



**AL MANSOUR
HOLDING COMPANY
FOR FINANCIAL
INVESTMENTS**

SUSTAINABILITY REPORT

2015-2016

ABBREVIATIONS AND ACRONYMS



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

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LETTER FROM THE CHAIRMAN





The last few years have not been easy on Egypt. Recent developments have seen a slowing down of the economy, with many businesses shutting down. The tourism sector has suffered a great deal, seeing lower levels than usual, and has not yet recovered. The socio-political climate has resulted in limited foreign direct investment, and along with the recent floating and subsequent devaluation of the Egyptian pound have caused a general feeling of financial instability within the country, causing many to hold on to whatever assets they have. In many cases, people have avoided liquidity altogether and opted to protect themselves by investing in real estate, gold, or foreign currency. This situation has also been accompanied by an unprecedented rise in public debt.

As a family-owned business, Mansour remains committed to the social, ethical, and moral standards established by Mr. Lotfy Mansour more than 60 years ago. Our core values remain the same. We focus on profitability with integrity, innovation with efficiency, on creating shared value, and on the continuing development of our greatest asset – the employees that have made Mansour Holdings what it is today, a highly-respected business leader in the Egyptian market.

Our approach towards our employees is simple; they are our extended family, and they are essential stakeholders within the Mansour Group. Employee development is not just a social responsibility, but an investment that yields invaluable gains within the larger scope of our businesses. We help provide our employees with essential business and social skills that they can leverage on their career journeys, this yields great returns to us when they choose to remain in Mansour, and to the larger economic sector if their path leads them elsewhere. We have instituted various mechanisms to ensure an ethical management process that respects staff at all levels and, following international best practices, have standardized policies and procedures that ensure fair compensation, equitable treatment, transparency, good communication, recognition of achievement, and that guarantee the health and safety of every single person who works at our offices and facilities.

We are also keenly aware that we are part of a larger community, one to which we owe our very existence, and towards which we feel a great deal of responsibility. Mansour is actively involved in numerous social initiatives, some implemented by our own Mansour Foundation, and others enacted through nationwide programs that we are proud to support through direct investments, event sponsorships, and social awareness campaigns. We focus on poverty alleviation, education, healthcare, and capacity building. We also promote environmental sustainability and champion the values of efficient and ethical resource utilization, responsible waste management, and energy conservation. We have maintained our core values through thick and thin, because, through them, we retain our soul, we preserve our legacy, and we lay firm our historical foundations. It is this dedication to our values that allows us to remain a conspicuous example of what responsible business practices can achieve.

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

Youssef Mansour



The Mansour legacy began in the early 1950's when Lotfy Mansour established the Mansour & Sons Cotton Trading Company. His eldest son, Ismail Mansour eventually took on the reigns and helped make Mansour one of the leading companies in the Middle East. Ismail was then succeeded by his three brothers, who have each continued the family tradition of business innovation, diversification, and concern for the welfare of the community to which the business belongs. Thus, the legacy that Lotfy Mansour began more than 60 years ago continues to this day.

DIVISIONS OF MANSOUR GROUP

The Mansour Group is a key regional player in several industries including manufacturing, marketing, and distribution. The group employs over 60,000 people and achieves an annual turnover of over 6 billion USD. This scale is a direct result of our ability to identify new business opportunities, as well as our ability to forge successful joint ventures with truly global brands – something we have been doing since the 1970's.

It is this continued interest in growing our market share, locally and regionally, that has given us a presence in 120 countries. Additionally, we operate ventures in 13 countries; Egypt, Iraq, Saudi Arabia, The United Arab Emirates, Libya, Chad, Nigeria, Ghana, Sierra Leone, Tanzania, Uganda, Kenya, Angola, and Russia). We manage all these via our headquarters in Cairo and our main office in London.

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 been created to manufacture and distribute local and international brands in Egypt.

OUR START

The Mansour Group (MG) initially created MHCFI (Mansour Holding Company for Financial Investments) in 1992 to manage license agreements with Philip Morris International (PMI) that allowed for the production and distribution of PMI's brands in Egypt. This partnership endured for 23 years, ending in 2014, after which MHCFI partnered with Imperial Tobacco, launching Davidoff in Egypt. Building on our expertise and reach, MHCFI launched its brand of cigarettes, 'Time' – produced at our tobacco factory in the Alexandria Free Zone area.

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

DIVERSIFICATION

Although MHCFI was initially created to manage the PMI account, it began to diversify, extending its activities to food production with the purchase of the Seclam Factory in Alexandria and with the establishment of the Hayat water bottling plant at Siwa.

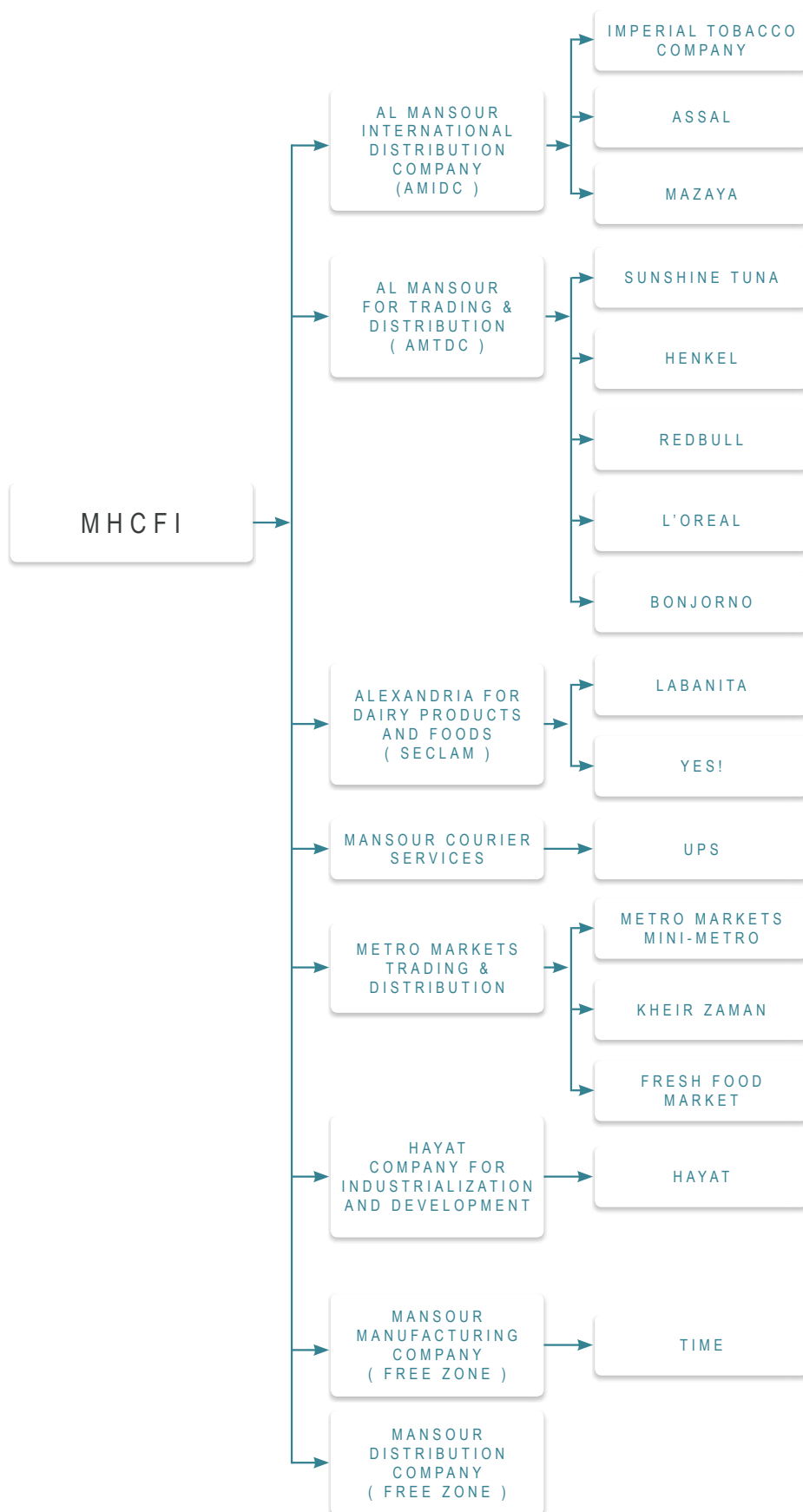
MHCFI entered the food retail business with the establishment of Metro Market for Trading and Distribution, successfully introducing the high-end supermarket chain Metro Market (MM) in the 1990s. Leveraging the overwhelming success and continuing growth of the Metro supermarket chain, MHCFI opened the 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 75,000 customers daily. As experts in the food retail business, we saw a gap in the market for an upscale gourmet supermarket which sources premium ingredients and products from all over the world. This brought along the idea of Fresh Food Market as a 'gourmet retailer.' For the first time in Egypt, we are offering our customers a premium shopping experience through our aisles, and a unique culinary in our eateries, the launch of Fresh Food Market came in 2016 with four outlets.

Al Mansour for Trading and Distribution Company (AMTDC) is the distribution arm of the group and distributes both food (ambient, fresh & frozen) as well as non-food products. Our brand "Sunshine" is the leader in the canned tuna fish and canned beef segments and also carries frozen seafood and vegetable products. We distribute our Labanita dairy products and Hayat natural water. AMTDC is also the sole distributor of multinational brands like Red-bull, Bonjorno, and L'Oréal & Henkel cosmetics and beauty products.

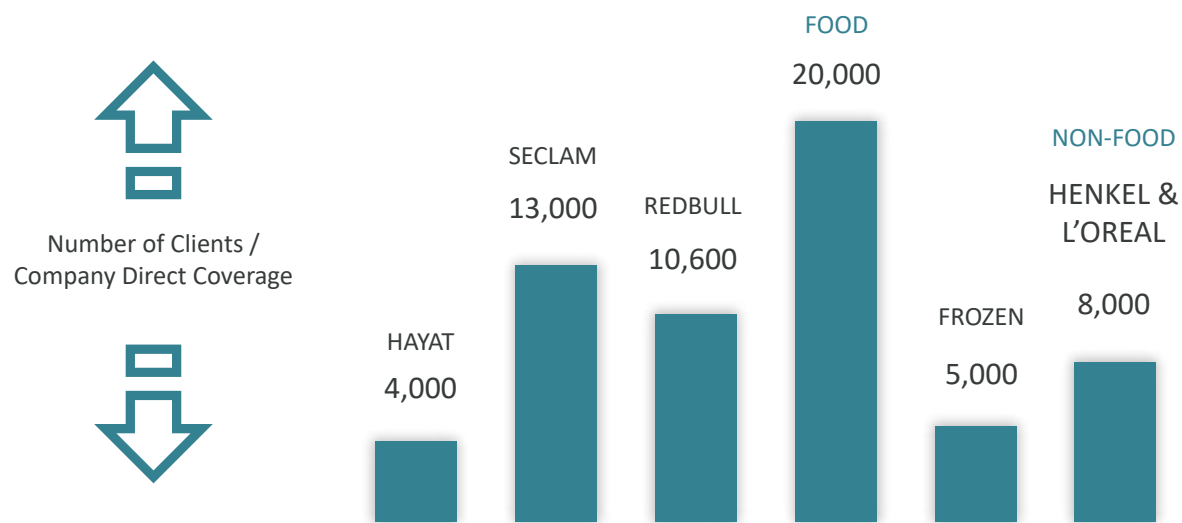


MHCFI COMPANIES AND BRANDS

MHCFI consists of eight companies that distribute a diverse range of consumer goods across a network of over 150,000 outlets nationwide, making it the single largest distributor in Egypt. The accompanying diagram illustrates the eight companies that make up MHCFI as well as the brands they manufacture, distribute, or for which they provide services.

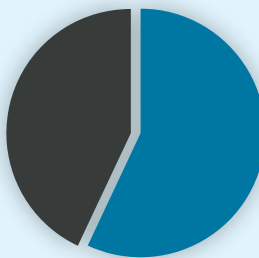


The revenues of MHCFI's companies exceeded 4.73 Billion EGP in 2016, with 260 Million EGP in profit. MHCFI employs over 8,243 people, equaling 13.7% of the Mansour Group's total workforce, and making it one of Egypt's largest private sector employers. The following diagram provides estimates for the number of traders and key clients served by our companies and activities.



AMTDC

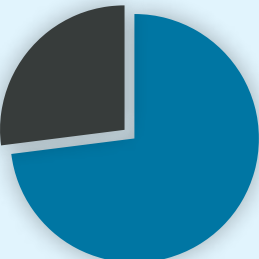
Number of Clients / Company Direct Coverage
60,600



Total AMTDC Indirect Coverage
80,000

AMIDC

Number of Clients / Company Direct Coverage
26,000



Total AMIDC Indirect Coverage
70,000

UPS

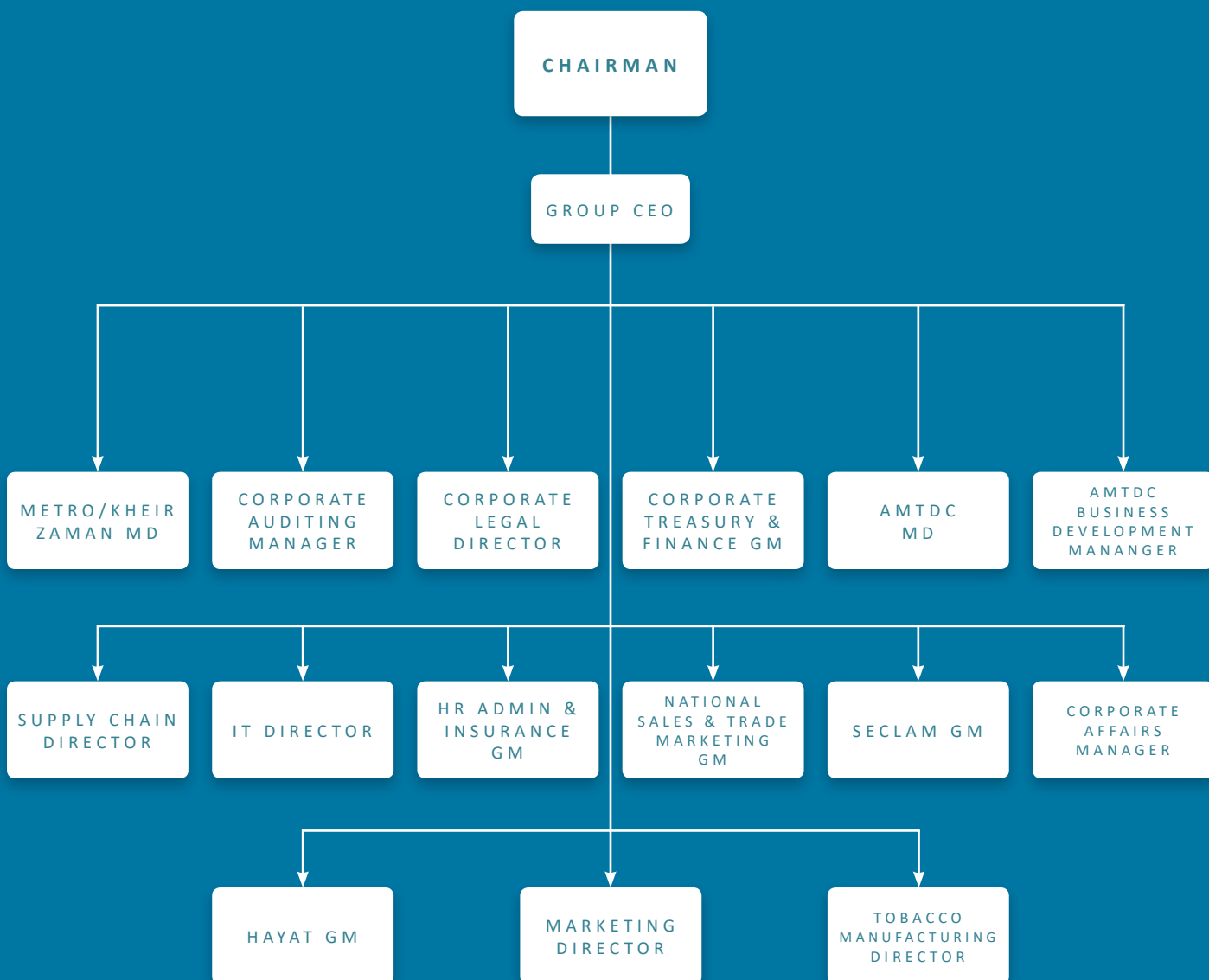
Number of Clients / Company Direct Coverage
720

MHCFI ORGANIZATIONAL STRUCTURE

MHCFI conducts operations across Egypt. Cairo is home to most of our companies' headquarters, with the exceptions of Hayat and Seclam, which are in Siwa and Alexandria respectively.

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

MHCFI ORGANIZATIONAL STRUCTURE



SUSTAINABILITY CHALLENGES AND APPROACH





Youssef Olama
IT Manager, Metro Markets

As previously mentioned, Egypt has faced turbulent times. The slowing of the economy has dealt a harsh blow to many sectors and have led some Egyptian businesses to shut down entirely. Many business owners have sold out their businesses and decided to move or re-invest abroad. Tourism levels have been lower than usual, making it clear that tourism, with its ebbs and flows, cannot be relied on as a consistent source of income or foreign currency. Additionally, foreign direct investment is also quite limited, and we, as a country, have been forced to deal with an unprecedented rise in the public debt. This financial turmoil was reflected in the currency, with the Egyptian pound sinking dramatically after its flotation in late 2016. At the time of writing, it trades at around 19 EGP to the dollar, compared with 6.5 EGP to the dollar only four years ago. Although disastrous for import businesses, this can, perhaps, be a great opportunity for Egyptian exports.

MAIN CHALLENGES

Over the past few years, security has grown to become an issue nationwide. In 2013, MHCPI was still struggling to deal with security issues that resulted in greater than expected losses. Having improved security, MHCPI saw fewer losses in 2014 onwards. However, despite these improved anti-theft measures, the greatest challenge now is the troubled state of the economy which is driving consumers away from all but the most necessary goods.

THE ECONOMIC CHALLENGE

Egypt's economy is facing a tremendous challenge. What started as a steady rate of inflation in 2015 has now become far less gradual, with a weakened currency, increased taxation, and increased customs on most products. Although the government promised to only increase customs on luxury items, the increases have touched all classes of products, making choices far more difficult for a consumer already under a great deal of financial pressure. Despite the problems that climbing inflation has caused, Egypt still seems to lack effective policies to counter this threat.

The scarcity of foreign currency, especially the U.S. Dollar, is also an ongoing concern, and has pressured our import businesses, forcing us to shrink our scale of imports and, in some cases, forcing us to resort to purchase foreign currency from the informal market since, despite the flotation of the pound, many banks are still reluctant to give up foreign currency, even to businesses. It has become easier to get foreign currency since the flotation, but, as previously mentioned, this has resulted in a much higher rate of inflation.

THE ENERGY CHALLENGE

Thankfully, the electricity blackouts and fuel shortages that caused energy shortages in the previous two years have mostly been resolved, however, the price of energy has increased a great deal. Fortunately, the Mansour Group had already

started putting energy-saving mechanisms in place, and we have capitalized on our success in that area and have continued to push our offices and factories to become even more energy efficient. We have worked with the UNDP and the Ministry of Electricity to study the benefits of replacing all our lighting with far more efficient LED lights. The study was conducted in two of our Metro Supermarket stores and resulted in an overall reduction of 30% in electricity usage during our tests. As a result, we have procured replacement LED lighting for all our facilities and have installed them across our operations as of December 2016. Hopefully, this will reflect in great savings on electricity in 2017.

SWITCHING PARTNERSHIPS

On July 1st, 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 0.9% market share by the end of 2016 with a 9% share of the premium segment.

Although this is still significantly less than the market share of 24% that came along with the PMI partnership, MHCFI has worked towards closing that gap by adding new tobacco-related businesses and retaining our tobacco-related workforce. Wasting no time, we launched our new brand of cigarettes under the brand name 'TIME,' as well as two brands of Shisha tobacco; Mazaya and Assal.

MANAGEMENT APPROACH

Currently, as indicated above, our greatest issues are the scarcity of foreign currency and the rising exchange rates. The Central Bank of Egypt attempted to control the parallel currency market by limiting the size of deposits one could make into bank accounts. After the banks had failed to supply even those limited amounts, the Central Bank unlocked the limit but still didn't supply enough currency. These issues had a cumulative effect of slowing down the economy even further, and, alarmingly, caused payment backlogs to our suppliers.

Costs have been spiraling beyond previous expectations. The prices of subsidized petroleum products have increased by 40% on average, and inflation on consumer goods has gone up to 28% (According to the Central Bank of Egypt) because of currency depreciation, tax increases, and subsidy cuts, and the imposition of a new Value Added Tax of 13%. Thus, consumption has gone down as most people buy almost nothing but necessities.

Unfortunately, we expect high inflation and low growth to continue in 2017.

As costs explode due to the economic situation we are focused on retaining and capitalizing MHCFI's workforce. Our employees remain our most prized asset, and we have no desire to downscale any more than we have already had to. Our main approach now is to maintain a solution-oriented style to our management strategies, focusing on sustainable management techniques designed to protect our employees. One example of this was our switch to L.E.D. lighting.

We are committed to reducing costs so that we can keep our employees employed.

PERFORMANCE AREA	APPROACH
Economic Sustainability	We are currently focused on maximizing efficiency, reducing production costs, and securing affordable and sustainable energy resources.
Social Sustainability	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.
Human Capital	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.
Human Rights	We continue to be committed to a zero-tolerance policy towards child labor and are committed to the adoption of a minimum wage policy.
Environmental Sustainability	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.
Product & Client Responsibility	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.



Sayed Ibrahim
Section Head, Fresh Warehouse



Seif El Batanouni
Corporate Affairs Manager

This document is MHCFI's fifth sustainability report, and it covers our activities over the period from 2015 to 2016. The purpose of the report is to keep our stakeholders updated as to our achievements and developments and thus allow them to remain engaged with our ongoing corporate narrative. This report gives us an opportunity to highlight the challenges we've faced in recent years and the measures we have taken to overcome those challenges as we remain mindful of our stakeholders and our business partners. The report measures our performance against the indicators of the Global Reporting Initiative (GRI-G3.1), Level B.

Although the report is designed to update the public on our performance, it is also vital to our own business, as it allows us to use the assessments and conclusions to improve our performance in the future. We first committed ourselves to this reporting exercise in 2008, and have successfully published five reports to date.

As always, we have made every effort to improve on our previous analyses and to expand the scope of the information covered by this report.

SCOPE & 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 for now. We had hoped to be able to extend our monitoring and disclosure capacity to parts of these universes by this reporting cycle, but the economic turbulence we have been facing has forced us to direct our energies to more vital concerns.

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. When useful, the information has been augmented through interviewing relevant personnel from MHCFI. This methodology 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 MHCFI's companies utilize the same top management reporting system.

Despite the difficulties that Egypt has experienced through for the last few years, MHCFI has managed to expand sustainability reporting. Like most, however, our reporting is incomplete on some of the GRI indicators.

Incomplete data is highlighted in our summary disclosure table at the end of this report, and we are planning more exhaustive coverage by our next report in 2019. We do believe, however, that this is not problematic at the moment since the report is explicit about estimates and the basis on which they are made, and because of the fact that much of our information is similar to that provided in earlier reports with the exception of some fields such as Energy Consumption, Gender Representation, and Customer Complaints – for which we have expanded reporting.

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

Information disclosed on intra-company employee movement has also been greatly expanded compared to earlier reports. The hiring and resignation disclosure is more detailed, as is information on employee training conducted in 2015/2016.

MATERIALITY & 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 Corporate Affairs Department compiled this report in-house and was verified by a third party. To develop this year's report, we developed several 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





Fresh Food Market
Cairo

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

Our current consolidated operation proceeds with 5.8 billion EGP of current assets and 1.7 billion EGP of non-current (or long term) assets. These assets are balanced, in part by 2.54 billion EGP worth of equity. In 2016, our consolidated revenues reached 4.73 billion EGP, and our profit reached 260 million EGP.

EQUITY

The Balance Sheet below demonstrates the values of MHCFI's various Assets, Liabilities, and Equity types broken down by our different business units (companies), as of December 31, 2016.

BALANCE SHEET 2016

AS OF DECEMBER 31ST, 2016						EGP (000,000)	
MHCFI CONSOLIDATED BALANCE SHEET	MID	MMTD	MTDC	MCS	HCID	MDC	MMC
TOTAL CURRENT ASSETS	3480.05	427.43	1371.50	48.89	34.66	308.39	151.61
(-) TOTAL CURRENT LIABILITIES	1263.36	677.34	1081.80	8.38	23.09	21.07	399.10
WORKING CAPITAL	2216.69	-249.90	289.70	40.51	11.57	287.32	-247.49
(+) TOTAL NON - CURRENT ASSETS	108.12	1013.64	275.96	10.55	48.67	17.10	266.23
TOTAL INVESTMENT	2324.81	763.74	565.66	51.06	60.24	304.42	18.75
TOTAL NON - CURRENT LIABILITIES	1200.54	324.49	24.68	0.00	0.00	0.00	0.00
OWNERS' EQUITY	1124.27	439.24	540.97	51.06	60.24	304.42	18.75
TOTAL INVESTMENT	2324.81	763.74	565.66	51.06	60.24	304.42	18.75

BALANCE SHEET 2015

AS OF DECEMBER 31ST, 2015						EGP (000,000)	
MHCFI CONSOLIDATED BALANCE SHEET	MID	MMTD	MTDC	MCS	HCID	MDC	MMC
TOTAL CURRENT ASSETS	3616.64	408.07	768.55	34.24	29.24	130.70	60.84
(-) TOTAL CURRENT LIABILITIES	1180.45	551.09	409.21	5.91	33.09	4.02	166.10
WORKING CAPITAL	2436.19	-143.02	359.34	28.33	-3.84	126.67	-105.26
(+) TOTAL NON - CURRENT ASSETS	119.27	848.37	157.27	10.08	50.20	7.69	115.00
TOTAL INVESTMENT	2555.46	705.34	516.61	38.41	46.35	134.36	9.74
TOTAL NON - CURRENT LIABILITIES	1600.35	231.94	10.00	0.00	0.00	0.00	0.00
OWNERS' EQUITY	955.12	473.40	506.61	38.41	46.35	134.36	9.74
TOTAL INVESTMENT	2555.46	705.34	516.61	38.41	46.35	134.36	9.74

PROFITABILITY

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

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

To start with, MHCFI consolidated revenues for year 2016 totaled EGP 4,729 Mio, making profits of EGP 260 Mio. The breakdown of our income statement by business unit for year 2016 as follows.

YEAR 2016						EGP (000,000)	
INCOME STATEMENT	MID	MMTD	MTDC	MCS	HCID	MDC	MMC
NET SALES	295.52	2,017.92	2,242.56	41.06	78.68	18.63	34.61
GROSS PROFIT	32.56	49.76	456.85	16.79	34.55	1.28	0.82
NET PROFIT FOR PERIOD	198.71	-13.48	53.72	12.65	15.71	-4.26	-3.33

MTDC accounted for the bulk of our sales. The other companies, on the other hand, experienced mixed performances. Some of the companies have trended high in sales and profitability while other companies experienced a drop in sales and, by extension, profitability. The table below illustrates our consolidated income statement for year 2015 broken down by business unit.

YEAR 2015						EGP (000,000)	
INCOME STATEMENT	MID	MMTD	MTDC	MCS	HCID	MDC	MMC
NET SALES	133.22	2,057.86	1,634.29	34.54	77.02	-19.13	0.00
GROSS PROFIT	7.86	28.89	447.30	12.88	34.54	-3.63	-2.57
NET PROFIT FOR PERIOD	173.41	-32.23	74.90	5.08	9.70	-9.10	-7.56

As the statement shows, our companies paid about EGP 61 Mio in income taxes in 2016,. We are more proud of these payments than any other payments we have 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-add components of its operations along two different dimensions. First, we divide our commodities into (1) merchandise and services that experience some manufacturing and/or services transformation, and (2) merchandise and services that add only in retail value. We can then classify our Cost of Goods Sold (COGS) according to these two categories.

C.O.G.S.

FY 2016							EGP (000,000)
	MID	MMTD	MTDC	MCS	HCID	MDC	MMC
VALUE ADDED COGS	1.16		264.45		44.13		33.79
RETAIL BASED COGS	261.80	1,968.16	1,521.25	24.27		17.35	
TOTAL	262.96	1,968.16	1,785.70	24.27	44.13	17.35	33.79

Accordingly, we can use the above classification to assess our value added endeavors. The table above summarizes our COGS classification into value-added and retail based for the year 2016 by business unit.

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

The following tables compare our capital investments in year 2016 with their equivalent in 2015.

CAPITAL INVESTMENTS 2015 & 2016

										EGP (000,000)	
MID		MMTD		MTDC		MCS		HCID		MMC	
2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
2.05	1.38	244.55	26.08	111.53	21.25	1.63	1.2	2.36	11.4	180.76	0.02

Our total capital investments in 2016 and 2015 were EGP 542.88 Mio and 61.33 Mio respectively. While the economic downturn has led many companies to think about exiting from Egypt, we proudly stand committed to investing in our economy.

KEY

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

HCID Hayat for Industrialization & Development
Main Brands: Hayat

MTDC Mansour for Trading & Distribution Company
Main Brands: Sunshine Tuna

MMC Mansour Manufacturing Company
(Free Zone)

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

MDC Mansour Distribution Company
(Free Zone)

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

MMTD Metro Market for Trading & Distribution
Main Brands: Metro Market, Kheir Zaman

GOVERNANCE & APPROACH





Conference Room
Maadi Headquarters, Cairo

Even though the Mansour Group is a private family business and under no obligation to minority shareholders, we engage in many joint ventures and therefore need to address the interests of our partners.

Each division or company within the MHCPI is governed by a Board of Directors which always contains independent members. Our philosophy is that these members bring with them alternative perspectives and diverse viewpoints that affect their companies directly and, by extension, reflect on the approach of MHCPI as a whole. This process is organic and streamlined since the Mansour Group has standardized a single management approach across all its companies. 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	Managing Director for Financial Affairs
Dalia Elias	Board Member Emeritus

AL 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	Managing Director for Financial Affairs
Dalia Elias	Board Member Emeritus



AL MANSOUR FOR TRADING AND DISTRIBUTION	
NAME	POSITION
Atef Abo Shady	Chairman
Youssef Mansour	Managing Director of Financial Affairs
Mohamed Mansour	Board Member
Yasseen Mansour	Board Member
Mostafa Abboud	Managing Director of Financial Affairs
Nabil Barghash	Managing Director
Ashraf Abou El Kheir	Board Member Emeritus
Dalia Elias	Board Member Emeritus

AL MANSOUR DAIRY & FOOD “SECLAM”	
NAME	POSITION
Atef Abo Shady	Chairman
Youssef Mansour	Managing Director of Financial Affairs
Mohamed Mansour	Board Member
Yasseen Mansour	Board Member
Mostafa Abboud	Managing Director of Financial Affairs
Nabil Barghash	Managing Director of Sales
Alaa El-Wakil	Managing Director of Operations
Ashraf Abou El Kheir	Board Member Emeritus
Dalia Elias	Board Member Emeritus

HAYAT FOR INDUSTRIALIZATION & DEVELOPMENT	
NAME	POSITION
Atef Abo Shady	Chairman
Youssef Mansour	Managing Director of Financial Affairs
Mohamed Mansour	Board Member
Yasseen Mansour	Board Member
Mostafa Abboud	Managing Director of Financial Affairs
Nabil Barghash	Managing Director of Sales
Ahmed Hany El Maghraby	Managing Director of Operations
Ashraf Abou El Kheir	Board Member Emeritus
Dalia Elias	Board Member Emeritus

MANSOUR COURIER SERVICE	
NAME	POSITION
Youssef Mansour	General Manager of Financial Affairs
Mostafa Abboud	General Manager of Financial Affairs
Tony Costa	General Manager



Mostafa Abboud
CEO, Al Mansour Holding Company

MANSOUR MANUFACTURING - FREE ZONE	
NAME	POSITION
Atef Abo Shady	Chairman and Managing Director
Youssef Mansour	Board Member
Mohamed Mansour	Board Member
Yasseen Mansour	Board Member
Mostafa Abboud	Board Member
Dalia Elias	Board Member Emeritus

MANSOUR DISTRIBUTION - FREE ZONE	
NAME	POSITION
Atef Abo Shady	Chairman and Managing Director
Youssef Mansour	Board Member
Mohamed Mansour	Board Member
Yasseen Mansour	Board Member
Mostafa Abboud	Board Member
Dalia Elias	Board Member Emeritus

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 bi-annual 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. By the end of 2016 we also established a Sustainability Committee that reports directly to the Compliance Committee. The members of the Sustainability Committee are from middle management and their main purpose is to reduce the gap between Top Management and Workforce by updating all policies and procedures to better reflect on operations as well as to undertake performance improvement initiatives throughout the organization.



OUR MISSION & 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 complements their lifestyles.

We accomplish this by ensuring that our talented and effective teams base their decisions on sound information and can execute them 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 company under MHCFI has a Managing Director (MD) or a General Manager (GM) who is fully empowered to lead his or her company as he sees fit.

This MD or GM is a direct representative of Youssef Mansour, Chairman of MHCFI, within that company. As the father company, MHCFI sets annual targets for each company and uses those for evaluations at the end of the financial year.

MHCFI organization occurs on two levels -

The holding company centralizes basic support functions that are shared across all other companies such as Human Resources Management, Policy Formulation and Control, Supply Chain Management, Auditing, Administration, Security, Legal, and Corporate Affairs.

Each company, however, retains its own operational structure and, when more effective, its own support departments. One example of this is the Quality Control and the Auditing functions which are organized on a company level for Metro Market. Hayat (our bottled water factory) and SECLAM (our dairy factory) also have their own quality control divisions.

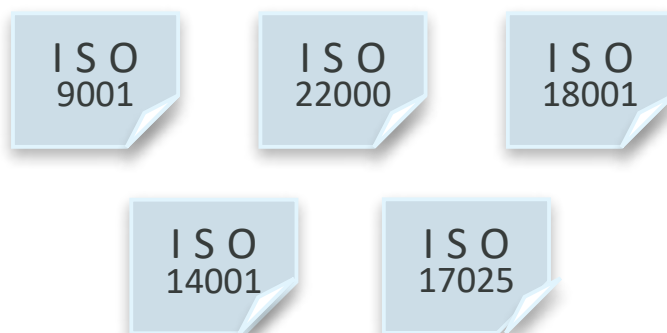
CONTROL

All MHCFI's companies share the same core mission and basic values listed above. These values provide a unifying value system which guides them all, without imposing specific strategies on any of them. This combination of core values and diverse strategies allows all our companies to operate with a great deal of autonomy and yet remain in unison. The fact that many of them also share the same support functions also helps assure a certain level of corporate control.

MHCFI is also governed by many 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.

MHCFI has, in fact, an independent Audit department dedicated to undertaking such audits.

Many of our companies have certified parts of their management systems, as per their individual needs. SECLAM and Hayat, for example, have been awarded the following certificates:



Despite the fact that our business activities are carried out with a level of transparency that leaves little or no room for corruption, the strong anti-corruption sentiments that emerged in the country since the January 25th revolution began in 2011 has persuaded us to reexamine ways to battle corruption at all scales. To this end, we have already enacted a grievance reporting policy that makes it much easier and safer for employees at all levels to report any instances of discrimination, embezzlement, corruption, or abuse, whether it be sexual, physical, or verbal.

ASSOCIATIONS & LOBBIES

In the years before the revolution, the Egyptian governmental bodies used to hold regular meetings with businesses and their representatives to resolve business difficulties. Whereas the premise was laudable, in reality, we suffered from the bureaucracy this entailed and found ourselves constantly chasing permits and licenses. This mechanism collapsed during the revolution and has since been slowly rebuilding. With a new president elected in 2014, and a new parliament in place, dialogue between the private sector and public representatives has resumed but has yet to take solid shape.

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





EXTERNAL RELATIONS

On Fiscal and regulatory matters, and through its Corporate Affairs department, MHCPI is constantly engaged 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. This work is all about ensuring that the long-term playing field for ethically competitive businesses, an environment which we believe to be in our favor. MHCPI also pursues common initiatives, with many of these authorities, that serve both the nation and our core businesses.

ANNOUNCING OUR PERFORMANCE RESULTS AND POLICIES

Although our companies are not publicly traded, we make available our financial statements available to any stakeholder interested in such access and is regularly emailed to major stakeholders such as governmental organizations, private sector clients and partners, and our civil society partners.

It is also made available on our website at <http://mmd.mansourgroup.com/>

Employees are also kept updated through an internal email system, and updates are highlighted in our internal newsletters, announcements are also communicated directly to the different department managers who, in turn, communicate them to their staff.

In addition, the latest versions of all our policies and procedures are available on an electronic database to which all staff members have full access.

GAP ANALYSIS AND COMMITMENT TABLE

Mansour Group is continuously improving its economic, environmental, and social performance in accordance with established standards, both regional and international.

Company managers and directors are constantly driven to identify any relevant gaps and schedule their planned modifications to the date. This urgency helps create an environment that mitigates risks and exploit opportunities and ensures that all MHCPI companies maintain our adopted standards both professionally and ethically.

We have listed the main commitments we make to our stakeholders below –

COMMITMENT	TARGET DATE
Develop an Internal Training Program for Managers on Sustainability Issues	2017-2018
Develop a comprehensive Anti-Corruption Policy and outline anti-corruption goals	Partially Achieved
Create an Internal Sustainability Committee	Achieved
Create an Internal Sustainability monitoring and reporting system for all involved departments	Achieved
Develop a comprehensive Stakeholder Engagement Plan	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, 3, and 4 Achieved; 5 to be achieved in 2017.
Develop a comprehensive Policy on Product Responsibility across the group	Achieved
Implement stakeholder engagement plan	Achieved
Continue research and business development for new base of the pyramid investment opportunities	Achieved



Warehouse Workers
6th of October

At MHCFI, 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. We invest in our people.

These investments have paid off handsomely from a generational standpoint, manifesting as, in now senior employees, an urgent loyalty to the group, a great dedication to the company, and a deep commitment to the values MHCFI upholds.

We recruit whenever a vacancy emerges in our companies, and we have adopted a salary scheme that pegs our pay to the average pay on the market while honoring a minimum wage policy in cases where the average is even lower.

Along with our human resources policy, our formal contracts safeguard the interests of our employees. Our employees are intensively trained to build their careers with a view to keeping them indefinitely. If they do not remain with us, however, then we are proud to say that we have helped them become highly qualified for any other potential employer and for a variety of excellent positions. We provide our workforce with fair, transparent, and periodic performance evaluations. The establishment of the Mansour Training Academy in 2015 marks a clear and continuing focus on capacity building for our employees.

RECRUITMENT

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 per market surveys of the fast-moving consumer goods sector (FMCGs), our main field, conducted by third parties and specialized firms. We target a salary scale in the middle of the market spectrum for the same position, as per these external studies. Those salaries are then modified per the skills and experiences of the candidate.

Previously the minimum wage, as referenced by state employment, was quite low, and we had set our minimum wage higher. In the aftermath of the revolution the state minimum wage, at 1,200 EGP/Month effectively caught up with our own. In consideration of our employees, however, and fully aware of the rising costs of living, we plan to raise wages in 2017.

BENEFITS

Egyptian laws regulate the minimum medical insurance for workers as well as their pension schemes. MHCFI 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	TRANSPORT ALLOWANCE	PERSONS WITH DISABILITIES
MID	57,669,456	290,400	57,959,856	38	93	2
MTD	65,994,036	14,802,468	80,796,504	188	3	5
SECLAM	37,654,284	0	37,654,284	4	10	16
SECLAM Sales	9,256,584	154,980	9,411,564	3	0	0
Hayat	9,622,260	637,944	10,260,204	2	1	0
MMC	2,184,264	0	2,184,264	8	0	0
MET	135,120	0	135,120	0	1	0
MDC	935,004	0	935,004	0	0	0
Metro Market	166,100,844	33,060	168,318,168	97	125	56
U P S	7,520,520	234,660	7,755,180	0	19	1
Total	357,072,372	16,153,512	373,225,884	340	252	80

In accordance with our policy, MHCFI provides all its employees with formal contracts. These contracts provide our workers with a level of job security that many others lack in Egypt, where working informally without a contract has been endemic in recent years. MHCFI also follows all 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. In cases of termination, we provide them with two months' pay for each year worked.

EMPLOYMENT LEVEL AND TURNOVER

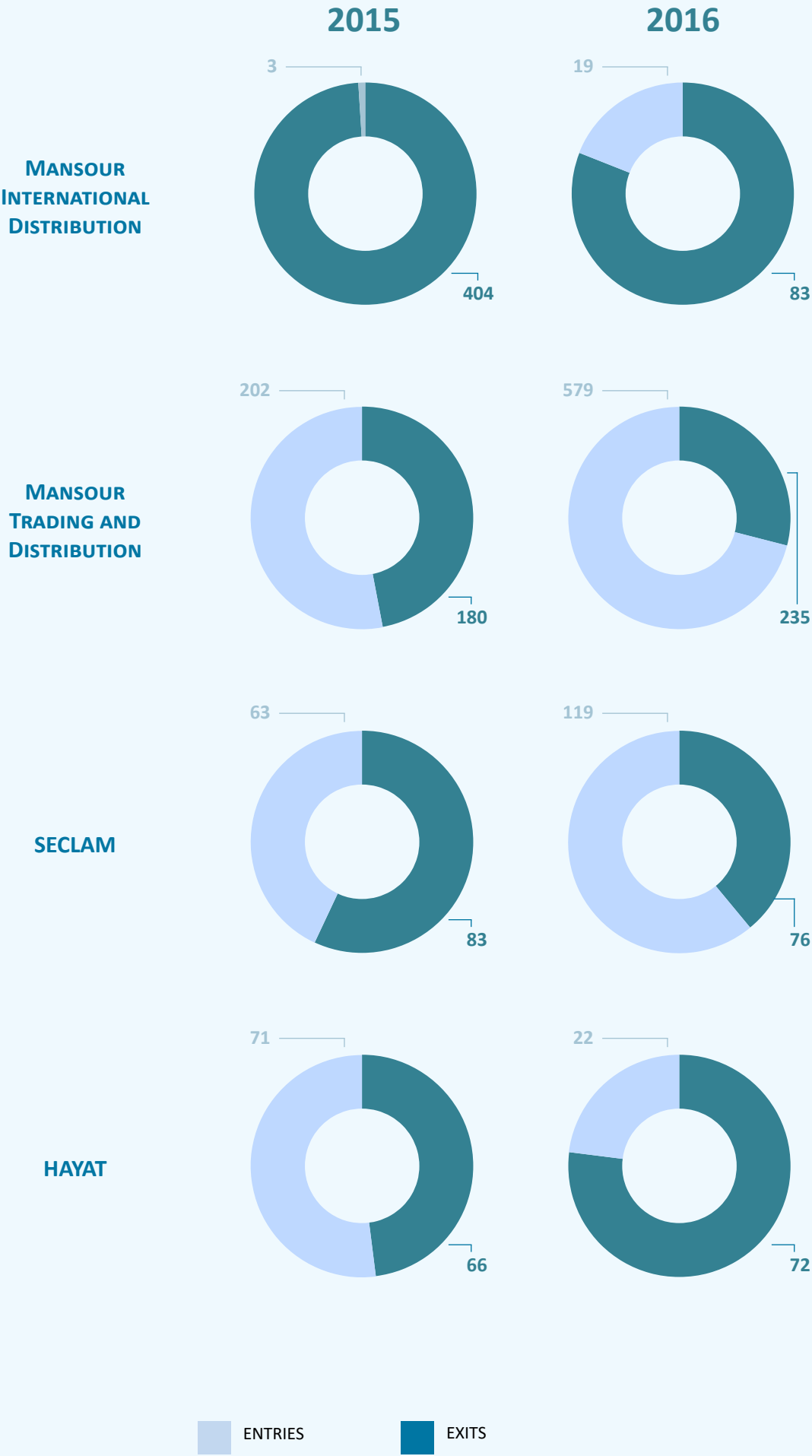
MHCFI employs 8,243 people, a little less than the 8,723 employees mentioned in our last report, with a turnover of 480 employees or around 5.5%. Metro Markets and Kheir Zaman are both labor intensive operations, and much of their labor is transient. Accordingly, these operations account for around 59.9% of our employment, even though they account for only 13% of our profits. Most of our turnover occurs within those operations.

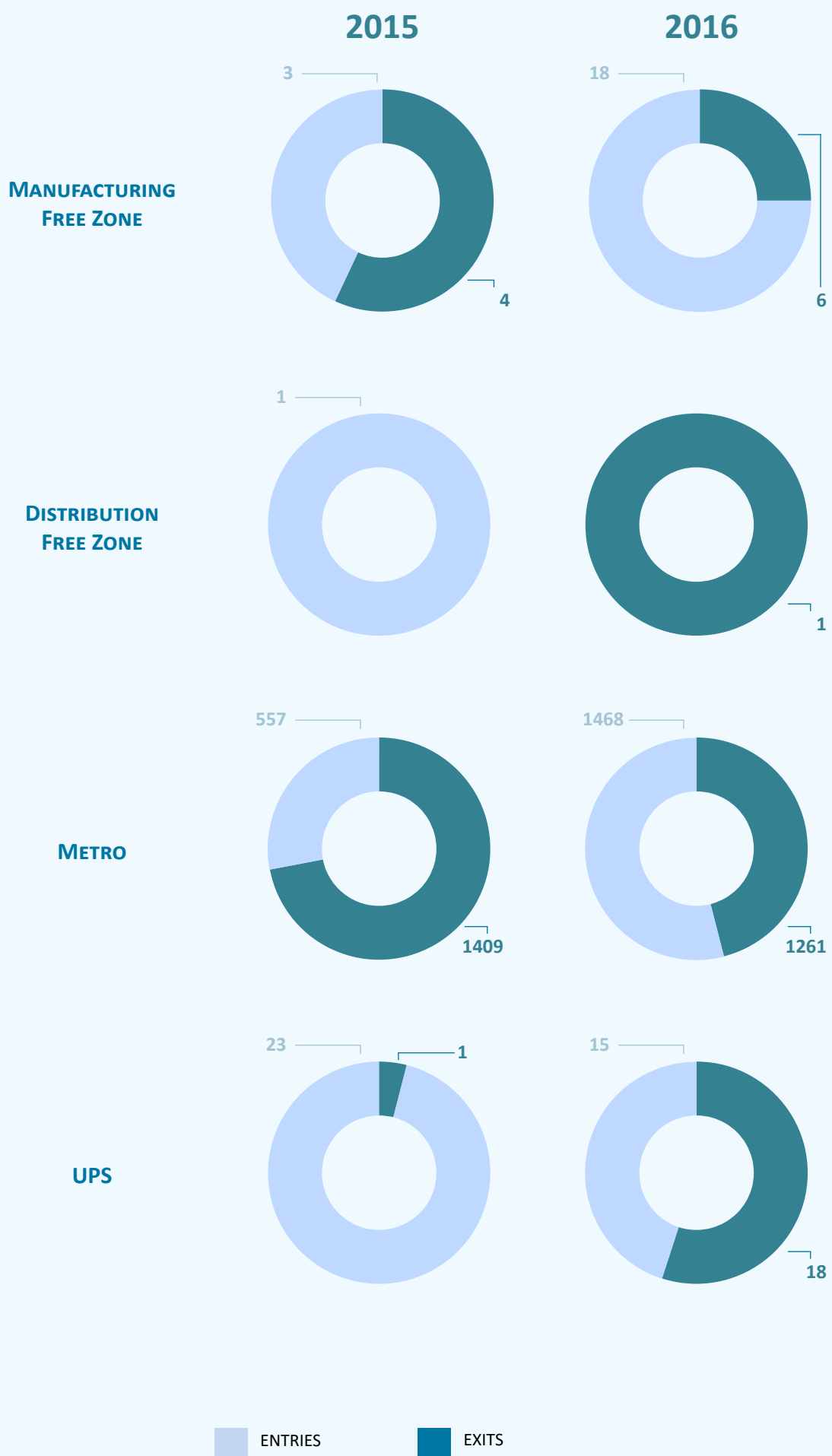
In Egypt, as in other countries, the turnover for supermarket employees is quite high. Most employees view these positions as a temporary position on their way to more fulfilling careers. Outside of our supermarket chains, we have had a very high rate of employee retention.



Ingi Atabani
Business Dev. Manager, AMTDC

EMPLOYEE TURNOVER





TRAINING AND CAREER ADVANCEMENT

The training and career development of our employees is a deeply ingrained part of MHCPI's core values. We conduct career planning and training sessions for employees 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 2015, we trained a total of 3,468 employees, 20,808 training hours in total. This number increased to 4,927 employees, totaling 29,562 training hours in 2016, the details of which are as follows:-

TYPE OF TRAINING	MANAGERS	MID-LEVEL	SUBORDINATE	TOTAL
Technical Skills	38	274	572	884
Business Needs	117	726	728	1,571
General (Orientation & Induction)		35	508	543
On Job Training		115	246	361
Executive Training (Session)				
Soft Skills	5	27	7	39
Certificates & Diplomas		1		1
Overseas Training	9			9
English	12	23	25	60
Total 2015	181	1,201	2,086	3,468

The following table details Mansour Training Academy's Performance for the year 2016:-

TYPE OF TRAINING	MANAGERS	MID-LEVEL	SUBORDINATE	TOTAL
Technical Skills	57	317	696	1,070
Business Needs	131	930	1,059	2,120
General (Orientation & Induction)		15	251	266
On Job Training		145	1,027	1,172
Executive Training (Session)		20		20
Soft Skills	10	150	66	226
Certificates & Diplomas	2	4	10	16
Overseas Training	13	3		16
English		7	14	21
Total 2016	213	1,591	3,123	4,927

TRAINING DETAILS

Technical Skills

Grocery (Merchandising) - Fresh Food - Home Delivery - Assessment Center Analyst - Security Skills - Security System - Train The Trainer - SAP System - Customer Loyalty Program - Safety & Hygiene - Electronic Vouchers System - Taxes Awareness Session.

Business Needs

Customer Service - Selling Skills - Negotiation Skills - Communication Skills- Balanced Feedback - Planning & organizing primer - Decision Making & Problem-Solving - Empowerment - Advanced Communication - Strategic Planning - Re-Ordering - Effective Sales Management - Finance For Non Finance - Delegation - Managerial Functions - Leadership For Managers - Time Management - Stress Management - Motivation - Strategic Management - Business Etiquette - Governmental Relations - TOT Workshop -



Alaa Mohamed & Mahmoud Kamel
Fresh Meat Chefs, Fresh Foods

General

Orientation & Induction – Introduction to the Retail Industry (Basics of Customer Service – Basics of Selling Skills – Basics of Safety & Hygiene- Grocery - Fresh Food).

On Job Training - Awareness Session

Executive Training

Leadership Development Programs

Soft Skills

Communication Skills Workshop - Negotiation Skills Workshop - English Business Communication - Team in Action - Leadership in Action

Certificates & Diplomas

Supply Chain Diploma - PMP - Mansour Retail Diploma - Human Resources Diploma - Certified Assessor – MBA & DBA

CAREER ADVANCEMENT

MHCFI's commitment to employee development is perfectly illustrated by our investment in our Metro supermarket employees in particular. In a sector with generally high turnover rates, we designed training programs that make it clear to our employees that we care about their long-term careers. Furthermore, we are proud to say that all our current store managers started out as store workers and rose to managerial level because of their high performance, extra training, years of experience, and general excellence in all the tasks they undertook. This developmental path has been so effective that we have not needed to recruit store managers from outside our operations.

Employee development and training are guided by periodic performance appraisals and objective KPI's; these serve a dual purpose. On the one hand, they inform our staff of their strengths and weaknesses so they can train themselves accordingly, and on the other hand, they provide us with the means to determine annual bonuses and decide on promotions.

SAFETY

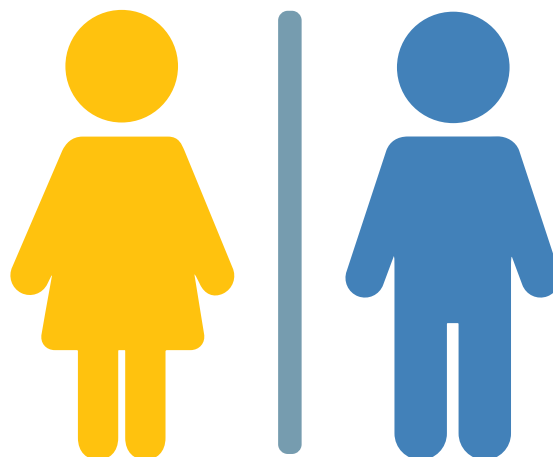
All our employees are trained in basic evacuation procedures and can handle crisis situations. Most of our employees have also been trained in basic firefighting. Whereas our activities do not put our employees at much risk, we have nevertheless given workers special training, safety goggles, gloves, helmets, and safety shoes to those working in 36 jobs that we've identified as needing higher safety precautions.

Currently, MHCFI only monitors medium and serious work injuries, of which we've had none in the last two years, with this level of safety assured, we are expanding into a system that also extends to minor injuries.

GENDER

Even though our policy has always been to base our salaries on employee qualifications with no regard for gender, we've created a grievance mechanism policy that addresses discrimination, and are ready to have it running from the start of 2017. Despite our efforts, Egypt remains set in some traditions, and women are rarely found in what are deemed by the culture to be 'heavy' industries. We have achieved great strides at equalizing the gender ratio at management levels, but achieving a more balanced gender balance at the blue-collar level requires longer-term shifts in the socio-cultural values of the whole country.

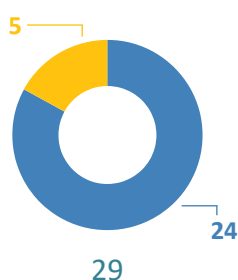
The following graphs show gender distribution figures at our companies:



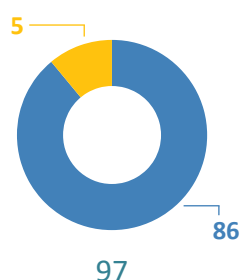
GENDER DISTRIBUTION

AL MANSOUR INTERNATIONAL DISTRIBUTION Co.

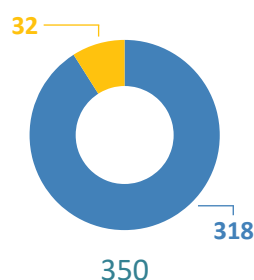
UPPER MANAGEMENT



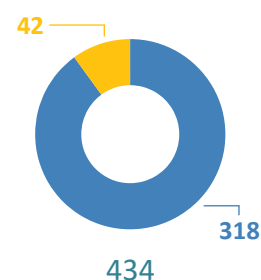
MIDDLE MANAGEMENT



WORKFORCE

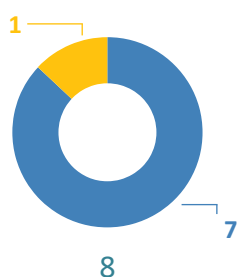


TOTAL

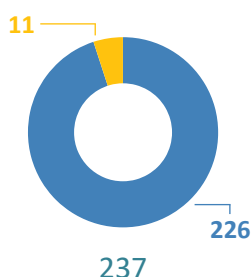


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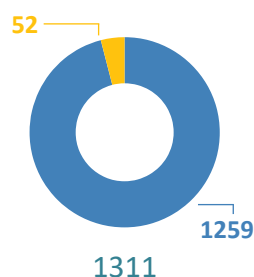
UPPER MANAGEMENT



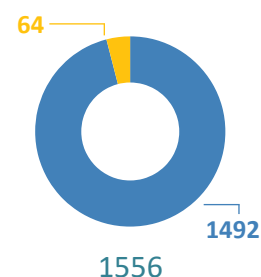
MIDDLE MANAGEMENT



WORKFORCE

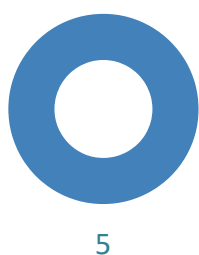


TOTAL

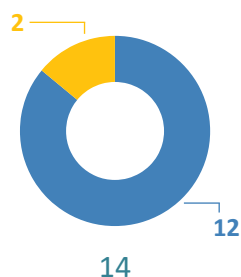


HAYAT COMPANY FOR INDUSTRIALIZATION & DEVELOPMENT

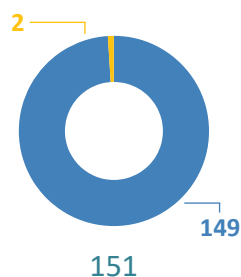
UPPER MANAGEMENT



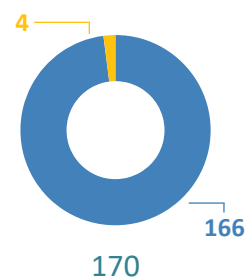
MIDDLE MANAGEMENT



WORKFORCE

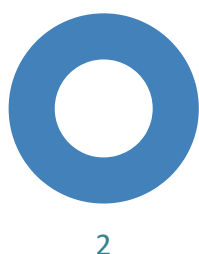


TOTAL

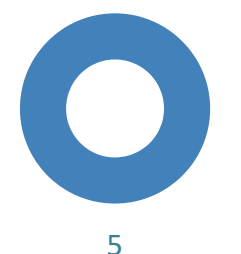


DUTY FREE ZONE

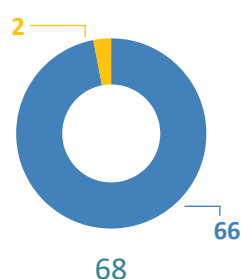
UPPER MANAGEMENT



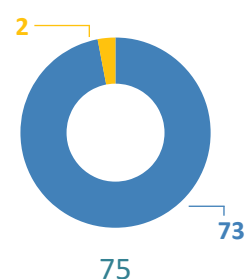
MIDDLE MANAGEMENT



WORKFORCE

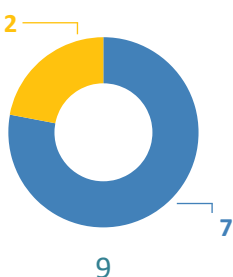


TOTAL

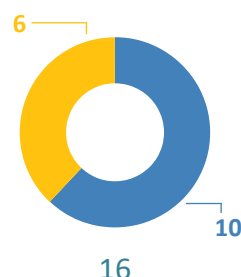


AL MANSOUR DAIRY & FOOD COMPANY (SECLAM)

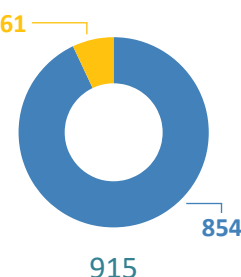
UPPER MANAGEMENT



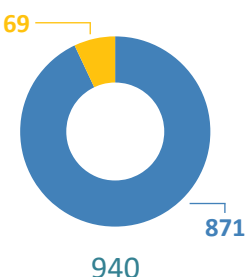
MIDDLE MANAGEMENT



WORKFORCE

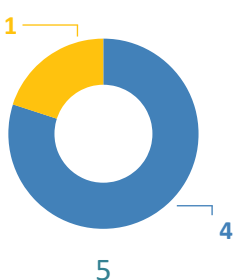


TOTAL

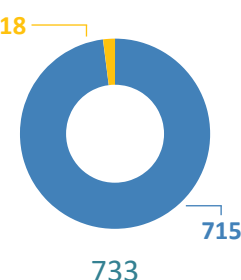


METRO MARKET FOR TRADING & DISTRIBUTION COMPANY

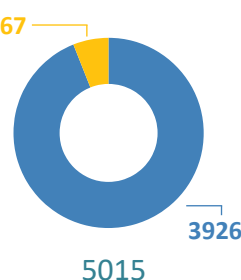
UPPER MANAGEMENT



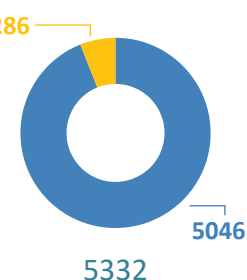
MIDDLE MANAGEMENT



WORKFORCE



TOTAL









Not limiting ourselves to responsible business practices, we channel our substantial resources towards promoting the welfare of Egyptian society by helping with education, socio-economic development programs, and any other initiatives that we determine to be credible and beneficial to the community at large. Our greatest mechanism for the achievement of these goals is the Mansour Foundation for Development (MFD) which is dedicated to the battle against illiteracy, poverty, and disease. The Foundation pursues these goals with passion & strategic insights through valuable partnerships established with our local developmental communities. It is these partnerships that have allowed us to determine areas of great need, and focus our contributions accordingly.

ABOUT THE FOUNDATION

The Mansour Foundation for Development was launched in January 2001 as the first non-profit grant-making organization to be fully and solely funded by an Egyptian family. Driven by the Mansour family's tradition of integrity and values, MFD is dedicated to mobilizing, strengthening, and empowering key actors engaged in advancing Egypt's developmental process.

The Mansour Foundation board of directors believes that the corporate success of the Mansour conglomerate and the social welfare of Egypt are intertwined and interdependent. Thus its vision of sustainability is based on shared value creation; investing in the creation of a healthy, educated, workforce, and in sustainable resources. It is a value-based foundation with a mission to advance development in its broadest and most holistic sense by fostering a culture that facilitates cross-pollination between business, government, and civic sectors to create more equitable and inclusive social economies.

Taking into consideration our mutually re-enforcing imperatives of Purpose, People, and Passion, the foundation transforms the ground realities for vulnerable groups through more than sixty programs aimed at enhancing education, health, capacity building, and youth and women's empowerment.

For the last few years, Egypt has been going through an economic and political transition that continues to affect the entire society deeply. Although the Foundation is non-partisan, we stay current with change and have learned to embrace it by creating new opportunities, thus enabling our community to blossom, remain healthy and sustainable, and continue to be fueled by a diverse, inspired, and innovative younger generation. In pursuit of this, the foundation has focused its time, attention, and resources on five main issues:

1. Youth Empowerment

Egypt needs all the energy, brains, imagination, and talent that young people can bring to bear down on its difficulties. For the society to solve its disparate problems and catalyze transformational results, we supported youth in various ways: A) Entrepreneurial Fellowships, B) training, C) Seed Funding, D) Coaching, E) Mentoring, and F) Incubating social entrepreneurs.



Employee Volunteers
Wadi Degla Clean-Up

2. Women's Empowerment

There is no developmental tool more effective than the empowerment of women who instigate and lead positive change within their families, communities, and the world. MFD's women's empowerment program works to build women's capacities, enhance their awareness regarding key social issues, and give them the opportunity to forge partnerships amongst themselves and various contacts. An integral part of this program is focused on strengthening the capacity of local and regional artists and artisans and promoting their work. In this respect, MFD works with local female artists to engage the wider public in the promotion and preservation of Egypt's rich cultural heritage.

3. Philanthropic Outreach to Under-served Communities

MFD is committed to taking philanthropic action based on integrity, innovation, and inclusion using a long-term strategic approach to supporting programs that help solve crucial issues of a social, educational, capacity building, or advocacy-related nature. MFD works with over twenty academic and nonprofit partners and is routinely acknowledged among the leaders of Egyptian philanthropy and development. We hold annual programs for humanitarian aid, poverty alleviation, and other kinds of social support – helping orphans, lower-income families, and kids with disabilities.

4. Partnerships for Awareness, Advocacy, and Academic Research

In social and economic development MFD is an active supporter of knowledge sharing, raising awareness, and role modeling - all of which are expressed through various methods designed to influence public-private partnerships, government officials, journalists and the media, development agencies, and large NGOs.

5. MFD's Strategic Insights to the Regional and Global Philanthropic Map

The foundation is a member of several regional platforms and networks with the aim of unlocking the knowledge needed to understand the field, make better strategic choices, and strengthen our local impact while keeping in mind a global mindset.

In 2015 - 2016, MFD implemented, amongst others, 10 Philanthropic projects, ten youth empowerment projects, two women leadership empowerments, three entrepreneurship incubations, three corporate voluntarism events, 10 Advocacy events, 20 youth training workshops, three health initiatives, five educational scholarships and fellowships. In total, we have extended our support to over 250 thousand beneficiaries.

MFD works with over 20 academic and nonprofit partners, and is voluntarily serving on the boards of directors of 2 developmental

NGO's, 3 CSR committees, two ministerial committees for sustainability, and is also a member of 4 global philanthropic and grant provider platforms.

"MFD is committed to helping Egyptian communities and does so by investing in youth and women wherever our ideas and resources can make a difference." – January 2001

Since our original mandate was announced at the start of 2001, the Mansour Foundation has committed more than EGP 100 Million to philanthropic, developmental, and entrepreneurial initiatives.

GUIDING PRINCIPLES

In these philanthropic and sustainable development investments, we adhere to these guiding principles:

- Align with our core code of conduct by focusing on Integrity, inclusion, community engagement and creating shared values.
- Institute good governance and grant-giving effectiveness.
- Measure overall foundation performance to ensure maximum social benefit created in relation to resources invested.
- Engage the time and talent of youth at all levels of our work.

MANSOUR FOUNDATION FOR DEVELOPMENT & THE GLOBAL GOALS

As part of our commitment to the pledge we made to the UN Global Compact, the Mansour Foundation is dedicated to the achievement of the GC's Sustainable Development Goals.

The Sustainable Development Goals, also known as the "Global Goals," were adopted by the UN Member States in September 2015 as part of a new sustainable development agenda aimed at helping all countries reduce poverty, tackle climate change, and build resilient and inclusive communities worldwide.

The Mansour Foundation for Development is committed to helping achieve all 17 Global Goals. This section of our report gives examples of how we are helping to achieve some of them.

SDG # 1 NO POVERTY

End poverty in all its forms everywhere.

MFD focuses on vulnerable populations throughout Egypt, most of which live in low-income situations. With those populations, we focus on providing access to financing, the formation of asset building groups, livelihoods development, and, among others, nutritional support. We collaborated with the "Lebaladna" (Our Country) association, the "El Allam Beyti" (The World is My House) community foundation, the "Bani Shebl" (Sons of Shebl) community foundation, and the "Bedaiya" (Beginning) association on annual programs with an integrated approach to poverty reduction that focuses on reducing extreme poverty in communities through improving livelihoods and nutrition and the strengthening of local, especially governmental, networks.

The activities under this initiative serve more than 135 thousand citizens each year. These include women and orphans in 10 under-served areas in 5 governorates: Cairo, Giza, Alexandria, ElSharkiya & ElFayoum.

SDG # 2 GOOD HEALTH AND WELL-BEING

Ensure healthy lives and promote well-being for all at all ages.

Our aim is to strengthen local institutions to enable them to provide better health care and to ensure community access to that care. The Mansour Foundation partnered with the National Heart Institution, the Alexandria Endoscopy Association, and the Children Cancer Hospital (known by its hot number as '57357') to increase their capacity with training, equipment, and awareness – all of which help promote healthy decisions and reduce the rates of cancer and heart diseases as well as leverage the skills of young doctors in endoscopic surgeries.

The activities under this initiative served more than 23 thousand patients and doctors in the governorates of Cairo, Giza, and Alexandria.

SDG # 4 QUALITY EDUCATION

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

The Mansour Foundation's workforce development approach is strategic-driven and focuses on youth development opportunities and innovations. We work with the young to customize technical training programs, providing soft skills and enriching the spirit of citizenship by supporting university students in both national and international innovation competitions and by providing scholarships.

Our partnerships leveraged well-ranking faculties such as the Faculty of Engineering at Cairo University, the Faculty of Engineering

at Alexandria University, Nile University, and the Arab Science & Technology Foundation, thereby empowering 17 innovation teams comprised of 500 university students and faculty team advisors. Moreover, those youths participated in 5 international competitions for students and represented Egypt in the United States of America, Canada, Italy, and Malaysia.

We are also finalizing a training manual on Young Responsibility, Rights, and Identity, and will be organizing several capacity building workshops for university students.

Alongside these activities, the Mansour Foundation provided three scholarships: a 4-year scholarship in Applied Medicine at 6th of October University, one MBA degree at the Arab Academy for Banking and Financial services, and one partial scholarship in Medicine overseas.

SDG # 5 GENDER EQUALITY

Achieve gender equality and empower all women and girls.

We work to provide women with access to the resources, employment, and education that they need to reduce inequality and to promote their full participation in their communities. In this regard, we partnered with the Educate Me Foundation to offer a better education for children in one of the slum areas in Giza and to help provide affordable education to around 2,000 beneficiaries. MFD has also developed a women's empowerment program which focuses on supporting small businesses and projects run by women.

We incubate and fund the activities of a network of women artists called Egyptian Artists. Through this initiative, more than ten Egyptian craftspeople have been given the opportunity to celebrate Egypt's rich cultural heritage through the design and promotion of diverse artworks and products at MFD's networking and outreach events.

In partnership with Ahead of the Curve, we also co-founded a 'Community of Leaders' for women executives through which they empower other executives, promote female leadership in the economy, and influence public policy.

SDG # 7 AFFORDABLE AND CLEAN ENERGY

Ensure access to affordable, reliable, sustainable, and modern energy for all.

MFD enables communities to use clean energy. Through the Mansour Special Competition for Sustainable Development, conducted by Enactus, and in partnership with 49 teams, 5500 active students from Egyptian universities, and several academic institutions, we awarded young projects that demonstrated the viability of clean energy businesses, and we helped expand their businesses skills and ideas. This competition ran across all 27 Egyptian governorates.

The Mansour Foundation cosponsored Egypt's participation in Toronto World Cup, at which Ambassador Moushira Khattab was the head of the Egyptian delegation.

SDG # 8 DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.

To achieve growth and aid the development of livelihoods in Egypt, the Mansour Foundation encourages the development of micro, small, and medium-sized enterprises through entrepreneurship training, access to finance, market linkages, and technical capacity development.

We provide incubation, mentor-ship, and coaching to youth and women through our activities whenever possible, and in internships and apprenticeships for on-the-job learning and skills development. MFD also provides vocational training and education about entrepreneurship promotion for low-income and at-risk youth, with a curriculum that has been designed by experienced trainers from the Ministry of Youth.

Mansour Foundation is currently incubating and mentoring 4 Young initiatives including:

- | | | | |
|---|--------------------|----------------------------|----------------------------------|
| • | "Kheir Man" | (A Man of Goodwill) | Youth awareness raising program. |
| • | "Giran" | (Sustainable Neighborhood) | Community Mobile Application |
| • | "Egyptian Artists" | | Women Initiative |
| • | "El Massar" | (The Pathway) | Entrepreneurial Initiative. |

SDG # 10 REDUCED INEQUALITIES

Reduce inequality within and among countries.

In collaboration with the Egyptian Union for People with Special Needs and the Wave Academy, MFD sponsors sports activities for children with special needs in Alexandria.

SDG # 17 PARTNERSHIPS FOR THE GLOBAL GOALS

Strengthen the means of implementation and revitalize the global partnership for sustainable development.

At MFD we work to create collaborative learning environments for diverse stakeholders. In every community where we work, the partnership is at the heart of what we do and how we do it. All MFD programs have a partnership at their core, whether with the government, civil society, or the private sector and always with the communities themselves.

Our partnerships include the International Labour Organization (ILO), the Arab Foundations Forum (AFF), the American University in Cairo (AUC), the Egyptian Ministry of Social Solidarity, and the Terous Foundation, amongst many others, in an effort to bring diverse entities together in a multi-stakeholder approach to maximize collaboration and the impact of public-private partnerships. On the regional level, MFD fosters philanthropic dialogue and networking through its role as Vice President of the Arab Foundations Forum and by contributing to global philanthropy through the Wings Forum and the African Grant Makers Forum.

Driven by the dynamic organizational culture of Mansour Group, MFD's strategic insights have gained recognition in the region and MFD is now one of the main pillars of Egyptian social economy.

GOOD PARTNERS

We make a difference by engaging with communities and governments, the private sector and NGOs. As partners for good, we bring together complementary strengths and share responsibilities towards achieving common goals. Slowly but surely, MFD's philanthropic efforts and initiatives since 2001 continue to drive economic growth and make a substantial difference to the lives of thousands of Egyptians every year.

OTHER PROJECTS

The Global Compact

Mansour Holdings is one of the first participants and the official representative of the Global Compact Network in Egypt since 2004 and, for the past 11 years, we have been working with the UNDP in supporting and empowering the local network in Egypt financially, morally, and in all its practices. The network was incubated under the Egyptian Corporate Responsibility Center (ECRC). Per the U.N. Global Compact mandate, there have been increased requests from the UNGC to encourage all local networks across the world to turn into independent entities to work on achieving and mainstreaming 'Business Globalization' and becoming an effective partner with local businesses, non-profit organizations, developmental agencies, social enterprises, and the government, for a better sustainable future for the local communities.

The Global Compact Network in Egypt officially exited the ECRC as of the 30th of November, 2015, and has been hosted at the Sixth of October University pending its legal registration as a foundation. During this period, we have renovated our newly dedicated office (GC Office) in Dokki, Cairo, in addition to securing eight dedicated founders that have a proven record of accomplishment and that have been long-standing members of the Global Compact.

Flood Victims in Alexandria

Youssef Mansour was born and raised in the city of Alexandria and has a strong affinity for the city. Consequently, he did not hesitate to donate 10 million pounds to relieve the people of Alexandria in the aftermath of the devastating floods that recently took place.

Mr. Mansour's donation not only reflects his social contributions and humanitarian nature but also reveals his rapport with the city in which he spent his formative years. He has both a psychological and emotional association with Alexandria and is deeply affected by any events that impact it.

Mr. Mansour asserted the importance of observing transparency and setting significant and clear standards for the disbursement of the donation and decided that it should be arranged through the Ministry of Social Solidarity. Accordingly, the Minister of Social Solidarity formed a committee presided over by the Governor of Alexandria and several leaders from the relevant authorities. This committee was responsible for articulating a set of standards to allow for the selection of families that have lost their homes and belongings, and which were most in need of assistance. Finally, 84 families were identified, and the funds were directed towards building a new residential tower in Gheit El Enab, this also included furniture and appliances, this building housed 48 families and another building was bought and restored in Amreya and housed the remaining 36 families.



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.

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 not energy intensive, nor do they emit large quantities of CFCs or greenhouse gasses. The aspects of our environmental performance that might be of high materiality to our operations are, essentially, our waste and transportation activities.

WASTE

All 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 much 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 are still reviewing the advantages of finding one organization with the capacity to collect all our waste. The drawbacks of this are that we eliminate a source of income for our current small waste collectors. In both cases, most of the waste is recycled or used as inputs for biofuel.

At our dairy factory in SECLAM, we also treat our waste water and then use it to water all the gardens inside our property, this process saves over 4 cubic tons of water annually.

FUTURE PLANS

We are currently putting in place a new waste monitoring system that monitors waste by type, weight, and volume. This system 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 our companies operating on electricity, and connected to the national electricity grid. Our Hayat Company is the only exception, as it generates all its electricity in-house because it operates in an area that lacks access to the national grid. Furthermore, to overcome blackouts, we have secured several generators for companies to operate on when the power is out. While all 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 our direct and indirect energy consumption. We still need to expand the relevant data from our various databases further. We have also finalized our transformation to LED lights in all our Administration and Factory buildings in addition to our 23 warehouses across the nation and our 90 Supermarket stores in Metro, Mini Metro, Kheir Zaman and Fresh Food Markets reducing our overall energy consumption by approximately 30%. 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

DIESEL & GASOLINE

Company		Fleet Diesel Consumption				Fleet Gasoline Consumption			
YEAR		2015		2016		2015		2016	
UNITS / VALUE EGP	UNIT	VALUE	UNIT	VALUE	UNIT	VALUE	UNIT	VALUE	
AMIDC	752,338	1,264,867	459,165	854,367	443,245	1,146,685	362,063	984,635	
HAYAT	194,121	346,601	79,812	145,576	19,582	50,877	11,472	30,569	
AMTDC	5,854,378	8,631,481	6,656,735	9,821,053	219,430	581,493	295,166	790,062	
UPS	52,299	94,138	85,538	157,752	78,522	204,158	44,216	118,576	
METRO	2,053,000	3,699,918	1,877,811	3,845,764	401,117	849,004	337,293	705,669	
TOTAL	8,906,136	14,037,005	9,159,061	14,824,512	1,161,896	2,832,217	1,050,210	2,629,511	

DIESEL

Company		Deisel Consumption			
YEAR		2015	2015	2016	2016
UNITS / VALUE EGP	UNIT	VALUE	UNIT	VALUE	
MID	0	0	12,234	22,015	
HAYAT	572,358	1,030,246	734,920	1,322,857	
SECLAM	2,148,100	3,953,290	1,858,200	3,612,804	
MANSOUR TRADING & DISTRIBUTION	12,222	22,000	0	0	
TOTAL	2,732,680	5,005,536	2,605,354	4,957,677	

WATER

Company	Water Consumption			
YEAR	2015	2015	2016	2016
UNITS / VALUE EGP	UNIT	VALUE	UNIT	VALUE
MID	41,255	134,093	23,524	100,648
HAYAT	3,479	6,959	2,549	8,924
SECLAM	324,479	1,619,300	280,323	1,584,566
MANSOUR TRADING & DISTRIBUTION	13,899	80,008	14,077	106,817
UPS	1,795	8,077	3,790	22,385
METRO MARKETS	388,588	1,068,619	307,127	976,324
TOTAL	773,495	2,917,057	631,390	2,799,666

ELECTRICITY

Company	Electricity Consumption			
YEAR	2015	2015	2016	2016
UNITS / VALUE EGP	UNIT	VALUE	UNIT	VALUE
MID	1,994,739	1,132,686	2,438,427	1,376,494
HAYAT	113,587	67,292	130,858	78,397
SECLAM	12,256,659	5,915,785	12,196,388	6,873,723
MANSOUR TRADING & DISTRIBUTION	1,405,378	832,596	1,693,728	1,061,744
UPS	383,047	304,515	388,892	351,784
METRO MARKETS	69,767,823	52,953,222	57,475,193	48,174,900
TOTAL	85,921,233	61,206,097	74,323,486	57,917,042

PRODUCT RESPONSIBILITY

The Mansour Group enforces all the necessary precautions that ensure the safety and quality of all our products.

We have produced a comprehensive quality policy document that defines the international hygiene standards to which we are committed. These standards focus on minimizing any risks of product contamination, and ensure that our products meet the high standards that customers have come to expect from any of the Mansour Group companies. Our quality control process eliminates any manufacturing deficiencies that might damage the products or that could endanger the health of our customers. The associates of Seclam, Hayat, and Metro Markets share the objective of manufacturing and distributing safe, wholesome, and high quality products. Below are some of these product quality policies:

FOOD SAFETY POLICY

Seclam, Hayat and Metro Markets are fully committed to food safety and seek to comply with laws and legislations with the aim of constantly improving their performance on quality and food safety and reducing customer complaints.

This is achieved through the following: -

- Providing an appropriately healthy work environment for employees and contractors on sites.
- Identifying new processes of food safety and developing mechanisms to implement them whenever possible.
- Investigating any manufacturing steps which lead to irregularities in quality and determining the necessary measures to correct them.
- Providing a training program on food safety for all employees and contractors to ensure their full awareness of their roles and responsibilities.
- Achieving the highest standards of quality management through the creation, implementation, and maintenance of an integrated system for food safety and quality.

PREMISES & MAINTENANCE

Our factory entrances are equipped with hygiene rooms to protect staff, visitors, and products from any form of contamination.

- To prevent product contamination, premises are located away from environmentally polluted areas and areas that are subject to flooding or prone to pest infestations. They are also kept away from areas where waste cannot be effectively managed.
- The premises are all designed in such a way that they can be easily cleaned and adequately ventilated. They are well lit and have sufficient pest control procedures. Staff facilities are also designed and operated in a way that minimizes the risks of product contamination.
- We have an adequate system for the collection and disposal of waste products, which are not be allowed to accumulate in food handling, storage, or other working areas inside or outside the factories. Waste areas are well defined and segregated from production activities, and our waste disposal measures meet all legislative requirements ensuring that all our waste is disposed of by licensed contractors.

CONTROL OF OPERATION

- Raw, unprocessed materials are segregated from processed products to avoid contamination, and products have appropriate shelf-life controls with expired materials being segregated and scrapped. Furthermore, all raw materials are purchased from approved suppliers in accordance to a Vendor Assurance Program, and are stored in conditions that maintain their quality and freshness.
- For food safety, a risk assessment procedure (HACCP) is used to define all critical control points (CCP's). Furthermore, all operating procedures for food recipes are available for reference throughout the entire process.
- Environmental monitoring programs are in place to trace any microbiological contamination, and all facilities for heating, cooling, freezing, and all other production related processes also meet the necessary conditions for ensuring food safety during all phases.

Food safety checks are performed in accordance to biological, chemical, and physical specifications, with transport and storage quality specifications in place for all finished products. Finished products are then stored separately from raw materials, and rejected products or returned goods are labeled accordingly and stored independently. In addition, all transportation vehicles are appropriately temperature-controlled and hygienic.

PEST CONTROL

A comprehensive pest management program is in place to greatly reduce any risks to products from pests. Our pest program utilizes only nontoxic materials. These include mechanical traps for rodents, adhesive sheets for crawling insects, and biological and electrical traps for flying insects. Monitoring for pest activity is frequent and pest control audits and treatments are regular and recorded. All incoming raw materials are also thoroughly checked for pests and controlled with the strictest care.

PERSONNEL

Each site has qualified personnel with the necessary education, training, background, experience, and protective clothing to ensure that all activities are correctly performed. Procedures are established to identify training competency requirements for all associates to be able to carry out their responsibilities efficiently. Managers and supervisors have excellent knowledge of food hygiene and can judge potential risks and take appropriate preventative measures and corrective actions whenever necessary. 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 the kind of dangers that any lack of attention to details can cause.

CUSTOMER SATISFACTION

Our Customer Care Unit has a call number dedicated to receiving customer feedback and complaints and received complaints are addressed within 24 hours of their receipt.

We also implement other procedures to ensure customer satisfaction, these include the use of customer feedback forms and regular use of mystery shoppers at our supermarket chains to gather data about staff performance, product quality, display quality, as well as various other factors that impact the overall retail experience.

We compile monthly reports detailing received complaints and communicate these reports to senior management and our governing body on a quarterly and yearly basis. Tables for those can be seen opposite.

QUALITY COMPLAINTS PER BRAND IN 2015

2015	HAYAT	REDBULL	SECLAM	SUNSHINE	METRO	KHEIR ZAMAN	FRESH MARKET	MINI METRO
JAN	4	0	32	12	0	0	0	0
FEB	1	0	16	6	0	0	0	0
MAR	7	1	21	3	0	0	0	0
APR	2	0	10	1	0	0	0	0
MAY	18	0	12	6	0	0	0	0
JUN	0	4	34	8	0	5	0	0
JUL	4	1	13	2	0	8	0	0
AUG	14	1	1	1	0	3	0	0
SEP	7	0	6	1	0	3	0	0
OCT	2	0	14	1	0	6	0	0
NOV	6	0	8	0	0	0	0	0
DEC	1	0	3	0	0	1	0	0
TOTAL	66	7	170	41	0	26	0	0

QUALITY COMPLAINTS PER BRAND IN 2016

2015	HAYAT	REDBULL	SECLAM	SUNSHINE	METRO	KHEIR ZAMAN	FRESH MARKET	MINI METRO
JAN	2	0	1	7	1	2	0	0
FEB	5	0	0	4	0	2	0	0
MAR	8	0	15	4	3	13	0	0
APR	9	0	0	2	16	32	0	0
MAY	5	1	10	4	25	36	0	0
JUN	4	5	16	6	28	58	0	0
JUL	11	0	17	6	16	31	0	0
AUG	15	1	17	3	12	15	0	0
SEP	8	4	14	2	8	29	0	0
OCT	2	0	5	0	147	100	3	2
NOV	2	0	23	2	109	77	4	0
DEC	3	0	14	2	83	46	3	4
TOTAL	74	11	132	42	448	441	10	6

With regards to customer complaints in the retail segment, our Customer Care Unit only started handling customer complaints since April 2016. Before that, complaints were handled by our Metro Company operations. Furthermore, in October 2016 we installed danglers and printed our Customer Care Unit hotline number on all receipts and promotional offers thus encouraging customers to raise their comments and complaints.

We receive over 70,000 customers daily throughout our 4 retail chains across the country.



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	●	

3. Report Parameters

Profile Disclosure	Description	Materiality	Disclosure Page number/ reference	Level of Reporting	Global Compact Principles
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	●	Every two years; See Pages: 17-18	●	
3.2	Date of most recent previous report (if any).	●	Year 2014; 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	●	

STANDARD DISCLOSURES PART II: Performance Indicators

Economic

Performance Indicator	Description	Materiality	Disclosure Page number/ reference	Level of Reporting	Global Compact Principles
Economic performance					
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	●	Pages: 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	●	
Market presence					
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 1200 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 43- 44	●	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	●
Marketing communications				
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.	●
Customer privacy				
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	●	N/A	● 1
Compliance				
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	●	None	● 2





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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