



United Nations Global Compact

Communication on Progress Report

July 2019

United Nations Global Compact
Communication on Progress

2018/2019

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Part 1

Statement of Continued support by the Managing Director

I am pleased to communicate SODIC's sustainability report for 2018/2019. We continue to support the United Nations Global Compact and its principles on human rights, labor, environment and anti-corruption.

Reporting on our social and environmental performance has become an integral part of our regular corporate disclosure and reporting practice; our main goal is to provide our stakeholders with a view of SODIC's position and performance on sustainability practices.

We are proud to share our fifth COP report and look forward to another year of working towards achieving the global goals for sustainable development wherever applicable to our business.

Sincerely,



Magued Sherif
Managing Director, SODIC

Part 2 Communication on Progress

A- Human Rights:

1- Safe & Inclusive Working Environment

- SODIC HR team ensures that hiring, remuneration, advancement, training and termination decisions are based on objective factors and not connected to gender, age, nationality, ethnicity, race, language, mental or physical disability, or any other discriminating factor. Instead this is determined by skills, qualifications and experience required for the position in question.  
- Construction sites engineers and managers are trained to respond safely, responsibly, and effectively to emergency situations and are provided with protective equipment to safely perform the functions of their positions.  
- All sites have sufficient and suitable ventilation, lighting, potable water, washing facilities, sanitary facilities and suitable eating areas. 
- SODIC applies high privacy standards when it comes to handling its employee's sensitive information and disclosure of any personal information is done with the employee's knowledge and consent.  

2- Balanced Work Life

- SODIC promotes work life balance culture through a calendar of holidays and planned bridges are sent to all employees at the beginning of each year to allow employees to plan their vacations ahead of time. SODIC encourages its employees to use their vacation days to achieve and maintain productivity and a healthy work life balance.   

3- Employee transportation and parking

- All employees are given the option of commuting by company provided buses reducing carbon footprint through group transportation.   
- All employees who choose to use their cars have their own respective parking spot reserved to protect their cars and provide hassle free daily parking.

4- Employee Volunteering

- Encouraging social responsibility and volunteerism among employees through regular blood, blanket and salary drives, for the support of Egyptian Children's Cancer Hospital, Magdy Ya`acoub Foundation and Ahl Misr.  

- SODIC promotes a culture of community and fosters a sense of belonging through activities such as daily breakfast and lunch held at its own cafeteria with meals provided at cost, as well as celebrating festivities such as Christmas, Secret Santa and Ramadan.



5- Promoting Human Interaction and Social Integration

- SODIC introduces the concept of Edutainment within its existing and future developments through UNO Parks – a leading international adventure park architect. The construction works of the adventure park at Westtown HUB - a family destination within SODIC West- is meant to commence in Q1 2019 with a plan to operate by end of Q3 2019.



- SODIC has launched a fully-fledged office and retail park in Eastown in East Cairo. Eastown District New Cairo (EDNC) comprises eight detached office buildings and eight detached retail buildings, out of which two are planned to accommodate edutainment concepts serving different age groups. EDNC has more than 15,000 square meters of open space. The latter is meant to be developed into an inclusive park, where both the residents of Eastown and outsiders are able to interact, socialize a nature-influenced environment.



- SODIC has signed an MOU with Edrak – Kidzania’s representative in Egypt. The agreement aims to integrate Kidzania’s edutainment concepts within the company’s existing and future developments.



- SODIC promotes human interaction and social integration/inclusion by developing mixed-use developments that aim to create destinations built around social interaction. Such developments are designed to have common areas and open spaces where residents can interact, socialize and carry out different outdoor activities. The nature of these common areas varies between sports clubs, picnic zones, BBQ areas, Kids playgrounds, amphitheaters and more.





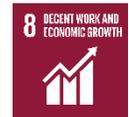
- SODIC East – one of SODIC’s development spread over 655 acres in East Cairo – features a green spine and a ravine at its very heart. While the ravine is meant to house camping and edutainment activities, the spine will be dedicated to inclusive open space that double acts as the primary axis of greenery connecting the different neighborhoods of the development to one another.



B- Labour:

1- Adopting a culture of excellence and retaining talents

- SODIC constantly seeks to offer practical work experience through its internship program for undergraduates during their academic studies. SODIC's HR Department, Learning & Development division, provides yearly internships programs, and the successful interns are later interviewed by the Recruitment department for a possibility of joining SODIC.
 - 2016: hosted 29 interns
 - 2017: hosted 30 interns
 - 2018: hosted 50 interns
- SODIC keeps its people motivated, giving them the chance to grow and enhance their skills, create a sense of ownership in their work and encourage them to excel in what they do. SODIC adheres to the principle of promoting and hiring from within, giving employees new opportunities within the group, and developing their talents throughout the organization.



2- Providing competitive compensation and benefits

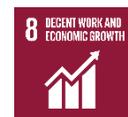


- Insurance** - All employees are medically insured including their direct dependents (Spouse & children) through the world's leading medical insurance companies BUPA and AXA.
- Life insurance plan** – is available to provide peace of mind for an employee who is concerned about how his or her family in case of death or accidents.
- End of Year Bonus** - As part of the Employee Benefits Program, SODIC may grant its employees an End of Year bonus to reward them for their efforts and their contribution in the company's performance, and for their renewed commitment and involvement in the company's future.



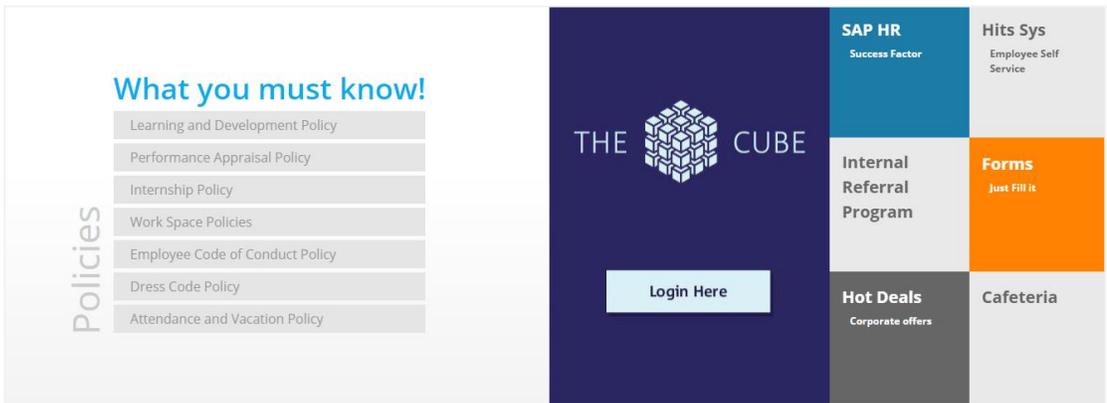
3- Boosting employee engagement and productivity through Digital Portals

- Developing an Online Employee Handbook to clearly set out employee rights in terms of conditions of employment, career progression, leave entitlements, internal transfers, employment insurance and pension plan. It is available to all employees on the company internal portal – “MySODIC”.





- Through “MySODIC” portal, SODIC also offers special discounts for its employees, ranging from 10 to 25% at shops, restaurants, fitness centers, and other services providers.
- The Cube which is a dedicated online portal for innovation to help employees post their ideas, discuss them with the company and get rewarded for being followed.



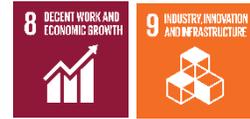
4- Wellness Program

- Wellness Program is a new initiative by the HR Department aiming at striking a healthy work-life balance for its employees and accordingly raise their productivity and engagement levels. The wellness program is built around different pillars and propositions including and not limited to:
 - Employee Extra-curricular activities such as health and fitness challenges administered by the HR Team.
 - Health screening tests for all employees to ensure safety for all employees within the company.
 - Employee Clubs such as running, biking and diving clubs run by different employees within the company.
 - Sessions to raise the awareness on different topics that will benefit both their personal and professional endeavors such as personal finance management, self-awareness sessions such as NLP & Enneagram and Parenting Sessions.



5- Reward & Recognition Program

- SODIC established a “Rewarding Program” to motivate our staff to over-achieve and strengthen our culture, the rewards and recognition program aims at rewarding employees who go the extra-mile, over-achieve on their targets, collaborate with different departments and act as an ambassadors of our culture and lead innovation initiatives.



6- Contractors to abide by Safety and Health Regulations

- SODIC contractors must be responsible for ensuring the welfare of all workers under their control and must ensure adequate welfare facilities as detailed in Egyptian Labor Law. The main contractor must make arrangements to ensure that:



- Sufficient toilet facilities must be provided in easy access of working areas and cleaned regularly.
- Washing facilities should be provided and be adequate for the numbers of workers and must be kept clean, provided with soap and towels. Showers should be provided where reasonably practical and where necessary due to risk.
- Adequate changing and break facilities should be provided for workers to take meal breaks.
- Appropriate supplies of clean drinking water must be provided for workers on all projects.
- Work conducted in extreme temperatures must have a definitive policy and/or safe work method statement developed to protect workers from extreme weather exposure.
- Where worker off-site living accommodation is provided by contractors - the standards should meet all relevant local regulations.

- SODIC ensures a safe environment for employees working onsite projects and applies the safety procedures in compliance with industry, national and international standards. We also ensure that all contracted construction companies apply our “Construction Safety Manual” securing a safe environment for employees working on projects and providing them with all necessary safety equipment.



7- Preference to Egyptian Companies

- SODIC prioritizes awarding contracts to Egyptian construction companies including SIAC, Gamma and Rowad to support local businesses that effectively contribute to the Egyptian economy and employs over 30,000 Egyptian workers indirectly through these companies.



8- A Channel for Voicing Labour Needs

- SODIC has an established people committee that is composed of employees from different departments. The aim of this committee is to promote a culture of openness and employee engagement whereby employees are allowed to channel their concerns and acquire feedback on any business related issue as well as come up with new initiatives that can improve the employee experience and raise the engagement levels.



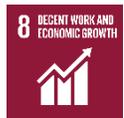
9- Regulated Performance Management & Compensation

- SODIC has preset policies and procedures related to staff compensation and performance management. Results of Company performance, salary increases and bonuses are communicated transparently to company staff.



10- Empowering Women & Young Mothers

- SODIC has dedicated a space to their working mothers where they can bring their young ones to spend the day during their working day. The dedicated space is fitted with its own bathroom and kitchenette and equipped with feeding chairs, sleeping mats and toys. The nursery also doubles as an after school facility for older children. SODIC has recently upgraded the facility to include an outdoor play area.



C- Environment:

11- Clean & Efficient Energy

- SODIC promotes alternative transportation systems through launching SODIC Ride, an on-demand car service, whereby users are able to locate and request the nearest club car to commute within SODIC West. The cars are powered by solar panels, providing a clean and eco-friendly means of transportation.



- SODIC has signed an agreement with Baddel, the first e-bike sharing system in Cairo. Baddel has launched its first phase comprising four stations with a total of 25 e-bikes around SODIC West. Baddel will launch the second phase comprising five stations to provide a more coherent network of transportation using e-bikes.



- SODIC has completed the design of a prototype solar powered sheds and started the construction progress that is meant to generate electricity. The sheds are implemented in Westtown HUB parking lot and will provide shaded areas for more than 100 cars, while also generating green energy from the solar panels mounted on top, reducing SODIC's HQ carbon footprint and covering 95% of the company's energy needs.



- In Villette energy saving light bulbs will be used in all street lamp posts, cutting down energy consumption by at least 50%.



12- Environmentally Conscious Developments

- **EDNC:** SODIC reduced its project's carbon footprint adding energy shading shelves to the design at an early stage. Through Easttown District New Cairo, SODIC's premium non-residential project in East Cairo, the buildings' facade was designed as a dynamic play between harmonious grids intersected by an abstract set of cut-outs. The merge of the protruding gridded ribs, acting as a shading device, intersected by a double glazed curtain wall, where both elements work together to reduce the thermal transfer through the building. The building's form and facade strategy have been proportioned to provide an ideal day-lighting through an optimum organization of office space to encourage a healthier and productive environment.





- **The Strip:** SODIC has implemented the use of load bearing walls (isolated concrete foam), which is a structural concrete system for walls, usually made of a rigid thermal isolation, that stays in place as a permanent interior and exterior substrate for walls. These walls give better sound and thermal insulation, which affectively will lead to the reduction of electrical consumption later on.

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



D- Anti-Corruption:

13- Whistle blowing

- SODIC Committee has adopted new Whistleblowing procedures for the receipt & treatment of whistleblowing complaints which aims to deal proactively & firmly to eradicate unethical behavior, malpractices & unlawful activities in the workplace (if any) to enable real reform, promote fairness/transparency and avoid probable damages that may affect SODIC's business & reputation.



14- Fostering transparency among employees

- An internal portal for SODIC employees increases transparency on any internal changes happening in the company; changes reported include policy, leadership and organizational changes.



15- Code of Conduct

- Code of Conduct & Governing Policies: SODIC Deploys and regularly updates a set of code of conduct policies to protect the company against all sorts of legal risks, policies include and are not limited to:
 - Code of Conduct Policy
 - Gifts Policy
 - Related Party Transactions Policy
 - Insider Trading Policy
 - Grievance Policy
- SODIC protects its employees against workplace harassment including physical, verbal and sexual harassment, abuse, or threats through enforcing Grievance & Code of Conduct policies.
- All Employees sign declaration forms adhering to the code of those polices and agreeing to all disciplinary actions in the event of policy violation. SODIC Employees undergo anti-fraud training to raise their awareness towards any underlying risks.



Part 3 Social Responsibility Programs



Our commitment to social responsibility stems from our true belief that running a business is about more than just commercial success, but about conducting a responsible business and achieving social benefit.

Since inception, SODIC has supported many different social development programmes. Over the past five years we have focused our development efforts on three pillars that reflect our true values and leverage off our core competencies; **Education, Slum Rehabilitation and Relief**. In 2019, SODIC has added a new platform “**Equal Opportunity**” to include more differently abled beneficiaries.



SODIC’s CSR philosophy is rooted in scalable impact and eventual financial sustainability. The programmes and initiatives we support benefit over 45,000 families every year.

Education

“Sustainable development starts with well-educated children who will be fully contributing to their families and societies. Investing in education has the single highest return on investment and sustainable benefit to Egypt’s future”



1. Tawasol - Providing Quality Education and Creating Jobs in Istabl Antar

Tawasol runs a small community school for children who had escaped schooling and provides them with schooling, vocational training, arts and drama classes as well as hot meals every day. The school is registered with the Ministry of Education.

With SODIC’s constant support, Tawasol was able to sustain the education of 96 students, all of them have passed their exams in the academic year 2018/2019.

Tawasol participated in several exhibitions in 2018/2019 to increase exposure and sales, building on the “Performing Arts Academy” fee-based performances and the online store with the support of SODIC. Tawasol’s online store achieved sales of EGP 184,220 making EGP 117,808 in profit during the first six months of 2019.

SODIC supported the school covering its running cost and contributed to the purchase of a 1,000 Sqm land plot in Ezbet Khairallah to build a new school that will take up to 500 students, the school is well under construction.

2. Educate-Me - Providing Quality Education in Talbeya & Scaling through Public School Training



Educate-Me is an Egyptian non-profit founded in 2010. It is now a registered community-school in Talbeya, a slum area of Giza running classes from preschool. In addition to traditional curriculum topics, Educate-Me concentrates on building key character traits in its students that broaden and enhance their knowledge, skills and attitudes and support them to self-actualise.

Educate-Me has expanded its remit over the last year with SODIC's support, launching a Professional Development Programme, which offers for-fee teacher trainings to both private and public school educators in an effort to scale Educate-Me's impact beyond the confines of one slum in Cairo.

Over the past year, Educate Me has provided quality education for 320 children at the Talbeya Preschool and Community Schools. 5,000 public school teachers were trained on educational psychology, behavior management and teaching methodology. Their professional development programme has gone from covering 26% of overall costs in 2016 to 69% of costs in 2018, aiming to cover 75% of its costs by end of 2019.

EM has been contracted to deliver its Professional Development training to 14 schools in 3 governorates in the 2018-2019 academic year.



Equal Opportunity

"SODIC believes in providing equal opportunity for the differently abled through rehabilitation, development, support & inclusion".

3. Bright Tomorrow for Child Protection (BTCP) - Developing Autistic Children



2018 marks the first year of SODIC's and Alfanar's support for BTCP. BTCP works with children on the autism spectrum with the aim of building the ability to attend mainstream school and improving connectivity and interaction skills with the surrounding community.

SODIC and Alfanar support BTCP to assess 150 children aged 2 to 8 years old suspected with autism and neurodevelopmental disorders using evidence-based assessment tools, they then set and implement individualized plans to rehabilitate them to achieve technical independence in their daily lives.

In addition BTCP's main goals are to:

- Acquire the Star® Readiness-for-School programme
- Rehabilitate children with autism to join mainstream schools
- Prepare for the ISQua certification

4. Eslam Abu Ali - *The Super Adaptive Paralympic Swimmer*

Eslam Abu Ali, an achieved Egyptian Paralympic swimmer represents Egypt in many competitions and has won many international medals. Eslam ranked no. 1 para swimming champ across Arab & Africa and no. 5 para swimming champ worldwide.



In 2017, SODIC entered into a long term sponsorship agreement with Eslam for four consecutive years to cover all his necessary expenses and costs to be able to focus on competing internationally.



Rehabilitation

“SODIC recognizes the right to decent living conditions and empowers the impoverished to take ownership over that process”.

5. Future Eve Foundation (FEF) - Home Improvement Loans

Since inception, FEF launched “The Amal Project”, an empowerment initiative that uses vocational and financial literacy training, as well as microloans, to enable widows to launch their own microenterprises.

In 2018, FEF piloted microloans in 35 rural villages across Southern Minya to empower widows with the purpose of improving their living conditions. The loan is on average of 5,000 EGP paid back over 12 months with a 14% interest rate. The interest rate helps cover the loan management costs and guarantee its sustainability into the future.

With SODIC’s support, FEF managed to reach over 260 female breadwinners to take ownership over improving their living conditions and thus set the stage for an improvement in their productivity, wellness and dignity. The revolved capital from 2018, will help SODIC reach over 500 beneficiaries in 2019 and further expand geographically.

SODIC is the sole contributor in South Minya.



Relief

“SODIC avails the opportunity for its employees to give back through various relief initiatives”.

6. Annual Ramadan Packing & Distribution

SODIC employees came together again this year to prepare 600 Ramadan staple bags and successfully distributed them across Upper Egypt.



7. Annual Charity Run

SODIC hosted its 5th annual charity run in collaboration with Cairo Runners to raise funds for Control - a non-profit organization supporting diabetes. Over 5,000 runners participated and contributed to raising over EGP 201,000.



8. Blood Drive

As part of SODIC's relief initiatives, SODIC employees participated in SODIC's annual blood drive on the 24th of April, 2018. The National Blood Bank of Egypt came to SODIC's headquarters to collect the donations and through employees' contribution successfully collected over 30 bags of blood; potentially saving many people's lives.





9. Blanket Drive

In Egypt, winter can get really cold in areas with little shelter and scarce resources, especially in these hard times. SODIC bought and distributed over 250 blankets and winter clothes that were directed to impoverished areas across Egypt.