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Rayess Kingdom Group

August 2009

Communication on Progress

Khaldoun M. Rayess
Rayess Kingdom Group

Communication on Progress Report

June, 2006 was a perfect date for Rayess Kingdom Group companies to mutually join the Global Compact and to share the world leading organizations' and corporations' vision towards the Ten Principles and towards the real need for high standards of Corporate Social Responsibility.

The Global Compact is a “Competitive Advantage” from our own point of view and is one of the best ways to reach a green change in the world through corporations' partnership, knowledge sharing and sustainable development worldwide.

We have been participating in the various events built or supported by the GC as The Climate Change, CopenMind and recently contacting Seal The Deal. Rayess Group learned and shared a lot of experiences with other corporations and organizations in the Global Compact.

Rayess Group CSR Strategy is named “ICE” as it concentrated on: Information sharing, Communicating CSR opportunities and Entertaining Employees. We hope that more companies join ICE similar programs. The more ICE we have the more we are able to



achieve the principles of the Global Compact and the more we are able to fight Global Warming and other environment issues.

Being the first Syrian participant in the Global Compact we take it on our shoulder to spread the word locally and to support the launch of the Global Compact Local network in Syria in 2008-2009. We understand our responsibility towards our community and we are working towards spreading the word through various publications to increase corporations' and individuals' awareness and to help them understand their key role too.

Rayess Kingdom Group, a Group for Life, believe in Corporate Social Responsibility as a built-in component and not as an add-on. We care about society, environment and humans in everything we do and we do our best to use all available resources and depend on R&D to launch new companies with green startups.

We Promise to do our best to sustainably develop our strategy and performance to meet the ongoing development and changes in the world markets to ensure the best possible atmosphere in relation to the ten principles: Human Rights, Labor Rights, Environment and Anti Corruption.

A copy of this report will be available on our website as soon as possible to help spreading the word and to help our employees, partners and customers to better understand the role we are playing for a better future so they can set theirs too.

Rayess Kingdom Group



Finally, let us soon officially welcome the Global Compact in Syria!

We Support The Global Compact,

Khaldoun M. Rayess
Managing Director
Rayess Kingdom Group

A Group For Life!

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The Company At a Glance

Rayess Kingdom Group, a Group for Life, is a Syrian local family company that consists of the following companies:

- Rayess Shipping Co
- Rayess Trading
- Rayess Marine Services

We move, trade, and serve bulk shipments and bulk vessels, concentrating on raw materials. We understand the importance and the environmental risks of dealing with such materials and we always do our best to invest in sustainable development to help our suppliers and partners to increase efficiency, productivity, and keep environment on the top of our priorities.

The Slogan “A Group for Life” stands for the importance of the services that we do. It also stands for the procedures that we use to prioritize our lists. Thus, putting life,

humans, and environment on the top. We are humans serving humans for the benefit of the Human Kind and the coming generations while giving the environment the highest care.

Launching the Global Compact Local Network in Syria, 2008 – 2009

In close we work with the UNDP to support the launch of the Global Compact Local Network in Syria. We have been offering all available sources to support the launching campaign that so far could increase the number of the Syrian companies of medium size while we are more concentrating on smaller companies who can make greener change all over the market.

We have participated in the introduction events and made speeches by the high management levels to better explain the Global Compact to local companies and encourage them to follow our support to the Global Compact principles.

Presenting THE ICE Program

Information+Communication+Entertainment

ICE stands for our top management strategy and plans that we are following since
years. ICE stands for:



ICE The “I”

Information Sharing and knowledge transfer is a key role to achieve change and ensure sustainable development.

Human Rights & Labor Standards

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights
- Principle 2: to make sure that they are not complicit in human rights abuses.
- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
- Principle 4: the elimination of all forms of forced and compulsory labor;
- Principle 5: the effective abolition of child labor
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Harvard Business School Courses – 2009

Rayess Group is sending her employees for international courses in the various fields of leadership, management, development and marketing. In 2009 we started our first relation with Harvard Business School and hopefully we will extend this partnership to include more employees in 2010 and maybe new universities.

The Safety Evaluation of Geometric Constructions

Rayess Shipping, part of Rayess Group, sponsored the event and the related publishing that was done at Al Ba'ath University, Homs, Syria. The Safety Evaluation of geometric Construction was under the patronage of H.E The Syrian Minister of Higher Education and the President of the Higher Council of Science.

Donations of ICE

Welfare works and supporting other NGOs and different organizations and institutions is a built-in belief in our company's values. Rayess Group through our ICE program donated about USD.18'500.00 for:

- The Antiochian Orthodox Archdiocese - Homs / Syria
- Akar Orthodox Archdiocese - Ayoun Al Wadi Church / Syria
- Akar Orthodox Archdiocese - Safita Church / Syria

ICE The “C”

Communicating Opportunities is another special built-in strategy that we follow and highly admire at Rayess Group. We do our best to share all CSR opportunities with our partners and encourage them to invest and support the Community and the Environment.

Environment

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| <ul style="list-style-type: none">• Principle 7: Businesses should support a precautionary approach to environmental challenges; |
| <ul style="list-style-type: none">• Principle 8: undertake initiatives to promote greater environmental responsibility; and |
| <ul style="list-style-type: none">• Principle 9: encourage the development and diffusion of environmentally friendly technologies. |



REACH Awareness Day-Syria 2008

At Rayess Group and by partnering with global industry leaders we arranged for an event named “Awareness Day: REACH. Damascus, August 19th 2008”

The Workshop was under the patronage of H.E The Minister of Industry and to ensure the highest impact, all of the following ministries were invited, Chamber of Commerce, Chamber of Industry and the private sector:

- Health Ministry
- Ministry of Agriculture and Agrarian reform
- Ministry of Economy
- Ministry of Oil and Mines

- **Institutions:**
 - Institutions of chemical Industry
 - Institutions of weaving Industry
 - Institutions Geometrical Industry
 - Institutions of Cotton ginning and marketing
 - Institutions of Sugar Industry
 - Institutions of Tobacco Industry
 - Institutions of Cement and Curbing
 - Institutions of Nutritious Industry

- Center of Experiments and Industry Researches.
- Arab Syrian Organization of Specifications and Magnitudes.

REACH stands for Registration Evaluation Authorization and Restriction of Chemical. Rayess Group found with her partner that only very few people knew about the EU new regulation REACH that will affect Syrian exports to the EU if Syrian companies did not know the new roles and follow the needed steps for registration and implementation. REACH Day helped the Syrian private sector to know that REACH is going in affect soon and answered nearly all of their questions and gave them the needed time to prepare themselves for the new regulation so they can secure their exports to the EU Market. REACH does not only help to keep exports to the EU but also help the companies better protect the environment.

Rayess Trading part of Rayess Group sponsored the local costs and continued to help the Syrian local companies and answer their related questions.

Sponsoring The Syrian Students Union Event in Tartous

Rayess Group never ever forgets supporting the candles of the future “The Youth”. We supported the Syrian Students Union in their event in Tartous, Syria and shared this event and encouraged our partners inside and outside the supply chain to support this event.

Local Network: More Syrian Companies Supporting the Global Compact

Communicating Opportunities is very clear when we read the numbers of the Syrian companies who are now officially registered in the Global Compact in 2009 while in 2006 we were the only Syrian company in the list. The Syrian Planning Commission together with other organizations and authorities played the most important role in such growth. We will continue to support the Local Network and do all needed to increase the numbers and hopefully the added-social value.

ICE The “E”

Entertaining Employees is a strategy that we follow since long. When we say we are: “A Group For Life” we mean it.

Human Rights & Labor Standards

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights
- Principle 2: to make sure that they are not complicit in human rights abuses.

- | |
|--|
| • Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining |
| • Principle 4: the elimination of all forms of forced and compulsory labor; |
| • Principle 5: the effective abolition of child labor |

Principle 6: the elimination of discrimination in respect of employment and occupation.

We are always there to do whatever possible to get a better social life for our employees and strengthen the social relationships among their families and us thus we arranged for two musical concerts for two Arabian Super Stars “Melhem Barakat” and “Najwa Karam” with estimated cost of about USD.41’000.00

At Rayess Kingdom Group we give equal attention to Human Rights and Labor Standards as any break to any would eventually break the whole.

We strongly believe and follow the Global Compact principles and we do our best to reflect this in our daily performance and to say out the word in any opportunity.

We at Rayess Kingdom Group Companies do not in any way support or work in any environment where humans’ rights are abused or misused. We support and respect the protection of internationally proclaimed human rights.

Our ethical policies are built against child labor. We cannot expect better future unless we give better educational chances for the children of Syria and eventually the children of the world.

We do not discriminate against any human, regardless of race, sex, color or religion and therefore we do our utmost to protect the equal employment opportunity that we offer at our offices.

Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Rayess Group strongly believe that Businesses should work against corruption in all of its forms, including extortion and bribery.



Rayess Group Values

Our HR department has been doing good progress in increasing job flexibility and rescheduling all our employees' working time hours. Thus, all our employees' social and family needs are met in the best way.

Reducing work pressure is a priority and a must.

Our company's culture encourages employees to share their opinions, point of views, and suggestions about how to improve our work conditions, the way we do business, and even how to better co-ordinate with our customers and how to better evaluate potentials.

Rayess Group believes in the "LLL" Life-Long-Learning and is supporting employees to open learning opportunities. We stand tall by our employees to help them reach higher positions while helping the company to grow better and healthier.

Rayess Group is committed to being an equal opportunities organization. Rayess Group does not accept failing or refusing to hire or to discharge any individual, or otherwise discriminating against any individual with respect to his / her compensation, terms, conditions, or privileges of employment, because of such individual's race, color, religion, sex, or national origin. Our partners, agents, and customers will be expected to abide by the policy locally and internationally.



Rayess Kingdom Group is committed to support a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility; and encourage the development and diffusion of environmentally friendly.

Rayess Group strongly believe that Businesses should work against corruption in all of its forms, including extortion and bribery.