



Sheraa For Development & Trading

Al Sheraa Group for Development and Trading Communication on Progress (COP)

Company Name

Al Sheraa Group for Development
and Trading

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Period Covered by COP

December 2013 – December 2014

Membership Date

27 December 2012

Number of Employees

189

Organization Type

SME

Sector

Support Services

Statement of Continued Support



Dear Mr. Secretary-General,

I am pleased to confirm that Al Sheraa Group for Development and Trading is continuing to support the ten principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment, and Anti-Corruption. I would also like to assure you of my intention to promote these principles both among our employees and within our sphere of influence.

In our second annual Communication on Progress report, we describe our actions to integrate the Global Compact and its principles into our business strategy and daily operations. Our focus this year was on internal changes rather than outreach efforts. We conducted an assessment of our performance thus far and addressed previous points of weakness as much as possible. We plan to keep strengthening our own policies and their implementation in the coming years.

We continue to be committed to sharing this information with all of our stakeholders and any other interested parties.

Sincerely,

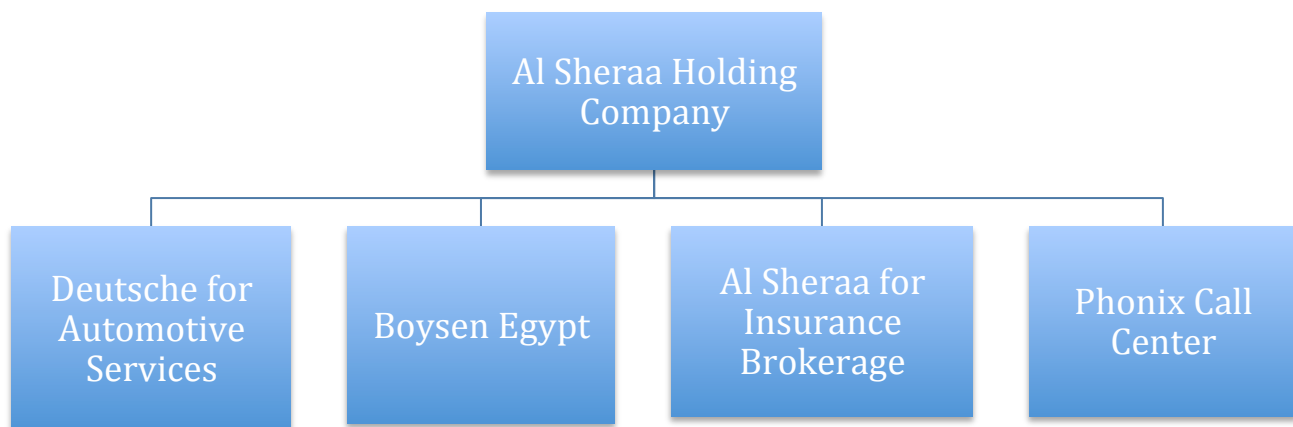
Farid El Tobgui
Chairman

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Description of Business

Al Sheraa Group for Development and Trading (Al Sheraa) is the holding company for a uniquely diversified group of subsidiaries that operate in several industries, including automotive, insurance, and support services. Al Sheraa has strategic agreements with leading companies in these industries. Deutsche for Automotive Services engages in car sales and offers after sales services. Boysen Egypt manufactures automotive parts, including exhaust and metal sheets. Al Sheraa for Insurance Brokerage acts as an intermediary in insurance provision. The Phonix Call Center provides customer support services to Al Sheraa Group's own activities and to other external companies as well.



Despite its young existence, Al Sheraa has proven its strength, stability, success, and growth by investing in a wide range of successful projects and achieving substantial growth in its revenues.

Social Responsibility

Al Sheraa has adopted a number of policies related to social responsibility and sustainable business practices because it is committed to having a positive impact on the environment, consumers, employees, shareholders, and all members of the public sphere. Al Sheraa's first responsibility is towards those directly affected by company operations, so it has focused efforts at this early stage on ensuring that it is doing everything it can to be socially responsible within the company. Al Sheraa also supports a number of development initiatives in the larger community through cooperation with non-profit organizations in their efforts to address a variety of social problems, such as lack of education, homelessness, hunger, and medical needs.

Human Rights

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

Our commitment or policy

Human rights cover a wide range of issues, from the rights afforded to Al Sheraz employees to the rights of those in the larger community where the company operates. Below are a few of the policies Al Sheraz has adopted in order to uphold and protect human rights within our sphere of influence.

Health and Safety

Al Sheraz, along with its employees, takes all necessary measures to prevent health and safety risks and improve working conditions.

- **Alcohol and Drugs**

Alcohol consumption and illegal drug use are not permitted during work hours on any Al Sheraz premises.

- **Smoke Free Environment**

Smoking on the premises of any Al Sheraz building or office space is strictly prohibited in order to ensure the optimal health and well being of employees and customers.

Anti-Harassment

Al Sheraz is committed to providing a harassment-free environment for its employees. The definition of the term harassment and all the actions it refers to are detailed in the Staff Handbook, which is given to each employee upon hiring. Al Sheraz will neither tolerate nor condone behaviour that is likely to undermine the dignity or self-esteem of any individual, or create an intimidating, hostile, or offensive environment.

Workplace Violence Prevention

Al Sheraz has a zero tolerance policy towards all types of violence and abuse. Employees engaging in any such activity will be subject to disciplinary action, which may include termination of employment, removal from boards or committees, and criminal charges.

Outreach Efforts

Al Sheraz is open to cooperation with any other company or organization for the purpose of social development. The company is willing to make monetary contributions, material donations, or provide volunteers who can contribute their time, effort, and skills to worthwhile projects and programs.

Practical actions implemented in the last year / planned for next year

Outreach Efforts

Al Sheraa has worked closely with the Awliaa Elgaleel (AEG) non-profit organization in its effort to conduct corporate social responsibility (CSR) initiatives in the larger community. Al Sheraa's contribution has largely been monetary during the past year and has been used to support existing AEG plans and projects.

Measurable results or outcomes

There are no legal cases related to human rights issues raised against the company. Al Sheraa has not incurred any fines or non-monetary sanctions for non-compliance with laws and regulations related to the topic of human rights.

Outreach Efforts

Through AEG, Al Sheraa has contributed to distributing food bags in New Cairo during the month of Ramadan and providing winter blanket donations in Sonbat village, Fayoum.

Labour

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 labour;
Principle 5	the effective abolition of child labour; and
Principle 6	the elimination of discrimination in respect of employment and occupation.

Our commitment or policy

Willingness to Work

All Al Sherana employees show their desire and willingness to work for this company under the existing conditions by signing contracts upon employment and periodically updating said contracts. All employees only perform their tasks and duties according to the agreed upon contract and are never forced to do any task against their will under threat of penalty.

Age and Education Requirements

No employee may be hired without a graduation certificate and a personal identification card proving that he or she is over the age of 18. This ensures that Al Sherana does not employ minors and work at the company does not interfere with any employee's education.

Employee Medical Benefits

The health and wellbeing of Al Sherana employees is vital to the company's success, so the company makes every effort to provide its employees with access to health care. All full time employees and their families (defined as one spouse and two children) are covered by medical insurance provided by the company. The details of this service are explained to employees, and those covered by this service receive a medical insurance card from the Human Resources (HR) Department as confirmation of their coverage. Al Sherana monitors the service employees receive from its chosen medical insurance provider in order to ensure that employees receive the best coverage possible.

Employment Equity

Al Sherana is an equal opportunity employer and hires individuals without regard to their race, ethnicity, citizenship, religion, gender, age, marital status, physical and/or mental disability or financial ability. While remaining alert and sensitive to the issue of fair and equitable treatment for all, Al Sherana has special concern with the participation and advancement of members of groups that have traditionally been disadvantaged in employment, such as women and persons with disabilities.

Performance Appraisals

Direct supervisors use performance appraisal forms to evaluate employees and provide them with individual training plans or adjust their compensation as necessary. The appraisal

includes a performance overview detailing main accomplishments and shortcomings; a competency evaluation of personal and people skills graded on a specific scale; and a professional development section where key development areas can be listed along with expected results, a time frame for their attainment, and the learning or training method required to do so. There are specific guidelines provided for supervisors and managers to be used when conducting performance appraisals, especially in terms of the skills grading scale. This creates a more standardized approach to employee performance evaluation and decreases the possibility of discrimination, especially when it comes to opportunities for advancement in the workplace.

Professional Development

Al Sheraa is committed to the ongoing training and professional development of its employees. Through identifying key development areas in the annual performance appraisal (described above), employees are encouraged to attend relevant conferences, courses, seminars, and meetings. Al Sheraa may even create specific training opportunities for employees through an individual training plan.

The company's training plans include the types of training required, the number of individuals or departments that require said training, whether this training can be administered internally or must be delivered through an external resource, and the training duration. It also includes information about progress made towards these training goals, such as the date of training completion. This system allows Al Sheraa to keep accurate records about the beneficiaries of its career development opportunities.

These opportunities ensure that employees are able to do their current job as efficiently and effectively as possible and have greater prospects for career advancement in the future. This process is applied to every employee and the individualized training plan provides opportunities for advancement to everyone at the company.

Complaints and Grievances Procedure

The purpose of these procedures is to empower company employees and create a transparent culture where anyone can raise a complaint about any issue without fear of repercussions. It is a process that is applied fairly and thoroughly, creating equality, reducing conflict in the workplace, and resulting in a pleasant and productive work environment.

Al Sheraa employees receive two documents relevant to this procedure: a description of policy with the steps necessary to file a complaint and the form that employees must fill out in order to file a complaint. The description of policy explains the many steps and possible solutions to any issue or disagreement that may arise in the workplace. As the document explains, "[it] aims to provide a means to resolve individual employee problems in a fair, orderly, and timely manner and to ensure that each employee is fully aware of the provisions of this process and its manner of implementation." The responsibilities of all parties involved are also detailed, including the company, the HR Manager, heads of department, and employees. Finally, it directs employees to file a formal complaint if all other explained steps fail to resolve the issue. The grievance form asks employees to explain the problem in as much detail as possible. It also gives employees an opportunity to voice their opinion on how this issue could be avoided or prevented in the future and how to correct the problem that has already occurred.

Employee Engagement

Every year, Al Sherah measures employee engagement through their participation in different voluntary activities, ranging from social gatherings to providing opinions and suggestions to management. One of the methods used for measuring employee engagement is through the use of employee suggestion forms. The aim of this system is to motivate and empower employees to become active participants in the company and its progress. It gives employees the opportunity to provide a suggestion or voice a concern by explaining the issue they are raising in terms of how it can improve their own job, add value to customers, or increase efficiency or ethical conduct in the workplace. Employees are given an opportunity to explain how the company can implement said change, including what resources might be necessary to do so and estimated duration for the change to take effect. This form can then be submitted to an employee's supervisor or manager, who will then review the information and make his/her own assessment regarding the costs and benefits of the potential change, keeping in mind the company's overall mission and values. Al Sherah's responsiveness to this type of feedback from employees ensures better morale, higher productivity, and lower turnover rates.

Practical actions implemented in the last year / planned for next year

Employee Medical Benefits

In the past year, Al Sherah changed its medical insurance provider in response to the shortcomings of the previous system and employee dissatisfaction with it. The company now has a new medical insurance provider with an excellent customer satisfaction record. The company's HR department did an informal survey of existing customers and had generally positive feedback from them about their received service. It was reported that this provider has clear policies that are strictly enforced and an efficient system for reimbursements and other services.

Employee Engagement

Al Sherah believes that social activities outside the workplace are important opportunities for creating a sense of team unity, boosting morale and motivation, and increasing work-life balance for individuals. For these reasons, over the past year, Al Sherah held a Ramadan iftar for employees and customers. The Al Sherah football team also participated in an Egyptian tournament between football teams from different companies.

Measurable results or outcomes

There has been no labor unrest in Al Sherah. There have also been no reported labor complaints, including any related to discrimination. Finally, there are no legal cases related to labour issues raised against the company.

Willingness to Work

There is no forced or compulsory labor in Al Sherah.

Age and Education Requirements

There is no child labor in Al Sheraa.

Performance Appraisals

During this reporting period, each employee received one performance appraisal and benefitted from the results of the process (as described above) accordingly.

Professional Development

Al Sheraa employees benefitted from a large number of training opportunities, through attendance of existing conferences and workshops. For example, in terms of individuals involved in CSR activities, three employees attended United Nations Global Compact (UNGC) Local Network events and training sessions over the past year in order to become better educated about the UNGC principles and Al Sheraa's responsibilities as a member. For the first time in the company's history, one employee attended the Arab German Energy Forum in Berlin, Germany to learn about innovative solutions and new approaches to energy efficiency and renewable energy.

During this reporting period, Al Sheraa also provided employees with opportunities for individualized training and planned sessions accordingly. 14 types of training programs were identified in the past year and three of them have already been completed. The first was about positive work behaviour, which was offered to 45 employees, lasted for two days, and was administered internally. The second was about leadership and motivation, which was offered to one employee, lasted for two days, and was administered by an external party. The third was about workplace fire safety, which was offered to two employees, lasted for one week, and was administered by an external party.

Complaints and Grievances Procedure

Over the past year, Al Sheraa has received complaints and grievances in four instances. All four cases were successfully resolved through the complaints and grievances resolution system in place. This is an increase from no cases in the previous reporting period. An increase from no use of an available mechanism to its use in the following year is a good indicator that employee trust is increasing in the company and its fair and equitable practices. The 100% success rate in resolving cases through this process is also a positive indication that the system is effective.

Employee Engagement

Employee engagement (as described above) increased by 15% from the previous COP reporting period to the current one, indicating greater employee involvement in voluntary company activities.

Environment

Principle 7	Businesses should support a precautionary approach to environmental challenges;
Principle 8	undertake initiatives to promote greater environmental responsibility; and
Principle 9	encourage the development and diffusion of environmentally friendly technologies.
Our commitment or policy	

A precautionary approach to environmental issues is vital to preserve limited resources for future generations and ensure business sustainability. We must anticipate potential problems that might occur in the future in order to take the necessary actions that would prevent their occurrence in the first place.

As an SME, Al Sheraa has a smaller negative environmental impact than larger companies. Although this is the case, Al Sheraa is committed to protecting the environment and reducing the company's carbon footprint as much as possible.

Resource Use Reduction Policy

Al Sheraa is committed to the reduction of resource use as much as possible. The company has installed water coolers in several locations to encourage employees to switch from buying individual water bottles. Glasses and mugs are also reused rather than using throwaway plastic or paper cups. This reduces the consumption of valuable resources, and it eliminates waste and the need to make decisions about reuse and recycling of waste products.

Green Printing Policies

- **Emails**

Emails are used to communicate information within the company instead of sending paper memos to employees. Further, emails are not printed unless absolutely necessary in order to save printing resources.

- **Ink Cartridges**

Printer ink cartridges are reused by refilling empty cartridges, instead of purchasing new ones, as many times as possible. This decreases costs and the use of natural resources and energy, as well as reducing accumulated waste. Reuse is the most environmentally sound choice because it eliminates the environmental costs of production, packaging, distribution, and disposal of new cartridges that would have been purchased otherwise. These costs include water pollution, greenhouse gas emissions, plastic production, and the use of natural resources, such as water, oil, and minerals. Disposed cartridges may end up in incinerators or landfills, taking hundreds of years to decompose. Ink cartridges may also leak printer ink, polluting the surrounding environment.

- **Vacation and Exit Procedures**

The HR department altered two of its policies and procedures this year. The process for requesting vacation days has been changed from each request being individually printed on a single sheet of paper for submission and approval to being submitted and approved through a series of emails. The exit procedures have also been modified to rely heavily on email correspondence, with only one part of this process that is not electronic. These two policy changes aim to increase efficiency and save valuable employee time, while decreasing the use of printing resources as well.

Practical actions implemented in the last year / planned for next year

New Office Building

In an effort to increase efficiency and unity within the Al Sherah Group, all company office spaces have been moved to a new location. Previously, each company under the Al Sherah umbrella operated on its own separate premises. The main objective of this move is to streamline Al Sherah's operations and share resources where appropriate. Finally, the new office set up will allow employees to feel a sense of comradery and belonging to this group of companies.

Prior to making the move to the new location, Al Sherah took action to ensure that the new office space would be as environmentally friendly as possible from its inception. The most effective office design has been used, with as many cubicles as possible to take advantage of all available space. The design also makes use of natural light. At this new location, Al Sherah will be able to save energy by ensuring that all lights and electrical equipment are turned off at the end of the workday. This ensures that no electricity is wasted at night and on weekends.

Green Purchasing Policy

The move to a new location has also highlighted the need for a green purchasing policy, which is in the drafting stage with plans to begin implementing it in 2015. It will provide guidelines for the Purchasing Department about taking into account the environment as a vital factor, along with price and other considerations, in its decision making process. The Purchasing Department will strive to obtain the most energy efficient products available whenever possible.

Measurable results or outcomes

There are no legal environmental cases raised against the company. Al Sherah has also not been subject to any fines or non-monetary sanctions for non-compliance with environmental laws or regulations.

Vacation and Exit Procedures

As a result of the new HR environmental policies, there have been changes in the department's resource consumption in the second half of 2014. It has decreased total paper printing consumption by 50%. The new vacation request procedure uses 95% less printing paper than the previous system, and the new exit procedure uses 66% less printing paper than the previous system.

New Office Building

The 2015 COP report will quantify the energy and resource savings that resulted from the move to a new Al Sheraa Group location. It will also quantify the remainder of the company's environmental policies where possible.

Anti-Corruption

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

Our commitment or policy

Al Sheraa commits to upholding the international conventions related to anti-corruption, including the United Nations Convention against Corruption, which has been signed and ratified by Egypt. According to the convention, one of the most important aspects of this issue is working on steps towards the prevention of incidents in the first place. This includes creating clear policies against all forms of corruption and deterring potential offenders by setting out strong disciplinary mechanisms for those involved in this type of action.

Al Sheraa has a number of policies rejecting corruption in all of its forms and detailing the consequences of violations of these policies. All employees are fully aware of the contents of these policies and that they must inform a supervisor or manager immediately in case there is any suspicion of corruption.

Apart from disciplinary measures specific to Al Sheraa, the company will not hesitate to use the relevant legal tools under Egyptian law. All Al Sheraa employees must abide by Egyptian law and ensure that no type of corruption occurs in the company.

Code of Ethics

The Al Sheraa Code of Ethics is particularly relevant to the fight against corruption since it governs all issues of ethical conduct. It sets the rules for how employees must behave towards one another, as well as how they should act when performing their own jobs. It covers issues of conflicts of interest, confidentiality, and integrity in the workplace. All employees must sign this document upon employment. Below is a portion of contents of the document:

Conflicts of interest: External influence, such as relatives or friends, will never affect the performance of my duties for the sake of gaining personal benefit or advantage. The company's best interest will be my main objective in carrying out my job duties. In this context, I will not engage in suspicious activities or do any task not related to my duties in the company. I will not accept any gifts, solicit loans, services or any other benefits from suppliers, customers, distributors, bankers, company contractors, or other parties dealing with the company because it implies that the gift giver is attempting to influence me in order to gain a certain advantage ...

Integrity: I am committed to working towards upholding the company's values and reputation by avoiding any practices that may be deemed improper or unethical. I will take into consideration culture, tradition, and laws and regulations of all countries in which the company operates.

Practical actions implemented in the last year / planned for next year

Anti-Corruption Training

The company plans to conduct training sessions for employees about Al Sheraa's anti-corruption policies, especially those at higher risk of being faced with such issues. The main aim of these sessions would be to increase awareness about this issue and the company's policies pertaining to it. It should also include information about how employees are punished for violations of these policies for the purpose of deterrence. In subsequent years, follow up training sessions should be completed on the same topic. The focus of these sessions will be employee feedback about existing policies and ways to improve upon them.

Measurable results or outcomes

There have been no reported incidents related to corruption within the company. There are also no legal cases raised against the company about corruption charges. Al Sheraa has not incurred any fines or non-monetary sanctions for non-compliance with laws and regulations related to the topic of corruption.