



Raya Communication on Progress

Year 2010

With a strong commitment to sustainable development, we take pride for being a participant in the United Nations Global Compact for almost 10 years. We seek to incorporate sustainability practices not only in our corporate social responsibility program but also in our business practices and internal operations.

UN Global Compact's ten principles are intertwined in our everyday activities and are considered in our customer and employee relations. In our business, we make sure we respect all sorts of human rights declarations and agreements and we take into consideration all rights and freedoms of our workforce. In our business, we also make sure that our business doesn't have negative repercussions on the environment. In addition, our business is founded on strong value system that has clear resistance actions against corruption and all sorts of bribery.

With education and health sector development as the foundation of our CSR strategy, we are committed to bringing long term benefits to our society through launching and managing sustainable CSR projects. We are proud to announce that since 2010 we have adopted Abaza Village in Al Fayoum as part of our initiative of creating valuable developmental milestones to an area that has a deficiency in clean water and serious obstacles with education.

In the coming five years, we will keep striving to fulfil the village's needs for development and we will focus our efforts on making Abaza sustainable.

Sincerely,

A handwritten signature in black ink, appearing to read "Medhat Khalil".

Medhat Khalil

Chairman & CEO, Raya Holding

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UN Global Compact	Actions Taken & Impact Achieved and/or Plans for the Upcoming Year
Human Rights	
<p>1. Businesses should support and respect the protection of internationally proclaimed human rights</p>	<p>Most of the human rights issues are fully considered and fully respected at Raya Holding. All employees are well treated, fairly appraised on an annual basis, and compensated financially and morally based on an annual salary and benefits survey reports that grades the salary scales for each job and employees are compensated based on their achievements and work. To ensure compensation fairness, Raya has resorted to the Watson Wyatt Grading System, in order to be able to classify compensation and benefits brackets and to ensure that all employees and their jobs are graded fairly. Therefore, they are motivated and are more productive. All international safety measures are applied at the work places - and all employees are medically covered and have life and disability insurance.</p> <p>Raya building is a smoke free building where smoking is allowed only outside the facilities. Raya building has its own Gym where all employees are encouraged to use it. Raya building has its own Gym with instructors where all employees are entitled to use it and we appointed special hours for females in the gym in case they feel more comfortable to use it at specified hours. We allocate a free hour on a daily basis for the employees to recharge their energy in the Gym or/and the cafeteria, with healthy subsidized meals.</p> <p>In addition, we have built a library to nurture our employees' intellect and to encourage employees' work-life balance. The library includes more than 100 books from different areas like literature, self-development, management, etc. We also conduct library seminars, where we host prominent speakers to discuss intellectual topics and have book reviews with our employees.</p> <p>Furthermore, we have a committee for sports and activities that organizes around 10 sports tournaments a year for employees, including football, volleyball, squash, table tennis, bowling, darts, babyfoot, Connect 4, etc., with the aim to not only entertain them but to stimulate their physical activity and to reinforce their work-life balance.</p>
<p>2. And make sure that they are not complicit in human rights abuses</p>	<p>No form of force is conducted with employees at all. Relocations of employees between the different branches of the group geographically are sometimes done whenever the employees are needed there due to their experience. In those cases, the employees are fairly rewarded by having a convenient home to live in and are also financially rewarded. Moreover, the company</p>

	<p>does not undertake any employment discrimination when it comes to hiring employees and only employs the ones who are most qualified for a job. An internal posting is even taken first before looking outside the company when there is a job opening that always keeps the employees motivated.</p>
<p>Labor Rights & Freedom</p>	
<p>3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining</p>	<p>There is no formal association of employees in the group but there is an informal system of the employees talking to their managers who in turn raise the issues to Senior Management in order to make decisions. We also have a direct communication channel between Senior Management and employees through several forms:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Annual Kick off meeting where employees can pose directly their queries and concerns to the senior management and to the chairman, who answers to all the queries on the spot. <input type="checkbox"/> A biweekly Chairman Breakfast where randomly selected employees get face-to-face contact with the chairman to highlight any concerns. <input type="checkbox"/> Rayetna, our internal intranet, where there is a special link (discussion board) for employees to put their thoughts, opinions and discuss various subjects. <input type="checkbox"/> A monthly internal news magazine, Fluka, which includes a section that receives employees' suggestions, daily work experiences and complaints and directs them to the senior management to take necessary actions. <input type="checkbox"/> An annual management seminar for managers and top management: to align the leadership strategy and raise and answer any inquiries or concerns related to strategy and employees work conditions. <input type="checkbox"/> Ongoing Focus groups and employee satisfaction surveys to measure employee motivation, performance, and morale.
<p>4. The elimination of all forms of forced and compulsory labor</p>	<p>Raya Holding does not hire anyone by force or keep any employee by force. All employees, even part-timers, have contracts and are insured – medically and socially. The hiring and firing policy of Raya Holding is based on the Egyptian labour laws and is rigidly respected. Even when hiring employees for certain reasons, they are well compensated as per legal regulations and market pay.</p> <p>Any employee can resign with a prior notice period based on the signed contract at the beginning of the employment.</p>
<p>5. The effective abolition of child labor</p>	<p>Child labor is completely banned in Raya Holding. Minimum employment age is 18 years even for outsourced services offered by Raya's suppliers, such as the security and cleaning companies. Child labour is not allowed at all. The minimum age of young employees who are employed on part time basis is 18</p>

	<p>years of age, and those are usually summer trainees still at university who can perform small jobs to learn and earn some money.</p>
<p>6. And the elimination of discrimination in respect of employment and occupation</p>	<p>Equal opportunities are provided to everyone during the hiring process. Any job applicant is merely assessed based on his qualifications and merits. If a job becomes vacant, an internal announcement is released to the company to give a chance for existing employees as part of our valuation and motivation to our employees.</p> <p>Raya enjoys a highly diversified pool of employees in regards to gender, religion, race, culture and background etc., which shows the absence of any discriminative attitude during the hiring process.</p> <p>The selection process is standardized and multi-layered in order to ensure that employees are hired based on merit and qualifications only, not based on any discriminative criterion.</p> <p>Promotions and outstanding work are recognized and announced to show employees how others advance and also to motivate them. Raya has established different recognition programs that allow outstanding employees to be recognized for their achievements. Each employee is eligible to be nominated for any of Raya's recognition programs to be filtered by a neutral selection committee that evaluates winners based on strict pre-set criteria.</p> <p><input type="checkbox"/> Wall of Fame Program:</p> <p>Managers who over-achieve their target for 4 consecutive years and accomplish a superior landmark in the history of the organization are rewarded through becoming candidates for Raya Wall of Fame, which is located in the entrance of the building and has one member's name (selected by a top management committee) engraved for each historical year of the organization.</p> <p><input type="checkbox"/> Star of the Quarter Program:</p> <p>Each department head nominates an employee as the star of the quarter based on Raya's values (Excellence, team work, customer focus, and respect for people). A selection committee selects one employee to represent each line of business for the quarter. Finally the committee selects one star of all lines of business candidates. Winners of each value are rewarded with a recognition certificate and to join Raya Achievers Club's trip (see next point).</p> <p><input type="checkbox"/> Annual Raya Achievers Club:</p>

	<p>Employees who have exerted outstanding efforts in the preceding year (either quantitative or qualitative results) are part of the annual Raya Achievers Club. This group is recognized by certificates of superior achievement and is rewarded with a unique recreational 5 days trip, usually abroad.</p>
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<p>Environment</p>	
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<p>7. Businesses should support a precautionary approach to environmental challenges</p>	<p>Raya believes in supporting the environmental responsibility:</p> <ul style="list-style-type: none"> ❑ Employees work in well equipped offices with air-conditions. We seek to implement the environmental management systems and promote greater environmental responsibilities. ❑ Raya building is smoke free and smoking is only allowed outside the building ❑ The company makes serious efforts to promote greater environmental responsibility and considers the discarding of waste or obsolete equipment part of that responsibility. An Environmental Management System in accordance with ISO 14001 and Occupational Health & Safety Management System in accordance with ISO 18001:1999 is employed in Raya's Maintenance centers.
<p>8. Undertake initiatives to promote greater environmental responsibility</p>	<ul style="list-style-type: none"> ❑ In our offices we have special waste baskets to recycle office paper that are discharged and delivered on regular basis to a specific organization where they recycle papers. In addition, we have launched a segregation initiative that aims to separate paper, plastic and organic waste in order to make the recycling process easier for garbage collectors.
<p>9. And encourage the development and diffusion of environmentally friendly technologies</p>	<ul style="list-style-type: none"> ❑ Raya have an energy saving program where we shut down Raya building everyday at five to save on energy ❑ Our consumer electronics maintenance business, exports 80% of its electronics waste to Hungary in order to recycle these spare parts ❑ We are working on a number of Green IT initiatives to preserve power consumptions. ❑ We are going to launch an anti-smoking campaign in order to educate our employees about the health and environment hazards of smoking. The campaign will include providing aid tools for employees who smoke to help them quit smoking.

<p>Anti-corruption</p>	
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<p>10. Businesses should work against all forms of corruption, including extortion and bribery</p>	<p>Raya Holding maintains the highest standards of ethics and integrity in all its business operations. We maintain honest and open relationships based on mutual trust. We honor all our commitments - internal and external whether verbal or written – values and mission statement. Internally, Raya has set up an internal auditing system where all departments and expenditures are audited on an ad-hoc basis to ensure that all the budgets are</p>
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	<p>spent properly according to the company's policies. Externally, Raya does not allow any sort of bribes and believe that transparency is the only way forward for a better economy.</p> <ul style="list-style-type: none">□ Raya emphasizes anti-corruption strategies through clear financial and project reports.□ Our policies state clearly that employees are not allowed any form of corruption and bribery and have set clear rules to business operations and customer and supplier relationship management, governing the exchange of any sort of gifts/ giveaways. These policies are transparently communicated to all employees upon their hiring in a "code of business conduct" manual□ Raya demonstrates a strong commitment to transparency and accountability and its Board believes that sound corporate governance practices provide an essential foundation to assist it in fulfilling its responsibilities in building value and trust for all stakeholders (employees, partners, customers, and shareholders).
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Corporate Social Responsibility and Sustainable Development

Education

Injaz Teaching Initiative

For the third year, Raya participated in two Injaz rounds to teach young middle school students life skills that will help them in building their careers. The initiative is aimed at bridging the gap between academic education and the business world for students, equipping them with a set of life management skills. A group of Raya employees volunteered to spend an hour of each working week at public schools to teach students soft skills that would help them in their future careers and prepare them for the business world.

Raya sponsors LVAD software development courses

In partnership with Life Voice Association for Development (LVAD), Raya established a computer training laboratory to teach youth basic and advanced programming skills in order to equip them for their future careers. Raya also sponsored the closing ceremony of LVAD's software development courses for young students between the ages of 10 to 14.

Health Sector

Kidney Dialysis Center Equipment

Raya also contributed with one kidney dialysis machine for the newly established kidney dialysis center in Al Fayoum. This center is one of only 4 centers in Al Fayoum aiming at meeting the demand of 200, 000 kidney failure patients in continuous need for kidney dialysis.

Blood Donation Campaign

In line with its focus on the health sector, Raya organized two blood donation campaigns (in May and December 2010) in its headquarters to support 57357 Hospital with their continuous demand for blood to cure their cancer patients.

Environment Initiatives

In line with its concentration on reinforcing sustainable practices company-wide, Raya is engaged in recycling its used paper in cooperation with Resala. In addition, Raya also exports 80% of its spare parts maintenance waste to a recycling facility in Hungary to be recycled and remanufactured. Furthermore, Raya launched an initiative of waste segregation in the company. The initiative introduced the segregation of paper, plastic and organic waste and to built awareness throughout the company about the importance of recycling and its benefits.

Developing Abaza Village

In 2010, Raya took the commitment of developing Abaza Village, an underprivileged village in Al Fayoum with a population of 25, 000. The village suffers from lack of supply of clean water, which in turn caused ten percent of the population to suffer from kidney failure. Raya is concentrating its efforts to develop the infrastructure and to support the village with the basic needs of health and education that will ensure sustainable development.

Renovating Houses in Abaza Village

Part of its initiative to develop Abaza Village, Raya is committed to renovate houses for villagers. Raya started with contributing to the renovation and rebuilding of 20 wrecked houses to protect villagers from the cold of the winter.

Winter Blankets for Abaza Village

In an attempt to protect villagers from the increasingly dropping weather temperature, Raya donated 500 winter blankets to Abaza Village and its neighboring area to help them feel warmer during the winter cold.

Micro-finance projects for Abaza Village

Part of its sustainable development strategy, Raya sponsored 10 income generating micro-finance projects that aims at availing sustainable income for poor families. The sponsorship is in form of a loan for the underprivileged family that is repaid back on two years to be re-pumped in

another income generating project for another family. Projects include sheep and goats for families to sell their produce.

Philanthropy Activities

Aswan Flood Crisis

Raya encouraged its employees to contribute and participate in supporting the disaster victims of the Aswan and Sinai floods. Raya's contributions stood 1:1 to employees' contributions. This included providing the victims with home appliances and utilities that they lost during the flood.

Raya employees contribute with 500 Ramadan Food Packages to Al Fayoum

In the spirit of the Holy month of Ramadan, Raya employees contributed with 500 Ramadan food packages for Abshway, an underprivileged village in Al Fayoum. Part of the contribution was also directed to a new kidney dialysis center under construction in Al Fayoum in order to purchase the dialysis equipments for the center.

Raya employees donate 700 pieces of clothes for orphan's to celebrate Bairam

Raya employees donated their unused clothes, shoes and accessories during Ramadan in order to create happiness for orphans in Enati Orphanage in 6th of October. The rest of the clothes was donated to Resala to support their 1, 500, 000 clothes initiative under the auspices of the Ministry of Social Solidarity.

Post-Revolution Efforts for Egypt's Society

Min Masry Le Masry, an initiative for the injured victims of 25th January Revolution

Raya Holding, in cooperation with Giza Systems, Summit Holding, and Microsoft launched a series of fundraising events to support those injured during the 25th January Revolution. The fundraiser "Min Misry Le Misry" launched off with great success at the Sakia Culture Wheel in Zamalek on Friday, 8th April, 2011. The charity fundraiser attracted a large number of people. Visitors attended the charity bazaar to support the cause by buying branded merchandise with the Revolution theme and enjoying the different snacks graciously donated by some individuals.

Raya Employees Clean and Repaint Al Bahr El Azam Street

In line with its ongoing initiative to rebuild Egypt, Raya sponsored the cleaning and repainting of Al Bahr Al Azam street in Giza Governorate. In cooperation with Giza Clean and Beautification Agency, Raya employees gathered to clean and repaint the pavements as a symbolic gesture of joining forces with the community to rebuild the country. This initiative was launched as part of a continuous campaign to clean up and repaint Cairo's streets.

Raya Launches "Borsetna" Campaign

In order to support Egypt's economy and the Egyptian Stock Exchange, Raya launched "Borsetna" Campaign that facilitated the coding procedure for its employees in its headquarters, as well as its contact center sites. More than 60 employees were coded in the Egyptian Stock Exchange in an attempt to revive the Egyptian stock market.