

EDITA

Communication on Progress 2017-2018

To our stakeholders,

Edita joined the UN Global Compact in May 2017 and ever since then it has worked very hard on ensuring that the Global Compact's 10 principles, as well as the 2015 sustainable development goals, are integrated within Edita's operations and business.

In our first Communication on Progress, we describe our actions to integrate the Global Compact and its principles into our business strategy, culture and daily operations. We are also committed to share this information with our stakeholders using our primary channels of communication.

Yours Sincerely

Eng. Hani Berzi

Chairman and Managing Director

About Edita:

Edita is a leading FMCG company in Egypt & the Middle East. The company holds a leading market share in each of its five segments, a success driven by the company's reputation for quality and affordability. With five state-of-the-art production facilities encompassing 29 production lines, as well as a nationwide distribution network, Edita is well able to meet the constant demand for its products. Its customer base includes more than 67,000 wholesale and retail customers, with exports to more than 16 markets in the region.

At Edita, we believe that Social Responsibility starts at home, and that it is part of our mandate to encourage and nurture the growth and wellbeing of our staff and the communities in which we do business.

Edita continued to expand the scope of its corporate social responsibility efforts in 2015, placing special focus on improving the state of Egyptian industries by participating in various projects and national initiatives, such as the Ministry of Industry and Trade's "Proudly Made in Egypt" campaign. The project aims to promote local production and enhance Egypt's overall economic state and saw Edita contribute EGP 1.5 million to support the nationwide campaign.

Human Rights and Labour Pillars:

Principles:

- Businesses should support and respect the protection of internationally proclaimed human rights.
- Make sure that they are not complicit in human rights abuses.
- Businesses should uphold freedom of association and effective recognition of the right to collective bargaining.
- The elimination of all forms of forced and compulsory labour.
- The effective abolition of child labour.
- Eliminate discrimination in respect of employment and occupation.

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Additionally Edita also worked with the Ministry of Social Solidarity to battle rising unemployment rates, through a program that saw the Ministry provide the company with reliable labor.

Furthermore Edita launched its first CSR initiative in Beni Suef under slogan "Ramadan Karim", which was made through people so passionate about making a difference; People of Edita.

- On the occasion of start of Ramadan, Edita organized an inspiring training workshop for **100 of Al Wasta's men and girls** to share with them their hopes and dreams and how they can play a positive role in the community.
- After the session, the young youth helped in distributing Ramadan gift boxes to the families of al El Wasta, who came from different small ezbas in big numbers to get their gift boxes.



Labour:

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Edita launched an internal program titled “**Read for you” or 2aretk**. This initiatives was conducted at the plants over a period of 4 months , where we targeted the workers at plants and The objective was to discuss the famous books of impact into interactive groups workshop so to provide the workers with new skills and tools for self-development the initiative was from August to November.



During the initiative a total of 17 sessions were given to 570 employees in a total of 3 plants ,E-06, E-10, E-15.

Training Programs:

Our training programs are intensive and robust, actively helping ambitious employees to advance their careers, and thus improve their standards of living. Moreover, at the Edita Sales Academy and the Edita Manufacturing Academy we are not only teaching the trade, but also presentation, relationship management and other soft skills needed to thrive both at work and in life. Edita also provides scholarships for MBAs and other certifications for high potential employees.

During December 2017, the Edita has joined the **Participatory Gender Audit** with the ILO and the UN Global Compact Network in Egypt and it was the first time in Egypt. It is essentially a “social audit”, and belongs to the category of “quality audits”, which distinguishes it from traditional “financial audits”. It considers whether internal practices and related support systems for gender mainstreaming are effective and reinforce each other and whether they are being followed. It establishes a baseline; identifies critical

gaps and challenges; and recommends ways of addressing them, suggesting possible improvements and innovations.

It also documents good practices towards the achievement of gender equality. Within this context, several training workshops, focus groups and interviews have been organized as below:

- 1) 5 day training workshop for the HR Operations Manager.
- 2) The first workshop with the higher management and partner suppliers
- 3) The second workshop with the company employees.
- 4) The third workshop with the workers (males and females)

Following the training a report was delivered to Edita with recommendations on how they could improve gender equality within the organizations.

Edita has also taken part in the ILO Export project Edita successfully participated in the ILO Export' Project Program : ***Human Resources Management, Occupational Safety & Health and Social Compliance***

Following the project Edita has been rated as one of the top companies with Overall Achievement 94.5 % :

- Discrimination 0%
- OHS 89%
- HR Systems 98.5%

Finally, Edita participated in in this campaign with the ILO to educate our workers at the plants on safety practices as well as the workers' rights and duties, **Masr Betnadik Campaign** July, Nov. 2017. During the training 2 categories were included ; Safety at the workplace and workers rights and duties.



Environment Pillar:

Principles:

- Businesses should support a precautionary approach to environmental challenges.
- Undertake initiatives to promote greater environmental responsibility.
- Encourage the development and diffusion of environmentally friendly technologies.

Edita is committed to the protection of the environment surrounding its facilities. The Health, Safety and Environment (HSE) department ensures that all company facilities

comply with relevant environmental rules and regulations. Environmental Sustainability is one of the main three pillars of the “Edita Risk and Environmental Management System.” Edita has been certified by ISO 14001 fulfilling the specific requirements for an effective environmental management system aiming the reduction of wastes, decrease in utility consumption & resource efficiency, assessing & improving the environmental impact and meeting the legal obligations.

Edita’s keenness on ensuring that environment protection is at the top of the business strategy resulted in the following initiatives:

1. Thorough monitoring for daily consumption of all utilities (water, natural gas & electricity) for spotting the chances of improvement throughout daily activities.
2. Replacement of all conventional lightning bulbs in all production halls in all plants to LED lights to decrease electricity consumption.
3. Replacement of butane gas in some baking ovens by natural gas.
4. Operating new Waste water treatment management system in E-10 & E-06 production plants.
5. Applying the “No Piece / Air On” system on compressed air networks thus decreasing the compressed air consumption rate in E-10
6. Applying a steam draining network for returning relieved steam back to the boilers in E-06, increasing the boiler’s energy efficiency.
7. Using a hydraulic deepener that can be cooled by chilled water in E-10.
8. Renovating and Insulating a new steam network to increase the overall energy Efficiency in E-10.

In addition to all previous initiatives Edita has laid out an environment management plan for its upcoming 3 year strategy (2018-2021). The three year plan has a RECON (resources conservation) program that includes a detailed plan focusing on energy efficiency as well as exploring renewable energy solutions to improve Edita’s carbon footprint.



Anti-Corruption Pillar:

Principles:

- Businesses should work against all forms of corruption, including extortion and bribery.

As Edita is a publically listed company transparency and accountability is of the utmost importance and Edita's corporate affairs are governed by the Egyptian Companies Law, the Egyptian Capital Market Law, the EGX Listing Rules, other laws governing companies incorporated in Egypt and its articles of association. A general attribute of joint stock companies in Egypt is separation of ownership and control. Although

shareholders own the Issuer nominally, the management of the Issuer is vested, by law in the hands of its Board of Directors.

Edita is subjected to Egyptian disclosure requirements and are required to submit annual and quarterly financial statements prepared in accordance with EAS and IFRS; provide notices of any material developments to the EFSA, EGX and LSE; provide the regulator with minutes of the Issuer's Ordinary and Extraordinary General Meeting; and publish our annual and quarterly financial statements in two widely circulated local daily newspapers.

Part of Edita's Anti-Corruption Measures is Ensuring that all employees are aware of what corruption is and what are the scopes and it is all explained in the code of conduct:

- Edita Food Industries Group Code of Conduct is intended to set forth the standards and guidelines for all the employees' expected behavior with respect to business ethics, information security, health & safety, compliance with relevant laws and regulations, and protection of Group's assets and resources.
- This Code of Conduct shall guide all employees in their daily business dealings with customers, vendors, business partners and stakeholders. The Code shall also provide a framework regarding ethical matters to maintain a culture of honesty, integrity and professionalism.
- This Code is designed to supplement, and not replace, Edita Core Values and Standards of Performance, this Code is considered an integral part of HR Policies and Procedures.

In addition to that all contracts signed by employees have a clause that explicitly entails how Edita has zero tolerance when it comes to Corruption and Bribery.

4.1.3 Bribery, Commissions, and Corruption: Corruption is defined as the abuse of his position for personal gain. Bribery and receiving commissions, which is a

form of corruption, is the offering, giving and/or receiving of any item of value to alter the recipient's behavior. All employees shall not offer nor solicit anything from clients, suppliers, or any other business contracts etc. (e.g. service, gift, job, etc....) , and employees should not accept that whether directly or indirectly from any person in order to alter any business decision.(HR-P&P 1-3-23). And in case a violation is detected, Employee has to report this violation to the Direct Manager



Gallery:







