# BEYOND BRICK AND MORTAR: SODIC'S SUSTAINABILITY IMPACT



**ABOUT SODIC** 

ROBUST GOVERNANCE PRACTICES

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In this report, we explore the strides made in our sustainability journey throughout the past year. We aim to underscore our commitment to sustainability and responsible business practices in 2022 by emphasizing key highlights that showcase our progress since our inaugural sustainability report.

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# A YEAR IN REVIEW: SODIC'S SECOND SUSTAINABILITY REPORT

We are proud to present our second sustainability report, which serves as a testament to our steadfast commitment, innovative strategies, and tangible progress as we ambitiously move toward a more sustainable future.

## OUR SUSTAINABILITY VISION

Our aim is to lead the Egyptian real estate landscape through our diverse portfolio, offering distinguished experiences, and creating enduring value. Our mission guides us toward creating and delivering sustainable developments that redefine the real estate market.

Aligned with our strategic themes of growth and expansion, scaling up operations, customer-centricity, digital transformation, and culture transformation, we embark on a transformative journey to shape the future of real estate in Egypt. We are passionately dedicated to developing projects that not only reflect the aspirations of our customers but also contribute meaningfully to the social, economic, and environmental fabric of our communities.

## OUR SUSTAINABILITY POSITION

As a leading mixed-use real estate developer in Egypt, we are uniquely positioned to live up to our purpose. From land acquisition and master planning, to design, development, delivery and continuous asset management, we operate as a unified entity. We construct and oversee inspiring spaces that enrich quality of life, while harmonizing with the environment and addressing the diverse needs of society.

## OUR SUSTAINABILITY BELIEF

We firmly believe that a sustainable future necessitates collective action. While we recognize our individual limitations, we are equally conscious of the substantial progress that can be achieved through collaboration with our customers, suppliers, governmental partners, and other key stakeholders. Together, we can shape a future that is socially responsible, economically prosperous, and environmentally conscious.

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## REPORTING STANDARDS

This report has been prepared in accordance with the GRI 2021 Universal Standards. It also follows the SASB Standards (applicable to Real Estate Services), adheres to the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), and incorporates the 10 principles of the UN Global Compact (UNGC).

## SCOPE AND BOUNDARIES

The scope of the report encompasses the operations of the SODIC Group, inclusive of its subsidiaries: EDARA for Facility Management and SODIC Clubs. The reporting period under review spans from 1 January to 31 December 2022. Any disclosures outside these reporting dates are provided when relevant to the context of the report. Any omissions or exclusions are stated within the report.

## **ASSURANCE**

Masader, a corporate sustainability consulting firm (SAE), has provided a limited assurance statement on the report content, as per the AA1000AS v3 (2020) standard. We invite you to refer to the Limited Assurance Statement for more information.

### **CONTACT POINTS**

#### **NADINE OKASHA**

Chief Strategy, Brand, and Sustainability Officer

Email: nokasha@sodic.com

#### **SALLY MONSTASSER**

Head of Public Relations and Sustainability

Email: smontasser@Sodic.com

Sixth of October for Development and Investment Company "SODIC" (S.A.E.)

Address: Km. 38 Cairo Alexandria Desert Road, Sheikh Zayed City, Giza, Egypt

## Terms used in this report, unless otherwise specified:

**"SODIC Group"** and **"The Group"** refer to SODIC & its fully owned subsidiaries (EDARA Property Management and SODIC Clubs).

"SODIC", "The Company", "we", "us", and "our" refer to SODIC on a standalone basis.

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# MESSAGE FROM SODIC'S GENERAL MANAGER



It is with immense pride that I present to you our comprehensive Environmental, Economic, Social, and Governance (EESG) report for 2022. This year has been a pivotal one for SODIC, marked by substantial growth, resilience, and unwavering commitment to our EESG responsibilities. I am delighted to share our achievements across the four dimensions of EESG, reaffirming our commitment to sustainable practices and outlining our forward-looking strategy for 2023.

## ADVANCING ENVIRONMENTAL SUSTAINABILITY

At SODIC, we firmly believe that environmental stewardship is an integral component of our corporate responsibility. We have consistently led the way in construction innovation and sustainable building solutions, developing proprietary technologies that not only optimize our operations but also minimize our environmental footprint. In 2023, we are taking our commitment to environmental sustainability even further by implementing advanced energy-efficient technologies and embarking on initiatives aimed at reducing our carbon emissions. Opportunities for responsible practices span across the entire spectrum of real estate activities. Our objective is to seize these opportunities by developing environmentally conscious building designs, utilizing green building materials, planning sustainable communities, and retrofitting existing assets to boost energy efficiency. Our commitment to sustainable practices is exemplified through notable initiatives, such as VYE and Karmell. In these projects, we are actively implementing environmentally conscious measures, including the installation of solar panels, utilization of 100% recycled plastic for interlock, incorporation of 3D recycled blocks for security rooms, and the introduction of ECOpact concrete. This sustainable alternative actively diminishes carbon emissions by 30% to 50% compared to standard concrete. We take pride in the acknowledgment of our environmental endeavors, as evidenced by the Green Building Certification awarded to SODIC's flagship commercial project, EDNC.

## EMPOWERING INDIVIDUALS AND COMMUNITIES

Our social responsibility extends to our valued customers and dedicated employees, recognizing them as our most valuable assets and the driving force behind the positive impact we aspire to create. They are the agents of change, and we prioritize their well-being, which encompasses vital aspects such as health, safety, and overall welfare, at the core of our operations.

In our annual benchmarking third-party commissioned report, we achieved a **Net Promoter Score (NPS) of 55,** marking a remarkable 13-point year-on-year increase. This achievement secures our position as the top real estate developer in Egypt for the second consecutive year and reflects our dedication to not only meet but exceed customer expectations.

We remain deeply committed to the growth and development of our teams, launching various initiatives and programs to AYMAN AMER, GENERAL MANAGER

support their professional and personal development. We have developed a new capacity building and career development framework, along with a business simulation training tool, delivering over 2,000 hours of training to our employees.

In the coming years, we will continue to invest in our people, enhancing their capabilities and promoting an inclusive and diverse workplace culture.

## FOSTERING ROBUST GOVERNANCE PRACTICES

The year 2022 marked a significant milestone in our governance practices, as we initiated a comprehensive organizational restructuring supported by robust policies and frameworks across all our operations.

During this year, SODIC achieved exceptional growth and sales, driven by the implementation of our improved internal framework, **SODIC 2.1.** This new structure enhances governance, streamlines processes, and leverages automation to support our expanding operations. The company has shifted from a more centralized decision-making structure to a dynamic environment characterized by increased diversification and delegation.

To ensure prudent governance, SODIC introduced several new functions. The Risk function enables informed decision-making and risk reduction in accordance with regulatory requirements. A Customer Experience function was established to enhance

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client experiences through continuous feedback collection. We also created a Corporate Brand function to safeguard our brand identity as we grow and expand.

#### **DRIVING SUSTAINABLE EXPANSION**

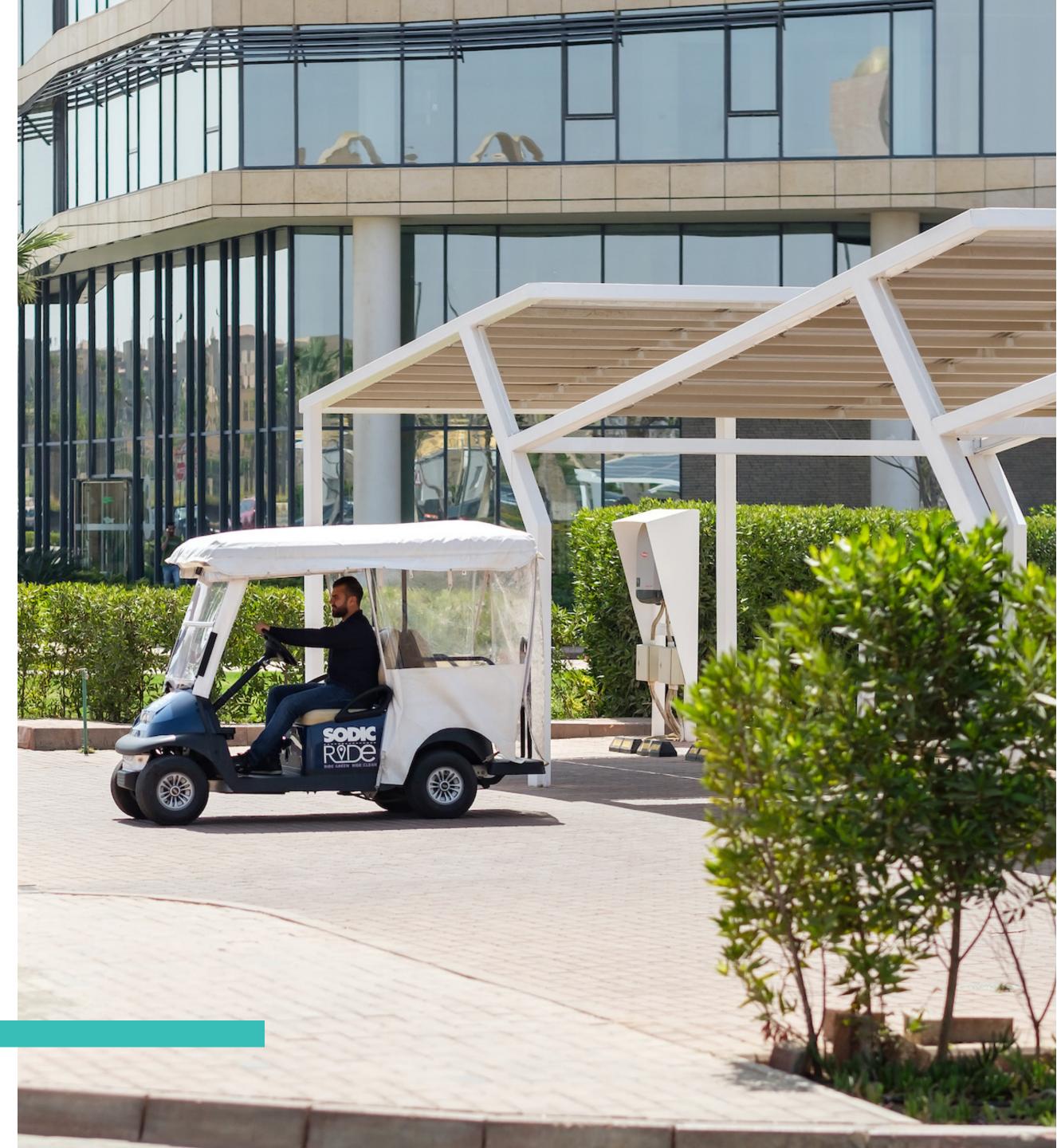
SODIC has demonstrated exceptional financial performance this year. Our sales nearly **doubled**, surging from **EGP 11 billion** in 2021 to **EGP 21 billion in 2022**.

Our financial success is underpinned by our commitment to quality and operational excellence, and tightly aligned with our corporate strategy, which centers on sustainable growth, value creation, and risk management. This commitment is demonstrated in VYE and KARMELL, two groundbreaking residential communities developed by SODIC. Both developments utilize renewable energy, recycled material, and green concrete.

#### **EESG STRATEGY & COMMITMENTS**

In this year's report, we introduce a comprehensive **EESG strategy (2023–2030)**, that aligns our commitments with SODIC's corporate strategy. This strategy will serve as our guiding beacon, shaping our actions and decisions across all four EESG dimensions, ensuring we maintain a steadfast focus on sustainable growth, while delivering value to our clients, shareholders, and society as a whole. We are dedicated to preserving our financial well-being, managing our environmental impact, investing in our people, and upholding robust governance.

**Ayman Amer,**General Manager



#### **2022 KEY HIGHLIGHTS**

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ECONOMY	ENVIRONMENT
EGP 7.81 bn	
LOP 7.01 DII	70.888 MWh

**SOCIAL** 

**GOVERNANCE** 

70,888 MWh

**Energy Consumption** 

4,360,826 m<sup>3</sup>

26% Female representation in SODIC offices total workforce

**Advancing Sustainability Governance** 

Revamped our sustainability governance structure and established a dedicated **Sustainability Committee** 

EGP +455 mn Spent on diverse local suppliers

Revenues

(13% YoY increase)

Water withdrawal

+130

Promotions from within

**Robust Governance Framework** 

Established The SODIC Way Revised and developed 690 standard operating procedures and 30 policies corporate-wide

+780

Repeated customers

**Green Building** Certification

SODIC's flagship commercial project EDNC obtains a Green **Building Certification** 

2,154

Total hours of training delivered to employees 22%

Female representation in the Board

Net promoter score (NPS) - up from 42 in 2021

EGP 6.1 mn

Contributions to charitable causes

Upholding the highest standards of governance

Established and updated: Corporate Governance Framework, Board of Directors (BoD) Charter, Tender Committee (TC) Charter, SODIC Delegation of Authorities (DoA), Nomination and Remuneration Committee (NRC) Charter, Investment Committee (IC) Charter, Board Audit, Risk, and Compliance Committee (ARCC) Charter

**EGP 21.29 bn** 

Gross contracted sales (87% YoY increase)

30%

Female representation in leadership positions

+850

Jobs opportunities created

+5.8% Sales through referrals

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#### **GREEN BUILDING CERTIFICATIONS AND AWARDS**





#### **EDNC: LEADING THE WAY WITH GREEN BUILDING CERTIFICATION**

SODIC proudly received a green building certification for its flagship commercial project, EDNC - SODIC's commercial hub of mixed-use development in East Cairo. This certification showcases the company's dedication to environmentally conscious practices, with a strong emphasis on enhancing energy, water, and materials efficiency.



#### FACILITIES MANAGEMENT FIRM **OF THE YEAR AWARD 2023**

SODIC's subsidiary, Edara Property Management, has been honored with the esteemed Facilities Management Firm of the Year award at the **Big 5 Egypt Impact Awards**. This recognition underscores our commitment to excellence across all facets of facility management.

#### **ESG RATINGS**

In 2022, SODIC participated in the annual S&P Global Corporate Sustainability Assessment (CSA), an important initiative that has allowed the company to establish a robust sustainability baseline and provided invaluable insights into our performance compared to our peers.

We are pleased to announce that SODIC achieved an S&P ESG score of 32 for the year 2021, indicating our dedication to measuring and improving our sustainability efforts year on year and aligning our performance with global benchmarks.

Looking ahead, SODIC is actively pursuing participation in the GRESB annual assessment for 2022 with plans to engage in the assessment on an annual basis in the future, further solidifying our commitment to continuous improvement and transparency in our sustainability efforts.





#### SUSTAINABILITY-RELATED **MEMBERSHIPS**

SODIC's commitment to sustainability is exemplified through our active engagement in various impactful partnerships. Our memberships include:



**Green Transformation Partners (GTP):** Established by the Alexandria Business Association in September 2021 and operating under a strategic protocol with the Ministry of Planning and Economic Development, this initiative aims to spark a green revolution within Egypt's private sector. It champions sustainable practices and advocates for the adoption of environmentally friendly business models.



United Nations Global Compact (UNGC): SODIC has been an active participant in the UNGC since 2014, reinforcing our dedication to global sustainability goals and responsible business practices.

Each of these memberships underscores our commitment to sustainability and our aspiration to contribute to a greener and more sustainable future. We continually seek to align ourselves with organizations and initiatives that share our commitment to sustainability, as we believe that collaboration is key to achieving these important goals.

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Our commitment to building communities extends beyond brick and mortar; it's about cultivating spaces where residents thrive, embracing sustainability as a way of life, and fostering innovation in all aspects of our business. In this chapter, we will introduce our core values, reflect on the progress we've achieved, and reaffirm our commitment to a more sustainable and inclusive tomorrow.

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# OUR PURPOSE AND CORPORATE STRATEGY

As a leading real estate developer, SODIC is set apart by its brand values and authenticity, committed to being progressive and inspiring.





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

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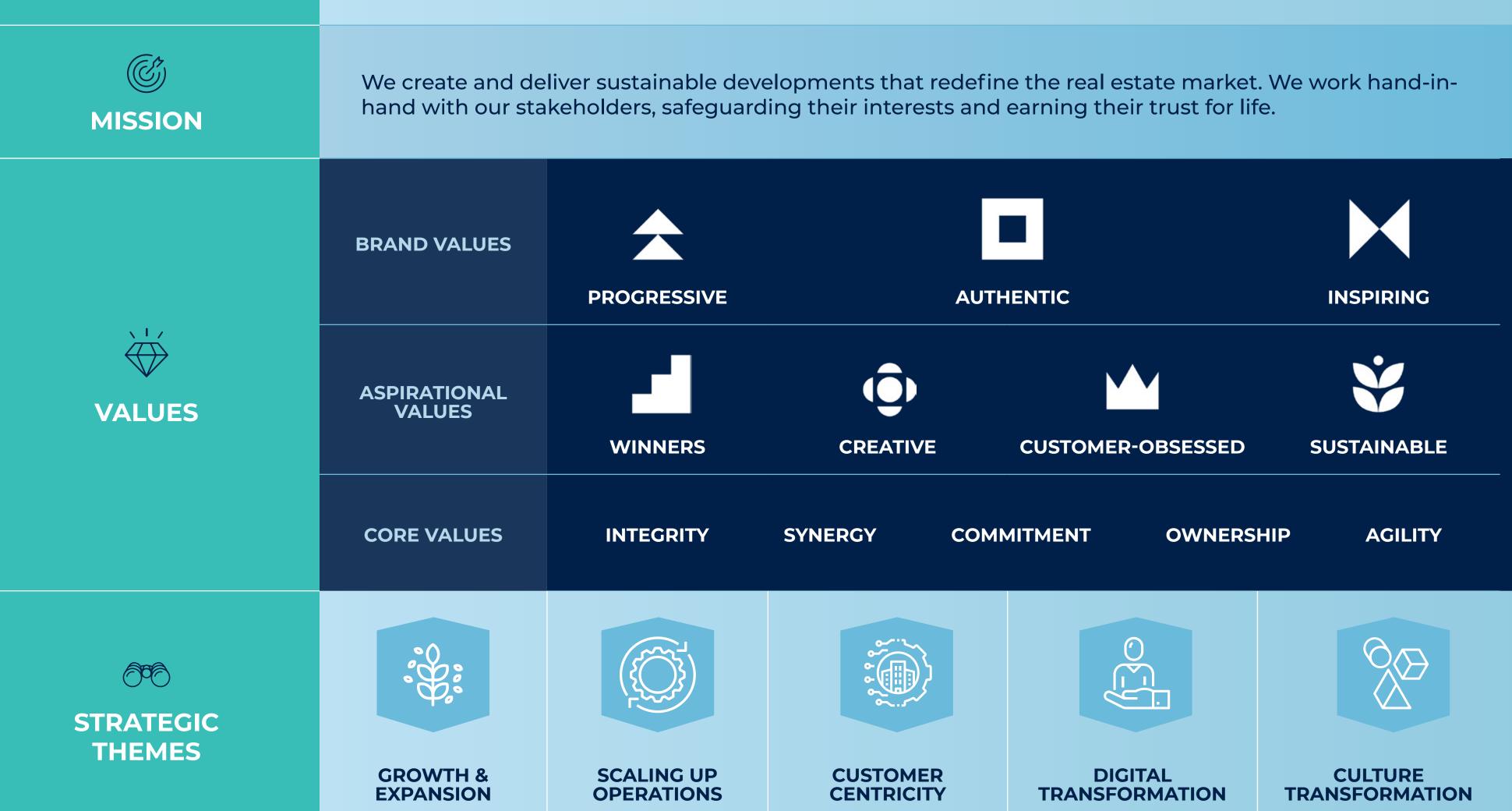
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Our aspirational values are deeply ingrained in our corporate culture, and we continuously strive to embody them in every facet of our operations. We are winners, creative, customer-centric, and sustainable. These values have been our compass throughout our growth journey, from setting up a base in West Cairo to our status as a renowned upscale developer with a strong presence in the outskirts of Cairo and the North Coast.

Our strategic approach emphasizes five key themes: growth and expansion, scaling up operations, customer centricity, digital transformation, and cultural transformation. This strategy reflects our commitment to delivering exceptional living experiences while responsibly adhering to ESG principles for the benefit of the environment, the broader community, and the overall economy.

Our diligent approach to managing our balance sheet and income statement, coupled with our history of success in times of uncertainty, positions us well for the future. We remain committed to delivering unique, in-demand products; targeting the right market segments; and driving market trends, all while safeguarding shareholder value.

As part of our five-year strategic plan, we aim to expand our customer strategy to ensure our services align with a comprehensive understanding of our customers' experiences.

As this strategy focuses on growth and leadership, it is cascaded effectively across the organization, with every business unit championing growth across our operations. We remain steadfast in our efforts to align our organization to achieve these goals, constantly measuring our progress and making necessary adjustments along the way.

## **2022 STRATEGIC PRIORITIES:**



Our objective is to sustainably grow revenues, improve margins, and grow market share in existing markets and new geographies

#### **2022 ACHIEVEMENTS:**

- ▶ 13% YoY increase in revenues to reach EGP 7.81 billion
- ▶ 87% YoY increase in gross contracted sales to reach EGP 21 billion
- ▶ Overall market share increase by 4% (1)
- ▶ East Cairo market share increase by 5% (1)
- ▶ West Cairo market share increase by 8% (1)
- ▶ 35% YoY growth in new customers



We aim to prepare for planned growth through scaling up operations and strengthening our governance frameworks

#### **2022 ACHIEVEMENTS:**

- ▶ 10% YoY increase in delivered units, amounting to 1,279 during the year
- ▶ Establishment of Asset Management Business Unit responsible for the effective management of current and future assets
- ▶ Establishment of Transformation Management Office (TMO) to oversee 22+ transformation projects covering automation, customer centricity enhancement, robust governance, and innovation
- ▶ Establishment of the Center of Excellence (CoE) department to support the deployment of the new target operating model, achieve a robust governance structure, and implement organizational excellence



To develop and implement a customer strategy that brings the voice of the customer into every aspect of the business

#### **2022 ACHIEVEMENTS:**

- ▶ 55 NPS in our annual benchmarking third-party commissioned report, up 13 pts YoY
- First real estate developer in Egypt for the second year in a row
- ▶ +780 existing customers made new purchases
- ▶ Brand awareness rank improvement by two places (2)
- ▶ Launch of the "Voice of the Customer" program
- ▶ First Egyptian real estate developer to measure their carbon footprint and issue GRI-assured sustainability report

<sup>2</sup> Brand Health Tracker conducted by a third-party agency [Awe Research]

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We aim to consistently lead the real estate market through persistent focus on innovation and the adoption of new technologies

#### **2022 ACHIEVEMENTS:**

- ▶ Implementation of various modules for Salesforce CRM, enhancing sales and services processes with automated workflows and a comprehensive customer view across the organization, resulting in streamlined operations and empowering decision-making.
- ▶ Implementation of the Qualtrics customer feedback management solution, facilitating the measurement, analysis, and enhancement of NPS across all digital channels and touchpoints.
- ▶ Launch of online payment gateway.
- ▶ 22 innovation ideas under implementation, focused on customer experience, efficiency, and operations.
- ▶ In 2021, SODIC & Green Impact MED (GIMED) Project organized an innovative competition to support green and sustainable startups in the Egyptian market.
- ▶ Collaboration with companies and startups developing sustainable building materials, including:

- **TileGreen:** highly performing and eco-friendly interlocking tiles from recycled plastics.
- **Taqatak:** renewable energy solutions for outdoor areas, as well as large-scale maintenance of LED lighting.
- Block Solutions: environmentally friendly Block-modules, using 100% recycled plastic.
- **Unidome:** a network of plastic mold that creates voids in the ceiling structure which reduces the concrete amount by up to 35%, the steel amount by up to 20%, and the CO<sub>2</sub> emission by 20%.
- **Lafarge:** Green Concrete: actively reduces carbon emissions by 30%–50% compared to standard concrete (OPC).



SODIC's culture is one of its key competitive advantages
– we foster a culture of diversity and inclusion in a safe
and healthy working environment where innovation
and creativity are celebrated

#### **2022 ACHIEVEMENTS:**



Established a unit specialized in health and safety.



Development of new capacity building and career development framework and business simulation training tool.



Identified innovation sponsors in every department to champion progress in innovation throughout the business.

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## ABOUT SODIC

SODIC is a leading real estate developer in Egypt, driven by a mission to create sustainable developments that redefine the real estate market. Our vision is to lead the Egyptian real estate landscape through diversity, experience, and value creation. Our core values emphasize leadership, creativity, customer centricity, and sustainability, guiding our operations, and shaping our corporate culture.

Listed on the EGX and with a history spanning over a quarter of a century, SODIC has emerged as a distinguished player in the Egyptian real estate sector. Our operations span West Cairo, East Cairo, and the North Coast. We specialize in developing sustainable, large-scale, mixed-use communities, catering to the demand for high-quality residential, commercial, and retail properties.

SODIC's communities are home to over 30,000 residents and offer a diverse range of amenities, including schools, medical establishments, entertainment facilities, sports clubs, and retail outlets. Our commitment to developing vibrant communities aims to significantly enhance our residents' quality of life. We have a track record of early project delivery, as we continually strive to exceed expectations, putting customer satisfaction at the forefront of our operations.



## AT THE HEART OF SODIC: ESSENTIAL BUSINESS ACTIVITIES

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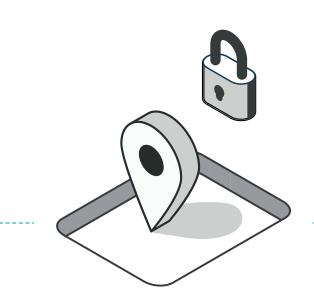
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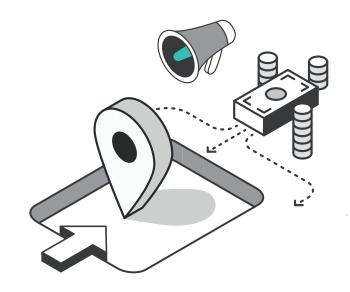
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LAND ACQUISITION



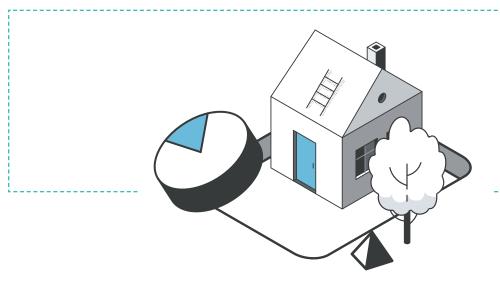
#### **DEVELOPMENT MANAGEMENT**

Plan, design, procure, market, sell, and handover of SODIC's owned developments.



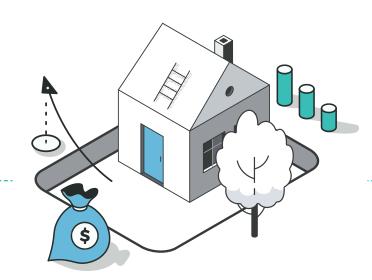
#### THIRD-PARTY MANAGEMENT

Breif, advise, and manage third-party suppliers



#### **DEVELOP & ACQUIRE**

Grow and diversify portfolio expansion, including investments, organically and inorganically.



#### **VALUE CREATION**

Uplift the value of SODIC investments and third-party assets to yield sustainable returns.



#### **DIVEST & REINVEST**

Recycle capital to support the growth strategy and targeted portfolio allocation.













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## DEVELOPMENT

SODIC's Development Business Unit (DBU) is the dynamic engine propelling the company to create exceptional real estate projects. The unit's primary focus is the development and management of large-scale mixed-use communities, encompassing residential, commercial, hospitality, sports clubs, and retail components. The DBU is entrusted with guaranteeing projects meet the highest standards of quality and sustainability while ensuring healthy returns to shareholders.

The DBU's function begins with strategic land acquisition, informed by thorough risk assessments and feasibility studies. This allows the DBU to scrutinize land acquisition opportunities, identify emerging opportunities, and anticipate potential risks through the diligent monitoring of market trends and comprehensive research.

In its pursuit to cater to diverse market segments, the DBU offers a range of products that include luxury villas, townhouses, apartments, and commercial spaces. This product development phase, backed by rigorous quality assurance and control processes, ensures all projects adhere to the highest standards.

Sustainability, a core tenet of the DBU's approach, is integrated into each project through the incorporation of energy-efficient technologies, green spaces, mobility solutions, and water conservation measures. This commitment to sustainability aligns perfectly with SODIC's overall mission.

The DBU also places significant emphasis on customer experience. It ensures that customer satisfaction is a top priority in every project, providing high-quality living and working environments. This is accomplished through excellent customer service, responsiveness to customer needs, and the guarantee of on-time, on-budget project delivery.

In essence, the DBU is pivotal in driving SODIC's growth and success. By focusing on delivering high-quality, sustainable real estate projects that cater to a diverse range of customers, and aligning with SODIC's dedication to sustainability, customer satisfaction, community engagement, and innovation, the DBU continues to create enduring value for stakeholders while maintaining the company's leadership position in the real estate industry.

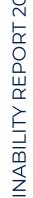
## AHMED EL-HALAWANY, CHIEF DEVELOPMENT OFFICER

Sustainability is the backbone of SODIC's development approach. Our flagship project, EDNC, received a green building certification and stands as a testament to this commitment. Our design approach is guided by smart city principles, ensuring sustainability from planning to delivery and beyond.

Our innovation team, known as the "Innovation Cube", incubates sustainable ideas. Notably, one such innovation, the Unidome, emerged from a pool of 25 innovative concepts proposed last year.

Acknowledging the critical issue of water scarcity, especially in New Cairo, we continue to prioritize sustainable water sourcing solutions, including the implementation of sewage treatment plants.

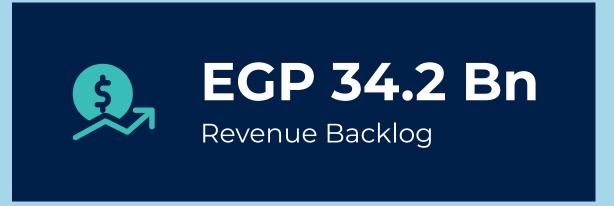
Each step we take underlines our commitment to a sustainable future where growth and environmental responsibility intertwine.



#### 2022 KEY HIGHLIGHTS







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The Projects Department serves as SODIC's implementation arm, overseeing the on-ground project construction. From the initial project concept to its successful completion and handover to clients, the department actively engages with all project stakeholders. Its responsibilities encompass a wide range of operations and actions, including managing and monitoring the progress of contractors, consultants, and suppliers on site. It prioritizes critical aspects like health and safety, resource allocation, and risk management. This dedicated team ensures that projects are executed on time, while meeting the highest standards.

#### STEWARDING OUR SUPPLY CHAIN

Our role extends beyond project management to the responsible oversight of our supply chain. We foster a collaborative relationship with our suppliers, encouraging them to integrate sustainability into their operations and adhere to our robust standards of environmental compliance, health and safety, and worker welfare.

## PIONEERING RESPONSIBLE PROJECT MANAGEMENT

SODIC's Project Management Department serves as a powerful testament to our commitment to environmental stewardship, ethical governance, and socio-economic sustainability. We champion eco-conscious practices by utilizing energy-efficient designs, and sustainable materials. Our diverse workforce, active community engagement, and strong stakeholder relationships reflect our dedication to social responsibility.

Upholding the highest governance standards, we conduct comprehensive financial risk assessments, ensuring a balance between value creation and community prosperity. We constantly monitor and evaluate our initiatives, allowing us to identify innovative solutions and stay abreast of emerging sustainability practices.

#### 2022 KEY HIGHLIGHTS



**19**Number of Projects

Across Markets



**1,297**Units Delivered



10%
YoY Increase
in Delivered Units



7.02 Bn

Net Cash Collections

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## EXCELLENCE IN DELIVERY: UNITS DELIVERED IN 2022

In 2022, SODIC's Projects Department demonstrated excellence in project delivery, exceeding expectations in terms of both early handover and quality. Our handover KPI target was

successfully met as we delivered **1,279 units** during the year. Additionally, we achieved an impressive **95.6%** compliance with the projects' quality target, further solidifying our position as one of the top developers in the market. With **80%** of our projects meeting defined quality standards, we continue to prioritize excellence, ensuring our clients experience the highest level of quality in their new homes.

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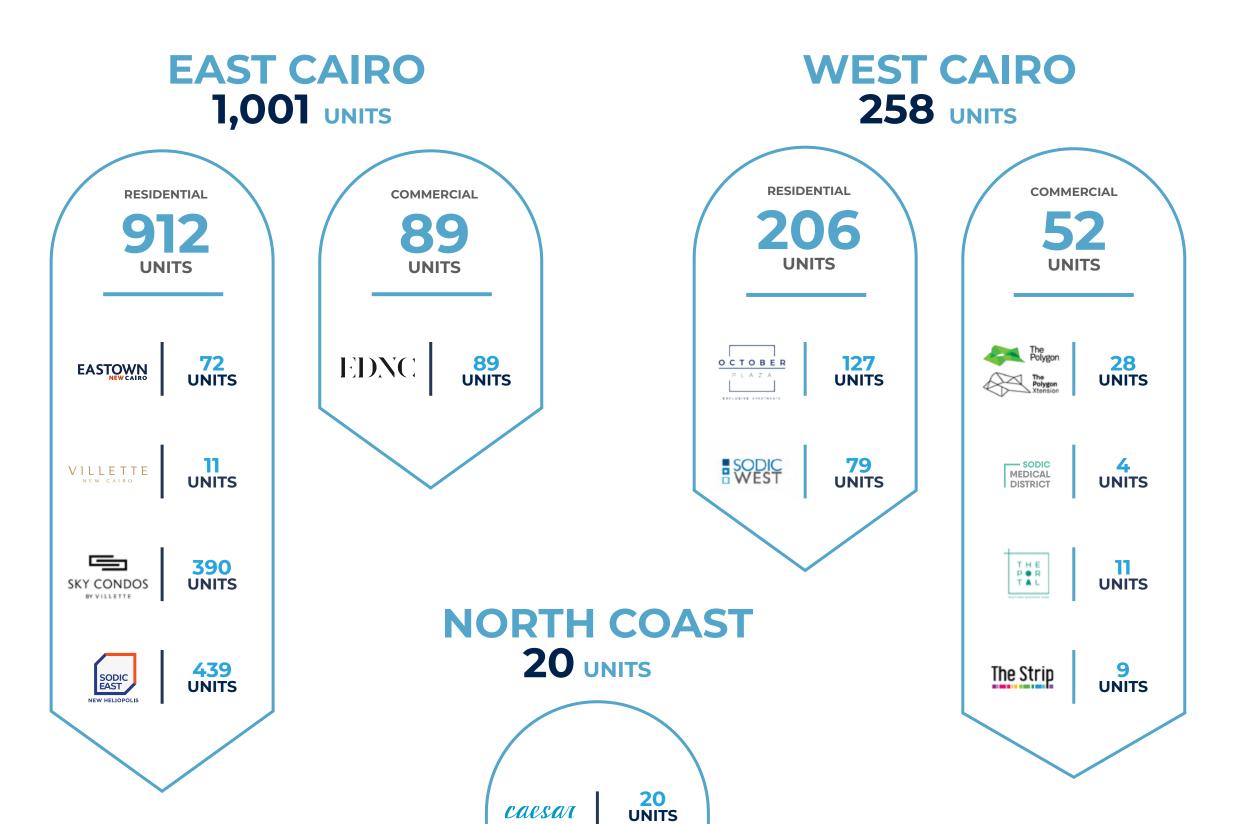
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## YASSER EL SAID CHIEF PROJECTS OFFICER

At SODIC, our commitment to environmental stewardship and sustainability permeates every aspect of our construction projects. We're innovatively addressing environmental challenges by implementing robust H&S policies and ISO certifications, utilizing low-consumption materials like UNIDOME, recycling construction waste, and incorporating green solutions like TileGreen and green roofs. Undeterred by obstacles, we're driving a 10% YoY increase in unit delivery, all while ensuring cost efficiency and promoting a greener future for our community.



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## SODIC CLUBS

SODIC's Club S is the company's dedicated sports management arm that currently oversees three sports clubs in East and West Cairo, with plans to establish a fourth club in Villette, New Cairo. At SODIC, we believe that clubs should foster a sense of community and enhance the lives of our residents by providing convenient access to a healthy and active lifestyle and facilitating meaningful social connections.

In 2022, Club S Westown was officially registered as a sports club by the Ministry of Youth and Sports, opening the door for our academies to participate in both national and international competitions. This state-of-the-art facility offers over 22 sports academies led by renowned Egyptian athletes and former Olympians.

SODIC Clubs Include:

- Club S Allegria
- SODIC Sports Club
- Club S Eastown
- Club S Villette (under development)

#### **2022 KEY HIGHLIGHTS**







At SODIC Clubs, we aspire to be your 'home away from home.' We're implementing robust environmental and social systems, and integrating sustainable practices across various areas, from golf course maintenance to waste management. Our unwavering commitment to providing quality service and a wide array of sports offerings has set us apart and is reflected in our remarkable growth in revenues. We are steadfast in our commitment to create a sustainable, welcoming space for our community.

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## **EDARA**

EDARA Facility Management, a subsidiary fully owned by SODIC, provides exceptional facility management services to our communities. Established in 2010, EDARA has emerged as a leader in the field, delivering a comprehensive range of services to tenants and residents across various commercial, residential, and administrative units, buildings, and projects.

EDARA's commitment to excellence was demonstrated by achieving several prestigious certifications, including **ISO 14001**, which underscores the company's dedication to environmental responsibility; **ISO 9001**, ensuring quality assurance in its operations; and **ISO 45001**, emphasizing its focus on occupational health and safety.

#### STRATEGY FOR THE FUTURE

EDARA Facility Management is committed to shaping its future strategy around key aspects that prioritize sustainability, efficiency, and customer satisfaction. As part of its vision, the company aims to establish a comprehensive Waste Management Framework, ensuring responsible and environmentally conscious practices throughout its operations.



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#### **EDARA IN NUMBERS:**

#### 2022 KEY HIGHLIGHTS

















## AHMED KHAMEES EDARA CEO

EDARA goes beyond managing facilities; we're dedicated to enriching lives and fostering sustainable communities. Honored as SODIC's top Residential Facilities Management Unit of 2022, our commitment extends beyond client satisfaction to encompass environmental stewardship. Armed with a comprehensive suite of services, forward-thinking smart solutions, and ISO-certified processes, we are dedicated to delivering excellence in all we do. Our initiatives range from retrofitting to continual operational enhancements, and a steadfast commitment to resolving client complaints within 24 hours. All these efforts are aimed at carving a sustainable path forward.



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## OUR MARKET PRESENCE AND FOOTPRINT

SODIC's real estate ventures span three strategically significant regions in Egypt, creating a diverse and comprehensive portfolio that caters to a wide spectrum of residents and investors. Our commitment to delivering unique living experiences and exceptional investment opportunities has solidified our presence in these key markets.

This presence comes with a wealth of potential. With a substantial land bank of 4.67 million sqm yet to be developed, we're poised for continued growth and innovation.



9M m<sup>2</sup>

West Cairo: With a sprawling expanse of approximately 9 million sqm, SODIC's developments in West Cairo epitomize the perfect blend of modern living and urban convenience.

5M m<sup>2</sup>

**East Cairo:** Covering around 5 million sqm in East Cairo, our projects here are designed to harmonize with the city's vibrant energy while providing exceptional lifestyle options.

2M m<sup>2</sup>

North Coast: Along the North Coast, SODIC manages approximately 2 million sqm, offering residents and investors an opportunity to embrace the allure of coastal living.

## 27 Years

**Decades of Dedication:** SODIC's legacy spans over 27 years, a testament to our unwavering commitment to excellence in the real estate sector.

## +30,000 Residents

**Thriving Communities:** SODIC has nurtured thriving communities, with over 30,000 residents calling our developments home.

## 19 Projects

**Diverse Portfolio:** Our expansive footprint encompasses over 10 developments, each uniquely positioned to meet the demands of different markets.

## 2,873 Units Sold

**2022 Milestones:** In 2022, we achieved a remarkable milestone, selling 2,873 units and delivering 1,279 units across various projects.

SODIC's market presence and diversified footprint have consistently shaped the real estate landscape, elevating standards, and redefining living experiences across Egypt's most sought-after locations.

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# OUR SUSTAINABILITY STRATEGY

At SODIC, we aim to be a catalyst for innovative, responsible, and sustainable urban development in the real estate industry. We are committed to delivering an integrated approach that is not only comprehensive, proactive, and preventative but also focused on fostering human well-being, longevity, and inclusion.

In line with our fundamental principles of integrity, quality, reliability, and innovation, we have meticulously crafted our Sustainability Strategy for the period of 2023–2030. This strategy is anchored on four central pillars: Robust **Governance**, Sustainable **Economy**, Thriving **Society**, and a Sustainable **Environment**. It serves as a framework for the systemic and holistic integration of sustainable practices across our entire real estate portfolio with each action we undertake adhering to globally recognized frameworks and commitments.

Our commitment to sustainability is deeply rooted in our corporate ethos, harmonizing perfectly with Egypt Vision 2030, the United Nations Sustainable Development Goals (UN SDGs), Egypt's National Climate Change Strategy (NCCS) 2050, the UNGC, the TCFD, and Good International Practices (GIP) for key priority areas. We believe that our focus on these areas underscores our dedication to social, economic, and environmental sustainability.

Under the banners of a Sustainable Environment, Sustainable Economy, Thriving Society, and Robust Governance, SODIC is dedicated to reducing its environmental impact, managing waste and hazardous materials responsibly, prioritizing safety and quality, and championing ethical business practices. We actively engage with our stakeholders and consistently monitor our sustainability performance through materiality assessments and KPIs. This unwavering commitment to sustainability mirrors SODIC's devotion to creating shared value for all stakeholders while contributing to a brighter, more sustainable future for all.



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NADINE OKASHA,
CHIEF STRATEGY, BRAND, AND
SUSTAINABILITY OFFICER

Historically, Corporate Social Responsibility (CSR) had been deeply interwoven into SODIC's operations. However, as the corporate landscape evolves, the necessity for a holistic and clear-cut EESG strategy became imperative. Our aim is to ensure continuous progress, alignment, and commitment, with the overarching objective of maximizing positive impact. In this ambitious endeavor, our Strategy, Brand & Sustainability Department has pushed forward in managing and integrating our sustainability initiatives within the broader framework of SODIC's EESG strategy.

As our journey of growth continues, we see the direct relationship between sustainability and customer satisfaction. We understand that in today's market, our customers don't only search for superior products and services but also highly value steadfast commitment to ethical practices and sustainability. This awareness informs our ethos, inspiring us to devise solutions that are not merely profitable but also socially responsible and benefiting the communities we serve. In integrating sustainability into the core of our operations, we aim to deliver excellence that enhances customer satisfaction and contributes positively to our shared global environment.

A key milestone in our 2022 journey was the comprehensive strengthening of our governance foundation. While SODIC has always been diligently managed, adhering to the strictest of corporate governance standards, this year we took it further, establishing the governance foundations to meet global governance standards. This further strengthened our corporate culture of transparency and accountability, which have always been crucial for achieving our objectives.

SODIC's leadership position in the Egyptian real estate landscape is a testament to our diverse skill set, extensive experience, and unwavering commitment to value creation. These core strengths are reflected in our transparent and precise brand communication, fostering trust among our stakeholders.

The core values that permeate SODIC cultivate an atmosphere of excellence and innovation and form the heart of our EESG strategy. Our SODIC 2.1 operating model, centered around a high-quality workforce and a safe working environment, embodies this commitment.

As we cast our eyes toward 2023, we find ourselves well-equipped to tackle any potential challenges, owing to our risk-assessment approach and clear, forward-looking strategy. Our dedication to delivering unique, sought-after products; targeting the right market segments; and shaping market trends remains steadfast, all the while safeguarding and maximizing shareholder value.



Reflecting upon our journey, the year 2022 unfolded as a pivotal period in SODIC's timeline. It was in this crucial year that we crafted an integrated Environmental, Economic, Social, and Governance (EESG) strategy that completely aligns with our corporate objectives. This strategy serves as a testament to our unwavering dedication to fostering a sustainable and ethical business model — one that not only catalyzes our growth but also creates a positive impact on society and sets a benchmark for our industry in Egypt.

## **OUR SUSTAINABILITY FRAMEWORK AND PILLARS**

Sustainable Expansion

We have refined our sustainability strategy in terms of focus areas and commitments following the significant operational and organizational changes that took place during 2022. We present our sustainability framework and the four core pillars across which our actions shall be focused.

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**Environmental Sustainability** 

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**Robust Governance Practices** 

SUSTAINABILITY REPC

## **OUR SUSTAINABILITY** JOURNEY AND MILESTONES

In our journey toward sustainability, SODIC has achieved significant milestones and embraced various initiatives over the years. From joining the UNGC in 2014 to participating in global ESG disclosure platforms and advancing our scores, we have continuously strived to set new benchmarks in the real estate industry.

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◆ SODIC became a signatory to the **United Nations Global Compact.** 



- ◆ SODIC began investing in Bedayaat, which aims to empower street children through a holistic approach that raises their basic literacy and math skills and develops their self-esteem.
- ◆ SODIC continued to invest in the development of **Ezbet El Assal** through renovating and refurbishing the main street, which is home to **78 families**, along with renovating the sewage network and connecting it to all houses.
- ◆ SODIC'S HQ building generates 95% of its electricity through solar power.
- ◆ Special Olympics A legacy of First Evers Driven by its commitment to inclusion and in celebration of people of determination, SODIC proudly sponsored the Special Olympics 1st Pan-African Games Egypt.

◆ SODIC became the first real estate developer in Egypt to publish a GRI sustainability report and a GHG assessment report.



◆ First time participation in the **S&P Global corporate** sustainability Assessment (CSA).



◆ Participated as a provider and supporter at **COP27**.



◆ SODIC supported **emonovo** in offering scholarships to over 1,000 underprivileged students.



◆ SODIC support **Sprints** in impacting over **3.000 disadvantaged youth** and women on IT and providing steady employment opportunities.



◆ Partnership with rising **sustainable startups**, including TileGreen, Block Solutions, and Unidome.



◆ SODIC and Alfanar launched Egypt's first **Education Social Enterprise Seed Cycle.** 

world #1 ranked squash champion Ali Farag

ALDAR



school impacting the lives of over 650 children. ◆ SODIC signed a 2-year sponsorship agreement with

◆ SODIC continued to support **Tawasol** in running a community

2020 2014 2022 SODIC 2023 Onwards 2011 2018 2021

Future / EVE

حواء المستقبل

مؤسسة علمني

- ◆ Future lights for Development Organisation (FLDO)
- ◆ SODIC continues to invest in **FLDO** that develops a holistic early childhood education training model and outreach program.
- ◆ SODIC began investing in the **Helwan** Association for Community Development, **Bashayer**, for women's economic empowerment and vocational training program.
- ◆ SODIC supported **Darb El-Ahmar Arts school** which provides youth with recreational spaces for training and creative expression.
- SODIC also started investing in Shomoo, supporting its women empowerment program through micro-finance and counseling.

- ◆ SODIC began investing in the **Future Eve** Foundation (FEF) providing microloans to widows and single mothers
- ◆ SODIC continued to support **?** educate me foundation the **Educate-Me** foundation in developing educational curricula for a community school in Talbeya.
- ◆ SODIC continues to sponsor Islam Abu Ali its own employee, and the first para-athlete in Egypt to complete IRONMAN 70.3.

- ◆ SODIC the first in Egypt to receive "The Procurement Excellence **Programme Award"** from CIPS
  - **PCIPS**
- ◆ In collaboration with Green Impact MED (GIMED) Project, SODIC organized a competition to **support** green and sustainable startups in Egypt.
- ◆ SODIC launched its dedicated sustainability function.
- An investor consortium acquired **85% of SODIC**, marking a significant milestone in our strategic sustainable expansion within the real estate sector.
- ◆ SODIC signed a 2-year sponsorship agreement with the squash champion Hania El Hammamy.
- ◆ SODIC supported the disbursement of **62 new housing** loans for purposes related to home improvement with the Future Eve Foundation program.

◆ Continue participation in the **S&P** CSA annual assessment and the 1st local real estate developer to voluntarily participate in the GRESB Assessment.



- ◆ Second GHG Assessment, setting of reduction plan.
- Pursue a Green Building Certification for **EDNC Commercial project.**
- ◆ SODIC continues with the Relief Program impacting over 6,500 families since 2019.

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## **ENGAGING WITH** OUR STAKEHOLDERS

At SODIC, we prioritize ongoing engagement with our stakeholders to remain well-informed about the issues that hold the highest significance for them. This ongoing dialogue allows us to shape our strategy and continuously enhance our practices.



#### • CUSTOMERS

Valued partners in our business success.

#### HOW WE ENGAGED WITH THEM

- Call center
- ▶ Regular communication through various channels (website, social media, newsletters, and SODIC's mobile application)
- ► Customer surveys and feedback mechanisms

#### THEIR NEEDS AND EXPECTATIONS

- ► Exceptional customer service and support
- ► High-quality, innovative, and sustainable products and services
- ► Enhancing local amenities and communal areas
- ► Transparency, responsiveness, reliability and customer-centric approach



#### **EMPLOYEES**

Our people: our main assets and driving force.

#### HOW WE ENGAGED WITH THEM

- ▶ Open and transparent communication channels (including a whistleblower system)
- ▶ Offering training and development opportunities
- Surveys
- Focus groups

#### THEIR NEEDS AND EXPECTATIONS

- ▶ Promoting work-life balance and a supportive workplace culture
- ▶ Professional development and career growth
- ▶ Safe workplace
- ► Recognition and rewards
- ► Non-discrimination and equal opportunities
- ► Fair compensation



#### **SHAREHOLDERS AND INVESTORS**

Strategic partners in our growth and prosperity.

#### HOW WE ENGAGED WITH THEM

- Quarterly and yearly investor presentations
- ► Annual General Meeting
- ► Financial and non-financial reporting and disclosures
- Regular shareholder meetings

#### THEIR NEEDS AND EXPECTATIONS

- Providing comprehensive information on business performance
- ▶ Delivering sustainable and profitable returns on investments
- ► Growth, profitability, good governance, and long-term value creation
- Compliance with regulatory requirements



#### **GOVERNMENT AND REGULATORS**

Collaborative partners in ensuring compliance and sustainability.

#### HOW WE ENGAGED WITH THEM

- ► Regulatory audits and on-site audits and meetings
- ► Financial and non-financial reporting and disclosures

#### THEIR NEEDS AND EXPECTATIONS

- ► Engaging in constructive dialogue and collaboration
- ► Contributing to national sustainable development and urban planning
- ► Adherence to all applicable laws and regulations
- ► Transparency and responsible corporate citizenship



#### LOCAL COMMUNITIES

Vital partners in our social and environmental initiatives.

#### HOW WE ENGAGED WITH THEM

- ► Engaging in community development initiatives
- ▶ Participating in social impact projects and programs
- ► Community surveys, events, and newsletters

#### THEIR NEEDS AND EXPECTATIONS

- Supporting social and cultural initiatives
- ► Enhancing local amenities and communal areas
- Minimizing environmental impact and promoting sustainability
- ► Positive social impact, environmental stewardship, and community involvement



#### **SUPPLIERS AND CONTRACTORS**

Trusted partners in our supply chain excellence.

#### HOW WE ENGAGED WITH THEM

- ► Supplier assessment forms and surveys
- Procurement e-portal
- ► Regular communication channels through emails, calls, and on-site meetings

#### THEIR NEEDS AND EXPECTATIONS

- Fair and transparent procurement processes
- ▶ Building long-term partnerships based on mutual benefits
- ► Ensuring timely payments and clear contractual terms
- Safe work environment



#### **BANKS AND LENDERS**

Key partners in our financial stability and growth.

#### HOW WE ENGAGED WITH THEM

- ▶ Quarterly and annual financial and nonfinancial reports and disclosures
- ► Regular meetings and discussions related to SODIC's financial performance

#### THEIR NEEDS AND EXPECTATIONS

- ▶ Maintaining open and transparent financial reporting
- Complying with loan agreements and financial covenants
- ► Timely repayment of loans and interest payments
- ► Financial stability and transparency

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## MATERIALITY ASSESSMENT

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The notion of materiality holds great significance in corporate sustainability, as it allows organizations to emphasize and prioritize the ESG issues that are most crucial to their business models. It also enables stakeholders to understand how these ESG issues affect the organization's ability to generate value and their impact on society and the wider environment.

In 2021, SODIC undertook its initial assessment of materiality, aiming to inform our approach to ESG and reporting. We are committed to continuously enhancing the information we disclose, which includes regularly reviewing material issues and key trends to ensure their ongoing relevance.

Our process for reviewing and reassessing material issues involves a comprehensive approach, facilitated by an independent consultant. In 2022, we conducted a management review of our key trends and material topics.

## OUR APPROACH TO THE 2022 MATERIALITY ASSESSMENT

For this year's materiality assessment, we adopted the following four-step process to inform and prioritize our material topics.

#### **STEP 1** | Preliminary analysis and assessment

We conducted thorough desktop research to assess potential material topics, including risks and opportunities for SODIC. Our objective was to align key trends, material topics, and issues with various aspects of SODIC's operations, encompassing strategic risks, risk management activities, and ongoing/upcoming projects.

#### **STEP 2** | Stakeholder engagement and consultation

We conducted interviews with internal and external stakeholders to identify key issues and understand SODIC's positioning. Consultation processes with internal stakeholders were led to review key trends and material topics. Additionally, we reviewed material issues from industry collaboration, ESG surveys, and benchmarks, including CDP, GRESB, and DJSI, along with consideration of local and national priorities and strategies, such as Egypt's Vision 2030 and NCCS 2050.

#### **STEP 3** | Identify and prioritize material topics

To pinpoint key material topics, we consistently assess changes in SODIC's operational and organizational structures. Our approach involves conducting internal stakeholder engagements across SODIC's main departments, fostering collaboration and collecting input from various teams, including senior and executive management. Their insights are invaluable in understanding the most relevant and pressing material topics. This process is closely aligned with industry trends, ensuring a comprehensive and inclusive approach to prioritizing material topics.

#### **STEP 4** | Reporting on our performance

We use the identified material topics to shape our reporting themes, adhering to the specifications of the Global Reporting Initiative (GRI) Standards. SODIC aligns with these standards to ensure that its annual results reporting effectively discloses material issues and performance. In our most recent materiality assessment, 17 material topics were identified and grouped across four pillars. The 2022 management review reaffirmed the priority of all 17 topics for stakeholders. These material topics served as the foundation for topic-specific disclosures based on stakeholder impact, as defined by the GRI Standards, informing the content of SODIC's 2022 Sustainability Report.

## MATERIALITY MATRIX

Most Important to **Stakeholders** 

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In 2022, we undertook a rigorous materiality assessment to identify the actual and potential risks and opportunities that are most important to SODIC and to our stakeholders. This enables us to prioritize and focus our efforts on mitigating our negative impacts while maximizing our positive ones.

SODIC demonstrates its commitment to addressing key material topics by effectively presenting them on its materiality matrix. By aligning with the company's four strategic pillars, SODIC focuses on its most material issues and strives to exhibit continuous improvement in these areas on an annual basis.

Medium High Low Governance, Ethics & Transparency Climate Action Employee Wellbeing & Health and Safety Inclusive and Impactful
Community Relations Energy Management Responsible Investment Water Management and Diversified Growth Circularity and Waste Management Digital Transformation & Innovation and Opportunities Cybersecurity in Green Building Learning and Development Customer Experience Responsible Supply Chain Management Talent Acquisition and & Retention Workforce Diversity & Inclusion Smart & Resource Efficient Design Biodiversity Preservation

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## SODIC'S 2022 MATERIAL TOPICS

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PILLAR	MATERIAL TOPIC	DESCRIPTION OF TOPIC
SIIII STATE	Responsible Investment and Diversified Growth	Our strategy is creating an EESG-based investment framework guiding responsible growth. We prioritize a company's value beyond financial metrics, actively and continually assessing ESG risks, like climate change, labor practices, and governance, aligning with our values and reducing associated risks.
	Customer Experience	We continuously strive to enhance customer interactions to build lasting loyalty and actively engage customers within our ecosystem. Our goal is to create a distinguished experience at every touchpoint. We also recognize the importance of meeting our clients' unique requirements and aspirations.
	Energy Management	We understand the pivotal role of energy in our operations and its significant impact on the environment. Our comprehensive approach to energy management entails optimizing energy consumption across our facilities, processes, and operations. We continually explore innovative solutions to reduce our energy footprint while ensuring operational efficiency.
	Water Management	Water is a critical resource, and we actively seek innovative solutions to minimize waste and embrace sustainable practices. Our commitment to water management is underscored by concrete actions, such as implementing Water Efficiency Management Systems across our developments and properties.
	Climate Action	SODIC recognizes the critical importance of proactively addressing climate change through mitigation and adaptation measures. Our goal is to minimize environmental risks, reduce carbon emissions, and enhance the long-term resilience of our business. We are committed to establishing Climate Risk Management strategies that enable us to assess and manage the impact of climate change effectively. Additionally, we strive to meet our energy and mobility needs in a sustainable manner, ensuring a responsible approach to resource consumption and emissions.
	Biodiversity Preservation	SODIC engages in ecosystem assessments, biodiversity impact assessments, and habitat initiatives. These actions are instrumental in mitigating our impact on ecosystems and nurturing the rich diversity of species that inhabit them. We are also dedicated to supporting local communities as we recognize the interconnectedness of biodiversity preservation with climate resiliency.
	Smart & Resource Efficient Design	Our strategy for smart and resource-efficient design aligns with industry-leading certifications and standards. We ensure develop-ing design guidelines and fit-out standards that promote sustainable living communities.
	Circularity and Waste Management	SODIC is dedicated to embracing a circular economy to minimize waste and maximize resource efficiency. We are also piloting innovative waste management solutions to further reduce our environmental footprint.

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**PILLAR** MATERIAL TOPIC **DESCRIPTION OF TOPIC** SODIC fosters innovation to drive growth, it hosts knowledge exchange meetings with relevant stakeholders within the company, **Innovation and Opportunities** focused on sustainable infrastructure. Our approach to building design and construction prioritizes eco-responsibility, energy effiin Green Building ciency, and occupant well-being. Our people are our greatest asset, and how we attract, nurture, and retain talent profoundly impacts our business and stakeholders. Our approach to talent acquisition and retention starts with a commitment to creating an inclusive and inspiring workplace culture **Talent Acquisition and Retention** where diversity is celebrated and individual potential is nurtured. This not only attracts top talent but also fosters innovation and collaboration. At SODIC, we firmly believe that investing in the continuous learning and development of our employees is essential for their **Learning and Development** success and our collective achievements. This begins with our onboarding process, ensuring that every new team member receives comprehensive training and orientation, which sets the stage for a culture of continuous learning. We prioritize the safety and health of our workforce and achieving zero lost time injuries, and we have established a dedicated **Employee Well-being &** Health and Safety Department to ensure the implementation of robust policies. We offer financial security through employment **Health and Safety** and provide preventative healthcare schemes for all employees. This material commitment ensures our employees thrive in a safe, supportive, and healthy work environment. We are committed to hiring individuals with disabilities, and prioritizing accessibility by providing all necessary accommodations **Workforce Diversity & Inclusion** including designated parking spaces and specialized facilities. We also actively promote connection, engagement, and a sense of community among our employees. SODIC's approach is designed to guarantee the well-being, happiness, and active involvement of residents in our developments. Focusing on key elements including administration, facility management, security, events, and conflict resolution, results in the Inclusive and Impactful Comestablishment of vibrant and sustainable communities that residents proudly call home. munity Relations and Corporate Social Responsibility Efforts We actively engage with and support over 9,000 families. We collaborate with local NGOs and involve our wider communities in sustainable development. Our initiatives promote education, rehabilitation, equal opportunities and relief. Our governance, ethics, and transparency practices are a beacon guiding us toward sustainable, responsible, and ethical growth. **Governance, Ethics & Transparency** They reflect our deep sense of responsibility to all our stakeholders. SODIC is embracing digitalization through ERM strategies and innovative technology governance. We use digital tools to improve our management systems, collect environmental data, and integrate ESG criteria into our operations. Our goal is to drive progress, **Digital Transformation & Cybersecurity** security, and innovation across all functions while ensuring a seamless, secure digital experience for all stakeholders. 8888 We integrated EESG principles across our operations and supply chain. We prioritize using Environmental Products for construction materials, ensuring sustainability and transparency. We actively support and engage suppliers to maintain a responsible and sus-**Responsible Supply Chain Management** tainable value chain through a Supplier Code of Conduct and ESG Due Diligence. Our commitment to supply chain transparency ensures ethical practices and compliance with industry standards.

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**DISCOVER SODIC** 

## ROBUST GOVERNANCE PRACTICES

→ Our Governance Commitments and Progress

Strategic Governance for Sustainable Development

Business Ethics, Compliance, and Conduct

Digital Innovation and Cybersecurity

ENVIRONMENTAL SUSTAINABILITY

EMPOWERING OUR
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We believe that sound governance is fundamental to our sustainability journey. We prioritize transparency, accountability, and ethical conduct in all our endeavors. Through rigorous governance mechanisms and a dedication to compliance, we aim to set industry benchmarks and ensure that our stakeholders can trust in our commitment to responsible development. Our focus on robust governance practices is a testament to our unwavering dedication to building a sustainable future.

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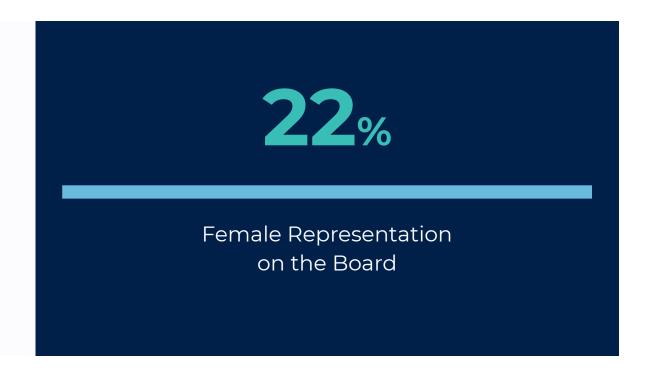
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## 2022 HIGHLIGHTS

ADVANCING SUSTAINABILITY GOVERNANCE Revamped our sustainability governance structure and established a dedicated

Sustainability Forum



ROBUST GOVERNANCE FRAMEWORK

Established

The SODIC Way



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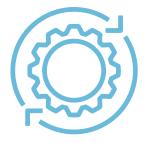
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**OPERATE A RESPONSIBLE BUSINESS WITH** THE HIGHEST ETHICAL STANDARDS.

#### SODIC'S CORPORATE STRATEGIC THEMES ADDRESSED







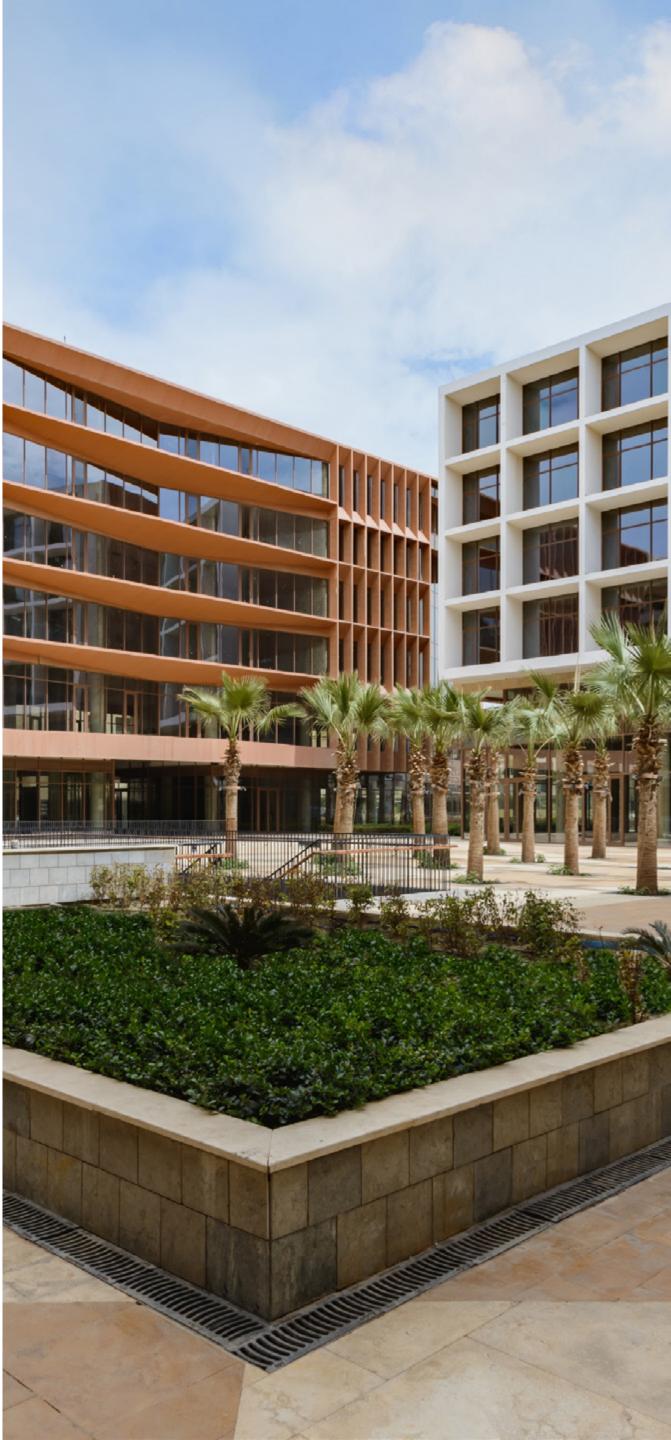
**GROWTH & EXPANSION** 

SCALING UP **OPERATIONS** 

CULTURE **TRANSFORMATION** 

Our commitment to the highest governance standards and In this section, we share our approach to governance and our have embedded sustainability into our corporate governance procedures. We uphold our commitment and adherence to sound principles of corporate governance, ethical conduct, and good corporate citizenship to bolster our performance as a company and maximize shareholder value.

business ethics guides our sustainability mission. As such, we progress throughout the year, focusing on sustainability, governance, and digital transformation.



# OUR GOVERNANCE COMMITMENTS AND PROGRESS

GOVERNANCE, ETHICS, AND TRANSPARENCY

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COMPLETED/ ON TRACK



NOT YET STARTED



STARTED, IN PROGRESS



PARTIALLY COMPLETED

MATERIAL TOPIC	AREA OF FOCUS	COMMITMENTS / ASPIRATIONAL TARGETS	2022 STATUS QUO	
	Board Operations and Stakeholder Engagement	Develop and implement a robust Corporate Stakeholder Engagement Plan by 2024	Each department reports annually on its primary list of stakeholders, means of engagement and frequency.	
		Establish SODIC's Board of Directors Charter and establish a Corporate Governance Framework for SODIC	Established both the BoD charter and an updated Corporate Governance Framework in July 2022.	<b>•</b>
		Update SODIC's Delegation of Authority (DoA)	Updated SODIC's DoA in June 2022.	
		Develop plans for leadership succession to ensure a smooth transition in key management positions	Developing a comprehensive HR Policy that includes a detailed Succession Planning procedure. A Succession Planning committee that oversees the process shall be established.	
JANCE, ETHICS NSPARENCY	SODIC Governance Strategy	Update SODIC's group-wide Policies and Procedures (P&Ps) to incorporate ESG-related aspects and criteria.	Revised and developed 690 standard operating procedures and 30 Policies corporate-wide, including all governance-related policies and committees' charters. Working on revising and establishing updated health and safety policies, and other ESG-related policies by 2023.	
AR EI		Establish a subsidiary governance framework for SODIC (Clubs and EDARA)	Established an updated group-wide governance framework which covers SODIC's subsidiaries.	•
A A		Regularly assess SODIC's performance KPIs and alignment with strategic objectives	SODIC annually discloses its corporate strategy KPIs by strategic theme in its annual report. Additionally, it has begun evaluation and disclosure of its EESG strategy goals, reporting progress within its yearly sustainability report.	
GOVE & TE	Risk Management	Establish a Risk Management function	Established the Risk function that enables informed decision-making and risk reduction in accordance with regulatory requirements.	•
		Develop an Enterprise Risk Management (ERM) framework incorporating business continuity management and operational resilience plans to reflect risk appetite and align with risk and governance policies	SODIC is developing a new Risk Management Framework which will be established and fully implemented in 2023.	
		Incorporate sustainability as one of the risk categories in the Enterprise Risk Management Framework	ESG aspects are currently being incorporated within SODIC's Risk Management Framework.	0
		Conduct a compliance risk assessment and develop compliance risk mitigation plans to ensure compliance with external regulatory requirements	Conducted an annual review of the risk register (carried out by the Risk Management function), which falls under the Finance Department.	

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**AREA OF FOCUS COMMITMENTS / ASPIRATIONAL TARGETS** MATERIAL TOPIC **2022 STATUS QUO** Create a dedicated ESG Forum to ensure that SODIC Established a dedicated Sustainability Management Forum that oversees not only meets its financial obligations but also its and monitors the SODIC's EESG Strategy and its implementation. responsibilities towards society and the environment Develop ESG risk registers to mitigate climate Formally integrated sustainability as one of its core values and risks and enhance our sustainability disclosures developed a comprehensive strategy. ESG aspects are currently being by following a sustainability policy manual incorporated within SODIC's Risk Management Framework. Conduct ESG status and gap assessment An initial ESG status and gap assessment was conducted after SODIC's release of its inaugural and adopt corrective measures. sustainability report in 2021, making it the first Egyptian real estate company to do so. This assessment was further refined in 2022 through a comprehensive materiality evaluation. **ESG Integration** Contracted a consultant to develop a corporate-wide Develop and adopt a Corporate Environmental and Social Management System (C-ESMS) ESMS covering SODIC and its subsidiaries. Integrate ESG criteria and sustainability targets into the ESG aspects are currently being incorporated within SODIC's Risk Management Framework Quality Management System and the internal audit system and shall be incorporated in the internal audit system in the upcoming years. across all functional areas as part of the C-ESMS by 2025 Commit to being active in sustainable SODIC is a UNGC participant since 2014 and has participated for the first time in the annual partnerships and international sustainability S&P Global Corporate Sustainability Assessment (CSA), achieving an S&P ESG score of 32, rating systems (such as S&P CSA, CDP) and will be participating for the first time in the GRESB annual assessment in 2023. GOVERNANCE, ETHICS & TRANSPARENCY Conducted an updated materiality assessment in 2022, reflecting on the first assessment in Conduct a streamlined double materiality assessment 2021. A comprehensive double materiality shall be conducted in the next reporting cycle. Commit to adherence of a comprehensive code SODIC maintains a comprehensive Code of Conduct across of ethics and conduct that promotes honesty, all its operations and business activities. integrity, and responsible behavior Maintain zero cases of corruption and zero No cases of corruption or human rights violations were reported. human rights violations annually **Code of Conduct** Train all employees on core policies and Current employees and new hires are all aware and trained on the procedures around anti-corruption company's anti-corruption policies and procedures Commit to regular and transparent reporting to stakeholders, SODIC publishes its annual report including audited financial statements including financial and operational information on an annual basis along with the company's quarter financial results & performance. All reports and publications can be found on our website. Establish a compliance function and develop a compliance framework Adoption of policies to identify, manage, and SODIC deploys a Conflict-of-Interest policy that specifies clear guidelines for all disclose any potential conflicts of interest personnel to identify, disclose, manage, and monitor any actual, perceived, or involving employees, , or other stakeholders potential conflicts between their roles and personal interests, ensuring the company's actions remain uninfluenced by external entities or unjustified influence. **Policies and** SODIC acts in compliance with laws, regulations, and this Assess compliance with legal and regulatory ESG **Procedures** requirements, including requirements for future developments includes compliance with national ESG regulations. Align disclosures with recognized frameworks SODIC published its first assured sustainability report in 2021, which aligns with the such as GRI, UNGC, TCFD, and SASB GRI, UNGC, and to be extended to TCFD, and SASB in the following reports

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MATERIAL TOPIC **COMMITMENTS / ASPIRATIONAL TARGETS 2022 STATUS QUO AREA OF FOCUS** Develop an Enterprise Risk Management SODIC's Audit, Risk, and Compliance Committee develops (ERM) strategy and an ERM framework enterprise risk management processes Continue improving our management systems with Implemented a range of solutions that have streamlined internal operations and enhanced external systems for improved productivity and customer engagement. the help of digital tools, research and development, innovation, and customer interactions Management Read more under "Unlocking Operational Success through Digitalization". Systems and Implemented various modules for Salesforce CRM, enhancing sales and services processes Streamline operations, enhance customer-centricity, Digitalization and strengthen governance across our organization with automated workflows and a comprehensive customer view across the organization. DIGITAL TRANSFORMATION Create a Digital Sustainability Data Management system SODIC's digital transformation business unit is planning to develop a digital ESG and GHG accounting system by 2030 to cover all office data management system in collaboration with the Sustainability department. buildings, new developments, and acquisitions for ESG data collection, KPIs tracking, analysis, and benchmarking Formalize the innovation process in every department Identified innovation sponsors in every department within SODIC to champion progress in innovation throughout the business. Conducted technological training for all applications, systems, and Develop guidelines for evaluating and adopting portals. Training attendance was mandatory for all end users, leading emerging technologies, balancing innovation with potential risks and ethical considerations to a training Attendance and Completion Rate of 100% **Innovation and** Formalized a new framework, enabling cross-collaboration across Encourage cross-functional collaboration to explore **Technology** departments led by dedicated managers called innovation investors innovative solutions that can drive operational efficiency and customer satisfaction Governance Strengthen SODIC appetite for innovation through education, Created 22 innovation ideas since strategy implementation, focused incentivization, and rigorous program development criteria on customer experience, efficiency, and operations SODIC plans on initiating a call for innovation Implemented innovation as one of the main pillars in SODIC's 5-year strategy within the market, leveraging the successes and accomplishments it has achieved Enhance the suite of policies and procedures for Strengthened organizational defenses by implementing a wide range BERSECURITY cybersecurity risks on an ongoing basis of cybersecurity solutions, delivering advanced threat detection, prevention, and protection against cybersecurity attacks. Conducted mandatory online cyber security awareness training for 557 employees Increase cybersecurity and data protection **Data Protection** awareness across the organization Administered Aldar Group's mandatory information security and Governance awareness training for 873 employees. Ensure data security of our customer management Four incidents or complaints related to breaches of customer resource allocation, and assets operations privacy or Zero losses of customer data. including consumer financial protection.

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#### SODIC'S GOVERNANCE FRAMEWORK

SODIC, a non-family-owned company, takes immense pride in its prudent management and robust corporate governance framework. The company is firmly committed to upholding the principles of corporate governance, high ethical standards, and responsible corporate citizenship, all of which are seen as key drivers in delivering and unlocking stakeholder value.

SODIC's corporate governance approach fosters an environment that promotes integrity and transparency, and embraces diversity. This commitment is reinforced by an exceptional team of board members and independent non-executive directors. By upholding the highest standards of governance and ethical conduct, the company establishes a strong foundation for its sustainability and ESG initiatives.

In 2022, we restructured our governance framework and as part of this restructuring, we harmonized Delegations of Authority (DoAs) and expedited the development of charters and other key governing documents. This not only streamlined our operations but also ensured more effective governance throughout our organization.

# GOVERNANCE-RELATED FRAMEWORKS AND CHARTERS THAT WERE UPDATED AND/OR ESTABLISHED IN 2022:

**Corporate Governance Framework** 

**Board of Directors (BoD) Charter** 

**Tender Committee (TC) Charter** 

SODIC Delegation of Authorities (DoA)

Nomination and Remuneration Committee (NRC) Charter

Investment Committee (IC) Charter

Board Executive Committee (EXCO) Charter

Board Audit, Risk, and Compliance Committee (ARCC) Charter Management Committee (MC) Charter

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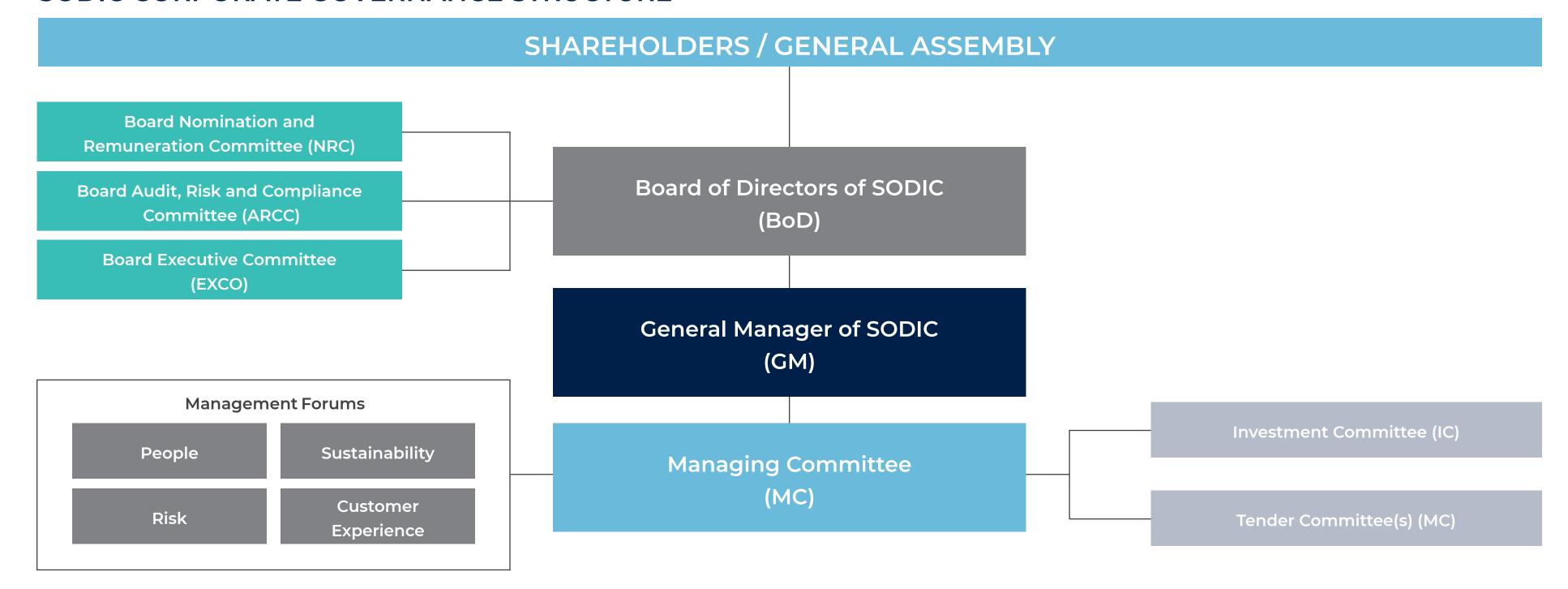
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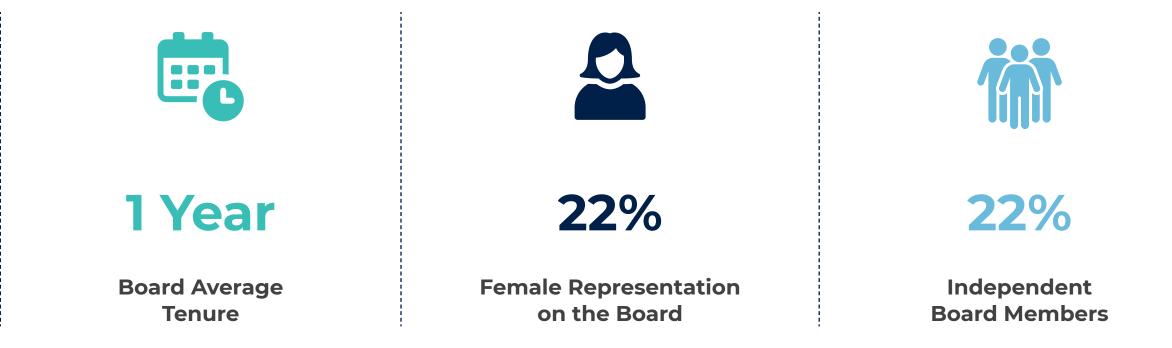
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#### SODIC CORPORATE GOVERNANCE STRUCTURE



#### **BOARD OF DIRECTORS**



The Board, entrusted by the general assembly, oversees the company's operations and functions. It establishes strategic objectives and conducts business activities in accordance with governing laws, company bylaws, and the rules and regulations of relevant regulatory authorities. This ensures that the executive management fulfills its duties within established plans, serving the best interests of the company and its shareholders.

The Board also upholds the company's obligations toward the community and the environment. It ensures the effectiveness of SODIC's internal control system and risk management practices. Additionally, the Board determines the optimal approach for implementing governance systems, aiming to enhance overall organizational performance.

As of the end of 2022, the Board consisted of 10 members, two of whom served as Independent Non-Executive Directors.

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BOARD STRUCTURE AS OF 31 DECEMBER 2022					
	BOARD MEMBER		TENURE	BOARD MEETINGS ATTENDANCE <sup>1</sup>	
	Talal Al Dhiyebi	Chairman of the Board (Non-Executive)	One year	90%	
25	Osama Saleh	Deputy Chairman of the Board (Independent)	One year	100%	
	Jonathan Emery	Board Member (Non-Executive)	One year	90%	
	David Dudley	Board Member (Non-Executive)	One year	100%	
	Sana Khater	Board Member (Non-Executive) <sup>2</sup>	One year	100%	
	Fahad Abdulla Al Mahmood	Board Member (Non-Executive)	One year	90%	
	Omar Mehanna	Board Member (Non-Executive) <sup>3</sup>	One year	100%	
	Dalia Khorshid	Board Member (Independent)	One year	100%	
	Magued Sherif	Board Member (Non-Executive)	One year	100%	
	Amer Saleh Al Ameri	Board Member (Non-Executive) <sup>4</sup>	One Year	70%	

<sup>1</sup>According to SODIC's Articles of Association (AoA), a minimum of four board meetings must be held annually. In 2022, the Board held a total of 10 meetings.

<sup>&</sup>lt;sup>2</sup>Ms. Khater resigned as of 31 December, 2022 and was replaced by Emma O'Brien, Group General Counsel at Aldar.

<sup>&</sup>lt;sup>3</sup>Mr. Mehanna resigned as of 31 December, 2022 and was replaced by Roque Solabarrieta, Investment Director at ADQ.

<sup>&</sup>lt;sup>4</sup>Mr. Al Ameri resigned as of 31 December, 2022 and was replaced by Khalifa AlBlooshi, Investment Manager (Energy and utilities) at ADQ.

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#### **BOARD DIVERSITY**

SODIC's commitment to sound corporate governance extends to fostering diversity within its Board of Directors. We firmly adhere to corporate governance principles and legal requirements, including the Financial Regulatory Authority's mandate of appointing at least two women or ensuring a 25% representation of women on the Board. As of the end of 2022, the BoD proudly included **two women**, representing **22%** of its members.

#### LOOKING FORWARD – ESTABLISHING A BOARD DIVERSITY POLICY

In 2023, SODIC is taking steps to strengthen diversity within its Board by introducing a dedicated policy. The goal of this policy is to foster gender diversity in terms of cultural and educational background, professional experience, skills, knowledge, length of service, and the legitimate interests of the Company's principal shareholders.

SODIC's Nomination and Remuneration Committee will assess candidates based on objective criteria, with a focus on the benefits of having a truly diverse Board. This commitment to diversity reflects SODIC's dedication to creating a balanced and inclusive leadership structure, where diverse perspectives and experiences positively contribute to our decision-making processes.

For further details on the Board's roles and responsibilities, please refer to the Corporate Governance Report (p. 104–106) in our 2022 Annual Report.

#### **BOARD COMMITTEES**

The formation of Board Committees adheres to relevant regulatory stipulations, the Egyptian Corporate Governance Code, and industry best practices. These committees aid the Board of Directors by providing oversight of the company's distinct business activities, risk management, auditing, compliance, and human resource affairs.

#### THE ESOP, NOMINATION, AND REMUNERATION COMMITTEE

The committee consists of three members, including two Independent Board members, and is responsible for proposing clear policies for the bonuses and rewards of Board members, committee members, and senior executives. It also establishes and modifies performance-related standards that are used to determine these bonuses. Additionally, the committee conducts necessary studies and surveys to review these policies annually to enhance the company's long-term performance. It carefully examines and approves the total annual bonuses of employees based on performance indicators.

Furthermore, the committee regularly asses the company's long-term incentive plans to ensure they align with the company's objectives and strategies, recommending amendments as necessary. The committee's key responsibilities also include overseeing the nomination and selection process for the company's senior management in control functions, following the guidelines of the DoA. The committee actively engages in succession planning for members of the Group Executive Management.

The committee is also responsible for establishing a comprehensive group-wide remuneration framework, and it contributes to the development and implementation of the People, Culture, and Performance Framework and practices.

#### THE AUDIT, RISK, AND COMPLIANCE COMMITTEE (ARCC)

The ARCC ensures the effectiveness and integrity of the company's audit and internal control functions. It provides valuable insights and recommendations to the Board, helping strengthen the company's overall governance and risk management processes. Additionally, the ARCC ensures compliance with applicable laws, regulations, and internal policies, safeguarding the company's reputation and upholding ethical standards.

#### THE EXECUTIVE COMMITTEE (EXCO) – LEADERSHIP TEAM

The EXCO is a select group of six members from the company's Board and plays a pivotal role in navigating the company's strategic, financial, and legal landscapes. Chaired by the CEO, the EXCO includes heads of SODIC's core and support functions. It was established by the Board to undertake key business decisions including the following tasks:

- Monitoring the implementation of the company's strategy to ensure that the company achieves good performance indicators.
- Reviewing the work of the company's departments.
- Discussing new business opportunities and planning for development and innovation.
- Approving investment strategies and policies.
- Taking strategic and investment decisions.
- Overseeing financials, investment, and capital allocation activities and partnership opportunities.
- Overseeing Group financial business performance and critical operational activities.
- Overseeing compliance and legal matters in areas involving initiation of litigation/arbitration proceedings and settlement.

Corporate Governance Report (p.106–112) in our **2022 Annual Report.** 

#### **EXECUTIVE MANAGEMENT COMMITTEE**

**LEADERSHIP TEAM STRUCTURE AS OF 31 DECEMBER 2022** 

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MAHMOUD BADRAN¹ CHIEF FINANCIAL OFFICER



HEBA MAKHLOUF
CHIEF INVESTMENT
OFFICER



AYMAN AMER
GENERAL MANAGER



YASSER EL SAID
CHIEF PROJECTS
OFFICER



NADINE OKASHA
CHIEF STRATEGY,
BRAND, & SUSTAINABILITY
OFFICER



AHMED EL-HALAWANY CHIEF DEVELOPMENT OFFICER



AHMED SAMIR
CHIEF PEOPLE &
CAPABILITIES OFFICER



ALY EL SAMRA
CHIEF COMMERCIAL
OFFICER



MARWA EL KHODARY
GENERAL COUNCIL

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### SUSTAINABILITY GOVERNANCE STRUCTURE

SODIC has implemented a structured approach to embedding sustainability into its governance framework. This has involved assigning dedicated members to monitor and report on key sustainability initiatives, leading to the establishment of a dedicated Sustainability forum under the General Manager's supervision. To ensure adopting measurable and integrated practices, the company conducted executive-level induction and provided comprehensive ESG training to employees across all levels.

In the development of SODIC's first EESG Strategy and objectives, focal persons representing each function actively contributed with their expertise. They are currently cooperating to set more specific targets aligned with the company's defined commitments and strategic priorities. The selection process of these Sustainability Champions was based on criteria that considered competencies, skills, and relevant experience in their respective fields.

AREA OF FOCUS	COMMITMENTS / ASPIRATIONAL TARGETS				
General Manager	Approves the overall strategy direction, ensuring it aligns with the corporate strategy and materiality map.  Greenlights the stakeholder plan and provides the final approval for the annual sustainability report.				
Sustainability Forum	Oversees the company's sustainability efforts, approves sustainability-related plans and strategies, sets strategic priorities, monitors progress, assesses ESG performance, and ensures the integration of ESG principles within the organization.				
Chairperson	Identifies material issues, establishes KPIs, and monitors action plans. Develops stakeholder engagement strategies and oversees ESG integration into policies. The Chairperson also assesses performance, presents risks and opportunities, and consolidates ESG reporting, as well as formulates external communication messages and collaborates on ESG training programs.				
Sustainability Champions (Focal persons across key functions and business units)	Collaborate with the Chairperson to establish KPIs, engage stakeholders, enforce ESG strategy and policies, report on ESG performance and risks, and contribute to sustainability/ESG reports. They also provide recommendations for key business-level ESG messages and actively participate in developing ESG training and awareness programs within relevant departments.				

# SODIC'S SUSTAINABILITY FORUM

The Sustainability Forum, introduced in response to the evolving sustainability landscape, plays a vital role in overseeing the integration and execution of SODIC's 2023–2030 Sustainability Strategy. The committee brings together experts and stakeholders from various domains who contribute their insights and perspectives to advance sustainability efforts across the organization.

#### **SUSTAINABILITY FORUM STRUCTURE (FORUM CHAIR)** GENERAL MANAGER (FORUM CHAIR) Chief Financial Officer Chief Development Officer Chief Strategy, Brand, & Sustainability Officer Chief Projects Officer Chief People & Capabilities Officer Head Of Sustainability Chief Executive Officer, EDARA Chief Executive Officer, SODIC Clubs **EDARA Business Planning Director** Director – Business Development & Operators **Technology Executive Director** Director – Technical Procurement Head of Business Development Facility Management Director Executive Director – Design & Engineering Senior Manager – Internal Communications Executive Director - Project Management Executive Director - Property Management Manager – Business Development – Dev. BU Projects Director

#### SODIC 2.1: OUR NEW OPERATING MODEL

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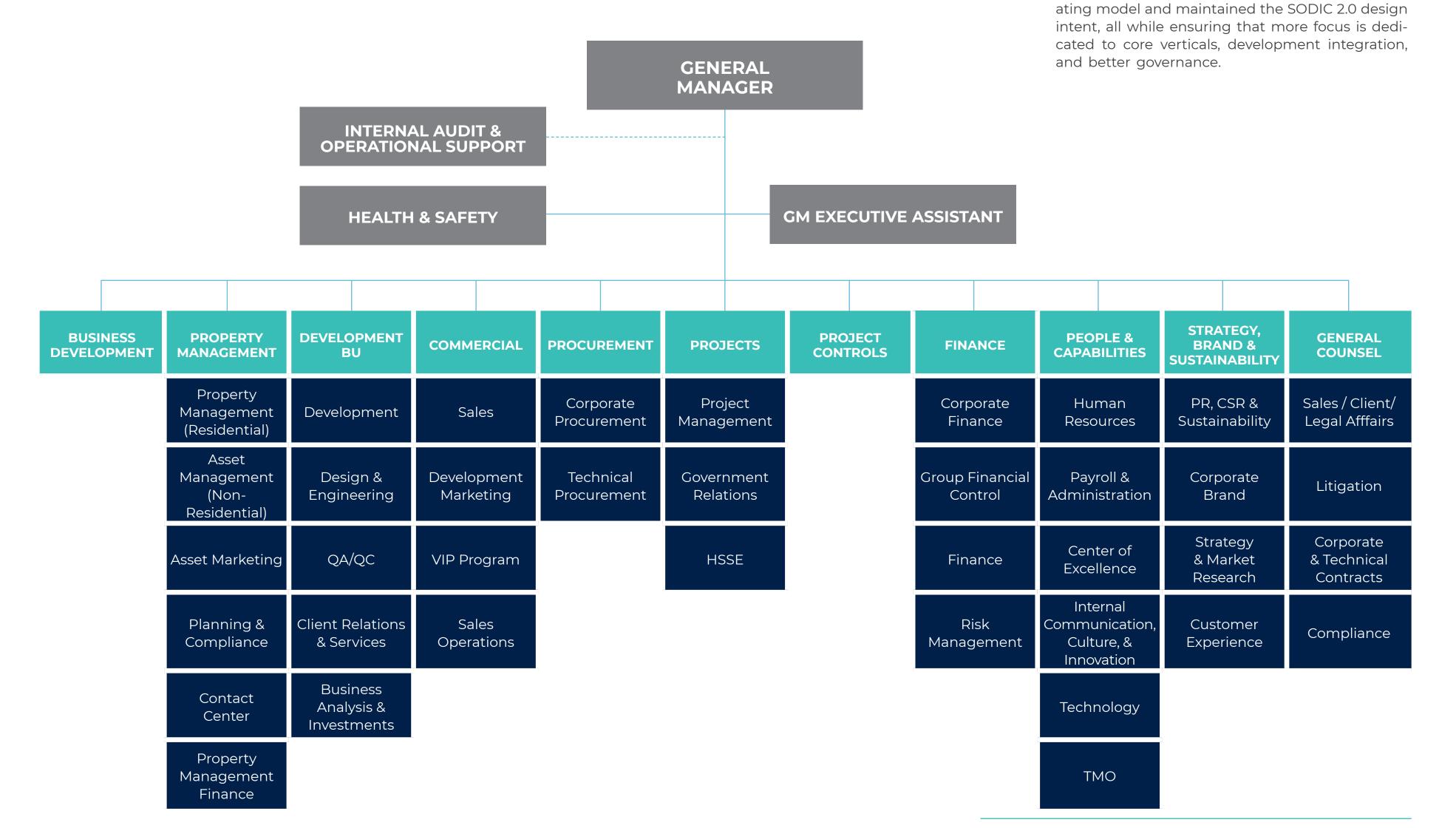


Figure 1. The SODIC 2.0 Operating Model

As part of SODIC's committment to sustainability

governance, we fully implemented SODIC 2.1 in

By doing so, SODIC successfully enhanced its oper-

2022.

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# ESTABLISHING THE CENTER OF EXCELLENCE (COE)

As part of our governance structure overhaul, the SODIC Center of Excellence (CoE) was established to align all aspects of the organization, increase efficiency, and create a more streamlined operational framework.

With its main operations, lines of action, and scope of work, the CoE at SODIC is a pivotal hub with a threefold focus:

#### **ORGANIZATIONAL EXCELLENCE:**

The CoE is responsible for developing, implementing, and maintaining the target operating model, overseeing organizational restructuring projects and driving change and management-led initiatives.

#### **GOVERNANCE EXCELLENCE:**

It develops and manages DoAs across the group, maintains governance charters, and conducts periodic health checks to assess organizational governance performance.

#### **BUSINESS PROCESS EXCELLENCE:**

The CoE is entrusted with capturing and maintaining company-wide policies and procedures, supporting the business

in mapping and documenting key processes using advanced business process management (BPM) systems, and proactively enhancing process efficiency while identifying opportunities for automation.

The CoE strengthened individual management capabilities by implementing enhanced delegation practices in approximately **60%** of our critical operational units, leading to a significant improvement in our overall productivity. This approach was effectively extended across SODIC and its subsidiaries, employing frameworks, committees, and charters to equip departments with the essential resources for efficient process and procedure delegation.

# THE SODIC WAY: EMPOWERING EXCELLENCE WITH A CENTRALIZED PLATFORM

In 2022, the CoE at SODIC spearheaded the establishment of "The SODIC Way," an initiative aimed at centralizing and enhancing the company's policies and procedures. This comprehensive platform served as a repository for all standard operating procedures (SOPs) and policies, providing employees with easy access to crucial documentation. As a significant achievement, the CoE successfully developed and documented 690 SOPs and formulated 31 policies, boosting efficiency, standardization, and ongoing improvement across various operational areas within the organization.

690

NEW SOPS DEVELOPED IN 2022

**31** 

NEW POLICIES ESTABLISHED IN 2022



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# BUSINESS ETHICS, COMPLIANCE, AND CONDUCT

Ethical business practices guide our actions and define our identity and behavior. We have implemented a comprehensive Ethics and Compliance framework that enables us to efficiently navigate evolving regulatory requirements. Our strategy regarding broad aspects of corporate governance, encompassing ethics, conflicts of interest, and transparency, is detailed in the Corporate Governance section of our 2022 Annual Report, on pages 114–124.

# BUSINESS ETHICS AND CODE OF CONDUCT

At SODIC, we are committed to fostering an ethical corporate culture that upholds the highest standards of integrity and compliance with laws and regulations. Our Code of Conduct serves as a guiding framework to ensure ethical behavior and accountability across our organization.

Our Code of Ethics is the cornerstone of our operations, providing the foundation for how we conduct our business. In 2022, we updated the Code to better align with SODIC's purpose. The Code's main objective is to encourage ethical conduct, legal compliance, and transparency across all levels of our organization. It provides guidance on how to handle ethical issues, outlines mechanisms for misconduct reporting, and instills a culture of accountability.

The Code of Ethics is in line with the SODIC DoA and our corporate governance structure. It applies uniformly to all SODIC employees, affirming our dedication to upholding ethical behavior across the company. The Code is readily available to all SODIC employees at any time, detailing their rights and providing answers to any potential queries or concerns they may have.

The Chief People and Capabilities Officer oversees the implementation of this Code, ensuring adherence to our corporate governance principles and regulatory compliance. Any instances of non-compliance should be reported directly to the Chief People and Capabilities Officer.

We have set clear guidelines for individual behavior, emphasizing respectful interaction with colleagues, maintaining professionalism, and adhering to ethical standards. Additionally, SODIC is committed to treating its employees equitably, fostering a conducive working environment, and promoting open and transparent communication within the organization.

# WHISTLEBLOWING POLICIES AND PROCEDURES

SODIC is dedicated to creating a transparent and accountable environment, exemplified by its whistleblowing policy. This policy serves as a vital mechanism for reporting any violations or complaints, ensuring that all stakeholders, including employees, contractors, and third parties, can disclose incidents that go against our Code of Ethics, laws, or regulations, regardless of their source. By encouraging such reports, we reinforce a culture of honesty and integrity throughout our operations.

Our management approach to whistleblowing reports is proactive and decisive, aiming to prevent unethical behavior, negligence, or illegal activities. This aligns with our commitment to implementing necessary reforms, upholding principles of justice and transparency, and safeguarding SODIC's business and reputation from potential harm.

To ensure the utmost confidentiality, we have established a secure reporting mechanism that guarantees complete anonymity for whistleblowers. Reports should be supported by objective documents or information, enabling us to thoroughly investigate any suspicious activity. This includes, but is not limited to, unethical behavior, illegal actions, corruption, policy violations, law breaches, fraud, or threats to public rights. This approach fosters a climate of trust and transparency, encouraging individuals to voice their concerns without fear of retaliation.

If any employee or third party (referred to as "Whistleblower") discovers or suspects reportable conduct, they are urged to report their concerns through SODIC's third-party-managed Whistleblower system. The link to the system is accessible on SODIC's intranet homepage and via the company's public website.

SODIC's Internal Audit (IA) team conducts a thorough investigation while adhering to privacy requirements. The IA team may request additional relevant information from the Whistleblower through the Whistleblower system while maintaining their anonymity.

#### Zero

Whistleblowing Cases Reported in 2022

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#### FRAUD AND ANTI-CORRUPTION

We are fully committed to maintaining a comprehensive Anti-Corruption framework alongside our robust internal control system. SODIC's updated Fraud Policy sets the framework and related internal controls to manage activities aimed at safeguarding the company against fraud. The Policy is designed to facilitate the development of controls that prevent and detect fraud against SODIC. It promotes consistent organizational behavior by providing guidelines and assigning responsibilities for developing controls and conducting investigations.

Managed by SODIC's executive management, along with the General Manager and their direct reports, the Policy establishes the requirements for preventing and detecting fraud, misappropriations, and other irregularities. All members of the executive management should be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indication of irregularity. Any detected or suspected wrongdoing must be reported immediately to the Head of IA, who bears primary responsibility to investigate any suspected reportable incident.

#### **RISK MANAGEMENT**

Our Enterprise Risk Management (ERM) function aims to recognize, evaluate, and prioritize significant risks affecting our strategic objectives. ERM is pivotal in promoting consistent decision-making across governance, strategy, and daily operations.

SODIC has established an ERM framework that aligns risk considerations with our overall strategy, driving sustainable performance and ensuring our long-term success. Sustainability is an integral part of our strategy and is woven into our ERM framework. We are committed to identifying specific sustainability-related risks, such as those associated with climate change, and assessing their impact on our sustainability agenda, including vendor selection and management. Our proactive approach to addressing sustainability risks aims to enhance our positive contributions and minimize any adverse impacts on the environment, society, and our stakeholders.

## DEFINING AND EVALUATING RISK AT SODIC

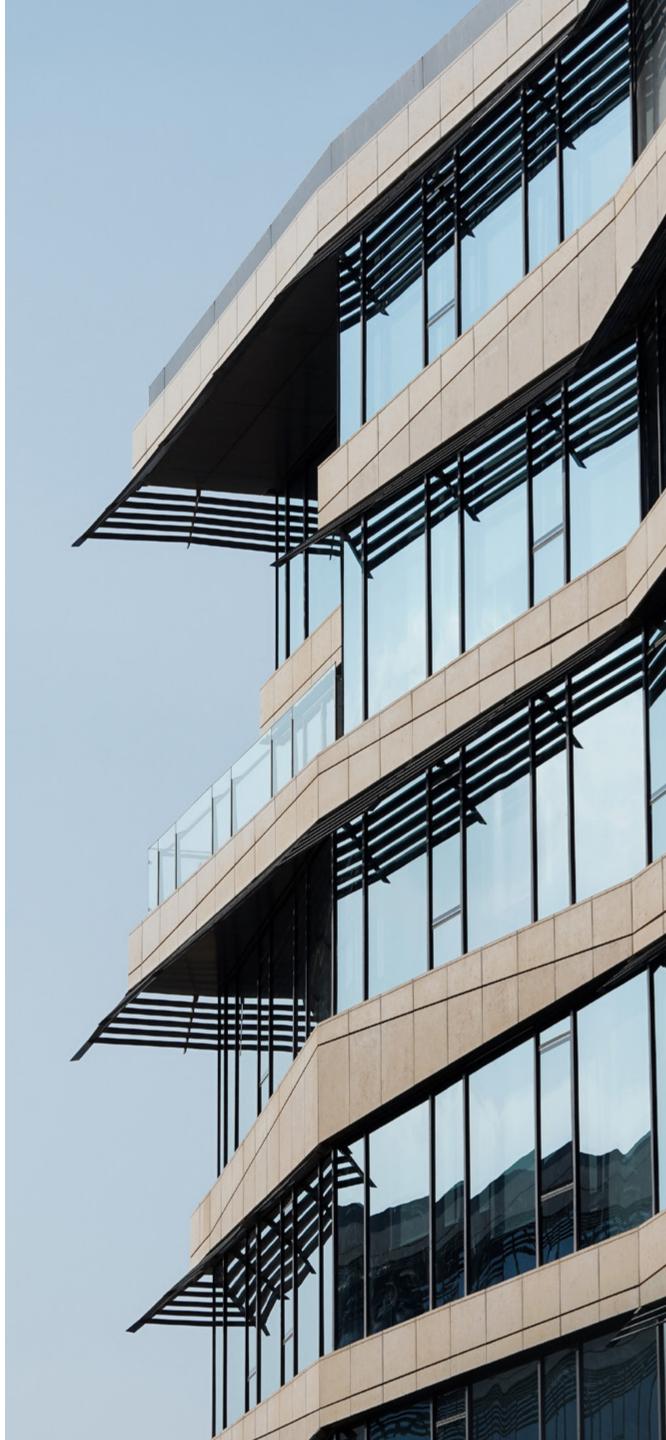
SODIC defines risk as anything that could impede our objective achievement. Our ESG strategy and commitments guide these objectives. To ensure a comprehensive approach to risk management, we designate a 'risk champion' in each department and engage ESG specialists to address sustainability risks. Our risk management incorporates a rigorous evaluation process, encompassing control design, implementation, and effectiveness.

#### LOOKING FORWARD

SODIC is implementing a global ERM framework, equipping our management with targeted risk mitigation capabilities. Our commitment to transparency and accountability is evident in our routine, comprehensive reports to the Group Executive Board (GEB) and Board of Directors. Semi-annual reports are standard, with ad hoc updates as required, all diligently overseen by our Audit Committee.

Our ESG focus remains pivotal in SODIC's strategy, with the ESG materiality assessment becoming a central component of our ERM assessments for risk identification and prioritization.

We also proactively advance our annual global ethics and compliance risk assessment process. This evaluation pinpoints, evaluates, and prioritizes ethics and compliance risks, which, in turn, shape our risk mitigation strategies and align with our annual compliance plan. These strategies receive ongoing monitoring throughout the year, reinforcing our commitment to ethical and compliant operations. As we embark on this transformative journey, we stand ready to uphold SODIC's core values, navigating future challenges with resilience and foresight.



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# DIGITAL INNOVATION AND CYBERSECURITY

SODIC embraces digital innovation to drive operational efficiency and enhance stakeholder experiences. With a steadfast commitment to safeguarding data and systems, SODIC prioritizes robust cybersecurity measures. By adopting cutting-edge technologies and implementing stringent security protocols,

SODIC protects sensitive information and mitigates potential cyber threats. This holistic approach to digital innovation and cybersecurity enables SODIC to navigate the digital landscape with confidence while providing a secure and seamless experience for its customers and stakeholders.



#### DIGITAL TRANSFORMATION STRATEGY

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#### **DIGITAL FIRST**

#### SODIC's Digital Transformation Pillars



Finance Digitalization



Project Digitalization



**Customer Experience** 



**Enterprise Solutions** 



#### Leading the Way with **Emerging Technologies**

Robotic Process
Automation
in Finance

Al in Sales, Marketing, Customer Service, and Construction Augmented Reality in Sales, Design, and Construction

loT in Smart Cities

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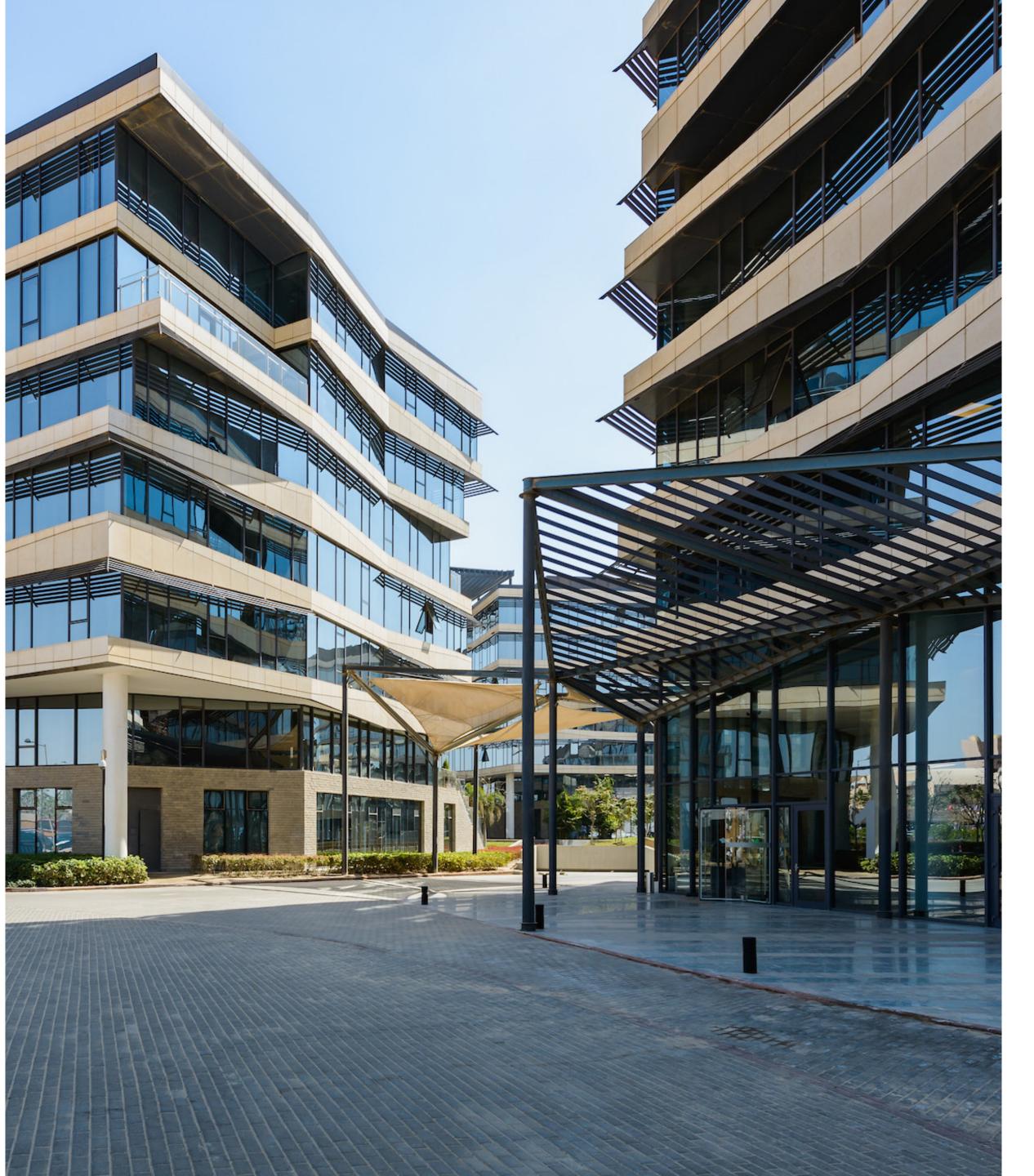
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# UNLOCKING OPERATIONAL SUCCESS THROUGH DIGITALIZATION

SODIC has made significant progress in its digitalization journey throughout 2022, successfully implementing several projects aimed at enhancing operations. We added a variety of modules for the Salesforce CRM, which enhanced our sales and service processes through automated workflows and a comprehensive view of our customers across the organization. This not only streamlined operations but also enhanced our decision-making capabilities. Additionally, we integrated the Qualtrics customer feedback management solution to measure, analyze, and improve our NPS across all digital channels and touchpoints.

Furthermore, we introduced an e-payment service, offering our customers a user-friendly online platform to facilitate unit installment payments and related transactions. This increased both customer convenience and operational efficiency. In terms of security, we fortified our organizational defenses by integrating a comprehensive suite of cybersecurity solutions, offering advanced threat detection, prevention, and protection against cyberattacks. We also deployed a wide range of collaboration, communication, and infrastructure solutions, establishing a reliable and scalable IT environment. Looking ahead to 2023, SODIC has an array of upcoming projects slated for implementation, further advancing its digital transformation plans.

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#### **Aspect**

#### **Digital Systems**

**CUSTOMER EXPERIENCE** 



Customer





Customer Feedback Management



**Social Media** Listing



**Omnichannel Contact Center** 

**CUSTOMER RELATIONSHIP MANAGEMENT** 



Lead Management Management



Sales **Automation** 



Online **Payment** 



**Post-Sales** Services



**AR/VR Sales Toolkit** 

**ENTERPRISE RESOURCE PLANNING** 



**Real Estate** Management





**Procurement** 





Consolidation & Analytics

**ENTERPRISE PROJECT MANAGEMENT** 





Resource Management



**Project** 



Project DMS





**Platform** 

**CORPORATE APPLICATIONS** 



**Back-office** Systems



**eProcurement** System



Business Intelligence





HR Management



Document Management

**INFRASTRUCTURE SERVICES** 



Communication Services



Network Services







Productivity
Apps & Services



Identity Management

Implemented in 2022



Planned for 2023

ORT 2022

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## BUILDING OUR PEOPLE'S DIGITAL SKILLS

In its pursuit of digital innovation, SODIC places significant emphasis on enhancing employee experience. Recognizing that the successful implementation of new digital systems depends on the proficiency of its users, SODIC diligently measures the impact of newly introduced apps and portals on its workforce.

KPIs are employed to gauge this impact, providing valuable insights into employee engagement levels pre- and post-digital tool implementation. To ensure the comprehensive adoption of these innovative digital solutions, SODIC mandates training sessions for all end users.

100%

TRAINING
ATTENDANCE
AND COMPLETION
RATES FOR ALL
EMPLOYEES

## CYBERSECURITY PRACTICES AND PROCEDURES

SODIC is strongly committed to robust data and IT security policies and procedures, designed to protect our organization and stakeholders from cybersecurity risks. A comprehensive management framework, fortified by SOPs, ensures that data security is fully integrated throughout SODIC's operations. This includes rigorous ongoing testing to confirm the resilience of our controls against potential cyberattacks.

In our efforts to preclude cyber threats and identify security incidents, we have instituted a robust security architecture, supplemented by the most recent security technologies. These measure include a system-vulnerability management program, security enhancements as part of our standard assessments, the principles of need-to-know and need-to-have for data access, Domain Name System (DNS) security controls, an Advanced Threat Protection (ATP) layer deployed on user endpoints and perimeters, a disaster recovery strategy, and an organization-wide end-user security awareness training program.

# ENHANCING CYBERSECURITY PREPAREDNESS: BOOSTING EMPLOYEE AWARENESS

SODIC is committed to enhancing its employees' cybersecurity awareness and preparedness through comprehensive training initiatives. In 2022, we conducted two essential training programs to equip our workforce with the necessary skills and knowledge to mitigate potential cyber threats.

The first program, "Mandatory Online Cyber Security Aware-

#### **FOUR CASES**

INCIDENTS OR
COMPLAINTS
RELATED TO
BREACHES OF
CUSTOMER PRIVACY
OR LOSSES OF
CUSTOMER DATA

ness Training – Part-1" consisted of 10 sessions, covering topics that include email and phishing, safe browsing practices, data security, privacy, and insider threats. A total of 557 employees participated in this training. Additionally, we conducted the "New User – Aldar Group Mandatory Information Security Awareness Training," consisting of 23 sessions. This training addressed critical subjects, including target attacks, social engineering, password security, malware threats, and secure remote working practices, and it was delivered to a total of 873 employees.

Mandatory Online Cyber Security Awareness Training

New User – Aldar Group Mandatory Information Security Awareness Training

10 sessions

23 sessions

557 employees received the training

873 employees received the training

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SODIC is committed to digital innovation and enhancing customer experiences through a plethora of initiatives and tools across diverse channels. An integral part of our initiatives is the implementation of robust digital Customer Experience (CX) platforms. These platforms allow us to gather comprehensive feedback through advanced survey capabilities, provide personalized experiences, and ensure relevance through branching logic. They also enable us to engage with customers across numerous channels, address issues proactively through intelligent workflows, and offer predictive insights using data analytics.

We actively participate in social media listening, which offers valuable insights into customer sentiments and market trends. This includes monitoring social media channels to understand customer opinions, analyzing competitors' activities, benchmarking our performance, gathering feedback on our products and services, tracking media mentions, and conducting in-depth research and analytics for informed decision-making.

#### Digital Customer Experience Architecture

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**CHANNELS** 

**CUSTOMER** 













Mobile App

**DIGITAL CX PLATFORMS** 







Marketing



**Omnichannel Contact Center** 

**CRM SALES FORCE** 



Sales Lead Management Opportunity Management Offer/Quote Management Activity Management



A

**Enterprise Integration Platform** 

Connect, integrate, and automate data, processes, and enterprise systems (CRM, ERP, etc.)

**INTEGRATION PLATFORM** 

**SYSTEMS** 

**ERP Oracle** Fusion

Payment Gateway

Document Mgt System

Loyalty Platform Clubs Mgt System

**Edara CRM** System

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Advancing environmental sustainability is at the heart of SODIC's mission. We recognize the impact that real estate development has on the environment, and we aim to minimize our footprint through innovative practices and resource-efficient designs.

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# 2022 HIGHLIGHTS I

169,110 mtCO<sub>2</sub>e

Absolute Scope 1,2,3 GHG Emissions

70,888 MWh

Energy Consumption<sup>1</sup>

4,360,826 m<sup>3</sup>

Water Withdrawals

**UPDATED** 

Design Guidelines to incorporate more comprehensive Sustainability Criteria

2<sup>nd</sup> Carbon Footprint Assessment

GREEN BUILDING CERTIFICATION

SODIC's flagship commercial project **EDNC** to obtain a Green Building Certification in 2023

15%

Of Total Development Projects Are Designed to Generate On-site Solar Energy

#### **ENVIRONMENTAL SUSTAINABILITY**

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SUPPORT THE TRANSITION TO A NET-ZERO AMBITION: ECONOMY AND MITIGATE THE RISKS ASSOCIATED WITH CLIMATE CHANGE THROUGH OUR OPERATIONAL ACTIVITIES.

#### SODIC'S CORPORATE STRATEGIC THEMES ADDRESSED









**GROWTH & EXPANSION** 

**SCALING UP OPERATIONS** 

DIGITAL TRANSFORMATIONS TRANSFORMATION

**CULTURE** 

Our sustainability strategy exemplifies our dedication to environmental stewardship, as we consistently raise our standards and actively seek innovative approaches to honor this pledge.

Responsible practices present opportunities throughout the entire spectrum of real estate activities. Our goal is to identify and seize these opportunities by developing environmentally conscious building designs, incorporating green building materials, envisioning sustainable communities, and retrofitting existing assets to enhance energy efficiency.

This section outlines our efforts to uphold our environmental commitment and highlights the progress made throughout the year.



# OUR ENVIRONMENTAL COMMITMENTS AND PROGRESS

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COMPLETED/ ON TRACK NOT YET STARTED





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MATERIAL TOPIC	AREA OF FOCUS	COMMITMENTS / ASPIRATIONAL TARGETS	2022 STATUS QUO	
ATE ACTION	GHG Emissions and Climate action	Develop a carbon reduction plan to achieve a reduction in emissions across our most significant direct and indirect (scope 3) activities by 2026.	Developed a decarbonization action plan as part of our 2022 GHG emissions assessment.  Read more under Working our Way towards decarbonization.	
		Tackle all embodied and full-lifecycle carbon emissions to provide a pathway to reaching carbon reduction for 3 emissions.		×
		Increase the use of renewable energy by 30% across all operations and development projects before 2030, using 2022 as baseline.	15% of total development projects are designed to generate on-site solar energy.  Integrated renewable energy across operations and developments.  Read more under Renewable Energy Integration.	•
CLIMA	Climate resiliency and climate-related risk assessment in real estate	Assess climate vulnerability, impacts, and risk assessment.	In progress as part of the 2022 GHG assessment (baseline 2022).	0
		Develop a systematic process for identifying, assessing, and responding to climate-related risks and opportunities, and integrate it with the organization's enterprise risk management system.	Established a risk management department in 2022, in which ESG risks and climate risk assessments will be considered.	•
TY AND ATION	Biodiversity and Ecosystems Protection  Develop a Biodiversity Policy that aligns with global best practices, incorporating considerations for land degradation and desertification, to effectively protect biodiversity and natural resources.		In the process of developing several environmental-related policies and procedures that incorporate biodiversity preservation measures and commitments and updating our Design Guidelines to cover environmental sustainability key elements in the design phase.  Developed a Land Acquisition Policy that incorporates biodiversity preservation measures.	•
ODIVERSITY	Pollution Prevention	Pollution Prevention Plans and monitoring across all operations and projects.	Developed a Construction Health, Safety, and Environment Manual, and updated our design guidelines which stipulates all environmental requirements by which contractors must abide while working on SODIC projects.	
BIO		Emergency Preparedness and Disaster Risk Reduction Plan.	Established an HSE Emergency Preparedness and Response section which follows the Egyptian Environmental Protection Law #4,1994 – on Emergency Plans to Confront Environmental Disasters.	
ASTE	Waste Reduction and management	Establish an integrated Waste Management System and strategy across our business units to enhance waste management and recycling, and test and execute inventive waste management solutions.	Developing a Group Waste Management Policy planned to be implemented in 2024.  EDARA installs smart metering and implements retrofits  for enhanced energy and water efficiency.	
WA		Achieve zero waste to landfill from operations	Read more under Energy Efficiency and Management	•

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MATERIAL TOPIC AREA OF FOCUS **COMMITMENTS / ASPIRATIONAL TARGETS 2022 STATUS QUO** Aim for a 50% reduction in energy consumption ENERGY MANAGEMENT across all operational buildings and facilities EDARA installs smart metering and implements retrofits for enhanced energy and water efficiency **Energy Efficiency** Adopt and implement Energy management SODIC's flagship commercial project EDNC to obtain the EDGE Green Building systems (ISO 50001) across our operations Certification in 2023, which will have a 20% improved energy efficiency. Read more under "Energy Efficiency and Management" SODIC's flagship commercial project EDNC to obtain the EDGE Green Building Certification Aim for green building certification (LEED, WELL, EDGE, in 2023. Certifications BREEAM) for developments and office buildings SMART & RESOURCE EFFICIENT DESIGN The updated Design Guidelines to include key elements to prioritize the use of sustainable materials. Circular and Collaborated with innovative startups to develop sustainable building Integrate circular economy within our operations sustainable materials as part of its ongoing innovation program strategies and develop procedures to prioritize materials and sustainable products and resource-efficient materials. Piloted ECOpact green concrete, which actively reduces carbon emissions by 30%-50% solutions compared to standard concrete (OPC); this was piloted in VYE and Karmell. Read more under "Innovative and Sustainable Alternatives: Materials and Solutions" Feasibility assessment for sustainable and electric fleet. Provided electric-powered golf cars as a means of transportation to our SODIC West residents. Sustainable EDARA installed smart metering and implements retrofits for enhanced energy and water efficiency. Infrastructure and Retrofit existing buildings to enhance resources **Transportation** Started a retrofitting project in SODIC East to reduce energy consumption. efficiency and optimize resources consumption. Read more under "Energy Efficiency and Management" ANAGEMENT Implement water-saving technologies and practices Installed automatic water taps in SODIC's HQ building to reduce water consumption. across operations and developments. Water efficiency EDARA installs smart metering and implements retrofits & conservation Implement a robust Water Management System and for enhanced energy and water efficiency install water meters for tracking and analyzing water Read more under "Energy Efficiency and Management" consumption to identify opportunities for improvement. Σ Installed a sewage treatment plant (STP) in Caesar with a capacity of 400m3/day and WATER constructed an STP in 2022 in Villette with a capacity of 2,400 m3/day to commence service Treat and recycle domestic wastewater and **Wastewater reuse** reuse for landscaping purposes across all our and recycling new and existing developments by 2030 Read more under "Wastewater Management Technologies".

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# MANAGING THE ENVIRONMENTAL FOOTPRINT OF OUR ASSETS

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At SODIC, our commitment to building an efficient and resilient portfolio, one that minimizes its environmental impact and thrives in a climate-affected future, seamlessly integrates with our dedication to responsible environmental management. Our goal is to create a positive legacy by reevaluating our approach to natural resource utilization and actively managing energy, water, and waste through building optimization, as well as engaging our customers in awareness programs.

These endeavors, coupled with our newly established comprehensive environmental policies aligned with international

standards and best practices such as the ISO 14001 environmental management system standard, lay the groundwork for our environmental stewardship strategy.

Integrating climate resilience into our practices not only ensure the well-being of our customers and residents but also guarantee the reliable and continuous operation of our buildings. This proactive approach prepares our communities for a more sustainable and climate-resilient future, further reinforcing our commitment to prioritizing the well-being of our people, customers, and the planet.

# SODIC'S NEW ENVIRONMENTAL POLICIES TO BE ESTABLISHED IN 2023

SODIC ENVIRONMENTAL POLICY

EVALUATION OF ENVIRONMENTAL ASPECTS POLICY

ENVIRONMENTAL
MONITORING AND
MEASUREMENT POLICY

WASTE
MANAGEMENT
POLICY

ENVIRONMENTAL PROGRAM POLICY

PROTECTION PLAN POLICY

SUSTAINABILITY POLICY

# EMBEDDING SUSTAINABILITY IN OUR DESIGN APPROACH: REVAMPED DESIGN GUIDELINES

Our commitment to environmental sustainability reflected in the update of SODIC's design guidelines. Fueled by a vision to redefine the market and build sustainable communities, we are developing updated design guidelines that will incorporate key elements to strike a balance between innovation, community well-being, and environmental responsibility.

The revised guidelines, will prioritize sustainability, addressing various facets such as environmental targets, energy and water optimization, and carbon emission reduction. Our approach is holistic, taking into account regional suitability, the use of sustainable materials, and the adoption of eco-friendly construction practices.

We emphasize water conservation, waste minimization, energy efficiency, environmental quality protection, the reduction of light pollution, and measures to mitigate the Heat Island Effect. These guidelines, from material selection to construction practices, not only promote eco-efficiency but also contribute to cost reduction.

By adhering to these updated guidelines, we aim to create communities that are not only prosperous but also accessible and inclusive. This is our way of weaving sustainability into the very fabric of our developments, ensuring a positive impact on both the environment and the lives of our stakeholders.

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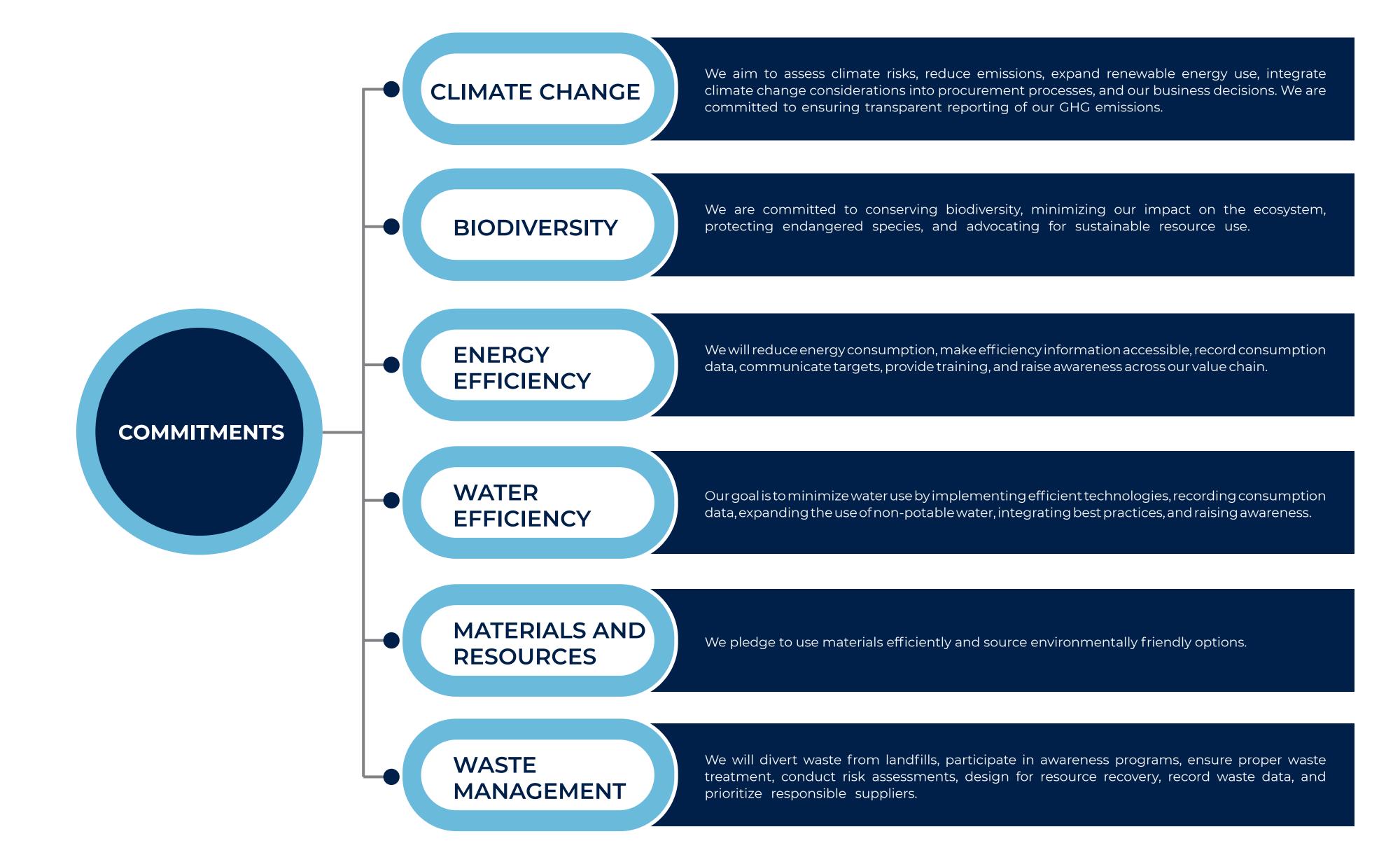
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## CLIMATE ACTION

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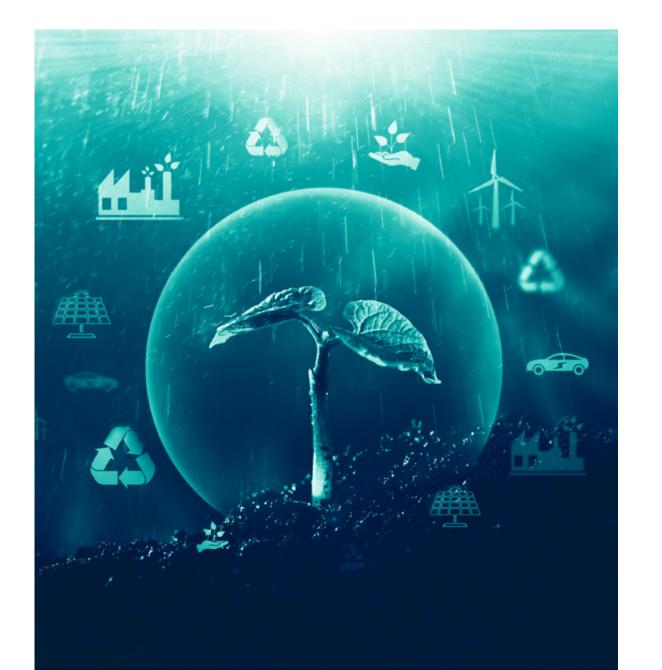
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At SODIC, we understand the intricate landscape of sustainability, and our commitment to addressing climate change is at the core of our responsible approach to real estate development. We recognize the real estate sector's pivotal role in shaping our shared environmental footprint, and we are dedicated to taking action against climate change through sustainable real estate developments.

We understand that our environmental impact begins at an early stage in the real estate value chain. By incorporating green elements into our building designs at inception, we can significantly reduce emissions. We aim to integrate this strategy into our policies, processes, and procedures, ensuring a holistic approach to combating climate change.



# ASSESSING AND MANAGING OUR CARBON FOOTPRINT

At SODIC, we are committed to a robust approach to carbon footprint assessment and taking the journey toward decarbonizing our operations and assets portfolio. In our second carbon footprint assessment, covering the reporting period from January 1st to December 31st, 2022, we have taken significant steps to enhance the quality and comprehensiveness of our data collection and reporting processes.

Our focus has been on streamlining our data collection processes, understanding data gaps, and building the expertise of our teams to establish a comprehensive and consistent year-on-year approach. Despite ongoing progress, we recognize the need for further efforts.

As we look towards 2023-2024, our commitment stands firm in building upon the progress made in 2022. Our goals include improving asset coverage, streamlining and unifying data, and enhancing our Scope 3 reporting. In instances where primary data sources are unavailable, we will employ alternative methods and proxies to estimate emissions. Our aim is to provide a more accurate representation of our carbon footprint, capturing the full spectrum of our activities and their environmental impact.

## ORGANIZATIONAL SCOPE AND BOUNDARIES

As with the previous assessment, the 2022 assessment adheres to the GHG Protocol Corporate Accounting and Reporting Standard, following the operational control consolidation approach, and accounts for our most significant activities across scopes 1, 2, and 3.

Scope 1: Encompasses direct emissions originating from sources owned or controlled by SODIC, such as emissions from our vehicles and on-site energy production.

Scope 2: Includes indirect emissions resulting from purchased electricity generation, heating, and cooling consumed by SODIC.

Scope 3: Encompasses further indirect emissions often related to the company's value chain. It covers emissions from activities such as tenant energy consumption, supply chain operations, including purchased goods and services such as construction raw materials, energy consumption at construction sites by contractors, water consumption, in addition to employee commuting, and business travel.

This year's assessment spans SODIC's primary business units, comprising residential projects and non-residential assets, which include administrative offices, retail & commercial spaces, and healthcare facilities. Additionally, the assessment extends to SODIC's sports facilities and ongoing construction projects.

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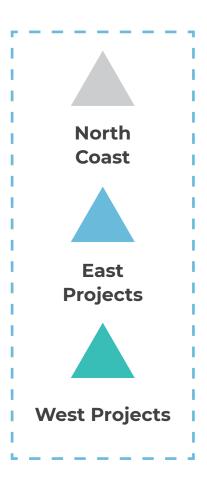
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#### THE SODIC ASSETS COVERED IN THE 2022 CARBON FOOTPRINT ASSESSMENT:

RESIDENTIAL PROJECTS		NON-RESIDENTIAL FACILI	TIES	SPORTS FACILITIES	CONSTRUCTION PROJECTS	
Eastown Residences		The Portal		Eastown Club S	The Portal	
SODIC West Main Roads		Westown Medical Center		Westown Club S	Westown Medical Centre	
Caesar		Eastown District		Allegria Club S	Eastown District	
Villette		Edara Buildings		Allegria Golf Course	Six West	
Allegria		The Polygon			The Estates	
Forty West		The Polygon SODIC HQ			VYE	
The Courtyards		The Polygon Xtension			V Residences	
Westown Residences		SODIC West Customer Service				
Six West		SODIC West Sales				
October Plaza		Sales Centre East Cairo				
One16		North Coast Sales Center				
		The Strip				
		Westown Hub				



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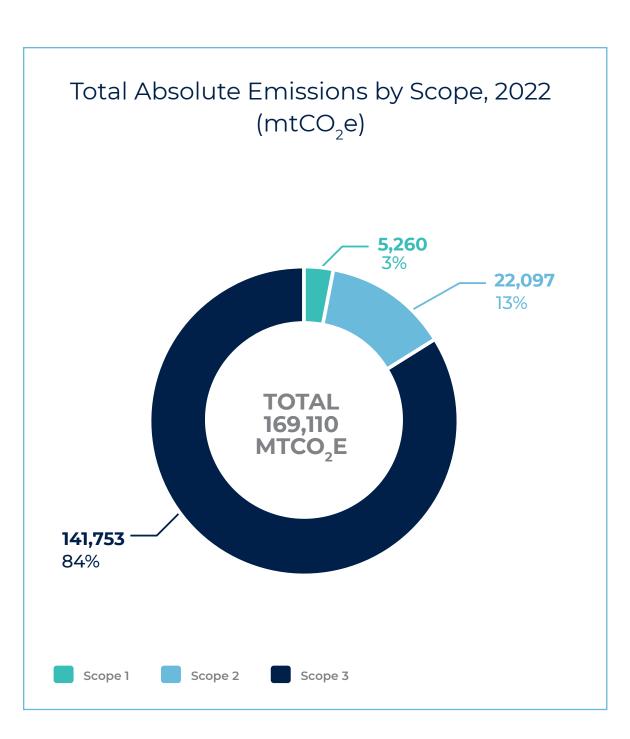
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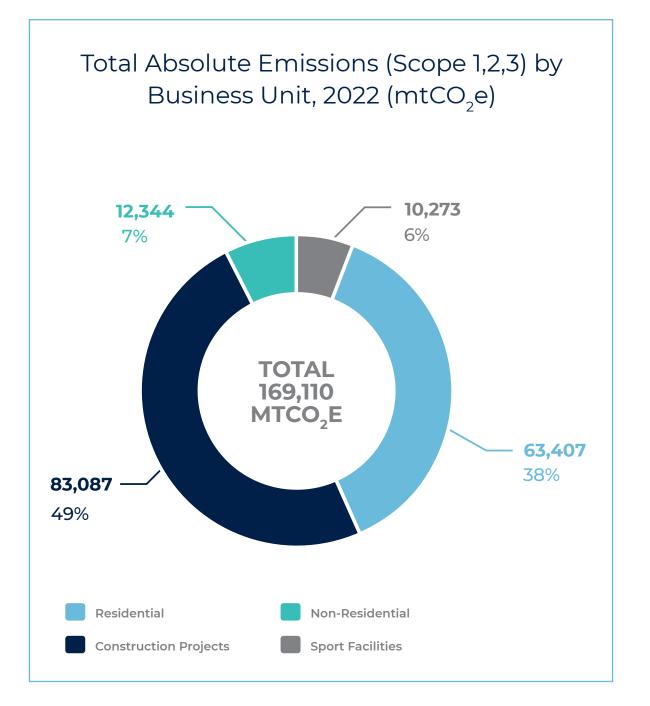
## CARBON FOOTPRINT ASSESSMENT RESULTS<sup>1</sup>

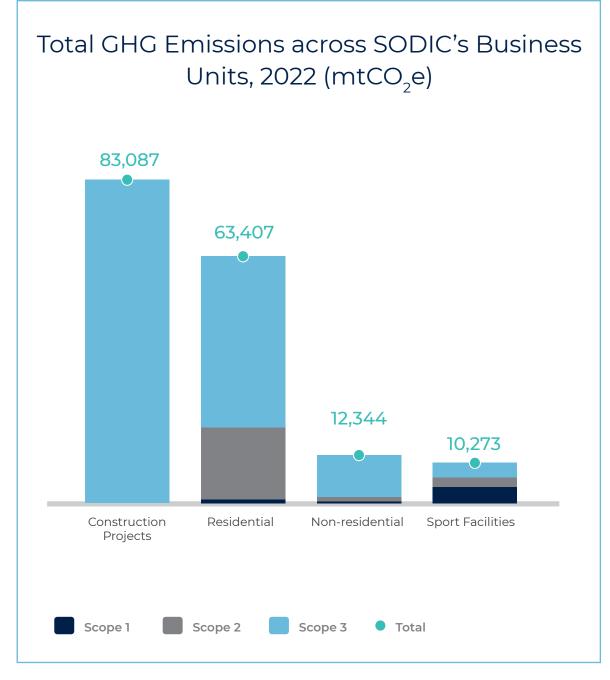
In 2022, our carbon footprint across Scope 1, 2, and Scope 3 totaled **169,110 mtCO<sub>2</sub>e**. The larger portion of our Scope 1 and Scope 2 emissions, constituting around 16%, primarily stemmed from electricity. At the Group level, Scope 3 emissions account-

ed for a substantial proportion, approximately 84% of our carbon footprint. Purchased goods and services contributed the majority, representing about 49% of Scope 3 emissions. Through an evolving methodology and increased coverage, we

have achieved a more comprehensive assessment, reflecting our commitment to transparency, responsibility, and a path to achieving carbon reduction.







<sup>&</sup>lt;sup>1</sup> For further details on the assessment results and methodologies, please refer to SODIC's 2022 Carbon Footprint Report.

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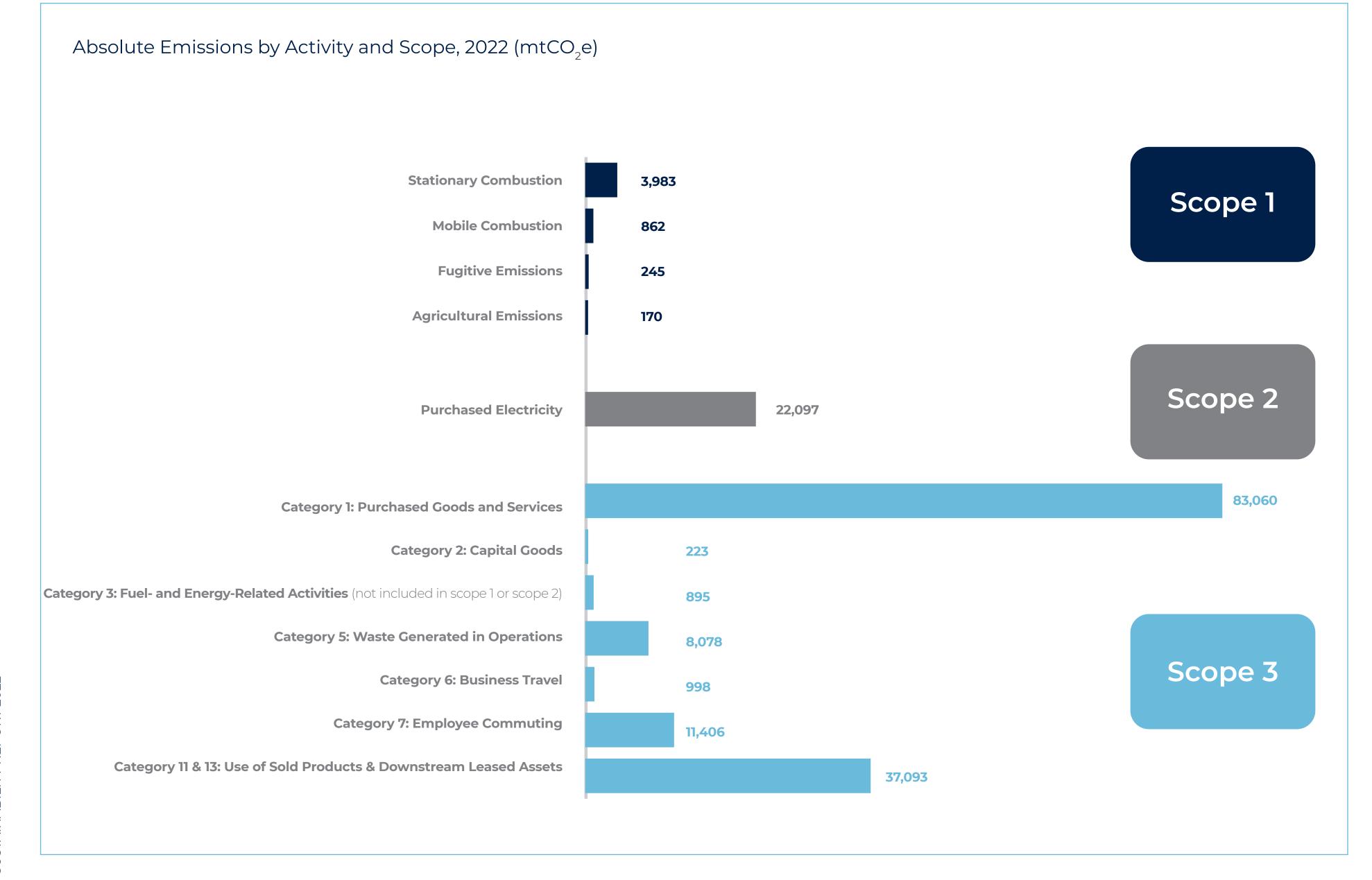
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#### WORKING OUR WAY TOWARDS DECARBONIZATION

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Development Management

Develop & Acquire

Divest & Reinvest

Value Creation

Third-Party Management

Key business activities

SODIC's core activities include property development, construction, and the managment of real estate assets. SODIC is committed to creating vibrant, environmentally responsible spaces that enhance the quality of life for residents and contribute to the growth of local communities.

How we aim to reduce our carbon footprint and overall environmental impact

SODIC Is dedicated to minimizing our carbon footprint and environmental impact through a comprehensive sustainability strategy. This includes adopting energy-efficient technologies, reducing waste, conserving resources, and promoting green building practices across our real estate developments.

- → Circular design concepts
- → Integrate green building criteria in design
- → Sustainable land acquisition and management

- → Integrating renewable energy in construction activities
- → Green procurement
- → Construction waste management

- → Renewable energy and energy efficiency
- → Engaging tenants on sustainable
- → practices
- → ESG-related policies and procedures for tenants
- → Circularity and waste management

3

Engaging with our key stakeholders for a greater impact

By fostering strong relationships with communities, investors, partners, and employees, we ensure that our actions and decisions align with their needs and aspirations. This collaborative approach strengthens our commitment to sustainable development and enhances the overall well-being of our stakeholders.

NATIONAL STRATEGIES AND REGULATORY BODIES

- → Contribute to Egypt Vision 2030 goals, and Egypt's National Climate Change Strategy (NCCS) 2050
- → Support national sustainable projects

OUR SUPPLIERS

- → Sustainable practices and industry knowledge sharing
- → Support emerging sustainable startups and suppliers
- Environmental assessment criteria and incentives for suppliers

OUR COMMUNITIES AND TENANTS

→ Improved building performance and resource efficiency

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#### SODIC'S DECARBONIZATION ACTIONS PLAN<sup>1</sup>

SODIC has developed a comprehensive decarbonization plan to mitigate the environmental impact of both new and existing buildings. This comprehensive strategy comprises a range of categorized and structured initiatives and actions, all geared toward significantly reducing carbon emissions throughout the lifecycle of SODIC's properties.

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RI	REDUCING EMBODIED CARBON					
	A. PRODUCTION AND DESIGN STAGE					
1.	CIRCULAR, LOW-CARBON, AND HIGH-PERFORMANCE STRUCTURAL MATERIALS:	<ul> <li>Encourage the utilization of sustainable and recycled materials in building construction.</li> <li>Prioritize materials with low embodied carbon and high circularity.</li> <li>Utilize high-performance materials that offer improved energy efficiency and reduced carbon footprint.</li> <li>Explore innovative materials with lower embodied carbon.</li> </ul>				
2.	BUILDING STRUCTURE OPTIMIZATION AND MATERIALS AND PASSIVE DESIGN:	<ul> <li>Optimize building designs to reduce materials and energy needs.</li> <li>Implement efficient structural systems and construction techniques.</li> <li>Incorporate passive design strategies to optimize energy efficiency and reduce reliance on active heating and cooling systems.</li> <li>Maximize natural lighting, ventilation, and thermal insulation.</li> </ul>				
3.	USE LIFE CYCLE ASSESSMENT (LCA) AND THIRD-PARTY VERIFIED EPDS:	<ul> <li>Apply LCA methodologies to assess the environmental impact of purchased products.</li> <li>Prioritize products with third-party verified Environmental Product Declarations (EPDs).</li> </ul>				
4.	COLLABORATIVE APPROACH:	<ul> <li>Foster a collaborative approach involving stakeholders in the production and design stage to ensure sustainable decision-making.</li> <li>Engage architects, engineers, suppliers, and consultants to collectively reduce carbon emissions.</li> </ul>				
		B. CONSTRUCTION PROCESS STAGE				

▶ Optimize off-site fabrication and minimize on-site construction activities.

▶ Salvage and recycle materials from demolished structures.

▶ Implement modular and prefabricated construction methods to reduce construction time, waste generation, and energy consumption.

▶ Incorporate strategies to reuse and repurpose existing building materials from construction and renovation projects.

MODULAR AND

**PREFABRICATED** 

CONSTRUCTION:

2. USE AND REPURPOSE EXISTING

**BUILDING MATERIALS:** 

TFurther details on SODIC's decarbonization action plan can be found in our 2022 Carbon Footprint Report.

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OPERATIONAL CARBON					
	IN-USE STAGE				
1. DRIVE ENERGY OPTIMIZATION:	<ul> <li>Implement energy optimization measures across existing assets to reduce operational carbon emissions.</li> <li>Upgrade HVAC systems, lighting, and appliances for improved energy efficiency.</li> </ul>				
2. PROACTIVE MAINTENANCE AND REPAIR STRATEGIES:	<ul> <li>Develop proactive maintenance and repair strategies to ensure optimal performance of building systems and minimize energy waste.</li> <li>Monitor and maintain equipment and systems regularly.</li> </ul>				
3. INFLUENCE TENANT BEHAVIOR AND INCENTIVIZE SAVINGS:	<ul> <li>Educate and engage tenants to adopt energy-saving practices and behaviors.</li> <li>Implement incentive programs to encourage energy conservation and efficiency.</li> </ul>				
4. CONSUMPTION DATA REPORTING:	▶ Provide tenants with regular reports on energy consumption to raise awareness and encourage responsible energy usage.				
5. RENEWABLE ENERGY SOURCES:	<ul> <li>Optimize the use of renewable energy sources such as solar panels and wind turbines to reduce reliance on fossil fuels.</li> <li>Explore partnerships with renewable energy providers.</li> </ul>				
6. SMART ENERGY MANAGEMENT:	▶ Implement smart energy management systems to optimize energy usage, monitor consumption patterns, and identify areas for improvement.				
7. WATER TREATMENT:	▶ Implement water treatment systems to reduce water consumption and ensure efficient use of water resources.				
8. WASTE MANAGEMENT SYSTEM:	▶ Establish comprehensive waste management systems to promote recycling, waste reduction, and responsible waste disposal practices.				
9. COMPREHENSIVE DATA COLLECTION:	<ul> <li>Develop a robust data collection system to monitor and track energy consumption, carbon emissions, and other environmental metrics.</li> <li>Utilize data for analysis, benchmarking, and continuous improvement.</li> </ul>				
10. RETROFIT MEASURES AND LONG-TERM BUDGETING:	▶ Integrate retrofit measures into long-term budgeting and investment planning to systematically upgrade existing buildings for improved energy efficiency.				

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# ENERGY EFFICIENCY AND MANAGEMENT

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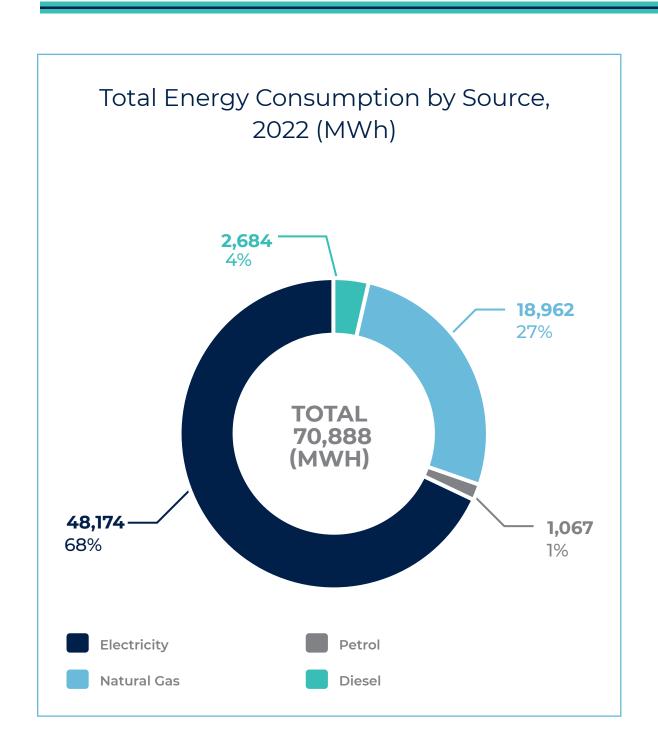
This year, SODIC continues its commitment to sustainable and responsible business practices, focusing prominently on energy efficiency management across its operations. Our energy sources span from electricity to various fuels. Electricity

vehicles, while natural gas heats our sports facilities' swimming pools during the winter.

Beyond our property limits, our electricity consumption extends

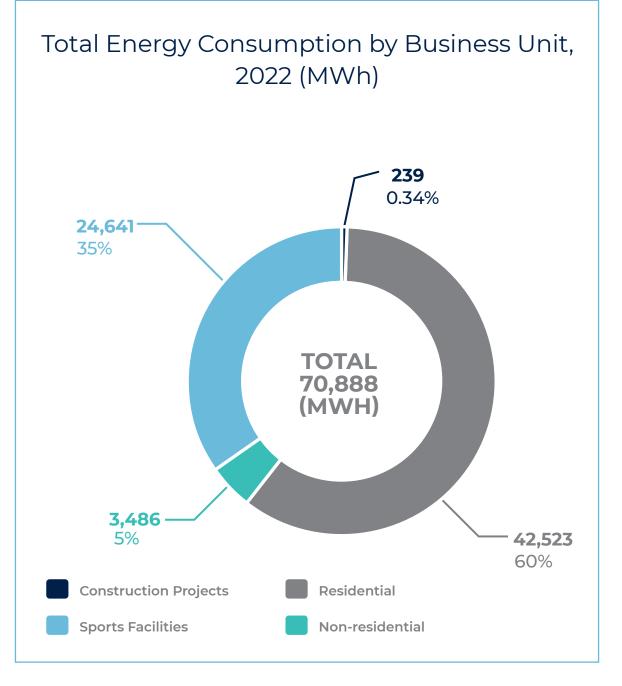
Beyond our property limits, our electricity consumption extends to SODIC's leased or sold assets and third-party contractors' construction activities. Meanwhile, diesel and petrol are predominantly used by employees commuting to construction sites and offices. The charts below provide a summary of SODIC's energy consumption for the reporting year, both within and outside our organization.

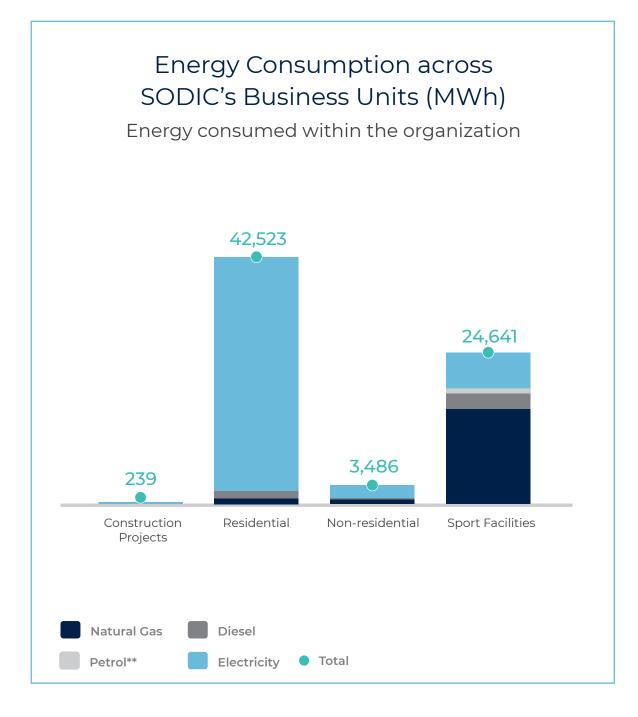
# ENERGY CONSUMPTION WITHIN THE ORGANIZATION: (SCOPE 2)



serves as the primary energy source, powering our operational

infrastructure. Diesel fuels generators and company-owned





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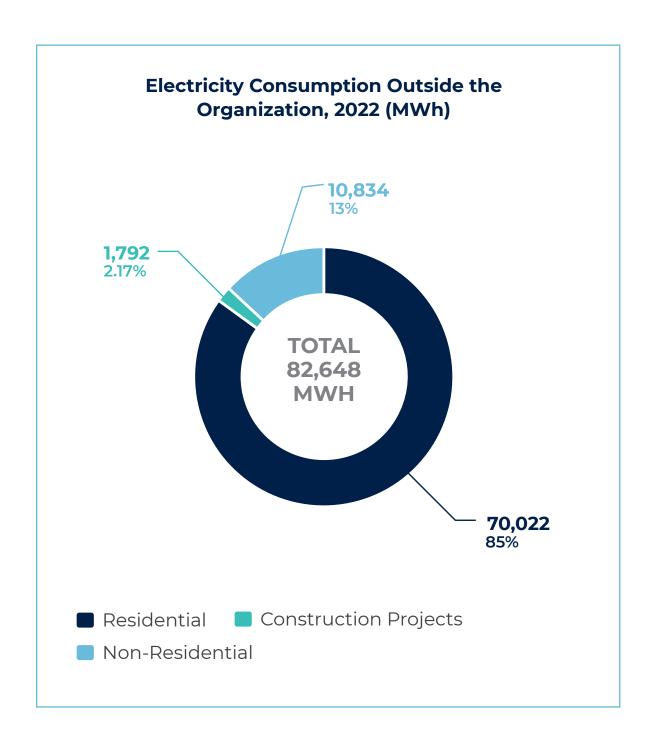
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# ELECTRICITY CONSUMPTION ACROSS OUR SOLD ASSETS

During 2022, electricity consumption across our residential and non-residential sold and leased assets, and that purchased by contractors across our construction projects sites, amounted to **82,648 MWh**. Specifically, electricity consumption within sold residential units accounted for **70,022 MWh**, while non-residential units totaled **10,834 MWh**. These figures were estimated based on square meter data. Additionally, the electricity purchased by contractors across our construction sites amounted to **1,792 MWh**.



# PROMOTING ENERGY CONSERVATION DURING EARTH HOUR

As part of our active engagement in global environmental initiatives, we took part in Earth Hour on 26 March. We switched off electricity in all our communities' common areas and clubs. In 2022, we successfully saved 260 kWh of electricity across our communal spaces.

# EDARA'S SMART METERING AND RETROFITTING FOR ENHANCED ENERGY AND WATER EFFICIENCY

As part of our ongoing efforts to enhance energy and water efficiency, we are installing smart meters to monitor electricity and water consumption. This initiative aims to facilitate data-driven decision-making and apply retrofitting measures to optimize water and energy usage. As part of this initiative, we will implement comprehensive retrofitting measures in 2023, marking a groundbreaking experiment exclusively at EDARA's Caravans "Service Yard." This initiative encompasses a range of transformative measures, including super insulating building envelopes, installing photovoltaic (PV) systems, applying micro-green infrastructure like constructed wetlands, altering building systems, and enhancing occupant behavior.

# RETROFITTING RESIDENTIAL BUILDINGS IN SODIC EAST FOR EFFICIENCY AND ENVIRONMENTAL IMPACT REDUCTION

In line with our commitment to curbing energy consumption and reducing greenhouse gas emissions, we've undertaken a retrofitting project targeting residential buildings in SODIC East. The initiative focuses on upgrading building services, with a particular focus on altering public lighting in two representative buildings out of 195. This initiative served as a pilot, and resulted in a significant 66% reduction in energy consumption (6,828 kWh) and associated GHG emissions (1,590 kg CO<sub>2</sub>e).

Our plan is to scale up this pilot to cover all 195 buildings, projecting a substantial reduction of **110,955 kWh** (**25,868 kg CO<sub>2</sub>e**). Additionally, we aim to broaden the application of this pilot to various projects, ensuring its continued feasibility despite potential economic fluctuations.

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# RENEWABLE ENERGY INTEGRATION

The company utilizes renewable energy whenever feasible, to reduce carbon emissions. These initiatives encompass various aspects of our operations, further cementing SODIC's holistic approach to integrating renewable energy.

## SODIC'S INITIATIVES FOR CLEAN AND EFFICIENT ENERGY CONSUMPTION

#### **VYE SOLAR PANELS**

SODIC is planning to install **400** rooftop solar panels at VYE in **2024**. This project is the largest residential solar-powered project in Africa and the second largest in the Middle East. The solar plants' capacity is approximately **2MWp** of clean energy, resulting in annual savings of **3.5GWh** of electricity and a reduction of **1,600** tons of **CO<sub>2</sub> emissions**, the equivalent of planting **35,000** trees.

#### **SOLAR WATER HEATERS AT EDARA**

With a **320-liter** solar water heater, EDARA's headquarters (Building 1) exemplifies SODIC's dedication to clean energy solutions.

#### **LED LIGHTING TRANSITION**

SODIC is planning to replace SODIC West main roads from traditional metal halide lighting and high-pressure Sodium with energy-efficient **LED systems** to reduce electrical consumption by **35%**.

# INCORPORATING RENEWABLE ENERGY IN THE CONSTRUCTION SITES OF VYE AND KARMELL

SODIC integrates solar power into signage, external mobilization areas and security rooms, with plans for the main Caravan to be fully solar-powered, encompassing an area of **1,365 sqm**.

#### SUSTAINABLE SECURITY AT ALLEGRIA

SODIC has deployed **20 cameras** in Allegria, powered by **3,200 watts** of solar energy.

#### SUSTAINABLE POWER IN EASTOWN

SODIC plans to install a **250 KVA** capacity PV plant in the Eastown project. This solar powerhouse contributes to a sustainable energy future for the development.



# WATER MANAGEMENT AND CONSERVATION

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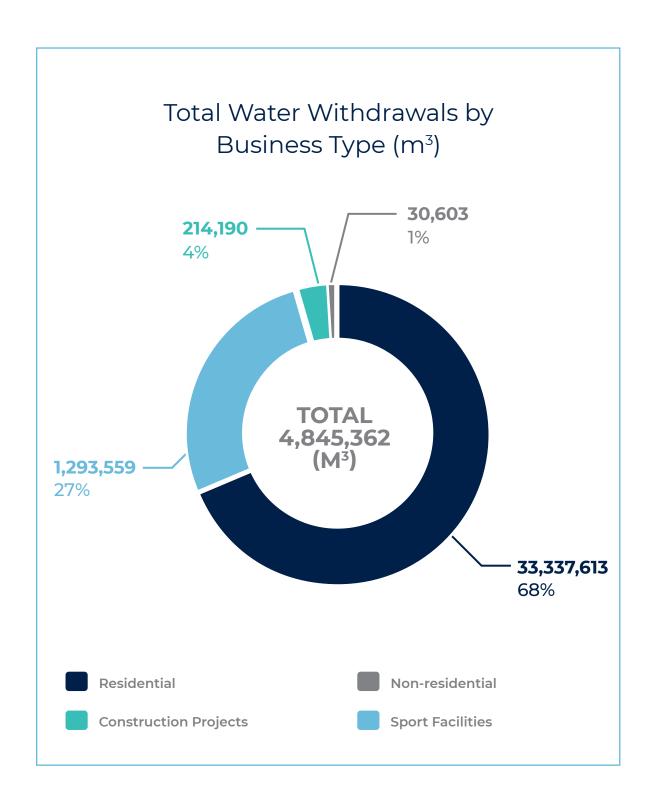
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At SODIC, we recognize the importance of responsible water management and conservation in our real estate development projects. We prioritize the efficient use of water resources, implementing advanced technologies and practices to minimize consumption. Our commitment to reducing water waste extends to landscaping, irrigation systems, and building design, where we continuously seek innovative solutions to ensure our developments epitomize not only luxury but also environmental responsibility.



# WASTEWATER MANAGEMENT TECHNOLOGIES

In 2021, we inaugurated the Caesar sewage treatment plant (STP) with a capacity of 400 m³/day. Underscoring this commitment, our upcoming Sewage Treatment Plant (STP) in Villette, boasting a capacity of **2,400 m³/day**, was constructed in 2022 and is slated for service in 2023—a significant milestone. Through comprehensive water management and conservation strategies, including cutting-edge sewage treatment plants, we aim to optimize and reduce water consumption.

# RETROFITING WATER TANKS FOR WATER MANAGEMENT AND CONSERVATION IN SODIC EAST

In 2022, SODIC East launched a retrofitting project with the primary objective of addressing water sensitivity and minimizing water consumption. The target was to repurpose 400 m<sup>3</sup> of domestic water, previously directed into the drainage network and improve irrigation efficiency.

## **INTERVENTIONS**

The project incorporated both passive and active retrofitting solutions. Passively, the domestic water tank was linked to the irrigation tank, directing surplus domestic water for irrigation. Actively, a smart irrigation system was installed to enhance water use efficiency.

## **OUTCOMES**

The project resulted in a substantial 9% annual reduction in water consumption (35,383 m³) and a decrease of 12,171 kg CO<sub>2</sub>e in greenhouse gas emissions. Actual cost savings amounted to EGP 336,138 in 2022, with the project's feasibility confirmed through a life cycle cost (LCC) assessment.



12,171 kg

Reduction in CO<sub>2</sub>e emissions



5,383 m<sup>3</sup>

Annual Reduction in Water Consumption

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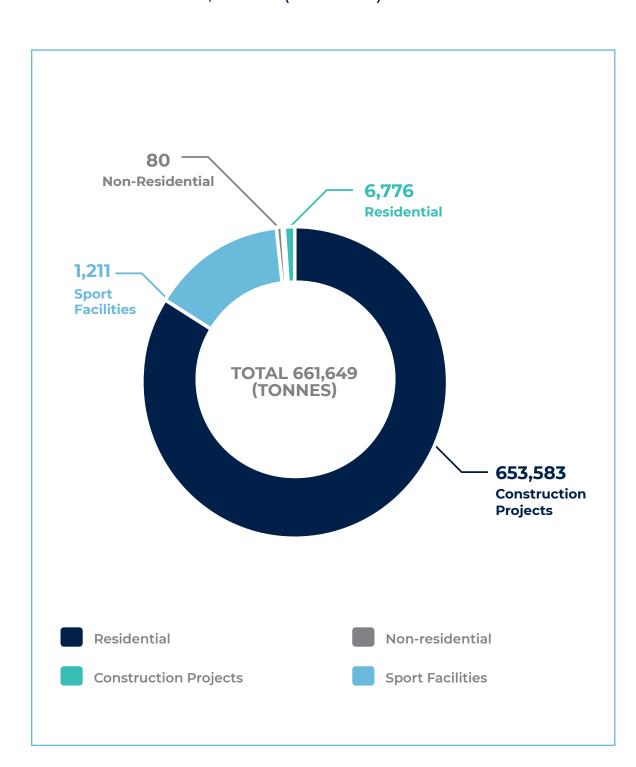
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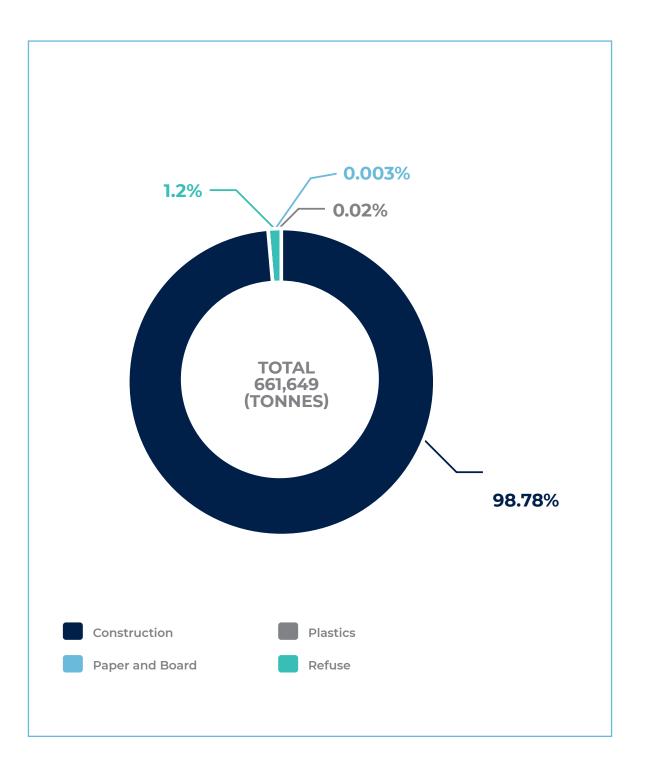
Our waste management approach, as detailed in the HSE Waste Management Policy, extends across all operations, including construction sites and projects. Our waste disposal methods encompass surface discharge, reclamation, and reuse whenever feasible. We prioritize the health and safety of our workforce by emphasizing the segregation, proper storage,

and safe transportation of waste materials, and all employees handling waste are required to use Personal Protective Equipment. We maintain a regular inspection and reporting system to ensure full compliance with our high standards of waste management.

Total Waste Generated across Business Units, 2022 (Tonnes)



Total Waste Generated by Type of Waste (%)





# CIRCULARITY, SMART AND RESOURCE-EFFICIENT DESIGN

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In line with the principles of circular economy and Resource Efficient Design, we have redefined our strategies to create a circular, regenerative, and value-driven ecosystem. This strategic shift not only minimizes our environmental impact but also bolsters competitiveness and resilience in a dynamic market landscape.

# PURSUING THE EDGE GREEN BUILDING CERTIFICATION FOR OUR FLAGSHIP PROJECT EDNC

Championing innovation, sustainability, and excellence in real estate development, EDNC stands as a symbol of SODIC's unwavering commitment. In 2022, we embarked on an exciting

post-construction journey, driven by the recognition of EDNC's potential to meet the rigorous standards of EDGE certification.

ON AVERAGE, COMPARED TO A TYPICAL BUILDING, AN EDGE-CERTIFIED BUILDING:

33%

LESS WATER CONSUMPTION

40%

MORE ENERGY EFFICIENT

LESS EMBODIED ENERGY IN MATERIALS



# STRIKING THE BALANCE: VALUE ENGINEERING FOR COST EFFICIENCY AND ENVIRONMENTAL SUSTAINABILITY

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Introducing our Value Engineering (VE) Task Force — a dedicated and systemic approach to enhancing project efficiency while maintaining our commitment to exceptional client experiences. Our goal is to optimize construction costs, targeting a 6% reduction approximately, without compromising project quality and functionality. Built on the principles of value engineering, our task force focuses on essential functions, emphasizing cost-effective alternatives to deliver projects that exceed client expectations, maximizing efficiency and reducing costs.

SODIC's Value Engineering initiative integrates cost reduction with environmental sustainability, resource efficiency, circularity, and smart design principles. By strategically substituting materials and optimizing designs, SODIC aims to achieve both financial and environmental benefits.

- ▶ Changing wood and WPC louvers, pergolas, and handrails to aluminum/PVC: This substitution not only yields cost savings but also reduces reliance on wood, a non-renewable resource. Aluminum and PVC are more durable, require less maintenance, and have lower environmental impacts.
- Poecreasing glass handrail height and using semiframeless glass handrails with metal separators and bracings: These design changes reduce the amount of glass used, leading to lower energy consumption during manufacturing and transportation. Additionally, the use of metal separators with plaster metal accessories introduces recyclable materials into the design.
- Phanging from double glazing to tempered single glazing: While evaluating the feasibility of this substitution, SODIC considers factors such as energy efficiency and client expectations. By using tempered single glazing, SODIC can potentially reduce energy consumption in the long run, maintaining the balance between cost savings and environmental impact.



### **Resource Efficiency and Circularity**

- ▶ Replacing façade stone cladding with paint: This substitution reduces the dependence on natural stone, a finite resource, and promotes the use of paint, which can be applied in a controlled manner, resulting in reduced waste generation during construction.
- Study replacing architectural decorative GRC, aluminum composite, cornice with Expanded Polystyrene (EPS): Exploring alternatives such as compressed foam EPS with acrylic coating promotes resource efficiency by utilizing lightweight and recyclable materials. EPS can be produced with recycled components and can be easily recycled at the end of its life cycle.

## **Smart Design and Efficiency**

SODIC's value engineering initiatives incorporate smart design principles to optimize space utilization, improve energy efficiency, and enhance overall project performance.

- **Streamlining the built-up area of social community buildings:** By optimizing space usage, SODIC reduces the overall footprint of the project and enhances resource efficiency. This approach ensures that the community buildings are designed to meet the specific needs of residents while reducing unnecessary space.
- This design change aims to improve ventilation efficiency and optimize energy consumption. The use of fan-shaped louvers allows for better air circulation, reducing the reliance on mechanical ventilation systems and promoting natural airflow within the buildings.

# EMBRACING CIRCULARITY IN DESIGN AND OPERATIONS

SODIC's commitment to a greener and more sustainable future is reinforced by its adoption of circularity in both design and operations. We actively seek innovative and sustainable alternatives in materials and solutions, integrating them seamlessly into our business strategy.

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# INNOVATIVE AND SUSTAINABLE ALTERNATIVES: MATERIALS AND SOLUTIONS

SODIC identifies key materials utilized in its diverse projects and actively seeks alternative, sustainable, and innovative solutions. Through a thorough process of evaluation and research, we strive to enhance the sustainability profile of our developments by identifying materials that align with our commitment to eco-friendly practices. By exploring alternative options, we aim to not only reduce our environmental impact but also foster innovation in the construction industry.



## **TILEGREEN**

This startup creates high performing and eco-friendly interlocking tiles from recycled plastics. This innovative solution will be piloted by paving an area of 150 sqm in SODIC West, and VYE and Karmell.



## UNIDOME

This innovative solution features a network of plastic molds that create voids in the ceiling structure, reducing concrete usage by up to 35%, steel usage by up to 20%, and CO<sub>2</sub> emissions by 20%. We will pilot this technology in one of the buildings of VYE and Karmell.



## LAFARGE - GREEN CONCRETE

Using ECOpact concrete actively reduces carbon emissions by 30–50% compared to standard concrete (OPC). This initiative will be piloted in VYE and Karmell.



### **BLOCK SOLUTIONS**

This company develops environmentally friendly Block-modules, using 100% recycled plastic. – Piloted in VYE & Karmell security room

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# EMBRACING CIRCULARITY AND SUSTAINABLE SOLUTIONS ACROSS OPERATIONS

# FURNITURE REUSE FOR GREENER EVENTS

Our event planning centers on sustainability, minimizing waste, and reducing our carbon footprint. To further this commitment, we choose our community spaces as event venues and reuse furniture through acquiring durable and versatile pieces that can be repurposed across various events. This eco-conscious approach enhances our event experiences and aligns with our broader sustainability goals.

# DIGITAL TRANSFORMATION FOR PAPERLESS EFFICIENCY

To support waste management objectives, we maintain accurate waste data, ensuring our efforts are data-driven, effective, and adaptable. As a part of our commitment to waste reduction, we have minimized our reliance on print brochures, opting for QR codes that link to digital versions whenever possible. This transition not only saves resources but also ensures that up-to-date information is readily accessible in an environmentally friendly and convenient manner.



# BIODIVERSITY PRESERVATION AND LANDSCAPING

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SODIC prioritizes biodiversity preservation and landscaping in its real estate developments. By integrating green spaces and fostering diverse ecosystems within its projects, SODIC not only creates beautiful landscapes but also contributes to the conservation of local biodiversity. These efforts enhance the overall living experience for its residents while promoting a sustainable and eco-friendly approach to real estate development.

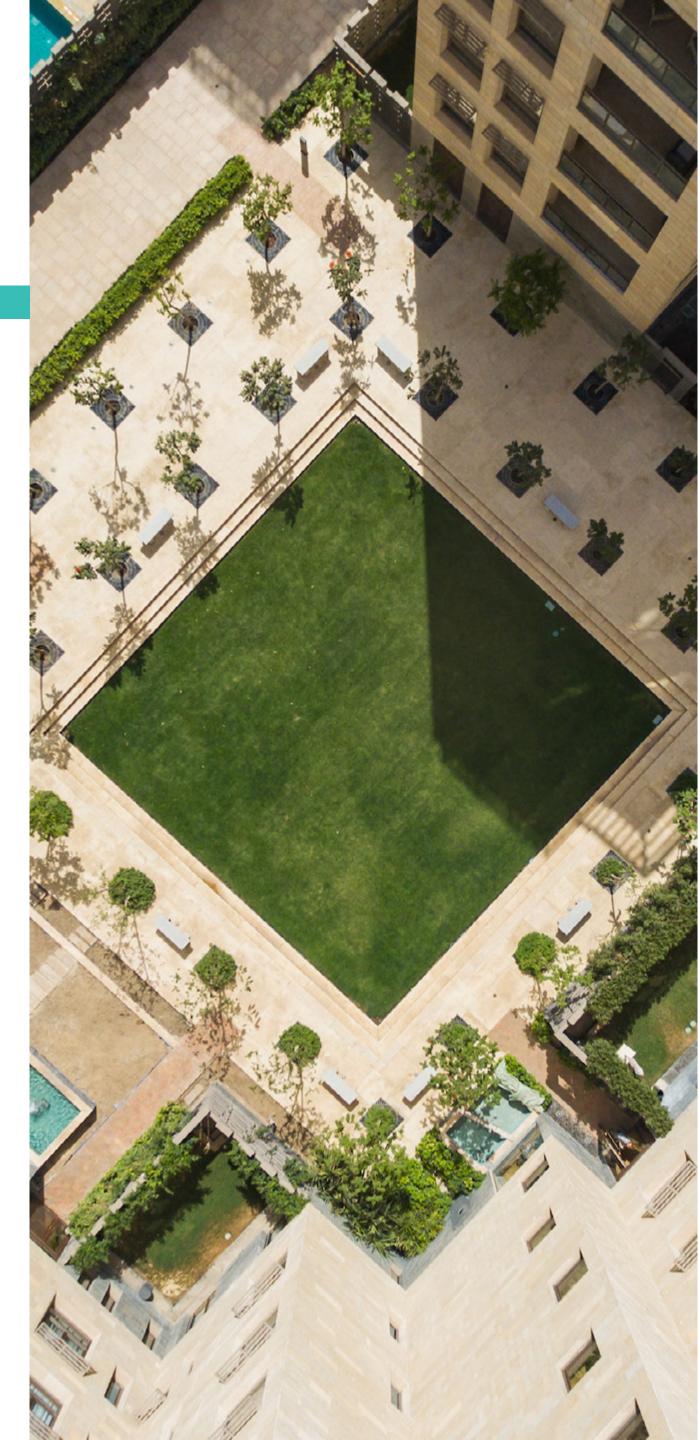
# OUR COMMITMENT TO CONSERVING BIODIVERSITY

SODIC is committed to biodiversity preservation and ecological balance, guided by a set of key principles:

1. Reducing Threats to Biodiversity

2. Building Partnerships

3. Minimizing Adverse Impacts



# 2022 ENVIRONMENTAL INDICATORS

**GHG EMISSIONS** 

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# SCOPE 1, 2, 3, GHG EMISSIONS (MTCO<sub>2</sub>E)

BUSINESS UNIT	SCOPE 1 (MTCO <sub>2</sub> E)	SCOPE 2 (MTCO <sub>2</sub> E)	SCOPE 3 (MTCO <sub>2</sub> E)	TOTAL (MTCO <sub>2</sub> E)
CONSTRUCTION PROJECTS	62	0	83,025	83,087
RESIDENTIAL COMPOUNDS	809	18,518	44,079	63,407
NON-RESIDENTIAL FACILITIES	331	1,093	10,920	12,344
SPORT FACILITIES	4,057	2,486	3,729	10,273
TOTAL SODIC	5,260	22,097	141,753	169,110

# SCOPE 3 BREAKDOWN BY CATEGORY (MTCO<sub>2</sub>E)

SCOPE 3 CATEGORY	TOTAL EMISSIONS (MTCO <sub>2</sub> E)
Category 1: Purchased goods and services	83,060
Category 2: Capital Goods	223
Category 3: Fuel- and energy related activities (not included in scope 1 or scope 2)	895
Category 5: Waste generated in operations	8,078
Category 6: Business travel	998
Category 7: Employee commuting	11,406
Category 11: Use of Sold Products	37,093
Total SODIC Scope 3 Emissions	141,753



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## **CARBON INTENSITY (SCOPE 1+2)**

METRIC	UNIT	VALUE
SPORTS CLUBS FACILITIES CARBON INTENSITY	kgCO <sub>2</sub> e/Gross Land Area m²	14.00
RESIDENTIAL COMPOUNDS CARBON INTENSITY	kgCO <sub>2</sub> e/Gross Floor Area m²	8.26
NON-RESIDENTIAL FACILITIES CARBON INTENSITY	kgtCO <sub>2</sub> e/Gross Floor Area m²	4.83
SCOPE 1+2 EMISSIONS PER MN EGP OF REVENUE	mtCO <sub>2</sub> e/Million EGP	3.45

# **ENERGY AND WATER**

## **TOTAL ENERGY CONSUMPTION** BY SOURCE (MWH)

BUSINESS UNIT	NATURAL GAS	DIESEL <sup>1</sup>	PETROL <sup>2</sup>	ELECTRICITY 3 (CONTROLLED ASSETS)	ELECTRICITY 4 (SOLD/LEASED ASSETS)
CONSTRUCTION PROJECTS	-	92	147	-	1,792
RESIDENTIAL COMPOUNDS	1,379	773	-	40,371	70,022
NON-RESIDENTIAL FACILITIES	-	727	376	2,382	10,834
SPORT FACILITIES	17,583	1,093	544	5,421	-
TOTAL	18,962	2,684	1,067	48,174	82,648

#### <sup>1</sup> Includes both stationary combustion (by diesel generators), and mobile consumption by tractors, as well as transport vehicles (vans, and buses). Average fuel conversion factors (100 litres/km) of the types of vehicles owned, were used to calculate the average total energy consumed as a result of fuel consumption by SODIC's owned vehicles (vans and buses). <sup>2</sup> Average fuel conversion factors (100 litres/km) of the types of vehicles owned, were used to calculate the average total energy consumed as a result of fuel consumption by SODIC's

## **TOTAL WATER WITHDRAWALS** BY BUSINESS UNIT (M<sup>3</sup>)

BUSINESS UNITS	WATER WITHDRAWALS (M³)
CONSTRUCTION PROJECTS	214,190
RESIDENTIAL COMPOUNDS	3,337,613
NON-RESIDENTIAL FACILITIES	30,603
SPORT FACILITIES	1,293,559
TOTAL	4,845,362

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<sup>&</sup>lt;sup>3</sup> Purchased electricity consumed across SODIC's owned and controlled assets, and its emissions have been accounted for under Scope 2.

<sup>&</sup>lt;sup>4</sup> Purchased electricity consumed across SODIC's sold and leased assets, including purchased electricity by contractors in construction projects. The associated emissions have been accounted for under Scope 3 categories 1 and 11. (See SODIC's 2022 Carbon Footprint Report for further details)

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# MATERIALS AND WASTE

## **TOTAL MATERIALS CONSUMPTION (TONS)**

MATERIAL TYPE	TOTAL WEIGHT
ASPHALT	3,696
MORTAR	7,313
CONCRETE	234,439
STEEL	11,560
WOOD	1,664
HDPE	185
PVC	341
TOTAL	259,198

## **TOTAL WASTE GENERATED (TONS)**

BUSINESS UNIT	TYPE OF WASTE	TOTAL GENERATED AMOUNT
CONSTRUCTION PROJECTS	Construction	653,583
RESIDENTIAL COMPOUNDS	Refuse	6,776
NON-RESIDENTIAL	Paper and Board	22
FACILITIES	Refuse	58
CDODT FACULTIES	Plastics	131
SPORT FACILITIES	Refuse	1,080
TOTAL		661,649



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2022 HIGHLIGHTS

OUR SOCIAL COMMITMENTS AND PROGRESS

EMPLOYEE DIVERSITY AND WELL-BEING

TALENT DEVELOPMENT AND CAREER ADVANCEMENT

HEALTH AND SAFETY AT THE FOREFRONT

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We believe that strong communities are made up of empowered individuals. Through various initiatives and community engagement programs, we strive to engage and enrich the people who call our developments home. We are dedicated to creating spaces that not only provide a place to live but also foster a sense of community and belonging. At SODIC, we recognize the invaluable contribution of our employees to the success of our mission. We highly prioritize the well-being, career growth, and job satisfaction of our dedicated team members. Our commitment extends beyond brick and mortar; to enabling people to thrive and lead fulfilling lives within vibrant, sustainable communities.

# **2022 HIGHLIGHTS**









Community

**55** NPS

+15 Community Events and Activations

**Employee** 

26% Female Representation in SODIC Offices' Total Workforce

**30%** Female Representation in Leadership Positions

+130 Promotions from within

EGP + 700k Investments in SODIC Employee Training and Development

**2,154** Total Hours of Training Delivered to SODIC Employees

CSR

EGP +6 mn Contributions to Charitable Causes

+9,000 Lives Impacted

# EMPOWERING OUR PEOPLE AND COMMUNITIES

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**CREATE AN INCLUSIVE AND INNOVATIVE** WORKPLACE THAT FOSTERS INDIVIDUAL AMBITON: EMPOWERMENT, AND STRIVES TO MEET THE NEEDS OF THE BROADER COMMUNITY AND **ENSURE COMMUNITY SATISFACTION.** 

# SODIC'S CORPORATE STRATEGIC THEMES



**CULTURE CENTRICITY** 

**CULTURE TRANSFORMATION** 

At SODIC, we actively foster connection, engagement, and a profound sense of community. We consider our people as invaluable resources, serving as the driving force behind the positive impact we create. This is why we prioritize their growth and well-being, and place their health, safety, and overall welfare as central to our operations. To this end, our comprehensive

policies and protocols are diligently implemented to ensure an environment where our people can truly thrive.

In this section, we will delve into our efforts in supporting individuals and communities, highlighting the depth of our dedication, strategic approach, and progress throughout this year.



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# OUR SOCIAL COMMITMENTS AND PROGRESS

We are committed to enhancing opportunities for individuals to realize their fullest potential through meaningful employment and purposeful career paths. Our dedication extends to community engagement, where we assess our impact. We cultivate a culture that values and empowers individuals from

diverse backgrounds, fostering a welcoming and inclusive environment.

In addition to our commitment to community impact, we prioritize the well-being of our employees. Simultaneously, we

actively strive to create environments that contribute to human health and overall well-being. This comprehensive approach underscores our commitment to corporate social responsibility, employees, and the communities we serve.



COMPLETED/ ON TRACK



NOT YET STARTED

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STARTED, IN PROGRESS



PARTIALLY COMPLETED

MATERIAL TOPIC	AREA OF FOCUS	COMMITMENTS / ASPIRATIONAL TARGETS	2022 STATUS QUO
ENT SITION TENTION	Employee	Ensure diversified workforce growth	127 new hires in 2022 in SODIC, of which 39% are female, and 731 in Edara of which 8% are female.
TALE ACQUIS AND RET	Perpetuity	More employees covered by career development plans	18% of SODIC's total employees received performance and career development reviews.
VER- SION		Adopt a Freedom of Association and Collective Bargaining Policy	We adhere to national laws and our own contractual stipulations that protect the rights of workers to engage in collective bargaining.
WORKFORCE DIVER	Employee Rights and Support	Zero cases of workplace discrimination and harassment	Zero cases were recorded.  The MySODIC internal portal includes a «speak up» platform that allows all employees to anonymously voice their internal complaints and concerns.  Our current HR policy includes aspects related to diversity and inclusion, anti-discrimination, and anti-harassment. Furthermore, we are working on developing a Diversity and Inclusion Policy, Worker Welfare, Human Rights, and Anti-Discrimination and Anti-Harassment policies to be implemented in 2023.

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**COMMITMENTS / ASPIRATIONAL TARGETS** MATERIAL TOPIC **AREA OF FOCUS 2022 STATUS QUO** Ensure a diverse workplace with at least 35% 26% female representation in the workforce. female representation in the workforce by 2030 **Diversity and** Inclusion Tailored our headquarters to be inclusive and accessible, accom-Promote an inclusive workplace that caters to modating diverse needs, as well as providing dedicated parking the needs of people of determination. spaces and specific facilities to ensure their comfort and ease. All employees covered by relevant training in A total of 2,154 hours of training were delivered to employees. learning and development **Training and Career** Provide sustainability and future-proof skills In collaboration with a contracted sustainability consultant, an ESG **Development** programs that are accessible to all employees workshop was conducted for over 30 employees, a champion from such as introductory sustainability courses, each function, which included a segment on carbon footprint asseminars, and campaigns sessment. Operated the "Baby Creche" center, which provides a safe space for onsite childcare for mothers of infants and children, ensuring an 100% of employees and workers are covered by easy transition back to the office for working mothers. well-being services and benefit schemes Offered exclusive corporate deals and compensation adjustments to ensure affordability amid market inflation. **Employee** All SODIC employees are provided with a comprehensive health Well-being Enhance preventive healthcare schemes for al insurance program through AXA & Bupa, which includes medical employees coverage. Achieve an annual increase in employee satis-Set measures in collaboration with Adze to enhance workplace faction scores related to workplace comfort and comfort and productivity, and partnered with the global research and consulting firm, Great Place to Work, to ensure work-life balance. productivity Established a dedicated Health and Safety department and committee and are working on developing a comprehensive suite of Implement the requirements of the ISO 45001 health- and safety-related policies and procedures and setting a standards across our operational projects corporate-wide management system that aligns with the requirements of the ISO 45001. **Employee Health** & Safety We ensure that SODIC employees involved in any project has completed the necessary Occupational Health and Safety (OHS) training specific to that project. Maintain Zero Lost Time Injuries Goal Total LTIs recorded: 0

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MATERIAL TOPIC **COMMITMENTS / ASPIRATIONAL TARGETS AREA OF FOCUS 2022 STATUS QUO** Adopt a placemaking approach in our developments. Maintain a Tenant Engagement Program, with a central focus on customer centricity, and engage Read more under "Developing for our Communities: Creating Imour communities in the design and managepactful Engagements" and "Building Vibrant Communities". ment processes of our developments Community **Engagement and** Placemaking We foster social activities and communicate volunteering activities through emails and company events, fostering a sense of social Schedule more engaging events with our comresponsibility within our workforce. munities NCLUSIVE AND IMPACTFU COMMUNITY RELATIONS Read more under "Developing for our Communities: Creating Impactful Engagements". Current initiatives were strategically categorized into three primary areas Education, Equal Opportunity, and Relief Programs. Launch a tailored program to support vulnerable Read more under "Community Thrives: Prioritizing Resident Satisand disadvantaged groups faction and Well-being" and "Empowering Lives through Philanthropic Initiatives". Launched several impactful initiatives aimed at promoting education and social development, including Alfanar, Emonovo, Sprints, and Tawasol. **Corporate Social** Develop several partnerships with local NGOs and CSOs focused on SDGs Responsibility Launched Egypt's first Education Social Enterprise Seed Cycle: five educational, social enterprises, namely Future Zone, Mahrati, Makouk, Man Ahyaha, and Sawaa. Enhanced the long-standing partnership with Alfanar, transforming over 30,000 lives through grant funding and management Increase SODIC's shared value through donations support. and corporate citizenship programs that impact Running relief program annually to include blood drives, blanket families annually drives, and salary drives. In addition to Ramadan food packing and distribution to impoverished families across upper Egypt.

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# EMPLOYEE WELL-BEING AND DIVERSITY

SODIC prioritizes employee well-being and diversity, recognizing that a healthy and diverse workforce is crucial to building a creative, competitive culture that can drive sustainable growth. SODIC is fundamentally committed to fostering a culture of inclusion and respect, where all voices are heard and valued, embracing diversity in all its forms and recognizing that it is

this broad spectrum of experiences and perspectives that fuels innovation and drives business success. SODIC is also committed to the physical, mental, and emotional well-being of its employees, providing a range of wellness initiatives and resources to support the health and happiness of all its personnel.

# EMBRACING DIVERSITY, BUILDING AN INCLUSIVE WORKPLACE CULTURE

Our sustainable growth is powered by a diverse team of over **3,950** full-time employees spread across our subsidiaries. In 2022, SODIC Corporate Offices experienced a significant **21%** increase in the total number of employees. Notably, **47%** of the new hires were under the age of 30, raising the overall

percentage of employees under 30 to **27%** of our full-time workforce. SODIC aims to cultivate young professionals under the guidance of seasoned experts across all business sectors, guaranteeing the company's future stability and growth.

As part of our commitment to sustainability, we prioritize hiring individuals of diverse abilities and making our offices accessible.



# SODIC EMPLOYEES DISTRIBUTION ACROSS SUBSIDIARIES

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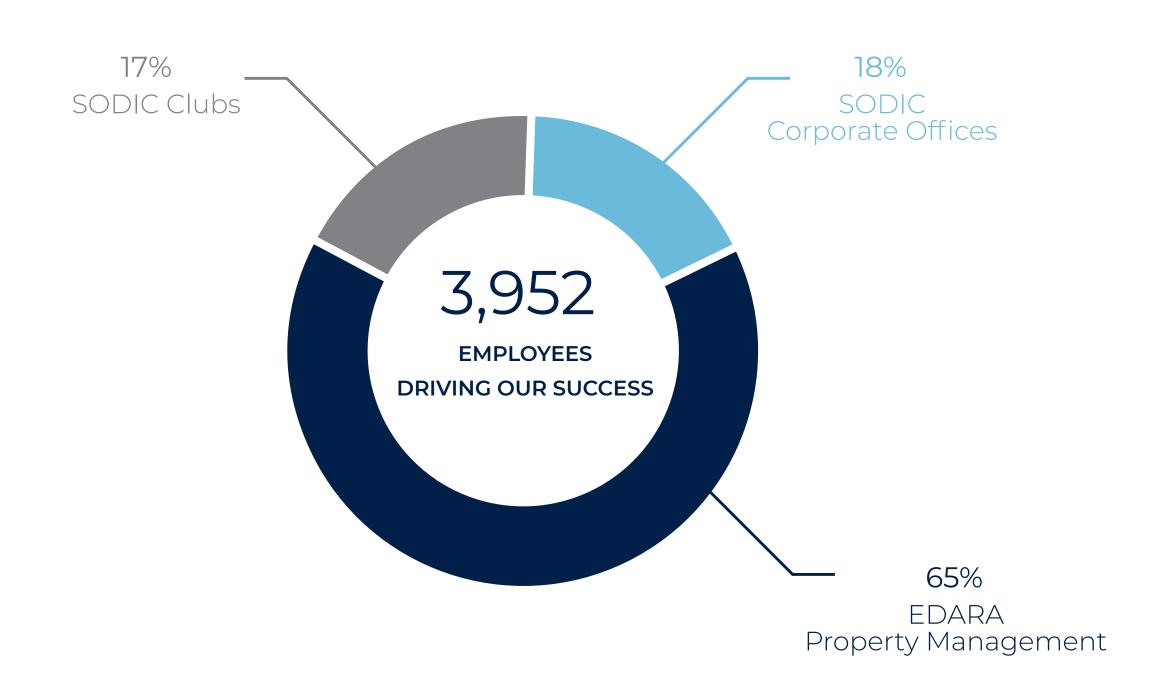
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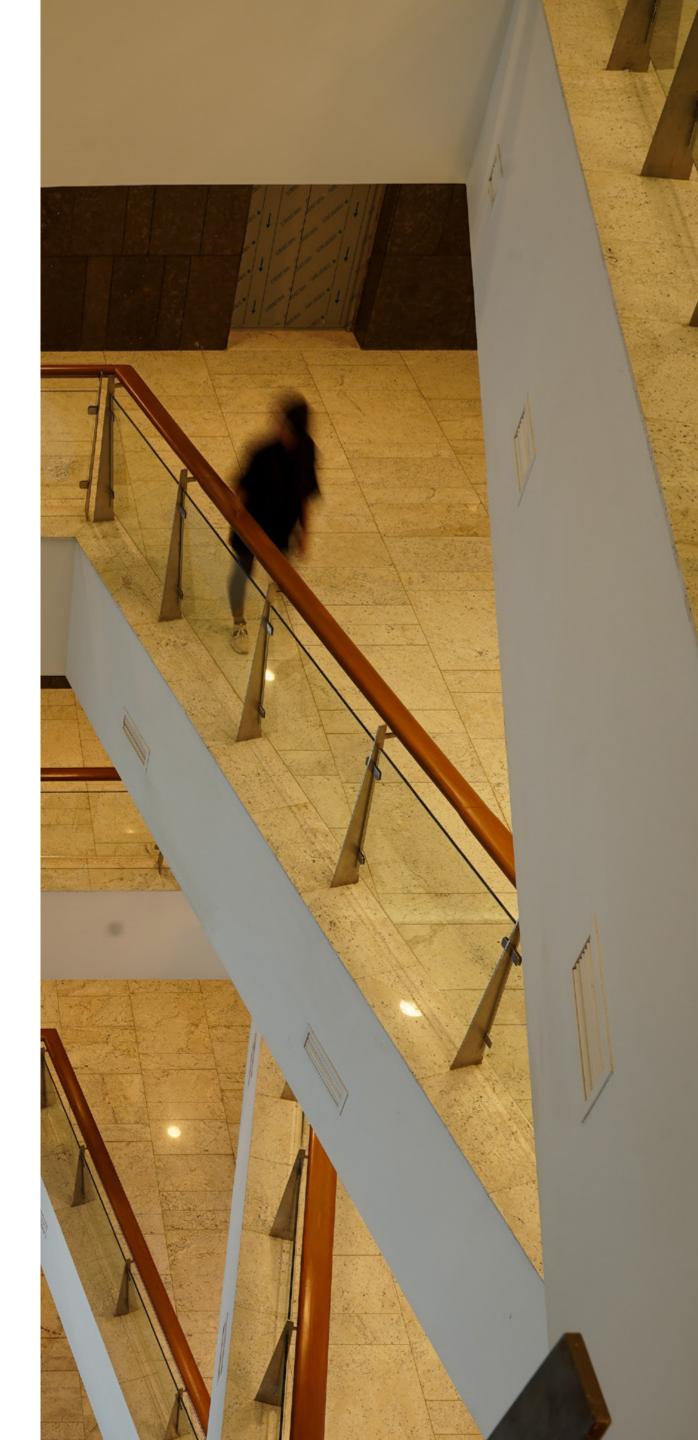


# OUR COMMITMENT TOWARDS INCREASING GENDER DIVERSITY

We are committed to attracting a diverse talent pool and fostering inclusivity and fairness at SODIC. We are proud to announce that the representation of women in SODIC's corporate offices has increased from **21%** in 2020 to **26%** in 2022.

In 2022, we strengthened the representation of women in management positions, with 31% of senior management and

14% of executive director positions being held by women. Furthermore, three out of the 187 women employed at SODIC's offices have successfully assumed positions within SODIC's Management Committee, showcasing our commitment to empowering women in management.



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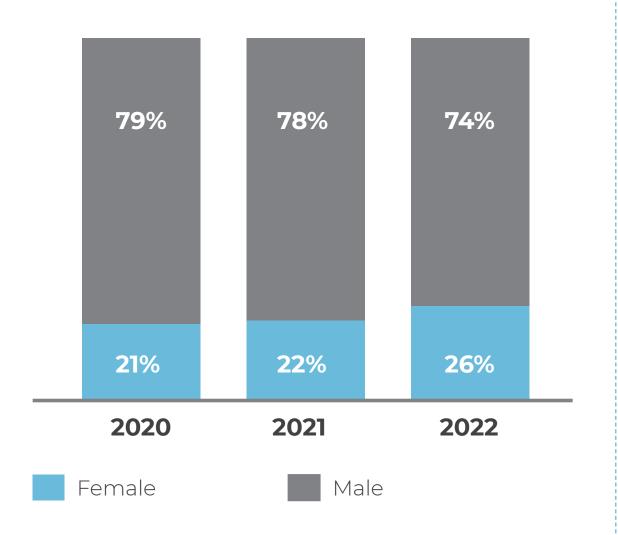
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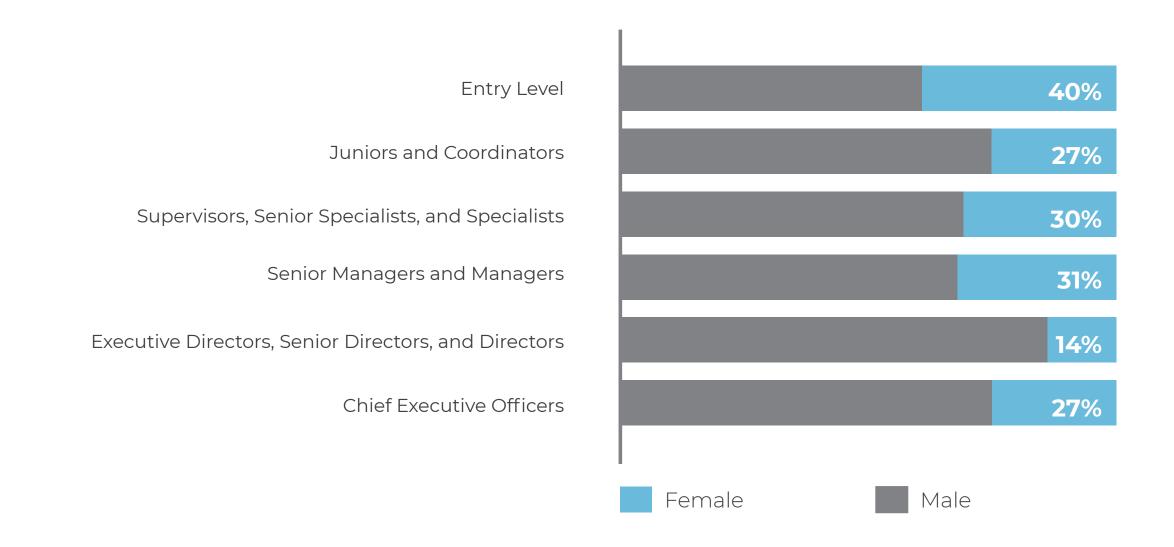
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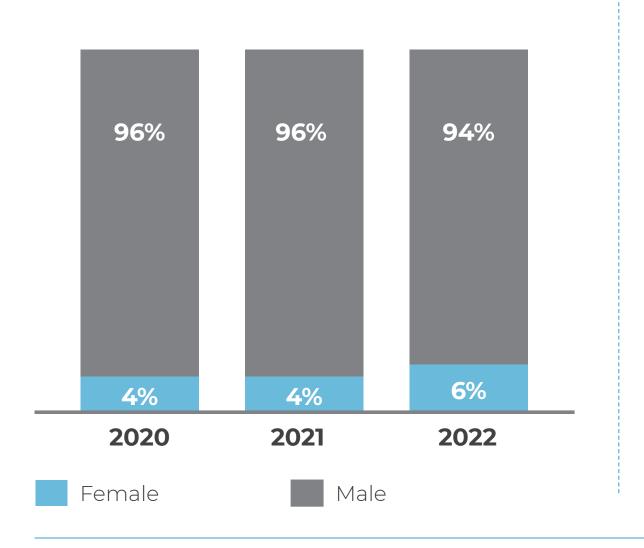
# SODIC CORPORATE OFFICES



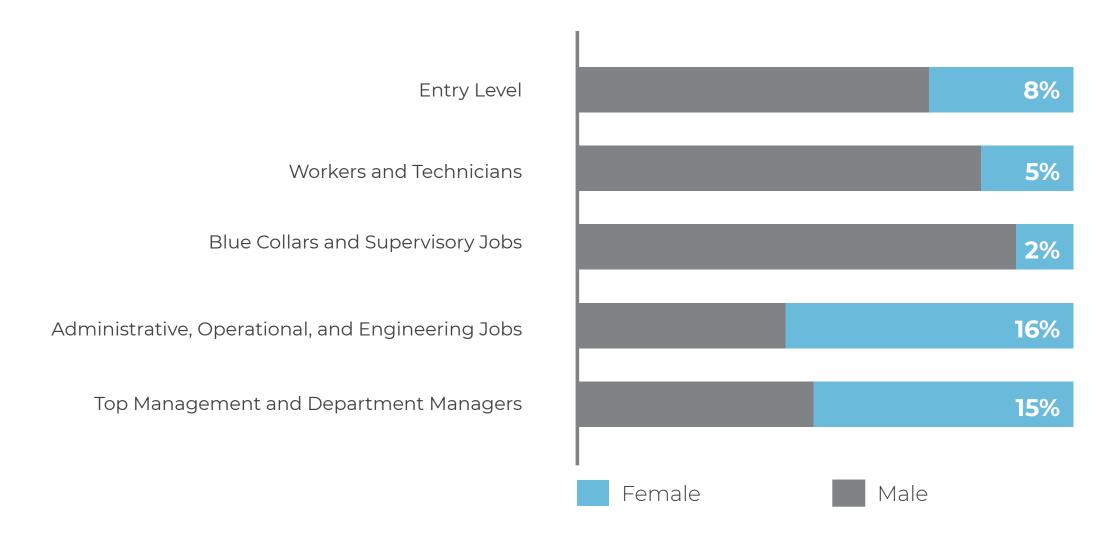
# **DIVERSITY OF SODIC OFFICES EMPLOYEES** | BY EMPLOYEE CATEGORY (%)



# **EDARA PROPERTY MANAGEMENT**



# DIVERSITY OF EDARA EMPLOYEES | BY EMPLOYEE CATEGORY (%)



For further information on our workforce diversity indicators, please refer to the annex "Social Performance Indicators."

## LOOKING AHEAD: ESTABLISHING A DIVERSITY AND INCLUSION POLICY

As part of our commitment, we are working on developing a comprehensive Diversity and Inclusion Policy set for implementation in 2023. The policy is set to include commitments toward awareness training, campaigns, talent, business operations, and communication.

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**Talent Business** Communication Awareness Integrating diversity and inclusion in Fostering a culture of respectful Annual diversity and inclusion training for all Promoting respectful communication, expression, robust policies, leader recruitment, compensation, development, employees, along with periodic campaigns diverse marketing, and building connections and supporting under-represented talent involvement, and asset integration

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# EMBRACING A CULTURE OF WELL-BEING AND ENGAGEMENT AT THE WORKPLACE

At SODIC, the well-being and engagement of our employees take center stage in our strategic planning.

In line with this commitment, SODIC has collaborated with a leading workplace consultant, Adze, to thoroughly analyze our existing work environment. The goal of this collaboration is to gain insights into enhancing employee productivity and optimizing workplace comfort, thereby further enriching our employees' professional experience.

# EMPOWERING VOICES: CRAFTING OUR VALUES TOGETHER

Through our "Crafting Our Values" workshops, we actively engage our employees to capture their insights. These sessions help us embed our values in the day-to-day operations of each department, fostering a culture of understanding and forward-thinking.

# TRANSFORMING SPACES: INSPIRING OUR VALUES

Our commitment to our aspirational values extends to our physical workspaces. We have branded our headquarters office to visually reinforce our values, creating an inspiring and motivating work environment.

# SPOTLIGHTING EXCELLENCE: CELEBRATING OUR ACHIEVERS

We celebrate our employees' achievements by highlighting their successes in dedicated articles on our internal portal, recognizing and appreciating their contributions.

# ONE TEAM, ONE CELEBRATION: STRENGTHENING BONDS

Company-wide events like our Ramadan iftar bring together our entire staff. These gatherings enhance morale and ensure our employees feel connected, engaged, and motivated.

# IMPACTFUL GIVING: EMPOWERING CHANGE TOGETHER

We actively involve our employees in corporate social responsibility (CSR) activities, offering opportunities for donations and volunteering in various CSR initiatives. We communicate these opportunities through emails and company events, instilling a sense of social responsibility within our workforce.

# UNITE, COMPETE, THRIVE: SPORTING EXCELLENCE AT SODIC

Our sports events, such as the Ramadan Football Tournament, Run for a Cause, and department team-building activities, aim to unite employees through physical activity, promoting teamwork and healthy competition within the workplace.

# CELEBRATING INTERNATIONAL WOMEN'S DAY

In 2022, we organized an outdoor gathering to celebrate International Women's Day, featuring activities like yoga and other engaging events to honor and recognize the contributions of our SODIC female employees.



# SODIC: A GREAT PLACE TO WORK

We have partnered with the renowned global research and consulting firm, the Great Place to Work® Institute, conducting employee engagement surveys to gain valuable insights. These insights have guided our efforts in enhancing our communication channels, ensuring our people are consistently informed and engaged.

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# SUPPORTING COMPETITIVE BENEFITS AND COMPENSATION

Central to our management philosophy is a commitment to fair compensation and rewarding all employees who contribute to our collective success. We have developed competitive, performance-based compensation packages that ensure equitable pay practices throughout our organization. Our benefits program is designed to be inclusive, competitive, and reflective of our culture. We provide comprehensive health and life insurance coverage and maternity leaves, as well as compensation plans and benefits that further support the financial well-being of our employees.



Providing wholesome meals at our head office is a testament to our genuine concern for our employees' welfare.



We have revamped our HR guidelines to introduce flexible work arrangements, dress code, and leave options.



Our corporate arrangements and adjustments to our compensation structure underscore our commitment to enhancing employees' financial well-being. We proactively address market inflation to ensure competitive compensation, fortifying financial stability for our team members. Furthermore, EDARA has introduced a comprehensive pension plan for employees, ensuring their financial security when they retire.



SODIC's "Baby Creche" provides a safe on-site childcare service for children aged 0–3, facilitating a smooth return to work for mothers following maternity leave. To further support our employees, we offer a half-month salary as a one-off bonus for the first child born to our staff at our subsidiary, EDARA, demonstrating our commitment to a family-friendly workplace.



SODIC takes pride in offering one of Egypt's most comprehensive health insurance packages, providing a safety net for our employees' well-being and reflecting our commitment to their overall welfare.



We enhance the quality of staff accommodation by providing upgraded furniture, electrical appliances, and paintings.



We ensure safe transportation options, prioritizing the safety and comfort of our workforce.



We extend financial support in the form of loans and advance salary payments in collaboration with "Pay Now" to employees to promote their general welfare, security, safety, and education. Moreover, we've established corporate deals with entities to provide discounts for different venues such as restaurants, gyms, clubs, and more.

# TALENT DEVELOPMENT AND CAREER ADVANCEMENT

At SODIC, we recognize that our position as a leading real estate company is a reflection of the work and culture of our people. We deeply value the contributions of every individual, and our commitment to fostering diversity and sustainability is at the core of our governance principles.

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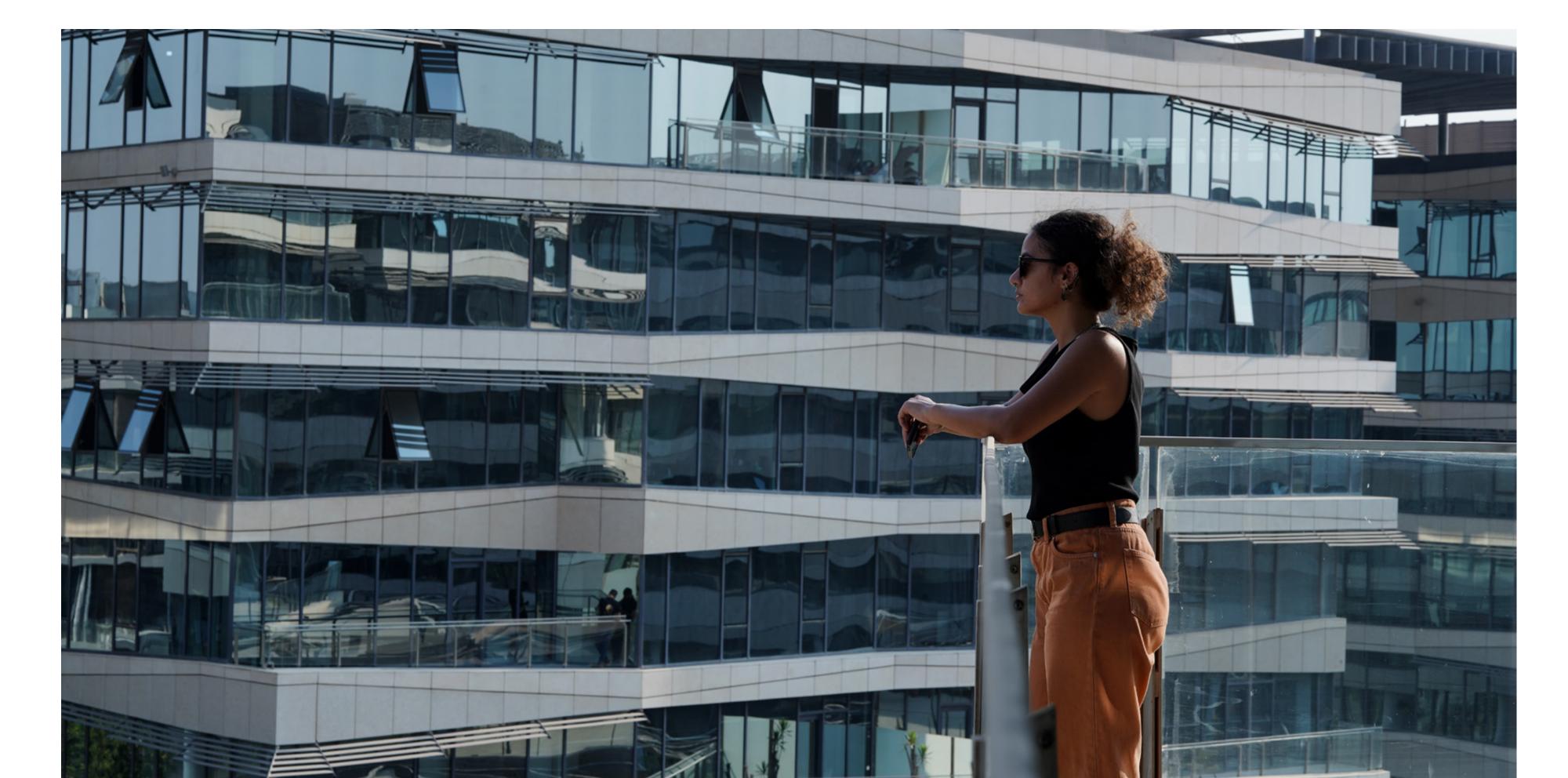
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# ATTRACTING, RETAINING, AND GROWING OUR TOP TALENTS

Our commitment to nurturing and elevating our talent pool is not just a philosophy but a core practice at SODIC. In fact, 90% of our management team is comprised of individuals who have grown within our ranks.

By investing in the professional growth of our existing workforce, we not only foster a sense of loyalty and belonging but also ensure that our unique company culture and values are instilled in our leadership. This approach, coupled with our dedication to creating a supportive and engaging work environment, plays a pivotal role in our successful employee retention.

90%

Of Our Management Team

**Are In-house Talents** 

# SODIC'S STRATEGY TO RETAIN TOP TALENTS

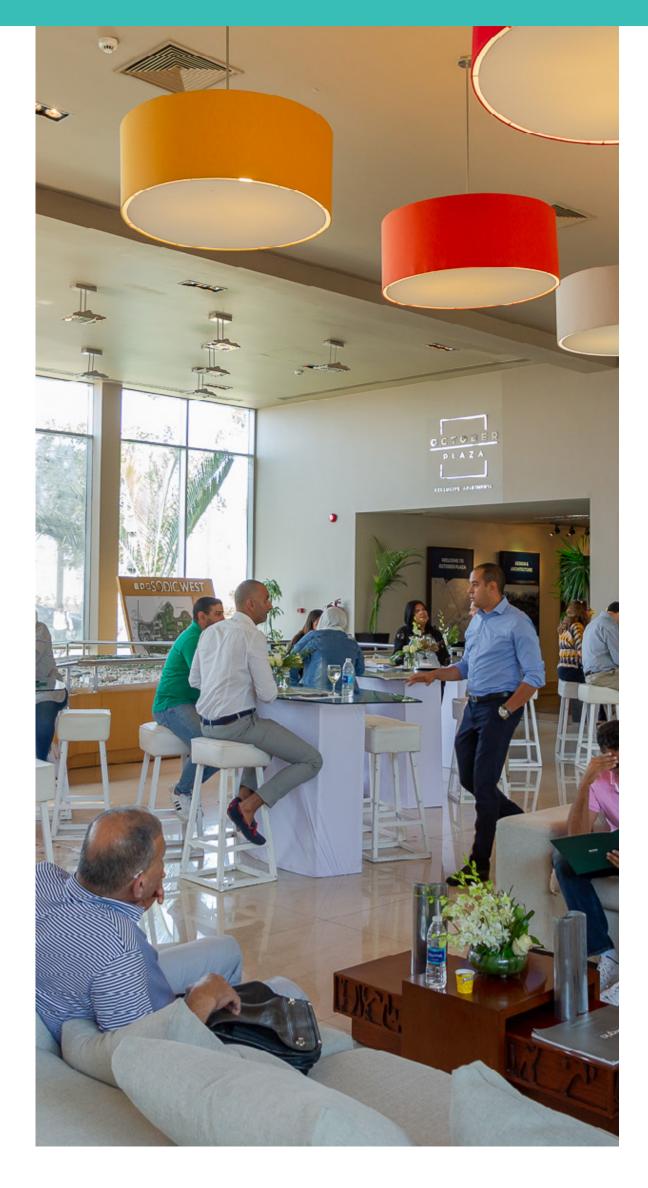
SODIC's management adheres to a well-defined policy for recruitment, selection, and promotion, executed by the HR Department. This policy serves a dual purpose: attracting the most suitable candidates for their respective roles and promoting the professional growth of our existing employees. A comprehensive strategy underpins this policy, including ongoing training plans.

Additionally, the company has implemented incentive programs designed to reward proficient and high-performing employees, playing a pivotal role in our retention efforts.

Career path planning is also a crucial aspect of this strategy, ensuring the smooth transition of authority. The company's approach is built on three pillars: attracting top talent, fostering their professional development, and retaining high performers, all while ensuring leadership succession.



Our unique rewards program is designed to foster a culture of recognition and appreciation. This program encourages managers to acknowledge and reward employees who consistently achieve and drive positive change within the company, ensuring that every individual's skills and contributions are recognized and rewarded, creating a motivating environment that inspires excellence.



## REIMAGINING OUR ON-BOARDING EXPERIENCE

+850

Number of Induction Sessions Delivered to New Hires in 2022

SODIC is revitalizing its onboarding experience to incorporate its core values while ensuring the process is engaging for new employees.

+35

Number of Unique Training Programs Delivered in 2022

+100

Number of Employees Participated in Various Training Programs

2,154

Total Hours of Trainings Delivered to Employees in 2022 Across SODIC Offices and EDARA

TRAININGS AND DEVELOPMENT 1



**SODIC 101** 

Onboarding



**SODIC 201** 

Aspirational Values



**SODIC 301** 

Real Estate Industry Knowledge

#### LEARNING AND DEVELOPMENT PROGRAMS

SODIC's Learning and Development (L&D) initiatives cater to both, EDARA, and Club S employees, offering a wide array of training options and modules. We address a spectrum of topics, including both technical and non-technical subjects, tailored to the specific needs and functions within our organization. To deliver comprehensive training, we utilize a combination of in-house and external instructors, ensuring that our employees have access to top-tier expertise. Additionally, we provide a diverse selection of e-learning programs and modules accessible through our internal portal, extending these resources to all SODIC employees.

#### TRAINING NEEDS ASSESSMENTS

We conduct annual training needs assessments to align with our evolving business landscape. This includes accommodating new business expansions, meeting performance benchmarks, addressing efficiency enhancement requirements, and adapting to recently established national or internal sustainability-related regulations.

### **EMPLOYEE PERFORMANCE** AND CAREER DEVELOPMENT REVIEWS

SODIC embraces a culture of feedback to streamline career development for our employees, aimed at supporting individual growth and improving organizational performance.

Through our comprehensive career development program, we offer employees a transparent roadmap for their progression within the company. Simultaneously, we uphold our commitment to process quality and result-oriented work through regular performance reviews.

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<sup>1</sup>The training and development figures cover only SODIC's Corporate Offices and EDARA Property Management

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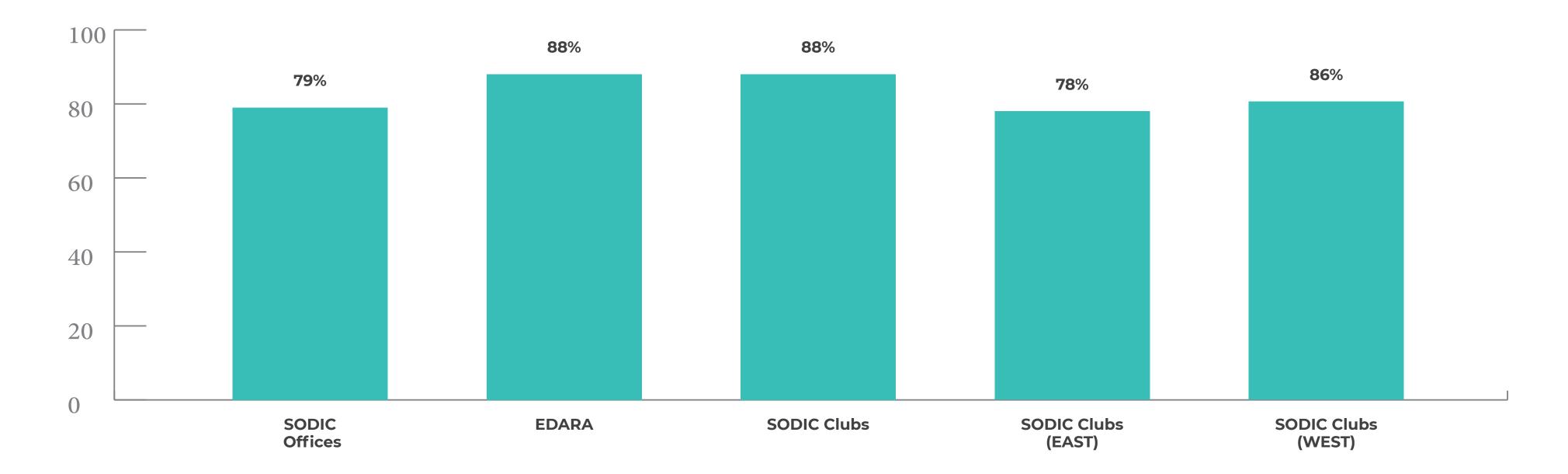
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# % Employees Received Performance and Career Development Reviews in 2022









RECEIVED PERFORMANCE AND CAREER DEVELOPMENT REVIEWS IN 2022

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# HEALTH AND SAFETY AT THE FOREFRONT

We uphold and continuously improve occupational health and safety standards. Our firm commitment ensures a secure working environment through proactive planning and providing sufficient resources to safeguard the health and well-being of all our employees, contractors, and outsourced workers.

#### AN INTEGRATED HSE MANAGEMENT SYSTEM

At SODIC, our commitment to HSE best practices is evident in our integrated HSE Management System (HSE MS). This system provides the framework for managing health, safety, and security risks in accordance with the requirements of ISO 45001 and ISO 14001. We have taken significant measures to achieve compliance with ISO 45001 and 14001 standards. As of now, we are in adherence with the Occupational Health and Safety requirements outlined in Egyptian law.

The HSE MS applies across all our projects and construction sites, as well as our offices and facilities, and it covers all direct employees, including workers and contracted employees involved in various capacities across our developments and projects. The system defines our health, safety, and security standards and procedures through planning, operations, and performance evaluation and improvement, meeting all local and legal requirements and obligations.

Our approach is detailed in the HSE Management System Manual, which defines roles, responsibilities, and interrelationships within our organization. This manual is regularly reviewed to ensure its relevance and effectiveness in keeping with the SODIC commitment to HSE excellence.

## A STRUCTURAL TRANSFORMATION IN SODIC'S (HSE) MANAGEMENT

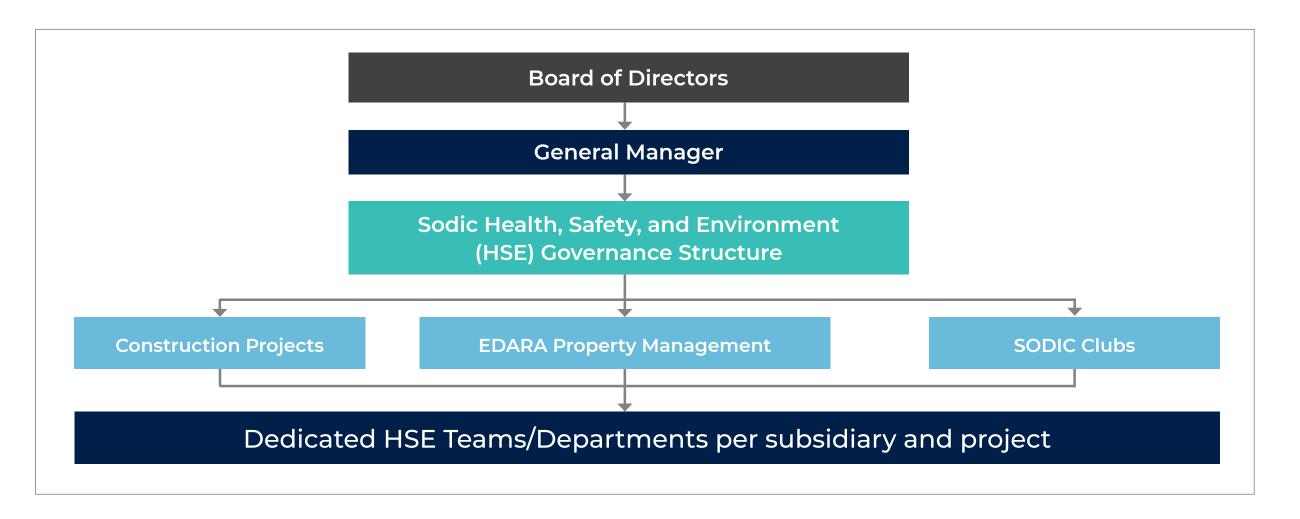
In 2022, we underwent a structural transformation that encompassed the development of our HSE policies and procedures. This transformation included the introduction of a new HSE Management Policy and a substantial update to the company's HSE Manual. This manual serves as a guiding document, providing practical guidance on the legal, administrative, and technical framework for HSE for all contractors and Business Units operating with SODIC.

We also established a dedicated Health, Safety, and Environment Committee to oversee the company's HSE performance, as well as a Health and Safety Department tasked with devel-

oping our workplace health and safety policies and procedures. We now have professional health and safety teams devoted to covering all our operations across all subsidiaries and construction work sites.

The roles and responsibilities of the newly established HSE Committee are outlined in the HSE Committee Charter, which was developed as part of SODIC's revamped governance-related policies and procedures.

## **HEALTH, SAFETY, AND ENVIRONMENT (HSE) GOVERNANCE STRUCTURE**



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# HAZARD IDENTIFICATION AND RISK ASSESSMENTS

As part of SODIC's commitment to workplace safety, we have implemented a company-wide Hazard Identification and Risk Assessment standard. This standard allows us to routinely identify work-related hazards and assess risks, both during regular operations and non-routine activities.

The site management and the Quality, Health, Safety, Security, and Environment (QHSSE) manager are responsible for managing these risks and hazards. They ensure that HSE risk management procedures are fully integrated across the organization and into all activities. Their role also includes ensuring that the organization has access to sufficient knowledge, skills, experience, and resources to manage HSE risks responsibly, adequately, and in accordance with governing legislation.

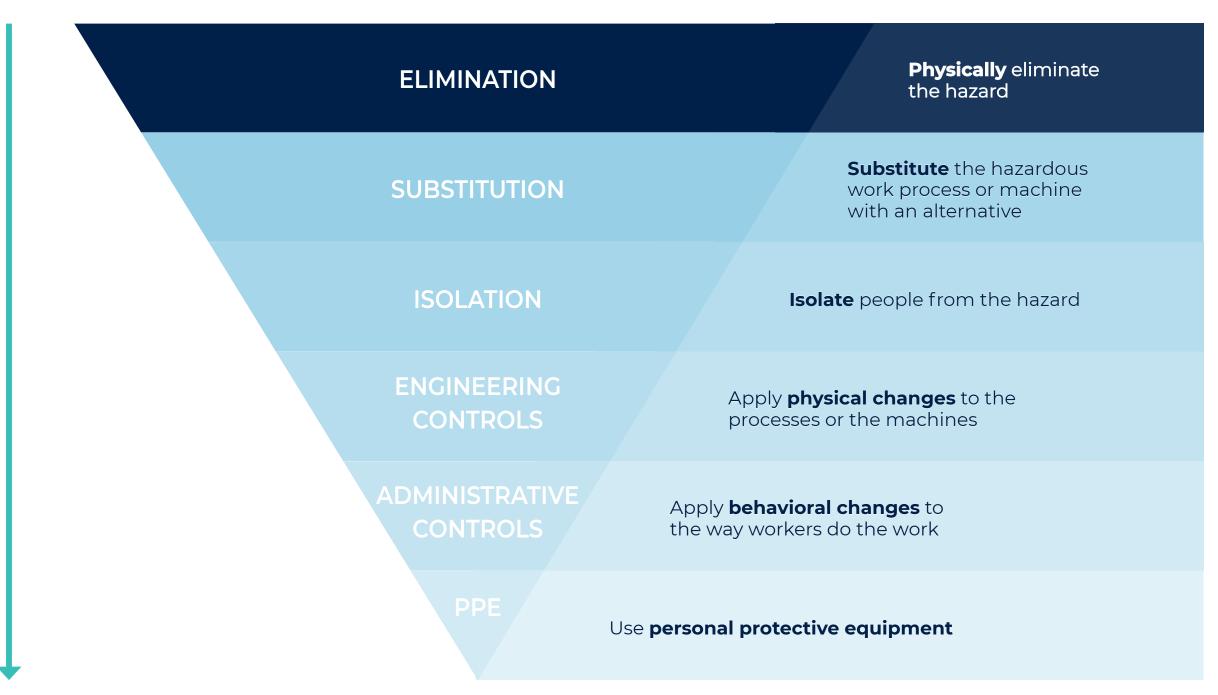
Hazard identification is a crucial part of our risk assessment process. Employees are required to complete a job hazard assessment prior to all non-routine or high-hazard projects and/or routine work. Techniques for hazard identification include HSE site audits, HSE inspections, peer reviews, safe-job reviews, task analysis, toolbox meetings, and reporting of accidents/incidents and near misses.

#### **REPORTING INCIDENTS**

All individuals at SODIC have both a duty and a right to report any unsafe behavior or hazardous situations to prevent potential harm to employees, contractors, clients, and vendors. SODIC implements proactive procedures for reporting any unsafe conditions or actions that could pose a risk to people or the environment. The whistleblower system, in line with our updated Anti-Retaliation Policy, safeguards employees from reprisals, providing a safe avenue for anonymous submissions.

Our Standard on Incident Reporting sets a framework for investigating work-related hazards and dangerous situations. In the event of an incident, a thorough root cause analysis is conducted, and corrective measures are identified and executed to prevent recurrence. "Lessons learned" are derived by our health and safety teams from these incidents and shared to continually enhance our safety culture and HSE MS.

# **Hierarchy of Hazard Controls**



To ensure the effectiveness of recommendations, all non-conformities, corrective actions, and preventative actions are reviewed. Any new or modified controls are subject to the required risk assessment procedures. Our safety leadership regularly monitors our performance and conducts audit evaluations and inspections, enabling us to assess progress and pinpoint areas needing improvement.

In addition to quantitative targets, the HSE MS tracks monthly and quarterly performance against related objectives and KPIs across all our projects and work sites. This encompasses safety performance, accident management, and training.

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#### MONITORING OUR PERFORMANCE

Based on the diverse nature of our business and activities, in 2022, we've begun categorizing health and safety data for direct employees, including office staff, SODIC Clubs employ-

ees, EDARA facility management workers, and contracted employees, such as construction site workers and contractors.

#### **WORK-RELATED INJURIES**

HEALTH AND SAFETY INDICATORS	DIRECT EMPLOYEES		CONTRACTED EMPLOYEES	
	2021	2022	2021	2022
Manpower (no. of employees per year)	226	235	2345	2944
Total man hours worked	397,760	413,600	5,886,680	7,403,631
Lost-time injuries (LTI) (No.)	0	0	3	2
Lost days due to injuries (No.)	0	0	9	6
Fatalities (No.)	0	0	0	0
Lost-time injury frequency rate (LTIFR)	0	0	0.5	0.3
Lost-time injury severity rate (LTISR)	0	0	1.5	0.8

#### **OCCUPATIONAL HEALTH AND SAFETY AUDITS**

SODIC frequently conducts OHS audits across its construction sites, which allow the safety leadership to assess progress and identify areas for improvement. These audits, evaluated against the HSE MS, cover safety performance, accident management, and training. Any identified concerns are addressed promptly through corrective actions, ensuring high safety standards.

OHS AUDITS CONDUCTED FOR PROJECTS IN 2022				
Quarterly OHS audits	32			
Fire audits	64			

#### **HEALTH AND SAFETY TRAINING**

#### **UPDATING OUR POLICIES AND MANAGEMENT SYSTEM**

We have developed an updated HSE Training Policy Manual that outlines the guidelines for managing HSE training. This manual covers areas that include training needs assessment, defining roles and responsibilities, and the development and implementation of the training plan. It also stipulates the creation of the HSE training program, which includes both in-house and external training requirements. Additionally, the manual provides the necessary forms and appendices to streamline the process.

#### **HEALTH AND SAFETY TRAINING PERFORMANCE**

At SODIC, we operate a health and safety training matrix that identifies the training and qualification requirements for our employees. In 2022, we successfully delivered approximately 598 hours of health and safety training to 3,179 workers across our eight construction projects.

OHS inductions are mandatory for all staff before they participate in any of our projects.

Our training programs cover a broad spectrum of safety topics, including safety induction, excavation procedures, usage of fall protection systems, electrical safety, and more. We also conduct training sessions on evacuation procedures and drills, firefighting techniques, operations in confined spaces, and the proper use of power tools and machinery. Moreover, we assign additional training for specific tasks, tailored to the unique requirements of each project and work site.

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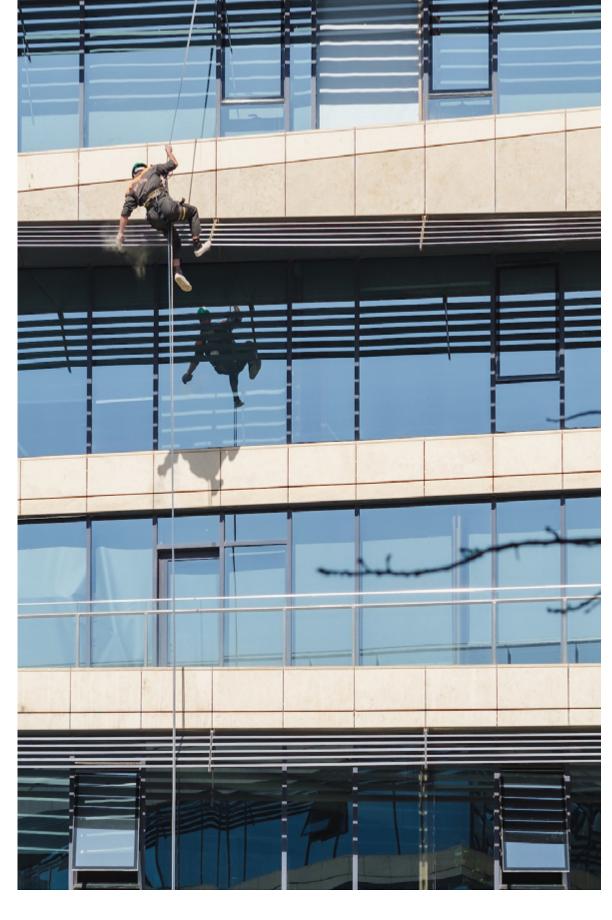
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	OHS TRAINING AND INDUCTION	2021	2022
	No. of hours of health and safety training sessions delivered	582	598
	No. of health and safety sessions delivered	15	22
	No. of direct employees who received HSE training	886	835
<u>√</u>	No. of contracted employees who received HSE training	2345	2944

# PRIORITIZING THE WELFARE OF OUR WORKERS

We acknowledge the inherent risks associated with our business and have implemented comprehensive measures to effectively manage and mitigate their impact. Recognizing that worker welfare compliance is an ongoing endeavor, we continue establishing and upholding appropriate standards. These standards are applied consistently throughout our operations, and we actively support our supply chain partners in meeting and surpassing them.

	HSE MANAGEMENT SYSTEM COVERAGE	2021	2022
<u>&gt;</u> □ <u>&gt;</u> □ <u>&gt;</u> □	No. of contracted employees/workers in the year	226	235
THE WAY	% of employees that are covered by SODIC's HSE MS	100%	100%
	No. of construction project sites that were operating during the year	7	8



#### **ESTABLISHING A WORKER WELFARE POLICY**

As part of our commitment to the welfare of our workers, SODIC is currently developing a Worker Welfare Policy, which is set to be fully established in 2023. This policy reflects our corporate values, which include fairness, equal treatment, and a strict prohibition against forced or child labor. We are dedicated to maintaining transparency in our recruitment processes, ensuring timely wage payments, and upholding workers' legal rights.

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#### **CREATING A POSITIVE WORK ENVIRONMENT:**

SODIC believes in fostering a positive work environment, ensuring the well-being and engagement of its staff by employing the following practices:



# Safe Workplace

Prioritize safety by implementing stringent safety protocols and providing training to ensure a secure working environment.



# **Shared Values**

The company nurtures a culture that encourages teamwork, respect, and integrity and fosters inclusion.



# Staff Engagement

SODIC actively engages its staff through various initiatives, such as regular feedback sessions, team-building activities, and professional development programs.

#### **UPHOLDING THE RIGHTS OF OUR EMPLOYEES AND WORKERS**

No matter their job responsibilities, all our direct and contracted employees have the following three fundamental rights:



### **RIGHT TO KNOW**

We believe that every employee has the right to receive the necessary training to perform their job safely. It is essential that all personnel are made aware of workplace hazards, safe work procedures, and emergency protocols.



## **RIGHT TO PARTICIPATE**

All employees are obliged to participate in solving health and safety problems and in the identification and control of workplace hazards. We encourage our employees to engage with their workplace H&S representatives should they have any health- or safety-related concerns.



## **RIGHT TO REFUSE DANGEROUS WORK**

At SODIC, we recognize employees' right to refuse work they believe is hazardous to their health or the safety of others.

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# BUILDING WITH CARE: ENSURING HEALTH AND SAFETY IN SURROUNDING COMMUNITIES

SODIC is developing the Community Health and Safety Procedure (CHASP) to proactively address potential issues that may affect the public residing near our projects. We recognize that any construction endeavor, if not properly planned and executed, can pose hazards to the community. The CHASP encompasses a comprehensive framework that identifies potential risks and their impacts on local community members. It outlines the necessary measures that SODIC and its contractors will undertake to prevent and address these concerns effectively. This policy manual applies to all entities within SODIC, as well as contractors involved throughout the project lifecycle.

# BUILDING SAFE HOMES: SODIC'S COMMITMENT TO OCCUPANT HEALTH AND SAFETY

Our approach to design and construction integrates a wide range of measures that contribute to enhancing the living and working environments within our buildings.

We prioritize acoustic comfort to reduce noise pollution and enhance tranquility. Biophilic design principles are also employed to incorporate natural elements, promoting psychological well-being, and we maximize natural daylight to support the daily rhythms of occupants. Humidity levels are carefully controlled for comfort and health, while illumination is optimized for functionality and mood enhancement. We prioritize superior indoor air quality by using low-emitting materials and high-performing ventilation systems, and our designs encourage natural ventilation wherever possible while giving occupants control over their environment for individual comfort. We also create spaces that promote physical activity and ensure thermal comfort for optimal productivity and well-being. Lastly, we maintain high water quality standards, as water is a fundamental element for health.

Further information can be found on SODIC's Placemaking Approach under the section "Developing for our Communities."



# DEVELOPING FOR OUR COMMUNITIES: CREATING IMPACTFUL ENGAGEMENTS

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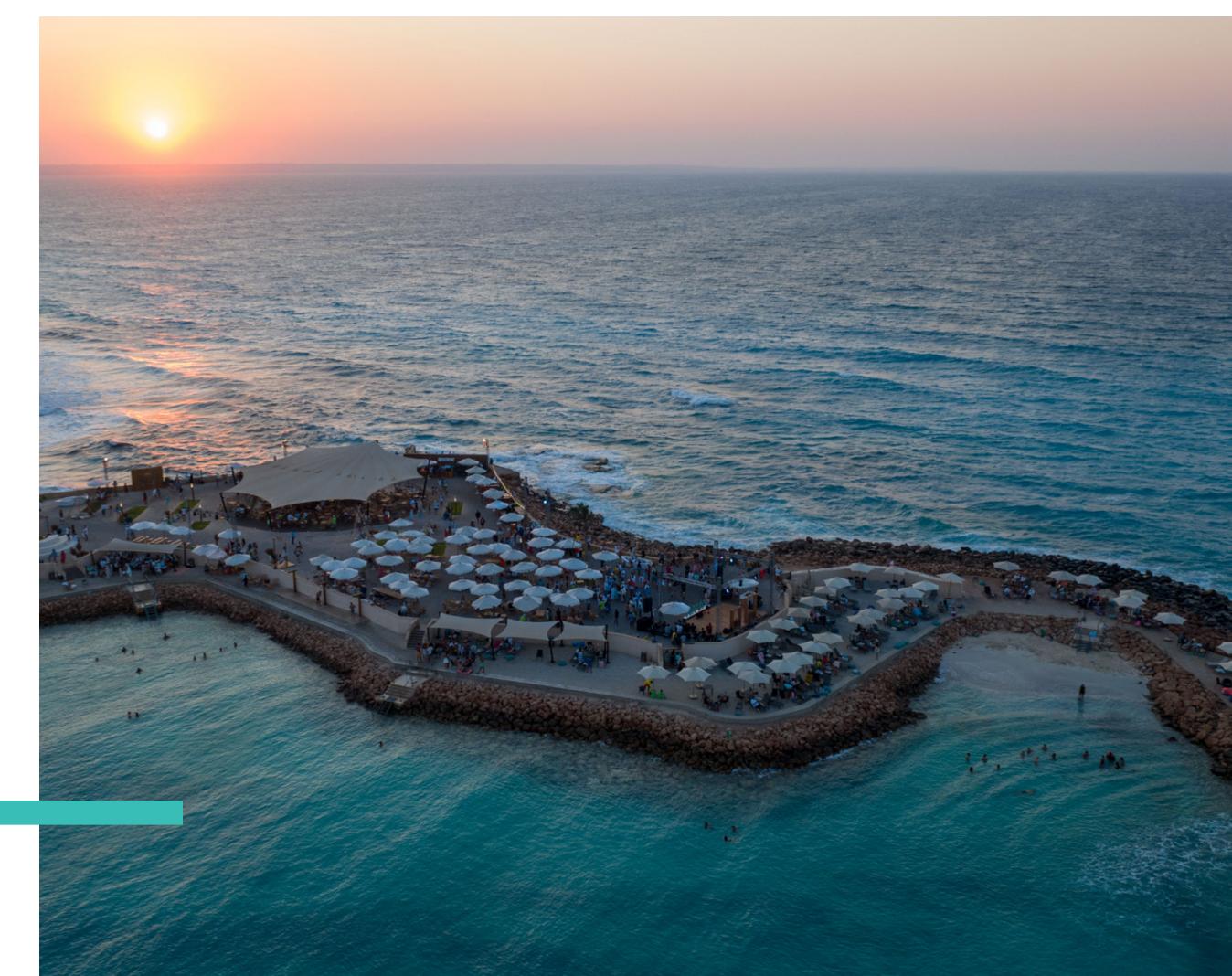
SODIC is renowned for creating holistic, vibrant communities that go beyond brick and mortar, it creates spaces that build connections, inspire creativity, and foster a sense of belonging.

## SODIC'S PHILOSOPHY: QUALITY OF LIFE

SODIC is guided by a philosophy that enhances the quality of life of its residents. This ethos is deeply embedded in its placemaking approach, where the focus is on creating a lifestyle, not just a place a live. SODIC understands that great places are about the experiences they enable, the memories they create, and the connections they foster.

#### THE PLACEMAKING APPROACH

SODIC's placemaking approach is a multidimensional process that integrates the physical, cultural, and social identities that define a place. It focuses on the collective community experience, creating spaces that are not only aesthetically pleasing but also functional, safe, accessible, and inclusive.



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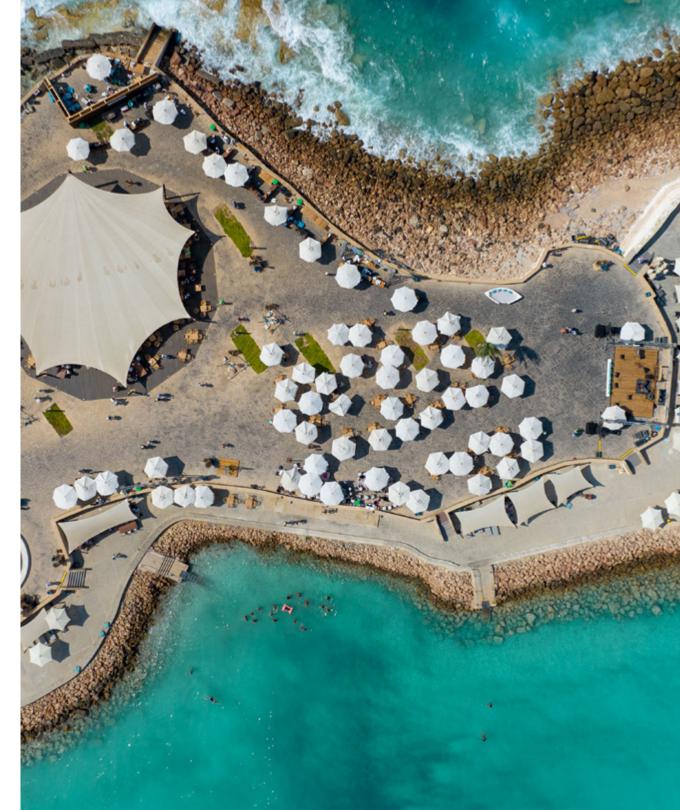
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- ▶ We believe that every space should be designed with people in mind. Its developments prioritize walkability, green spaces, and public areas, promoting healthier lifestyles and fostering a sense of community among residents. The integration of nature within the community provides places for relaxation and contributes to better mental well-being.
- ▶ Shared spaces like parks, community centers, and cafés provide residents with places to gather, socialize, and form connections. This sense of community can lead to stronger social networks.



▶ SODIC's placemaking approach goes beyond mere physical spaces; it's a commitment to cultivating immersive and enriching experiences, encompassing a diverse range of cultural activities.





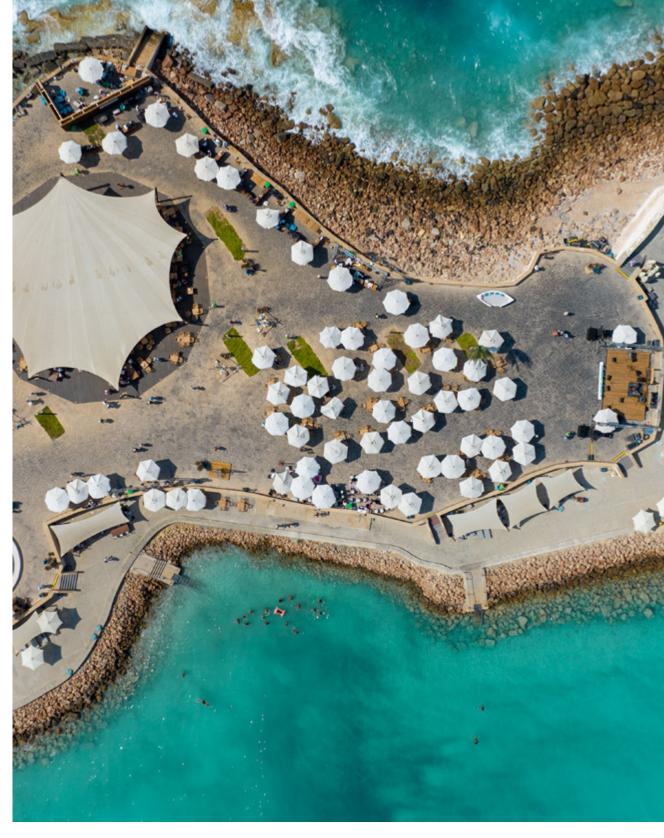
▶ The use of green building practices and renewable energy sources reduces the environmental impact of SODIC's developments and contributes to a more sustainable lifestyle for residents.



▶ SODIC's placemaking approach involves designing communities with a mix of residential, commercial, and retail spaces. These mixed-use developments support the growth of local businesses, create jobs, and provide residents with convenient access to services and amenities.



▶ SODIC believes in creating spaces for different needs and fostering a strong sense of community. Its communities are designed to be inclusive, catering to people of different ages and abilities.



# SODIC'S PLACEMAKING FOUNDATION: BUILDING COMMUNITIES WITH VALUES

SODIC's core values are its driving force, and its aspirational values serve as fuel to the transformative power of its placemaking approach.

CORE Values: The Driving Force
Aspirational Values

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#### Winners

SODIC strives for excellence in all its endeavors.
SODIC aims to create communities that set
benchmarks in real estate development, balancing
aesthetics, functionality, and sustainability.

#### Integrity

SODIC's placemaking begins with integrity; ensuring every development is respectful of local cultures, and delivers on the promise of quality and sustainability.

#### Synergy

SODIC works closely with local communities, government entities, and stakeholders ensuring that its developments meet their needs and aspirations.

#### Sustainable

SODIC strives to create communities that are environmentally friendly, economically viable, and socially equitable.



#### Ownership

SODIC understands its role in shaping communities and the environment. This guides its focus on creating sustainable inclusive spaces.

SODIC

Placemaking Foundation



#### **Customer-Obsessed**

SODIC seeks to understand and anticipate customer needs, creating spaces that enhance quality or life and exceed expectations.

#### Commitment

SODIC's commitment to enhancing the quality of life for its residents is reflected in every aspect - from creative vibrant, inclusive communities to integrating sustainable practices.

#### Agility

Adaptability is key in a rapidly evolving world. SODIC's agility allows it to respond to emerging needs and trends, ensuring the communities remain relevant resilient and responsive to residents' evolving lifestyles.

#### Creative

SODIC brings innovative designs, integration of art and culture, and unique solutions to environmental and social challenges.

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## MEASURING SUCCESS IN SCALING OUR IMPACT

In 2022, we rigorously assessed our performance through a range of KPIs, including customer satisfaction levels measured through community surveys, customer feedback mechanisms and analytics. This data-driven approach serves as the compass guiding our endeavors. It continually empowers us to refine our community engagement strategies, ensuring they capture our residents' evolving needs and aspirations.

# THE SODIC PLACEMAKING JOURNEY

At SODIC, placemaking is not just a process; it's a journey — a journey that begins with a vision, powered by core and aspirational values, and brought to life through a relentless focus on people, community, and sustainability.

#### **OUR DEVELOPMENTS ARE PEOPLE-CENTRIC**



#### **SODIC DEVELOPMENTS**



























































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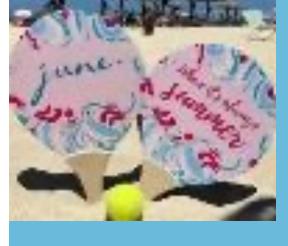
#### KARMELL – A SUSTAINABLE HAVEN FOR RESIDENTS

At Karmell, we promote sustainable living and believe in the importance of connecting with nature and fostering a sense of community. That's why we have created Karmell Grove park, a lush green space where residents can immerse themselves in gardening and outdoor activities. With a playground for children, food trucks offering a delicious variety of meals, and outdoor fitness areas, Karmell encourages residents to embrace an active lifestyle.



#### PURPOSEFUL GIVEAWAYS - MAKING A DIFFERENCE

In the summer of 2022, we partnered with Doodle factory to spread color, fun, and hope. By using the original drawings of children with hepatitis C in need of liver transplants, we created unique designs for our giveaways. This initiative didn't only raise awareness about the importance of organ transplantation, but it also contributes to the treatment of these children.



UP.FUSE

#### **COLLABORATION WITH UPFUSE FOR UPCYCLED GIVEAWAYS**

As part of our ongoing commitment to sustainability, we have partnered with UpFuse to create upcycled giveaways. UpFuse specializes in repurposing materials and transforming them into unique and eco-friendly products. By collaborating with UpFuse, we promote sustainable practices by reducing waste and giving a new life to materials that would otherwise end up in landfills.

View our online partnership video here.

#### HOW WE IMPACT OUR **COMMUNITY?**

Our commitment to nurturing vibrant and diverse communities centers around establishing meaningful connections, instilling shared values, and enhancing the quality of life of our residents. Clear and distinct frameworks and initiatives guide all these efforts.

#### **RESIDENT SATISFACTION** AND WELL-BEING

We prioritize the satisfaction and well-being of our residents. We work diligently to meet their needs and exceed expectations.

#### **ENHANCING LIVES: OUR** RESIDENTIAL COMMUNITY FOCUS

We design and construct residential communities with an objective to create people-centric, environmentally sustainable, and high-quality residences that fulfill the requirements of our clients and enhance their well-being.

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## PRIORITIZING RESIDENT SATISFACTION AND WELL-BEING

Through innovative engagement strategies, thoughtful design, and a commitment to digital transformation, we continually strive to enhance the living experience within our communities.

## KEY COMMUNITY AND RESIDENT ENGAGEMENT CAMPAIGNS AND EVENTS IN 2022

We commit to developing an annual events calendar tailored to the unique requirements of each development, enriching the community experience across our developments.

In addition to the annual events, SODIC organized a series of community engagement initiatives and events throughout the year:

HALLOWEEN EVENTS AT EASTOWN AND SODIC WEST:

Two separate events, each attracting

3,000 residents

fostering a sense of festivity.

OCTOBER PLAZA COMMUNITY EVENT:

A gathering of 700 residents

CAESAR COMMUNITY EVENT:

An annual community event attended by

1,200 residents.

**BACK-TO-SCHOOL EVENT** 

A two-day event held at Club S Westown, underlining our commitment to education and community involvement.

FORTY WEST COMMUNITY EVENT:

A gathering of 400 residents

promoting a close-knit community atmosphere.

WESTOWN HUB ACTIVATION CHRISTMAS FOR WEEKENDS:

Engaging 3,000 residents

in festive celebrations.

PODCAST CAMPAIGN "WHAT I DID NEXT" IN CELEBRATION OF OUR 25TH ANNIVERSARY:

An innovative campaign showcasing key profiles in different SODIC communities, promoting SODIC living experiences and values.

WESTOWN HUB AND VILLETTE
FOOTBALL WORLD-CUP ACTIVATION:

A daily event engaging

400 residents

celebrating sports and fostering a sense of community.

EARTH HOUR **MOVEMENT**:

SODIC's participation in the global movement by switching off electricity in common areas and clubs across our communities.

EASTOWN CHRISTMAS ACTIVATIONS:

Held over three weekends, involving

3,000 residents

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# COMMUNITY LIVING ENHANCED: THOUGHTFUL AMENITIES AND REGULATIONS

## MAINTAINING QUALITY LIVING SPACES

During the planning and design phase, we prioritize elements such as creating vibrant public spaces, promoting enjoyment, and providing essential amenities in all our projects. These efforts encompass various impact areas, including establishing community gardens, playgrounds, recreational amenities, healthcare services, nearby retail options, educational facilities, and accessible public transportation.

#### THE DIGITAL REVOLUTION

Embracing digitalization brings multiple advantages, including improved efficiency through streamlined processes and

quicker responses to resident inquiries. These digital services provide valuable data insights that help us better understand and cater to our customers, ensuring more targeted and effective customer service.

Further information about the digitization of our customer experience can be found under Digital Innovation and Cyberr security.

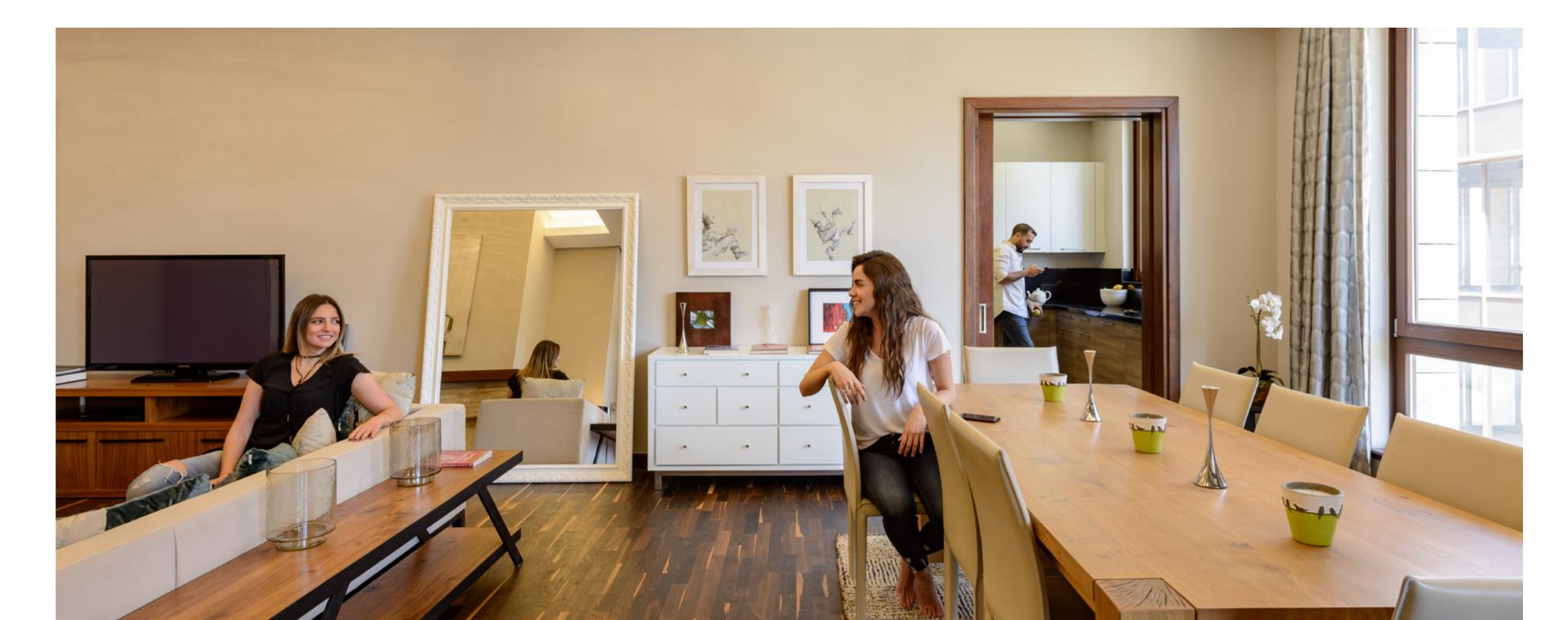
## SODIC'S MOBILE APP: BRINGING RESIDENTS CLOSER

Through the SODIC mobile app, our customers can now easily schedule home services such as cleaning, gardening; generate gate passes; check a comprehensive directory to all vendors

within the community; and stay updated with everything involving SODIC's community.

#### SODIC'S COMMUNITIES' POLICIES: EMPOWERING RESIDENTS FOR SUSTAINABLE LIVING

Our policy updates cover aspects crucial to residents' well-being and satisfaction. These updates provide clear guidelines and protocols, fostering a sense of belonging, collaboration, and shared responsibility among residents. They also empower our community members with knowledge, promote active engagement, and contribute to creating vibrant, sustainable living environments within our developments.



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**POLICY IMPACT ON TENANTS' LIFE GOLF CAR** The policy enhances tenant safety by implementing speed limits, preventing overloading, and RULES restricting underage drivers from operating electric vehicles within the residential area. This policy simplifies tenants' visitor access by providing clear guidelines for generating QR **QR CODES** codes through the SODIC App, allowing homeowners to efficiently manage visitor permissions, **POLICY** enhancing convenience, and streamlining the process for both homeowners and their visitors. This policy establishes clear procedures for renting units within the community, **RENTALS** outlining associated fees, and emphasizing homeowner responsibility for tenant **POLICY** behavior, contributing to a structured and regulated living environment. This policy imposes strict rules and fines for pet ownership, emphasizing responsible pet **PET RULES** ownership, regulating the presence of specific breeds, and outlining liability, ultimately aiming to maintain safety and harmony within the residential community. This policy introduces penalties for various violations, such as community rules, construction, pets, **VIOLATION** traffic, and technical violations, which may result in the suspension of services and financial charges, RULES all aimed at maintaining the community's image, safety, security, and environmental standards.











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# OUR SUBSIDIARIES: A HOLISTIC APPROACH TO BUILDING COMMUNITIES

## EDARA: BEST-IN-CLASS FACILITY MANAGEMENT SERVICES

SODIC's facility management division, EDARA, delivers an extensive array of services and on-site experiences to our residents, spanning commercial, residential, and administrative units, for our various buildings and projects.

EDARA boasts a dedicated workforce of over 3,000 professionals, committed to managing our communities in a manner that ensures the sustainability of our developments. Some of the key services provided by EDARA include maintenance, cleaning, agriculture, engineering and finishing, as well as quality control.

In 2022, we have taken steps to further improve our service. We have reduced our response time, ensuring that all incoming

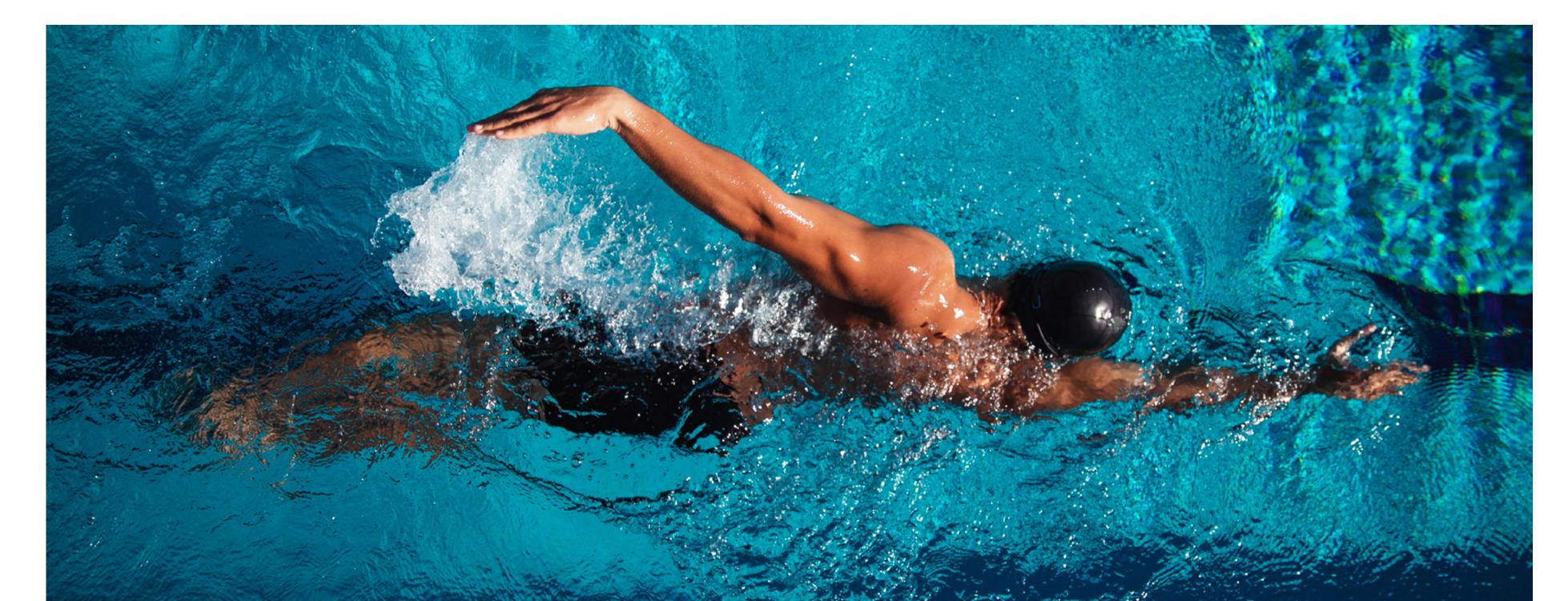
complaints are now addressed within 24 hours. Additionally, we have transitioned from a 24-hour response window to on-the-spot first call resolutions, enhancing our emergency response capabilities.

# SODIC CLUB S: BUILDING COMMUNITIES, FOSTERING CHAMPIONS

SODIC's specialized sports management arm, Club S, currently oversees three sports clubs in our communities in East and West Cairo, with plans to inaugurate a fourth one in Villette, New Cairo. The guiding principle behind Club S is to create establishments that function as an extension of residents' homes and shared spaces for our communities.

At SODIC, our objective is to enrich our residents' experiences by providing easy access to an active, healthy lifestyle and establishing spaces that encourage meaningful social interactions.

We are thrilled to announce that the Ministry of Youth and Sports has officially registered Club S Westown as an official sports club. This state-of-the-art facility houses over 22 sports academies, guided by former Olympians and respected Egyptian athletes. With this official recognition, Club S Academies students are now eligible to partake in national and international sports competitions.



# QUALITY AND CUSTOMER SATISFACTION

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# FOCUSING ON CUSTOMER SATISFACTION

We consistently conduct customer satisfaction surveys to meet and exceed expectations. In 2022, we saw a substantial increase in satisfaction, showcasing the success of our customer management teams' efforts.

In 2022, we achieved an impressive NPS of 55, assessed by a third-party research organization to compare our net promoter score (NPS) with peers. We also ensure performance is measured at every touchpoint through our own in-house Transactional NPS; following each interaction, we present a brief survey to our clients to gather their feedback on their experience. This approach fosters transparency and allows us to consistently improve our services, thereby ensuring a consistently positive customer experience. Each member of our customer management team is tasked with following up on customer feedback to promptly address any areas of dissatisfaction.

Apart from continual feedback, we regularly carry out strategic surveys to gain a deeper understanding of our customers' needs, expectations, and preferred products and services. The insights derived from these surveys shape our business plan and aid us in expanding our total addressable market.

# LISTENING TO AND RESPONDING TO OUR CLIENTS

At SODIC, we prioritize effective communication by continuously enhancing our diverse and readily accessible customer interaction channels. Our aim is to gain our customers' trust and deliver exceptional customer experience across every stage of their journey within SODIC's communities, starting from the initial purchase, all the way to the occupancy stage. We are committed to keeping open channels of communication that enable us to engage closely with our customers, meet all their needs, and exceed their expectations.

Read more about SODIC's advancements in digitizing its customer experience under "Elevating Customer Experience through Digital Innovations."





#### **OUR CUSTOMER ENGAGEMENT CHANNELS**

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# ENHANCING QUALITY AND COMFORT: EDARA'S COMPREHENSIVE SERVICES

Our EDARA Facility Management arm plays a crucial role in ensuring the quality and comfort of our developments. The company provides 24/7 services with more than 3,000 employees of the best calibers serving more than 12,200 residential units, 700 commercial units, and a landscape of 900,162 sqm.

EDARA offers a wide range of services, including call center support, security, urban management, public landscape maintenance, engineering services, environmental services, maintenance services, and agriculture services, as well as supplementary services, such as car wash and housekeeping.

EDARA's performance is assessed using service level agreements (SLAs) to enhance response times, ensuring immediate resolution of emergency cases with a focus on achieving a first-call resolution instead of a of 24-hours period. Through utilizing various means, including a QR code system for measuring satisfaction, especially for walk-in clients, and the swift resolution of complaints.

Emergency Resolution:

## First Call

Complaint Resolution:

24 Hours

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# DEEPENING OUR UNDERSTANDING OF CUSTOMERS

In 2022, SODIC developed a customer experience (CX) maturity assessment as part of its efforts to enhance customer experience and drive organizational growth. The assessment aimed to evaluate SODIC's current CX status, identify areas for improvement, and develop relevant tailored measures.

As part of this report, a comprehensive customer survey was conducted, revealing an important insight: a significant proportion of our customers are willing to pay a premium for sustainable solutions, reaffirming their endorsement of our dedication to sustainability. This finding aligns perfectly with our commitment to delivering superior and sustainable customer experiences.

Concurrently, SODIC established a Customer Experience (CX) Department to enhance customer satisfaction and service quality, further strengthening our alignment with our customers' values and aspirations.

Remarkable Progress:	SODIC improved its YoY score from <b>42 to 55</b> , setting a new industry benchmark.
Customer- Centric Vision:	A group level CX Vision was established, aligning with SODIC's mission and values.
Leadership Alignment:	Management's KPIs were tied to CSAT and NPS scores, reviewed quarterly. Individua and departmental KPIs were defined for a clear connection to CX objectives.
Fostering Engagement:	Preliminary customer forums and monthly meetings facilitated open dialogue. CRN tools, such as Qualtrics and Sprinklr, streamlined NPS and CSAT data collection.
Building Customer- Centric Foundations:	SODIC established a dedicated Customer Experience (CX) Department and launched the CX Strategy Program Surveys via Qualtrics integrated with Salesforce collected NPS and CSAT data, offering crucial insights.
Honoring VIP Customers:	VIP customer segments were identified based on purchase behavior, enabling tailored experiences. Multiple feedback channels were introduced for comprehensive analysis.

# THE JOURNEY BEGINS BY CREATING AN EXCEPTIONAL ENVIRONMENT

SODIC's Development Business Unit is committed to creating exceptional living, working, and entertainment environments with a strong focus on customer satisfaction. From land acquisition and design, the unit's goal is to deliver projects that exceed customer expectations. It prioritizes timely project delivery and a high-quality experience, ensuring that each project provides the best possible environment for customers. The unit's dedication to excellence and customer satisfaction is key to SODIC's success as a trusted and reliable developer.

# RESPONSIVE AND PERSONALIZED: SODIC'S CUSTOMER SERVICE EXCELLENCE

SODIC's Customer Services Department (CSD) creates exceptional customer experiences. Treating all clients with respect and integrity, our team promptly addresses inquiries from the time of purchase to unit delivery. We pride ourselves on swiftly resolving client issues, ensuring a smooth handover process for residential, office, and commercial units.

We are dedicated to ongoing improvement, using tools like satisfaction surveys to assess our performance and pinpoint areas for enhancement. To deliver a seamless customer experience, we prioritize automation to streamline processes, SLAs, and CRM systems.

#### **BUILDING VIBRANT COMMUNITIES**

SODIC's commitment to customer satisfaction continues through our Community Management Department. Our approach includes enhancing residents' quality of life and promoting community engagement, as well as emphasizing sustainability and environmental responsibility.

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#### SODIC'S COFFEE BREAKS

In the fourth quarter of 2022, SODIC launched an innovative community engagement initiative called "Coffee Breaks." This initiative is designed to bring homeowners together in a relaxed setting over a cup of coffee, encouraging discussions about their living experiences, concerns, and suggestions.

By creating a relaxed and open forum for dialogue, SODIC is able to gather valuable insights that will influence its future community development strategies.

## FOSTERING A CULTURE WHERE EVERY VOICE IS HEARD

The Coffee Breaks initiative saw strong participation from SODIC residents, with three gatherings held throughout the year. SODIC carefully selected homeowners based on diverse criteria like age, gender, and residency duration, ensuring an inclusive platform valuing every voice.

# EMPOWERING LIVES THROUGH SOCIAL INITIATIVES

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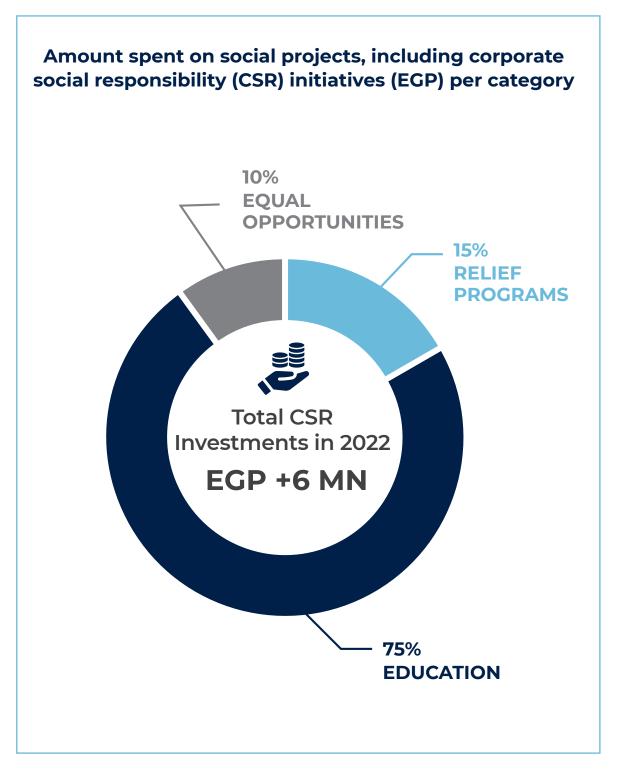
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In 2022, our corporate citizenship initiatives were categorized into three primary areas: education, equal opportunities, and relief programs. These initiatives were designed with clear objectives, including community engagement, awareness building, and social impact.







#### **CONCRETE EDUCATION AND YOUTH EMPOWERMENT INITIATIVES**

In the field of education, we implemented several initiatives that facilitated improvement of learning and personal development.













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#### **SODIC AND ALFANAR: A DECADE OF TRANSFORMING LIVES**



**GRADUATING BENEFICIARIES** 

**PARTNERSHIP** DATE

**ENTERPRISES** 

SOCIAL

+30,000 People and +10,000 Students

Since 2009



For over a decade, SODIC and Alfanar have united in a powerful alliance, leaving an indelible mark on the lives of many. Through their enduring partnership, they have successfully transformed over 30,000 individuals' lives by providing essential grant funding and invaluable management support.

A significant recent milestone was achieved with the launch of Egypt's First Education Social Enterprise Seed Cycle. This groundbreaking initiative aimed to identify and nurture promising social enterprises in the field of education. Five exceptional educational and social enterprises — Future Zone, Mahrati, Makouk, Man Ahyaha, and Sawaa — were selected to participate in this program after a competitive application process earlier in 2022. Man Ahyaha was shortlisted among them.

These five enterprises embarked on a transformative journey, completing Alfanar's Sustainable Social Enterprise Training (ASSET) program over four months. Alfanar worked closely with them to enhance their impact missions, refine their business models, and strategize for future growth.

SODIC and Alfanar's partnership stands as a testament to their unwavering commitment to changing lives and driving positive change in Egypt. Their collaboration has led to the successful graduation of these five educational and social enterprises. They are now poised to make a lasting impact on the educational landscape in Egypt.



#### **EMONOVO: EXPANDING LEARNING OPPORTUNITIES**



2022

PARTNERSHIP DATE

1,000 Scholarships

Since 2015

Emonovo, established in 2015, provides educational opportunities and scholarships. In 2022, it offered scholarships and an entrepreneurship program to more than **1,000** underprivileged students, with an online platform serving 2.5 million monthly visitors.

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## SPRINTS: PATHWAYS TO EMPLOYMENT



2022

Trained over 3,000 women and youth

Founded in 2019, Sprints focuses on connecting learners with employment opportunities. In 2022, it signed a two-year contract with the Egyptian government and Udacity to train **250,000** Egyptian youth, aiming to employ **25,000** of them. SODIC's support enabled Sprints to train over 3,000 disadvantaged youth and women for jobs in the IT sector.



## TAWASOL: A DECADE OF COMMUNITY DEVELOPMENT



**BENEFICIARIES** 

PARTNERSHIP DATE

Trains over 650 individuals annually

Since 2012

For over a decade, SODIC has supported Tawasol, which operates a community school following an integrated community development approach. This school imparts education and provides vocational and performing arts training. It also serves as a community hub where members produce handmade products, generating revenue for the community.

SODIC's contributions have had a profoundly positive impact, benefiting over 650 individuals annually. These contributions cover the expenses of Tawasol's state-of-the-art school in Ezbet Khairallah.

#### TAWASOL NEW SCHOOL: EZBET KHAIRALLAH

SODIC contributed to acquiring land for Tawasol's state-of-theart school in Ezbet Khairallah, which has been operational since 2020. Covering 1,050 sqm, it accommodates 500+ students in a well-equipped environment. The school also doubles as a community hub, offering health services and support programs.



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## PHILANTHROPIC AND RELIEF PROGRAMS

#### SDGs:









Through its dedicated Relief Program, SODIC organizes annual donation drives, blood drives, blanket drives, and food packing and distribution initiatives, channeling all collections with utmost care and diligence to support those who are most in need. Since **2019**, SODIC's impactful efforts have touched the lives of over **9,000 families**, reflecting its unwavering commitment to making a positive difference in the lives of others and creating a stronger, more resilient community.

















## EMPOWERING YOUTH AND PEOPLE OF DETERMINATION

Within the heart of SODIC's ethos lies a profound dedication to empowering youth and promoting sports and healthy living. This commitment forms an integral part of our sustainability strategy and reflects our long-standing legacy of sports leadership. We have forged partnerships with top athletes across various disciplines and cultivated on-ground athletic events, all aligned with our core business objectives of raising awareness and enhancing brand equity.

#### SDGs:







## ESLAM ABU ALI: AN INSPIRATIONAL PARA-ATHLETE AND SODIC EMPLOYEE

SODIC takes immense pride in sponsoring Eslam Abu Ali, an extraordinary athlete. Eslam made history as the first Egyptian para-athlete to conquer the IRONMAN 70.3 race, showcasing unwavering determination. Globally recognized, he currently holds the 5<sup>th</sup> rank in the 100m Breaststroke at the World Para-Swimming Championships in Mexico. Beyond his athletic feats, Eslam **is proudly employed by SODIC**, inspiring others as an exceptional adaptive athlete through sharing his remarkable achievements.



## SQUASH EXCELLENCE: SODIC'S ATHLETE PARTNERSHIPS

#### HANIA EL HAMMAMY: A RISING SQUASH STAR

In 2021, SODIC proudly signed a two-year sponsorship agreement with squash champion Hania el Hammamy. Ranked 3<sup>rd</sup> in the PSA world squash player rankings, Hania has made waves in the sport by clinching the title at the 2020 CIB Black Ball Women's Squash Open at just 19 years old. Her remarkable journey continued with victories at prestigious events like the 2022 CIB Egyptian Squash Open, the 2022 British Open, and the El Gouna International 2022.



## ALI FARAG: THE WORLD'S #1 SQUASH CHAMPION

In 2022, SODIC extended its support to Ali Farag, the world's top-ranked squash player. Ali's career includes securing his first world championship title in 2018–2019, contributing to Egypt's squash dominance. As a Harvard University graduate, Ali's achievements span both academic and professional realms, culminating in victories like the 2022 CIB Egyptian Squash Open and the CIB PSA World Champion 2022.



# CATALYZING SUSTAINABLE EXPANSION

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Our commitment to sustainable growth is embedded within every aspect of our operations. We prioritize financial sustainability and growth, and we are dedicated to nurturing relationships within our value chain and among our suppliers, and championing innovation.

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## **2022 HIGHLIGHTS**

8 DECENT WORK AND PRODUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES





EGP **7.81** bn

Revenues (13% YoY increase)

EGP 21.29 bn

**Gross Contracted Sales** (87% YoY increase)

Overall Market Share Increase (Among publicly listed companies, SODIC estimates)











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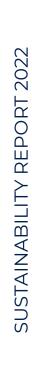
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# OUR ECONOMIC COMMITMENTS AND PROGRESS

Our commitment is to create value for all stakeholders while actively participating in positive global change. By directing our investments toward impactful outcomes, we utilize various sustainable investment strategies. This spans responsible and ESG-aligned investing, and giving precedence to investments that foster co-benefits, synergistic effects, and broad-scale impact.

We nurture capabilities and employ innovation to expedite sustainability shifts through viable, pragmatic, and scalable solutions. Additionally, we are dedicated to establishing responsible, robust, and sustainable supply chains. This involves tapping into the expertise and experience of our partners and supporting their journey towards sustainability.



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COMPLETED/ ON TRACK



NOT YET STARTED

T



STARTED, IN PROGRESS



PARTIALLY COMPLETED

MATERIAL TOPIC	AREA OF FOCUS	COMMITMENTS / ASPIRATIONAL TARGETS	2022 STATUS QUO	
RESPONSIBLE INVEST- MENT AND DIVER- SIFIED GROWTH	Responsible Investment	Establish a responsible investment framework that reports on due diligence and investment criteria based on our EESG Strategy to guide our investment and finance decision-making	SODIC proceeds with a due diligence process ahead of any new acquisition. However, in 2022, no new investments took place that require due diligence.	×
		Continue to build on responsible and healthy growth practices	<ul> <li>13% YoY increase in revenues</li> <li>87% YoY increase in gross contracted sales</li> <li>Overall market share increase by 4%</li> <li>East Cairo market share increase by 5%</li> <li>West Cairo market share increase by 8%</li> <li>35% YoY growth in new customers</li> <li>10% YoY increase in delivered units, amounting to 1,279 during the year</li> </ul>	
INNOVATION AND OPPORTUNI- TIES IN GREEN BUILDING	Digital Advancements and Smart Cities	Cultivate a culture that promotes innovation and consistently enhances our operations to achieve outstanding results	<ul> <li>SODIC provides access to various tools that facilitate digital advancement and innovation.</li> <li>Organized a competition to support startups that offer sustainable products or property technology solutions for the real estate industry in Egypt.</li> </ul>	
		Drive growth through acquiring strategic land, mergers, and acquisitions (M&As), and innovative potential project companies	<ul> <li>4.67 million sqm of unlaunched land bank.</li> <li>We aim to introduce relevant products, procure new land for growth, develop our hospitality business, and grow our commercial portfolio.</li> </ul>	
	Innovative development for community well-being	Invest in R&D for innovative, eco-friendly building materials	Collaborated with startups that offer sustainable construction products such as TileGreen which develops interlocks made from recycled plastic, as well as another startup that integrates specific recycled plastic components within steel to minimize its overall usage during construction.	
		Maintain incorporation of green spaces, such as gardens, green roofs, or living walls, in all new building designs	We adopt a placemaking approach in all our developments.  Read more under "Developing for our Communities: Creating Impactful Engagements"	

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**COMMITMENTS / ASPIRATIONAL TARGETS** MATERIAL TOPIC AREA OF FOCUS **2022 STATUS QUO** • Achieved 55 NPS in our annual benchmarking third-party commissioned report, up 13 points from Continuously enhance customer interactions to foster loyalty 2021 and ranking 1st real estate developer in Egypt for the 2nd year in a row. and engagement such as implementing digital tools and • Established a dedicated Customer Experience (CX) Department to enhance customer satisfaction platforms to improve customer interactions, make information Customer CUSTOMER EXPERIENCE and service quality, further strengthening our alignment with our customers' values and aspirations. more accessible, and simplify transactions. engagement & Read more under "Unlocking Operational Success through Digitalization" service excellence ◆ Launched The "Voice of the Customer" program. Establish a robust customer feedback mechanism by 2024, where customers' suggestions and grievances are acknowledged and • Implemented the Qualtrics customer feedback management solution, facilitating the measurement, acted upon within system close time analysis, and enhancement of NPS across all digital channels and touchpoints. Financial and • Earth hour Commit to offering workshops or educational materials to **Sustainability** • Started a collaboration with Taqatak, a clean energy startup, to build a solar-powered pergola in Villette. clients on sustainability practices **Education** • Collaborated with UpFuse to create recyclable giveaways for our clients and communities. SODIC is planning to start incorporating environmental and social assessment criteria across SUPPLY CHAIN MANAGEMENT Integrate EESG across our business activities and supply chain its supply chain procedures, and supplier assessments. **Supply Chain** • Implemented an inventory population policy that enables the Development and Finance teams to Management initiate, track and approve the inventory areas, prices, and release dates online. Implement supply chain transparency in line with best practices • Ensured construction contracts were based on international standard forms of contract conditions issued by the well-known International Federation of Consulting Engineers (FIDIC) Collaborated with various suppliers and established partnerships with startups that provide sustainable construction products. We cultivate innovation by seeking partnerships with Support our suppliers and engage them within our strategy to both emerging startups and established companies specializing in property technology. Supplier ensure a responsible and sustainable value chain Read more under "Cultivating Innovation through Startup Collaborations". engagement & compliance Implement a Supplier Code of Conduct and proper ESG SODIC to deploy a Code of Conduct for Suppliers. Due Diligence RESPONSIBLE Mandate our suppliers to provide Environmental Product Declarations for essential construction materials and embed it **Greening our** within our supply chain framework by 2030. supply chain Achieve ad monitor and calculate for carbon reduction from the Conducted our second carbon footprint assessment covering scopes 1,2,3 and developed a

entire supply chain, where we can exert control

group-wide decarbonization plan which includes reduction activities along the value chain.

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# SUSTAINABLE FINANCIAL GROWTH

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### VALUE CREATION FOR SHAREHOLDERS

We are committed to creating sustainable value for our share-holders through implementing a strategic approach that centers around economic efficiency, innovation, and sustainable growth. Our economic review reflects a balanced mix of prudent financial management, strategic investments, and a

deep understanding of the real estate market. By continuously identifying and capitalizing on profitable opportunities, innovating our offerings, and maintaining strong financial health, we ensure a robust return on investment for our shareholders.

#### **FULL YEAR 2022 VS 2021 FINANCIAL HIGHLIGHTS**

13% **↑** YoY

Revenue

6% **↓** YoY\*

**Gross Profit** 

41.82% ↑ YoY

10% ↑ YoY

**Cash Collections** 

**Delivered Units** 

SODIC has delivered an excellent set of results for the year 2022, having almost doubled its sales and grown its market share in East Cairo and the North Coast. Despite global headwinds and challenging local operating conditions, our strong results are a testament to our brand's strength and our customers' confidence in our ability to deliver on our promises consistently. We remain firm believers in the resilience of our sector, driven by the solid fundamental demand of a young population and the deeply rooted home-owning culture among Egyptians.

\*Gross profit margin contracted to 28% versus the 34% recorded in 2021 as the company booked EGP 542 million in provisions to hedge against inflationary pressures and the expected impact of the recent currency devaluations.

This provision brings forward the potential impact of the inflationary headwinds on units that will be delivered in the coming two to three years and comes as part of SODIC's prudent approach to financial management.

Excluding the effect of these provisions, SODIC would have recorded a 17% YoY growth in GP to EGP 2.73 billion, which would have translated into a 120-bps expansion in gross profit margin to 35%.

Operating profits reached EGP 650 million for the year, with an operating profit margin of 8%. Operating profitability was negatively impacted by the provision recorded to hedge against rising execution costs. Excluding the effect of the one-off provision, SODIC would have recorded an operating profit of EGP 1.19 billion, up 2% YoY.

We look forward to another year of solid performance as we continue to leverage the strength of our platform and disciplined management approach, which has consistently set us apart in challenging times.

For more details, please check our 2022 Annual Report here.

#### FULL YEAR 2022 OPERATIONAL HIGHLIGHTS

GROSS CONTRACTED SALES OF

EGP **21.29** bn

**up 87% YoY** 

**CANCELLATIONS OF** 

6%

of gross contracted sales

CASH COLLECTIONS REACHED

**EGP 7.0** bn

TIMELY DELIVERY OF

1,279 units

units across SODIC's projects

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# GROWTH AND EXPANSION: GROWING OUR BUSINESS WITH INTEGRITY

## SUSTAINABLE FINANCIAL STRUCTURE

SODIC is one of Egypt's **leading publicly** listed real estate development companies with **market capitalization** of over **EGP 5.5 billion.** 

revenue increase driven by exceptional

sales, reaching **EGP 7.8 billion**.

In 2022 SODIC recorded a 13% YoY

SODIC's total backlog of unrecognized revenue stood at **EGP 34.2 billion** as of 31 December 2022, which provides strong revenue visibility for the company.

In 2022, SODIC booked **EGP 542 million** in provisions to hedge against inflationary pressures and the expected impact of the recent currency devaluations.

SODIC has consistently upheld a sustainable approach to its financial structure, maintaining a prudent level of bank leverage. By the end of 2022, the bank debt-to-equity ratio stood at 0.43x, with outstanding bank debt of EGP 3.16 billion. This commitment to responsible financial management aligns with our sustainable practices.

#### **RESPONSIBLE EXPANSION**

For over 27 years, SODIC has been steadfast in its commitment to strategic growth, a core element in its continuous value creation.

SODIC's employees have increasingly embraced sustainability within the real estate sector, displaying a genuine eagerness to learn and a strong commitment to purpose-driven growth.

The company also focuses on operational efficiency, working to minimize carbon emissions, while each decision is evaluated for its potential impact on the overall value of assets. SODIC's journey is one of responsible expansion and employee engagement towards a more sustainable future.

#### SITE SELECTION

SODIC's site selection process is driven by the vision of sustainable expansion, seeking untapped potential and high-value markets to create vibrant and dynamic communities.

#### **Biodiversity Preservation:**

▶ Our designs safeguard local ecosystems and follow the necessary measures to protect and enhance them.

#### **Mixed-Use Development:**

▶ By blending residential, commercial, and recreational elements SODIC's mixed-use developments create dynamic, self-sustained communities that cater to diverse needs and aspirations.

#### **Long-Term Planning:**

▶ SODIC's long-term planning in its developments is characterized by a forward-looking approach, where adaptability and sustainability are key principles that ensure the longevity of our projects.

#### STRATEGIC FORESIGHT

Our objective is to sustainably grow revenues, improve margins, and grow market share in existing markets and new geographies.

#### IN 2022

Overall market share increased by 4%<sup>1</sup>

East Cairo's market share increased by 5%

West Cairo's market share increased by 8%

**35% YoY** growth in new customers

Capitalizing on the momentum we've built, our focus now centers on aligning our strategy, internal structure, and operational procedures to sustain our ongoing achievements.

Our approach is more prudent in terms of expansive projects, with our primary efforts directed toward refining our operational model. This involves streamlining our business processes and nurturing an innovative culture.

We are also committed to implementing policies designed to mitigate the risk of talent attrition, recognizing the invaluable contribution of our skilled workforce. In 2023, we will enhance our existing reward system to acknowledge employees who embody SODIC's values in their daily work, and we will integrate these values into each department's KPIs, emphasizing our customer-centric approach through innovative strategies reflected in our performance management system.

<sup>&</sup>lt;sup>1</sup> Among publicly listed developers, SODIC estimates.

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# SCALING UP OPERATIONS SUSTAINABLY: BRINGING GRADE A DEVELOPMENTS TO LIFE

SODIC's approach to building sustainably and growing strategically is how we materialize our dedication to business growth while caring for the environment and the communities where we operate. We aim to balance ecology, society, and the economy all while delivering world-class developments.

# SODIC'S SUSTAINABLE GROWTH APPROACH IN RESIDENTIAL DEVELOPMENT

Despite global and local economic challenges, SODIC's sound strategy and pursuit of excellence have steered the company into streamlining construction timelines, which effectively reduced the time required for construction. Our VYE and Karmell developments stand as a testament to this, as they are six months ahead of schedule and expected to be delivered by



# VYE AND KARMELL CASE STUDY: A SUSTAINABLE RESIDENTIAL COMMUNITY

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#### 1. ENVIRONMENTAL SUSTAINABILITY:

VYE and Karmell have been designed with an emphasis on environmental sustainability, aiming to minimize their carbon footprint and promote renewable energy usage. SODIC has integrated various sustainable practices and cutting-edge technologies into the community's infrastructure with an innovative approach.

(4)	RENEWABLE ENERGY	<ul> <li>Both projects incorporate solar power extensively to power the construction phase of the project. Solar panels are installed on SODIC's signage, external areas, security room, and even the main caravan, providing a reliable and clean energy source. Additionally, VYE will boast efficient solar-powered single-family homes.</li> <li>By utilizing solar power, both projects have significantly reduced carbon emissions during their construction phases.</li> </ul>
72	RECYCLED MATERIAL	<ul> <li>The construction solutions in these projects embrace eco-friendly practices including:</li> <li>The UNIDOME slab, a revolutionary construction technique that reduces weight, concrete usage, and carbon emissions. This sustainable solution not only contributes to a greener environment but also enhances structural efficiency.</li> <li>Eco-friendly interlocking tiles made from low-value and unrecyclable plastic waste. This approach reduces waste and promotes circular economy.</li> <li>The security room's main skeleton is built using ¼ ton of recycled plastics in collaboration with Block Solution company.</li> </ul>
	GREEN CONCRETE	◆ The project has piloted <b>ECOpact</b> concrete, a sustainable alternative that actively reduces carbon emissions by 30% — 50% compared to standard concrete. By incorporating green concrete into the construction process, the projects demonstrate SODIC's dedication to minimizing its environmental impact.
<b>CO</b> 2	REDUCED TRANSPORTATION	◆ To mitigate greenhouse gas (GHG) emissions, SODIC is employing strategies to reduce the use of heavy construction equipment, including on-site batch plants, backfilling with existing excavated material, and constructing model workers' accommodation within the community. These measures decrease environmental harm and enhance operational efficiency.

#### 2. VALUE ENGINEERING:

VYE and Karmell demonstrate SODIC's commitment to value engineering, focusing on cost optimization and increasing profitability:

#### MITIGATING PRICE INFLATION

By conducting thorough analysis, forecasting, and directing resources to critical areas while minimizing waste or redundancy, these projects effectively managed cost escalation, ensuring each project's financial viability without compromising quality.

# INCORPORATING SUSTAINABILITY INTO OUR VALUE CHAIN

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SODIC's commitment to sustainability threads through its entire value chain. In 2022, we made considerable strides in value chain management and supplier relationships, with future policies poised for implementation in 2023.

Our aim is to integrate sustainability across this value chain, actively collaborating with suppliers to meet our robust ESG criteria. This empowers our suppliers to enhance their sustainability and business growth and contributes to our carbon reduction targets.

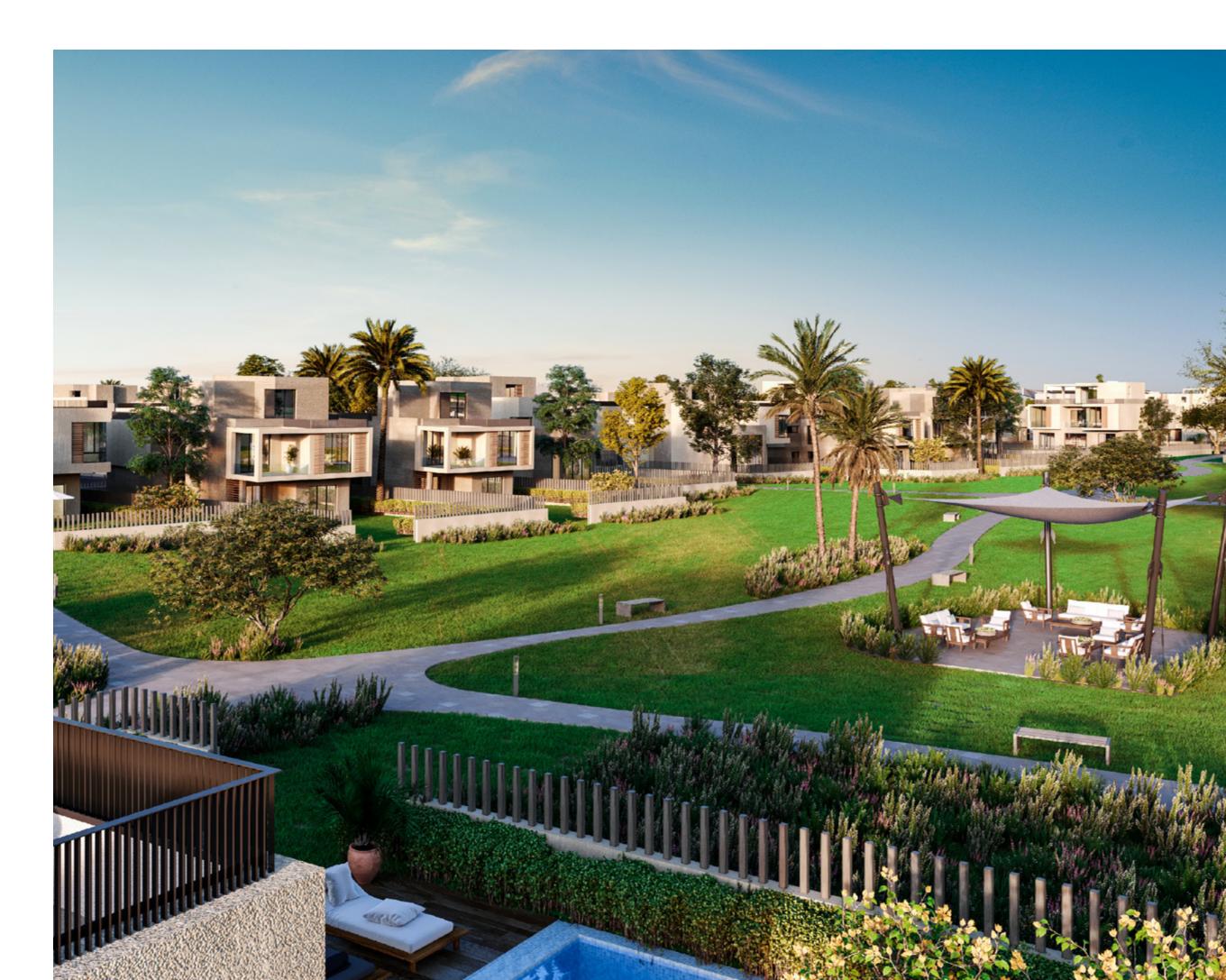


## LOCAL CONTRACTORS

Empowering Egyptian communities, SODIC prioritizes awarding local contractors with

95%

of its supply chain, creating job opportunities for more than 30,000 Egyptian workers.



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# ETHICAL SOURCING AND SUPPLY CHAIN MANAGEMENT

## ENABLING SUPPLIER SUCCESS AND GROWTH

In 2022, SODIC's Development Business Unit formed alliances with a diverse array of suppliers, such as water management suppliers, architecture and masterplan consultants, and construction material suppliers. These partnerships aim to minimize our carbon footprint, encourage sustainable land use, reduce embodied carbon, and bolster circular and local economies.

Throughout the year, we interacted with our suppliers to ensure that our projects are aligned with our sustainability objectives.

The core of our value chain management strategy is supplier engagement. In 2023, we are committed to actively seek feedback from our suppliers and establish feedback mechanisms. This proactive approach will foster a continuous cycle of improvement, as we value our vendors' insights and aim to enhance collaboration and operational efficiency.

## TYPES OF PROCUREMENT AND PROCUREMENT CYCLE

In 2022, SODIC employed various types of procurement, including standard competitive tenders, single source, petty cash procurement, emergency procurement, and master agreements. Our procurement cycle comprised multiple stages, from pre-initiation of the procurement process to amendments, cancellations, and withdrawal of tender offers.

SODIC's Procurement Department assesses vendor performance using various criteria, including quality, timeliness, and service-related complaints. The department utilizes a systematic process to handle these complaints, which includes formal communications and meetings with vendors.



#### HELPING OUR SUPPLIERS SUCCEED WITH US

SODIC is poised to enhance its supplier relationships and further streamline its value chain management through implementing the following key **sourcing and control policies** in 2023:

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#### FLEXIBLE SOURCING STRATEGIES

SODIC recognizes the importance of agility in sourcing. In 2023, we will maintain flexibility in adopting the most appropriate sourcing strategy to ensure transparency and control.

## STANDARDIZED TECHNICAL PROCUREMENT

SODIC will standardize its technical procurement activities and instruments in 2023.

FOSTERING
PROGRESS
IN SUPPLIER
MANAGEMENT

#### **AUTHORIZED NEGOTIATIONS**

Ensuring control and governance, we will restrict employees from making commitments on behalf of SODIC for any products or services. Only authorized technical procurement representatives will be allowed to engage in negotiations and transactions with our valued vendors.

#### **BID RETURNS STRATEGY**

We will establish a clear bid returns strategy based on different technical procurement routes. This will ensure a systemic approach to the procurement process, fostering efficiency and adherence to established guidelines.

Our overarching goal with these policies is to streamline technical procurement, maintain controls, and ensure that the procurement of goods, services, and works is agile, cost-effective, and aligned with the objectives of timely delivery and cost savings.

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#### **NAVIGATING THROUGH SODIC'S E-PROCUREMENT: A** LEAP TOWARD ENHANCED **OPERATIONAL EFFICIENCY** AND TRANSPARENCY

SODIC prioritizes formalizing and standardizing the communication channels we use. In 2017, SODIC's established a cloudbased e-Procurement Portal that facilitates seamless and transparent supply chain management.

The portal is now the default channel for all communications until the contracting process is finalized. The platform also initiates all procurement processes done by the requesting department. The platform has numerous EESG benefits, including creating an environmentally responsible paperless ecosystem, saving time and resources, and enabling robust governance and efficient data collection.



#### UPHOLDING ETHICAL STANDARDS IN VENDOR SELECTION AND PROCUREMENT

#### **VENDOR PROTECTION: A FRAMEWORK FOR IDENTIFYING** AND PREVENTING FALSE VENDOR OPPORTUNITIES

Our annual procurement plan allows us to efficiently finalize the procurement cycle and contracts in a timely manner which positively impacts suppliers' ability to plan and sustain their businesses. We ensure procurement processes are not initiated by the requesting departments unless they have the necessary budget approvals and have fulfilled all technical requirements.

#### TRANSPARENT PROCUREMENT: A GUIDE TO FAIR VENDOR **SELECTION**

Tenders are only opened and submitted through the e-Procurement Portal. This measure ensures figures are not disclosed to third parties, preserving the integrity of fair selection.

During the pre-award phase, vendor assessments and evaluation scoring are processed based on established criteria. Vendors with borderline scores receive feedback to help improve their

performance, offering them a fair opportunity for assessment and potential selection.

All offer rejections must be reasoned and internally documented, and rejected vendors are informed of the reasons behind their exclusion upon request.

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# CULTIVATING ENVIRONMENTAL AND SOCIAL RESPONSIBILITY IN VENDOR RELATIONSHIPS AND SITE OPERATIONS

## COMPLAINTS MANAGEMENT AND VENDOR RIGHTS

SODIC's Procurement Department assesses vendor performance based on complaints received regarding quality, timing, service, among other things. The department utilizes a systematic process to handle these complaints, which includes formal communications and meetings with vendors.

#### SECURING SUPPLIER DATA: UPHOLDING PRIVACY IN BUSINESS OPERATIONS

To maintain data privacy, vendor information is stored on an e-procurement portal, and access is limited to authorized personnel only. Confidentiality agreements, signed in the early stages of the tender processes, ensure vendors comply with SODIC's confidentiality requirements. These measures ensure the security of both vendor and customer data.

# ON-SITE PRACTICES: WORKERS' RIGHTS AND SITE HEALTH, SAFETY, AND CLEANLINESS

SODIC ensures that contractors respect workers' rights as per the Egyptian Labor Law, including minimum wage obligations and age restrictions. In addition, contractors are expected to provide necessary protective equipment and adhere to health and safety measures. Strict measures are also in place for the proper control of waste and debris on sites.

Further information can be found under the "Prioritizing the Welfare of Workers" section.

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### HUMAN RIGHTS AND LABOR STANDARDS

As a signatory to the United Nations Global Compact (UNGC) since 2014, SODIC pledges to respect and support the protection of human rights, labor rights, and environmental principles. The company ensures that its operations do not engage in human rights violations. This commitment is extended to our contractors through human rights provisions included in our contract terms.

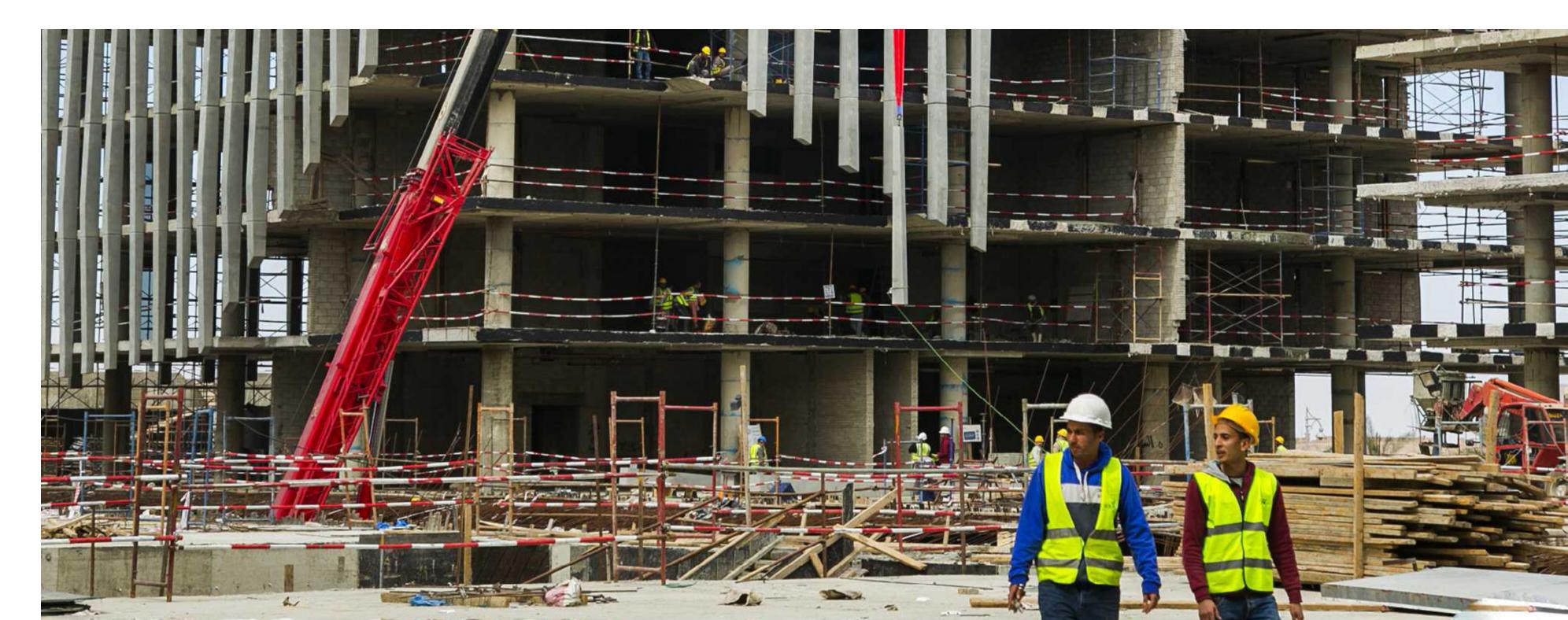
SODIC maintains the right to promptly terminate a business relationship with a subcontractor or supplier if there is a reasonable suspicion of them violating these terms or if they do not cooperate when such suspicion arises, with full adherence to contractual or legal rights.

The company integrates human rights within its sustainability strategy by adhering to all applicable national labor laws and regulations, alongside human rights principles. Internally developed policies and procedures are in place to ensure the protection of human rights and labor rights in the workplace, with oversight and regular reviews conducted by the Audit Committee.

Compliance with all applicable regulations in their respective areas of responsibilities is a joint responsibility of project management teams, supervising consultants, and contractors. Furthermore, all SODIC employees, contractors, and vendors are held accountable for reporting any violations of human rights or health and safety incidents that occur on the job.

## ESTABLISHING A HUMAN RIGHTS POLICY

SODIC is currently developing a comprehensive Human Rights Policy reaffirming our commitment to principles such as fair and equal treatment, the prevention of discrimination or harassment, the elimination of forced and child labor, and the prioritization of occupational health and safety. The policy will also guarantee decent working conditions and fair compensation for all SODIC employees. It reflects our continuous commitment to promoting human rights and establishing a respectful, equitable, and secure workplace.



# EMPOWERING IDEAS, TRANSFORMING FUTURES: SODIC'S INNOVATION PROGRAM

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# WE DRIVE CHANGE FROM WITHIN

In our pursuit of broadening and strengthening our positive influence, innovation takes center stage at SODIC. We direct our attention toward impactful and strategic opportunities that enhance our practices and help us foster an innovative culture among the communities we engage with. We are driven to pursue such a goal by harnessing our inherent capabilities and strengths and directing our efforts toward making a difference.

# FOSTERING A CULTURE OF INNOVATION

Innovation runs deep within SODIC's values and operations, not just in relation to our real estate projects but our various engagements, whether they are internal organizational procedures or external collaborations and partnerships.

INNOVATION: A CULTURE	INNOVATION: A FRAMEWORK	INNOVATION: A CORE PILLAR	INNOVATION: A DEPARTMENT
Innovation is embedded in every facet of SODIC and ingrained in every employee	A strategic framework pioneered by the SODIC innovation team, serving as a catalyst for igniting creative and innovative solutions	A core pillar incorporated in the organizational structure guiding our Innovation Principle	A highly experienced team, committed to fostering in-house inventive methods and tactics to turn concepts into practical projects



#### SODIC INNOVATE

SODIC has been an innovative leader ever since it was established in 1996.

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2013



2019



2022

We became proud sponsors of the AUC Venture Lab (V-Lab), Egypt's inaugural university incubator, between 2013 and 2015. Throughout this period, we actively nurtured and supported emerging startups in their early stages and growth phases, spanning regions across Egypt. This sponsorship reflects our commitment to cultivating an environment where innovation can take root and flourish.

SODIC launched its Innovation Program that aims to accelerate project development and foster a collaborative, creative environment. The program identifies challenges within our departments and then challenges ambassadors and sponsors, appointed by the innovation team, to work hand in hand toward finding solutions.

This strategy allows us to leverage our employees' collective expertise and passion, encouraging them to think creatively, propose innovative solutions, and contribute actively to the company's growth. This approach addresses immediate challenges and cultivates a long-term strategy for continuous improvement.

In the same year, we advanced in our innovative journey by establishing a dedicated Innovation design that focuses on investing in technological innovations and insights that enable us to become more data-driven and fine tune our operational expertise, allowing us to swiftly adapt to changing needs and identify critical industry trends.

We made significant strides in our innovation efforts with the introduction of the SODIC Innovation Platform. This platform serves as a central hub for cultivating and supporting innovative ideas and projects, both from within and beyond our organization. As of today, our Innovation Program has led to the successful implementation of 22 ideas, out of a total of 255 ideas that have been presented since 2019.

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# PIONEERING INNOVATION WITHIN AND BEYOND SODIC

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SODIC's Innovation Program stands as a testament to the company's commitment to fostering creativity and forward-thinking solutions. The program is divided into two main areas, each playing a critical role in driving progress.

The first focuses on **internal innovation**, empowering SODIC's employees to bring forth their unique insights and ideas.

The second area extends **externally**, where SODIC actively **collaborates with innovative startups.** By building partnerships with these emerging entities, SODIC leverages external talent and fresh perspectives, aligning their efforts with the company's vision for the future.

IN-HOUSE INNOVATION	EXTERNAL PARTNERSHIPS
255 Ideas initiated since 2019	Startups in the sustainability category.  Products were evaluated for potential scaling up in 2022 based on their quality
22	2

Startups in the prop-tech category with identified scopes



Ideas greenlit for implementation in 2022

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# EMPOWERING IN-HOUSE INNOVATION: SODIC'S EMPLOYEE-DRIVEN APPROACH TO PROBLEM SOLVING

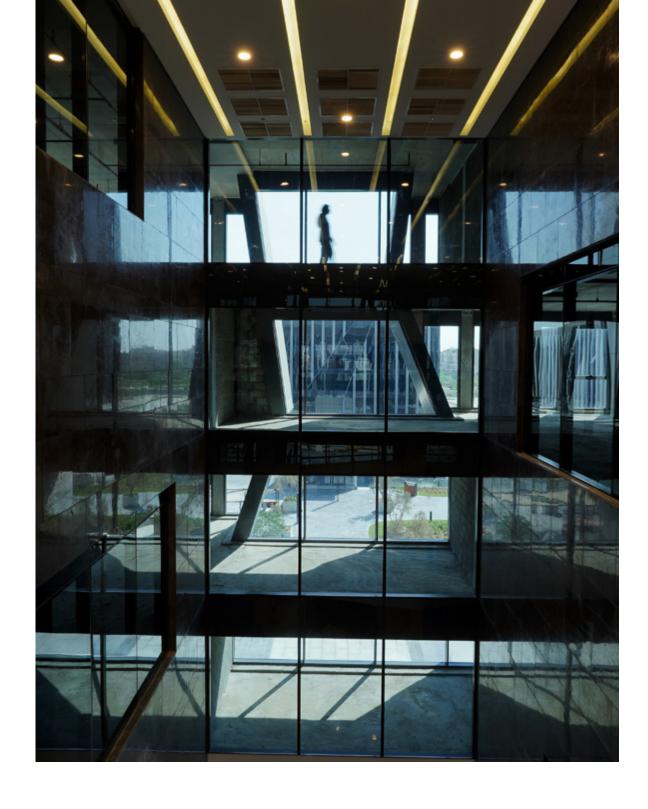
Internally, our approach to innovation at SODIC follows a structured path. It begins with the strategic directions and objectives outlined by our leadership team and Board of Directors, cascading down to various departments as KPIs. Our goal is to empower our employees with the necessary knowledge and tools to effectively implement these strategies.

# INTERNAL INNOVATION CHALLENGE

Our internal innovation challenge is rooted in our firm belief that the most valuable ideas originate from our dedicated employees. By creating this challenge, we offer them a reliable platform to channel their unique perspectives and insights toward solving strategic challenges and addressing day-to-day issues.

Additionally, we seek opportunities for cross-collaboration between departments, fostering a culture of innovation that thrives on the synergy of diverse ideas and perspectives.

**Challenge theme development** is managed by Sponsors and Ambassadors who oversee the ideation process from its initiation phase until its implementation.



#### THREE-PHASE INTERNAL INNOVATION CHALLENGE





**IDEATE** 

solution



**IMPLEMENT** 

project

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**IDENTIFY** 

To kickstart the identification process, we organize workshops and training sessions in collaboration with our Chief Officers (CXOs) to pinpoint the critical areas that need attention. We have also established a network of Innovation Ambassadors across different departments, each serving as a liaison with our innovation team and facilitating collaboration among team members. These ambassadors are carefully selected based on specific criteria, ensuring they are effective in their roles.

### ADVANCING INNOVATIVE COMPETENCIES

WE WORK TO BUILD CAPACITY AND ESTABLISH THE PLATFORM THAT FACILITATES THE CHALLENGE'S PROGRESS. WE OFFER VARIOUS BUSINESS WORKSHOPS AND INTERNAL TRAINING PROGRAMS.

Topics Covered During Three Days of Workshops

+32
Employees Participated in the Training Sessions

#### **IDEATE**

Ideation is the stage in which the employees develop ideas, enhance or change them if necessary, pinpoint the challenges, identify the value proposition, create a business plan, and pitch their ideas to the CXOs.

The ideation phase includes four stages:

Defining the Value Proposition

**Business Training** 

Canvas Creation

**Business Pitching** 

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#### IMPLEMENT

We initiate company-wide innovation challenges to address various issues and opportunities. This approach allows us to tap into our workforce's collective creativity and problem-solving capabilities, helping us stay at the forefront of the market.

#### STATS OVER THE YEARS

#### **Total Number of Ideas**

The number of ideas a generated in the different innovation challenges from 2019 till 2022.



#### **Total Implementation Ideas**

The number of ideas greenlit for implementation in 2022.



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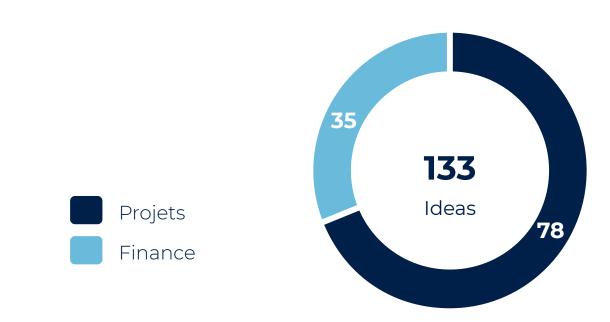
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#### **Total Departmental Ideas**

The number of ideas generated in the departmental innovation challenge (Projects and Finance departments) in 2021.



#### **Total Pilots**

Total number of pilots completed or had a change in the scope due to them turning into a strategic direction in 2022.



#### 2022 SUCCESSFUL IMPLEMENTATIONS OF IN-HOUSE IDEAS

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#### **POINT CLOUD**

BY AMR GAMAL

This innovation piloted a virtual prototype using point cloud, it offers our clients an interactive 3D mockup experience of the property that could be seamlessly integrated into various communication channels, such as our website and sales center. The whole experience could be ready in four days and at quarter the cost of traditional methods. It leverages advanced technologies to significantly enhance our customers' experience.



#### YOUR CONTRACT IS READY

BY SUHA REFAAT

This innovation provided customers with prompt contract delivery via certified couriers, complete with verified confirmation of receipt. This approach resulted in significant cost reductions and eliminated the need for additional storage space.



#### UNIDOME

BY MAHMOUD ABDEL KADER

SODIC planned piloting the first building using UNIDOME's voided slab technology in the VYE/Karmell project in January 2023, becoming the first developer in Egypt to adopt this technology. The implementation of UNIDOME is projected to significantly decrease CO<sub>2</sub> emissions by 20%. This technology will also open avenues for creating cost-effective R&D units within our projects. With the use of UNIDOME, we anticipate a 10% reduction in cement usage and an 18% decrease in steel consumption, leading to substantial cost savings.



#### **DELAY IN WORKFLOW**

BY AHMED BELAL

This solution streamlines logging received checks at both the sales center and our headquarters. By making a minor process adjustment, we've significantly expedited delivery times, enabling the instant creation of digital records to bolster data security. This practical enhancement addresses strategic challenges by facilitating quicker communication with clients about their payments.

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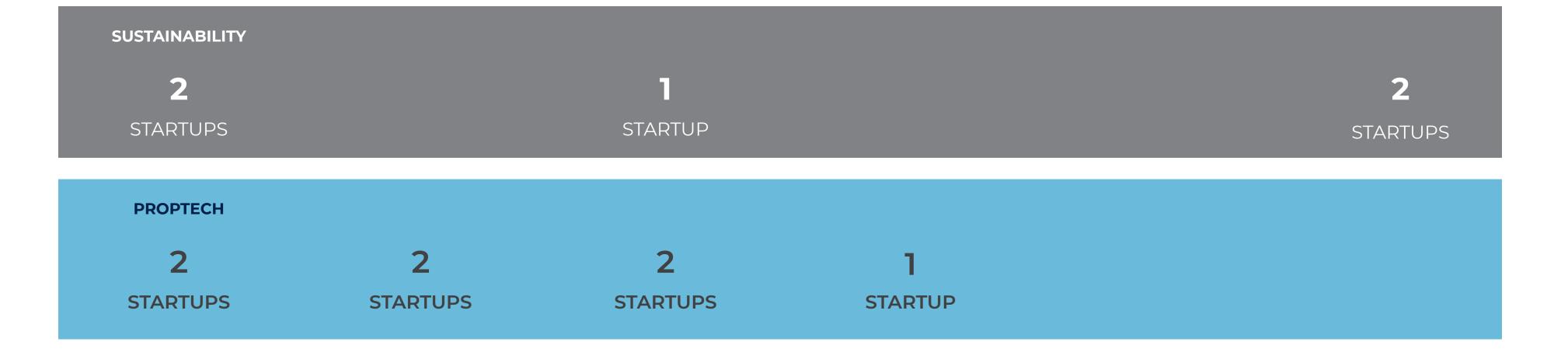
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### CULTIVATING INNOVATION THROUGH STARTUP COLLABORATIONS

As with our in-house innovation methodologies, we also follow a structured approach when collaborating with startups. In 2022, SODIC capitalized on the momentum generated in 2021 and forged partnerships with several startups to identify innovation opportunities in green building. Some of our prominent collaborations that proved to be successful in 2022 include partnerships with TileGreen and Taqatak Systems in the **Sustainability** category.





**TILEGREEN** 

**TAQATAK** 

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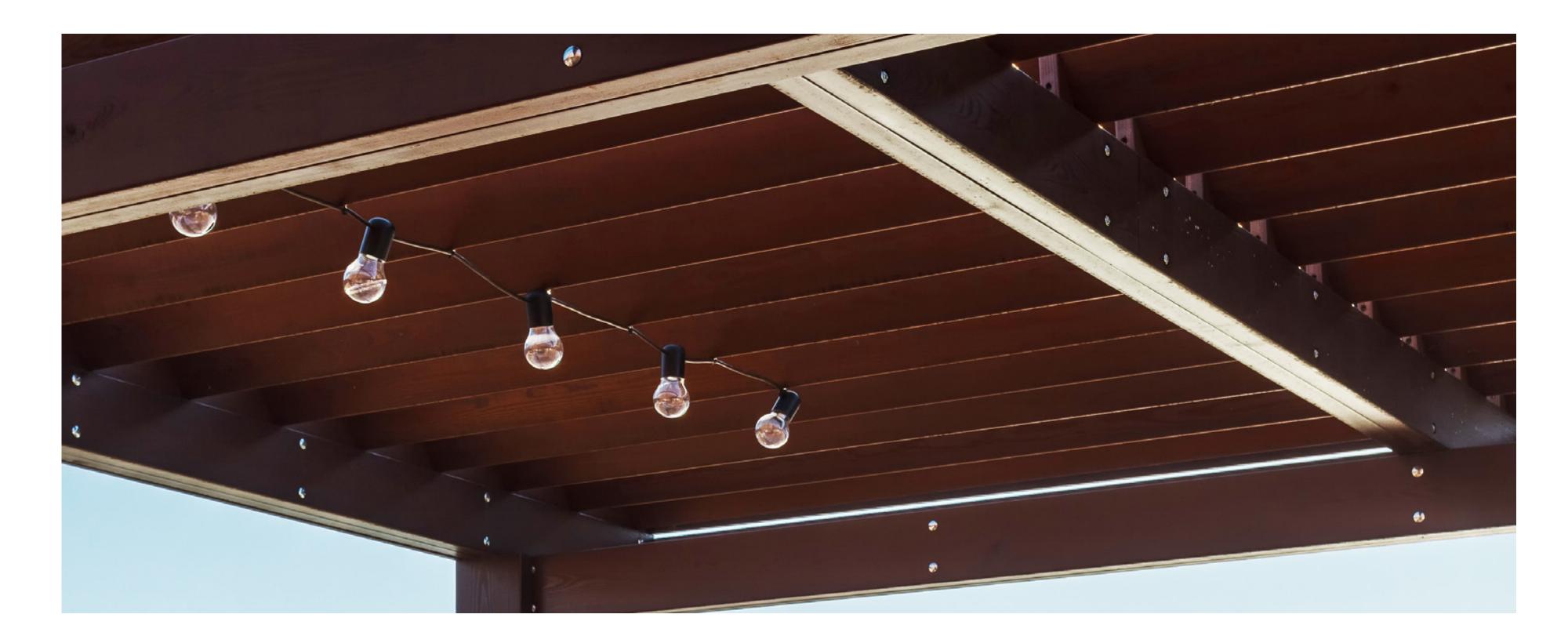
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In April 2022, SODIC embarked on its first official startup collaboration with TileGreen. We piloted the use of their innovative product in Egypt, paving an area of 150 sqm with interlock made from recycled waste plastic. This venture showcased the potential of recycled plastic waste in creating diverse and aesthetically pleasing solutions for paving.



In 2023, we will embark on an exciting collaboration with the clean energy startup, Taqatak. We will install a solar-powered pergola in Villette for our customers. This pergola is priced comparably to conventional shading options and will enable us to address a common convenience issue.



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# STRATEGIC AMBITIONS: OUR GOALS (2023–2030)

# INTEGRATING SUSTAINABILITY ACROSS THE BOARD

Looking ahead, SODIC aims to mainstream sustainability across our operations. Our medium-term goals and actions include:

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# ESG RISK MANAGEMENT AND GOVERNANCE

- ▶ Revise and establish updated health and safety policies, and **ESG-related policies** by 2023.
- Develop and fully implement a new Risk
  Management Framework by 2024, incorporating sustainability as a distinct risk category within the Enterprise Risk Management Framework.
- Align with disclosure requirements outlined by recognized ESG standards and frameworks, including SASB, TCFD, and GRESB requirements. As well as advance our ratings and scorings across recognized ESG rating platforms.

#### DIGITAL TRANSFORMATION AND DATA MANAGEMENT

- ▶ Embrace digital technologies to streamline processes, enhance operational efficiency, and improve customer experience.
- Invest in advanced data analytics and artificial intelligence for better decision-making and predictive modelling.
- Leverage digital platforms and innovative marketing strategies to broaden our reach and drive sales growth across diverse audiences.

# ENVIRONMENTAL SUSTAINABILITY

- Implement a decarbonization action
   plan to reduce emissions across our most
   significant direct and indirect activities.
- Apply an **Environmental and Social Management System** to systematically manage environmental and social risks and impacts across our value chain.
- ▶ Enhance data coverage to bridge existing gaps, for a more comprehensive assessment of our value chain, and refine the methodology for estimating greenhouse gas (GHG) emissions.
- Roll out an integrated Waste Management
   System and strategy across the company.
- Prioritize and implement resourceefficient technologies and practices across operations and developments.
- ▶ Invest in R&D for innovative, ecofriendly building materials.

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#### SUSTAINABLE SUPPLY CHAIN

- Support suppliers to foster a responsible and sustainable value chain.
- Implement a Supplier Code of Conduct and proper ESG Due Diligence.

#### **SCALING UP OPERATIONS**

- Diversify revenue streams by exploring new asset classes.
- ▶ **Expand** our footprint into new geographies to enhance our presence and tap into new market segments.
- Increase the percentage of repeat customers.
- ▶ **Increase** the percentage of international sales
- ▶ **Boost** sales through customer referrals

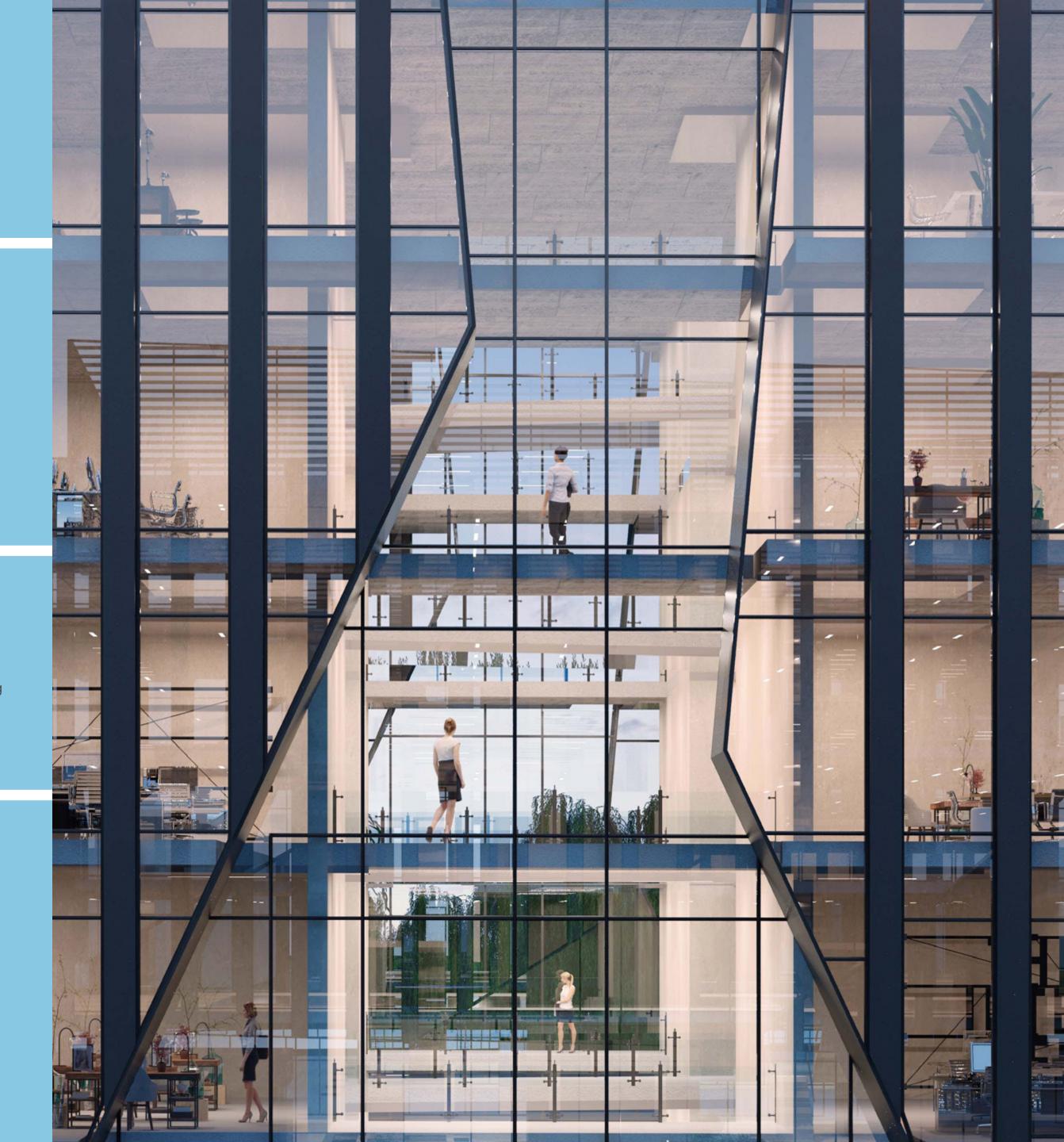
#### **CUSTOMER CENTRICITY**

- Implement strategies to increase the Net
   Promoter Score (NPS) across touchpoints
- Increase **customer lifetime value** (CLV) by delivering exceptional service and personalized offerings.
- Maintain a diverse customer base, targeting new market segments and providing tailored solutions.

#### **CULTURE TRANSFORMATION**

- ▶ Foster a culture of innovation, collaboration, and continuous learning within the organization.
- ► Encourage employee development and empowerment to create a motivated workforce that drives excellence and embraces change.
- Implement sustainability and future-proof skills programs accessible to all employees, including introductory sustainability courses, seminars, and campaigns.





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# OUR VISION BEYOND 2030: LONG-TERM ASPIRATIONS

# LEADING SUSTAINABLE TRANSFORMATION IN THE EGYPTIAN REAL ESTATE LANDSCAPE

Building on our vision to lead the Egyptian real estate landscape through diversity, experience, and value creation, SODIC envisions long-term goals centered on driving sustainable transformation. Firmly committed to environmental stewardship, social responsibility, and the creation of long-term value, our long-term goals are as follows:

- ▶ **Digital Sustainability Systems:** Implement a comprehensive Digital Sustainability Data Management system and GHG accounting system to enhance our data-driven sustainability practices.
- ▶ Carbon Emissions Reduction: Address both embodied and full-lifecycle carbon emissions to achieve a significant reduction that aligns with our long-term environmental sustainability goals.
- ▶ Renewable Energy: Target a 30% increase in using renewable energy across all operations and development projects by 2030, building upon the baseline set in 2022.
- Climate Risk Management: Conduct a comprehensive assessment of climate vulnerability, and impacts, followed by a thorough risk analysis to guide strategic decision-making. Establish a system for climate change risk exposure analysis, systematic portfolio exposure, and develop risk mitigation strategies to enhance climate resilience.
- ▶ **Green Building Certification:** Pursue green building certifications (LEED, WELL, EDGE, BREEAM) for most of our developments and office buildings.

- ▶ Building Retrofitting: Retrofit the majority of existing buildings to enhance resource efficiency.
- ▶ Water Management: Enact a comprehensive water management strategy, including the treatment and recycling of domestic wastewater for reuse in landscaping purposes.
- **Zero Wastewater:** Aim for zero wastewater across operations and developments.
- ▶ Responsible Investment Framework: Establish a responsible investment framework by defining due diligence and investment criteria, aligning financial decisions with environmental and social responsibility.
- ▶ **Supply Chain Carbon Reduction:** Monitor and calculate carbon reduction exerting control where possible to promote sustainability throughout the supply chain.
- ▶ **Community Engagement:** Establish a community engagement program within our development projects, addressing ESG-specific issues.
- ► Tenant Sustainability Management: Implement a comprehensive system to manage tenant sustainability impacts.



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# LIMITED ASSURANCE STATEMENT

# INTRODUCTION AND OBJECTIVES OF THE ENGAGEMENT

Masader Environmental & Energy Services S.A.E (the 'Assurance Provider') has been engaged by Sixth of October Development & Investment Co. - SODIC S.A.E (the 'Reporting Organization') to provide Moderate Assurance Type 1 (the 'Assurance') regarding adherence to the AA1000AS v3 (2020) over the SODIC's 2022 Sustainability Report (the 'Report').

## SCOPE, SUBJECT MATTER AND LIMITATIONS

The subject matter of the Report is the Reporting Organization's ESG performance data and information for the year ended 31 December 2022. The scope of the assurance is limited to a review of the selected information listed below:

- · SODIC's ESG Management
- Stakeholder Engagement
- Materiality Assessment

The assurance process was subject to the following limitations and exclusions.

- Verifying the data or information provided by SODIC stated in the Introduction section, and SODIC's Top Management Letters.
- Appropriateness of definitions and any internal reporting criteria adopted by SODIC for its disclosures.

- Appropriateness of any new commitments and objectives established and communicated by SODIC.
- Content of external websites or documents linked from the Report and SODIC.

We have not been engaged to:

- Verify any statement indicating the intention, opinion, belief and/or aspiration of SODIC.
- Determining which, if any, recommendations should be implemented.

#### **INTENDED USERS**

The intended users of this assurance engagement are the Reporting Organization and its stakeholders, including but not limited to customers, employees, investors, governmental entities, and regulators.

#### REPORTING CRITERIA

The selected information has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, and the Sustainability Accounting Standards Board (SASB) Standards, in addition to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, and the UN Global Compact (UNGC) Principles.

# RESPONSIBILITIES OF THE REPORTING ORGANIZATION

The provision of the Selected Information in the Report is the sole responsibility of the Management of SODIC. The Reporting Organization is responsible for preparing the Report in line with the reporting criteria and in accordance with the GRI 2021 Universal Standards and for calculating the selected KPIs in accordance with SODIC's "Basis of Reporting".

# RESPONSIBILITIES OF THE ASSURANCE PROVIDER

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed. Our responsibilities were to:

- Provide Moderate Level (Type 1) assurance as per AA1000AS v3 over the accuracy, reliability and objectivity of the information contained within the Report;
- Form an independent conclusion based on the procedures performed and evidence obtained.

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#### **METHODOLOGY**

To form our conclusion, we undertook the following procedures:

- Interviewed management and other persons responsible for the Reporting Organization's ESG performance to assess the application of the GRI 2021 Universal Standards in the preparation of the Report;
- Analyzed and assessed the key structures, processes, procedures and controls relating to the preparation of the Report;
- ▶ Evaluated whether the management approach for the material topics presented in the Report is consistent with the overall sustainability management and performance at SODIC;
- Assessed the completeness and accuracy of the GRI, SASB, TCFD, and UNGC content indexes concerning the disclosures and their omissions;
- Interviewed management and data owners regarding the process of identification, data collection, consolidation and reporting for the selected KPIs;

- Reviewed the selected KPIs to SODIC's internal calculations and supporting documentation;
- Compared the content of the Report against the findings of the outlined procedures.

## STATEMENT OF INDEPENDENCE AND IMPARTIALITY

The Assurance Provider and the Reporting Organization are not engaged in relationships that would be perceived to affect its ability to provide an independent and impartial statement.

#### STATEMENT OF COMPETENCE

Masader Environmental & Energy Services S.A.E is an AA1000AS v3- Licensed Assurance Provider as per the license agreement (ID: 000-882) with Accountability AA1000 CIC.

The assurance team has extensive experience in the assurance of ESG data, systems, and procedures.

#### RECOMMENDATIONS

Based on the conducted assurance engagement, it is recommended that the Reporting Organization can implement the following measures to enhance future reporting:

- Ensure clear alignment between reported metrics and the longterm ESG goals and targets, including progress made during the reporting period;
- Ensure consistent and complete disclosure of stakeholder engagements conducted for the purpose of the report prepared in case such actions have been undertaken.

#### CONCLUSION

Our conclusion has been formed based on and is subject to the matters outlined in this Report. We believe our evidence is sufficient and appropriate to provide a basis for our conclusions. The conclusion on applying the AA1000 Assurance Principles (2018) is presented below.

INCLUSIVITY	The Reporting Organization has provided evidence of the inclusivity regarding its stakeholder relations, including understanding and representation of stakeholder interests in the Report.
MATERIALITY	The Reporting Organization has described its material topics and the materiality assessment process. Based on the conducted engagement, we believe the material topics accurately reflect the Reporting Organization's ESG impacts and disclosures. The disclosures presented in the Report have been organized to present performance on each material topic. The Report would benefit from a more straightforward representation of the connection between the Reporting Organization's targets and reported disclosures.
RESPONSIVENESS	The obtained evidence has been sufficient to conclude that the Reporting Organization is responsive to the issues raised by its stakeholder groups by collecting regular feedback via tailored communication channels and appropriate procedures to handle grievances, feedback, and other types of stakeholder inputs.
IMPACT	The Reporting Organization has provided evidence of the applied procedures and systems to monitor and measure its impacts on the environment and actions to ensure accountability for those impacts.

Based on the procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that the Selected Information of the Report of SODIC for the year ended 31 December 2022 has not been prepared, in all material respects, in accordance with the standards, frameworks, and principles indicated in the 'Reporting Criteria' section above.

In accordance with the terms of our engagement, this independent assurance statement on the Selected Information has been prepared for SODIC concerning reporting to the Reporting Organization's stakeholders and for no other purpose or in any other context.

For and on behalf of Masader Environmental and Energy Services S.A.E

#### DR. ABDELHAMID BESHARA,

Founder and Chief Executive Officer

Masader, Environmental, & Energy Services (S.A.E)

Cairo, November 15, 2023

# ABBREVIATIONS AND ACRONYMS

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ADQ	Abu Dhabi Developmental Holding Company PJSC
BoD	Board of Directors
CDP	Carbon Disclosure Project
CEO	Chief Executive Officer
CoE	Center of Excellence
СОР	Conference of the Parties of the UNFCCC
CRM	Customer Relationship Management
CSR	Corporate Social Responsibility
DoA	Delegation of Authority
EAP	Employee Assistance Program
EBITDA	Earnings before Interest, Taxes, Depreciation, and Amortizations
EEHC	Egyptian Electricity Holding Company
EGP	Egyptian Pounds
EMEA	Europe, Middle East, and Asia

EPD	Environmental Product Declaration
EESG	Economic, Environmental, Social, and Governance
EGX	Egyptian Stock Exchange
ESG	Environmental, Social, and Governance
GHG	Greenhouse Gas
GIMED	Green Impact MED
GRESB	Global Real Estate Sustainability Benchmark
GRI	Global Reporting Initiative
GWh	Gigawatt hours
HSE	Health, Safety, & Environment
ISO	International Standardisation Organisation
kWh	Kilowatt-hour
LCA	Life Cycle Assessment
LTIFR	Lost Time Injury Frequency Rate
MWh	Megawatt Hour

NCCS	National Climate Change Strategy
PwD	People with Disabilities
ROI	Return on investment
S&P CSA	S&P Global Corporate Sustainability Assessment
SASB	Sustainability Accounting Standards Board
SODIC	Six of October Development and Investment Co.
TCFD	Task-Force on Climate-Related Financial Disclosures
mtCO <sub>2</sub> e	Metric Tons of Carbon Dioxide Equivalent
UNFCCC	United Nations Framework Convention on Climate Change
UNGC	United Nations Global Compact
Y-O-Y	Year-Over-Year

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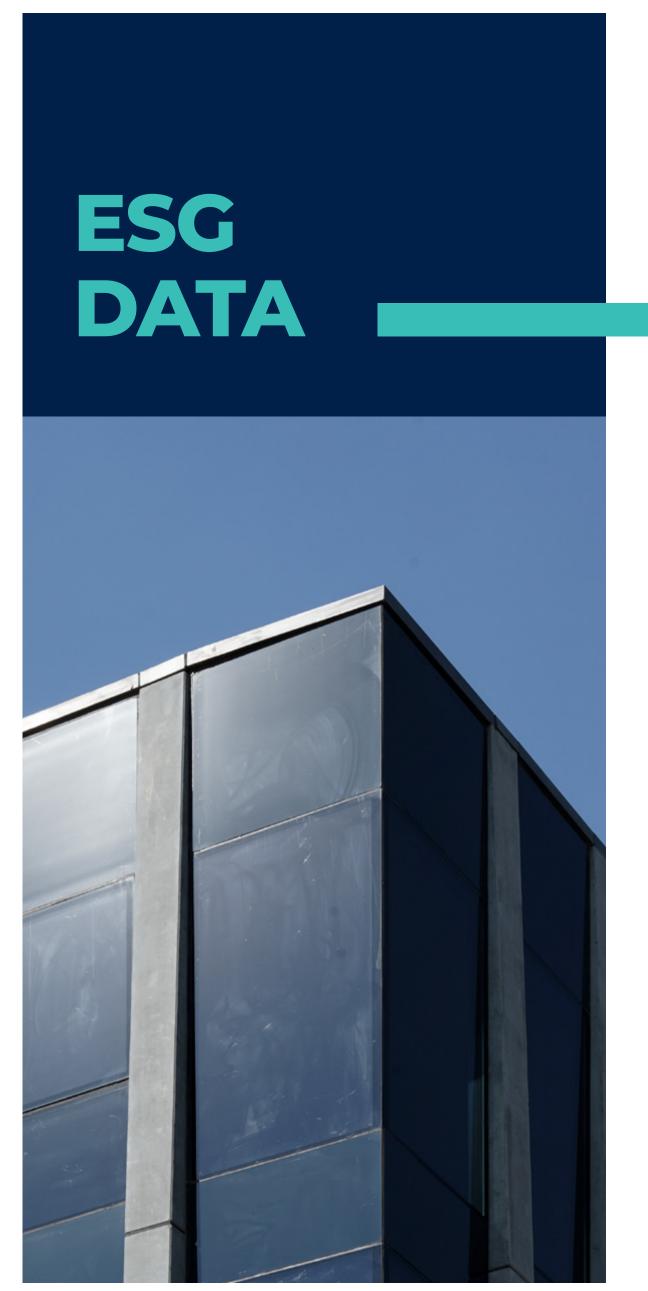
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# 2022 ENVIRONMENTAL PERFORMANCE INDICATORS

#### **GHG EMISSIONS**

SCOPE 1, 2, 3, GHG EMISSIONS (MTCO<sub>2</sub>E)

BUSINESS UNIT	SCOPE 1 (MTCO <sub>2</sub> E)	SCOPE 2 (MTCO <sub>2</sub> E)	SCOPE 3 (MTCO <sub>2</sub> E)	TOTAL (MTCO <sub>2</sub> E)
CONSTRUCTION PROJECTS	62	0	83,025	83,087
RESIDENTIAL COMPOUNDS	809	18,518	44,079	63,407
NON-RESIDENTIAL FACILITIES	331	1,093	10,920	12,344
SPORT FACILITIES	4,057	2,486	3,729	10,273
TOTAL SODIC	5,260	22,097	141,753	169,110

#### **SCOPE 3 BREAKDOWN BY CATEGORY (MTCO2E)**

SCOPE 3 CATEGORY	TOTAL EMISSIONS (MTCO <sub>2</sub> E)
Category 1: Purchased goods and services	83,060
Category 2: Capital Goods	223
Category 3: Fuel- and energy-related activities (not included in scope 1 or scope 2)	895
Category 5: Waste generated in operations	8,078
Category 6: Business travel	998
Category 7: Employee commuting	11,406
Category 11: Use of Sold Products	37,093
Total SODIC Scope 3 Emissions	141,753

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#### **CARBON INTENSITY (SCOPE 1+2)**

METRIC	UNIT	VALUE
SPORTS CLUBS FACILITIES CARBON INTENSITY	kgCO2e/Gross Land Area m²	14.00
RESIDENTIAL COMPOUNDS CARBON INTENSITY	kgCO2e/Gross Floor Area m²	8.26
NON-RESIDENTIAL FACILITIES CARBON INTENSITY	kgCO2e/Gross Floor Area m²	4.83
SCOPE 1+2 EMISSIONS PER MN EGP OF REVENUE	mtCO2e/Million EGP	3.45

#### **ENERGY AND WATER**

#### **TOTAL ENERGY CONSUMPTION BY SOURCE (MWH)**

BUSINESS UNIT	NATURAL GAS	DIESEL <sup>1</sup>	PETROL <sup>2</sup>	ELECTRICITY <sup>3</sup> (CONTROLLED ASSETS)	ELECTRICITY 4 (SOLD/LEASED ASSETS)
CONSTRUCTION PROJECTS	-	92	147	-	1,792
RESIDENTIAL COMPOUNDS	1,379	773	-	40,371	70,022
NON-RESIDENTIAL FACILITIES	-	727	376	2,382	10,834
SPORT FACILITIES	17,583	1,093	544	5,421	-
TOTAL	18,962	2,684	1,067	48,174	82,648

# TOTAL WATER WITHDRAWALS BY BUSINESS UNIT (M<sup>3</sup>)

BUSINESS UNITS	WATER WITHDRAWALS (M³)
CONSTRUCTION PROJECTS	214,190
RESIDENTIAL COMPOUNDS	3,337,613
NON-RESIDENTIAL FACILITIES	30,603
SPORT FACILITIES	1,293,559
TOTAL	4,875,966

<sup>&</sup>lt;sup>1</sup> Includes both stationary combustion (by diesel generators), and mobile consumption by tractors, as well as transport vehicles (vans, and buses). Average fuel conversion factors (100 litres/km) of the types of vehicles owned, were used to calculate the average total energy consumed as a result of fuel consumption by SODIC's owned vehicles (vans and buses).

<sup>&</sup>lt;sup>2</sup> Average fuel conversion factors (100 litres/km) of the types of vehicles owned, were used to calculate the average total energy consumed as a result of fuel consumption by SODIC's owned passenger cars.

<sup>&</sup>lt;sup>3</sup> Purchased electricity consumed across SODIC's owned and controlled assets, and its emissions have been accounted for under Scope 2.

<sup>&</sup>lt;sup>4</sup> Purchased electricity consumed across SODIC's sold and leased assets, including purchased electricity by contractors in construction projects. The associated emissions have been accounted for under Scope 3 categories 1 and 11. (See SODIC's 2022 Carbon Footprint Report for further details)

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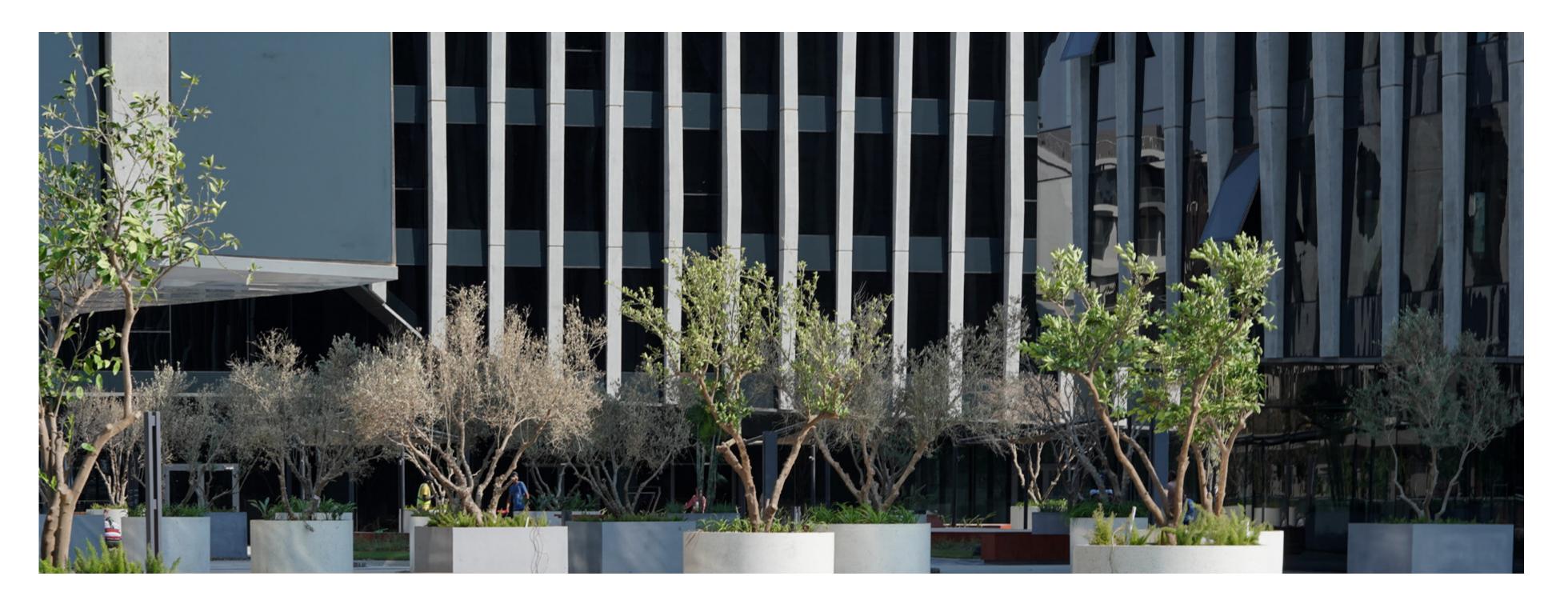
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#### MATERIALS AND WASTE

TOTAL MATERIALS CONSUMPTION (TONS)

MATERIAL TYPE	TOTAL WEIGHT
ASPHALT	3,696
MORTAR	7,313
CONCRETE	234,439
STEEL	11,560
WOOD	1,664
HDPE	185
PVC	341
TOTAL	259,198

#### **TOTAL WASTE GENERATED (TONS)**

BUSINESS UNIT	TYPE OF WASTE	TOTAL GENERATED AMOUNT
CONSTRUCTION PROJECTS	Construction	653,583
RESIDENTIAL COMPOUNDS	Refuse	6,776
NON-RESIDENTIAL	Paper and Board	22
FACILITIES	Refuse	58
	Plastics	131
SPORT FACILITIES	Refuse	1,080
TOTAL		661,649

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### SOCIAL PERFORMANCE INDICATORS

DISCLOSURE	SODIC OFFICES	EDARA FACILITY MANAGEMENT	SODIC CLUBS	SODIC CLUBS (EAST)	SODIC CLUBS (WEST)	TOTAL
EMPLOYEES BREAKDOWN						
TOTAL NUMBER OF EMPLOYEES	717	2,575	81	133	446	3,952
MALE	530	2,418	69	124	386	3,527
FEMALE	187	157	12	9	60	425
PEOPLE OF DETERMINATION	2	15	0	0	3	20
FULL-TIME EMPLOYEES	717	2,575	81	133	446	3,952
MALE	530	2,418	69	124	386	3,527
FEMALE	187	157	12	9	60	425
PART-TIME EMPLOYEES	0	0	0	0	0	0
MALE	0	0	O	0	0	0
FEMALE	0	0	0	0	0	0
PERMANENT CONTRACT	433	2,575	0	0	0	3,008
MALE	353	2,414	0	0	0	2,771
FEMALE	80	157	O	0	O	237
TEMPORARY CONTRACT	284	4	81	133	446	948
MALE	177	4	69	124	386	760
FEMALE	107	0	12	9	60	188
WORKERS WHO ARE NOT EMPLOYEES (NO	0.)					
TOTAL NUMBER OF WORKERS	297	849	1	0	0	1,147
INTERNS	45	818	0	0	0	863
OUTSOURCED WORKERS	238	2	0	0	0	240
SUB-CONTRACTORS	0	10	0	0	0	10

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DISCLOSURE	SODIC OFFICES	EDARA FACILITY MANAGEMENT	SODIC CLUBS	SODIC CLUBS (EAST)	SODIC CLUBS (WEST)	TOTAL
CONSULTANTS	14	0	1	0	0	15
TRANSPORTATION SERVICES	0	16	0	0	0	16
MEDICAL CARE	0	3	0	0	0	3
EMPLOYEES BY AGE GROUP (%)						
% UNDER 30 YEARS	11%	31%	18%	36%	31%	27%
% 30-50 YEARS	79%	63%	67%	62%	64%	66%
% ABOVE 50 YEARS	10%	6%	15%	2%	5%	7%
EMPLOYEE DIVERSITY ACROSS MANAGEM	MENT POSITIONS (%)					
TOP MANAGEMENT						
MALE	73%	85%	33%	100%	100%	-
FEMALE	27%	15%	67%	0%	0%	-
MIDDLE MANAGEMENT						
MALE	86%	84%	57%	100%	89%	-
FEMALE	14%	16%	43%	0%	11%	-
JUNIOR MANAGEMENT						
MALE	69%	98%	71%	100%	87%	-
FEMALE	31%	2%	29%	0%	13%	-
MANAGEMENT POSITION IN REVENUE GENERATING FUNCTIONS						
MALE	80%		58%	100%	89%	
FEMALE	20%		42%	0%	11%	
NEW HIRES (NO.)						
TOTAL NUMBER OF NEW HIRES	127	731	1	6	10	875
NEW HIRES - MALE	78	674	1	6	9	768
NEW HIRES - FEMALE	49	57	O	0	1	107

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		EDARA FACILITY		SODIC CLUBS	SODIC CLUBS	
DISCLOSURE	SODIC OFFICES	MANAGEMENT	SODIC CLUBS	(EAST)	(WEST)	TOTAL
NEW HIRES - UNDER 30 YEARS	45	357	0	4	3	409
NEW HIRES - 30-50 YEARS	79	367	1	2	7	456
NEW HIRES - ABOVE 50 YEARS	3	7	0	0	0	10
NEW HIRES - PEOPLE OF DETERMINATION	1	5	0	0	0	6
% INTERNAL HIRES FROM TOTAL	3%	0%	0%	17%	0%	-
% INTERNAL HIRES - MALE	100%	0%	0%	100%	0%	-
% INTERNAL HIRES - FEMALE	0%	0%	0%	0%	0%	-
AVERAGE HIRING COST PER EMPLOYEE			5,826	4,490	3,178	-
TURNOVER (NO.)						
TOTAL TURNOVER	113	589	21	61	133	917
TURNOVER - VOLUNTARY	107	589	21	57	118	892
TURNOVER - FOR CAUSE	6	0	0	4	15	25
TURNOVER - MALE	87	538	1	54	110	790
TURNOVER - FEMALE	26	51	20	7	23	127
TURNOVER – UNDER 30 YEARS	28	315	2	34	68	447
TURNOVER - 30-50 YEARS	75	259	15	26	68	443
TURNOVER - ABOVE 50 YEARS	10	15	4	1	58	88
TURNOVER - PEOPLE OF DETERMINATION	0	0	0	O	7	7
TURNOVER RATE						
TOTAL TURNOVER RATE	16%	25%	17%	50%	29%	23%
TURNOVER RATE - VOLUNTARY	15%	25%	17%	47%	26%	23%
TURNOVER RATE - FOR CAUSE	1%	0%	0%	3%	3%	0.63%
TURNOVER RATE - MALE	12%	23%	1%	45%	24%	20%
TURNOVER RATE - FEMALE	4%	2%	17%	6%	5%	3.21%

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TURNOVER RATE – UNDER 30 YEARS	4%	13%	2%	28%	11%	11%		
TURNOVER RATE – 30-50 YEARS	11%	11%	12%	21%	9%	11%		
TURNOVER RATE – ABOVE 50 YEARS	1%	0.6%	3%	1%	9%	2.23%		
TURNOVER RATE – PEOPLE OF DETERMINATION	0%	0.0%	0%	0%	2%	0.2%		
EMPLOYEE TRAINING AND DEVELOPMENT								
TOTAL NUMBER OF TRAINING HOURS	171	1983	0	0	0	2,154		
AVERAGE TRAINING HOURS PER EMPLOYEE	0.24	0.77	Ο	Ο	Ο	0.55		
AVERAGE TRAINING HOURS BREAKDOWN BY GENDER AND EMPLOYEE CATEGORY								
MALE	0.23	0.66	0.00	0.00	0.00	-		
FEMALE	0.27	2.46	0.00	0.00	0.00	-		
BAND S: CHIEF EXECUTIVE OFFICERS	0.09	0.00	0.00	0.00	0.00	-		
BAND O: EXECUTIVE DIRECTORS, SENIOR DIRECTORS, AND DIRECTORS	0.00	0.00	0.00	0.00	0.00	-		
BAND D: SENIOR MANAGER AND MANAGER	0.25	0.00	0.00	0.00	0.00	-		
BAND I: SUPERVISORS, SENIOR SPECIALISTS, AND SPECIALISTS	0.24	0.00	0.00	0.00	0.00	-		
BAND C: JUNIORS AND COORDINATORS	0.47	0.00	0.00	0.00	0.00	-		
ENTRY LEVEL	0.00	0.00	0.00	0.00	0.00	-		
PAY GAP INDICATORS – GENDER PAY RATIO	O (FEMALE TO MALE)							
EXECUTIVE LEVEL (BASE SALARY ONLY)			1.48	0.00	0.00	-		
EXECUTIVE LEVEL (BASE SALARY + OTHER CASH INCENTIVES)			1.42	0.00	0.00	-		

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DISCLOSURE	SODIC OFFICES	EDARA FACILITY MANAGEMENT	SODIC CLUBS	SODIC CLUBS (EAST)	SODIC CLUBS (WEST)	TOTAL
MANAGEMENT LEVEL (BASE SALARY ONLY)			0.90	0.00	1.25	-
MANAGEMENT LEVEL (BASE SALARY + OTHER CASH INCENTIVES)			0.90	0.00	1.25	-
NON-MANAGEMENT LEVEL (BASE SALARY ONLY)			0.95	0.91	0.76	-
PARENTAL LEAVE						
NUMBER OF EMPLOYEES WHO ARE ENTITLED TO A PARENTAL LEAVE	717	88	O	0	0	805
MALE	530	0	0	0	0	530
FEMALE	187	88	0	0	0	275
NUMBER OF EMPLOYEES WHO TOOK PARENTAL LEAVE DURING 2022	10	5	Ο	Ο	Ο	15
MALE	0	0	0	0	0	0
FEMALE	10	5	0	0	0	15
NUMBER OF EMPLOYEES WHO RETURN TO WORK AFTER PARENTAL LEAVE ENDED	9	5	Ο	O	0	14
MALE	0	0	0	0	0	0
FEMALE	9	5	0	0	0	14
RETURN TO WORK RATE	90%	100%	-	-	-	95%

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CAREER DEVELOPMENT REVIEWS	SODIC OFFICES	EDARA FACILITY MANAGEMENT	SODIC CLUBS	SODIC CLUBS (EAST)	SODIC CLUBS (WEST)	TOTAL
TOTAL NO. OF EMPLOYEES THAT RECEIVED CAREER DEVELOPMENT REVIEWS	564	2,272	71	104	384	3,395
% EMPLOYEES FROM TOTAL WHO RECEIVED PERFORMANCE AND CAREER DEVELOPMENT REVIEWS	<b>79</b> %	88%	88%	<b>78</b> %	86%	86%
TOTAL NO. OF MALE EMPLOYEES	530	2,418	69	124	386	3,527
%FROM TOTAL MALE EMPLOYEES	81%	89%	86%	77%	87%	87%
TOTAL NO. OF FEMALE EMPLOYEES	187	157	12	9	60	425
% FROM TOTAL FEMALE EMPLOYEES	73%	83%	100%	89%	83%	80%
TOTAL NO. OF BAND S: CHIEF EXECUTIVE OFFICERS	11	N/A	3	0	O	14
% FROM TOTAL BAND S: CHIEF EXECUTIVE OFFICERS	100%	N/A	67%	0.0%	0.0%	93%
TOTAL NO. BAND O: EXECUTIVE DIRECTORS, SENIOR DIRECTORS, AND DIRECTORS	37	N/A	7	O	0	0

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% FROM TOTAL BAND O: EXECUTIVE DIRECTORS, SENIOR DIRECTORS, AND DIRECTORS	81%	N/A	100%	0.0%	0.0%	84%
TOTAL NO. BAND D: SENIOR MANAGER AND MANAGER	120	N/A	14	1	11	146
% FROM TOTAL BAND D: SENIOR MANAGER AND MANAGER	83%	N/A	86%	100%	100%	84%
TOTAL NO. BAND I: SUPERVISORS, SENIOR SPECIALISTS, AND SPECIALISTS	381	N/A	22	5	24	432
% FROM TOTAL BAND I: SUPERVISORS, SENIOR SPECIALISTS, AND SPECIALISTS	75%	N/A	95%	60%	79%	76%
TOTAL NO. BAND C: JUNIORS AND COORDINATORS	105	N/A	16	8	51	180
% FROM TOTAL BAND C: JUNIORS AND COORDINATORS	70%	0%	88%	100%	88%	78%
TOTAL NO. BAND X: ANCILLARY JOBS	63	N/A	20	119	361	563
% FROM TOTAL BAND X: ANCILLARY JOBS	100%	N/A	75%	77%	86%	85%
TOTAL NO. ENTRY LEVEL	70	731	0	0	0	801

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% FROM TOTAL ENTRY LEVEL	51%	0%	0%	0%	6.4%	128
TOTAL NO. GRADE-A: TOP MANAGEMENT AND DEPARTMENT MANAGERS	N/A	34	N/A	N/A	N/A	34
% FROM TOTAL GRADE-A: TOP MANAGEMENT AND DEPARTMENT MANAGERS	N/A	94%	N/A	N/A	N/A	94%
TOTAL NO. GRADE-B: ADMINISTRATIVE, OPERATIONAL, AND ENGINEERING JOBS	N/A	294	N/A	N/A	N/A	294
% FROM TOTAL GRADE-B: ADMINISTRATIVE, OPERATIONAL, AND ENGINEERING JOBS	N/A	91%	N/A	N/A	N/A	91%
TOTAL NO. GRADE-C: BLUE COLLARS AND SUPERVISORY JOBS	N/A	345	N/A	N/A	N/A	345
% FROM TOTAL GRADE-C: BLUE COLLARS AND SUPERVISORY JOBS	N/A	95%	N/A	N/A	N/A	95%
TOTAL NO. GRADE-D: WORKER AND TECHNICIANS	N/A	1902	N/A	N/A	N/A	1,902
% FROM TOTAL GRADE-D: WORKER AND TECHNICIANS	N/A	86%	N/A	N/A	N/A	86%

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# DIVERSITY ACROSS EMPLOYEE CATEGORIES PER SUBSIDIARY

SODIC	BREAKDOWN BY GEN	DER	BREAKDOV	VN BY AGE GROUP	
SODIC CORPORATE OFFICES	MALE	FEMALE	UNDER 30	30-50	ABOVE 50
Band S: Chief Executive Officers	73%	27%	0%	64%	36%
Band O: Executive Directors, Senior Directors, and Directors	86%	14%	0%	73%	27%
Band D: Senior Managers and Managers	69%	31%	1%	88%	11%
Band I: Supervisors, Senior Specialists, and Specialists	70%	30%	14%	81%	5%
Band C: Juniors and Coordinators	73%	27%	24%	64%	12%
Band X: Ancillary Jobs	98%	2%	2%	79%	19%
Entry Level	60%	40%	36%	61%	3%

EDARA	BREAKDOWN	BY GENDER	ВІ	BREAKDOWN BY AGE GROUP			
EDARA PROPERTY MANAGEMENT	MALE	FEMALE	UNDER 30	30-50	ABOVE 50		
Category 1: Grade-A: Top management and department managers	85%	15%	3%	56%	41%		
Category 2: Grade-B: Administrative, operational, and engineering jobs	84%	16%	39%	59%	3%		
Category 3: Grade-C: Blue collars and supervisory jobs	98%	2%	17%	77%	6%		
Category 4: Grade-D: Workers and technicians	95%	5%	32%	61%	6%		
Entry Level	92%	8%	49%	50%	1%		

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SODIC CORPORATE OFFICES	MALE	FEMALE	UNDER 30	30-50	ABOVE 50
Band S: Chief Executive Officers	33%	67%	0%	67%	33%
<b>Band O:</b> Executive Directors, Senior Directors, and Directors	57%	43%	0%	100%	0%
<b>Band D</b> : Senior Managers and Managers	71%	29%	7%	64%	29%
<b>Band I</b> : Supervisors, Senior Specialists, and Specialists	77%	23%	23%	73%	5%
Band C: Juniors and Coordinators	75%	25%	31%	44%	25%
Band X: Blue Collars	100%	0%	20%	70%	10%

SODIC CLUBS (EAST)	BREAKDOWN BY GEN	DER	BREAKDOW	/N BY AGE GROUP	
SODIC CORPORATE OFFICES	MALE	FEMALE	UNDER 30	30-50	ABOVE 50
Band S: Chief Executive Officers	-	-	-	-	-
<b>Band O:</b> Executive Directors, Senior Directors, and Directors	-	-	-	-	-
<b>Band D</b> : Senior Managers and Managers	100%	0%	0%	100%	0%
<b>Band I</b> : Supervisors, Senior Specialists, and Specialists	100%	0%	0%	100%	0%
Band C: Juniors and Coordinators	100%	0%	38%	63%	0%
Band X: Blue Collars	92%	8%	38%	60%	3%

SODIC CLUBS (WEST)	BREAKDOWN BY GENDER		BREAKDOWN	N BY AGE GROUP	
SODIC CORPORATE OFFICES	MALE	FEMALE	UNDER 30	30-50	ABOVE 50
Band S: Chief Executive Officers	-	-	-	-	-
<b>Band O:</b> Executive Directors, Senior Directors, and Directors	-	-	-	-	-
<b>Band D</b> : Senior Managers and Managers	91%	9%	0%	64%	36%
<b>Band I</b> : Supervisors, Senior Specialists, and Specialists	88%	13%	8%	79%	13%
Band C: Juniors and Coordinators	90%	10%	6%	84%	10%
Band X: Blue Collars	86%	14%	37%	60%	3%

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#### OCCUPATIONAL HEALTH AND SAFETY

#### **WORK-RELATED INJURIES**

HEALTH AND SAFETY INDICATORS	DIRECT EMPLOYEES		CONTRACTED EMPLOYEES	
	2021	2022	2021	2022
Manpower (no. of employees per year)	226	235	2345	2944
Lost-time injuries (LTI) (no.)	0	0	3	2
Lost days due to injuries (no.)	0	0	9	6
Fatalities (No.)	Ο	Ο	0	0
Lost-time injury frequency rate (LTIFR)	0	0	0.5	0.3
Lost-time injury severity rate (LTISR)	Ο	Ο	1.5	0.8

#### OCCUPATIONAL HEALTH AND SAFETY AUDITS

#### **OHS AUDITS CONDUCTED FOR PROJECTS IN 2022**

Quarterly OHS Audits	(32)
Fire Audits	(64)
Other Audits	(xxx)

### HEALTH AND SAFETY TRAINING PERFORMANCE

No. of health and safety sessions delivered  No. of direct employees who received HSE training  (226)		PATIONAL HEALTH AND Y TRAINING AND INDUCTION	2021	2022
No. of direct employees who received HSE training (226)		3 9	582	(598)
training	No. of h	ealth and safety sessions delivered	(15)	(22)
No. of contracted employees who received (234)		. 3	(226)	(235)
HSE training		1 3	(2345)	(2944)

### PRIORITIZING THE WELFARE OF OUR WORKERS

HSE MANAGEMENT SYSTEM COVERAGE	2021	2022
No. of contracted employees/workers in the year	226	235
% of employees that are covered by SODIC's HSE Management System	100%	100%
No. of construction project sites that were operating during the year	7	8

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### GOVERNANCE PERFORMANCE INDICATORS

This section outlines information about the definitions and underlying methodologies adopted for the collection and calculation of SODIC's Environmental and Social performance indicators presented in the previous sections.

# BASIS FOR REPORTING THE SOCIAL INDICATORS<sup>1</sup>

DISCLOSURE	DEFINITION	SCOPE	UNITS	METHOD
HEADCOUNT	Total number of Full-Time Employees (FTE) as of 31 December 2022	FTEs across all business units and fully owned subsidiaries	Number (#)	The sum of employees across all business units and fully owned subsidiaries
GENDER REPRESENTATION	Percentage of female and male employees among total headcount as of 31 December 2022	FTEs across all business units and fully owned subsidiaries	Percentage (%)	Number of employees for specified gender divided by total number of employees
EMPLOYEES BY JOB CONTRACT	Representing the number of employees according to their types of contracts and employment	FTEs across subsidiaries who are full-time or part-time and the FTEs with permanent or temporary contracts	Number (#)	Number of employees with their designated type of employment within each subsidiary
WORKERS WHO ARE NOT EMPLOYEES	Representing the type of nonemployment work and the number of workers in each category across subsidiaries	Total number of workers across subsidiaries who are not employed across the subsidiaries	Number (#)	Number of workers with their designated type of work divided within each subsidiary
AGE REPRESENTATION	Percentage of employees belonging to specific age groups as of 31 December 2022	FTEs across all business units and wholly owned subsidiaries	Percentage (%)	Number of employees for specified age group divided by total number of employees
DISABILITY REPRESENTATION	Representing the percentage of employees with disabilities among the total workforce as of 31 December 2022	FTEs across all business units and wholly owned subsidiaries	Percentage (%)	Number of employees with disabilities divided by the total number of employees
MANAGEMENT REPRESENTATION	Percentage of male or female employees across management as of 31 December 2022	FTEs across all business units and fully owned subsidiaries in percentage (%)	Percentage (%)	Number of employees for specified gender divided by total number of employees in specified management category
GENDER PAY RATIO	The ratio of Average Annual salary cost between Males and Females	Ratio of average annual salary and cost between males and females	Ratio (Male: Female = 1:X)	Average total annual salary cost of all male employees to the average of total annual salary cost of all female employees

<sup>&</sup>lt;sup>1</sup>The reported disclosures/indicators originate from the HR departments of each SODIC subsidiary and have been obtained from their respective database systems.

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DISCLOSURE	DEFINITION	SCOPE	UNITS	METHOD
NEW HIRES	Total number of full-time employees (FTE) hired during 2022 by gender, geographical location, and age groups	FTEs across all business units and fully owned subsidiaries	Number (#)	Sum of employees hired during 2022 across businesses
TURNOVER	Percentage of employees (gender-wise) who left the organization during 2022 by gender, and age	FTEs across all business units and wholly owned subsidiaries.	Percentage (%)	Number of employees who left the organization by gender and by age groups divided by total number of FTEs
TOTAL TRAINING HOURS	Total hours of formal training imparted by the organization to employees	FTEs across all business units and fully owned subsidiaries. SODIC Clubs subsidiaries didn't record training hours because they established the subsidiaries in 2022	Hours	Sum of all training hours, where one hour represents one hour of time spent by an employee during a training session
AVERAGE TRAINING HOURS PER EMPLOYEE	Average hours of formal training imparted by the organization to each employee	FTEs across all business units and fully owned subsidiaries	Hours	Total hours of formal training imparted by the organization divided by the total number of employees at the organization as of 31st December 2021
AVERAGE TRAINING HOURS BREAKDOWN BY GENDER AND EMPLOYEE CATEGORY	Average hours of formal training imparted by the organization to each employee by gender and employee category	FTEs across all business units and fully owned subsidiaries	Hours	Total hours of formal training imparted by the organization to each category divided by the total number of employees in each category at the organization as of 31st December 2021
PAY GAP	Gender Pay Ratio	FTEs across all business units and fully owned subsidiaries	Ratio (#)	Difference of the average wage level for women from that of men, and then dividing by the average wage level of men.
PARENTAL LEAVE ENTITLEMENT	Number of employees who are entitled for the parental leave benefit during the reporting period	FTEs across all business units and fully owned subsidiaries	Number (#)	Sum of employees who are entitled for parental leave during the reporting year
PARENTAL LEAVE	Number of employees who availed the parental leave benefit during the reporting period	FTEs across all business units and fully owned subsidiaries	Number (#)	Sum of employees who availed parental leave during the reporting year
PARENTAL LEAVE - RETENTION RATE	Percentage of employees who availed parental leave benefit and returned to work after completing the stipulated leave period	FTEs across all business units and fully owned subsidiaries	Percentage (%)	Total number of employees who returned to work after the parental leave divided by total number of employees who took the leave across the subsidiaries
PERFORMANCE AND CAREER REVIEWS	Number of employees who received career reviews during the reporting period ended on 31 December 2022	FTEs across all business units and fully owned subsidiaries	Number (#)	Sum of employees who are received the performance and career reviews across the subsidiaries
PERCENTAGE OF EMPLOYEES WHO RECEIVED CAREER REVIEWS	Percentage of employees who received career and development reviews during the reporting period ended on 31 December 2023	FTEs across all business units and fully owned subsidiaries	Percentage (%)	Total number of employees who received reviews divided by the total number of employees across the subsidiaries
PERCENTAGE OF EMPLOYEES WHO RECEIVED CAREER REVIEWS BY GENDER AND EMPLOYEE CATEGORY	Percentage of employees who received performance and career development reviews during the reporting period	FTEs across all business units and fully owned subsidiaries	Percentage (%)	Total number of employees who received reviews divided by the total number of employees across the each gender and employee category within each subsidiary

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	https://ir.sodic.com/						
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DIRECT RESPONSE / **SECTION IN THIS REPORT OMISSIONS DISCLOSURE** (PG. #) GRI Standard REQUIREMENT OMITTED **SDG MAPPING** REASON **EXPLANATION** 301-1 Materials used by weight 2022 Environmental Performance or volume Indicators (p.) **GRI 301: MATERIALS** 301-2 Recycled input materials а The data could not be retrieved 2016 during this reporting period; Information not however, it shall be disclosed in the available 301-3 Reclaimed products and upcoming report a, b their packaging materials 3.9, 6.3, 306-1 Waste generation and 6.6, 11.6, significant Waste Management (p.) waste-related impacts 12.4, 12.5 306-2 Management of 3.9, 6.3, significant waste-related Waste Management (p.) 8.4, 11.6, 12.4, 12.5 impacts Waste Management (p.) 3.9, 6.6, **GRI 306: WASTE 2020** 306-3 Waste generated 2022 Environmental Performance 11.6, 12.5, 12.4, 15.1 Indicators (p.) 306-4 Waste diverted from 3.9, 11.6, Waste Management (p.) disposal 12.4, 12.5 3.9, 6.6, 306-5 Waste directed to Waste Management (p.) 11.6, 12.5, disposal 12.4, 15.1

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# SASB CONTENT INDEX

SASB Standard – Real Estate				
ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	REPORT SECTION(S) OR DIRECT RESPONSE
ENERGY MANAGEMENT				
Energy consumption data coverage as a percentage of total floor area, by property subsector	Quantitative	Percentage (%) by floor area	IF-RE-130a.1	Energy Efficiency and Management (p.)
(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 Efficiency and Management (p.)
Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	Quantitative	Percentage (%)	IF-RE-130a.3	Data is not currently available; however, it shall be disclosed in the next reporting cycle.
Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector	Quantitative	Percentage (%) by floor area	IF-RE-130a.4	Data is not currently available; however, it shall be disclosed in the next reporting cycle.
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	Energy Efficiency and Management (p.)

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SASB Standard – Real Estate				
ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	REPORT SECTION(S) OR DIRECT RESPONSE
WATER MANAGEMENT				
Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	Quantitative	Percentage (%) by floor area	IF-RE-140a.1	Data is not currently available; however, it shall be disclosed in the next reporting cycle.
(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	Quantitative	Thousand cubic meters (m3), Percentage (%)	IF-RE-140a.2	Water Management and Conservation (p.)
Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	Quantitative	Percentage (%)	IF-RE-140a.3	Data is not currently available; however, it shall be disclosed in the next reporting cycle.
Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	n/a	IF-RE-140a.4	Water Management and Conservation (p.)
MANAGEMENT OF TENANT SUSTAINA	ABILITY IMPACTS			
(1) Percentage of new leases that contain a cost recovery clause for resource efficiency-elated capital improvements and (2) associated leased floor area, by property subsector	Quantitative	Percentage (%) by floor area, square feet (ft2)	IF-RE-410a.1	Data is not currently available; however, it shall be disclosed in the next reporting cycle.
Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	Quantitative	Percentage (%) by floor area	IF-RE-410a.2	Data is not currently available; however, it shall be disclosed in the next reporting cycle.
Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	Discussion and Analysis	n/a	IF-RE-410a.3	Developing for our Communities: Creating Impactful Engagements (p.)
CLIMATE CHANGE ADAPTATION				
Area of properties located in 100-year flood zones, by property subsector	Quantitative	Square feet (ft2)	IF-RE-450a.1	Data is not currently available; however, it shall be disclosed in the next reporting cycle.
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	SODIC is working on integrating climate risk assessments within its current enterprise risk management systems. This information shall be disclosed within the next two years.
ACTIVITY METRIC				
Number of assets, by property subsector	Quantitative	Number	IF-RE-000.A	Organizational Scope and Boundaries (p.)
Leasable floor area, by property subsector	Quantitative	Square feet (ft2)	IF-RE-000.B	Data is not currently available; however, it shall be disclosed in the next reporting cycle.
Percentage of indirectly managed assets, by property subsector	Quantitative	Percentage (%) by floor area	IF-RE-000.C	Data is not currently available; however, it shall be disclosed in the next reporting cycle.
Average occupancy rate, by property subsector	Quantitative	Percentage (%)	IF-RE-000.D	Data is not currently available; however, it shall be disclosed in the next reporting cycle.

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PRINCIPLE HUMAN RIGHTS	DESCRIPTION	REPORT SECTION(S)
PRINCIPLE 1	Businesses should support and respect the protection of internationally proclaimed human rights.	Business Ethics, Compliance, and Conduct (p.)
PRINCIPLE 2	Businesses should make sure they are not complicit in human rights abuses.	Business Ethics, Compliance, and Conduct (p.)
LABOR		
	Businesses should uphold the freedom of association and the	GRI 2-30
PRINCIPLE 3	effective recognition of the right to collective bargaining.	Prioritizing the Welfare of our Workers (p.)
PRINCIPLE 4	Businesses should uphold the elimination of all forms of forced and compulsory labor	Prioritizing the Welfare of our Workers (p.)
PRINCIPLE 5	Businesses should uphold the effective abolition of child labor.	Prioritizing the Welfare of our Workers (p.)
	Businesses should uphold the elimination of discrimination	Employee Well-being and Diversity (p.)
PRINCIPLE 6	in respect of employment and occupation.	Health and Safety at the Forefront (p.)
ENVIRONMENT		
PRINCIPLE 7	Businesses should support a precautionary	Managing the Environmental Footprint of our Assets (p.)
PRINCIPLE /	approach to environmental challenges.	Our Environmental Commitments and Progress (p.)
PRINCIPLE 8	Businesses should undertake initiatives to promote greater environmental responsibility.	Our Environmental Commitments and Progress (p.)
	Businesses should encourage the development and	Our Environmental Commitments and Progress (p.)
PRINCIPLE 9	diffusion of environmentally friendly technologies.	Circularity, Smart and Resource Efficient Design (p.)
ANTI-CORRUPTION		
PRINCIPLE 10	Businesses should work against corruption in all its forms, including extortion and bribery.	Business Ethics, Compliance, and Conduct (p.)

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TCFD RECOMMENDATION	REPORT SECTION(S)		
(OR DIRECT ANSWER)			
a. Describe the board's oversight of climate-related risks and opportunities.	Stratagia Carramana fan Srestainalda Darralanna art (n.)		
b. Describe management's role in assessing and managing climate-related risks and opportunities.	Strategic Governance for Sustainable Development (p.)		
STRATEGY			
a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Our Environmental Commitments and Progress (p.) Climate Action (p.)		
b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	SODIC is currently focused on developing and integrating climate risk assessments into its risk management system. This involves identifying various climate-related risks, such as market risk arising from increased demand for low carbon products. Additionally, SODIC aims to capitalize on opportunities by transitioning to renewable energy sources and exploring low carbon technologies and products. The organization is committed to identifying additional risks and opportunities as part of its decarbonization action plan and the establishment of a comprehensive ESG management system.		
c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	SODIC has completed its second assessment of the organizational carbon footprint and is currently in the process of formulating a decarbonization action plan. As part of this ongoing initiative, SODIC is actively considering the implementation of a climate-related scenario analysis in the forthcoming years.		
RISK MANAGEMENT			
a. Describe the organization's processes for identifying and assessing climate-related risks.	SODIC has established a new Risk Management Department in 2022 and is working to integrate ESG risk		
b. Describe the organization's processes for managing climate-related risks.	assessments and climate risk assessments into its overall risk management system. SODIC has also assessed their organizational carbon footprint, and developed a decarbonization action plan, and are working on a group-		
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	wide ESG management system. This system will enable the identification and management of climate-related risks and the integration of climate risk assessments into SODIC's risk management framework.		
METRICS AND TARGETS			
a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.			
b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Climate Change Action (p.) SODIC 2022 Carbon Footprint Report		
c. Describe the targets used by the organization to manage climate-related risks and opportunities and			

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performance against targets.

