



Edita Food Industries S.A.E.



Strengthening Our Foundation For
SUSTAINABLE GROWTH



Sustainability Report 2018

Letter From the Chairman

Edita is a leading Egyptian producer of packaged snack foods with a holistic approach to business. The company strives to not only deliver quality products but also serve as a reputable employer and value creator in the Egyptian economy



Hani Berzi

Chairman and Managing Director

I am incredibly pleased to welcome Edita's shareholders and our other partners to our first-ever sustainability report. As an organization, Edita aims to prioritize customers' needs and wants at every opportunity. As a snack food company, the primary way we do this is by producing delicious snacks and introducing innovative products to satisfy all their cravings – be they sweet or savory. Our ability to continually fulfill this commitment to our customers is the secret to our successful transformation over the past 23 years, which has taken us from a small, family-owned company to Egypt's leading producer of packaged snack foods.

As we've grown, the expectations in the relationship between company and customer have also changed. Like many Egyptian businesses across all sectors, Edita has come to understand that serving our customers involves not only making our products but also ensuring that their favorite snacks are produced in a sustainable way by an operation that respects human rights, fair labor

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standards, legal and ethical regulations, and the environment. This evolving understanding of our obligations to our customers is what inspired us to become a member of the UN Global Compact – the world's largest voluntary Corporate Social Responsibility (CSR) initiative with over 10,000 participating companies – in May 2017.

For this reason, Edita has also initiated an internal transformation of sorts in recent years, one focused on strengthening our foundations to enhance our ability to serve our customers. To strengthen our corporate governance and ward against corruption, we have enhanced our data security and developed a comprehensive succession plan for key positions within the company, among other measures. Our Board of Directors, in partnership with our Compliance and Corporate Governance and Internal Audit Departments, continues to ensure that Edita's policies and operating procedures comply with not only legal regulations but also the highest ethical and moral standards for businesses.

On the operational level, Edita is making efforts to increase employee safety in the workplace and minimize our impact on the environment. The Edita Risk and Environmental Management System (eREMS) is a product of our rigorous Safety, Health and Environment (SHE) policies, and ensures our full compliance with national regulations and international standards for environmental protection. Through it, we take steps to guarantee that our factories are equipped with proper safety equipment, consume less energy and resources, and produce less waste. As a result, we have attained the ISO 14001 certification for environmental management across all factories. In line with further reducing the environmental impact of our operations, Edita continues to organize company-wide awareness campaigns, and has successfully finished installing wastewater treatment plants at its E10 and E06 factories. We have also begun the early assessment phases of our 2018-2021 strategy to increase Edita's energy efficiency and further incorporate renewable energy into our operations.

Other aspects of Edita's transformation go beyond the fundamentals of company policies and procedures and focus specifically on enhancing our employee experience in a way that demonstrates our respect for human rights. In addition to revising our employee compensation scheme following the November 2016 flotation of the Egyptian pound and subsequent spike in inflation, we have also been investing more in our well-established employee engagement initiatives. These programs foster connections between our people and range from professional and personal development sessions to regular book discussions to thrice-annual holiday feasts.

We have also begun to evaluate our employees' experience with greater attention to diversity and inclusion. Edita has always had a zero-tolerance policy regarding identity discrimination, and now more than ever, we

are making efforts to ensure that people of all backgrounds and experiences have the opportunity to thrive within our company. Edita's management team clearly articulates the value of diversity in all of our communications with employees and this idea is reinforced in awareness sessions held throughout the year. We have poured focus into improving the experience of our women employees within the company, particularly following the completion of a Participatory Gender Audit in 2017 in partnership with the ILO and the UNGC. Among our new methodologies are a new KPI system that ensures women's active participation across the workforce and round the year events to promote gender diversity at the workplace.

While making efforts to grow internally, Edita has also begun exploring the ways that we can more actively contribute to the

communities in which we work and where our customers live through our corporate social responsibility initiatives. While we have long contributed to various programs led by non-governmental organization (NGOs) and government ministries, Edita now leads its very own CSR project for the third year running in partnership with the Ministry of Education and the NGO Educate Me to support women and children in Beni Suef. As Edita's customers encompass every single Egyptian who enjoys quick snacks – from occasional buyers of Brownie Bites to morning Molto munchers – we have a long way to go before our CSR efforts reach all of our communities, however, I am confident that we will rise to the challenge.

Going forward, Edita's customers can expect to see us doing business in a more sustainable way and having a greater positive impact

through our CSR initiatives. We have successfully developed a company framework that is in alignment with the UN's sustainable development goals (SDGs), and are incorporating more changes and initiatives day by day to solidify our commitment to building a better future for our surrounding communities.

In order to do right by our customers and fulfill our role as a good corporate citizen, Edita cannot ignore pressing societal issues such as corruption, environmental changes, and human rights. Instead, we are actively joining the effort to address these issues in order to create better world for our employees, our customers, and global society.



Hani Berzi
Chairman



Edita At a Glance

Edita is a leading Egyptian producer of packaged snack foods with a holistic approach to business. The company strives to not only deliver quality products but also serve as a reputable employer and value creator in the Egyptian economy.

Established in 1996, Edita is a frontrunner in the Egyptian and regional snack foods market, responsible for producing a variety of treats including household names such as Molto, TODO, Bake Rolz, Bake Stix, Mimix, HoHos, Twinkies, Tiger Tail, and Freska. The company's customer base consists of over 57,000 direct and wholesale retail customers, and it exports to more than 17 markets in the MENA region. In 2018, Edita produced over 127 SKUs across its five segments, consisting of nine brands. The company maintained its leading market share in its core segments of cakes and candy while growing its leading share in its core croissant segment. At the same time, Edita continued to grow its market share in the fast-growing rusks and wafer segments. As 2019 progresses, the company is growing its shares across all segments.

As of the end of 2018, Edita employs over 6,000 people and has established a reputation

within Egypt for nurturing the professional development and wellbeing of employees at every level of the company. Our snacks are produced across five state-of-the-art facilities housing 30 production lines, all of which adhere to rigorous international standards for health and safety. Edita also boasts a nationwide distribution network in Egypt.

During the year, Edita grew in terms of market share and increased the value it adds to the lives of our customers, employees, and Egyptian society. We joined the UNGC in 2017 and have since been working steadily to root the company's practices in our frameworks and strategies. Edita also continues to prioritize employee wellbeing and professional development by organizing company events, offering trainings to a wide range of employees, and launching awareness campaigns across different segments of the company. We promote diversity and inclusion diligently, and have

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implemented further improvements throughout 2018 to increase women empowerment and participation across the workforce.

At present, we are also taking steps to strengthen our corporate governance and succession

management strategies. We are building a strong foundation to ensure that our business operations have a positive impact on all of our stakeholders as well as the environment and that our impact will grow sustainably for years to come.

2.6_{BN}

packs sold in
FY2018

17+

export destinations
across MENA

3.8^{EGP}_{BN}

revenue across MENA
in FY2018

9

brands and 127
SKUs

6k

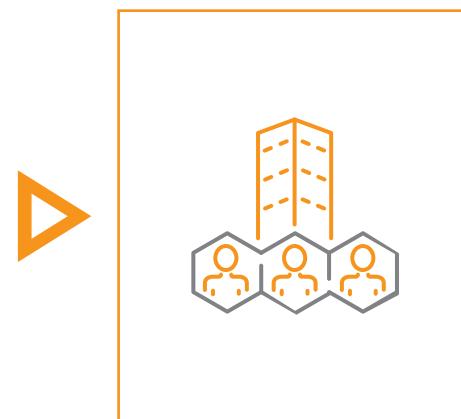
employees

5

ISO certified
manufacturing
facilities

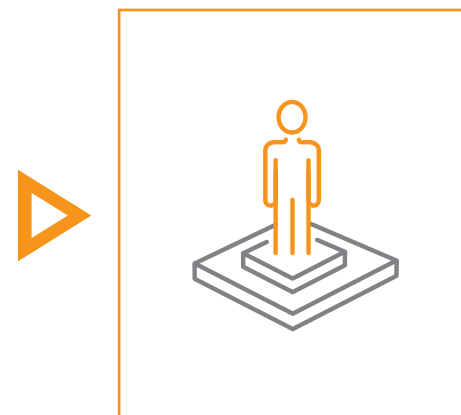
Mission & Vision

Edita's success in becoming a leader in the Egyptian snack foods market is due to the tireless pursuit of its mission and vision by all of its talented employees.



Mission

Together, spreading joy through trusted brands.



Vision

Setting the benchmark of snacking with our high quality, innovative products.



Core Values



Trust We believe in mutual trust. We trust in our people, our biggest asset, and believe in their contribution to the growth of our organization, and they in turn trust in our company to develop and nurture their potential to achieve their career goals.



Responsibility Responsibility towards our stakeholders and community as well as commitment to quality are pivotal to our strategy and operations.



Innovation Innovation is what defines and leads us as a company.



Teamwork Teamwork is core. We believe that the power of "we" is key to achieve our goals.

Strategy

Edita's success in becoming a leader in the Egyptian snack foods market is due to the tireless pursuit of its mission and vision by all of its talented employees.

Since inception, Edita's strategic vision has been rooted in providing sustainable value to all stakeholders. This strategy has paid off by helping Edita achieve substantial growth and position itself as Egypt's leading snack food producer. The company has taken calculated steps to navigate dislocations following Egypt's reform program, while working to supply the region with a wide variety of high quality products. Edita strives to be successful because it is committed to contributing to the country's economic growth. Over the past two decades, Edita has also created thousands of white- and blue-collar job opportunities and raised the bar in terms of employment standards in the snack food industry. In 2017 and 2018, Edita's strategy focused on portfolio optimization. The

company introduced new variety in its products to appeal to different segments of society while simultaneously executing a calculated repricing strategy. Additionally, and through its continuous investment in CAPEX, Edita was able to achieve sustainable growth by introducing new plants and product lines to its hefty portfolio, most notably its fifth state-of-the-art plant, E08, in 2017, as well as its five new production lines, added throughout the past three years. These steps led to a strong finish of the year, as Edita defended its market share and achieved strong revenue growth. Going forward, Edita will remain committed to its four-pillar strategy of innovation, expansion, revenue diversification, and empowerment of its human resources.



Edita's in-house research & innovation team is dedicated to developing products that stimulate the market and expand the company's share in it. Edita's management team pays close attention to consumer trends and maximizes sales by developing products to reach all segments of society. Since the launch of the company's signature product Molto – the country's first packaged croissant – in 1997, Edita has led the market in constantly introducing new products that raise the bar for competitors in the snack food industry.



Edita aims to expand its regional outreach by leveraging its reputation to step up the size of its exports. Currently distributing its products in more than 17 countries, the company's exports make up 8.3% of its 2018 revenues. Edita's new Morocco operation caused an increase in exports to the Kingdom, facilitated the registration of the company's Freska brand, and continues to pave the way for the development of Edita's first overseas manufacturing facility. Going forward, management will continue to study expansion opportunities in emerging markets and on the M&A side.



Edita fuels its growth by leveraging its strong distribution network and identifying new sources of revenue. Its current strategy involves closely examining market needs and movement, and accordingly venturing into segments that are expected to boost market share and profit. The company diversifies revenue by regularly refreshing its portfolio and increasing its product range.



The quality and dedication of its people are the cornerstone of Edita's success, and the company will continue to invest in its employees' development and delivery. To empower its teams, Edita conducts an organization-wide climate survey, a channel through which employees are openly able to share their views, concerns, and recommendations. It also continues supporting the "In Touch" program, through which it reassures its blue-collar employees that their voices will always be heard. Edita enriches its employees learning and development opportunities through its academies, conducting sales workshops, Quality Improvement modules, a multi-level Company Training Plan, and more.

Stakeholder Mapping

Edita places a high value on the strong, trust-based relationships it has built with its key stakeholders over the years. The company continues to cultivate these relationships by regularly communicating with all of its stakeholders through a variety of formal and informal channels. Maintaining open lines of communication with these groups also allows Edita to receive feedback and address challenges effectively, ensuring sustainability and the maintenance of quality in its operations.

Employees

Edita communicates regularly with its 6,000 employees through a variety of internal channels. Major announcements are shared via emails, signs on bulletin boards, department meetings, and CEO messages periodically sent to all employees. Important job-related information and safety awareness information is

conveyed through onboarding initiatives for new employees and regular training sessions for current employees. When applicable, managers hold one-on-one meetings with employees to convey specific information and departments hold collaborative meetings to engage in joint planning activities. Edita also fosters a sense of community through a variety of professional development trainings and fun, team-building activities designed to start conversations within and across departments. A monthly newsletter is distributed to inform employees about events and activities.

Customers

Edita has developed a variety of channels for communicating with its 57,000 direct and wholesale retail customers, the most prominent of which are its websites, social medias, and advertising campaigns. Edita regularly conducts

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market research to assess customer satisfaction and determine the best way to communicate with these stakeholders. Employees also interact with customers directly when they volunteer in their communities independently and as part of Edita's CSR initiatives.

Business Partners

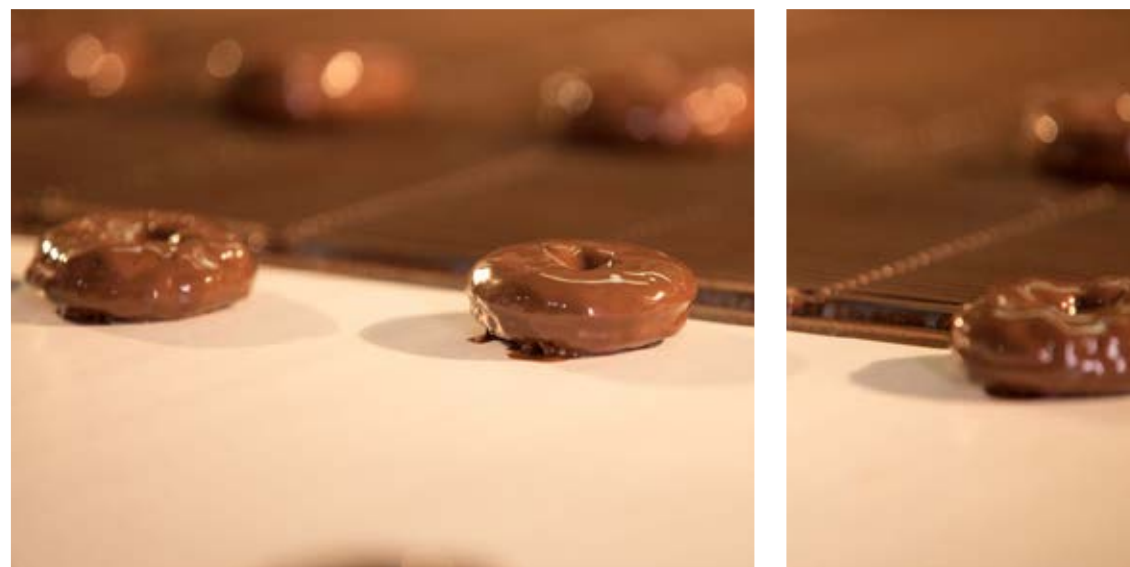
Edita's business partners include the suppliers, distributors, and contractors on whom the company can rely to create and deliver its products. The company communicates with these stakeholders through its website, various advertising and PR efforts, and yearly wholesaler event. On an annual basis, Edita distributes awards to business partners in recognition of their contributions to the company's success. Additionally, Edita continually conducts market research to solicit feedback and opinions from various partners. All business partners are informed of the company's compliance obligations and operational standards to ensure best practice. Any partners who work with Edita on-site at its production facilities receive verbal briefings about health and safety standards relevant to their work.

Shareholders

To be accountable to its shareholders and fulfill its regulatory obligations, Edita releases a consistent stream of disclosures, including quarterly earnings releases and annual reports. Additionally, the company communicates with its shareholders through its investor relations website and presentations, press releases, and conference calls. Edita connects with shareholders in person through its annual shareholder meeting, one-on-one meetings, investor conferences, and investor roadshows.

Government

Edita prioritizes keeping up with governmental laws and efforts, particularly when geared towards human and societal development. It adopts a reactive stance in complying with all new governmental updates, and still manages to maintain proactivity in anticipating future changes to gain a headstart in adjusting policies and procedures before the rest of the market catches up. Governmental regulations are reflected in Edita's corporate policy manual and are viewed as integral in achieving objectives quickly and efficiently. After growing from a small family business to one of Egypt's leading snack foods corporations, Edita's role as a community leader also grew. The company is highly involved in sustainability initiatives and actively cooperates with the government in finding more environmentally friendly manufacturing and production solutions and alternatives, for a healthier and more robust future.





Organizational Structure



Reporting on Management Approach

Edita has made a conscious effort to incorporate sustainable practices into its operations by focusing on several key areas such as corporate governance, anti-corruption efforts and internal audit, employee development, employee health and safety, operational sustainability, environmental sustainability, diversity and inclusion, and a more sustainable future.



Management Approach

Since conception, Edita has made a conscious effort to focus on key areas that foster a strong respect for human rights, employee well-being and operational excellence. All efforts geared towards efficiency and sustainability are closely woven into policies, procedures and approaches.

Corporate Governance

Edita's identity is heavily intertwined with efficient and ethical corporate governance that guards the company against irregular practices. Continuous improvements are evident when looking at the company's complete compliance with Egypt's legal and disclosure requirements, and its separation of ownership and management, with management being handed to Edita's Board of Directors. Additionally, an Audit Committee has been established to assist the board in reviewing financial and administrative procedures, and a Remuneration Committee now develops all company pay and benefits policies.

Anti-Corruption Efforts and Internal Audit

Corruption causes losses in efficiency and profitability. Edita's Internal Audit department wards against corruption by promoting ethical conduct, increasing employee awareness of anti-corruption and formulating corporate policies that comply with relevant laws and regulations. In an increasingly volatile age, Edita also prioritizes information security, data and recipe protection, and works hard to maintain the highest possible cyber security measures. It also introduced whistle-blowing channels, encouraging employees to speak up, and maintain professional ethics and integrity.

Employee Development

Edita strives to raise the bar for employment standards in Egypt by focusing on three different areas of human resources: fair compensation and benefits, encouraging feedback, and learning and

“ Since conception, Edita has made a conscious effort to incorporate sustainable practices into its operations. A strong respect for human rights is closely woven into the company's policies and work culture.

development. Management regularly reviews and adjusts all employee benefits, and offers trainings for improved performance and skillsets. Edita also offers a variety of events and programs throughout the year to help employees connect with one another outside of their daily work responsibilities.

Employee Health and Safety

Edita implements internationally acclaimed health and safety policies and procedures in all of its plants. Through its SHE policies and eREMS system, the company looks after its employees and guarantees a safer work environment by providing vital safety equipment trainings. It also closely monitors implementation and encourages employees to report any violations of policies and protocols. Risk assessment and future mitigation are also always in effect.

Operational Sustainability

Edita takes pride in its steady production and competent work environment, and embraces the Triple Bottom Line framework in improving profits, empowering people, and taking care of the planet. Furthermore, its Research and Development department complements operations by regularly observing and meeting market demands. Using a team of local and international specialists that bring hefty global experiences to the company, it continues to build its vision for the future.

Environmental Sustainability

Edita implements a variety of strategies to limit its ecological footprint and ensure that the company is preserving quality of life in surrounding communities. The company has developed a comprehensive

SHE policy to ensure its facilities' compliance with environmental rules and regulations. In 2017, Edita took an extra step to forward with the creation of the Edita Risk and Environment Management System (eREMS). This year also saw the company take steps to ensure the safe disposal and recycling of wastewater created by its operations.

Diversity & Inclusion

In line with its commitment to respect human rights, Edita strives to promote diversity and inclusion within the workplace. Company policies strictly prohibit discrimination, and Edita strives to create a company culture based on a sense of mutual respect. Over the past two years, Edita has chosen to focus on gender equality in the workplace. It conducted a Participatory Gender Audit in partnership with the ILO, which helped the company understand what it does well and how it can give people of different genders a positive working experience and equal opportunity to succeed.

Towards a Sustainable Future

Edita has joined the UN Global Compact (UNGC) and uses this global channel to assess its practices and improve them. After picking sustainable development goals (SDGs) to follow, a comprehensive framework was created and followed. 2018 saw great advances in Edita's educational camps held in Ta'awon school, Beni Suef, and a timeline is set in place for more initiatives throughout 2019. Particular expansion plans for Ta'awon have been mapped out until the year 2021.



Corporate Governance

Strong corporate governance is crucial to ensuring that Edita consistently operates in an efficient and ethical manner. The company's corporate governance framework helps guard against corruption by providing guidelines concerning overall performance, the role and responsibility of the board of directors, the relationship between the board and executive management, risk management, corporate compliance, internal controls, communication with shareholders, and financial reporting.

Legal Compliance and Disclosure Requirements

As a company incorporated in Egypt, all of Edita's corporate affairs are governed by the Egyptian Companies Law, Egyptian Capital Market Law, the Egyptian Stock Exchange's (EGX) listing rules, and all other laws applicable to Egyptian companies. Additionally, Edita is subject to Egyptian disclosure requirements.

As such, it is required to submit annual and quarterly financial statements prepared in accordance with Egyptian Accounting Standards (EAS) and International Financial Reporting Standards (IFRS). Edita is required to provide notice of all material developments to the EGX, London Stock Exchange (LSE), and Egyptian Food Safety Authority (EFSA). The company releases both annual and quarterly financial statements and, in compliance with regulations, ensures that they are widely circulated in at least two local daily newspapers.

Board of Directors

In compliance with rules and regulations for joint stock companies incorporated in Egypt, Edita has separated ownership and control of the company. While its shareholders nominally own Edita, management is vested in the hands of its Board of Directors. Edita's Board of Directors is comprised of two executive and seven

non-executive members, four of whom are independent. The board is committed to Edita's long-term success, and its members work tirelessly to develop the company's policies, setting guidelines for the Internal Audit Department, and advising the executive management team on various subjects related to company operations.

Audit Committee

In compliance with EGX listing rules, the Board of Directors has established an Audit Committee consisting of four non-executive directors, three of whom are independent. This committee assists the board in fulfilling its oversight responsibilities related to the review of internal audit procedures, periodic administrative information presented to the different levels of management, accounting standards, and changes resulting from the application of new accounting standards.

Additionally, the Audit Committee ensures the implementation of appropriate supervisory procedures aimed at protecting Edita's assets and ensuring adherence to auditor and EFSA recommendations. The committee inspects and revises as necessary the procedures for preparing and reviewing financial statements; offerings related to securities; and estimated budgets, cash flow, and income statements.

Related to its responsibilities concerning internal auditing, the committee advises on the appointment of auditors to perform services other than the preparation of financial statements and reviews audit reports regarding financial statements. Edita's Audit Committee ensures

that an independent financial advisor prepares reports on any related party transactions before these transactions are ratified. Finally, the Audit Committee ensures the implementation of necessary supervisory methods to maintain Edita's assets, including conducting periodic evaluations of administrative procedures and preparing reports to the board.

Remuneration Committee

The board has also established a Remuneration Committee to assist in the discharge of its duties consisting of four non-executive directors, three of whom are independent. This committee is responsible for developing all company policies related to pay and benefits. The Remuneration Committee also monitors economic and market trends and adjusts the company's compensation scheme as needed to ensure that all employees receive a living wage and Edita remains an employer of choice in Egypt.



Anti-Corruption Efforts & Internal Audit

Edita believes that businesses should actively guard against and fight all forms of corruption, including extortion, bribery, nepotism, and other forms of unethical conduct. Honesty and transparency in operations are central to Edita's success, and its efforts to strengthen Egypt's private sector.

Internal Audit Function

The company implements strategies and procedures, spearheaded by its Internal Audit department, to guard against corruption, promote ethical conduct, as well as add value to Edita's compliance efforts and organizational operations. Using a systematic, disciplined approach to improve the efficiency of Edita's processes, the Internal Audit department also supervises the company's risk management, control process, and governance efforts to facilitate achieving company goals. The department is responsible for evaluating the adequacy of Edita's system of internal controls, assessing the compliance of company policies with

legal regulation and sound business practices, reviewing operations to ensure they are executed in a way that is consistent with pre-established objectives. Through its exhaustive reports which are issued to the Audit Committee, Edita's CEO, and VPs, the department acts as an advisor to senior management, recommending improvements across all company departments and sectors. It is also tasked with investigating any reported instances of fraud, embezzlement, theft, waste, or any wrongdoings.

Edita aims to comply with all laws and regulations to which it is subjected as an Egyptian business, and the Internal Audit Department perpetually reviews all operations, and advises on changes and improvements. The company integrates ethical standards into its policies and actively raises awareness of its expectations for ethical conduct among all employees. Edita is proud of its transparent and merit-based hiring process,



and in recent years the company has made efforts to strengthen its information security procedures and succession planning.

Employee Awareness of Anti-Corruption

To truly guard against corruption in the workplace, it is crucial that all Edita employees understand the company's policies and the importance of ethical behavior in the workplace. To that end, the company has developed the Edita Food Industries Group Code of Conduct, which sets forth standards and guidelines for employee behavior in relation to business ethics, information security, health and safety, compliance with laws and regulations, and protection of the company's assets and resources. This code is meant to supplement Edita's core values and standards of performance, and all employees are made aware of it when they are hired. All company employment contracts include a clause reinforcing Edita's zero-tolerance approach to bribery and corruption, which everyone is required to read and sign before commencing work with the company.

The Compliance and Corporate Governance Department conducts sessions and shares information through various company channels to educate company employees about relevant laws affecting Edita's business relating to securities, antitrust, environmental, and other laws. Employees are encouraged to ask questions about any aspect of Edita's policies that they do not understand.



Compliance

Edita's Compliance and Corporate Governance Department helps management in formulating corporate policies and guiding principles that comply with all relevant laws, and accurately reflect Edita's strategy, mission, and vision. The department is responsible for staying abreast of all government laws, regulations, and requirements that affect Edita's business, and any changes in such laws. In turn, the department reviews all draft policies to ensure legal soundness and updates the corporate policy manual in response to relevant changes in the law. In addition to reviewing the soundness of Edita's policies, the department raises awareness on company policies among employees, and conducts compliance checks to ensure that policies are implemented appropriately on the ground. It also develops action plans to address any issues and reviews all contracts and agreements with third parties to

ensure that terms and conditions do not violate Edita's corporate policies or the Egyptian law and that risk management standards are met.

Information Security and Data Protection

As global business operations and interactions increasingly take place online, a key aspect of limiting risk to the company and ensuring ethical business practices involves safeguarding company data and servers. Edita's Information Security Department established evaluates the competence of the company's current cyber security measures and recommends additional controls to tighten security and protect information assets from inappropriate disclosure. Additionally, the department collaborates with the Information Security Committee, composed of members from every area of the company,

to identify and classify information records according to confidentiality and set the appropriate controls to guard it. Together, the department and committee monitor Edita's data loss prevention system to protect data in-use, in-transit, or at-rest, detect any breaches, and act immediately to prevent any unauthorized traffic and identify corrective and preventive actions.

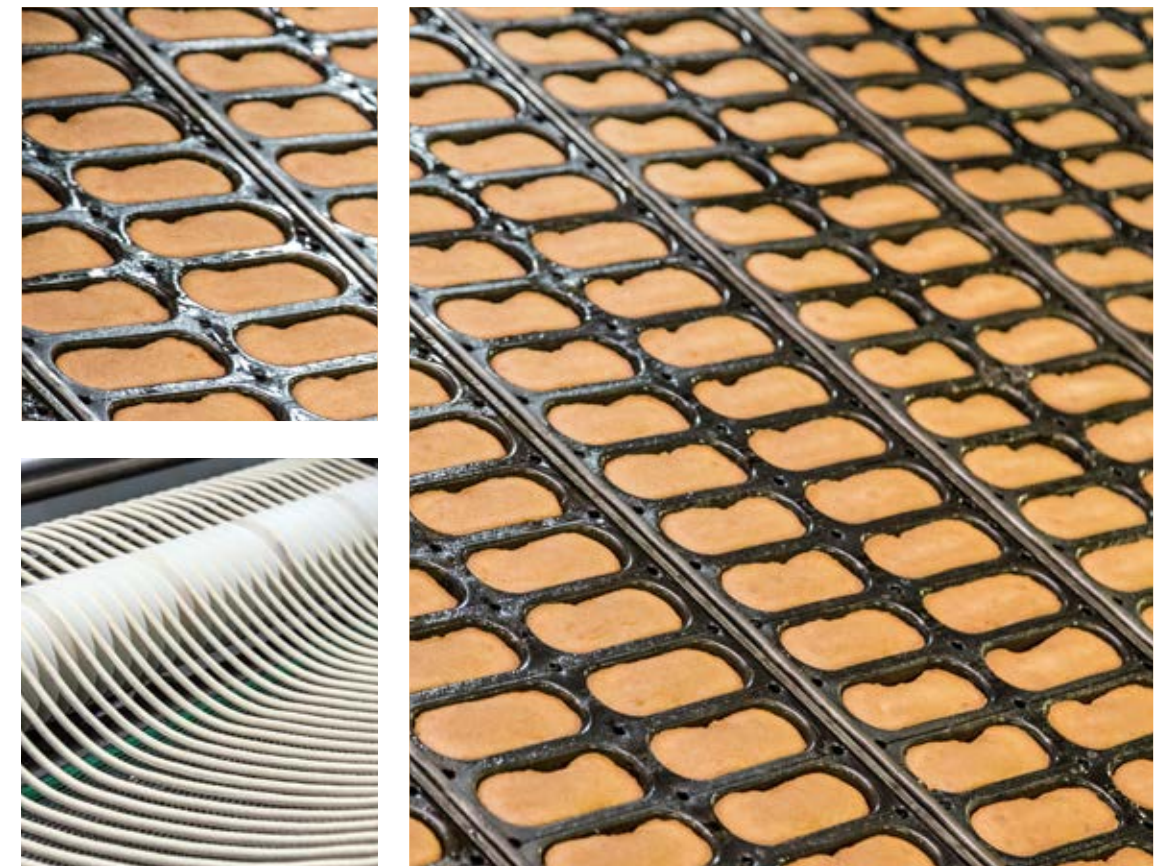
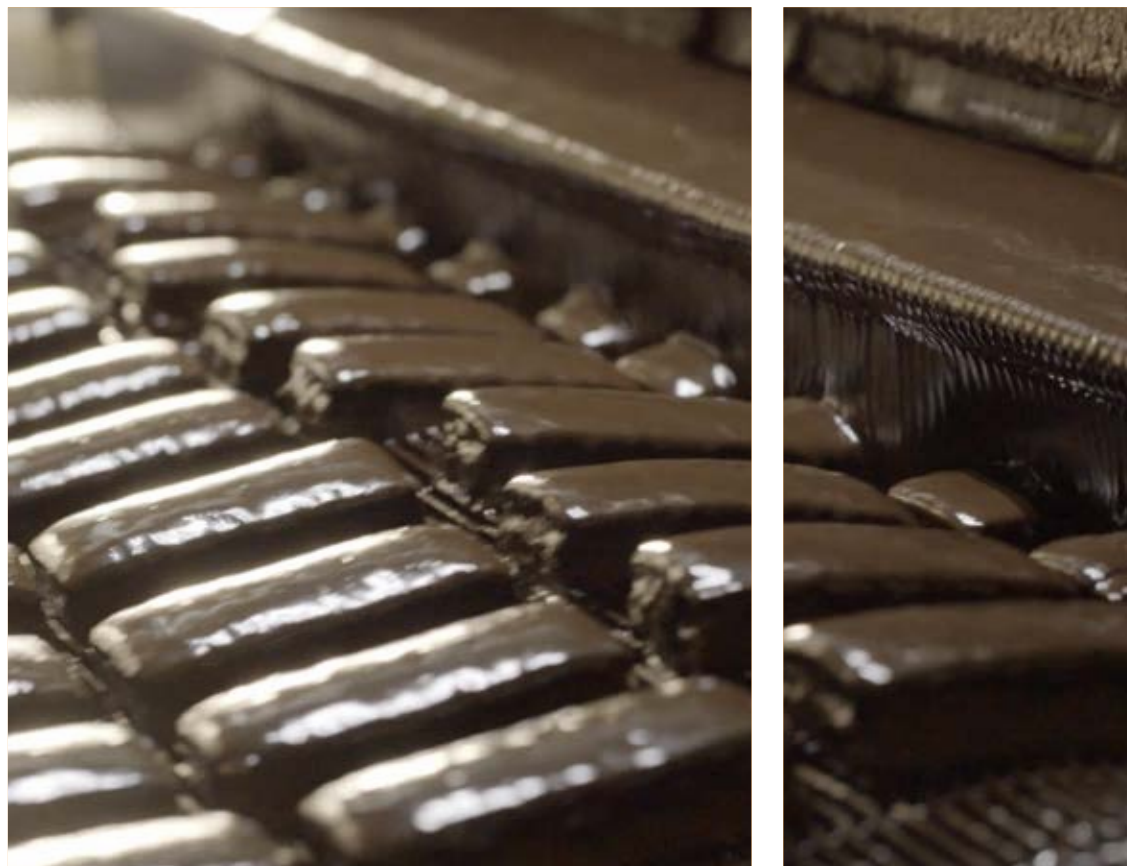
Recipe Protection

In a related vein, Edita is currently executing its Keystone Project aimed at enhancing the confidentiality of its operations and protecting its recipes and know-how. This project encompasses building a centralized plant where all recipes will be premixed before they are supplied to production plants. Once complete, the Keystone Project will ensure greater efficiency and consistency of Edita's operations by eliminating any

variability of materials and ingredients added in the production process. The project will be implemented on one of Edita's current premises and is expected to be finished by the end of 2019.

Whistleblowing

In a strong anti-corruption move against wrongdoers and across all its facilities and offices, Edita has launched secure, anonymous whistleblowing channels through which employees and stakeholders can share concerns on misconducts against Edita's policies and procedures without fear of retribution. The channels can also be used to report any violations of governmental laws, regulations, requirements, and other severe misconducts. All concerns received through whistleblowing channels are meticulously investigated so that the appropriate measures are effectively taken.





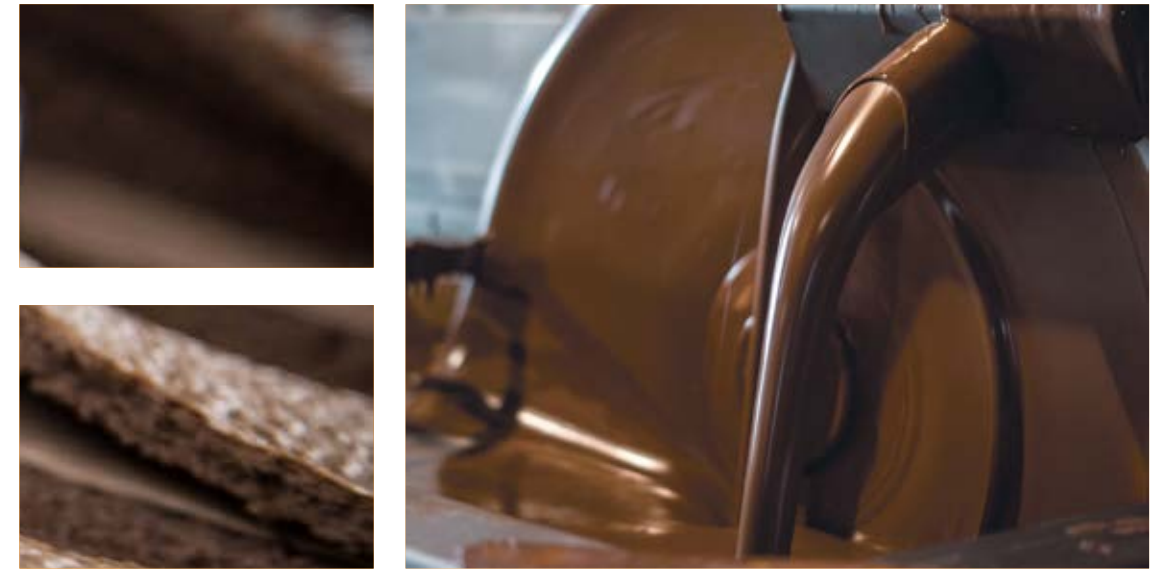
Employee Development

Edita's people are its most valuable asset, and the company strives to acknowledge this by offering a safe and rewarding employee experience. Treating employees well, recognizing their crucial role in achievements and contributing to their continuous development stems from a desire to promote fair labor standards across Egypt. Edita endeavors to serve as a role model, encouraging companies to value their employees – especially blue-collar workers – by offering fair compensation, and value-adding experiences. In this way, we are playing our part in raising the bar for employment standards across Egypt, and we reinforce our reputation as “an employer of choice”.

Fair Compensation and Benefits

Providing all employees with fair compensation and a living wage is a most fundamental component in Edita's efforts to provide quality work experiences. The company benchmarks pay and benefits packages offered to

management-level employees against the top ten companies in the fast-moving consumer goods market. As part of their benefits packages, all Edita employees receive a “13th month bonus” equivalent to one additional month of their salary or wages, and is distributed twice a year at gatherings that are held for all employees. The company makes extra effort to stay on top of any economic shifts to adjust pay increases accordingly. Most recently, it re-evaluated white collar and managerial compensation plans in 2018 and in turn, updated job descriptions, salaries and benefits, making Edita's offers highly competitive within the market. Salary adjustments and promotions are also provided in recognition of exceptional performance. All employees are evaluated using an objective and standardized method, and performance reviews are stored in Edita's online HR system, which is fully integrated into its SAP system. Other benefits extended to all Edita employees include a life insurance policy and generous health



“ Edita's commitment to treating employees well and recognizing their crucial contribution to its achievements also stems from a desire to promote fair labor standards across Egypt.

insurance packages. Regular transportation is offered to blue and white-collar workers, to lower the expense of daily commutes.

Encouraging Feedback

Boosting employee morale and satisfaction is primarily rooted in listening to employee likes, dislikes, concerns, and recommendations. Edita fosters a highly interactive culture where sharing is encouraged; and the company has developed several mechanisms to make sure that no voice goes unheard.

Our Center of Excellence's Organizational Climate Survey: This extremely helpful tool provides valuable insight into how employees feel about the organization and how they view themselves within its scope. It addresses seven primary points which are loyalty and commitment, communication and collaboration, performance and compensation, leadership, work-life balance, learning and career progression, and strategic orientation. The

first survey, conducted by the end of 2018, presented extremely positive findings. Edita employees were shown to be of an extremely accepting nature, have a high sense of belonging to the company, think of their work environment as healthy, and believe that they possess all necessary tools to achieve their work goals and objectives.

Our HR Business Partner's “InTouch” program: Edita is particularly proud of its In-Touch Program, an initiative that focuses on improving the organizational culture through empowering blue-collar employees. Regular meetings with a randomly selected group of blue-collar Edita workers provides a safe space for listening and exchanging opinions and a healthier work environment. Meeting results are then communicated to top management who constantly enhance the operational culture and make sure challenges and obstacles are appropriately overcome.

Learning and Development

Edita supports its employees' professional growth by regularly providing a variety of trainings and learning opportunities. Team members acquire new skills and as a result, perform their roles with greater efficiency, as well as increase their overall qualifications. Edita's academies came to be as a channel through which the company can deliver its versatile courses, workshops and seminars.

Edita Sales Academy (ESA)

Sales workshops are consistently delivered to the team, each to improve a different set of skills. After conducting assessments in early 2018, the academy invited Beacon Training UK to conduct Middle Management Sales trainings in April and December 2018, with focus on improving people management skills and operational efficiency frameworks. Trainees have also adopted coaching skills that help them develop their direct reports in the future.

Edita Manufacturing Academy (EMA)

Edita is the first company in Egypt to realize the potential of perfecting an effective industrial culture, particularly through using Franklin Covey's 7 Habits of Highly Effective People Framework. As a result, and in cooperation with FC Egypt, an industrial version of the framework was delivered in 2018 to 785 Edita workers, across 1,570 training days. The training boosted employee efficiency at the workplace, and encouraged critical thinking, task-orientation and proactivity.

Edita Quality Academy

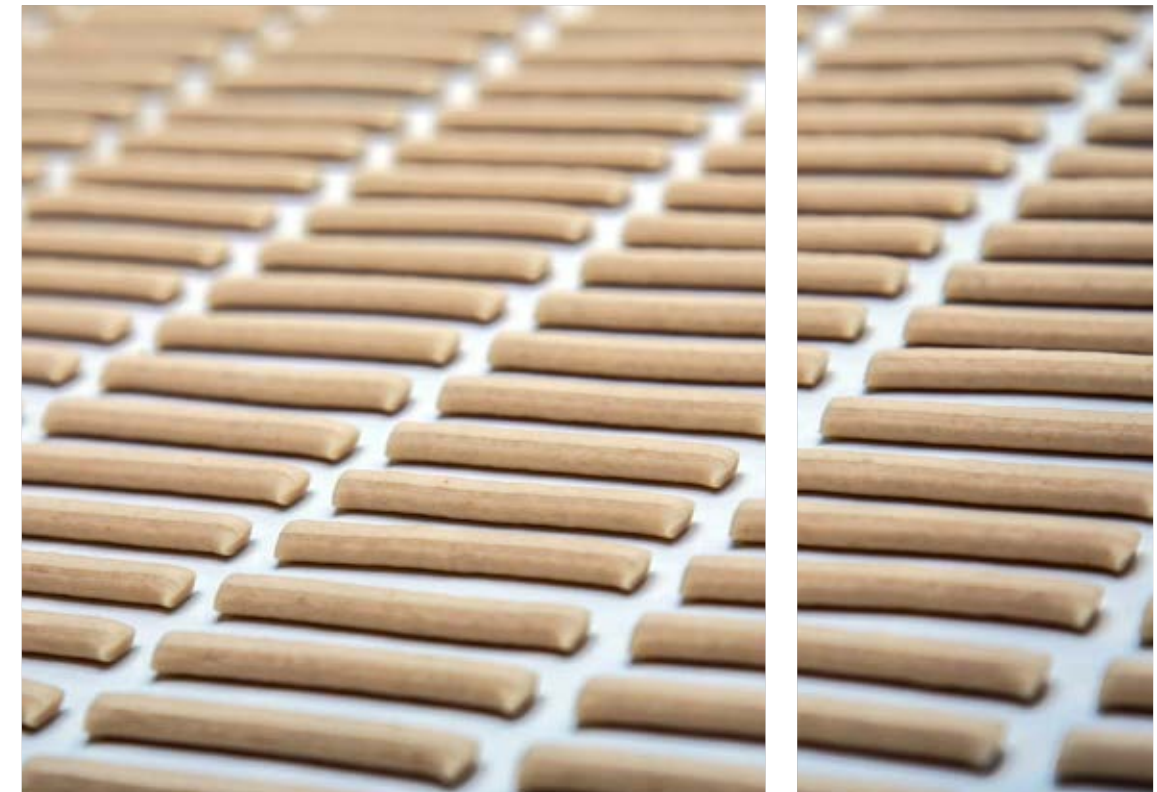
By using the data driven Six Sigma methodology DMAIC, the academy continued to deliver its second Quality Improvement module in 2018 with its Quality and Production teams. Real projects that the teams are working to improve in their plants were used for application, and the results were applied in real-life contexts.

Company Training Plan

Edita feeds its annual training plan with modern, diverse approaches which tackle different sets of skills and employees. Its 2018 trainings instigated massive development across the spectrum, covering topics that range from creative thinking and innovation to leadership skills and approaches.

- Skill Bites Training: This 2018 training program was delivered across 39 sessions and 280 training days to 719 employees. Each "bite" takes an average of 2.5 hours, and targets a competency using a provided tool. After consulting employees on competencies that needed developing, the covered topics included creative thinking, multiplier leadership, time management, emotional intelligence, negotiation skills, pitching, storytelling, the art of feedback, and more.
- Team Bonding: In 2018, two team bonding activities were organized to constructively bridge gaps and increase collaboration between departments. The activities, under the names of "Walk a Mile in My Shoes and Let's Do Business Together", and "Sail My Ship", have succeeded in refining communication and conflict-resolution approaches across Edita.
- Learn with Leaders: We believe that leadership potential resides within all our employees and affording everyone an equal

opportunity to explore possibilities is what "Learn with Leaders" aims to achieve. The new initiative depends on the experience and knowledge of Edita's existing leaders. Each participating leader is tasked with picking a topic relevant to their function, and a lively discussion begins with the desired result being an increase in employees' business acumen.





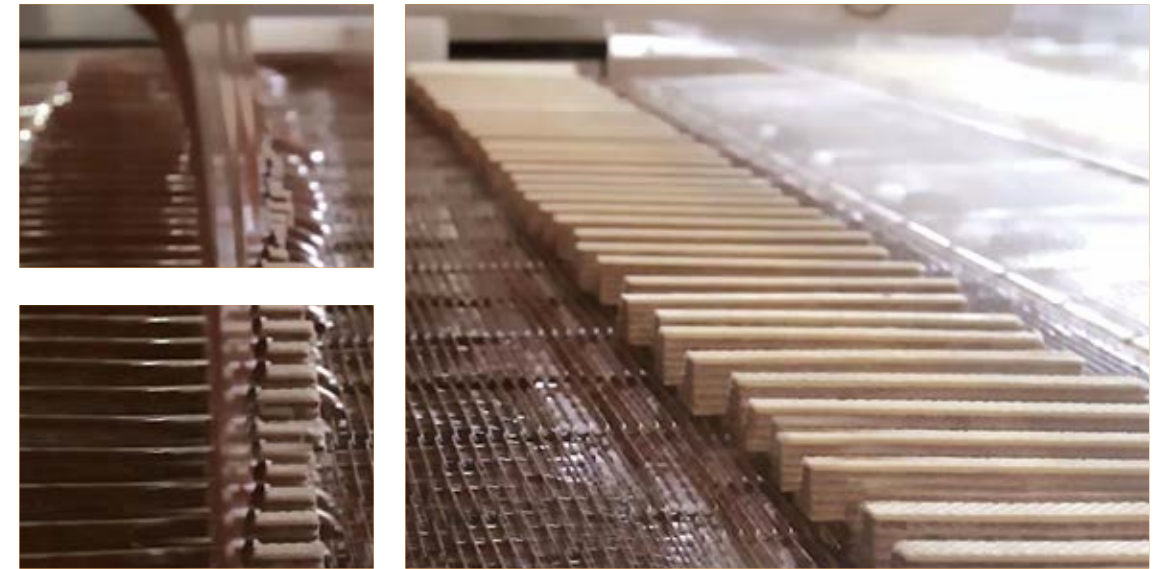
Employee Health and Safety

Edita puts its employees' well-being at the forefront of its operations. Through establishing the Safety, Health, and Environment (SHE) department, the company has successfully set rules and protocols that guarantee a safer work environment, and now incorporates the rigorous SHE policies into all standard procedures across its operations. Edita also set out to receive the top available international certifications in health and safety, and as of 2018, all of the company's production facilities have received the Occupational Health and Safety Management System certification (OSAS 18001) and the Quality Management System certification (ISO 9001), proving adherence to international standards for health and safety and paving the road for a safer, more employee-conscious work environment.

In line with these policies and certifications, Edita's plants are equipped with vital safety

equipment, including firefighting pumps, boxes, hoses, extinguishers, alarm systems, emergency tools, and first aid kits, all of which are tested periodically using checklists. Edita's firefighting and alarm systems are examined and maintained through contracts with third-party experts, and at least two fire drills are held annually per plant.

The Edita Risk and Environmental Management System (eREMS) was developed to, among other goals, enhance worker safety, and specifically identify the necessary safety equipment Edita employees must use to complete their work. Our plants are supplied with a number of safety equipment such as safety shoes, heat resistant gloves, electric isolated gloves, dust masks, cut-resistant gloves, safety harnesses and belts, gas masks, eye protection goggles, welding face shields,



“ All Edita employees are familiarized with safety best practices through extensive trainings on Edita's SHE policies and procedures.

and welding aprons. Equipment quality is monitored regularly, and any damaged gear is replaced as needed.

When establishing new plants or launching new activities within existing plants, Edita always conducts a full risk assessment and implements procedures to address any identified risks. Conditions of procedures, associated hazards, and policy countermeasures are periodically reviewed to identify and make necessary updates or changes. Any injuries that occur on company premises are mitigated, recorded and heavily investigated to develop action plans that prevent similar incidents from occurring in the future.

All Edita employees are familiarized with the best safety measures through extensive trainings on Edita's SHE policies and

procedures. They additionally receive training in firefighting, emergency response, lockout tag system, manual handling, electrical safety, working at height, working in confined spaces, first aid, and safe cleaning procedures. Employees' knowledge of occupational safety standards is also regularly revised through refresher courses we call "Toolbox Talks". Outside contractors and visitors are also made aware of fundamental SHE policies and procedures, particularly ones that are relevant to their on-site activities with the company. Any chemicals or hazardous materials used in Edita's plants are carefully stored, and employees who must utilize them receive thorough chemical control trainings.

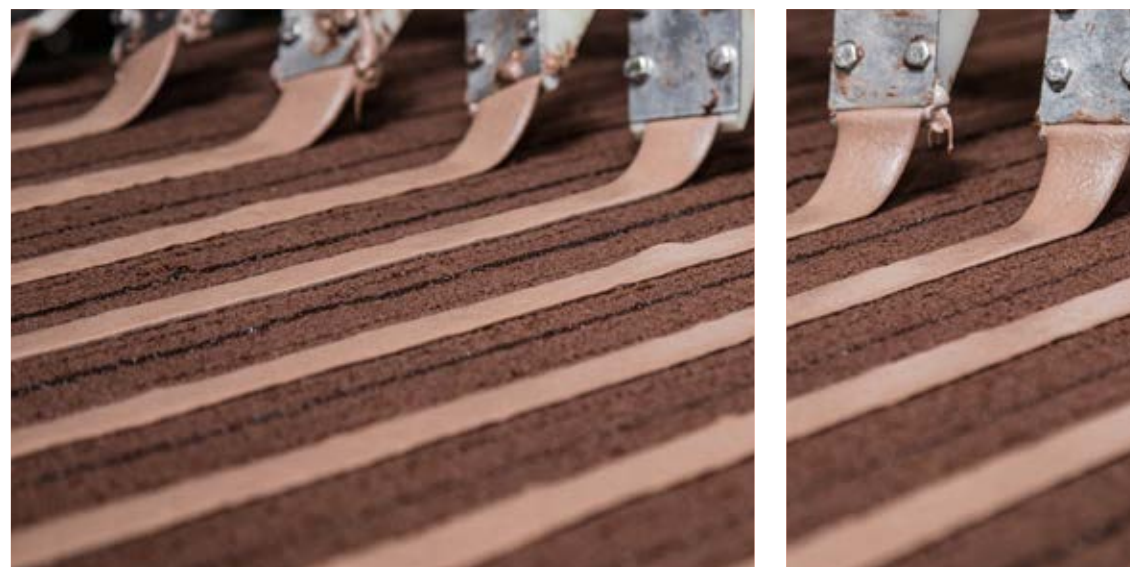
Operational Sustainability

Fostering sound work environments and maintaining steady levels of production counts on preserving our healthy, steady operational efficiency. Edita is extremely conscious of the importance of preparing for the future, and so all current production lines, factory upgrades and new facilities are created with this outlook in mind, making every day a day for sustainable growth. Edita also approaches sustainable operations with the Triple Bottom Line framework in mind, making sure that all developments are geared towards improving profits, empowering people and taking care of the planet.

It is vital for us to provide our workforce with establishments that can cater to growing and expanding needs, while guaranteeing their health safety. Edita's state-of-the-art

production facilities have been constructed, one after the other, and are equipped with the best technologies available to date, upgraded at every available opportunity. These facilities are meticulously kept, specifically to operate in line with the best food and quality management standards available. Edita's supply chain department also participates effectively in its facilities' operational upkeep and well-being, decreasing downtime and increasing daily production using thorough, round-the-clock planning.

Edita's five advanced facilities, E07, E06, E08, E10 and E15, are all located outside residential areas and communities, in the 6th of October City, 10th of Ramadan City and the Beni Suef Industrial zones. To ensure compliance with international standards of operation, health,



“ Edita takes pride in its steady production and competent work environment, recognizing the role of sustainable operations in maintaining its leading presence in the market.

safety and sustainability, Edita subjected its facilities to the highest level of assessment and evaluation, and subsequently received the following certifications:

- Food Safety Management System (ISO 22000)
- Quality Management System (ISO 9001)
- Environmental Management System (ISO 14001)
- Occupational Health and Safety Management System (OSAS 18001)
- Food Safety System Certification (FSSC 22000)
- National Food Safety Auditor (NFSA)
- HALAL food certification

Edita's SHE policies and eREMS system are tasked with evaluating and eliminating environmental risks in operations across all factories, without disturbing the timeliness and high standards of our productions. The company's latest development among its five facilities is the E08 plant, with two operational production lines and space for nine more. Its full upgrade has triggered maintenance and upgrades across the rest of the plants, most notably the full renovation of the E10 plant.

Research and Development

Edita prides itself on its specialized, highly innovative in-house team of specialists who play a central role in keeping it at the forefront of the snack food industry year after year. The department additionally guarantees Edita its creative independence, allowing us the opportunity to create, experiment and innovate.

With consumer appeals continuously changing and the market always presenting new, intriguing challenges, Edita's 15 local and international specialists are counted on to bring their global experience to the table. Rigorous research, developments, and trials are regularly taking place, feeding into Edita's brand equity through the introduction of products that keep the company a fresh face and a desired name in the market. By continuing to cater to emerging wishes and behaviors, Edita roots itself as a consumers' favourite sustainable snacking partner, always prepared to bring excitement to the market. This does not always result in introducing entirely new products; it more importantly spells out upgrades and additions in current products' designs, tastes, flavours, sizes, and more. Edita prioritized perfecting its existing products in 2018, supporting the upsizing and downsizing of some SKUs, and introducing new flavors in some of its key products, like Bake Rolz. New products are continuously being researched to meet increasing demands and to join the growing competitive markets, and many are already in the pipeline for 2019 and 2020.



Environmental Sustainability

Edita recognizes that to truly serve its customers and support Egypt's economic growth, the company must structure its business in a way that reduces its ecological footprint and actively promotes environmental preservation.

On the most basic level, Edita preserves the quality of people's environment by locating all plants in industrial zones far from residential communities. The company's rigorous Safety, Health, and Environmental (SHE) policies and newly implemented Edita Risk and Environmental Management System (eREMS) help it to ensure all operations and procedures minimize environmental risk and include safe disposal of waste. Edita has also taken steps to promote green behavior and reduce waste production and energy consumption across its offices and facilities. 2018 saw the company develop an ambitious four-year plan to reduce resource consumption across its facilities.

Green Policies and Operating Standards

Edita's SHE policies ensure that all facilities are in compliance with environmental rules, regulations, and best practices, not only in Egypt but also at the international level. This is reflected in the fact that Edita has achieved ISO 14001 certification across all facilities. This international occupational certification specifically requires companies to put in place an effective environmental management system aimed at reducing waste, decreasing utilities consumption, increasing resource efficiency, and assessing and improving overall environmental impact, in addition to meeting all environment-specific legal obligations.

Edita views its ISO 14001 certification and SHE policies, not as a final achievement in its efforts to promote occupational safety



and health and environmental sustainability, but as a basis on which to continually review and improve its impact. To that end, in 2017 Edita implemented its unique eREMS, which integrates the company's SHE policies with its operating standards. This system is built on three core values: property protection, injury protection, and environmental sustainability. The third value aims to reduce Edita's environmental footprint and protect communities from any potential adverse environmental effects of company operations. All eREMS standards and procedures are applied to any third parties and contractors with whom Edita works.

Rigorous Monitoring of Edita's Impact

Executing on Edita's SHE policies and eREMS procedures, the SHE Manager and Department monitor all of the company's environmental risks and impacts. Risk assessments,

which include an assessment of environmental risks, are conducted whenever new activities are begun at all facilities. Using the information gathered from these reports, Edita makes adjustments to minimize impact and develops an emergency action plan tailored to the specific activity.

The SHE Department also measures emissions created by Edita's operations on an annual basis and conducts periodic local measurements factors that can contribute to environmental pollution. Comprehensive systems have been put in place to limit the creation and ensure the safe handling and disposal of solid, hazardous, water, and chemical waste. Resource and energy consumption and waste production at Edita's offices are monitored as well. The SHE Department also evaluates the environmental and social practice of other companies throughout Edita's supply chain, as the

company's suppliers are key contributors to its overall environmental impact. In collaboration with Edita's Continuous Improvement Department, the SHE Department analyzes the data from its monitoring efforts to identify areas for improvement and develop solutions to reduce environmental impact and promote overall efficiency in resource usage.

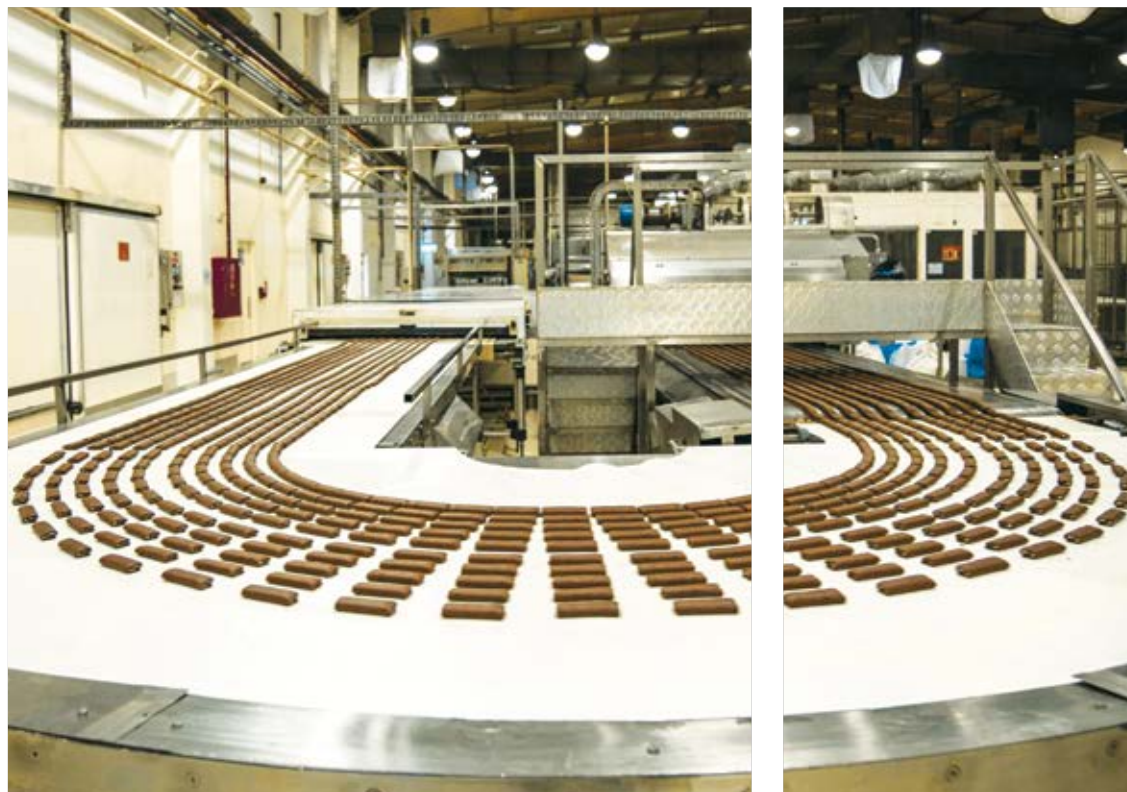
Taking Steps to Reduce Environmental Impact

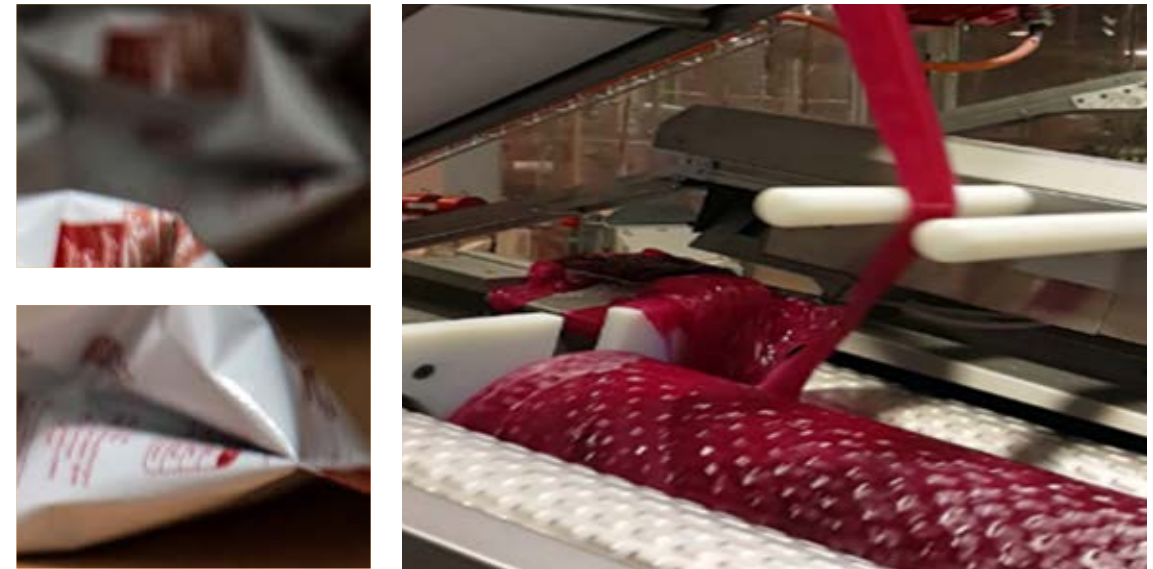
Based on data analysis and recommendations from the SHE Department and other stakeholders, Edita has implemented a number of improvements aimed at reducing its ecological footprint and enhancing its positive impact in all offices and plants. A small but significant adjustment includes replacing all of Edita's conventional lightbulbs with LED lights. The company has also developed infographics and

informational materials to raise awareness among employees on how to reduce their resource consumption and "go green" in the workplace. In 2017, a wastewater treatment plant was established at Edita's E10 plant to achieve safer and more efficient recycling of waste, and another was introduced to Edita's E06 plant in January 2019.

Forward-looking Resource Conservation Strategy

In 2018, Edita launched its new four-year environmental management plan focused on improving energy efficiency and exploring renewable energy solutions to reduce the company's carbon footprint. Edita will partner with a third-party consultancy to conduct energy audits in all of its plants and put in place resource conservation plans.





Diversity & Inclusion

In line with its commitment to human rights, Edita actively aims to celebrate diversity and facilitate inclusion across all areas of our business. Edita believe that diversity is an asset for any company, and embracing employees' unique experiences and perspectives can drive productivity, enhance employee satisfaction, and spur innovation. The company recruits job candidates from across Egypt and aims to fill all positions – including decision-making and management roles – with people of different backgrounds and experiences. Edita cultivates an inclusive work environment through a combination of intentional policy development and enforcement, regular awareness trainings, and a focus on women's empowerment.

Developing a Diverse Workforce

Edita strives to actively recruit highly skilled employees with diverse backgrounds and experiences to positions across the company.

Having a diverse workforce at all levels of its operations helps Edita to remain a dynamic and innovative company that considers a variety of perspectives when making strategic decisions. As its plants and distribution network span the entire country, Edita hires employees from communities around Egypt. The HR department also sets specific key performance indicators (KPIs) for women's participation in Edita's workforce and representation at different levels of the organization, including at the management and decision-making levels.

Creating an Inclusive Workplace

Edita understands that for a company to realize the true value of its diverse workforce, it is necessary to create an environment in which people feel that their identities are not only respected, but also celebrated. With this in mind, Edita has developed a rigorous zero-tolerance policy regarding discrimination based on race,

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ethnicity, gender, age, disability, religion, or political views. The company's management team firmly believes in the importance of inclusion in the workplace and expresses this value in all communications to employees.

Additionally, Edita regularly conducts awareness and sensitivity trainings throughout the company to ensure that employees understand the value of diversity. Edita has also developed a program to rotate employees between departments that facilitates an internal culture of understanding and encourages appreciation of differences.

A Focus on Women

Edita has chosen to incorporate a focus on enhancing women's experiences within the company into its overall mission to promote diversity and inclusion. In addition to actively recruiting women for positions at all

levels of the company, Edita strives to create supportive professional communities within the workplace for women employees. The company also offers several activities and events throughout the year to promote gender diversity in the workplace.

To assess its progress in promoting gender equality in the workplace, in December 2017 Edita conducted a Participatory Gender Audit of its operations in collaboration with the International Labor Organization and the UN Global Compact. Edita is proud to be the first Egyptian company to participate in this “social” quality audit, which assesses whether a company's internal practices and support systems for mainstreaming gender equality are effective and consistently implemented. The audit helped Edita understand which of its practices have been successful and identify areas for improvement.

Towards A Sustainable Future

Joining the UN Global Compact (UNGC) has provided Edita with an excellent opportunity to assess its current sustainability practices, identify strengths, and select areas on which to focus developmental efforts. The UNGC encourages corporations and relevant stakeholders to adopt improved, more sustainable business and environmental practices and in turn, benefit their communities while maintaining desired operational levels. The compact has so far called 9,913 participating companies from 159 countries to action, and all members align their company strategies with 10 principles that have been predetermined by the UNGC, and that stem from four pillars of global importance which are human rights, labor, environment and anti-corruption.

The decision to further integrate sustainability into Edita's operations has coincided with a multi-year push to bolster other aspects of its business by strengthening its corporate governance and integrating employee safety and environmental protection standards into operating procedures. These internal efforts create a foundation from which the company can then grow its external outreach. The company finalized a sustainability framework aligned with the UNGC's principles and the UN's Sustainable Development Goals (SDGs), specifically choosing six goals that align with its mission as a major industrial snack foods company and a socially responsible entity. The

chosen goals are good health and well-being, gender equality, reduced inequalities, sustainable cities and communities, partnerships for the goals and quality education. Through the creation of a comprehensive corporate social responsibility (CSR) program, Edita began implementing its initiatives.

Brewing future leaders

In 2018, we decided to continue expanding our educational initiative with "Ta'awon Primary School" in Beni Suef governorate. In partnership with NGO "Educate Me" and the Egyptian Ministry of Education, three-day educational camps are conducted for primary school children and their mothers. Children participate in interactive lessons focused on teaching interpersonal and life skills such as inclusiveness, perseverance, and respect. In parallel, mothers participate in sessions tackling everyday needs such as healthy eating for the family, budgeting, and other similar topics. The plan includes the mother, the family unit's vital support system, as her improved knowledge will imprint positively on children.

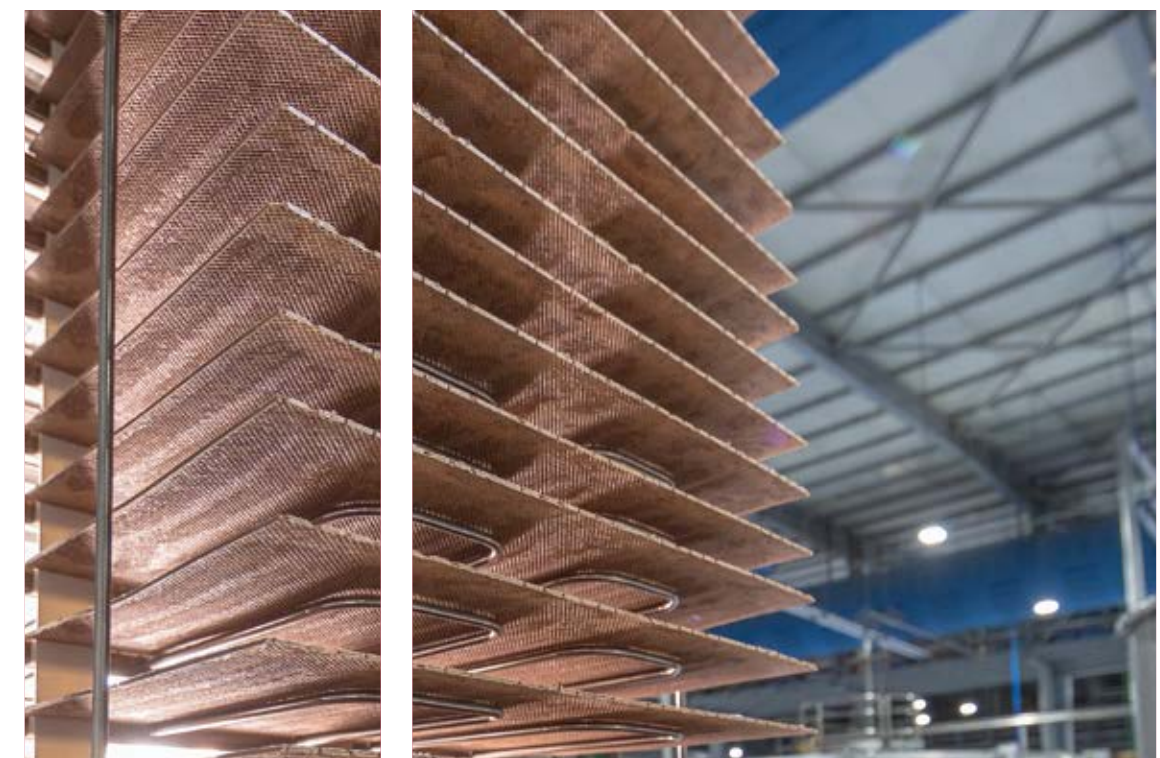
The initiative goes by the name "Building Pioneers", which summarizes our vision for all participants who deserve the opportunity to garner necessary skills to become future leaders. Edita employees are encouraged to participate and add their longstanding expertise



to the table. They have shown high levels of engagement and continuously add value by supporting the camps.

Results and impact in 2018 were outstanding. Over the course of 2,355 training days, we have succeeded in training 785 students and 450 mothers in 6 different camps. This has encouraged Edita to substantially increase the scale of the program in 2019 and onwards, where Ta'awon will continue heavily participating in

our camps over the next three years, becoming our center of excellence. Edita's expansion plan for Ta'awon includes involving teachers and educators in the training camps, as well as a heavily investing in the school's playground infrastructure. Through optimizing impact and observing best practices, Edita is planning for the initiative to reach greater masses of students outside Ta'awon, currently scheduling to cover up to 4,000 students across more and more schools every year.



Edita's social responsibility within the UNGC framework has been mapped out for 2019:

April 2019

Global Survey - Our story in 100 words

Edita was interviewed by Lisa Hildemann, SDG Pioneer Program Co-ordinator, as part of a Global Survey Initiative that aims to highlight our leading sustainability practices and what sustainability translates to within our organizational framework. We were additionally asked to describe, in 100 words, how we managed to integrate sustainability into business processes and procedures, and how this affects the society we live in today. We have chosen to highlight our achievements with Beni Suef Governorate's school children in the survey.

April 2019

SME Corporate Governance Certified Training Workshop

Our Business Compliance Team received certification following the completion of a workshop on SME Corporate Governance, launched by the International Finance Corporation (IFC) and UNGC Egypt. The workshop focuses on instilling sound governance standards in small and medium enterprises, to assist them in specifically and holistically improving performance, growth rate and sustainability practices.

May 2019 - September 2019

SDG Pioneers Program

Edita aims to remain at the forefront of global sustainability efforts, and have decided to nominate three of its most distinguished employees for the UNGC's SDG Pioneers search. Employees who promote the global goals and lead implementation within their companies in accordance with the UNGC 10 principles are selected to become global SDG pioneers. Local winners are recognized in the first round, in May 2019. Local winners then automatically move forward to join others from around the world in the global round. The final SDG Pioneers will be announced and recognized during the 74th Session of the UN General Assembly in New York, in September 2019.





Edita Food Industries S.A.E.

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