



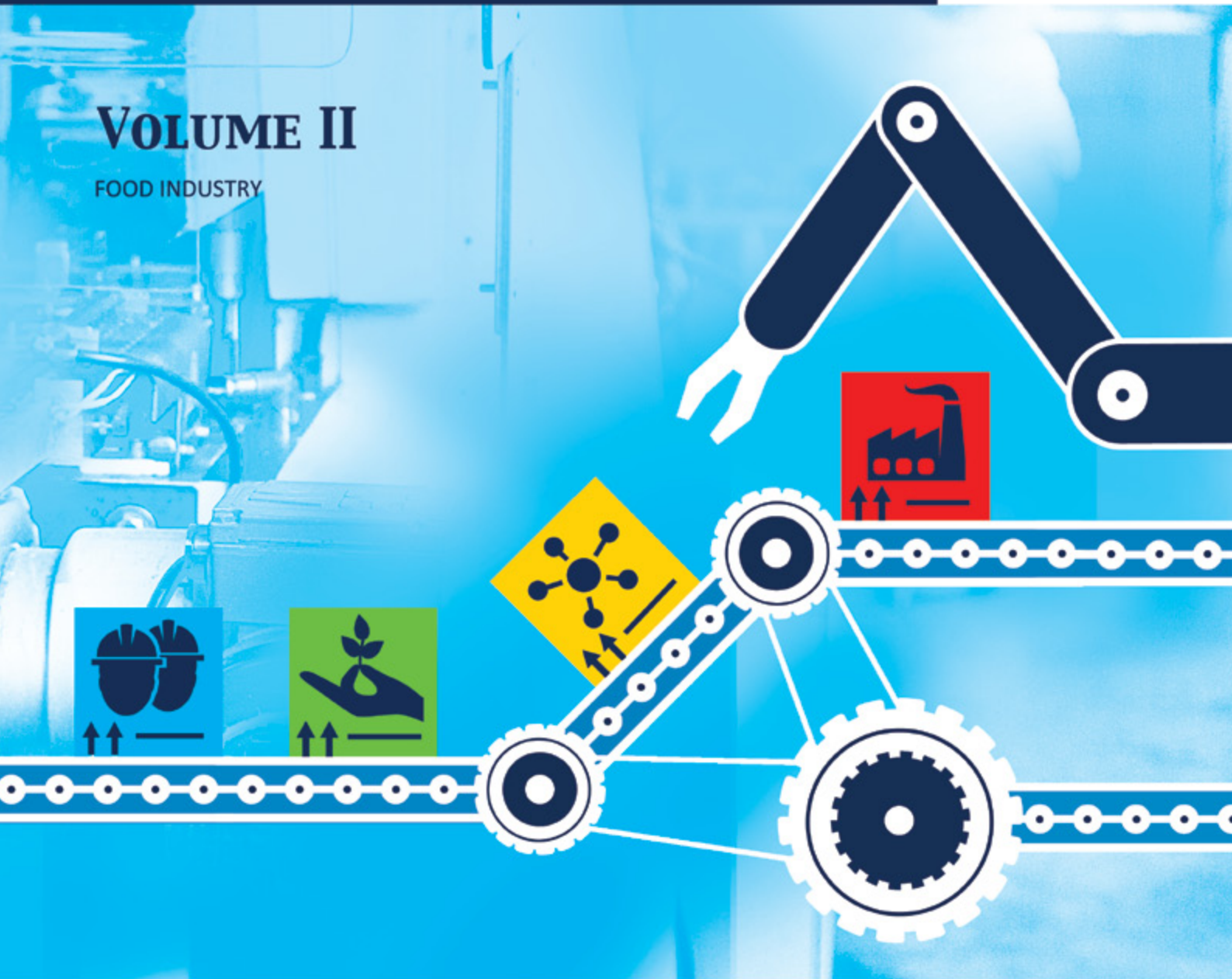
INDUSTRIAL LEADERS OF EGYPT TOWARDS CREATING SHARED VALUE



International
Labour
Organization

VOLUME II

FOOD INDUSTRY



THE AMERICAN
UNIVERSITY IN CAIRO
JOHN D. GERHART CENTER



SCHOOL OF
BUSINESS
PHILANTHROPY
CIVIC ENGAGEMENT
RESPONSIBLE BUSINESS



اتحاد الصناعات المصرية
FEDERATION OF EGYPTIAN INDUSTRIES

Forewords

Corporate Social Responsibility (CSR) has evolved from its limited status as a mere social concern into a multi-functional and new concept of operational efficiency and competitive advantage.

With this ever-maturing understanding of CSR in mind, the Federation of Egyptian Industries (FEI) has come to view Egypt's business ecosystem as suitable for promoting CSR principles in the industrial sector in order to advance alongside this existing opportunity. Successful businesses can only thrive in healthy social and environmental conditions. For this reason, the mainstreaming of CSR principles into business operational models is perceived as an adequate tool to attain these conditions.

This two volume booklet series has been developed in partnership with the International Labor Organization (ILO) and The American University John D. Gerhart Center with the intention of promoting CSR as an integral component of sustainable business practices and societal progress. It is intended to document the CSR systems of Egyptian industrial leaders, and highlight the economic and social returns of good CSR policies.

The FEI pledged its commitment to CSR with the launch of a dedicated CSR unit to promote CSR principles and encourage decent work among companies and governmental entities. The unit has been set up in collaboration with the ILO to foster a culture of socially responsible business through awareness raising, capacity building and partnerships with relevant local and international organizations. It intends to help stakeholders address the needs and challenges associated with applying CSR policies and principles, in addition to providing tailored support for Small and Medium Enterprises to garner their interests in CSR.



The publication, therefore, seeks to make a business case for CSR and decent work principles by showcasing successful CSR initiatives of industrial leaders in the private sector in Egypt. Highlighted trends are indicative of the benefits that companies, which adopted strategic values of CSR principles, have gained from improved risk management and stronger relations translating into greater access to capital, talent and new markets.

It signals the FEI's openness to engage the government, companies, academics and the public in a dialogue to achieve a deeper understanding of CSR and hopefully, inspire the entire business community to embrace the concept of CSR.

We owe our sincere gratitude to all the parties involved in the preparation of this publication. We hope that the publication becomes a platform that could lay out examples of best practices in addition to facilitating the exchange of lessons learnt and new ideas.

A handwritten signature in blue ink, appearing to read 'محمد السعدى' (Mohamed El Sewedy).

Mohamed El Sewedy,
Chairman of the Federation of Egyptian Industries

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First published 2015

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CSR – Industrial Leaders of Egypt – Towards Creating Shared Value – Volume I

(Print) 978-92-2-130743-3

(Web PDF) 978-92-2-130744-0

CSR – Industrial Leaders of Egypt – Towards Creating Shared Value – Volume II: Food Industry

(Print) 978-92-2-130745-7

(Web PDF) 978-92-2-130746-4

Arabic Edition:

التجارب الرائدة للمسؤولية الاجتماعية للشركات الصناعية في مصر – نحو خلق قيمة مشتركة - الجزء الأول

978-92-2-630743-8 (طباعة)

978-92-2-630744-5 (pdf) (نشر إلكتروني)

التجارب الرائدة للمسؤولية الاجتماعية للشركات الصناعية في مصر – نحو خلق قيمة مشتركة - الجزء الثاني: قطاع الغذاء

978-92-2-630745-2 (طباعة)

978-92-2-630746-9 (pdf) (نشر إلكتروني)

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Visit our website: www.ilo.org/publns www.ilo.org/cairo

Printed in Egypt

Corporate Social Responsibility (CSR) is a management concept whereby companies integrate social and environmental approaches into their business models and operations to achieve a three-pillar approach integrating an economic, social and environmental balance that benefits the whole community. There has been a growing interest by investors, consumers, and civil society in recognizing and rewarding companies that have a comprehensive CSR strategy in place. Genuine improvements in company impact on employees, customers, communities and the environment have positively enhanced their corporate reputation and competitiveness. Complying with local and international labor principles and practices is considered an integral component of good CSR -- a notion that is not commonly known to many.

This booklet series consisting of two volumes has been prepared by the John D. Gerhart Center of The American University in Cairo with the support of the ILO Office in Cairo through the project "Creating a conducive environment of the effective recognition and implementation of fundamental Principles and Rights at work", the ILO Bureau for Employers' Activities (ACT/EMP) and the Federation of Egyptian Industries (FEI). It is meant as a knowledge source, to provide both insight and inspiration to governments, companies, civil society and academia by drawing upon successful CSR activities in Egypt in diverse areas that include education, health, safety and the environment. Special sections are dedicated to highlighting the impact of good and fair labor practices on a company's ability to attract and retain employees, raise labor productivity levels, and enhance the perception by the community.

As a tripartite organization composed of the Government and of the many representatives employers' and workers' organizations, the ILO supports the private sector, and its organizations in supporting the adoption of policies and regulations that promote the creation and growth of sustainable enterprises. For the ILO, CSR is a means to define the role that a company should play in the society in which it operates. It should also influence its own operations by respecting international labor principles, social dialogue and national labor laws, which can therefore result in higher productivity and improved product quality, thus enabling companies to compete in the global markets by achieving market access. It should also encourage companies to adopt a process aiming to integrate social, environmental, ethical, human rights and consumer concerns into their business operations and core strategy by identifying, preventing and mitigating their possible adverse impacts.



We convey our appreciation to all the parties involved in the preparation of this publication, and we hope that it will inspire other companies from all sectors in Egypt to follow suit in building their reputation as socially responsible and sustainable businesses.

Peter van Rooij,
Director, ILO Decent Work Team for North Africa/Cairo

Acknowledgements

This second volume of the two booklet series is the result of the collaborative and concerted efforts of the International Labor Organization (ILO), the Federation of Egyptian Industries (FEI) and the John D. Gerhart Center (GC); the developmental arm of the Business School at the American University in Cairo.

The ILO, the FEI, and their representative teams have been strongly supportive throughout the information gathering and drafting process to ensure that this publication is a realistic representation of selected industrial companies and their Corporate Social Responsibility strategies and programs.

As the main publishers of this CSR booklet, the ILO and FEI commissioned GC to design the research and drafting process for the publication. A special thank you is dedicated to the research team behind the publication: Dr. Menatallah Darrag and Ms. Menan Omar, Gerhart Center Research Consultants and the principal authors of the publication under the supervision of Heba Abou Shnief, the head of the research unit at the center.

This booklet was prepared under the guidance and the directions of Sina Hbous, the Assistant Director of the Gerhart Center in coordination with Eric Oechslin, ILO Senior Specialist for Employers' activities and El Sayed El Torky, National Coordinator for Employers' Organizations, Conducive Environment Project, ILO Cairo Office; Nagui El Fayoumi, Executive Director of the FEI, and Basmah Osman, Senior Advisor at the FEI, who are all gratefully acknowledged for the valuable inputs and suggestions they contributed.

Special recognition is due to our selected CSR Industrial Leaders for their valuable time and effort. The study came into light through the generous cooperation of the participating companies who dedicated time to share their experiences and expertise. Their open sharing of information have exponentially facilitated the development of this publication ensuring realistic portrayal of their CSR activities and preserving informational integrity.

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4. Mondelez Egypt Foods : Ola Loutfi, Corporate & Government Affairs Manager Egypt & Levant.

5. Mass Food : Hany Tewfik, Management & Human Development Section Head.

6. Savola : Sherif Mohamed, Corporate Affairs and Communication Manager and Lamyaa AbuBakr, Corporate Affairs Manager - Savola Food Business Group - Egypt.

7. Unilever : Alyaa Kassem, Corporate Communication Specialist Mashreq and Alaa Hasaballah Media Relations/External Affairs manager Unilever Mashreq-Egypt.

The John D. Gerhart Center is grateful to the ILO for the generous funding, which made the development of this publication possible. The Gerhart Center also appreciates the trust that the FEI has showcased and support given to develop this publication.

This booklet is the second of a two-volume series that is intended to document the experience of 15 industrial companies in Egypt that have been early leaders in introducing the principle of corporate social responsibility (CSR). Through the development of programs and activities, these companies have addressed various elements of CSR, including labor practices, community outreach, environmental accountability and shared value across the operational supply chain.

It showcases 7 CSR profiles of companies working in the thriving Food and Beverage sector in Egypt. Similar to the first volume of the series, this second volume seeks to shed light on the drivers, implementation approaches, success factors and challenges facing companies as they attempt to advance their CSR, and to explore the role of government and civil society in promoting CSR. The outcome of this informational endeavor is meant to further guide industrial policies and program development, in advancing and integrating principles of CSR as a means to enhance company competitiveness and societal welfare.

This volume consists of two chapters:

CHAPTER 1

It presents the assembled CSR profiles of the 7 selected industrial companies. For detailed descriptions of the drivers, benefits, challenges and success factors, readers are encouraged to read the individual case studies. Company profiles were arranged by alphabetical order and all included information has been provided by the companies through interviews and presented documents.

CHAPTER 2

It presents the overall conclusions, existing CSR trends as well as lessons learned that have gradually emerged throughout a journey of research and data gathering for this study. It is an attempt to provide brief guiding points to support policy makers, encourage companies to follow suit and enrich a local CSR academic discipline.

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INDUSTRIAL LEADERS OF EGYPT TOWARDS CREATING SHARED VALUE

CHAPTER I

Featured Companies

1. AMERICANA



Linking Education to Employment Americana Group Dual Education Program



AT A GLANCE

*Since its inception in Kuwait in 1964, Americana Group has grown to become one of the largest corporations in the Middle East and North Africa (MENA).

*The Egyptian Company for International Touristic Projects an Egyptian Joint Stock Company listed in the Egyptian Stock Market.

*Americana Egypt has over 405 restaurants from different international brands, including KFC, Pizza Hut, Hardee's, TGI Fridays, Costa Café and Baskin Robbins as well as local brands that include Chicken Tikka, Grand Café and Fish Market.

*In the Fast Moving Consumer Goods (FMCG) industry, Americana Egypt has a portfolio spanning nine brands including Farm Frites and Green Land.

*The total employees at Americana group amount to 55000 employees, out of which 13211 employees as of December 2015 are working at Americana Egypt Restaurants and 18390 working at Americana Egypt Factories.

A.

CSR APPROACH OF THE COMPANY

Vision and Philosophy:

Americana Group CSR activities in Egypt that is managed by the Human Resources Department, have been core to building its reputation as a socially responsible business. These activities range from ISO1401 certification of key companies engaged in processed food products, such as Farm Frites, to effective management of their environmental impact, and external audits on their supply chains to ensure compliance with international quality standards and enhance consumers' trust in their products and services.

However, Americana Group's CSR edge lies in its integrative approach to solving some of the main challenges that face Egypt, namely: unemployment, education and poverty.

Americana Group Dual Education Program is rooted in the company's strong belief in the importance of an educational system that equips students with the technical and behavioral skills to meet the demands of the job market, sharpen their analytical skills and foster character development. Through the Dual Education Program, the company aims to develop the technical capacities and skills of Egyptian youth to enhance their employability, thereby helping them alleviate external stressors that influence their socio-economic status, while positively contributing to the economic development of Egypt. Therefore, CSR for Americana Group mainly focuses on recognizing a compelling business case for investing in the building of holistic and sustainable human capacity networks, rather than fragmented acts of charity.

Budget:

Americana Group has allocated a yearly budget for the Dual Education Program to cover the following items:

- Tuition fees and monthly stipends for the enrolled students.
- Learning materials and activities for the students, including sports competitions and cultural activities.
- Incentives for the execution team for educational initiatives.
- Rewards and recognition for outstanding students and their parents.
- Brochures and online materials to promote the program.



B.

IN FOCUS

Community Outreach:

The evolution of community outreach started in 2007 when Americana Group conducted an assessment for the talent pool in Egypt. With 65% of Americana Group operations being in the Gulf Cooperation Countries as it heavily relies on Asian Countries for its labor supply, the questions that arose were:

Does Egypt have a competitive human capital advantage that is accessible and could support the growing business needs of Americana Group and the growth of Egypt's economy?

Several studies and indices, such as the Global Competitiveness Index, have pointed out to the disparity between the demand and the supply of labor in Egypt, mainly resulting from an inadequate educational system. Fresh graduates do not possess the technical skills required for the available job opportunities, and oftentimes lack key interpersonal and leadership skills, all of which is indicative of overall low labor productivity. Further, the academic curricula is outdated, and it lacks a practical approach and learning facilities, such as instructional kitchens and educational restaurants. Adding to that, the trainers lack experience on valuable subject matter, thus compromising the quality of the theoretical portion of the curriculum. All of this translates into a persistently high unemployment rate in Egypt, which is further supported by CAPMAS figures suggesting that the unemployment rate is almost 26.6 % in the age group 15-29.

Do we act upon this challenge or leave it alone?

As a preliminary step, the company conducted a study tour to Egypt, a labor-supplying competitor country, to better understand the composition and qualification criteria of its labor force. Many of the Egyptian youth, aged 16 – 18 years, have been found to take on part-time jobs at International brands of quick service restaurants to be able to finance their own education. A noticeable trend has been that outstanding employees with demonstrated potential for personal and professional growth, were given the opportunity to continue with the international brands as management trainees to acquire the skills necessary for a successful managerial career advancement. Americana Group found that all trainees had been subject to assessments through knowledge tests and observation checklists that were conducted by the franchise companies, including instilling strict quality control checks to ensure that brand positioning is embedded and supported by the employees' behavior.

This unique model presented the Americana Group with challenges; however, one fundamental question remained: What takeaways can be learnt and applied to increase Egypt's advantage?

To address Americana Group's continuous need for qualified human capital, the company was determined to support the improvement of the educational system, by introducing a practical training element that serves to bridge the gap between a student's educational path and their career path. Rather than urging students to drop out of school to gain practical work experience from a part-time job, Americana Group has created a practical training and development module that allows students to study and work at the same time. This work-study **"Dual Education"** Program trains, qualifies and certifies students at various career stages based on a carefully designed competence framework that lays out the required technical and behavioral skills to perform key roles in the industry of quick service restaurants, poultry industry and the agriculture sector. In collaboration with the Ministry of Education and the Ministry of Higher Education in Egypt, the Dual Education Program was integrated into the academic curricula administered by the aforementioned ministries. Following the principle of **"Earn and Learn"**, this approach ensures that students acquire the know-how and technical skills through a combination of classroom-type lectures, self-learning assignments and on-the-job training, while earning a monthly salary. To this end, Americana Group has not only been committed to designing the program, but it also pledged to offset the risk of a potential financial burden by fully covering the tuition fees of the enrolled students, in addition to a monthly salary.



*Two-Year Advanced Diploma from the Technical Colleges:

In 2007, Americana Group established a two-year academic training program for individuals who have completed the three-year secondary educational program to acquire the technical and managerial skills necessary to perform the role of a restaurant shift supervisor.

*Three-Year Diploma from the Technical Secondary Schools:

Another pre-university level program was established in 2011 to prepare students for entry-level restaurant team member jobs in the quick service restaurants industry, upon successful completion of a three-year technical secondary school program.

*Four-Year B.Sc. in Restaurants Management & Operations – Helwan University:

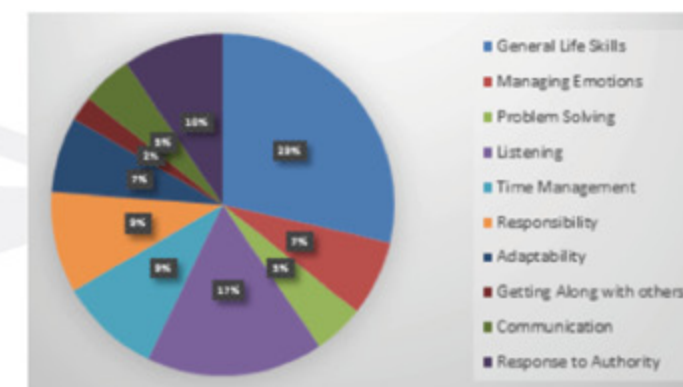
Building on the success of this initiative, Americana Group established its first university-level educational program in 2010 under the Open Education Program of the Helwan University to grant students a Bachelor degree in Restaurants Management & Operations. With Americana targeting students from underprivileged families to instill hope for a better future, through a fully paid four-year program that prepares them for the role of Assistant Restaurant Managers, applicants for this program earn the opportunity to succeed with their degrees from General Secondary & Technical Schools.

*Four-Year B.Sc. in Agriculture - Business Management and Poultry Sections – Menoufeya University and Damanhour University:

Two other university-level educational programs have been established to train potential employees in the agriculture sector and poultry industry. While, the program predominantly focuses on providing the students with the required technical and behavioral skills to become competent managers of farm and poultry production units, these two programs, in particular, have far-reaching implications on Americana's role as a CSR leader.

To complement the academic training with personal skills development, Americana Group collaborated with the International Youth Foundation (IYF) to introduce the "Passport to Success" Life Skills Program that consists of 30 modules, aimed at developing students' soft skills. Students are surveyed following completion of the program and the results below show how the program has achieved the personal development dimension through professional training:

Total Change Share %



Furthermore, to promote Americana Group as a desirable place to work, the company has launched the Student Satisfaction Survey, also known as the “Voice of Students” (VOS), to allow students to express their satisfaction with workplace conditions. Students respond to about 30 questions, which are then analyzed to highlight five priority areas for improvement. An action plan is then developed and its execution is checked through monthly audits, alongside the Restaurant Review Program (RRP). Alternatively, students can voice their concerns to the Operations Team, who can then escalate the case to the Human Resources Department Team, and finally, to the Directors of Departments. Additionally, Americana Group goes above and beyond the Egyptian Labor Law requirements; for example, by offering their students full medical coverage, fully covered insurance against accidents, and life insurance policies in case of natural death. Finally, Americana Group follows a strict policy to address child labor issues and conducts a thorough background checks to ensure that all applicants meet the minimum legal age requirements.

These efforts reflect the company’s concerns and commitment to its employees’ well-being in the workplace, all of which is positively reflected in the most recent VOS survey results that demonstrates a satisfaction level of 87%.

The success of the Dual Education Initiative has been captured through careful monitoring of the enrollment statistics.

The Program	Started in	# of Students at Inception	Current Enrollment	# of Graduates
Three-Year Diploma from Technical Secondary Schools	2011	569	1733	929
Two-Year Advanced Diploma from Technology Colleges	2007	93	326	1508
Four Year Bachelor degree Restaurant Management and Operation Faculty of Tourism and Hotel Management – Helwan University	2010	157	600	300
Four-Year B.Sc. from the Faculty of Agriculture – Business Management- Menoufeya University	2009	21	10	58
Four-Year B.Sc. in Agriculture - Poultry Production -Damanhour University	2011	20	20	27



The success of the different programs is transferable from the student beneficiaries, to Americana Group and society as a whole. For the students, the benefits are threefold: they are granted a degree that attests to their technical competence, they are offered a job for which they qualified for through practical training on-site, and finally, they experience a notable change in attitude, personality and behavior over the course of the program due to their increased sense of worth and purpose. Nahla Abdel Motteleb is a living example of this successful program, who was the top of her class and managed to save up her monthly income to finance her marriage without any assistance from her family.

Americana Group has taken sustainable actions to meet its current and long-term business needs for a qualified and skilled labor force, by addressing root causes and investing in improving and upgrading the quality of education provided to Egyptian youths. For a country that has been plagued with a chronically high unemployment rate, particularly among youth, this educational and business partnership has contributed to addressing a strategic social issue by enhancing the employability of fresh graduates. Americana Group’s groundbreaking “Dual Education” Program offers an exemplary model for a successful public / private partnership that can be replicated and scaled up to positively impact the business, and society as a whole. The Dual Education Program is therefore, a result of thoughtful local contextualization of the lessons learnt from competitor countries aiming to create a generation of locally qualified and self-reliant individuals that can reshape the future of their country.

C.

SUCCESS FACTORS

*A dialogue with the relevant governmental agencies outlining how the private sector can contribute to solving a national problem can lead to a successful cooperation between industry and educational agencies.

*Management support and leadership that were determined to execute the project despite being an additional burden on company operations at the initial implementation stages.

D.

NEXT STEPS: JOURNEY ON

*Americana Group has commissioned the City & Guilds Group, a global leader in skills development, to accredit the programs and to meet international standards in the UK. To enhance the internal quality assurance, a “train the trainers” program have been developed to create a sustainable knowledge dissemination system.

*In collaboration with the Institute of Leadership and Management, students can take additional trainings to have their degrees recognized by relevant UK universities.

*Building on the success of the program, Americana Group is planning to extend the Dual Education Program to all of its FMCG business units, as well as other industrial sectors in cooperation with the ILO and the FEI, thereby enhancing the employability of Egyptian youths across sectors and industries.

*By acting as a talent incubator of potential managers and owners of farms, Americana Group hopes to achieve the twofold objectives of successfully integrating CSR into its supply chain, and supporting entrepreneurs and SMEs as viable suppliers of chicken, potatoes and other key inputs for diverse brands of Americana Group.



2. Coca-Cola Egypt

Coca-Cola



A “Golden Triangle” Approach to sustainability



AT A GLANCE

*The Coca-Cola Company first began its operations in Atlanta, Georgia in 1886 and has continued strengthening its operations ever since, with a presence today in over 200 countries all over the world. Central to Coca-Cola global, growth story has been a commitment to helping support sustainable progress and prosperity of the communities it serves through a wide range of economic and social initiatives.

*Coca-Cola net operating revenues in the second quarter of 2015 reached \$12,156 million including 3% growth in the Middle East & North Africa Business Unit, within which Egypt is a significant market and a regional headquarters.

*Coca-Cola has been functional in Egypt since 1942 and has recently outlined a commitment to invest \$500 million in its Egyptian operations and sustainability programs over the next three years. Over 15 beverage brands are produced by The Coca-Cola Bottling Company of Egypt (TCCBCE) and are available in over 300,000 outlets.

“A “Golden Triangle” approach of working with the government, civil society and the private sector has been the secret formula behind the success of a community initiative that aims to develop 100 villages by 2020 “

A.

CSR APPROACH OF THE COMPANY

Vision and Philosophy:

The Coca-Cola Company has developed the global “Me, We, World” sustainability framework to prioritize key areas of focus within both its own business operations and in supporting local community development. External community initiatives center on women’s empowerment, water and wellbeing, while Coca-Cola is ensuring sustainable operations in its own business in packaging, climate protection, workplace safety and sustainable agriculture. In 2010, Coca-Cola Egypt developed a holistic strategy concerning sustainable community development by launching a long-term initiative that supports the development of rural villages in Egypt under the name of ‘100-Village Development Program’.

This program focuses on helping transform 10 villages each year by providing clean water to houses that lack existing connections, developing schools and medical center facilities, as well as enabling women to create micro-businesses.

By the end of 2015, this project will have supported the development of 40 villages in 10 Governorates in Egypt, providing more than 40,000 people with clean water connections, supporting the refurbishment of 46 schools and 32 medical centers and creating micro-businesses that will economically empower more than 14,000 people.

In addition, under its annual ‘Ramadan Feeding Program’, Coca-Cola has provided over three million Egyptians with Ramadan food boxes.

The success of these initiatives has been achieved through what the Company describes as a “Golden Triangle” approach of partnership between the Government, private sector and civil society. Coca-Cola partners with reputable local NGOs and International UN agencies and organizations in these projects, such as UN Women, UNICEF, CARE, Masr El-Kheir, Wahid Min El Nas Foundation, Sonaa El-Haya, and The Egyptian Food Bank. The 100-Village Development Program has been achieved with the support of the Ministry of Local Development.



CSR Governance:

Sustainability initiatives in Coca-Cola Egypt are primarily supported through the Public Affairs & Communications Department (PAC), who serves as the interface with community groups, partner organizations and Government Bodies. PAC is also responsible for supporting the introduction of community programs and achievement of the targets set.

Budget:

The Coca-Cola Company allocates a significant annual budget for its community development projects in Egypt. The Company also has The Coca-Cola Africa Foundation that directs funds towards development projects in Africa such as RAIN, 5by20, and other health projects in Egypt.

CSR activities:

Coca-Cola community programs in Egypt have been introduced to address local community needs, while committing to the Company global “Me, We, World” sustainability strategy that centers on individuals, the community and the planet.

By 2020, Coca-Cola Egypt will have helped develop a 100 villages through an emphasis on four main program pillars: education, water stewardship, health, and micro-businesses for women. By the end of 2015, 40 villages will have visibly increased their development capacity in 10 Governorates, namely Beni Suef, Cairo, Giza, Sohag, Luxor, Minya, Fayoum, Asyut, Beheira and the New Valley.

Within its own supply-chain, Coca-Cola has been able to achieve a truly global presence by establishing strong networks with partners who share a similar focus and commitment to the long-term sustainable development of communities they serve. The Coca-Cola Company bottling partners, suppliers, distributors, retailers, customers have continually helped improve sustainability progress. A priority-issue analysis conducted in early 2014 helped identify the key issues that are considered most important to address in their sustainability reporting. These priority issues are then mapped to Coca-Cola’s value chain, ensuring they are prioritized through Coca-Cola’s broad supplier base with shared goals and objectives throughout the value-chain.



Priority Issues	GRI G4 Material Aspects
Active Healthy Living	Healthy and Affordable Food
Product and Ingredient Safety	Customer Health and Safety
Human Rights	Assessment Supplier Human Rights Assessment Human Rights Grievance Mechanism
Packaging	Products and Services
Water Stewardship	Water Effluents and Waste

Coca Cola
Global Sustainability
Report Y2014/2015
(Coca Cola, 2015: 56)



Upstream
Tens of thousands of farmers and suppliers, providing raw materials for ingredients, packaging, etc.

Operations and Logistics
Includes concentrate development, and all administrative functions of headquarters.

Downstream
Includes the Bottling Investments Group and franchise bottling partners, distribution centers, customers, consumers and product recycle and recovery (closing the loop back to our suppliers).

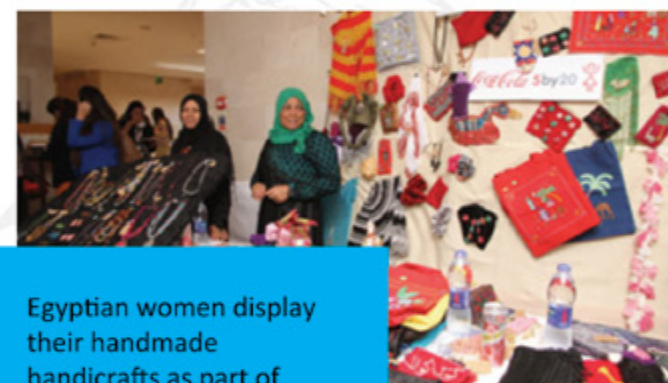
2014/2015 Coca Cola Global Sustainability Report
(Coca Cola, 2015: 5)

B.

IN FOCUS

Community Outreach:

• **Women’s Empowerment:** 5by20 is a global initiative by Coca-Cola that seeks to economically empower five million women around the globe by 2020. The target for Egypt is to empower 4,000 women by the end of 2016, and this is being achieved through a program that has been established in partnership with UN Women. The program focus in Egypt centers on providing retail businesses for women, the renovation of current distribution centers owned by women, tricycles to enhance distribution capacity, as well as concessional loans and training opportunities for women.



Egyptian women display their handmade handicrafts as part of Coca-Cola women’s empowerment global 5by20 initiative that aims to empower 5 million women by 2020.



Om Amira, a 5by20 beneficiary in Egypt, distributes products using her newly provided tricycle. She used to distribute using a carriage and donkey.

• **Education:** In 2010, Coca-Cola Egypt launched ‘The Coca-Cola Scholarship Program’ in partnership with Indiana University’s Kelley School of Business and the U.S. State Department, where 100 students are invited to attend a summer scholarship program each year. The initiative provides valuable business skills training for students throughout the MENA region, as well as networking and mentorship opportunities.

• **Well-being:** Coca-Cola continues its social commitment to inspire happier and healthier lives. The Company has introduced more than 100 reduced, low-and zero-calorie beverages; continued to increase the availability of small packages; and supported more than 330 active, healthy living programs across 112 markets.

• **Water:** By 2015, Coca-Cola had reached 94% accomplishment of its target to be a neutral water facility by 2020 through the replenishment of all of the water used in the production of its beverages. This includes replenishing more than 153.6 billion liters of water to communities and nature through 209 community water projects in 61 countries. Key global programs include ‘New World’ with United Nations Development Program, ‘Replenish Africa Initiative’ which is now being extended to deliver clean water to six million Africans by 2020, as well as partnership with Water Aid and WWF. The efforts exerted by Coca-Cola Egypt support the RAIN “Replenish Africa Initiative” which has, so far, reached 2 million Africans in 32,000 communities. An example of successful partnership in Egypt under this initiative is a partnership with UNICEF 2013/2014 on water and sanitation that connected houses with clean water; which provided 5,825 people with water connections in Asyut Governorate.

• **Workplace Safety:** In the aspect of workplace safety, Coca-Cola perceives that **“People are the most important assets it has in its system”**. The Company believes that everyone has a fundamental right to safety, and it is Coca-Cola’s duty to respect and foster such a right. Thus, they took measurable steps to continuously improve their safety practices across the Coca-Cola system. Also in 2014, improvements to their governance systems were initiated, including unannounced audits; combining their Quality, Safety & Environment audits; and internalizing their Safety and Environment Auditors. The Quality, Safety & Environment (QSE) Capability Team implemented several programs in 2014 designated to improve operational performance.

C.

SUCCESS FACTORS

The ‘Golden Triangle’ approach comprising of a partnership between the Government, Private Sector and Civil Society has created a ‘shared agenda’ with a broad range of important stakeholders. The approach has also been essential for the company to achieve its targets in community development. The Golden Triangle partnership model ensures that projects can deliver value to all participating partners, as well as meeting consistent goals and objectives, while benefiting from the different skills and areas of expertise from each.

Within each of Coca-Cola’s current flagship programs including those that are run in Egypt, such as 5by20, RAIN and 100 Villages Development Program, clear program targets and goals have been set to monitor the program impact and measure success. This allows a focused united effort amongst all participating program partners and an effective way of measuring impact.

In addition, each of the areas which Coca-Cola prioritizes are closely aligned to its own business operations and can support both social progress and economic prosperity. For example, many of the 800,000 women worldwide who have participated in the 5by20 program have had the opportunity to become part of the Coca-Cola value chain, establishing small businesses in farming, distribution, and retail or packaging recycling. This ensures that the value offered to the community can be shared in building stronger business operations, thereby guaranteeing truly sustainable development and focus.

D.

NEXT STEPS: JOURNEY ON

Coca-Cola Egypt strives to encourage its leadership to participate in sustainable community development projects that benefit the Egyptian community at large. Coca-Cola’s community project model is a benchmark for other companies in Egypt to replicate, through its pioneering initiatives that would enable these companies to act as an exemplary case provider for other corporations to follow.

Reference:

2014/2015 Coca Cola Global Sustainability Report (2015), Retrieved from:
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Market Research:

Development Program, ‘Replenish Africa Initiative’ which is now being extended to deliver clean water to six million Africans by 2020, as well as partnership with Water Aid and WWF. The efforts exerted by Coca-Cola Egypt \support the RAIN “Replenish Africa Initiative” which has, so far, reached 2 million Africans in 32, 000 communities. An example of successful partnership in Egypt under this initiative is a partnership with UNICEF 2013/2014 on water and sanitation that connected houses with clean water; which provided 5, 825 people with water connections in Asyut Governorate.

3. The Danone Group



“Supporting Sustainable Supply Chains via Danone Ecosystem Fund Projects”



AT A GLANCE

*Groupe Danone is a French food products multinational corporation that is currently ranked as the world's top producer of fresh dairy products, second-top producer of bottled waters, while leading Europe in medical nutrition. Danone operations run in 140 countries, with consolidated revenues of over 21 billion euro, 900 million consumers and a workforce of nearly 100,000 employees all over the world.

*In the Middle East, Danone is the leading producer of fresh dairy products in Saudi Arabia and ranked first in Egypt, where its operations are still relatively recent. Worldwide, Danone owns three farms; in Egypt, Russia, and Morocco.

*Danone promotes good health as a state of general well-being for both mind and body via its products and brands. Some of Danone leading brands are Danone, Activia, Danette, Evian, and Aqua among many others.

A.

CSR APPROACH OF THE COMPANY

Vision and Philosophy:

Back in 1972, social responsibility began as a philosophy and was turned into a vision for Danone by actively representing its CSR activities. It originated from Danone founder, Antoine Riboud, where its conversion into a strategic mission statement took place, but its actual implementation was due to his son Franck Riboud in 2009. CSR had been embarked on with the creation of a corporate philosophy that channels both economic and social dimensions in managing a business. Attaining such balance in operations would eventually lead to an enhanced socio-economic dimension for Danone as a corporation on one hand, but also benefit its stakeholders on another by ensuring sustainable CSR goal attainment.

Taking this philosophy to heart, the Ecosystem Fund was developed with a generous contribution of 100 million Euros to fund and oversee the implementation of such dual-objective activities. Parallel to that, Danone's vision had been diverted from a pure business model to a socio-economic one adopting the philosophy of "A stronger ecosystem for a stronger company".

The fund had been developed with the mission of co-creating sustainable business solutions with NGOs to generate shared social and economic values between small local actors and Danone itself. It had been designed to endorse inclusive business solutions towards the pre-set dual objectives between Danone's worldwide subsidiaries and NGOs, whether local or international, acting as executive arms for the project; where their end goal is to attain sustainable socio-economic balance. Accordingly, Danone holds four main strategic objectives to be implemented in the light of its increased environmental focus, which are firstly to promote health and nutrition, secondly to apply effective business models across its operations, thirdly to preserve nature's ecosystem by minimizing their environmental footprint and finally to work on sustainably developing the communities they operate within. Generally, five types of activities are addressed via the Ecosystem Fund, which are sourcing, caring services, micro distribution, recycling and territory activities for environmental protection, depending on the contextual conditions of each country.

CSR Governance:

Ecosystem Fund had been created based on Danone's ecosystem enhancing vision and mission. The Board of Directors (BOD) had developed a set of four teams to run its operations. Namely, the Guidance Team, the Social Innovation Team, the BOD Team and the Fund Team, where all teams co-jointly work to develop, launch, implement, monitor and assess proposed projects undertaken by the Danone Ecosystem in collaboration with accredited local and international NGOs.

By doing so, Danone introduced a third governance pillar that firmly places social and societal responsibility at the heart of its management and strategy known as the Social Responsibility Committee within its BOD. This adds to the earlier two governance pillars of having an expert, independent and diverse Board of Directors, as well as ensuring that health and nutrition governance are embedded within Danone priorities. The Social Responsibility Committee is composed of three directors, two of whom have been recognized as independent by the Board of Directors. The Committee oversees the organization of relationships between various company bodies and the Ecosystem Fund, since CSR operations are run via NGOs. In Danone Egypt, there is no independent department for CSR, as in Danone worldwide; rather, the CSR operations are tailored to meet local needs and are managed in collaboration with NGOs, which are then overseen by a committee running under the operations department.

Budget:

Danone's CSR-related budget stems from the Ecosystem Fund. The Fund, represented in Danone subsidiaries, enters into contracts with NGOs whom are assigned to undertake projects in communities of Danone operations to successfully promote an integrated approach while simultaneously serving the dual socio-economic objectives. Thus, there is no specific annual budget for CSR, but rather an annual allotment as per each contract for a specified project based on its duration according to the acquired approvals. Moreover, as one of the core beliefs of the Ecosystem Fund is to build sustainability in the operations which they undertake, Danone funding for the projects would eventually cease, as the projects are designed to be self-sustaining and would be able to survive and fund themselves. This is highly evident in their approach to inclusive business solutions with NGOs that target sustainability. As per their international reports, Danone has been found to be an active participant in the Global Reporting Initiative (GRI) standards worldwide. Moreover, Danone worldwide operations, including its Ecosystem Fund, has been subject to auditing from an external independent auditing firm.

CSR Activities:

Danone Egypt has undertaken a variety of CSR activities with different NGOs, local and international, to address Egyptian contextual conditions for Danone's participation in the dairy and milk industry in Egypt. As a result, their most astounding activity has been the one undertaken with Care International, as the planning and enforcing NGO, that has targeted a shift in the cultural mindset towards the dairy and milk industry in Egypt.

Upon venturing into the Egyptian dairy market, Danone Egypt faced a sourcing problem in the quality and diversity of resources to acquire milk as their basic raw material. Roughly 85% of the milk produced in the market comes from small farmers, not larger scale family farms or privately-owned ones. The small farmers face direct strains on their socio-economic capabilities affecting their milk output, and eventually their living conditions and livelihoods (e.g. lack of veterinary services, poor output of milk in terms of quantity and quality, manipulation in milk prices, low income levels, poor hygiene, etc.). Thus, the market was in chaos to such an extent that it could not help Danone Egypt to succeed or sustain its operations even after venturing into opening their own farms and outsourcing.

Nevertheless, with some community involvement and outreach, Danone contacted Care International to develop an action plan to address this problem. In turn, Care International came up with the Milk Collection Centers (MCCs) idea as a solution to address this problem to fulfill the sustainable socio-economic objectives of Danone. Eventually, MCCs became a great success model for Danone to showcase, as is shown in its milestones illustrated below.



Danone-Care MCC Project Milestones

B.

IN FOCUS

Community outreach:

Milk Collection Communities (MCCs):

Milestone 1 (March 2010):

In light of the situation in the dairy industry in Egypt, Danone sensed its need to address the problem within its Ecosystem outreach, as a sourcing activity to sustain its business operations and help out the Egyptian farmers' community. Thus, Danone contacted Care International due to its highly active presence in the regions where the milk and dairy industry are mostly based, and to utilize the strong rapport and highly appreciated connections they gained from proven dedication to the communities. From these outreach efforts, the MCC project came to light where it had undertaken the latter two milestones in implementation that are still ongoing. Care International undertook a complete review of the milking and dairy industry in the related regions of interest to Danone and identified that renovating and re-structuring some already existing MCCs, as well as, building up new ones is the correct action to address the problem. A new business model was proposed by Care International for MCCs where it endorses the Danone Ecosystem Fund for dual socio-economic sustainability attainment.

Accordingly, the MCC Model for Egypt was developed to fit the circumstances of the industry in the Egyptian Market, which came to be identified as a female-dominated, impoverished industry, with low output level, quality and hygiene, as well as minimal veterinary services. It can be claimed that the industry was an unsuccessful one due to its economic poor performance, as a result of a set of factors like price fluctuations, dominance and manipulation of few buyers and brokers, lack of transparency, lack of transportation, and lack of strong co-operatives and support. This made the cultural mindset not quite in favor of the industry or responsive to regular interventions for that matter, and left it to female domination with minimal consideration. Hence, calling for cooperation with a renowned NGO like Care International became a vital factor for success.

Milestone 1
Danone Egypt contacts Care International to address its problems from a sourcing activity (March 2010)

Milestone 2
Danone Egypt contracts Care International for Phase I Implementation of MCC Projects (November 2010 - June 2014)

Milestone 3
Danone Egypt contracts Care International for Phase II Implementation of MCC Projects (July 2014 - June 2016)

Milestone 2 (November 2010 – June 2013):

By the start of milestone 2, Danone Egypt approved the proposed business model by Care International to be adopted, starting out with 3 MCCs, where the Ecosystem Fund covered the overall financial obligations of the project, as required by Care. The final format of the model is designed to have multiple MCCs to cater for Danone sourcing needs nearby the milk mapping hubs set by Danone. The end-objective for MCCs would be to deal with small-scale farmers for direct milk-acquisition, at fair prices and improved quality.



Milk Collection Process from MCCs to Danone

A very important aspect that both Care and Danone are co-jointly building into the MCCs is their model for sustainability management. This has been obtained by joining forces with strong co-operatives within the targeted regions to have MCCs who have high outreach to farmers. This made the co-operative owners of the MCCs, in which Danone provides the basic funding for setting up the centers and their startup operations, while the co-operatives have to learn to handle them afterwards. This necessitates a process of guiding the co-operative through business plan development, teaching them financial basics for non-financially trained people, negotiation skills and communication, as well as marketing and distribution aspects. Moreover, a stipulation was set by Care & Danone to ensure sustainability that the MCC should work at the break even point of at least 3 tons per day to be clear, and 5 tons per day to be profitable, in addition to allotting 20% of its net revenues to the community and its development in terms of services as feeding, veterinary and awareness services.

Each MCC has its own manager where technical supervisors follow their lead addressing the quality control aspects. Usually the manager is from the BOD of the co-operative, while the MCC is responsible to hire and fund its paid employees and volunteers. Under each supervisor, technicians work full-time on receiving, testing and approving milk from the farmers, in addition to field volunteers who follow up, visit and transfer knowledge to small farmers. These technicians and volunteers are required to be females to more easily connect to the high percentage of women that work in the sector, enabling effective opportunities for women's empowerment. All of the earlier levels are paid employees, but the volunteers work on an incentives basis. Below figure highlights such structure:



Danone-Care MCC Value Chain: Support and Empowerment of Small holding Milk Producers (2015)

By the fulfillment of Phase I, the MCC project had attained and exceeded its objectives in terms of women's empowerment, job creation and farmers' empowerment as highlighted in the Key Performance Indicators (KPIs), both in economic and social terms. Eventually, the number of operating MCCs by the end of Phase I reached 6, exceeding the planned 4, mainly concentrated in Nubareya, Beni Suef and Fayoum.

Milestone 3 (January 2014 – June 2016):

After the success of Phase I, Care and Danone agreed to further extend the project with a larger scope reaching a targeted size of 20 MCCs by the end of its terms in mid-2016. The funding of this phase was different, as Danone pledged to provide 65% and Care secured the remaining 35% via third-party donors. One MCC is to be financially supported by the UN Women's Social Development Fund, stipulating it should be run by women to enact women's empowerment in Gaafar village, Beni Suef Governorate. Another three were to be supported by L'Institut de L'Elevage with Animal Production Research Institute (APRI) as an Agricultural Research Center (ARC). Also, the Swiss Fund contributed to the establishment of one MCC alongside ongoing negotiations with the ILO to establish one in the Delta region.

This phase has witnessed a strategic change adapted to the CSR model throughout 2014-2015, which is the introduction of (Sustainable Model for Fair Pricing). As the milk industry suffers from price volatility and fluctuations, many farmers have foregone this trade and directed their efforts to other activities. This endangered the whole sector and led to lower income levels and lower quality of output. To address that matter, as of 2014, Danone Egypt started introducing its model for fair pricing. Through this model, Danone sets a higher purchasing price per Kg of milk from small farmers exceeding the market price. This policy has succeeded for Danone and small farmers alike and has in fact led to a reduction in the resistance faced from traders or brokers as MCC policies dictate transparency and complete disclosure of milk selling price for all related parties.



Another change introduced in 2015 has been in the logistics used, where the MCCs started to invest in purchasing transportation means (tricycles) to secure the transportation of milk from small farmers to MCCs at a lower cost. This procedure came from the net revenues of the MCCs, where five of them already invested in eight tricycles. This procedure was undertaken also as a means to circumvent the barriers of having brokers or traders who refuse to deal with MCCs and assist small farmers due to their limited access to affordable transportation means. Again, this practice is expected to expand and will increase the scope of access of each MCC to a higher number of small farmers, and would thus secure access to more milk input for each MCC. In 2015, 12 new villages started to deal with MCCs with 1,600 additional farmers. This procedure is targeting the sustainability of business operations for each MCC independently, which is a main focus, along with providing further jobs.



Tricycle transportation
new proposition

At this point in time, 12 out of the 20 MCCs are operative while four are in the pipeline, giving room for positive expectations about reaching the targeted 20 ones. They are mainly concentrated in Nubareya, Beni Suef, Fayoum, Gharbia, Damietta and Sharqueya. Though the results of phase II are not yet concluded, as per the analysis of Danone Egypt for the fiscal year 2014, results of KPIs shown in table 1 indicate that the project is quite close to attaining its main KPIs, indicating its success.

Objectives	Key Performance Indicators (KPIs)	Phase 1		Phase 2	
		Target Set as of June 2014	Target Set as of June 2015	Target Set as of June 2015	Target Attained as of June 2015
Economic Objectives	Raw Material Provision via MCCs (of Danone needs)	15 %	15 %	20%	13 %
	Job Creation	75	75	120	80
	Farmers increased or secured revenue	3500	3500	3500	3136
Social Objectives	Women Empowerment	400	400	3500	2068
	Farmers trained	600	600	3500	3213

Key Performance Indicators (KPIs) as identified by Danone Egypt (Expert Interview, 2015)

C.

WITNESSED CHALLENGES

Danone and Care witnessed a number of challenges while undertaking the MCCs project. Introducing a targeted cultural mind shift to a community lacking exposure or experience to change is challenging. Seeing that their participation was necessary to attaining sustainable socio-economic goals, this made the task at hand quite difficult. One main hurdle has been the lack of data about the milk and dairy industry, further exacerbated by the fact that the farmers and milk dealers required extensive field work concentrated around the sourcing area of the milk mapping.

Price volatility and fluctuations came as a natural result of all of these challenges and affected the farmers' livelihoods. It led them to quit the non-profitable dairy industry that was not meeting basic needs to maintaining their sustenance, and moved to other fields to provide for their families, which left this sector at minimal capacity as women shifted their production to cater for household needs, but not for business purposes. Also, the poor conditions of the milk and dairying in terms of malpractices, such as poor hygiene education, made it hard to upgrade and instill proper hygiene standards. Managerial aspects of the industry itself needed restructuring. Farmers lacked the ability to identify profit opportunities, understand basic financial knowledge, and did not possess managerial skills. As a result of these shortcomings, Farmers acting as brokers and traders, as well as agricultural co-operatives were not equipped with the necessary skills for operational success. Even after the establishment of the MCCs, co-operatives had to be assisted to run their operations and to acquire managerial, financial and technical skills needed via a variety of trainings.

D.

SUCCESS FACTORS

There are a number of variables that came together to provide success for Danone Egypt's MCC experience. Danone is the only company in Egypt which has ventured in utilizing MCCs to secure its supply, which provided it with an edge for the suppliers, in terms of securing their livelihood and sustaining income. By 2016, Danone will have succeeded in securing 20-22% of its input from MCCs, while improving the economic welfare of farmers' families (Expert Interview, 2015). This will upscale the profits of farmers from their basic subsistence level, to the business-operations level, thus empowering them, as well as promoting the continued employability of women in the industry, and above all, enhancing Danone economically as a sourcing solution. By doing so, they will have succeeded in creating a shift in the cultural mindset in the agricultural community.

Results of a recent survey done by CIRAD to assess the socio-economic impact on farmers in areas of Upper and Middle Egypt where MCCs operate indicated some success. It showed that 26% sensed an increase in income, 43% recognized good services provided, 35% sensed an increase in milk prices, while 35% acknowledged MCCs to have a fair milk price. Also, in a recent audit for year 2014 run by Ernst and Young Audit House, results showed that the 12 operating MCCs at the time had acquired L.E. 14 million turnover revenue, which is remarkable considering their short lifespan (Expert Interview, 2015).

The sustainable model for fair pricing introduced by Danone helped stabilize milk prices in the market and made it profitable to both the corporation by securing a sustainable input of its raw materials and for the farmers by securing a fixed income level. The model also secured loyalty and revenues for MCCs for their sustainability. The new approach for distribution adopted by Danone in the MCCs has helped in the sustainability of the model and adapting to the logistical problems that the farmers might face in transportation. It also increases the scope of operations per MCC and expanded the number of employed as well as empowered farmers.

Finally, Danone's embracing of the traders or brokers who felt endangered from the MCCs to threaten their livelihood had proven successful. It neutralized them as a threat, and were able to successfully convert some of them to contracted suppliers; where out of the 36 dealing with MCCs, 13 are contracted as of 2015. It also provides them with technical training, quality control techniques and necessary equipment to test the quality and then collect the milk to reach the MCCs.

E.

NEXT STEPS: JOURNEY ON

From a practitioner's eye, Danone perceives that by the end of Phase II of the MCC project in June 2016, the operating MCCs should have reached a level of proficiency that enables them to operate independently, which ensures the sustainability model that the MCCs had been built upon is attributed to their ownership of co-operatives.

To ensure sustainability, Agricultural Service Centers (ASC) will be established by the end of the MCC project. ASCs are entities created with the purpose of handling and running the managerial operations of the MCCs, alongside the handover and monitoring of Care International by the end of the contract. Care as the executive party in the project would be able to transfer the know-how and assist the ASCs in running MCC operations. So far, no set format for ASCs has been set; it has the potential to be a union or a joint stock company of all co-operatives who have established MCCs alongside farmers.

Another proposition is to change the managerial structure of MCCs. So, instead of having the managers as one of the BOD from the co-operatives, it should be someone with a business background to sustain the business/managerial side that most of the co-operatives have problems in handling. This would enable smooth and expected profitable operations of the MCCs.

References:

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4. MONDELEZ EGYPT FOODS



**“Our Destination is Joy”
Extending Joy to Community
and Employees**



AT A GLANCE

*Mondelez Egypt Foods Co. is a part of Mondelez International Group and has been present in Egypt since 1998, first as an importer of global products, and later to become the market leader in chocolate, gum, candy and powdered beverages, and a major player in biscuits.

*First acquisition in Egypt started with Cadbury acquiring BimBim and IncoGum, which was then acquired by Mondelez International.

*Most significant brands in Egypt are: Cadbury Dairy Milk, Flake, Moro, Tang, Oreo, Tuc, Trident, Clorets and Halls.

*Most significant local brands are: Mandolin, Gersy, and Jelly Cola.

*Mondelez Egypt Foods has 1,500 employees.

*Mondelez Egypt Foods has 3 production facilities in Egypt, and is a significant regional player exporting to 20 countries in the Middle East and Africa, including Saudi Arabia, the UAE, Lebanon, South Africa, Kenya and Angola.

*45% of Mondelez total production is exported and in 2014, export sales value reached EGP 654 MM (approx. \$86 MM).

*Between 2013 and 2015, the company has invested EGP 200 MM to introduce new production lines, thereby increasing its production capacity.

*Investments grew from EGP 85MM in 2010 to EGP 1 billion in 2015.

A.

CSR APPROACH OF THE COMPANY

Vision and Philosophy:

The CSR strategy of Mondelez Egypt Foods is deeply rooted in the belief that the company is part and parcel of the society it operates in and thus, the company carries the responsibility to enhance societal welfare. In the company's own words, **"Corporate Social Responsibility is a business willingness to do the right things and to act in ways that are good for the society, environment and people; hence, it is an organization's willingness not only to make profits, but also to serve its community"**. CSR is no longer a luxury that a few companies can afford. Today and particularly in light of the economic challenges in Egypt, the private sector should assume a greater responsibility to contribute to the country's socio-economic development.

The company's CSR objectives are not rigidly defined, but instead, change to accommodate the growing needs of the society and consumer preferences. For example, many consumers have become very conscious about sodium and saturated fat ratios in food, thus inspiring Mondelez Egypt Foods to focus on **"mindful snacking"** by promoting a healthier lifestyle and nutrition awareness. This intentional flexibility reflects the company's determination to work with the community to meet Egypt's most pressing social and economic challenges, rather than imposing a top-down CSR strategy. By revisiting its CSR objectives, the company ensures that it allocates its resources in an effective and efficient way to address real challenges facing society.

Through the global compliance and integrity program, Mondelez International has developed comprehensive ethical guidelines for its employees, the business, shareholders, and consumers to instill trust and confidence in the company, which is crucial for its success and growth. By setting ethical and human rights expectations, Mondelez Egypt Foods signals an inclusive understanding of CSR that is concerned with building its corporate reputation as a responsible business. Through its community serving projects in particular, Mondelez Egypt Foods has established a win-win situation that supports the community, while encouraging its employees to give back to their society.



CSR Governance:

The Corporate and Government Affairs Department at Mondelez Egypt Foods leads the company CSR activities along with five other focus areas that constitute the department mandate:

- Special Situations
- Brand Management
- External Communication
- International Communication
- Government Affairs

The department has ensured buy-in and support from high management to empower CSR executives to implement the CSR initiatives, and to encourage employees to commit to these activities. **"There is a business case for CSR"**, said Mrs. Ola Loutfi, Corporate and Government Affairs Manager in Egypt & Levant. **"We always think of sustainability when we discuss a community-serving program. We do not want to just tick another box, however, we want to make a difference"**. To this end, Mondelez Egypt Foods believes that it has a responsibility to establish a dialogue with society to ensure a participatory approach and identify its needs, according to which it can tailor its community-targeting CSR activities. Mondelez International issues an annual CSR report in which it highlights key regional initiatives.



CSR Activities:

Mondelez Egypt Foods has launched a number of activities to build its reputation as a sustainable and socially responsible business. To start with, Mondelez Egypt Foods has assumed responsibility towards its entire supply chain and ensures compliance through third-party audits. Contracts with suppliers not only provide the commercial terms, but also, strict standards that suppliers must abide by in regards to forced labor and worker safety, harassment and abuse, and child labor. To ensure compliance with these internal standards and policies, Mondelez Egypt Foods has provided trainings to 11 suppliers in collaboration with the Industrial Modernization Center in Egypt to develop their business management infrastructure. Furthermore, restrictive guidelines are put in place to prohibit direct marketing to children under the age of 12 and excluding schools from possible marketing venues. This viewpoint reflects Mondelez International ethical and moral responsibility towards its consumers, suggesting that society's wellbeing is at the core of its business activities.

To reduce its environmental impact, Mondelez Egypt Foods has focused on properly recycling their production waste to animal feed and fertilizers through composting. This leads to reducing its CO2 emissions, as per the applicable environmental laws and regulations.

Finally, while this profile intends to focus on the company's main sustainable community projects, other key community-targeting CSR activities include the celebration of the company's 2014 anniversary at the **"Right to Live Association"**, thereby extending joy to children with down syndrome and autism. The celebration involved a number of interactive activities including cooking, bamboo weaving and needlework.



IN FOCUS

Community Development:

'Our Children's Wheat' is a Community Development Success Story for **"Fighting Hunger and Sustainable Sourcing."** The project represents a successful partnership between the private and public sectors, and civil society to address one of Egypt's most pressing needs: a sustainable wheat supply. The availability of affordable bread for the most vulnerable and underprivileged communities in particular has always been a priority to the Egyptian Government. The importance of wheat is mainly derived from the fact that it is an integral part of the Egyptian diet, which dates back to ancient Egypt. Despite the strategic importance of the crop, Egypt only produces about 8 million tons of wheat and imports about 10 million tons annually, thus continuously compounding the burden on the struggling Egyptian economy. Additionally, Egypt loses about 12% of its annual production due to poor pre- and post-harvest practices. In 2008, a serious shortage in wheat supply started to loom in globally, and it reached Egypt gradually over the years, and Mondelez Egypt Foods found this as an opportunity to incubate an initiative that could increase the wheat crop, thereby filling the food gap in Egypt and mitigating the effects of the shortage.

"The main goal of our community partnerships is to contribute to society's betterment. To this end, society, not the company, comes first"

Therefore, the company has set out on a quest to invite civil society to propose solutions to fill this food gap in Egypt and thus, make a real impact on one of the serious threats that face Egypt: food security. Several NGOs have pitched their projects, but Mondelez Egypt Foods has selected "Our Children's Wheat", despite the fact that the company relies on imported wheat with lower protein percentage for its production. Knowing that there was no direct benefit from improved local wheat production to the company, Mondelez Egypt Foods approved the selection of "Our Children's Wheat" for its strong potential to improve Egypt's self-sufficiency and to decrease the dependency on wheat imports. To this end, the company has signaled to its employees and community that advancing Egypt's socio-economic well being comes foremost.

The company management was also enthusiastic about establishing a partnership with CARE, the NGO that developed the project concept and execution plan. Mondelez Egypt Foods has always been determined to partner with NGOs that have a track record of successful interventions to ensure acceptability by the local community.

Mondelez Egypt Foods looks out for the "most reputable NGO" and does not partner with NGOs that have a political or religious affiliation.

Given CARE's strong presence in rural areas and its experience in the agricultural sector, the company was reassured that this would instill trust and confidence for the local farmers -- the main beneficiaries of the project.

In conjunction with CARE, the project was launched in 2014 in five wheat growing governorates, mostly in economically disadvantaged Upper Egypt with the aim of achieving the twofold objective of:

1. Enhancing the technical capacity of farmers and local agricultural organizations.
2. Contributing to reducing Egypt's reliance on wheat imports through improved farming practices that enhance agricultural productivity and reduce losses.

The core essence of the project is teaching through demonstration.

In cooperation with the Egyptian Ministry of Agriculture, CARE NGO and the National Wheat Project, 10 demonstration acres were set up in Luxor, Aswan, Sohag and Beheira (and 30 acres in El Menia), and agricultural guides in selected agricultural cooperatives were trained and entrusted with the task of transferring their technical knowledge to 50 farmers in each governorate. By training the agricultural guides who serve as proxy community leaders, the company was able to secure trust and acceptability and eventual adoption of the technical knowledge by the farmers.

The training aimed at introducing improved agricultural practices and techniques that involve terraced wheat cultivation to control pests and plant disease and on the proper use of fertilizers to increase crop yield. The design and operation of irrigation canals allowed the farmers to reduce their water consumption by up to 30%. The best agricultural practices were distilled from scientific research conducted by National Research Institutes in Egypt in collaboration with the Egyptian Ministry of Agriculture. Furthermore, land suitability was analyzed and mapped to determine where to grow the different types of wheat.

Main Partners include the Egyptian Government and Civil Society:

*The Egyptian Ministry of Agriculture and the local agricultural cooperatives

*CARE NGO

*The National Wheat Project

The results were fascinating. While the project has projected a 3% yield increase per acre by the end of the first year, the wheat yield per acre actually grew by 15%. The project's success was significant, not only as measured by the increased crop yield and reduced water consumption, but also in its ability to create a paradigm shift in the farming system; whereby the farmer's underlying perceptions of the rather non-traditional agricultural practices were altered after having demonstrated their viability first.

Indeed, the real challenge was to show the local farmers the significant crop and water losses resulting from their poor pre- and post-harvest practices, and convince them to adopt non-traditional practices to best mitigate these losses. Additionally, with the entire process being financed by Mondelez Egypt Foods and implemented on demonstration acres, the farmers were insured against any financial risk, and it was only upon witnessing the higher-than-expected increase in the wheat yield that they felt confident enough to adopt the newly introduced agricultural techniques on their privately owned land.

At the onset of the project, a number of well-defined goals were set and results were reported by CARE on a quarterly basis to monitor the project progress against project milestones and financial targets. Mondelez Egypt Foods has adopted a hands-on learning and monitoring approach, through regular visits to the field and monthly meetings with CARE, the Mondelez Egypt Foods Team was able to discuss progress and learn about foreseeable challenges to mitigate them in a timely manner, which attests to the strong project management skills of the company. By the end of the project's three-year time bound span, "Our Children's Wheat" would have:

- Increased the wheat yield by 15% on average, with some provinces like Esna exhibiting a 100% increase.
- Successfully trained 10,000 farmers.

Up until now, the following results have been achieved, with a vision to expand on the number of demonstration acres in new Governorates:

- 15% increase in the wheat yield, which is 5 times the projected increase
- 5,496 farmers from five governorates enhanced their technical skills on wheat cultivation
- 382 farmers attended technical trainings on wheat crops
- 100 fields of maize were cultivated with an average increase of 3-4 ardeb*/acre
- *1 ardeb of maize = 140 Kg

Furthermore, during the period between harvest and the beginning of a new planning season, corn was planted with different techniques, which led to a corn yield increase of more than 30%. To date:

- 2730 farmers were provided with technical information on the cultivation of maize in one season
- 172 farmers attended technical training on growing maize
- 74 technical and institutional members attended the workshops on maize cultivation

In recognition of the project's sustainable impact on the farmers' lives and the Egyptian Economy at large, Mondelez Egypt Foods has won the company's top regional award for sustainable development, the **"Protect the Well-Being of Our Planet"** award. The project's 1st award for the "Best Sustainable Pioneering CSR Program" was presented by the Federation of Egyptian Industries (FEI).

Employee Engagement and Labor Practices:

Engaging Employees to Volunteer for the Greater Good: Mondelez International employees volunteer across the globe to help answer **"the Call for Well-Being"** during Global Volunteer Month in October. Mondelez Egypt Foods encourages its employees to volunteer for all community serving programs and allows them to offer their time during official working hours. In doing so, the company provides the employees with the forum to channel their passion for helping others.

"Employees volunteer happily"

In 2014, the company employees in Egypt volunteered to join farmers for their first wheat crop and celebrated the auspicious **"Our Children's Wheat"** project. They also offered a number of workshops to provide farmers with important expertise in strategic planning and marketing. To date, 55 rural community leaders were trained, and then transferred their knowledge to approximately 3,000 farmers.

"We love to share our time and effort. We also feel the sense of belonging, since we work for a company that cares for the community and the world around us"

By engaging the employees in important CSR events through the program history, they become motivated to take ownership in projects, thereby reinforcing their sense of pride and loyalty.

"Respect, Collaboration and Communication"



Respect, collaboration and communication are key values that the company stands for and lives by, thereby instilling a sense of pride and loyalty towards Mondelez Egypt Foods. To foster these values, Mondelez International has a code of conduct, translated in 32 different languages, that sets out the fundamental principles that guide its operations. In Egypt, the code of conduct is circulated in both Arabic and English, covering the ethical and legal practices that guide almost every aspect of the company business.

The workplace in Mondelez Egypt Foods reflects the company culture that is centered on **"joy"**. Walking through the different corridors and open offices, one cannot miss the colorful walls and furniture that spread a feeling of joy and cheer. This setup promotes greater camaraderie, open communications and shared learning among the employees. In making the working hours more enticing, the company office has evolved to include play areas such as ping pong and baby foot tables. This workspace design enhances the productivity of the company employees, who in turn respond with more engagement and greater affinity to the company.

As employees' wellbeing and engagement lies at the core of Mondelez Egypt Foods business, the company goes above and beyond the promulgation of the Egyptian Labor Law and provides its employees with private health insurance that also cover their families, in addition to life insurance and transportation facilities for plant workers. To address employees' concerns in an efficient manner, employees are encouraged to voice questions or concerns through the company's **"Speaking Up"** channels, "Help Lines" or anonymous emails.

Blue-collar workers play an integral part in the company operation, both the HR team and the syndicates are entrusted with establishing an open and transparent dialogue with them. Mondelez Egypt Foods also organizes annual family days for blue-collar workers as an effort to extend jobs to the company employees and community, thereby enhancing their positive perception of the company.

C.

WITNESSED CHALLENGES

The main challenges that the company experienced when implementing its main community project were:

- Changing the farmers' mind-set to adopt improved wheat farming practices. Farmers were used to traditional techniques that resulted in significant crop and water losses. By teaching through demonstration, farmers were able to witness the project's viability, which has enhanced their acceptability of the newly introduced farming practices.
- Evaluating the reasonable growth in wheat yield was a time-consuming process due to unreliable data from different data-producing sources. It was therefore difficult to find the right criteria to set a threshold for defining a successful growth rate.

D.

SUCCESS FACTORS

- The project was selected to address a real need by society, thus making it easy to have the company high management buy-in and also, to partner with key stakeholders in the government and civil society. The government was particularly interested in supporting this project, due to its strategic importance and has provided full access to make use of the resources of the Ministry of Agriculture, and opened channels for dialogue to communicate with the different agricultural cooperatives.
- Creating a winning collaboration nexus between NGOs, the public sector and private sector with defined roles for each party to ensure successful project implementation.
- The capacity building of rural community leaders to transfer knowledge to local farmers, thereby ensuring project sustainability.
- Empowering local farmers with technical knowledge to improve the quality of their products' and to increase their income.
- Employees' engagement to reinforce their sense of pride and loyalty to the company.
- Selecting a reliable NGO leading to a successful partnership with civil society.
- Finding agricultural experts and relying on scientific data prepared by the Research Institutes of the Ministry of Agriculture to introduce improved agricultural practices and also, to make reasonable projections of the expected increase in the wheat crop yield.
- Mondelez Egypt Foods belief in the importance of being fully involved in project implementation was key to promoting its internal acceptance and encouraging employees' engagement.

E.

NEXT STEPS: JOURNEY ON

Building on the first year's success, and in an attempt to enhance Egypt's self-sufficiency, Mondelez Egypt Foods has provided the Ministry of Agriculture with the specification of the so-called soft wheat that they use in their production. Mondelez International Research Department and Quality Control Team develop these soft wheat specs, which is different from the hard wheat commonly produced in Egypt, as it contains a lower percentage of protein.

According to the Ministry's most recent research results, there is a 99% chance for them to be able to cultivate the required type of wheat, suggesting that Mondelez Egypt Foods may eventually rely on locally produced wheat that feeds into the company production processes, thereby positively contributing to the Egyptian economy and reducing foreign dependence.

Furthermore, the company has conducted an assessment of the farmers' needs and has found that one key area for development is the mechanization of harvest to reduce post-harvest loss and soil damage. In collaboration with the Ministry of Agriculture, a feasibility study is being conducted to determine the technical and financial requirements of this project.



5. MASS FOOD



“Social Responsibility as a core value towards development”



AT A GLANCE

*Mass Food was established back in 1996, and is considered as the pioneering Egyptian Company that produces extruded Breakfast Cereals in Egypt. It was launched via a massive advertising campaign to introduce cereals as a new type of breakfast into the cultural mindset of Egyptians.

*To capitalize on their world presence and leading position in the local market, Mass Food has introduced international cross-company structures to promote promising products and concepts in new geographical areas.

*Mass Food is also the biggest company for cereal production in the Arab Region with more than 30% exports. The company produces cereals including bran flakes and corn flakes, cereal bars, biscuits and noodles under its Temmy's Brand. Recently, Mass Food has become part of Kellogg's Egypt.

*Its earlier exports ventures had been in Saudi Arabia and the United States. Through flexibility and continuous development, the company is now exporting to over 45 countries spreading the Temmy's Brand name as well as various private labels throughout the world. Currently, The company operates in Japan with more than 10 years of operations in the Japanese Market, Mass Food is the second largest market producer.

*Mass Food has earned several certifications and endorsements such as the ISO 22000 certificate in 2005, ISO 9001 in 2008, ISO 26000, BRC V6 Certification of Global Standard for Food Safety, US Food and Drug Administration (FDA), Orthodox Union Certification via the Union of Orthodox Jewish Congregations of America (Kosher), as well as being licensed for its Halal products (HALAL) via the Egyptian Organization for Standardization and Quality alongside International Occupational Health and Safety Management System Specification (OHSAS 18001) in 2007.

A.

CSR APPROACH OF THE COMPANY

Vision, Mission and Philosophy:

Mass Food's vision had been set to reach a world-class level of operations via producing high quality products. To fulfill such a vision, its mission statement stresses their commitment to produce food products of high quality, with healthy specifications, enjoyable tastes, and exquisite packaging to provide unique products fit for international market standards. The core values they hold are: accountability, integrity, passion and simplicity that eventually leads to success. Thus, the CSR infusion into their mission and vision could be clearly sensed in their commitment towards the level of quality that meets healthy specifications and nutritious value. Mass Food's mission statement stipulates clearly how CSR is crystallized into their understanding of social responsibility (SR), which they hold themselves accountable towards their corporate development.

To further elaborate, Mass Food is committed towards providing high quality products that fulfills its consumers' needs by offering nutritionally-balanced products that represent their responsibility towards consumers, as one of their ultimate goals. They understand that the right nutrition is the key for healthy conscious people and caring parents. Therefore, they have designed several production lines, all tailored to match the different needs of consumers without compromising taste.

Mass Food attains an annual growth rate ranging from 25% to 30% due to their careful selection of ingredients that assure the finest quality of their products, as well as constant product development. With the latest state-of-the-art technologies in production lines, the company has expanded their products to include a variety of cereal bars, biscuits, instant noodles and different cereal types.

Mission Statement: “Offering balanced nutritious products is not our goal but our responsibility towards our consumers.”

CSR Governance:

There is no specialized department specifically addressing CSR, but CSR related activities are being endorsed and managed via the Admin and Human Resource (HR) Department who are the parallel sector officially dealing with SR activities and events. Mass Food believes in the importance of investing in its workforce, as well as its surrounding community, and from this philosophy stems the two internal and external aspects for handling CSR operations.

From an internal perspective, the HR department addresses employees' benefits and incentives with the aim of catering to their needs. CSR activities are implemented using the bottom-up approach, which identifies employees' and workers' needs and provides valuable feedback to top managers.

As part of Kellogg's group, Mass Foods keeps Corporate Governance at the core of its operations in pursuit of an adequate application of CSR. The implementation of Corporate Governance is undertaken via the Board of Directors and related committees, legal and regulatory frameworks, organizational hierarchy, mentoring and internal control, transparency and accountability and finally policies and procedures.



Budget:

CSR budget, or SR as Mass Food identifies it, is divided into three parts. The first part comes under quality assurance and is related to the environment and consumers; the second part comes under training administration and development related to employees and workers which is categorized under HR; the third part comes under the VP Assistant which handles relations with national and international agencies to act towards community development. Mass Food operates on an open-budget principle with relevance to its employees and labor, as long as this will help them develop their working skills and give them needed-knowledge. Additionally, Mass Food operates more through in-kind donations.



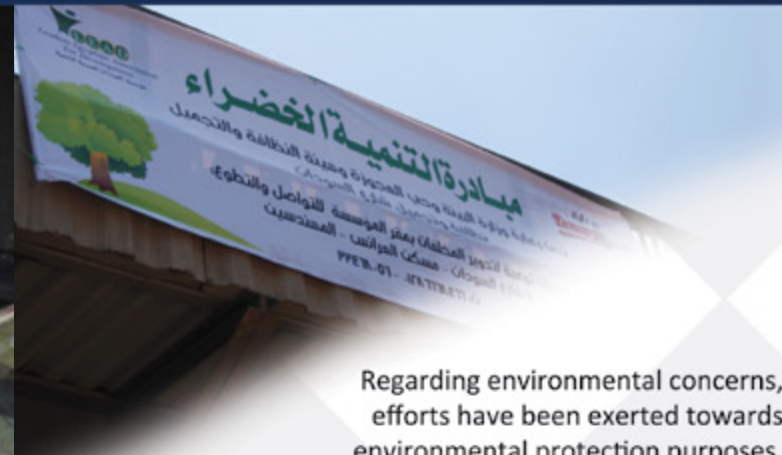
CSR Activities:

Mass Food believes that the success of a corporation is a reflection of the professionalism and responsible attitude of its management and all employees, hence their employee SR motivation strategy is based on an internal two system approach: benefits and incentives, respectively.

Externally, Mass Food deals with a variety of organizations. It provides about 110 training opportunities in their factories, as well as providing a number of paid internships for workers. Mass Food deals with some renowned NGOs, such as Resala and Orman, providing them with in-kind donations for orphaned children and for children in remotely-located schools.

Also Mass Food deals with some ministries, such as the Ministry of Youth and the Ministry of Environment for developing the community. Mass Food also works with the UN Refugee Agency to aid in the cause of the Syrian people and to provide the agency with products for refugees at production cost.

Moreover, Mass Food highly regards its community role and tries to effect different activities like activities via its products packaging which strives to provide helpful nutritional and/or allergen materials information, as well as interesting games for children. Also, Mass Food participated in learning projects, such as Fun with English, to consult with research centers in Cairo University and provide assistance for university students.



Regarding environmental concerns, efforts have been exerted towards environmental protection purposes, where some of the adopted activities have been actively working to minimize their emissions, schedule pollution measurements, and set waste recycling policies and/or safe disposal of wastes. This is in addition to endorsing gardening for the purpose of having green spaces, and finally energy saving techniques via rationing energy use.

As for its supply chain and customer care, Mass Food ensures the quality of ingredients and finished products as designed in in-house microbiology and chemical labs. Before raw materials are unloaded into storage warehouses, they are carefully tested and benchmarked to make sure they meet the required specifications. Samples are collected at several stages during the production process and are evaluated for consistency. In their fully equipped labs, random tests are carried out on various parameters before packaging, storage, distribution or export. Mass Food applied strict safety rules so they acquired ISO 18,000 certificate for safety.

Similarly, Mass Food gives priority to local suppliers of premium quality ingredients to acquire input used in producing their products for local consumption and exports, rather than relying on imports to encourage local supply chains to expand and enhance the local economic activity.

Mass Food acquired ISO 26,000 certificate for the SR "Social Responsibility", as a result of its activities that include:

- The provision of products and services that satisfy customers;
- Acting without jeopardizing the environment;
- Operating in a socially responsible manner;
- Building credible business practices;
- Preventing unethical activities such as fraudulent accounting and labor exploitation alongside combating corruption.



B.

IN FOCUS

Employment and workplace-labor issues:

Mass Food holds the ultimate respect for "laborers and employees" rights. It has routine gatherings for employees and laborers to listen to their demands and problems, runs routine audits internally, holds no preference or encouragement towards political activities, and develops rules and guidelines to resolving grievances and complaints. Last but not least, endorsing concepts of justice and firmness among employees is the norm throughout the corporation. Mass Food management supports an open-door policy with its employees and workers, to listen to them and elicit their support in all decisions. That is why in facing the January 25th 2011 Revolution, our factories were among the very rare companies to experience zero strikes.

As Mass Food believes in professionalism and responsible attitude of management towards its employees and laborers, it has two systems to motivate this behavior: benefits and incentives.

For employee wellbeing and benefits, activities include Ramadan Iftar, Mother's Day celebration, best employee competition, best manager competition selected by his or her employees, and full scholarships for employees and workers if they want to pursue further education (diploma, master degree or even PhD degree). Some of the provided labor benefits are, medical care and treatment including paid leaves for child care and diseases, health insurance, permanent clinic and doctor visits, alongside social insurance and security, provision of occupational health and safety measures and regulations, as well as incidents investigation.

Further, employees' incentives are related to direct monetary benefits in which all employees and workers of Mass Food do benefit. Whenever the production increases, their monetary benefits increase as well, meaning that they are allotted a percentage of profits. That is a basic reason behind the very low turnover rate at Mass Food. Mass Food also provides training for employees and labor regarding health, safety and quality assurance.



Mass Food management honoring best salesman and best worker for FY 2014

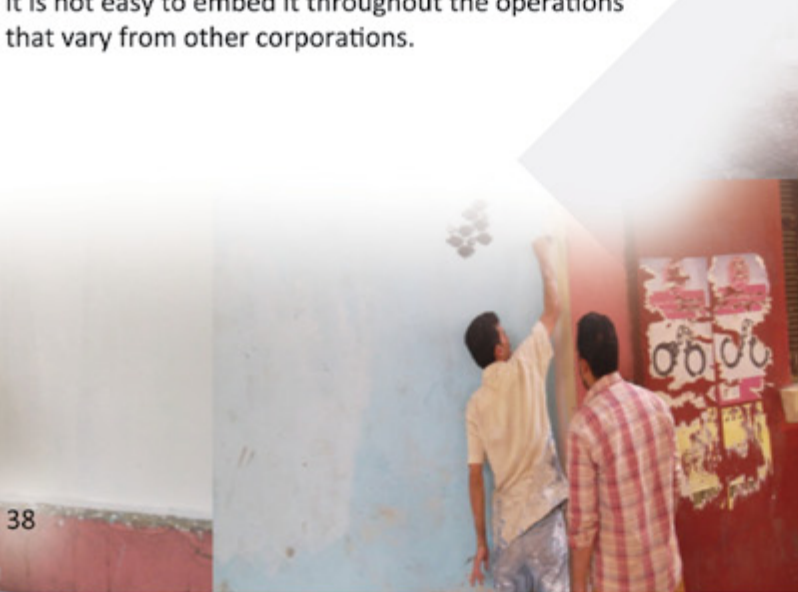
Moreover, Mass Food applies non-discrimination and equal opportunity guidelines in handling its labor force. In compliance to the General Legal Regulations, child labor, forced labor, presentation of abuse and harassment are all prohibited, alongside prevention of bribery and corruption, which is a core task for Mass Food in all of its labor operations in factories, and in management.

C.

WITNESSED CHALLENGES

Efficient technical workforce is a basic hurdle that Mass Food faces. On one hand, the Egyptian work-culture is not adapted to positively accept technical employability, but endorses that of executive employability, which causes this employment challenge for Mass Food. On another hand, the available technical workforce lacks the needed professional know-how, which in turn has led Mass Food to focus on training and development.

Another hurdle that Mass Food faces is in the application of its SR principles throughout the different operations and functions. As the concept is not quite prevalent in the culture, it is not easy to embed it throughout the operations that vary from other corporations.



D.

SUCCESS FACTORS

Mass Food perceives two main pillars that act as their driving forces towards success, revolving around loyalty. The first pillar focuses on nurturing the loyalty of its employees and workers. The second is represented in the loyalty of the consumers, who acknowledge the sense of importance Mass Food provides them with. The second is represented in the quality of their products, which places their health and nutrition as a responsibility taken to heart, rather than addressing it like a regular business entity pursuing profit-maximization at the expense of their health.

Also, Mass Food prefers working with Small-Medium Companies (SMEs), rather than resorting to imports from abroad. Thus, all ingredients are from the Egyptian National Market except for some items that are not prevalent in abundant quantities in Egypt such as corn for cereal. Thus, their market stability is high.

For Mass Food, addressing CSR as SR to actively involve the whole company in the process targeting quality products and serving their consumers serves to increase efficiency and effectiveness of such activities. This stems from embedding the sense of belonging and loyalty throughout the corporation and handling CSR as a holistic process for all involved departments and employees across the corporation.

E.

NEXT STEPS: JOURNEY ON

Mass Food has a core belief about the importance of investing in its own in-house human capital. Thus, the on-going trainings that it has already successfully established for its employees enhance their development on one hand, and tailor them for internships on another, therefore, they are planned to be sustained. As well, in cooperation with Industrial Modernization Center (IMC), the HR department is working to study and reduce employee turnover and absence rates.

In light of Mass Food partnering with Kellogg's, an integration phase is foreseen in the corporation's future, where adoptions to their systems alongside Kellogg's ones will be initiated.



6. SAVOLA FOODS EGYPT



“Shifting Roads from CSR to (CSI)”



AT A GLANCE

*Savola Group is a Saudi Conglomerate that operates in almost 20 countries all over the Middle-East and Arab Region and Turkey, including Egypt. Savola Egypt is structured into five divisions; namely the foods division, the retail division, the real estate division, the packaging division and finally the not-for-profit division. It contains a portfolio of companies as follows: Afia Company with brands; Rawaby, Shams, Ganna, Sabah, Helwa and Slite, United Sugar Company in Egypt (USCE) with brands; Al-Osra and Al-Nahar, Alexandria Sugar Company (ASC), AUCR-agro Company alongside the pasta company which includes two brands, Maleka and Italiano, and SMS and Innovation Company; which is a not-for-profit company founded for research for the other five companies.

*Savola Foods Egypt financial turnover totals to US\$ 1.5 billion, from different categories and distribution channels / customers underneath, with a \$300 million investment in beet sugar agriculture and manufacturing facility construction. This project is one of the most strategic and sizable investment for Savola Foods Company at large.

*The aggregate operation involves manufacturing and selling of 1.5 million+ tons/year through different markets (edible oil, sugar & pasta) with 7 sizable factories with over 4200 employees. The group is made of 4 big fully fledged industrial business units (BUs), cutting across three different markets (oil, sugar and wheat based products) with 7 factories; two of which are involved in a massive agriculture operation over and above their industrial operations. The businesses are huge and diversified across business to consumer (B2C), business to business (B2B) and export sectors.

A.

CSR APPROACH OF THE COMPANY

Vision and Philosophy:

Savola's mission, business ethics and values are based on Arabic and Islamic cultural traditions utilizing slogans such as **“Moazarah, Moakhah, etc.”** Savola culture is a combination of values with commitment, attitudes, style, and an inclusive and socially conscious mindset. It is a culture enshrined with valuable ideals: honesty, responsibility, justice and self-discipline. It is a culture where individuals can grow and develop while contributing to the success of the business. This has supported the launch of CSR vision throughout Afia that was birthed in Afia Egypt under the slogan **“Towards a healthy and a strong community”** in 2008. This stage witnessed the conversion from immaterial / zero-budget projects to planned budget projects. Afia-Egypt believes that CSR needs more than goodwill, it needs strategic corporate planning. Corporate responsibility is a genuine attempt by Afia Egypt to build meaningful and powerful relationships between the corporate sector and the rest of the community.

With most of the company employees coming from the surrounding neighborhoods, the company saw a powerful opportunity to encourage **“corporate volunteerism”**. By engaging the employees in CSR activities, they become change agents in their neighborhoods as they are the most capable of identifying dual operational and community challenges for the company to intervene and support. Furthermore, by volunteering their time and effort for the betterment of their local communities, Savola is able to positively influence the employees' perception of the company and thus, enhance their loyalty to the company.

“We firmly believe that Allah's help and blessings will always be there supporting those who maintain good and sincere intentions.”





CSR Activities:

Savola has a diversified CSR record of activities that started out as being charity-centered, yet converted into activities catering to the community and their employees, in terms of addressing community needs and environmental protection stressing on the sectors of education and health. This stemmed from the corporation's strong sense of responsibility towards improving the livelihoods of the local community, by providing them with access to important basic services. Some highlights of these activities included:

- A new contribution of Savola had been in their contribution in the funding of **"The Breast Cancer Hospital (Bahia)"** alongside other corporations. This came out of the community needs, as statistics showed that breast cancer is the most common type of cancer among Egyptian women reaching 17.8% in prevalence terms. Through this contribution, Savola aims to raise awareness of the importance of early detection and prevention of Cancer and to ensure the highest cure rates.
- Blood donation campaigns conducted by employees in the Cairo Head Office, as well as the Afia and USCE Factory employees, located in Suez and Sokhna, serve to address the problems of the lack of blood resources and to cater for the Tumor Institution's problems of blood shortages.
- Savola has also adopted a water desalination processes in partnership with the Ministry of Health and the Ministry of Environment for its sugar factory facility serving both health and environmental preservation.
- As a charitable practice, Savola supports some families through in-kind donations on an occasional-basis (e.g. motivating families by supporting children in education, in-kind donations to support NGOs, etc.).
- **"Thank You Mothers"** campaign first started in 2012, in partnership with Misr El Kheir Foundation in Suez city to cater for developing the communities' familial health. This campaign has successfully educated and supported impoverished women and mothers to be health conscious and to eventually enable their families to lead decent and healthy lives and thus become active members in our society. 35 families were socially, educationally and financially-supported.

CSR Governance:

CSR is addressed under corporate affairs and communication as a part of the Human Resources Department within Savola Egypt. Thus, the overall budget is allotted via the HR allowances. Savola takes the view that regardless where one falls on this spectrum, shareholder management (presumed to be the long term survival and prosperity of the organization) is completed through the adoption of a moral standard or a code of ethics. Specifically, individuals of an organization function more efficiently, and consequently the organization functions in a more coordinated manner in the presence of a guiding set of ethical principles. Therefore, the true fulfillment of their "obligation" as per Savola's contract with the shareholders is best achieved in a context of an ethical framework. Not only does a system of ethics provide a set of guiding principles, but it also provides a balancing force among competing interests both within the individual and among the contending stakeholders with whom an organization deals in the normal course of business activities. Savola reports activities undertaken in trials to measure their progress and the results are relayed to the HR department.

Savola Egypt has carefully set a criterion for identifying the NGOs it partners with to ensure successful project execution. NGO's should be recognized by the Egyptian Government to ensure compliance with the Egyptian NGOs Law. Misr El Khier is one of these foundations, alongside a few others. As of 2015, Savola Egypt started to report to the CSR department in its main headquarters in Saudi Arabia.

• Savola also attempts to run charitable activities throughout the holy month of Ramadan. It caters an Iftar (breaking-fast gathering) for its HQ neighboring community for almost 150 individuals. Additionally, in-kind donations with basic grocery necessities have been distributed to some households. This activity was undertaken in partnership with a leading NGO combating hunger and malnutrition in Egypt. Moreover, Savola in sponsorship with Nebny Foundation and Takatof Foundation (PWC NGO) had sponsored preparations and donations of 5,000 bags of Ramadan monthly-domestic necessities to poor families. All of the Ramadan bags were distributed through volunteering Savola employees.

B.

IN FOCUS

Labor Practices and Workplace:

Savola has continuously cherished its workforce, especially in the factories where workers are considered as the building blocks of their products' success. Thus, the core of their CSR activities has focused on labor practices and the workplace. Savola explicitly follows the local industry laws and as such, child labor is completely forbidden.

Savola takes pride in its training and development programs, where it forms a part of its HR strategy. Savola is fully committed to invest in and develop its people in order to achieve both business objectives and employees' personal development objectives.

As a result of this approach, the workplace culture, and concentration on efficient trainings, Savola had been recognized as one of the best places to work in as it offers a challenging and high-performance environment that supports individual growth and development, while helping their employees to maintain a healthy balance between work and family.

Savola is one of the corporations that explicitly endorses a work-life balance for its employees and runs various programs to support that mission, ranging for developmental assistance to cash awards in recognition of outstanding performance employees. Savola provides health insurance coverage to its employees, entertainment and recreational activities including recreational trips to. Its headquarters has an in-house gym, alongside having a club for Savola employees/workers.



In its pursuit to enhance human capital, Savola developed a special portfolio of development and training initiatives, aimed at promoting efficiency and increasing productivity on all levels for its staff to work better and achieve more. This is conducted to attain the dual-objective of employees' personal development and also the corporation's strategic objective, which was set earlier to be the Best People **"A7san Nas"**, both technically and professionally.

In 2009, a further track was added and directed towards employees' self-development goals at different staff levels, thus serving the dual individual and corporate developmental objectives as earlier highlighted. It was known as the **"Big Brother"** Program, where it required employees to lead themselves and others naming them as fellow brothers and sisters. Using the coaching technique as one of the best methodologies, employees consequently sought and gave advice to each other on the effective leadership skills needed to succeed in work and life. This resulted in the employee's competence being integrated with the organizational skills while maintaining Savola's business values and ethics. Moreover, Savola offers its staff innovative programs that encourage an entrepreneurial spirit, like self-directed teams that work without supervision and monitor their own performance.

Savola's Technical Development Academy **"Bena"** was developed as a new initiative in July 2015 in United Sugar Company's (USCE) factory, to provide technical training needed to sustain and upgrade the level of skills and proficiency of technicians involved in the production process. Ten students were enrolled into the academy under four departments, mechanical, E&I, packing and utility. Moreover, succession planning had been effected in USCE, where a critical people program was developed within its five core managerial department, the finance, exports, sales, human resources and administration, and supply chain to spot the successors who would occupy further managerial positions. Further programs targeting development, retention and engagement are being developed for the already identified successors and critical employees.

Community Outreach:

Out of its sincere belief in its community role and the necessity of its involvement to attain the community development needed, Savola, working through its Sugar Company the USCE, had surveyed the surrounding impoverished villages around its factory and made it their mission to focus on the pressing needs that affect these areas. By catering to the needs of the community where the majority of their workers come from, Savola would be working on community development alongside securing the support and endorsement of the surrounding communities, which would eventually build trust and favorability towards the corporation.

Some of the activities that Savola had undertaken within the campaign entitled (Good for All) run via USCE had been:

- Building, reconstructing, paving and renovating roads, paths and bridges to facilitate travel and transportation to peoples in the surrounding neighborhoods (road 1000, 6km road, etc.)
- Paying educational tuition fees for financially strained students
- Providing schooling supplies for students enrolled in schools
- Providing winter clothing for the impoverished people
- Distributing supplies to people of the communities
- Providing aid and assistance to people with special needs (wheel chairs, treatment assistance, etc.)
- Building, reconstructing and renovating mosques for the surrounding communities (Rostom Mosque & El Mostafa Mosque).



C.

WITNESSED CHALLENGES

Savola Egypt reported facing a number of main challenges, which are two fold: internal and external. As for the internal challenges, a main issue had been the lack of a clear strategy for CSR (e.g. initiating an activity, processing managerial approvals, etc.). In other words, the non-existence of a specialized department, or the lack of a structure related to addressing CSR became a major hurdle. Yet, the measurement and sustainability of CSR activities were other challenges. The measurement of the impact of the activities and assessment of their success is a continuous learning process. Such measurements could be used to ensure the sustainability of such activities, but their unavailability causes inconsistency in the attainment of this purpose.

For the external challenges, Savola mainly noted that the lack of governmental support can sometimes pose a challenge to project implementation. To start with, there is no governmental entity to deal with CSR in companies. For running any activity, corporations have to run back and forth across different ministries, officials and agencies facing red-tape and in some instances corruption.

D.

SUCCESS FACTORS

Savola's main success factor has been in its underlying ethics and values, stemming from a religious perspective and supporting CSR at heart. The internal culture had been colored with themes of support and coordination that highly motivated employees to get on board and participate in different CSR activities.

As Savola is a conglomerate, it brought a breadth of international experience to implement CSR activities. Nonetheless, the activities had been customized to meet the Egyptian society's needs.

Moreover, having open channels between families and the company itself was another aspect, where mutual support elicited from both parties as a result of this.

Furthermore, ensuring engagement with civil society, as well as the local communities had secured the success of need-based project implementation undertaken by Savola Egypt. Savola enjoys this relationship with civil society and the local communities that it operates within, which has helped immensely in pinpointing the needs' gaps that need to be addressed and in the acceptance of the operations initiated via Savola Egypt as they had a realistic impact in alleviating some chronic problems that affect the communities.



E.

NEXT STEPS: JOURNEY ON

Savola perceives that CSR has been a milestone in its journey towards sustainability, however, the evolution is now moving towards corporate social innovation (CSI), known as Greenovation. Such new direction seems to be the venue and niche that Savola attempts to lead to have a smaller environmental footprint and greater social impact, while attempting to secure its financial prospectus.

Similarly, Savola plans to launch women focused micro-business operations in remote areas, where they will give women packages of their products to promote and sell to other women. This is planned to widen the scope of their products' reach due to their rural locations. By this, Savola will be reaching larger numbers of consumers, while at the same time empowering women.

Reference:
<http://www.savolafoods-eg.com/>





SMALL ACTIONS, BIG DIFFERENCE

**A roadmap from Corporate Social Responsibility
towards Sustainable Development
“Unilever Sustainable Living Plan”**



*Unilever has several factories operating across the North Africa & Middle East Region, and as such almost all regional products are produced locally. The production facilities for home care products are located in Algeria, Morocco, Tunisia, Egypt and Saudi Arabia, for food products in Morocco and Egypt, Tea factories in - Jebel Ali, Dubai & Egypt, and the production facilities for personal care are located in Saudi Arabia, Tunisia, Algeria and Egypt.

AT A GLANCE

*Unilever is one of the world's leading suppliers of food, home and personal care products in over 190 countries. Unilever generated annual sales of €49.8 billion in 2014, where it recruits 172,000 employees worldwide. Over half of Unilever's footprint; reaching almost 57%; is in the faster growing developing and emerging markets.

*Unilever's portfolio of products reaches more than 400 brands, where it includes some of the world's best known brands including Persil, Dove, Knorr, Domestos, Hellmann's, Lipton, Wall's, PG Tips, Ben & Jerry's, Marmite, Magnum and Lynx; 14 of which now generate a turnover of over €1 billion, which are namely Knorr, Persil, Omo, Dove, Sunsilk, Hellmann's, Surf, Lipton, Rexona, Sure, Wall's ice cream, Lux, Flora, Becel, Rama, Blue Band, Magnum, Axe and Lynx.



“Unilever aims to “Make Sustainable Living Commonplace”. Unilever works to create a better future every day, helping people feel good, look good and get more out of life. Sustainability is integral to how it conducts its business, with sustainable growth deemed as the only model for business growth”.

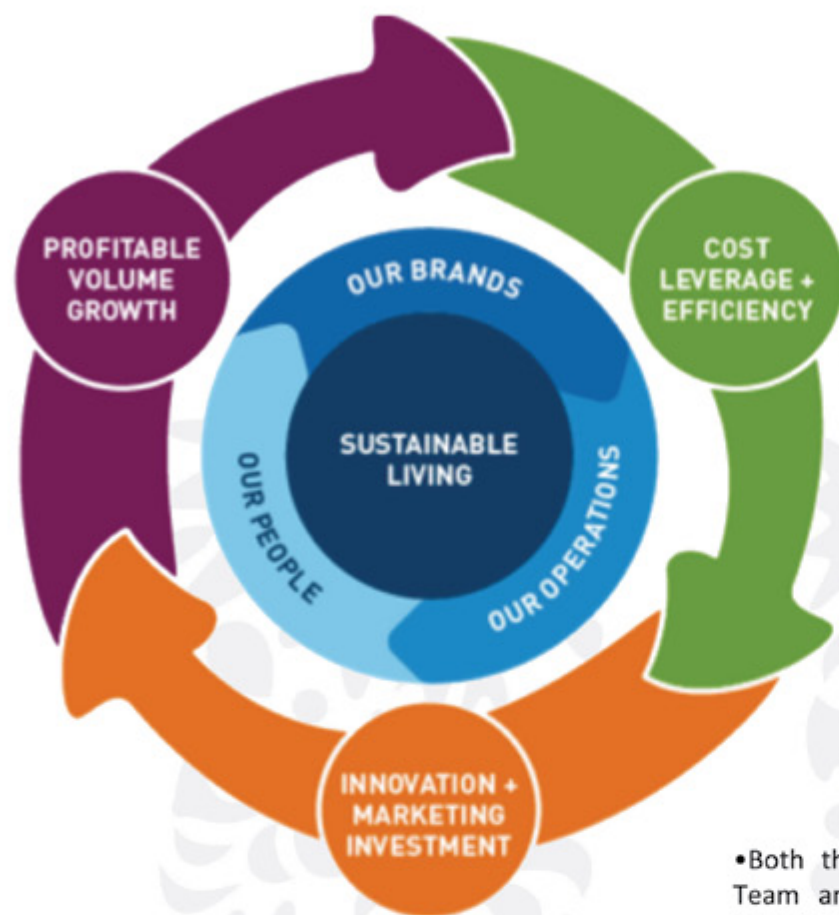
A.

CSR APPROACH OF THE COMPANY

Vision and Philosophy:

Unilever's stated purpose is to make sustainable living commonplace. The main philosophy that their strategy has been built on is to increase social impact by ensuring that their products meet people's needs for good hygiene, balanced nutrition and simultaneously to decouple growth from the environmental impact.

Unilever aims to achieve this via the Unilever Sustainable Living Plan, which serves as their business model for delivering sustained and responsible growth, and delivering value to its stakeholders.



CSR Governance:

Unilever's sustainability activities are undertaken through the Unilever Sustainable Living Plan. The main commitment of the Plan is towards:

- Decoupling business growth from environmental impact.
- Helping more than one billion people take action to improve their health and well-being.
- Enhancing the livelihoods of millions of people by 2020 and sourcing 100% of its agricultural material sustainably.

Unilever's global management structures help it to fulfill its commitments and are integrated into its organizational framework:

- Sustainability and corporate responsibility are championed and led by a member of the Unilever Leadership Executive (ULE). The ULE is responsible for the operational leadership of the business.
- Strategic development of its social and environmental goals is the responsibility of the four product Categories (Foods, Personal Care, Refreshment and Home Care) and their global brand teams.

• Implementation is rooted in the operating companies around the world, such as Unilever Mashreq.

• The Unilever Sustainable Living Plan Steering Team supports the ULE. Together with the Presidents of its Categories, a wide range of functions are assigned to the Steering Team including R&D, Procurement, Marketing, Legal, Finance, Sustainable Business & Communications and Customer Development. This team of senior leaders meet quarterly and are chaired by a ULE member.

• Governance of Unilever's conduct as a responsible corporate citizen is provided by the Unilever's Boards Corporate Responsibility Committee.

• Both the Unilever Sustainable Living Plan Steering Team and the Board Committee benefit from the insights of the Unilever Sustainable Living Plan Council (USLP Council) – a group of external specialists in corporate responsibility and sustainability who guide and critique the development of company strategy.

Budget:

Given that the Unilever Sustainable Living Plan sets targets right across the value chain, from sourcing, to consumer use and disposal of the everyday household products that Unilever makes, the ownership for achieving the Plan sits with the entire business. Accordingly, each function, category and business has their own budget.

Reporting:

Unilever has a long-standing commitment to reporting on its progress on a yearly basis and has been reporting on their sustainability performance since 1996.

There are two main channels for reporting on the commitments set out in the Unilever Sustainable Living Plan, as well as wider topics of interest to its stakeholders:

- Annual Report and Accounts 2014 that include a summary of their sustainable living performance
- Online Unilever Sustainable Living Plan Progress Report with the last published at the end of April 2015. This is the principal means of reporting the performance against the targets set out in the Unilever Sustainable Living Plan

Unilever's approach to reporting includes independent external assurance and assurance of the Unilever Green Sustainability Bond. They annually assess their progress against three indices: UN Global Compact, GRI and UN Millennium Development Goals (MDGs).

For the first time, Unilever has released its first Human Rights Report in July 2015, the structure of which follows the United Nations' Guiding Principles Reporting Framework. It is the first company to produce such a detailed, stand-alone report using the framework. Price Waterhouse and Coopers LLP (PwC) provides independent assurance of the Unilever Sustainable Living Plan; DNV GL and KPMG LLP independent assurance on the Environmental and the Use of Proceeds Criteria of our Green Sustainability Bond.

Moreover, Unilever was top-ranked in the Food, Beverage and Tobacco Industry Group in the 2015 Dow Jones Sustainability Index (DJSI) with an score of 92 with 2-points' enhancement from its 2014 ranking. Unilever had jointly led the industry in 8 of the 23 Food Products criteria, including: Innovation Management; Strategy for Emerging Markets; Climate Strategy; Packaging; and Talent Attraction & Retention. This achievement made it one of only 24 companies to be named as Industry Group Leaders.

In the FTSE4Good Index, it scored the highest environmental score totaling up to 5. It led the list of Global Corporate Sustainability Leaders in the 2015 GlobeScan/Sustainability annual survey for the fifth year consecutively, and in 2015 it was ranked the most sustainable food and beverage company in Oxfam's Behind the Brands Scorecard published in March 2015.

Additionally, the Transparency Benchmark, annual research carried out on the content and quality of corporate social responsibility reports of Dutch companies, scored Unilever in 5th position and awarded the company with the 2014 Crystal Prize for the 'Most Innovative Report'.

The full list of its recognitions can be viewed at: <http://goo.gl/ltG2wu>

Sustainability Ambitions & Activities:

In 2010, Unilever had set its Sustainable Living Plan with 3 ambitious goals:

1. To help more than one billion people improve their health and wellbeing
2. To decouple Unilever's growth from their environmental impact
3. To source 100% of their agricultural raw materials sustainably and to enhance the livelihoods of millions of people.



By the end of 2014, Unilever had helped 397 million people to improve their health and hygiene through Lifebuoy, Pureit, Signal and Dove brands against the target of one billion people. In Egypt the Lifebuoy hand hygiene program and Signal Oral Care program jointly reached more than five million children in the last five years.

They helped to improve the health and hygiene of those children in the Egyptian community with Lifebuoy and Signal hygiene program. In order to decrease food waste and help those in need, Knorr and Lipton during Ramadan launched the "Kamel Karamak" campaign across Egypt.

Currently, 55% of Unilever's agricultural raw materials are sourced from sustainable sources, going up from 14% in 2010. Now more than 90% of their 13 most used vegetables and herbs in Knorr products are sustainably sourced.

Unilever has made substantial progress on its commitment to improve the livelihoods of millions of people in their value chain. They have helped and trained around 800,000 smallholder farmers and provided 238,000 women with access to training and skills all over the world, including having trained women as micro-entrepreneurs in the rural areas of Egypt and who distribute affordable everyday products. Moreover, the business in Egypt also provides special needs workers employment through the 'Right To Life' Association, where they pack products in the supply lines.

Additionally Unilever, via its leading food brand Knorr, is striking a win-win sustainable sourcing opportunity for its vegetables and herbs. It is a win for consumers who appreciate that Knorr's vegetables are grown under the sun and seasonally harvested at their best. Consumers expect Knorr to taste better and are now using their products more often. It is a win for farmers, as Knorr's €1million Partnership Fund is helping suppliers invest in sustainable farming practises, thus improving yields and saving money. It is a win for Knorr, which is growing in volume by +3% in its biggest market, Germany. In Egypt since 2013, tomato paste has been 100% sustainably sourced from local Egyptian farmers by Knorr for local production.



Unilever's progress on reducing its environmental impacts is more diversified. They have made a huge strides in their operations, including reaching zero non-hazardous waste to landfill across their factory network which reduced waste by 140,000 tonnes and saved costs of over €220 million. Waste has been cut by 12% and water by 2% since 2010. In parallel, sales growth over the same period was 21% which shows how they successfully started to decouple their value chain GHG (Greenhouse Gases) impacts from their business growth. With regards to greenhouse gases, Unilever aims to reduce CO2 emissions by 50% and to double their sales by 2020 using CNG (Compressed Natural Gas) as a fuel, changing to sea and rail transport and finally using primary and secondary drop size for trucks.

Another project that Unilever Mashreq initiated is the use of skylights to replace the consumption of electricity, which has brought environmental and economic benefits resulting from a reduction of electrical consumption at day shifts, with an equivalent of 12 hours per day through the year. This has resulted in total savings amounting to 89856 KWH/Year, 323 GJ/year and 42295 KG CO2/year and with a cost saving of 3235 €/yr. Moreover, the water flow regulators installed in Unilever's offices have resulted in an instant saving amounting to almost 70%. Motion sensors installed in all offices have resulted in remarkable energy saving reaching 100 GJ/year, as well as the use of sprinklers in gardening Unilever's factories have resulted in remarkable saving in water consumption.

Unilever's achievements in the Gulf Region have shown to be remarkable, where it has been commended for its extensive work in the field of sustainability in different venues. In 2015, Unilever won the "Best CSR Integrated Business" at the CSR Excellence Awards. In 2014, it was awarded the "CSR Label" by Dubai Chamber and was recognized by the "UAE Green Brand 2013" for being a leader in sustainability innovation.

B.

IN FOCUS

Unilever is also contributing towards community outreach and development in Egypt through three projects, which are: Zeinab, Safeer and Erada.

Project Zeinab: It is a women empowerment project, which is inspired by project Shakti that was first introduced in India back in 2000. Currently, Shakti caters for 70,000 women entrepreneurs from 50,000 villages who sell Unilever products to 70 million consumers. Zeinab is the counter project to empower Egyptian women by creating real job opportunities through cooperation with NGOs in Egypt, where Unilever seeks to educate and empower the poor women in rural areas of Egypt. These women work as Home-to-Home saleswomen in their areas. The project was launched in early September 2012. It targets providing the beneficiary women with Unilever products baskets, as well as training them on small business skills to promote them. The Zeinab project has given these women an additional source of income, earning an average of 300-500 LE per month.





Project Erada:

Dedicated to empowering visually-impaired people, this project has created a pre-sales order center that is dedicated to operating with the drugstore channel for Unilever Mashreq. Those visually disabled employees learn to take and process orders from the drugstores. On account of this project, Unilever has increased its distribution coverage, while turnover has been reduced, entailing lower costs. Additionally, an underprivileged segment is being qualified for employment. The visually-impaired employees receive initial training sessions in the Erada Centre that is now up and running with four visually impaired employees. Further expansion plans are currently under study.



Project Safeer;

Project Safeer started with the idea of creating jobs for millions of university educated un-employed young men, and turning them into young business entrepreneurs, providing them with a stable income that helps support their families. Additionally, This project also assists Unilever to increase the reach of the distribution of their products within Egypt's rural areas. Started at the end of 2012 with a mere 39 Safeers in the first few months of operations, after facing several issues regarding the retention of Safeers, funding of tricycles, and optimizing the business model, the project by mid-2013 had employed 64 Safeers. Today the project employs a total of 550 Safeers who are achieving 2M Euros/month.

C.

WITNESSED CHALLENGES

The greatest challenge Unilever is facing in implementing the Plan has been in tackling those areas outside of their direct control and identifying the specific areas where it needs to work with others to find solutions.

This applies upstream with their suppliers, as well as downstream with their customers and the consumers who cook, clean and wash utilizing Unilever's products at home.

To deal with these firstly, with suppliers, Unilever has kick started a number of partnerships to tackle shared issues. For example, the project with the Dutch Sustainable Tea Initiative (IDH) has enabled Unilever to engage nearly 180,000 smallholder farmers in improving their farming practices with a view to achieving Rainforest Alliance Certification. Unilever also works with the Kenya Tea Development Agency (KTDA) and other partners to train smallholder farmers in sustainable tea cultivation. Unilever has also developed the Cool Farm Tool - a greenhouse gas calculator that enables farmers to work out the best way to reduce their emissions. The tool is made available for free on an open source basis and a number of companies are now using it.

Looking downstream, this include targets requiring consumer behavior change, such as reducing the use of heated water in showering and washing clothes, and encouraging people to eat foods with lower salt levels.

D.

SUCCESS FACTORS

A key factor behind Unilever's success has been in its ability to set the priorities for its goals and objectives and directly linking them to Unilever's sustainable business growth and business model. Additionally, it has catered to the demand of the communities it operates within, thus securing them the license to operate. Their advancement towards year 2020 with their sustainability commitments tackled by the Unilever Sustainable Plan has been another success factor in addressing their holistic agenda towards sustainability. They have effectively been engaged with the salient stakeholders to launch successful initiatives and activities, namely the government, the NGOs and across the corporation itself.

E.

NEXT STEPS: JOURNEY ON

The Unilever Sustainable Living Plan has been set to proceed until 2020, with an expectation for an enormous scale of operations to have the desired social impact planned. By 2020, they would have helped one billion people to improve their health and well-being; decoupled their growth from their environmental impact by achieving high reduction in the environmental impact on the use of their products across their lifecycles; reduced their environmental footprint in producing and usage of products; alongside enhancing the livelihood of hundreds of thousands of people throughout their supply chain. By driving sustainability into every corner of their business plan, Unilever is opening up new opportunities and driving growth across its operations and places no obstacles towards attaining its goals.

Reference:

Unilever, (2015). Sustainable Living Plan: Unilever Investor Relations Retrieved at September 10th 2015 from:
<https://www.unilever.com/investor-relations/annual-reports-and-accounts/>



INDUSTRIAL LEADERS OF EGYPT TOWARDS CREATING SHARED VALUE

CHAPTER II

Growing CSR Prospects by Creating Shared Value

Similar to the findings of the first volume of this booklet series, companies operating in the food and beverage sector in Egypt are changing the concept of CSR from mere traditional and philanthropic activities to more advanced sustainability based CSR strategies and related activities. Featured companies support the view that stakeholders are taking a broader perspective of corporate responsibility that incorporates not only economic, but also environmental performance and, increasingly, social performance factors. There is a growing inclination by all companies to regard CSR now as a tool to create 'Shared Value' through direct benefits to different stakeholders and a process of constructive engagement and collective action. The lessons learned conveyed in the first volume, based on detailed inference to the presented company CSR profiles, also remain valid for companies operating in this sector and these include:

1. Broader Understanding of CSR with a range of differing philosophies, however sustainability including the economic, social and environmental aspects are a common premise adopted by the different CSR agendas of all presented companies in the two booklet series.
2. CSR implementation through strategy design, planned activities, budgeting and reporting are also becoming a common trend to govern, evaluate and implement company CSR vision and philosophy.
3. Employee involvement and engagement is also an outstanding feature depicted in all of the company profiles presented in both booklets. More and more high-level managers realize that the successful implementation of CSR activities is not complete without serious techniques and methods such as volunteering, social activities and advanced observance of labor rights and practices.
4. Employee development and growth through training, awareness, betterment of workplace conditions and fair treatment of employees are all important components that most companies acknowledge as a necessary part of implementing internal CSR and mainstreaming it as part of the modus operandi of the governance and management structure of companies.
5. Dialogue with the government and the civil society represents a strong link and success factor that all companies have indicated as a major winning factor to implement and reap the benefits of CSR activities including community development and achieving long term sustainable development.
6. Management buy-in and strong internal communication has also been highlighted as an important prerequisite to capitalize on CSR principles and activities adopted by companies both internally; to engage employees, instill loyalty and pride, and simultaneously on an external level as well to inform the society and the private sector on the importance of CSR activities.

The Way Forward

The idea of creating shared value through CSR is increasingly gaining ground and appeal among different community stakeholders including private, public and civil society sectors. The heart of the concept rests on the ability of a company to create private value for itself, which in turn creates public value for the society. This is because CSR allows companies to promote and reflect their values, while benefiting the society they inhabit and upon which they depend, thereby creating a win-win situation to all parties at stake. As such, every company needs a cohesive, integrated CSR strategy to maximize its benefits to society and the environment, create societal value, and fulfill the motivations of its many stakeholders. Indeed, this publication features examples of companies that have accomplished this goal.

However, to ensure the sustainability of CSR efforts and the continued promotion of its principles among the private sector, a collaborative platform, or an agency is needed to synchronize these efforts and to establish solid links and partnerships between businesses, civil society and the government. Such agency should act as a liaison between the government and the corporations (public and private sector), endorsing PPP and facilitating activities. This entity should also have clear regulations, as well as monitoring and penalizing capacities. The ultimate objective should be to encourage more companies to follow suit and adopt CSR practices. Such a platform or agency could provide:

- All the related information to educate and assist corporations in acquiring CSR-techniques and in developing CSR metrics and reporting mechanisms to disseminate best practices. This should be run via developing and/or supporting programs that help companies with CSR (e.g., roundtables on CSR; partner with organizations already working in this area, help with developing CSR metrics, etc.).
- Act as a role model by providing an image of what the government is doing and how the private sector can support it.
- Play an active role in identifying the potential areas of need, towards which corporations should address their CSR activities to ensure sound impact on the community's larger problems.
- Addressing red-tape issues with regard to governmental agencies and authorities involved in approving CSR-corporations' activities.



- Raise awareness on CSR and among both companies and government departments in Egypt
- Encourage the companies to adopt of CSR strategies that promote competitiveness and innovation while integrating business into the community, creating a “shared value”.
- Create awareness that responsible business is good business, as business success and social welfare are interdependent.
- Improve the awareness of companies about the ILO fundamental principles and rights at work and the need for social justice at the workplace.
- Increase the level of awareness of the labor standards in the industrial sectors, including its impact on the sustainability through opening export markets.
- Define the main priorities related to CSR in the Egyptian context.
- Identify the needs and the roles of the CSR stakeholders and the obstacles of applying CSR principles.
- Provide specific analysis and understanding of CSR practices for Small and Medium Enterprises, taking into consideration their specific situation.
- Establish partnerships with international relevant organizations, education institutes and young entrepreneurs associations to foster a business and corporate culture which includes CSR concepts and practices.
- Promote the social compliance management system and its impact on developing and ethical supply chain and to develop capacities of the industrial sectors to promote an ethical approach in business.



CREATING SHARED VALUE



INDUSTRIAL LEADERS OF EGYPT TOWARDS CREATING SHARED VALUE

VOLUME II



About This Publication

This booklet is the second volume of a two booklet series intended to highlight the importance of Corporate Social Responsibility (CSR) principles and practices undertaken by the International Labor Organization (ILO) and in partnership with the Federation of Egyptian Industries (FEI). It is a contribution to a knowledge repository currently being compiled by the newly established CSR Unit at the FEI. Under the umbrella of The American University in Cairo School of Business, the John D. Gerhart Center acts as a technical partner by collecting the data and authoring the report.

The volume at hand, is seen as an additional vehicle for promoting effective action to engage local companies in adopting CSR practices; not only as community outreach and developmental projects, but also as ingrained internal managerial practices that support fair labor practices and promote better workplace standards. It is technical and evidence-based in orientation and thematic in nature to prompt new policies and garner a following of companies to follow-suit and adopt CSR principles.

