

Human Rights:

We, Modern Bakeries, ensure the protection of human rights within our operational activities on and off premises.

We develop an important section to document Human Rights within our activities in the Code of Conduct, which is being supervised, monitored and protected by associated parties (legal affairs and outsourced HR Department)

We have an internal communication system that permits every employee to deliver his issues directly to the CEO through complaint and suggestion box, periodical meetings, and the open door policy that the CEO conducts to allow any employee to meet him anytime.

Out of our belief that everyone should be evaluated according to his/her performance without being affected by his gender, color, religion, or race. We implement the performance management system, which is being monitored by our outsourced HR department.

In case of human right violation, we in MB conduct an investigation through the legal affairs department supervised and monitored by the out sourced HR department, in order to make sure that all rights are preserved and no misconduct should occur again. Should the investigation result in such prohibited misconduct, a strict disciplinary action is taken against the employee.

All the disciplinary actions taken are abided by the Egyptian labor law.

Our goal for the upcoming years is to make sure that all employees are well aware and understand the COC, through giving them periodic orientation sessions. We will include a human rights section in the employee satisfaction survey for the year 2012 as well.

One of our main accomplishments is issuing the Code of Conduct.

In order to sustain our social accountability, there will be an audit by an external party on the 18th of September.

Labor:

We in MB ensure that all labor receive their rights fully by following the Egyptian Labor law in all our operational activities. As we abide by labor law, we do not permit child labor, compulsory labor or employment discrimination which is explained thoroughly in our coc **17. Forced or Compulsory labor, child labor and young employees**

In accordance with the fundamental provisions of the International Labor Organization ILO and its commitment to the UN Global compact the company respects the human right to personal liberty. All employees must be employed on their own free will and informed clearly about the terms of their contract. The company will not make use of exploitative and illegal child labor. Young employees above the legal minimum age of 14 will be provided with a safe working environment and appropriate training and development opportunities. (COC to translate)

46. Forced or Compulsory labor, child labor and young employees

In the recruiting process, you need to make sure every new employee is hired on his or her own free will and informed clearly about the terms of the contract. The personal data and age of the new employee has to be proven and documented. Young employees above the legal minimum age of 14 can be employed only as trainees, ensuring a beneficial working environment, appropriate training and development opportunities.

Concerning labor health and safety we in MB are concerned with our employees' health and safety. We conduct a periodical health and safety trainings internally and externally, to make sure that every person in our company is aware with hazardous nature of our operation. To guarantee the safety of our employees, we conduct periodical first aid and CPR training to make sure that people could support each other in case of emergency.

We conduct periodical training on all systems implemented in our company. Post to this training, a training assessment report is executed, as well as a small exam to ensure that every person is aware with the training conducted.

Ensuring that every person receives a fair employment package, we exercise an annual salary satisfaction survey by our HR outsourcing provider to make sure that we are exactly within the market boundaries. Also in the annual raise, we depend mainly on the performance appraisal process which is also conducted and monitored by the HR outsourcing department who analyzes and decides on the annual raise. The HR department ensures that every employee approves his/her score in his performance appraisal.

45. Equal Opportunities: *In recruiting process, promotion and benefit allocation, as well as imposing of sanctions, it is crucial to uphold Modern Bakeries firm belief in the principle of equal opportunities and equal rights of appointment, payment and promotion for all employees.*

You are required to take great care to neither practice nor tolerate discrimination in hiring and employment practices on the ground of race, color, religion, gender, age, physical ability, national origin, or any other grounds that are not related to the performance of the employee's duties.

The HR Department has to serve as unbiased contact point and try to promptly and effectively resolve conflicts related to discrimination complaints.

MB always guarantees that the global compact practices are abided and exercised not only by itself, but also by its' suppliers and business partners.

32. Human Rights: *In accordance to our commitment to the principles of the UN Global Compact, Modern Bakeries will always aim to protect and advocate for human rights in all the company's activities and spheres of influence, and will not knowingly be complicit to any governmental or other party human rights violations.*

We in MB commit ourselves to pay our employees a minimum wage that is sufficient for them to have a decent living, even if the set value by the Egyptian law is lower than this minimum wage.

49. Compensation: *As a member of the HR Department, you are responsible for continuous review and if appropriate, developing suggestions for update of the wage structure. You have to ensure that promotion, compensation and benefit schemes of the company are applied accordingly.*

We are in the processes of issuing an employee handbook that contains all the policies and procedures that apply in the company.

Anti Corruption:

MB believes that any ethical or legal misconduct is an unacceptable issue that should be dealt with immediately, to prevent such demeanor occurring inside the company premises. We have clearly mentioned in the Anti-Corruption Policy in our Code of Conduct and in the employment contract.

That is why we dedicated a respectable section from our COC to this topic:

Commitment on Anti-Corruption: Modern Bakeries is determined to combat corruption and bribery in all its forms. Our strict zero-tolerance policy contains provisions for transparency and legal compliance of all financial transactions and reports, and strictly prohibits the offering or accepting of bribes or facilitation payments in dealing with governmental and non-governmental agencies, as well as the use of personal relations to advance company affairs. We spread awareness of the need to combat corruption and bribery, also through employee training, and require all staff to sign the anti-corruption policy.

Political Contributions, Charitable Donations and Sponsorship: Modern Bakeries prevents political contributions, charitable contributions and sponsorships as a cover for bribery. We seek to avoid situations where the contribution could create the perception that the intention is to obtain a business contract or advantage as a direct result of the contribution. We ensure that contributions and donations are granted to credible organizations. For internal transparency reason and enabling public scrutiny we publicly disclose all our charitable contributions or sponsorships, direct or indirect political contributions.

Conflicts of Interest: Modern Bakeries expects all employees to avoid conflicts of interest between personal interests and the interests of the company, and the company takes great care and has implemented clear rules to prevent such conflicts of interest in all departments. Any company member is prohibited to participate in an activity or decision that involves an actual or potential conflict of interest, unless notified to and approved by his/her supervisor, who will determine special terms and conditions where necessary. It is also prohibited for all the heads of all levels to use their subordinates or other workers for special services during their official working hours and to abuse their power for personal gain in any form.

Contract Payment Terms: To ensure transparency and prevent loopholes for bribery and undue favours in setting up terms and conditions of any contracts with third parties, delivering services or supplying goods to Modern Bakeries, we ensure and enforce the following principles:

- clear commercial justification must be given for all payment terms in contract agreements*
- any commission fees have to be balanced by measurable business value*
- services supplied by third parties have to be clearly recorded, and the terms of service understood and agreed upon in advance with responsible persons within Modern Bakeries*
- any payments have to be made in accordance with relevant tax laws*
- payments will not be conducted offshore, or in cash*
- contract terms allow for immediate termination of the agreement if the other party pays or accepts bribes in connection with the business*
- our internal auditors are obliged to report anything suspicious which might indicate irregularities connected to bribery or money laundering*

Environmental:

Annual measurement of the Environmental aspects (such as dust, exhaust, sewage) is conducted by governmental authority in order to be controlled and comply with safe limits reported by the government. Appropriate actions are taken in case of any deviations of the environmental aspects. This issue is internally audited twice per year through internal audits and once per year externally by the certification body of ISO 14001:2004.

Company policy is designed to address the environmental issues and its responsibility along with all its employees to control their activities to be "Environment- friendly" and to avoid any negative impact of the activity on the community and environment. It is established to emphasize on the importance of the environment issues for our life, product and business success. It is written, communicated to all levels of employees to be reviewed once per year by Top Management through Management Review meetings and twice per year in the internal audits.

33. Environmental Responsibility: *Modern Bakeries recognizes the natural environment as the foundation for human life and well-being, and our own business activities. The company is committed to protect the environment and the community by complying with the relevant national laws and proving the application of highest international standards by independent certification. The company constantly aims to improve the eco-efficiency of its operations, and contributes actively to combating climate change by reducing hazardous emissions.*

Separate procedures addressing all environmental issues are established, locating the responsibilities of controlling every aspect and issue within the company.

Certain procedure is established that defines responsibilities, procedures to protect humans, products, environment from the impact of incidents. Any incident is to be recorded in details determining the root cause of this incident, corrective actions needed, and individuals related to this incident to be a lesson for future activities and periodically counted to evaluate the level of the company against the environmental system.

Legal requirement identification procedure is established to identify the legal requirements for environmental issues, responsibilities for applying, monitoring these requirements and actions taken in case of any violations of these issues.

ISO 14001:2004 System is applied in the company from 2006 till present with annual external auditing by certification body.

Training and refreshment sessions are scheduled annually in the training plan to all employees on the requirements of ISO 14001:2004 Standard and tools used to protect environment from any violations.

Project on reducing/saving different resources are initiated such as waste, energyetc. A saving project list is available indicating saving target, action plan and time frame.

Productivity and process efficiency are measured and followed up on daily basis to achieve highest rates with lowest amount of resources (i.e. productivity per man hour, % of losses, % of rework, down time, % of OEE). Records and values of these KPIs are available upon request.

ISO 14001:2004 is established , applied ,monitored and audited including the responsibility of Top Management till lower levels of individuals towards the environmental aspects that covers Policy , decision making , periodic awareness , specific environment measures , auditing all environmental management system activities regularly.

Annual objectives and targets related to improving the environmental issues are set, responsibilities are designated; means and time frames are settled, periodically followed up and evaluated.

Top management reviews all environmental system activities and its follow up at least once annually through the management review meetings.

Suppliers are audited annually to assure they have a certain approach or system to focus on and handle all the environmental issues and their evaluation is influenced by these issues.

The company is looking for a methodology to modify the processes to eliminate their impact on the environmental aspects such as eliminating the amount of dust of one of the production lines by establishing a new system for suction to reduce the dust and reuse it in production. Also, a modification is made in one of the machines (Depanner) that generates noise by installing a silencer to it to eliminate the noise to acceptable levels.