



**AL MANSOUR  
HOLDING COMPANY  
FOR FINANCIAL  
INVESTMENTS**

SUSTAINABILITY REPORT

2013-2014

## Abbreviations and Acronyms



<b>ADPF</b>	<i>Alexandria for Dairy Products and Foods (Seclam)</i>
<b>AMIDC</b>	<i>Al Mansour International Distribution Company (Imperial Tobacco)</i>
<b>AMTDC</b>	<i>Al Mansour for Trading and Distribution Company</i>
<b>CFC</b>	<i>Chlorofluorocarbons</i>
<b>CSR</b>	<i>Corporate Social Responsibility</i>
<b>COGS</b>	<i>Cost of Goods Sold</i>
<b>EGP</b>	<i>Egyptian Pound</i>
<b>FMCGs</b>	<i>Fast Moving Consumer Goods</i>
<b>GRI</b>	<i>Global Reporting Initiative</i>
<b>HCID</b>	<i>Hayat Company for Industrialization &amp; Development</i>
<b>HR</b>	<i>Human Resources</i>
<b>ITG</b>	<i>Imperial Tobacco Group</i>
<b>KPI</b>	<i>Key Performance Indicators</i>
<b>KZ</b>	<i>Kheir Zaman</i>
<b>MCS</b>	<i>Mansour Courier Service</i>
<b>MD</b>	<i>Managing Director</i>
<b>MDC</b>	<i>Mansour Distribution Company (Free Zone)</i>
<b>MDGs</b>	<i>Millennium Development Goals</i>
<b>MET</b>	<i>Mansour Electronics &amp; Technologies</i>
<b>MFD</b>	<i>Mansour Foundation for Development</i>
<b>MG</b>	<i>Mansour Group</i>
<b>MHCFI</b>	<i>Al Mansour Holding Company for Financial Investments</i>
<b>MID</b>	<i>Mansour International Distribution</i>
<b>MM</b>	<i>Metro Market</i>
<b>MMC</b>	<i>Mansour Manufacturing Company (Free Zone)</i>
<b>MMID</b>	<i>El Mansour and El Maghraby Investment and Development</i>
<b>MMTD</b>	<i>Metro Market for Trading &amp; Distribution</i>
<b>MTD</b>	<i>Mansour for Trading &amp; Distribution</i>
<b>PMI</b>	<i>Philip Morris International</i>
<b>USD</b>	<i>U.S. Dollars</i>
<b>UNGC</b>	<i>United Nations Global Compact</i>



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## LETTER FROM THE CHAIRMAN





It has been a challenging period for the Mansour Group over the past few years. The volatile and unstable climate in Egypt in the period following the 25th of January Revolution, 2011, and its follow up on the 30th of June 2013, has tested the mettle not only of Egypt's business community, but also the very social fabric of the country itself. As Egypt has transitioned through this period to one of greater stability, optimism, and national pride, so too has Mansour Group. We have reaffirmed our commitment to continued growth at all levels. If nothing else, the past few years have clearly demonstrated the critical relevance of sustainability.

As a family-owned business, we continue to adhere to the social, ethical and moral standards instituted by our founder over 60 years ago. Our core values are based on integrity, efficiency, profitability, innovation, shared value, and last, but definitely not least, continued employee development. For Mansour Group, a fundamental component of our sustainability is a sharp focus on our greatest asset: our employees. Investing in our employees is not just about ensuring higher performance, or building an efficient workforce. It flows from our sense of responsibility to our stakeholders, and every person working at Mansour Group is just that - a valued and vital stakeholder. Employee development is one way of empowering our staff, providing them with essential business and social skills that they can leverage on their career journeys. Moreover, Mansour Group has instituted a number of mechanisms to ensure an ethical management process that respects staff at all levels. Following international best practices, standardized policies and procedures are in place, ensuring fair compensation, equitable treatment, transparency, communication, recognition of achievement, health, and safety to all that work at our offices and facilities.

Another cornerstone of our sustainability is the recognition that we are part of a wider community, one which we believe ourselves duty bound to support. Mansour Group is actively engaged in a variety of social investment initiatives, whether implemented through our own Mansour Foundation, or by supporting other programs nationwide, through social investments, event sponsorships, and social awareness campaigns. Here, we focus mainly on poverty alleviation, education, healthcare, and capacity building. In terms of environmental sustainability, we continue to push forwards with efficient and ethical resource utilization, responsible waste management, and energy conservation.

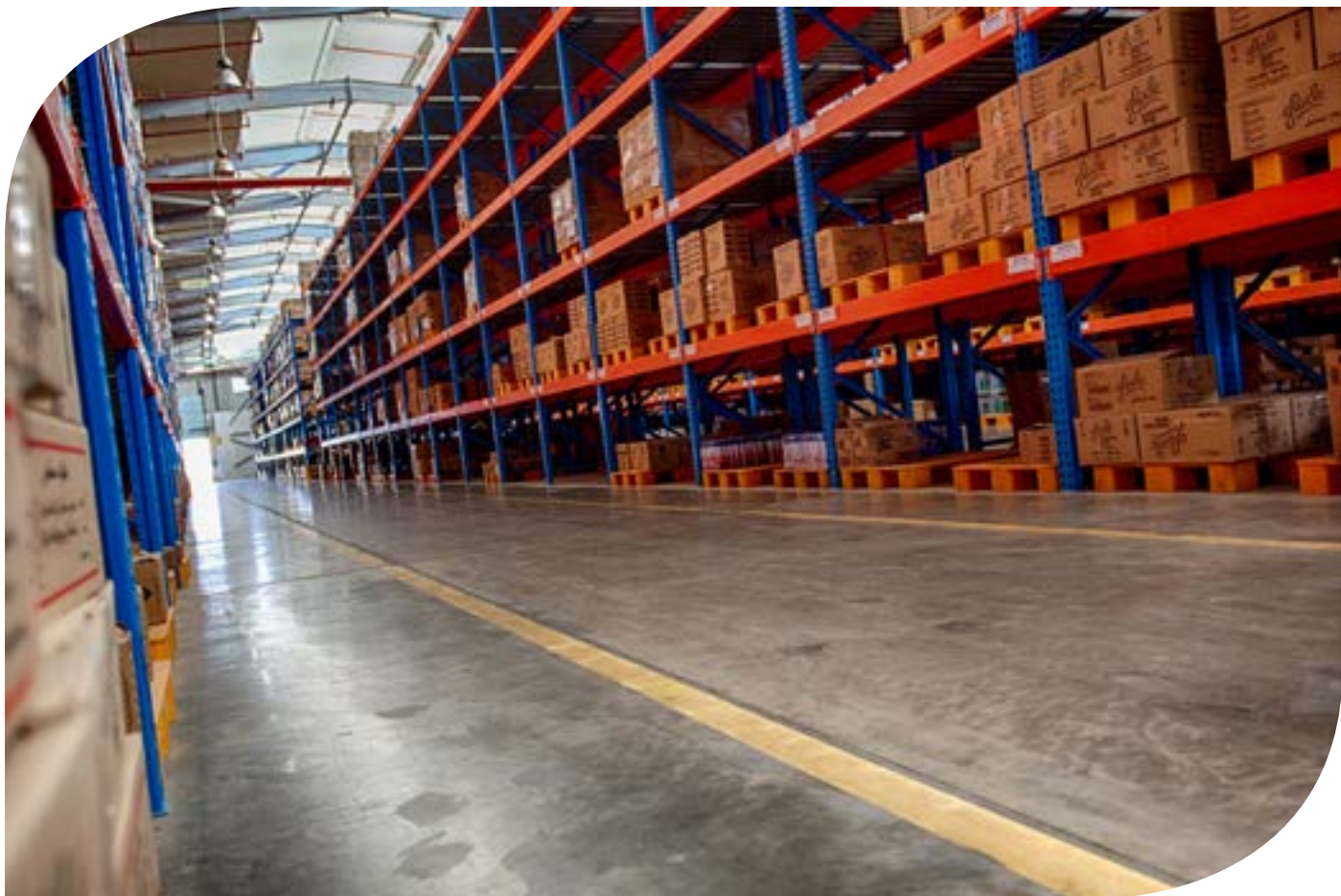
As Mansour Group continues to diversify, grow, and expand to ever more challenging markets - locally, regionally, and internationally - our dedication to our core values ensures that we remain a visible example of what responsible business conduct can achieve.

We at Mansour Group remain committed to the implementation of the 10 principles of the Global Compact.

**YOUSSEF MANSOUR**

ABOUT AL MANSOUR HOLDING COMPANY  
FOR FINANCIAL INVESTMENTS





The seeds of the Mansour Group were planted by Lotfy Mansour in the early 1950s, when he established the Mansour & Sons Cotton Trading Company. His entrepreneurial vision created a legacy that is carried on to this day by his sons. His eldest son, Ismail Mansour, succeeded in steering the family business to its position as one of the leading companies in the region. Ismail is succeeded by his three brothers, who each have an influential role in managing the group and continuing its tradition of business innovation and diversification.

## **DIVISIONS OF MANSOUR GROUP**

The Mansour Group's continuing growth is a result of its ability to effectively identify new business opportunities by exploring new areas of diversification and forging successful joint ventures with global brands - something it has been doing successfully since the 1970's. Mansour Group is currently a key regional player in various industries including manufacturing, marketing, and distribution. Employing over 60,000 people, Mansour Group currently achieves a turnover of over 4 billion USD.

With a constant focus on geographic market diversification, Mansour Group has a presence in 120 countries and 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 our headquarters in Cairo, and our main office in London. Most activities, however, remain in Egypt.

Mansour Group is comprised of six holding companies, each of which is responsible for a number of quasi-independent companies. These holding companies are: Mantrac Group; Manfoods; Al Mansour Automotive; Al Mansour Holding Company for Financial Investments (MHCFI); Man Capital LLP (the Mansour Family Global Investment Arm); and El Mansour and El Maghraby Investment and Development (MMID). Together, these companies cover the following diverse array of economic sectors: automotive; banking; real estate; consumer goods; education; IT and telecom; equipment and machinery; media and advertising; oil and gas; and transportation and logistics.

Al Mansour Holding Company for Financial Investments (MHCFI) is the focus of this report.

## **AL MANSOUR HOLDING COMPANY FOR FINANCIAL INVESTMENTS (MHCFI)**

Al Mansour Holding Company for Financial Investments (MHCFI) – one of Mansour Group's six main holding companies - comprises eight large, semi-independent companies, most of which have have been created to manufacture and distribute local and 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 partnership with PMI lasted 23 years and ended in 2014. Later in 2014, MHCPI partnered with Imperial Tobacco, producing brands including Davidoff, Gauloises and P&S.

MHCPI was established as an autonomous company, semi-independent from Mansour Group. This allows MHCPI the freedom and authority to rapidly respond to new business opportunities, including the ability to establish new companies, without having to refer back to the group. Nevertheless, despite its quasi-independent status, MHCPI is bound by Mansour Group's corporate policies and strategies, and is committed to the fulfilment of the group's strategic goals and Key Performance Indicators (KPIs).

## DIVERSIFICATION

As mentioned above, MHCPI was initially created to manage the PMI account. Over time, MHCPI began to diversify, extending its activities to the food production sector with the purchase of the Seclam dairy products processing factory. This was followed by the establishment of the Hayat-Siwa bottling plant, producing bottled drinking water.

MHCPI entered the food retail business with the establishment of Metro Market for Trading and Distribution, successfully introducing the high-end supermarket chain Metro Market (MM) in the 1990s. Leveraging the overwhelming success and continued growth of the Metro supermarket chain, MHCPI opened the Kheir Zaman (KZ) supermarket chain, catering to the lower income consumer market. Together, the Metro chain (catering to the A consumer segment) and the Kheir Zaman chain (catering to B and C consumer segments) constitute the largest food retail chain in Egypt; covering 12 governorates and serving more than 115,000 customers daily.

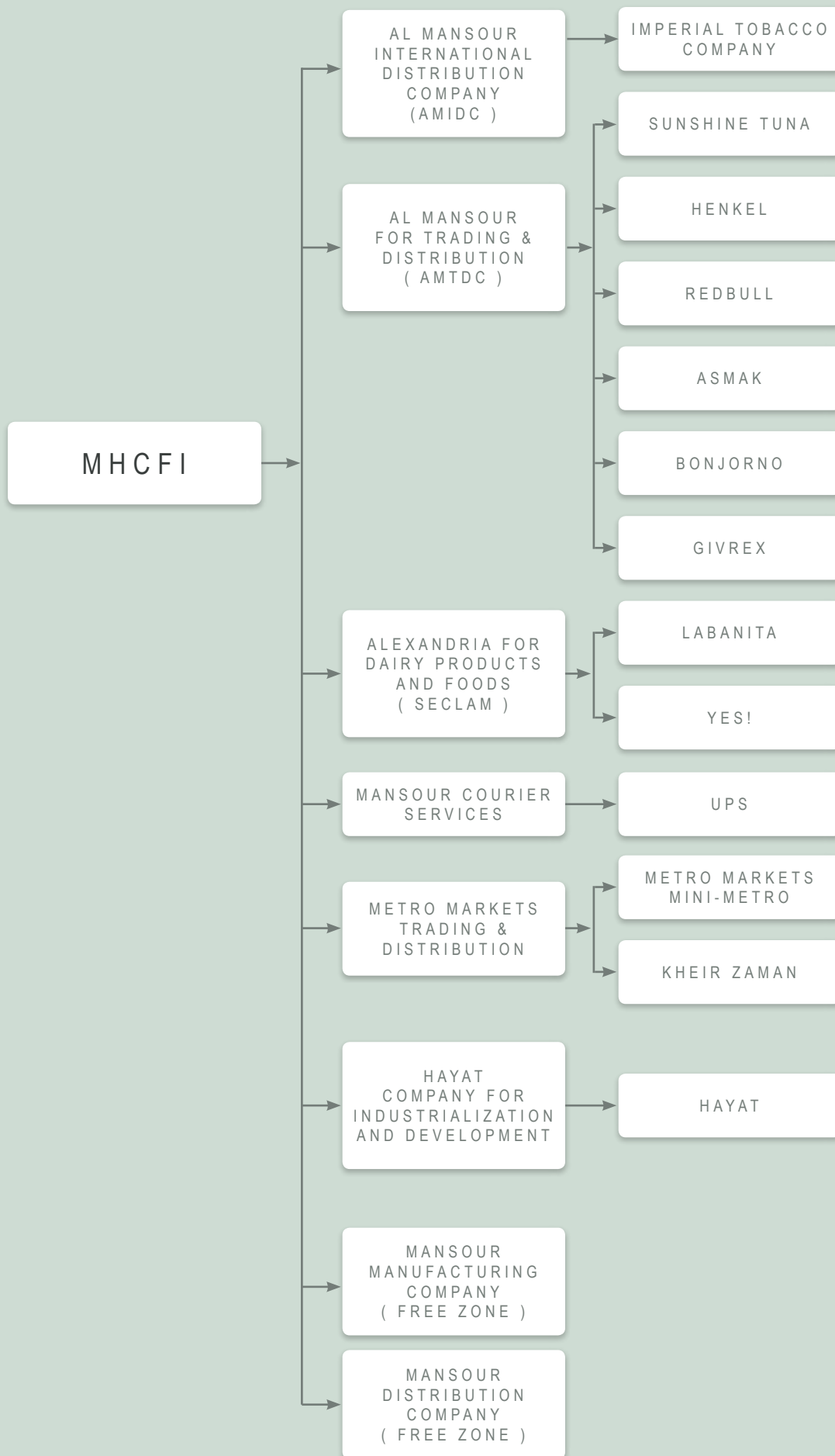
Mansour for Trading and Distribution Company (AMTDC) is the company behind Sunshine Tuna Fish and Shrimps, Mario Tuna, Labanita dairy products, Redbull Energy Drinks, L'Oréal cosmetics and Henkel and Hayat drinking water.

## MHCPI COMPANIES AND BRANDS

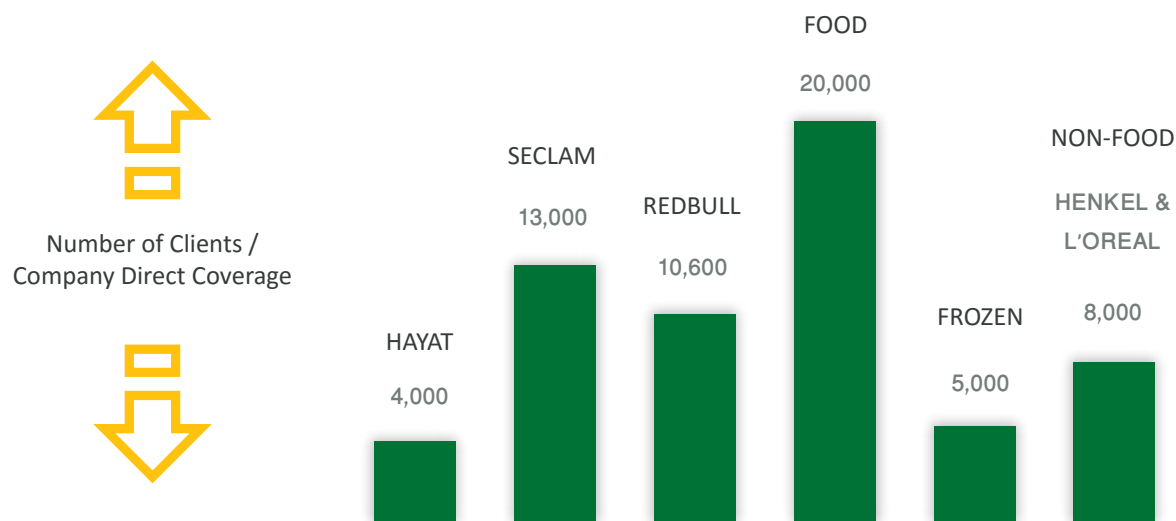
MHCPI is comprised of several companies that distribute an extensive range of consumer goods to over 150,000 outlets nationwide, making it by far the largest distribution group in Egypt. The figure opposite outlines the eight companies that now make up MHCPI as well the brands that they manufacture and/or distribute:





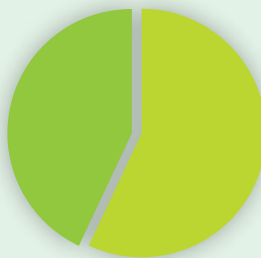


The revenues of MHCFI's companies exceeded 9.5 billion EGP in 2014, with 270 million EGP in profit. MHFCl employs over 8,700 people, which amounts to roughly 14.5% of Mansour Group's total work force. It is currently one of Egypt's largest private sector employers. The following figures are estimates of the numbers of traders and key clients served by MHCFl companies/activities:



AMTDC

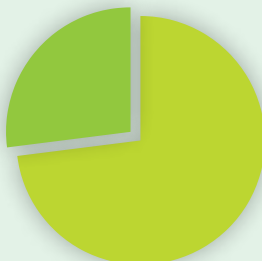
Number of Clients /  
Company Direct Coverage  
**60,600**



Total AMTDC  
Indirect Coverage  
**80,000**

AMIDC

Number of Clients /  
Company Direct Coverage  
**34,000**



Total AMIDC  
Indirect Coverage  
**90,000**

UPS

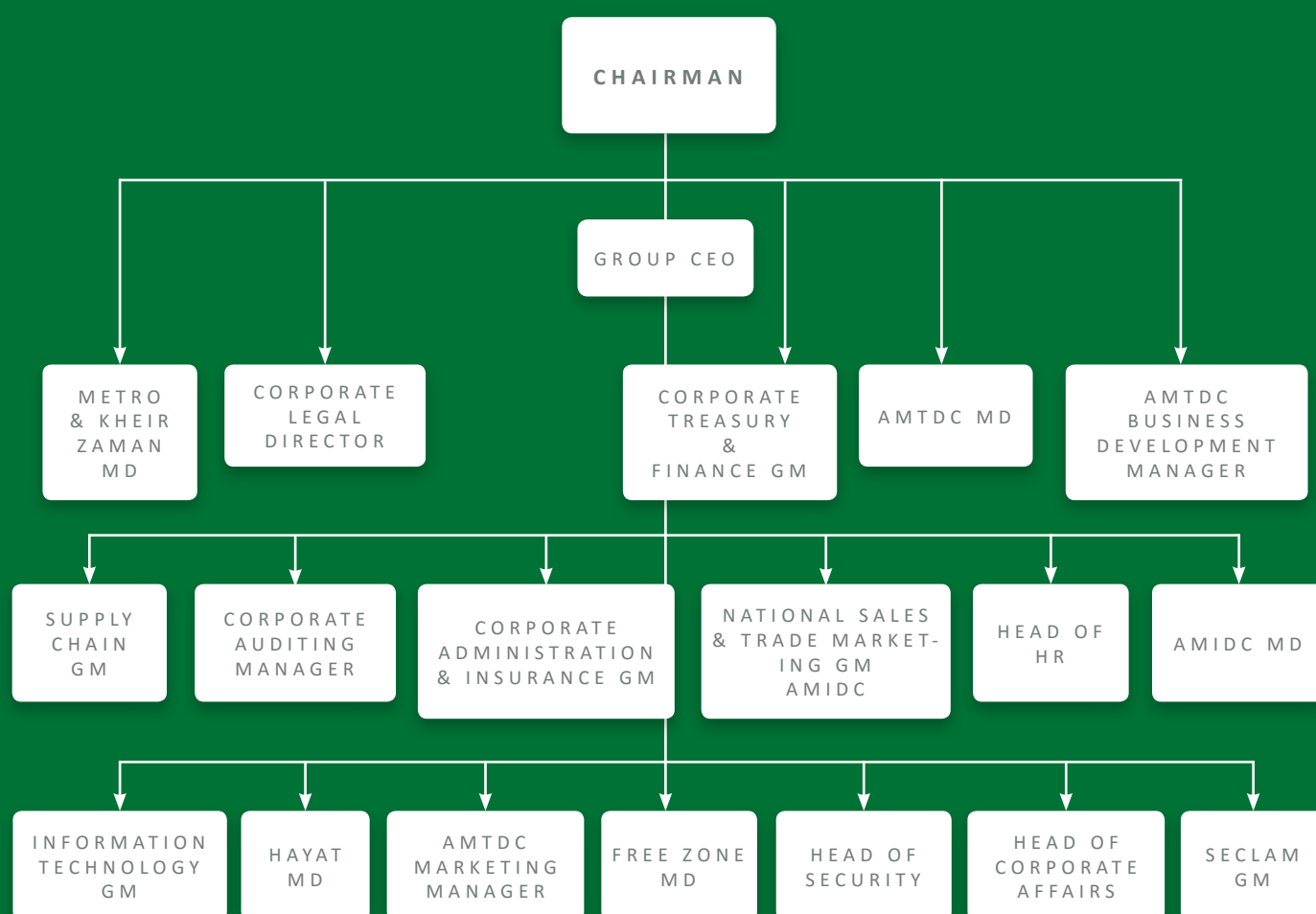
Number of Clients /  
Company Direct Coverage  
**720**

## MHCFI ORGANIZATIONAL STRUCTURE

Cairo is home to the headquarters of all of the MHCFI companies except for Hayat and Seclam, which are located in Siwa and Alexandria, respectively. However, MHCFI conducts operations all across Egypt.

MHCFI manages its operations on two different levels: some activities, such as legal affairs, corporate affairs, external relations, human resources, and security and administration are dealt with at the headquarters; while others are dealt with at a company level. This allows for semi-independent organizational structures and flexible support functions that meet each company's specific needs. The figure below illustrates MHCFI's organizational structure.

# MHCFI ORGANIZATIONAL STRUCTURE





## SUSTAINABILITY CHALLENGES AND APPROACH





Egypt has faced numerous social and economic challenges following the Egyptian revolution. MHCFI was among many businesses negatively affected by economic instability, yet has managed to continue growing as the economic situation began to stabilize. One of the most significant challenges MHCFI faced after the revolution was the overall lack of security, particularly evident with increased robberies. While robbery risks then dropped significantly in 2013 and 2014, MHCFI faced new challenges, highlighted below.

## MAIN CHALLENGES

Over the past few years, lack of security has been an issue of concern nationwide. In 2013, MHCFI was still struggling with the repercussions of low security levels that resulted in losses for the company. However, MHCFI managed to improve security in 2014, reporting a significant decrease in the number of robberies affecting the business. Predictably, new challenges have emerged which we are planning on facing this upcoming year.

### The Economic Challenge

As of 2015, Egypt continues to experience many economic challenges. One of the most persistent problems is the steady increase in inflation. This increase reflects directly on the purchasing power of the consumer, putting pressure on affordable brands more appropriate to decreased consumer purchasing power. Despite the problems posed by increasing inflation, Egypt still lacks effective policies to counter this particular threat.

There is also the issue of lack of availability of USD in the formal currency markets. This kind of situation forces businesses like ours, that require USD to purchase imported goods, to deal with the informal or 'black' market. This affects profitability due to the added cost of buying dollars at higher rates than those officially quoted.

### The Energy Challenge:

Electricity blackouts and fuel shortages represent a challenge to every business. In MHCFI's case, the problem of energy supply affects all the production and distribution phases of our industry. The increase in the cost of diesel and gasoline naturally affects both transportation and manufacturing costs. This in turn translates into an increase in the prices of products, directly impacting the consumer's ability to purchase those products. Increases in the cost of water and electricity also affects our capacity to manufacture while maintaining a profit margin.

## Switching Partnerships:

On July 1<sup>st</sup> 2014, AMIDC ended a long-term partnership with Philip Morris International (PMI) and cemented a new partnership with Imperial Tobacco Group (ITG). The new partnership brought in a tobacco manufacturing market share of 0.02% which rose to 0.6% market share by end of 2014.

This represents a challenge as the partnership with PMI entailed a share amounting to 24% of the tobacco market. To fill in the revenue gap, MHCFI has been looking into adding new tobacco-related businesses and retaining the workforce. As a first step, we are looking at restructuring the tobacco business to ensure more effective business management.

## MANAGEMENT APPROACH

The volatile situation in Egypt over the past few years appears to have subsided, and the country is now turning its attention towards stabilizing the national economy. One strategy being actively implemented by the current leaderships is to stress a more attractive and supportive investment climate. Accordingly, MHCFI is committed to supporting the growth of the national economy through new investments and expansion. We are hopeful that the election of a new parliament will provide clear public policies regarding the types of investment needed for the economy to stabilize.

While the company is aware that we remain in a transitional period, where uncertainties are present, MHCFI is equipped with a team of experienced professionals implementing a business plan designed to help us adapt to the challenges that lie ahead. This includes the installation of a new risk assessment mechanism that will enable MHCFI to foresee upcoming risks and develop effective strategies to minimize them.

Our main priority focus is to capitalize on MHCFI's manpower. This is reflected by a management approach that seeks to address employees' individual well-being, seen as of equivalent importance to that of the company's own. MHCFI is committed to maintaining a solution-oriented approach to our management strategies, focusing on sustainable management techniques designed to help protect our employees - our main asset and the stakeholders of MG.

In terms of environmental sustainability, we are determined to look for solutions to the energy crisis Egypt is facing. This comes hand in hand with the development of our own energy conservation and management plan, and the adoption of new approaches to how energy is used in all our activities: in our offices, outlets, and production facilities. The following table summarizes our sustainability approach by performance area:

Performance Area	Approach
<b>Economic Sustainability</b>	We are currently focused on maximizing efficiency, reducing production costs, and securing affordable and sustainable energy resources.
<b>Social Sustainability</b>	We continue to support an array of civil society organizations and social enterprises across the country. Our Mansour Foundation for Development, has pioneered a locally-driven and bold approach to social investments as it focuses on key social needs including research and programmatic interventions in the areas of education, poverty alleviation, civic engagement, social entrepreneurship, among others, in neighboring communities and beyond. We plan on maintaining and expanding our social investment portfolio, in an effort to contribute to Egypt's sustainable development.
<b>Human Capital</b>	Our employees are one of our primary stakeholders; we continue to invest in their growth and development; to further their growth and the growth of the company. We plan on achieving a more gender-balanced managerial team by investing in the leadership potential of female middle management.
<b>Human Rights</b>	We continue to be committed to a zero-tolerance policy towards child labor and are committed to the adoption of a minimum wage policy.
<b>Environmental Sustainability</b>	The program focus this year revolved around mitigating the environmental impact of our operations. The scaling of usage for biodegradable plastic bags and energy reduction have been the center focus of this year's program.
<b>Product &amp; Client Responsibility</b>	Together with our employees, our clients are other key stakeholders. We continue to focus on client satisfaction and safety through stringent safety and quality management systems. We also maintain an open communication system with our clients through multiple feedback mechanisms.





## ABOUT THIS REPORT





MHCFI is pleased to present our fourth sustainability report, covering activities over the period from 2013 to 2014. The purpose of this report is to keep both the public and our family shareholders engaged in, and informed about, our achievements and development. We have managed to overcome hardships affecting our business over the past few years, and we plan on moving forward by being mindful of our stakeholders and business partners. This report presents these updates against the measures and indicators of the Global Reporting Initiative (GRI-G3.1), level B.

We have compiled the report at hand 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 committed ourselves to undertake this reporting exercise on a biennial basis back in 2010, and have succeeded in publishing three reports to date.

In the current report, we have made every effort to improve our analyses and expand the scope of the information covered, and we hope to continue improving our disclosure level in the future.

## SCOPE AND DATA

The scope of this report is limited to Al Mansour Holding Company for Financial Investments (MHCFI), including the aggregate activities of the eight companies comprising MHCFI. Accordingly, the analysis presented here focuses on the direct community and stakeholders of MHCFI. The report thus addresses neither the practices of the rest of Mansour Group to which MHCFI belongs nor the universes of MHCFI'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, we followed basic international measurement standards. The information that we provide here is extracted from our databases, bills, internal reports, and externally audited statements. Some information has also been extracted through interviewing relevant personnel from MHCFI. This allows us to cover most of the information that reflects on MHCFI's indicators, as per the requirements of GRI level B disclosure standards and the general GRI reporting tradition.

In reporting on the joint performance of the eight companies comprising MHCFI, we relied mostly on our consolidated statements and reports. The compilation of these statements and reports progressed smoothly, as these companies share several central departments and are governed by a common top management (please see the governance section for more information). In other words, MHCFI's companies utilize the same top management reporting system.



Despite the tremendous challenges MHCFl faced 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 have highlighted these 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 2016. Nevertheless, this is unlikely to 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 in this regard lies perhaps in the fact that we have expanded our reporting initiative by providing more detailed information in several fields including Energy consumption and Gender representation.

Furthermore, although our sustainability case requires rather straightforward measurements, a number of environmental indicators require capacities we have not yet acquired. Nevertheless, in comparison to previous reports, environmental data has been expanded. This includes the steps taken to counter any negative effects of MHCFl operations on the environment.

Information disclosed on employee movement inside the company has also been greatly expanded compared to previous reports. The hiring and resignation disclosure is more detailed. Likewise, information on employee training conducted in 2013/2014 is also more detailed.

## **MATERIALITY AND LEVEL REQUIREMENTS**

We designed this report to satisfy GRI level B disclosure requirements. This 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. These performance indicators include at least one from each of: economic, environment, human rights, labor, society, and product responsibility indicators.

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 live in led us to believe that some performance areas are of paramount relevance to us, overshadowing others.

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, we developed a number of reporting mechanisms to 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 at a deeper level. Our Corporate Affairs Manager, Seif El Batanouni, is happy to provide any additional information and elaborations on request.





## OUR ECONOMIC PERFORMANCE







MG remains one of the biggest private investment groups in the region, generating revenue up to 4 billion USD annually. This leaves us in an excellent financial situation. As mentioned in previous sections, MHCPI is made up of eight different companies. Taken as a whole, the consolidated financial performance of the company has been excellent since its inception; a performance that the company has been able to maintain despite revolutionary instabilities.

Our current consolidated operation proceeds with 5 billion EGP of current assets and 1.35 billion EGP of non-current (or long term) assets. These assets are balanced, in part by 1.98 billion EGP worth of equity. On the other hand, in 2014, our consolidated revenues reached 9.5 billion EGP, and our profit reached 270 million EGP.

## EQUITY

The Balance Sheet provided below demonstrates the values of MHCPI's various assets, liabilities, and equity types, broken down by our different business units (companies), as of December 31, 2014.

As of December 31st, 2014	EGP (Millions)							
MHCPI Consolidated Balance Sheet	MID	MMTD	MTDC	MCS	HCID	MET	MDC	MMC
Total Current Assets	3864.90	268.30	579.85	34.91	29.88	3.63	168.97	60.57
( - ) Total Current Liabilities	1199.59	449.66	298.02	10.89	35.42	0.49	34.72	179.93
Working Capital	2665.31	-181.36	281.83	24.02	-5.55	3.15	134.25	-119.36
( + ) Total Non - Current Assets	133.81	852.88	162.68	9.88	42.55	6.55	8.76	136.44
<b>Total Investment</b>	<b>2799.12</b>	<b>671.52</b>	<b>444.52</b>	<b>33.90</b>	<b>37.00</b>	<b>9.69</b>	<b>143.01</b>	<b>17.09</b>
Total Non - Current Liabilities	2000.15	158.73	10.00					
Owners' Equity	798.97	512.78	434.52	33.90	37.00	9.69	143.01	17.09
<b>Total Investment</b>	<b>2799.12</b>	<b>671.52</b>	<b>444.52</b>	<b>33.90</b>	<b>37.00</b>	<b>9.69</b>	<b>143.01</b>	<b>17.09</b>

As of December 31st, 2013								EGP (Millions)
MHCFI Consolidated Balance Sheet	MID	MMTD	MTDC	MCS	HCID	MET	MDC	MMC
Total Current Assets	2046.72	210.59	503.86	34.18	34.54	3.92	220.85	56.10
( - ) Total Current Liabilities	1565.92	543.19	268.06	14.85	38.30	0.66	101.27	146.42
Working Capital	480.81	-332.60	235.79	19.33	-3.76	3.26	119.57	-90.32
( + ) Total Non - Current Assets	135.78	884.84	160.67	9.58	34.20	7.00	8.89	109.06
<b>Total Investment</b>	<b>616.59</b>	<b>552.24</b>	<b>396.46</b>	<b>28.90</b>	<b>30.44</b>	<b>10.26</b>	<b>128.46</b>	<b>18.75</b>
Total Non - Current Liabilities	7.80	49.22	10.00					
Owners' Equity	608.79	503.02	386.46	28.90	30.44	10.26	128.46	18.75
<b>Total Investment</b>	<b>616.59</b>	<b>552.24</b>	<b>396.46</b>	<b>28.90</b>	<b>30.44</b>	<b>10.26</b>	<b>128.46</b>	<b>18.75</b>

## KEY

<b>MID</b>	Mansour International Distribution Main Brands: Philip Morris (Marlboro, L&M, etc.)	<b>HCID</b>	Hayat for Industrialization & Development Main Brands: Hayat
<b>MTDC</b>	Mansour for Trading & Distribution Company Main Brands: Sunshine Tuna	<b>MET</b>	Mansour Electronics & Technologies Main Brands: Bang & Olufsen, Roamworks
<b>ADPF</b>	Alexandria for Dairy Products and Foods (Seclam) Main Brands: Labanita	<b>MMC</b>	Mansour Manufacturing Company (Free Zone)
<b>MCS</b>	Mansour Courier Service Main Brands: U.P.S.	<b>MDC</b>	Mansour Distribution Company (Free Zone)
<b>MMTD</b>	Metro Market for Trading & Distribution Main Brands: Metro Market, Kheir Zaman		

## PROFITABILITY

Increased stability in Egypt has had a positive impact on the economy. For MHCFI, this means better financial performance, resulting in greater profitability, vis-à-vis MHCFI's performance during Egypt's instability over the past couple of years. This report dedicates a detailed chapter (above), to the challenges that have emerged since the political upheavals of January 2011 began. For the purposes of this section, however, we would like to outline our main financial results and highlight the impact of this political and social climate on them.

MHCFI assets are balanced in part by 1.98 billion EGP worth of equity. On the other hand, our consolidated revenues reached 9.5 billion EGP in 2014, and our profit reached 270 million EGP for the same year.

Year 2014								EGP (Millions)
Income Statement	MID	MMTD	MTDC	MCS	HCID	MET	MDC	MMC
<b>Net Sales</b>	5,501.86	1,978.24	1,793.03	30.93	66.18	0.51	114.97	9.36
<b>Gross Profit</b>	235.89	12.08	393.50	11.27	26.02	(0.18)	11.35	2.97
<b>Net Profit For Period</b>	190.19	15.97	48.06	4.99	6.56	(0.56)	7.60	(2.68)

MHCFI witnessed an improvement in terms of equity in 2014. MHCFI's revenues and profits for the year 2011 were 6,649.3 million EGP and 222.7 million EGP, respectively. Between the years of 2011 and 2012, our revenues increased by 1,409.2 million EGP, and our profits by 71.5 million EGP.

Mansour International Distribution (MID) accounted for the bulk of our sales and profit. Other MHCFI companies experienced mixed performance. While some companies demonstrated a trend of high sales and profitability, other companies experienced a drop in sales, and by extension profitability.

The table below illustrates our consolidated income statement for the year 2013, broken down by business unit.

Year 2013								EGP (Millions)
Income Statement	MID	MMTD	MTDC	MCS	HCID	MET	MDC	MMC
Net Sales	6,478.46	1,877.33	1,258.84	28.55	90.70	0.47	900.69	2.26
Gross Profit	950.90	95.48	280.86	9.15	37.80	(0.15)	125.71	(0.16)
Net Profit For Period	438.19	73.67	21.23	4.24	15.33	(0.74)	121.29	(3.90)

As the above table shows, our companies paid about 119.68 million EGP in income taxes in the year 2014. We are more proud of these payments than any other payments we previously made. 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.

## VALUE ADDED

MHCFI analyzes the value-added 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 add only retail value. We can then classify our Cost of Goods Sold (COGS) according to these two categories. The table below summarizes our COGS classification by business unit into value-added and retail-based for the year 2014.

Year 2014							EGP (Millions)
COGS Classification	MID	MMTD	MTDC	MCS	HCID	MET	MDC
Value added COGS	5,266	-	245	-	-	-	-
Retail based COGS	-	1,966	1,155	20	40	0.6	104
Total	5,266	1,966	1,400	20	40	0.6	104

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 time-frame. The following tables compare our capital investments in the year 2014 with their equivalent in the year 2013.

Capital Investments						EGP (Millions)	
MID		MMTD		MTDC		MCS	
2014	2013	2014	2013	2014	2013	2014	2013
17.35	10.05	146.23	48.44	27.72	48.73	1.11	0.75

Capital Investments				EGP (Millions)	
HCID		MET		MDC	
2014	2013	2014	2013	2014	2013
13.68	3.53	0.00	0.00	0.39	0.34

Our total capital investments in 2014 and 2013 were 206.5 million EGP and 112 million EGP, respectively. While the economic downturn has seen many companies considering exiting from Egypt, we continue to pride ourselves on our commitment to investing in our economy.

## GOVERNANCE & APPROACH





Mansour Group is a private family business; and its shares are not listed in the stock exchange. As such, it is not obligated to any minority shareholders. However, Mansour Group is engaged in a number of joint ventures, and therefore needs to address the interests of its partners.

Although these ventures do not necessarily affect MHCPI, the Mansour Group implements a system of forming 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 always contains independent members. The philosophy adopted is that independent board members bring a wider perspective and varied viewpoints into the governance of the group as a whole, and this includes MHCPI. Moreover, Mansour Group has standardized a single management approach across all of its companies. Thus, while the approach listed below governs Mansour Group as a whole, it governs MHCPI by extension. Mansour Group's Board Members and Managers are listed below.

#### COMPANY BOARD MEMBERS AND MANAGERS

Metro Market for Trading and Distribution	
Name	Position
Atef Abo Shady	Chairman and Managing Director
Youssef Mansour	Managing Director for Financial Affairs
Yasseen Mansour	Board Member
Mostafa Abboud	Board Member
Mohamed El Amin Ismail Mansour	Board Member
Mahmoud Lotfy Ismail Mansour	Board Member





Mansour International Distribution	
Name	Position
Atef Abo Shady	Chairman and Managing Director
Youssef Mansour	Managing Director for Financial Affairs
Mohamed Mansour	Board Member
Mostafa Abboud	Board Member
Mohamed El Amin Ismail Mansour	Board Member
Mahmoud Lotfy Ismail Mansour	Board Member

Mansour Trading and Distribution	
Name	Position
Atef Abo Shady	Chairman
Youssef Mansour	Managing Director of Financial Affairs
Mohamed Mansour	Board Member
Yasseen Mansour	Board Member
Nabil Barghash	Managing Director
Mostafa Abboud	Board Member
Mohamed El Amin Ismail Mansour	Board Member
Mahmoud Lotfy Ismail Mansour	Board Member

Mansour Dairy & Food Company “ Seclam”	
Name	Position
Atef Abo Shady	Chairman
Youssef Mansour	Managing Director of Financial Affairs
Mohamed Mansour	Board Member
Yasseen Mansour	Board Member
Nabil Barghash	Managing Director
Mohamed El Amin Ismail Mansour	Board Member
Mahmoud Lotfy Ismail Mansour	Board Member

Hayat	
Name	Position
Atef Abo Shady	Chairman
Youssef Mansour	Managing Director of Financial Affairs
Mohamed Mansour	Board Member
Yasseen Mansour	Board Member
Nabil Barghash	Managing Director
Mostafa Abboud	Board Member
Mohamed El Amin Ismail Mansour	Board Member
Mahmoud Lotfy Ismail Mansour	Board Member





Mansour Electronics and Technologies	
Name	Position
Youssef Mansour	Managing Director of Financial Affairs
Nabil Barghash	General Manager

Mansour Courier Service	
Name	Position
Youssef Mansour	General Manager of Financial Affairs
Tony Costa	General Manager

Free Zone	
Name	Position
Youssef Mansour	General Manager of Financial Affairs
Ahmed Essam Tawfik	General Manager

## COMPLIANCE COMMITTEE

To ensure compliance with local and international regulations, and international best practices, a compliance committee is in place, and consists of senior management from the Auditing, Financial, Human Resources, Personnel, Corporate Affairs, and Legal Affairs Departments. The committee convenes on a monthly basis to review performance, policies, and procedures, as well as to identify and address any gaps. The committee directly reports to the Group's Chairman, and engages relevant companies' Managing Directors as needed.



## OUR MISSION AND VALUES

MHCFI's governance approach rests on seven main pillars: customer satisfaction; employee development; integrity; quality in achievement; profitability and efficiency; innovation and creativity; and mutual benefit. MHCFI strives to abide by these standards and uses them as benchmarks whenever it evaluates the performance of any of its divisions.

### OUR MISSION

MHCFI 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 compliments their lifestyles.

We accomplish this by ensuring that our talented and effective teams base their decisions on sound information and are able to 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 continued 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 achievement, but also on the process which leads to that achievement, with the 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.

### ORGANIZATION OF MHCFI

Each of MHCFI'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 whichever company they manage. 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.



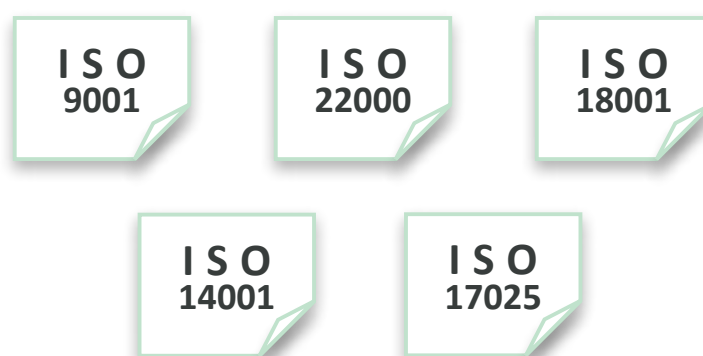
In running its companies, MHCFl also adopts a matrix structure organizing the management of the company along two levels. On the one hand, the holding company centralizes several support functions that all companies share, including Human Resources, Policy formulation and Control, Supply Chain Management, Audit, Administration, Security, and Legal and Corporate Affairs. On the other hand, each company has its own operational structure, and when needed, its own support functions. For example, security is organized in Metro Market on the company level; but corporate security deals with the security affairs of all 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 (previous section) is laid out in a way that supplies our companies with the independence that they need, while simultaneously assuring a reasonable level of corporate control.

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. 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 individual needs. Seclam and Hayat for example, have been awarded the following certificates:



MHCFl is currently studying the development of anti-corruption policies. Given that all of our activities are carried out in transparent environments that provide little space for corruption, we generally didn't consider such policies urgent in the past. Since the revolution, however, combating corruption has become one of the main aspirations of Egyptian society, and MHCFl is planning to honor this national goal with renewed vigour.

## ASSOCIATIONS AND LOBBIES

Before the protests began in January 2011, Egyptian government bodies used to meet regularly with business associations and representatives to discuss options for dealing with 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 protests and currently there is another system in the making. We are hopeful that after the election of a new parliament, we will be able to regain our position as active members in the meetings between the private and the public sector.

As of today, we stand as active members in several business associations, including the following:





## EXTERNAL RELATIONS

Through its Corporate Affairs department, MHCFI constantly engages with most of its governmental stakeholders, including the Ministry of Finance, the Ministry of Supply, the Ministry of Trade and Industry, the Ministry of Health, the Tax Authority, the Customs Authority, and the Consumer Protection Agency, on fiscal and regulatory matters. This is done in order to ensure a long term level playing field when it comes to proper and ethical market competitiveness. MHCFI 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 listed in the stock market, publishing our financial statements is not required. Nevertheless, we are always happy to share them with any stakeholder interested in such access. We email our Sustainability Report to all relevant stakeholders regularly. This includes all stakeholders directly and indirectly affected by our operations, including relevant governmental organizations, private sectors clients and partners, and civil society partners. We also publish the report on our website.

We regularly update our policies and communicate any changes and updates to our employees. Changes and updates are initially announced to everyone involved using our internal email system. New updates are also highlighted in our internal newsletters. Moreover, announcements are addressed and communicated directly to the different department managers who in turn communicate them to their staff. The latest versions of all our policies and procedures are available on a regularly updated electronic database that all staff members can easily access.

## GAP ANALYSIS AND COMMITMENT TABLE

Mansour Group is continuously seeking to improve its management of economic, environmental, and social performance in accordance with 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 those standards and principles.

We have listed the main commitments we are promising our stakeholders below -

Commitment	Target date
Develop an Internal Training Program for Managers on Sustainability Issues	2014 – 2015
Develop a comprehensive Anti-Corruption Policy and outline anti-corruption goals	2014 - 2015
Create an Internal Sustainability Committee	2014 - achieved
Create an Internal Sustainability monitoring and reporting system for all involved departments	2014 – achieved
Develop a comprehensive Stakeholder Engagement Plan	2014 - achieved
Developing a uniform Waste and Energy Monitoring System for:  1- Monitoring the amounts of waste by type, weight, and volume generated; 2- Monitoring direct and indirect energy consumption; 3- Tracking how contractors handle collected waste; 4- Tracking the impact of energy saving initiatives; and 5- Monitoring the portion of materials that are recycled.	1, 2, and 3 achieved; 4 & 5 to be achieved in 2015.
Develop a comprehensive Policy on Product Responsibility across the group	2014 – achieved
Implement stakeholder engagement plan	2015 - 2016
Continue research and business development for new <i>base of the pyramid</i> investment opportunities	2015

## OUR PEOPLE







## OUR PEOPLE

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, over time, a robust mechanism for attracting the high 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 the moment they join Mansour Group, preparing them to eventually become a part of our senior management. We have therefore developed a high quality capacity building system that has been proven effective over the years.

Our recruitment system is based, firstly, on a pull system, whereby recruitment ensues whenever a need for a certain position 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 when we find that the middle market pay is too low. Thirdly, we are committed to safeguarding the interests of our employees, and this is ensured through 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 providing our workforce with fair, transparent, and periodic performance evaluations.

## RECRUITING OUR PEOPLE

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

With respect to pay, we determine salaries according to market surveys of the fast-moving consumer goods sector (FMCGs), 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 of the candidate, and our minimum wage policy. Given that Egypt doesn't apply a minimum wage law, MHCFl went on to adopt a minimum wage of 1,000 EGP, which is 400 EGP more than the minimum wage in the governmental sector.



## BENEFITS

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

- Mansour Medical Care unit – An internal Health Insurance system for Mansour Employees;
- Meals or allowance for meals for manufacturing workers;
- Transportation allowance when traveling, and a company car, according to grade;
- Company transportation for our factories;
- Mobile phone allowance, according to grade; and
- Special rewards for outstanding performance.

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

Company Name	Salaries without Incentives (EGP)	Incentives (EGP)	Total Expenditure (EGP)	Number of Employees		
				Vehicles	Transportation Allowance	Persons with Disabilities
MID	53,964,196	8,986,508	62,950,704	30	129	3
MTD	42,142,707	7,747,335	49,890,043	173	2	2
Seclam	25,141,707	4,934,250	30,075,958	7	2	16
Seclam Sales	7,129,995	1,389,327	8,519,323	38	0	0
Hayat	6,980,947	803,874	7,784,821	1	1	0
MMC	1,454,121	145,289	1,599,410	5	0	0
MET	84,755	7,141	91,896	0	1	0
MDC	700,979	133,917	834,896	0	0	0
Metro Market	128,965,857	20,105,740	149,071,598	75	136	59
<b>Total</b>	<b>269,889,116</b>	<b>44,292,651</b>	<b>314,181,768</b>	<b>330</b>	<b>271</b>	<b>81</b>

In accordance with 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 informally without a contract has been endemic in recent years.

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

## EMPLOYMENT LEVEL AND TURNOVER

MHCFl currently employs 8,723 employees, up from 8,400 employees mentioned in the last report, making a turnover of 500 employees during the last year. The Metro Market / Kheir Zaman 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 the company were workers at our supermarket chains: Metro Market and Kheir Zaman.

The turnover rate in the supermarket business is generally high in Egypt, as it is worldwide, as many treat these jobs as temporary or transitional until they locate a more stable or long term job. With the exception of our supermarket chains, we have otherwise been able to retain our employees.

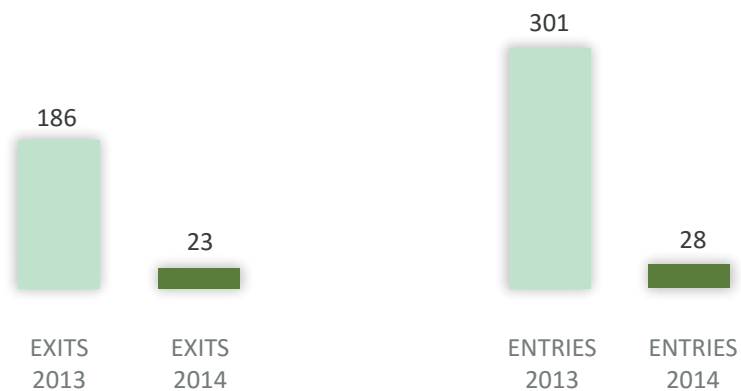


# EMPLOYEE TURNOVER

## MANSOUR INTERNATIONAL DISTRIBUTION



## MANSOUR FOR TRADING AND DISTRIBUTION



## MANSOUR MANUFACTURING COMPANY – FREE ZONE



## Mansour Distribution Company – Free zone



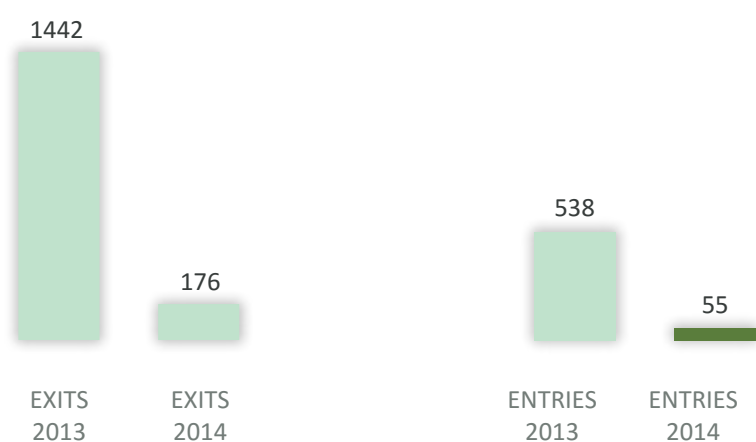
## MANSOUR FOR TRADING AND DISTRIBUTION - SECLAM



## HAYAT COMPANY FOR INDUSTRIALIZATION & DEVELOPMENT



## METRO MARKET FOR TRADING AND DISTRIBUTION



## TRAINING AND CAREER ADVANCEMENT

The training and career development of our employees is a deeply ingrained part of MHCFI's core values. Career planning and training sessions are conducted by the company on a daily basis. We are committed to developing our employees and building their capacity, not only assisting them to reach their full potential, but also equipping them with the skills and knowledge that they need to advance up the management ladder.

We divide our training programs by type and by managerial level. During the year 2013 we conducted 1,439 training sessions in total. This number was increased to 2,022 training sessions in 2014, the details of which are as follows:

Type of Training	Managers	Mid-Level	Subordinate	Totals	Managers	Mid-Level	Subordinate	Totals
Technical Skills	24	32	45	101	12	77	47	136
Soft Skills	16	61	23	100	45	180	237	462
Business Needs	13	115	116	244	15	17	30	62
Certificates & Diplomas	17			17	10	1		11
MBA & Mini MBA	3			3	3			
Overseas Training					1			
English Courses & Microsoft Skills	4	5	17	26	6	50	36	92
Induction (Product Knowledge)	1	10	45	56	6	40	25	71
		<b>Total 2013</b>		<b>547</b>		<b>Total 2014</b>		<b>763</b>

### Training Details:

#### Technical Skills

*Innovative Positive Mindset Workshop - Business Writing Fundamentals of Project Management - Evaluation & Selection of Suppliers - Programming in Visual Basic 2010 - Logistics Management & Strategy - Advanced Management Skills - Project Management Preparation - Business Decision Simulation - Certified in Production & Inventory Management CPIM - Advanced Certified International Trainer - Project Planning & Controlling Techniques - Management of Project Resources - Project Bids & Contracts - Project Budgeting & Financial Control - FESTO - Apples & Oranges - Supply Chain Certificate - Introduction to Java Script - Material Handling & Warehousing - Advanced Logistics Management - Performance Management - Labor Law Negotiation Skills - Problem Solving & Decision Making - Media & Public Relations – Inventory Management – Procurement Management Techniques.*

#### Soft Skills

*Team Building & Leadership - Communication Skills - Presentation Skills - Work Place Organization - Business Etiquette - Proactive Co-operation - Coaching for a Gold Medal - Time & Stress Management - Effective Management Skills - Negotiation Skills Project Management.*

#### Business Needs

*Six Sigma Orange Belt - Good Manufacturing Practice - Basic PLC Course - Advanced PLC Course - Trouble Shooting PLC Course - Introduction to HSE - Coping with Change - Food Safety & Hygiene - Utilizing Manpower as Resources - Methods of Examination and Testing of Liquid and Dried Dairy - Water Treatment Processing – Handling of Expired Food Products - Training for Capacity Building in the Area of International Trade Agreements.*

#### Certificates & Diploma's

*Sales Management - Strategize Program - Procurement & Supply Chain Management - Total Quality Management - Advanced*





*Warehouse Management - Project Management Diploma – SPHR.*

#### **Overseas Training**

*Achieving Outstanding Performance - Leading Effective Sales Force - Strategy Execution Program.*

#### **English Courses & Microsoft Skills**

*Microsoft Excel - Advanced Microsoft Excel - PowerPoint - Basics of Microsoft Office - IT Oracle & SAP courses.*

The following table details Metro Market's training sessions for the year 2013:

<b>Type of Training</b>	<b>Managers</b>	<b>Mid-Level</b>	<b>Subordinate</b>	<b>Totals</b>
Technical Skills	2	1		3
Soft Skills	2	1		3
Business Needs		36	102	138
In-house Programs for Sales & Marketing			285	285
Induction			463	463
<b>Total 2013</b>				<b>892</b>

***Technical Skills:** How to Measure Training Results*

***Soft Skills:** Coaching & Mentoring*

***Business Needs:** Meat Hygiene & Inspection - Civil Defense & Fire Fighting - Food Hygiene*

***In-house Programs in Sales & Marketing:** On-the-Job Training*

***Induction:** Product Knowledge*

The following table details Metro Market's training sessions for the year 2014:

Type of Training	Managers	Mid-Level	Subordinate	Totals
Technical Skills	16	74	6	96
Soft Skills	25	1	44	70
Business Needs		51	153	204
In-house Programs for Sales & Marketing		18	113	131
Diploma (H.R diploma )		1		1
On Job Training		35	260	295
English Courses	25	41	12	78
Induction			384	384
Total 2014				1,259

#### **Technical Skills**

*Business Writing - Talent Acquisition - Social Insurance & Labor Law - Certified Assessment Center Analyst - Certified Performance & Competency Developer - Impact Space Management - Train The Trainer - Talent Management - Storewars.*

#### **Soft Skills**

*Customer Service - Emotional Intelligence Skills - Becoming a High Performance Manager - Management Competencies - Advanced Management Skills - Performance Management System - Decision Making & Problem Solving*

#### **Business Needs**

*Meat Hygiene & Inspection - Civil Defense & Fire Fighting - Food Hygiene*

#### **In-house Programs for Sales & Marketing**

*Awareness Session - New Products*

## **CAREER ADVANCEMENT**

MHCFI's commitment to employee development is perfectly illustrated by our investment in our supermarket chain employees. Employee training was designed to address the high turnover in this sector, and to show our employees that we care about their long-term careers. All of our current store managers started out at entry level as store workers that demonstrated high performance, received extra training, gained experience, excelled, and were eventually promoted to store manager positions. We don't need to recruit new store managers from outside our operations; they are all 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. Our end of year appraisals inform our staff about their strengths and weaknesses, and provide us with the main instruments by which we determine annual staff bonuses and promotions.

## **SAFETY**

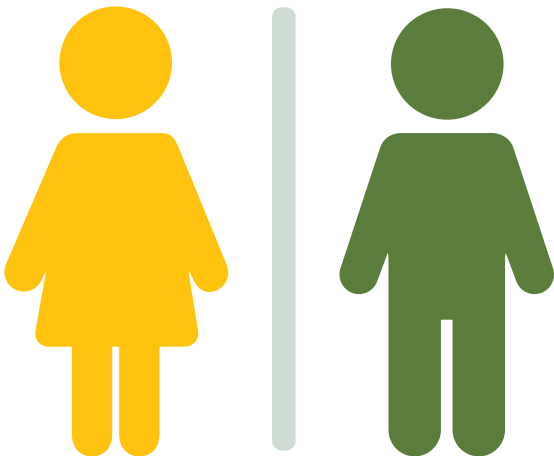
All our employees are trained in evacuation steps, and in facing crisis situations; the majority of employees have also been trained in firefighting. Although our activities generally do not put our employees at risk, we have nonetheless identified 36 jobs that require high safety precautions. Workers in these positions received special training and were all provided with safety wear like goggles, gloves, helmets and safety shoes.

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

GENDER

While we do not have a written anti-discrimination policy, salaries are decided based upon qualifications; leaving no room for gender biases. Nevertheless, there is a significantly larger number of males than females across our companies, which is something we are looking to address. The reason behind the predominance of males in MHCFI is not a result of discriminatory policies on the part of our company, but rather reflects a cultural value system that dictates that females are not suited to work in heavy industries. We are currently working towards enhancing the management gender ratio; but achieving a more balanced gender balance at the blue-collar level requires longer-term shifts in socio-cultural values.

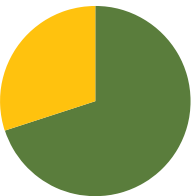
The following graphs show gender distribution figures across a number of our companies:



GENDER DISTRIBUTION

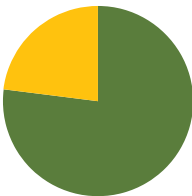
MANSOUR INTERNATIONAL DISTRIBUTION Co.

UPPER MANAGEMENT



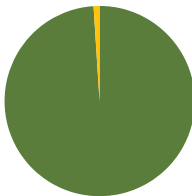
85

MIDDLE MANAGEMENT



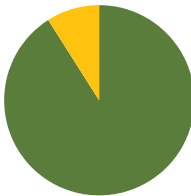
219

WORKFORCE



646

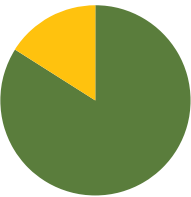
TOTAL



952

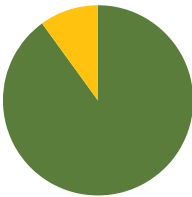
MANSOUR FOR TRADING & DISTRIBUTION Co.

UPPER MANAGEMENT



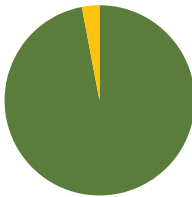
32

MIDDLE MANAGEMENT



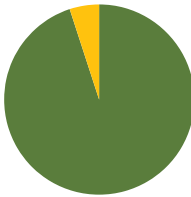
213

WORKFORCE



924

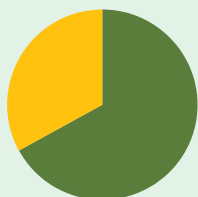
TOTAL



1169

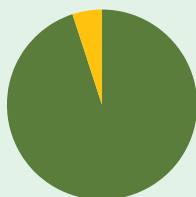
## HAYAT COMPANY FOR INDUSTRIALIZATION & DEVELOPMENT

UPPER MANAGEMENT



6

MIDDLE MANAGEMENT



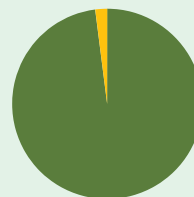
58

WORKFORCE



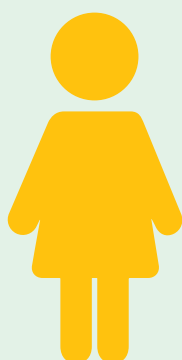
155

TOTAL



219

## MANSOUR FREE ZONE – MANUFACTURING



TOTAL

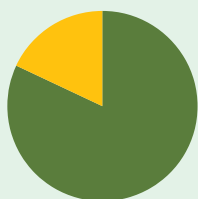


53



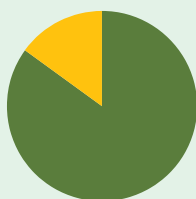
## MANSOUR DAIRY & FOOD COMPANY (SECLAM)

UPPER MANAGEMENT



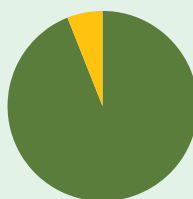
52

MIDDLE MANAGEMENT



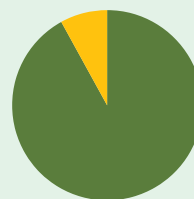
151

WORKFORCE



710

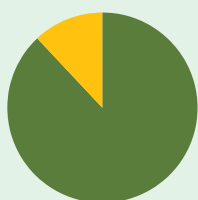
TOTAL



913

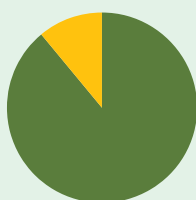
## METRO MARKET FOR TRADING & DISTRIBUTION COMPANY

UPPER MANAGEMENT



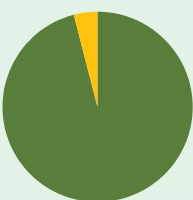
50

MIDDLE MANAGEMENT



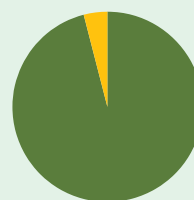
279

WORKFORCE



5015

TOTAL



5332





## OUR COMMUNITY





Mansour Group is highly committed to responsible business practices. It undertakes many activities to promote the welfare and socio-economic development of Egyptian society, through a variety of mechanisms. One of these is the Mansour Foundation for Development (MFD), which is dedicated to the eradication of illiteracy, poverty, and disease, by effectively working with, and contributing to, the development of local communities.

Our community-related work has undergone a process of evolution over the years. The following section briefly highlights some of the milestones with regards to our community development initiatives.

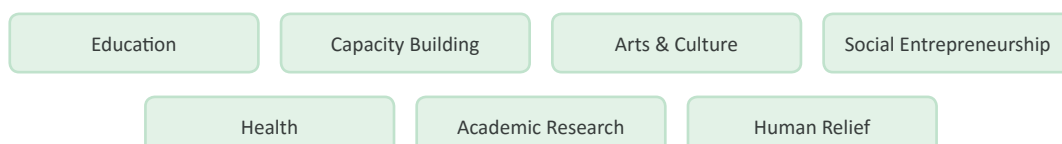
## HISTORICAL MILESTONES ON OUR COMMUNITY-RELATED WORK

Mansour Foundation for Development is an independent legal entity that is fully funded by the Mansour family. It has a separate budget from the Mansour Group and does not accept any financial aid from national or international donors. MFD also has a separate Board of Directors fully dedicated to philanthropic activities. MFD works to centralize the community development efforts of all Mansour Group in order to maximize their impact. MFD is an expression of the gratitude felt by Mansour Group towards the people of Egypt, and we expect no tax-deductible returns.

MFD's strategy of sustainable management is based on shared value creation. The corporate success of Mansour Group and the social welfare of Egypt are interdependent. In an effort to sustain our foundation, we invest in the creation of a healthy, educated workforce, and in sustainable resources - both of which guarantee effective governance of the organization. For society to thrive, competitive businesses must be developed to create income, wealth, and tax revenues, and practice philanthropy.

MFD is dedicated to philanthropy. As a grant-making and co-executing foundation, the foundation undertakes many activities to promote the welfare and socio-economic development of Egyptian society, deploying to this end a variety of methods to eradicate illiteracy, poverty, and disease while raising the public awareness of active citizens. MFD's team identifies concrete goals and objectives, prioritizes issues to be addressed, and develops defined budgets for program implementation.

Our strategic high priority areas in the field of human development are:





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

Youth

Women

Children

Inhabitants of  
Remote Areas

### Our Objectives:

- Leverage academic research in social entrepreneurship & youth engagement
- Preserve & revive the Egyptian Identity
- Bring creativity & innovation to big society by supporting youth entrepreneurship from core to shell
- Upgrade public educational facilities and buildings
- Support poor and/or disabled students
- Provide educational scholarships in Egypt and abroad
- Prevent girls from dropping out of school
- Combat illiteracy
- Develop health facilities that cater to underprivileged people
- Support health activities in deprived hospitals
- Provide medical treatment for people with disabilities
- 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.

Our approach is simply integration and inclusion. Our pillars are passion, purpose, and people.

We cannot fulfill our goals without adopting standard policies and procedures that ensure the delivery of utmost quality and trustworthiness throughout the lifecycle of our projects and activities. MFD's approach is based on developing the human element in society, and is therefore based on community-driven projects. MFD seeks not only to apply Mansour Group's business management model in its community development activities but also to transfer it to our recipients.

## 2013-2014 Portfolio of programs

### Corporate Volunteerism:

At MFD, we engage community members in volunteer-ism as one of the most important cornerstones of promoting corporate citizenship. Employee volunteers are perhaps the greatest asset companies can leverage when seeking to affect surrounding communities. Corporate volunteer-ism provides great benefits to a community while generating business value in the form of increasing employee engagement and expanding opportunities for team-building.

### Civic Education:

In its broadest definition, “civic education” means all the processes that affect people’s beliefs, commitments, capabilities, and actions as members or prospective members of any given community. For civic education to achieve its utmost potential, the institutions present in the community need to act and behave in a certain manner that can later be transmitted to the remaining members of the community over time. Civic Education is certainly not limited to schooling or the education of children and youth. Families, governments, religious institutes, and mass media are just some of the institutions involved in the process of civic education, which we at MFD, understand to be an ongoing process.

As advocates and activists in the field of civic education, MFD has implemented the following:

1. *Civic Manners Film Making Workshop*
2. *Children Values Workshop*
3. *Ways Forum for Youth Engagement in Development*
4. *Civic Education Egypt Conference*
5. *Development Road Show*
6. *Development Book Fair*

### Social Entrepreneurship:

Investment in social entrepreneurship is vital because it harnesses creativity and devises innovative solutions to deep rooted social problems. It nurtures a pool of future leaders who have ambitious dreams of change yet manage to stay rooted and solution-oriented. Their commitment to positively impacting society is central to the mission of our business and this is why we support social entrepreneurship from core to shell through:

1. *Regional Study on Corporate Sustainability and Social Entrepreneurship*
2. *Entrepreneurs’ Stanford Scholarship*

### Culture & Arts:

The sign of a healthy community is its simultaneous ability to preserve and invent its culture — that is, to conserve its history and heritage and here is our contribution in this regard:

1. *DCAF*
2. *ElFan Midan*
3. *Qabila Documentary Film Festival*
4. *Wanas Folklore Festival*

### Health:

MFD has systematic activities to prevent and cure health problems, and to promote positive health in Egyptians through the following:

1. *Hepatitis A vaccination School Campaign*
2. *Annual Cure Support Program*

### Capacity Building:

Our aim is to create an enabling environment for appropriate NGOs via institutional development, human resources development and strengthening of managerial systems to maximize the capacity of NGOs to overcome the challenges of community development. MFD currently provides assistance to the following NGOs:

1. *Dar Awladi Orphanage*
2. *Elgabal Elasar (Yellow Mountain) Local Community Development Association*



3. *Elsaktiya Local Community Development Association, Upper Egypt*
4. *Bedaya (Start) Charitable Association, Elfayoum Governorate*
5. *Women's Association for Better Health, Sohag governorate*

### **Advocacy, Awareness & Networking:**

One of MFD's aims is to influence decisions within institutions relevant to development and social systems. We advocate this through many forms including media campaigns, public speaking, research & papers, and peer networking. Our activities in this field can be listed as follows:

1. *Arab Foundation Forum Board of Directors*
2. *Organizing a roundtable about corporate foundations' role in time of change in Salzburg*
3. *MFD paper presentation at 10th CSR conference UAE*
4. *Qatar Education Summit*
5. *Panel discussion on Collaboration, Governance & Engagement Emirates Youth Summit*

### **Social Solidarity:**

Social solidarity is the basis for maintaining social cohesion by strengthening the ability of individuals to support each other. Although activities listed below perform different tasks and often have different values and directions, the order and solidarity of society members hinges on their ability to rely on each other in order to overcome times of crisis. People feel connected through philanthropic and social activities, including:

1. *Holy Quran Competition for Factory Workers*
2. *1,000,000 blankets campaign*
3. *Food Convoys to the Underprivileged*

### **2013-2014 success in figures:**

*No of beneficiaries: 10,000 people*

*No. of programs: 28*

*No. of governorates served: 6*

*No. of partners: 26*

2013-2014 Outcomes are focused in value preposition and shared value:

- *Scale up programs; highly responsive to crisis at the time that deeply affected the development sector.*
- *Join hands with Mansour employees to spread the spirit of corporate citizenship via serving the community.*
- *Fund & execute numerous development activities; that contribute to positive change and building the future.*
- *Address, engage and support youth in all of our programs.*
- *Develop & expand our outreach methods.*

### **OTHER PROJECTS**

In addition to MFD's considerable community development efforts, Mansour Holding also has separate projects aimed at contributing to Egyptian society. Furthermore, a number of projects were implemented through collaboration between Mansour Holding's Corporate Affairs department and the MFD. For example, 35 trash bins were installed in the Wadi Degla natural protectorate in collaboration with the Ministry of Environment, and a clean-up campaign was undertaken in the area. Additionally, since 2011, the Corporate Affairs department has been organizing bi-annual blood donation campaigns for company employees.

#### **Suez Canal Investment Certificates worth 10 million EGP for the Poorest Families in Luxor**

The Ministry of Social Solidarity and Mansour Group launched an initiative to support the people in the Luxor governorate. The initiative comes in line with the implementation of a memorandum of understanding signed between the Ministry and Mansour Group under the patronage of Youssef Mansour, the Chairman of the Mansour Group, aimed at activating the partnership initiative to support the poorest families in the governorate.

Minister Ghada Waly indicated that the Ministry is adopting an approach that targets the sustainable development of the most marginalized of areas through partnerships with the private sector. She added that the memorandum of understanding signed with the Mansour Group is a successful implementation of such an approach and emphasized its success.



The Mansour Group has financed the purchase of one thousand new Suez Canal investment certificates at EGP 10,000 / certificate with a total value of 10 million EGP, through the Ministry of Social Solidarity, which will distribute these certificates to the poorest families in the Luxor governorate, especially targeting widows who provide for children below 16 years of age, and persons with special needs.

The Social Solidarity Directorate in Luxor determined the target families based on its records and it selected Armant and Esna districts for being the closest to Banque Misr from which the certificates were bought.

Youssef Mansour said that the initiative is a part of the Mansour Group's strategy to contribute to sustainable development and finding prompt solutions for poverty. He added that Luxor was selected because it has been struck very hard by the dramatic decline in tourism in recent years. He also noted that it needs massive and continuous efforts to combat poverty, illiteracy, and other social challenges in order to rise up to its deserved position, both locally and globally.



## OUR ENVIRONMENT AND PRODUCT RESPONSIBILITY





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 relevant material GRI performance, as 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 greenhouse gases. The aspects of our environmental performance that might be of high materiality to our operations are, essentially, 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, since most of the waste generated acts as inputs in other industries.

The type of waste that we produce includes: plastic bottles (which are 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 the aggregate waste in our supermarket chains only; and we calculate the numbers in terms of a percentage of sales, rather than by weight and volume. We also do not monitor the portion of materials used that are recycled by us or by others. We have developed a comprehensive waste-monitoring framework that is being rolled out over the next two years.

### **Waste Management**

**Metro and Kheir Zaman Successfully Adopt 100% Biodegradable Plastic Bags.**

One of the key objectives of the Corporate Affairs Department is to adopt environmentally sustainable practices in the areas of energy consumption, waste management, water use, and paper consumption, in order to minimize environmental degradation.

In line with this objective, the Corporate Affairs Department, in cooperation with the Procurement Department at Metro Market, began to examine ways to minimize environmental degradation through practical applications in 2013. They began by looking at the use of plastic bags at all 99 Metro and Kheir Zaman stores. The stores, located in 12 governorates, use approximately 80 million plastic bags per year. Accordingly, efforts began to convert all plastic bags to recyclable plastic bags.

Through cooperation with Symphony Environmental Ltd., based in the UK, the D2W technology was adopted to convert old-fashioned plastic bags into 100% biodegradable plastic bags. The D2W mark was affixed on all plastic bags to encourage competitors to adopt the same technology in order to reduce the collective harmful effects that plastics have on the environment.

## Future Plans

We are currently putting in place a new waste-monitoring system that monitors waste by type, weight, and volume. This should supply us with crucial information that we still lack. We are also moving to expand this waste management system to the whole company. Furthermore, we have been offering products that we remove from our inventories well before their expiry dates to our employees at heavily discounted rates.

## ENERGY

Electricity remains our primary source of energy, with all of our companies operating on electricity, and connected to the national electricity grid. 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. Furthermore, to overcome issues of blackout, we have secured a number of generators for companies to operate on when the power is out. While 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.

We have expanded our reporting on all of our direct and indirect energy consumption. We still need to further expand the relevant data from our various databases. We have also started working on reducing our energy consumption by studying the advantages of converting all our conventional lights to LED's. In addition, we 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.

## Fleet Consumption

Company	Fleet Diesel Consumption				Fleet Gasoline Consumption			
	2013		2014		2013		2014	
Unit Liters/ Value EGP	UNIT	VALUE	UNIT	VALUE	UNIT	VALUE	UNIT	VALUE
MID	885,429	972,379	799,727	1,143,025	493,835	1,010,762	468,276	1,050,133
HAYAT	170,689	188,510	148,058	216,056	11,519	20,939	17,821	39,280
Mansour Trading & Distribution	2,547,775	2,818,837	3,024,121	3,975,310	132,155	240,051	132,542	286,791
UPS	13,253	14,579	24,991	36,487	84,342	153,166	78,600	169,776
Metro Markets	1,831,905	2,180,809	2,349,832	3,394,625	484,776	744,766	478,557	883,849
Total	5,449,051	6,175,114	6,346,729	8,765,503	1,206,627	2,169,684	1,175,796	2,429,829

The table illustrates our increased fuel bill, which amounts to roughly 18% over the past year. This increase this year was caused by an increase in the price of fuel.

## EMISSIONS

Our emissions are mostly limited to the fuel consumed by our transportation fleets and the fuel used to generate electricity in our Hayat factory, In addition to the electricity consumption of our 99 Metro and Kheir Zaman supermarkets. We have expanded our monitoring on greenhouse gas emissions compared to our previous report. The following tables show the total expenses for our diesel, water, and electricity consumption in 2013-2014:

## D I E S E L

Company	Diesel			
Year	2013	2013	2014	2014
Units / Value EGP	UNIT	VALUE	UNIT	VALUE
MID	40,710	44,780	63,612	101,780
HAYAT	774,737	852,200	536,750	858,800
SECLAM	2,759,600	3,533,651	2,310,000	3,535,360
Mansour Trading & Distribution	10,545	11,600	21,991	35,186
Metro Market	97,940	195,880	41,044	82,089
<b>Total</b>	<b>3,683,532</b>	<b>4,638,111</b>	<b>2,973,397</b>	<b>4,613,215</b>

## W A T E R

Company	Water			
Year	2013	2013	2014	2014
Units / Value EGP	UNIT	VALUE	UNIT	VALUE
MID	76,616	153,233	47,745	95,489
HAYAT	98	195	126	252
SECLAM	369,404	1,138,863	341,994	1,599,936
Mansour Trading & Distribution	10,244	20,488	22,442	44,885
UPS	6,473	12,947	4,449	8,898
Metro Markets	280,665	701,663	328,318	820,796
<b>Total</b>	<b>744,000</b>	<b>2,027,389</b>	<b>740,625</b>	<b>2,570,256</b>

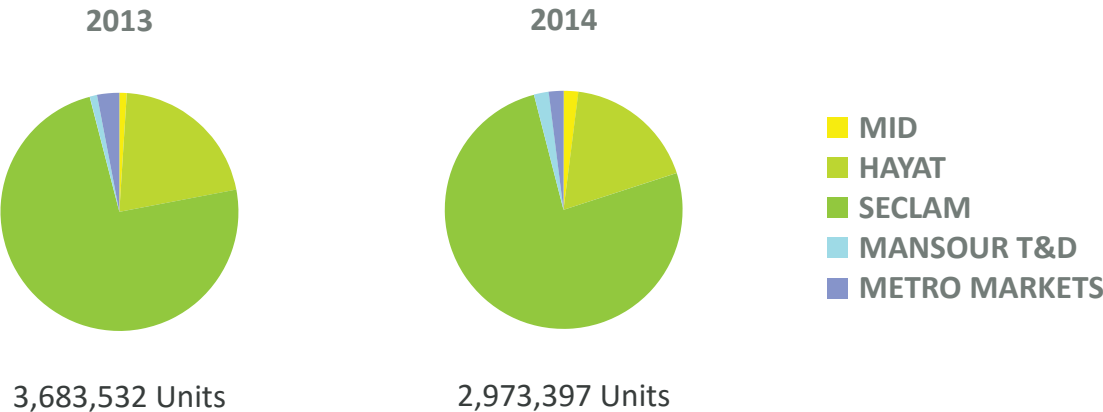
\*It should be noted that Hayat also donates 8,000<sup>m3</sup> of its water to local farmers to be used for agricultural purposes. The rest of our companies generally don't consume much water, and typically recycle none.

## E L E C T R I C I T Y

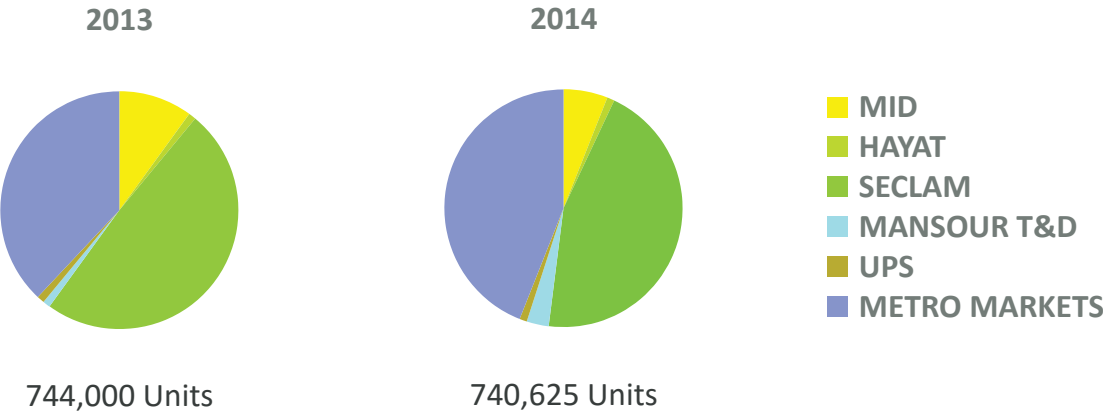
Company	Electricity			
Year	2013	2013	2014	2014
Units / Value EGP	UNIT	VALUE	UNIT	VALUE
MID	6284918	1,759,777	6,082,472	2,189,690
HAYAT	12846	3,597	18,802	6,769
SECLAM	11,443,185	3,297,156	12,311,854	4,544,862
Mansour Trading & Distribution	609,307	170,606	1,392,744	501,387
UPS	443,643	124,220	702,675	252,963
Metro Markets	71,513,899	42,564,728	70,883,346	47,948,045
<b>Total</b>	<b>90,307,798</b>	<b>47,920,084</b>	<b>91,391,893</b>	<b>55,443,716</b>



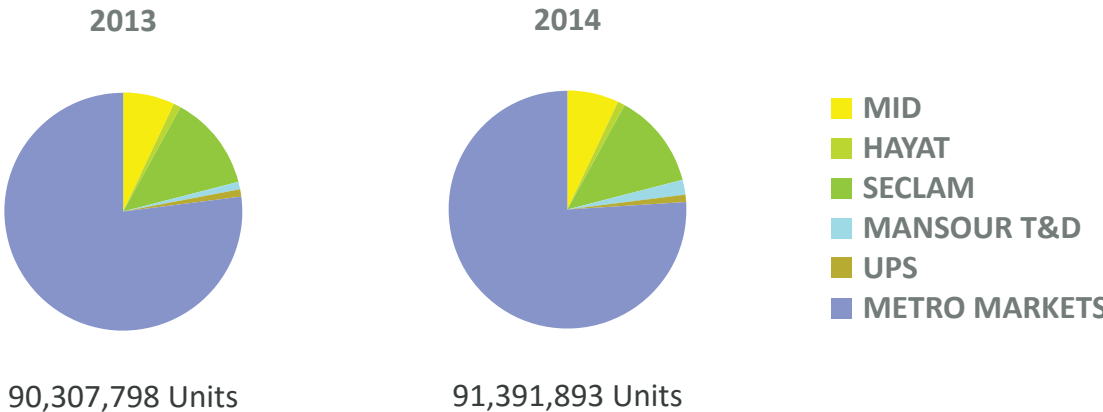
DIESEL CONSUMPTION UNITS / YEAR



WATER CONSUMPTION UNITS / YEAR



ELECTRICITY CONSUMPTION UNITS / YEAR



## PRODUCT RESPONSIBILITY

Mansour Group enforces all the necessary precautions in order to ensure the safety and quality of our products.

One of our companies – Seclam Dairy Factory – produced a comprehensive quality policy document that defined the international hygiene standards that are material and applicable to Seclam’s manufacturing sites. These standards focused strongly on minimizing any risks of product contamination, and ensuring that the products meet the high standards that customers expect from any of the Mansour Group companies, thereby avoiding any manufacturing deficiencies that might damage the quality of the products or that of the health of our 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 risks 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 thus be disposed of 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 condition that maintains 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.
- 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 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 qualified 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 ensuring 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 of the possible consequences of errors or lack of attention to details.

### Customer Satisfaction

Our customer care unit has a call number dedicated to receiving customer feedback and complaints. All received complaints are addressed within 72 hours of their receipt. We also implement other procedures to ensure our customers’ satisfaction, these include the use of customer feedback forms and mystery shoppers at our supermarkets to gather data about staff performance, quality, among other variables. We compile quarterly reports about received complaints, and communicate them to senior management and our governance body on a quarterly and yearly basis.

## GRI DISCLOSURE TABLE



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 14.

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, 13 -14	●	
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 - 11	●	
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	●	Pages: 9	●	
2.4	Location of organization's headquarters.	●	Pages 7 - 11	●	
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 - 11	●	
2.6	Nature of ownership and legal form.	●	Pages: 7 – 11, 25 – 29	●	
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/ beneficiaries).	●	Pages: 7 – 11	●	
2.8	Scale of the reporting organization.	●	Pages: 18 – 23	●	
2.9	Significant changes in the reporting period regarding size, structure, or ownership.	●	Pages :17-18	●	

2.10	Awards received in the reporting period.	●	None	●	
<b>3. Report Parameters</b>					
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; See Pages: 17-18	●	
3.2	Date of most recent previous report (if any).	●	Year 2010; See Pages: 17-18	●	
3.3	Reporting cycle (annual, biennial, etc.)	●	Annual	●	
3.4	Contact point for questions regarding the report or its contents.	●	Seif.batanouni@mansour-group.com	●	
3.5	Process for defining report content.	●	Pages: 17-18	●	
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	●	Pages: 17-18	●	
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	●	Pages: 17-18	●	
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: 17-18	●	
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: 17-18	●	
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).	●	Pages: 17-18	●	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	●	None. Pages: 17-18	●	
3.12	Table identifying the location of the Standard Disclosures in the report.	●	This table	●	
3.13	Policy and current practice with regard to seeking external assurance for the report.	●	Pages: 17-18	●	



## 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: 25-33	●	
4.2	Indicate whether the chair of the highest governance body is also an executive officer.	●	Pages: 5, 25-33	●	
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: 25-33	●	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	●	Pages: 33. Board meetings for shareholders due to the nature of the company's ownership and employee grievance system based at the HR department.	●	
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).	●	Pages: 36 No data regarding compensations for senior managers and executives has been collected	●	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	●	Pages: 25-33 Currently being developed.	●	
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.	●	Pages: 25-33 Proprietary information.	●	
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.	●	Pages: 30-31, 57	●	
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.	●	Pages: 5, 13-14, 29, 31-33, 57	●	
4.1	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	●	None	●	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	●	N/A	●	7

4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	●	Pages: 31, 57	●	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.	●	Pages: 31	●	1
4.14	List of stakeholder groups engaged by the organization.	●	Pages: 33	●	
4.15	Basis for identification and selection of stakeholders with whom to engage.	●	Pages: 33	●	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	●	Pages: 33	●	
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.	●	Pages: 33	●	
<b>STANDARD DISCLOSURES PART II: Performance Indicators</b>					
<b>Economic</b>					
Performance Indicator	Description	Materiality	Disclosure Page number/ reference	Level of Reporting	Global Compact Principles
<b>Economic performance</b>					
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: 21-23	●	
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.	●	Pages: 36	●	
EC4	Significant financial assistance received from government.	●	None	●	
<b>Market presence</b>					
EC5	Range of ratios of standard entry-level wage by gender compared to local minimum wage at significant locations of operation.	●	Pages: 35 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.	●	Preference is given to local suppliers as long as quality standards are met. Percentage of spending on local suppliers not aggregated.	●	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: 47 – 51	●	
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.	●	Savings resulting from such efforts not yet aggregated.	●	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: 54. Savings resulting from such efforts not yet aggregated.	●	8,9
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	●	N/A	●	8,9
Water					
EN8	Total water withdrawal by source.	●	Pages: 55 - 56	●	8
EN9	Water sources significantly affected by withdrawal of water.	●	Underground Water 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: 53-56	●	8
EN17	Other relevant indirect greenhouse gas emissions by weight.	●	N/A	●	8
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	●	None	●	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.	●	A waste monitoring framework has been developed and will be implemented over the next 2 years.	●	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.	●	Page 53. Impact not aggregated.	●	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.	●	Pages: 54-56	●	8
Overall					
EN30	Total environmental protection expenditures and investments by type.	●	Data not aggregated	●	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.	●	Pages: 35-44	●	
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	●	Pages: 35-44	●	3,6
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operations.	●	Pages: 35-44	●	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 42	●	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.	●	Pages: 40-42	●	1
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	●	Pages: 40-42	●	1
LA12	Percentage of employees receiving regular performance and career development reviews.	●	100% of employees receive performance appraisals. 70% receive annual reviews, and 30% receive quarterly reviews.	●	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.	●	Pages 44 -43	●	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 children given the nature of business and Egyptian labor laws by which we abide.	●	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					
Perfor- mance Indicator	Description	Materiality	Disclosure Page num- ber/ reference	Level of Reporting	Level of Reporting
Community					
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	●	Pages: 47-51	●	
SO9	Operations with significant potential or actual negative impacts on local communities.	●	None	●	
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	●	None needed	●	

Corruption					
SO2	Percentage and total number of business units analyzed for risks related to corruption.	●	Monitoring not conducted systematically	●	10
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	●	None; Full policy and accompanying strategy currently being developed	●	10
SO4	Actions taken in response to incidents of corruption.	●	None were recorded during the reporting period.	●	10
Public policy					
SO5	Public policy positions and participation in public policy development and lobbying.	●	Pages: 31-33	●	1,10
SO6	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					
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	●	None	●	1,10
Compliance					
SO8	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.	●	100% of relevant products are labeled according to the requirements of the Egyptian Organization For Standardization & Quality.	●	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.	●	Pages: 57	●	
<b>Marketing communications</b>					
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	●	We have developed an internal Tobacco promotion standard that bans targeting children, non-smokers, or the provision of free samples.	●	
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. Any marketing effort is approved by the Legal and Corporate Affairs Departments to ensure compliance.	●	
<b>Customer privacy</b>					
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	●	N/A	●	1
<b>Compliance</b>					
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	●	None	●	2







*For more than half a century, the Mansour name has continued to be known and trusted as a leader in business. Today, we are proud to carry on that tradition, and proud of our accomplishments, both commercial and social.*

*Al Mansour Holdings Company is not just a business, but a family, and we continue to forge ahead as a family business, embracing not only what's good for business, but what's good for our larger family of employees, and ultimately, what's good for the generations of Egyptians to come.*



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