustainable and responsible improvements across SODIC's various functions, along different employment levels, for various scopes of work, and toward a robust governance framework that scales up to the highest levels of leadership.

FINANCIAL PERFORMANCE

This report captures financial performance from an ESG impact lens. As stated by the CFO: "An upward trajectory for three consecutive years despite external challenges and internal changes." SODIC's financial performance tells a story of significant economic and environmental impact, which was reflected in the 54% growth in gross contracted sales, 24% growth in revenues, and 1,163 units delivered during 2021.

On the social space, CEO Magued Sherif shares: "We were selected through our annual Net Performer Score (NPS) benchmarking survey as the number one developer in the market." This success was backed up by numerous ESG practices in Property and Asset Management and Community Engagement with a customer-centric approach to fulfill one of our social objectives of creating excellence within SODIC's communities. Similar rigorous attention is extended to the larger population of our society. Leaving no one behind is a global goal that businesses are held responsible for meeting, and such a responsibility is an integral part of SODIC's operations and priorities. Curated with care and according to an impact assessment process, our Community Investment expands to key strategic and selective areas of community support that we present in this report. In that context, it is noteworthy that one of the proudest spendings in SODIC's 2020–2021 books is over EGP 16 million in donations and investments in social enterprises.

SODIC's 2021 Annual Report captured a number of environmental initiatives within specific projects. This year, our reports closely examine our environmental performance and challenges. With the scale and scope of environmental impacts within the sector, our indicators are assessed along four functions, representing the life cycle of our assets from acquisition to operation. Engagements with the Chief Operating Officer, Chief Development Officer, Chief Project Officer, and Chief Investment Officer have enabled a cross-functional dialogue and collaboration on ESG requirements and shall allow the identification of areas of improvement for the years to come.

FINANCIAL MATERIALITY

Striding with global players in the ESG duty of care and transparency, SODIC recognizes the difficulty of decoupling profit and growth from sustainable business practices, which is articulated by the GRI as Value Creation Reporting, a principle that we aim to apply whenever possible. According to global reporting, identified material topics should constitute a significant input for identifying financial risks and opportunities related to the company, noting that financial materiality judgement shall be reflected in the financial statement and financial valuation. At this phase, we are still maturing in this scope of materializing impacts into financial reporting. However, we are confident that our materiality exercises for the purpose of this report shall set the foundation for enabling a process where identified impacts eventually become financially material. This report discloses identified material topics for the reporting cycle—to the best extent of our current ESG maturity level—and none of the topics were omitted nor deprioritized on the basis of not being considered financially material by the company.

BECOME PART OF THE JOURNEY

Through the table of contents, we invite our stakeholders to pinpoint their interests, examine our performance and challenges, and, more importantly, share their questions by contacting our Sustainability Team. The GRI Index features different chapters of the report that correspond to each ESG indicator.

SODIC's Sustainability Committee members are greatly invested in sharing their views on the potential areas of improvement. Much more is still to be achieved; yet, our ESG Strategy certainly paves the path to structured and responsible growth for years to come.

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Our journey started in 2014 by joining the United Nations Global Compact (UNGC) initiative. Over the past years, the company has issued annual communication reports highlighting key initiatives, addressing the UNGC Principles, and presenting our contribution to the Sustainable Development Goals (SDGs).

Five years forward, and throughout 2019 and 2020, SODIC started to investigate how sustainability can be further extended across our projects. Initiatives became more focused and positioned as environmental and social scopes.

In 2021, the turbulence following the onset of COVID-19 continued to present global macroeconomic challenges. As the world continued to navigate around an energy crisis, supply chain disruptions, and currency inflation, there was no better time to further mobilize and unite stakeholders behind social and climate goals. As a market leader, SODIC responded with an immediate decision to turn initiatives into core business practices.



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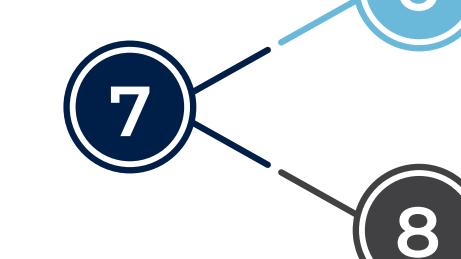
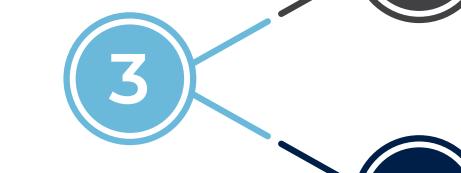
THE FOLLOWING STEPS WERE TAKEN

Reviewing past initiatives and investigating ways to strategize them

Conducting companywide ESG trainings

Formulating our new Strategic Sustainability Goals

Establishing a dedicated Sustainability Governance structure



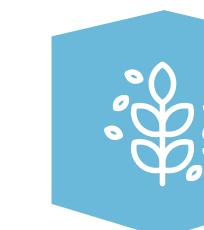
Heightening our stakeholders' engagements with rising sustainability issues

Reviewing key ESG factors relevant to the industry and the geographies of our assets

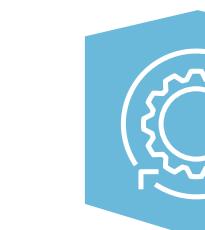
Setting benchmark indicators

Developing SODIC's EESG Strategy 2022–2025

A new sustainability blueprint emerged, aiming to enable a socially proactive and climate conscious environment, addressing all stakeholders, and intersecting with the five main themes of our 2022–2026 Corporate Strategy:



GROWTH AND EXPANSION



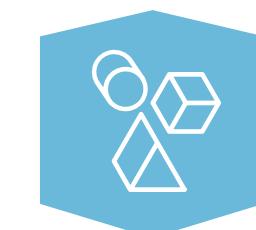
SCALING UP OPERATIONS



CUSTOMER CENTRICITY



DIGITAL TRANSFORMATION



CULTURE TRANSFORMATION

SODIC's new strategy revolves around five main themes: growth and expansion, scaling up operations, customer-centricity, digital transformation, and cultural transformation.

EESG STRATEGY

Aligning with SODIC's 2022–2026 Corporate Strategy, our newly developed EESG Strategy aims to enable a sustainable business model that improves the quality of

our portfolio by choosing resilience and efficiency along assets' life cycle, while reducing climate and social risks and optimizing value creation.

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DEVELOPING OUR EESG STRATEGY

We acquired the expertise of third party leading consultants, conducting induction and training prior to the strategy development process.

READ ON: [Stakeholder Engagement \(GRI 2-29\)](#)

During the process, the following activities were performed by our employees:



▶ **ASSESSING** existing sustainability practices



▶ **CATEGORIZING** practices into environmental, social, economic, and governance aspects



▶ **IDENTIFYING** the interconnectivity across capitals (human, social, financial, natural, and others) and across functions (design, construction, operation, customer care, human resources, technologies, and others)



▶ **INCLUDING** the management's sustainability vision and direction for 2022–2025



▶ **SIMULATING** benchmarks against applicable national and on-ground practices



▶ **BENCHMARKING** against global practices

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WHAT THE COMPANY PLANS TO ACHIEVE

SODIC has set forward four strategic goals, namely economic, social, environmental, and governance, that aim to materialize the management's sustainability vision for 2022–2025, measure current practices against

those goals and through defined material topics, and integrate the objectives into the company's business through performance indicators, set according to the following:

OUR EESG STRATEGIC GOALS

Economic	Environmental	Social	Governance
CONDUCTING our business in a responsive manner that generates and promotes positive impacts and financial returns and ensures business continuity.	UPHOLDING our commitments in line with climate action through the preservation of natural resources and efficiency of consumption.	ENSURING social value and well-being for all stakeholders, while delivering the highest quality of service.	ACHIEVING excellence in governance according to ESG real estate and construction global principles.

ACHIEVING AMBITIONS DESPITE MARKET CHALLENGES

Cities are major contributors to climate change. According to UN Habitat, cities consume **78%** of the world's energy and produce more than **60%** of GHG emissions. Yet, they account for less than **2%** of the Earth's surface.

An additional **2.5 billion** people will reside in urban areas by **2050**; nearly **90%** of whom will be in cities in Asia and Africa.

The effects of climate change are worse among communities that are poor and low-income, in unstable structures, in areas more susceptible to natural crises, suffering inadequate capacities and resources, and with reduced access to emergency response systems.

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Recovered climate and resilient and healthy communities are global goals attained through national action.

The private sector, particularly large corporates, are the true enablers, thus accomplishing our ambitious plans can only be achieved with the collaboration of all stakeholders across our value chain.

Across this report, we share how we work with each of our stakeholders to improve mutual practices and exchange innovative solutions to transform our business partners into sustainability enablers.

Green designs, responsible construction, employment creation, environmental policies, contractor trainings, customer awareness, employee development, commu-

nity investment, and leadership involvement are all key aspects that assist in implementing our ambitious plan.

We consider ESG Rating agencies our allies, for they challenge the norms of business's traditional undertakings and keep companies on the alert for evolving sustainability benchmarks. They are constant verifiers of where the industry ought to be beyond its local geography and toward unified global goals.

Civil society actors, sustainability partners, and business allies are major contributors to industry response. Across its sustainability journey, SODIC has collaborated with numerous of those key players to create significant impact.

SODIC'S SUSTAINABILITY GOVERNANCE STRUCTURE

- ▶ Managing Director
- ▶ Sustainability Committee
- ▶ Senior Sustainability Manager
- ▶ Sustainability Champions (focal persons across functions)
- ▶ Employees at key functions across business units)

Roles and responsibilities were set for each level of this governance taskforce structure to address four key components:

- ▶ Strategy and Materiality
- ▶ Policies and Implementation
- ▶ Monitoring and Evaluation
- ▶ Communication and External Reporting

SUSTAINABILITY GOVERNANCE

Along our sustainability journey, dedicated members of the company were assigned to monitor and report on key initiatives. As our vision started to formulate into a strategic mission, our ESG governance evolved. In late 2021, a dedicated unit was formed under the Strategy Executive Director.

To ascertain SODIC's commitment to measurable, integrated, and continuous practices, a formal induction at the executive level was conducted to ensure that knowledgeable decisions govern the company's EESG strategic direction and goals. Furthermore, focal per-

sons—representing each function—were assigned by the chief officers to contribute to the formation of our first EESG Strategy and its objectives and indicators.

A company-wide ESG training was provided to our Sustainability Champions, thus indicating the completion of SODIC's Sustainability Governance in 2022 during the development of this report.

A selection criterion was set for the Sustainability Champions, including competencies, skills, experience in their fields, among others.

Managing Director

Chief Development Officer

Chief Investment Officer

Group Financial Control Executive Director

Chief Technology Officer

EDARA CEO

General Council

People & Capabilities Executive Director

Strategy, Brand, & Sustainability Executive Director

SODIC Clubs CEO

Chief Financial Officer

Chief Operating Officer

Chief Projects Officer

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STAKEHOLDERS' DIALOGUE AND MATERIALITY

At SODIC, stakeholder engagement is critical to our success. Given the nature of our business, both construction and operation involve day-to-day interactions, particularly with vendors, workers, and customers that necessitate consistent and effective stakeholder management and engagement.

As we continue to strategize how we approach and comply with ESG indicators and practices, it was necessary to also evolve our stakeholder engagement. During the development of this report, an assessment of our engagement practices was performed by subject-matter experts to develop a company-wide understanding of and criteria for our ESG engagement plans for 2022 and beyond.

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COMMITMENT TO OUR STAKEHOLDERS

THE EXPERTS' ASSESSMENT WAS BASED ON FOUR PHASES:



1

INVESTIGATING
the process and scope of our actual stakeholder engagement levels and practices in 2021



2

IDENTIFYING
the gaps in the engagement topics according to ESG requirements as per industry standards



3

SUPPORTING
our functions to improve the scope of engagement and areas of discussion with stakeholders



4

EVALUATING
SODIC's engagement plans based on our maturing ESG understanding, aiming to align our future engagements to our ESG material topics and objectives, as well as our impacts

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STAKEHOLDER IDENTIFICATION AND STAKEHOLDER GROUPS (GRI 2-29)

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The identification and grouping of stakeholders were processed based on:

- ▶ Global standards of the sector
- ▶ The company's services and operations
- ▶ The company's target segments
- ▶ Internal engagements with function heads and focal persons

Internal engagement was critical due to the fact that each of SODIC's functions is also considered a proxy to an external stakeholder group.

The following list of eight stakeholder groups were identified according to common and mutual interests and expected shared material issues:



STAKEHOLDER ENGAGEMENT (GRI 2-29)

STAKEHOLDER CATEGORIES	CHANNELS OF COMMUNICATION	FREQUENCY OF ENGAGEMENT
Shareholders, Investors & Financial Analysts	Investor Relations events, one-on-one and group, meetings/calls, tours of our projects, conferences and roadshows	Quarterly or as frequently as required
	Shareholders' meeting	Yearly or as frequently as required
	IR website, mailing list	Ongoing
Board of Directors & Executives	BOD meetings, committees' meetings, internal meetings	Monthly or as frequently as required
Regulators & Certifying Bodies	New Urban Communities Authority regulator: Formal letters/meetings, phone calls	Weekly
Green Financing Institutions, Sustainability Partners & Auditors	Banks: Emails, meetings, phone calls	Daily
	Auditors: Emails, meetings, phone calls	Monthly
	Financing Institutions: Emails, meetings, phone calls	Weekly
	Financial Advisors & Legal Consultants: Emails, meetings, phone calls	On Demand
	Residents: Phone calls, e-mails, walk-ins	Daily
Customers	Residents: SMS, application	Weekly
	Residents: Newsletters, meetings	Monthly
	Residents: Letters	As required
	Tenants: E-mails, phone calls	Daily
	Tenants: Meetings	As required
Vendors & Contractors	E-procurement portal, e-mails, meetings, etc.	Daily
	Employees: E-mails, virtual meetings via Zoom	Quarterly and as required
	Media: E-mails, phone calls	Monthly
National Community	Suppliers: E-mails, phone calls	Quarterly and as required
	Public: Offline and online media platforms	Quarterly and as required
	Employees: Internal platform and e-mails	Quarterly and as required
	Beneficiaries: Site visits / internal events	Annually

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At SODIC, material topics were determined as per the following phases: (GRI 3-1)

i. **Assessment of Impacts and Identification of topics:**

This first phase focused on identifying the actual, potential, negative, and positive impacts on the economy, environment, and people, including impacts on people's human rights across the company's activities and business relationships. This phase also references the stakeholders and experts whose views have added insights on the process of determining the material topics.

ii. **Categorization and Prioritization:**

Material topics were prioritized based on their significance and are reflected throughout the report in terms of impacts and management approach adopted for each topic.

iii. **Material Topics**

iv. **Materiality Matrix**

ASSESSMENT OF IMPACTS AND IDENTIFICATION OF TOPICS

Considering this is SODIC's first execution of this new exercise, the assessment was conducted in a retroactive manner: a preliminary assessment was conducted, topics were prioritized, followed by a more in-depth assessment of those topics. Prioritization allowed SODIC to determine its final material topics for reporting and take action to address the relevant impacts.

SODIC's roadmap for actions is aligned with its corporate strategy, budgeting, national directives, and other

internal and external factors related to implementing its corporate strategy. As part of the company's digital transformation efforts, these risks are expected to be included within SODIC's broader enterprise risk management systems, which will help assess its impacts on the economy, the environment, and people, as well as assess risks that SODIC itself may face.

THE SEVERITY OF IMPACTS

SODIC has so far never detected a level of irremediable characters in its material topics, particularly the most critical topics relevant to the sector, such as human rights and occupational health and safety. As we are currently conducting our first carbon footprint report, the outcome will also highlight the status of our GHG emissions and the actions and measures that will be recommended by our third-party experts.

THE LIKELIHOOD OF IMPACTS

Across the report, and for each material issue raised by our stakeholders, the likelihood of a potential negative impact was assessed based on its nature, whether qualitatively or quantitatively.

CATEGORIZATION AND PRIORITIZATION

CATEGORIZATION

Based on our assessment exercise, we have categorized our material topics; ranked them based on their significance, from highest to lowest priority; then defined a cut-off point to determine which of the topics will be reported on for 2021, ranked highest to lowest.

At SODIC, we categorized our topics according multiple factors:

- Internal engagements (proxies)
- Historical sectoral-material issues
- National Sustainable Development Plan (Egypt Vision 2030)
- Regulatory and governmental directions
- Global sustainability trends and challenges (particularly in the year of COP27)
- Uprising topics of the national directives addressing Sustainable Built Environment
- Green financing opportunities

The categorization and mapping also aimed to test our material topics, in the absence of a specialized GRI sector at the time of publishing this report.

OMISSION

We made sure not to omit or dismiss reporting on any relevant topic, striving to commit to a high level of transparency. The issues we are unable to manage yet are also presented in this report (where applicable), with a brief on the reason(s) behind our inability to report on them and/or plans on how to manage them in the future.

APPROVAL

The material topics were approved by the company's highest ESG governing body, SODIC's Sustainability Committee, whose members are part of the Management Committee and chaired by the Managing Director.

REPORTING

Our main materiality exercise is focused on presenting negative impacts that are sector-specific and/or related to our business and operations.

TESTING

This full list of material issues was re-mapped and aligned to SODIC's new EESG strategic objectives in line with their negative and positive impacts on the economy, environment, and people.

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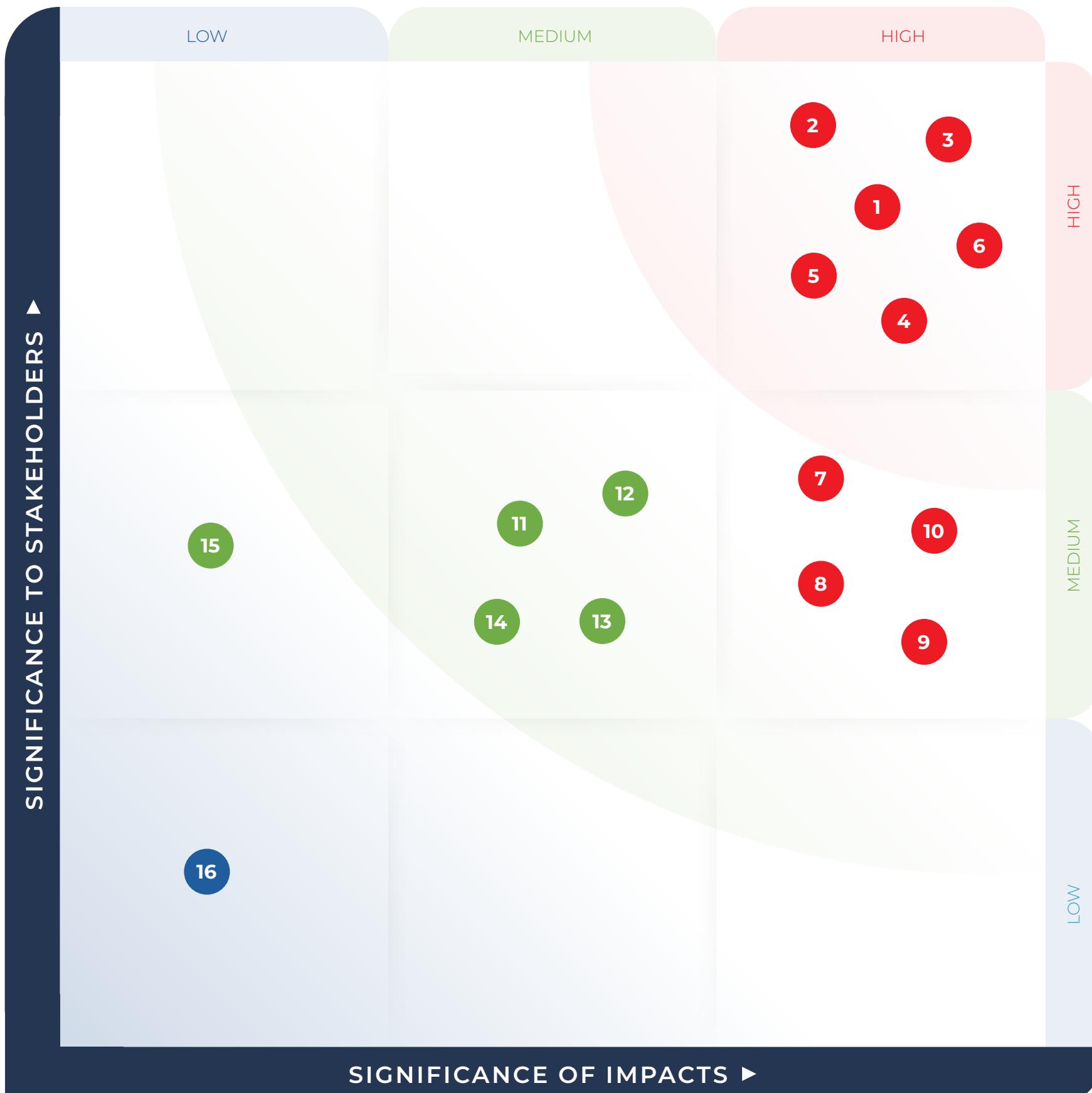
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For transparency, we present the initial list of the topics we have identified for this year's reporting. "Significance of Impacts" refers to the severity and likelihood of potential or actual negative impacts.

Topics labeled with medium or low importance have very significant positive impacts on the business, which, in turn, is reflected in our ability as a business to maintain and improve our ESG performance for all other material topics. (GRI 3-2)

MATERIALITY MATRIX



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MATERIAL ISSUES	SIGNIFICANCE OF IMPACTS	SIGNIFICANCE TO STAKEHOLDERS
1. Governance, Ethics, and Transparency	H	H
2. Health & Safety	H	H
3. Human Rights	H	H
4. Employees/Workers Wellbeing	H	H
5. Responsible and Diversified Growth	H	H
6. Responsible Development and Operation	H	H
7. Climate Action	H	M
8. Sustainable and Healthy Buildings	H	M
9. Inclusive, Diverse, and Protective employment	H	M
10. Responsible Supply Chain Management	H	M
11. Responsible Service Excellence	M	M
12. Inclusive and Impactful Community Relations	M	M
13. Strategic Community Investment	M	M
14. Responsible Communication	M	M
15. Innovation	L	M
16. Digital Transformation	L	L



3.0 STAKEHOLDERS' DIALOGUE AND MATERIALITY

OUR COMMITMENT TO THE UNGC PRINCIPLES

SODIC's social and environmental commitment became official six years ago when the company became a signatory of the UNGC and started reporting on its four principles: Human Rights, Labor, Environment, and Anti-Corruption.

Communication on Progress (COP) reports help businesses disclose the progress they made in terms of the ten UNGC principles and relevant SDGs. Through this report, SODIC presents its first comprehensive publication of its sustainability practices, including those related to the ten UNGC principles.

SODIC'S ALIGNMENT WITH THE UNGC PRINCIPLES AND SDGS

SODIC is keen on aligning its operations with the ten UNGC principles and relevant SDGs, whenever and

wherever applicable. The following table presents how the company actively strives to achieve that goal.



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3.3 OUR COMMITMENT TO THE UNGC PRINCIPLES

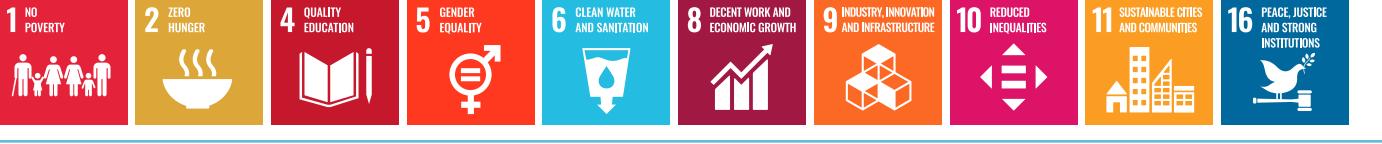
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5.0 THE DEVELOPER OF CHOICE - OUR CUSTOMER JOURNEY

6.0 PARTNERS OF SUCCESS

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DESCRIPTION	SODIC PRACTICES	SDGS
HUMAN RIGHTS	CHAPTER: PARTNERS OF SUCCESS	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	Human Rights Supporting internal policies: Compliance Policy, Corporate Social Responsibility Policy, Code of Business Conduct	
Principle 2: Businesses should make sure that they are not complicit in human rights abuses	Human Rights Supporting internal policies: Code of Business Conduct	
LABOR	CHAPTER: PARTNERS OF SUCCESS	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Human Rights Supporting internal policies: Code of Business Conduct	
Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor	Culture and Value Creation Supporting internal policies: Code of Business Conduct	
Principle 5: Businesses should uphold the effective abolition of child labor	Human Rights Supporting internal policies: Compliance Policy, Corporate Social Responsibility Policy, Code of Business Conduct	
Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation	Diversity and Inclusion Supporting internal policies: Code of Business Conduct	
ENVIRONMENT	CHAPTER: RESPONSIBLE DEVELOPMENT AND OPERATION	
Principle 7: Businesses should support a precautionary approach to environmental challenges	Healthy and Sustainable Built Environment Supporting internal policies: Our existing Architecture and Urban Design Manuals are in the process of streamlining our environmental practices into policies.	
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility	Design and Engineering Initiatives Supporting internal policies: Our existing Architecture and Urban Design Manuals are in the process of streamlining our environmental practices into policies.	
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	Building Information Modeling (BIM) Supporting internal policies: Our existing Architecture and Urban Design Manuals are in the process of streamlining our environmental practices into policies.	
ANTI-CORRUPTION	CHAPTER: OUR GOVERNANCE	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	Whistleblowing Policy, Grievance, and Critical Concerns Supporting internal policies: Audit, Risk, and Compliance Committee Charter, Internal Audit Department Charter	

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RESPONSIBLE DEVELOPMENT AND OPERATION



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HEALTHY AND SUSTAINABLE BUILT ENVIRONMENT

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FULLY OPERATIONAL ASSETS

PROJECT NAME	TYPE	GROSS BUA (M ²)	DEVELOPMENT AND SPEED TO MARKET
Allegria Compound	Mixed Use	591,694	
Forty West	Mixed Use	74,752	
Westown Residences	Residential	350,994	
Westown Courtyards	Residential	164,637	
Eastown Residences	Mixed Use	624,466	
Villette	Mixed Use	291,996	
The Polygon	Offices	97,836	
The Polygon Xtension	Offices	7,447	
Westown Medical Centre	Medical	17,500	Construction started before 2021
The Portal	Offices	53,100	
The Strip I	Commercial	22,479	
The Strip II	Commercial	4,885	
Caesar	Development	103,180	
Westown Clubhouse	Club	5,465	
Westown HUB	Commercial	11,864	
Total Gross BUA		2,422,295	

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PARTIALLY OPERATIONAL - PARTIALLY UNDER CONSTRUCTION

PROJECT NAME	TYPE	GROSS BUA (M ²)	DEVELOPMENT AND SPEED TO MARKET
One16	Residential	23,793	
October Plaza	Mixed Use	134,416	
Sky Condos	Residential	166,822	Construction started before 2021
Total Gross BUA			325,031

With an additional nine projects under construction and is soon to be part of our property management scope.

UNDER CONSTRUCTION ASSETS

PROJECT NAME	TYPE	GROSS BUA (M ²)	CONSTRUCTION STATUS
Allegria Compound	Mixed Use	37,628	
SIX WEST	Mixed Use	37,817	
The Estates	Mixed Use	158,719	
V Residences	Residential	172,066	Construction started before 2021
Pavilion	Offices	6,803	
Eastown District New Cairo (EDNC)	Complex	88,660	
464 Acre	Mixed Use	2,162,691	Construction started in 2022
June	Development	709,202	
The Estates Residences	Mixed Use	219,928	Construction starting in 2023
Total Gross BUA		7,550,435	

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At SODIC, we aim to create healthy living spaces and communities that rise to the expectations of our customers, while creating economic, social, and environmental value propositions for our neighborhoods, community, and the climate. (GRI 416-1)

The interconnection of our scopes of business, both as a developer and property manager, can be encapsulated into two pillars:

- Project life cycle: throughout procurement, design, construction, and properties operation
- Customer experience: throughout the sales process, joining SODIC communities, maintenance, customer care, community activities, and more

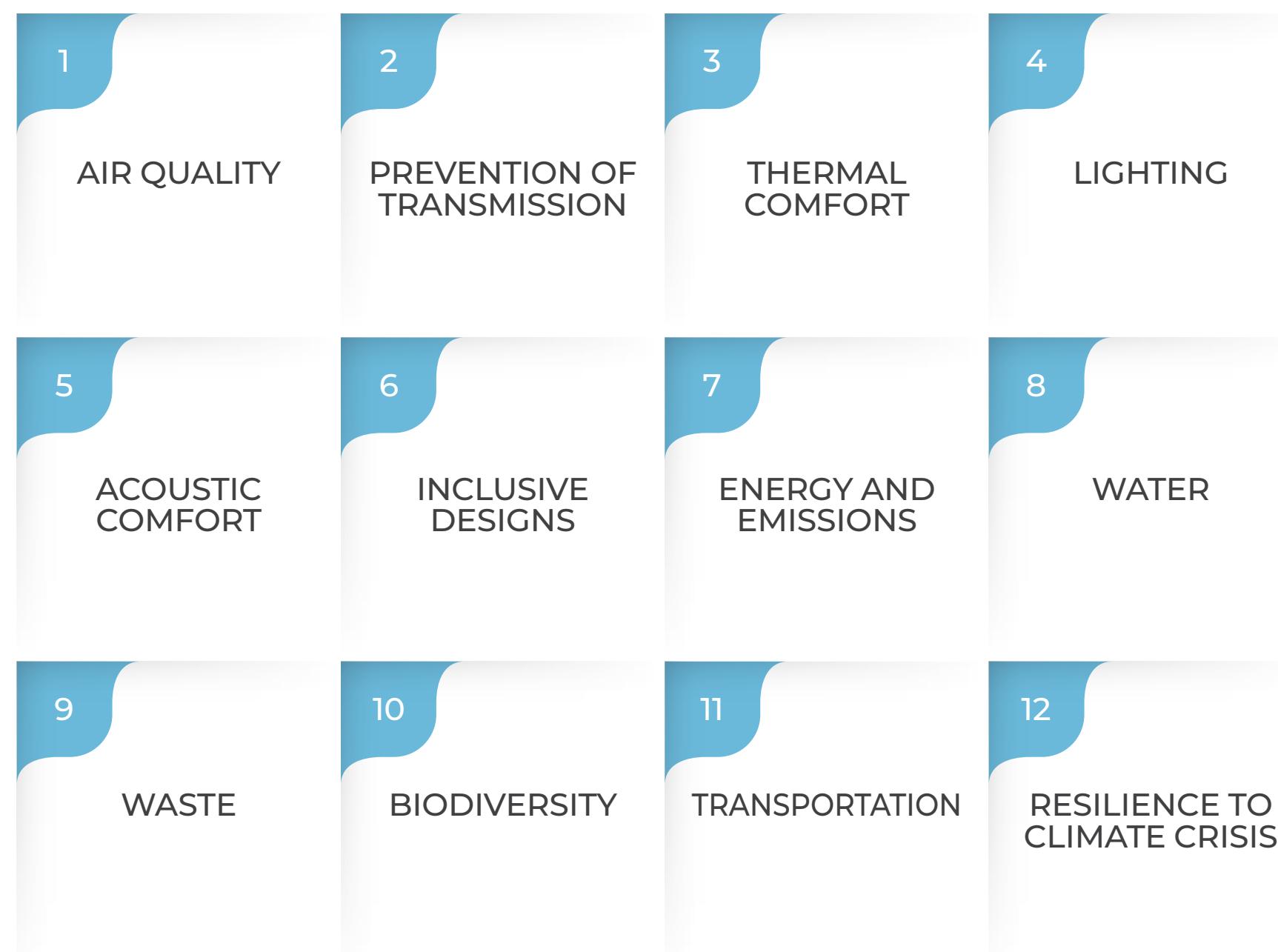
As an industry, we have a palpable impact on resources, energy and water consumption, as well as waste generation. However, as a responsible business, we have an even greater opportunity to make a difference by assessing and improving our environmental and social footprint and raising awareness among tenants and users.

We strive to develop sustainable buildings as they allow us to improve efficiency and lower operational costs while at the same time being more resilient when it comes to utility expenses, thus allowing us to build longer-lasting homes.

We aim to set annual performance goals with energy, emissions, water, and waste targets at the asset level. Across our 10 fully operational projects, we are inspired by and follow the principles for a healthy and sustainable built environment in terms of design, construction, and operation.

ALIGNING TO THE WORLDGBC HEALTH & WELLBEING FRAMEWORK

12 aspects across the Six Principles for a Healthy, Sustainable Built Environment



1

AIR QUALITY

Air quality (AQ) refers to the quality of the air within and around buildings and sites as it directly relates to the health and comfort of occupants, employees and workers, contractors, and other visitors who access our properties, whether they are operational or under construction.

DUST CONTROL IN CONSTRUCTION

According to the World Green Building Council: "11% of global energy-related carbon emissions are attributed to emissions embodied in the construction process, which further impacts human health through dust creation. The release of toxic dusts from construction sites (such as silica or hardwood, which are recognized as having carcinogenic properties) creates localized extreme health hazards to construction workers and people living nearby."

Following our internal safety regulation practices, our construction site managers review the conditions of our sites to determine the risk and amount of fugitive dust, which is generated from soil and debris tracked onto paved roads and unpaved roadways.

Our contractor provides workers to collect the debris from buildings to their borders. The debris is then transferred (manually, using chutes, or heavy equipment) to dedicated site-locations before being loaded to public waste collection area. Dust control is implemented throughout all these processes.

Due to its swift and effective results and low implementation cost, the standard practice in Egypt is to use water suppression to minimize dust. Depending on the weather, water is administered multiple times a day through water tankers to keep dust from becoming airborne. When required, we spread green mesh on the facades of buildings where housekeeping works are ongoing.

Air quality in construction focuses on dust production management at sites that are under development. Our procedures are not of a complex nature, and they mainly depend on using water during the debris collection process. Water is applied at least once a day — or more, depending on the atmospheric conditions — to reduce

or prevent dust from accumulating on surface or being airborne during construction.

Where applicable or needed, strict guidelines are provided to suppliers and contractors on their contractual agreements to provide equipment, tools, and trucks of a certain state and quality to minimize the emission of harmful gases.

INDOOR AND OUTDOOR AIR QUALITY IN DESIGN

TACKLING AMBIENT AIR POLLUTION

Across more than 50% of our developed projects—and specifically the newly launched projects, VYE and The Estates, which are under construction—SODIC undertakes the following design approach and measures:

Air quality risk mitigation measures, while maintaining energy efficiency, include:

- Encouraging and making way for walkability by using continuous green open spaces and safe paths for pedestrians and cyclists, thus promoting non-motorized transport for daily errands and minimizing fuel combustion from motorized vehicles
- Establishing the sewage treatment plant and generator sets in areas suitable for the project where the smell and exhaust are turned away from habitable areas
- Adding filtration systems (ecology units) for F&B/industrial kitchens.
- Installing high efficiency, power-vented, and sealed-combustion furnaces and water heaters

4.0 RESPONSIBLE DEVELOPMENT AND OPERATION

SODIC uses energy-efficient building designs across projects (and renovations) to improve the quality of building envelopes and the consequential energy load for heating and cooling by:

- ▶ Using dynamic forms and maximizing the use of cantilevers/louvers to provide shade
- ▶ Making glass selection based on maximizing the thermal comfort for occupants (i.e., double-glazed units, low-e, and low U-value)
- ▶ Using thermal insulating boards and concrete in the buildings' roofs
- ▶ Using exterior finishes with a relatively high solar reflectance index
- ▶ Using solar panels for energy generation on the roofs of residential buildings
- ▶ Using solar panels for energy generation in the glass facades of the Estates Commercial Buildings is currently under study by using single, transparent solar films
- ▶ Using photovoltaic panels for energy generation on the roofs of buildings, as part of parking lot shades, in landscape furniture, etc.

Passive design strategies, including energy-efficient building fabric, vegetation, and ventilation to reduce heating or cooling requirement within buildings and maintaining comfortable living conditions:

- ▶ Passive solar design through maximizing the use of heat energy from solar radiation, as seen in The Polygon's solar plant
- ▶ Use of atria and double-height spaces

IMPROVING INDOOR AIR QUALITY

Exposure to hazardous chemicals is implemented through the following lens:

With four developed projects (SODIC East Mockups, Eastown Clubhouse, Forty West Clubhouse, and October Plaza) and three under development (Estates Residences, June Lofts, and Allegria Compound), we aim to decrease exposure to hazardous chemicals indoors through conscious product selection and the use of low-emission materials by adopting the following measures:

- ▶ Regular use of natural materials, especially locally sourced materials, such as wood, limestone, and granite — these are naturally accommodated to the regional climate, hence requiring minimum processing, and are subject to less wear and tear
- ▶ Using interior paints with low VOCs, high durability, and easy cleaning
- ▶ Using engineered wood flooring that has been evaluated and has been granted the Environmental Product Declaration (EPD) certificate, which ensures indoor air quality is maintained and encouraging circular economy in the process

We reduce the risk of damp or mold buildup through applying energy-efficient building designs by:

- ▶ Using exhaust fans in spaces with high steam load and high temperature and odor load
- ▶ Ensuring the proper thermal insulation of building envelopes lowers cooling loads, which leads to reduced moisture removal by the air conditioners — thus increasing indoor humidity and associated risks of indoor microbial growth — and using energy-efficient dehumidifiers to reduce moisture in the air
- ▶ Using highly efficient filters to increase the level of filtration considering that for energy recovery ventilation, indoor concentrations of ozone and particles from outdoor air may increase when heat recovery is added
- ▶ Setting CO detectors in parking basements so the ventilation system is activated at PEL <50 ppm considering the OSHA personal exposure limit (PEL) for CO is 50 parts per million (ppm) of air averaged during an eight-hour time period

We minimize potentially harmful chemicals in building materials through the following measures:

- ▶ Using interior paints with low VOCs, high durability, and easy cleaning
- ▶ Conducting necessary inspections by the SODIC design and engineering team to ensure thermal insulation of air ducts and refrigerant pipes are properly installed, as they can emit pollutants, such as spray foam insulation, if not properly installed
- 1. Indoor and outdoor air quality is monitored by third-party specialists in environmental measurements.
- 2. Raising awareness about sources of pollution has become a priority to improve public health. We conduct training to all employees and use a self-measurement system to collect data for all consumptions and waste.
- 3. Ventilation systems that reduce toxins in utilities and service spaces are in place. They allow clean air exchange according to ASHRAE – NFPA. Such spaces include parking lots, basement areas, generator rooms, transformer rooms, and MDP rooms.
- 4. Public areas in buildings, such as corridors, stairs, and lobbies, are ventilated according to ASHRAE standard 70.1.
- 5. Staircases in commercial buildings are fitted with mechanical pressurization fans, activated in case of a fire to provide the needed amount of air.
- 6. Preventive maintenance plans are followed for all ventilation and filtration systems to ensure cleanliness and reduce the potential of mold and bacteria growth. We follow ASHRAE standards when it comes to the frequency of cleaning and weekly filter changes.
- 7. We do not monitor indoor and outdoor air quality in real time. However, we conduct periodical measurements for temperature, noise, and luminosity for all premises.
- 8. PM systems are installed in buildings that have central HVAC systems to alert when filters need maintenance.
- 9. HEPA filters and ultraviolet lamps are planned to be included in all air equipment supplies across our projects.

FRESH AIR RATE:

All of SODIC base-building systems have the capacity to exceed ASHRAE ventilation standard 7.1. The median fresh air rate capacity in enclosed areas is 15 CFM per person at 12 m² per person.

2

PREVENTION OF TRANSMISSION

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DESIGN FEATURES

We recognize the importance of technology in minimizing physical contact. Our designs include:

- ▶ Occupancy sensors for lighting control in public corridors and toilets for contactless operation, noting that the operator sometimes overrides the sensors with manual operation
- ▶ Touchless security control and employee log
- ▶ Sensor-operated building entrances
- ▶ Using infrared sanitary fixtures

These features are widely used at SODIC HQ and Westown Hub. We continuously work to improve our sensors' programming and maintenance to avoid negative user experiences, especially when it comes to sanitary fixtures. Budget limitations often challenge our ability to implement those desired measures across some other projects.



OPERATIONAL CONTROLS

The indoor and outdoor built environment actively mitigates the risk of infectious disease transmission by adhering to proper ventilation and filtration standards and measures.

Specific pandemic procedures are established in SODIC as part of our crisis management plan, including regulations of reopening regular access to buildings. Measures for the reduction and prevention of infectious disease transmission are implemented across our projects, and we conduct regular checks of the HVAC system and filters. This is part of SODIC's preventive maintenance plan and is carried out according to ASHRAE standards. At the same time, sanitization and sterilization measures are performed to reduce the risk of indoor disease transmission within all common spaces.

3

THERMAL COMFORT

DESIGNING FOR COMFORT

SODIC Eastown District in New Cairo (EDNC) is one of our flagship projects that adopts multiple design elements for thermal comfort. As such, we understand the significance of design when it comes to ensuring that occupants enjoy consistently optimal thermal comfort. Applying certain environmental measures on the urban scale is often challenged or limited by other economic values of sellable areas related to distribution, orientation, and interspaces between buildings. However, at SODIC, we always strive to ensure our green design aspiration is fulfilled through numerous other design features.

AIRTIGHTNESS AND VENTILATION

Our designs include numerous natural and mechanical ventilation features and control of the indoor thermal environment. We minimize air leakage through:

- ▶ Using sealed windows and door frames
- ▶ Sealed pipe and duct penetrations
- ▶ Using sensor-operated doors
- ▶ Using air curtains to limit heat transfer from high- to low-pressure areas
- ▶ Using exhaust fans in spaces with high steam load (residential toilets and bathrooms, sports facility shower rooms, and locker rooms), and high temperature and odor load (kitchens)
- ▶ Designing transitional areas (vestibules) with revolving doors between the indoors and outdoors to minimize energy loss and heat exchange

UTILIZING BENEFICIAL SOLAR GAIN

We use dynamic and non-flat forms and maximize the use of cantilevers/louvers to provide shade by:

- ▶ Selecting glass based on maximizing daylight usage and the thermal comfort for the occupants i.e., double glazed units, low-e, low U-value
- ▶ Using exterior finishes with a relatively high solar reflectance index

We insulate building envelopes and use thermally efficient glazing to reduce heat loss in winter and enhance conduction heat gains in summer by:

- ▶ Selecting glass based on maximizing thermal comfort for the occupants (i.e., double-glazed units, low-e, and low U-value options)
- ▶ Using hollow blocks (250 mm) in exterior walls
- ▶ Using thermal insulation boards and concrete in constructing the roofs of buildings

We incorporate passive design to achieve thermal protection while maximizing energy efficiency through:

- ▶ Using dynamic forms and maximizing the use of cantilevers/louvers to provide shade
- ▶ Using hollow blocks (250 mm) in the exterior walls
- ▶ Selecting glass based on maximizing the thermal comfort for the occupants (i.e., double-glazed units, low-e, and low U-value options)
- ▶ Using thermal insulation boards and concrete in constructing the roofs of buildings
- ▶ Using exterior finishes with a relatively high solar reflectance index

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LIGHTING

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ACOUSTIC COMFORT

EFFICIENT DESIGNS

Our designs aim to enhance occupants' and users' well-being and apply energy-efficient solutions, including:

- ▶ Dedicating a portion of the buildings' facades to curtain walls (in public buildings) that allow maximum light infiltration
- ▶ Using skylights for buildings that require additional light infiltration, such as the kids building at the Villette Club

- ▶ Using LED lights that are energy saving and have longer lifetimes

When budgets allow it we install occupancy sensors for lighting control in public corridors and toilets to achieve energy efficiency, as well as auto-dimming light sensors that are self-adjusted to natural light.

OUR DESIGNS

Our designs aim to provide spaces that optimize occupants' experience by enhancing their visual, olfactory, and ergonomic comfort. Among other projects, we consider SODIC headquarters, The Polygon, as a flagship example of acoustic comfort.

Mitigation of steady state noise exposure by:

- ▶ Using equipment vibration isolation for light-weight ceiling structures
- ▶ Using acoustic duct liner for common duct systems

Sound insulation through:

- ▶ Using sound insulating acoustic panels in indoor spaces, as seen in SODIC HQ
- ▶ Using finishing materials in walls, floors, and ceilings that achieve acoustic comfort in spaces that require special attention to acoustics, such as restaurants, gyms, office spaces, and meeting rooms
- ▶ Using double-glazed units for glass surfaces in building envelopes to enhance the insulation of external noise



6

INCLUSIVE DESIGNS

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OUR DESIGNS

Designing for inclusivity is a standard and necessary practice for all real estate developers.

Inclusive designs must consider the diverse nature, abilities, needs, and backgrounds of all occupants and users, enhancing the wellbeing and quality of life of each. The built environment should always ensure everyone is provided with the needed accessibility and inclusivity, particularly ageing populations and individuals with different or limited mental and physical abilities. Our inclusive designs are applied to all our projects to increase their levels of safety and usability.

For ageing groups, SODIC ensures:

- ▶ Ramps are finished with non-slippery materials
- ▶ Adequate lighting is considered for safe use at night
- ▶ Elevator button plates and apartment bell heights are put into consideration to accommodate the needs and abilities of people with disabilities, adults, and kids

For partially sighted people, SODIC ensures:

- ▶ Different colors for treads and risers are installed for easy distinction, as seen in the common areas and shared space of the Villette apartment buildings
- ▶ Strobe lights for the fire alarm evacuation system are installed to aid people with vision impairment

For people with physical disabilities, SODIC ensures:

- ▶ Wheelchair accessible bathroom stalls (including all accessories) and elevators in public buildings
- ▶ Elevator button plates and apartment bell heights are put into consideration to accommodate the needs and abilities of people with disabilities, adults, and kids
- ▶ Manual fire alarm pull stations are installed instead of break-glass stations to ensure easier access for people with physical disabilities



7

ENERGY AND EMISSIONS - CONTRIBUTION TO CLIMATE CHANGE MITIGATION

We aim to reduce energy needs by prioritizing efficiency through:

- ▶ Providing public electric charging units in Westown Hub's parking lots to support the use of electrical cars
- ▶ Installing occupancy sensors for lighting control in public corridors and toilets for energy reduction
- ▶ Implementing a trial smart homes system (wired) as an initiative from the design team and supplier. The concept has not been implemented in any of SODIC's projects yet

We use renewable energy sources as follows:

- ▶ Solar parking lot canopies are installed in Westown Hub to produce energy, along with electrical outlets for public use
- ▶ We began generating power from renewable sources, using solar energy for the lighting of shared outdoor spaces and to power CCTV, as well as solar energy heating systems for feeding hot water to buildings
- ▶ Integrating solar panels for energy generation in The Estates Commercial Buildings is currently under study by the design and engineering team

In 2021 alone, SODIC generated more than 950 MWh from renewable energy onsite from SODIC WEST: Polygon Building 1. The solar panel sheds installed in the parking lot generated clean energy, covering 95% of the energy needs of SODIC's headquarters.

We adopt energy conservation through lighting retrofits and improvements by increasing the quality of lighting and providing occupants with a healthier and more productive indoor environment by:

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- Replacing fixtures with high-efficiency LED options
- Using daylight sensors and controls
- Changing street lighting in SODIC's The Allegria Compound and Westown projects from sodium types to high-efficiency LED options
- Replacing the basement sodium lighting at the Polygon and Forty West with high-efficiency LED options

We continuously upgrade our HVAC systems to drive energy savings and improve occupants' comfort and health by:

- Improving ventilation, heating, and air conditioning
- Upgrading heating and cooling systems (boiler and compressor retrofits and replacements)
- Replacing air handling units

We are examining several features and practices for future projects, including:

- Adopting a Smart Building Strategy through using real-time energy consumption data to optimize facility operations, including indoor air quality, and to control energy consumption, carbon emissions, and utility costs;
- Looking to establish policies and procedures to benefit from the data extracted from the facility management of our operated properties;
- Using alternative and renewable energy technology, including energy storage, at our existing buildings and new developments — while the use of energy storage devices is still very costly, long-term budgeting is still under discussion;
- Using Energy Intelligence Software to establish real-time energy monitoring infrastructure for commodity meters on sites;
- Aligning with or using EPA's ENERGY STAR Portfolio Manager® and energy audits; and

Optimizing facility operations and controlling utility costs through the calibration of Building Management System (BMS), which can include control ventilation, airflow stations and monitoring, occupancy sensors, and direct digital control points to building automation systems. Our goal is for adjustable ventilation to meet demand, resulting in improved energy efficiency and air quality, particularly CO2 concentration.

HFC REDUCTION

We use cooling technologies with low global warming potential (GWP) refrigerants in all new and renovated projects:

- HFC R410a and R-134a
- HFC (100-year GWP), promising Low-GWP alternative (GWP, Class) and R-32 (675, A2L) cannot be sourced due to unavailability at vendors' end

Our passive designs that aim to achieve thermal protection also contribute to maximizing energy efficiency, and they include dynamic forms in design; opting for installing double-glazed, low-e, and low U-value glass; using thermal insulation boards and concrete in constructing the roofs of buildings; and using exterior finishes with a relatively high solar reflectance index.



In a country where there is a threat of water scarcity in the upcoming years, maintaining sustainable water management has become a priority, and we aim to achieve that by reducing our water consumption, recycling water whenever possible, and improving efficiency throughout our construction, design, and operation phases. By building resilience within our communities, we ultimately contribute to the reduction of stress on water bodies and the overall ecosystem and minimize any potential local shortage crises.

POST-CONSTRUCTION AND DESIGN

When possible, we target to acquire non-rocky lands to facilitate the transfer of water underground. We also maintain strong sewage treatment plants and reverse osmosis (RO) plants, and we use treated grey water in planting a number of designated areas.

Flagship projects for these efforts include:

- Caesar Project (Sewage treatment and RO plants constructed and running)
- June Project (Sewage treatment and RO plants under design)
- Villette Project (Sewage treatment plant under construction)

WATER QUALITY IN OPERATION

To effectively monitor and enhance the quality of water across our projects, we implement the following measures and practices:

- Water quality is monitored and maintained at appropriate levels to minimize health risks.
- Disinfection and filtering are conducted according to national standards.

- Samples are collected monthly for testing the levels of toxins and contaminants by authorized governmental committees to ensure that the water analysis parameters are met as per recommended quality. This is done under the supervision of the Ministry of Health.
- Water is tested both biologically and chemically. Chemical testing aims to ensure that the levels of PH, TDS, Iron, and turbidity are within the accepted limits. Biological testing aims to ensure that Legionella and other waterborne pathogens are fully removed from domestic water.
- All communal areas are sanitized on a daily, weekly, and monthly basis according to our policy.
- The Caesar Project in the North Coast operates STP and OTP, reusing distilled sea water and treated water.

WATER MANAGEMENT IN OPERATION

We always strive to design buildings that are resilient and properly prepared to face climate crises or extreme weather events. To increase water infiltration into the soil and return to groundwater, all managed green areas have an under-soil drainage system to collect excess irrigation water and transfer it back to the irrigation system network. We do not carry out on-site water collection (harvested rainwater) to conserve water on site or to use as a back-up water supply. However, we partially rely on replenished water in some of our projects at our headquarters and EDNC Commercial Center, where we have also replaced traditional water taps with sensor taps.

MANAGEMENT OF WATER DISCHARGE-RELATED IMPACTS (GRI 303-2)

When it comes to water discharge management, we follow the national regulations of the Ministry of Health and Population at BOD <600 gm/l and COD <1100 gm/l.

In addition, at Caesar, our North Coast project, SODIC has established sewage treatment stations that operate in accordance with the requirements of environmental protection authorities. There is also a sewage treatment plant at Caesar dedicated to reusing water for agricultural purposes.

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PROPERTY TYPE

WATER WITHDRAWAL CONSUMPTION (M³)

Clubs	2,076,880
Administrative Offices	612,117
Residential Properties	4,714,917
Retail/Commercial Centers	23,843
Offices	21,141

Table 1 Water withdrawal at different property types

Consequently, we discharged a total of 6,244,498 m³ from all our properties that we operate. Water discharged is treated by the third party, national water

and wastewater holding company. The following Table 2 provides a breakdown of the water discharge at each property type.

PROPERTY TYPE

WATER DISCHARGE (M³)

Clubs	1,677,043
Administrative Offices	520,300
Residential Properties ²	4,007,680
Retail/Commercial Centers	20,261
Offices	17,970

Table 2 Water discharges at different property types

Across 13 of our projects, we implement water storage solutions to ensure uninterrupted operations. The capacity of our water tanks is 20,800 m³.

1. This water consumption represents total water withdrawal by our employees or residents.
2. This water discharge represents total water withdrawal by our employees or residents.

WATER CONSUMPTION (GRI 303-1)

Our water is sourced from the main pipeline provided by the holding company for water and wastewater. However, we water all our green spaces using recycled wastewater. In 2021, we consumed 2,028,048 m³ of recycled water to irrigate our vast green areas and golf course at SODIC West. The following Table 7 represents the water withdrawal from the main pipeline of the holding company during the period of 2021 by different property types. For clarification, water withdrawal from all property types is based on residents, customers, or members consumption. Water from Administrative offices is based on our employees' consumption.

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WASTE

Our properties are leased to residents, shopkeepers and more. Meanwhile, we have projects undergoing construction and we also operate our own offices across the country. There are many sources of waste across our portfolio that we need to address. Waste generated is managed by a third-party company and is entirely

disposed of at landfills. Some data were based on actual records of waste while others were estimated with the help of our asset management team and EDARA. The following Figure 1 represents the waste generated across our portfolio and its type. (GRI 306-1 to 306-5)

WASTE GENERATED BY TYPE

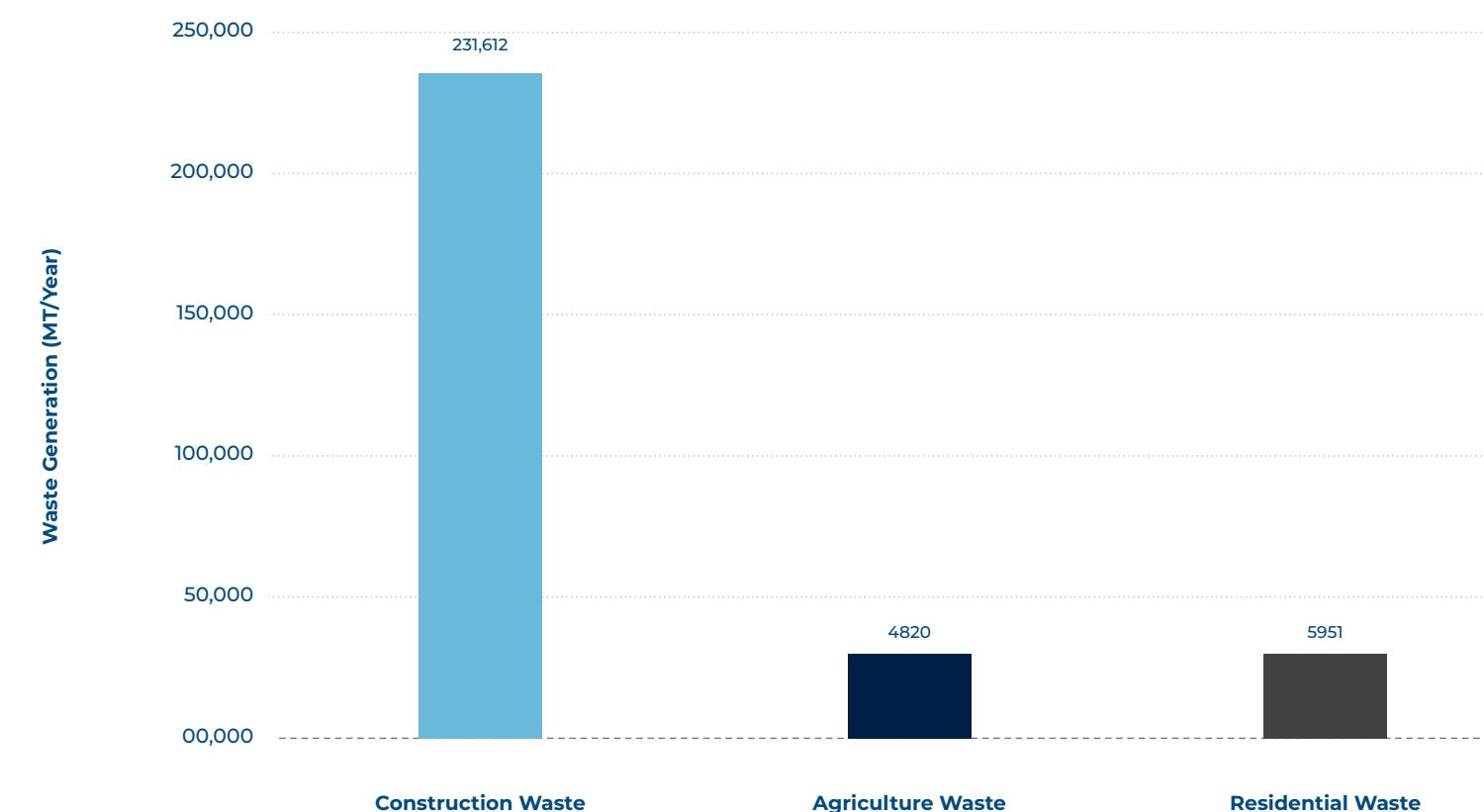


Figure 1 Waste generated annually by type

CONSTRUCTION

We aim to prevent open waste burning to reduce black carbon emissions, which cause the release of toxins that could lead to fatal chronic diseases. Waste burning is prohibited on all our construction sites; all waste is removed in a timely manner and transported by certified third-party collectors to regulated governmental facilities.

OPERATION

Our waste disposal methods are performed to balance between disposal options and uneven environmental

impacts, such as land filling and recycling to address different types of environmental impacts and residual effects.

All waste generated by users (residents, tenants, or visitors) is disposed through dedicated, built-in garbage shoots in each building then centrally collected by a contracted third party.

Our agreements stipulate that collectors should conduct proper waste sorting and reuse at their own dedicated facilities. Unfortunately, no monitoring mechanisms are often developed in Egypt for the regulation of all waste management practices within the sector.

FUTURE ENDEAVORS

Given the nature of the sector, its current market practices, and its maturity levels, addressing the major waste hierarchy (reducing waste at the source, reusing materials, recycling, energy recovery, and landfilling) is challenging. However, our plan is to develop waste minimization strategies to emphasize and prioritize

"waste diversion" through waste reduction; reducing the use of materials that cannot be recycled, reused, or disposed of; and/or developing a policy for monitoring our third-party practices for sorting and reusing waste.

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BIODIVERSITY

Access to greenery is a dual-benefit strategy that offers healthy spaces to our properties' users and supports biodiversity. Our projects are designed to protect natural ecosystems and biodiversity during and after development.

Buildings are designed in a manner that takes into consideration the goal of minimizing light pollution, increasing space for adequate night sky access within our projects, and reducing any potential impact on wildlife.

At the same time, sites' lighting levels and light fixtures are controlled and installed in accordance with appropriate model levels to decrease the unnecessary intrusion of light beyond our property boundaries, without comprising safety and security requirements.

Additionally, to boost the mental health of our occupants and visitors and to preserve the biodiversity of our projects and developed sites, our properties have a total of 35% green spaces of total site areas, with tree canopies cover of 39,465 trees and 6,774 palm, providing shade and natural cooling elements

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TRANSPORTATION

The location of our projects is strategically chosen to serve the needs of all users (employees, residents, and visitors) in terms of accessibility.

Around 80% of our projects in West and East Cairo are located in key areas or central business districts, with access to multiple means of transportation, including:

- Three different alternatives of public transportation to/from our property gates
- Dedicated transportation buses for workers across our operational projects through a fleet

of 51 shuttle buses, three of which are managed by EDARA and 48 are outsourced buses

- Many of our employees use car-pooling and other means of non-single-occupancy vehicles in their commuting to and from work
- Shared vehicles that are dedicated for the home services personnel of our residents, made available for six days/week with over 16 two-way daily trips
- An e-bike sharing system with a pilot of 25 bikes at SODIC WEST

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RESILIENCE TO CLIMATE CRISIS

SYSTEMS RESILIENCE

In our designs, we make sure to take into consideration the necessity of reducing dependence on complex building controls and systems, and this is achieved by providing manual overrides that can be used in case of malfunction or temporary power outages.

Our projects are supplied with independent power reserves or non-centralized power generation as a means to enhance our readiness for natural disasters or national grid failures.

- Emergency power networks are used for street lighting and the CCTV used for gates and main roads in all SODIC projects. This is currently implemented at Villette, SODIC East, and The Estates projects.
- Generators and UPS are installed to operate life safety systems in case of emergency.
- All essential and life safety loads are fed by a backup emergency power source in all SODIC projects.
- Transformers in commercial and office buildings are coupled as a redundancy in case one of the power sources fails (as per the laws of the electricity company).

ENERGY RESILIENCE

We are also exploring and studying measures for enhancing energy resilience, including:

- Integrating solar panels for energy generation in The Estates Commercial Buildings is currently under study by the design and engineering team
- Integrating solar panels for energy generation on the roofs of residential buildings. A pilot was designed for the VYE Single Family Units. However, the idea has not yet become a sellable feature for our customers
- Using solar panels above the canopies of ground parking lots and landscape furniture, equipped with electric outlets for public use

► All access-controlled doors are connected to the fire alarm system and, therefore, operate automatically in case of fire.

► Elevator systems equipped with emergency brakes and a battery lowering system that activates as soon as power is lost are installed. Generally, the elevator will make one trip when running on battery power to a nearby floor, as per code and standards. This is applied through feeding the electric network using a looping system, and this practice provides a redundancy in case one of the power sources fails (as per the laws of the electricity company).

► All essential and life safety loads are fed by a backup emergency power source in all SODIC projects.

► Transformers in commercial and office buildings are coupled as a redundancy in case one of the power sources fails (as per the laws of the electricity company).

HAZARDOUS LEAKAGE PREVENTION

Our design includes the use of LSZH cables that suppress fire and allow a char to be formed, which reduces the emission of poisonous carbon gases and smoke and carbon particles in case of fire.

LSZH cables are specified in SODIC's MEP specifications. However, their application is inconsistent between projects. They are currently used for CAT6 and fiber cables in Block (6) and fiber cables in EDNC. For other projects, we use alternative measures as per each project's type and budget, but we plan to consider integrating LSZH cables across all projects in the future.

GREEN BUILDINGS & SMART CITIES

GREEN BUILDINGS

SODIC is currently undertaking its first green building certification process. At this preliminary phase, our design and engineering teams have concluded the internal phase of the process, prior to submission for auditing and acquiring a design certification.

EDNC is the commercial component of Eastown, SODIC's mixed-use development that is strategically located on the New Cairo's main street and central axis. EDNC brings 85,000 m² of prime office and retail BUA.

Area to be registered/certified:
approx. 65,000 m²

Expected date of certification
Q1-2023

Current reductions, as per simulation

- ▶ Energy: avg. 35%
- ▶ Water: avg. 25%
- ▶ Materials: avg. 20%

With a total of 16 buildings, the project is developed with a focus on sustainability and encouraging a healthier and more productive environment with a reduced carbon footprint.

The Excellence in Design for Greener Efficiencies (EDGE) certification was used for the office complex of this project—an initiative that started in 2022 in the post-construction stage of the project after it showed potential to meet EDGE certification requirements and standards in a mock simulation. The assessment is based on scoring at least 20% efficiency in each of the following three main categories: energy, water, and materials.

Measures leading to reductions estimates

Energy efficiency methods, including:

- ▶ Opting for double glazing for exterior glass
- ▶ Roof insulation using XPS board and foam concrete
- ▶ Efficient indoor LED lighting with occupancy sensors for shared and common spaces
- ▶ Variable speed drives for cooling fan tower, chillers, and water pumps

Water efficiency methods, including:

- ▶ Installing faucets with aerators for public bathrooms
- ▶ Installing dual-flush water closets for public bathrooms
- ▶ Using water-efficient urinals for public bathrooms

Material efficiency methods, including:

- ▶ Opting for polyurethane, fiber-reinforced slab-on-grade instead of traditional steel reinforcement

SMART CITIES

Over the next few years, the Egyptian government plans to introduce 30 fourth-generation cities across the country. The existing projects include the New Administrative Capital; New Alamein City; East Port Said; New Mansoura; New Ismailia; El Galala, Red Sea; New Sheikh Zayed, Giza; October Oasis; West Beni Suef; New Mallawi; Nasser; West Assiut; West Qena; and New Toshka.

Following global and national footsteps, SODIC's latest projects—currently under development—are designed to set a new benchmark as smart communities.

Accordingly, our strategy was to:

- ▶ Include the infra-requirements for a smart city, such as CCTV, smart poles, smart monitors, control for the main water network valves, and select transformer substations
- ▶ Include provisions for additional smart features in the fiber network, such as signage, Wi-Fi hotspots, and smart irrigation

The cost impact was estimated around EGP 100 million for infrastructure that allows for future upgrades.

THE ESTATES

SODIC's first smart development is The Estates, located in New Zayed in the Giza Governorate over an area of 150 acres. After finalizing a conventional infrastructure design for the project, NUCA issued a letter that mandates applying smart city regulations.

The new mandates were issued mid project, after the initial budget was estimated based on a conventional infrastructure design and earlier phases of the project had already been marketed and sold to the public.

SODIC's second smart settlement is also located in New Zayed and is still under construction. It will follow the same measures implemented in The Estates.



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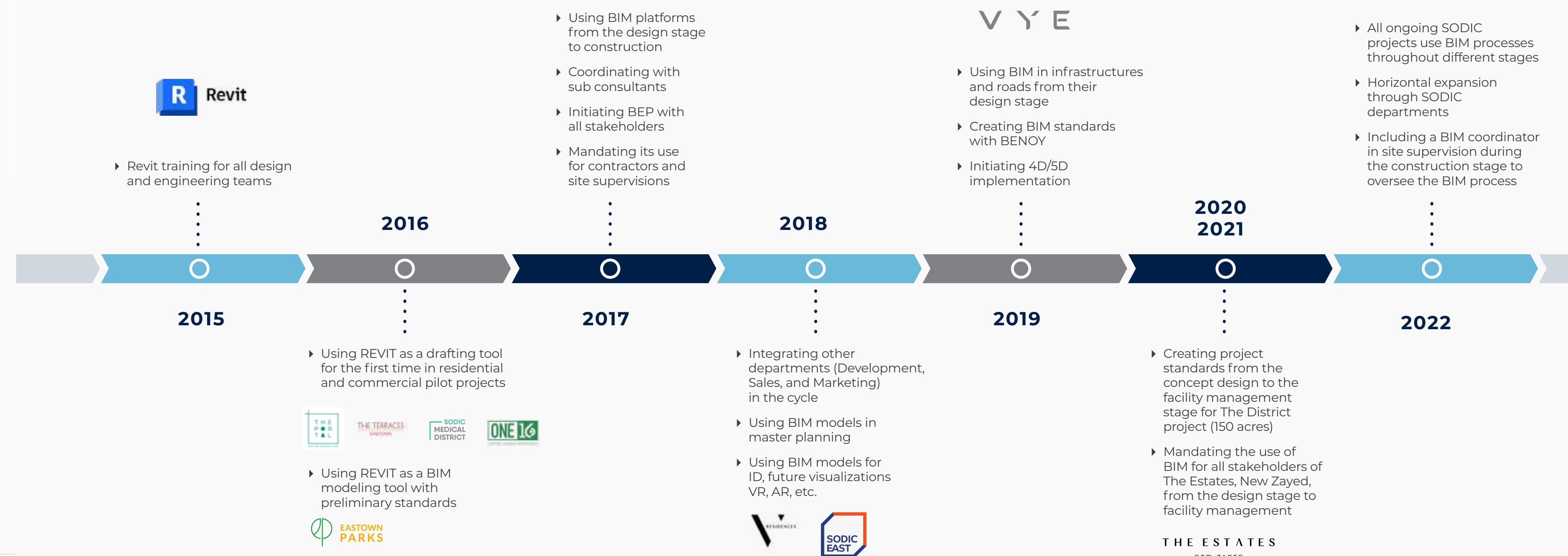
4.3

The use of BIM is gaining traction in the market. However, SODIC's efficient and unique hierarchy and job roles maximize the use of BIM more effectively within the process, making way for more optimized use.

After a journey of seven years since initiation, all ongoing SODIC projects now use BIM processes throughout dif-

ferent stages, contributing to establishing sustainable and healthy environments and creating a real possibility for architects, engineers, and manufacturers to build a better world, particularly with the AEC industry being one of the biggest contributors to climate change.

BIM TIMELINE IN PROJECTS (TECHNICAL) BUSINESS UNIT



BIM AND SUSTAINABLE CONSTRUCTION

The achievement of true sustainable construction calls for data availability and detailed analysis. This is how

BIM comes into play at the three key stages of a project: design, construction, and operations.

DESIGN STAGE (PARTIALLY IMPLEMENTED)

Coordination and Collaboration

- Integrating sustainable aspects with BIM processes (all team members on board from the beginning)
- Providing access to information
- One central model = clash detection (no ad hoc solutions on site)
- When a team member makes a change, all others are informed and can adjust their parts accordingly

Visualization

- Design options
- Better engineering decisions
- Clear picture for the owner
- Design changes without delay of time or increased cost

CONSTRUCTION STAGE (PARTIALLY IMPLEMENTED)

Continuous Analysis of Environmental Effects

Construction effects on the surroundings and environment, measuring:

- Energy use
- Noise pollution
- Any environmental effects

Propose methods to decrease negative impact

Through Design Details

- Drawing in 3D allows sections and details to be made ready for construction
- By minimizing construction defects, the ongoing operational costs are reduced and construction is faster and safer

Material Take-Offs

Offsite fabrication:

- Eliminates over ordering
- Reduces waste
- Allows off-cut materials to be reused or recycled
- Components will fit together on site, having been fabricated using a coordinated model
- Fewer deliveries to and less waste removal from sites

OPERATION STAGE (IMPLEMENTATION WILL COMMENCE SOON)

Monitoring and Recording Building Performance

Monitoring and recording a building's performance in terms of:

- Water/wastewater
- Reduces waste
- Allows off-cut materials to be reused or recycled
- Comparison of actual vs intended performance
- Making better decisions for improvements after evaluation results
- Reduce resource and waste consumption (recycling)

Updated Alterations and Changes to the Building

- Additions or adjustments made to buildings can be easily tracked and recorded
- Traditionally, any alterations or changes would repeatedly need surveys and on-site investigations, which cost time and money

Seasonal Commission and Maintenance

Planning maintenance activities that can be synchronized, minimizing cost and the disruption of occupants

Access to Sustainable Information

Engaging occupants and management through providing access to sustainability information and dashboards in their buildings

BIM BENEFITS

- Improving onsite collaboration and communication
- Model-based cost estimation
- Visualizing projects in pre-construction
- Better coordination and clash detection
- Mitigating risk and reducing cost
- Improving scheduling/sequencing
- Increasing productivity with prefabrication
- Better safety on construction sites
- Executing overall better builds
- Streamlining facility management and strengthening building handover

FUTURE PLANS FOR BIM IN SODIC

- Integrating design briefs, feasibility studies, and business models in the BIM process
- Implementing sustainable construction through BIM
- Organizing dashboards using BIM
- Implementing complementary platforms for a more data-oriented approach

CHALLENGES AND OBSTACLES

- Project Phasing Priorities**
Setting priorities for project phasing can be challenging. However, creating mature and sustainable BIM models and allocating more time for any project's earlier planning phase can provide enough time for gathering all needed data from all stakeholders. Through using an integrated system, the collected data shall then lead to consistency and apt monitoring of projects from start to finish.

- Employee Readiness**
BIM is rarely used outside the Projects Unit, and it is mostly used by members of the Design and Engineering Department. Therefore, it is challenging to communicate and address the importance of BIM among other departments, which also greatly depends on the vocational needs of other teams and the readiness of other functions to train and become a part of the process.

- Politicizing BIM Standards Across the Company's Departments**
SODIC is currently exploring the formulation

and integration of a BIM standards policy within its operations. Having and approving such a policy shall ensure compliance and proper implementation across all of the company's departments.

Data Integration with Consultant Management Portfolios
Integrating data from across all of SODIC's business units and outsourcing stakeholders, instead of working as an individual unit, is no easy task. However, this can be achieved through using smart portfolio management solutions that can integrate data from different software and during the project's life cycle stages, such as sales, budgeting, feasibility studies, planning, engineering, construction, contracts, facility management parameters, etc. Such integration can produce dashboards and 7D-level analysis and information. It can also facilitate knowledge transfer, enhance collaboration between all stakeholders, help identify the roles of each stakeholder, and eliminate workflow gaps.

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We are currently in the process of formalizing those initiatives and their outcomes into binding guidelines and manuals, and they include:

- Guideline for architecture and urban design standards, available upon request
- Guideline for access control and CCTV systems, available upon request
- Establishing a Value Engineering Task Force that analyzes building features and provides alternatives to achieve the required performance, quality, and safety with lower cost

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RISKS AND OPPORTUNITIES

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ESG RISKS & OPPORTUNITIES – OPERATION

MATERIAL ISSUES	RISK OR OPPORTUNITY	ACTIONS AND IMPACTS
Electricity	Risk and Opportunity	<p>Risk: projects developed in earlier years are not LED-lit, resulting in the unnecessary increase of electricity consumption.</p> <p>Opportunity: installing LED lights, resulting in energy reduction and long-term cost saving.</p>
Water	Risk and Opportunity	<p>Risk: older irrigation system, slower monitoring and controlling sprinklers, and wastewater in housekeeping activities.</p> <p>Opportunity:</p> <ul style="list-style-type: none"> Reducing water consumption and improving landscape (Xeriscaping). Encouraging tenants to reduce potable water consumption by installing efficient plumbing fixtures, high efficiency lavatories, low flow aerators Dual Flush toilets, and waterless urinals. Incentives that can encourage these opportunities may be included in contract clauses.
Air quality	Risk	Water cooled package units that are either installed or will be installed by tenants usually use R22 freon, which has high ODP, causing a particularly harmful impact on the ozone layer when released into the air. Such units shall be banned and phased out, as per the Montreal Protocol, by 2020.
Transportation	Risk and Opportunity	<p>Risk: Carbon and GHG emissions from vehicles that make daily transportation to and from commercial districts</p> <p>Opportunity: Encouraging carpooling and incentivizing public transit.</p>

The COVID-19 crisis was a major challenge, yet we managed to adapt and conclude several models to remain resilient—an approach that has proven to be efficient.

ESG RISKS & OPPORTUNITIES – COVID-19 MATERIAL ISSUES

MATERIAL ISSUES SPECIFIC TO COVID-19	RISK OR OPPORTUNITY	ACTIONS AND IMPACTS
1 Working from home	Challenge and Opportunity	<p>Challenge: The lack of face-to-face meeting was challenging. However, ZOOM and similar software made things easier and helped us overcome such challenge.</p> <p>Opportunity:</p> <ol style="list-style-type: none"> Increasing team agility Enhancing productivity Encouraging time management flexibility
2 Infections	Challenge	<p>Our performance increased by 30%–50% throughout the period between March and September 2020. Performance was monitored using SODIC's system for registering the Design and Engineering Department's manhour rates and comparing the monthly production of 2019 with that of 2020, from March to August, via computer-aided software.</p>
<p>On equal footing, key opportunities and strengths were identified, which namely include, but are not limited to:</p> <h3>KEY OPPORTUNITIES</h3>		
<p>Team's experience, dedication, and talent pool</p> <p>Having different yet complementary skills within the team allows for the exchange of knowledge and translates into unique and homogenous works of architecture.</p> <p>Organic organizational structure within the department</p> <p>The approach of having an agile, nonhierarchical organization at middle management levels encourages communication between different teams, managers, and colleagues to complete work successfully. It also promotes an adaptable and flexible environment.</p> <p>Design-to-cost approach</p> <p>Following the approach with clear, uninterrupted decision-making and vision on each project and task.</p> <p>Optimum use of technology</p> <p>As a response to the challenge of time and quality management.</p> <p>SODIC Design and Engineering Cube: the Culture and Brand *</p> <p>Creating The Black Book incorporating the overall lessons learned and experience altogether following international standards.</p> <p>Building the design research and development capacity</p> <p>As a response to the challenge of rapidly changing trends and markets.</p>		

INNOVATION IN NUMBERS

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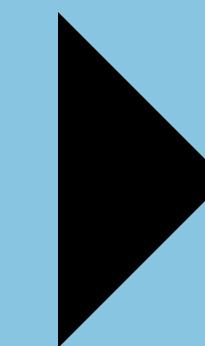
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THE CUBE STATISTICS

426

THE CUBE
USERS



204

UNIQUE
PARTICIPANTS

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CERTIFICATIONS – DESIGN AND ENGINEERING TEAMS

OUR TALENTS	CERTIFICATION	YEAR
Norhan Omar	LEED GA – USGBC	2017
Mohamed Sanad	MSc – Urban Design and Community Development Cairo University – Faculty of Engineering	2018
Ahmed Abu Nazel	PHD – The Impact of Renewable Energy on Shaping a Sustainable Urban Form Al Azhar University – Faculty of Engineering	2022
	MSc – Urban Design for Commercial Centers in Egypt Al Azhar University – Faculty of Engineering	2015
	Research paper - Quality of Life Indicators in Sustainable Urban Areas (Archive – International Journal)	2019
	PRMG – AUC	2016
Mina Wilson	PRMG – AUC	2020
Mohammed Hossam	PRMG – AUC	2017
Ahmed Mahrous	Member of ASHRAE Society	2011
Sherien M. Zein	Introduction to Real Estate Management AUC – School of Business	2021
Omar Asaad	LEED GA – USGBC	Ongoing
	EDGE Expert – GBCI	Ongoing
	LEED GA – USGBC	Ongoing
	EDGE Expert – GBCI	Ongoing

One of our key strengths is the collective expertise of our design and engineering teams. In addition to the mentorship and capacity building they receive through their day-to-day work, they have continuously engaged in new learning and development paths by acquiring different types of certifications.

Sherif Hussein	Management of Project Resources	2016
	Certified Cost Professional (CCP preparation course)	2016
	Project Budgeting and Financial Control	2016
	MEP Revit	2016
	Project Management International Standards	2015
	Project Planning and Control Techniques	2015
	A Programmable Logic Controller (PLC)	2006

EDARA is our subsidiary company dedicated to facility management for both residential and non-residential assets. Established in 2010, it currently has over 2,460 employees. Over the years, EDARA's experience and performance have grown, which qualified it to acquire several international certifications:

CERTIFICATION – SODIC OPERATION AND FACILITY MANAGEMENT (EDARA)

CERTIFICATION	YEAR ACQUIRED	CERTIFICATION ACQUIRED FOR THE FOLLOWING ACHIEVED REQUIREMENTS
ISO 9001	2012	<ul style="list-style-type: none"> Control of records Internal audit Corrective and preventive plans and action Control of non-conforming services
ISO 14001 Environmental Management System	2014	<ul style="list-style-type: none"> Environmental policy Environmental risks assessment Environmental plans and targets Operation control procedures Emergency preparedness and response Competence records Evidence of communication Performance monitoring and evaluation Compliance record Audit programs
ISO 45001 Occupational Health and Safety System	2021	Occupational health and safety assessment, prevention plans and measures, and policy and guidelines

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ESG HIGHLIGHTS

SODIC RECEIVED
“THE PROCUREMENT EXCELLENCE PROGRAMME AWARD”
(PEP)



270 VENDORS WITH EGP 4.3 BILLION OF SPENDING IN 2020 AND 2021



THE POLICY INCLUDES
15 MAJOR ESG COMPONENTS



SUPPLY CHAIN GOVERNANCE

Supply chain activities differ during development, construction, and operations stages, as ESG risks and opportunities are considered differently in each stage. Within the industry, supply chains are often highly complex, particularly when it comes to the construction phase due to its multiple tiers and opacity when the company is outsourcing and offshoring procurement.



The Procurement Department is responsible for ensuring the compliance and management of all procurement activities and that due diligence is aptly exercised in the application of the best practices that serve the company effectively and efficiently, while maintaining the highest level of professional integrity and transparency.

To ensure responsible management, our supply chain activities are governed by our Procurement Policy, which

encompasses all technical and non-technical contracting, procurement of services, and materials for SODIC departments, projects, sister companies, affiliates, and subsidiaries. In January 2021, the Procurement Policy underwent a major review, resulting in a milestone update of integrating performance indicators that support the interconnection of policies with procedures and practices. The policy includes, but is not limited to, 15 major ESG components plotted out in this section.

In 2021, SODIC received “The Procurement Excellence Programme Award” (PEP) from the Chartered Institute of Procurement and Supply (CIPS). PEP is a globally recognized award presented to organizations demonstrating excellence in their procurement and supply chain activities.

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VENDORS ECONOMICS (GRI 2-6)

Our list of vendors includes 17 categories across building materials, technologies, hardware, equipment and consultations services, and others.

Out of our 170 vendors, 93% are sourced from local suppliers, which ensures uninterrupted operations of the business and our projects. (GRI 2-6)

Through supporting local suppliers, SODIC also indirectly attracts additional investments to the local economy, supports a stable local economy, and maintains community relations. Some 97% of our procurement spending is locally sourced, bringing contribution to

the national economy through procurement at over EGP 1.4 billion in 2021. (GRI 204-1)

Our indirect economic impacts extend across the upstream value chain, where the development of SODIC projects has provided over 6.3 manhour opportunities across its construction sites. (GRI 203-2)

At the peak of our projects' construction phase, our vendors reached 270, with over EGP 4.3 billion in contracting and procurement spending combined in 2020 and 2021. (GRI 201-1)

NUMBER OF SUPPLIERS	2020	2021
Local suppliers	247	158
Foreign suppliers	23	12
Total number of suppliers	270	170
Percentage of local suppliers vs the total number of suppliers	92%	93%

SPENDING ON SUPPLIERS IN EGP (GRI 204-1)	2020	2021
Local suppliers	2,832,901,392	1,397,968,197
Foreign suppliers	46,954,502	40,653,520
Total monetary value	2,879,855,894	1,438,621,717
Percentage of the procurement budget (spending) used on local suppliers	98%	97%

Our annual planning is also a strong contributor to our ability to ensure economic stability for vendors, as it provides a sustainable contracting opportunity and/or economic growth for vendors. (GRI 203-2)

CODE OF ETHICS

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The Procurement Department is committed to operating at the highest levels of integrity, respect, ethical and professional conduct, as well as trust and cooperation. The division is guided by a code of ethics, which stipulates:

- Strict performance according to the “SODIC Employee Code of Conduct Policy”



- Strict performance according to all regulations pertaining to procurement activities (vendors selection, tendering, grievance, payment)



- Refraining from activities that can be considered as compromising practices in all relationships, actions, and communications



- Refraining from any private business or professional activity that may create a conflict between personal interests and the interests of SODIC



- Promoting positive vendor relationships, through courtesy and impartiality, in all phases of the procurement processes



VIOLATIONS OF THE CODE OF ETHICS MAY LEAD TO DISCIPLINARY ACTION.

VENDORS RELATIONS

Under the Vendors Relations Policy, Delegation of Authorities and Task Assignments are two major components that ensure healthy communication with vendors as well as quality and timely procurement process for the company.

For each of SODIC's projects or activities, a team manager is assigned as the single point of communication between the department and key internal stakeholders. A project coordinator is also assigned as a liaison with the project's vendors.

The policy defines the lines of authority and responsibility in any procurement process, including shared responsibilities with the departmental heads. This is designed with the proper level of agility to ensure sourcing takes place according to each department's technical needs, while safeguarding the best interest of the company in terms of quality, efficiency, and

compliance of the procurement process to applicable regulations and procedures.

All assignments made by the Chief Procurement Officer are officially communicated to all department managers, specifying the delegated persons, their responsibilities and authorities, and the duration of such delegation.

From 2020 onward, and as a result of COVID-19 disruptions, the commencement date of contracts was changed from the signature of both parties to issuing an official notice, in which a letter to proceed is issued to vendors within 3–4 months from the day of contract signing. This change aims to maintain and respect our long-term relations with vendors by providing grace periods for them to address supply crises and financial issues without compromising SODIC's best interest. We have also agreed to providing new payment facilities to support both parties.

CONFLICT OF INTEREST

All matters that can be perceived by others to impinge on an employee's impartiality or prevent the fulfillment of his/her duties should be immediately disclosed to his/her direct manager and the Chief Procurement Officer through a specific official form. This includes any personal interest that may influence an employee's

point of view or might reasonably be perceived as such. All employees should perform their jobs according to a status of being “free of interests or relationships” that may actually or potentially be detrimental to the best interest of the company.

INTEGRITY OF VENDOR SELECTION

The Integrity of Vendor Selection is the foundation of our procurement procedures, and it starts even before the assessment criteria is initiated. It is governed in our policy by a dedicated clause, namely the “Personal Relationships” clause, which states that the Procurement Department employees are not permitted to handle any part of the procurement process involving vendors to whom they are related or hold

personal or business ties with. It is the responsibility of the employee to inform the Chief Procurement Officer of any potential conflicts. It is the responsibility of the Chief Procurement Officer to reassign said employees immediately or decide otherwise. Employees with conflicting interest do not have access to all matters pertaining to the concerned procurement process.

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EFFICIENT COMMUNICATION & TRANSPARENT PROCESS – E-PROCUREMENT PORTAL

Safeguarding the integrity and quality of our relations, processes, and projects that we have with our internal and external stakeholders is one of our priorities. Accordingly, formalizing and standardizing the communication channels we use at SODIC have become a necessity and key to achieving said objective.

SODIC's cloud-based E-Procurement Portal was established in 2017 to provide seamless and transparent supply chain management. The portal also offers a centralized data ecosystem, thus providing SODIC with reliable information to evaluate the company's performance in terms of vendor selection, performance, engagement, costs, savings, etc. The portal has become the default channel of all communications before and until the contracting process is finalized. If the e-platform cannot be used during a sub-process, a standard,

formalized procedure is followed to use other communication channels such as meetings, emails, or others. The platform is also the initiation point for all procurement processes done by the requesting department.

The platform has had numerous EESG advantages for all parties. It creates an environmentally responsible paperless ecosystem that is socially respectful of time, economically saves paper and productivity time, and enables strong governance on data and conduct. This includes the prevention of tampering with vendors' information during the submission process, since each vendor receives a single-use link to upload all information directly to the portal. It also allows all employees involved in the process to have comprehensive and timely access to information to perform their jobs effectively.

FAIRNESS OF OPPORTUNITIES TO VENDORS

Competitive tenders are the default procurement process, offering fair opportunities to all suppliers in the market. Exceptions for single sourcing is very limited and must undertake a rigorous process of authorization and validation, and it is also limited to non-technical/corporate procurements and must be aptly justified, below a certain cap limit, and pre-approved by the Chief Procurement Officer and the Managing Director. Above-cap, single-sourcing procurement can only be initiated after obtaining the approval of the Board of Directors.

A high-level assessment and final approval process is performed through the Procurement Committee if tenders exceed a certain, pre-defined cap.

The Procurement Committee meets on a weekly basis to ensure a speedy contracting and procurement process, as slow contracting may negatively impact the business.

PREVENTION OF MISLEAD OPPORTUNITIES TO VENDORS

At SODIC we engage with vendors from a position of mutual interest and fairness, and with consideration to the wellbeing of our suppliers. Therefore, our annual procurement plan allows us to be efficient and aptly finalize the procurement cycle and contracts in a timely manner. This directly reflects on suppliers' ability to plan and sustain their businesses. We also ensure pro-

curement processes are not initiated by the requesting departments unless they have the necessary budget approvals and have all technical requirements fulfilled. This ensures vendors who have submitted an Expression of Interest (EOI) for a certain procurement opportunity are not delayed or canceled due to budgeting issues at a later stage of the procurement process.

FAIR SELECTION

Tender openings are conducted only by the Chief Procurement Officer, unless delegated to another employee. Tenders may be opened and submitted only through the e-procurement portal. This ensures figures are not disclosed to third parties so as not to compromise the integrity of fair selection.

Vendor negotiations and grace periods prior to contract signing also support potential awarded bidders. They allow bidders to better express their capacities and expertise and provide them with room for negotiations within their financial or risk tolerance margins as a business.

During the pre-award phase, vendors' assessment and evaluation scoring is processed based on criteria set in the policy. Vendors whose evaluation scores are borderline are sent an email with the necessary feedback required to help them improve their performance, which offers them a fair opportunity for assessment and potential selection.

Transparency of vendors' evaluation criteria is key for fair selection and for the sustainability of our relationship with vendors. They are included in the respective intentions to tender (ITT) and requests for proposals (RFP) for each package. Offer rejections are inevitable; however, all rejections made by SODIC's technical departments must be reasoned and internally documented. To ensure the transparency of the evaluation process, rejected vendors are informed of the reasons of their exclusion upon their request.

If two or more vendors offer the same price for the same specs, quality, and terms, a post-bid negotiation is conducted by the project coordinator to resolve the tie. If the tie was not resolved, the contract is awarded to the vendor offering the best overall value to SODIC, noting that "value" is defined as, but not limited to, transaction history and price.

DEFINED AND TIMELY CONTRACTING CYCLE

The policy defines a strongly structured procurement cycle duration, which was greatly facilitated by the e-platform. Through a structure policy annex, each type of procurement is defined by a procurement cycle duration to allow our team to work efficiently within a targeted timeframe. Respecting the cycle equally continues to establish credibility of our brand and a trusted relationship with our suppliers, especially when it comes

to their reliance on our business to create opportunities for their growth. Our longest cycle spans up to 90 calendar days, and cycles can be as short as 20 calendar days. Suppliers are informed that they should respond to our requirements within two working days for us to fulfill and meet the timeframe of cycle.

LONG-STANDING VENDORS RELATIONS

SODIC's relations with recurrent and long-standing vendors are an integral component of our supply-chain management success. This value is defined and safeguarded through our policy and procurement procedures and practices.

During the preliminary assessment and evaluation phase (phase1), vendors' commitment and performance during previous tender(s) are taken into consideration as elements and factors of long-term relational value.

When tenderers issue a tender package for pricing, our registered and prequalified vendors receive dedicated invitations for intention to tender. The proposed list of invited vendors takes into consideration the vendors' previous track record with SODIC.

During the assessment phase, vendors whose evaluation scores are borderline are sent an email with the necessary feedback required to help them improve their performance and achieve a satisfactory outcome for both parties.

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MANAGEMENT OF COMPLAINTS AGAINST VENDORS

A fair assessment of vendors' performance includes rigorous investigation of complaints received from the departments against the vendors regarding the quality, timing, service, or any other factor affecting vendor performance. Such concerns are conveyed to the Procurement Department, which referees the complaints through a structured procedure.

Vendors are given all relevant details to be able to respond to and resolve raised concerns within a specific

time. One-to-one meetings are also conducted with concerned vendors to create dialogue and engagement, but they do not supplant formal communications via email.

A vendor is not banned unless all means to satisfactorily resolve issues have been exhausted. A vendor is only banned from working with SODIC for a period of three consecutive years after three complaints are received against said vendor.

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VENDORS' SOCIAL AND ENVIRONMENTAL OBLIGATIONS

All our contracts, being part of the ITT documentation process, are prepared in accordance with Fédération Internationale des Ingénieurs-Conseils (FIDIC) Standard Forms, with particular conditions that suit each development's circumstances.

Accordingly, the terms of our contracts ensure that specific social, environmental, and health and safety conditions are in place, that they constitute part of our contractors' obligations, and that they are penalizable in case of breach, with each penalty being specific to the case in question. (GRI 414-1/2) (GRI 308-1/2)

WORKERS' WELLBEING AND RIGHTS

1. All contracts are compliant with Egyptian Labor Law, including the right to freedom of association and collective bargaining. (GRI 407-1)

2. Each contractor is expected to respect minimum wage obligations according to Egyptian Labor Law.

3. All contractors must register their contracts under Egyptian Social Insurance within 28 days of the contract signing.

4. Contractors must provide periodic evidence of the timely payment of its lower tiers. Failure to provide evidence after a 15-day notice entitles SODIC to withhold money to resolve the contractor's indebtedness.

5. Contractors are obligated to fully insure their organizations, workers, and equipment, all in accordance with the applicable and complementary laws, as well as any subsequent laws or regulations issued during the contract period.

6. Contractors are refrained from employing any worker who is not registered and does not carry a valid insurance card.

7. Contractors are strictly prohibited from employing any workers less than 19 years old (GRI 408-1), and they must not engage in any actions of forced or compulsory labor. (GRI 409-1)

8. Contractors must provide all necessary personnel protection equipment to ensure compliance with safety requirements.

SODIC has a zero-tolerance policy in matters related to health and safety measures, as indicated in relevant sections of this report.

Contractors are prohibited from forcing workers to work at night during the official national weekend (Thursday night and Friday) and national holidays. Exceptions can only be made by submitting a prior formal request at least two days before the request needs to be approved. Permission may or may not be granted by SODIC, based on the best interest of all parties. If granted, work must be carried out without causing unreasonably loud noise or disturbances to neighborhoods. All workers are compensated for working for extra hours or days outside official working hours, and the cost is must be borne by contractors and stipulated in SODIC's contract terms.

Our contracts stipulate and enforce monitoring and sanctions if contractors fail to make insurance or tax payments related to workers, including, but not limited to, injuries, incidents, passengers' liability, compensations, or others. SODIC may withhold payment until evidence of compliance is submitted.

WASTE AND DEBRIS

SODIC monitors all measures that are implemented for proper dust control and the safe clearance of sites from excess material, debris, and waste that are then transported to public landfills. This process includes clearing the streets and sidewalks surrounding construction sites. Taking-over certificates are not issued unless all procedures have complied with the relevant laws and internal regulations.

NEIGHBORHOODS AND THE PUBLIC

Strict rules related to all operations necessary for the execution and completion of projects are specified in all relevant contracts and permits. All projects and work are to be carried out without causing any interference with or damage to the public's convenience. Work must also not block access to public or private roads and footpaths, nor can they block access to other properties, whether they are owned by the employer or otherwise.

DATA PRIVACY AND SECURITY

Securing the privacy of our vendors' data is a central priority. We ensure data is protected by keeping a single Vendor Directory on the e-procurement portal, which is managed and maintained only by SODIC's Procurement Department and may not be printed. Vendor data is treated the same way SODIC's proprietary information is treated and handled, and it is strictly

prohibited from being distributed or shared with any other entities or individuals. Data is only available to Procurement Department employees, and access is only granted to those whose business needs require access to said information.

BUSINESS AND CUSTOMERS DATA SECURITY

Confidentiality agreements are signed by our vendors in the very early stages of tender processes to protect all relevant information. Such agreements ensure vendors'

compliance with SODIC's confidentiality and secrecy requirements prior to the release of important information about SODIC's projects.

PUBLIC ROADS AND UTILITIES

When it comes to public utilities, roads, or bridges located on the routes to construction sites, contractors must select routes, choose and use vehicles, and restrict and distribute loads in a manner that will not cause traffic issues. Contract fees include the cost of strengthening any bridges, using alternative equipment or improving any roads leading to sites (whenever needed/applicable). Contractors are also expected to protect all existing public underground utilities.

SAFETY OF EQUIPMENT, MATERIALS, AND WORKING CONDITIONS

SODIC site engineers conduct direct inspections, monitoring, and assessments of all measures related to required safety conditions by examining, measuring, and testing the sites and all relevant measures and operations.

HERITAGE

We ensure that we liaise with public bodies and companies whose properties or rights are affected or may be affected in any way by works. All fossils, coins, articles of value, antiquities, structures, and other remains or items of geological or archaeological interest discovered at any site must be secured by the contractor who must take reasonable precautions to prevent their removal or damage by any party in their employ.

GOVERNMENTAL TAXES AND DUES

Our contract fees include enforcement clauses to ensure that contractors comply with all taxes and dues related to VAT, income taxes, customs and import taxes, or other obligations, as stipulated by law.

CONTRACTORS' RIGHTS AGAINST THE DEFAULT OF THE COMPANY

Contractor rights are protected in our contracts in the event that the company fails to make payments within 28 days after the expiry of the validity period, after any deductions that may have been imposed on the contractor. Contractors are entitled, as per contractual terms, to terminate their employment by giving notice, and the termination comes into effect 14 days after the notice is submitted. Contractors are also compensated for any loss or damage directly or indirectly caused by such termination.



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Maintained a record of
three fatalities and **nine**
lost time injury (LTI) across
a total of

96,570,742
MANHOURS SINCE 2010

6.3
MILLION
MANHOURS

with all workers and
employees covered
by OHMS

2021 OHS
HIGHLIGHTS



336

REGULAR SITE
INSPECTIONS
across seven projects
under construction

84

REGULAR HSE AUDITS
were conducted across seven
projects under construction



OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM (GRI 403-1)

Our occupational health and safety management is a system-based approach (OHSMS) integrated into all our business processes.

Our OHSMS is governed by the HSE Manual, which ensures the implementation of the provisions of environment, health, and safety practices as per the National Labor Law and according to the OSHA Standards. The HSE Manual includes defined components of hazard identification, risk assessment, and incident investigation. It equally allows the company to identify and address the resources, policies, and operational controls

required to maintain the highest levels of health and safety, as well as to ensure continual improvement.

The implementation of H&S practices is led by a dedicated HSE Manager and monitored by the SODIC technical team of engineers and supervisors, HSE project inspectors, and third party consulting engineers. The OHSMS is internally audited as per the ISO 45001 by a certified auditor — external auditing for 2022 is currently in progress. In addition, we conduct safety induction for visitors and PPE across all projects under construction.

HAZARD IDENTIFICATION, RISK ASSESSMENT, AND INCIDENT INVESTIGATION (GRI 403-2)

To protect workers from any potential negative impact on their employment or work engagement (including intimidation, termination, demotion, loss of compensation, discipline, and any other unfavorable treatment), our HSE Manual includes procedures to report work-related hazards and hazardous situations as well as those for protection against reprisals. It also covers workers' right to refuse or stop unsafe or unhealthy work. Workers have the right to remove themselves from work situations that they believe could cause them or another person injury or ill health. They equally have the responsibility to ensure that others are not exposed to unnecessary risk by their acts or omissions, which is referred to as "Duty of Care".

We are currently working on a new review and update of our manual to improve the emphasis on some of

the rules and provide more detailed processes and guidelines.

An emergency number is provided for workers to report any potential risks, misconduct related to potential incidents, or emergencies.

All reports must be submitted to the HSE Office in writing within 24 hours of the relevant situation taking place. In the case of reportable diseases, the main contractor and/or medical practitioner must ensure that any occupational diseases are specified and take precautionary actions accordingly. A specific reporting process is also in place for cases where an employee is absent from work for more than three days due to a work-related accident.

INFECTION PREVENTION AND CONTROL (IPC) MEASURES

In addition to our standard IPC measures, further instructions, rules, prevention plans, and training were implemented after the outbreak of the COVID-19 pandemic.

This included workers' self-assessment, symptom-reporting processes, "stay at home when ill" procedures, longer breaks during working hours, swift responses to public health procedures of suspected and confirmed cases and providing access to mental health and counselling resources.

SAFETY MANAGEMENT SYSTEM (SMS)

Safety management is established and performed according to international standards. Our Safety

Management System (SMS) includes the four traditional functional components:

- ▶ Safety Policy

- ▶ Safety Risk Management

- ▶ Safety Assurance

- ▶ Safety Promotion

We maintain three elements of SMS manuals: procedures and guidelines for emergency situations, safety and environmental protection policy, and procedures and guidelines for reporting accidents or other forms of non-conformity.

OCCUPATIONAL HEALTH SERVICES (GRI 403-3)

Occupational health services are provided to our workers on site by in-house certified safety professionals, with additional consultants sourced on occasion. Those services aim to advise the employer, the workers, and their representatives on the requirements for

establishing and maintaining a safe and healthy work environment. The health professionals or supervisors are responsible for ensuring the adaptation of work to the capabilities of workers considering their state of physical and mental health.

Providing such services is mandatory for all projects, and according to our HSE Manual, they are provided on site and include the following categories:

- ▶ Surveillance of workers' health in relation to work
- ▶ Advice on occupational health, safety, and hygiene;
- ▶ Advice on ergonomics and on individual and collective protective equipment

- ▶ Promotion of the adaptation of work to the worker
- ▶ Organization of first aid and emergency treatment
- ▶ Evacuation plans and management of hazards

In case of serious accidents that require medical or health attention beyond the ones available on site, workers have access to prompt transport to hospitals to receive medical care and services, the cost of which is born by the workers' immediate employer (SODIC or the contractor).

Our policy includes, but is not limited to, the following specific measures:

- ▶ Evaluating the atmosphere's hazardous oxygen level
- ▶ Work safety in the cases of bad weather, torrential rain, and thunderstorms
- ▶ Evacuations and ceasing all work-related activities
- ▶ Precautionary measures, controls, and remedial procedures related to hazardous materials and waste
- ▶ Disposing of hazardous substances or waste material according to the authorization of the Compliance Review Board
- ▶ Emergency contingency plan for the release of material into the atmosphere
- ▶ Monitoring the contractors' awareness and controls of local ordinances affecting air pollution
- ▶ Measures to minimize airborne pollution, and site dryness
- ▶ Disposal of waste solvents, petroleum products, toxic chemicals, or solutions in the city sewage or storm water drainage systems
- ▶ Procedures for approved disposal facility
- ▶ Controls of all site run-off and erosion
- ▶ The collection, removal, and disposal of builders' rubbish and construction debris

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WORKER TRAINING ON OCCUPATIONAL HEALTH AND SAFETY (GRI 403-5)

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SMS TRAINING IS DIVIDED INTO THREE DISTINCT LEVELS



LIST TYPE/NAME OF TRAININGS OR TOPICS	2001	
	TOTAL TRAINING HOURS	NUMBER OF TRAINEES
Safety Induction	85	2,571
Weekly Safety Toolbox Talk	50	2,345
Excavation Safety	14	140
Fall Protection System	56	1,800
Work at Height Safety	56	1,800
Electrical Safety	28	1,200
Use of Power and Hand Tools	21	140
Confined Space Safety	14	70
Safe Scaffolding	35	200
OSHA Construction	16	30
Risk Assessment	35	105
Firefighting	42	140
Evacuation and Drills	28	2,345
Use of Hazardous Materials (Chemicals)	60	300
Safe Lifting and Slinging Operations	42	35
TOTAL	582 HOURS	13,221



All trainings are provided free of charge and are conducted during paid working hours. Attendance is mandatory for all concerned workers. If training courses

are schedule beyond working hours, attendees are compensated for the time they spend in training.

TRAINING NEEDS ASSESSMENT

The following practices are periodically conducted, yet our manual is currently being updated to include detailed criteria and procedures.

HSE training needs assessment are based on several factors, the main criteria include, but are not limited to:

- Newly recruited workers on site
- Workers being exposed to new or increased risks
- Workers being transferred or assigned to different responsibilities
- The introduction of new work equipment or making changes to work equipment already in use
- The introduction of new technology
- The introduction of a new system of work or making changes to a system of work that is already in use

WORKERS COVERED BY THE OHSMS (GRI 403-8)

With 2,571 of average total manpower per day in 2021, all workers and employees at SODIC's projects were covered by our OHSMS across the seven projects under construction during the reporting year.

These include employees hired through our third-party contractors at an average of 5,886,680 manhours and

those employed directly by the company at an average of 397,760 manhours in 2021.

The company maintains detailed records of incidents across its projects, including fatalities, injuries, and ill health issues to cover all workers and sites.

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WORKERS COVERED BY SODIC OHSMS	2019	2020	2021
Average Total Manpower – Contractors' employees in the year per day	2,400	3,900	2,345
Average Total Manpower – SODIC employees in the year per day	238	226	226
Total Manpower	2,638	4,126	2,571
Average Total Manhours Worked – Contractors in year	5,904,096	9,327,928	5,886,680
Average Total Manhours Worked – SODIC employees	418,880	397,760	397,760
Total Man-Hours	6,322,976	9,725,688	6,284,440
% of employees compared to the total number of employees in the year	100%	100%	100%

OPERATIONAL SITES COVERED BY SODIC OHSMS	2019	2020	2021
Number of Sites	14	13	7
% of sites compared to total number of sites in the year	100%	100%	100%

WORK-RELATED INJURIES AND ILL HEALTH (GRI 403-9) (GRI 403-10) (GRI 416-2)

We monitor all work-related injuries and ill health cases that arise from exposure to hazards at work, indicating damage to health. These include diseases, illnesses, and disorders, as well as all types of laceration, fractures, hernias, burns, and loss of consciousness directly related to work sites. Our OSHMS also monitors and records

all incidents that occur during work-related trips and travels.

During the last three years (2019–2021), SODIC recorded 12 cases of fatalities and injuries.

► GRI INDEX ► SASB ► EXTERNAL ASSURANCE

WORK-RELATED INCIDENTS	2019	2020	2021
Number of fatalities as a result of work-related injuries	0	3	0
Rate of fatalities as a result of work-related injuries	0	0	0
Number of high-consequence work-related injuries (excluding fatalities)	0	0	0
Rate of high-consequence work-related injuries (excluding fatalities)	0	0	0
Number of cases of recordable work-related injuries	2	4	3
Rate of cases of recordable work-related injuries	0	0	0
Number of work-related injuries resulting in lost-workday cases	0	0	0
Rate of work-related injuries resulting in lost-workday cases	0	0	0
Absentee rate (death excluded)	0	0	0
Turnover rate due to accidents	0	0	0
Turnover rate (voluntary)	0	0	0
Turnover rate (involuntary)	0	0	0

HIGH-CONSEQUENCE WORK-RELATED INJURY

Safety measures for high-potential work-related incidents are of the highest priority to the company, as they are considered hazards and constitute a high probability of causing a high-consequence injury.

High-consequence injuries are those from which the worker cannot, does not, or is not expected to fully recover to pre-injury health status within six months.

Those cases are treated with particular care to ensure the wellbeing of employees and workers. The company uses the "recovery time" instead of "lost time" criteria to determine the severity of the injury and the time needed for our workers to fully recover from their injuries.

Our H&S Policy protects workers' rights in case of injury that requires prolonged health or medical care:

- Full payment of treatment until the employee returns to work
- The concerned worker is offered an alternative job or role in case recovery still does not allow them to work on sites
- The concerned workers are offered compensations

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The policy also differentiates between the time-to-recover and the time-to-return to work to ensure a healthy return to work.

This applies to all workers under SODIC and its contractors. To monitor and control that those terms are applied by the contractors to workers under their responsibilities (which are 90% of the workers), we conduct

regular follow-ups on incidents and cases and review the concerned workers' medical reports.

The aforementioned provisions are part of the Egyptian Labor Law as well as the Social and Health Insurance Law, and they are included in contractors' agreements with SODIC.

RISK ASSESSMENT CATEGORIES AND PROCEDURES (GRI 403-7)

Our policy specifies a total of 38 types of high-potential incidents. They are identified proactively through our risk assessment exercises. The policy also enforces the following key procedures:

- Risk assessments are undertaken for all routine and non-routine activities
- Risk assessment includes the activities of all personnel—including subcontractors and visitors—who have access to the workplace, and this extends to the activities pertaining to the facilities provided at the workplace
- All risk assessments are recorded, validated by the third-party contractor, and register logged
- Our contractor is under agreement to respect and participate in the identification of hazards and assessment of risk, according to and complying with the company's procedure

ENVIRONMENTAL RISK ASSESSMENT (GRI 403-2)

Our Safety Manual includes a dedicated section for environmental and health requirements.

Environmental risk assessments are conducted for air pollution, soil contamination, water pollution, dust production, and noise pollution.

RISK ASSESSMENT FORMAT

The assessment follows international standards in terms of specific activities with hazards involved at each asset level, level of risks, control measures, and residual risks. Each activity is rated according to severity and likelihood of occurrence.

All contractors are communicated and informed of the terms of the required risk assessment. All activities identified under our risk assessment criteria require permits to work (PTWs). Issued permits are valid for

one day, and they must be signed by the area supervisor, entailing the identified and potential hazards and the necessary precautions. Having such permits and detailed information facilitates the implementation of adequate and effective controls and ensures compliance to regulations. In the event of non-compliance, permits are revoked. PTWs and safety notices are displayed around the sites where projects are active and work is carried out. Once a PTW is revoked, it shall not be restored.

RISK ASSESSMENT REVIEW

Risk assessment and policy reviews are regularly conducted. The policy is also reactively updated when needed in the cases of new emerging potential-in-

cidents or recorded injuries. The risk assessment also includes any expansion, contraction, or restructuring of the project.

The frequency of reviews varies depending on:

► The nature of the hazard	► Any changes from the standard operation
► The magnitude of the risk	► Changes in the storage of materials, chemicals, etc.

We follow the internationally recognized procedure for the undertaking of any risk assessment:

- Identification of hazards
- Evaluation of risk with the existing control measures in place
- Evaluation of the tolerability of residual risk
- Identification of any additional necessary risk control measures
- Evaluation of risk control measures to ensure that they can sufficiently reduce the risk to a tolerable level, and they shall be continuously monitored

In making or reviewing the assessment, we take the following matters in consideration in case young employees/workers are joining a project site:

- The inexperience, lack of awareness of risks, and immaturity of young persons
- The fitting-out and layout of the workplace and the workstation
- The nature, degree, and duration of exposure to physical, biological, and chemical agents
- The form, range, and use of work equipment and the way in which it is handled
- The extent and frequency of training that is provided or to be provided to young persons
- Risks from agents, processes, and other specific work activities

RISK ASSESSMENT COMMUNICATION

All assessment outcomes are communicated to all concerned parties prior to the commencement of any project or task. Communication channels include formal inductions, toolbox talks, and worker safety briefings.

MITIGATION OF RISKS

When risk elimination is not possible, we apply engineering controls by redesigning a job scope, administrative controls by adopting a new process, or substitutions by sourcing alternative materials or equipment.

Standard H&S management systems do not include monitoring or recording injuries involving members of

the public because of work-related incidents. However, at SODIC, we take due care on a case-by-case basis. Our current Safety Manual update is taking setting the proper procedures into consideration.

In 2021, 336 regular site inspections and 84 regular HSE audits were conducted across seven projects.

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SODIC recognizes that climate change, the depletion of natural resources, water shortages, and the collapsing of ecosystems are important social and economic issues. We contribute to the realization of a sustainable society through environmentally friendly community development including energy saving and low-carbon initiatives as well as the use of renewable energy and appropriate utilization of resources. We also comply with environmental laws, ordinances, regulations, and standards, in addition to our current process to certify our EDNC Offices as per the EDGE Green Building Certification and promote appropriate environmental management.

READ ON: Green Buildings and Smart Cities

SODIC is taking action to combat climate change and its impacts. The design of properties in this respect is constantly being optimized, leading to minimization of the carbon emissions created by construction work. By working together to advance and implement modern technologies and best operating practices, the real estate community can generate a climate impact and, at the same time, enhance assets' value.

However, to pursue a proper path for climate mitigation, we have started to measure our carbon footprint in accordance with the GHG Protocol Guidance and the ISO 14064-1:2018 standard, thus becoming the first commercial real estate development company to take that action in Egypt.

Emissions included in the Carbon Footprint report are Scope 1¹ direct emissions, Scope 2² indirect emissions, and Scope 3³ other indirect emissions. While building our greenhouse gas inventory we conducted an internal capacity-building training to raise awareness about climate change and how to calculate the carbon footprint amongst our employees. Training was conducted by leading LCA/EPD Expert and EPD Egypt, the national licensee of EPD International.

Since this is our first year reporting our carbon footprint emissions, in some cases, we needed to make justified assumptions. However, these assumptions will be addressed as much as possible in the upcoming reporting years to reduce the data gap.

Our standalone Carbon Footprint Report – to be published soon - includes all assumptions made in each Scope and category.

Energy at our operations and along the supply chain emerges from the consumption of electricity and fuels. Within the boundary of our organization, electricity is the main source of energy on which we run our operations while diesel is used to power our generators and fuel our owned vehicles along with motor gasoline. Natural gas is used during the winter seasons to warm the swimming pools temperature at the sporting clubs. LPG (propane)

is used in the kitchens of our administrative buildings. Beyond the boundaries of our buildings, electricity consumption is based on the leased/sold assets of SODIC and the construction works made by third-party contractors. Diesel and motor gasoline are used by employees and workers commuting to construction sites mostly. Table 4 and Table 5 summarize our energy consumption within and outside the organization, respectively.

1. Scope 1 direct emissions (generated from the onsite combustion of fuels to generate electricity, heat or steam, and the use of refrigeration and air condition equipment)
2. Scope 2 indirect emissions (arising from electricity purchase but consumed within the building's boundaries)
3. Scope 3 other indirect emissions (emissions generated along the upstream and downstream of our supply and value chain).

ENERGY SOURCE	CONSUMPTION QUANTITY (2021)	UNITS
Electricity	28,447,118	KWh
Diesel	58,127,913	MJ
Natural Gas	27,895,023	MJ
LPG (Propane)	1,972	MJ
Gasoline	17,257,552	MJ

Table 1 Energy consumption within the organization (Scope 1 & 2)

ENERGY SOURCE	CONSUMPTION QUANTITY (2021)	UNITS
Electricity	27,700,617	KWh
Diesel	103,077,037	MJ
Gasoline	220,852	MJ

Table 2 Energy consumption outside of the organization (Scope 3)

A closer look at the energy consumption displayed in Tables 1 and 2 above, the source for the most energy consumption are the residential properties (IF-RE-130a.2).

PROPERTY TYPE	GROSS BUILT UP AREA M2	ENERGY CONSUMPTION (GJ)
Clubs	86,258	48,765
Residential Property	5,225,675	114,340
Offices	128,186	26,004
Retail	238,602	5,560
HealthCare	9,000	1,359

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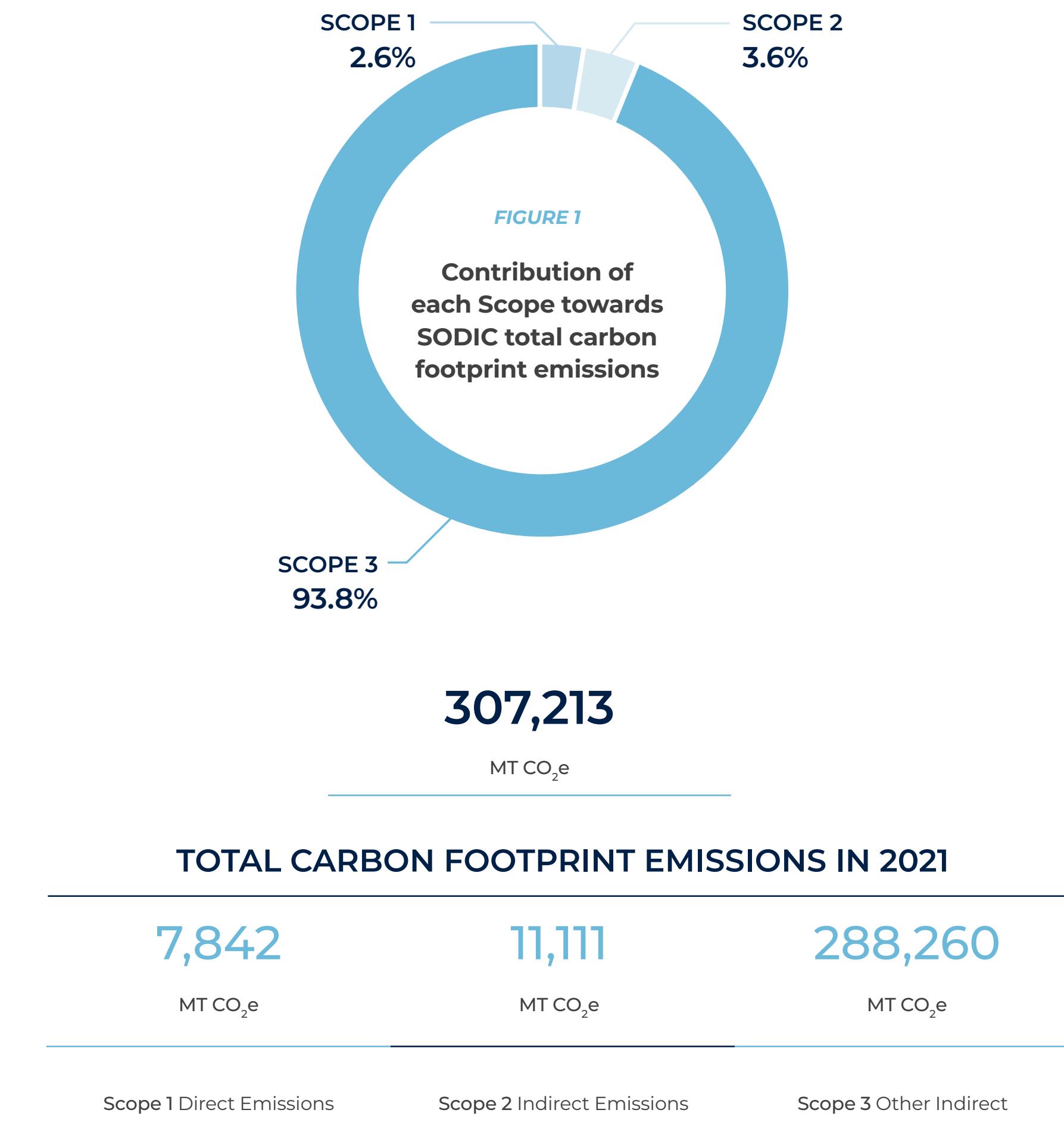
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The greenhouse gases we have reported are CO₂, CH₄, N₂O and HFCs. We have also reported on the use of R-22, which is an ozone-depleting substance. In 2021, we have charged a total of 147.5 kg of R-22; however, we have made plans to switch to a more environmentally friendly alternative. Our overall carbon footprint emissions during the reporting period of the year 2021 is presented below.

The overall carbon footprint emissions for SODIC came to be 307,213 MT CO₂e. During the reporting year 2021, Scope 1 direct emissions 7,842 MT CO₂e contributes the most with 2.6% followed by Scope 2 indirect emissions - 11,111 MT CO₂e - with 3.6% then Scope 3 - 288,260MT CO₂e - with 93.8%.



Although emissions from our operations represent only 6%, as seen in Table 3, we will work to demonstrate leadership in emissions management, reduction, and

disclosure along our own operations and the supply chain.

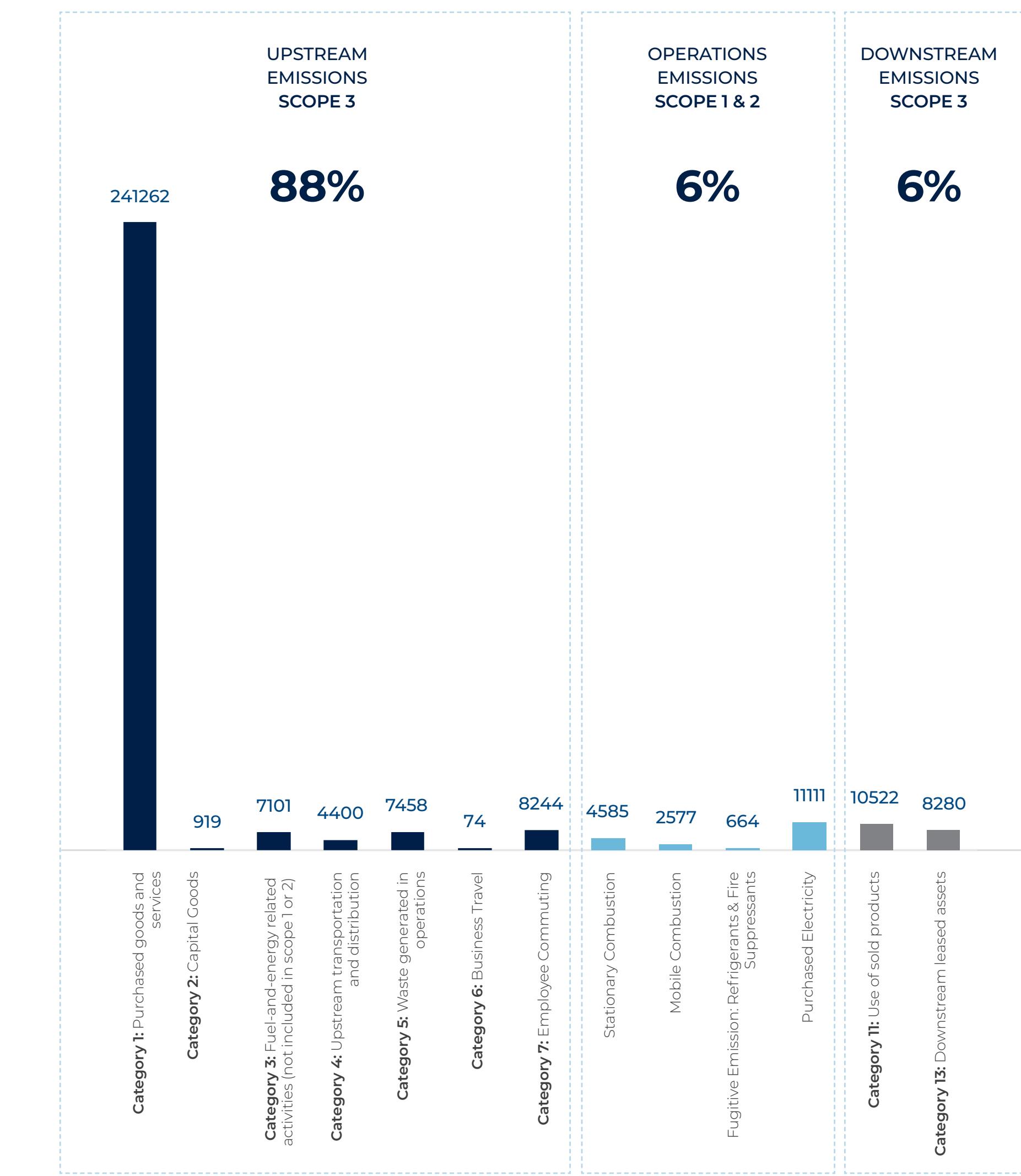


Table 3 Our emissions across our supply chain (Scope 1, 2 & 3)

OUR EMISSIONS ACROSS OUR PORTFOLIO LOCATIONS

136,623

MT CO₂e
West Cairo

168,005

MT CO₂e
East Cairo

2,585

MT CO₂e
North Cairo

The most contributing projects towards the carbon footprint emissions are the construction related projects, as seen in Figure 2. Although our construction works are made through third-party contractors, we

shall strive to efficiently use energy on construction sites and promote the practices of material conservation on site.

Construction
projects, 82.7%

FIGURE 2
Contribution of each project towards the entire carbon footprint of SODIC (Scope 1 - 3)

Administration offices, 1.0%
Healthcare, 0.1%
Clubs, 2.6%
Office, 2.4%
Residential, 9.4%
Retail, 1.9%

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Projects located in the west contribute the most towards Scope 1 direct emissions and Scope 2 indirect emissions since they are mostly operational while projects at the

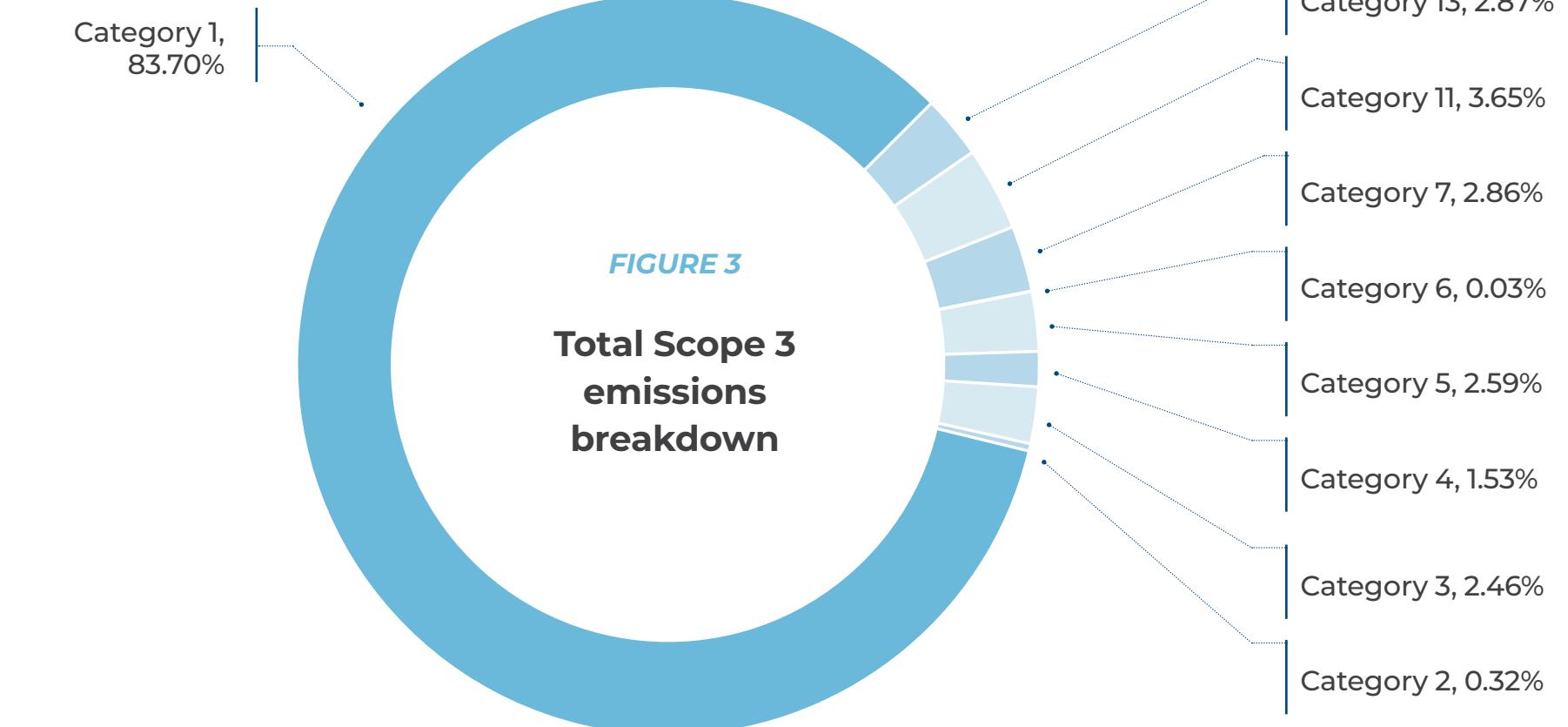
east contribute the most to Scope 3 since there are several projects under construction.

QUANTIFICATION OF EACH SCOPE BASED ON LOCATION

LOCATION	SCOPE 1 (MT CO ₂ E)	SCOPE 2 (MT CO ₂ E)	SCOPE 3 (MT CO ₂ E)
West Cairo	6,301	8,058	122,264
East Cairo	1,290	1,366	165,348
North Cairo	251	1,687	647

A closer look at scope 3, as seen in Figure 3, the most carbon-intensive category came to be category 1 – purchased goods and services representing 83.7% of

Scope 3 emissions and the least contributing category is 6 – Business Travel.



LEGEND

Category 1:
Purchased goods and services – 83.7%

Category 2:
Capital Goods – 0.32%

Category 3:
Fuel-and-energy related activities (not included in scope 1 or 2) – 2.46%

Category 4:
Upstream transportation and distribution – 1.53%

Category 5:
Waste generated in operations – 2.59%

Category 6:
Business Travel – 0.03%

Category 7:
Employee Commuting – 2.86%

Category 11:
Use of sold products – 3.65%

Category 13:
Downstream leased assets – 2.87%

OUR ENERGY INTENSITY¹

Since most of the energy consumption across our asset portfolio is controlled by the behavior, we are presenting below the average energy intensity per floor area for our

4 administrative buildings (Headquarters at Polygon – Sales Buildings – Customer Service Buildings - EDARA's Service Buildings).

HEADQUARTERS AT POLYGON	SALES BUILDINGS	CUSTOMER SERVICE BUILDING	SERVICES BUILDINGS 1&2	AVERAGE ENERGY INTENSITY ADMINISTRATIVE OFFICES
128 KWh/m ²	143 KWh/m ²	1,122 KWh/m ²	55 KWh/m ²	362 KWh/m ²

1. Electricity consumption only

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CUSTOMER JOURNEY AND VALUE CREATION

Our business lies on the foundation of the relationships we have formed and the trust we have built with our customers. The strength of these relationships was built over years of delivering an exceptional experience to our customers throughout their journey with SODIC, from our marketing communications to them joining our communities. The cumulative interactions with our frontliners and through our various touch points have established longstand-

ing relationships, trust, loyalty, referrals, and repeat and new members joining the SODIC family of residents and businesses.

After 25 years in the market, we have established a set of pillars to make our customer experience an unforgettable one through four value propositions:

SODIC CUSTOMER JOURNEY & VALUE CREATION



RESPONSIBLE COMMUNICATION



INCLUSIVE RESIDENTIAL COMMUNITIES



INNOVATIVE BUSINESS SPACES



BEST-IN-CLASS SERVICES; EDARA



DATA AND STAKEHOLDER PRIVACY

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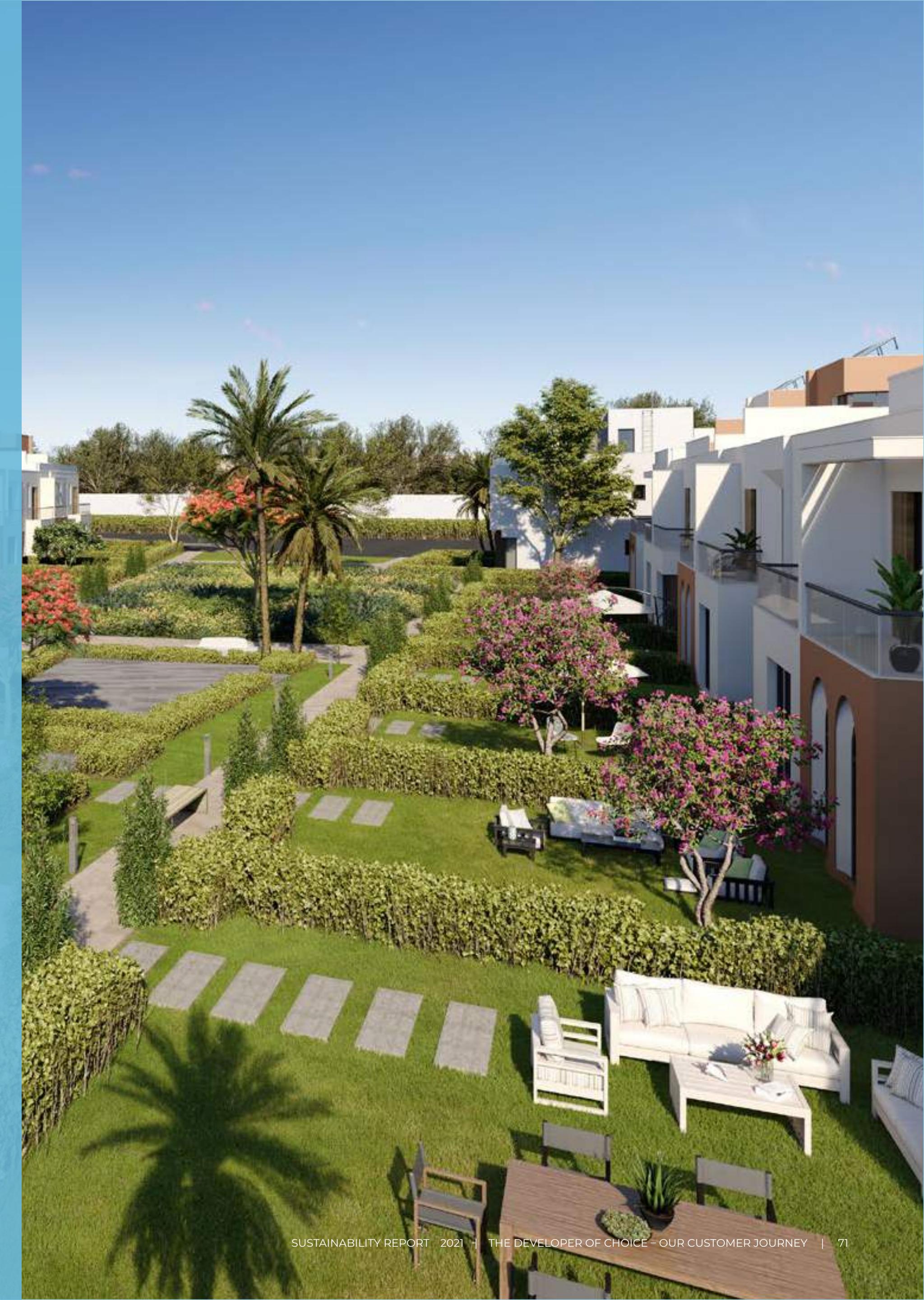
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Throughout this section, we share with our stakeholders how Responsible Brand Marketing and Communication is an integral part of our governance framework by upholding accountability and transparency in communication through:



Our communication and marketing efforts mirror our value creation and its continuous efforts toward: accessibility, adequacy, inclusion, transparency, and ease



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Since the company's inception in 1996, we at SODIC have been operating with a deep-rooted belief that there is infinite untapped potential in the outskirts, away from the bustling streets of Cairo. This unlocks the opportunity for us to provide our residents with a radically

improved quality of life, while simultaneously generating solid returns for our investors. SODIC is driven to outperform, build communities by bringing land to life, and consistently deliver long-term value to all stakeholders.

OUR CORPORATE BRAND

- We are progressive, sustainable, and an inclusive lifestyle provider
- We use digital services as a core competency in the way we sell our products and services
- We cater for all the needs of our target customers
- We provide an exceptional aftersales customer experience



RESPONSIBLE COMMUNICATION PRINCIPLES

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HONESTY

We understand and act upon the fact that our customers' decisions may depend on the information and services that we provide.

Our communications never exploit customers' lack of experience or knowledge in real estate.



IDENTITY

We respect customer rights to distinguish between our brands and have access to the contact details of our businesses.



SOCIAL RESPONSIBILITY

The history of our brand and the core values of our business are reflected in our communication to all segments without bias, prejudice, or discrimination of age, gender, race, origin, religion, or disability.



COMPARISONS

We adhere to the principles of fair competition.



TRUTHFULNESS

Our communications are clear and simple, with no implications, ambiguity, or exaggeration that can mislead our customers in terms of types of services, availability, accessibility, and delivery of results. This equally extends to the information communicated about our brand values, operations, technologies, and accreditation.



TRANSPARENCY ON COST OF COMMUNICATION

We respect our customers' choices to not bear cost of communication.



USE OF TECHNICAL/SCIENTIFIC DATA AND TERMINOLOGY

Our communications are self-grounded, without overclaiming or using misleading statistical information.



RESPECT

Our communications, written, audio, or visual, respect societal standards of decency and the culture of our operating markets, leading to brand trust and content reliability.



IDENTIFICATION

We commit to transparency. Our marketing communications are always represented for their true purpose and never implied or included in our customer surveys and market research practices.



TESTIMONIALS

Our communications refrain from featuring any testimonials, endorsements, or supportive documentation unless it is genuine, verifiable, and relevant.

OUR ACTIVITIES AND CAMPAIGNS

Our brand value is demonstrated in our ability to stay ahead of customer expectations. Therefore, our "Customer Journey Architecture" reflects our values and deploys our collective human and digital capabilities to the service of our customers.

WE CAPITALIZE ON FOUR MAIN COMPONENTS:

1. TV Ads
2. Digital Marketing
3. Events and Sponsorships
4. Media and PR

Each of those functions depends on our past and existing capabilities while shifting in parts to the new eras that respond to new social and environmental values. While the standard marketing activities aim to maintain our clients' engagement and attract new members to our projects and communities, they equally communicate strong social and environmental messages.

In 2020, we ran 16 different campaigns, 50% of which were held virtually due to COVID-19 restrictions. In 2021, the virtual path became the norm, and 25% of our campaigns remained virtually held.

In 2021, we ran a total of 82 weeks of engagements and communications, launching 16 campaigns.

WEBSITE

Our website www.sodic.com is set to feature a chatbot option for new projects and aftersales services.

CALL CENTERS

Our call centers and hotlines operate through one of the leading third-party service providers in the sector, through a team of Universal Agents. In 2021, our team handled around 60,000 inbound and outbound calls.

The team handles incoming/outgoing calls, email logs, and different digital channels, including the SODIC APP, WhatsApp, and social media platforms, in which messages and inquiries are logged into a central customer relationship management (CRM) system to enable a consolidated platform of customer information and to enhance readiness and efficiency.

The 16220 Hotline operates from 8 am to 7 pm daily, including holidays. The hotline handles complaints, inquiries related to customer care divisions (CS, Collection, Facilities, Handover, Facility Management, Community Management, Club S).

Our 16230 Facilities Hotline is a separate task force operated by EDARA and dedicated to handling direct client requests related to their home service needs. The separate hotline ensures a very speedy, efficient, and curated service to the residents and tenants served onsite across our projects. The EDARA Hotline operates its calls through a standalone log-platform. However, the platform is allowed to integrate certain requests directly to SODIC's central CRM system when a customer request is related to cases other than home services.

We ensure service excellence through providing dedicated manuals and guidelines, issued by SODIC, to ensure compliance with the company's Code of Conduct and values. We also conduct training sessions four times per month and provide additional sessions in case any urgent topics need to be shared. Training ensures that all respondents are well versed on all pertaining services and able to respond or refer customers to the appropriate solutions or functions.

SOCIAL MEDIA

Our presence on social media extends far beyond just a marketing channel. It is an avenue where our content aims to engage people, build awareness, and start conversations across our communities. We encourage our connecting social media visitors to post about their neighborhoods, exchange views, and capture memorable moments within our properties.

SODIC has presence on LinkedIn, Facebook, and Instagram, with third-party agencies sourced to manage the platforms and any basic inquiries. In case of inquiries beyond the general scope, the user case is then forwarded to the contact center team.

THE SODIC APP

The app offers multiple features:

1. Home Services: clients can submit requests for EDARA's home services.
2. Directory: clients can access a guideline on the SODIC Community retail facilities
3. MRkT: clients can order food, beverages, medicine, and cosmetics through this feature based on their community.
4. Events: clients can access information about upcoming events based on each of SODIC's projects.
5. Construction Updates: clients can get the latest updates on projects' construction progress.
6. Guest Invitation: clients can invite visitors through QR codes.
7. Contact US: clients can send inquiries (audio voice notes and photo attachments). The application also houses a WhatsApp feature that enables clients to send their requests, complaints, or inquiries via the app.

The contact center team is responsible for handling all inquiries and complaints received through the SODIC APP. The app is not yet linked to the CRM system, but all cases are manually logged into the system until integration is completed as part of our future plans.

OUR EFFICIENT CUSTOMER CHANNELS

Fast-growing innovations in technology have set customers' mindsets to experience brands and services differently than in the past. Now, customers have vast channels through which they can find properties and acquire services.

At SODIC, the efficiency of our communication channels relies on our ability to maintain and improve our diversified and easy-to-access touch points to create excellence for our customers throughout their experiences within SODIC's communities, from purchasing to occupancy.

Engaged frontliners and the use of technologies is the hybrid model that bolsters our service excellence:



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EMAILS

The contact center team is responsible for handling emails received on contactcenter@sodic.com, logging requests to the CRM system, and directing inquires to the relevant departments. A one-hour response to emails is our standard response time within working hours.

Clients can also choose to use one of our dedicated service emails: Contact Center, Community Team, General Information, Customer Service, FM Team, EDARA, and Club S. Each of these is operated by its dedicated teams.

IN-HOUSE SODIC SALES TEAMS

Our in-house sales team consists of an inclusive, dynamic, youthful, and diverse team of officers. 56% of our team are female professionals. 47% are from younger generations (under 30), while 81% of the workforce falls within the 30–50 age range.

(SV-AD-330a.1)

Our sales teams undergo a rigorous selection process to ensure alignment to the SODIC brand. They are mentored to be genuine, intuitive, and thoughtful, and to communicate through a knowledge and understand-

ing tailored to the individual and personal preferences of our customers.

Our sales teams conform to ethical guidelines, including never acting with exaggeration, misrepresentation, or concealment of pertinent facts relating to properties or transactions.

We continuously work on improving our policies and processes to adapt to new and emerging needs that ensure the highest-level performance of service excellence, while offering our sales team fair opportunities and a motivating working environment.



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MATERIAL TOPIC	VALUE TO OUR TEAMS	SODIC'S PRACTICES
Sales Targets	Non-pressuring employment terms	By nature of the job, the sales team is assigned a target at the beginning of the year. This often places a high level of pressure on employees, as part of their wages and employment continuation is connected to their target achievements.
Target-Based Commission Structure	Retention of calibers and talents	At SODIC, we set our targets in a manner that avoids creating a high-pressure employment environment, which can affect both the performance and the wellbeing of our sales officers. The targets segregated per quarter allow them to balance off their achievements over four milestones per year, without the risk of job termination or delinquency in their commissions.
Conflict Policy	Fair opportunities	The Conflict Policy protects the right of a salesperson in a specific sale to fair opportunities. This ensures that the sales team members have agreed upon a system to govern the ownership of a sale lead and its conversion to a sale. This is particularly important in the case where two property consultants are dealing with the same client at the same time.
Launch Policy	Process governance and service excellence	The Launch Policy is based on collecting expressions of interest (EOI) two weeks prior to any project launch. This allows both clients and property consultants to register online 24 hours prior to sales launch day and get priority based on their registration turns.
Release Policy	Readiness and sales integrity	This well-structured internal system prevents manual and individual interventions in turn selections by employees and further empowers a fair working condition to all team members, while avoiding favoritism to clients and internal conflicts.
CRM	Digitization for efficiency and judgment	To ensure internal readiness, any number of units or any specific unit that is being released gets sent to the team and is released 24–48 hours after being sent. This creates a fair chance for all members of the sales team to work on the units.

With technology, we optimize the use of SODIC's central CRM system to capture and analyze customer demand and preferences. This facilitates the identification of our offerings to different customer segments with matching properties on our new projects. We also communicate new launches and special offers through our digital platforms.

CRM

New technologies have enabled forward-thinking and the rapid scalability of our services. At SODIC, we harnessed the advantages of technology and data to create better experiences for our customers. Data analytics have enabled the development of a more customizable salesforce that is not only aware of trends and uniqueness of asset types but is also equally attentive to the clients' various segments and needs: first time homeowners, downsizes/upsizes, business scale, buyers, sellers, and renters.

Our CRM system scales the ability to provide great customer experiences by unlocking trends, preferences, and areas that need improvement.

The CRM system has been developed through multiple phases. The first was launched for our Sales Unit in 2019, followed by the Customer Care Unit (aftersales) in 2020. In 2021, we improved our CRM features related to the system's dashboard, reporting, and campaigns integration. In 2022, the customer care section was enhanced by integrating the SODIC App, email accounts, and SLA of responses.

COMPLAINTS AND SURVEYS

Our cloud-based information management system is able to register and connect all incoming inquiries and complaints to SODIC's relevant functions to resolve pending customer issues.

The Complaint Response Cycle is a maximum of 24 hours for first contact by our clients. Analysis of data is conducted by the unit. In 2021, our complaint ratios represented an average of 6% of the total calls that were received and logged. These complaints were mostly related to internet quality, home services, community triggers, landscaping, maintenance fees, gas, GoSmart Services, fiber paths, and water leakages.

WORKFORCE DIVERSITY AND INCLUSION (SV-AD-330A.1.)

Our inhouse sales team consists of an inclusive, dynamic, youthful, and diverse team of officers. 56% of our team are female professionals. 47% are from younger generations (under 30), while 81% of the workforce falls within the 30–50 age range.

83% of our contact center are female agents. A total of 66% of the team is under the age of 30, with 33% between the ages of 30 and 50.

SALES AGENTS AND THE PROTECTION OF CUSTOMERS

Sales agents are not directly under the control of SODIC. Nonetheless, we recognize our extended responsibility to promote ethical and professional conduct within the sector to the best of our ability. We hold sales agents at the same level of accountability toward safeguarding the rights of all potential customers and the protection of information. Our agents' contracts explicitly state the intolerance to any breach of customer privacy and places the agent under immediate agreement termination.

SODIC is committed to disseminating its values and ensuring that its brand is well presented through the agents. Therefore, we have a set of established guidelines that are communicated to all agents and are an integral part of their contracts. Following our brand values, we expect that all agents handling SODIC's properties adhere to the following:

- ▶ To treat all parties honestly and with a primary obligation to protect the interests of clients
- ▶ Not to misrepresent or conceal facts in respect to any property or transaction
- ▶ To maintain confidentiality
- ▶ To cooperate with other members but never at the cost of interest of their clients
- ▶ To execute unambiguously and ensure that agreements clearly mention the relevant terms, conditions, and obligations
- ▶ Not to discriminate among clients on any ground, such as race, religion, gender, status, or others
- ▶ Advertisements are not misleading, and the status of agents and their affiliations should be identifiable in the advertisements
- ▶ All activities should be within the ambit of law



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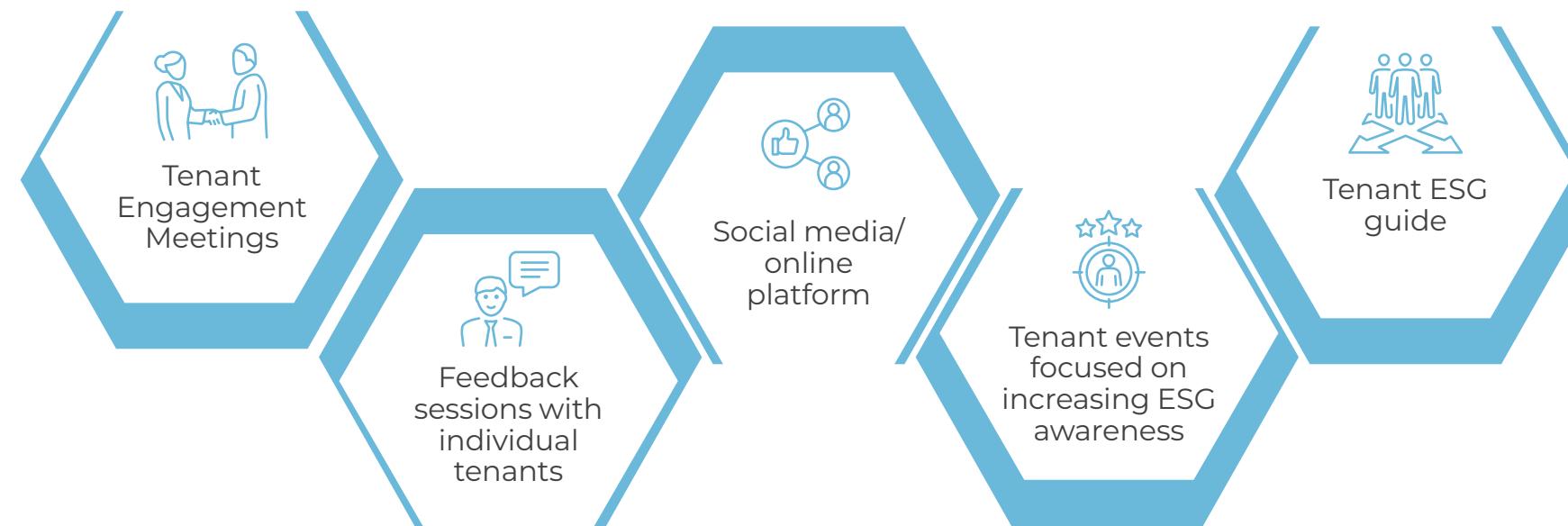
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TENANT MEETINGS

Tenant meetings are conducted on a quarterly basis. In 2021, we held four engagements with the representatives of each community, with any other individual meetings set on an as-needed basis.

only be complete by implementing the Community Management approach.

COMMUNITY MANAGEMENT

To manage the diversity of our portfolio and provide our customers with spaces that are safe, secure, and stress-free, SODIC places a great weight on tenant engagements and the respect of SODIC's Community Rules.

Our Engagement Program is the heart of our service excellence. Channels of engagement are diversified to adapt to the different lifestyles and circumstances of our residents and tenants. These channels include:

1. Restoring processes after imposed COVID-19 lockdowns to re-permit the presence of employees in the buildings
Solution: Established rules and regulations for the finishing process during that time
2. Bike parking in all building entrances after COVID-19 restrictions
Solution: Bike racks were installed in all of SODIC's buildings
3. Poor landscape in one of our projects
Solution: An extensive landscape enhancement plan was implemented, resulting in a complete transformation of the project
4. Monorail construction and public stops in front of Villette, which are expected to cause disruptions and future road congestions
Solution: Clearly and transparently communicated with owners, explaining all details regarding time frames, stations' locations, and other relevant matters

TENANT ESG GUIDE

We have established a set of social and environmental boundaries that we expect our residents to uphold and respect at all times, and these boundaries apply to residents' visitors and guests. The guidelines encompass environmental and social elements that represent SODIC's community values. They are also the ESG topics based on which our Tenant Engagement Programs and EDARA Monitoring System were established.

ESG TOPICS ON TENANT ENGAGEMENT PROGRAM

Electricity/energy responsible consumption	Water conservation	Use of non-toxic pesticides	Safety measures	Noise and disturbances
Occupant privacy	Health and safety	Pet-related guidelines	Waste disposal and management	Pest control
Maintenance and repairs	Car parking, traffic rules, speed limits	Maintenance of closed units	Shared facilities (common spaces)	Park and safe kids' areas
Unit exterior regulations	Home renovations and improvements	Mover truck regulations	Banners of discriminative nature	

MONITORING

SODIC's Rules of Conduct and Monitoring apply to all areas, facilities, services, roads, sidewalks, water features, parks, administrative spaces, service facilities, and other common assets.

Through EDARA, monitoring systems are set in place to ensure the compliance of users. Violation notifications

are issued in case of breaches, and fines are imposed if incidents are repeated.

Our monitoring parameters are designed to safeguard tenants' mental, physical, and social health, as well as their wellbeing needs.

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MONITORING ELEMENTS OF TENANT HEALTH & WELLBEING

1

Acoustic comfort

2

Biophilic designs

3

Indoor air quality

4

Thermal comfort

5

Lighting controls and/or daylight

6

Water quality

7

Physical activities and sports facilities

8

Healthy eating outlets

9

Hosting health-related activities for surrounding communities

10

Infrastructure and landscaping, regular maintenance, periodic repairs, and improvements

Our safety measures extend to investing in ambulances and fire trucks to support our emergency response capability, ensuring the safety of our residents.

Our communities have cameras and security personnel around the clock, dedicated entry gates for workers and contractors, and electronic vehicle stickers (RFID) to allow ease of entry for owners.

CUSTOMER SURVEYS

Building on SODIC's history of creating and delivering sustainable developments, SODIC strategically places customer experience as one of the main differentiators for market leadership. In order to maintain and grow

SODIC's current base, we assess our performance by measuring customer satisfaction through the Net Promoter Score (NPS) metric.

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BENCHMARKING NPS ANNUALLY IN 2020

SCOPE OF ASSESSMENT	SURVEYED STAKEHOLDERS	FREQUENCY
Transactional NPS	Measuring customer satisfaction through all touchpoints and functions: call center – sales center – sales experience – collection – handover – living experience – facilities and services	For all owners – residential and non-residential Quarterly
Benchmarking NPS	Measuring SODIC's performance vs other leading developers	Owners of SODIC's properties and competing developers' properties Annually
Community Surveys	Measuring customer satisfaction in living communities including activities, services and facilities	Owners of SODIC's properties Annually
Post Events	Measuring customer satisfaction post-events, including event organization, activities, staff friendliness, F&B variety, and quality	Owners of SODIC's properties According to the events calendar

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OUR COMMUNITIES MANAGEMENT

At SODIC we develop unique, diverse and integrated communities, rooted in the values of inclusion and mutual respect.

EDARA is a wholly owned subsidiary of SODIC that was created to manage large-scale developments. Launched in 2010, the company takes advantage of the skills and expertise of its highly capable team of +25,000 employees that have transformed EDARA into one of the leading firms in the field of facility management in Egypt. EDARA offers a comprehensive suite

of services specifically tailored to satisfy every client's needs, while simultaneously preserving the uniqueness of each development it manages. The company enables our customers to maintain a safe, secure, and stress-free life.

The company boasts a diverse range of specialties, including security, waste collection, street cleaning, electricity network maintenance, public landscape maintenance, water and sewerage network maintenance, and building maintenance.

OUR SERVICES ACCESSIBILITY

In the age of digital transformation and time-conscious consumer experiences, digital services have become the new norm. With a dedicated call center and mobile application, we are able to cater to all our resident and customer needs.

SODIC's Mobile Application enables users to easily schedule home maintenance services, order groceries, access amenities through a full directory of supermarkets, bakeries, pharmacies, and more. The application

also generates gate passes and provides the latest updates on all topics related to the SODIC community. The application is available to download on Apple Store and Google Play.

Our GoSmart Triple Play services provide high quality TV with channel guides, parental controls, high speed internet, and phone voice services. These services are provided through Orange, one of Egypt's leading telecommunication services providers.



OUR SPORTS FACILITIES – CLUB S

Club S is independently operated by the SODIC Sports Management Company to offer members state-of-the-art training programs, as well as facilities and equipment in line with the latest trends and requirements. Club S offers an impressive range of sports and leisure and wellness activities, with the purpose of promoting a healthy lifestyle for residents across all of SODIC's developments. Club S prides itself on being an integral part of the community, with a mission to entertain, educate, and inspire within a professional and safe environment. Our sports facilities were created in compliance to Olympic standards and are affiliated with the Egyptian

Ministry of Sports and Youth, following all labor practices in compliance with Egyptian laws and regulations.

Club S houses four branches spanning four of SODIC's communities: The Allegria, Westown, Villette, and Eastown. These branches are operated by 700 in-house employees and 40 service providers. Our future plans include expanding Club S to at least three more locations, including SODIC East, VYE, and Caesar, and fully operating Villette's clubhouse once construction is complete and the facility handed over by SODIC.

Our catering services include a wide range of F&B options to motivate more social interactions within healthy social gatherings.

Club S hosts a myriad of events, including athletics, national holidays and occasions, and corporate and social events. The club's sports venues, green open spaces, and world-class facilities make it the perfect destination to host these functions.

Club S also provides a very wide range of sports and wellness activities, providing a wellness space to our members and giving them and their families the opportunity to lead a healthy, active, and productive lifestyle.

Additionally, Club S is home to Wanderpark play areas, offering children the opportunity to develop their motor and social skills in an interactive and safe space.

Club S's Allegria Golf Course is a natural extension of The Allegria community, and it is part of the community's philosophy of a happy, integrated neighborhood. Lakes, streams, rock features, vegetation, and panoramic landscapes are the natural elements implemented in the design of The Allegria, one of Cairo's most exclusive residential communities. The Allegria has all the outstanding characteristics to make it a magnificent golf course that is truly unique to Egypt and the region.

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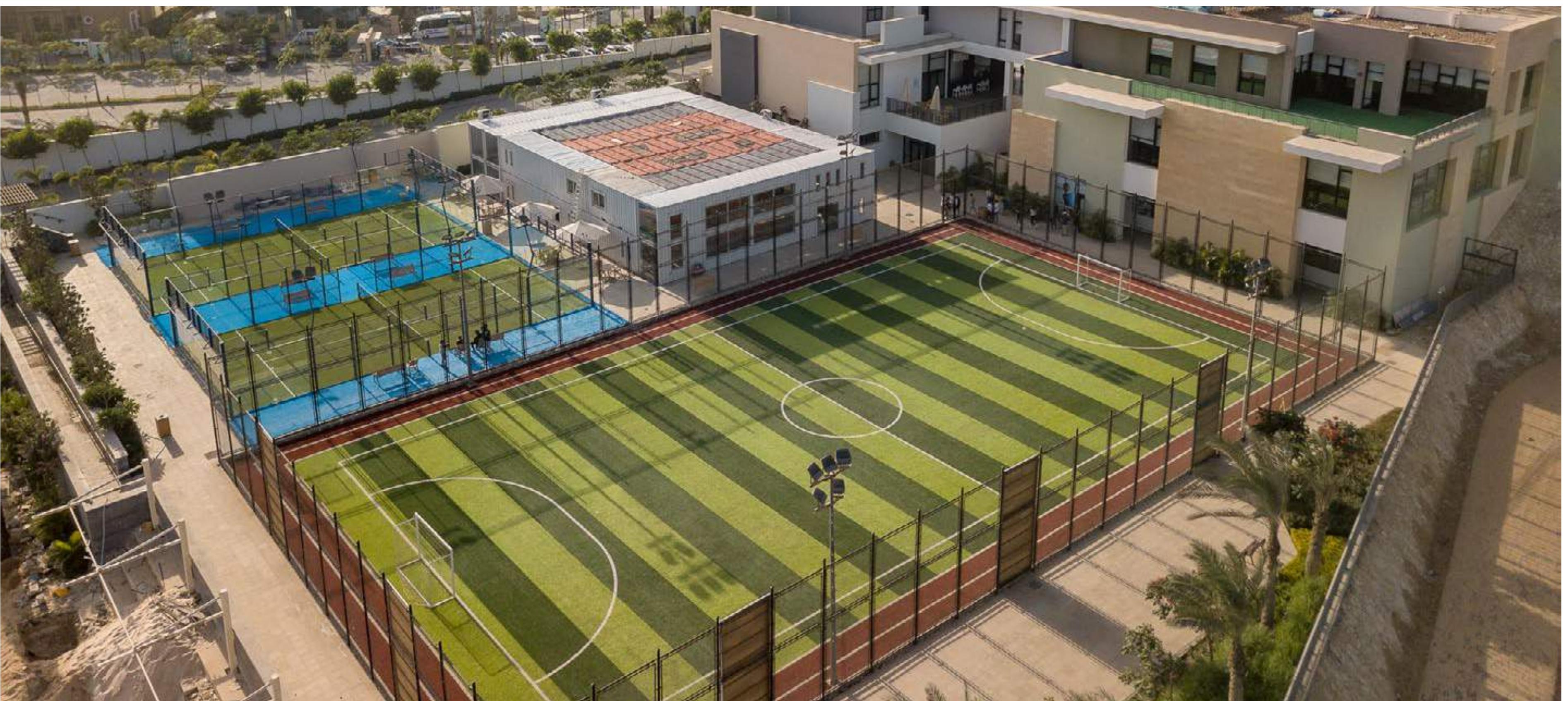
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Cybersecurity and information privacy are inherently linked to the real estate industry. We use personal information for a number of purposes, such as financials and billing, procurement, quality control, and customized services offerings. Collected information also helps us conduct data analytics to improve our

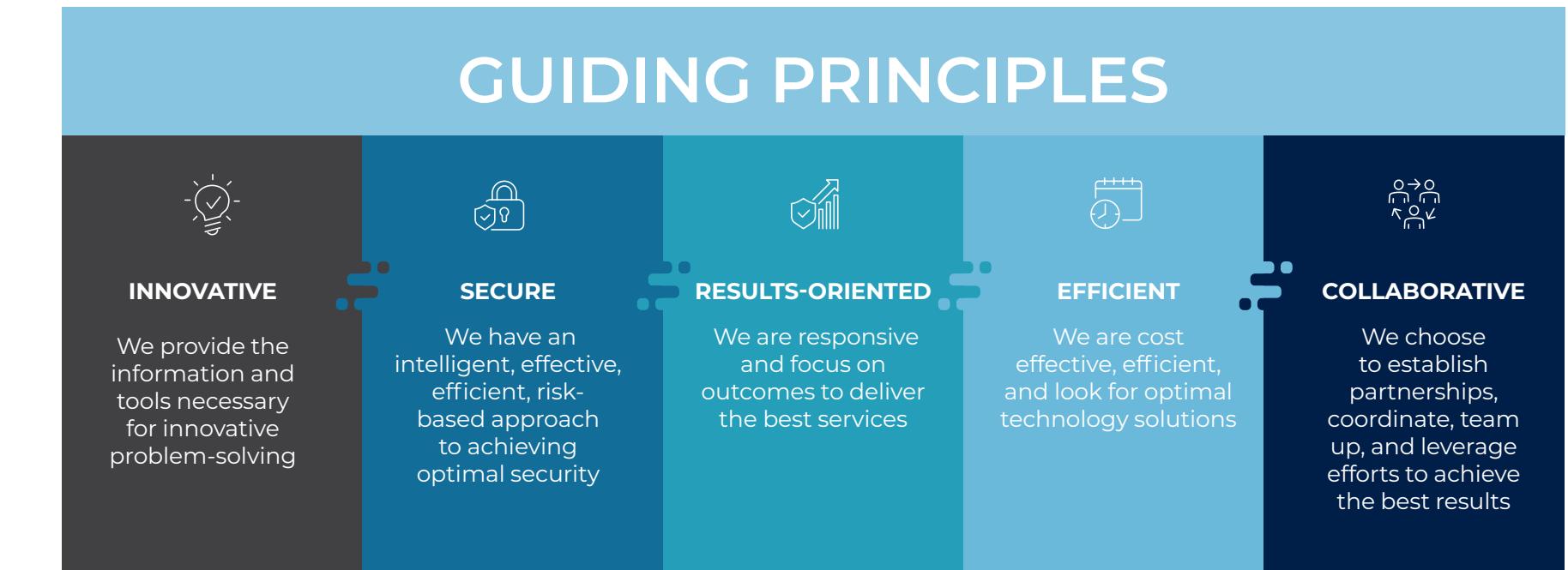
services through providing cutting-edge technology solutions to increase productivity, reduce costs, and improve client satisfaction. Accordingly, we strive to always deliver unique digital life experiences to our clients and various stakeholders, as well as deliver a unique digital living experience to our clients.

AT SODIC, WE ARE STRONGLY COMMITTED TO MAINTAINING THE RESPONSIBLE STEWARDSHIP OF PERSONAL DATA AND THE PROTECTION OF INFORMATION PRIVACY RIGHTS.

IT MISSION, VISION, & PRINCIPLES



The IT Department's operations are guided by principles that are defined to meet the objectives of SODIC's strategy. Those guiding principles are centered on being:



OUR COMMITMENTS

SODIC is committed to creating digital highways that facilitate connecting with its stakeholders, as well as internally among its various teams and functions, while adopting the highest levels of information technology security.

Digital security is critical for maintaining trust across all our operations, as stakeholders expect their personal

information to be treated with utmost care. Thus, we operate under comprehensive cybersecurity and information privacy protection procedures to ensure the integrity and accountability of the security measures we implement for protecting the data we process.

WE ARE COMMITTED TO RESPONSIBLY USE THE DATA WE COLLECT FROM OUR CUSTOMERS: (GRI 418-1)

- when browsing our website and accounts on social media platforms
- when registering for a new product or service
- when using our mobile applications
- through cookies and all similar online tracking technologies

Taking those relevant matters in consideration, the IT Department is responsible for all aspects of information

systems, including infrastructure and security, as well as data and integration.

IT SECURITY & GOVERNANCE

(GRI 418-1) – (SASB – TC-TL-220a.1)

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To govern data management, our policies explicitly stipulate all relevant and applicable individual, collective, and corporate accountability to information privacy and confidentiality, including the following:

- ▶ Information disclosed by a stakeholder to an employee, clearly identified verbally or in writing as sensitive, private, or confidential, should not be disclosed to unauthorized persons inside and outside the company.
- ▶ Our Code of Conduct protects employees' information and prohibits its disclosure to any party without the employees' knowledge and consent. Access to employees' information is confined to certain parties, and it is prohibited to reveal such information to any other party except for legal and business necessities.
- ▶ SODIC does not tolerate the disclosure of confidential information. Ensuring that the company's confidential information remains undisclosed by employees is what promotes the organization's standard of integrity and honesty. Accordingly, employees are expected to keep all business information entrusted to them in accordance with their respective positions confidential.

Therefore, our policies stipulate defined scopes of confidentiality, such as, but not limited to:

- ▶ Written and oral agreements made between the company and its employees, agents, strategic partners, or other third parties.
- ▶ The company's financial information
- ▶ Information about potential acquisitions
- ▶ Information about the company's investments or investment practices
- ▶ Compensation arrangements
- ▶ Personnel or employee information
- ▶ Customers' non-public, personal financial and medical information

OUR DATA PRIVACY POLICY IS AVAILABLE ON SODIC'S INTRANET PORTAL AND ACCESSIBLE TO ALL EMPLOYEES.

No incidents of non-compliance with laws and/or regulations were recorded in 2021. (GRI 418-1) – (SASB – TC-TL-220a.3)

DISCIPLINARY ACTIONS

SODIC takes the necessary disciplinary actions in response to incidences of code violation, in accordance with their nature and surrounding circumstances. The company's disciplinary system follows a progression of steps. Letters of warning are issued for less significant, first-time offenses. However, violations of a more serious

nature may result in suspension without pay; loss or reduction of merit increase, bonuses, or stock option award; or termination of employment.

Disciplinary actions are regulated according to the "Concerned Penalty Scheme" of the Egyptian Labor Law.

NO SUBSTANTIATED COMPLAINTS OR FINES RELATED TO DATA OR CUSTOMER PRIVACY BREACHES WERE RECORDED IN 2021. (SASB- TC-TL-230a.1)

INFORMATION TECHNOLOGIES STRUCTURE

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SODIC INFORMATION TECHNOLOGIES STRUCTURE



ENTERPRISE SYSTEMS

- Responsible for automating business processes and building innovative systems that are aligned with the company's strategic vision to support efficient decision-making and eliminate data discrepancy and redundancy across all departments



INFRASTRUCTURE & SECURITY

- Responsible for implementing and maintaining a reliable and scalable computing environment to provide a wide range of IT services that address daily work activities to all users
- Responsible for ensuring the confidentiality, integrity, and availability of SODIC's valuable and curtail information by implementing advanced security solutions



DATA & INTEGRATION

- Developing self-service, ad-hoc reports and interactive dashboards, as well as identifying data sources and processing, cleansing, and verifying data
- Integrating enterprise systems for unified access to information across the organization and developing internal applications as per business needs



DIGITAL SOLUTIONS

- Managing the delivery of hi-tech solutions and assuring an outcome that meets business needs and users' requirements
- Working on improving the delivered solutions and processes by understanding business needs while capturing, analyzing, and documenting requirements



SERVICE OPERATIONS

- Providing helpdesk and technical support operations
- Responsible design, implementation, and delivery of the latest fiber optics network infrastructure, providing state-of-the-art, triple-play services to customers, including digital IPTV, high-speed internet, and phone
- Defining the specifications and guidelines of SODIC's Smart City and Smart Home Solutions, including smart lighting, irrigation, gates, IP CCTV, surveillance, and analytics to guarantee superior customer satisfaction and a unique digital life experience

OUR SUSTAINABLE DIGITIZATION

By digitizing our physical world and embedding sustainability into the heart of our digital systems, we are striving to establish a new era of sustainable growth.

For a more sustainable approach, SODIC is adopting the following key measures:

INTERNAL EVALUATIONS:

Evaluating the current processes followed across the value chain to highlight any unsustainable practices that may contribute to increasing the company's carbon footprint. For example, assessing the source of power, turning off unused appliances, and optimizing data centers.

GREEN UPGRADES:

Tracking the consumption of resources across the organization. This can also include upgrades that range from using energy-efficient equipment to implementing eco-friendly software across the organization.

OPERATIONAL EFFICIENCY:

Looking for ways to reduce storage and power use at data centers.

DATA CENTER TEMPERATURE MONITORING AND CONTROL:

Installing a smart temperature and humidity control system to reduce energy consumption and use an auto-switching tool to maintain a set point temperature and auto-switch between air conditioners.

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(GRI 2-7 / 2-8)



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In line with SODIC's commitment to fulfilling its duties toward its stakeholders — our clients, investors, vendors, and others — it has become our mission and priority at SODIC to extend our responsibilities and goals to the communities in which we operate and help build.

Assuming such a responsibility could not be accomplished without first meeting the needs and enhancing the overall wellbeing of our human capital — the force that makes our success possible.

SODIC is privileged to employ **2,281** talented, self-driven, evolving, and responsible employees. We recognize their value, and we work hard to provide them with a healthy work environment that is governed by 33 ESG topics, established and governed by policies, procedures, and manuals.

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ESG KEY PERFORMANCE INDICATORS	HEAD OFFICE
Competitive wages (higher than average market wages)	17%
Female representation	22%
Female new hires	35%
Management positions held by women	16%
"Return-to-work" rate after maternity leave	75%
Percentage of employees on a succession plan	15%
Average years of tenure of executive leadership	7.2
Average years of tenure of employees	6.9

ESG KEY PERFORMANCE INDICATORS	EDARA
Average turnover rate (excluding workers)	4.1%
Average turnover rate (female employees)	6.1%
Management positions held by women	25%
"Return to work" rate after maternity leave	100%
Average number of training hours	84.1
Percentage of employees on succession path	7%
Employees with a 10-year tenure	3.5%
Employees with a 5-year tenure	8.14%

OUR HUMAN CAPITAL IS OUR INTANGIBLE ASSET THAT HAS THE GREATEST VALUE

As reported by SASB in 2019, investors, policy makers, and top executives have become increasingly attentive to the importance of intangible assets in recent years, with a specific focus on human capital.

Our human capital consists of all those who are linked to the business:

- Personnel directly employed by SODIC
- Personnel indirectly employed through third parties

When it comes to self-employed or third-party employees, our duty of care is related to occupational health and safety and sourcing practices, as detailed in the relevant section of this report. This section is mainly concerned with employees engaged in the business management at SODIC offices and properties operations at EDARA Facility Management.

CREATING SHARED VALUE

We share the insights of our internal ecosystem and practices with our shareholders through several core value propositions, which have been evolving over the years and designed by and for our employees.

As an employer, we seek to create shared value for the business and our employees. Our value proposition aims to create the most favorable working spaces that stimulate and motivate creativity, innovation, and

efficiency, while protecting employees' wellbeing and welfare.

Our shared value ethos is inspired by our corporate values and generated from our sustainability strategy. To sustain our performance and deliver on our promises to employees and all stakeholders, several key performance indicators are measured, assessed, and reported on.

STRATEGIC OBJECTIVES	VALUE CREATION
Culture and duty of care	Protective work environment
Diversity and inclusion	Job creation
Economic and social welfare	Women empowerment
Career development and opportunities	Youth and expertise
Talent and innovation	Fair and competitive wages
Human rights, health, and safety	Benefits and maternity leaves
	Training and education
	Career development
	SODIC 2.0 and talents
	Digitization and technologies
	Human rights
	Health and safety

CULTURE AND VALUE CREATION

PROTECTIVE WORK ENVIRONMENT

At the core of our brand lies an entrepreneurial spirit that strives for excellence and innovation. We believe that the success of our business is tied to the quality of our workforce and the safety of our work environment. Thus, our goal is to always maintain a protective work environment where our employees can perform with integrity and efficiency, enjoy a strong sense of purpose, and find meaning in their jobs through creativity.

This unique corporate culture reflects the values we uphold as a sustainable and responsible business. It is safeguarded by our code of conduct and policies that are established to allow us to achieve business excellence while protecting our employees' wellbeing and rights.

Our code of conduct, policies, procedures, and manuals cover 33 topics and govern the rights of our employees and the business.

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CORPORATE CODE OF CONDUCT

- Human Rights
- Inclusion and Diversity
- Data Protection and Privacy
- Labor Standards and Working Conditions
- Indoor Environmental Quality

CORPORATE STANDALONE POLICIES AND PROCEDURES

- Employee Grievances Policy
- Bribery, Corruption, and Fraud Policy
- Non-Competition Act
- Business Travel Policy
- Attendance and Out of Office Policy
- Dress Code Policy
- Gifts Policy
- Internship Policy
- L&D Policy
- Performance Appraisal Policy
- Recruitment Policy
- Social Media and Internet Policy
- Clean Desk Policy
- Disciplinary Action Policy
- Employee Exit Policy
- Open Space Policy
- IT Policy and Procedure
- Conflict of Interest Policy
- Resilience to Catastrophe/Disaster (Related to COVID-19) Policy
- Whistleblowing Policy
- Employee Remuneration Policy (through a grading structure based on HAY Group and wage bracket)
- Promotion Policy (as part of the Performance Appraisal Policy)

Compliance with the SODIC Corporate Code of Conduct Policy is linked to the disciplinary policy of the Egyptian labor law. Non-compliance, a breach, or an act with negative impact can affect employees' remuneration.

Employees do not receive training particularly for the aforementioned policies. However, all new hires are thoroughly informed of the company's Code of Conduct during the contract signing process. All other policies are communicated and explained during the onboarding process, and they are also accessible to all employees on SODIC's internal portal.

EDARA CODE OF CONDUCT

- Human Rights
- Inclusion and Diversity
- Bribery, Corruption, and Fraud
- Non-Competition Act
- Data Protection and Privacy
- Fiduciary Duty
- Political Contributions
- Child Labor

EDARA STANDALONE POLICIES AND PROCEDURES

- Employee Remuneration Policy
- Allowances and Transportation Policy
- Incentives and Bonus Policy
- Business Travel Policy
- Employee Special Events Policy
- Silver Jubilee Policy
- Loans and Salary Advances Policy
- Pension Program Policy
- Promotions Policy
- Dress Code and Appearance Policy
- Grading Structure Policy
- Recruitment Policy
- Training and Development Policy
- Employee's Engagement
- Employee Health and Wellbeing
- Forced or Compulsory Labor Policy
- H&S: Employees
- Labor Standards and Working Conditions
- Responsible Communication (Employees)
- Employee Grievance
- H&S: Tenants/Customers
- Customer Satisfaction
- H&S: Contractors/Self-Employed Workers
- Resilience to Catastrophe/Disaster
- Biodiversity and Habitat

Compliance with the EDARA policies is monitored and, accordingly, affects employees' annual performance review and their annual bonuses.

All policies and relevant updates and comments are communicated and accessible to employees on EDARA's e-hub and through official emails.

JOB CREATION

The economic impact of the real estate sector is unlike any other in the region; its impact on Egypt's economic growth has recorded continuous increases over the years, contributing 18.56% to GDP in 2020 and 2021, compared to 17.89% in previous years.

The sector has an equally growing impact on the labor force. According to the Ministry of Planning and Economic

Development, employment in Egypt has reached 27.45 million people in 2021, with the construction industry offering one seventh of those opportunities, where it has reached an all-time high of 3,738,400 persons in 2021.

In 2021, over 6.3 million manhours were generated across construction sites at SODIC, with 2,736 employees in operations and 683 employees in our offices.

EMPLOYMENT CREATION – CONSTRUCTION – THIRD PARTY (GRI 102-7 / 102-8)	2019	2020	2021
Average total manpower – contractors' employees	2,400	3,900	2,345
Average total manpower – SODIC employees	264	248	264
Total manpower	2,638	4,126	2,571
Average total man hours worked – contractors' employees	5,904,096	9,327,928	5,886,680
Average total man hours worked – SODIC employees	418,880	397,760	397,760
Total manhours	6,322,976	9,725,688	6,284,440

EMPLOYMENT CREATION – SODIC HEAD OFFICES (GRI 102-7 / 102-8)	2019		2020		2021	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Employees (permanent contract)	530	153	528	153	534	164
Employees (temporary contract)	5	0	5	0	6	0
Full-time employees	652	163	661	171	697	195
Total employees (excluding outsourced employees)	683		681		698	
Outsourced employees	165		173		194	



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EMPLOYMENT CREATION – PROPERTIES OPERATION (GRI 102-7 / 102-8)	2019		2020		2021	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Employees (permanent contract)	673	24	786	43	985	42
Employees (temporary contract)	1,277	65	1,107	40	1,058	38
Full-time employees	1,950	89	1,893	74	2,043	80
Total number of employees (excluding outsourced employees)	2,736		2,796		3,150	
Outsourced employees	210		400		445	

Our employment levels are categorized based on responsibilities, competencies, and expertise. They are also defined based on the scope of work, differentiating employment

levels in our offices from those on sites that are responsible for operating our properties.

EMPLOYMENT LEVELS IN MANAGEMENT STRUCTURES (SODIC OFFICES)	EMPLOYMENT LEVELS IN OPERATIONAL STRUCTURES (EDARA)
Band S: chief executive officers	Category 1: Grade-A: top management and department managers
Band O: executive directors, senior directors, and directors	Category 2: Grade-B: administrative, operational, and engineering jobs
Band D: senior manager and manager	Category 3: Grade-C: blue collars and supervisory jobs
Band I: Supervisors, senior specialists, and specialists	Category 4: Grade-D: worker and technicians
Band C: juniors and coordinators	

At SODIC, every individual across all employment levels matters, as the company recognizes that employee turnover impacts the stability of its employees and customer experience. Despite the lack of considerable data on turnover rates in the industry, it has been reported that the sector has one of the highest turnover rates, reaching 56.9% in 2021 on construction sites. Most companies tend to break down turnover rates into technical and non-technical jobs to assess the differentiation levels

and develop specific retention strategies based on the nature of the identified jobs. It is globally recognized that turnover rates in non-site roles should be below 10%, even though it is often around 20%.

SODIC conducts the same practices of breaking down turnover rates, and records indicate that the company has acceptable turnover rates across its management offices and facility management roles.

TURNOVER BY EMPLOYMENT CATEGORY – IN MANAGEMENT (SODIC OFFICES)	2019	2020	2021
Band S: chief executive officers	7%	8%	8%
Band O: executive directors, senior directors, and directors	12%	5%	17%
Band D: senior manager and manager	11%	9%	11%
Band I: supervisors, senior specialists, and specialists	15%	13%	12%
Band C: juniors and coordinators	17%	19%	14%
Band X: ancillary labor	0%	1%	0%

TURNOVER BY EMPLOYMENT CATEGORY – IN OPERATION (EDARA)	2019	2020	2021
Category 1: Grade-A: top management and department managers	1%	1.2%	0.7%
Category 2: Grade-B: administrative, operational, and engineering jobs	5%	5.3%	5.5%
Category 3: Grade-C: blue collars and supervisory jobs	4%	5.2%	6.1%
Category 4: Grade-D: worker and technicians	90%	88.3%	26%
Average turnover rate across all categories (excluding Grade D)	3.33%	3.9%	4.1%

Given the different nature of roles across each category, exit interviews are conducted for each position to identify reasons for resignation and maintain candidate banks for sensitive positions for speedy recruitment. All new recruits are offered a probation period to allow both parties to assess the level of employee and employer compatibility. SODIC's resignation and recruitment data is digitized through SAP and Avaya systems to help the company optimally serve both employees and the business. Upon the end of their employment at SODIC, employees are offered fair end-of-service packages and pension plans

READ ON: Benefits

DIVERSITY AND INCLUSION (GRI 2-7 / 405-1)

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WOMEN EMPOWERMENT

Given the nature of the industry, women represent only 10.9% of the workforce on a global level, with an even smaller number of women in front-line roles on sites at 1%. Women also only make up about 14% of executive staff and 7% of line executive positions.

Despite the underrepresentation of women in the industry, significant progress was recorded on a global scale in leading positions during the last five years, indicating businesses are focusing on women's career development and

promotion across the industry. A similar path is reflected in SODIC, where women represent 22% of roles in head offices and 3.8% of roles in operations, bringing the total average to 13.3% compared to 12.2% in 2019, which is higher than the global average. Additionally, of the total 575 new hires, 19.6% are women, and female employees represent 29% of the total submitted resignations. SODIC's executive positions comprise 16% female employees in key functions at the corporate level and 25% in EDARA, SODIC's facility management subsidiary.

Providing equal opportunities, encouraging diversity, and empowering women are all integral parts of our value system at SODIC. In light of said priorities, SODIC has maintained a steady rate of female new hires at 35% in 2021 and 2020, and the turnover rates of female

employees decreased from 38% in 2020 to 29% in 2021 (of the total number of resignations at our head offices).

On the facility management front, the number of female employees is minimal due to the nature and scope of work required on sites.

FEMALE – IN MANAGEMENT (SODIC OFFICES)	2019	2020	2021
Band S: chief executive officers	0	0	0
Band O: executive directors, senior directors, and directors	7	6	6

FEMALE – IN OPERATION (EDARA)	2019	2020	2021
Category 1: Grade-A: top management and department managers	3	4	4



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GENDER DIVERSITY - EMPLOYEES SODIC HEAD OFFICES	2019	2020	2021
Female employees to total employees	20%	21%	22%
Male employees to total employees	80%	79%	78%

GENDER DIVERSITY - EMPLOYEES PROPERTIES OPERATION	2019	2020	2021
Female employees to total employees	4.4%	3.7%	3.7%
Male employees to total employees	95.6 %	96.3%	96.3%

GENDER DIVERSITY - NEW HIRES SODIC HEAD OFFICES	2019	2020	2021
% of female new hires to the total new hires	-	35%	35%
% of male new hires to the total new hires	-	65%	65%

GENDER DIVERSITY - NEW HIRES PROPERTIES OPERATION	2019	2020	2021
% of female new hires to the total new hires	4.3%	1.3%	4.2%
% of male new hires to the total new hires	95.7%	98.7%	95.8%

GENDER DIVERSITY - TURNOVER SODIC HEAD OFFICES	2019	2020	2021
% of resignations of female employees to the total resignations	-	38%	29%
% of resignations of male employees to the total resignations	-	62%	71%

GENDER DIVERSITY - TURNOVER PROPERTIES OPERATION	2019	2020	2021
% of resignations of female employees to the total resignations	6.7%	6.6%	6.1%
% of resignations of male employees to the total resignations	93.3%	93.4%	93.9%

YOUTH AND EXPERTISE



What young people need most is well-functioning labor markets with decent job opportunities for those already participating in the labor market, along with quality education and training opportunities for those yet to enter it.

Martha Newton, ILO Deputy Director-General for Policy

According to the International Labour Organisation (ILO) Global Employment Trends for Youth 2022, COVID-19's impact on employment is palpable. Some 73 million young people are unemployed and have been negatively impacted by the economic and employment consequences of the pandemic. Inflationary pressure is at the core of these challenges, with food and energy prices climbing, with emerging markets such as Egypt facing hurdles that threatened the pace of youth labor market recovery.

Youth in Arab countries have the highest and the fastest growing unemployment rate of young people worldwide, projected at 24.8% in 2022. Against this backdrop, unemployment is the second-largest concern of generation Z (aged 17 to 25) globally. Conversely, the real estate and construction sector has some of the largest employment opportunity figures, with projections standing at 4.4 million jobs for youth under 30 and 13.4 million for adults over 30 — half the projections for employment

opportunities across all other industries, according to the same report. Although similar data about the sector in Egypt is currently unavailable, it is clear that the industry is an enabler for youth employment.

At SODIC, an average of 23.9% of our workforce and 35.4% of our new hires are professionals under 30. The turnover rate averages at 7%, which reflects the youthful culture and appeal of our work environment for this critical age group. The highest percentage of our employees are 30–50 years old. This age group is the backbone of the industry, as their business knowledge and management skills are well-developed, and their mentorship to younger staffers is critical to the evolving growth of the business. While employees over 50 represent only 7.7% of our workforce, they offer an abundance of invaluable expertise, market leadership, and resilience to the business.

ECONOMIC AND SOCIAL WELFARE

SODIC's compensation and benefit programs are designed to promote a sense of belonging to the SODIC family, safeguard the wellbeing of our workforce, and provide financial security to our employees and their

families. Our benefits are structured to meet the various needs of our professionals, and they are offered to both full- and part-time employees at SODIC and its subsidiaries.



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AGE DIVERSITY - EMPLOYEES SODIC HEAD OFFICES	2019	2020	2021
Under 30	16%	15%	13%
30-50	75%	76%	77%
Over 50	9%	9%	10%

AGE DIVERSITY - EMPLOYEES PROPERTIES OPERATION	2019	2020	2021
Under 30	44.3%	38.1%	34.8%
30-50	51.8%	56.8%	59.8%
Over 50	3.9%	5.1%	5.4%

AGE DIVERSITY - NEW HIRES SODIC HEAD OFFICES	2019	2020	2021
Under 30	43%	45%	41%
30-50	50%	54%	57%
Over 50	7%	1%	2%

AGE DIVERSITY - NEW HIRES PROPERTIES OPERATION	2019	2020	2021
Under 30	37.3%	32%	29.8%
30-50	57.7%	62%	63.7%
Over 50	5%	6%	6.5%

AGE DIVERSITY - TURNOVER SODIC HEAD OFFICES	2019	2020	2021
Under 30	4%	1%	2%
30-50	10%	8%	7%
Over 50	0%	0%	0%

AGE DIVERSITY - TURNOVER PROPERTIES OPERATION	2019	2020	2021
Under 30	19%	14.6%	12%
30-50	13%	11%	10.6%
Over 50	1%	1%	0.3%



ECONOMIC WELFARE: FAIR AND COMPETITIVE WAGES (GRI 2-21 / 405-2)

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- 5.0 THE DEVELOPER OF CHOICE - OUR CUSTOMER JOURNEY

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- 6.2 DIVERSITY AND INCLUSION
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- 7.0 COMMUNITY PARTNERSHIP
- 8.0 GOVERNANCE

Broad legal coverage and compliance are key determinants of the effectiveness of a minimum wage. Unfortunately, an estimated 266 million wage earners worldwide earn less than the hourly minimum wage set in their countries — either because they are not legally covered or because of non-compliance.

Globally, the COVID-19 pandemic and consequential economic disruptions had negative impacts on wages and setbacks in the ability of businesses to consistently offer adequate pay to their employees. All measures have been made by governments to maintain and protect people's livelihoods. However, if economies are to achieve balanced growth, synergies between governmental and private sectors must consider both fair income levels and aggregate market demand for businesses to grow sustainably.

SODIC is committed to adhering to the national minimum wage levels as stipulated by Egyptian laws and national market norms, and it also strives to exceed expectations by offering current and prospect employees competitive wages.

HEAD OFFICE EMPLOYEES

In our efforts to provide our employees with the best vocational benefits, we offer competitive pay packages, 17% above market averages, to all SODIC's full-time employees to ensure that they enjoy economic stability and to attract and retain skillful professionals. To ensure we implement best practices, we engage expert third-party consultants, Korn Ferry, to conduct annual salary surveys. We also maintain a minimum of 9% annual salary increase among all employees.

EDARA EMPLOYEES

As part of our commitment to minimum wage laws and standards, we maintain a minimum of 7% annual salary increase among all our employees. Additional annual increases are offered depending on performance appraisal of each employee.

READ ON: [Career Development and Opportunities](#)

At EDARA, the total annual compensation ratio of the highest-paid employees compared to the median total annual compensation for all other employees is only 1:0.8, with the ratio of the percentage increase in annual compensation between these two groups at 4:1.

To help offset disruptions caused by COVID-19, top executives at SODIC have not been given a percentage increase on compensation since 2020. The ratio of annual total compensation between top executives is 3:1, in comparison to the median annual total compensation for all other employees.

OUTSOURCED, THIRD-PARTY EMPLOYEES

At EDARA, our social responsibility extends beyond our directly employed personnel. Our contract terms stipulate that all workers are protected by the national laws related to minimum wages. Additionally, all third-party providers of sub-services must ensure that their employees are covered by Egypt's social insurance program.

SOCIAL WELFARE: BENEFITS AND MATERNITY LEAVE

EMPLOYEE BENEFITS – CORPORATE OFFICE EMPLOYEES (GRI 401-2)

Special Medical Care (GRI 403-6)

- Our employees are provided with some of the best medical and health care services in the country.
- SODIC is contracted with AXA and BUPA.
- The service networks coverage include all Egyptian governorates.
- All employees are eligible.
- Medical care is provided to the families of employees in all categories (for dependents).

Life Insurance

All our employees are offered life insurance, with amounts that reach up to the total of 36 months of an employee's basic salary.

SODIC Nursery

SODIC employees have free access to a nursery for their children at our HQ.

Governmental Health Insurance

Governmental health insurance cards are issued to all workers for medical and health follow-ups at hospitals that contract with the General Authority for Health Insurance.

Transportation

Employees are offered the options to use our safe transportation shuttle to and from work locations on all of our projects. The shuttles are cost-free to all our employees. They run at the start and end of our rotational work shifts.

Disability and Invalidity Coverage

We provide life and medical insurance to employees with disabilities.

Pension Program

We provide our employees with pension programs based on their number of years of service at the company.

End-of-Service Benefits

End-of-service benefits apply to employees aged 60 and up.

Discretionary Annual Performance Bonus

All employees are offered an annual performance bonus according to their performance.

EMPLOYEE BENEFITS – FACILITY MANAGEMENT EMPLOYEES – EDARA (GRI 401-2)

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Special medical care (GRI 403-6)

- Our employees are provided with some of the best medical and healthcare services in the country.
- SODIC is contracted with MetLife (2022).
- The service networks coverage include all Egyptian governorates.
- All employees are eligible.
- Medical care is provided to the families of employees in categories A-B of our operation structure (EDARA) and all grades and categories of our management structure (SODIC Offices).

Life Insurance

- All our employees are enrolled in a life insurance program through MetLife.
- Medical insurance is also included within the life insurance program.

Staff Housing

Our night-shift teams are provided with on-site housing on all of our projects. Housing is maintained in accordance with OHS rules and provides maximum comfort and safety.

Health Promotion Programs

EDARA Sports Day is an annually organized event, sponsored and with the participation of the top management. The program includes tournaments for various sports; ceremonies for winners, with the distribution of awards, medals, and trophies; and summer trips that are organized for workers and their families.

Pension Program

- We provide our employees with pension programs based on their number of years of service at the company.
- All employees are eligible for a pension program regardless of their employment grade.

Governmental Health Insurance

Governmental health insurance cards are issued to all workers under our contracts.

Transportation

Employees are offered the option to use our safe transportation shuttle to and from work locations on all of our projects. The shuttles are cost-free to all our employees. They run at the start and end of our rotational work shifts.

Sports Equipment

Employee housing has a fully equipped gym for Grade C employees, and corporate rates for gym facilities are given to Grade A and B employees.

End-of-Service Benefits

End-of-service benefits apply to employees aged 60 and up.

MATERNITY LEAVE (GRI 401-3)

MATERNITY LEAVE CORPORATE OFFICE EMPLOYEES	2019		2020		2021	
	TOTAL	%	TOTAL	%	TOTAL	%
Employees entitled to parental leave	6		6		8	
Employees that needed to take parental leave	6	100%	6	100%	8	100%
Employees that returned to work after parental leave (return to work)	8	133%	10	167%	6	75%
Employees still employed for 12 months after their return to work (retention rate)	7	87.5%	10	100%	6	100%

MATERNITY LEAVE FACILITY MANAGEMENT EMPLOYEES – EDARA

MATERNITY LEAVE FACILITY MANAGEMENT EMPLOYEES – EDARA	2019		2020		2021	
	TOTAL	%	TOTAL	%	TOTAL	%
Employees entitled to parental leave	89		74		80	
Employees that needed to take parental leave	4	4.5%	0	0%	2	3%
Employees that returned to work after parental leave (return to work)	4	100%	0	0%	2	100%
Employees still employed for 12 months after their return to work (retention rate)	3	75%	0	0%	2	100%

CONFIDENTIALITY OF EMPLOYEES' MEDICAL AND HEALTH RECORDS

SODIC protects the confidentiality of workers' personal health-related information by putting our employees in direct contact with our medical insurance providers. This approach ensures that employees' personal health-related information and their participation in any

services or programs are not used for any favorable or unfavorable treatment. However, employees have the right to ask for our support and involvement in exceptional cases if the medical provider does not approve their case and our direct assistance is needed.

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TRAINING AND EDUCATION (GRI 404-1)

The personal and professional growth of SODIC employees are of significant importance to the company. As part of our investment in employees, development, training and education have become integral tools in our wide spectrum of career development solutions. These tools not only enhance the leadership and professional skills of SODIC employees but also ensure the quality of services offered to customers is maintained.

Learning and development (L&D) plans for both corporate and EDARA employees include several training options and modules:

- ▶ Technical and non-technical topics, depending on the scope and nature of functions
- ▶ In-house and external instructors, ensuring the best competencies are available for employee training
- ▶ E-learning programs, established since 2021 in EDARA

TRAINING NEEDS ASSESSMENTS

Training needs assessments are conducted yearly to accommodate for new business expansions, new internal performance measures, periodical efficiency

and productivity improvement needs based on performance appraisals, and newly established national or internal regulations related to sustainability awareness.

SODIC L&D plans include several training options and modules such as technical and non-technical topics, depending on the scope and nature of functions, as well as in-house and external instructors, ensuring the best competencies are available for employee training.

The outcome of each training is internally evaluated by both the participating employee(s) and the training supervisor. The main evaluation criterion is the impact of the training on employee performance and business productivity. The employee's reporting manager takes this criterion in consideration as part of the annual appraisal process.

GENERAL TRAINING

EDARA's continual training programs allow employees to develop soft skills and improve creativity, innovation, agile thinking, communication, and collaboration. Technical and job-specific trainings are also provided. Early on during the recruitment phase, an induction program is put in place to prepare new employees for a successful journey from the outset. The program aims to immerse new workers in SODIC's culture and values while covering the necessary protocols, processes, and role-specific training.

TRAINING HOURS

2020		2021			
Number of Trainees (Male)	Number of Trainees (Female)	Average Training Hours	Number of Trainees (Male)	Number of Trainees (Female)	Average Training Hours
31	7	40	44	21	20
38			63		

TRAINING SPENDING – SODIC HEAD OFFICES TEAMS (EGP)

	2020	2021
Total spending on annual training – internal and external	205,000	274,000

IN-HOUSE AND EXTERNAL TRAINING PROPERTIES – OPERATION TEAMS

	2020	2021		
	Number of Trainees	Average Training Hours	Number of Trainees	Average Training Hours
ISO 45001 awareness	8	15		
Supervision skills	8	8		
Project management (PMP)	22	22.5	22	22.5
Firefighting			11	6
Excellence in customer service			30	12
Occupational health and safety			15	18
Personal skills and hygiene	14	2.6	14	2.6
Pest control (online training)			5	20
Fundamentals of security (internal training)			30	3
Total	52	48.1	127	84.1

	2020	2021
Total spending on annual training – internal and external	58,500	82,000

CAREER DEVELOPMENT

ANNUAL APPRAISAL AND MENTORSHIP (GRI 404-2)

SODIC adopts a feedback culture to facilitate a proper and efficient path for employees' career development, aimed to benefit employees and maintain a high level of organizational performance.

Through a dedicated career growth program, SODIC can provide its employees with a clear path for their development within the company, while maintaining focus on the quality of processes and results through performance reviews.

The program starts with employees' annual performance review and appraisal. The appraisal criteria include:

- ▶ Business and brand understanding
- ▶ Commitment to company values
- ▶ Compliance with policies and procedures
- ▶ Performance within one's function

Appraisals are conducted through an employee self-assessment process, followed by a discussion with the reporting-line manager, allowing for more effective interactions, alignment, and management of business objectives in terms of following the desired career plans.

For EDARA employees, the following performance appraisal process is established and followed:

- ▶ At the end of each year, the Organizational Development (OD) function reviews the performance appraisal system regarding each grade's performance measurements and the achieved percentage of each performance level.
- ▶ Discussions take place between employees and their managers throughout the year, tackling evidence and documentations that highlight the employees' strengths and weaknesses.
- ▶ The outcome of said discussions generates a final assessment that is then compared to HR data in terms of attendance, behavior, and leave balance.
- ▶ OD must confirm employees' annual bonus percentages, subject to the final approval of the top management team. All bonuses are officially communicated to employees through official emails.
- ▶ End-of-year appraisals are directly linked to the training needs planning for the following year.

PERFORMANCE REVIEW AND CAREER GROWTH PROGRAM PROPERTIES OPERATION TEAMS (GRI 404-3)

	2019	2020	2021
Male	83%	94%	94%
Female	65%	100%	88%
Total Employees	82%	94%	94%

SUCCESSION AND PROMOTION

Annual appraisals and performance reviews directly affect employees' annual bonuses and incentives and their eligibility for promotions and opportunities to advance within the company as part of a succession

plan. We encourage internal growth, based on available positions year-over-year. In 2021, 15% of SODIC head office employees and 7% of EDARA employees moved up within the companies' employment levels.

TENURE OF HIGHER MANAGEMENT

AT SODIC TOP MANAGEMENT, FOR GRADE S (CHIEFS) AND GRADE O (EXECUTIVE DIRECTORS, SENIOR DIRECTORS, AND DIRECTORS)

- ▶ Tenure average of 5 years for 31% of employees since 2016
- ▶ Tenure average of 10 years for 31% of employees since 2011

AT EDARA CORPORATE MANAGEMENT, FOR CATEGORIES 1 AND 2

- ▶ Tenure average of 5 years for 8.14% of employees since 2016
- ▶ Tenure average of 10 years for 3.5% of employees since 2011

PERFORMANCE REVIEW AND CAREER GROWTH PROGRAM AT SODIC HEAD OFFICES (GRI 404-3)

	2019	2020	2021
Male	100%	100%	100%
Female	100%	100%	100%
Total Employees	100%	100%	100%

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SATISFACTION SURVEYS AND INPS

Satisfaction surveys are conducted across all employment levels and functions.

For SODIC head office employees, the following topics were surveyed:

1. Performance appraisal
2. Hiring, onboarding, and exiting processes
3. Benefits
4. Employee engagement events

Our internal net promoter score recorded a (51) satisfaction score.

For EDARA employees, the survey was conducted for the first time in 2021, aiming to assess three areas: employee perception of the work environment, job satisfaction levels, and areas of strength and opportunities for improvement. The survey was designed in a manner that ensured employee anonymity.

Employee satisfaction levels were measured according to collected information tackling eight main areas:

1. Job satisfaction
2. Employee engagement
3. Manager appreciation
4. Trainings
5. Salary satisfaction
6. Work environment
7. Transparency and trust
8. Career path

Our internal net promoter score recorded a (57.4) satisfaction score.

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CUSTOMER EXPERIENCE				
Projects	Development BU		Investment BU	
Finance	People & Capabilities	Digital & Innovation	Brand	Sustainability
Strategy	Risk Management	Internal Audit	Legal & Compliance	Center of Excellence

SODIC 2.0

Driven by its pursuit to continuously create value across various employee programs, SODIC always aims to remain an employer of choice in the industry. At SODIC, we provide an empowering and enriching work environment where people have the space to improve their capabilities and acquire expertise in their fields. We aim to inspire innovation and allow entrepreneurship thinking among all employees in ways that best promote and develop their unique abilities. Talent is meant to be nurtured, and only then can the business grow and excel.

Against this backdrop, SODIC 2.0 came to life, designed to enable the execution of our corporate strategy and

accommodate our aggressive growth plans with an innovative approach starting 2022.

SODIC 2.0 is anchored in the ethos of having two fully accountable business units enabled by well-governed execution capabilities and served by integrated group support to design and deliver the best experience to our communities. The SODIC 2.0 operating model was developed by a core group consisting of the CEO; CFO; Executive Director of Strategy, Brand, and Sustainability; and Executive Director of People and Capabilities to deliver a new organizational structure that best enables SODIC's ambitious growth plans.

OPERATING MODEL FOR 2021				
Commercial (Sales, Marketing, & Community Management)	Customer Service			Asset & Facility Management
Development	Business Development	Procurement	Finance	Asset & Facility Management
	Gov. Relations			
HR, IT, Strategy, Internal Audit, Planning, & Compliance				

DESIGN CRITERIA

The main goals and objectives of SODIC 2.0 are:

- ▶ Bringing the customer's voice into the conscience of the organization
- ▶ Building resilience into our business by adding new recurring revenue streams
- ▶ Aggressively digitalizing all our operations and interactions to tap into as much data as possible
- ▶ Transforming the organization's mindset and prioritizing being more competitive and creative to accommodate and achieve significant growth

DIGITIZATION AND TECHNOLOGIES

DIGITIZATION

At the head office, we started digitizing all employees' key performance indicators in 2021 to facilitate comparisons and evaluations year-over-year. This ensures fairness, optimizing employees' career paths, and the quality of our business efficiency performance. Digitization KPIs have become part of EDARA's priorities for upcoming strategies and plans.

TECHNOLOGIES

At the head office, we established MySODIC in 2018. It is an internal platform that is accessible to and used by all employees. It offers them learning and development opportunities, information on their benefits, news and events, organizational chart and structure, reward and recognition program, policies, and a speak up platform for anonymously voicing internal complaints and concerns.

INNOVATION

At SODIC, we foster innovation and leverage technology by engaging our teams in discovering unique solutions, improving corporate performance, and contributing to

environmental, social, and economic values adopted by our brand.

▶ **People 365**, which was developed in 2021 and became fully operational in 2022. It is a comprehensive HR system that aims to consolidate payroll, time management, recruitment, training, performance management, and surveys outcomes.

▶ **e-Hub**, which was launched in 2021 to create a space for topics related to e-learning, internal surveys, meeting room bookings, company news, employee celebrations, gallery, corporate deals for employees, and cafeteria menus.

GOVERNANCE AND STRUCTURE

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Cultural transformation has become a priority that is aligned with both our corporate and ESG strategies. Accordingly, we have dedicated our efforts to establishing a culture of innovation that has progressed to maturity over the last three years through defined business objectives.

The promotion and integration of innovation across the company's operations and various business units is led by a cross-functional task force, a dedicated Innovation Department, and delegated champions from different teams.

SODIC's Innovation Department is responsible for identifying and addressing SODIC's expansion needs and covering all relevant internal and external activities.

The team is also responsible for conducting maturity assessments to scale up SODIC 2.0 through innovation.

Internally, the team supports the designated champions within all of SODIC departments through offering capacity building for innovative methodologies, which creates the opportunity to collaboratively resolve challenges that face new ideas during different phases of implementation.

Externally, the team identifies future opportunities by collaborating with start-up support entities and start-ups to push for a more dynamic business model for SODIC and introduce a constant flow of state-of-the-art technologies.

INCUBATORS IN 2019–2020

In 2019 and 2020, SODIC established five innovation tracks that led to the presentation of 96 ideas and 20 pitches, having 11 ideas in validation phases, and initiating eight applicable ideas.

In 2020, a new phase of capacity building activities for fostering innovation was initiated, and it included five recorded sessions, a technical webinar, and a four-session webinar series that were attended by a total of 42 innovative participants from various functions.

CRAFTING POSSIBILITIES – 2021 THEMES

In 2021, our innovation approach encompassed two themes:

- Areas of development that will help achieve strategic pillars
- Departments' efficiency in implementing new ideas

The development of themes is managed by Sponsors and Ambassadors who oversee the ideation process from its initiation phase until its implementation phase.

Sponsors are managers who have shown significant interest and potential in fostering innovation.

They act as mentors to idea generation in the different Areas of Added Value. Selected **sponsors** are expected to adopt an innovative approach, be flexible, and have a positive outlook.

Ambassadors are senior employees who are recommended by their direct managers.

They act as points of contact between teams, management, sponsors, and the Innovation Department.

CRAFTING POSSIBILITIES 2021 – FINANCE DEPARTMENT

THEMES

How might we digitize/automate our capabilities?

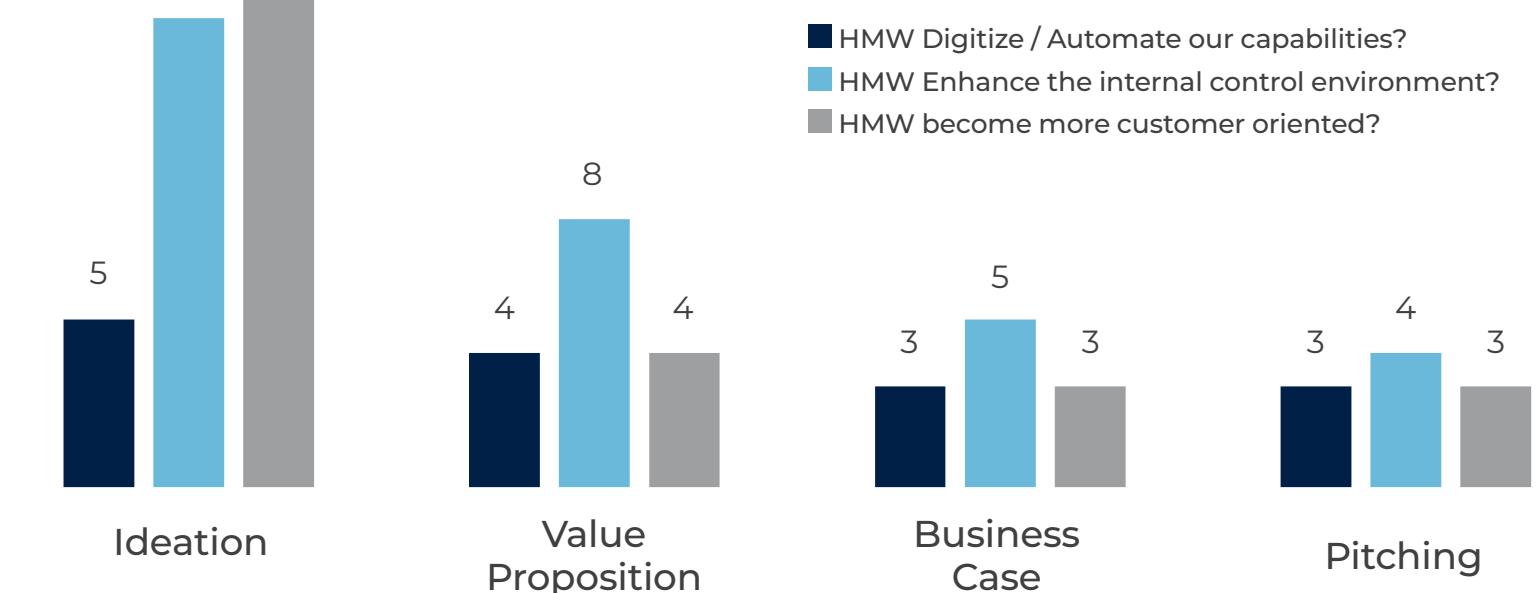
How might we enhance the internal control environment?

How might we become more customer-oriented?

FINANCE IDEATION PHASES

DEPARTMENTAL INNOVATION

Finance Crafting Possibilities 2021 Ideation Phases



OUTCOME

The Finance Department's ideas focused on multiple areas with gaps related to cost reduction, paper consumption reduction, better customer services, and the optimization of manpower.

A total of eight solutions moved from the ideation to the implementation phase, and they included the digitization of documents, offering clients digital payment options, and establishing internal online platforms for sharing and documenting updates related to collaborative contracts.

CRAFTING POSSIBILITIES 2021 – PROJECTS DEPARTMENT

THEMES & ROLES

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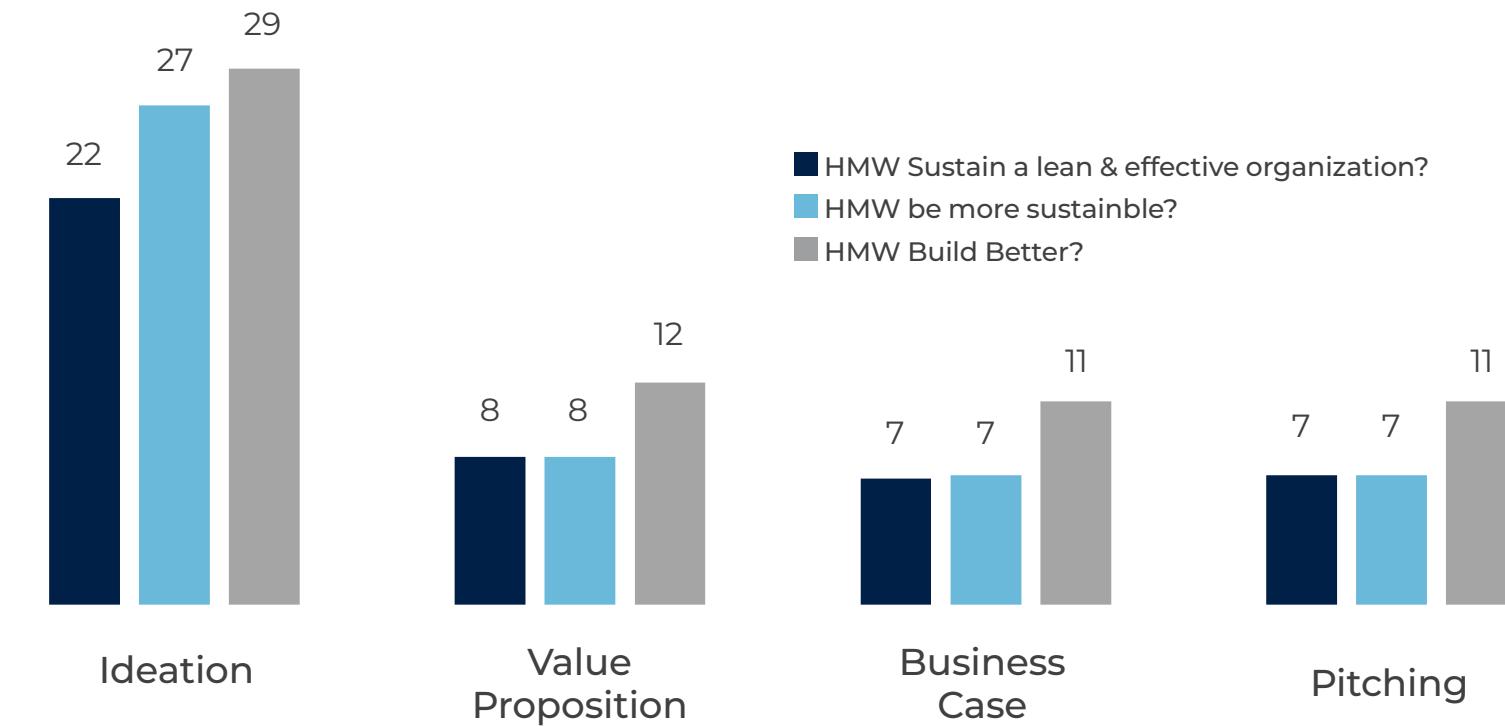
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THEMES

- How might we sustain a lean and effective organization?
- How might we build better
- How might we be more sustainable?

DEPARTMENTAL INNOVATION

Projects Crafting Possibilities – 2021 Ideation Phases



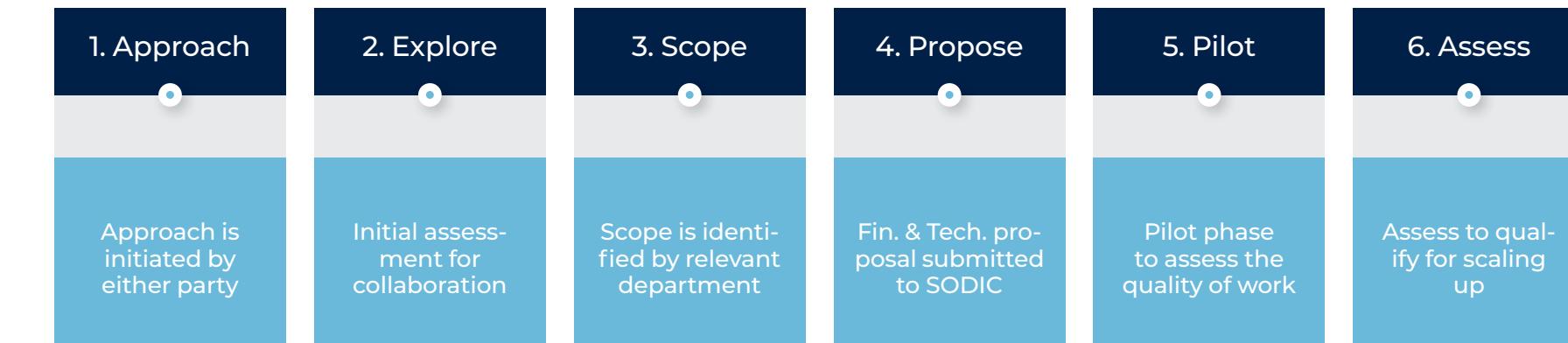
OUTCOME

The Projects Department's ideas focused on multiple areas with gaps related to the necessity of offering faster delivery of services and projects, internal communication, expertise sharing, and efficient construction.

A total of 14 solutions moved from the ideation to the implementation phase, and they included energy saving solutions, modular and technology-based building components, using 3D technologies, and collaborative and shared design platforms and guidelines.

COLLABORATIONS WITH STARTUPS

EXTERNAL ACTIVITIES STARTUP PIPELINE



In 2021, SODIC collaborated with four startups that offer very promising products and services. SODIC extended its support by acquiring their services, each at a different phase of its projects.

TileGreen



Taqtak Systems (Your Energy)



Shagara (Tree)



Sakneen (Tenants)



STARTUP	SCOPE OF COLLABORATION	STAGE
TileGreen	A startup that creates highly performing and eco-friendly interlocking tiles from recycled plastics.	6. Assess
Taqtak Systems (Your Energy)	A startup offering renewable energy solutions for outdoor areas, such as charging stations in beach shadings, as well as large-scale maintenance of LED lighting.	3. Scope
Shagara (Tree)	A design studio that attempts to integrate vegetation into daily life to build sustainable communities. The startup is focused on creating green roofs for buildings to decrease the impact of heat.	3. Scope
Sakneen (Tenants)	An online real estate platform that provides data- and science-based valuations for property sale and rentals for customer, developers, and brokers, as well as a resale platform.	4. Propose

HUMAN RIGHTS

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► GRI INDEX ► SASB ► EXTERNAL ASSURANCE

SECTION TOGGLE VIEW PREVIOUS PAGE NEXT PAGE

6.6



Human rights are a set of standards that protect people and govern how they interact with one another and with their society in a respectful manner that benefits all parties. According to UNICEF, human rights promote universality and inalienability, indivisibility, interdependence and interconnectedness, equality and non-discrimination, participation and inclusion, accountability, and the rule of law. Egypt has worked for decades to advance international human rights by contributing to the creation of the Universal Declaration of Human Rights and the two international human rights covenants.

SODIC promotes human rights within its sphere of influence. By joining the United Nations (UN) Global Compact, it has committed to respecting and supporting the protection of human rights and to ensuring that none of its practices—across its operations within its control and those of its contractors—are not complicit in human rights violations. We, therefore, pass on our commitment to our contractors by recognizing human

rights in our contract terms. If there is a reasonable suspicion that a subcontractor or supplier has violated the contract terms, or if a subcontractor or supplier fails to adequately comply with its obligation to clarify and cooperate in the event of suspicion, SODIC may terminate the business relationship with the concerned subcontractor or supplier with immediate effect on the basis of existing contractual or legal rights.

SODIC believes that all humans have inherent rights, which include the rights outlined in the UN International Bill of Human Rights and the fundamental rights principles outlined in the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. Other UN instruments go into greater detail about the rights of indigenous peoples; women; national or ethnic, religious, and linguistic minority groups; children; people with disabilities; and migrant workers and their families.

HUMAN RIGHTS GOVERNANCE

SODIC has been a signatory to the United Nations Global Compact (UNGC) since 2014, supporting all of its human rights, labor rights, and environmental principles. At SODIC, we also ensure to incorporate human rights within our sustainability strategy.

SODIC abides by all applicable national labor laws and regulations, as well as human rights principles, and it has a set of internally developed policies and procedures to ensure human rights and labor rights are properly protected in the workplace, which the Audit Committee oversees and reviews.

SODIC is adamant about monitoring workplace human rights and labor rights and ensuring that all contractors apply the same standards to their SODIC project workers. Project management teams, supervising con-

sultants, and contractors are all jointly responsible for ensuring compliance with all applicable regulations in their respective areas of responsibilities and duties. Additionally, all SODIC employees, contractors, and vendors are responsible for reporting to the company any violations of human rights or health and safety that occur on the job.

SODIC bases its human rights and human health practices on the UNGC, the Global Reporting Initiative (GRI) 2021, and the Sustainability Accounting Standards Board (SASB). Each framework approaches the disclosure or principle from a unique perspective, with key similarities tying them all together.

MATERIALITY (UNGC HR1) – (GRI 3-2) (2021)

In alignment with the UNGC human rights principles, we identify the following main topics as material human rights topics connected with our operations and

value chain, based on their salience (the most severe potential negative impacts on people):

1	Freedom of association and collective bargaining
2	Child labor
3	Forced labor
4	Non-discrimination in employment and occupation
5	Safe and healthy working environment
6	Working conditions
7	Access to water and sanitation
8	Inclusion, gender equality, and women empowerment

With the exception of gender equality—which is not a material issue on construction sites—all topics apply on

the SODIC corporate front, on our construction sites, and within our facility management arm (EDARA).

COMMITMENT

(UNGC HR2) – (GRI 2-23-a-iv / 2-23-b / 3-3-c) (2021)

Each of the various aspects of human rights is identifiable through a relevant policy that is set based on the stakeholder, such as:

- ▶ Construction and operation employees and workers: Procurement Policy and Health and Safety Policy

READ ON: [Occupational Health and Safety](#)

- ▶ Employees: Code of Conduct and several other policies, such as the Labor Standards and Working Conditions Policy and the Health and Safety Policy

READ ON: [Protective Work Environment](#)

All our practices and measures that prioritize and protect employees' and workers' human rights are reported in detail across the various sections of this report.

AT SODIC, we dedicate special focus to the most vulnerable or most likely to be impacted groups, such as workers who are outsourced by our contractors, employees returning to work after recovering from injuries, women returning to work after their maternity leave, and the younger generations of employees.

Due to the complexity of our sector and operations, we do not hold a standalone Human Rights Policy, but through our latest assessment for the purpose of this report, it is planned to consolidate human rights aspects in one central policy addressing our key impacted stakeholders.

However, we can confidently state that human rights aspects stipulated across our policies are:

(UNGC HR2) – (GRI 2-23-c, 2-23-d, 2-23-e) (2021)

- ▶ Aligned with international human rights standards
- ▶ Approved at the most senior level of the company
- ▶ Applied to the company's own operations and contractors and where it is critical in any other emerging business relationships

We are planning on making our Human Rights Clauses publicly available once consolidated.

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PREVENTION AND MITIGATION

(UNGC HR3/4) – (GRI 3-1-b/f and 3-3-d) (2021)

We engage with all our employees and outsourced workers through the proxy stakeholders that represent them. Such engagements include:

- ▶ Discussions on existing or potential risks and impacts as they arise
- ▶ Discussions on prevention or mitigation solutions
- ▶ Developing scenario measures

Our prevention and mitigation measures are conducted through multiple formats and channels that are defined based on the particular risk or impact being addressed. Those measures include, but are not limited to:

- ▶ Providing the workforce with adequate internal training and capacity building activities
- ▶ Developing implementation measures for corrective actions
- ▶ Conducting audits, monitoring, and re-assessment of the outcomes of the risks and impacts in question
- ▶ Collaborating with regulatory bodies where applicable or needed

TRAINING AND ASSESSMENT

(UNGC HR5/6)

According to the UNGC, the assessment for preventing and mitigating risks and impacts have four levels:

- ▶ No monitoring of progress
- ▶ Reviewing topics on an ad hoc basis
- ▶ Setting annual targets/goals and tracking progress over time (internal and external programs)

Based on the top eight topics of human rights, as per the materiality mentioned earlier, each topic has its own nature of mitigation, assessment training, and target setting.

HUMAN RIGHTS MATERIAL TOPICS	MITIGATION, ASSESSMENT, AND TARGET SETTING
1. Freedom of association and collective bargaining	Freedom of association and collective bargaining is mainly related to workers under the control of contractors and that are governed by the national law that entitles workers to their rights of collective bargaining under trade unions and as stipulated in our contracts.
2. Child labor	Our target is to maintain 100% compliance with child labor laws. Our contractors are bound by national laws and the terms specified in our contracts. Contractors are strictly prohibited from employing any workers under 19 years old, and they are also obligated not to engage in any actions of forced or compulsory labor. Monitoring is part of our standard project management process. No cases of non-compliance have been reported.
3. Forced labor	
4. Non-discrimination in employment and occupation	Our Code of Conduct prohibits all forms of discrimination across all employment types and levels. Our Audit Committee oversees compliance to all material issues related to the Code of Conduct.
5. Safe and healthy working environment	Our target is to maintain zero incidents of injuries. Our OHSMS is governed by our H&S Manuals. They ensure a close monitoring procedure over our projects, with standardized daily reporting. SODIC site engineers conduct direct inspections, monitoring, and assessment of all measures related to the safe conditions by means of examining, measuring, and testing.
6. Working conditions	Contractors are mandated to respect minimum wage obligations according to the Egyptian Labor Law. Contractors must register the contract under the Egyptian Social Insurance program within 28 days of signing the contract. Contractors must provide periodic evidence of timely payment of its lower tiers. Failure to provide evidence after a 15-day notice entitles SODIC to withhold money to resolve the contractor's indebtedness. Contractors are obligated to carry all insurances for them and their workers and equipment, all in accordance with the applicable and complementary laws and any subsequent laws or regulations issued during the implementation period. Access to emergency response, medical, and health care is provided to all employees and workers.
7. Access to water and sanitation	Our night-shift teams are provided with on-site housing on all of our projects for both construction and operational sites. Housing is maintained in accordance with OHS rules and provides maximum comfort and safety, including access to potable water and proper sanitation. Monitoring and assessments are conducted by SODIC site engineers at construction sites and by SODIC facility managers at operational sites.
8. Inclusion, gender equality, and women empowerment	At SODIC, women represent 22% of employees at our Head Offices and 3.8% at our operations, bringing the total average to 13.3% compared to 12.2% in 2019, which is above the global average for our industry. Additionally, at a total of 575 new hires, 19.6% are women, and 29% of total resignations are submitted by women, compared to those submitted by men. SODIC's executive positions consist of 16% women in key functions at the corporate level and 25% at EDARA, our facility management subsidiary. There are no pay-related discriminations (in salaries or benefits) between men and women at all employment levels at SODIC.

RESPONSE (UNGC HR7) – (GRI 3-3-dii) (2021)

During the reporting period, no incidents of human rights violation were detected or reported at the company, thus no actions were required to remedy any

negative impact associated with our material human rights topics.

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STRATEGIC IMPACTS AREAS

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CSR PILLARS

SODIC's CSR pillars are largely interconnected, thus the progress it achieves in one area significantly contributes to the development and enhancement of another. Projects are considered focused investments that are

defined by the company's impact areas: Education and Vocational Training, Communities Rehabilitation, Equal Opportunities, and Relief.

Through its four impact areas, SODIC aims to contribute to the interconnected advancement of six SDGs.

EDUCATION & VOCATIONAL TRAINING	COMMUNITIES REHABILITATION	EQUAL OPPORTUNITIES	RELIEF
4 QUALITY EDUCATION	11 SUSTAINABLE CITIES AND COMMUNITIES	8 DECENT WORK AND ECONOMIC GROWTH	10 REDUCED INEQUALITIES

FLAGSHIP PROGRAMS

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EDUCATION AND VOCATIONAL TRAINING

Education has the single highest return on investment for societies and nations at large, but the COVID-19 crisis has led to school closures in 143 countries, affecting 1.2 billion students worldwide since April 2020, as reported

by the OECD in 2021. All efforts toward recovery from this fallback are now more critical than ever.

OUR ACTIONS

SODIC believes sustainable development starts with well-educated children that are able to acquire decent jobs and create value to their communities.

We aim to achieve three particular targets, aligned with the global SDGs:



Target 4.a – Build and upgrade education facilities that are child, disability, and gender sensitive and provide safe, non-violent, inclusive, and effective learning environments for all.



Target 4.1 – Ensure that all girls and boys complete free, equitable, and quality primary and secondary education by 2030, leading to relevant and effective learning outcomes.



Target 4.5 – Eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable by 2030, including persons with disabilities, indigenous peoples, and children in vulnerable situations.

SODIC has doubled its contribution to educational programs in 2021, and we are proud that we were able to support 7,910 children, compared to 3,462 in 2020,

through establishing collaborations with multiple partners.

SODIC has been funding different projects through Alfanar—a journey and partnership that started in 2009—by providing grants and management support to social enterprises and initiatives, the largest of which is Educate Me.

By providing grant funding and management support, we were able to support women and children through education, cultural activities, and vocational training, allowing them to become more sustainable and independent to carry on with the same impacts for more benefits and programs throughout the past years.

EDUCATE ME

Educate Me is a non-profit organization that develops and applies 21st century-based curricula in a community school in the impoverished neighborhood of Talbeya, catering to children who are 4–15 years old. To scale its impact beyond the boundaries of one slum in Cairo and generate revenue streams for its operations, Educate Me runs paid teacher workshops for private- and public-school educators across Egypt, often funded by private entities that are also committed to developing education in Egypt. SODIC has been supporting Educate Me since its establishment in 2010.

TAWASOL

SODIC has been supporting Tawasol for 12 years since its establishment in 2010. Tawasol runs a community school for children who had escaped schooling, and the school provides children of the neighborhood of Istabl Antar (one of Cairo's low-income communities) with regular schooling and vocational training on a range of crafts. Tawasol also sells handmade products created by community members through an online platform to generate income and help cover the school's costs. SODIC has funded the development of this online platform.

Once a year, in the month of Ramadan, SODIC organizes a bazaar where Tawasol can showcase and sell student's creations and products to SODIC employees and the general public. The children of the school also present acrobatic and theater performances and plays through

dedicated festival calendar days. The festival tickets are made available to the public. This model offers the children the space for creativity and personal development, while also allowing the school to generate income for the community.

SODIC has been contributing to running the school's operations since 2012. To ensure that the impacts are sustainable, SODIC contributed to the purchase of a plot of land that is now home to Tawasol's new state-of-the-art school in Ezbat Khairallah, which opened its doors in 2020 and increased the schools' capacity from 140 to 500 children. The school acts as a community hub, offering health services that include free weekly checkups and funding programs for students and neighboring community members.



TAWASOL'S NEW SCHOOL OF 2020

Built Over
1,050 M²

Capacity to host over
500 STUDENTS

Multidisciplinary learning experience

Healthier and well-equipped environment

Facilities include a science lab, theater, library, gym, food court, medical clinics, auditorium, and many others



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EQUAL OPPORTUNITIES

The SDG 10 for Reduced Inequalities addresses actions to empower and promote the social, economic, and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion, or economic or other status.



Against a backdrop of global and consistent evidence, the rights of people with disabilities span across five SDGs, even though it is primarily addressed through SDG 10.

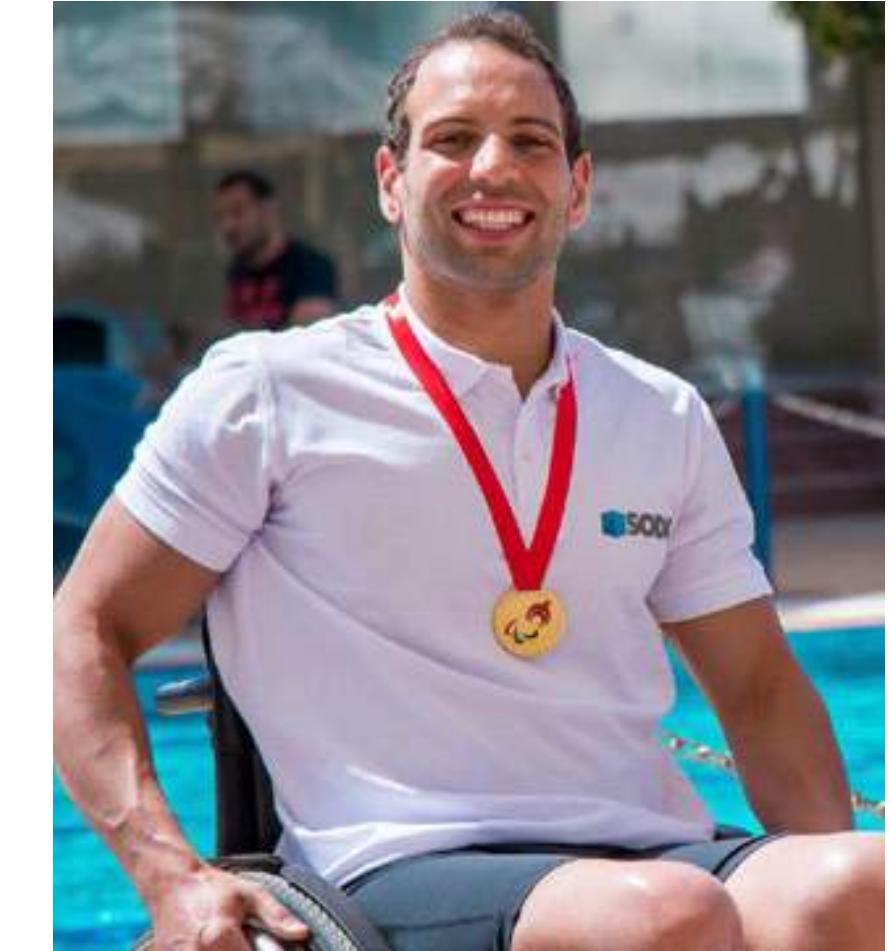
Globally, one billion people have disabilities, representing around 15% of the world's population, and 80% live in low- and middle-income countries. They are often excluded from healthcare, education, and employment



OUR ACTIONS

SODIC believes in providing equal opportunities for people with disabilities through rehabilitation, development, support, and inclusion. They are both agents and beneficiaries of development.

Our Champion, Eslam Abu Ali, is an exceptional para-athlete that SODIC has been sponsoring since 2017. He is the first Egyptian para-triathlete to complete the IRONMAN 70.3 race, and he is ranked 5th globally in the 100 m Breaststroke at the World Para-Swimming Championships in Mexico.





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OUR ACTIONS

SODIC's relief program runs annual salary drives, blood drives, blanket drives, and food packing and distributions with all collections channeled to those most in need.

Through the recorded efforts of modern history, the private sector has been globally known for its actions during national crises. Integrating relief programs as part of businesses' CSR activities has been integral to tackling crises in a more impactful manner by avoiding risks at the roots. As stated by the UN, the key is reducing the exposure and vulnerability of the poor and building resilience through addressing cross-cutting issues. Those issues are particularly focused on Poverty (SDG 1), Health and Wellbeing (SDG 3), and Climate Risks (SDG 13).

Through its relief program, the company doubled its target beneficiaries from 3,650 individuals in 2020 to 6,176 in 2021. We supported beneficiaries through collaborations with our NGO partners:



GOVERNANCE AND ENGAGEMENTS

To ensure community funding is truly directed toward impactful and sustainable projects as well as those most in need, SODIC selects its projects based on research and gap analysis. Following this, funding is allocated, on a case-by-case basis, and presented to the Board of Directors for approval. (GRI 413-1)

All CSR activities are managed by a dedicated function that is part of the Strategy, Brand, and Sustainability Department, which is headed by a member of the SODIC Management Committee. This organizational structure underscores the importance of CSR as part

of SODIC's community development efforts and their integral role in the company's business values.

Our CSR team maintains a structured and active stakeholder engagement plan and practices. Employees are periodically involved in activities that aim to give back to communities and positively impact the lives of people who are most in need of support. Annual visits to under-privileged communities are arranged to offer people the support they need and further engage SODIC employees in CSR activities.

NO.	STAKEHOLDER CATEGORY	CHANNELS OF COMMUNICATION	FREQUENCY OF ENGAGEMENT
1	NGOs	Emails and virtual meetings via Zoom	Quarterly
2	Media	Emails and phone calls	Monthly
3	Suppliers	Emails and phone calls	Quarterly
4	Public	Offline and online media platforms	Quarterly
5	Employees	Internal platform and emails	Quarterly
6	Beneficiaries	Site visits and internal events	Annually

CSR PILLARS	2020		2021			
	NUMBER OF PROJECTS	NUMBER OF BENEFICIARIES	TOTAL INVESTMENTS IN EGP	NUMBER OF PROJECTS	NUMBER OF BENEFICIARIES	TOTAL INVESTMENTS IN EGP
EDUCATION	2	3,462		2	7,910	
REHABILITATION	1	640		1	62	
EQUAL OPPORTUNITY	1	1	+10 mn	1	1	+6 mn
RELIEF	3	3,650		3	6,176	

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GOVERNANCE

BUSINESS ETHICS AND CODE OF CONDUCT

(GRI 2-23)

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SODIC's culture is inspired by a set of characteristics that distinguishes the company as authentic, aspirational, and progressive in the way it conducts business.

To deliver on its promises despite challenges, SODIC translates its unique culture into its core corporate values, which are integrity, synergy, commitment, ownership, and agility. Those values are reflected into its strategy to help identify and pave the path forward as a winner and a leader in the industry, one that prides itself in being creative, customer-obsessed, and sustainable.

To ensure an accountable, transparent, and sustainable implementation of our strategy, our culture and values are governed by policies and procedures that extend to include over 33 ESG topics. They are overarched by our Code of Business Conduct, Whistleblowing, and Conflict of Interest Policies.

Our business is also governed by the following:

- ▶ Board Charter
- ▶ Audit, Risk, and Compliance Committee Charter
- ▶ Nomination and Remuneration Committee Charter
- ▶ Executive Committee Charter
- ▶ Management Committee Charter
- ▶ Tender Committee Charter
- ▶ Investment Committee Charter
- ▶ Code of Business Conduct
- ▶ Compliance Policy
- ▶ Appointment of External Auditor Policy
- ▶ Corporate Social Responsibility Policy
- ▶ Delegation of Authority
- ▶ Policy for Dealings in SODIC Securities
- ▶ Internal Audit Department Charter
- ▶ Whistleblowing Policy
- ▶ Conflict of Interest Policy



CODE OF BUSINESS CONDUCT

The Code of Business Conduct identifies the ethical parameters within which SODIC must operate. It applies to all SODIC employees, consultants, contractors, suppliers, and all other parties with whom SODIC conducts business.

READ ON: [Partners of Success](#)

DISCLOSURE AND TRANSPARENCY

Through our annual Corporate Governance Report, we ensure the transparency of our practices as governed by our policies. The report is signed by the Chairman of the Board and submitted to the Egyptian Financial Regulatory Authorities (FRA) and the Egyptian Stock Exchange (EGX) on an annual basis or upon request during the accounting period covered by the Report. It is published on our website for full disclosure.



COMMUNICATION WITH SHAREHOLDERS

SODIC values its communication with shareholders. Timely and adequate disclosures of material information related to SODIC are made available to its shareholders and all relevant regulatory authorities. Disclosures are also published and made accessible on the SODIC and EGX official websites.

All our communications are bilingual (available in Arabic and English) to be accessible to all board members and employees, business partners, and other stakeholders.

OVERSIGHT

The Audit Committee maintains responsibility of all documents related to the Code of Conduct.

WHISTLEBLOWING POLICY, GRIEVANCE, AND CRITICAL CONCERNS (GRI 2-26 / 2-16) [IF-EN-510a.3]

SODIC implements a Whistleblowing Policy for reporting and dealing with violations and complaints according to the internal procedures that the company follows and applies. SODIC aims to encourage employees to report any act that breaches the Code of Ethics or the law, thus reinforcing honesty and integrity in all operations and in the company's culture.

OBJECTIVE

SODIC aims to act proactively and decisively to avert any unethical conduct, negligence, or illegal activity (if any); enable genuine reform and strengthen the principles of justice and transparency; and avoid any potential damage to its business or reputation in the market.

WHISTLEBLOWERS

Complaints may be received from employees, contractors, or third parties regarding any internal or external incidents that may adversely affect SODIC or any of its employees, negatively alter customers' perception of the company, cause significant losses, or result in any other negative consequences.

INCIDENT CATEGORIZATION

Incidents can be categorized as follows:

- ▶ **Accounting:** internal accounting controls and auditing matters
- ▶ **Fraud:** acts or omissions that may mislead, or attempt to mislead, a party to gain benefits or avoid obligations
- ▶ **Coercive practices:** threatening, harming, or impairing any party or property for any personal benefits or unauthorized influence
- ▶ **Collusive practices:** arrangements between two or more parties aiming to achieve personal/

improper purposes; improperly influencing the actions of other parties; etc.

- ▶ **Corruption:** offering, giving, receiving, or soliciting, directly or indirectly, anything of value to improperly influence the actions of other parties

- ▶ **Misconduct:** any noted deviations against SODIC's preset Code of Conduct and general behavioral standards

- ▶ **Illegal or unethical behavior:** where employees can report things that are incorrect, illegal, or if anyone at work is neglecting their duties, such as:

- ▶ Endangering employees' health and safety
- ▶ Causing damages affecting the environment
- ▶ Incidences of non-compliance with laws and regulations
- ▶ Covering up wrongdoings and breaches

PROCEDURES

Employees and third-party personnel are encouraged to directly submit complaints or raise concerns to the Audit Committee. The objective is to create a safe channel that keeps the information of whistleblowers confidential and establish a standardized approach for the receipt, retention, and treatment of complaints.

CONFIDENTIALITY AND ANONYMITY

Each complaint will be treated as confidential information, and the identity of the complainant will remain anonymous, to the most reasonable extent, in light of SODIC's needs to investigate the complaint.

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POLICY COMPLIANCE INDIVIDUAL (PCI)

The PCI designated by the Audit Committee for the purposes of handling the administrative aspects of various whistleblowing procedures is the Operational Support Director.

HOTLINE SYSTEM

SODIC has a hotline system dubbed "The Hotline", as the principal means for receiving complaints. Board members and senior management remain receptive to complaints and concerns raised directly to them by employees through the hotline. Any board member or officer who directly receives a complaint notifies the PCI to ensure strict compliance with these procedures and ensure the complaint is be documented and addressed as necessary.

"The Hotline" is under the overall supervision of the PCI. It will have a dedicated link and email address that will be featured on SODIC's official website and intranet. Information about the hotline system will be included in SODIC's Code of Conduct and contact details, such as its email address and website and intranet links, and Code of Conduct will be posted on SODIC's website and intranet. Employees and third-party personnel will accordingly be able to directly send their complaints and concerns via the designated email address.

Any changes made to the contact details will be promptly posted to the website and intranet. Access to any data related or sent to the hotline will be strictly limited to the PCI and his/her delegates. Authorized

personnel will check it on a daily basis to see if any complaints have been received and act accordingly.

All existing employees and new hires are notified of the existence of the hotline, its contact/reporting details, and its purpose.

COMPLAINT LOG

SODIC has an established log of all complaints received through the Hotline or otherwise, and the internal log holds all the complaints reported anonymously. Cases are monitored through the company's "Speak Up" platform.

Only one incident of corruption was detected in 2021 with one of our suppliers, who was consequently black-listed (GRI 2-26 / 205-1 / 205-3). No damages were issued against the company in 2021 (GRI 205-1).

We received a total of 28 whistleblowing complaints during 2021 via various channels, including the WB system, emails, etc. No critical concerns or discrimination incidents were reported in these 28 complaints.

Received complaints are mostly about client requests, inquiries, daily routine transactions, etc., and each of these cases is directly transferred to the appropriate responsible parties and later followed up with to ensure that they are properly resolved and to give the sender relevant feedback.

The PCI supervises the maintenance of the complaint log to ensure all required information is provided for further processing. It strives to make an initial follow-up call with the complainant, if identified, within 30 business days after the receipt of the complaint.

ADVICE ON ETHICS AND CRITICAL CONCERNS (GRI 2-26)

2021

Total number of received requests for advice	1
Major topics of concerns	Gifts and Grievance
% of incidents considered as "incidents related to conduct and ethics"	22%
% of resolved incidents	100%

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INVESTIGATIONS

The PCI and the Internal Audit and Operational Support Executive Director make initial decisions as to whether an investigation of the complaint is appropriate, based on preliminary inquiries with whistleblowers, including communication with complainant, if identified, through emails or follow-up calls; communications with concerned management parties; and further discussions with the MD.

The PCI and the Internal Audit and Operations Support Executive Director are authorized to consult with or involve relevant departmental personnel within the Group in determining whether to conduct an investigation, or in the investigation itself, if they believe said personnel would have jurisdiction, knowledge, or expertise related to the subject matter of the complaint, or otherwise as deemed appropriate.

The MD has the authority to involve external advisors or other resources to assist in any investigation. If an investigation is potentially linked to the MD or could potentially be compromised by the MD's participation, the Compliance Individual and the Internal Audit and Operational Support Executive Director may directly consult the Chairman of the Audit Committee. In conducting an investigation, the company will comply with all applicable laws and internal policies, including necessary documents/related information retention.

REPORTING AND CORRECTIVE ACTION

Periodic reports are submitted to the MD and Audit Committee regarding the status of received complaints, and pending and completed investigations, along with related results and information on corrective actions.

If an investigation is potentially linked to the MD or could potentially be compromised by his participation, reports are directly submitted to the Audit Committee Chairman.

PCI coordinate the implementation of any corrective or disciplinary actions, which may include making changes to SODIC's controls or policies, self-reporting to regulatory authorities, or implementing a disciplinary action related to an employee.

AUDIT COMMITTEE OVERSIGHT

The Audit Committee has full access to the complaints log, complaints reports, and relevant materials at all times. On a quarterly basis, the Internal Audit and Operational Support Executive Director will report to the Audit Committee with respect to the overall status of complaints, including newly received, pending, and resolved complaints. The status report will also be submitted to MD.

REVIEW AND APPROVAL OF PROCEDURES

All the aforementioned procedures are periodically reviewed by the Audit Committee to assess their effectiveness and to ensure that they comply with all applicable laws, regulations, and listing standards. These procedures, together with any related amendments, must be approved by the Audit Committee.

TRAINING ON GRIEVANCE AND ANTI-CORRUPTION

Dedicated trainings are not yet in place. However, SODIC is formulating a plan to initiate training in the near future. (GRI 205-2)

CONFFLICT OF INTEREST (GRI 2-17)

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GUIDELINES

The policy applies to employees, whether full-time, part-time, fixed-term, or on contract; board or committee members; as well as suppliers or consultants whose contracts specify that they are bound by this policy.

CONSIDERATION OF CONFLICTS OF INTEREST

As a general rule, a conflict of interest will in any event only be authorized or ratified if the management of the relationship will at all times be objective, free of any influence from the affected employee or director, and capable of withstanding objective external scrutiny. Accordingly, if a conflict of interest is approved or ratified, guidelines will be established and must be followed by all concerned parties. Afterward, the conflict of interest shall be periodically reviewed and assessed to ensure that it is being managed in compliance with the established guidelines.

Any conflicts of interest (once determined as such), together with all material facts, shall be considered by the person to whom it is to be reported or the Chief Executive, only if the conflict of interest affects an employee that directly reports to the Chief Executive.

Conflicts of interest affecting the CEO shall be considered by the board.

Our Conflict of Interest Policy aims to govern and avoid any action, position, or incident that may conflict with any of SODIC's interests or may be perceived as a conflict.

A conflict of interest occurs when an employee's personal considerations compete with the purpose, policies, or operations of SODIC. The potential for conflicts of interest extends outside the offices, and this policy applies equally to business and personal activities.

This policy deals with situations in which our employees may have an actual, perceived, or potential conflict of interest between their role and their personal interests when they deal with or work with brokers, agents, customers, vendors, and others who do business with the company. Personal interests may be pecuniary or non-pecuniary.

All conflicts of interest must either be approved or disapproved in writing. Any pre-existing conflicts of interest, if not previously reviewed, must be either approved or dismissed.

Persons to whom this policy applies must disclose any actual, perceived, or potential conflict of interest, seek independent advice about how a conflict shall be managed, and report any actual, perceived, or potential conflict of interest that they observe or are made aware of.

Conflicts of interest include, with respect to the director involved, any activity, agreement, business involvement, interest, role, or other situation that could be construed as divergent to or in competition with SODIC's business or as an interference with said director's primary duty to serve the company at all times to the best of their ability.

The policy stipulates that once appointed, every director shall disclose the nature and dedicated times, their positions in public companies, their other significant obligations, and any variation therein once it takes place as well as every position held, paid and unpaid, in all other organizations, whether in competition with SODIC or not.

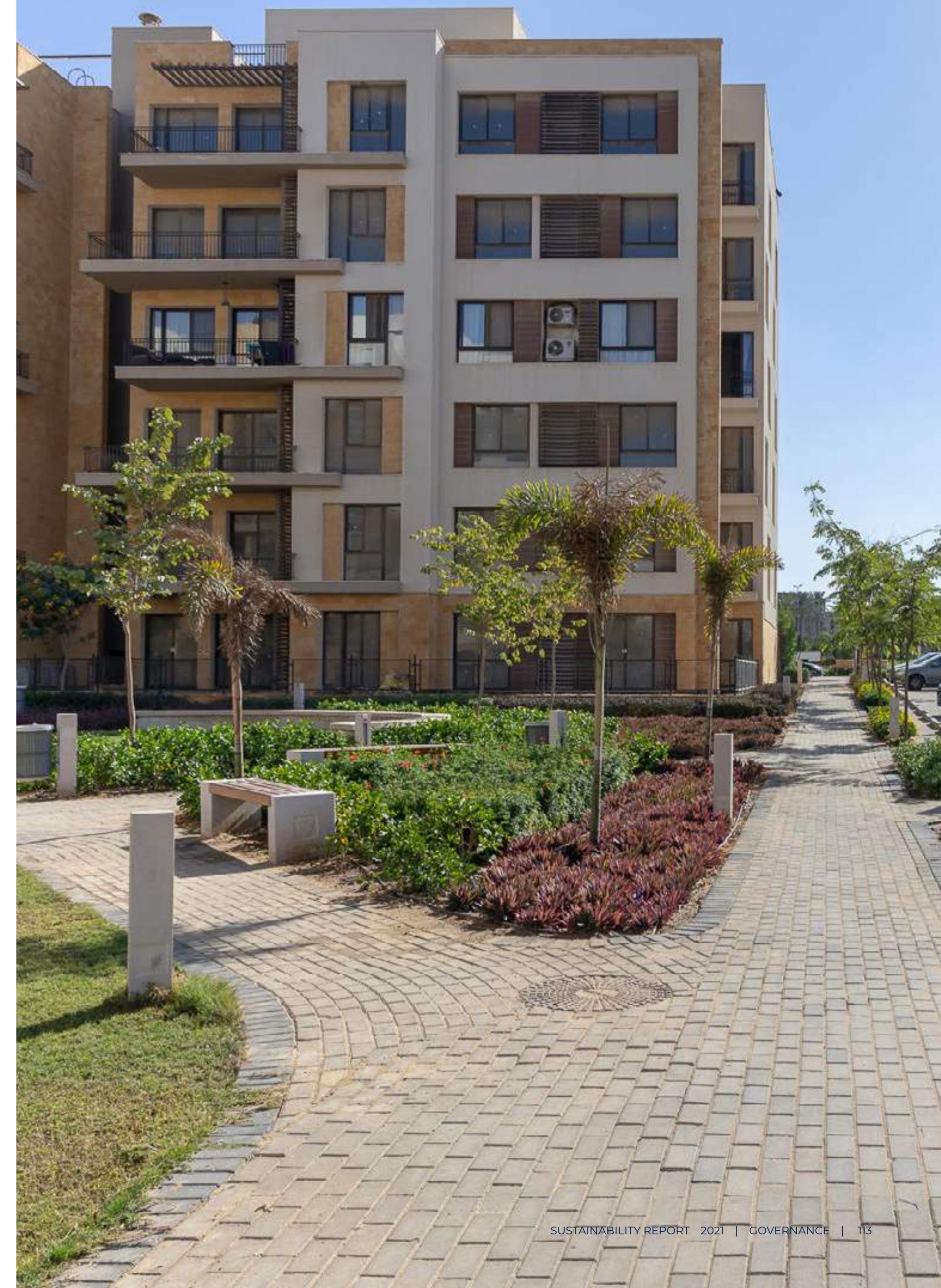
Any changes to the positions they hold shall also be disclosed once they occur. The Audit, Risk, and Compliance Committee is responsible for following up on the results and implementation of necessary remedial actions regarding any investigations of any conflicts of interest.

REPORTING CONFLICTS OF INTEREST

Conflicts of interest should be reported to the MD, Chief Financial Officer, Head of Department, or the HR Department (as appropriate, depending on the nature of the conflict and the concerned or affected parties).

RELATED POLICIES

- ▶ Code of Conduct
- ▶ Related Parties' Transactions Policy
- ▶ Insider Trading Policy



LEADERSHIP AND THE HIGHEST GOVERNANCE STRUCTURE

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SODIC GOVERNING BODIES, NOMINATION, AND EVALUATION (GRI 2-10) (GRI 2-18)

Board of Directors	SODIC's Board of Directors, appointed by its shareholders, is the principal leadership and overseeing body that governs the company as a whole and delivers shareholders' value in line with its strategic and business objectives.
Board Committees	Board Committees are established in line with applicable regulatory requirements and leading practices to assist the Board of Directors in overseeing specific business activities, risk management, audit, compliance, and human resource matters of the Group. The Board Committees include: Nomination and Remuneration Committee Audit, Risk, and Compliance Committee Executive Committee
Executive Management Committee	The Executive Management Committee is established to routinely take key business and operational decisions in line with the strategic and business objectives set by the Board of Directors. The Executive Management Committee is chaired by the MD of the relevant entity, and generally includes the heads of core and support functions.
Management Committees	Management Committees are established by the MD of the relevant entity to support and facilitate operations in specific core and support function areas, such as Investments, Procurement, etc.
Management Forums	Management Forums are established by the MD or Management Committee(s) of each relevant entity to support the MD or Management Committee(s) in managing specific tasks, such as the coordination of special tasks, facilitating information flow and ensuring consistency across the organization, working on new initiatives, etc. Generally, such forums do not have decision-making powers and, therefore, their authority is limited to providing recommendations in line with their mandate to the MD or Management Committee(s).

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GOVERNANCE OPERATING STRUCTURE (GRI 2-9)

Nomination and Remuneration Committee (NRC)

Audit, Risk, and Compliance Committee (ARCC)

Executive Committee (EXCO)

SODIC Board of Directors

Managing Director (MD)

Executive Management Committee

Investment Committee

Tender Committee

MANAGEMENT FORUMS

People

Strategy

Digital, Data, & Innovation

Customer

Sustainability

Risk

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NO. BOARD MEMBER

POSITION

APPOINTMENT DATE (Since first joining the board)

1	Mr. Osama Abdulmonem Mahmoud Saleh	Chairman	9/3/2020
2	Eng. Magued Ahmed Sami Mohamed Sherif Representing Sixth of October for Development and Real Estate Projects (SOREAL)	Managing Director	11/10/2015
3	Dr. Walid Sulaiman Abd El-Mohsen Abanumay	Board Member	15/5/2012
4	Mr. Jonathan Michael Franklin Representing Olayan Saudi Investment	Board Member	30/5/2021
5	Mrs. Elizabeth Critchley Representing RA Six Holdings Limited	Board Member	14/2/2019
6	Mr. Timothy Clark Collins Representing RA Six Holdings Limited	Board Member	14/2/2019
7	Mr. Hisham Hussein El-Khazindar	Board Member	7/4/2015
8	Mr. Omar Mahmoud Raafat El Hamawy Representing SODIC	Board Member	1/6/2013
9	SOREAL for Real Estate Investment	Board Member	29/3/2018
10	Tabrouk Development	Board Member	29/3/2018

BOARD DIVERSITY

As per the corporate governance principles and laws with regards to ensuring gender diversity, the board includes two women, representing 20% of the members.

BOARD MEETINGS

According to SODIC's Article of Association (AOA), the Board of Directors convenes four times a year.

In 2021, the board convened 12 times.

Following the acquisition of 85.5% of SODIC's shares by an investor consortium led by Aldar Properties, the new shareholders elected the new Board of Directors that comprises 10 members during the OGM held on 16 January 2022.

The newly elected board comprises non-executive members and entities representing the shareholders, independent members, and executive members, as follows:

NO.	BOARD MEMBER	POSITION	APPOINTMENT DATE (Since first joining the board)
1	Mr. Talal Shaffique Abdulla Al Dhiyebi Representing Aldar Ventures International Holdings RSC Limited	Chairman	16/01/2022
2	Mr. Osama Abdulmonem Mahmoud Saleh	Vice Chairman	16/01/2022
3	Eng. Magued Ahmed Sami Mohamed Sherif	Managing Director	16/01/2022
4	Mr. Jonathan Michael Emery Representing Aldar Ventures International Holdings RSC Limited	Board Member	16/01/2022
5	Mr. David Manson Dudley Representing Aldar Ventures International Holdings RSC Limited	Board Member	16/01/2022
6	Mrs. Sana Khater Representing Aldar Ventures International Holdings RSC Limited	Board Member	16/01/2022
7	Mr. Fahad Abdulla Mohamed Abdulla Al Mahmoud Representing Aldar Ventures International Holdings RSC Limited	Board Member	16/01/2022
8	Mr. Omar Mohamed Hassan Mehanna Representing Gamma Forge Limited	Board Member	16/01/2022
9	Mr. Amer Saleh Al Ameri Representing Gamma Forge Limited	Board Member	16/01/2022
10	Mrs. Dalia Hazem Gamil Khorshid	Board Member	16/01/2022

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BOARD MEMBERSHIP CRITERIA (GRI 2-9)

In addition to individual expertise in specific fields, all board members shall:

- ▶ Have an appropriate range of skills, experience, and expertise in the sector and other functions that supports the operations of the company
- ▶ Have proper understanding of and competence to deal with current and emerging issues related to the company's business and operations
- ▶ Effectively review and challenge the performance of management and exercise independent judgment
- ▶ Exercise and perform their powers and tasks while adhering to loyal behavior, taking into consideration the company's and shareholders' interest
- ▶ Take due care, diligence, and skill as deemed appropriate and fitting to the circumstances
- ▶ Comply with the applicable laws, regulations, and decisions as well as SODIC's AOA

All information related to the expertise of the board can be found in [SODIC's Annual Report](#).

BOARD CHAIR (GRI 2-11)

According to Decree no. 47 for 2020 issued by the FRA's Board, SODIC's Chairman is not an executive officer (CEO or MD).

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BOARD COMMITTEES

(GRI 2-9)

A board committee refers to a committee that is mandated by law or by a Board of Directors' decision, reports to the board, and is part of the company's annual report.

The board's central committees are the Nomination and Remuneration Committee; Audit, Risk, and Compliance Committee; and Executive Committee. These committees are established in accordance with Law no. 159 of 1981 and its executive regulations and Capital Market Law No. 95 of 1992.



COMMITTEE FORMATION

The following table provides the formation of the board committees, as follows:

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NO.	NAME	EXECUTIVE COMMITTEE	ESOP, COMPENSATION / NOMINATION & REMUNERATION COMMITTEE	AUDIT COMMITTEE	MEMBER'S CAPACITY	POSITION ON COMMITTEE	JOINING DATE
1	Osama Abdulmonem Mahmoud Saleh		✓	✓	Independent	Head of Audit Committee/ ESOP Committee Member	16/1/2022
2	Jonathan Michael Emery	✓			Non-Executive	Head of Executive Committee/ Committee Member	16/1/2022
3	David Manson Dudley	✓			Non-Executive	Committee Member	16/1/2022
4	Sana Khater	✓		✓	Non-Executive	Committee Member	16/1/2022
5	Fahad Abdulla Mohamed Abdulla Al Mahmood	✓	✓		Non-Executive	Committee Member	16/1/2022
6	Omar Mohamed Hassan Mehanna	✓			Non-Executive	Committee Member	16/1/2022
7	Dalia Khorshid		✓	✓	Independent	Head of Committee Audit/Committee Member	16/1/2022
8	Magued Samy Sherif	✓			Managing Director	Committee Member	16/1/2022

ACCESS TO INFORMATION

All committees shall have access to accurate, relevant, and timely information. Committee members shall have full and free access to SODIC Management and other employees of the company.

ACCESS TO INDEPENDENT ADVISORS

All committees shall have the right to request the opinion of an independent advisor in relation to any of SODIC's affairs. The experts or advisors deemed appropriate by the committees may be hired without consulting or obtaining the approval of any member of the SODIC Management team or concerned SODIC employee.

STRUCTURE

For each committee, members are appointed by the board for an initial period of three years. Following the expiration of the initial three-year period, the committee member may be reappointed by the board. Any committee member may be removed or replaced at any time by the board. In case there is a vacancy, the board must strive to fill the vacancy within two months. In any case, the vacancy must be filled by a maximum of three months.

NOMINATION AND REMUNERATION COMMITTEE (NRC) (GRI 2-19 / 2-20)

MANDATE

The committee mandate is to assist the board with:

- Overseeing the nomination and selection process of SODIC's directors
- Formulating the succession plans of the members of the SODIC Management Committee
- Setting a remuneration framework

SIZE AND COMPOSITION

- The committee consists of at least three members
- The Committee Chairperson may not be a committee member
- The committee may require any member of SODIC's management, or a third-party representative, to attend meetings on a temporary or permanent basis to assist the Committee with its duties

RESPONSIBILITIES

In addition to the committee's statutory responsibilities under applicable regulatory requirements, it shall have the following responsibilities, noting that they will be

superseded by the approved DOA, where relevant, and supported by the corresponding business processes.

NO.	AREA/FUNCTION	RESPONSIBILITIES
1	Center of Excellence	<ul style="list-style-type: none">Endorse changes to high-level organizational structure
2	People and Culture	<ul style="list-style-type: none">Endorsing the hiring and termination of SODIC's Managing Director and leadership, as per the DOAApproving and periodically reviewing SODIC's overall remuneration framework and HR policiesApproving changes to the approved annual performance bonus structure and distributionApproving annual salary incrementsApproving succession plans for the members of SODIC's Senior Management and key personnel

MEETINGS

- The committee shall meet at least twice a year or more frequently as needed
- Committee meetings may be convened by the Committee Chairperson or the Secretary upon the request of two committee members

- Most committee members must attend any scheduled committee meeting
- The Committee Chairperson may invite other persons, such as the Managing Director or any member of the SODIC Management Committee, to the meetings

ESOP, COMPENSATION, AND REMUNERATION COMMITTEE MEMBERS IN 2021

NO.	NAME	POSITION IN THE COMMITTEE
1	Mr. Osama Abdulmonem Mahmoud Saleh	Head of Committee
2	Dr. Walid Sulaiman Abd El-Mohsen Abanumay	Committee Member
3	Mr. Timothy Clark Collins	Committee Member
4	Mr. Hisham Hussein El-Khazindar	Committee Member
5	Mr. Sabah Barakat	Committee Member

ESOP, COMPENSATION, AND REMUNERATION COMMITTEE MEMBERS IN 2022

NO.	NAME	POSITION IN THE COMMITTEE
1	Dalia Khorshid	Head of Committee
2	Osama Abdulmonem Mahmoud Saleh	Committee Member
3	Fahad Mohamed Abdullah Al Mahmoud (representing Aldar Ventures International Holdings SRC Limited)	Committee Member

*The committee has the right to invite others as it sees fit to attend the meeting

DIRECTOR'S REMUNERATION

Remuneration for non-executive and independent members of the Board of Directors shall be approved by SODIC's General Assembly in accordance with the company's DOA, relevant national laws and regulations, and the Egyptian Corporate Governance Code.

8.0 GOVERNANCE

AUDIT, RISK, AND COMPLIANCE COMMITTEE

MANDATE

The committee mandate is to assist the board with:

- ▶ Ensuring integrity is fully exercised in the financial reporting and disclosure processes
- ▶ The operations and activities of external auditors and Internal Audit Department
- ▶ Internal control, risk management, and compliance frameworks and practices
- ▶ Auditing with applicable regulatory requirements, the Code of Business Conduct, and the company's internal policies and procedures
- ▶ Reviewing reports received from applicable regulatory bodies, such as the FRA, to oversee issues noted and actions undertaken by SODIC and report to the board as deemed appropriate

SIZE AND COMPOSITION

- ▶ The committee shall consist of at least three members, two of which must be independent directors, the Committee Chairperson must be an independent director
- ▶ The Chairperson of the Board may not be a committee member
- ▶ The composition of the committee may include members appointed from outside the company. Non-board members in the committee shall not represent more than one-third of the committee members
- ▶ Any previous partner of SODIC's current external auditor may not be a committee member for a

whole year starting from the expiration of their capacity as a partner or any of their financial interests in the independent audit firm, whichever comes later

- ▶ All members must be financially literate, and at least one member must have previous work experience in accounting or finance and hold a qualification or professional certificate in accounting, finance, or other related field
- ▶ The committee may require any member of SODIC's Management, or a third-party representative, to attend meetings on a temporary or permanent basis to assist the committee with its duties

RESPONSIBILITIES

The committee performs the role assigned to it under EGX's Listing Rules and the related governance instructions, decisions, and rules, to examine the management's implementation of the Board policies and ensure the business is run properly through:

- ▶ Examining and reviewing internal control procedures and ensuring they were properly implemented
- ▶ Ensuring the organization establishes an effective risk management process

- ▶ Following up on the results and implementation of necessary remedial actions regarding any conducted fraud or conflict of interest investigations
- ▶ Examining and reviewing the managerial periodical reports submitted to the different managerial levels, the methods of preparing these reports, and the time at which they were presented
- ▶ Monitoring the procedures applied in the preparation and reviews of the interim and annual financial statements and the prospectuses of subscriptions, public offerings, and private placements
- ▶ Examining the draft financial statements and their notes before they are presented to the board in preparation for sending them to the auditor
- ▶ Discussing and examining all matters of material importance with the management
- ▶ Examining the efficiency of the system set for monitoring compliance with the relevant laws and regulations and examining and monitoring the results of the investigations conducted by the management (including disciplinary actions) to assess any non-compliance incidents
- ▶ Examining the results of any inspections conducted by regulatory authorities and any remarks

MEETINGS

- ▶ The majority of the committee members must attend any scheduled committee meeting. No business may be transacted at a meeting unless a quorum is reached. If a member cannot attend in person, they may participate via telephone or videoconference. Decisions shall be taken according to the votes of the majority members. In the case the voting ends in a tie, the Chairperson shall have the casting vote.
- ▶ Each meeting will be chaired by the chairperson, and in case the chairperson is unable to perform this duty, the committee may appoint another member as a temporary substitute.
- ▶ The Chairperson may invite other persons, such as the external auditor, the MD, or any member of SODIC Executive Management, to the meetings.
- ▶ Additionally, the Chairperson may at any time exclude a person who is not a committee member from any meeting.
- ▶ The Audit Committee was first established in 2003, and its members are appointed by the board every three years. The committee comprises three members as listed below, including two independent members.
- ▶ The committee shall meet at least once every three months, or more frequently as needed, at SODIC's head office or at any other venue deemed appropriate by the committee.
- ▶ The Audit Committee convened four times in 2021 in accordance with the periodic convening stipulated by laws.

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AUDIT, RISK AND COMPLIANCE COMMITTEE MEMBERS IN 2022

No.	Name	Position in the Committee	Position in the Company
1	Mr. Osama Abdulmonem Mahmoud Saleh	Head of Committee	Independent Chairman
2	Mr. Hisham Hussein El-Khazindar	Committee member	Independent Board Member
3	Mr. Hossam Mohamed Hilal	Committee member	Non-Executive Board Member

PENALTIES AND SANCTION FOR NON-COMPLIANCE WITH LAWS OR REGULATIONS

NO.	Judgments, Penalties, and Fines During the Year	Penalty in EGP
1	Imposing a financial obligation by EGX for violating the provisions of Article 31 of the listing rules and Article 45 of the executive regulations of the listing rules.	5,000
2	Delaying in submitting H1 2021 Separate Financial Statements to FRA for 9 days from due date.	9,000

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EXECUTIVE COMMITTEE EXECUTIVE COMMITTEE 2021 AND 2022

No.	Name	Position in the Committee	Position in the Company
1	Mr.Jonathan Michael Emery (Representing Aldar Ventures International Holdings RSC Limited)	Head of Committee	Non-Executive Board Member
2	Mr.Omar Mohamed Mehanna (Representing Gamma Forge Limited)	Committee member	Non-Executive Board Member
3	Mr.Fahad Mohamed Abdullah Al Mahmoud (Representing Aldar Ventures International Holdings RSC Limited)	Committee member	Non-Executive Board Member
4	Mr.David Manson Dudley (Representing Aldar Ventures International Holdings RSC Limited)	Head of Committee	Non-Executive Board Member
5	Mrs.Sana Khater (Representing Aldar Ventures International Holdings RSC Limited)	Committee member	Non-Executive Board Member
6	Eng.Magued Ahmed Samy Mohamed Sherif	Committee member	Managing Director

MANDATE

The committee mandate is to assist the board with:

- Taking strategic and investment business decisions
- Overseeing financials, investment, and capital allocation activities and partnership opportunities
- Overseeing the financial business performance and critical operational activities of the entire Group
- Overseeing compliance and legal matters

SIZE AND COMPOSITION

The Executive Committee consists of six members, including:

- Five Non-Executive Board Members
- One Executive Board Member (the Managing Director)

RESPONSIBILITIES

In addition to the committee's statutory responsibilities under applicable regulatory requirements, it shall have the following responsibilities, which can be superseded by the approved DOA, where relevant, and supported by the corresponding business processes:

- Capital structure and allocation
- Investments
- Strategy
- Financial and business performance
- Compliance and legal matters
- Financial reporting
- People and capabilities
- Governance

MEETINGS

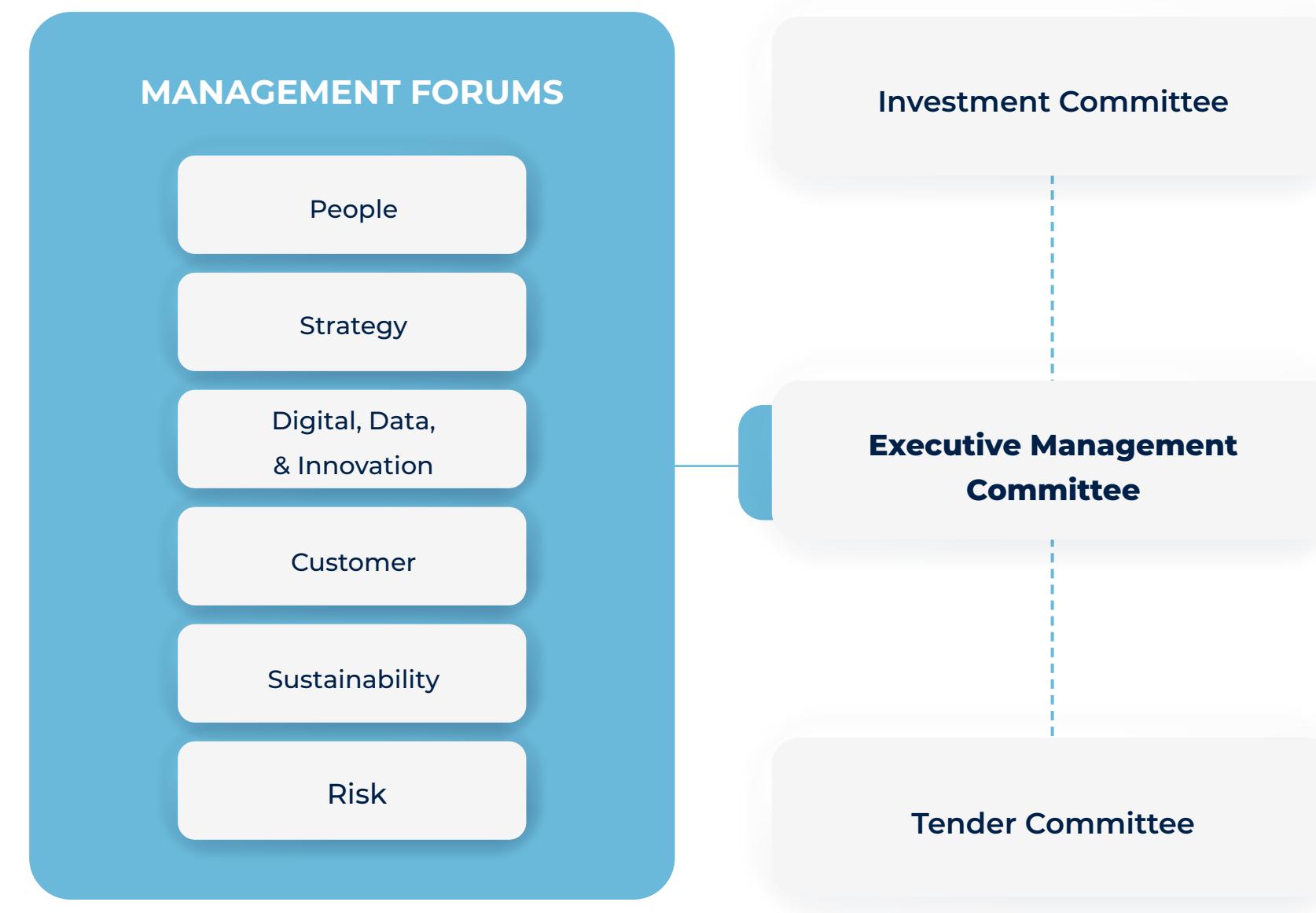
Starting 2022, the Committee shall meet at least once every month.

DELEGATION OF AUTHORITIES (GRI 2-13)

- 1.0 OUR BUSINESS - 25 YEARS OF VALUE CREATION
- 2.0 SUSTAINABILITY AT SODIC
- 3.0 STAKEHOLDERS' DIALOGUE AND MATERIALITY
- 4.0 RESPONSIBLE DEVELOPMENT AND OPERATION
- 5.0 THE DEVELOPER OF CHOICE - OUR CUSTOMER JOURNEY
- 6.0 PARTNERS OF SUCCESS
- 7.0 COMMUNITY PARTNERSHIP

8.0 GOVERNANCE

- 8.1 BUSINESS ETHICS AND CODE OF CONDUCT
- 8.2 LEADERSHIP AND THE HIGHEST GOVERNANCE STRUCTURE
- 8.3 BOARD COMMITTEES
- 8.4 DELEGATION OF AUTHORITIES**
- 8.5 INTERNAL AND EXTERNAL CONTROLS



EXECUTIVE MANAGEMENT

The Board delegated some of its authority in managerial matters to the Executive Management as outlined in the Management Committee Charter, in addition to management's respective individual authorities as defined in the delegation of authority. There are clear differences in responsibilities between the Chairman and the Managing Director (MD), the delegated authorities to the various Committees of the Board, and responsibilities delegated to the Executive Management.

ferences in responsibilities between the Chairman and the Managing Director (MD), the delegated authorities to the various Committees of the Board, and responsibilities delegated to the Executive Management.

MANAGEMENT COMMITTEES

To oversee the day-to-day financial and operational performance of SODIC and assist the MD in their responsibilities, the following management committees have been established:

- ▶ Management Committee
- ▶ Investment Committee
- ▶ Tender Committee

MANAGEMENT COMMITTEE (MC)

The Management Committee is composed of SODIC's Executive Management and is chaired by the MD. As detailed in its Charter, the Management Committee has delegated authority from the board to:

- ▶ Approve and provide recommendations to the board and its committee(s), as applicable, relating to strategic objectives and initiatives, policies, and procedures, corporate and functional KPIs, etc.
- ▶ Oversee and manage the key and strategic business operation of the Group
- ▶ Review, monitor, and approve capital allocation to SODIC's business segments
- ▶ Set effective and consistent risk management standards
- ▶ Review business plans related to the assets in acquisitions/disposals and other value-based

INVESTMENT COMMITTEE (IC)

The Investment Committee has delegated authority from the board to:

- ▶ Establish the Group's Investment Policy and Guidelines
- ▶ Approve and monitor strategic investment decisions in line with the strategic and business objectives set by the board within the limits of the delegated authority
- ▶ Review proposals related to the deployment of SODIC's capital or use of the asset in acquisitions/disposals and other value-based initiatives of the Group

TENDER COMMITTEE (TC)

The Tender Committee oversees SODIC's procurement activities to ensure that work, services, and purchases are acquired at the most favorable terms in a fair and transparent manner that is consistent with the delivery and quality required by the company. The mandate of the Committee is to assist the Group MD with:

- ▶ Establishing and/or approving additional Tender Committee(s) to ensure timely and efficient decision-making and rigorous procurement governance
- ▶ Reviewing and recommending procurement-related policies and ensuring consistent implementation of the policies
- ▶ Reviewing and approving all pre-, award, and post-tender activities that fall within the Tender Committee thresholds in the approved DOA
- ▶ Overseeing the Group's procurement-related activities

STRATEGIC MANAGEMENT FORUMS

Strategic management forums will be established and will comprise members from across the Group, company, and subsidiaries, and they may include external invitees. The main responsibilities of those strategic management forums will be:

- ▶ Overseeing and monitoring the Group's vision and strategy
- ▶ Keeping the organization focused and structured around its key strategic pillars
- ▶ Making the necessary changes to the Management Forums to reflect all the changes applied to the company's strategy in connection with the relevant topic

1.0 OUR BUSINESS - 25 YEARS OF VALUE CREATION

2.0 SUSTAINABILITY AT SODIC

3.0 STAKEHOLDERS' DIALOGUE AND MATERIALITY

4.0 RESPONSIBLE DEVELOPMENT AND OPERATION

5.0 THE DEVELOPER OF CHOICE - OUR CUSTOMER JOURNEY

6.0 PARTNERS OF SUCCESS

7.0 COMMUNITY PARTNERSHIP

8.0 GOVERNANCE

8.1 BUSINESS ETHICS AND CODE OF CONDUCT

8.2 LEADERSHIP AND THE HIGHEST GOVERNANCE STRUCTURE

8.3 BOARD COMMITTEES

8.4 DELEGATION OF AUTHORITIES

8.5 INTERNAL AND EXTERNAL CONTROLS

OPERATION MANAGEMENT FORUMS

Operation management forums will be established to discuss different topics, and they will comprise only members from one function (legal, finance, procurement, etc.) from across the Group, company, and subsidiaries. The main responsibilities of those Operation forums will be:

- ▶ Reviewing operational progress reporting
- ▶ Escalating risk and issue management
- ▶ Identifying new initiatives and overseeing ongoing ones



▶ GRI INDEX ▶ SASB ▶ EXTERNAL ASSURANCE

SECTION

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INTERNAL AND EXTERNAL CONTROLS (GRI 2-12)

- 1.0 OUR BUSINESS - 25 YEARS OF VALUE CREATION
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- 8.4 DELEGATION OF AUTHORITIES
- 8.5 INTERNAL AND EXTERNAL CONTROLS

INTERNAL CONTROL

The board is responsible for establishing SODIC's internal control system, which aims to assess the:

- ▶ An organizational structure with clearly defined levels of authority and divisions of responsibilities
- ▶ Company's risk management means and measures
- ▶ Application of and compliance with governance rules
- ▶ Compliance with applicable laws and regulations and all internal policies and procedures
- ▶ Controls over the financial information used for drafting financial statements
- ▶ Robust policy and procedures that can help achieve business objectives

SODIC's Management Committee is responsible for developing effective internal controls. Said controls cover all aspects of SODIC's operations, and they include:

- ▶ A comprehensive system of reporting, budgeting, and planning that is approved by the board and against which performance is monitored

SODIC's internal controls are designed to provide reasonable, but not absolute, assurance against material loss through providing tools that help manage potential risks of failure. Furthermore, internal controls over financial reporting are annually assessed to ensure their continual adequacy and operating effectiveness.

INTERNAL AUDIT & COMPLIANCE

The Audit, Risk, and Compliance Committee assists the board in ensuring that an annual review is conducted on the effectiveness of SODIC's internal controls. The annual review is carried out by the Internal Audit and Compliance functions, and the audit of the financial statements is conducted by the external auditors.

The Internal Audit and Compliance functions are independent functions that report to the Audit, Risk, and Compliance Committee. The Internal Audit's mandate is defined within its charter, while the Compliance function's mandate is defined within the Audit, Risk, and Compliance Committee charter.

The key strategic objectives of the Internal Audit and Compliance functions include:

- ▶ Assisting in the implementation of a strong corporate governance framework by performing appropriate reviews and monitoring its effective implementation
- ▶ Conducting audits of key business processes and functions identified in the annual risk assessment exercise to improve the effectiveness of risk management, controls, and governance to support the achievement of SODIC's objectives
- ▶ Providing insights into enhancing business processes by assisting in key process streamlining that are identified while conducting audits

EXTERNAL AUDIT

The external auditor is appointed annually in accordance with the DOA and approved during the Annual General Assembly. The primary service provided by the external auditor is conducting quarterly audits and an annual audit of SODIC's accounts in accordance with the International Standards on Auditing.

The Audit, Risk, and Compliance Committee meets with the external auditors to review and discuss the scope, quality, effectiveness, and conclusions of their work and ensure that there is coordination with the inter-

- ▶ Promoting a culture of compliance and facilitating adherence to policies, procedures, and regulations by performing related compliance audits, including investigating reported anomalies received through the whistleblower system and instilling strong risk and control awareness among employees

The functions' primary responsibilities include reviewing the effectiveness of SODIC's internal control systems through a schedule of audits (Annual Plan) of the company's processes. The Annual Plan is developed through the prioritization of processes based on an annual risk management exercise, and it is approved by the Audit, Risk, and Compliance Committee.

nal auditors. The committee also considers delegating non-audit services to the external auditors to ensure they are objective and unbiased to or against SODIC.

The external auditors present the results of the annual audit of the accounts to the board. They also attend the General Assembly meeting to answer any questions that other attendees may have for them.

ENTERPRISE RISK MANAGEMENT

The Enterprise Risk Management Committee assists the board in ensuring the effectiveness of the risk management systems and processes established by SODIC to identify, assess, manage, and monitor financial and non-financial risks.

The key strategic objectives of the function include:

- ▶ Proposing company-wide risk appetite and tolerance limits
- ▶ Facilitating the identification, assessment, mitigation, and reporting of key risks, including emerging risks, across the company that could prevent the achievement of approved strategic objectives
- ▶ Developing a risk governance framework and disseminating risk management processes and culture across the company
- ▶ Developing and maintaining a company-wide business continuity framework

GRI INDEX

“STATEMENT OF USE”

The Sixth of October for Development and Investment Company “SODIC” has reported in accordance with the GRI Standards for the period 1 January to 31 December 2021.

GRI 1 USED

GRI 1: Foundation 2021

APPLICABLE GRI SECTOR STANDARD(S)

N/A

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGE NUMBER
GENERAL DISCLOSURES			
1.0 OUR BUSINESS - 25 YEARS OF VALUE CREATION 2.0 SUSTAINABILITY AT SODIC 3.0 STAKEHOLDERS' DIALOGUE AND MATERIALITY 4.0 RESPONSIBLE DEVELOPMENT AND OPERATION 5.0 THE DEVELOPER OF CHOICE - OUR CUSTOMER JOURNEY 6.0 PARTNERS OF SUCCESS 7.0 COMMUNITY PARTNERSHIP 8.0 GOVERNANCE	2-1 Organizational details	Report Parameter, The Company, Sustainable Economic Value Creation	2, 22
	2-2 Entities included in the organization's sustainability reporting	SODIC and its Facility Management Subsidiaries EDARA	-
	2-3 Reporting period, frequency, and contact point	Scope of the Report Period and Cycle Covered	2
	2-4 Restatements of information	NONE	-
	2-5 External assurance	External assurance	128
	2-6 Activities, value chain, and other business relationships	Vendors Economics	57
	2-7 Employees	Partners of Success, Diversity and Inclusion	84, 90
	2-8 Workers who are not employees	Partners of Success	84
	2-9 Governance structure and composition	Board Structure, Board Committees	114, 116, 117
	2-10 Nomination and selection of the highest governance body	SODIC Governing Bodies, Nomination & Evaluation	114
	2-11 Chair of the highest governance body	Board Chair	116
	2-12 Role of the highest governance body in overseeing the management of impacts	Internal and External Controls	124
	2-13 Delegation of responsibility for managing impacts	Delegation of Authorities	122
	2-14 Role of the highest governance body in sustainability reporting	Sustainability at SODIC	27
	2-15 Conflicts of interest	Conflict of Interest	113
	2-16 Communication of critical concerns	Whistleblowing Policy, Grievance and Critical Concerns	111
	2-17 Collective knowledge of the highest governance body	Conflict of Interest	113
	2-18 Evaluation of the performance of the highest governance body	SODIC Governing Bodies, Nomination & Evaluation	114
	2-19 Remuneration policies	The Board Nomination and Remuneration Committee	119
	2-20 Process to determine remuneration	Director's Remuneration	119
	2-21 Annual total compensation ratio	Economic: Fair and competitive wages	93
	2-22 Statement on sustainable development strategy	Managing Director's Message, EESG Strategy	4, 30
	2-23 Policy commitments	Business Ethics and Code of Conduct	110
	2-24 Embedding policy commitments	Responsible Development & Operation, Creating Shared Value	39, 86
	2-25 Processes to remediate negative impacts	Hazard identification, risk assessment, and incident investigation, Response	63
	2-26 Mechanisms for seeking advice and raising concerns	Whistleblowing Policy, Grievance and Critical Concerns	111
	2-27 Compliance with laws and regulations	Vendors' Social and Environmental Obligations, Human Rights Governance, Review and Approval of Procedures, Board Audit, Risk and Compliance Committee, Internal and External Controls	60, 110, 112, 117, 124
	2-28 Membership associations	Sodic Annual Report 2021	-
	2-29 Approach to stakeholder engagement	Commitment to Our Stakeholders	33
	2-30 Collective bargaining agreements	Workers Wellbeing and Rights UNGCH, Training and Assessment	60, 102
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGE NUMBER
MATERIAL TOPICS			
GRI 3: MATERIAL TOPICS 2021	3-1 Process to determine material topics	Assessment of Impacts and Identification of Topics, Categorization and Prioritization	35
	3-2 List of material topics	Material Topics	36
	3-3 Management of material topics	Management of each material topic is included in the sections relevant of the KPI	-
ECONOMIC PERFORMANCE			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Vendors Economics	57
	201-3 Defined benefit plan obligations and other retirement plans	Economic and Social Welfare	93
	201-4 Financial assistance received from government	Sodic Annual Report 2021	-
MARKET PRESENCE			
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Economic and Social Welfare	93, 94
	202-2 Proportion of senior management hired from the local community	All senior management are hired from local communities for the reporting year	100
INDIRECT ECONOMIC IMPACTS			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	SODIC in 25 Years, Community Investment	108
	203-2 Significant indirect economic impacts	Vendors Economics, Community Investment	57, 108
PROCUREMENT PRACTICES			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Vendors Economics	57
ANTI-CORRUPTION			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Complaints Log	112
	205-2 Communication and training about anti-corruption policies and procedures	Training on Grievance and Anti-corruption	112
	205-3 Confirmed incidents of corruption and actions taken	Complaints Log	122
TAX			
GRI 207: Tax 2019	207-1 Approach to tax	Tax Expenditure	24
	207-2 Tax governance, control, and risk management	Sodic Annual Report 2021	-
ENERGY			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Carbon Footprint	67
	302-2 Energy consumption outside of the organization	Carbon Footprint	67
	302-3 Energy intensity	Carbon Footprint	69
WATER AND EFFLUENTS			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water at SODIC	47
	303-2 Management of water discharge-related impacts	Management of water discharge-related impacts	47
	303-3 Water withdrawal	Water at SODIC	47
	303-4 Water discharge	Water at SODIC	47
	303-5 Water consumption	Water Consumption	47

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGE NUMBER
BIODIVERSITY			
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products, and services on biodiversity	Biodiversity	48
EMISSIONS			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Carbon Footprint	68
	305-2 Energy indirect (Scope 2) GHG emissions	Carbon Footprint	68
	305-3 Other indirect (Scope 3) GHG emissions	Carbon Footprint	68
	305-6 Emissions of ozone-depleting substances (ODS)	Our Energy and Carbon Footprint	68
WASTE			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management	45
	306-2 Management of significant waste-related impacts	Waste Management	46
	306-3 Waste generated	Waste Management	45
	306-5 Waste directed to disposal	Waste Management	46
SUPPLIER ENVIRONMENTAL ASSESSMENT			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Vendors' Social and Environmental Obligations	60
	308-2 Negative environmental impacts in the supply chain and actions taken	Vendors' Social and Environmental Obligations	60
EMPLOYMENT			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Diversity and Inclusion	90, 91, 92
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Economic and Social Welfare	93, 94
	401-3 Parental leave	Benefits & Maternity Leave	94
OCCUPATIONAL HEALTH AND SAFETY			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety Management System	63
	403-2 Hazard identification, risk assessment, and incident investigation	Hazard Identification, Risk Assessment, and Incident Investigation	63
	403-3 Occupational health services	Occupational Health Services	63
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	66
	403-5 Worker training on occupational health and safety	Worker training on occupational health and safety	64
	403-6 Promotion of worker health	Occupational Health and Safety, Special Medical Care	63, 93
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	66
	403-8 Workers covered by an occupational health and safety management system	Workers Covered by the OHSMS	65
	403-9 Work-related injuries	Work-Related Injuries and Ill Health	65
	403-10 Work-related ill health	Work-Related Injuries and Ill Health	65

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGE NUMBER
TRAINING AND EDUCATION			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Career Development and Opportunities	95
	404-2 Programs for upgrading employee skills and transition assistance programs	Annual Appraisal and Mentorship	96
	404-3 Percentage of employees receiving regular performance and career development reviews	Performance Review and Career Growth Program	96
DIVERSITY AND EQUAL OPPORTUNITY			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Diversity and Inclusion	90
	405-2 Ratio of basic salary and remuneration of women to men	Fair and Competitive Wages	93
NON-DISCRIMINATION			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Incidents of Discrimination	112
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Workers Wellbeing and Rights UNGC-H	60
CHILD LABOR			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Workers Wellbeing and Rights UNGC-H	60
FORCED OR COMPULSORY LABOR			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Workers Wellbeing and Rights UNGC-H	60
LOCAL COMMUNITIES			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Governance and Engagements	108
SUPPLIER SOCIAL ASSESSMENT			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Vendors' Social and Environmental Obligations	60
CUSTOMER HEALTH AND SAFETY			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Healthy and Sustainable Built Environment	41
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Occupational Health and Safety	65
MARKETING AND LABELING			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Responsible Communication	73
	417-2 Incidents of non-compliance concerning product and service information and labeling	none	-
	417-3 Incidents of non-compliance concerning marketing communications	none	-
CUSTOMER PRIVACY			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	none	-

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SUSTAINABILITY ACCOUNTING STANDARD BOARD (SASB)

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SCOPE	TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	SODIC DISCLOSURE	PAGE NUMBER	
2.0 SUSTAINABILITY AT SODIC	REAL ESTATE	Energy Management	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	Quantitative	Gigajoules (GJ), Percentage (%)	IF-RE-130a.2	Energy and Emissions – Contribution to Climate Change Mitigation	66–67–68
	REAL ESTATE	Energy Management	Description of how building energy management considerations are integrated into property investment analysis and operational strategy.	Discussion and Analysis	n/a	IF-RE-130a.5	Emissions, Resilience to Climate Crisis	48
	REAL ESTATE	Water Management	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	n/a	IF-RE-140a.4	Health Built Environment – Water	46–47
	REAL ESTATE	Management of Tenant Sustainability Impacts	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	Discussion and Analysis	n/a	IF-RE-410a.3	Responsible Operations (Risks and Opportunities)	53
	REAL ESTATE	Climate Change Adaptation	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Discussion and Analysis	n/a	IF-RE-450a.2	Responsible Operations (Risks and Opportunities)	48–53
	ENGINEERING & CONSTRUCTION SERVICES	Environmental Impacts of Project Development	Number of incidents of non-compliance with environmental permits, standards, and regulations	Quantitative	Number	IF-EN-160a.1	No incidents of non-compliance	–
	ENGINEERING & CONSTRUCTION SERVICES	Environmental Impacts of Project Development	Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction	Discussion and Analysis	n/a	IF-EN-160a.2	Risks and Opportunities, Design and Engineering Initiatives	52–53
	ENGINEERING & CONSTRUCTION SERVICES	Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Quantitative	Rate	IF-EN-320a.1	Workers Covered by OHSMS	65
	ENGINEERING & CONSTRUCTION SERVICES	Lifecycle Impacts of Buildings & Infrastructure	Number of: (1) commissioned projects certified to a third-party multi-attribute sustainability standard and (2) active projects seeking such certification	Quantitative	Number	IF-EN-410a.1	EDGE Green Building Certification for SODIC EDNC Office Buildings Block in New Cairo	49
	ENGINEERING & CONSTRUCTION SERVICES	Lifecycle Impacts of Buildings & Infrastructure	Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design	Discussion and Analysis	n/a	IF-EN-410a.2	Design and Engineering Initiatives	52–53
3.0 STAKEHOLDERS' DIALOGUE AND MATERIALITY	ENGINEERING & CONSTRUCTION SERVICES	Climate Impacts of Business Mix	Amount of backlog for: (1) hydrocarbonrelated projects (2) renewable energy projects	Quantitative	Reporting currency	IF-EN-410b.1	Emissions, Resilience to Climate Crisis	48
	ENGINEERING & CONSTRUCTION SERVICES	Business Ethics	Description of policies and practices for prevention of: (1) bribery and corruption (2) anti-competitive behavior in the project bidding processes	Discussion and Analysis	n/a	IF-EN-510a.3	Culture and Value Creation, Whistleblowing Policy, Grievance and Critical Concerns, Training on Grievance and Anti-corruption	110 to 113
	REAL ESTATE SERVICES	Sustainability Services	(1) Floor area (2) number of buildings under management provided with energy and sustainability services ⁶	Quantitative	Squarefeet (ft ²), Number	IF-RS-410a.2	Emissions, Resilience to Climate Crisis	48–77

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Independent Assurance Statement

To the Board of Directors

Sixth of October Development and Investment Co. - Egypt

DCarbon is a leading sustainability and environmental consultancy based in Egypt and registered under the Egyptian law no. 159 for the year 1981 and its executive regulation. DCarbon assists public and private organizations in understanding and addressing their economic, environmental, and social impact. DCarbon is a member and partner with multiple global establishments in the field of corporate sustainability. It is a certified training partner of the Global Reporting Initiative (GRI), a GRI Gold Community member, and an official supporter of the Task Force on Climate-related Financial Disclosures (TCFD).

DCarbon was engaged by the Sixth of October Development and Investment Co. (SODIC or the Company) to perform an independent assurance on its first comprehensive Sustainability reporting process ('the Report'). As an independent assurance provider, we were asked to assist the company in assessing and enhancing its value creation framework by conduction a company-wide assessment of its ESG practices for the purposes of setting base line performance indictors, highlights possible ESG areas of performance progress, align to core business strategy and to ensure the adherence of reporting to Global Reporting Initiative (GRI)2016 and 2021 reporting principles, contents elements, disclosures and sector-specific key performance indicators. The Company's sustainability governance was further consolidated and defined during the course of the report development; leading to additional alignment to the Global Real-estate Sustainability Benchmark Assessment (GRESB), and to the latest versions of the Sustainability Accounting Standards Benchmark (SASB/ISSB). Sector specific alignments were performed in accordance to the Health & Wellbeing Framework of the World Green Building Council.

Assurance Scope and Boundaries

For this report, which marks SODIC's base-year reporting cycle, the scope of assessment and assurance focused on the 1) reporting process, the 2) quality of the reported indicators, the 3) advice on analysis of base performance, 4) efficient involvement of top management, 5) advice on strategic future goals where applicable, 6) advice on integration of value creation methodology, 7) advice alignment to the latest corporate strategy, and 8) development of cross-functional and sector specific capacity building program.9) advice on report sections composition, narrative and structure.

The scope of assurance has included data and information for the period between January 1, 2021, to December 31, 2021, for operations in Egypt, based on the GRI Standards.

Sector Specific Assurance Scope and Boundaries

Given the nature of the sector and the company business model, the data and performance alignment was conducted according to three scopes of the SASB benchmark, including Real-estate, Construction and Real-estate Services. Alignment to the GRESB included – where applicable for a base year – the three components of Management, Development and Operation.



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Sector Specific Assurance Scope and Boundaries (cont.)

Specific to the Built Environment, expert's opinions were acquired to oversee the association of design, construction and operation to twenty (20) aspects of the Six Principles for a Healthy, Sustainable Built Environment of the World Green Building Council; taking in consideration the local context, the company's level in advanced design and operation, the national direction in terms of applicable sectoral policies and practices.

The report featured a specific section related to carbon footprint, as a summary of the company's standalone carbon footprint reporting performance by subject-matter expert and professionals. While the scope and boundaries of the carbon footprint is not entirely detailed in this sustainability report, assurance included the verification of substantiated evidence of internal company-wide capacity building to ensure an acceptable status of the validity and comprehensibility of acquired data.

The report scope also included alignment to the United Nations Global Compact (UNGC) on which SODIC has been reporting since 2014. This report integrated further methodology and scopes to the previous UNGC Reporting. This included alignment to the latest UNGC version of August 2022, released at the time of the assurance process.

The report integrates SODIC's core strategic goals, business model, and looking forward innovation and digital transformation plans as part of its value creation model. With an outlook on externalities, national priorities, the post COVID-19 impacts to the sector, the report presented risks management approach towards specific material issues.

This Report contains forward-looking statements on various future estimation or considerations that are expected in the landscape of the construction and real estate industry both nationally and regionally. While SODIC's proven agility allows swift adaptation, however there are no assurance of the magnitude nor the pace of such changes, due to the rapid dynamics of the technologies and the markets served. Additionally, the emerging social disruptions and economic fallbacks caused by the COVID-19 pandemic can't be predicted due to its unexpected lasting impacts into 2021. Response measures presented in this report doesn't constitute a commitment into the future, it only reflects actions taken during the reporting period and its subject to change according to national regulations and arising materials issues.

Additional Assurance Scope and Boundaries

Reference was made – where applicable – to the alignment to all non- financial capitals (human, natural, social, intellectual, and physical) as part of the company's operations and their impacts on stakeholders and the UN Sustainable Development Goals. This required expert judgment to empathize areas of interaction and to assert the quality of reporting. Thus, the report captured the agility of the business model, focused on SODIC's strategic objectives and the value propositions to its stakeholders.

Despite it shall be effective in 2023, the assurance considered the GRI 2021 for all disclosures and materiality process. The assessment of impacts and identification of topics where performance and assured according to the severity and likelihood. The Severity of Impacts considered – where possible – the GRI pre-set characteristics of scale, scope and irremediable character. With focus on actual negative impact, material topics were determined by their severity and likelihood, which is translated into detection of specific ESG risks. Not all risks were reported nor assurance, however, as affirmed by the company, they shall be part SODIC's plans for broader enterprise risk management systems.

The purpose of such a multi-facet optimization of multiple standards was to establish the most possible comprehensive performance assessment as present during this first reporting cycle.



EXTERNAL ASSURANCE

- 1.0 OUR BUSINESS - 25 YEARS OF VALUE CREATION
- 2.0 SUSTAINABILITY AT SODIC
- 3.0 STAKEHOLDERS' DIALOGUE AND MATERIALITY
- 4.0 RESPONSIBLE DEVELOPMENT AND OPERATION
- 5.0 THE DEVELOPER OF CHOICE - OUR CUSTOMER JOURNEY
- 6.0 PARTNERS OF SUCCESS
- 7.0 COMMUNITY PARTNERSHIP
- 8.0 GOVERNANCE



Considering the scope of assurance, the alignment to the new governance and updated corporate strategy directions for operations in Egypt as per the scope of the report, and the reporting framework adopted, our **Assurance Boundaries focused**, within the availability or limitations of data provided, on the following:

- Availability, affordability, and quality of Capitals over the reporting period
- Connectivity of the business activities and the proper focus on material issues
- Consistency and comparability of results year over year
- Completeness and conciseness of data through verification of Stakeholders Engagement Plan and Implementation
- Reliability of information through verification of data collection process
- Alignment of material issues to internal/external risks, anticipated threats, opportunities and strategic objectives
- Sound analysis of Materiality Identification process, including stakeholders' inclusiveness, magnitude of impact on the company's Value Creation.
- Review of disclosures on the various topics represented through quantitative and qualitative indicators to ensure, both, future comparability, and context.

The assurance scope did not cover:

- Data and information outside the reporting period indicating looking-forward statements by the company.
- Verification statements indicating testimonials, opinions, success stories, and / or aspirations.
- Verification of claims (limited to data and information presented)

Assurance Provider's Role

SODIC Assurance Plan for this reporting cycle included all assurance duties as described in the "Assurance Scope and Boundaries, Sector Specific Assurance Scope and Boundaries, and Additional Scope and Boundaries" of this document

We have ensured that the report narrative and data provided represented adequate view to stakeholders in order to support the decision-making process through the completeness and connectivity of non-financial data, and complemented by the company's financial assurance where applicable.

We engaged in designing the procedures that allowed the gathering of appropriate evidence to support value creation models for specific functions, particularly those that required qualitative considerations.

Given it is the base year report, we ensured the company's streamlining of adequate and necessary degree of comparability of indicators year over year. Our focus was more inclined to determine that the definitions of used terms are applied consistently in this single report and as per the company's terms, while addressing national directives and global practices.

Responsibilities of the Management

The management was responsible for the preparation and fair presentation of the selected information included in this report, in alignment/accordance with the various Standards indicated in the Assurance Scopes and Boundaries. It was responsible to assert that the internal controls enabled the preparation of narrative and information, free from material misstatement. Through our prolonged engagement with the company, we have observed that the leadership and management that governed the release of this report have actively proven their periodical oversight of the process and the departmental focal persons involved in the process.



Our responsibility was to express a conclusion on the selected information included in this Report, based on assurance engagements. Back-end reviews and data auditing were conducted taking into consideration the Corporate Strategy, the company's adherence and/or compliance to sector-specific regulations, policies or certifications, national context, and the governing national laws and regulations. The nature, methodologies, timing and extent of procedures selected depended on our engagements with the company and its teams, the data provided, the oversight and review check-points by the delegated top-management representative, and finally based on final approval of SODIC Board delegation to the Sustainably Committee, which included the Managing Director and Chief/Director level company officers.

Our limited assurance engagement included inquiries to SODIC's professionals who were delegated and involved in the preparation of reported data. It also included applying analytical procedures to evidence supporting the issuance of assurance conclusion on the report content. The assurance engagement involved the performance of additional inquiries where the independent reviewers and auditors may become aware of matters that might present significant misstatements or representation of information.

Assurance Team

The assurance was conducted by a multidisciplinary independent team including researchers for auditing environmental, social and economic information and abiding to our values of integrity, confidentiality, professional competence, objectivity, and due attention. External subject-matter experts' engagements, opinions and/or assessments were acquired for sector-specific components on the built environment for design and construction, and on the carbon footprint integration and training:

1. Ms. May Elwany : Governance, Strategy, ESG Risk Assessment, and Materiality Audits
2. Dr. Nasser Ayoub: Carbon Footprint Assurance
3. Eng. Ashrakat Osama: Environmental Data & Carbon Footprint Data Collection, Data Analysis, and Reporting Alignment
4. Eng. Ahmed Alaa: Carbon Footprint Data Calculation
5. Mr. Hussein Gubran: ESG Lead Research, Data Mining, Global Standards Benchmarking
6. Ms. May Elwany: GRESB Assessment, Sector-specific Data Analysis, Reporting Principles Reviews, Verification of ESG management oversight
7. Salüs Global for Green Buildings & Sustainable Cities : External Sector-specific on design & construction, and the WorldGBC Health & Wellbeing Framework
8. EPD Egypt: External Sector-specific on LCA and Carbon-footprint Training

Conclusion

We have reviewed the Sustainability Report of the Sixth of October Development & Investment Co. Considering the risk of material error, we received all necessary explanations from the company to support sufficient evidence to our assurance conclusion. Based on the activities performed and evidence received, in our opinion, SODIC has complied, in all material respects, with the GRI Standards and its Principles for sustainability reporting criteria.


May Elwany
Board Member Advisory
& Report Auditor


DR. Ehab Shalaby, Ph.D.
Chairman & CEO



