



**CASE THE SOCIALLY RESPONSIBLE PROFILE OF MYC4 HAS ATTRACTED NOT ONLY PRIVATE INDIVIDUALS BUT ALSO CORPORATE ORGANISATIONS TO INVEST IN AFRICAN BUSINESSES. THE PLATFORM ENABLES EVERYONE TO ENGAGE IN A SUSTAINABLE DEVELOPMENT OF AFRICA'S FUTURE, AND BY COMBINING THE QUEST TO BE ECONOMICALLY VIABLE, SOCIALLY RESPONSIBLE AND ENVIRONMENTALLY SOUND, MYC4 HAS BECOME THE NEW TOOL TO LEVERAGE A COMPANY'S CSR ACTIVITIES.**

“By investing in our own supply chain everyone stands to gain,” says Andreas Hansen, sourcing manager, Toms Group. “The farmers will get a chance to expand; Armajaro will be a preferred partner for the farmers and Tom Group will use the initiative as a CSR activities internally and externally.

### Sustainable CSR

MYC4 is also a tool for social responsibility projects that enables everyone, from private individuals to large corporations, to engage in sustainable development of Africa's future. MYC4 is pursuing the quest to be economically viable, socially responsible and environmentally sound, and in so doing hopes to inspire others to follow.

The MYC4 platform enables people who want to make a difference to invest in a business in Africa. The amounts can be big or small; what is more important is that the project enables people to get involved in a way that is different to charity. By investing money in a business, people become involved in the progress of that business as much as they stand to gain a benefit.

### Corporate social innovation

The same mechanisms apply in a corporate environment. Investing in sustainable development of Africa's future as part of a company's corporate social responsibility strategy allows the company to proactively engage in socially responsible projects to the benefit of the company and society in the long term. In this way, corporate social responsibility (CSR) also becomes corporate social innovation (CSI).

Whereas CSR is applied to reflect an organisation's responsibility for the impact of its activities on customers, suppliers, employees, shareholders, communities and other stakeholders, as well as the environment, CSI introduces new economically sustainable business ideas that deliver in terms of social needs. CSI is also referred to as social entrepreneurship. A social entrepreneur is someone who recognises a social problem and uses entrepreneurial principles to organise, create and manage a venture to generate social change.<sup>1</sup>

1. Wikipedia

MYC4 gives companies an opportunity to strengthen their CSR and CSI position by investing directly in entrepreneurs in Africa. Companies already engaged in Africa also have an opportunity to develop their business by investing in the company's own supply chain, i.e. in technology, people, distribution and quality of produce, or by trying out new business models.

### Three cases: the Toms Group, Armajaro and Lett

MYC4 offers a number of tools for companies to implement and leverage their CSR activities whether the purpose is a wish to make a difference, branding to external parties, business development, employer branding or team building. Several

companies, including the following three, have already taken advantage of these tools.

### **The Toms Group**

Another company that has adopted MYC4 as part of its CSR strategy is the Toms Group, a Danish chocolate manufacturer. At Christmas, the employees were each given an account containing EUR 66 that they could invest on MYC4 in entrepreneurs of their own choosing in Uganda. Furthermore, three teams were appointed to compete on the best return on investment of DKK 50,000 (EUR 6,700). The initiative served as an internal employer branding initiative and inspired Toms to proceed with another project aimed at the company's own supply chain.

“The feedback from our employees has been very positive. Many have found the concept of investing in small African businesses exciting and expressed pride at being employed in an organisation taking a social responsibility in Africa,” says Jesper Møller, CEO, Toms Group. “The idea of doing something good while simultaneously improving our own business has been very well received and inspired us to proceed with a new initiative in Ghana.”

Together with its supplier of cocoa beans – the global commodities and financial services group Armajaro – Toms is going to invest directly in the local cocoa bean farmers, helping them to build a sustainable business. In so doing, Toms is not only supporting the local community, but also creating a link to its core business. And the involvement in Ghana will not only optimise Toms' supply chain, but also enable it to proactively communicate its social involvement in Ghana as part of its internal and external CSR strategy.

### **Armajaro**

London-based Armajaro, which is involved among other things in cocoa and coffee origination and distribution, has engaged with MYC4 with the purpose of investing in its supply chain in Ghana. As prices for cocoa beans are fixed centrally by the authorities in Ghana, it is impossible to obtain both quality and quantity by paying more for the beans. Other means of securing supplies are required, and Armajaro has therefore decided to initiate a network of 45 Farmer Shops. The shops will offer a wide range of products to the farmers, including fertiliser, boots, hatchets, trays, machetes, etc., at very low prices sourced in quantity at a discount from wholesalers. The shops will also provide group loans to the farmers, allowing them to invest in production and output improvements.

“The idea of establishing a network of Farmer Shops came up in response to the competitive market situation in Ghana. By investing in the cocoa beans farmers it is our hope that they will sell their beans to us, but we also see this as an opportunity to assure the quality of the product we are buying. By having the shops control the sale and use of fertiliser, we can also ensure that only products approved by the European authorities are used. This will increase the product value for the farmers,” says Nicko Debenham, Director, Armajaro.

MYC4 will serve as the platform for sourcing the required capital. Armajaro will act as investor on MYC4 itself, and the rest will be raised via other investors on MYC4. Armajaro will also act as provider and lender, with Armajaro's Country Head Office in Ghana acting as provider – identifying the businesses to invest in – and its 45 District Offices serving as lenders, i.e. handling the money lending.

Like Toms, Armajaro will appoint teams from its staff that will compete to generate the best return on investment on MYC4 as part of a team building and employer branding process. But the initiative will also provide Armajaro with a competitive consumer positioning and a socially responsible profile.

### **Lett Law Firm**

Lett Law Firm is one of the leading law firms in Denmark and when the company inaugurated their new domicile in Aarhus Lett encouraged their guests to support

their newly established "Lett Founrdation for Africa". The donations will all be invested directly in African entrepreneurs via the MYC4 market place. Peter Rønnow, Partner at Lett emphasises "We wanted to create long term sustainable growth for African entrepreneurs who have a viable business idea but lack the capital to get started. We thoroughly believe that creating private enterprises will be one of the most important tools in the eradication of poverty and we are happy to be able to contribute with our Foundation".

### Environmentally sustainable projects

Sustainable development is also about preserving the planet while improving the quality of life for its current and future inhabitants. MYC4 is therefore striving to facilitate investments in environmentally sustainable projects involving, for example, water supply, solar energy and energy saving.

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### MYC4

By focusing on the power of business as the driving force to end poverty, MYC4 provides investors with a dynamic platform to create and support new enterprise and commercial innovation in Africa MYC4 sources financing for the 'unfundable', bringing people together in business deals at the best market price with the Internet acting as a catalyst for change.

MYC4 is striving to become a universal platform that unites capital, people and knowledge in a common pursuit of promoting sustainable businesses in Africa.

The goal of MYC4 is to become the first company in the world to be owned by the world. In essence this would mean 6.6 billion shareholders. By the end of 2008, MYC4 aims to reach 25,000 investors and facilitate investments of EUR 12.5 million in more than 5,000 African businesses.

MYC4 is headquartered in Copenhagen, Denmark, and has an IT development centre in Kampala, Uganda. MYC4 A/S was founded in May 2006 as a joint venture between Mads Kjær, Kjaer Group A/S, and Tim Vang.

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