



OPERA SQUARE  
JUN 30TH, 2013

AL MANSOUR HOLDING COMPANY  
FOR FINANCIAL INVESTMENTS

SUSTAINABILITY REPORT  
2011-2012

## ABBREVIATIONS AND ACRONYMS

<b>ADPF</b>	ALEXANDRIA FOR DAIRY PRODUCTS AND FOODS (SECLAM)
<b>CFC</b>	CHLOROFLUOROCARBONS
<b>CSR</b>	CORPORATE SOCIAL RESPONSIBILITY
<b>COGS</b>	COST OF GOODS SOLD
<b>EGP</b>	EGYPTIAN POUND
<b>FMCGs</b>	FAST MOVING CONSUMER GOODS
<b>GRI</b>	GLOBAL REPORTING INITIATIVE
<b>HCID</b>	HAYAT COMPANY FOR INDUSTRIALIZATION & DEVELOPMENT
<b>HR</b>	HUMAN RESOURCES
<b>KPI</b>	KEY PERFORMANCE INDICATORS
<b>KZ</b>	KHEIRZAMAN
<b>MCS</b>	MANSOUR COURIER SERVICE
<b>MD</b>	MANAGING DIRECTOR
<b>MDC</b>	MANSOUR DISTRIBUTION COMPANY (FREE ZONE)
<b>MDGs</b>	MILLENNIUM DEVELOPMENT GOALS
<b>MET</b>	MANSOUR ELECTRONICS & TECHNOLOGIES
<b>MFD</b>	MANSOUR FOUNDATION FOR DEVELOPMENT
<b>MG</b>	MANSOUR GROUP
<b>MHCFI</b>	MANSOUR HOLDING COMPANY FOR FINANCIAL INVESTMENTS
<b>MID</b>	MANSOUR INTERNATIONAL DISTRIBUTION
<b>MM</b>	METRO MARKET
<b>MMC</b>	MANSOUR MANUFACTURING COMPANY (FREE ZONE)
<b>MMTD</b>	METRO MARKET FOR TRADING & DISTRIBUTION
<b>MTD</b>	MANSOUR FOR TRADING & DISTRIBUTION
<b>PMI</b>	PHILIP MORRIS INTERNATIONAL
<b>USD</b>	U.S. DOLLARS
<b>UNGC</b>	UNITED NATIONS GLOBAL COMPACT



TAHRIR SQUARE  
FEB 1ST, 2011





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MANSOUR HQ  
MAADI



# LETTER FROM THE CHAIRMAN

The Mansour Group has a mission and that is to generate profit, in an ethical manner while creating a differential impact. We consistently strive to apply a set of core principles and values in the way we do business. As such, our primary focus has been to provide our stakeholders with our utmost commitment, transparency and integrity. Therefore, we abide by the rules of honesty, truthfulness, transparency, and consistency in all of our business transactions. Our commitment to our stakeholders always governs how we balance our work and life. World class companies usually have cutting edge technology, superior management systems, outstanding electronic systems, and database management, yet the core guiding force behind their success is their human capital – the people who make the decisions and who are responsible for taking actions in these organizations. Accordingly, one of our main accomplishments is our ability to carefully balance between the values, interests, goals and objectives of the organization, in addition to those of the individuals we employ.

Our aim is to lead by example, especially in the area of responsible business conduct. We do so by committing to international best practices as well as raising the Egyptian business community's awareness of their importance. These include principles of the United Nations Global Compact (UNGC) such as human rights, labor rights, environmental responsibility and the fight against corruption. Respecting these principles ensures best practices today and a better future tomorrow. I commit to pursuing the implementation of these principles much further within our companies. In addition, I am committed to the pursuit of the achievement of the Millennium Development Goals (MDGs) within the scope of our projects and activities. Mansour Group is committed to play a strong leadership role vis-à-vis the achievement of these goals both in Egypt and in the Middle East. I also commit to the principles for the years to come.

When I look at global trends today, there is no doubt that sustainability is one of Mansour Group's greatest opportunities to make a difference in the business community, among our customers, within our community, and beyond.

Youssef L. Mansour

Chairman, Mansour Group



MANSOUR HQ  
MAADI



# ABOUT AL MANSOUR HOLDING COMPANY FOR FINANCIAL INVESTMENTS



CONFERENCE RM  
MANSOUR HQ



The Mansour Group represents a family business that started with Loutfy Mansour's entry to the cotton business in the late 1940s. In due time Loutfy Mansour passed-on his business to his three sons, Youssef, Mohamed, and Yasseen. Capitalizing initially on their father's legacy, the Mansour brothers gradually established new companies, entered new sectors, and eventually took their father's success at startup to a global level.

## DIVISIONS OF MANSOUR GROUP

Since the 1980s, the Mansour brothers began to forge joint ventures with reputed global brands; in doing so they established the Mansour brand in Egypt and abroad. Now they are leading a business group with consolidated revenues of over \$4 billion and a workforce of nearly 38,000 employees.

The Group currently operates via six different divisions, each of which owns a number of quasi-independent companies. The activities of these companies span several economic sectors including: the automotive sector, capital markets, industrial equipment, retail, food, and a plethora of services.

The Group has also been focused on diversifying its market geographically. It currently operates ventures in 13 countries (Egypt, Iraq, Saudi Arabia, The United Arab Emirates, Libya, Chad, Nigeria, Ghana, Sierra Leone, Tanzania, Uganda, Kenya, Angola, and Russia) via its headquarters in Cairo. The bulk of its activities, however, remain in Egypt. The figure below depicts the Group's six main divisions, including Mansour Holding Company for Financial Investments, the subject of this report;

### AL MANSOUR HOLDING COMPANY FOR FINANCIAL INVESTMENTS

Al Mansour Holding Company for Financial Investments (MHCPI) – one of Mansour Group's six main divisions - comprises in turn of nine large, semi-independent companies, many of which have been created to produce and distribute international brands in Egypt.

## OUR START

Mansour Group (MG) initially created MHCPI in 1992 to manage a license agreement with Philip Morris International (PMI) to produce and distribute PMI's brands in Egypt. The brands under this umbrella today include Marlboro, Merit, Parliament, L&M, and NEXT.

MHCPI gradually began to acquire some autonomy from MG over time, as MG moved to treat its holding company as a quasi-independent entity. Initially, this meant allowing it to manage its operations with little interference from the Group. Eventually, however, MHCPI was given the right to establish new companies whenever robust business opportunities arise.

As a quasi-independent holding company, MHCPI is monitored only by the need to abide by Mansour Group's corporate policies, strategies, and the fulfillment of the strategic goals and Key Performance Indicators (KPIs) set by the group.

# MANSOUR GROUP

MANSOUR HOLDING COMPANY FOR  
FINANCIAL INVESTMENTS

MANSOUR AUTOMOTIVE COMPANY

MANFOODS

MANTRACK GROUP

MANTRACK GROUP INVESTMENTS

MANSOUR CAPITAL LLP

## DIVERSIFICATION

As mentioned above, MHCFI was initially created to manage the PMI account, but began to diversify its business over time. It moved to purchase the Seclam dairy products processing factory and then entered into the bottled water market by establishing the Hayat-Siwa bottling plant, which bottles pure drinking water under the brand name Hayat.

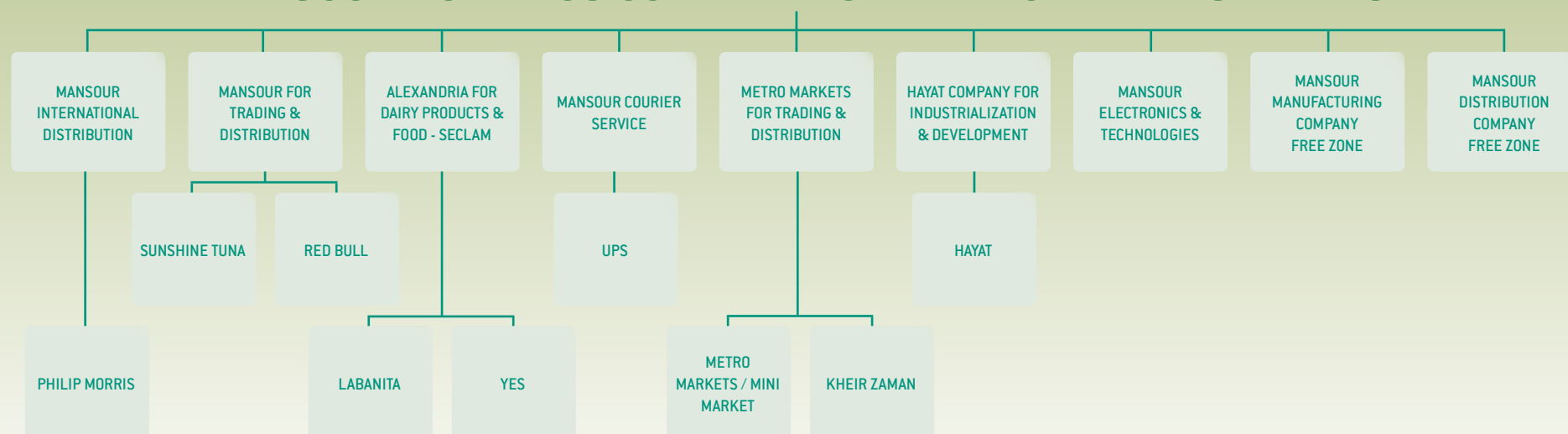
Al Mansour Holding's product portfolio now includes the manufacturing, marketing, and distribution of Philip Morris International's world-renowned tobacco brands, Sunshine Tuna, Labanita and Belhana dairy products, and Hayat Natural drinking water.

In 1998, MHCFI ventured into yet another market, the food retail business—introducing a new supermarket chain by the name of Metro Market. In a relatively short period of time, the name became synonymous with high levels of service and customer satisfaction. In 2006 MHCFI decided to take its supermarket successes a step further, establishing the Kheir Zaman supermarket chain under the umbrella of Metro Market (MM). Kheir Zaman (KZ) caters to the needs of a lower income segment of consumers than that of MM. Today, MM and KZ constitute the largest food retail chain in Egypt, with a network of 92 outlets servicing twelve different governorates nationwide. MM and KZ serve around 115 thousand customers every day.

## OUR COMPANIES AND BRANDS

The companies that currently comprise MHCFI distribute an extensive range of consumer goods to over 130,000 outlets nationwide, making it by far the largest distribution group in Egypt. The figure below outlines the nine companies that now make up MHCFI and the brands that they produce and/or distribute;

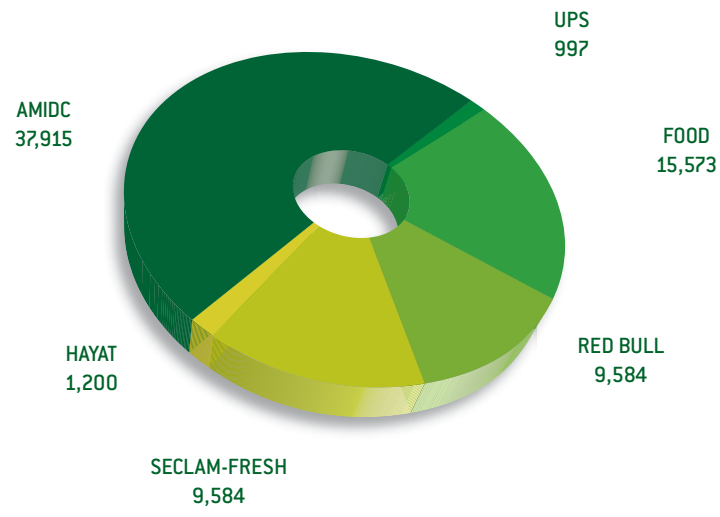
### MANSOUR HOLDINGS COMPANY FOR FINANCIAL INVESTMENTS



The revenues of MHCFI's companies exceeded 8 billion EGP in 2012, employing a total of about 8,400 people, which translates to roughly 22% of MG's total work force. It is currently one of Egypt's largest private sector employers.



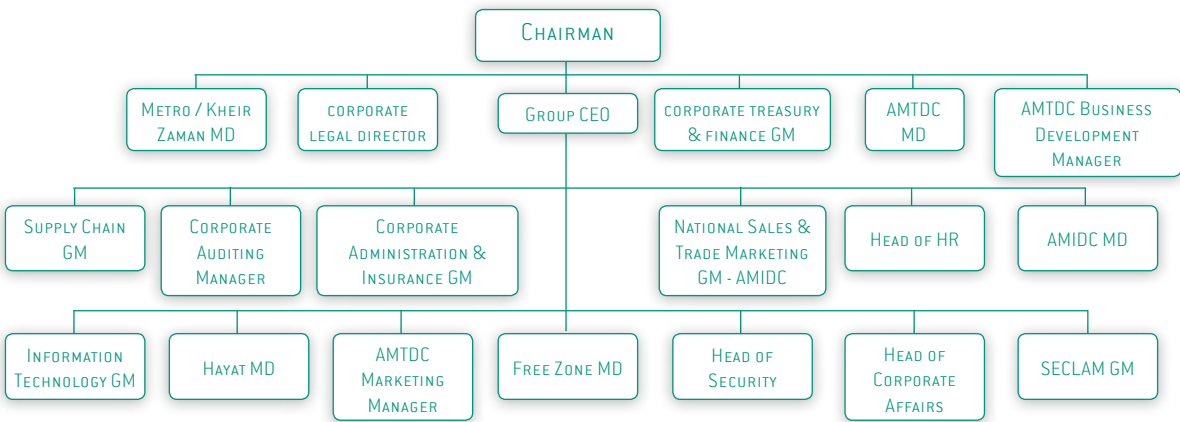
The following figures are estimates of the numbers of traders and key clients served by some of MG's companies/ activities:



Our ORGANIZATIONAL STRUCTURE

MHCFI's operations are distributed all over Egypt. The headquarters of the Holding Company is located in Zahraa El-Maadi, Cairo, which also hosts the headquarters of all its companies with the exception of Seclam and Hayat, which are located in Alexandria and Siwa respectively.

MHCFI manages its operations on two different levels; it centralizes some of its activities including legal affairs, external relations, human resources, security and administration while at the same time allowing each company to have its own semi-independent operational structure and support functions. The figure below displays MHCFI's organizational structure.





# SUSTAINABILITY CHALLENGES AND APPROACH



TAHRIR  
JUL 7TH, 2013



MHCFI is currently facing an extremely complex and volatile situation brought about by Egypt's post-revolution instability. The revolution gave birth to insurmountable challenges and uncertainties that many Egyptian businesses have had immense difficulties coping with. Sustaining our activities required us to adapt to conditions that we never have expected or thought possible before the revolution. Addressing emerging challenges, while ensuring our sustainability and continued success, has demanded considerable hard work, creativity, and determination.

## MAIN CHALLENGES

Of the many post-revolution challenges that we have had to address, the following three overshadowed the rest: 1) the collapse of the security system, 2) energy shortages, and 3) economic instability. These difficulties have been faced by all businesses in the country.

## LACK OF SECURITY

Lack of security was perhaps the most pressing post-revolution challenge, and continues to be a major concern to date. The ousting of Mubarak involved, among other things, the collapse of police apparatuses, including the prison system and numerous police stations. As a result, armed robberies became wide-spread, roads became unsafe, and moving commodities, staff, and money became an unpredictable daily ordeal.

It took the post-revolution government almost two months to revamp and re-mobilize the police force that collapsed on January 28<sup>th</sup> 2011. However, they were unable to restore the country's pre-revolution security level. The security vacuum was evident by the increasing and alarming number of thefts and bank robberies occurring around the country, which included the robbing of a major bank on a crowded street in the middle of a working day.

Although the situation has seen some improvement since then, many security problems still remain, and all the country's businesses have come to suffer its effects. For example, to date MHCFI still needs to pay tributes to Bedouin tribes in Sinai and the 6<sup>th</sup> of October region to allow its trucks to travel safely without their cargo being confiscated.

## SECURITY INCIDENTS

As previously mentioned, MHCFI has suffered from the security failure that is plaguing the country. Indeed, during the past two years a number of our transportation cars and supermarket outlets were robbed. Last January, one of our supermarket outlets was caught in the middle of a street battle between the police and protestors, and one of our employees was shot as the police fired live ammunition at protestors standing in front of our supermarket. He remains hospitalized to date.

In total, our super market chains and transportation fleet have suffered immense losses because of the failing security conditions. Three of our stores were robbed, suffering 155,000EGP of losses in stolen cash, products, and mobile phones. These robberies have also seen several of our staff members suffering injuries.

## NEW SECURITY MEASURES AND COSTS

When the aforementioned robberies took place, we feared that this lack of security had reached a level that compromised the security of our staff, clients, and business. Accordingly, we took a number of measures to face and mitigate these risks. The first step we took was to reschedule the transport of our products to mornings. This was a major modification of our fleet operations, as we are accustomed to transporting the majority of our merchandise during the night.

In certain unstable locations, there was an increasing risk of our stores being attacked at night, so we started closing our stores during these times. This has resulted in substantial financial losses, given the fact that our stores normally operate on a 24/7 basis, and we are one of the only supermarket chains that caters to the late night market. Between February 2011 and June 2013, we faced a range of between 45 and 158 days of lost sales, varying among the different outlets

MHCFI centralizes its security functions, managing them from the security administrative department located in our headquarters. Metro market is the only exception from this due to its extensive security needs, which require a dedicated team to carry out this task. Metro security thus employs a security manager and a security team to run these affairs in each outlet.

After the revolution we had to enlarge our security crew, develop new policies, and acquire new technologies. Moreover, we have had to deal with attacks on our transportation fleet. However, this task was delegated to our central security department, which contracted a specialized security company to escort our vehicles to distribution areas, especially in Cairo. Each of the escort cars is equipped with professional armed security personnel and a trained dog. We also re-trained all of our drivers on dealing with security threats. Furthermore, as previously mentioned we have had to pay Bedouin tribal leaders in Sinai and the 6<sup>th</sup> of October to allow our trucks safe passage without attacking them on the roads or confiscating their cargo.

In addition, we have upgraded our surveillance system so that it would cover all our stores and facilities, and created a central control surveillance room to follow them 24/7 from our headquarters. The main elements of this system were already in place before the revolution, but we have had to extend these measures to facilities and buildings that were not previously covered by them. We also upgraded our recording capacities from 11 days to 25 days.

Other less costly measures were also adopted. For example, we fitted all doors and warehouses with alarms, added sirens on the buildings, raised the height of our walls, and added barbed wire along land perimeters. Not to mention that we have installed a new wireless communication system lest the political turmoil in the country leads to the cutting off the communication like it did on January 28<sup>th</sup> 2011. In total, these new measures cost about EGP8 Mio in 2012 alone.

## ENERGY SHORTAGE

During the past two years, Egypt was overwhelmed by energy shortages. During the past two years, fuel crises have been occurring almost every other month. This usually takes the form of a two-week-long fuel shortage, mostly diesel oil, and to a lesser extent gasoline as well. When this occurs, it takes a truck almost a whole day to fuel, standing in a several kilometer long queue to get a fraction of the fuel that it needs. It goes without saying that this has raised our transportation costs, and made managing to get our goods through our distribution network a matter of managing regular crises.

Our energy problem did not stop at fuel shortages; electricity blackouts were very common, especially during summer days. They led to losses in the form of lost sales and panicking customers in the stores. While we have not yet monitored our losses in increased transportation costs, we have been able to calculate our losses due to electricity blackouts.

Our KZ outlets, for example, experienced a total of 665 hours of electricity shut down. This amounted, in turn, to EGP1.6 Mio in lost sales. Metro Market, on the other hand incurred a loss of 861,875 EGP in lost sales, stemming from 268 hours of shut down—a total loss of almost EGP2.5 Mio.

## ECONOMIC INSTABILITY

Currency fluctuation and the scarcity of foreign currencies have been posing major problems to all businesses in Egypt. The Egyptian Pound has already fallen by almost 20% against the dollar (from \$1=6.05 to \$1=7.60, and sometimes even higher). The monetary policy of the central bank made things even worse, as it held on to an exchange rate that was much lower than the real value of the dollar. Thus, a black market has emerged to fill this gap.

Given that MHCFL imports much of its inputs, spare parts, and almost all of its production machinery, and that the banks were unable to provide us with all of the amounts that we needed; we had to find ways of acquiring hard currency from the unregulated market at real market rates. Furthermore, we have had to do this while settling our accounts according to official rates, which depressed our costs on paper. Moreover, the central bank complicated the processes by which companies acquire foreign currency to a great extent. It goes without saying that this led to big losses which we have not yet calculated.

The monetary policy of the central bank posed another problem, as the bank continuously changed its policy without providing the private sector with any prior notice. For example, one day we discovered that the funds in which we used to deposit our short term cash were no longer accepting them, as the central bank changed the limit of these funds from 5% of any bank's deposits to 2%. With no prior warning and notice, we had to swiftly change all our cash management policies to address this sudden change in policy.

## MANAGEMENT APPROACH

It's challenging to establish and follow through with a sustainability approach and mandate in these uncertain times as many factors depend on the political developments in the country; which are too complex and almost impossible to predict. While Morsi's presidency had promised a more conducive business environment; it's still unclear if it would be able to live up to its promises and go through with its initiatives.



The deteriorating economic situation, confused national plans, and low level of transparency complicate the matter even more.

Needless to say, we live in, by definition, a transition period.

In the middle of all of this uncertainty, we stand committed more than ever to improving our sustainability performance. It goes without saying that we regard performance areas that relate to facing the new challenges above top priority. We will pay our utmost attention to, firstly, the security of our staff, facilities, and customers. We are also planning to put in place new risk assessment mechanisms, and are searching for novel ways of reducing our energy consumption, and also new methods for supplying our facilities with more stable sources of energy, including the possibility of generating it in-house. Facing the economic upheaval in the country is a challenge that we cannot undertake alone, so we plan to join forces with other business and institutions in tackling them.

The following table summarizes our sustainability approach by performance area:

Performance Area	Approach
Economic	Until recently, the company's investment philosophy was primarily based on expanding its product mix, creating new ventures, and enhancing its management system. To cope with the current situation, the company will move to focus on maximizing the efficiency of its operations, reducing production costs, and securing energy supply. The social volatility that now rules the country also requires us to maximize our community projects and the percentage of the local components in our production and sales; to help society cope with the current developments.
Society	Our company is one of the biggest economic entities in Egypt. We provide employment to a large number of employees, serve a huge customer base, and are engaged in crucial community development programs. Our performance has been quite good in this area and we plan on maintaining this performance, improving the quality of our social investments, and developing our social investment monitoring and control mechanisms.
Labor	The security of our employees is currently our paramount concern. In addition to enhancing our security performance along the previously mentioned directions, we also plan to upgrade our career development and planning mechanism; and in turn enhancing the efficiency of our respective efforts in the area.
Human Rights	MHCFI highly honors human rights. The company is committed by policy to offer a decent minimum wage and benefits' package. The company is also committed to a no-discrimination policy and completely rejects child labor. At the moment the company is trying to improve its gender related performance. While we generally offer gender neutral wages, and do not tolerate any discrimination based on gender, religion, or ethnicity, we would like to see our small female workforce grow in number in the future; especially in management positions. The nature of our activity makes such a goal a challenge, but we have been able to improve our performance in the past two years, nonetheless.
Environmental Footprint	With the sole exception of our fleet's fuel consumption, our environmental performance could be ranked as one of low priority at the moment, as most of our operations have little environmental impact. Energy reduction is however becoming a matter of higher significance now, much more than it was before; we are therefore planning on enhancing this area. Additionally, we are currently studying ways to improve the environmental footprint of our products.
Product & Client Responsibility	During the past two years, we were fully absorbed in assuring the security of our clients. We plan to continue on this trajectory in the future. Our dairy product and food production brands have focused their efforts on averting any form of product contamination and assuring that products meet the highest standards to ensure their quality and safeguard the health of customers. We also want to reduce the environmental footprint of our products, and enhance our health messaging in relation to our tobacco business.

# ABOUT THIS REPORT



KASR EL-NIL  
JUN 30TH, 2013



We are pleased to present our Sustainability report for the year 2013. The purpose of this report is to update the public and our stakeholders about our results and achievements, and the challenges that we faced during the past two years (2011-2012). The report presents these updates against the measures and indicators of the Global Reporting Initiative (GRI-G3.1), level B.

We have compiled the current report with a dual purpose in mind: to update the public about our performance and to use the assessments and conclusions of the report to improve our performance in the future. We had already committed ourselves to undertake this reporting exercise on a biennial basis back in 2010.

This is our third attempt to report on our Sustainability performance; we published our last Sustainability Report in 2010. In the current report we generally tried to improve our analysis and expand the scope of the information covered, and we hope to continue improving our disclosure level in the future.

## SCOPE AND DATA

We limited the scope of this report to Al Mansour Holding Company for Financial Investments (MHC-FI). That is to say, the analyses presented here focus on the direct community and stakeholders of MHC-FI. The report thus addresses neither the practices of the rest of Mansour Group—to which MHC-FI belongs—nor the universes of MHC-FI's suppliers and outsourced operations, on which we have little influence at the moment. We hope to be able to extend our monitoring and disclosure capacity to parts of these universes by the next reporting cycle.

In compiling the data and the calculations disclosed below the report followed basic international measurement standards. The information that we provide here is, to put it differently, extracted from our databases, bills, internal reports, and externally audited statements. This allows us to cover most of indicators that are material to our activities, as per the requirements of GRI level B disclosure standards and the general GRI reporting tradition.

In all cases, although our sustainability case requires rather straightforward measurements, a number of environmental indicators still required capacities that we have not acquired yet. Specifically, more sophisticated emission monitoring equipment that we are still in the process of acquiring, and some environmental data aggregation mechanisms which are still being designed. Whenever this was the case we resorted to estimates, highlighting them as such in the report.

Despite the tremendous challenges that our company has been facing since the revolution, we are proud to say that we managed not only to maintain but also to expand our sustainability reporting efforts. Like most companies, however, we are able to report only partially on some of the GRI indicators. We highlighted all such indicators in a summary disclosure table at the end of this report, and we hope to be able to report on them more systematically by the next report, in 2015.

Having said so, it is unlikely that the information provided here would pose problems for future performance comparisons for two main reasons. First, the report labels estimates as such and explains

the basis upon which we arrived at them. Second, we have not undergone any major re-statements of information provided in earlier reports. The only significant change from previous reporting periods lies perhaps in the fact that we have upgraded our reporting initiative from level C to level B.

As previously mentioned, this report covers the activities of MHC-FI—that is to say, it covers the aggregate activities of the nine companies comprising MHC-FI. In reporting on the joint performance of these ventures we relied mostly on our consolidated statements and reports, the compilation of which progressed smoothly, as these companies share several central departments and are governed in the end by a common top management (please see the governance section for more information). In other words, MHC-FI's companies utilize the same top management reporting system.

## MATERIALITY AND LEVEL REQUIREMENTS

We generally designed this report to satisfy GRI level B disclosure requirements. The disclosure level requires a company to report on all GRI profile indicators in addition to reporting fully on a minimum of any 20 performance indicators, including at least one from each of: economic, environment, human rights, labor, society, and product responsibility.

In addressing these requirements we undertook a materiality exercise, as per the GRI's methodology. The nature of the sustainability challenges that we are currently facing and the volatile business environment that we are living in led us to believe that some performance areas are of paramount relevance to us, overshadowing other areas (see Pages: 10-13).

The GRI summary disclosure table summarizes the results of our materiality exercise at the end of this report.

## OUR TEAM

Our Sustainability department compiled this report with the support of an external consulting firm. To develop this year's report, however, we developed a number of reporting mechanisms that monitor some of the basic indicators on a regular basis. We hope that by doing so we will be able to institutionalize our sustainability monitoring and improvement efforts on deeper levels.

Our Corporate Affairs Manager, Seif El Batanouni, is happy to provide any additional information and elaborations when needed.

# OUR ECONOMIC PERFORMANCE



KASR EL NIL  
JAN 27TH, 2013



MG has been achieving excellent financial results since its inception. With consolidated revenues exceeding \$4 billion, the group is now considered among the largest private investments in Egypt and the Middle East. As mentioned in previous sections, MHCFl is made up of nine different companies. Taken as a whole, the consolidated financial performance of the company has always been excellent since its inception; a performance level that the company has been able to maintain even during the chaotic and troubling past two years.

Despite all of the post-revolutionary economic challenges that we had to face during the past two years, we managed nonetheless to maintain satisfactory results. Our current consolidated operation proceeds with 2.5 billion EGP of Current Assets and 1.5 billion EGP of Non-Current (or long term) Assets. These Assets are balanced, in part by a 1.4 billion EGP worth of Equity. On the other hand, our consolidated revenues reached 8 billion EGP in 2012, up from 6.6 billion EGP in the previous year; and our profit reached 294 Mio EGP, up from 222.7 Mio EGP the previous year.

## EQUITY

The Balance Sheet below demonstrates the values of MHCFl's various Assets, Liabilities, and Equity types broken down by our different business units (companies), as of December 31, 2012.

As of December 31st, 2012								EGP (000,000)
MHCFl Consolidated Balance Sheet	MID	MMTD	MTDC	MCS	HCID	MET	MDC	MMC
Total Current Assets	1,488.53	204.03	519.92	24.70	22.64	5.95	135.89	71.63
[ - ] Total Current Liabilities	1,285.67	506.87	295.68	9.14	40.31	2.62	137.87	129.90
Working Capital	202.86	[302.83]	224.24	15.56	[17.67]	3.33	[1.98]	[58.27]
[ + ] Total Non - Current Assets	426.57	786.73	150.99	9.56	32.78	7.67	8.00	47.49
Total Investment	629.43	483.90	375.23	25.12	15.11	10.99	6.01	[10.78]
Total Non - Current Liabilities	47.80	34.57	10.00	-	-	-	-	-
Owners' Equity	581.63	449.33	365.23	25.12	15.11	10.99	6.01	[10.78]
Total Investment	629.43	483.90	375.23	25.12	15.11	10.99	6.01	[10.78]
As of December 31st, 2011								
MHCFl Consolidated Balance Sheet	MID	MMTD	MTDC	MCS	HCID	MET	MDC	MMC
Total Current Assets	1,033.91	247.68	337.98	20.57	20.07	6.56	256.67	8.28
[ - ] Total Current Liabilities	915.83	480.12	182.88	8.56	43.86	4.73	152.00	46.18
Working Capital	118.08	[232.44]	155.10	12.02	[23.79]	1.82	104.67	[37.89]
[ + ] Total Non - Current Assets	405.85	719.27	170.25	9.67	36.13	10.41	8.26	6.14
Total Investment	523.93	486.83	325.35	21.69	12.34	12.24	112.93	[31.76]
Total Non - Current Liabilities	87.80	85.15	10.00	-	-	-	-	-
Owners' Equity	436.13	401.68	315.35	21.69	12.34	12.24	112.93	[31.76]
Total Investment	523.93	486.83	325.35	21.69	12.34	12.24	0.00	[31.76]

### MID

Mansour International Distribution  
Main Brands: Philip Morris (Marlboro, L&M, etc.)

### MTDC

Mansour for Trading & Distribution Company  
Main Brands: Sunshine Tuna

### ADPF

Alexandria for Dairy Products and Foods (Seclam)  
Main Brands: Labanita

### MCS

Mansour Courier Service  
Main Brands: U.P.S.

### MMTD

Metro Market for Trading & Distribution  
Main Brands: Metro Market, KheirZaman

### HCID

Hayat Company for Industrialization & Development  
Main Brands: Hayat

### MET

Mansour Electronics & Technologies  
Main Brands: Bang & Olufson, Roamworks

### MMC

Mansour Manufacturing Company (Free Zone)

### MDC

Mansour Distribution Company (Free Zone)

## PROFITABILITY

The economic situation in post revolution Egypt has been, to say the least, one of uncertainty and volatility. This reflected negatively on the businesses climate in Egypt, as many commentators have already pointed out.

Like all of the businesses operating in Egypt, MHCFl suffered from the negative business environment that came to color the Egyptian economic environment. This report dedicates a detailed chapter above to the challenges that emerged in the post-revolution era, and how that affected MHCFl. For the purpose of this section, however, we would like to outline our main financial results and highlight the impact of the post-revolution climate on them.

To start with, MHCFl consolidated revenues for year 2012 totaled EGP 8,058 Mio, making profits of EGP 294.1 Mio. The breakdown of our income statement by business unit for year 2012 ran as follows.

Year 2012	EGP (000,000)							
Income Statement	MID	MMTD	MTDC	MCS	HCID	MET	MDC	MMC
Net Sales	4,394.55	1,749.16	1,201.44	26.43	48.75	1.06	637.25	-
Gross Profit	555.37	71.40	251.65	9.02	18.20	0.26	60.32	-
Net Profit For Period	145.50	39.02	49.88	3.94	2.77	(1.24)	56.74	(2.48)

Our results in 2012 witnessed, in fact, some improvement in 2012. MHCFl's revenues and profits for year 2011 were EGP 6,649.3 Mio and 222.7 Mio, respectively. Between 2011 and 2012 our revenues thus increased by EGP 1,409.2 Mio, and our profits by EGP 71.5 Mio.

MID accounted for the bulk of our sales and profit growths. The other companies, on the other hand, experienced mixed performances. Some of the companies followed the trend set by MID, while others experienced a drop in their sales, and by extension profitability. The table below illustrates our consolidated income statement for year 2011 broken down by business unit.

Year 2011	EGP (000,000)							
Income Statement	MID	MMTD	MTDC	MCS	HCID	MET	MDC	MMC
Net Sales	3,417.94	1,823.83	892.07	28.06	5.43	2.17	479.91	-
Gross Profit	417.81	63.45	201.42	9.62	1.31	0.61	77.89	-
Net Profit For Period	79.54	47.93	36.67	6.78	(18.36)	(2.07)	75.19	(2.98)

As the statement shows, our companies paid about EGP 72 Mio in income taxes in year 2012, up from EGP 43 Mio. We are more proud of these payments than any other payments we made before. The Egyptian government is suffering from an immense deficit problem, and we are happy to have contributed to narrowing it down by such an amount.



KHEIR ZAMAN  
MAADI





## VALUE ADDED

MHCFI analyzes the value-add components of its operations along two different dimensions. First, we divide our commodities into (1) merchandise and services that experience some manufacturing and/or services transformation, and (2) merchandise and services that addition of only retail value. We can then classify our Cost of Goods Sold (COGS) according to these two categories.

EGP (000,000)							
FY 2012	MID	MMTD	MTDC	MCS	HCID	MET	MDC
Value added COGS	3,839.18	-	132.75	-	-	-	-
Retail based COGS	-	1,677.76	817.04	17.41	30.55	0.80	576.93
Total	3,839.18	1,677.76	949.79	17.41	30.55	0.80	576.93

Accordingly, we can use the above classification to assess our value added endeavors. The table above summarizes our COGs classification into value-added and retail based for year 2012 by business unit.

The second value-added dimension that we also track is our ability to add value to our production capacity. We generally reduce this type to our Capital Investments in a given timeframe.

The following tables compare our capital investments in year 2012 with their equivalent in 2011.

EGP (000,000)							
MID		MMTD		MTDC		MCS	
2012	2011	2012	2011	2012	2011	2012	2011
27.84	14.38	66.91	98.72	11.33	27.82	0.64	0.22

EGP (000,000)					
HCID		MET		MDC	
2012	2011	2012	2011	2012	2011
1.91	1.35	0.002	0.004	0.36	8.12

Our total capital investments in 2012 and 2011 were EGP 109 and 151 Mio respectively. We take pride in our investments too. While the economic downturn has led many companies to think about exiting from Egypt, we stood committed to investing in our economy.



# GOVERNANCE AND APPROACH



PALACE MARCH  
FEB 1ST, 2013



The Mansour Group is a private family business; and its shares are not listed in the stock exchange. As such, it does not have minority shareholders to guard the interests of. Nevertheless, Al Mansour Group, the parent company of MHCFL, is engaged in a number of joint ventures, and it therefore needs to answer to the interests of its partners.

Although these ventures do not necessarily affect MHCFL, the group made it a habit to form a Board of Directors to govern each of its different divisions, and the companies that comprise them in such a way that a given board would always have independent members. Independent board members bring a wider perspective and varied viewpoints into the governance of the Group as a whole, including MHCFL. The section below lists the board members and managers of MG's different companies.

The group, moreover, has standardized one management approach across all of its companies. Thus, while the approach listed below governs Mansour Group as a whole, it also governs MHCFL.

## COMPANY BOARD MEMBERS AND MANAGERS

METRO MARKET FOR TRADING AND DISTRIBUTION	
NAME	POSITION
Atef Ahmed Abdel Maqsood	Chairman and Managing Director
Youssef Mansour Lotfy Mansour	Managing Director for Financial Affairs
Mohamed Younes Mansour Lotfy Mansour	Board Member
Yassin Ibrahim Lotfy Mansour	Board Member
Mostafa Mohamed Mostafa Kamel Abboud	Board Member
Mohamed El Amin Ismail Lotfy Mansour	Board Member
Mohamed Lotfy Ismail Lotfy Mansour	Board Member

MANSOUR INTERNATIONAL DISTRIBUTION	
NAME	POSITION
Youssef Mansour Lotfy Mansour	Chairman of the Board and Managing Director for Financial Affairs
Mohamed Younes Mansour Lotfy Mansour	Board Member
Mostafa Mohamed Mostafa Kamel Abboud	Managing Director
Mohamed El Amin Ismail Lotfy Mansour	Board Member
Mahmoud Lotfy Ismail Lotfy Mansour	Board Member

## MANSOUR TRADING AND DISTRIBUTION

NAME	POSITION
Atef Ahmed Abdel Maqsood	Chairman
Youssef Mansour Lotfy Mansour	Managing Director of Financial Affairs
Mohamed Younes Mansour Lotfy Mansour	Board Member
Yassin Ibrahim Lotfy Mansour	Board Member
Nabil Mohamed Raafat	Managing Director
Mostafa Mohamed Mostafa Kamel Abboud	Board Member
Mohamed El Amin Ismail Lotfy Mansour	Board Member
Mahmoud Lotfy Ismail Lotfy Mansour	Board Member

## SECLAM

NAME	POSITION
Atef Ahmed Abdel Maqsood	Chairman
Youssef Mansour Lotfy Mansour	Managing Director of Financial Affairs
Mohamed Younes Mansour Lotfy Mansour	Board Member
Yassin Ibrahim Lotfy Mansour	Board Member
Nabil Mohamed Raafat	Managing Director
Mohamed El Amin Ismail Lotfy Mansour	Board Member
Mahmoud Lotfy Ismail Lotfy Mansour	Board Member

## HAYAT

NAME	POSITION
Atef Ahmed Abdel Maqsood	Chairman
Youssef Mansour Lotfy Mansour	Managing Director of Financial Affairs
Mohamed Younes Mansour Lotfy Mansour	Board Member
Yassin Ibrahim Lotfy Mansour	Board Member
Nabil Mohamed Raafat	Managing Director
Mostafa Mohamed Mostafa Kamel Abboud	Board Member
Mohamed El Amin Ismail Lotfy Mansour	Board Member
Mahmoud Lotfy Ismail Lotfy Mansour	Board Member



## MANSOUR ELECTRONICS AND TECHNOLOGIES

NAME	POSITION
Atef Ahmed Abdel Maqsood	Chairman
Mostafa Mohamed Mostafa Kamel Abboud	General Manager
Youssef Mansour Lotfy Mansour	Managing Director of Financial Affairs
Tony Michelle	General Manager

## MANSOUR COURIER SERVICE

NAME	POSITION
Youssef Mansour Lotfy Mansour	General Manager of Financial Affairs
Tony Michelle	General Manager

## FREEZONE

NAME	POSITION
Youssef Mansour Lotfy Mansour	General Manager
Mostafa Mohamed Mostafa Kamel Abboud	General Manager

### OUR MISSION AND VALUES

MHCFI's governance approach rests on seven main pillars: customer satisfaction, developing our people, integrity, quality in achievement, profitability and efficiency, innovations and creativity, and mutual benefit. MHCFI strives to abide by these elements and uses them as benchmarks whenever it evaluates the performance of any of its divisions.

### OUR MISSION

Al Mansour Holding Company for Financial Investments is committed to the manufacturing, marketing and distribution of high quality branded consumer products that meet the needs of a wide variety of consumers and their lifestyles.

We will accomplish this by ensuring that our talented and effective teams base their decisions on sound information and execute using updated and effective processes. We will fairly reward our people for their achievements, and will continue to pursue an active role in advancing the welfare of our community.

Our future is inspired by the legacy of our founder, his compassion for his employees, and his drive for excellence and achievement.

## OUR VALUES

### CUSTOMER SATISFACTION

Our first and foremost responsibility is to satisfy our customers. We will focus our efforts on offering them high quality brands and services, which give them good value for their money, and this will be the driving force influencing our decisions.

### OUR PEOPLE

As a company we recognize that our people are the building blocks of our success. We will work to develop a highly skilled and motivated team through rigorous selection, continuous development, and by offering fair opportunity for advancement, improved quality of life, and the chance to seize opportunities leading to personal and organizational triumph.

### INTEGRITY

We will maintain the highest standards of ethics and integrity in all our dealings. We will work hard to maintain honest and open relationships built on mutual trust. We will honor all commitments, internal and external whether verbal or written.

### QUALITY IN ACHIEVEMENT

We will focus not only on achievements, but also on the process, which leads to that achievement with highest possible standard of quality. Through continuous improvement and collective effort, we will become the first or second in every market in which we compete.

### PROFITABILITY & EFFICIENCY

Our profitability will determine our ability to grow. In our efforts to excel we will optimize the use of our resources and keep waste to the minimum.

### INNOVATION & CREATIVITY

We encourage initiatives based on creativity, and the innovations that will make us better at what we do. We will be flexible in our approach to work, and will allow for the brilliant exceptions that flourish in an environment of calculated risk.

### MUTUAL BENEFIT

We will conduct business in a fashion that benefits our company, and all its stakeholders. Where collective business benefits exist, we will work to promote them in a way that ensures that the benefits are maintained for the long-term.



MOH. MAHMOUD  
SEP 21ST, 2012



## ORGANIZATION OF MHCFl

Each of MHCFl's companies has its own Managing Director (MD), who is endowed with full authority to lead his/her company. The MD represents the Chairman of MG, Youssef Mansour, in the company s/he manages. MG sets annual targets for each MD, and the performance of each company is later evaluated against these targets at the end of the year.

In running its companies MHCFl also adopts a matrix structure, which organizes the management of the company along two levels. On the one hand, the holding company centralizes several support functions that all companies share, including Human Resources, Policy formulation and Control, Supply Chain Management, Administration, Security, Legal Affairs.

On the other hand, each company has its own operational structure, and when needed its own support functions. For example, the Security function is organized in Metro Market on the company level; the corporate security thus deals with the security affairs of the remaining companies.

## CONTROL

The mission and values listed above govern the work of all companies in MHCFl. On top of that, the corporate system that we adopt (please see the previous section) is laid out in such a way that it supplies our companies with the independence that they need, while assuring a reasonable level of corporate control at the same time.

In addition to these elements, MHCFl is also governed by many internal and external standards which safeguard our performance and help us operate in a corruption-free environment at the same time. These standards are deployed and assured by rigorous internal and external financial and performance auditing systems. MHCFl has, in fact, an independent corporate department dedicated to undertaking such audits.

Many of our companies have certified parts of their management systems, according to their needs, which differ from one company to another. Seclam and Hayat for example have been awarded the following certificates:

BS OHSAS 18001	ISO 9001
ISO 22000	ISO 14001

Currently MHCFl is studying the development of anti-corruption policies. Given that all of our activities are carried out in environments that are by definition transparent and provide little space for corruption, we generally didn't consider such policies urgent in the past.

Since the revolution, however, combating corruption became one of the main aspirations of Egyptian society, and MHCFl is planning to honor this much cherished goal.

## ASSOCIATIONS AND LOBBIES

Before the revolution took place in 2011, Egyptian government bodies used to meet regularly with business associations and representatives to discuss ways for solving their regular problems. Back then, we used to suffer from the complications and bureaucracy of procedures for obtaining permits and licenses. This mechanism collapsed after the revolution and currently there is another system in the making.

MHCFl is not alone in this situation. Many businesses have already made similar remarks, and the economic press has highlighted it in more than one occasion. At the moment we are trying to work collectively via our associations to fill part of this missing gap. We are members of several business associations; the following three being the most active as far as our needs are concerned:

*Chamber of Food Industries*

*Egyptian Chamber of Commerce in Alexandria*

*German Arab Chamber of Commerce*

*American Chamber of Commerce*

## EXTERNAL RELATIONS

MHCFl, through its Corporate Affairs department, constantly engages with most of its governmental stakeholders (Ministry of Finance, Ministry of Supply, Ministry of Trade and Industry, Ministry of Health, Tax Authority, Customs authority) on fiscal and regulatory matters in order to ensure a long term level playing field when it comes to proper and ethical market competitiveness. It also engages with many of these authorities in order to find common initiatives that serve both the nation and our core businesses.

## ANNOUNCING OUR PERFORMANCE RESULTS AND POLICIES

Given that our companies are not a listed in the stock market, we generally don't need to publish our financial statements. Nevertheless, we are always happy to share them with any stakeholder interested in accessing them.

We regularly update our policies and communicate any changes and updates to the employees. Changes and updates are firstly announced to everyone involved via our internal communication system, which generally operates via email. They are also highlighted in our internal newsletters. On top of that, announcements are addressed and communicated directly to the different department managers who in turn communicate them to their staff. Latest versions of all our policies and procedures are available on a regularly updated electronic database that all staff members involved can easily access.

## GAP ANALYSIS AND COMMITMENT TABLE

Al Mansour Group is continuously seeking to improve its management of economic, environmental, and social performance in accordance to international and regional standards. To this end, the company's management has identified the relevant gaps, with target dates regarding when they will be addressed; in order to mitigate risks, seize opportunities, and ensure the company's compliance to standards and principles.

COMMITMENT	TARGET DATE
Develop an Internal training program for managers on sustainability issues	2014
Developing a comprehensive anti-corruption policy and outlining anti-corruption goals	2014
Create an Internal Sustainability committee	2014
Create an internal Sustainability monitoring and reporting system for all involved departments	2014
Develop a comprehensive stakeholder engagement plan	2014
Developing a uniform waste and energy monitoring system for: 1- Monitoring the amounts of waste by type, weight, and volume generated 2- Monitoring the direct and indirect energy consumption 3- Tracking how contractors handle the collected waste 4- Tracking the impact of energy saving initiatives 5- Monitoring the portion of materials that are recycled	2015
Developing a comprehensive policy on product responsibility across the group	2014
Continue research and business development for new base of the pyramid investment opportunities	2014/2015





MOH. MAHMOUD  
SEP 21ST, 2012



# OUR PEOPLE



PEOPLE FROM  
MANSOUR



At MHCFl we believe in our employees and staff and regard them as the company's most important assets. We are proud to have developed a robust mechanism over time for attracting the good caliber workforce that we need, and to have developed a system that safeguards their interests and builds their capacities.

As a matter of principle, we seek to develop our people from their point of entry to Mansour; preparing them to eventually become a part of our senior management. We have therefore developed a high quality capacity building system that has proved effective over the years.

Our recruitment system is based, firstly, on a pull system, whereby recruitment ensues whenever a need for a certain job emerges in our companies. Secondly, we adopted a salary scheme that pegs our pay according to the middle pay in the market, while honoring our minimum wage policy. Thirdly, we are committed to safeguarding the interests of our employees, and we ensure that with our specially designed Human Resources (HR) policies and formal contracts. Finally, we intensively train our employees and staff to build their careers with the aim of keeping them indefinitely, if possible, or to qualify them for excellent jobs in the market if keeping them proves impractical. We are also adamant on always providing our workforce with fair, transparent, and periodic performance evaluations.

## RECRUITING OUR PEOPLE

Mansour Group advertises its vacant jobs through national and local media, and through relevant communities. Relevant staff members in cooperation with the HR department then screen all job applications, and the respective jobs are awarded to those most qualified for the job. All our recruitment activities are governed by publicized policies and procedures.

With respect to pay, we determine salaries according to market surveys of the FMCGs sector (our main field) conducted by third parties and specialized firms. We generally target a salary scale in the middle of the market spectrum for the same position, as per these external studies. These salaries are then modified according to the level of experience and our minimum wage policy. Given that Egypt doesn't apply a minimum wage law, MHCFl went on to adopt a minimum wage of EGP 1,000, which is EGP 400 more than the minimum wage in the governmental sector.

## BENEFITS

In addition to our competitive salaries, MHCFl provides its staff and employees with other benefits, always trying to exceed the minimum requirements set forth by Egyptian law. Egyptian laws regulate the minimum medical insurance for the workers as well as their pension schemes. MHCFl honors these laws and provides its staff with further benefits including:

- Health insurance with a private insurance company
- Meals or allowance for meals for manufacturing workers
- Transportation allowance when travelling, and a company car, depending on the grade
- Company transportation for our factory
- Mobile phone allowance according to grade
- Special rewards for outstanding performance

Details on the number of employees, their salaries, and their benefits – broken down by each company – can be found in the following table:

EMPLOYEES WITH SPECIAL NEEDS	TRANSPORTATION ALLOWANCE	CAR ALLOWANCE	TOTAL OUTGOING	BONUSES	TOTAL SALARIES	NUMBER OF EMPLOYEES	COMPANY NAME
3	143	66	61,843,305	8,436,928	53,406,377	928	Mansour International Distribution
2	2	151	44,549,663	3,642,628	40,907,035	959	Mansour Trading and Distribution
16	13	41	36,375,936	3,021,020	33,354,916	1,163	Seclam

EMPLOYEES WITH SPECIAL NEEDS	TRANSPORTATION ALLOWANCE	CAR ALLOWANCE	TOTAL OUTGOING	BONUSES	TOTAL SALARIES	NUMBER OF EMPLOYEES	COMPANY NAME
0	2	2	5,954,221	365,502	5,588,719	186	Hayat
0	0	2	682,836	83,173	599,663	21	Mansour Manufacturing Company-Freezone
0	0	0	892,222	0	892,222	3	Mansour Electronics & Technologies
0	0	0	897,951	108,291	789,660	13	Mansour Distribution Company-Freezone
59	622	49	160,052,393	12,302,084	147,750,309	6,366	Metro Market
			314,314,069	27,975,742			

In accordance to our policy, MHCFl provides all its employees with formal contracts. This provides our workers with a level of job security that many lack in Egypt where working without contract has been spreading in the past few years.

MHCFl also follows the relevant labor laws; providing its female staff with three months maternity leaves, awarding all of its employees with a one-month notice period, and following the Egyptian law with respect to penalties.

## EMPLOYMENT LEVEL AND TURNOVER

MHCFl currently employs 8,700 employees, down from 9,200 employees last year, making a turnover of 500 employees during the last year. The Metro Market/KheirZaman Company operates a labor-intensive activity based on regular entry of transient labor. It therefore accounts for 61% of our employment, even though it accounts for only 13% of our profits. Most of the 500 that left our company were workers of our supermarket chains, Metro Market and KheirZaman. The turnover rate in the supermarket business is generally high in Egypt, and worldwide, as many treat these jobs as temporary or transitional until they locate a more stable or longer term job. With the exception of our supermarket chains, we have otherwise been able to retain our employees.

		NUMBER OF RESIGNATIONS	NUMBER OF STAFF	% TURNOVER
KHZ	2011	121	2,070	5.85%
KHZ	2012	105	1,946	5.40%
Metro	2011	120	2,969	4.04%
Metro	2012	142	2,916	4.87%

## TRAINING AND CAREER ADVANCEMENT

MHCFl is very keen on developing its employees and investing in their careers. We conduct regular career planning and training for our employees to prepare them to become the managers of our companies in the future.



We divide our training programs by type and managerial level. During 2012 we conducted 1,686 training sessions in total, the details of which are as follows:

TYPE	MANAGERS		MID-LEVEL		FRONTLINE		TOTAL	
	2011	2012	2011	2012	2011	2012	2011	2012
Technical Skills	-	27	3	148	154	10	157	185
Soft Skills	16	40	14	234	-	-	30	274
Safety		28	114	29	97	171	211	228
In house	32	35	161	200	584	680	777	915
MBA & Mini MBA	3	3	-	-	-	-	3	3
Training Abroad	-	4	-	-	-	-	0	4
Language Courses	-	-	2	3	-	13	2	16
Microsoft Skills	4	2	29	3	-	-	33	5
Induction Training	-	1		10	30	45	30	56
<b>TOTAL</b>	<b>55</b>	<b>140</b>	<b>323</b>	<b>627</b>	<b>865</b>	<b>919</b>	<b>1,243</b>	<b>1,686</b>

#### WE DEFINE THE ABOVE TRAINING TYPES AS FOLLOWS:

##### TECHNICAL SKILLS

Project Management - interviewing Outstand People Workshop - Quality Control - Risk Management - Supply Chain Professional –Database Management- Inventory Management - the Independent Office Manager - Management Accountants Program - Emotional Intelligence- Motivation and Coaching

##### SOFT SKILLS

Presentation Skills - Problem Solving & Decision Making - Communication - Advanced Management Skills - Report Writing

##### SAFETY

First Aid- Safety Driving-Fire Fighting-Evacuation- Defensive Driving

##### IN HOUSE (PROGRAMS FOR SALES & MARKETING)

Merchandizing Principals - Segmentation - Field training - Selling Skills -Team Building – Brand Messaging

##### MBA & MINI MBA

##### TRAINING ABROAD

Achieving Outstanding Performance - Leading effective

##### SALES FORCE

##### ENGLISH LANGUAGE COURSES

##### MICROSOFT SKILLS

Excel - PowerPoint

##### INDUCTION TRAINING



TAHRIR  
JUNE 2012

The Metro Market and KheirZaman supermarket chains - which as previously mentioned employ 61% of Mansour Group's total work force - conduct hundreds of hours of training for more than 3,000 employees every year. The different fields for the training session, the number of hours, and the number of employees for 2011 in the Metro Market chains are detailed in the table below:

#	COURSE	DAYS	HOURS	TRAINEES
1	Project Management	12	108	1
2	Customer Behavior for Brand Managers	1	9	1
3	Certified Assessor (SHL)	6	54	6
4	Microsoft Exchange Server 2010	17	80	5
5	Occupational Health & Safety	20	80	72
6	First Aid & CPR	10	60	76
7	Metro Induction	89	712	1,136
8	Metro On-the-job Training	52	610	783
9	KHZ Induction	84	672	909
10	KHZ On-the-job Training	24	210	511
11	Mini Metro Induction & On-the-job Training	6	48	87
Total		321	2,643	3,587

The following table details the Metro Market training sessions of 2012:

#	COURSE	DAYS	HOURS	TRAINEES
1	IT Courses (ABAB)	15	120	3
2	IT Courses (Basis)	10	80	2
3	IT Courses (CCNB)	1	8	1
4	Personal Effectiveness	2	16	20
5	Customer Driven Organization	2	16	20
6	Negotiation Skills	2	16	20
7	Business Writing	1	8	20
8	In Design CS6	4	6	3

#	COURSE	DAYS	HOURS	TRAINEES
9	Illustrator CS6	4	6	3
10	Forming Contract	2	16	9
11	Members of the Health & Safety Committee	20	120	70
12	Technical Occupational Health and Safety	66	330	107
13	Metro Section Managers Training	14	112	191
14	KHZ Section Managers Training	9	72	124
15	Mini Metro Section Managers Training	3	24	28
16	Metro Induction	90	720	612
17	Metro On-the-job Training	61	489	978
18	KHZ Induction	70	560	461
19	KHZ On-the-job Training	59	468	936
20	Mini Metro Induction & On-the-job Training	6	48	95
Total		441	3,235	3,703

## CAREER ADVANCEMENT

As said, MHCFI tries whenever possible to promote its staff to higher positions. This has been especially the case in our supermarket chains, which we have focused on to overcome the high turnover in this sector, and to prove to our employees that we care about their careers. As a result, all our current store managers started out as store workers with us, excelled, received training, gained experience, and were promoted to store managers in the end. We have not recruited a single store manager from outside our operations; they had all been internally promoted workers.

To do so, not only do we need to train our workers, but we also need to provide them with objective KPIs and appraise their performance periodically and transparently. That's why we are keen on conducting our end of year appraisals to inform our staff about their points of strength and weakness. Our evaluations also provide us with the main instruments by which we determine the annual bonuses of our staff, as well as promotions.

## SAFETY

All employees are trained on facing crisis situations, evacuation, and most of them have been trained on fire fighting as well. Our activities generally do not put our employees at risk. Nonetheless, we have



identified about 36 jobs that require high safety precautions. Workers in these positions received special training and were all provided with safety ware like goggles, gloves, helmets and safety shoes.

MHCFI currently monitors only medium and serious work injuries, of which we are proud to say we experienced none during the past two years. We are currently investigating the expansion of a monitoring system to include mild injuries as well.

GENDER

Mansour Group does not have a written anti-discrimination policy, but we have no gender biases whatsoever with regards to salaries, promotions, or any other aspect. However, there are a significantly larger number of males than females across our companies, due to the fact that the main bulk of our employees work in the distribution field. This is something we are looking to address in the future. The below table shows gender distribution figures across a number of our companies:

COMPANY	NUMBER OF MALES	NUMBER OF FEMALES	PERCENTAGE OF MALES	PERCENTAGE OF FEMALES
Mansour International Distribution	898	76	92%	8%
Mansour Trading and Distribution	934	67	93%	7%
Seclam	182	4	98%	2%
Hayat	169	3	98%	2%
Freezone	42	0	100%	0%





# OUR COMMUNITY



TAHRIR  
JUNE 2012



Mansour Group is highly committed to responsible business practices. It undertakes many activities to promote the welfare and socio-economic development of Egyptian society, deploying to this end a variety of methods. One of these is the Mansour Foundation for Development, which is highly dedicated to the eradication of illiteracy, poverty, and disease, by way of effectively contributing to the development of Egyptian society.

The approach and structure that the group deploys to these ends witnessed immense evolution since the formation of Mansour Group. The following section briefly highlights some of the milestones with regards to our community development related work.

## HISTORICAL MILESTONES ON OUR COMMUNITY-RELATED WORK

Mansour Group and its companies have been investing in the advancement of Egyptian society and the welfare of their direct communities since their inception. Significant as their early initiatives were, they were never the less carried out on a case-by-case basis. Early initiatives lacked the strategy, efficient organization, and focus needed to ensure their long-term impact, albeit they stemmed from a strong desire to improve the communities that we live in. In the late 1990s the group began to rethink its community work, restructuring along the lines of better management and planning, and the delivery of more sustainable outputs. In doing so, the group shifted from its philanthropic approach to adopt a more sustainable development approach.

In January 2001 the Group moved to organize its society related activities more professionally, establishing what the group named the Mansour Foundation for Development (MFD). MFD was, at that time, the first donor NGO to be fully funded by an Egyptian family business.

The establishment of MFD not only organized the group's diverse efforts under one umbrella, it also led the group to engage with its community stakeholders in determining its social outlook for the first time. The stakeholders that the group engaged in this process were at the time limited to civil society consultants and charity organizations.

The key milestone in this process of shifting from philanthropy to development came in the year 2007 when the Mansour Foundation finally formulated a new position in relation to growth and recognition in the Egyptian society. This meant that taking the Foundation through several mandatory enhancement processes including:

1

Expand & diversify its scope of programs; sharing the country efforts to overcome the world economic crisis that deeply affected the development sector at that time.

2

Moderate & maximize the Corporate Social Responsibility contributions made by Mansour Corporation; transforming it into stakeholder model where the company responds to the needs of stakeholders – customers, employees, communities.

3

Fund & execute numerous development activities; demonstrating new role model in administrating development programs through implementing business standards and values.

Consequently, the foundation re-registered itself as the Mansour Foundation for Development (MFD), currently registered at the Ministry of Social Solidarity under no. 489.

The development of MFD thus drove the group to new, more sustainable initiatives and operations. Furthermore, it allowed the group to expand the type of community stakeholders that it involved in determining its approach and activities, to include more than just philanthropic organizations and charity NGOs.

## OUR APPROACH

The Mansour Foundation for Development currently manages the bulk of the CSR and development activities of the companies comprising Mansour Group, including MHCFl. In this manner it tries to centralize the society-related efforts of all our companies in order to maximize their output.

Having said so, the different companies that belong to the group also engage on a number of independent society-related activities in their local communities, be it the bulk of our work is carried out under the umbrella of our central MFD.

## MAIN AREAS OF INTEREST

Our strategic planning efforts and engagement with our stakeholders led us identify three high priority areas in the field of human development, on which we now try to focus our developmental activities. Identified high priority areas are:

1. Education,
2. Health, and
3. Capacity Building

We have also identified four priority segments that we want to focus on, which are as follows:

1. Youth,
2. Women and girls,
3. Children with special needs, and
4. Inhabitants of informal housing and squatter areas.

## VISION, MISSION, AND VALUES OF MANSOUR FOUNDATION FOR DEVELOPMENT

Social responsibility is built on passion, commitment, and duty. MFD is determined to not just assist community development, but also advance and build society by offering individuals and institutions the widest possible range of development programs, mainly in our priority areas: education, health, and capacity building.

MFD's vision is to become the ultimate role model for a foundation that lives up to its promises, and takes pride that funding comes from Egyptian corporations. In doing so we actually seek two intertwined strategic goals: to maximize the outputs of our developmental activities for our direct recipients and to establish a successful model that would convince other businesses to invest in their communities, with the aim of increasing the resources available to social development at large.

As a corporate foundation, MFD's core values stem from business ethics. By this we mean that we seek to apply business thinking, models, and disciplines to our development programs to ensure that the best aspects of the private sector are applied to civil society.





## STRATEGIES

MFD's approach is highly based on a strong spirit to developing the human element in society, and is therefore based on community-driven projects. The foundation seeks not only to apply Mansour's business management model in its community development activities but also to transfer them to our recipients. Thus, we seek development projects that fulfill our social responsibility whilst also abiding to the business principles that govern our social activities.

MFD wants to excel in particular in transferring management know-how to other civil society partners, being involved in the planning, execution and evaluation of activities in order to maximize project outputs. That is what sets us apart from other traditional donors—as we believe that our role must extend beyond awarding grants.

In the final part, the foundation cannot fulfill these goals without adopting standard policies and procedures that ensure the delivery of utmost quality and trustworthiness throughout the lifecycle of the projects that it engages in.

## OUR OBJECTIVES

MFD came to adopt the approach above after engaging in long discussions with its stakeholders. Good as it is, the approach alone cannot work without translating the goals discussed above into more concrete formulations. Undertaking this exercise led us to set the following objectives for our work:

- Upgrade public educational facilities and buildings
- Support poor and/or unable students
- Provide educational scholarships at home and abroad
- Prevent girls from dropping out of schools
- Combating illiteracy
- Developing the health facilities that cater to underprivileged people
- Support health activities in deprived hospitals
- Provide medical treatment for unable people
- Provide technical support for NGOs' staff
- Provide educational, technical, and economic support to marginalized sectors
- Support people with special needs in the field of sports

## PROJECTS AND PROGRAMS

MFD engaged in many projects since its inception, with programs in the areas of: health, education, relief, awareness, employment, capacity building, entrepreneurship, and volunteerism. MFD's programs in each of these areas are highlighted below.



TAHRIR  
JUNE 2012

## PORTFOLIO OF PROGRAMS

### I. HEALTH

1. Vaccination against Hepatitis A convoys – orphans and underserved groups.
2. Technical grant to the Eye hospital.
3. Renovation of the Diagnostic Radiation Section Cancer Institute Kasr Al Ainy Hospital.
4. Contribution to Children Cancer Hospital.
5. Establishment of Al Ziniya Medical Unit.
6. Regular blood donation drives with volunteers.

### II. EDUCATION

1. Mansour Sustainable Development Scholarships.
2. The “We Will Learn” Initiative – Literacy innovative classes.
3. I am a good Citizen –enforcing value system in kids.
4. Improving Pre-school Nurseries & Orphanages in rural areas
5. Back-to-School program.
6. Youth for Peace School camp.

### III. RELIEF CONVOYS & AWARENESS CAMPAIGNS

1. “Holy Quran” Competition.
2. Participation in “Million Blankets” campaign.
3. Sponsorship of the Downtown Contemporary Arts Festival (D-CAF).
4. Stand up against Poverty Campaign.
5. 12local/regional food and medical convoys to underserved areas since revolution.
6. Alexandria Special Needs Marathon and Relay Event.

### IV. RESEARCH AND DEVELOPMENT GRANTS:

1. Corporate Sustainability and Social Entrepreneurship: Mapping out Trends in the Arab Region.
2. UNDP2nd Edition Business Solutions Report.
3. The John Gerhart Center for Philanthropic studies AUC.
4. Takaful 2012- Arab Philanthropy and Civic Engagement.
5. Arab Foundation Forum – Arab grant makers' union.

### V. VOCATIONAL TRAINING, EMPLOYMENT & SME'S

1. Lead Program for Microfinance.
2. Stock house agent training Faculty of Economics students.



TAHRIR  
JUNE 2012



3. Hotel & tourism internships.
4. First Employment Forum for Handicapped at El Sakya Cultural Wheel.
5. Third Employment Forum for Graduates at Cairo University.
6. NGO's Capacity-Building Courses.

## VI. VULNERABLE GROUPS CAPACITY BUILDING

1. Hand in Hand initiative for sponsoring athletics handicapped children and youth.
2. Bridges crossed&Dreams Fulfilled for empowering venerable girls and Women.
3. Annual orphanage support.
4. Annual therapeutic cure/surgeries.
5. Microfinance Program for women / handicapped.

## VII. YOUTH, ENTREPRENEURSHIP AND VOLUNTEERISM

1. Mansour Young Business Awards for fresh graduates
2. Annual Youth Volunteerism Program

## OTHER PROJECTS

On top of the programs mentioned above, the companies of MHCFl engage in independent community development and support activities as well. Hayat, for example, donates 8,000 m3 of water daily to the locals for agricultural use. The company also donates electric power; 100 kv/hr that it generates in house and is used to power the village's school, main clinic, social services building, and the Mosque, free of charge. In addition the company fully supports about 50 orphans of the local Siwis, annually through an authorized organization. The company also donated a truck to transport school students to and from school, and often takes over the maintenance of the truck.

## SUPPORTING THE GLOBAL COMPACT (GC)

Since our engagement with the GC in 2002 and our group provided an extended level of support for the initiative both on the local as well as the global level. Globally, our group is a member of the United Nations Global Compact LEAD, which is a platform for corporate sustainability leadership. The aim of this platform is to motivate companies that are already heavily engaged with the UNGC to be innovative and pioneering with regards to corporate sustainability issues.

Mansour Group was invited to participate in LEAD due to our history of engaging with the Global Compact; and our commitment towards implementing the GC's Blueprint for Corporate Sustainability Leadership. Members of LEAD are also committed to share their experiences and the outcomes of their initiatives with the rest of the GC members through participating in global initiatives and local networks. On the local level, the group fund and support the local GC network in Egypt and its secretariat, the Egyptian Corporate responsibility Center.

# OUR ENVIRONMENT AND PRODUCT RESPONSIBILITY



NEAR HAYAT  
SIWA



This section presents our environmental and product responsibility performance. We divided the section into two parts, dedicating one part to each of the two topics. We also structured our exploration of these two areas around the GRI performance indicators that are relevant to them, like we did in the previous chapter.

## ENVIRONMENT

Our environmental footprint is not among our high impact areas; much of the GRI indicators that cover this area are therefore of moderate to low materiality for us. Most of our operations do not pose any threat to biodiversity or endanger listed species, are not located within or near protected or restored habitats, and produce little non-recyclable waste. Moreover, our operations are generally not energy intensive, nor do they emit large quantities of CFCs or green house gases.

The aspects of our environmental performance that might be of high materiality to our operations are, to put it briefly, our waste and transportation activities.

## WASTE

All of our companies deploy waste management systems that collect their waste and separate it by type. An external contractor (usually the supplier of the original material) then buys the majority of this waste from us, as most of the waste generated acts as inputs in other industries.

The type of waste that we produce includes: plastic bottles (which is sold to plastic factories), paper, wood, dust tobacco, rolling paper, and unsold supermarket commodities. We also produce other production related waste, but in very small quantities. Our indirect waste includes the packaging material that we use in our production or distribution, mainly paper and aluminum cans, and plastic bottles.

To date we monitor our aggregate waste in our supermarket chains only; and we do so in terms of percent of sales, not by weight and volume. We also don't monitor the portion of materials used that are recycled by us or by others. In KheirZaman our waste in 2012 lied at 1.08% of total sales, up from 0.9% in 2011. While in Metro market it hovered around 1.25% for both years (Metro positions itself as a higher quality chain). That is to say, our waste in this area is about 1%-1.25% percent of sales, which is a low level for a supermarket chain, as they always need to terminate products that approach their expiry date.

## WASTE MANAGEMENT

The most developed waste management reporting system in MHCFL is the one that is installed in our supermarket chains. The supply chain system flags all commodities that approach expiry one month before their expiry date. These are collected and an outsourced contractor collects them from our stores. Fresh food waste is mixed with material that prevents its re-use or re-sale, and the waste contractor then carries them to their designated public dump. Non-fresh items that are a month away from their expiry date are collected in a similar way, but their collectors sell them before the expiry date at reduced prices. The same contractors are hired to terminate the products that pass their expiry date in our facilities.

We also try to put some of our commodities on promotion well before they reach this stage in order to minimize the chances of their becoming waste.

## FUTURE PLANS

We are currently putting in place a new waste monitoring system that monitors waste by type and weight or volume. This should supply us with crucial information that we still lack access to. We are also moving to expand this waste management system to the whole company. On top of that we are reviving the idea of giving away some of the finished commodities that we remove from our inventory well before their expiry date. Back in 2003 we had investigated the possibility of doing so, but we didn't go through with the idea.

## ENERGY

All of our companies operate on electricity, and many of them own and operate emergency generators to cover electricity blackouts; we don't have generators in our supermarket stores. Our Hayat Company is the only exception, as it generates all of its electricity in house, because it operates in an area that lacks access to the national grid.

At the moment we are unable to report on all of our direct or indirect energy consumption. We still need to aggregate the relevant data from our various databases. We also haven't embarked on energy saving programs worth reporting here.

Nevertheless, we do aggregate most of the fuel consumed by the fleets of our different companies, which represents our largest environmental impact.

The following table summarizes our fuel consumption in EGP.

	MID		Hayat		MTDC		Seclam	
	2011	2012	2011	2012	2011	2012	2011	2012
Gasoline	883,966	1,060,088	40,631	18,317	217,505	269,264	149,246	102,476
Diesel	793,694	1,026,649	160,208	114,954	1,756,989	2,846,114	2,181,018	1,910,153
Total	1,677,660	2,086,737	200,839	133,271	1,974,494	3,115,378	2,330,265	2,012,629
	Total 2011 = 6,183,258				Total 2012 = 7,348,014			

#### MID

Mansour International Distribution  
Main Brands: Philip Morris (Marlboro, L&M, etc.)

#### MTDC

Mansour for Trading & Distribution Company  
Main Brands: Sunshine Tuna

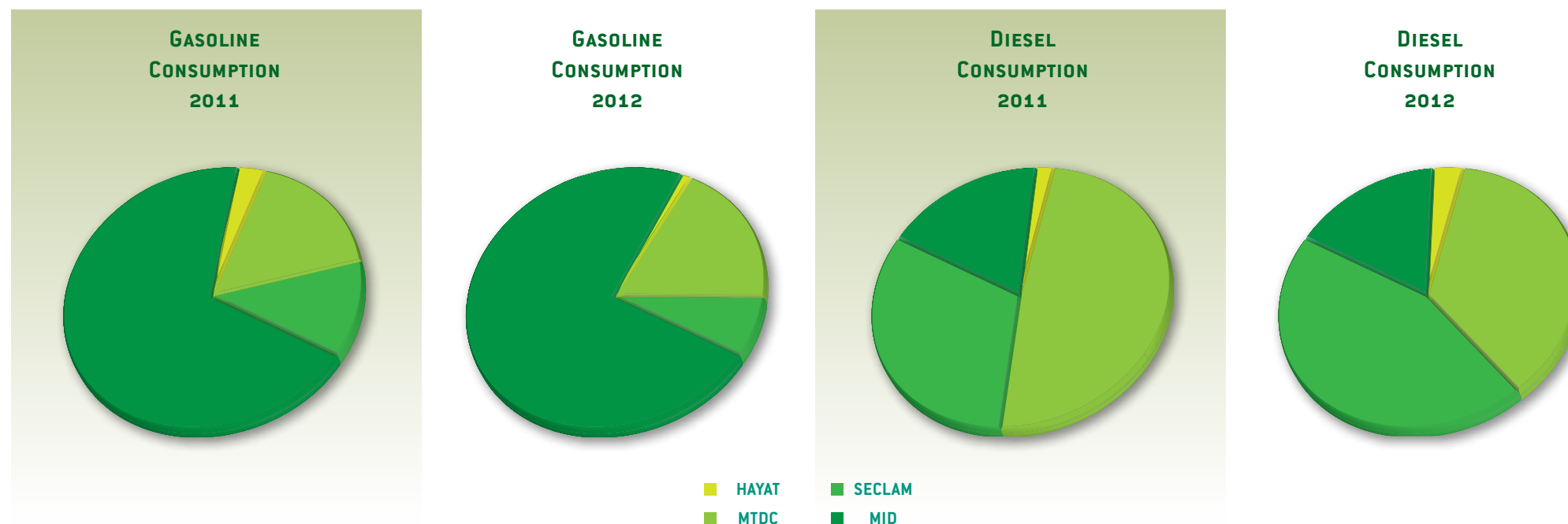
#### ADPF

Alexandria for Dairy Products and Foods (Seclam)  
Main Brands: Labanita

#### HCID

Hayat Company for Industrialization & Development  
Main Brands: Hayat

The previous table illustrates our increased fuel bill, which amounts to roughly 18% during last year. This increase was matched by neither an increase in price of fuel or in number of trips made. Rather it was due to the post revolution challenges discussed above [see page 12].





## WATER

Our Hayat Company is the only company under MHCFl that withdraws significant amounts of water. The company withdraws treats, and bottles water from a well in Siwa. Hayat's factory was not operational throughout 2011; the following table summarizes the company's water consumption during 2012, and up until the month of August in 2013:

Type of Consumption	2012	2013
Cleaning purposes	18,277 m3	25,120 m3
Bottled water	51,794 m3	61,640 m3
Other usages	700 m3	868 m3

As previously mentioned, Hayat also donates 8,000m3 of its water to local farmers to be used for agricultural purposes. The rest of our companies generally don't consume much water, and typically recycle none.

## EMISSIONS

Our emissions are mostly limited to the fuel consumed by our transportation and the fuel used to generate electricity in our Hayat factory. We have not started yet monitoring our greenhouse gas emissions and we have not taken initiatives to reduce them.

The table below shows the total expenses for our water, gas, and electricity consumption in 2011-2012:

Metro 2011			Metro 2012		
Elec.	Water	Gas	Elec.	Water	Gas
33,051,399.10	351,674.90	69,681.94	33,442,959.21	250,194.78	57,926.65
MTDC 2011			MTDC 2012		
Elec.	Water	Gas	Elec.	Water	Gas
106,527.60	2,437.86	-	90,302.66	4,402.51	87.00
Hayat 2011			Hayat 2012		
Elec.	Water	Gas	Elec.	Water	Gas
9,606.00	356.00	-	4,606.00	240.00	-

## PRODUCT RESPONSIBILITY

Mansour Group goes to all the necessary precautions in order to ensure and safeguard the safety, quality and integrity of our products.

One of our companies – Seclam Dairy Factory – had produced a comprehensive quality policy document which defined the international hygiene standards that are material and applicable to Seclam's Manufacturing sites. They had stressed a strong focus on minimizing the opportunity for any forms of product contamination to take place, and to ensure their products met the high standards that customers expected, while avoiding any incidents of manufacturing deficiencies that might damage the quality of their products or that of the health of customers. The associates of Seclam share the objective of manufacturing safe, wholesome and high quality products.

Below are some of these product quality policies:

## PREMISES & MAINTENANCE

To prevent product contamination and any adverse impacts, premises must be located away from environmentally polluted areas, areas subject to flooding, areas prone to pest infestations, or areas where wastes cannot be effectively managed. Adequate measures must be in place to protect the premises from any potential contaminants, and good hygiene practices must be maintained.

The premises must be designed in a way so that it can be easily cleaned, adequately ventilated, and has sufficient pest control procedures. Also, staff facilities must be designed and operated in a way that minimizes the risk of product contamination. The factory must have regularly updated and documented cleaning programs.

There must be an adequate system for the collection and disposal of wastes, which will not be allowed to accumulate in food handling, storage, or other working areas inside or outside the factory. Defined waste areas have to be established and segregated from production activities, and waste disposal must meet legislative requirements and be removed by licensed contractors.

## CONTROL OF OPERATION

Raw, unprocessed material must be segregated from processed products to avoid contamination, and products must have an appropriate shelf-life control, with expired materials being segregated and scrapped. Furthermore, all raw materials must be purchased from approved suppliers in accordance to a Vendor Assurance Program, and have to be stored in good conditions that maintain their quality.

For food safety, a risk assessment procedure (HACCP) is used to define food safety Critical Control Points (CCP). Moreover, recipes production operating procedures and specifications have to be controlled and available for reference in appropriate areas of the sites.



LABORATORIES  
SECLAM



Environmental and process monitoring programs must be in place to trace microbiological contamination. All facilities for heating, cooling, freezing, or any other process must also meet the specified conditions for ensuring food safety.

Food safety checks are performed in accordance to biological, chemical, and physical specifications, with transport and storage quality specifications also existing for all finished products. Finished products are stored separately from raw materials, and rejected products or returned goods are labeled and stored separately. Furthermore, vehicles that move products must be appropriately temperature-controlled, hygienic and clean.

## PEST CONTROL

A comprehensive pest management program is in place to greatly reduce the risk to the products from pests. Monitoring for pest activity is frequent and regularly reviewed and pest control audits and treatments are recorded. Incoming raw materials are also thoroughly checked for pests.

## PERSONNEL

Each site has good quality personnel with the necessary education, training, background, and experience to ensure that all activities, including hygiene and protective clothing, are correctly performed. Procedures are established to identify training competency requirements for all associates to carry out their responsibilities. Managers and supervisors have sufficient knowledge of food hygiene to be able to judge potential risks and take the appropriate preventative measures and corrective actions, while ensure that effective monitoring and supervision is taking place. This ensures that all personnel entering manufacturing areas have an appropriate level of training in basic food hygiene and company hygiene procedures. Furthermore, all personnel are made aware of their contribution to the quality and food safety of the finished products; and the consequences of error and lack of attention to detail.

# GRI DISCLOSURE TABLE



HAYAT FACTORY  
SIWA



The table below summarizes MHCFl's Materiality position in relation to each of the GRI 3.1 indicators and guidelines.

- Indicates an indicator that are Not Material to MHCFl
- Indicates an indicator that are Material to MHCFl

Disclosure indicators are further highlighted according to the reporting level of each indicator, as follows:

- Not Reported (Indicates that are relevant to MHCFl, cases that are commercially confidential, and/or cases where MHCFl lacks relevant information at the moment and is committed to address this lack future reporting)
- Partially Reported (Indicates cases where only part of the indicator may be relevant, and/or cases where MHCFl compiles some but not all relevant information and is working towards reporting fully on them in the future)
- Fully Reported

Also see our Disclosure on Management Approach on page 13.

STANDARD DISCLOSURES PART I: Profile Disclosures					
1. Strategy and Analysis					
Profile Disclosure	Description	Materiality	Disclosure Page number/ reference	Level of Reporting	Global Compact Principles
1.1	Statement on Sustainability from the most senior decision-maker of the organization.	●	Pages 5	●	
1.2	Description of key impacts, risks, and opportunities.	●	Pages: 5; and 11-13	●	
2. Organizational Profile					
Profile Disclosure	Description	Materiality	Disclosure Page number/ reference	Level of Reporting	Global Compact Principles
2.1	Name of the organization.	●	Pages: 7	●	
2.2	Primary brands, products, and/or services.	●	Pages: 7-9	●	
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	●	Pages: 8-9	●	
2.4	Location of organization's headquarters.	●	Pages: 9	●	
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	●	Pages: 7	●	

2.6	Nature of ownership and legal form.	●	Pages: 7-9; 21-25	●	
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/ beneficiaries).	●	Pages: 7-9	●	
2.8	Scale of the reporting organization.	●	Pages: 17-19	●	
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	●	None	●	
2.10	Awards received in the reporting period.	●	None	●	

### 3. Report Parameters

Profile Disclosure	Description	Materiality	Disclosure Page number/ reference	Level of Reporting	Global Compact Principles
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	●	Every two years; Pages: 15	●	
3.2	Date of most recent previous report (if any).	●	Year 2010; Pages: 15	●	
3.3	Reporting cycle (annual, biennial, etc.)	●	Biennial; See Pages: 15	●	
3.4	Contact point for questions regarding the report or its contents.	●	Seif El Batanouni, Corporate Affairs Manager - Pages: 15	●	
3.5	Process for defining report content.	●	Pages: 15	●	
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	●	Pages: 15	●	
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	●	Pages: 15	●	
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	●	Pages: 15	●	
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	●	Pages: 15	●	
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g. mergers/ acquisitions, change of base years/periods, nature of business, measurement methods).	●	None	●	



3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	●	Pages: 15	●	
3.12	Table identifying the location of the Standard Disclosures in the report.	●	This table. Pages 47-58	●	
3.13	Policy and current practice with regard to seeking external assurance for the report.	●	Pages: 15	●	
4. Governance, Commitments, and Engagement					
Profile Disclosure	Description	Materiality	Disclosure Page number/ reference	Level of Reporting	Global Compact Principles
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	●	Pages: 8-9; 25	●	
4.2	Indicate whether the chair of the highest governance body is also an executive officer.	●	Pages: 9; 21-23	●	
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/ or non-executive members.	●	Pages: 9; 21-23	●	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	●	The company is a family owned business and all shareholders are represented on the board. The employees currently voice all their recommendations to the HR unit, which raises it to the board after review.	●	
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	●	N/A due to the nature and composition of the board as the company is a family owned business	●	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	●		●	
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	●		●	
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	●	Page: 23	●	

4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	●	Department policies; This evaluation, the commitments that it develops, and respective exercises that led to its formulation and the formulation of the commitments ensuing from it.	●	
4.1	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	●	MHCFI has to abide by external ESG standards; is regularly audited by relevant authorities and external auditors against these standards.	●	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	●	The approach is currently to follow all regulatory and compliance requirements. However, a comprehensive policy is currently being formulated.	●	7
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	●	<ul style="list-style-type: none"> <li>• The Global Compact</li> <li>• ISO 9001/140001</li> </ul>	●	1
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	●	Page: 25	●	1
4.14	List of stakeholder groups engaged by the organization.	●	Pages: 36-39	●	
4.15	Basis for identification and selection of stakeholders with whom to engage.	●	Page: 36-37	●	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	●	All stakeholder discussions are currently occurring on ad-hoc basis. The company is currently working on a structured stakeholders' engagement program that will launch following the release of this report	●	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	●		●	



STANDARD DISCLOSURES PART III: Performance Indicators					
Economic					
Performance Indicator	Description	Materiality	Disclosure Page number/ reference	Level of Reporting	Global Compact Principles
Economic performance					
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	●	Pages: 17-19	●	
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	●	N/A	●	7
EC3	Coverage of the organization's defined benefit plan obligations.	●	Data not aggregated	●	
EC4	Significant financial assistance received from government.	●	None	●	
Market presence					
EC5	Range of ratios of standard entry-level wage by gender compared to local minimum wage at significant locations of operation.	●	We pay EGP 1000 as a minimum wage; more than the national minimum	●	6
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	●	Most of our suppliers are local.	●	8
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	●	Most of our staff and managers are locals	●	8
Indirect economic impacts					
EC8	Development and impact infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	●	Pages: 35-39	●	
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	●	We didn't conduct this exercise yet	●	
Environmental					
Performance Indicator	Description	Materiality	Disclosure Page number/ reference	Level of Reporting	Global Compact Principles
Material					

EN1	Materials used by weight or volume.	●	Data not available	●	7,8
EN2	Percentage of materials used that are recycled input materials.	●	Data not available	●	8,9
Energy					
EN3	Direct energy consumption by primary energy source.	●	Data not available	●	7,8
EN4	Indirect energy consumption by primary source.	●	N/A	●	8
EN5	Energy saved due to conservation and efficiency improvements.	●	Page: 41-43. None; we haven't conducted such projects.	●	8,9
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	●	Page: 41-43 None; we haven't conducted such projects.	●	8,9
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	●	N/A	●	8,9
Water					
EN8	Total water withdrawal by source.	●	Data not Available	●	8
EN9	Water sources significantly affected by withdrawal of water.	●	Page: 43: Hayat withdraws water from a well in Siwa.	●	8
EN10	Percentage and total volume of water recycled and reused.	●	N/A	●	8,9
Biodiversity					
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	●	N/A	●	7,8
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	●	N/A	●	8
EN13	Habitats protected or restored.	●	N/A	●	8
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	●	N/A	●	8
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	●	N/A	●	8



Emissions, effluents and waste					
EN16	Total direct and indirect greenhouse gas emissions by weight.	●	Needs to be calculated from our transportation Fuel Consumption; see Pages: 42-43	●	8
EN17	Other relevant indirect greenhouse gas emissions by weight.	●	N/A	●	8
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	●	We didn't take up such initiatives	●	7,8,9
EN19	Emissions of ozone-depleting substances by weight.	●	N/A	●	8
EN20	NOx, SOx, and other significant air emissions by type and weight.	●	Data not available	●	8
EN21	Total water discharge by quality and destination.	●	Data not Available	●	8
EN22	Total weight of waste by type and disposal method.	●	Data not Available	●	8,9
EN23	Total number and volume of significant spills.	●	There were no such spills during the reporting period	●	8
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	●	Hazardous substances are neither imported nor exported by the company	●	8
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	●	N/A	●	8
Products and services					
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	●	We didn't undertake such initiatives during the reporting period	●	7,8,9
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	●	Data not available	●	7,8,9
Compliance					
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	●	None	●	8

Transport					
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	●	Page: 41-43	●	8
Overall					
EN30	Total environmental protection expenditures and investments by type.	●	We haven't aggregated the data	●	7,8,9
Social: Labor Practices and Decent Work					
Performance Indicator	Description	Materiality	Disclosure Page number/ reference	Level of Reporting	Global Compact Principles
Employment					
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	●	Page: 29-33	●	
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	●	Page: 29-33	●	3,6
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operations.	●	Page: 29-33	●	6
LA15	Return to work and retention rates after parental leave by gender	●	Data not aggregated	●	1,3
Labor/management relations					
LA4	Percentage of employees covered by collective bargaining agreements.	●	None	●	1,3
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	●	N/A	●	3
Occupational health and safety					
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	●	Involvement not monitored systematically	●	1
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region, and by gender.	●	Page: 32-33	●	1,2
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	●	Not monitored	●	1



LA9	Health and safety topics covered in formal agreements with trade unions.	●	N/A	●	1
Training and education					
LA10	Average hours of training per year per employee by gender and employee category.	●	Page: 30-32	●	1
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	●	Page: 30-32	●	1
LA12	Percentage of employees receiving regular performance and career development reviews.	●	Not monitored	●	1
Diversity and equal opportunity					
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	●	Data has not been collected	●	13,6
Equal remuneration for women and men					
LA14	Ratio of basic salary and remuneration of men to women by employee category, by significant location of operations.	●	Salary is linked to job; gender doesn't influence salaries	●	1,3,6
Social: Human Rights					
Performance Indicator	Description	Materiality	Disclosure Page number/ reference	Level of Reporting	Global Compact Principles
Investment and procurement practice					
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns or that have undergone human rights screening.	●	N/A	●	1,2,3,4,5,6
HR2	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken.	●	Altogether 5 firms are N/A	●	1,2,3,4,5,6
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	●	N/A	●	1,2,3,4,5,6

Non-discrimination					
HR4	Total number of incidents of discrimination and corrective actions taken.	●	No such incidents were reported during the reporting period	●	1,2,6
Freedom of association & collective bargaining					
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	●	Collective bargaining flows with ease	●	1,2,3
Child labor					
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	●	MHCFI cannot employ child labor by nature of business and law.	●	1,2,5
Forced and compulsory labor					
HR7	Operations or significant identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	●	N/A	●	1,2,4
Security practice					
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	●	N/A	●	1,2
Indigenous rights					
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	●	N/A	●	1,2
Assessment					
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	●	N/A	●	1,2
Remediation					
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms."	●	None	●	1,2

Social: Society					
Performance Indicator	Description	Materiality	Disclosure Page number/ reference	Level of Reporting	Level of Reporting
Community					
S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	●	Percentage not available. Pages: 35-39	●	
S09	Operations with significant potential or actual negative impacts on local communities.	●	None	●	
S010	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	●	None needed	●	
Corruption					
S02	Percentage and total number of business units analyzed for risks related to corruption.	●	Monitoring not conducted systematically	●	10
S03	Percentage of employees trained in organization's anti-corruption policies and procedures.	●	None; MHCFl doesn't hold anti-corruption training	●	10
S04	Actions taken in response to incidents of corruption.	●	None was recorded during the reporting period	●	10
Public policy					
S05	Public policy positions and participation in public policy development and lobbying.	●	Page:25	●	1,10
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	●	None; The company doesn't fund any political organizations	●	1,10
Anti-competitive behavior					
S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	●	Competiveness committee	●	1,10
Compliance					
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	●	None	●	



Social: Product Responsibility					
Performance Indicator	Description	Materiality	Disclosure Page number/ reference	Level of Reporting	Level of Reporting
Customer health and safety					
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	●	Not analyzed	●	1
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	●	None	●	1
Product and service labeling					
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	●	Not monitored	●	8
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	●	None	●	8
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	●	Data not compiled	●	
Marketing communications					
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	●	Not monitored systematically	●	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	●	None	●	
Customer privacy					
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	●	N/A	●	1
Compliance					
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	●	None	●	2



## Statement GRI Application Level Check

GRI hereby states that **Al Masnour Holding Co. For Financial Investments** has presented its report "Sustainability Report 2011-2012" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level B.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines. For methodology, see [www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf](http://www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf)

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 6 March 2014

A handwritten signature in blue ink, appearing to read "Nelmara Arbex".

Nelmara Arbex  
Deputy Chief Executive  
Global Reporting Initiative



*The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. [www.globalreporting.org](http://www.globalreporting.org)*

*Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 24 February 2014. GRI explicitly excludes the statement being applied to any later changes to such material.*



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