

**United nation Global Compact**

**MISR CONTRACTING Co.**

**Communication on Progress Report**

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# Misr Contracting Company

Company Profile – 2012



## About Encon Group

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Encon is a group of companies established in 1979 to positively contribute to the housing dilemma in Egypt. The group developed over the past 3 decades to include activities in the following fields:

- Real estate investment & development for economic, medium, & luxurious housing
- General contracting
- Operation of commercial and sporting centers
- Manufacturing of building solutions
- Agriculture

## About Misr Contracting Co.

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Misr Contracting Company was established in 1980 with the aim of specializing in general contracting for residential and commercial projects in Egypt. Over the course of its 30 years of operations, the company has successfully delivered more than 8000 housing units, educational facilities, commercial complexes, and beach resorts with over 250 million Egyptian Pounds worth of revenues.

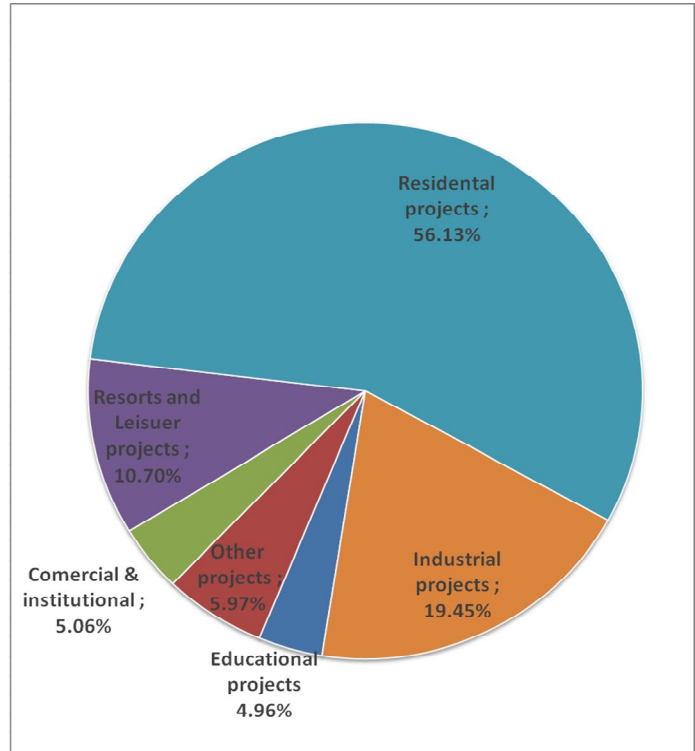
The company increased its turnover by more than 10 folds in the past 4 years. Recent changes to the corporate governance, restructuring efforts, and adopting project management practices contributed significantly to the growth of the company.

## Scope of Work

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The company has successfully erected projects of various natures over its lifetime. The current works that fall within the scope of work are:

- Residential Projects
- Educational Projects
- Office Buildings
- Commercial Projects
- Industrial projects
- Resorts and Leisure projects



## Objectives

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We understand that there is a need in Egypt for medium sized contractors that can deliver big results, efficiently, on time, with appropriate quality, and at the right price. We are therefore directing our efforts towards finding alternative solutions to the traditional building systems that can help develop the economic housing sector of the industry. We are determined to develop these solutions and utilize them efficiently.

## Board of Directors

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The company's board of directors has been putting its efforts into restructuring the company and increasing its capacity and efficiency. The board managed to increase the company's turnover from 3 million to 40 million in only 4 years. The members of the BOD are:

### Eng. Mohamed El Sawy CEO

El Sawy is the son of the founder of the group of companies, which gave him the opportunity to learn the tricks of the trade early on. Refining his knowledge with a degree in construction project management, he managed to develop the company to comply with modern project management principals. His drive for positioning the company amongst Egypt's finest housing contractors reflected on the company's performance in a short time. El Sawy is on the board of directors of several other companies in real estate development, manufacturing, and

### Eng. Nagwa Azmy Board Member

Azmy has developed the Encon group of companies for the last 23 years as CEO and Chairperson of the group. She is the CEO of two companies, a member of the board of directors of several companies, and works closely with a few NGOs. Her creativity, determination, and expertise in contracting contributed to the growth of the company over the past years.

**Mr. Ahmed Farid**

CFO

Farid helped develop and operate several businesses in Egypt and the Gulf area. His involvement in a unique variety of operations brought advanced financing principals to the company, contributing to the vast turnover increase over the last three years. Farid is the CFO for the group of companies, and assisted in several real estate and contracting policy-making taskforces over the years

## Our Projects

Misr Contracting Co. has developed several projects over its 30 years of operations. Some of the most important projects are:

PROJECT NAME AND DESCRIPTION OF WORK		LOCATION	TOTAL CONTRACT VALUE (LE)	PROJECT START YEAR	OWNER / CLIENT
<b>A RESIDENTIAL</b>					
1	<u>Bourg El Arab Project</u> 3 residential building	Bourg El Arab- Alexandria	7,500,000	2012	Ministry of Defense
1	<u>MIVIDA</u> Finishing Works – Subcontract from Orascom Construction Industries	New Cairo	Indefinite scope	2012	EMAAR
2	<u>ALLEGRIA – THE HILL</u> Civil Works Subcontract from Hassan Allam Construction	6th of October	7,500,000	2011	SODIC
3	<u>STONE PARK</u> Civil Works	New Cairo	Indefinite scope	2011	ROOYA
4	<u>Zayed Residence</u>	Sheikh Zayed, Greater Cairo	10,000,000	2010	Engineering Construction Co.
5	<u>Golf extension Villas</u>	6th of October	11,000,000	2010	Palm Hills
5	<u>Housing for MAC Workers</u>	10th of Ramadan City	7,320,000	2010	MAC Carpets
6	<u>PA LM PARKS</u> Civil Works – Subcontract from Hassan Allam Construction	6th of October	13,000,000	2009	Palm Hills Development
8	<u>Al Sanabel Towers 3, 4, &amp; 5</u> Civil ,finishing and electromechanical works	Nasr City, Cairo	59,000,000	2009	Police Projects Development Unit
9	<u>KHAN YOUNIS</u> Civil and Finishing Works	Mohandeseen	2,800,000	2009	Engineering Construction Co
10	<u>PYRAMIDS HEIGHTS</u> Civil and Finishing Works	Cairo-Alex Road	3,000,000	2008	SAMCRETE
11	<u>Bandar Al-Obour 8 Residential buildings</u> Civil ,finishing and electromechanical works	Obour City, Greater Cairo	12,000,000	2007	Engineering Construction Co.

PROJECT NAME AND DESCRIPTION OF WORK		LOCATION	TOTAL CONTRACT VALUE (LE)	PROJECT START YEAR	OWNER / CLIENT
12	<u>Al Amal North &amp; South Towers</u> Civil ,finishing and electromechanical works	Maadi, Cairo	26,000,000	2007	Police Projects Development Unit
13	<u>MOON BEACH RESORT AND HOTEL</u> Civil, Finishing, Electromechanical and Infrastructure Works	Ras Sedr	10,000,000	2005	RED SEA TOURISM COMPANY
14	<u>MIRAGE CITY PHASE 2</u> Civil and Finishing Works	New Cairo	1,200,000	2004	PRIVATE OWNER
15	<u>MARINA EL ALAMAIN</u> Finishing, swimming pools and landscape works	El Alamain	800,000	2003	PRIVATE OWNER
16	<u>MERIDIAN MAKADI BAY</u> Civil and Finishing Works	Hurghada	1,750,000	2002	PRIVATE OWNER
17	<u>ZAMALEK PENT HOUSE</u> Construction and finishing works for a two story luxurious penthouse on the 23rd and 24th floors in Zamalek area including roof swimming pool.	Zamalek	1,800,000	2002	PRIVATE OWNER
18	<u>Completion of buildings</u>	1st Complex, Greater Cairo	2,000,000	2001	Authority for Development of new urban complexes
19	<u>Completion of 17 Residential Buildings</u>	5th Complex, Greater Cairo	2,025,000	2000	Misr Investment & Development Co.
20	<u>Al-Marwa New Towers Phase 2</u>	Nasr City, Cairo	14,000,000	1998	Engineering Construction Co.
21	<u>Al-Marwa New Towers Phase 1</u>	Nasr City, Cairo	10,100,000	1996	Engineering Construction Co.
22	<u>Al Amal Tower</u>	Heliopolis, Cairo	17,000,000	1994	Armed Forces
23	<u>960 Low Cost Residential Units</u>	1st complex, Greater Cairo	18,000,000	1990	Authority for Development of New Urban Complexes
24	<u>Sarah Tower</u>	Heliopolis, Cairo	5,000,000	1989	Engineering Construction Co
25	<u>Al Marwa Helwan Complex</u>	Helwan City	7,200,000	1987	Engineering Construction Co.



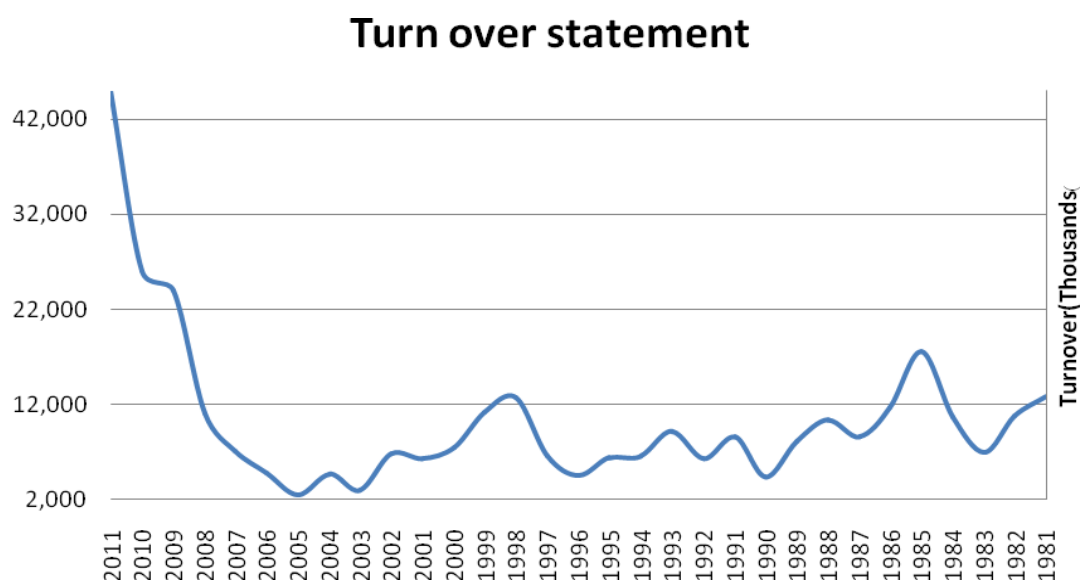
PROJECT NAME AND DESCRIPTION OF WORK		LOCATION	TOTAL CONTRACT VALUE (LE)	PROJECT START YEAR	OWNER / CLIENT
26	<u>31 Residential Buildings</u>	10th of Ramadan Authority	5,206,953	1985	10th of Ramadan Authority
27	<u>21 Residential Buildings</u>	Helwan City	2,790,383	1985	General Authority for Housing & Development
28	<u>El Faysaleya Residential Complex</u>	Haram, Giza	12,000,000	1984	Marwa Co. for Residential Development
29	<u>First of May Residential City</u>	Nasr City, Cairo	29,489,000	1983	Cooperative Association for Engineers Housing
30	<u>Al Marwa Residential Towers</u>	Heliopolis, Cairo	25,000,000	1979	Cooperative Association for Egyptian Expats
<b>B COMMERCIAL and INSTITUTIONAL</b>					
1	<u>HOLZTEC SHOWROOM</u> Finishing and Electromechanical Works	Designopolis, Sodic	600,000	2009	HOLZTEC
2	<u>SKODA SHOWROOM</u> Finishing and Electromechanical Works	Heliopolis	750,000	2008	EL SHARKAWY GROUP
3	<u>VIAGGIO RESTAURENT</u> Finishing and Electromechanical Works	Heliopolis	1,000,000	2006	FINE FOODS COMPANY
4	Commercial Complex	15th of May City	2,770,000	2001	Authority for 15th of May City
5	<u>SAMCRETE ADMINISTRATION BUILDING</u> Civil Works	Boulak Area	3,500,000	2001	SAMCRETE
6	Permanent Showroom	6th of October City	2,176,400	2000	6th of October Association
7	<u>MERCEDES AND LANDROVER SHOWROOMS</u> Finishing works	World Trade	1,600,000	1998	TECHNOTRADE
8	<u>NATCO ADMINISTRATION</u> Remodeling, finishing and renovation Works - Turn key job	Mohandeseen	1,500,000	1994	NATIONAL AUTOMOTIVE COMPANY (MERCEDES)
PROJECT NAME AND DESCRIPTION OF WORK		LOCATION	TOTAL CONTRACT VALUE (LE)	PROJECT START YEAR	OWNER / CLIENT

C RESORTS and LEISURE					
1	Syndicate of Engineers Resort	North Coast, Marsa Matrouh	5,789,842	1982	Cooperative Association for Engineers Housing
2	<u>Tayebat Al-Boushra Resort</u>	North Coast, Marsa Matrouh	8,000,000	1982	Engineering Construction Co.
3	Aseelah Resort	Kabrit, Suez City	7,000,000	1987	Engineering Construction Co.
4	<u>Al-Madyafa Residence and Hotel</u>	Downtown, Marsa Matrouh	6,455,464	1990	Misr Investment & Development Co.
D INDUSTRIAL					
1	<u>ECAN PHARMACAUTICALS</u> Project management contract for civil, finishing and electromechanical works	El-Obour City	60,000,000	2009 / 2011	ECAN PHARMA
2	<u>CORONA CHOCOLATE FACTORY</u> Remodeling and renovation works.	Alexandria	1,100,000	2000 / 2001	SONAT INVESTMENTS
3	<u>MERCEDES BENZ ASSEMBLY FACTORY</u> Construction of major packages of the Mercedes-Benz car assembly factory including steel structure workshops 4600 m2 each, 3 story 600m2 administration building and car paint shop - Turn key job.	6th of October	3,400,000	1997 / 1999	EGYPTIAN GERMAN AUTOMOTIVE (MERCEDES)
4	<u>NATIONAL AUTOMOTIVE SERVICE STATION</u> Construction of a 100 car capacity service station including electromechanical works.- Turn key job	Fom El Khalig	1,600,000	1995 / 1996	NATIONAL AUTOMOTIVE COMPANY (MERCEDES)
5	<u>AL AHRAM FACTORY FOR METALS</u> Construction of a 6000 m2 metals production factory including all electromechanical works - Turn key job.	10 of Ramadan Industrial Area	1,600,000	1994 / 1995	AL AHRAM COMPANY FOR METALS
6	<u>AI AHRAM COLD STORES</u> Construction of a 3000 ton extension and reconstruction of the reinforced slab on grade of the existing parts. All works were executed while existing cold store was in operation.	Giza	1700000	1990 / 1992	MISR COLD STORES
PROJECT NAME AND DESCRIPTION OF WORK		LOCATION	TOTAL CONTRACT VALUE (LE)	PROJECT START YEAR	OWNER / CLIENT

7	<u>MERCEDES NATIONAL AUTOMOTIVE SERVICE STATION</u> Renovation of maintenance workshop and show room- Turn key job.	EI Dokki	1400000	1990 / 1991	NATIONAL AUTOMOTIVE COMPANY (MERCEDES)
<b>E- Educational</b>					
1	<u>School Complex</u>	1st Complex, Greater Cairo	5,830,000	2005	Authority for Development of new urban complexes
2	<u>AL KARMA LANGUAGE SCHOOL</u> Civil, Finishing and Electromechanical Works – Turn key job	Katameyah	3,000,000	2002	NATIONAL COMPANY FOR EDUCATION
3	<u>25 Classroom School Completion</u>	1st Complex, Greater Cairo	2052000	2001	Authority for Development of new urban complexes
4	<u>NATIONAL EXAMINATION CENTER</u> Civil and Finishing Works	Mokatam	2160000	1992	MINISTRY OF EDUCATION
5	<u>Student Housing</u>	10th of Ramadan City	2295090	1991	10th of Ramadan City
<b>F OTHER PROJECTS</b>					
1	<u>EI Sharara Project's Infra-Structure Works</u>	6th of October City	2,400,000	2005	6th of October City
2	<u>Construction of Traffic Unit</u>	Nasr City, Cairo	2,100,000	1994	Misr Investment & Development Co.
3	<u>Prison Cells</u>	EI Natroun Valley, Marsah Matrouh	2,500,000	1991	Police General Authority

## Turn Over Statement

The following graph shows the development of the annual turnover of the company over the last 30 years. The 2010 value is based on in-hand contracts at present time.



## Previous and Current Clients

The company has developed projects for several clients over its 30 years life span. Amongst those clients are:

- Engineering Construction Company
- Misr Investment and Development Company
- General Authority for Housing and Development
- Nasr City for Housing and Development
- Housing and Development Bank
- Police General Authority
- Police Projects Development Unit
- MAC Carpets Co.
- Cooperative Association for Egyptian Expats
- El Sharara Cooperative Association
- Emaar
- Sodic
- Rooya
- Palm Hills
- Samcrete

- Red Sea tourism Company
- National Automotive Company
- Ministry of Education
- Ecan Pharma
- Sonat investment
- Egyptian German Automotive ( Mercedes )
- Al Ahram Company for Metals
- Techno trade
- Holztec
- El Sharkawy Group
- Fine Foods Company

## Consultancy office

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The company dealt with several consultants. Some of these consultants are:

- Office of Dr. Ali Abdel Rahman
- Office of Dr. Medhat Dora (Space)
- Office of Dr. Mohamed Abdallah Eissa
- Office of Dr. Maher Abdel Salam
- Office of Dr. Raef Fahmy (AURA)
- Office of Dr. Ezzat Abu Omeira
- Misk Consultant Office
- Eng. **Ahmed Azmy** Consultancy office (Amar Consult)

## Legal Status

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Established with accordance to Law number 26 / 1980 as of 1/3/1980 and working under law 43 / 1974.

Paid in Capital: 3'000'000 LE

Tax Card Number (354 Investment Taxes) - issue date 1/4/1984 – Investment Tax Branch.

Commercial Registry Number: 201790 Cairo

Registration number in Egyptian Syndicate of Contractors: 579 –

Second Category – General Contracting.

## Sister Companies

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Misr Contracting Company is part of a group of companies (Encon Group). These companies are:

Engineering Construction Co.

Misr Investment & Development Co.

Misr Anshas for Agriculture & Food Production

Engineering Co. for Sports and Touristic Centers



## Contact Details

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### **Misr Contracting Co.**

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## Communication on Progress Report

As we believe in our role towards our community & environment, we've launched social committees where we were able to perform actual activities to advise our employees on how they should contribute to their country either by amending their negative manners towards the environment, or to communicate with their colleagues in order to work within a healthy and comfortable atmosphere and to share the best of life with the people in need.

And this comes out of our love & dedication for our country, especially after 25th of January, as now we have all the right to speak out our minds & work hard for building the future of Egypt.

### New Activities in Societal Life and environment :

- Social committees

At ENCON group, we believe our success is not only based on delivering and developing projects but also on our concern with our social responsibility towards our community and environment.

This is why we established the "ENCON committee for volunteer work" to ensure that we have positive impact on our society. Some of our previous and ongoing contributions are:

- Organizing visits for orphans to entertainment centers where the children enjoyed playing within a loveable atmosphere and ended their day with our gifts as another way to draw the smile on their faces.

- A declaration to regularly collect old papers and the unused company's stock in order to be donated to charitable associations.

- Regularly organizing visits for charitable associations for elderly people on Monthly basis.

- Regularly Celebrating the orphans' day by offering free games at our entertainment center to the orphans.







- **Entertainment Committee**

Our employees are our main assets and partners for life. And in return for our Gratitude for their effort:

- We put great emphasis on enriching the working environment for our employees and enhancing their skills.
- We've established an entertainment committee that's responsible to include the managers & the employees in fun activities & outings in order to reduce work stress, break the ice between managers & their employees and help in team buildings, we aim to make each and every employee enjoy being a part of our company.
- Our main goal is to create a comfortable working atmosphere for our employees, this is why we've placed a suggestions' box at our company, as a chance for each employee to speak his mind about his opinion or suggestions.

- **Environmental Committee :**

- As we are part of this environment it's our duty to develop our ways of using its resources to serve it in the best manner; we've worked actively to reduce the negative impact and here below the methods we've used to achieve that purpose:
- We understand well the role of recycling in maintaining a better & healthy environment this is why we've placed trash can for each type of materials at the company.
- We strive to reduce our usage for any materials or resources, beyond the requirements,  
e.g.:
- Placing stickers stating to turn off our computers' screens when we are not using them & the office lights when you're out of the room.
- Placing stickers stating to make sure closing the taps well after using them.

## **Statement of continued support for the global compact :**

Misr contracting company taking major steps since its foundation towards the development of individuals, community and society. the ten principals of corporate social responsibility is an integral part of our strategy , culture and day to day operation . Accordingly, we support and commit to the UN global compact and we aim to move forward to all its principals.

## **Misr contracting Company started its effort to implement the ten principles of United nation Global Compact as the following :**

### **Human Rights**

#### **Principle no. 1:**

**Businesses should support and respect the protection of internationally proclaimed human rights.**

#### **Principle no. 2:**

**Business should make sure they are not complicit in human rights abuses**

#### **• Our Commitment or Policy**

Misr contracting support and respect the protection of international human rights within our sphere of reference. We make sure our own operation is not complicit in human rights abuses. Our company is an equal opportunity company. We strongly support all candidates to apply and/or working in our team regardless: gender, religion, origin and shape.

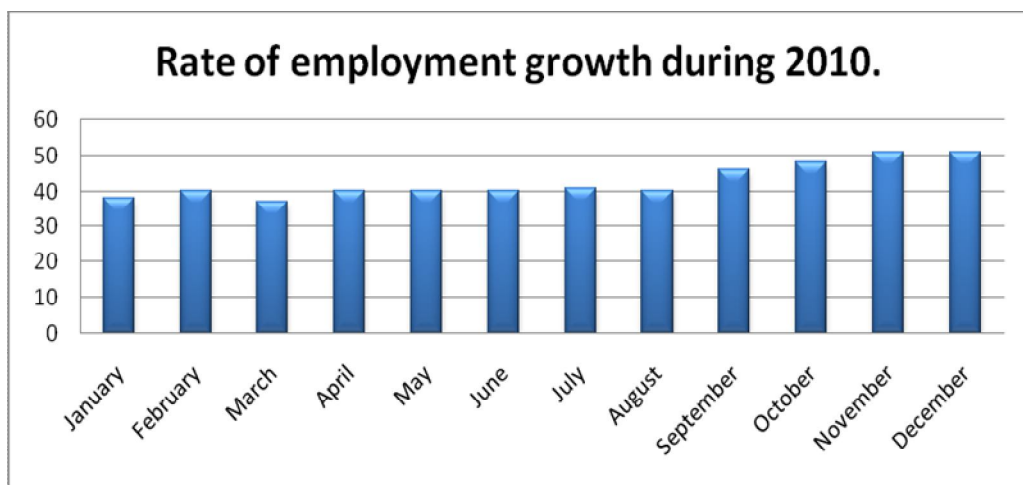
#### **• Communicating progress related to human rights field :**

- Misr contracting company add human resource department to the staff who published a new Employees Guide and procedures for the employees to provide them with all information on working conditions, benefits, rights and duties, recruitment policy.
- Improve our work place by providing safety conditions in Head office and work sites by implementing occupational safety and health as by :

- Put strict instruction to wear safety uniform and helmet for our engineers and our workers.
  - Medical and health care insurance for all employees
  - Fire fighting system.
- Imposition of sanctions and disciplinary sanctions for any type of sexual harassment.

– **Measurable Results or Outcomes**

– HR department is raising the employment as following chart :



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### **Labour Standards**

#### **Principle No. 3**

**Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining**

#### **Principle No. 4**

**Businesses should eliminate all forms of forced and compulsory labour.**

#### **Principle No. 5**

**Businesses should uphold the effective abolition of child labour .**

## **Principle No. 6**

**Businesses should eliminate discrimination in respect of employment and occupation.**

- **Our Commitment or Policy**

- Misr contacting belief in labour rights is part and parcel of its business day to day practices whether inside or outside the institution. The continuous growth and profitability of the bank has made it possible to create job opportunities and increase year over year employment rate by 30%. Respecting employees working rights and believing in their valued contributions to the organization.

- **Communicating progress related to labour field**

- Uphold the elimination of discrimination in respect of employment and occupation, our company does not discriminate between its employees regarding their race , religion or gender .

***recruitment:***

- The Company institute policies and procedures for recruitment based on qualifications, skill and experience and the staff of human resource is recruiting with full impartial without nepotism, the nomination of applicant is depend on job requirements, applicant qualifications including education, previous experience , skills and the ability to do the job .

- "job offer "is produced to the selected applicant by HR department contains : job title , Department or project , Salary , benefits .

- Employment contracts are stating the terms and conditions of service, all employees' rights: salary, social security and their duties. Signed by the new employee and CEO.

- The company is recognizing to reach 5 % of total staff in hire people with disabled.

#### ***Working hours :***

- Company is committed to working hours set by Egyptian law, any extra hours is calculated as over time.
- Official Paid holidays: all Muslim and Christian Holidays are paid.

#### ***Maternity protection:***

- The company provide paid Maternity leave of 90 days for employed women
- Nursing Mothers are allowed to leave the company one hour earlier than the regular schedule daily time.

#### ***Child labour :***

- No child labour is allowed in our company ( not less than 18 years old)and close this term the contracts with our subcontractors .

#### ***Performance appraisal:***

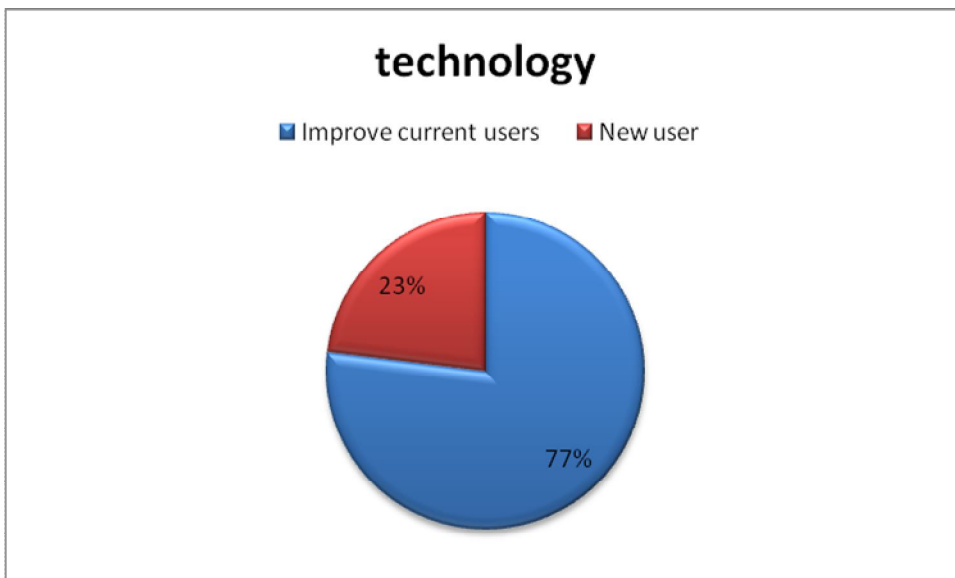
- Our HR department created system to evaluate employees, first one after three months from hiring and the next one is annual appraisal.
- The performance appraisal process as a positive interaction and provide a permanent connection between the staff and their managers.
- Evaluate the performance is made by the employee direct manager on the appraisal form and is negotiated it with the employee and he can object to the evaluation, Human resource department active these evaluations by:
  - Fixed probationary employee.
  - granting of annual premium or extra incentive.

- Training course to improve weakness points and gain more skills.

### ***Training:***

HR department prepare Annual training plan according to the performance assessment of the employees and Department manager plan to improve employees performance and to increase their knowledge and skills.

- Measurable Results or Outcomes:
- The outcomes of Training plan in the Technology courses are as follows

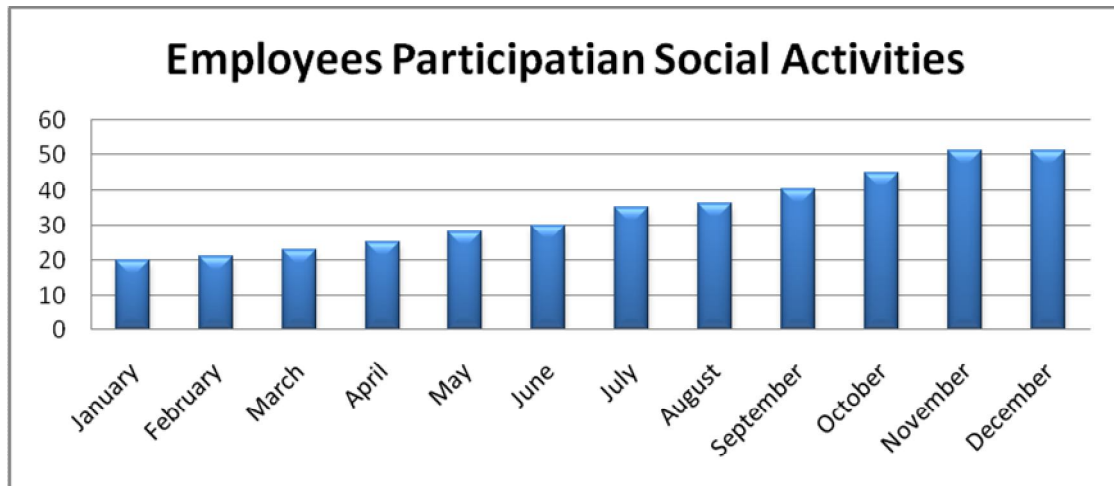


### ***Employee suggestion system***

The company seeks to guarantee freedom of individuals to participate in his opinion and creative ideas, through forming of a committee to study proposals and award winners.

### ***Social activities:***

Creat new social activities: Sport days and birthdays celebrations, which makes employees engaged each other to keep good relations among them and get some entertainment for the renewal of their activity.



## Environment

### Principle No. 7

Businesses should support a precautionary approach to environmental challenges.

### Principle No. 8

Businesses should undertake initiatives to promote greater environmental responsibility.

### Principle No. 9

**Businesses should encourage the development and diffusion of environmentally friendly technologies.**

- **Our Commitment or Policy**

Our company policy is ensuring workplace health and safety and preventing physical risks such as high temperature in workplace, noise and vibrations, high/low light, risky and dangerous emissions, static and dynamic electricity as well as explosions risks. Also the policy states the Company's commitment towards saving the energy in all its activities and projects.

- **Communicating progress related to Environment field**

- Employees are requested to consider saving the environment while performing their daily tasks, each within his/her work area, i.e., paper recycling, economical printing...etc.
- Company offices is no smoking area .

- **Measurable Results or Outcomes**

- Energy saving benefits have been achieved after using energy-saving bulbs when we renovated the company's headquarters .

**Principle # 10**

**"Businesses should work against corruption in all its forms, including extortion and bribery."**

- **Communicating progress related to Anti Corruption field**

- Our Company policy The company does not allow any kind of corruption and any type of bribery and is introducing anti-corruption



policies and programs within our manual guide and operations i.e. any gift in prohibition list.

– **Measurable Results or Outcomes.**

As Misr contracting company is still a new member in the Global Compact and has recently begun modifying and tailoring its work policies and strategies to adapt with the 10 principles of the Global Compact, therefore, the company remains in the monitoring and evaluation process of all applied policies and actions in human rights, Labor, environment and anti corruptions areas with keeping the mentoring by next year, the company will be presenting more detailed statistics on achieved results using well-known measurement indices.