

12/24/2014

# Our Recipe Is Not A Secret

## Modern Bakeries – Our Code of Ethics and Business Conduct

*To All Modern Bakeries Employees:*

MODERN BAKERIES, as a leader in baking technology and manufacturing under the brand name of RICHBAKE and BRUNCH, is known for ethical business practices. For us, this is an essential part of our understanding of quality. Quality of how we do our work, which leads to excellent results and builds the foundation to sustain success.

MODERN BAKERIES will exert the effort to keep these high business ethics standards and further improve their internal and external implementation and communication.

MODERN BAKERIES' management, board of directors and employees are committed to ethical business conduct throughout every division of business operations.

To continue and sustain success, MODERN BAKERIES' policies concerning business ethics have to be clearly communicated throughout the corporation.

MODERN BAKERIES issued this code of ethics and business conduct in 2010 in which indicated a confirmation of the standards that have guided the company since its foundation in 1997 as it spells out the company's expectation of legal and ethical behavior.

The message to all is clear: all have to read this code and apply it to work. Periodically, you will be asked to confirm your understanding and commitment.

Sincerely,

**Amr El Helaly**

**CEO**

>> go through with Amr Helaly himself!!

## **COMPLIANCE WITH THE CODE**

This Code is intended to provide a comprehensive overview on our high standards of business conduct and ethical behavior applicable in the whole company, and also within outsourced business functions. It is complemented by Manuals to the Code of Conduct for each department, clarifying how to apply the rules to the different types of work throughout the company. Additionally, the Employee Handbook outlines in detail all the terms and conditions of working with Modern Bakeries.

If uncertain, before proceeding with a specific action, anyone should refer to the relevant Policy, Department Manual or the Employee Handbook, and ask themselves:

- Am I authorized to do this?
- Is the action the right thing to do?
- Is the action legal and consistent with the Code of Conduct or other policies?
- Would I be proud to report this action to someone I respect?
- Will the action further enhance Modern Bakeries reputation as an ethical Company?

If the answer to any of these questions is NO or if there are any questions or concerns about interpreting or applying the Code of Conduct, or any related Modern Bakeries policy, Department Manual provisions, or procedure, the issue should be discussed with the supervisor / department head / CEO (for high-level employees), or the Compliance Officer named below. Any cases of doubt have to be reported to the Compliance Officer and documented in an internal record of cases.

## **VIOLATION OF THE CODE**

Violation of the rules and spirit of the code will be subject to sanctions up to the termination of the contract with Modern Bakeries.

It is very important that any illegal activity and violation of the Code be promptly brought to the attention of the company in order to remedy any problems immediately.

Any employee, who becomes aware of an illegal or questionable activity with regard to the rules and spirit of this Code, must promptly report it to his supervisor / department head / CEO (for high-level employees), or to the Compliance Officer named below. In sensitive cases where the employee does for any reason not wish to openly discuss his observations or concerns, he is requested to report anonymously using the CEO mailbox, opened daily and personally by the CEO only.

## **COMPLIANCE OFFICER**

**Mr. Ahmed Hosny**

**Legal Affairs Department**

**Contact details**

## **MODERN BAKERIES - MISSION**

Egyptian bakery professionals leading the market in consistently satisfying consumers with the highest quality, healthy, safe, and hygienic daily baked products.

## **MODERN BAKERIES - CORE VALUES**

- **Integrity** Building trust through reliability.
- **Teamwork and Ownership** Working towards one common goal.
- **Quality, Safety and Hygiene** Always striving for excellence.
- **Leadership** Leading by example - at work and in the community.

The Code of Ethics and Business Conduct explains how these core values translate into a comprehensive set of commitments of Modern Bakeries, and into standards to be followed throughout our activities.

# Integrity

**Building trust through reliability.**

**For all Modern Bakeries employees, this means we strive for honesty in words and actions. If we realize a mistake, we openly recognize it, and work to avoid it in the future.**

**Everyone is committed to his or her responsibilities, also without supervision.**

**As a company, we honor our policies and commitments, contracts and agreements under all circumstances.**

*Our Recipe how to build success on Integrity:*

## Legal Compliance

Modern Bakeries commits to comply with all applicable Egyptian and international laws and regulations. We therefore require – and support – all managers to educate themselves and their department on the relevant legal requirements to the performance of their duties, and to ensure and enforce the compliance of our activities. Violation of laws is strictly prohibited, even when to achieve other objectives of the company.

Please refer to: *Legal Requirements Overview*

## Financial Information and Taxes

It is the policy of the Company to provide full, fair, accurate, timely and understandable disclosure in reports and documents to authorities, as required by law. This relates especially to financial accounts, budgets, annual financial statements and tax reports. The company requires all its business partners to register for tax declaration and conduct business with tax bills.

Therefore, every employee is personally responsible for maintaining his / her records, and is expected to only sign accurate and truthful documents. It is strictly prohibited to conceal or withhold information, or provide misleading information to the company's internal or external auditors, directors, or legal department.

Please refer to:

- *Finance Department - Manual to the Code of Conduct*
- *Legal Requirements Overview*

## Fair Competition

Modern Bakeries believes that fair competition is fundamental to a market economy that serves the needs of our country. The company will not engage in anti-competitive conduct as prohibited by law, and our pricing policy will not illegally or unfairly affect our competitors or customers. We do not engage in predatory pricing strategies, or any arrangements or understandings with competitors affecting the price, quantity or type of products we produce or sell.

Please refer to:

- *Marketing Department - Manual to the Code of Conduct*
- *Sales Department – Manual to the Code of Conduct*
- *Legal Requirements Overview*

## Bribery and Corruption (policy and programme under development)

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

Please refer to:

- *Employee Handbook - Company Policy on Anti-Corruption, Gifts and Hospitality*
- *Legal Requirements Overview*

## Gifts and Hospitality

It is not permitted for employees at all functional levels to request, accept, offer or give, directly or indirectly, any gifts or other advantages.

We may **accept** small gifts of limited value that constitute occasional presents and other advantages whose value per giver, calendar year and staff member does not exceed 100 EGP. Symbolic presents such as flowers or chocolate up to a value of 300 L.E can **only be accepted** by management level staff and need to be reported immediately. We may **not accept** valuable items. Valuable items received as gifts must be returned or disposed of as agreed by management.

We can **offer** small gifts, mainly in the form of Modern Bakeries sample products or promotional items, whose value per calendar year and recipient does not exceed 100 EGP. As single exception, small gifts such as flowers or chocolate can be **offered on special occasions**, but only by the CEO in the name of the company.

Modern Bakeries will **never offer** valuable gifts to business partners or government authorities.

We may **give and accept** reasonable, hosted hospitality which is in the legitimate interest of the business. We will **not give or accept** lavish, frequent or not hosted hospitality or entertainment.

Please refer to:

- *Employee Handbook - Company Policy on Anti-Corruption, Gifts and Hospitality*
- *Legal Requirements Overview*

## Conflicts of Interest

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

Please refer to:

- *Employee Handbook*
- *Department Manuals to the Code*

## Confidential Information and Insider Dealing

The protection of confidential information is of utmost importance for business success, as relates to proprietary information, internal strategies, technical and financial data. Just as important is the protection of sensitive data related to suppliers, customers and business partners.

The company also takes great care to protect the confidentiality of un-published information which could influence company share prices, and prevent any misuse of such information.

## **Teamwork and Ownership**

**Working together towards one common goal**

**As an organization, we promote both team-spirit as well as individual initiative throughout the Modern Bakeries family, and we take good care of our employees as our most valuable assets.**

**For all Modern Bakeries employees, this means that we feel and act as a part of the team and the company and strive for successful working relationships with all colleagues and departments.**

**We understand that we are all working towards the same objective, and therefore we care about our own performance as well as the targets of our colleagues, the goals of our own and other departments.**

**We work towards achievement of these goals showing own initiative, and trying to discover new ideas and innovations for improvements. And of course, we deal with property and assets of the company as carefully as with our own.**

*Our Recipe how to build success on Teamwork and Ownership:*

### **Employee Health and Workplace Safety**

Modern Bakeries is committed to ensure occupational safety and protect and promote the general health and well-being of its employees, through health and safety management systems certified to the international standard OHSAS-18001, and through the selection of safe machines and comprehensive safety procedures. The company supports the general health and well-being of its employees through awareness-raising and provision of medical insurance and services. We also work to prevent drug abuse by raising awareness on related risks, and conducting periodic analysis of employees.

Modern Bakeries therefore requires each and every employee to observe the rules of safety in all functions and at all times. Employees must inform the administration immediately of any unsafe mode of operation or of any employee who may violate safety rules and cause any safety hazard. Possession or distribution of alcohol, controlled substances, weapons or other dangerous illegal objects is strictly prohibited and the company retains the right to search also personal belongings of employees on company premises or during working hours.

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The company commits to ensure that this policy is available to everyone in the workplace and everyone is familiar with its content. Violation will result in disciplinary action up to termination of the contract.

Please refer to:

- *Human Resources / Administration – Manuals to the Code of Conduct*
- *Employee Handbook*
- *Legal Requirements Overview*

## **Equal Opportunities**

Modern Bakeries firmly believes in the principle of equal opportunities and strives to ensure equal rights of appointment, payment and promotion for all employees, and to prevent discrimination in hiring and employment practices on the ground of race, color, religion, gender, age, physical ability, national origin, or any other grounds that are not related to the performance of the employee's duties.

According to the team-spirit throughout the organization, all employees are expected to display an attitude of fairness and respect towards their colleagues at any time.

Please refer to:

- *Employee Handbook*
- *Human Resources / Administration – Manuals to the Code of Conduct*
- *Legal Requirements Overview*

## **Forced or Compulsory labor, child labor and young employees**

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

Please refer to:

- *Human Resources Department – Manual to the Code of Conduct*
- *Legal Requirements Overview*



## **Disciplinary measures**

Modern Bakeries believes that the best way of leadership is by motivating employees at all levels, appealing to their individual responsibility and commitment, and emphasizing incentives over sanctions. However, if grave violations or misconduct occur, the primary purpose of any disciplinary action is to prevent the re-occurrence of the problem. To uphold justice and equality, the company commits to ensure unbiased treatment of employees and to the application of firm and impartial disciplinary procedures as outlined in the employee handbook/ related policy

Please refer to:

- *Employee Handbook*
- *Human Resources / Administration – Manuals to the Code of Conduct*

## **Working hours**

Working hours are restricted according to ILO conventions and legal requirements, and attendance is monitored for all employees. Regular working hours reach a maximum of 48 hrs per week, and overtime is voluntary and adequately compensated according to the Egyptian labor law.

Please refer to:

- *Employee Handbook*
- *Human Resources / Administration – Manuals to the Code of Conduct*
- *Legal Requirements Overview*

## **Compensation**

Modern Bakeries strives to provide a living wage and to reward employees for their commitment towards the company. The wages paid to employees substantially exceed the minimum wage prescribed by law, and are restricted by an internal minimum wage which is continuously reviewed and adapted. To ensure fairness and equality, a clearly structured and transparent compensation scheme is employed throughout the company.

Please refer to:

- *Employee Handbook*
- *Human Resources – Manuals to the Code of Conduct*
- *Legal Requirements Overview*

## **Company Assets and Representation**

Modern Bakeries expects all employees to use company equipment, tangible and intangible assets appropriately, in the interest of the company, and according to legal requirements. Employees shall aim to represent their company in a positive way, and conduct themselves with the highest degree of professionalism on the workplace, or at any other location, while on company business. Employees shall not speak in public in the name of the company unless authorized to do so.

Please refer to:

- *Employee Handbook*
- *Legal Requirements Overview*

## **Training and Development**

Modern Bakeries aims to develop its workforce as its most important asset via a system of training and development, by which all employees are supported in developing their knowledge and skill level. The company bears the full cost of employee training according to HR training plans and provides a scheme to subsidize external higher education courses and degrees.

Please refer to:

- *Employee Handbook*
- *Human Resources Department – Manual to the Code of Conduct*

# Quality, Safety and Hygiene

**Always striving for excellence.**

**We aim to achieve highest quality in everything we do. Quality for us is not only about our products or even our production processes, but also about our inner approach to our work and to every single task.**

**We work hard for full customer satisfaction through every single product, and in every single interaction between Modern Bakeries and its customers.**

**This means we never compromise on high quality ingredients, hygiene and latest technology in production, modern packaging to protect high product quality, clear labeling that helps the customer to make informed choices, honest and ethical advertising, and finally, a high quality, safe and healthy product for the consumer.**

*Our Recipe how to build success on Quality, Safety and Hygiene:*

## Quality Management

As our first priority, Modern Bakeries is dedicated to quality and we take personal pride in all products we deliver. Quality Management is about clear standards for each task, and the continuous evaluation and improvement of all processes and products. External certification proves our compliance to the most stringent national and international standards. To ensure highest quality from the harvesting of raw materials to the packing of finished products, we apply the latest and most hygienic bread production technologies, handled by well-trained personnel, and strictly orientate our behavior and decisions towards quality assurance.

Please refer to:

**Quality Management System**

## Responsible Marketing and Advertising

Integrity and honesty guide Modern Bakeries also when communicating with the public and marketing our products. We promote their benefits in a responsible manner via advertisement that is truthful and not misleading. Through correct, clear and detailed product information and labeling we support consumers in taking well-informed dietary choices.

Please refer to: *Marketing Department – Manual to the Code of Conduct*

## Customer Service and Complaints Management

In every interaction with our customers and the end consumers of our products, Modern Bakeries is working for their full satisfaction through best service and open dialogue. The company values customer feedback as the best source for further improvements. We enable this dialogue through customer surveys and various contact channels, we are committed to respond effectively to complaints and take appropriate action to improve performance.

Please refer to:

- [Quality Management System](#)
- [>> Anything else??](#)

## Data Protection / Privacy

We honor the trust of all our stakeholders in dealing responsibly with any information collected from them, which is treated as confidential and used only for appropriate and agreed on purposes. All data, especially confidential employee and customer data, is subject to measures to be safeguarded against unauthorized access.

Please refer to:

- [Marketing Department – Manual to the Code of Conduct](#)

## Road Safety

Modern Bakeries feels responsible for the safety of its customers, consumers and the community with regard to all its employees' activities. We apply and enforce strict rules for safe and proper driving of the Modern Bakeries delivery fleet and all company cars, our ambassadors on the road. Any violation to traffic rules reported is sanctioned by the company to make Egypt's roads safer for everyone.

Please refer to: [Employee Handbook](#)

# Leadership

**Leading by example - at work and in the community.**

**Good leadership is about a clear vision and objectives, translating these into practical steps and consistently following up to achieve the best possible results.**

**We live a spirit of leadership promoting justice and equality at all functional levels.**

**Modern Bakeries also aims to lead the way in taking over its responsibility towards the community as a corporate citizen.**

**We are committed to good corporate governance, ethical business conduct, and our social and environmental responsibility to contribute to the Sustainable Development of Egypt.**

*Our Recipe how to build success on Leadership:*

## **Community Development**

Modern Bakeries is guided by love and care for our country and we are committed to contribute to the sustainable development of our communities. We believe in the power of leading by example, and building awareness and knowledge for a better future through education. In this spirit, we support especially initiatives working with children and youth.

Please refer to:

- *Employee Handbook - Company Policy on Anti-Corruption, Gifts and Hospitality*

## **Political Contributions/Lobbying**

We will make only those political contributions permitted by law and always as an expression of responsible citizenship - not to gain improper advantage. We will publicly disclose any direct or indirect political contributions.

Please refer to:

- **Legal Requirements Overview**
- *Employee Handbook - Company Policy on Anti-Corruption, Gifts and Hospitality*

## **Human Rights**

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

## **Environmental Responsibility**

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

Please refer to:

- [Legal Requirements Overview](#)