

HAGGAR GROUP

Corporate Sustainability & Social Impact



SUSTAINABILITY REPORT



2016 - 2017

CEO Statement

As obvious as it may seem, sharing blessings with others is all too often neglected by businesses today. As the third generation of leadership at Haggar, we follow the example of our Founder and Chairman, both of whom made a point of instilling a culture of inclusiveness across a broad stakeholder base.

As we continue to build upon the foundation laid down by previous generations, we are becoming more mindful and diligent in our pursuit of sustainability and inclusivity, from within our business and across our communities.

Sustainability in our business ensures that our impact is long-lasting and as we grow, our communities grow with us. We are ceaselessly working on integrating this vision into both our business and philanthropic practices, through embedding Environmental, Social and Governance (ESG) criteria into our existing businesses while ensuring new investments are assessed inclusive of these criteria.

As a commitment to this pursuit, the Group became a signatory of the United Nations Global Compact (UNGC) in 2017. Over the past year we have made sustainability a key priority in our strategy and will be thorough in upholding and reporting on the Compact's 10 Principles. With this year, 2018, being our first; we will publish this annual Sustainability Report, embedding the UNGC Communication on Progress (COP) criteria, to verify, track and present our progress year-on-year in achieving total sustainability within our business. We do this in continued support of the Global Compact's mission to standardize sustainability in business.

At Haggar we believe Inclusive business is the only meaningful way to ensure broad based development across the countries, communities and other stakeholders our businesses touch. Inclusiveness has been deeply entrenched in the way we think and work; we don't look at Corporate Sustainability & Social Impact (CSI) as just a moral obligation, but a means by which we can ensure sustainable development in real terms.

If we are to survive and leave a worthy legacy for generations to come, we must generate profits in a way that simultaneously improves the lives of the community and protects the environment. Profit is our means to an end, but never the end in itself; our end is to positively impact the lives, families, communities and environment we touch every day.

ANTHONY A. HAGGAR
Chief Executive Officer

ABOUT HAGGAR GROUP

The Haggar Group was established in South Sudan in 1904 and present today in 8 sectors across 6 countries in Africa. The group continues to look for opportunities to create and add value across the continent.

We aim to build long-term positions in Agriculture, Energy, and ICT as we believe these sectors will provide the architecture and foundation for sustainable development across the continent.

Its guiding principles, from the business' inception, have taken into consideration the way in which business is done and governed, and the impact that the businesses will have on all stakeholders, including external communities; the environment and society. Binded by our 'Code of Conduct', we are conscious of how business is done. We adhere to our principles, professional standards and abide by the laws and regulations of the countries we operate in at all times.

Our Code of Conduct guides our decision-making process and ensures that across our businesses the same ethical and moral standards are respected, which share a deep consciousness towards the livelihoods of our Employed Persons and fellow citizens, the marginalized and underserved and the sustainability of our environment.

INTRODUCTION

Corporate Sustainability & Social Impact (CSI)

Sustainable business, or Inclusive business, is an enterprise that has minimal negative impact on the global or local environment, community, society, or economy and has a significant contribution to the sustainable development. It explicitly integrates strategically relevant environmental, social and governance goals into the overall performance management system and supports strategic sustainability management.

As the group is moving forward towards restructuring the whole business strategy and expand locally and regionally, viewing the rapidly growing CSR function/profile parallel to that expansion, the need for new advanced implementation of CSR model that cops with local, regional and global changes and challenges is in high demand. Haggar Group has gone the extra mile to not only deal with its negative impacts and direct corporate responsibility. Instead it strives to fully integrate social, environmental and governance issues into its strategic plans and core business activities in a way that make the transition from traditional to sustainable business.

This context enabled the environment for transition from Corporate Responsibility to Sustainability & Social Impact. CSI instead of CSR

This change is scaling up the efforts that we have been doing in CSR to be more strategic and fully integrated all across the business at group level. It gives us the space to move outside narrow limited philanthropy community support to a business that puts all its investments to serve the purpose of sustainable development.

TOOLS & METHODOLOGY

Innovation & Technology:

This method of sustainable corporate practices focuses on a company's ability to change its products to adhere to the achievement of sustainable practices. This includes the exploration and the consideration of suitable clean energy technologies in Sudan.

Collaboration, Partnerships & Stakeholder Engagement:

The formation of networks with likeminded institutions and companies facilitates knowledge sharing and boosts innovation. We are currently active members of the UN Global Compact and the Green Climate Fund

(under the UN Framework Convention on Climate Change) and frequently bring together like-minded partners through our Stakeholders Forums, both through event facilitation and our online platforms.

Sustainability Reporting:

A Sustainability report and the UNGC Communication of Progress will be produced annually, to collate and present annual end of year progress, project impact and the overall progress and learning of the CSI department.



Sustainable Development

In relation to sustainable development, businesses can follow two distinct paths: one of which focuses on inclusive and sustainable business practices and ventures, whereby the entity's operations and core businesses have minimal negative to positive impact on the global and local environment, community and economy, thus significantly contributing to sustainable development. The other engages in local and global initiatives, partnering with technical specialists, NGOs, development agencies, the civil sector and other private sector entities to strengthen the sustainable development agenda. The first explicitly integrates relevant environmental, social and governance goals into the overall performance, operations and management systems of the entity to strategically support sustainability and the latter focuses on mitigating and reversing external social issues.

The Haggar Group strives to not only deal with its negative impacts by engaging in corporate responsibility initiatives, but instead, to full integrate social, environmental and governance practices into its strategic plans and core business activities, shifting from traditional to sustainable business.

UN Sustainable Development Goals

The 2030 UN Sustainable Development Goals agenda recognizes the critical role of business in delivering on the promise of sustainable and inclusive development. The business case for sustainable development is based on the understanding that business and social values are interlinked and business efforts to improve lives and strengthen local communities are fundamental for long-term impact.

Core CSI Values

Globally, most companies practice some form of corporate social responsibility in hopes to contribute to their local and global communities in which they operate in. Corporate Sustainability & Social Impact (CSI) at Haggar Group conducts its social responsibility by operating its business in a way which balances the profit imperative with the impact it has on its society

Integrity

Haggar Group integrates corporate sustainability core subjects across all its companies and various activities solidly embedding CSI measures in the Group's governance system.

Accountability

Haggar Group holds itself accountable for all impacts resulting from decisions made by the company on society, the economy and the environment.

Transparency

All information related to the impact of the company on society and environment is readily available, directly accessible and understandable to those who have been, or may be, affected in significant ways.

Ethical Behaviour

Business ethics and values in Haggar Group reflects a genuine concern for people and the environment and a commitment to address the impact of its activities and decisions on all stakeholders' interests.

Respect for Stakeholder Interests

Haggar Group respects all the interests of its stakeholders through consideration of and responding to their interests and concerns when making business related decisions.

Respect for the Rule of Law

Haggar Group complies with all applicable laws and regulations and making sure to inform all Group Employed Persons of their obligation to observe and to implement those measures.

Respect for Human Rights

Haggar Group ensures through its policies and practice that human rights of all of its stakeholders are protected and avoids taking advantage of situations where those could be violated.

GUIDING PRINCIPLES

ISO 26000 Guidelines

ISO 26000 is the international standard developed to help organisations effectively assess and address those social responsibilities that are relevant to their mission and vision; operations and processes; customers, employees, communities, and other stakeholders; and environmental impact. Haggar is guided by its seven key underlying principles of social responsibility: accountability, transparency, ethical behaviour, respect for stakeholder interests, respect for the rule of law, respect for international norms of behaviour, and respect of human rights

Haggar's Corporate Sustainability & Social Impact department has built foundations upon the core subject areas of ISO 26000. These are Organizational Governance, Human Rights, Labour Practices, Environment, Fair Operating Practices, Consumer Issues and Community Involvement & Development. These principles guide us in regards to the development of new policies, internal practices and external community projects, supporting Haggar in pinpointing its intended and desired impacts within its business operations, and to its external communities and environment.

HAGGAR GROUP'S KEY CSI AGENDA

Core Area	Key Issues Addressed
Organisational Governance	<ol style="list-style-type: none"> 1. Accountability 2. Transparency 3. Ethical conduct 4. Stakeholders engagement 5. Anti-corruption measures and Law abiding
Labour Practices	<ol style="list-style-type: none"> 1. Employment and professional relationships 2. Work conditions and social protection 3. Health and safety at work 4. Human development and training in the workplace
Community Involvement and Development	<ol style="list-style-type: none"> 1. Education and culture 2. Creating employment opportunities and Income Generating Activities (IGAs) 3. Water, health and sanitation (WASH) 4. Social development
The Environment	<ol style="list-style-type: none"> 1. Pollution prevention 2. Sustainable use of resources 3. Climate change mitigation and adaptation 4. Protection of the environment, biodiversity and restoration of natural habitats
Fair Operating Practices	<ol style="list-style-type: none"> 1. Responsible supply chain management system 2. Fair competition 3. Promoting social responsibility in the value chain 4. Respect for property rights
Consumer Issues	<ol style="list-style-type: none"> 1. Measures to ensure customers are well served 2. Proper handling of customer claims and complaints 3. Faulty product recalls
Human Rights	<ol style="list-style-type: none"> 1. Take steps to rectify situations in which human rights are not protected, and 2. Make sure not to engage in activity or operate in a way that violates human rights.

UNITED NATIONS GLOBAL COMPACT

STANDARDS & PRINCIPLES

The UNGC is the world's largest corporate citizenship initiative with over 8,000 companies as signatories and over 4,000 non-business participants and stakeholders from 145 countries. The Global Compact encourages inclusive, socially conscious and sustainable business practices.

At the core of the UNGC are the 10 principles based on the thematic areas of Human Rights, Labour, Environment and Anti-Corruption. The UNGC operates through 'Local Networks', made up of local signees, participants and potential members of the country. We have one here in Khartoum.

The Ten Principles of the UN Global Compact

Human Rights

[Principle 1](#)

Businesses should support and respect the protection of internationally proclaimed human rights; and

[Principle 2](#)

Make sure that they are not complicit in human rights abuses.

Labour

[Principle 3](#)

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

[Principle 4](#)

The elimination of all forms of forced and compulsory labour;

[Principle 5](#) The effective abolition of child labour; and

[Principle 6](#)

The elimination of discrimination in respect of employment and occupation.

Environment

[Principle 7](#)

Businesses should support a precautionary approach to environmental challenges;

[Principle 8](#)

Undertake initiatives to promote greater environmental responsibility; and

[Principle 9](#)

Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

[Principle 10](#)

Businesses should work against corruption in all its forms, including extortion and bribery.

In 2017, Haggar became an official participatory signatory of the UNGC. By being a signatory, Haggar commit to producing an annual statement by the Chief Executive Officer. This is to express continued support to the UNGC and an annual Communication on Progress (COP) Report describing the company's practical actions and measurement of outcomes against the 10 UNGC principles based on human rights, labour rights, environmental issues and anti-corruption practices. To support the Haggar Group in assessing its performance against the UNGC Principles a variety of policies, standards and guidelines will be used.

This includes the Group's Code of Conduct, CSI Policy, ESG Policy, ISO and ILO Standards, the HR Manual for the Human Rights & Labour principles, the Group's Environmental Policy and CO2 Calculation for the Environmental principles and its Anti-Corruption and Statutory & Legal Compliance policies for the Anti-Corruption principle.

UNITED NATIONS GLOBAL COMPACT

Ten Principles -Progress Achieved

HUMAN RIGHTS

Policy level:

It is the policy of Haggar Company to:

1. Afford equal human rights to all Employed Persons in their relationship with Haggar Company
2. Maintain mutually acceptable means of communication and consultation between groups and individuals within Haggar Company
3. Quickly inform Employed Persons on any changes which affect them and to maintain and improve conditions of service
4. Identify actual and potential cause of conflict and to ensure that mutually acceptable arrangements exist for the containment and resolution of the conflict;
5. Comply with the provisions of government legislation relating to employment in Company.

LABOUR STANDARDS

Recruitment Practices

Encouraging the employment of the disabled

As per the company's Mission Statement principles Haggar Company shall take affirmative steps to hire, retain, and promote qualified individuals with disabilities. This includes the duty to refrain from discriminating in employment against qualified individuals on the basis of disability.

Child/Forced Labour

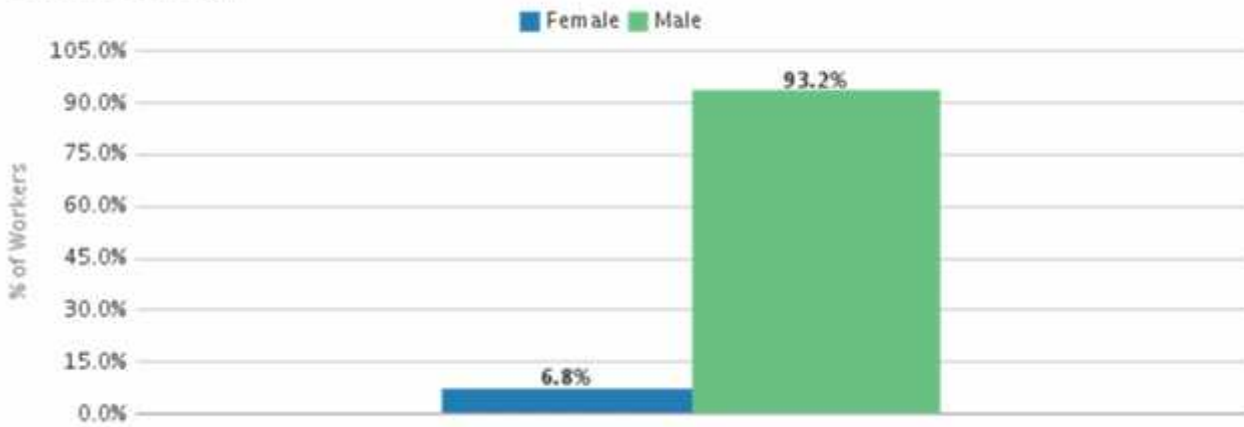
Contracting and Outsourcing:

6. On all agreements signed with contractors or out-sourcing companies providing Haggar Company with daily labour, Haggar Company should communicate its zero tolerance of child labour and/or forced labour.
7. Contractors should not provide daily labourers that are less than 18 years of age or labourers of a foreign nationality that are not in possession of legal residence in Company.

Discrimination/Gender Balance

We are an equal opportunities employer; we have none of the dividing lines of ethnic origin, creed and gender.

Gender Diversity



Employee Gender	Head Count	% of Workers
Male	591	93.21766562
Female	43	6.782334385

Employed Persons Satisfaction Index –EPSI

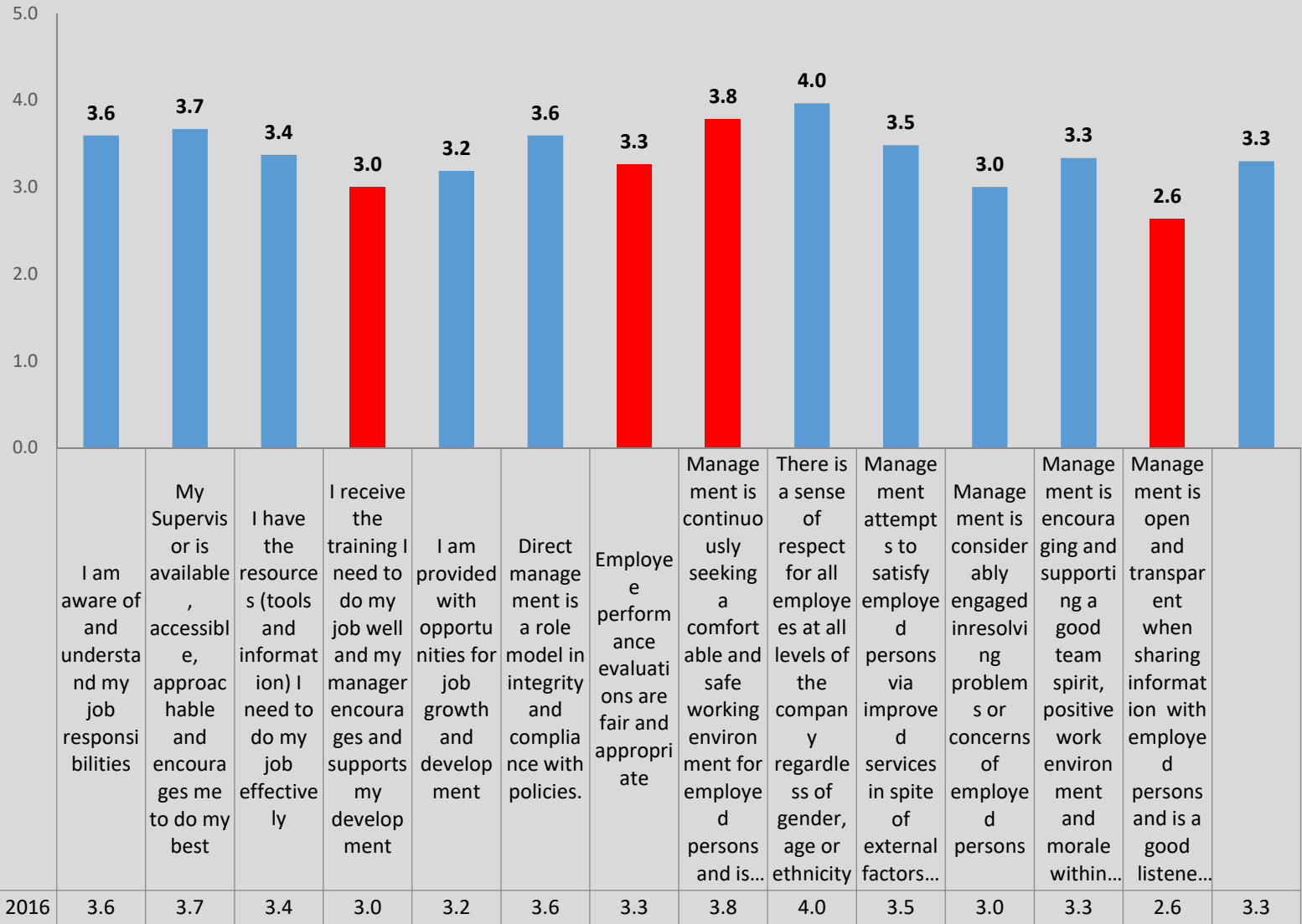
Haggar group and the companies under its umbrella have been running Employed Persons Satisfaction Index to encourage employees to give their feedback and perception on how each company manages the overall work environment as well as on their work experience. The EPSI covers matters such as perceptions of management, flexibility, teamwork, resources, communication, etc.

The EPSI index is measured by collecting ratings to a set of questions covering the above mentioned topics. Ratings are based on a scale of 1 to 5 representing the following: strongly disagree, disagree, neutral, agree, and strongly agree.

The EPSI process should be seen as an interaction channel between Management and employed persons. It is a window for EPs to reflect fairly and honestly what they see is in need for rectification/involvement by their management. This would allow management to, based on findings and responses, gauge employed persons work experience and work on improving the work environment, enhancing employed persons' morale and engagement levels.

EPSI Analysis Results December 2016

Axis Title



■ EPSI Analysis Results December 2016

ENVIRONMENT

Policy Level

The Group's Environmental Policy is an extension of the Group's Corporate Sustainability & Social Impact Policy. The Environmental Policy helps the Haggar Group meet its vision by outlining climate change objectives, detailing our approaches to combating climate challenges and to help promote initiatives to achieve greater environmental responsibility. This policy further prepares the Group to adopt new and emerging technologies and to then incorporate them into our mainstream business lines.

Through our environmental policy, we strive not only to reduce the environmental impact of our business activities, but also to deliver environmentally conscious products and services that contribute to sustainable development. We are committed to continuously reducing our greenhouse gas emissions through calculating the Group's carbon footprint internally, and offsetting our emissions through green initiatives externally.

Haggar Group Environmental Commitments

- Using sustainable, renewable resources wherever possible
- Embedding environmentally friendly technologies in the core business operations/processes dealt with at top-management/ strategic level.
- Acting to calculate and recalculate carbon footprint of the group to reduce greenhouse gas emissions (CO2 emissions) and taking mitigation actions.
- Considering environmental responsibility at all steps of the manufacturing processes and all the links in the supply chain while promoting environmentally responsible business practices.
- Advocating for raising environmental awareness and strengthening climate change dialogue internally among EPs and externally with different stakeholders.

Implementation

Haggar group conducts Green House Gases (GHG) inventory for its group of companies' activities with the aim to undertake, based on the result of this inventory, internal and external reduction measures in collaboration with line ministries, international organizations and civil society organizations, to offset its Green House Gases (GHG) emissions and reduce its carbon print.

So far the group has generated three inventory reports for the years 2012, 2014 and 2016.

Under the Gold Standard Foundation certification plan for voluntary emission reduction, the Haggar Group, in Partnership with Women Development Association Network (WDAN) have officially registered their joint carbon-finance project: Fuel-Efficient Stoves for North Darfur Women as an official Gold Standard registered carbon project.

This registration marks the maturing visions of the project, displaying the materialization of real and measurable benefits to local stakeholders which the Haggar Group and implementing partner WDAN look forward to realizing, through the acquirement and selling of carbon-credits, to then reinvest into similar projects within our local communities.

ANTI-CORRUPTION

Policy

The Haggar Group is concerned about the seriousness of problems and threats posed by corruption to the stability and security of business and society, undermining the ethical values and justice; bearing in mind that the prevention and eradication of corruption is a responsibility of all individuals and groups within Haggar.

The Anti-Corruption policy was thus established to act as base for eradicating all sorts of corruption that could occur within the Group. It should be read in conjunction with the Code of Conduct.

WHAT COULD BE CONSIDERED AS CORRUPTION FOR HAGGAR GROUP?

Any act done with intent to give some advantage inconsistent with official duty and the rights of others is considered corruption. This could include bribery, abuse of public trust; act of profiteering, baseness, breach of faith, breach of trust, complicity against the company or colleagues and more generally all acts that are understood to be against the law.

Anti-corruption Policy Objectives

1. To promote and strengthen measures to prevent and combat corruption more efficiently and effectively;
2. To promote integrity, accountability and proper management of the Group affairs and property;
3. To establish the necessary conditions to foster transparency and accountability in the management of business; and
4. To provide guidelines on how to act should an act of corruption is encountered by an EP at the workplace.

APPLICATION/PREVENTIVE MEASURES

1. Each business unit manager shall, in accordance with the fundamental principles of his/her position, maintain and implement this policy and work to promote the participation of EPs and workers in its implementation.
2. Each management staff member shall endeavor to establish and promote effective practices aimed at the prevention of corruption.
3. Each management staff member shall endeavor to periodically evaluate relevant administrative measures with a view to determining their adequacy to prevent and fight corruption.
4. Management staff members shall, as appropriate and in accordance with the fundamental principles of their administrative system, collaborate with each other and with others as relevant in promoting and developing the measures referred to in this policy.

Implementation

Haggar group has a very long history of free of corruption record. This culture is deeply inherent amongst the family and the employed persons over decades and this legacy became integral part of way of doing business at all levels of the group of companies. Haggar group has a zero record on corruption/fraudulent registered cases ever.

UN Sustainable Development Goals

STANDARDS & PRINCIPLES

SDGs

The United Nations Sustainable Development Goals (SDGs) are a set of goals which aim to end poverty, protect the planet and ensure prosperity for all. There are 17 goals, ranging from zero hunger to quality education, to infrastructure, renewable energy, strong institutions to responsible consumption and production. These goals were adopted in 2015 and have 15 years, up until 2030, to be achieved. So, why are these goals so important and aside from sharing the same acronym as our Sudanese currency (SDG), how do they relate to Sudan and its private sector? The importance of the goals, lies in their inclusive efforts to involve not only the humanitarian and charitable sector, but the individual, like yourself and government and private sector institutions too. They help clarify the global needs and how to help solve particular issues, the steps needed by different parties, such as the government, or the private sector, like Haggar. In this regard, we can explore how the SDGs have helped guide Haggar and the country's private sector.

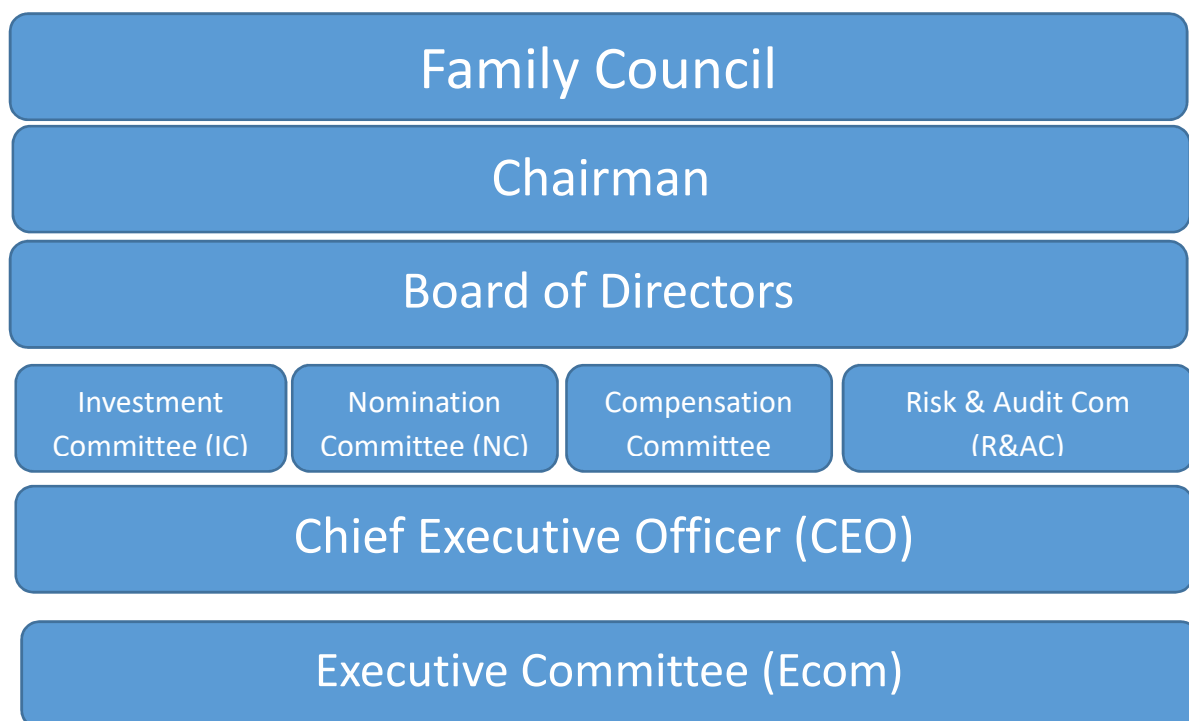
The SDGs help the CSI department assess which direction their impact should be going and help the core business functions assess how they can align investments with the development agenda and the company's future sustainability strategy. Across Sudan, we have seen impact investments from the private sector channeled at nutrition (Goals 2&3), through products such as ready-to-eat therapeutic foods (RUTF) and a range of commercialized products aimed at eliminating the risks of malnutrition amongst children. An increase in environmental awareness across businesses cuts across several of the Goals, including Goal 7, 11, 12 and 13. These clean-energy ventures tend to be cost-saving and/or profitable, acting as an incentive for the private sector to contribute to the global development agenda, whilst also reaping monetary benefits.

ORGANIZATIONAL GOVERNANCE

Haggar Group has a strong commitment to conducting business in way that adheres to its Code of Conduct's ethics and relevant laws and regulations.

Good governance is a reoccurring and important issue in business and it is a key to Haggar Group's success for its leadership, Employed Persons, clients, local communities and other stakeholders. Driven by its core values and guiding principles and standards, Haggar Group employ best practices in corporate governance.

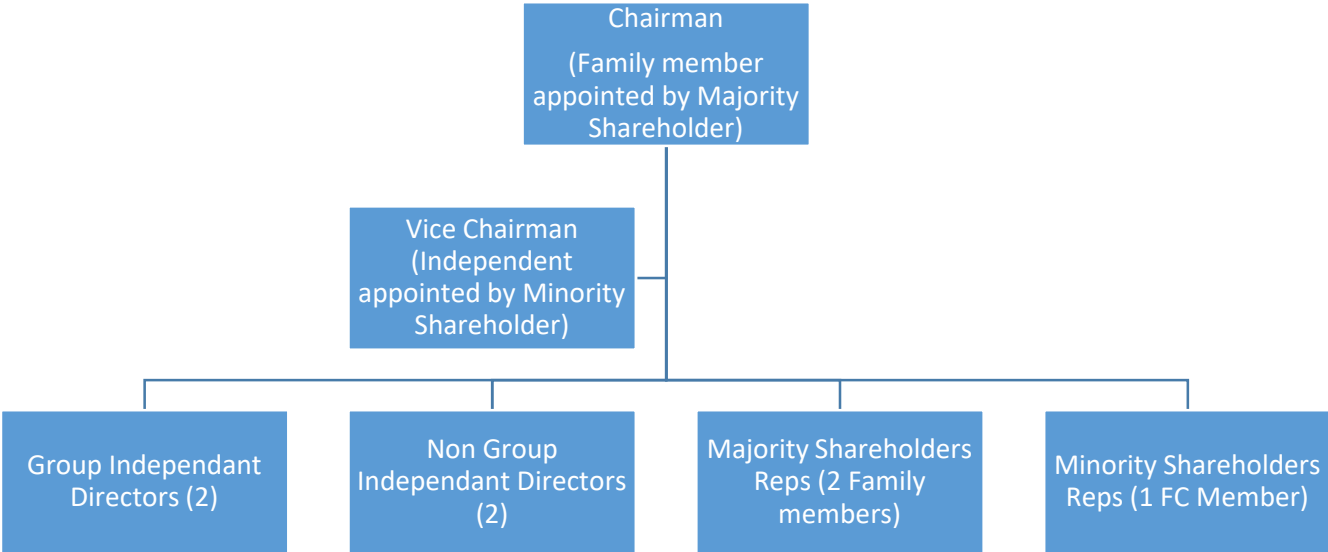
Primary roles of the Group's Governance entities:



GOVERNING POLICIES

These policies include Anti-Corruption Policy, Penalty Codes, Clean Desk (Confidentiality), Sexual Harassment, Dress Codes, Human Resource Manual, Performance Management, Environmental, Corporate Sustainability & Social Impact.

Board of Directors



ESG Framework

Strategic commitment to sustainable development is an integral part of our approach. Haggar Group has gone the extra mile to not only deal with its negative impact and direct corporate responsibility. Instead, it strives to fully integrate social, environmental and governance issues into its strategic plans and core business activities in a way that make the transition from traditional to sustainable business.

Through CSI measures, the Group addresses the concerns of its stakeholders and strives to maintain a balance between financial profit and socio-environmental best practices.

As clearly stated in the code of conduct, Haggar Group is highly committed to implementing CSI initiatives that put the values and measures of social and environmental responsibility at the heart of its business practices.

Areas of Focus

ENVIRONMENTAL FOCUS

Our Environmental focus is to reduce carbon emissions and promote material efficiency in our supply chains.

SOCIAL FOCUS

Our Social focus involves Employed Person's well-being; development and availability of equal opportunity, and the awareness of our local communities and how our business affects them.

GOVERNANCE FOCUS

Our Governance focus centres around due process, best practise, accountability and transparency in all that we do.

ESG POLICY

Our ESG Standards | Environmental

Haggar's environmental interests delve beyond legal obligations and move forward in anticipation of regulatory, global and climate changes. Our support takes a precautionary approach to environmental challenges, promoting the strengthening of our businesses' response to environmental changes through the encouragement of green practices Group-wide, particularly in our response to Climate Change and our development of Green Supply Chains.

Impact on Environmental Policies for Business

Environmental responsibility maintains the environment as well as reduces operation costs; and excessive expenditure on energy, water and production inputs. It enables a company to identify issues and increases preparedness for regulatory revolutions or more stringent emission standards. Productivity is likely to increase through the strengthened management and sustainable use of resources and ultimately will improve a company's access to markets through being a more sustainable and attractive entity.

Our ESG Standards | Social

The Haggar Group ensures fair and responsible social standards across its operations. Our social interests fall under Employment, Supply Chain and Local Communities & External Relations. These encompass labour rights and the development of our Employed Persons and all labourers within our supply chains, relations with contractors and suppliers and the safety and ethical organisation of all labourers and lastly, the engagement of all of our stakeholders.

Impact of Social Policies on Business

Upholding labour conditions enhances productivity and makes the attraction and retention of competent and talented employees easier. Work morale will naturally increase and a healthier workplace will form. Good relationships with neighbouring communities will contribute to reduced risks in safety and security and will allow a two-sided relationship for improved social and environmental operations through community consultations.

Employment

5. Abide by local and international labour laws, regulations and codes as per Rule of Law, Compact, Initiatives and International Organisations.
6. Promote the training and development of Employed Persons and consider which skills honed fall in line with future investment strategy.
7. Ensure there are mutually acceptable means of communication and consultation between all levels of Employed Persons and Executive Management.
8. Ensure there are effective conflict resolution procedures in place for all Employed Persons.

Supply Chain

1. Abide by all Supply Chain Human Rights and Labour Standards issues that align with initiatives and organisations that Haggar is a supporter of e.g. ISO 26000, UNGC and all international Labour Laws that those initiatives are based on, including ILO standards against child and forced labour.
2. Consider reviewing third party contractors and suppliers annually to ensure operations are in line with the ethos of the Group.
3. Promote and sustain local supply chains and develop local businesses wherever possible in order to stimulate domestic development.

Local Communities & External Relations

1. Create employment opportunities and income generating activities for those within our local communities, invest in water, health, sanitation, education and cultural project and increase social investment.
2. Consider the creation of a Stakeholder Engagement Committee, or engage in formal processes to create representational bodies for local communities, partners and other relevant stakeholders.
3. Promote company practices of stakeholder engagement, such as annually consulting local communities and networks, provide effective grievance and feedback mechanisms in order to strengthen Haggar's social impact and community cohesion.

Our ESG Standards | Governance

Our Corporate Governance frameworks encourage transparency and accountability with rights for both shareholders and stakeholders. This section of the ESG Policy includes details about our standards in regards to the Board of Directors, the Committees and Group-wide Stakeholders.

Our Group-wide approach to Corporate Governance cross-cuts all of our internal policies, the engagement of our stakeholders, our fulfilment of corporate social responsibility, through our Corporate Sustainability & Social Impact department, our legal obligations and our transparency ethos.

Efficient, honest and transparent operating systems increase accountability and functionality. A sound corporate governance structure paves the way for easier access to capital, protection against mismanagement, new investments and eventually, economic growth, higher rates of employment and stability.

Stakeholder Engagement

1. All rights of stakeholders, those through company manuals, policies and agreements or those established through law or contractual agreements are to be respected and upheld.
2. All stakeholders, including Employed Persons and their respective representative bodies, have the right to effectively and freely communicate their concerns about any illegal and/or unethical practices to the board, and their individual rights should not be comprised for this.

Corporate Social Responsibility

1. Ensure that the company's Corporate Sustainability & Social Impact practices effectively support fair operating practices, environmental projects, social impact projects in local communities, efforts to strengthen labour practices, and the active promotion of corporate governance.
2. Ensure business operations fall in line with international guidelines and laws within, that Haggar is a signatory of such as ISO 26000.

Laws & Regulation

1. Ensure all subsidiary companies comply with the Group's Statutory/Legal Compliance Policy; in compliance with applicable laws, rule, regulation, decisions/directions of judicial & quasi – judicial bodies, police, code of conduct and contractual commitments.
2. Ensure Statutory/Legal Compliance Policy is used to maintain and raise the levels of awareness of Haggar legal obligations by provision of the policy, legal advice and legal updates.

Disclosure & Transparency

1. The company objectives, structures, policies, manuals, financial and operating results, share ownership, major transactions, risks factors and any changes to these factors should be effectively communicating, disclosed and available to those who seek it.

ANTI-CORRUPTION POLICY

2017 saw the introduction of Haggar Anti-Corruption Policy. The policy stands on four pillars:



The policy applies to all Employed Persons (EPs) of Haggar. This covers country officers, companies, subsidiaries, showrooms and outlets. For the education and information regarding this Anti-Corruption Policy, the responsibility lies with Country Directors, General Managers and Heads of Department, to both ensure eps are aware and understanding of the steps to be taken should an incident of corruption be witnessed.

STAKEHOLDERS ENGAGEMENT

OUR STAKEHOLDERS

Our basic starting point for understanding the notion of a “stakeholder” encompasses the full range of individuals and organizations who are affected, influenced or impacted by businesses and those with potential themselves to influence, impact or affect business.

The notion of “engagement” potentially includes disclosure and transparency by business towards its stakeholders and direct involvement, consultation and/or partnership with stakeholders.

The importance of stakeholder engagement is best recognized when it is lacking – customers might see a company as unresponsive to their needs; employed persons can feel unappreciated; suppliers could have less trust in the company; local communities might be less cooperative; and investors could withdraw.

Consequently, there are four key reasons for stakeholder engagement:

Building social capital; Social capital refers to the relationship with the community – how the organisation is perceived.

Reducing risk; Stakeholder engagement can provide early warning on a variety of issues, such as the service or product concerns of customers, safety, human rights and environmental concerns of communities, and the governance concerns of shareholders.

Driving innovation; Stakeholder engagement can improve information flow, identify business opportunities and generate ideas.

Integrating these elements into the corporate strategy; as part of the overall approach to CSR, the engagement process encourages further alignment and coherence of the business strategy. In all phases, approaches to engagement are meant to be practical and transparent.

Integral to the work and operation of the CSI department is the engagement and involvement of all of our stakeholders at different levels. To aid this process, to encourage relationship building, the maintaining of these relationships and discussions around topics and issues of mutual concern, we have created a variety of platforms and methods to engage our stakeholders. These platforms include our physical Stakeholder Forum, the Online Stakeholder Platform and stakeholders engagement mobile application.

STAKEHOLDER FORUMS

Stakeholder Forums 2016

2016 introduced the Haggar Stakeholder Forum. Within the year, two forums were held, the first being centred on Partnerships between the Private Sector and Donors. The second was an introduction and discourse on Business and the Environment, evaluating where climate change needs and the private sector intersect

PARTNERSHIPS: THE PRIVATE SECTOR & DONORS

This forum was an encouraging introduction to the much-needed engagement of the private sector in the development agenda. Representative speakers from the World Bank discussed the prospects of doing business in Sudan from a World Bank perspective, the Sudan UNDP Country Director gave a talk, IOM tackled the approach and value that Private Sector partnerships can bring forward, with a special case study from Samil Industrial, wrapped up by an overview of challenges and opportunities by a special ARD, IBRD, IDA consultant

BUSINESS & THE ENVIRONMENT

COP 21 saw a huge turn out from the private sector, with a larger representation than any other COP conference. A variety of industry leaders came together to participate and commit to decreasing their carbon foot prints, to adopting renewable energy ventures and to engage in sustainable resource management. The Business and Environment Haggar Forum intended to highlight this and the greater role that the Private Sector should play through climate change dialogue amongst attendees and the initiation of the mobilisation of private sector resources towards low-carbon and resilient development initiatives, The Forum begin with an introduction by HCENR's Climate Change Unit, discussing the Paris Agreement and the role of the Private Sector in its implementation, moving onto national strategic priorities regarding mitigation and adaption by the University of Khartoum. The Forum ended with HCENR discussing ways in which the Private Sector can integrate environmental practices into their core activities and investments, followed by Haggar detailing their current environmental programmes, achievements and challenges.

STAKEHOLDER FORUMS 2017

BUSINESS IN SUSTAINABLE DEVELOPMENT

Centered around issues regarding how the private sector can engage in socio-economic development issues, Haggag organized their third forum on Business & Sustainable development in August to suit this trend. This particular Forum included speakers from the World Food Programme (WFP), Department for International Development UK (DfID), African Development Bank, Electronic Banking Systems, UNICEF and the UNDP. The evening began with an introduction by the UNDP on what the Sustainable Development Goals (SDGs) are and how businesses can embrace them and evolved into discussions regarding cash-transfers and nutrition initiatives lead by private sector groups.

The African Development Bank discussed policy and the potential for public-private partnerships, followed by the WFP showcasing one of Sudan's latest business partnerships in the nutrition space between a leading private sector company and the United Nations. This then led to a close by the Department for International Development discussing the space available for private sector engagement.

Despite the theme of our forum being based on businesses in Sudan being engaged in sustainable development, our Forum lacked the level of representation from the private sector that we had hoped for. The forum was dominated by humanitarian agencies, multilateral and local charitable organisations, with few private sector companies in attendance. This is the exact issue that the Forum aims to mitigate and will continue to attempt to solve: the issue of disengagement, lack of awareness and availability of resources for support. With increased advocacy efforts, availability of information and pools of resources from multiple

WEB & Mobile Platforms

Online Platform & Mobile Application

ONLINE STAKEHOLDERS PLATFORM

Following the theme of our Stakeholder Forums, to bring together like-minded institutions, Haggag CSI developed its online platform. The platform aims to spark discussions, consultations and eventually partnerships to benefit the country and its most underserved citizens while also storing presentations and documents from our physical Stakeholder Forums. Here you can keep track of our most recent publications, upcoming events and recent news.



STAKEHOLDERS MOBILE APPLICATION

The mobile application was developed to encourage a more convenient method of engagement and is currently available for Android, with the iOS version in development for 2018. The mobile application functions in a similar way to the online platform, with the same content available for download and viewing.



COMMUNICATIONS

MAGAZINE & NEWSLETTER

magazine

The Haggar Magazine in 2017, released its 17th Issue. The magazine acts as an insider to Haggar, its operations, its employees and its various departments. Though pieced together by the CSI department, its intention is to provide Employed Persons (EPs) and external stakeholders a level exposure cross-Group, highlighting achievements, changes and interesting stories. Often in the corporate world, individual subsidiaries, departments and sometimes employees are often under extreme pressure and do not find the opportunity and time to expand their greater interests and knowledge on the company at large. The Haggar magazine aims to ease this reality.



newsletter

The CSI department has begun distributing a newsletter detailing some of our activities every other month. So far, Issues 1 & 2 have been released. Issue 1 covers stories on: Social Solidarity Fund (SSF), the UNICEF, Haggar, TOD Partnership, Fuel Efficient Stoves for Women in North Darfur, Rebranding of the CSR Department and Good Business. Issue 2 has covered stories on: CSI's Income Generating Activities Project, 5% Supply Chain Initiative, Dolphin Nigeria's Okun Alfa Water Project, Sudan & the SDGs, the Stakeholder Forum, U.S. Sanctions on Sudan and Haggar's Carbon Footprint Calculation method.



OUR PEOPLE

complying with legislations covering employment and workplace health and safety issues ensures that we provide for our workers' basic needs. Haggar Group values the contribution of its employees to the success of the business, and thus maintains a visible commitment to increasing their job satisfaction, career development and personal welfare. Involving Employed Persons allows us to get more from them in terms of ideas, commitment and loyalty, thus enhancing effectiveness.

"We are an equal opportunity employer: we have none of the dividing lines of ethnic origin, creed, or gender.

Employed Persons in the Haggar Group understand their role and responsibilities as members of a team and the family; we work together for the common good of each and every member, and the family at large.

To achieve this, we bind ourselves to a code of conduct, which determines the way in which we conduct our business and how we treat each other. We regard this as a formula for success."

– Anis G. Haggar, Chairman of Haggar Group

Development and Engagement of Employed Persons

Diversity and equal opportunity

Haggar Group is committed to equal opportunities for all, irrespective of colour, race, religious belief, ethnic or national origins, gender, marital status, disability or age. The Group is committed to the promotion of equal opportunity and diversity, with an emphasis on employing nationals whenever possible, for promotion of local development and growth. Haggar Group ensures that access to employment, training and promotion is indiscriminate and based solely on the objective assessment of competency, ability and other job related criteria.

Training and skills development

In accordance with the Human Resources Development Policy, Haggar Group supports the personal improvement and skill development of every EP. Education and training activities for the development of human resources are based on employee efforts regarding self-development and are supplemented by training and coaching activities.

Succession Plans and career development plans

The Group's growth and success are directly tied to the development of its Employed Persons (EP). Each EP across business areas, levels and locations has unique skills and abilities that help the company succeed. The establishment of development goals is one way of ensuring that individuals are supported to achieve their

career objectives and desired competency level. It is a shared commitment that is driven by the Employed Person in collaboration with their manager and under HR supervision.

A Career Development Plan (CDP) is filled after the Employed Person completes their first year with the company. This CDP is annually reviewed and amended according to the training offered to the EP and his or her personal development. Information on a CDP should feed into the yearly training plan according to priorities of the EP and the department

Stakeholder Engagement: Internal and external stakeholders are part and parcel of all our actions and strategic decisions the company will take.

OUR COMMUNITY

PROJECTS

Education

Within Community Development, Education plays an important role. Education empowers those in difficult social and economic situations. Between 2016 and 2017, the CSI department's education projects have focused on underserved students with disabilities, electronic education in rural areas and scholarship grants.

Through our projects and initiatives to strengthen education, we support SDG 4

EIMAN CENTRE FOR MENTAL DISABILITIES

The Eiman Centre for Disabilities is an educational space for children with mental disabilities. The Centre currently serves 50 students; however, some pupils cannot physically make it to the Centre and so are provided with a home-service. Prior to enrollment, every child is assessed individually and is drafted a tailored curriculum to suit their needs and learning pace. This process involves the child, the parent and teachers at the center. The Centre also conducts training sessions for the parents of the children. This is to help them with orientation and at home practices to support their child's learning and development. The school day at the center typically lasts from 8:00am → 1:30pm.

To support the functioning of the Centre, Haggag CSI provided a range of equipment such as computers, desks, projector and a printer. These tools have been used to aid the learning and development of children with disabilities and their guardians or parents, while also providing teachers with better resources to achieve their desired level of impact.

IMPACT

The Eiman Centre have expressed their satisfaction with the activities of this project. They have detailed how significant of the equipment has been to their day-to-day activities and overall learning and wellbeing of their students and families involved. The printing equipment was especially useful as it eliminated the hassle of travel and printing costs and allowed materials to be used instantly when spontaneously needed. The projector has also been an extremely useful learning tool, allowing educational sessions for parents to be conducted. These sessions would involve the parents watching educational clips in regards to disabilities they are familiar with, seeing success stories and challenges that others in their position experience and how they overcome this. The computers have also been a great and engaging tool for the children, as the majority of them thrive of audio learning. Engaging in alphabetical training through voice recording and interactive platforms on the computer

EDUCATION

E-CLASS

Riwag Education Services offer interactive e-learning services across Sudan. Established in 2009, they are paving the way as specialists in the use of e-learning across schools in Sudan. Riweg use e-learning as an effective means of transferring knowledge and learning to students using techniques that have a significant impact in the process of learning and engagement. Riweg also believe that the benefits reaped from e-learning should no longer be an option, but a sheer necessity in Sudan, not only as a global trend, but a strongly impactful means to overcome difficulties faced in learning processes and the lack of resources across Sudan, especially across remote areas.

- Employ e-learning techniques to help students in Sudan learn about modern and global ways of learning that are appropriate to their age and global advancements they see happening in the world;
- Provide educational resources and materials in an appealing and distinctive way that helps students learn and to respond to individual needs and learning styles;
- provide courses to help students to understand and digest learning materials through interactive learning; and
- Find methods to engage current and future generations in the e-learning journey and help shift learning from an indoctrinated method to one pose of examinations

PROJECTS

EDUCATION

LEBAWI ACADEMY

The International Leadership Academy Ethiopia is a not-for-profit secondary education institution founded in 2013, currently based in Addis Ababa, Ethiopia. The Academy's primary goal is to help students be eclectic, well informed leaders by bridging the gap between potential and access. Selected students are amongst the most academically gifted in the country and primarily recruited from underserved, low-income backgrounds.

The Haggar Group, with its presence in Ethiopia, donated a sum to the ILAE. The fund contribution has gone towards the education of high potential candidates from underserved rural and urban areas. The selected students are those who may otherwise not have had the opportunity or access to education of this caliber, thus never given the opportunity to realize their potentials.

The process of selection for new students begins with rigorous assessments and then upon selection, an intensive English language literacy training programme. At the end of this program, students embark on a summer school adventure, exploring the world of geopolitics via the Model United Nations (MUN), African studies, Theory of Knowledge, Theatre and Intercultural studies. By the time the student is given notice of a full scholarship award, they are ready for what is called the 'ILAEite' journey. This process is done because ILAE strongly believe and are committed to ensuring the school and its students are rooted in the community with robust local education that is globally connected. Upon graduation and completion of the 'ILAEite' journey, students are expected to be prime candidates for enrollment and scholarships to the world's top universities. ILAE hopes to prepare its graduates for a lifetime of social responsibility and international leadership.

IMPACT

Students at ILAE have gone on to achieve exemplary things, with the first graduating class of 2018 receiving scholarships worth over \$500,000 (23/34 of the first cohort). 96% of students achieved GPA scores of 3.85 and higher, with 44% scoring 4.0s. These students were granted scholarships from Cornell, Yale, NYU & Ashoka's Scholars Programs in the U.S., Ghana, India, Rwanda, China and Denmark



UWC was founded in 1962 with the vision of bringing together young people who were affected by the conflict during the Cold War era. It aimed to offer an educational experience based on shared learning, collaboration and understanding, to champion peace.

UWC is a group of global colleges set in 17 countries across North America, Central America, Europe, Africa and Asia. UWC has grown from 13 to 17 colleges worldwide since the Haggar Group had initially partnered with them in 2013.

Each of the UWC schools and colleges has its own distinct character and identity, influenced by the host country, the specific setting, cultural context and the community. What makes each one of them a UWC is a deliberately diverse student body, with students coming from all over the world, bringing with them very different backgrounds to learn and live together - and their joined mission to make education a force for peace and sustainability.

In 2013, Haggar Group signed an agreement with UWC to fund a two-year scholarship biennially for a high-performing student in Sudan, selected by UWC's Selection Committee. This Scholarship is conditional based on UWC funding a South Sudanese student, for every Sudanese student that the Haggar Group would fund.

Our first student granted a scholarship was Mohammed Talib, who set off to UWC's Mahindra College in India. He has now gone off to study at Middlebury University in the United States.

Our second student who had been granted a scholarship was Aboubida Alrsheed, who set off to Swaziland in 2016 to join the cohort in UWC's Waterford Kamhlaba College. After having graduated, Aboubida has returned to Sudan and is currently exploring his options. As of late, he has joined as a Sudan Yali Network Member, the Young African Leaders Initiative, to see how he can give back to his community.

quote from Aboubida

SOCIAL SOLIDARITY FUND

COMMUNITY INVOLVEMENT & DEVELOPMENT

SOCIAL SOLIDARITY FUND & SPONSORSHIPS

The Social Solidarity Fund is a pool of funds gathered from Haggar's subsidiary companies as well as willing employed persons on a monthly basis, acting as an emergency & support fund for individuals and charities. The categories for these grants are the following: Medical Assistance, Education Assistance, Charity Sponsorships and Other (such as small business loans and other case-by-case emergencies).

For the year 2017, 29% of the distributed funds went directly to employees within Haggar covering medical emergencies, university fees and their children's school fees. Our external expenditure (71%), went towards sponsoring successful and impactful charities such as Sadagaat, the Taha Baasher Hospital, Cardiac Patients Society & Khartoum Breast Care Centre and supporting beneficiaries outside of Haggar.

This fund is often the last resort for some of our beneficiaries and helps the running of charities tight on funding. Each of our grants helps beneficiaries and charities progress a little further: paying for children's school fees or a mother's critical operation or ensuring a charity has the means to support its own beneficiaries in our communities.

As 24% of expenditure of the Social Solidarity Fund, Haggar CSI reserve monthly contributions to selected organizations operating in Khartoum. 2016 & 2017 saw Sponsorships for the Khartoum Breast Care Centre (KBCC), Tahaa Baasher Hospital for Mental Illnesses, Cardiac Patients Friends Society & St. Matthews Church.

Separately, a variety of events, which are aligned with the CSI mission, are partially funded. In the past two years this has included, Al Ahfad University's organised FGM International Awareness Day, Taharga Film Festival, The Goethe Institute's SAMA Music Festival and the Innovation & Entrepreneurship Community's (IEC) Global Entrepreneurship Week event

CAPACITY BUILDING

GREEN SPACE

The Green Co-Working Space is a non-profit, capacity building office space designed to encourage interaction, collaboration and inspiration for action initiated by Kyomi Organization in 2016 with support from the Haggar Group. It is designed for hosting small youth initiatives and startups, providing flexible and temporary work spaces. The Space predominantly targets groups active in the Environment and Youth Empowerment sectors and engages members through coaching, mentoring and expertise-sharing between hosted groups and external volunteers.

The Haggar Group supported Kyomi by providing the equipment needed to kick-start the working space. Storage spaces, desks and chairs were provided along with soft contributions such as coaching and mentoring services.

The impact of the project on a whole was extremely positive, pushing the running of the Space. 11 organizations have been using the space and of these 11, two groups have established businesses from their ideas and now use the Space as an office.

Since working with the Green Space, Haggar CSI have developed a strong and on-going relationship with the Space and its members. The CSI department often accepts interns and trainees from the Green Space who can offer us their support and skills in the areas of Environment, Capacity Building and Project Management work.



ORGANISATIONS & BUSINESSES OF THE
GREEN SPACE
YOUTH EMPOWERMENT, LANGUAGE, TECHNOLOGY &
RENEWABLE ENERGY

 **YALLA NBADIR**
A youth-focused, capacity building program for knowledge gaining and leadership building for sustainable communities.

ENGLISH CLUB & BOOK CLUB
Organisations focused on the improvement of English Language skills and cultural awareness for non-native speakers through reading and discussion.

 **FIRE ANTS**
A team of youth-developers of applications and web systems. Fire Ants built the Haggar Stakeholder Forum application.

BOOTH'S SOLAR PROGRAM
A start-up business focused on transportable solar energy for renewable energy use in urban and rural communities.



CAPACITY BUILDING

SHAMAA TRAINING CENTRE

Shamaa is a Khartoum based organization serving the needs of single mothers, who have become parents out of wedlock. The organizations purpose is to reduce abandonment of new-borns, by providing a safe-space for single mothers. This space offers mediation between families, a shelter for mothers to look after their child and get back on their feet. In most cases these children born out of wedlock would have been left at a Mygoma shelter, or totally abandoned.

Shamaa is both a shelter for single mothers and a training centre for organizations, organization staff, mothers in the shelter, youth, psychologists and social workers and private/government entities working in the space of child abandonment, single-mothers, violence against women and a vocational training space for women beneficiaries.

To support Shamaa Organization in kicking off their organization, work and mission by helping to furnish their residence for the training centre. This includes basic furniture for seating and equipment to support the learning experience during the sessions such as laptops, TV Screen, Chairs, Tables, Air Conditioners, Water Coolers, Flipchart and Curtains.

IMPACT

Shamaa have had what seems like a very successful year. Out of 65 single mothers who joined their shelter, only 5 remain for mediation. The rest have completed mediation, have returned to their families and/or reconciled with the child's father. This is through the help of the furnishing of the centre, which was empty prior to Hagggar's support.

In terms of training and traction, many organizations have been hearing about Shamaa and the training that they conduct and their social network has expanded greatly, strengthening stakeholder relations across the sectors. In turn, this has helped Shamaa become known for its work and so they have had an increase in case referrals.

The work that Shamaa has been able to do since furnishing its training centre has allowed for Shamaa to become a leading force in combating issues surrounding single-mother hood and child abandonment. Since, they have been able to work with a range of local & international organizations, attracting funds from UNICEF, UNDP and a variety of other groups.

CAPACITY BUILDING

SUPPORT OF DISABLED ALUMNI ASSOCIATION UNIVERSITY OF KHARTOUM

In 2016, Haggag CSI supported the University of Khartoum's Disabled Alumni Association by providing 16 laptops for blind alumni of the University. This was done during a launch event where the members of the society expressed their gratitude and satisfaction of their needs. In 2017, Haggag CSI conducted Phase Two of supporting the Disabled Alumni Association.

Phase 2 consisted of rehabilitating the computer lab of the Disabled Society in the University of Khartoum, helping its growth in being a training centre for both alumni and disabled students across universities in Sudan.

AWIDA VILLAGE SCHOOL REHABILITATION

Awida Village School is a rural school located in the Eastern Nile area, stricken by extreme poverty. The mission of this project was to provide rehabilitation to two classrooms and a teacher's office to create an enabling environment for learning and development, for both students and teachers. Upon the completion of this initiative, the local community pooled together to create a committee, collecting donations from members of the community to contribute to the maintenance and running of the school

HEALTH

UNICEF Nutrition

Haggar Group, UNICEF Sudan and local community-based organization, Talaweit Organization for Development signed a tripartite agreement marking Sudan's first non-business-model public-private partnership (PPP) nearing the end of 2016. The partnership displays and encourages a country-wide use of a combination of resources, technical expertise and brings together each sector's mutual goal to alleviate malnutrition in Sudan, specifically the Eastern region of Sudan, in this project's case.

The primary goal of this multifaceted partnership is to adopt two Outpatient Therapeutic Program (OTP) centers in the Ageeg & Tokar localities within Eastern Sudan's Red Sea regions to combat the extremely high malnutrition rates. Figures show that 37% of the population in Aqiq and 47% in Tokar are malnourished and 61% and 53% of the population stunted, respectively. These figures are well above the international emergency threshold and are a statistical cry for partnerships of this nature to be formed.

Each signatory offered a distinct contribution, strengthening the project's efficiency and thus desired impact: the Haggar Group acted as the investing donor, combining its expertise and dedication to social impact and sustainability initiatives with its capability as a financial contributor. UNICEF Sudan acted as the technical advisors, providing support by: identifying at community levels the areas both nationally and locally who needed assistance most. They were responsible for the procurement and distribution of Ready-to-use Therapeutic Foods (RUTF) as well as leading the training mentorship and development programs of the health staff of the centers. As the project progresses and benefits to communities begin to actualize, UNICEF will implement a systematic monitoring, data collection and evaluation system, quantifying and summarizing the real benefits of this Partnership. Talaweit Organization for Development (TOD), the Partnership's community-based organization carries out the implementation at field level as part of its mandate as a stakeholder in the Community Management of Acute Malnutrition Plan in collaboration with the Ministry of Health across the Red Sea States in the Eastern regions of Sudan. TOD has particularly strengthened dialogue and communication amongst the communities of operation and enabled productive discussions with local and national

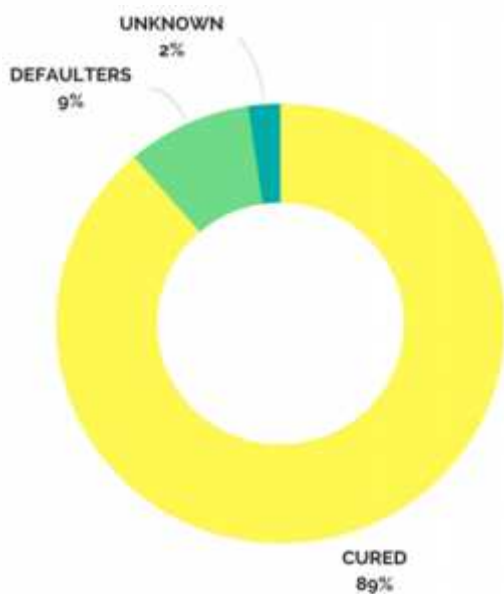
UNICEF NUTRITION

This data was provided by UNICEF & the Ministry of Health of the Red Sea State.

2016 ADMISSIONS

Total Patients Admitted: 94

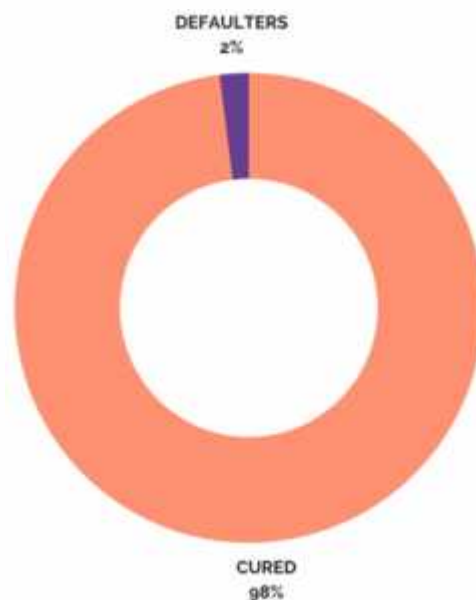
Out of the 94 patients admitted, 89% were cured of malnutrition, with 9% defaulting, often those who do not show up frequently for treatment and 2% unknown. This is likely to be due to death.



2017 ADMISSIONS

Total Patients Admitted: 156

Out of the 156 patients admitted, 98% were cured of malnutrition, with 2% as defaulters.



Between 2016 and 2017 the center has shown good improvement, with an increase in admissions, 7% decrease in defaulters and an 11% increase in cure rates. The increase in admission has been attributed to the availability of water and shelter services in 2017, making the center more accessible.

COMMUNITY IMPACT

Our field visits affirmed the community has gained a sense of ownership and pride, along with the construction of the OTPs. Aside from the health benefits brought, the Center has strengthened the sense of community, as so many of the community members had stated.

OMDURMAN MATERNITY HOSPITAL

In partnership with Pasgianos Company

Maternity Hospitals are usually part of a larger hospital group. Omdurman Maternity Hospital falls under the umbrella of Omduman Hospital at the heart of Omdurman in Sudan. Maternity wards are often made up of labour rooms and delivery rooms, along with a C-Section theatre, a recovery room for vaginal deliveries and separately, recovery rooms for C-Section deliveries. During a field visit, the CSI team were given a tour of the new building to understand the need and impact of this project.

OMDURMAN MATERNITY HOSPITAL

Phase 1

Phase 1 of the Omdurman Maternity Hospital Project was aimed at supporting the hospital transfer its maternity ward to its new building. The maternity ward was at full capacity, serving extremely vulnerable patients and unable to keep up with beneficiary needs. During the field visits, this was evident as we saw three hospitalized patients sharing one hospital bed. For the new building, a more spacious and efficient space, Haggar CSI supplied and installed a number of cooling units, covering the ground and first floor of the building exc

Phase 2

CSI, along with Pasgianos, Haggar subsidiary provided the Omdurman Maternity Hospital with infusion pumps. The Maternity hospital has a large intake of abandoned new borns, who are often left facing a multitude of health and nutritional issues. Infusion pumps allow the transfusion of nutrients and medicines, in controlled amounts to the patient's body.

Through our projects and initiatives to strengthen water, health & sanitation practices, we support SDG 6 (show small sdg 6 box image)

PROJECTS

HEALTH

SANITATION & HYGIENE AWARENESS

In collaboration with local NGO, Peace Bridge, Hagggar CSI engaged with the Damazeen and Rozairis localities in the Blue Nile state to support Health community Clubs for hygiene promotion. The objective of this project is to promote the concept of community health clubs and to enhance the role of volunteers within the selected villages to promote hygiene standards. The impact spanned over 6 areas in the selected localities, targeting 1666 project's Damazeen and 1519 beneficiaries. Each area saw the establishment of one health club along with a hygiene promotion campaign and two days of training including the distribution of tools such as hand washing kits, waste bags, pesticides and 4092 information posters and brochures. A fundamental aspect of the project was to raise awareness and place community leaders at the center of the campaign to ensure the sustainability of the project. Sudanese summers exceed temperatures of 40 degrees Celsius, so cooling in maternity wards is very much needed.

WDAN NORTH DARFUR WATER SUPPLY

The North Darfur Water Project is an extension to the WDAN Fuel-Efficient Stoves for North Darfur Women Project, detailed in the Environment section of this report with the same community-based organization, WDAN; the agreement was to create a sustainable water supply for refugee communities in the Abushook area. This was done by installing a submersible water pump in the village. Initially, the project plan was to install and provide the Abushook community with a water hand pump, but this was less efficient, more time consuming and often physically taxing especially should it need repair. In 2017, the water supply in the Abushook area was able to provide much more than a sustainable and clean water supply. Additionally, the water supply created further income generating opportunities, with 15 new smallholder female farmers beginning work.

El-Fasher North Darfur

DYNAMIC INTERNATIONAL

SUBSIDIARY COMPANY PROJECTS

ALDIBAB WATER WELL & YARD

Dynamic International, a subsidiary company of the Haggag Group, which operates in the Oil services industry began its project to drill a water well and yard in the Aldibab area to serve the communities of the Neem, Aldibab and South Kordofan areas in April 2017. The project was discussed with Greater Nile Petroleum Operating Company Limited (GNPOC), who Dynamic provides its oil services to in this region and gained the necessary approvals from the Ministry of Petroleum and the GNPOC security department, field and top management.

The water well was built to satisfy a much-needed service of water provision for the residents of the Neem area, by-passing nomads and their cattle. The availability of a consistent and good-quality water source in this area is likely to minimize conflict over this natural resource by ensuring localities have the access to water especially during the dry season, and so will not have to venture further to find a source.

The project's objectives, aside from providing a water source for the underserved Neem area, also focus on creating a high level of trust between the local communities of which Dynamic International operate in, and Dynamic and its employees, as a private-sector company. Private sector companies, especially those operating in Energy & Oil, have built for themselves a negative reputation in regards to trust relations and community support, severely lacking behind other industries. This lack of trust is a product of the exploitation of poor communities, who are often marginalized and see no economic benefits to their communities, despite mammoth profits by these large companies.

DOLPHIN NIGERIA

SUBSIDIARY COMPANY PROJECTS

WATER FOR THE OKUN-ALFA COMMUNITY

Dolphin Nigeria, a subsidiary of the Haggard Group, successfully handed over their treated Water Supply Project over to the local community of Okun-Alfa in Lagos, which before devastation was a major and coastal tourist spot

In 2016, Okun-Alfa, popularly known as Alfa Beach experienced 72 hours of rain-fueled ocean surge that ravaged the community and its daily activity. The Alfa community has undergone extreme changes; mass migration, with a population decrease from around 10,000 to 1,500, coastal erosion and property loss worth millions of Naira. The flooding has resulted in the burdens of polluted drinking water, a rise of disease and a lack of tourist, economic and health services, due to both physical damage and community flight.

In July 2017, Dolphin Nigeria began arrangements to supply and install a domestic water system, which was completed in September, providing clean and treated water to the Okun-Alfa community. The benefits of investing in water & sanitation (WASH) range from public health, economic and environmental benefits. Globally, WASH benefits generate USD \$84 billion per year and have a benefit-to-cost ratio of 7 to 1 - large impact, small costs (OECD). An investment such as that of Dolphin Nigeria will support the operations of fisheries and the strengthening of tourism & property markets which were all negatively affected or eradicated in 2016. The water system will also reap time gains, allowing more productive and labour activity and will reduce a variety of water-borne diseases. Though many of these benefits are difficult to quantify, as some are non-economic, they are of high value to the concerned individuals whereby the dignity, social status, cleanliness and overall well-being is invigorated

DOLPHIN GHANA

SUBSIDIARY COMPANY PROJECTS

DONATIONS & VOLUNTEERISM

2016

DONATIONS

BORSTAL INSITUTE: A SENIOR CORRECTIONAL CENTRE

The Borstal Institute, one of Ghana's juvenile correctional institutes is located at Roman Ridge in Accra, about 3km from the location of the Dolphin Head Office in Ghana. It was established in May 17, 1947 to help young boys reconcile a life of crime by providing them with opportunities to develop themselves further. Dolphin Ghana donated a large number of working tools to reward great performers at the Institute. These tools would come in handy for their learnt crafts while at the Institute – which helps the boys build on their technical and vocational skills. The two students selected, Mr. Emmanuel Armah and Mr. Richard Ansah, showed an exemplary record while at the centre and were thought to be the best behaved. Both students graduated from the Centre in 2016.

TAIFA POLYCLINIC

Dolphin Ghana's second donation of 2016 was to Taifa Polyclinic. Taifa Polyclinic, located in the Taifa community in the Ga-East District of Accra, Ghana, has been struggling in its provision of healthcare, to supply ante-natal services to expecting mothers. The Clinic lacked supplies such as an ultrasound scanner, amongst many other supplies and so patients, the pregnant women, would have to seek ante-natal services elsewhere, prior to coming to the Taifa Polyclinic. This for a pregnant woman, is nothing short of inconvenient and tiresome. To ease this burden, Dolphin Ghana, donated an Ultrasound Scanner, a printer and a number of other medical supplies to the Ante-natal Unit of the Taifa Polyclinic. Dr. Charles Paani Dewhust, the Medical Officer In-Charge expressed the benefit of the new equipment, emphasising how their services to expectant mothers within the community will now be strengthened.

DOLPHIN GHANA

SUBSIDIARY COMPANY PROJECTS

DONATIONS & VOLUNTEERISM

DZORWULU SPECIAL SCHOOL

Event of giving back to the society of which Dolphin Ghana represent, the team with the Government school in Dzorwulu which was established for children special needs, most specifically children with down syndrome disease. The school is profit organization which heavily relies on the support and donations of its communities from the government, corporate bodies, individuals and organizations.

with its broader team, committed to volunteering their time and donating to the Aside from the building of gas cages behind the school's kitchen, metal gates for dormitories, the painting of the school and the administrative block, a desktop for the administrative office and a 50" flat screen television, Dolphin facilitated funded a Christmas party for the children on December 15th The children were by Dolphin staff with lunch packs and drinks and enjoyed a 3 hour interactive where time was spent with the children playing and dancing "LET'S GET INVOLVED" This project was channeled at engaging staff to participate in CSI projects

Fair Operating Practices

Haggar Group is trying to use business relationships with other businesses/suppliers to promote positive outcomes by building good long-term relationships. Haggar is most likely to develop reliable partners, and to practice effective social and environmental responsibility. Respect for the rule of law, accountability, transparency and honesty are the key principles to put into action to achieve fair operating practices.

Key areas of engagement are:

- Promote social and environmental responsibility throughout value chain/ supply chain; and stimulate demand for socially & environmentally responsible goods and services.
- Treat suppliers and consumers fairly, including prompt payment of bills and prompt attention to problems.
- Use supply chain system to support vulnerable groups to start their own business.

5% SUPPLY CHAIN INITIATIVE

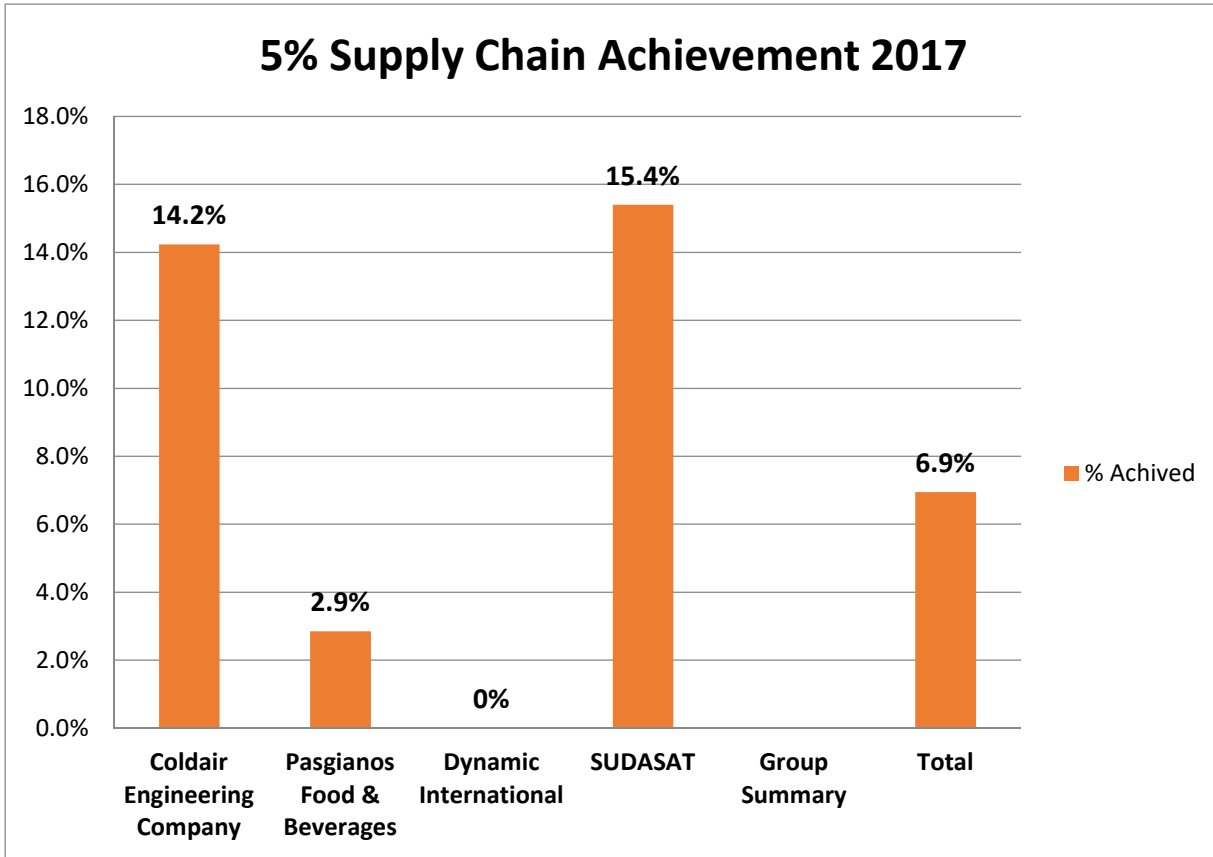
On a monthly basis, the CSI department expects each subsidiary company to meet a target of 5% in local purchases through their supply chain. This means that a minimum of 5% of total monthly expenditure should contribute to the local economy. Local purchases can be something as simple as purchasing peanuts from a local street vendor instead of a large and commercial Supermarket, to sourcing contract workers from local communities and villages - this is often the case for companies working in remote/field areas, such as Sudasat or Dynamic. These acts of investment into local communities strengthen local employment and push for small and medium-sized businesses to succeed. It is also a method to ensure the inclusion of those struggling to make ends meet by directly offering them clientele without having to pass fees through larger agencies.

2016

In 2016, the Haggar Group of Companies achieved a total of 9.9% in local purchases. For those able to provide their data on a monthly basis, the 5% target was achieved

2017

In 2017, the Haggar Group of Companies achieved a total of 6.9% in local purchases. This is down from 10% in 2016. Though some companies performed exceptionally well and adhered to guidelines and suggestions, with some far exceeding the 5% target, others underperformed with one company achieving a 0% target for the year. This has highlighted much needed reform for the initiative.



ENVIRONMENT

Haggar Group recognizes the importance of preserving the natural environment that sustains life on Earth for future generations and thereby ensuring that all humanity can attain a healthy and enriched life. To this end, Haggar strives to achieve a zero environmental footprint throughout the lifecycle of our business activities.

Haggar Group commits itself to implement environmentally responsible business practices dedicated towards an improvement in environmental quality within and outside the Company.

Haggar Group seeks out opportunities to create more sustainable development initiatives and will ensure that the whole length of its supply chain is considered, including sourcing and disposal.

The main focus will be on:

- Using sustainable, renewable resources wherever possible
- Acting to calculate and recalculate carbon footprint of the group to reduce greenhouse gas emissions (CO2 emissions) and taking mitigation actions.
- Considering environmental responsibility at all steps of the manufacturing processes and all the links in the supply chain.

Advocating for raising environmental awareness and strengthening climate change dialogue internally among EPs and externally with different stakeholders

Through our projects, initiatives and operations to be an environmentally responsible entity, we support SDGs 7 & 13.

WHAT WE CALCULATE

Haggar CSI annually calculates the Group's carbon footprint, which is the total amount of greenhouse gas (GHG) emissions produced through the operations of the Group. Greenhouse gases are expressed in terms of the amount of carbon dioxide (CO2) produced. GHGs can be emitted through a variety of operations such as transporting goods, business travel, land clearance, manufacturing goods to simply running electricity in our offices.

WHY WE CALCULATE OUR FOOTPRINT

Calculating our carbon footprint is a method in engaging in environmental issues and a means to begin to improve our negative environmental impact and offset emissions. Following the calculation of our Footprint, we engage in projects to offset emissions in the community and begin thinking of ways to reduce the emissions that the Group produces. This is done through evaluating internal operations and practices and understanding how they can be conducted in a greener, environmentally-friendly manner.

Carbon emission reduction is not only good for the environment but is strongly proven to contribute to sustainable development.

HOW WE CALCULATE OUR FOOTPRINT

To calculate Hagar's level of GHG emissions, we split a number of factors into three categories:

Scope 1: Fuel Combustion, Company Vehicles and Fugitive Emissions,

Scope 2: Purchased electricity, heat and steam and

Scope 3: Business travel, purchased goods and services, waste disposal and other indirect factors from suppliers and consumers.

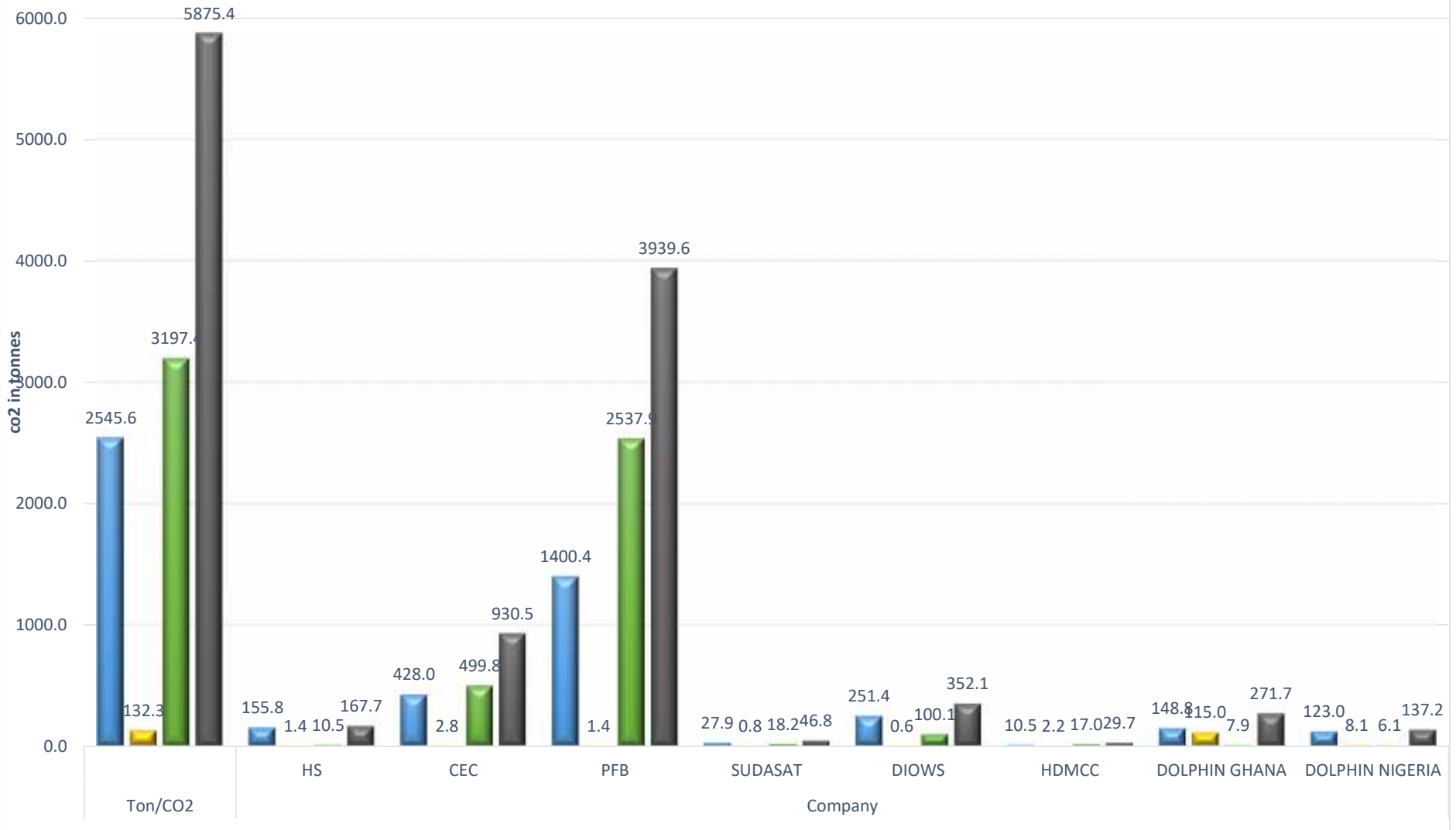
Our 2017 calculation has included Hagggar Sudan, Coldair Engineering Company, Pasgianos Food & Beverages, Sudasat, Dynamic and our offshore companies Dolphin (UAE, Nigeria, Ghana, Senegal) and Hagggar DMCC (UAE). Each party submits their usage of the factors listed under each individual Scope (1,2, &3) and usage would then be converted into CO2 by ton. All of this data will then be consolidated to produce one single figure, which will present the total carbon emissions Hagggar Group produces.

GHG Inventory Results 2016

Activity/Source of Emission	Ton/CO2	Company							
		HS	CEC	PFB	SUDASAT	DIOWS	HDMCC	DOLPHIN GHANA	DOLPHIN NIGERIA
Scope 1 : Direct Emissions	2545.6	155.8	428.0	1400.4	27.9	251.4	10.5	148.8	123.0
Mobile Sources Emissions	1263.1	155.8	242.6	832.6	25.6	6.6	10.5	148.8	123.0
Stationary sources emissions	132.3	0.0	186.1	567.8	2.3	244.8	0.0	0.0	0.0
Scope 2 : Indirect Emissions	132.3	1.4	2.8	1.4	0.8	0.6	2.2	115.0	8.1
Electricity consumption emissions	7.0	1.4	2.8	1.4	0.8	0.6	2.2	115.0	8.1
Scope 3 : Other Indirect Emissions	3197.4	10.5	499.8	2537.9	18.2	100.1	17.0	7.9	6.1
Goods Transports	3114.7	0.0	495.0	2536.0	0.6	83.1	0.0	0.0	0.0
Business Travels	51.7	10.5	4.8	1.9	17.6	17.0	17.0	7.9	6.1
TOTAL	5875.4	167.7	930.5	3939.6	46.8	352.1	29.7	271.7	137.2

HAGGAR GROUP CLIMATE IMPACT 2016

■ Scope 1 : Direct emissiosns
 ■ Scope 2 : Indirect emissions
 ■ Scope 3 : Other Indirect emissions
 ■ TOTAL



ENVIRONMENT

FUEL EFFICIENT STOVES FOR NORTH DARFUR WOMEN FES

Haggar Group & implementing partner WDAN's Fuel Efficient Stoves for North Darfur Women Project registered as an official Gold Standard carbon project:

Under the Gold Standard, a standard and certification body that works to ensure every dollar of climate and development funding goes as far as it can, the Haggar Group, in Partnership with Women Development Association Network (WDAN) have officially registered their joint carbon-finance project: Fuel-Efficient Stoves for North Darfur Women as an official Gold Standard registered carbon project.

The project replaces less-efficient cook stoves in selected areas in the North Darfur region for the EzyStove® which models superior performance combined with a modern, desirable aesthetic, improving the quality of lives, and preserving the environment. The EzyStove® facilitates 40% in wood savings and reduces smoke emissions that are harmful to the eyes and lungs by 70% as well as promoting other socio-economic benefits. The Project covers 50% of stove costs for beneficiaries and the other 50% of the stove cost is covered by the users. With the correct and consistent usage of the stoves, carbon emissions are expected to reduce drastically. With the reduction of emissions, as an officially registered Gold Standard project, comes the rewards of carbon credits, which are eligible for trade in the international carbon-credit market.

This registration marks the maturing visions of the project, displaying the materialization of real and measurable benefits to local stakeholders which the Haggar Group and implementing partner WDAN look forward to actualizing, through the acquirement and selling of carbon-credits, to then reinvest into similar projects within our local communities.

ENGAGEMENT & AWARENESS

COUNTRY ENGAGEMENT

Mechanisms of private sector engagement, other than common charitable giving, in Sudan have undoubtedly shown improvement between 2016-2017. This growth comes with awareness, collaboration, implementation and the support of a variety of actors in the field, such as governments local organisations, multilateral institutions, NGOs and academia. However within Sudan, stronger alignment is certainly needed. Further and stronger engagement of private sector companies is needed, and beyond the engagement, alignment, partnerships and pooling of funds. To further the journey of private sector engagement, Sudan hopes to see the finalisation of some laws, such as the Public-Private Partnership law, the strengthening of local business engagement networks such as the United Nations Global Compact (UNGC) and stronger technical support and guidance from humanitarian and development experts for the private sector.



EMPLOYEE AWARENESS

For a long time, the private sector's engagement in the development agenda predominantly came in the form of charitable giving and one-off, no-strings-attached donations. This has branded CSR departments across companies as just that, teams associated with sponsoring charities on an ad-hoc basis and separately, voluntary tasks such as painting schools. Along with our rebrand from Corporate Social Responsibility (CSR) to Corporate Sustainability & Social Impact (CSI), we hope to make 2018 the year where our employees can too enjoy the transition and to understand what the broader basis and vision of our work is. Furthermore, how we contribute to the country's and global community's goals and the importance of the private sector's engagement, not only through charity and philanthropy, but also through its transition to green and inclusive business.



ROAD AHEAD

LESSONS LEARNT, CHALLENGES & THE ROAD AHEAD

2018 PLANS, THEMES & ROADMAP 2025

PROJECT THEMES

The CSI Fund for 2018 will cover the impact areas in Nutrition, Education, Solar Energy, Agriculture, Capacity Development and Income Generation. Another part of our fund covers visibility and communication, such as our Magazine, Newsletter and Online and Mobile Platforms. Lastly, integral to the success

SUPPLY CHAIN | LOCAL PURCHASES TO INDEPENDENT BUSINESS

After receiving the 2017 results for the 5% Supply Chain Initiative, CSI identified some confusion amongst our subsidiary companies in terminology used. The issue was based on uncertainty of the definition of “local purchase”. For clarification, local purchases will be changed to “Independent Businesses & Suppliers”. This better clarifies the intention of the initiative

EP AWARENESS

A focus on stronger engagement of Hagar Group’s Employed Persons (EPs) across our subsidiary companies will be one of the department’s primary focuses. This will include voluntary days and participation of EPs in CSI Projects.

ROADMAP 2025 KEY STRATEGIC AREAS



AGRICULTURE

ENERGY



INFORMATION
TECHNOLOGY

Hagar Group’s key strategic areas will be in Agriculture, Energy (inclusive of renewable, clean and affordable energy and on & off-grid solutions) and ICT. Innovation and technology in these areas will include hybrid systems, renewable and clean energy technologies. This focus on scalable and sustainable business will work as a two-way support, whereby the CSI department will gain from the strategy and the strategy will gain from the CSI department with

CLOSING NOTE

THE CSI DEPARTMENT CONTINUES TO SEEK IMPROVEMENT IN ITS PRACTICES, RELATIONS AND LEVELS OF IMPACT. AS THE DEPARTMENT'S AMBITIONS STRENGTHEN, AS WE EXPAND OUR HORIZONS AND ALIGN THE GROUP'S OPERATIONS WITH OUR MISSION, WE HOPE TO FURTHER UPLIFT OUR LOCAL COMMUNITIES, OUR ECONOMY, OUR COUNTRY AND THE PEOPLE WITHIN. OUR FUTURE IS DEPENDENT ON OUR ABILITY AS HUMANS, BUSINESSES AND SOCIETIES TO ADAPT AND TRANSFORM. THIS IS IN ORDER TO MEET THE SOCIAL AND ENVIRONMENTAL NEEDS OF OUR SOCIETY AND SO WE CONTINUE OUR JOURNEY SEEKING IMPROVEMENT AND INNOVATION IN ALL THAT WE DO.

CORPORATE SUSTAINABILITY & SOCIAL IMPACT TEAM