

### Company Profile

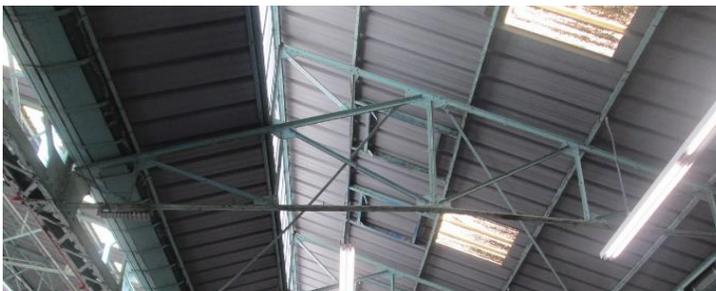
Centrale d'Équipement et Carrosserie Industrielle (CECI)

Established in 2004, CECI is a leader in truck body manufacturing, truck and bus assembling and spare parts sales in Morocco and Algeria. The main C.E.C.I. factory, located in Casablanca's industrial area, was acquired from Renault Trucks in 2010. CECI provides its services to such big companies as Renault, Volvo and KIA. The company also manufactures truck bodies under its own brand, using spare parts from big suppliers such as Dholandia and Safkar. CECI has also started assembling school buses, ambulances and storage trucks as well as manufacturing boxes for trucks. CECI activities are a mix of business-to-business (B2B) and business-to-consumer (B2C), however, B2B operations constitute 80% of its production.

### The Challenge

After the Mediterranean Capital Partners' (MCP) investment in November 2014, a social and environmental due diligence was carried out. Based on the assessment, an environmental, social and management (EMS) action plan was developed requiring improvements in employee health and safety (EHS) and use of eco-friendlier refrigerant in the manufacturing of refrigerated trucks. These measures resulted in increased productivity and sparked CECI's interest in ESG issues. CECI, therefore, decided to invest more in ESG aspects of the business but faced financial constraints to make that investment.

CECI believed that investment in workers' health and safety and environmental sustainability (i.e. reducing energy consumption) would positively impact the company's business performance by increasing workers' productivity and reducing energy costs. In addition, CECI would become a more attractive partner for international truck and bus assembly businesses as investment in ESG would allow CECI to comply with international standards in terms of workers' health and safety. The company was looking for funding options or financial incentives from various organizations.



### The Sustainability Innovation Grant (SIG)

In May 2016, CECI was awarded a \$80,000 CAD Sustainability Innovation Grant (SIG) from Global Affairs Canada through a project managed by Mennonite Economic Development Associates (MEDA). The company contributed \$466,559 CAD to implement the SIG activities. The grant had two main purposes:

- 1) Improving workers' health and safety and efficiency by:
  - a. Improving the ergonomics and safety of working desks
  - b. Redesigning the layout of the factory and;
  - c. Improving marking and instructions' display
- 2) Reducing factory's energy consumption by:
  - a. Improving floor insulation;
  - b. Construction of partitions; and
  - c. Using efficient lighting solutions (i.e. LED bulbs)

### SIG Impact

SIG contributed to many achievements that were captured through customized key performance indicators (KPIs) included in the quarterly reports.

*"The SIG incentivized the company to launch this project earlier and on a larger scale (i.e. instead of two paint booths to five) and has increased efficiency of the business. The outcomes include: health and safety of workers and environmental awareness."* Company CEO

**Increased business performance:** SIG improved CECI's business performance in terms of productivity, sales revenue and job creation. SIG contributed to increasing the company's production and quality of products that helped CECI to better meet the needs of its customers. Average quarterly number of trucks assembled increased from 266 in June 2016 to 330 in June 2017, an increase of 24%. Similarly, number of boxes manufactured witnessed an increase of 40%, from 352 in June 2016 to 494 in June 2017. CECI believes that improvement in employee's working conditions contributed to increased production and quality of products.

*"This initiative [SIG] has put workers in much better working conditions, in terms of ergonomics and safety. Thus, they deliver better results in terms of quality for the clients."* (Company CEO)

Average monthly sales revenue of the company also increased substantially (47%) — from 13,615k MAD (\$1,840k CAD) a month to 20,081k MAD (\$2,714k CAD). On average, CECI created 1.5 full time equivalent jobs from June 2016 to June 2017.

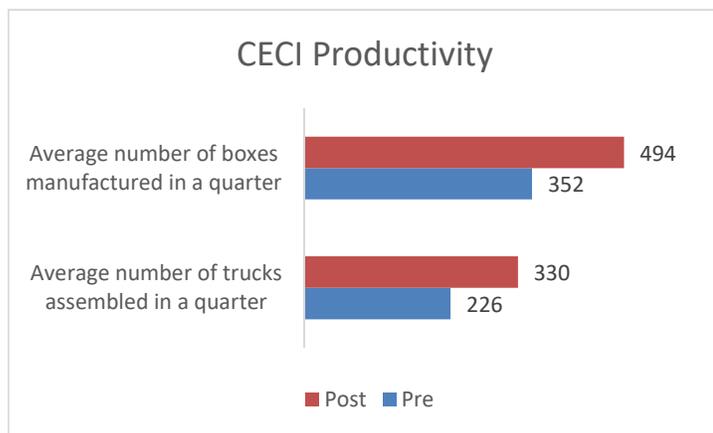
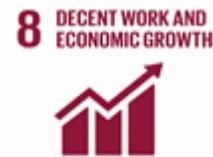
**Increased employee satisfaction:** SIG activities increased efficiency and improved working conditions of its employees by redesigning the factory layout and building ergonomic and safe work stations. With the new factory layout, employees do not have to move around to get their tools or carry heavy parts from one station to the other, ensuring comfort and safety of the workers. CECI had very low incidence of work-related injuries -- only one such incident a quarter in June 2016 and there was not a single incident in April-June 2017. Overall, employee satisfaction with working at CECI increased from 90% in June 2016 to 95% in June 2017 because of the ergonomic improvements, display of safety measures and redesigning of factory layout.

“The trucks painting operations are cleaner, as they are now carried out in a restricted area by people with adequate equipment and without hazardous waste in the air.”  
Company CEO

**Reduced energy consumption:** CECI improved its floor insulation and installed efficient electric lights (i.e. LED). These measures reduced the company’s energy cost — preliminary data show by more than 30% savings.

### Sustainability

The SIG program has enhanced awareness about ESG within CECI and the company plans to continue with such initiatives. As a next step, CECI is thinking about waste management and will soon install a waste water treatment plant at their premises. In addition, CECI has seen the benefits of SIG-related initiatives in terms of employee wellbeing and improved business performance and has resolved to replicate such initiatives in its future facilities. Implementation of ESG-related initiatives will also help CECI obtain ISO certification, thus contributing to their business expansion. CECI’s sustainability initiative contributed to the Sustainable Development Goal # 8 —Decent Work and Economic Growth.



### Lessons Learned

Through the SIG implementation, CECI learned that workers’ health and safety-related initiatives can in fact enhance employee satisfaction and productivity thus improving business performance. On the operational side, the company learned that more human resources should have been assigned towards data collection and reporting to MEDA on a timely basis to avoid unnecessary delays in financial reimbursement.

