

## **Raya Communication on Progress : Year 2011 - Our Commitment to Corporate Citizenship**

No one can deny that 25 January 2011 is a remarkable day that changed the course of Egyptian history forever. But not only history was detoured but the economic and business arena has also changed for all Egyptian businesses. For a Holding group as diversified as ours, economic and political turbulence hit us with different waves of market threats and market opportunities. The post-revolution period was marked with a set of different challenges, yet our work on Corporate Governance throughout the years was our foundation for Corporate Citizenship and the Sustainability of our Business. Raya and its board made the commitment to ethical behaviour in business strategy, its operations and culture knowing that environmental, social, and governance responsibilities are integral to its performance and long-term sustainability.

Our strong commitment to sustainable development with a set of core values, encompassing human rights, environmental protection and anti-corruption measures guided our board's oversight, relationship with management, and accountability to and engagement with our shareowners. Our organization seeks to incorporate sustainability practices not only in its corporate social responsibility programs but first and far most in its business practices and internal day-to-day operations. We believe corporate social responsibility is simply a corporate attitude and will only have impact when integrated in our core business generating economic revenue while preserving our ethical and legal corporate values.

The UN Global Compact's ten principles are integrated in our day-to-day operations, implementation of new policies in supply chain, ethical marketing, standard operating procedures in our daily activities and are considered in all our employee & customer relations. While conducting our business of creating value and wealth for our shareholders, all human rights declarations are respected and all rights and freedoms of our diverse workforce are taken into consideration in our labor practices, human resources strategies, and anti-corruption practices.

We make sure our business doesn't produce any negative impact on the environment. On the other hand, we look for business opportunities that are based on our corporate citizenship priorities to have a positive footprint on the environment. Our plastic recycling plant, BariQ, the first of its kind in Egypt and the EMEA region for PET recycling, is already operational and is expected to reduce plastic waste thru rPet recycling. Ostool, our land & river transport logistics company with highest safety and emission regulations, is expected to reduce carbon emissions. Raya Smart Buildings are LEED and green certified buildings, which help in reducing energy consumption are some of our newest investments to just name a few.

Education and health sector development has been the foundation of our Corporate Social Responsibility strategy and our commitment to bring long term benefits to our society through managing sustainable CSR projects in underserved areas in Egypt. Raya Holding is proud to announce that since 2010, it has adopted Abaza Village in AlFayoum as part of its 5 year initiative of creating valuable developmental milestones to an area that has a deficiency in clean water and serious challenges in education. In the coming two years, Raya Holding will keep striving to fulfil Abaza Village's needs of sustainable development



Medhat Khalil  
Chairman & CEO, Raya Holding

UN Global Compact	Actions Taken & Impact Achieved and/or Plans for the Upcoming Year
<b>Human Rights</b>	
<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 analysis that determine the salary scales for each job. They are compensated based on their achievement level for their annual objectives. To ensure fairness in compensation, Raya has applied Towers Wattson 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 and equitably. Therefore, their motivation as well as their productivity levels has increased. 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 not allowed except outside the facilities. It also has its own Gym with specialized instructors where all employees are entitled to use. In addition, special hours have been appointed for females in the gym in case they feel more comfortable to exercise in these specified hours alone. Moreover, a free hour on a daily basis is allocated for the employees to recharge their energy in the Gym or/and the cafeteria, where healthy subsidized meals are offered.</p> <p>Also, a library to enrich our employees' intellectual abilities and knowledge and to encourage them to have a work-life balance has been built in Raya building. The library includes more than 100 books from different areas like literature, self-development, management, etc. Library seminars, where prominent speakers are hosted to discuss intellectual topics and have book reviews with our employees are also conducted.</p> <p>Furthermore, Raya has a committee for sports and activities that organizes around 10 sports tournaments a year for employees, including football, volleyball, squash, table tennis, bowling, darts, baby foot, 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>As part of our focus on employee retention in 2011, the company started both an Employee Stock Option Plan ( ESOP) and an Employee Housing plan (EHP) to retain and motivate key employees for their years of service at the company and dedication.</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 addition to the financial reward. Moreover, the company does not undertake any employment discrimination practice when it comes to hiring employees and only hires the ones who are most qualified for a job. An internal posting is given the priority to hire from within before looking at the external pool when there is a job opening which always keeps the employees motivated.</p>
--	--

**Labor Rights & Freedom**

<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"> <li><input type="checkbox"/> Annual Kick off meeting where employees can pose directly their inquiries and concerns to the senior management and to the chairman, who answers to all the questions on the spot.</li> <li><input type="checkbox"/> A bi-weekly Chairman Breakfast where randomly selected employees get face-to-face contact with the chairman to highlight any concerns.</li> <li><input type="checkbox"/> Rayetna, our internal portal, where there is a special link (discussion board) for employees to put their thoughts, opinions and discuss various subjects.</li> <li><input type="checkbox"/> A monthly internal news magazine, Fluka, which includes a section that receives employees' suggestions, and daily work experiences.</li> <li><input type="checkbox"/> An annual management seminar for the management board and first line managers: to align the leadership strategy and raise and answer any inquiries or concerns related to it and to employees working conditions.</li> <li><input type="checkbox"/> On-going Focus groups and employee satisfaction surveys are conducted to measure employee motivation, performance, and morale.</li> <li><input type="checkbox"/> Tips Program: bi-weekly tips are sent to the staff and leaders to enhance their skills and experience to have an improved work life balance.</li> <li><input type="checkbox"/> Cafeteria Screens: Raya building has four screens in the cafeteria: two for broadcasting news and sports and two for broadcasting motivational and valuable videos to empower employees and enhance their loyalty and engagement.</li> <li><input type="checkbox"/> Induction Program: Raya runs an induction program for the new hires in the organization in order to provide them with an orientation about Raya's policies and procedures through an HR presentation, IT policies and services offered through an IT presentation, and a tour in the building as well as a discussion about the safety and security measures through a Facilities presentation.</li> </ul>
---	---

<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, have contracts and are insured – medically and socially. The hiring and firing policy of Raya Holding is based on the Egyptian labor 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 labor is not allowed at all. The minimum age of young employees who are employed on part time basis is 18 old, and those are usually summer trainees still at university who can perform small jobs to learn, acquire experience, and be compensated financially.</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 permanent employees as part of our valuation and motivation to our employees.</p> <p>Raya enjoys a highly diversified pool of employees with regard to age, gender, religion, race, color, culture, 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 only on their merits and qualifications, not based on any discriminative criteria.</p> <p>Promotions and outstanding achievements are recognized and announced to show employees how their colleagues advance in order to encourage healthy competition between 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 an objective 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>
<p>Environment</p>	
<p>7. Businesses should support a precautionary approach to environmental challenges</p>	<p>Raya believes in supporting the environmental responsibility:</p> <p><input type="checkbox"/> Employees work in well equipped offices with air-conditions. We seek to implement the environmental management systems and promote greater environmental responsibilities.</p> <p><input type="checkbox"/> Raya building is smoke free and smoking is only allowed outside the building</p>
<p>8. Undertake initiatives to promote greater environmental responsibility</p>	<p><input type="checkbox"/> The company makes considerable 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 &amp; Safety Management System in accordance with ISO 18001:1999 is employed in Raya's Maintenance centers.</p> <p><input type="checkbox"/> 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>
<p>9. And encourage the development and diffusion of environmentally friendly technologies</p>	<p><input type="checkbox"/> Raya have an energy saving program where we shut down Raya building electricity everyday at five o'clock in the afternoon to save energy.</p> <p><input type="checkbox"/> Our consumer electronics maintenance business, exports 80% of its electronics waste to Hungary in order to recycle these spare parts</p> <p><input type="checkbox"/> We are working on a number of Green IT initiatives to preserve power consumptions.</p> <p><input type="checkbox"/> We launched an anti-smoking campaign in order to educate our employees about the health and</p>

	<p>environment hazards of smoking. The campaign will include providing aid tools for employees who smoke to help them quit smoking.</p>
<p>Anti-corruption</p>	
<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 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"> <li><input type="checkbox"/> Raya emphasizes anti-corruption strategies through clear financial and project reports.</li> <li><input type="checkbox"/> 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 clearly and directly communicated to all employees upon their hiring in a “code of business conduct” manual which is even posted on our corporate website</li> <li><input type="checkbox"/> 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).</li> </ul>

## **Corporate Social Responsibility and Sustainable Development**

### **( Education & Health)**

#### **Education**

---

##### **Injaz Teaching Initiative**

For the fourth year, Raya participates 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 volunteers 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.

#### **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 conducts regular blood drives in the company thru the National Blood Transfusion Services which provides blood to Munira Hospital, Ahmed Maher Hospital & Al Gouza Hospital (Ministry of Health hospitals) believing that employee engagement is the key to sustainability. As such, the blood drives are done thru Blood Champions - key employees from your company who are charismatic, influential and has a passion to make a difference among your colleagues to help spread the cause. What this entails is a simple yet effective 1.5 hours Training of Trainers (ToT) session to educate our employees about the Blood Issue in Egypt and Logistical Planning for Blood Drive and encourage Volunteerism thru valuable ideas and feedback creation on how to create a real community of blood donors in the company. in 2011, Raya organized also a number of blood donation campaign 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 (NGO). 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 2010-2012, 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.



Activity	Quantity in 2011	Total Quantity ( 2010-2011)
Renovating Houses	24	44
Micro- Finance	21	21



<b>Ramadan Packages</b>	<b>300</b>	<b>800</b>
<b>Winter Blankets</b>	<b>500</b>	<b>1000</b>
<b>Total Investment in Abaza</b>		

### 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 44 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 21 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

---

### **Raya employees contribute with 300 Ramadan Food Packages to Al Fayoum**

In the spirit of the Holy month of Ramadan, Raya employees contributed with 300 Ramadan food packages for Abaza, an underprivileged village in Al Fayoum. Part of the contribution was also directed the restoration of houses in Al Fayoum.



## Post-Revolution Campaigns for Egypt's Society

---

### **Raya launches Food Campaign in partnership with Food Bank for day Labourers**

For day labourers who lost their sources of income after the revolution, Raya launched an intra-company campaign to provide them with food packages to sustain their monthly needs.

### **Min Masry Le Masry, an initiative for the injured victims of 25<sup>th</sup> 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 with proceeds going to surgeries and job creations.

### **Raya Employees Clean and Repaint Al Bahr El Azam & Cairo Streets**

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 in an attempt to revive the Egyptian stock market.

### **"Buy Made in Egypt" Campaign**

In order to promote the economy, Raya ran a number of "Buy Made in Egypt" campaigns promoting Egyptian products and Maintenance Services in Egypt thru discount programs subsidized by Raya.

### **"OshareK" - First Location-Based Egyptian Social Network Platform**

With a vision of "Using online technologies to deliver social impact globally", Raya Social Media was established as a subsidiary of Raya Holding to build and operate Egypt's first location-based social network OshareK.. Inspired by the Egyptian revolution, Egypt's first location-based social network, aims to connect nearby people sharing the same interests to take collective actions both online and offline