

MERITO

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*Commitment to a
Cleaner Environment*

Metito CSR report
2006 - 2007





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Metito Corporate Profile

We are the region's leading international desalination, water and wastewater treatment specialists. Founded in 1958, we have successfully implemented more than 2,000 projects in a span of almost five decades, providing a wide spectrum of services and products, from conceptual design, manufacturing and installation to project maintenance.

We are positioned to be a leader in the region's water privatization industry; we have successfully launched Metito Utilities as part of our restructuring process. The new company is involved in various Public Private Partnership (PPP) and concession projects throughout the regions we operate in. The water industry in the Middle East is facing rapid expansion due to the exponential growth in the demand for water and we strongly believe that PPP and concession programmes are the answer to efficiently handling this high demand. Cost savings, efficient facility management and comprehensive environment stewardship are a few advantages of promoting such projects in the region.

We continuously strive to improve our quality control procedures and management to fulfill not only the applicable regulatory requirements, but also the customer's quality requirements to enhance our customer satisfaction: as such, we have been commended with ISO 9001:2000 certifications. Further to demonstrate our commitment to health, safety and the environment, we are currently seeking the ISO 14000 certification.



Message from the CEO

Over the last five decades we have been supporting and promoting various CSR activities in the region. Our goal is to further take up these CSR initiatives to the next level which will help support our stakeholders within the region.

This year one of our most noteworthy achievements involved the completion of our new headquarters in Technopark, Dubai, which is one of the leading buildings in the Middle East, to be Green Certified by the US Green Building Council, achieving the gold level. The Green building concept involves the practice of increasing the efficiency with which buildings and their sites use harvest energy, water, and materials. Furthermore, Metito is also the first water treatment company in the Middle East to become a part of the United Nations Global Compact Initiative, to support universal environmental and social principles.

This report is an important document as it helps to identify the progress we are making in integrating sustainable development into our vision and values. It also highlights our commitment to fulfilling our key mission which is to be a responsible business entity while respecting our environment, the local community, and the society as a whole.

CSR Policy

The company's CSR commitment originates from the vary nature of our business. We are the leaders in the water industry and this enables us to take rapid and well-timed action to make the most of CSR issues.

Our goal is to continually monitor and improve our environmental and social performance, contribute to the economic development and create a sustained positive impact by achieving corporate objectives and strengthen transparency and accountability to underpin our CSR values.

The Ten Universal Principles: Global Compact

We completely support and adopt the ten principles of the United Nation Global Compact which revolve around human rights, labour standard, environment and anti-corruption. We are committed to making the Global Compact part of our strategy, culture and day-to-day operations in order to continue protecting our environment, developing our employees' innovation skills and prompting ethical business behavior.

Human Rights

Human rights are fundamental principles and standards that enable individuals everywhere to have freedom to live in dignity. All human rights are universal, interrelated, interdependent and indivisible.

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Being a multinational, multicultural organization, we recognize and respect the cultural variances of our employees regardless of their religious beliefs, ethnic origin or disability. All employees have the right and freedom to express their views, concerns and grievances through a structured grievance system. We are committed to address those concerns and resolved them to the best interest of all concerned

Principle 2: Make sure that they are not complicit in human rights abuses

No employee of the company shall be allowed to abuse, or to be a party to, directly or indirectly, abuse any other employee, or any stakeholder inside or outside the organization. We have the duty to prevent such incidences from occurring by implementing systems and procedures to ensure that people's rights are respected, and also by setting a good example for others to follow.



Labour Standards

With over 1,200 members in our diverse and widespread family, we are more than just another employer. The Company's many pioneering initiatives to benefit and empower employees have few parallels anywhere in the world, and it has blended its traditional goodwill with evolving human resource methodologies to deliver a whole lot beyond mere jobs.

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

We acknowledge and respect employee's rights and freedoms of association, at the same time; we abide by and respect the local social culture and applicable laws. The Company does not object or discourage staff members to exercise their freedom of association in accordance with the applicable law of the land

Principle 4: The elimination of all forms of forced and compulsory labour

No employee is forced to work for the company against his/her free will. Should any employee decide to leave his/her employment, s/he can do so by giving to the company the contractual notice period as stipulated in his contract of employment. The company shall ensure that the employee receives all his rights before leaving; also the company shall ensure that his/her departure formalities are conducted to his/her full satisfaction

Principle 5: The effective abolition of child labour

No child labour is allowed under any circumstances whatsoever. Further more, the company shall endeavour, to the best of its ability, to ensure that none of its suppliers or service providers permits the employment of children.

Principle 6: The elimination of discrimination in respect of employment and occupation

All our employees are given an equal opportunity to perform their personal objectives of growth. Merito provides adequate in-house and external training to enhance their skills and gives them a better opportunity, regardless of their sex, religion ethnic origin or physical disability. For this purpose we have put in place systems and procedures to ensure that all the members of the staff have an equal opportunity to target the senior positions based on their performance and added value



Environment

Our core business values revolve around our commitment to the environment. We strive to implement environmentally conscious business operations, and seek to take a pre-cautionary approach to environmental conservation. We demonstrated our strong commitment to the environment by being a founding member of the EEG Corporate Social Responsibility Network, The Emirates Environmental Group and United Nations Global Compact Initiative.

Principle 7: Businesses should support a precautionary approach to environmental challenges

One of the biggest environmental challenges is the ecological overshoot as humanity's ecological resource demands exceed what nature can supply. Today, humanity's Ecological Footprint is over 23% larger than what the planet can regenerate. In other words, it now takes more than one year and two months for the Earth to regenerate what we use in a single year. Results of this: livelihoods disappear, resource conflicts emerge, land becomes barren, and resources become increasingly costly or unavailable.

We are doing our part for the environment by building “green” facilities that help minimize the overall ecological footprint and contribute to more sustainable live hoods by decreasing energy needs and increasing water conservation.

This year we completed construction on our new global headquarters in Technopark, Dubai, consisting of offices, factory and chemical facilities. The new building is one of only four green buildings in the UAE; it has Green Certified by the US Green Building Council, achieving the gold level.

This new headquarters has the following features

- Efficient use of water
- Energy efficient & eco friendly equipment
- Use of renewable energy
- Use of recycled and recyclable materials
- Efficient use of landscapes
- Effective control & building management systems
- Indoor air quality for human safety and comfort

Our green building will minimize pollution and reduce overall environmental impact. In addition, this building requires less maintenance and repair, reduces short- and long-term costs by increasing productivity and using less energy and water thereby promoting health among occupants and improving employee satisfaction.



Following on the heels of our green building practice and as an outcome of the company awareness campaign to address the importance of preserving our natural ecosystems, the Dubai government in the UAE will provide buildings in the country 'green' ratings under a plan to measure the sustainability of a structure's design, construction and operation. The system will be modeled on the US Leadership in Energy and Environment Design rating and will be trialed over the next 6-12 months before being formally introduced

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility

On numerous occasions we have led educational initiatives to the youth, including conducting seminars on the importance of water re-use and conservation, and also offering students the opportunity to visit our plants. By targeting the youth, we plan to incorporate environmental awareness at a young age so that they grow to become responsible citizens. The following are some initiatives undertaken by us to create awareness for conservation and the water re-use in the region:

Activity 1 – Metito Educates Engineering Students in the UAE

A trip for the civil engineering students from the American University of Sharjah was arranged to our sewage treatment plants in the Meadows, Dubai, where they took part in an interactive discussion regarding the benefits of water re-use whilst touring the plant. The students were educated on the technical operations of Metito, where they learnt about the significance of water re-use and environmental awareness.

Activity 2 – Metito Helps Raise Environmental Awareness among UAE School Children

We took a judiciary role in the judging panel at the Inter-school public speaking competition, organized by Emirates Environmental Groups, where students were encouraged to conduct research on a critical environmental issue and prepare an audio visual presentation for the competition. This event helped raise environmental awareness among school children, while also developing their research and public speaking skills, team work and networking capabilities.



Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies

The Middle East is on the verge of a water crisis. The MENA region is the one of driest regions in the world and water sector plays a major role in the social and economic development in this part of the world. In 1960 the MENA region had 3,400 Cubic Meters / Capita / Year of fresh water, to support a population of 100 million. By the turn of the century there was only 1,200 Cubic Meters / Capita / Year for a population of 280 million. We predict that by 2025 there will only be 700 Cubic Meters / Capita / Year while population figures are estimates to be over 450 million.

The result of this is that people are going to die at alarming levels if there is not sufficient fresh. The effect on the economies of this region is without question. Without fresh water supply we are going to see a mass migration from this region.

The environmental-friendly solution is the reuse and recycling of waste water. We have been a long time campaigner for the reuse of water and have recently completed an advisory project in the United Arab Emirates to ensure that future water needs are met through appropriate water recycling projects. Moreover, we demonstrate our commitment at industry events to ensure this topic is made a priority which will reflect on the Middle East's healthy economic and social future.

There are many benefits for re-using and recycling water: Economically, there are benefits of cost to consumers, energy savings, agriculture and industry advantages, local economy financial implications and water utility management advantages. Environmentally, there are advantages for water resource issues, drought remediation, groundwater protection, surface water protection and industrial environmental issues.

Anti-Corruption

We are firmly against any forms of corruption. All our global business operations are conducted in accordance with the rules and regulations of the country we operate in, and corruption of any kind is not tolerated.

Principle 10: Businesses should work against all forms of corruption, including extortion and bribery

Our anti-corruption policy includes strong leadership; a clear set of business principles; auditing and controls; and a combination of determination and cleverness in facing up to problems when they arise. We uphold good company ethics, serving as a transparent



company and staying away from any kind of inexplicit activities such as all forms of corruption, bribery and extortion.

Communications with Stakeholders

We value communications with our stakeholders as vital tool to fulfilling our responsibility to provide review of our CSR activities as well as a valuable source of ideas for ways to further improve CSR programs. We maintain effective communications with stakeholders and engage them through different communication channels.

We conduct a quarterly meeting with our shareholders where they share plans and discuss future strategies of the company. This helps better define the route the company will take for the next period, insuring that all the resources of the company are being utilized efficiently. Moreover, we provide our employees with the information to encourage them to be proud of themselves and their company and informing them about the latest happenings as well as alerting them to an upcoming CSR activity. For this we have developed an intranet where we send out news and information bulletins and share our yearly CSR report.

For example our blood donation drives where we also took the initiative of inviting our employees to take part in it. Such initiative saves lives, and in this way our employees were able to directly help the local community. also participated in conferences, workshops and seminars that discuss local issues and the best way to deal with them. Additionally, We conduct Knowledge Utilization sessions which that aims to develop the potential for learning by developing, exchanging, and using knowledge.

Communications with community and customer is extremely important in order to contribute to each local society and clients with the dignity of a good corporate citizen and exchange information related to CSR through various means of communication such as corporate brochure, participating in CSR events, corporate ads, and product brochures and websites and clients feedback questionnaire to enhance customer service and strengthen the win-win relationship.



Below, some media clippings for supporting and promoting regional CSR Activities:

Metito educates future engineers of Dubai

Desalination, water and wastewater treatment company, Metito, has led three educational events to highlight its responsibility to the environment.

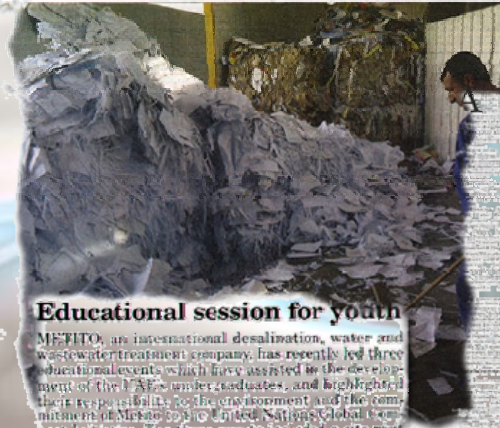
The three events included a site visit to the Metito sewage treatment plant in the Meadows, and two separate interactive seminars. Civil engineering students from the American University of Sharjah visited the Metito treatment plant and also took part in an interactive seminar regarding the benefits of water re-use. From Abu Dhabi Women's College, Ethics



Metito, the international desalination, water and wastewater treatment company has led three educational events which have assisted in the development of the UAE's undergraduates and highlighted their responsibility to the environment and the commitment of Metito to the United Nations Global Compact Initiative. The three events included a site visit to the Metito sewage treatment plant in the Meadows and two separate interactive seminars. Civil engineering students from the American University of Sharjah visited the Metito treatment plant and also took part in an interactive seminar regarding the benefits of water re-use. From Abu Dhabi Women's College, Ethics

Going green will not put you in the red

Waste typically costs a company 4.5 per cent of its turnover and the Emirates Environmental Group is taking this message to Big Business. writes Shafika Parakkal



Educational session for youth

METITO, an international desalination, water and wastewater treatment company, has recently led three educational events which have assisted in the development of the UAE's undergraduates, and highlighted their responsibility to the environment and the commitment of Metito to the United Nations Global Compact Initiative. The three events included a site visit to the Metito sewage treatment plant in the Meadows and two separate interactive seminars. Civil engineering students from the American University of Sharjah visited the Metito treatment plant and also took part in an interactive seminar regarding the benefits of water re-use. From Abu Dhabi Women's College, Ethics

«ماتيتو» تدعم المسؤولية الاجتماعية للشركات في الإمارات

أعلنت «ماتيتو»، الشركة العالمية المتخصصة في تحلية وسما المياه العذبة أنها شاركت مؤخراً في فعاليات 3 مناسبات اجتماعية في إطار تطوير المسؤولية الاجتماعية للشركات. وأولى المناسبات التي شاركت فيها «ماتيتو»، كان قيامها بتأدية أعضاء لجنة التحكيم في المسابقة المدرسية التي نظمتها مجموعة الإمارات للتسويق، حيث كان هدف المسابقة تشجيع التلاميذ على القيام بأبحاث حول مواضيع بيئية وتقديم عرض مرئي ومسموع ضمن المسابقة. وقالت ندى حيدر مديرة العلاقات العامة والإعلام بماتيتو: «تهدف المسابقة إلى تعزيز الوعي بالبيئة بين تلامذة المدارس وفي الوقت نفسه تشجيعهم على القيام بأبحاث بيئية».



EVERY DROP COUNTS WAR ON WATER WASTAGE



On-going Commitment

We have shown good progress in all areas on the previous year and this demonstrates our ongoing commitment to improve all areas of corporate social responsibility.

We take our social and environmental commitment very seriously in everything we do. We strive to be socially responsible corporate citizen by continuously integrate CSR in our daily practices. We set to scale the heights of excellence while developing our own sustainability business model.

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