

Mangalis Hotel Group

United Nations Global Compact



WE SUPPORT

Communication on Progress

Period covered

From: 21 November 2014

To: 21 November 2015

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About this report:

Mangalis Hotel Group has been a signatory of the UNGC since 2013. The Compact is a voluntary framework for businesses committed to aligning their operations and strategies with Ten Principles covering human rights, labor, the environment and anti-corruption. As a signatory, we are committed to submitting a Communication on Progress (COP) to the UNGC on an annual basis.

The reporting period for this COP is from November 2014 till November 2015 and the report highlights selected activities of Mangalis Hotel Group in relation to the Ten Principles. This COP report is not a comprehensive disclosure of our activities in relation to the UNGC. It is designed to provide an overview of how we implement the Ten Principles, and outline our compliance and underlines our commitment.

Mangalis Hotel Group also practices its wider Corporate Social Responsibility strategy, embodied through the True2Earth Program, which covers various sustainability and community engagement and citizenship activities and how our businesses operate to enhance our commitment to our communities.

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About Mangalis Hotel Group

Mangalis Hotel Group was established in 2011 with the objective of developing and managing new and exciting African hospitality brands and service standards: Noom (Upscale), Seen (Midscale) and Yaas Hotels (Economy).

As part of the African Holding Teyliom, its objective is to be among the largest African hospitality groups active in the continent, while being the industry undisputed benchmark in terms of products, innovation, quality of service and healthy growth.

Currently, the Group's pipeline includes 16 hotels in 13 African countries summing up to 2.400 rooms in different market segments. Mangalis Hotel Group was ranked in 2015 among the 5 most dynamic developing hotel groups -according to the *W Hospitality Group Report*-

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About TRUE2EARTH- Mangalis Corporate Social Responsibility Program

At Mangalis, we continuously strive to embed our tailor-made CSR policies in all our operations and across all our units.

True2Earth program aims at placing Mangalis as a responsible hospitality Group, through ensuring that all the policies are well respected, embedded, implemented and evaluated.

Our comprehensive CSR strategy **True2Earth** tackles all the aspects a hospitality business should implement though out all operations. We aim at streamlining costs, better quality control and purchasing, all together to enhancing employees' motivation, and developing guests' interest in our brands.

The **True2Earth** comprises:

- 🌱 **Talent Development:**
Supporting employees' personal and professional growth, celebrating diversity and human rights.
- 🌱 **Responsible Purchasing:**
Endorsing conscious fair-trade, promoting correct buying practices, and selecting suppliers who respect human rights.
- 🌱 **Unique Environmental standards:**
All our newly built hotels reduce CO2 emissions, energy use, water consumption and waste product – up to 30% less compared with the average of the hospitality industry in its respective segments.
- 🌱 **Entrepreneurial Support:**
Mangalis-branded hotels contribute to the income generating projects of the local artisanal. By promoting their productions across all our hotels network, we strive to support the entrepreneurial initiatives, and to ameliorate the socio-economic milieu of our communities.

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CSR Governance

As per the international norms, Mangalis Hotel Group formed since its early days of foundation a CSR committee, headed and led by the Chief Executive Officer. The mandate of the CSR committee is to define, the Group's CSR strategy, and oversee its implementation on a corporate and unit levels. Moreover, the CSR committee has adopted a participatory approach to outline the yearly CSR calendar of the Group, counting on the input of various team members and suggested tools for implementation, always with an objective at heart is to internalize and make the Group's CSR values part of the employees' responsibility DNA, and daily practice.

The CSR Committee consists of:

-  The Chief Executive officer
-  The Group Technical Director
-  The Group Procurement Manager
-  The Group Marketing Manager
-  The Group Human Resources Manager

Mangalis Hotel Group will apply the same structure and governance of CSR on a hotel level. Each hotel will form its own CSR committee, headed by the General Manager of the hotel and members of the executive committee.

Each General Manager will conduct a community mapping to identify local partners, who already have projects and programs, which we can and through True2Earth support and work with.

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Mangalis's CSR Endeavor

Mangalis combines its Global CSR strategy with homegrown CSR programs, with the objective to meet the needs and expectations of the communities where we belong. In each country, Mangalis conducts community mapping to assess its real and actual needs, and gear up its efforts, through activities, donations or volunteering, to fulfil the gap and build together, with all the stakeholders, a more balanced community, always within the 4 areas our Global CSR strategy, True2Earth.

In addition, to adopting the United Nations Global Compact (UNGC) 10 principles, Mangalis has opted to support and work hand in hand with other international diverse cause oriented non-governmental organizations (NGOs) , with a strong presence and ongoing programs in Africa in general, and in the countries we operate in, in particular.

Moreover, Mangalis and on continuous basis, carry on occasional activities, oriented to support certain causes, such as: poverty, education, health, and refugees' rights among many others.

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Partnership with Médicines sans Frontières

Médecins Sans Frontières (MSF) is an international, independent, medical humanitarian organization that delivers emergency aid to people affected by armed conflict, epidemics, natural disasters and exclusion from healthcare. MSF offers assistance to people based on need, irrespective of race, religion, gender or political affiliation.

The collaboration includes both volunteer donations from the Mangalis' employees' payrolls and financial donations from the company on an annual basis.



Partnership with The Code

The Code (*short for "The Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism"*) is an industry-driven responsible tourism initiative with a mission to provide awareness, tools and support to the tourism industry in order to prevent the sexual exploitation of children.

Mangalis Hotel Group signed a cooperation agreement with The Code to support their mission in protecting children from any sexual exploitation.

Child sex tourism often takes place in hotels and uses other travel infrastructure. That's why in Mangalis we internalize these values, and equip our employees, whether on a corporate level or unit level with the adequate trainings and know how, in order to ensure all our hotels are well protected and safe for our clients, families and children.



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A Glance at Implementing the Ten Global Compact Principles

Mangalis culture and values are aligned with the (UNGC) Ten Principles and are at the heart of how we conduct our business. We have integrated and embedded the UNGC Ten Principles into our existing policies, such as:

The Business Ethics Policy, The Health and Safety Policy, The Employees Handbook, The Annual employees' Satisfaction Survey; The Environmental and Sustainability Policy.

Mangalis Hotel Group, and although it is considered to be a recently established company, has proudly made a significant achievements on the grounds, simple programs yet, with high impacts on the long-term, and it contributes not only to the society, yet it enhances the employees 'loyalty, and builds a culture focused on humanity.

For example: to help ensure that we meet our commitments to the environment, we established a waste management initiative within our headquarters, to be replicated as well in each unit (hotel). In addition, each of our hotel projects have to go through an in-depth environmental and sustainability studies, before moving forward.

Moreover, we have developed a yearly celebration calendar to raise awareness and advocacy on UN days, manifested in the Ten Principles. All employees receive an email with indicative information, and themed posters are distributed at the offices.

These efforts help Mangalis team to firmly adopt and internalize the corporate social responsibility, values, and adopt on daily basis the UNGC 10 principles.

The following pages provide an overview of how the Ten Principles have been implemented across business.

More information is available on Mangalis.com

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Human Rights Principles

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

Assessment, Policy and Goals





Inspired by the **Universal Declaration of Human Rights**, we have developed a set of homegrown policies, to guarantee that Human Rights are respected in every single action and operation Mangalis Hotel Group conducts. Our ultimate goal is make sure that all our employees are well respected, protected and treated equally and fairly, regardless of their background, race, color, sex, or religion.

This also applies on our partners, clients and all stakeholders.

Examples

1. The Business Ethics Policy



This policy has been developed and in continuous implementation, and covers the following areas:

-  The Business Ethics Policy in the Workplace
-  The Business Ethics Policy in the Marketplace
-  The Business Ethics Policy in our Business
-  The Business Ethics Policy in our Communities and the Public

2. Annual Employees' Satisfaction Survey

As part of engaging with the employees and striving to be the employer of choice. Assessment and evaluation constitute the core of making sure that our policies correspond to our employees' expectations and meet the international standards of human rights.

Implementation

-  A once a year training session on the Group's Business Ethics policies, conducted by the Human Resources and the legal department.
-  All the Group's employees sign the adherence letter of the Business Ethics Policy

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- 🌐 A training session on the UNGC Ten Principles was conducted, to familiarize the employees with the importance of the UNGC.
- 🌐 The Annual teammate satisfaction survey has been conducted for the third consecutive year.
- 🌐 All employees have to set their annual business objectives, with focus on People First corporate value criteria.
- 🌐 Annual training on Cultural Diversity- African culture and history in collaboration with IESE School the internationally recognized business school
- 🌐 Celebrating the Refugee International Day, with an objective to create awareness on this subject matter campaign with internal emailing and invited speaker

Measurement of outcomes

- 🌐 100% employees attended the training session on the Group's Business Ethics policies
- 🌐 100% employees signed the adherence letter of the Business Ethics Policy
- 🌐 Almost all the team members, from 7 different nationalities, celebrated the Cultural Diversity Day
- 🌐 100% of the employees attended the training sessions on the UNGC Ten Principles, The Code, Refugee Day, and Africa day
- 🌐 As part of enforcing our commitment to *"The Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism"*, 100% of Mangalis team attended a training on the measure to be implemented to avoid any incident of this type

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Labour Principles

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

Assessment, Policy and Goals

Encouraged by the UN **Millennium Development Goals**, and as a commitment to work with all the stakeholders to build a safer, more prosperous and equitable World; Mangalis Hotel Group has set since its inception a set of written policies, and made numerous contributions and conducted various activities, as an implementation to its labour policies and the UNGC Ten Principles. The values we have adopted serve as the backbone of our human resources policies, and our business ethics policy.

Our objective is to always be a pioneer in respecting and implementing labour rights in every single country we exist in, and work with the stakeholders to implement international standards.

Examples

• Health and Safety Crisis Policy

A structured and consistent system that describes how to react of a situation in which the safety or security of the employees working in one of the sites may be jeopardized.

As a company, we want to have a clear process on how to respond when an internal crisis health and safety occurs.

• Inventory of Liability and Risk Policy

An external specialized agency in assessing liability and risks within the Headquarters, conducts an annual inventory and assessment of the offices and sends a detailed report to the Chief Executive Officer and the Group Manager of Human Resources, with recommendations and actions to be implemented. This exercise also applies on a unit level.

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• **Annual Medical Checkups Policy**

Every year, all the Group's employees are offered to go through a medical checkup at a medical center. The Group deeply believes that the well-being of the employees is a priority at all times and across all units.

• **Interviewing and Hiring Policy (Mangalis Career)**

Mangalis human resources policies are designed to help our employees to grow professionally and personally, be motivated and enjoy a sense of belonging, therefore, we have developed MangalisCareer, to guarantee that we attract the best talents available in the market, and deal with each application in the most transparent way. We have also created a dedicated webpage for candidates to know about the current vacancies, apply and track their application.

• **Training and Development Program (Mangalis TalentGreenHouse™)**

The Group considers that investing in the employees guarantees that the Group leads and develop in the aspired direction of growth and expansion, therefore, Mangalis Talent GreenHouse™ helps all our TeamMates to develop professionally, through the corporate training and development programs such as; StepFurther™ for Career Development Management. In addition, to a specialized internship program LeadersGreenHouse™, for students and young graduates.

• **Research & Development Think- tank(Mangalis Lab)**

MangalisLab was created as a Research & Development think-tank. MangalisLab constitutes from the employees who come from various horizons and walks of life, so it provides the space for them to share experiences, exchange ideas and continuously search for new and inventive ways to better attend the guests and flourish our business to the best interest of all our stakeholders.

• **Authorization to Rights of Image Policy**

As part of respecting and protecting our employees' labour rights; the group has developed a written authorization rights of image, pictures or videos usage for the employees. The employees must authorize first the Group to use any pictures or videos done by/or on behalf of them in consideration of the employment relationship with the Group, for any company purposes, including but not limited to publications (pamphlets, brochures, presentations, etc.), media releases, intranet portals, websites and corporate sponsorship promotions.

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Corporate Image Policy

In order to unify and maintain the Group's corporate image, and reflect the essence of each of our brands, the Group has developed Corporate Image Policy, which covers dress code, grooming and body language.

Implementation

- Business Ethics policy: no employment discrimination, of sex, age, race, or religion. The Group hired a pregnant woman as part of its executive committee
- Training session was conducted on the employees handbook, business ethics and health and safety
- Medical checkup provided by the company
- Put in practice the roles, rights and responsibilities: organizational charts, job descriptions, Employees handbook, HR policies in General (*mobility policy, health and safety crisis, performance appraisal, interviewing process, travel guidelines...*)
- Labour related risks: assessment and plan provided by an external company
- 2 certified first aid employees within the company

Measurement of outcomes

- 100% of the employees have signed the Human Resources policies
- Labour related risks package: information to new employees, in addition to periodic training on health and safety is provided to team members
- An annual Health and Safety risk evaluation and action plan prepared by the health and Safety Committee, based on the audit received by the external agency
- 90% employees did the annual medical checkup provided by the company
- 100% of the employees undergo yearly Performance appraisal interview
- Continuous internal communication awareness materials (web pages, emailing, posting) on the values of the Group
- Celebrating the UN Health Day, through awareness (emailing, posters)

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Environmental Principles

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

Assessment, Policy and Goals

Participating in the implementation of the **United Nations Conference on Sustainable Development**, and the **United Nations Climate Change Initiative**, Mangalis Hotel Group has opted since its foundation to adopt internationally recognized environmental standards, measures and policies. The Group has set a number of objectives which impact directly our operations, and by this, our overall impact on the environment, and the global climate. All the hotels that pertain to the Group's network have to abide by our unique Building Management System, and commit with us to always comply with our unique environmental standards.

Examples

- 🌱 Launching an Office Waste Management Policy across the Group
- 🌱 Energy Saving Policies across the Group
- 🌱 Commitment to make our hotels CO2 emissions less 25%-30% compared to other standard hotels
- 🌱 Minimizing the usage of fuel across all our hotels
- 🌱 Choosing the Modular Building system, as technology to have greener hotels
- 🌱 All our projects will commit to the following areas: Energy saving, reduce water consumption, embodied energy savings

Implementation

- 🌱 Creating a technical environmental standards manual for each hotel brand
- 🌱 Deploying the modular building technology in one of our brands (Yaas Hotels), which guarantees, more environmental friendly hotels, with minimal construction operations and noise reduction
- 🌱 Energy recycling technology, through energy saving measures

Measurement of outcomes

- 🌱 All our hotels are managed by a Building Management System, which allows to monitor the consumption of our hotels, in terms of water and energy. This system gives an alarm in case there is a failure in our consumption
- 🌱 All our hotels have an energy recovery system for cooling and heating the 95% of water production.

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- 🌐 Celebrating the UN Earth Day, through awareness activities
- 🌐 100% of the project managers have signed to adhere to the technical environmental standards and policies of each brand

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Anti- Corruption Principles

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

Assessment, Policy and Goals

Based on **the United Nations Convention against Corruption**, Mangalis Hotel Group has established a group of policies and measures to enforce the anti-corruption in all the operations we conduct, and in any country we operate in. Furthermore, we only carry on business and exchanges with companies and providers who share and believe in our anti-corruption policies, or have committed to international standards or principles, such as the UNGC, or the World Economic Form Partnering against Corruption Initiative.

Examples

- 🌐 Creating a set of anti-corruption policies and standards
- 🌐 Not making illegal payments to government officials, or offering or accepting questionable gifts or entertainment
- 🌐 Competing vigorously, while complying with all laws protecting competition and the integrity of the marketplace
- 🌐 Gathering competitive intelligence legally and ethically
- 🌐 Ensuring individual privacy by keeping personal information confidential

Implementation

- 🌐 All employees have signed the Bribery and Corruption policy
- 🌐 All transactions, including any gift or payment to any third party should be accurately recorded in the Group books and records

Measurement of outcomes

- 🌐 100% of the employees have signed the anti- bribery and corruption policy
- 🌐 95% of the employees have attended an awareness session has been organized by the Human Resources and Legal Departments
- 🌐 75% of the employees have been in a training session on Responsible Purchasing and Fair Trade
- 🌐 Continuously buying Oxfam fair trade products at the Headquarters

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