



Paving a New Future



ANNUAL REPORT

FY 2012-2013

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Executive summary

Consukorra, an Egyptian Joint Stock company, has joined the Global Compact in April 2010 as part of the company pursuit of a profounder role in the society. The sustainability and maximization of the social and environmental impact in parallel with the economic development have been the main driven of Consukorra since its founding.

Although Consukorra signed the Global Compact commitment in 2010, its responsibility toward the community was already imprinted by decades of support and involvement in several community service initiatives. The Cooperate Social Responsibility has always falling within Consukorra ethical scope of obligations toward the sustainability of the social and environmental conditions in the community.

In 2014, Consukorra is submitting its third report to the UN Global Compact, detailing the Global Compact principals executed and the Cooperate Social Responsibility practices applied in 2013 during the fiscal year of 2012-2013.

Consukorra definition of the social responsibility: “Business management that achieves a valuable influence on the social and environmental level with the accomplishment of a highest beneficial profits to the shareholders”.

This report will illustrate Consukorra strategies, objectives and means adopted to reach the community support desired, and the future directions to develop its community responsibility.





Statement of the CEO

Consukorra values that all the employees in the company are keen to implement in all the business operations originates from our responsibility towards building a better community, enhancing the economic and social structure and contributing to the goals of the society to have an advanced state founded on science and technology

We, at Consukorra are commitment to create a positive value added impact on the social and environmental levels alongside to the economic level. We commit ourselves to abide with the best of our capabilities to the standards and terms and conditions of the Global Compact.

As a result of this commitment Consukorra annually allocates part of its investments to improve the quality of life for its workers and drive the society towards social welfare partnership. Consukorra established a non for profit association in 2011 for social sustainability development, implementing the Global Compact principals to improve the social community.

With believe of the influence that Consukorra can make in the society, Consukorra joined the Arab League for Sustained Development in August 2010.

We are well aware of our social responsibility obligations to our society, and fully committed without no hesitation to reach the best local and international practices related to management and social responsibilities.

Chairman and CEO

Mohamed Ayman Korra

About Consukorra

Consukorra was recognized as a limited liability company in 1997 with a paid in capital of 1 million EGP.

Later in April 2009, Consukorra turned into a Joint stock company with a paid in capital of more than 90 million Egyptian pounds.

Since its foundation, Consukorra seek to apply the best up to date management and production systems, providing all sort of services in any business sector explored.

Consukorra strategies positively reflect its strength to reach its goals and future sustainable development.



VISION

To be well known locally and internationally for quality and credibility in all fields of our activities. We offer our clients quality services and products which result in their business growth and profit increasing.



MISSION



To deeply understand our clients' business needs that help us offer them suitable tailored products and services that result in performance enhancement and profit increase.



To provide efficient and effective customer service to all our clients.



To join forces with world class suppliers/partners that enhances our competencies in solving clients' problems and optimizing solutions.



To select the people of highest caliber and to ensure their high performance by providing them with the necessary trainings and tools as they are our most valuable asset.

VALUES



Credibility

We always honor our commitments and fulfill our obligations.

Quality

We strive to be the best in our business by the compliance with the international quality standards and the industry benchmarks. We focus on the details and give it enough attention to attain business perfection and position ourselves among the market leaders.

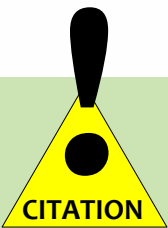
Accountability

We are a responsible entity that abide by the local and international laws and also participate in community development programs that aim at leveraging the business environment in Egypt.

Sustainability Management

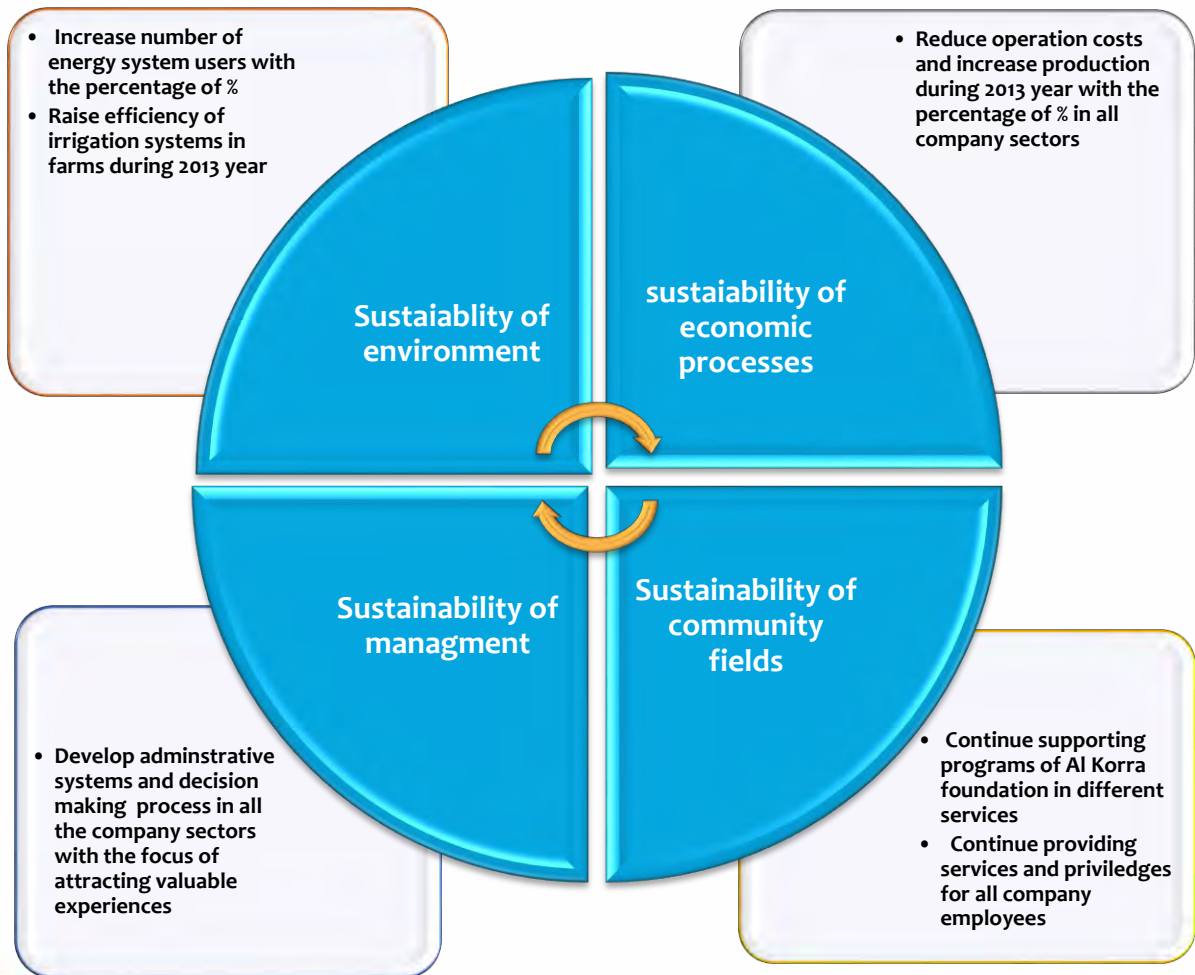
CONSUKORRA adopts a participatory management approach on all administrative levels where policies of the company and accredited work systems guarantee such approach. Moreover, use of such approach isn't confined to employees of the company, but it reaches out to all clients and suppliers as well as surrounding society at large.

This management approach is deemed one of competitive characteristics of CONSUKORRA; and considerably guarantees best quality of administrative operations and subsequently the economic performance; in as much as such participation largely contributes to building an internal culture for employees which counts on transparency, credibility and responsibility; in a mode that provides for them sense of responsibility and belongingness. Moreover, this becomes tangible in low ratio of turnover; and is implicitly reflected in the new mindset of suppliers, clients and society at large regarding the economic and social practices of CONSUKORRA inside society.



Indicators of sustainability management includes topics such as the strategy of company in managing sustainability, fighting corruption and governance according to level (c) of specifications for preparing the report for edition 2002.

Sustainability Goals for 2013



Policies Assuring Sustainability

Mission, vision and values of CONSUKORRA are the assurance benchmarks for sustainability. Abiding by rules and pacts is one of the incentives for achieving sustainability. Moreover, values of CONSUKORRA emphasize credibility with suppliers and partners. Furthermore, quality and responsibility are another assurance policies of sustainability for clients.

Policies of different sectors in CONSUKORRA guarantee for employees, clients or even suppliers the assurance and policies related to the following:

Employment Policies; incentives, promotions and complaints....etc, in addition to all policies related to personnel affairs, safety and professional healthcare representing a package of policies that guarantee safety and stability of employees. In addition to trust that should be deeply recognized between employees and the company. It is worth mentioning that such policies should regard all Egyptian laws, agreements and protocols related to labor and work rights.

Production Quality Control, process or service provision Policies: these policies guarantee that any product or services provided by Consukorra business units compliance with CONSUKORRA principles. Furthermore, such policies should abide by Egyptian laws of production, environment and obligatory international agreements.

Economic policies towards both the market and shareholders are as following: A host of policies preventing corruption, bribery, supporting transparency and accountability to business practices of CONSUKORRA.

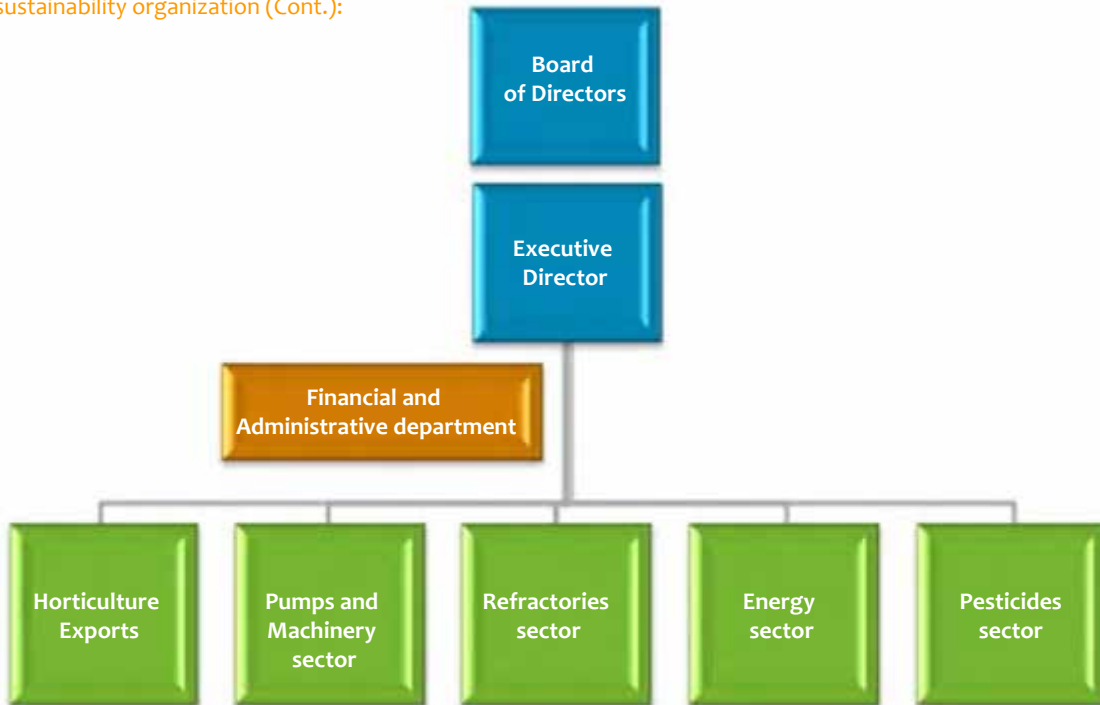
To sum up, all the aforesaid policies are continuously reviewed, updated to keep up with rapid changes, documented and finally circulated to all employees for execution.

1- Consukorra sustainability organization:

Consukorra falls under the Egyptian Law of Enterprises No. 159 of the year 1981. Headed by a board of directors formed of 12 board members, 7 of which are executives and 5 are independents. Consukorra has several business units as shown in the organization chart:

Policies Assuring Sustainability (Cont.)

1- Consukorra sustainability organization (Cont.):



Due to the various business units, CONSUKORRA adopts delegation and partnership in profits concepts for all employees, where each business unit manager is fully delegated to direct the BU in charge and govern the financial objectives and administrative systems according to the nature of the economic activities carried out within that BU in partnership with employees who annually review work systems. These concepts have not been regulated since the foundation of CONSUKORRA Company, they have been set all over the accumulated years of experiences of each BU.

Policies Assuring Sustainability (Cont.)

2- Consukorra management governance:

Consukorra considers the governance principles in its management; recognizable in the administration practices carried out either on the level of shareholders and board of directors or on the level of the executive management. Moreover, these practices are easily sensed between the internal management, clearly identified in the relationships of the employees and the company and very well noticed in the relationships of clients and suppliers with the company. The direction of communication channels can be detailed in the following chart:

| Shareholders | Administrative board | Middle management | Field work teams |
|--|---|---|--|
| <ul style="list-style-type: none"> Organize the annual shareholders meeting to review detailed budget and business plan of the company Carry out an annual auditing for the company. Publish the annual financial statement of the company in all means of media. | <ul style="list-style-type: none"> Hold periodic meetings, attendance of most members and finally taking unanimous decisions after discussing viewpoints of shareholders. Set the main objectives of Consukorra and approve business plans of each BU after review and discussion with shareholders. Provide each BU with the financial support. 50% of board members are owners of successful companies. | <ul style="list-style-type: none"> Full delegation for BU managers. Participation of BU managers with the executive manager in decision making process. Employees of each BU participate in reviewing work systems, procedures and annual plans. Conduct a questionnaire for employees around the challenges and problems they face. Mechanisms for communication between base ranked employees and the administration to present complaints. Ask shareholders for their opinions about decisions which may affect their relations with Consukorra. | <ul style="list-style-type: none"> Periodic meetings to follow up work flow. Participation in setting procedures related to safety and work healthcare. Participation in developing work systems. |

Policies Assuring Sustainability (Cont.)

2- Consukorra management governance (Cont.):



Policies Assuring Sustainability (Cont.)

3- Clients and suppliers sustainability:

CONSUKORRA business arrangements with all suppliers and clients are built on ethical values based on transparency and accountability.

This, in return, empowered CONSUKORRA not only to gain a respectable variety of suppliers, but also to increase that range in the last three years; as a result of the remarkable increase in the company's activities and business volume. Consequently, the suppliers' trust in Consukorra financial commitment augmented that they prefer to contract with Consukorra rather than any other competitive companies.

As for the clients, Consukorra's commitment is perceptible in the products quality, storage management and the prices, the aftersales service that is considered one of Consukorra distinguish imprints in the market in comparison with other competitive companies. Thus, a remarkable growth in volume of clients during the previous period.

4- Fighting corruption:

Corruption has a severe influence on the society, the economy and the business environment. Corruption may lead to criminal and civil penalties not to mention damaging to reputation of individuals or organizations alike. Therefore, CONSUKORRA decided to join The Integrity Initiative developed out of The Integrity Pledge Program (Only 120 companies joined this program) with the purpose to set a package of anti-corruption policies for the benefits of a better society and business environment.

These policies determine Consukorra position from: Corruption, bribery, extortion, fraud, scam, conspiracy, abuse of power, embezzlement, miss use of lobby, money laundering and any criminal activity.

Consukorra completely prohibits its employee of all business units and those working in all its sister companies from getting engaged in any form of corruption related to the business agreements and transaction undertaken between Consukorra and all parties (stick-holders, shareholders and the society).

All business process in Consukorra stresses that they do not affiliate any form of corruption, including gifts or donation in exchange of favors.

Sometimes, conflicts of interests happens when the interests of the individual conflict with the interest of the company. Therefore, Consukorra prohibits its employees to contract business agreements with such conflict of interest. The Objective is to achieve the company's interest and not the interest of the individual.

Consukorra apply The Integrity Initiative program as for first application process of anti-corruption policy. The company shall implement this program and review its performance annually to ensure the effectiveness of its application.

If any employee at Consukorra faces a corruption case, they are asked to immediately file a report to one of the CEOs of the company. All filed reports are investigated discreetly.

Policies Assuring Sustainability (Cont.)

5- External Auditing Against Standards And Criteria Performance Conformity:

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Agricultural sector:



1 - Economic Sustainability

CONSUKORRA business aspects cover various economic sectors; agriculture, exporting and trade agencies.

A. Trade Agencies:

CONSUKORRA is the sole agent of a several different international companies in field of refractory, pumps and energy systems, central air-conditioners and generators with a work volume that reaches 266 million Egyptian pounds and 291 employees.

- **Refractory BU:** German company "Majenzeta" and Italian company "Linko yakso" are the main partners of CONSUKORRA
- **Pumps and machinery BU:** "SAER" the International Italian company is one of the most Important partners of the company; with a work volume more than 20 million Egyptian pounds.
- **Energy systems BU:** International "Mitsubishi", Turkish "Aymar", Japanese Hitachi and Kawasaki are the major partners of CONSUKORRA.



Table 1: Work Volume in each BU

| | Work Volume | | Net Profit | | Clients | |
|----------------------------|-------------|---------|------------|--------|---------|------|
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 |
| Refractories | 13,463 | 12,953 | 5,111 | 1,488 | 24 | 24 |
| Pumps and Machinery | 21,800 | 20,300 | 9,400 | 5,500 | 150 | 152 |
| Energy | 111,160 | 184,826 | 5,410 | 5,330 | 48 | 60 |
| Total | 146,423 | 210,079 | 19,920 | 11,818 | 222 | 236 |

1- Economic Sustainability (Cont.)

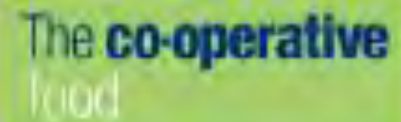
B. Agriculture and Exports:

Consukorra plants, 2 farms in Nubaria and village of Om Saber, fruits (strawberry, mango, etc..), on 1000 acres for favor of Consukorra that exports it to the main hypermarkets in England (Sainsbury, Tesco, Coop and Waitros) and to European countries with 33 million EGP annual work volume. Farms are managed by the most up-to-date technologies of agriculture cultivation systems and quality assurance of the final product to conform the global standards of quality and to meet customer taste.



Table 2: Work Volume in Agriculture and Exports

| | Work Volume | | Net Profit | | Clients | |
|----------------------------------|---------------|---------------|--------------|--------------|----------|-----------|
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 |
| Agriculture & Exports | 21,694 | 33,487 | 0,657 | 1,503 | 9 | 12 |
| Total | 21,694 | 33,487 | 0,657 | 1,503 | 9 | 12 |



2- Environmental Sustainability

CONSUKORRA is committed by a set of procedures, laws and international agreements in the field of environment protection to reflect Consukorra understanding of its role in the sustainability and social responsibility. CONSUKORRA practices in the environment protection can be illustrated as following:

- Responsible use of resources, such as fuel, energy, water, electricity and raw materials.
- Management and recycling of industrial wastes
- Handling reasons contributing to climate changes, such as desertification issue, draught and carbonic emissions.
- Employing modern means of irrigation; to save water.



A. Recycling and Energy:

CONSUKORRA takes the lead in wastes recycling field; through its exclusive energy solution to transform industrial wastes to energy reused in the plants, that saves much energy, recycles those wastes and finally safely dispose of it.

B. Rational usage of water resource:

Water scarcity is one of the main problems that the countries in the region shall face in the near future. This requires rationalization of water consumption, especially water irrigation used in the cultivation.

The type of water irrigation used in the cultivation is usually wells water or recycled water treatment. Based on Consukorra social responsibility obligation, it decided to implement rationalization of water consumption policies in all its activities whether production or operation procedures. The following show some of the rational usage of water resources policies applied in Consukorra:



- Application of drip irrigation system since the establishment of the farms supervised by the company. Moreover, there is an irrigation system which is installed in the farms; to measure quantity of needed water. Consequently, water is provided in accordance with the measured need.
- One of CONSUKORRA trade agencies is water pumps; in as much as these pumps are used in lifting water from artesian wells in newly reclaimed areas. Moreover, this product is characterized by keeping water and reducing water loss.

2- Environmental Sustainability (Cont.)



C. Air pollution protection:

The refractories BU in Consukorra is one of the most important BU in the company, as the sole agent of Magnesita a Brazilian company, one of the largest companies in the world in the production of refractory bricks that uses this kind of brick lining in revolving ovens in cement factories, as well as electric ovens in the iron and steel factories.

These bricks characteristics are to stand temperature between 1100 to 2200 C, it also strongly resist chemical damages and the sudden change in temperature.

The manufacture of refractory bricks contains materials such as alumina, silica, carbon and calcium with varying portions because each material has certain characteristics, manufacturing this kind of refractory bricks must consider the environment protection, such as reducing the carbon used in manufacturing to reduce the ratio of emission when it is used in cement and iron and steel factories.

Also, it is taken into consideration, the best usage of bricks quantities when manufacturing ovens to reduce the temperature emission ratio that helps reduce the effect of global warming on one side and on the other side to control the electricity used consequently control the usage of petroleum materials used to produce electricity that subsequently reduces air pollution.

3- Social Sustainability

A. Labor practices and the appropriate work:

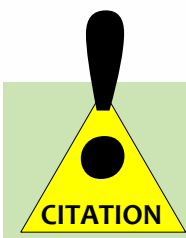
Consukorra emphasizes that the work environment is suitable for its employees, according to the Egyptian charters and laws. Ensure security and safety measures for workers plus health insurance and some social services and support personnel. All labor rights are protect with accordance to the employment contract signed between each employee and the company.

Consukorra believes that investing in the human resources is as important as economic investing in the society; CONSUKORRA considers its distinctive human resources as one of its competitive advantage strengths in the market. Hence, CONSUKORRA does all possible efforts to develop that resource, as according to each department, on-job training is conducted for new employees or in case of a new product.

Furthermore, CONSUKORRA encourage, travelling opportunities abroad, according to each BU requirements; to familiarize its staff with the latest practices or counterpart products. Moreover, CONSUKORRA support academic and scientific continuous education of its employees through facilitating professional and administrative trainings for self improvements and developments.



Citation



Community sustainability deals with labors' practices, human rights and responsibility

Towards product and society issues

According to level (c) of specifications of preparing a report, issue 2002:

- Laborers' practices, specifically issues of recruitment, safety, professional health, training and education.
- Human rights, specifically freedom of expression, negotiation and child labor.
- Product responsibility, specifically issue of client's health and safety.
- Social responsibility.

3- Social Sustainability (Cont.)

B. Recruitment:

In field of labor rights, CONSUKORRA commit to all laws regulating work. Upon recruitment, new employees are automatically health and social insured, they receive clear defined job description of their responsibilities. In case of non-experienced employees, they are supported by trainings on defined tasks, and one of the experienced employees is delegated to mentor and guide the non-experienced employee till they gain proper professional experience.

Table 3: Statistic on Consukorra Employees in 2012-2013

| | Number of employees | Number of employees with temporary contracts | Number of employees with permanent contracts | Number of appointed workers since 2012 | Numbers of workers leaving off their work since 2013 |
|---|---------------------|--|--|--|--|
| Horticulture Exports | 832 | 700 | 132 | 9 | - |
| Pumps and machinery | 25 | - | 25 | 1 | - |
| Energy solution systems | 213 | - | - | 60 | 25 |
| Refractories | 13 | - | 13 | 0 | 1 |
| Administrative and financial department | 350 | - | 350 | - | - |
| Total | 1350 | 700 | 520 | 70 | 26 |

Consukorra provides employees and their families with various services and activities. These services are as follows:-

- Distinct medical services provided by reputable insurance companies, this service is provided on cost-sharing basis, this service may include employees' families.
- Annual Profit sharing according to each sector
- Incentives provided on occasions, it may reach 5 times a year
- Participation in decision-making process, especially stakeholders within Consukorra, this leads to full application and adoption of decision by employees.
- Annual pilgrimage for selected employees on Consukorra expenses.
- Financial support for employees in case of critical circumstances; death, critical health cases, in addition to cases of marriage and delivery.
- Redundancy pay for employees leaving the company willingly.



3- Social Sustainability (Cont.)

C. Safety and occupation health:

CONSUKORRA since establishment is committed to of safety and health procedures in all departments of its factories and farms. Consequently, there is a remarkable decrease of work injuries; due to this abidance by such procedures.

For instance, refractories BU that represent a number of trade agencies for international companies; as this BU provide furnaces periodic maintenance for factories of iron and steel and factories of cement . This service requires the highest level of precaution and safety during service provision.

Moreover, pumps and machinery BU provides all site labors with safety and occupation health equipment to guarantee their safety on site.

In addition, Consukorra is committed to the usage of raw materials not harmful to health or the environment .The company has a good reputation internationally, that encourage more measures to preserve the health of the labor using raw materials, or the consumer of the final product.

Table 4: Safety and Occupation health measures in 2012-2013

| | Number of Occupational health and safety committees | Number of work injuries | Number of work accidents | Number of training program in field of Occupational health and safety |
|---|---|-------------------------|--------------------------|---|
| Sector of Horticulture Exports | 3 | - | - | 2 |
| Sector of pumps and machinery | 1 | 1 | 1 | 4 |
| Sector of energy systems | 1 | - | 1 | 3 |
| Sector of refractories | - | - | - | - |
| Administrative and financial department | - | - | - | - |
| Total | 5 | 1 | 2 | 9 |

Another example of safety and occupation health measures, is the farms supervised by CONSUKORRA. Having workforce is 132 permanent workers as well as about 700 temporary workers. These farms have agricultural machinery that requires very skilled training for the safety of workers. Furthermore, usage of pesticides should be in conformity with international limitations and restrictions; for the safety of workers, consumers and environment.

In addition, energy department distributes equipment of occupational health and safety to contractors for free and subsequently asks them to take sheer procedures of occupational health and safety during their work on site.

3- Social Sustainability (Cont.)

D. Education and training:

CONSUKORRA Company provides a multitude of periodic trainings for the employees of all different BUs, sister companies and farms to develop and improve their work performance through conducting an annual skill assessment, especially for new staff members. Furthermore, the company provides incentives and opportunities for visits abroad in order to be familiarized with experiences of other companies, especially in process of production and training on new methods. In addition, policies of the company encourage workers to complete their higher studies either internally or externally, especially if that has to do with fields wherein CONSUKORRA Company works.

In May 2012, the agriculture BU employees received an SMETA training from SEDEX an Ethical Exchange training Company. It is a WEB training based on teaching companies how to ethically handle information and database. The trainees learn how to prepare informative reports based on SEDEX standards.

A SEDEX Auditing took place in December 2013 and was published on the SEDEX Website. The SMETA audit seeks:

- More environmental responsibility and preservation.
- Guarantee an environmental friendly sustainability principals
- Develop work environment to a better social environment.
- The application of laws and regulations
- Safety and occupation health measures
- Equal employment opportunities and non-discrimination
- Labor laws application



3- Social Sustainability (Cont.)

E. Human Rights:

In accordance with values adopted by CONSUKORRA as well as commitment to local laws and international pacts that Egyptian government ratified., the company is committed to human rights as a global and a local concept.

Child labor

CONSUKORRA increasingly encourages all activities that combat child and juvenile labor especially compulsory one. Furthermore, CONSUKORRA supports all social initiatives that call for combating hazardous child labor. In this respect, Consukorra funds a group of young people; for establishing an NGO for combating child labor, especially in hazardous professions.

Freedom of expression and social negotiation

CONSUKORRA urges all workers to join their syndicates and practice their social activities. Moreover, it provides mechanisms through which they can convey their impressions and problems to top management through periodic meetings. Furthermore, Consukorra has appointed an employee as their spokesman; to provide a communication channel between staff and management. CONSUKORRA also encourages employees to gather and decide their demands of discussion with management in an organized way through procedures familiarized by all employees since the first day of appointment.



Responsibility towards product

Responsibility towards the product is a duty shouldered by CONSUKORRA. Clients, suppliers and consumers are main partners who are directly and indirectly affected by the company products. Furthermore, this responsibility includes all product phases; from the selection of raw materials, manufacturing and storage till the transportation phase. Sometimes there are after sales services, maintenance and operation services.

For example, the BU installing and selling water pumps used in artesian wells; for planning new lands, where this BU provides after sales services outweighing its counterparts, in terms of quick responses to the clients demands, providing the best spare parts and high quality training for the clients on water pumps best operating usage. Finally, the available procedures of after sales services in this BU of CONSUKORRA allow replacing the product in case there is a manufacturing defect.

3- Social Sustainability (Cont.)

Responsibility towards product (Cont.):

In field of refractories, CONSUKORRA always contracts on environmentally safe products. For example bricks that are used to build furnaces of both cement, and iron and steel factories. Such bricks are imported and used in aforesaid factories. Although there are other types of bricks cheaper than the imported ones, but they contain toxic and harmful materials for the environment. Moreover, CONSUKORRA has quality certificates for its products and services provided to its clients.

In the field of horticulture exports, anonymous saplings aren't acceptable, only original ones are used with strict abidance by intellectual property rights. In addition, this field applies procedures of health and safety on packing food, in a way that guarantees safety of consumers. Furthermore, production process passes by three main stages as following:



First stage

Planting the product

Second stage

Harvest

Third stage

Packing stage

3- Social Sustainability (Cont.)

Responsibility towards product (Cont.):

First stage: Planting the product

Global GAP practices that oblige farmers to follow these steps:

Risk analysis of topsoil:

This includes analysis of soil and water microbiologically and chemically; for identifying components of soil, water and pollutants that may exist and cause harm for agriculture. Consequently, there are treatment processes for soil and water; to be ready for planting crops.

Planting crops with approved saplings:

Such saplings should be obtained from authentic sources after paying for their intellectual property rights.

Treating such plantings chemically and biologically

Even for the purpose of fertilizing soil & plants and fighting pests through integrated anti-pesticides protection process (such process includes firstly preventive methods, secondly supervision and checking on recurrence of pests and finally chemical intervention in accord with international standards).



Second stage: Harvest

Before harvesting, there should be an analysis for the fruit; so as to identify quantity of remaining pesticides. Moreover, fruit should be free of pesticides and in case of remaining pesticides inside the fruit, this should be in accord with the international standards.

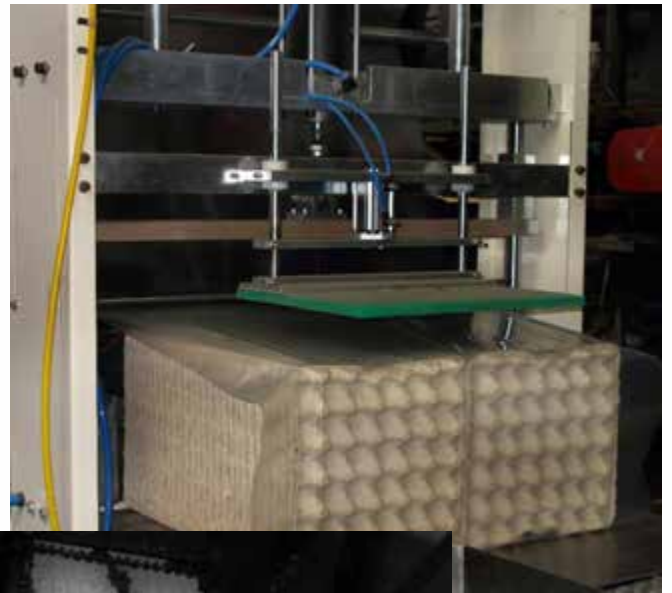
Subsequently, plant fruits free of pesticides and such fruits are sent to the packing station. .

3- Social Sustainability (Cont.)

Responsibility towards product (Cont.):

Third stage: Packing

- Crude product is received after checking conformity with specifications of clients and making sure it is free of pesticides through checking certificate of analysis.
- There are a series of procedures that should be followed inside packing station, according to health standards and safety of product against any type of pollution, through different production lines.
- Process of production and packing is applied according to global specifications for food safety (BRC).
- During production stage, the product is supervised by quality engineers; for the safety of production process.
- At the end of production stage a final check is conducted according to prescribed ratios; to make sure that product is compatible with prerequisite specifications.
- Bar code system is applied to be able to track the product till it reaches the end user.



3- Social Sustainability (Cont.)

F. Responsibility toward the society:



Since establishment in 1997; CONSUKORRA played an important role toward social responsibility. Such practices have taken several forms. Furthermore, these practices are defined in the following pillars:

- Improve social lives of workers; for keeping them within manpower of the company.
- Initiatives of social care.
- Support issues of education in society.

During past years, CONSUKORRA has accumulated extensive experiences and lessons learned around its responsible role inside the society. Hence, CONSUKORRA took the initiative to establish an independent entity that can carry out programs of social responsibility; for maximizing community impact of such programs.

Since January 2011, CONSUKORRA strives to establish a non – profit NGO holding over responsibility of implementing those programs in cooperation with a host of specialists in local development field. This foundation is called " Alkorra for sustainable development - AKSD". Some of the most prominent and interested public figures in development initiatives were invited to join AKSD board members. CONSUKORRA has currently assigned AKSD to manage most of social responsibility programs, especially those programs directed towards development of society.

Alkorra foundation for sustainable development

In field of refractories, CONSUKORRA always contracts on environmentally safe products. For example bricks that are used to build furnaces of both cement, and iron and steel factories. Such bricks are imported and used in aforesaid factories. Although there are other types of bricks cheaper than the imported ones, but they contain toxic and harmful materials for the environment. Moreover, CONSUKORRA has quality certificates for its products and services provided to its clients.

In the field of horticulture exports, anonymous saplings aren't acceptable, only original ones are used with strict abidance by intellectual property rights. In addition, this field applies procedures of health and safety on packing food, in a way that guarantees safety of consumers. Furthermore, production process passes by three main stages as following:



AKSD VISION

“Egypt, as among the countries the most competitive and productive in the world”

AKSD MISSION

To work together to support sustainable development efforts, especially economic and social development by investing in human capital, the development of young promising capabilities, enhance the value of work and productivity and to encourage entrepreneurship in partnership with local and international institutions.

AKSD VALUE



Alkorra foundation for sustainable development (Cont.)

AKSD Projects and Programs

The formulation of the vision and the final mission of the institution in 2012 and 2013 helped to reach the final strategies of the institution, after numerous meetings with stakeholders, leaders of the communities, civil society activists and study NGOs experiences-like, helped us to reach our current vision and mission of the institution and thus clarity of the foundation programs that directly reflect our strategies.



AKSD Strategic Directions

1- Promote work culture and ethics

Several reports and studies on the Egyptian labor market indicates that one of the main challenges facing the Egyptian labor is the low level of culture of work and the value of work ethic indicators at the young generations or at those who already started their working carrier with comparison to their peers in South Asia which negatively affect the demand of Egyptian labor in the Egyptian and Arab labor market.

As a result of this problem, which extends raised to a weakening of the productive capacity of the Egyptian workers and thus the Egyptian competitiveness. It appeared to those in charge of the institution that it is important to spread the work culture and ethics among the youth, especially those to enter the labor market and considered this trend, the main thrust of the institution.

2- Support Initiatives Programs

The young entrepreneur, young generation equipped with scientific, cultural and social creativity and has the capabilities that enable them to grasp the imagination and analyses facts to envision practical projects that can be physically implemented. This quality of youth creates jobs for themselves and other youth in the community.

This segment of young generation in all psychological and development studies has qualities and characteristics that cannot be found in other youth. Considered by many development experts a driving force and reconditioned power, that have the ability to overcome the challenges of reality with all the natural, social and cultural difficulties, they can create economic and investment projects regardless of negative output and challenges existing in their surroundings.

We strongly believe that without this driven segment of young entrepreneur the Egyptian and Arab communities will not truly develop, and unemployment rate with increase drastically, the productivity will deteriorate and the society shall face economic development decrease.



Alkorra foundation for sustainable development (Cont.)

AKSD Strategic Directions (Cont.)

3- Social Development:

The problem of poverty is considered the biggest challenge facing the development and evolution within Egyptian society. Poverty is the core of all social, economic, education and health problems. Real community development cannot take place without solving the poverty problem within the society.

Poverty was the main driven of 25 January Revolution, as the main slogan was “ Bread, Freedom, Social Justice”

Some poverty conditions in Egypt reach the degree of help and not only development. Although this cause is far from the vision and mission of AKSD, yet the foundation sense of national duty directed it to take part in collaboration with other organizations specialized in this type of service in the provision of basic needs or that scale of poverty and try to improve their living conditions.



FIRST: PROMOTE WORK CULTURE AND ETHICS

1- Program:" Discover Yourself... and launch:

This is a youth oriented training program for age group (22 to 35years) that aims to help youth identify their capacities, personality types, determine their career paths and finally put a life work plan in the light of the aforesaid. The program contains three main sections as following:

Free training for youth:

Brainpower

This component handle with how mind is functioning and ideas generating.

Who are you?

This component, through certified tools, helps youth to recognize their abilities, styles profiles and appropriate careers for them.

Define your future

This component handle defining future goals, putting plans, and brain motivation to implement this plan.



Table 5: Program statistics in 2012-2013

| | Target Trainees | Date | Location | Number of Attendees |
|---|-------------------------------------|----------------|--------------------|---------------------|
| 1 | Fresh graduates and Senior students | 5-10 August | ALKorra | 25 |
| 2 | Volunteers Rainbow Foundation | 22-23 November | Rainbow Foundation | 15 |
| 3 | Fresh graduates and Senior students | 10-14 December | ALKorra | 23 |
| | Total | | | 63 |



FIRST: PROMOTE WORK CULTURE AND ETHICS (Cont.)



2- ONE Day Training of: "Discover Yourself... And Launch":

Because of the difficulty of reaching a large number of young people through rehabilitation exercises for the labor market, AKSD decided to conduct open discussions with youth for one day within their universities, in cooperation with the Supreme Council of Universities and the provinces of Egypt in cooperation with the Ministry of Youth on the topics raised in the training program "Discover Yourself".

Table 6: Program statistics in 2012-2013:

| | Activity | Date | Location | Number of Attendees |
|---|------------------|----------|----------------|---------------------|
| 1 | Aswan Governance | 20 April | Aswan | 84 |
| 2 | Luxor Governance | 21 April | Luxor | 138 |
| 3 | Suhag Governance | 22 April | Suhag | 112 |
| 4 | Bani Suef | 23 April | Bani Suef | 108 |
| 5 | Giza Governance | 28 April | Giza | 107 |
| 6 | Cairo Governance | | Sadat Academia | 74 |
| 7 | Cairo Governance | | GUC | 65 |
| | Total | | | 688 |

FIRST: PROMOTE WORK CULTURE AND ETHICS (Cont.)

3- Program: the transition phase from school to labor market:

A program aims to increase awareness and self-perception of young graduates of vocational technical education to improve their employment prospects in the Egyptian market. 6 schools in a pilot first phase.

The implementation of the German Agency for Development program in collaboration with the Ministry of Education and associations Sadat City Investors and Sixth of October in partnership and cooperation with ALKorra foundation at all stages of the implementation to ensure the sustainability of the experiment outputs and the pursuit of future expansion.



Table 7: Program statistics in 2012-2013:

| | Activity | Date | Number of Attendees |
|---|--|------------------------------|---------------------|
| 1 | Train the Trainers Program: Technical Consultation for the target schools | 8 th January 2013 | 27 |
| 2 | Organize Job vacancies explore camp | 19-21 May 2013 | 50 |
| 3 | Train the Trainers Program Technical Consultation for Youth Centers | 1 st of June 2013 | 22 |
| 4 | Organize Job Faire “ One step to the future” | 22-23 June 2013 | 240 |
| 5 | Train the Trainers Program Technical Consultation second round | 26-30 June 2013 | 25 |
| 6 | Organize consultation session in several youth centers | 12-14 November 2013 | 30 |
| | Inspection visits | Scholar year | 6 schools |

FIRST: PROMOTE WORK CULTURE AND ETHICS (Cont.)

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FIRST: PROMOTE WORK CULTURE AND ETHICS (Cont.)



4- The monthly Cultural Salon “INTALEQ”

A cultural salon “INTALEQ” was founded for youth, it is a cultural forum that brings together young and intellectual leaders, visionaries and innovators in Egypt, in an attempt to provide suitable environment for youth to think and debate on topics affecting the restoration of Egyptian identity, reform of ethics and values, encourage work and production culture, development, changes and boost of positive energy. The visions about the future requirements and the possibility of making a change.

Table 8: Program statistics in 2012-2013

| | Activity | Lecturer | Number of Attendees |
|---|---|---|---------------------|
| 1 | Work Culture and its connection with Productivity and competitiveness | Dr. Ahmed Darwish Former Minister of Administration Development | 230 |
| 2 | Youth vision for Egypt future | Dr. Essam Hege Presidential consultant | 150 |
| | Total | | 380 |

SECOND: SUPPORT INITIATIVES PROGRAMS

Support initiatives and young entrepreneur is a new methodology in the social developmental field has a potential to generate the role of the persons or active groups official and non-official within the community to encourage the idea of social responsibility and effective participation to solve local community problems.

Programs of this pillar have been designed to support the role of individuals, youth groups and civil society organizations in participating and volunteering through the embracing of social and economic initiatives. This role is the core of ALKorra foundation vision and mission.

1- INTALEQ Program, Support Civil Society Initiatives

To maximize the ALKorra Foundation role in the support of civil society organizations, ALKorra created a program supporting NGOs working in the field of provide employment and rehabilitation to the youth under the name of "INTALEQ to support community-based organizations," which aims to support new initiatives or current initiatives that have had successes in the field of providing job opportunities for young generation to ensure the continuity of service providing.

Table 9: Program statistics in 2012-2013:

| | Support Activities | Support Programs | Number of Attendees |
|---|--|---------------------------------|---------------------|
| 1 | Education for Employment Foundation | Youth Employment | 35 |
| 2 | TEROUS Foundation | | - |
| 3 | Community Development – Om Saber Village | Renew youth center | Villagers |
| 4 | Rainbow Foundation | Habitation of Homeless Children | |

SECOND: SUPPORT INITIATIVES PROGRAMS (Cont.)

2- Misr Development Market Program:

Misr Development Market Program is a national program supported by the World Bank and the implementation and provision of technical support by a number of community organizations, including ALKorra Foundation. The program aims to support economic initiatives of civil organizations and companies under the name of "Misr Development Market " in order to provide job opportunities for youth in the field of industrialization of agriculture and handicrafts.

3- MASSAR Program, Support University Students Initiatives:

MASSAR Program is an annual contest to support best university students 'activities, Social initiatives and University Modules under the supervision of community NGOs to habitat the youth to the labor market, this program provide three methods of support:

- Financial support
- Technical support to the administration and management in charge
- Technical support to the trainers and lecturers in charge

Table 10: Program statistics in 2012-2013

| | Activities | Date | Number of Attendees |
|---|--|----------------------------|---|
| 1 | Contest Announcement | 1 st March 2013 | - |
| 2 | Organize a Program preparation introduction meeting | 1 st April 2013 | 33 Module |
| 3 | Organize a training on Discover Yourself Program for the wining modules | 7-12 September 2013 | 26 Participant |
| 4 | Organizing a training for the trainers for winning samples representatives | 15-19 September 2013 | 22 Participant |
| 5 | Graduation ceremony | 19 September 2013 | 22 Trainee on Discover Yourself Program |
| 6 | Financial support for the winning modules | October 2013 | 9 Modules |
| 7 | Technical Support for the winning modules | October 2013 | 9 Modules |
| 8 | Organize Marketing workshop | 8-22 October 2013 | 9 Modules |

THIRD: SOCIAL DEVELOPMENT

Sustainable rural development is one of the main goals of ALKorra Foundation. Over the past period, it has been setup to try the implementation of various developmental experiences for the development of rural villages in order to experiment and make the best out of development practices and lessons learned to determine the best models to be repeated in the future.

These experiences working to improve the productivity of seeds of major crops, especially wheat and rice, and to maximize the productivity irrigation water/Ltr used in the cultivation. The project works in this field in two directions: Agriculture nursery improved and guaranteed source, not mixed with other types and under agricultural supervision, and the creation of pilot fields all these factors will lead to increase the productivity/acre.



1- Extracting an anti-dehydrated rice with strong characteristics and productivity program:

ALKorra with the collaboration of Dr. Saeed Soliman, whom, he and his research team from the University of Nemoufeya, succeeded in extracting an anti-dehydrated rice with strong characteristics and productivity (Only consumes half of regular rice need of water consumption, similar to the corn usage). Have a higher productivity of 1 Tone/acre. Copy Rights of innovation registered under the code Orabe 2.

To achieve the best effect of the project on the farmer income in particular and the national income in global, it needs the speed and spread of cultivating this type of rice and provide seeds for planting indicative fields with farmers – especially small scale farmers- with affordable prices, then to harvest the crop to create more seeds for next season. In 2013, the cultivate field with that new kind of rice reached more than 2000 acre, as indicative fields, ALKorra contributed financial with the biggest share to finance this initiative.

THIRD: SOCIAL DEVELOPMENT

2- Charity Donation Program:

This program aims to provide support to social charities activities through NGOs directed to the poorest rank in the community. These activities cover the sector of children, illness, orphans and widows.



Table 11: Program statistics in 2012-2013:

| Activities | Program |
|---|--|
| 1 Misr El Kheir Foundation | Support deprived families |
| 2 Food Bank Foundation | Provide meals for deprived |
| 3 Social Support Foundation | Provide social support |
| 4 Awlade Association in Maadi | Support the association operational cost |
| 5 Friends of people with Cancer Association | Support the association operational cost |
| 6 In the Love of GOD Association | Support the association operational cost |
| 7 Konoz Foundation | Organize annual conference |



3- Networking and partnerships:

During 2013, ALKorra foundation extended its networking with several Governmental and Non-Governmental organizations on the local and international level.

Table 12: Program statistics in 2012-2013:

| Activities | Organization | Program |
|---|----------------------------|------------------------------------|
| 1 Ministry of Youth | Governmental | Activities execution collaboration |
| 2 Supreme Council for Universities | Governmental | Activities execution collaboration |
| 3 Universities General Union | Non-Governmental | Activities execution collaboration |
| 4 Asr El Alem Association | Non-Governmental | Activities execution collaboration |
| 5 Terous Association | Non-Governmental | Activities execution collaboration |
| 6 GIZ German Organization | International Governmental | Activities execution collaboration |
| 7 Save the Children American Organization | International Governmental | Activities execution collaboration |

Sustainability Report Preparation Steps

This is the first annual report of CONSUKORRA Company regarding sustainability. It is the first time to gather information within the company and to check it against the sustainability indicators. Furthermore, data collection and analysis have been conducted according to the following principles:

- Designing methodology and tools for data-collection and analysis
- Showing methodology, tools and schedule to the managers of the company different sectors.
- Holding meetings with the company staff including BU managers; preliminary data collection regarding prerequisite indicators that should be confirmed.
- Developing a data analysis on each indicator level.
- Obtain reports and data from the company different sectors
- Write the final report of CONSUKORRA Company's status regarding sustainability according to the agreed on indicators.



Table of Indicators

| Field | Standard items | Code | Indicator formula | Page |
|---|---|--------|--|-----------------------------|
| Strategy management of sustainability The economic indicators (BC) | Strategy and analysis | 1.1 | Statements from the most senior decision-makers of the organization | 3 - 4 |
| | | 1.2 | -Description of the main effects, risks and opportunities. -Description of major impacts, risks and opportunities | |
| | | 2.10 | Awards received in the reporting period | 11 |
| | Report profile | 3.1 | Reporting period | 2 |
| | | 3.8 | Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations ... etc. | 32 |
| | Report parameters | 3.12 | Table identifying the location of the standard disclosures in the report identifies the page numbers or web links. | 8-9 |
| | Governance, commitments and engagement governance | 4.1 | Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight. | 8 - 9 |
| | | 4.4 | Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body | 10 |
| | | 4.14 | list of stakeholder groups engaged by the organization | 10 |
| | | 4.15 | Basis for identification and selection of stakeholders with whom to engage | 10 |
| | Economic performance | EC 6 | Policy practice and proportion of spending on locally – based suppliers at significant locations of operation | 11 |
| | | EC 7 | Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation | 10 |
| | Environmental Indicators | Energy | 3 | - Direct energy consumption |
| 4 | | | - Indirect energy consumption. | 15 |
| 5 | | | - Energy saved due to conservation and efficiency improvements | 17 |
| Water | | 8 | Total water withdrawal by source | 18 |
| | | 9 | Water sources significantly affected by withdrawal of water | 19 |
| Labor practices and decent work performance indicators | Employment | 1 | Total workforce by employment type, employment contract, and region, broken down by gender | 19 |
| | | 2 | Total number and rates of new employee hires and employee turnover by age group, gender, and region | 19 |
| | | 3 | Benefits provided to full-time employees that are not provide to temporary or part-time employees, by significant locations of operation | 19 |
| | Occupational health and safety | LA 7 | Rates of injury, occupational disease, lost days, and absenteeism, and total number of work-related fatalities. . | 20 |
| | | LA 8 | Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families, or community members regarding serious disease | 20 |
| | | LA 9 | Health and safety topics covered informal agreements with trade unions | 21 |
| | Freedom of association and collective bargaining | HR 5 | Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining maybe violated or significant risk, and actions taken to support these rights. | 21 |
| | Child labor | HR 6 | Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor. | 21 |
| Society performance indicators | Local communities | SO 1 | Percentage of operations with implemented local community engagement, impact, assessments, and development programs | 13 |
| product responsibility performance indicators | Customer health and safety | PR 1 | Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and service categories subject to such procedures. | 22 |

For further information about CONSUKORRA Company, kindly visit www.cosukorra.com

Conclusion



We are extremely proud to state our social responsibility achievements in 2013. We hope to continue our contributions in achieving sustainable development within the society. We hereby pledge to improve our performance in the future; to reach the best mutual interest with our partners on local and international levels.

Appendixes

- Consukorra Financial Statement in 2013.
- ALKorra Financial Statement in 2013.

Consukorra Financial Statement in 2013

| | |
|---|--------------------|
| BUSINESS VOLUME | 265,971,610 |
| Business Cost | 193,137,555 |
| Expenses (Bank Interests, General & Administrative) | 71,649,442 |
| Net Profit | 2,660,526 |

Business Volume per BU

| | |
|--|--------------------|
| SALES VOLUME (TOOLS, REFRACTORIES, PETROCHEMICALS, SPARE PARTS, PUMPS & GENERATORS) | 97,834,869 |
| Maintenance Service Revenues | 17,559,010 |
| Contracting Revenues | 109,432,470 |
| Export Sales Revenue | 36,342,470 |
| Agencies Commission | 4,802,340 |

ALKorra Financial Statement in 2013

Expenses Report based on the Programs of 2013

| STATEMENT | EXPENSES |
|---|------------------|
| ALKorra Programs and Activities Financial Support | |
| Work Culture Programs Discussion sessions, entrepreneurship, transition from school to labor market workshops, ABER Contest) | 91,911 |
| Young Entrepreneurs Initiatives (MASSAR) | 83,094 |
| Fund other NGOs working in the field of Youth & Labor (EFE Association, TEROUS Association, KENOUS Foundation & Rainbow Association) | 115,000 |
| Fund Community Initiative (Rainbow Association Annual Conference) | 30,800 |
| Fund Urban Sustained Development (Om Saber Module) | 413,330 |
| Total Funds for Sustained Development Programs | 734,135 |
| ALKorra Funds to Small Scale Initiatives | |
| Food Bank | 20,000 |
| Cloths Bank | 40,000 |
| Friends of people with Cancer Association | 12,500 |
| In the Love of GOD | 8,500 |
| AWLADE Foundation | 50,400 |
| Social Support Association | 500 |
| ALKorra Operational Support | |
| Headquarter Annual Rental | 45,000 |
| Administration expenses | 58,060 |
| Employees' Salaries | 689,059 |
| Equipment Usage | 30,529 |
| WebSite and Social Media Management | 2,781 |
| Total Operation Cost | 825,429 |
| Total Fiscal Year Expenses | 1,691,464 |

