

Raya Communication on Progress : Year 2012 - Our Commitment to Corporate Sustainable Development

2012 was marked with a set of difficult challenges in Egypt: political, social, and environmental. However, our work on corporate governance throughout the years was our foundation for sustainability. Raya and its board made the commitment to do business in a socially responsible way where ethical behaviour is embedded in our business strategy, our operations, and corporate culture integral to our performance and long-term sustainability. Corporate responsibility became the focus of our strategic objective. We focus on our competence to deliver social impact, sustainable solutions with economic value from our “Core Business Operations” which was the shift in our CSR strategy over the last few years. We evolved our CSR activities from philanthropy to sustainable development where CSR became more about collaboration & inclusion of other corporations, the community, and civil society.

Our strong commitment to sustainable development with a set of core values, encompassing human rights, environmental protection and anti-corruption measures guide our board’s oversight, relationship with management, and accountability to and engagement with our stakeholders. Our organization seeks to incorporate sustainability practices in its business practices, supply chain, and 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.

Raya participated at the Rio+20 UN Conference on Corporate Sustainable Development in June 2012 showcasing how the UN Global Compact’s ten principles are integrated in our day-to-day operations, implementation of new HR policies, 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 look for new business opportunities that have a positive footprint on the environment. Our new plastic recycling plant, BariQ, the first of its kind in Egypt and the EMEA region, reduces plastic waste thru recycling. Ostool, our two year old company for land & river transport logistics operates with the highest safety and emission regulations, reducing carbon emissions. Raya Smart Buildings builds sustainable sites that are LEED certified buildings, which helps in reducing energy consumption, water efficiency, and healthy indoor environmental Quality. Our newly formed Data Center line of business, leverages green IT technologies for energy efficiency and preserving customer assets. 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 aiming to connect nearby people sharing the same interests to take collective actions both online and offline.

We truly believe that we will do right thru what we do best!



Medhat Khalil - Chairman & CEO, Raya Holding

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 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 an OHSAS 18001 certified building with full occupational health and safety management. We are 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 250 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 health and to reinforce their work-life balance.</p> <p>As part of our focus on employee retention in 2012, the company offers 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 their 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 the 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. We avail summer training programs in different disciplines to prepare the youth for the job market and gain the needed technical and business skills.</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 inquiries and concerns to the senior management and to the chairman, who answers to all the questions on the spot. <input type="checkbox"/> A bi-weekly Chairman Breakfast where randomly selected employees get face-to-face contact with the chairman to highlight any concerns. <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. <input type="checkbox"/> A monthly internal news magazine, Fluka, which includes a section that receives employees' suggestions, and daily work experiences. <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. <input type="checkbox"/> Ongoing Focus groups and employee satisfaction surveys are conducted to measure employee motivation, performance, and morale. <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. <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. <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

	<p>about the safety and security measures through a Facilities presentation.</p>
<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.</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</p>

	<p>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"/> 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>
Environment	
<p>7. Businesses should support a precautionary approach to environmental challenges</p>	<p>Raya believes in creating economic value without negatively impacting the environment:</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 & 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 has an energy saving program where we shut down Raya building electricity everyday at seven 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</p>

	<p>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 environment hazards of smoking. The campaign includes providing aid tools for employees who smoke to help them quit smoking.</p> <p><input type="checkbox"/> We sponsored the 2012 Terry Fox Run in Egypt held by The Children's Cancer Hospital Foundation 57357 , The Canadian Embassy in Cairo in partnership with the American University & The European Union . The Terry Fox's story of courage, perseverance, & compassion has inspired millions of people worldwide to support the fight against cancer. Raya employees participated to raise the awareness and collect funds to improve the quality of life and support the research work in Egypt</p>
Anti-Corruption	
<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> <p><input type="checkbox"/> Raya emphasizes anticorruption strategies through clear financial and project reports.</p> <p><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</p> <p><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).</p>

Corporate Social Responsibility and Sustainable Development

(Education & Health)

Education

Injaz Teaching Initiative

For the fifth year, Raya participates in 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.



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.



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.

