



Communication on Progress

Year: 2009

Making a Commitment to Corporate Social Responsibility

Since its beginning, Raya group has been working on creating a company that is built to last. The company has been investing in its sustainability through a focus on several pillars, starting with the physical environment provided to the employees, constituted in several state-of the-art smart flagship facilities in Egypt. Raya has developed an advanced HR infrastructure, providing benefits and packages to its employees. The company runs a comprehensive internal communication program ensuring ethical conduct, a superior corporate culture and open door policy with equal opportunity.

Furthermore, Raya has adopted the corporate social responsibility initiative, reflecting commitment to the well being and development of the community through a multifaceted process of community involvement, relationship-building, charitable contributions, external collaborations and partnerships. At Raya, we have developed a track-record of global customers based on our company's quality standards, international best practices and methodology.

We firmly believe that our policies adhere to the 10 principles of the UN Global Compact and we strive to continue our quest based on the sustainability principles to advance the human rights agenda. Here, we summarize the progress we have made in 2008/2009 against these principles and we strive to report continuous progress in future.

Sincerely,

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

Medhat Khalil

Chairman & Chief Executive Officer

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	Global Compact Principle	Action Taken & Impact Achieved and/or Plans for the upcoming Year
<input type="checkbox"/>	1: Businesses should support and respect the protection of internationally proclaimed human rights;	<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. Therefore, they are motivated and are more productive.</p> <p>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.</p> <p>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.</p> <p>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>
<input type="checkbox"/>	2: And make sure that they are not complicit in human rights abuses.	<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.</p> <p>Moreover, the company 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>
<input type="checkbox"/>	3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	<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.</p> <p>We also have a direct communication channel between Senior Management and employees through several forms:</p> <ul style="list-style-type: none"> • Annual Kick off meeting where employees can direct directly their queries and concerns to the senior management • A bi-weekly Chairman Breakfast where random employees get face-to-face contact with the chairman to highlight any concerns.

		<ul style="list-style-type: none"> • Rayetna our internal intranet where there is a special link (discussion board) for employees to put their thoughts, opinions and discuss various subjects. • 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. • An annual seminar for the 2nd and 1st line managers, to align the leadership and raise and answer any inquiries or concerns related to strategy and employees work conditions. • On-going Focus groups and employee satisfaction surveys to measure employee motivation, performance, and morale.
<input type="checkbox"/>	4: The elimination of all forms of forced and compulsory labour;	<p>Raya Holding does not hire anyone by force or keep any employee by force. Child labour is not allowed at all. The minimum age of young employees who are employed on part time basis is 18 years of age, and those are usually summer trainees still at university who can perform small jobs to learn and earn some money. All employees, even part-timers, have contracts and are insured – medically and socially.</p> <p>The hiring and firing policy of Raya Holding is based on the Egyptian labour laws. Even when hiring employees for certain reasons, they are well compensated as per legal regulations and market pay.</p>
<input type="checkbox"/>	5: The effective abolition of child labour;	<p>Child labour is not utilised at all within Raya Holding. As mentioned earlier, the minimum age is 18 years. Raya does not allow child labour even for the outsourcing services that she receives from the security and cleaning companies.</p>
<input type="checkbox"/>	6: and the elimination of discrimination in respect of employment and occupation.	<p>Equal opportunities are given to everyone when hiring for a new position or a vacant one. The only thing that counts is the qualifications and the competencies that are required by and for the job itself. Even internally when a job becomes vacant, an internal announcement is made first trying to recruit from within, which motivates people. Equal opportunities are also given for training. No biases exist to any religion, culture, race, or gender, which leads to the diversified community of Raya.</p> <p>There is a system for hiring people, evaluating them, training them, and rewarding them on their achievements. The system applies to everyone ensuring that there are no discriminations at all. Promotions and good work are announced to show the employees how others advance and also to motivate them.</p> <p>Raya has different recognition programs that recognizes the employees where nominations are made and a neutral committee selects fairly based on the performance and achievement of the individual and every achiever is eligible to be nominated by his/her manager :</p> <ul style="list-style-type: none"> • Wall of Fame Program: <p>Managers who overachieve their target for 4 consecutive years and accomplish a superior</p>

		<p>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> <ul style="list-style-type: none"> • Star of the Quarter Program: Each department head nominates an employee as the star of the quarter. The department heads and HR committee of each line of business select one employee to represent them for the quarter. Finally the committee selects one star of all lines of business candidates who is rewarded with a trip or a valuable gift voucher. • Annual Raya Achievers Club: Main functions with quantitative sales targets nominate the candidates who over-achieved the sales targets for the past year, while the support departments whose targets are qualitative nominate candidates with superior achievement within the boundaries of a fixed percentage for each line of business. This group is recognized by certificates of superior achievement and is rewarded with a unique recreational 5 days trip to a destination abroad in case of achievement of overall year target of Raya, and a local destination in case it is not achieved. • Values Award Progm: For each of Raya's values (Excellence, Teamwork, Respect for People, Customer Focus), one employee who personifies this value is recognized for it during the Kick-off meeting and is handed a trophy and a membership in Raya Achievers Club trip for the year.
<input type="checkbox"/>	7: Businesses should support a precautionary approach to environmental challenges;	<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 Healthy & Safety Management System in accordance with ISO 18001:1999 is employed in Raya's Maintenance centers. ❑ 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. ❑ Raya have an energy saving program where we shut down Raya building everyday at seven to save on energy ❑ We are working on a number of Green IT initiatives to preserve power consumptions.
<input type="checkbox"/>	8: undertake initiatives to promote greater environmental responsibility;	
<input type="checkbox"/>	9: and encourage the development and diffusion of environmentally friendly technologies.	
<input type="checkbox"/>	10: Businesses should work against all forms of corruption, including extortion and bribery.	<p>Raya Holding maintains the highest standards of ethics and integrity in all our dealings. We maintain honest and open relationships based on mutual trust. We honour 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</p>

		<p>company's policies. Externally, Raya does not allow any sort of briberies 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.❑ Raya is strictly against Bribery. Bribery is probably the most common form of corruption known. Even short/long term financial benefit might return to our business from different kinds of bribery our principles & criteria of doing our business prevent all our team members to be involved in such behaviour/attitude.❑ 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

Raya's corporate social responsibility activities aim at achieving two goals:

- To support and strengthen our community
- To encourage employees to volunteer their time and skills to community projects.

Raya's commitment to the advancement of the community is its prime drive to being a socially responsible citizen.

The past two years witnessed a number of CSR projects that allowed us to set another milestone in our contribution to society.

At Raya we believe that we can achieve our CSR goals through two different approaches:

- Participating in sustainable community development projects
- Ongoing charity activities
- Crisis Support

Sustainable Development

We provide support to innovative programs that have potential for national replication, address identified community needs and are closely aligned with our corporate goals. Hence, we participate in the following:

- Utilize our professional employees' skills and capabilities to improve students and fresh graduates' skills by conducting lectures and trainings in collaboration with youth development NGOs. These trainings are given by employees on volunteer basis.
- Increase student access to technology, and improving the IT structure of different educational and medical institutes through different donations of IT equipment according to needs and availabilities.

Ongoing Charity Activities

We decided to keep the activities the employees started as "Raya Charity Caravan" with concentration on our two main focus areas. Thus we have been working on the following ongoing programs:

- Biannual blood donations campaign for the national Cancer Institute (AFNCI).
- Time bound events: Charity events held during special times of the year, i.e. Yom Al Yateem (first Friday of April) and Ramadan Tamween Packages during the holy month of Ramadan.

Crisis Support

Raya is quick to hand in support in emergencies and crisis situations such as the Dweqa crisis and the attack on Gaza.

Raya's focus areas are Health and Education:

HEALTH RELATED ACTIVITIES

Blood Donations

Raya organized a number of blood donation campaign in its headquarters in cooperation with Vacsera, which holds one of the main Egyptian blood banks. Hundreds of Raya employees donated blood for the National Institute for Cancer in a huge campaign organized in cooperation with the institute and inside Raya's new headquarters in 6th of October and Raya Contact Center.

Medical Check-up Campaign

The medical check up held in Minya Governorate in Upper Egypt. In collaboration with the Development Services Center an initial study was conducted on the health status of the citizens living in Kom Wally village. Raya organized a massive medical check up for the citizens providing specially equipped check-up vans in the following medical specialties: Dentistry, Ophthalmology, Pediatrics, Family Planning, and Gastroenterology. Moreover, all prescribed medications were distributed for free to all the citizens, over 200 eye glasses were produced, 30 minor eye surgeries were executed, and food and supplies were given for over 200 families with severe economic conditions. It's also definitely worth mentioning that one of the eye surgeries executed helped the patient retrieve eye sight.

EDUCATION RELATED ACTIVITIES

Injaz Teaching Volunteers

Raya jointly launched an initiative with the NGO Injaz aimed at bridging the gap between academic education and real-life business world practices targeting young teenage students. 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 work environment, such as decision making, communication skills, acquiring a long term vision and much more. The program covered all the public schools in 6th October city, namely Amr Ibn El Ass school, Abou Bakr El Seddik school and El Sheikh Zayed school, as well as Gamal Abd El Nasser school in Mohandessin.

Renovating “Antra Ibn Shadad” School in “Misr Al Qadeema”

The renovations included the whole building and school playground. Before that, the school playground was made of lime, causing severe damages to the student's respiratory system. Also, there were a lot of problems caused by the terrible status of the school premises. Thus, Raya decided to fund a complete renovation which took place during the school's mid-year recess so as to avoid any delays and/or inconveniences caused by the renovation work to the educational process.

PC Donations

Moreover, Raya donated several PCs to different NGOs in Egypt. The first batch of PCs went to the Egyptian Society for Developing Skills of Special Needs Children (ADVANCE). ADVANCE's mission is to ensure a wide range of life span remedial, educational, vocational, and rehabilitation services necessary for children and adults with special needs in order for them to proceed towards independence and better integration within the community. In addition, we are now in the processes of releasing the second batch to Federation of Egyptian Youth NGOs; those PCs will be used to deliver IT-training to Youth within the frame of the Youth Development Program, which includes delivering IT training to youth in addition to soft skills.

CHARITY ACTIVITIES

Orphan's Day Celebrations

Preparing for Yom El Yateem event, Raya annually does an in-house assembly line on inside the Raya Premises cafeteria to put together the packages that will be distributed among the orphans on Friday. As part of our Corporate Social Responsibility initiative, on Orphan's day we sponsored a big Fundraising FUN DAY at a park. The funds go to 5 orphanages with Orphans with Special Needs. The idea of the event is to collect donations and at the same time create awareness among people that special needs orphans are part of the society and cannot be isolated. 300 orphans and 1500 guests are invited.

Food Packages

In the spirit of the holy month of Ramadan 2008, Raya's Corporate Social Responsibility program organized charity trips to two villages located in Upper Egypt. The first trip was to Bani Menen, one of the six poorest villages in Egypt, located 3 hours away from Giza, and the other was to Bani Sweif, an hour's drive from Giza. Raya volunteers distributed Ramadan Packages to around 200 needy families in both villages. 2007 Ramadan packages were also distributed in the 70-Acre (Al Sab3een Fadan) area in Moqattam. In cooperation with Bedaya Charity Organization, families were chosen based on a research that studied their financial conditions, and a list of needy cases was chosen by Bedaya to receive the packages. Distributing the packages took around 3 hours where Raya employees volunteered to give them away to the residents.

CRISIS SUPPORT

Deweqa Donations

Raya's volunteers assisted the victims of "Al Deweqa" crisis. The company took the initiative to collect donations from its employees for the suffering families and match the contributions 1:1 as a donation from Raya employees. The donations were channelled to NGOs providing assistance and relief programs to suffering families of "Al Deweqa".