# **CS R SUPPLEMENT**Corporate Social Responsibility

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# The Spirit of Corporate Responsibility

Every member of a community or society plays a part in shaping and defining it. Despite their tireless pursuit of profitability, efficiency and competitive edge, large corporate entities are not faceless forces of economics. They are rather exceptionally large members of society, comprised of people who breathe the same air and speak the same language as the rest of the community which hosts them.

In the midst of the billions of dollars held in the balance and the world-changing potential of the decisions being made, it is easy for the petroleum industry in particular to lose sight of the human element intrinsic to all business. But it is this very same extraordinary scope that burdens these companies with a proportionally large amount of responsibility to support the communities and societies in which operate.

The concept of Corporate Social Responsibility simply puts forth the notion that ethical, social, and environmental concerns must be integrated into an enterprise's operations. This serves as a PR precaution, in keeping with increasingly humanitarian and morally-conscious legal and political frameworks around the globe. Consequently, it is good business practice.

More importantly, however, CSR serves the purpose of preserving the very soul of the industry and the companies of which it comprises. It is all too tempting for executives and decision-makers in the petroleum industry to view environmental and social concerns as obstacles to overcome on the path to financial success. To do so would be to make the mistake of assuming that these companies and this industry are intended to function as money-printing machines.

Financial success is paramount to the overall success of a petroleum company, and is the end towards which any such company is geared, but it does not make up the entire picture. These companies are in their essence human projects, and as such, their vision must reflect the ultimate human desire for prosperity. In the absence of true ethical and moral standard safeguarding its conscience, the industry runs the risk of having the companies usurp the people who comprise their makeup and become self-serving entities unto themselves, of no true benefit to society.

This is what CSR truly signifies. It is essentially a self-made pact by companies vowing to sanctify communities, and to remove them from the competitive environment which these companies inhabit. CSR policies ensure that it is rather the companies themselves that compete within the context of society as members of it, and furthermore look to contribute to the well-being of society in ways sometimes unrelated to their normal dealings.

Responsibility towards society is of particular importance to the petroleum industry due to the industry's potential for affecting significant change both positive and disastrous. In order to combat the temptations of greed and excess, which are natural to mankind, but which ultimately lead to vanity and aimlessness, Petroleum companies must stand resolute and embrace their Corporate Social Responsibility.

Whether it is small communities, large societies or petroleum companies, all must adorn themselves with the finer elements of human nature, for at their most basic, they are all simply people.

# CORPORATE SOUCH RESPONSIBILITY



CSR is a concept that first gained popularity in the 1960s, but has become the norm among most big companies in recent years. It has evolved to a varied and multi-faceted endeavor with benefits accruing to the donors and beneficiaries alike.

Training programs and support for educational schemes develop students, trainees and apprentices into a loyal and skilled work force, which companies can then draw from. Offering internships or mentoring programs allow companies to support a community, as well as training people with specific and needed skills. For example, math and science are often neglected subjects, but are so essential for a career in the petroleum or engineering industries; funding a technical program within a university or college are ways to provide value to the company further down the line while simultaneously creating opportunities for young people.

Another route is to subsidize training or education for the children of existing employees; the added benefit of this is creating a loyal and committed band of employees and a future pool of talented potential employees.

Corporations that operate in deprived or underdeveloped regions often fund education and even build schools. Habitat International, a non-profit organization that offers rewarding volunteer experience for professionals who want to make a social contribution by building houses, schools, and clinics in most regions of the world. This functions as both an adventure and a team building exercise for employees. Evidence suggests that volunteers derive as much benefit, in terms of life experience, as the developing communities. When locals participate and see the "kindness of

strangers", they are often more invested in maintaining and developing what has been built. They also acquire new skills from the volunteers.

Stephen Yui, Chairman of KMPG China, says that the hidden benefits of CSR are multiple and varied: it helps staff "realize their potential and exposes them to different life skills and world views," and they are more likely to come up with "innovative and sustainable solutions to economic, social and environmental problems."

The energy crisis in Egypt spurred local companies to create an initiative, Belma32ol, to urge wiser energy use. Saving electricity and gas would mean fewer power cuts and less crisis intervention to provide fuel and energy. This initiative might develop to encompass researching locally made insulation materials, which would decrease the need for heating in winter and cooling in summer. The gas and petroleum industry in Egypt is well placed to lobby for better building codes, and this should be taken advantage of.

Small talented groups of dedicated professionals are often better at coming up with innovative solutions because they are not bogged down by bureaucracy or competing interests. For example, further research into palm products as insulation material might create a new material that could be used locally and possibly exported. Many EU countries have strict insulation requirements: organic insulating materials would be favorably received. These products

generally go to waste, so the potential is huge. Likewise, the offcuts from the huge textile mills could be refabricated into insulation for ceilings or to "dress" household water heaters to minimize heat loss, thus cutting down on the need for fuel.

Since water heaters are the single biggest users of household electricity, developing timers to reduce energy consumption when people are at work, school or asleep. A simple locally made product would create employment at the point of manufacture, and installation would provide further employment. This would be a win-win situation. Dedicated professionals who offer their services part time as part of a social responsibility are often more creative and have skills that would prove difficult to establish from scratch.

The gas and petroleum industry in Egypt is well placed to lobby for better building codes; for example, double skin outer walls to reduce the "hot wall" syndrome, which requires a lifetime of cooling. Micro loans for solar panels are a useful way to encourage people to install solar water heaters and pay off the loan with the savings on electricity bills.

Corporate social responsibility projects are alive and well in Egypt and we applaud both the companies that establish them, and the volunteers that invest their time and energy to make them work. We wish all participants well, and look forward to increasingly dynamic and innovative programs in future.



# **Ahl El Balad**





BG Egypt and its partners address the root causes of livelihood pressures in their area of operations in Idku through a multi-year sustainable livelihoods project

# A Commitment to the Neighboring Communities

As part of its Business Principles, BG Egypt is committed to ensuring that neighbouring communities benefit from the company's presence on an enduring basis. This was the underlying driver behind the formation of the Social Performance Collaboration Forum, including BG Egypt and its Joint Venture partners PETRONAS, Edison and GDF Suez with the support of EGAS. The aim of this unique forum was to ensure the strategic management and expansion of social investment activities in Idku, the town that hosts Rashpetco/Burullus onshore site and the Egyptian LNG company.

Although the forum was formed in 2011, BG Egypt had been working on improving the livelihoods of the ldku community since the early phases of its presence in ldku. Through its JV and through Egyptian LNG, the company's commitment to the community was manifested in school reconstruction, the support of the ldku General Hospital with medical devices and helping the communities manage their solid waste.

In 2009, BG Egypt commissioned a socioeconomic research on the ldku area which revealed that in spite of these projects, their resilience of the ldku community has been weakening over time as they continue to engage in declining traditional livelihoods adding pressure on an already environmentally exhausted geographical area. These findings informed a new social investment strategy focused on alleviating livelihood pressures, in an attempt to address the community's real needs.

This, however, was slowed down by the revolution of 2011. Even at this difficult time, the SPCF launched a stakeholder consultation exercise with the Idku community to listen to them and understand their demands before designing the strategic livelihoods project.

While this was taking place, a community awareness team was hired to facilitate community entry for the social performance team and to inform the community of the coming project which was named "Ahl El Balad". The name reflected the desire of the SPCF to continue to reinforce its position as a good neighbour to the community of Idku looking to help alleviate their livelihood concerns even if the company cannot hire all community members, it can listen to them, understand their needs and support their livelihood improvement as part of its social responsibility.

### **Ahl El Balad**

Since its kick off in 2013, Ahl El Balad project team identified a number of interventions for the project. A multi-year sustainable livelihood project implemented by ACDI VOCA (a not-for —profit organization supporting agribusiness in Egypt) was the core intervention. Around this were a few visible projects such as the construction of a building for the Deaf and Mute groups in Idku where they can receive language and computer training among other activities.

The aim of "Ahl El Balad" was to introduce sustainable economic opportunities to the Idku communities in the fisheries, agriculture and handcrafts sectors. To fulfill this aim, "Ahl El Balad" hired a team of international and national experts to conduct a physical resource survey and value chain mapping of Idku area to identify weaknesses and opportunities in the area and recommend steps for strengthening each of the industries.

As a result of an in-depth understanding of the socioeconomic context in Idku, "Ahl El Balad" provided training and technical assistance to a total of 865 beneficiaries of farmers, fishermen and artisans from the most marginalized groups in Idku. In addition, Ahl El Balad team gave three capacity building workshops to associations in Idku to en-

able them to sustain the support after the completion of the project. Ahl El Balad also provided small in-kind grants to the trainees to equip them with the tools and technologies and help improve the quality of their products. The tools included sewing machines, scissors and cutting equipment for artisans and ice chests, nets and net bags for fishermen.

The demand from farmers on training and capacity building was overwhelming. Ahl Balad provided training and technical assistance to 760 farmers who have been suffering from numerous crop diseases and irrigation issues.

One of the highlights of "Ahl El Balad" is the introduction of a new technology in the ldku area - the hydroponic fodder technology which can be used in raising goats. After the training, five hydroponic fodder units were granted along with 6 goats, dry food, barley seeds and a fertilizer to five groups of families. The objective of this intervention was to produce a business model based on this new technology with which the grantee group can produce green fodder for animals every seven days year round. The real profit is in the improved quality of milk and meat that the animals would produce. After a few months of operation most of the goat recipients received new baby goats.

In the fishing sector 71 artisanal fishermen and shell fish collectors were trained on improved fishing practices. Aly Ibrahim El Sayed Zaitoun, a fisherman, had much to say about the project, reporting, "We learned how to keep the fish fresh and alive for longer periods of time so it sells at higher market prices. In the past, when we did not handle the fish correctly, its quality deteriorated by the time it reached the market so its price went down. But now with the improved quality of fish, I sell my catch at 25 LE/KG while other fishermen sell at only 10 LE/KG. I also learned about safety procedures on the boat and how to use some safety tools. I am highly satisfied with the quality of



ice boxes and nets received through the project; the nets allow me to catch bigger size fish and the ice boxes keep the fish long enough so that it reaches the market fresh. I am 42 years old and I feel hope and see some light as a result of the visits and training from the project. It makes me feel that somebody cares about us when I receive the consultants."

Mohamed Abdallah Abu Dakka, 65 years old, said, "I am old enough, yet I am quite impressed with the quality of technical training received so far. We learned new things. Now I know how to keep the fish fresh and alive for longer periods of time; the fish survives the distance from the beach to the market and reaches the final customer in a higher quality so we are able to catch higher market prices.

Samy Shalaby Shekedaf said, "The technical training was indeed very useful. The information is useful to everybody, the literate and the illiterate."

Ahmed Saeid Ragab El Sad, Halet El Beheira (a community association) representative, said "By using the granted nets and applying the new practices we learned a lot through training. I managed to achieve a 30% net increase in volume (weight) of catch over last year, by catching more adult fish and far fewer juvenile fish."

In the textiles sector and through the Dibono Association, "Ahl El Balad" trained many young females on pattern design and sewing techniques. The trainees were also provided with some equipment, cutting tools and new patterns according to current market trends. The sewing training provided had a significant impact on ladies' lives, in terms of empowerment, transfer of skills and providing lasting financial benefit. Upon completion of the first training course, the association received its first order to manufacture school uniforms for local kindergarten students. More orders continued to follow as the association's Executive Director, Hajj Abdallah, continued to work on establishing relationships and linkages with companies and exhibitors to market the associations projects at higher prices with the improved quality. In just a few months of training, the average monthly income of the artisans in the Dibono NGO was tripled as the sales of their products increased with the improvement in quality. The NGO has also tripled its average monthly revenue from the commission it earns by marketing the women's products. Hajj Abdallah will use the income to enhance his charitable programs in Dibono (e.g., food packages for the poorest members of the community) and to continue to create job opportunities. Soon after the Ahl El Balad training was completed the association sponsored and organized four workshops to train 40 young women and housewives on making handicrafts and table covers where 27 of the trainees applied for loans for microbusiness start-ups.







# **Apache Balances Operational Excellence**With Social Responsibility



Apache pursues operational excellence as it balances profitable, long-term growth with an unwavering commitment to the environment, health and safety and community.

At Apache Egypt, we are dedicated to conducting operations in a safe and environmentally responsible manner. As we focus on growing production and generating shareholder value, Apache is developing lasting relationships in the communities where we operate. We are building and maintaining schools, improving civic infrastructure and working to help solve Egypt's energy crisis.

As we pursue social responsibility, our values also dictate that we consistently direct our efforts to recognize, respect and provide opportunities for indigenous people who live and work in our communities.

### **Springboard Project**

At the forefront of our community efforts is our ongoing campaign to provide educational opportunities through our partnership with Springboard: Educating the Future. Apache has built and maintains 201 one-room schools attended by 10,000 girls in remote rural areas of the country where educational opportunities for girls are scarce.

In 2003, Egypt launched its National Girls' Education Initiative with the goal of providing quality education to underprivileged girls who are deprived of educational opportunities due to geographic, social and economic realities. The following year, Springboard was established by Apache to support the effort. Springboard's mission is to encourage innovative partnerships with governmental and non-governmental organizations, corporations and contributors to provide supplemental financial and in-kind resources for construction and operations of school facilities.

Partnering with the National Council for Childhood and Motherhood (NCCM), Apache and Springboard began to build the 201 one-room schools in 2004. Throughout the construction campaign, the Springboard team interacted with community leaders and received valuable feedback on how to provide support to the schools and the community.

Today, more than 10,000 girls have learned to read and write through the Springboard initiative. About 4,000 girls have graduated from Springboard schools and nearly 2,200 enrolled in middle schools to continue their education.

Working with the Egyptian Ministry of Education, Apache and Springboard now work to ensure the long-term success and sustainability of the schools. Among the efforts, the team:

 Visits the 201 schools three times a year to ensure they are well maintained and to check on the girls' academic progress

- Conducts periodic maintenance of the schools, averaging about 60 schools a year.
- Planted gardens at some of the schools and built fences at others to provide a safe atmosphere for outdoor activities.
- Dug water wells for some of the schools that had no access to freshwater.
- Organizes many events to support the schools with supplies and medical needs
- Distributed a collection of encyclopedias donated by the U.S. Embassy.
- Sponsors numerous outings for the girls to places such as the zoo and the pyramids.
- Distributed 7,000 pairs of shoes to the girls to promote health and wellness in an agreement with shoe manufacturer Crocs.
- Organized seven concerts in cooperation with the Egyptian Philharmonic Society to celebrate the first class' graduation.
- Acts as an intermediary between individual donors and the schools to ensure the schools receive the educational tools and supplies that are needed.
- Supports its national employees as they conduct donation campaigns each year to support individual schools and the surrounding communities.

### **Matrouh Schools**

In the Matrouh area in Egypt's Western Desert, Apache has completed construction of a sixth co-educational school for the Bedouins, a desert-dwelling nomadic tribe. A total of 200 students attend the schools.

The Bedouins contacted Apache and asked for help in building schools in their communities after hearing about the company's campaign to build one-room schools for girls. After a fact-finding mission in 2006, Apache discovered the nearest school at the time was nearly 10 kilometers (six miles) away, forcing students into long walks to and from classes. Some who could not walk the distance simply gave up.

Apache contacted the Ministry of Education in Matrouh and with its support immediately began building two new schools. For its part, the ministry promised to supervise the schools and provide two teachers for each new one built.

Other nearby villages heard about the project and asked Apache to help their communities. To date, a total of six schools have been built for the Bedouins.

### Our Mission

Our mission is to grow a profitable global exploration and production company in a safe and environmentally responsible manner for the long-term benefit of our shareholders.

### Core Values

Since 1954, Apache has built a team unified by our values, our commitment to building shareholder value and our culture, which empowers every employee to make decisions and achieve the company's goals. Our global team is brought together by a sense of ownership and the knowledge that best answers win. Our core values are:

- Drive to succeed with a sense of urgency;
- Factor a contrarion anisity
- Invest in our greatest asset: our people
- Expect top performance and innovation
- Treat our stakeholders with respect and dig nity:
- Safety is not negotiable and will not be compromised:
- We derive benefit from the Earth and take our environmental responsibility seriously; and Conduct our business with honesty and inteority.







Apache continues to support the schools, monitoring student performance, furnishing school supplies and providing building main-

# **Secretary of State's Award for Corporate**

The Egypt Region was named a global finalist for the U.S. Secretary of State's 2013 Award for Corporate Excellence for its corporate social responsibility programs, including its efforts to provide educational opportunities for girls in rural communities.

An interagency committee chaired by the State Department chose 12 U.S. companies as finalists from 42 nominations submitted by U.S. ambassadors around the world. Apache was named a finalist for its "exemplary corporate citizenship, innovation and distinguished contributions to the overall growth and sustainable development of the local economy in Egypt."

### **Energy Conservation Campaign**

Apache joined other oil and gas companies and government officials in launching the Egyptian Initiative for Energy Conservation to help Egypt weather its energy crisis.

With demand for energy exceeding supply in Egypt, the joint public-private initiative was designed to encourage simple energy-saving habits by individuals and businesses. The initiative was launched through a full-fledged communications campaign involving advertising, media and public relations plans to promote energy-saving tips.

Apache and the other companies pledged financial support toward the energy-saving campaign. Several media companies were approached to design an awareness campaign to quickly reach as many people as possible. The public service announcements ran on television, radio, outdoor billboards, the web and online social media. Additional publicity was garnered through extensive print and broadcast news coverage.

By all accounts, the campaign to promote energy conservation in Egypt was a success.





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ere like a family in El Setteen School. When one of us gets sick, the whole school goes and visits

her" Gehad, Kalthoum, Randa & Marwa – Graduates of F15 El Setteen School, Fayoum

### **Civic Efforts**

Apache Egypt and its employees support many civic efforts through volunteer work and financial contributions, including the Breast Cancer Foundation of Egypt; the Egyptian Geophysical Society; Tanta University; Care Egypt; the American Research Center and the American University in Cairo.

At the American University, Apache has provided an endowment to support Egyptian students majoring in petroleum engineering with full scholarships since 2010.

For the past two years, Apache has sponsored the Breast Cancer Foundation, an initiative designed to raise breast cancer awareness, promote education and provide services to Egyptian women.

Apache also supports the American Research Center in Egypt, a nonprofit organization made up of educational and cultural institutions, professional scholars and private individuals. The center's mission is to support research on all aspects of Egyptian history and culture, foster a broader knowledge about Egypt among the general public, and strengthen American-Egyptian cultural ties.

Apache has been helping Egypt's orphans since 2005. Last year, the company raised 160,160 EGP (US \$23,000), the largest donation since it began its annual campaign for needy orphanages. The money, donated by

Apaches throughout the operating region and matched dollar-for-dollar by the company, is being used to purchase food, clothing, medicine, school supplies, toys and more. Twenty orphanages and 16 associations in 10 cities, including Cairo, benefit from the fundraising campaign. There are an estimated 1.7 million Egyptian orphans.

### **Wellness Program**

As a responsible employer, Apache is committed to providing an environment that encourages a healthy workforce. In July 2011, Apache announced a wellness expansion initiative to deliver a culturally-relevant wellness program to each of its international regions using the same common biometric screening protocol and health risk assessment tools.

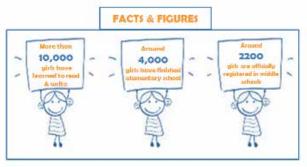
The initiative, driven by Apache's Global Wellness Strategy, enables the company to measure and evaluate program results on one common platform. The adaptation of the program to meet the challenges of country-specific health privacy rules, language translation and customs is an ongoing process. But the vision remains consistent: To encourage employees in Egypt and throughout the world to become more involved in evaluating their personal health risks and mitigate those risks by participating in programs that promote healthy lifestyles."



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youtube.com/SpringboardEgypt









# **Dana Gas Egypt**Invests in Education and Health:



# An Integrated Model to Ensure Sustainable Development

# Starts with understanding and ends with commitment.

At Dana Gas Egypt, we share a common goal of maintaining financial viability, sustaining our business, and bring true value to the communities in which we operate. We realize that achieving this equilibrium is an arduous feat. Development hurdles in countries like Egypt, pose great challenges for engagement, yet create a necessity to support the local communities.

Through our Integrated Community Development Program, Dana Gas Egypt, with the support of Dana Gas Group, has invested over four million USD over the past five years. This investment primarily focused on bringing sustainable local development in communities adjacent to all of DGE's operational sites in Egypt. Dana Gas Egypt has succeeded over the past five years to create a successful model providing a profound impact for communities were we operate.

An Integrated Development Approach - A Multi-sectoral approach with a comprehensive development vision addressing multiple communities needs through a set of integrated solutions with a prime focus on sustainability and local empowerment allowing for increased community engagement and development.

Through this program, Dana Gas invested in the provision of better health services and improving public education in the concerned comminutes. The program now runs an average of multiple initiatives annually, with full coverage of the targeted local communities.

Full Assessments are conducted prior investments to ensure its adaptability to local context in coordination with the Ministry of Health and Population, Ministry of Education, Governorates and local municipalities. The idea of the Health and educational upgrade Program focuses on renovation & upgrading local heath units and schools to support their ability to better service the local community. The program involves full physical renovation, upgrade of medical equipment and schools supplies and school furnishing, training and support to management of the local heath units and schools.

Providing local communities with access to quality education and health care is vital for the development of Egypt. Investment in local communities is a key pillar of Dana

Gas' commitment to business sustainability

# The program in the past five years have fully covered the following projects

Full upgrade of Local Heath Centers delivered the following units:

- Fares 2 Kommbo (Aswan)
- Abu Al Akhdar (Dakahlia)
- San El Hagr El-Bahria (Sharkia)
- El Kasby Gharb (Sharkia)
- San El Hagr El-Keblya (Sharkia)
- Benban ambulatory center (Aswan)
- Tanees (Sharkia)

School Renovation Program intervention delivered full renovation for:

- Sharbas Primary School (Damiatta)
- Al Soltan Abd El-Salam (Aswan)
- El Rest Primary school (Sharkia IT support only









# **RWE Dea Egypt**

# Corporate Social Responsibility (CSR) Community Development Projects (CDP)







As a reliable partner in the world of gas and oil, RWE Dea has been involved in exploration and production projects in Egypt since 1974. RWE Dea has set out to strengthen and expand its position in Egypt as one of its core regions and to create a strong and reliable platform for a growing commitment in this country. RWE Dea's activities in Egypt meanwhile represent a very important segment of its international upstream business.

A great success story was that we had the first gas from our Central Treatment Plant (CTP) in Disouq in August this year.

RWE Dea Egypt launched a Community Development Programme years ago and has started to execute social projects to support the community in our concession areas.

Eight years ago, our CSR programme included the renovation and equipping of school buildings in Greater Cairo, Ras Ghareb, Badrasheen and some other districts.

We were also involved in cultural projects like the renovation of the Coptic Museum in 2008, as well as supporting the famous opera of "Beethoven on the Nile".

Our CSR concept changed in the year 2010, when we started to support the community in our concession area particularly in Disouq in the Kafr El Sheikh Governorate, where we have helped the rural population to build an environmentally friendly, prosperous future with increasingly sustainable agriculture. We are glad that people recognize the benefits of our support. We will continue to make our contribution towards a better future.

As the Kafr El Sheikh Governorate is located in the Nile Delta, we decided to begin with an important agricultural know-how transfer project for 120 feddan. Sekem executed this project to convert these farms from conventional to organic planting of herbal products. It takes three years to free the soil from all pesticide residues and once this has been achieved, the land will be registered as totally free from agricultural chemicals land and the produce can be exported to Europe and the USA.

Other social activities included literacy classes, computer courses, improvement of kindergarten conditions, health screening for schoolaged children, sewing lessons for women and many other skills to en-

able the people to start small enterprises.

A pilot project to replace diesel with a solar panel for an electric water pump in one of the fish farms was executed. It is a promising project and if it proves to be feasible, it will be applied to several farms in the area, saving money and avoiding problems occurring from power shortages or power cuts.

We also renovated and fully equipped a health unit serving approximately 20,000 people in 40 El Sharaqwa Village. We sponsored an ambulance and we renovated and expanded the mosque in the area near our Central Treatment Plant.

The most recent MoU was signed between us and the German GIZ for vocational training for the young population, which will teach them skills to enable them to find jobs more easily.

We still have numerous ideas and projects that we would like to carry out in Kafr El Sheikh in the future. We hope that with our support we will be able to change the poor condition of the community in a great part of the governorate into a more positive and happy society.

# **Corporate Social Responsibility:**

# Motives, Factors and Challenges

There are different lenses through which one can look to explore the concept of Corporate Social Responsibility (CSR) in Egypt. And despite the term being considered an emerging nascent phenomenon, many understand it in mere philanthropic context.



It is hard to spell out a precise definition to the concept of CSR with its plethora of benefits to society. Interpretations regarding the private sector's duties and responsibilities towards a community can definitely encompass a wide range of programs and activities. But in general, CRS entails an implicit responsibility that a corporation holds to benefit society and attain a number of social goals, indubitably alongside the expected financial gains. To simplify the understanding of CSR, the practice ranges from educating employees on environmental protection, bearing ethical considerations towards their communities to incentivizing investment That is besides having companies, which extend their social responsibility to support an array of healthcare activities, education initiatives and arts to achieve a set of noble causes in a society.

### **Defining CSR?**

The World Business Council for Sustainable Development defines CSR as "a continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large".

Companies in Egypt, especially those operating in the oil and gas sector, are motivated to adopt CSR initiatives as a concept that is desperately needed in a country that is currently stumbling through the extant economic shambles. Many carry out CSR initiatives in an effort to assist in rectifying the problems of social inequality and dire living conditions, which have peaked against the backdrop of the revolution's aftermath. The economic factors affecting CSR in Egypt are structured in

an export-oriented market economy in tandem with an increasing level of integration into global economy. In addition to sociopolitical factors, which manifest in low levels of democracy, feeble governmental grip on law enforcement, as well as the highly important traditional values, which derive from the culture of charity that is rooted in religious beliefs.

Peering through one of the several lenses from which one can assess the concept of CSR in Egypt, the country's economic reform agenda and its vivid culture of philanthropy has framed CSR policy in the box of traditional values inspired mostly by doctrines of equality and social welfare preached by the Islamic and Christian faiths. And despite this analysis, CSR is beginning to attract global momentum.

It is worth mentioning that the oil and gas, telecommunications, banking and construction

sectors are the most active in adopting CSR and the most to have the resources and monetary capacity to finance CSR projects.

In Egypt, the concept of CSR has yet to materialize in any of the public sector agencies, leaving the concept in an early incubation phase. Attempts to promote CSR are continuously curtailed by a set of thick bureaucratic procedures and lethargy in the enforcement of rules and regulations.

### Some Motives behind CSR

Many companies direct their CSR projects to amend the country's major defaults in education, health, safety, environment and poverty. Many of the initiatives aid in the panacea of social inequality through their CSR projects. So, highlighting the motives of CSR in Egypt, initiatives in many oil companies manifest in extending electricity for the poor areas in Egypt and implementing educational programs for employees on health and safety regulations.

On the corporate level, the main motives of many companies behind taking on CSR initiatives stem from the need to provide a better working milieu, more effective governance, transparency and openness while developing their business projects. Moreover, companies set important ethical standards as paramount values for workers and employees to motivate them to respect their work values and achieve excellence, hence attracting the most qualified and trained human resources.

Another motive that encourages companies to implement CSR is their high interest in raising the level of productivity to stand the increasingly fierce local and global competition. Also, through CSR, multinationals raise their social profile and empower the stature of their brand, improve relations with their various consumers and suppliers in the realm of international business.

# More Egyptian Corporations for CSR

There are a number of international initiatives that aim at supporting, promoting and developing the concept of CSR. A prime example is "Global Compact," which is an international initiative called for by the United Nations and confirms that all countries signing and approving on its regulations are committed to take their CSR and start carrying out its related projects.

In February 2004, the Federation of Egyptian Industries joined the "Global Compact" initiative, marking Egypt as the first Arab country committing many of its private companies to the concept of social responsibility. In the 2006/2007 Global Compact's report, the numbers of Egyptian companies who have declared their commitment to CSR have risen from 55 in 2004 to reach 63 in 2006.

Despite the growing indicators, which reflect the growing awareness and thus further engagement of companies to CSR projects, the field remains relatively spacious, with vast room for more local initiatives

### **Recommending more for CSR**

In order to further promote the concept of CSR in Egypt, government participation in CSR-related initiatives should strive to be more proactive alongside those of the private sector and civil society organizations. The interest in CSR projects- whose appeal surfaced in 1990s-has been on the rise in Egypt, especially in the post-Mubarak era. The post-revolution relations between civil society actors, government welfare entities, the public and the private sectors have been developing collaboratively. With the private sector acting as the key catalyst of economic activity, the focus of the government has turned to provide fertile ground for the growth of local and international investments.

In general, and in spite of the varying levels of CSR efficacy from a country to another, the indicators in Eavpt connote the increasing role played by corporations, especially in areas of education, healthcare, support for minorities and the poor as well as protection of human rights. However, this role remains somewhat limited and far from being considerably influential in society; the percentage of the Egyptian community that can sense a tangible and genuine benefit as a result of CSR initiatives remains very minor. Many corporations intensify their CSR activities internally so as to improve the working conditions of their employees. or to meet the demands of their clients and stakeholders. Therefore, it can be said that social responsibility efforts have vet to reach the maximum it could offer to societal welfare

Experts have highlighted some recommendations that could guide the practices of CSR to a higher level of engagement. A coherent and modern understanding of CSR strategy advocates the development of CSR in Egypt through philanthropy and traditional religious channels. It is also recommended that implementing CSR projects should become voluntary initiatives more than being binding obligations. The role of civil society and NGOs should be enhanced and engaged further for society to gain the optimum benefit from CSR activities. Various experts in the field have also conceptualized the creation of strong cross-sectoral CSR dialogue modules between the state, corporations and civil society organizations. A cocktail combining some of these recommendations might just be the next push towards a wider and more efficient allocation of CSR benefits.



# **Belma32ol:**

# The Egyptian Initiative for Energy Conservation (EIEC)

### INTRODUCTION

The Egyptian Initiative for Energy Conservation (EIEC) is a national, independent, energy conservation initiative founded by some International Oil Companies (IOCs) operating in Egypt in cooperation with both the Egyptian Ministry of Petroleum & Mineral Resources, and the Egyptian Ministry of Electricity & Renewable Energy, with an objective to help Egypt get through its current energy crisis by encouraging the public to conserve energy using favorable and simple energy saving tips. Target is to bring down energy consumption by 20% (mainly households/offices) before end of 2014 – if such target is achieved, Egyptians will no longer face the daily blackouts that are currently taking place.

The EIEC was initiated by a number of international oil companies working in Egypt: Shell Egypt, BG Egypt, Apache Egypt, and endorsed by Dana Gas, GDF Suez and IPR, with the technical support of British Petroleum Egypt, ENI and Taga Arabia.

Belma32ol (الماعقول) (Arabic translation for 'moderate consumption') is the brand campaign of the EIEC; a fully-fledged communications campaign, involving PR, creative, and media activities, to create public awareness around the deep-rooted causes of the energy crisis Egypt is currently going through, and correct several public misconceptions. Belma32ol targets the general public – or Egyptians – specifically the business community, employees, housewives, students, and children.

### **ENERGY CONSERVATION TIPS**

### What is energy conservation?

Energy conservation refers to reducing energy consumption through the efficient use of energy resources without infringing consumers' freedom.

# The importance of efficient energy consumption:

- Reduce the amount allocated by the government to invest in building new power stations.
- Reducing use of fuel in thermal power station; which decreases harmful emissions that directly affect global warming and climate change.
- Reducing consumers' monthly bills.

# "The ultimate objective is to develop the national economy"



A 100 watt LED bulb not only saves energy but also provides more light than two 60 watt bulbs.

# **Lighting:**

- Use sunlight wisely. Leave shades and blinds open on sunny days as long as possible to limit the need for electric lighting.
- Turn out the lights in unused places.
- Replace incandescent bulbs with compact fluorescent bulbs.



You can reduce your energy consumption by 1-2% by cleaning the air filter on your air conditioner regularly especially when the summer starts.

## Air conditioners:

- Set air conditioners to 24-25 degrees.
- Make sure to change filters of your air conditioner periodically.
- When buying a new Air condition unit, make sure to buy energy efficient labeled A/C.



Power generation uses 57% of Egypt's Gas resources



وفر فى الكهرباء وماتسبش النور شغال فى أوضة <u>فاضية</u>



وفر فى الكهرباء و إفصل الكُمبيوتر والتليفزيون والريسيڤر من الفيشة مش بالريموت



وفر في الكهرباء و إظبط التكييف على درجة ماتقلش عن ٣٥م



وفر فى الكهرباء وشغل السخان قبل ما تستخدمه بـ ٣٠ دقيقة بس



وفر في الكهرباء و إستبدل اللمبات العادية باللمبات الموفرة

وفر فى الكهرباء و أجل إستخدام الأجهزة المنزلية فى أوقات الذروة من ٢:٠٠ حتى ١:٠٠ مساءً







f/belma32ol





Creating positive impact

We are the Egyptian joint venture operation of Methanex Corporation, the global leader in methanol industry supply, distribution, and marketing.

Our plant is the only methanol production plant in Egypt. We take pride in directly contributing to the economy by supplying the local market with its methanol needs as well as exporting to international markets.

At Methanex in Egypt, we aim to be a trusted, respected and valued corporate citizen by creating positive and sustainable impact in the communities we operate in. Working hand in hand with our community stakeholders, we strive to be good neighbors and to do good, not just do well.

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