

## Global Compact Communication on Progress Raya Holding 2018



COMMUNICATION ON  
PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

## CHAIRMAN STATEMENT OF CONTINUED SUPPORT 2018

It is our great pleasure to re-affirm our continuous support to the UN Global Compact and its principles for the 13<sup>th</sup> year.

At Raya, we are committed in doing business in a financially, environmentally and socially responsible way. Having a dynamic and diversified portfolio of business lines, we are constantly anticipating, adapting and creating new business opportunities regardless of the challenges we face in our business environment.

Our sustained growth and success lies in our ability to create long-term value to our key stakeholders; our employees, customers, investors, business partners and the community in which we operate. Indeed, we are well aware of the footprint and socio-economic impacts we have over the years on local market by introducing and developing products and services and by providing decent jobs opportunities.

It becomes critical to get things right. For that reason, we abide by our core corporate values “Respect for People, Customer Focus, Teamwork and Excellence” in setting our ambitious targets and evaluating our performance. To constantly do better, we place a great deal in enabling our people to do their job and fulfill their potential in a healthy and safe working environment. We are currently working towards removing any barriers and making Raya a more diverse and inclusive organization where all employees would equally strive and feel aspired and engaged.

In 2018, we sustained our commitment to social development addressing pressing challenges in our communities of education and poverty alleviation. We have collaborated with non-governmental agencies specialized in improving the quality of education in underserved areas and addressing chronic societal issues related to poverty. Believing in the value of civic engagement for our organization and the well-being it brings to our employees, we have institutionalized corporate volunteering activities within our organization as part of our social responsibility mandate.

We do realize that as businesses we play a pivotal in promoting Sustainable Development Goals (SDG's) and Raya as UN Global Compact active participant is committed to contribute these goals, striving to become a local SDGs pioneer through constant improvement of our economic, social, environmental and governance performance.



Medhat Khalil  
Chairman & CEO Raya Holding

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## INTRODUCTION

### Reporting to the UN Global Compact

This Communication on Progress accounts for Raya Holding activities during 2018 and its intended plans to be a sustainable business, having a proactive approach to change and ensuring long-term profitability .

The Communication on Progress captures our contribution as a committed signatory to the UN Global Compact and its 10 universally accepted 10 principles in the areas of human rights, labor, environment and anti-corruption, and its approach to corporate sustainability. We are constantly making efforts in doing business responsibly and profitably creating value to our key stakeholders, shareholders, employees, customers and business partners and society in a sustainable manner.

Raya Holding is an active participant in the UN Global Compact since 2005 and is constantly providing support to the local UN Global Compact Network Egypt.



## Principle 1

**Business should support and respect the protection of internationally proclaimed human rights; and**

## Principle 2

**make sure they are not complicit in human rights abuses.**

### **Our “Respect for People”-**

Raya Holding is committed to protecting human rights; which is reflected in how we treat our employees, deal with our suppliers and how we strive to make sustainable impact in the communities we operate in. “Respect for People” is one Raya’s core values; being a vital principle we adhere to as a company. This commitment is embedded in our Code of Business Conduct (COBC).

### **Protecting Our People and Other Stakeholders**

#### **Health and Safety**

At Raya Holding, we are committed to protect the health and safety of our employees, guests and neighbors, as part of our support to human rights. We continuously develop and improve our internal standards for safety and security systems. Since 2012, Raya holding have achieved OHSAS 18001:2007 certification, which relates to occupational health and safety. In 2018, Raya Holding has worked to acquire and is currently certified with the recent OH&S standards, ISO 45001:2018 complying with related occupational health

and safety laws, regulations, statutory obligations, client and industry regulations.

As part of our commitment to health and safety, we have developed and implemented an Occupational, Health and Safety Policy. The goal of this policy is provide safe and healthy work place and working environment to employees, contractors, customers and visitors; having a proactive management approach to issues related to health and safety. Additionally, there is a Committee for Health and Safety chaired by the Company’s Chairman formed by members representing different business lines and departments who is responsible for overseeing health and safety issues and demands.

In line with the efforts to promote a corporate culture where health and safety considered in daily business operations, awareness and training sessions are periodically conducted to employees from fire- fighting, first aid training to more technical trainings given to employees across business lines. In 2018, 67 employees received these trainings and awareness sessions.

## **Data Privacy and Information Security**

As part of our risk management efforts, at Raya we recognize the significance of protecting the privacy and security of personal and business data for our customers and employees.

We have in place an Information Security Policy committing employees to protect the confidentiality, integrity and availability of all the physical and electronic information assets. In line with this policy, Raya Holding is ISO 27001 certified since 2009 and we have established an Information Security Management System (ISMS) which is intended to be an enabling mechanism for information sharing, for electronic operations, and for reducing information-related risks to acceptable levels.

Moreover, there is an Acceptable Use Policy (AUP) which ensures that all employees know how to deal appropriately and responsibly with information considering the level of sensitivity of data; preventing breach of confidentiality of personal and business information and preventing compromising the network systems.

## **Taking Action in Support of Broader UN Goals and Issues**

### **Strategic Social Investments; Supporting Education and Promoting Corporate Volunteering**

In 2018, we sustained our support to social initiatives tackling issues in the educational sector; focusing on skills development and creating sustained social impact.

Education being the cornerstone of sustainable development, Raya Holding's CSR focuses on promoting quality education. For that purpose, we have been collaborating and supporting Educate Me foundation projects since 2015. Educate Me is an innovative and promising NGO whose mission is to develop educational solutions for children and teachers, with self-actualization at the center of their educational model. Their model aims to create a generation of cultivated individuals who are aware of their identities and conscious of their potentials, can make choices and take actions that maximize their potentials.

Recognizing the potential for impactful change for Educate Me's work, we have supported Educate Me in their community school in Talbeya, their Teacher Training Program and School Transformation Program. We are currently partnering with them in their School Transformation Program in three public schools in El Fayoum. Throughout this school transformation program, 109 school staff have been trained about the 21st century skills, how to deal with students using a humanistic approach and to develop their own self-development program and seek excellence.

## Student Camps “Building Pioneers”

Leveraging on our School Transformation Program implemented in the above mentioned three public schools targeting all staff members in these schools, Raya Holding for Financial Investments has sponsored three students camps “Building Pioneers” in these schools in El Fayoum. 368 students have attended these camps. The objective of these camps is to enable children through activities-based learning and fun-led activities to understand and grasp the significance of values such as creativity, collaboration, respect, creativity and responsibility.

Through this unique learning journey, children were able to express themselves and their creativity. They were able to discuss the challenges they face and work to solve their problems in a creative manner. In addition, they had the chance to learn more about the cultural heritage of El Fayoum and the leaders who originated from El Fayoum. More importantly, they had the opportunity to have first-hand experience and learn about teamwork, time management and presentation skills. These camps were a unique learning experience for these boys and girls.



## Sustainability and Entrepreneurship Youth Program- Promoting Circular Economy and Waste Management

Raya Holding in collaboration with BariQ, factory has partnered in 2018 with Youthink Green Egypt. Youthink Green Egypt is a social enterprise that is actively working since 2013 in promoting sustainable development education and innovation. This year, we have decided to support their Sustainability and Entrepreneurship Youth Program (SEYP), whose objective is to educate and empower youth to innovate eco-friendly creative solutions to local sustainability challenges that face Egypt. This year's program focuses on finding the importance of the circular economy with the aim to find innovative solutions related to waste management. This program is aligned with Raya's CSR objective in promoting awareness about the importance of recycling and nurturing youth with sustainability knowledge and developing their entrepreneurial skills. This program targeted around 254 youth in different governorates in Cairo, Alexandria, Assuit, Ismailia and Mansoura

## Corporate Volunteering & Civic Engagement Activities

The real impact lies in being connected and engaged in the community. For that reason,

The real impact lies in being connected and engaged in the community. For that reason, Raya's CSR department is focusing on corporate volunteering and engaging employees in the company's CSR initiatives. Believing in the potential of community volunteering to bring about wellness for our employees and positive societal impact, we have organized several volunteering activities over the year. In 2018, over 116 employees across Raya Lines of Business invested over 1280 hours in community engagement activities.





### Principle 3

**Business 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; and**

### Principle 6

**the elimination of discrimination in respect of employment and occupation.**

#### **Our Commitment**

Raya's has ongoing commitment to upholding labor standards-including freedom of association, elimination of forced labor, compulsory and child labor; and elimination of discrimination. This commitment to labor standards is embedded in our different HR policies, worker-manager social dialogue, training and communication tools provided to all employees.

This is reflected in company's core values, Respect for People, Customer Focus, Teamwork and Excellence. These values have helped define Raya and they continue to shape each of us in our business relationships with one another, our customers, shareholders, suppliers, competitors and the communities in which we live and operate. We expect to

demonstrate these values in our work. This is well articulated in our Code of Business Conduct (COBC), to emphasize respect, integrity, fairness and doing the right thing in everything we do.

#### **Promoting High Labor Standards for Our People**

At the core of our business are the skills and the know-how of our people-Human Capital. Valuing our people, we make sure that we apply high labor standards in hiring, promoting and implementing talent management and leadership programs. Our employees are hired, promoted and receive training based on meritocracy. In addition, Raya has well- 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. Employees are recognized through the following programs:

- *Wall of Fame Program:* 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 previous program's winner) engraved for each historical year of the organization.
- *Star of the Quarter:* 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).
- *Raya Achievers Club:* 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.

### **Talent & Leadership Development Programs**

Raya's Corporate Learning & Development team work on various corporate trainings across all levels and lines of businesses. Raya's Foundation Programs are one of the strongest trainings we organize; there are four levels for these programs: The Essentials, Supervisory, Managerial and Leadership Development Programs. Each level targets different grades at Raya and has a different outline to fulfill the needs of this level. The content is specially developed for Raya to have something tailor-made for the needs of our employees. Each year, we have numerous training rounds. In 2018, 194 employees received the trainings related to these different programs. The trainings cover modules varying from human relations, high impact presentations, leadership, negotiations, project management, etc. The training methodology is very interactive there is little lecturing and a lot of tools and activities. The Corporate Learning & Development team is planning to expand their training for the coming years to ensure that we are equipping all Raya employees with the training and development they need to advance in their career and grow.

### **Ongoing Communication with Employees**

At Raya, we make sure that employees have a voice and are able to raise work related-issues through different indirect and direct communication channels. Employees are

able to communicate with management through following mechanisms:

- *Annual Kick Off Meeting:* At the beginning of the year, Raya conducts a kick-off meeting for all employees. Each line of business celebrates the accomplishments of the past year and shares the goals and strategy for the coming one. During that meeting, employees are encouraged to liaise with the senior management.
- *Raya Town Hall Meeting:* A yearly corporate event where senior management and Raya's achievers and top performers are invited to attend and discuss the overall strategy for the year. During this event, Raya's celebrates the wall of fame winner of the year and the annual stars leaders in portraying Raya's core values.
- *Bi-weekly Chairman Breakfast:* Randomly selected employees from all organizational levels get face-to-face contact with the chairman to highlight any concerns and asks questions about Raya's vision and direction.
- *Rayetna:* Our internal portal for documenting all corporate event and policies. We will be adding more interactive features.
- *On-going Focus groups and Employee Engagement Surveys* are conducted to measure and ensure that the employees are engaged not just satisfied, because a more engaged workforce will result in

employees who are more committed to the long-term goals of the organization.

- *Speak-Up System :* When an employee has a concern regarding their working conditions and want to raise issues related to fairness, Risk to health and safety, or else, the "Speak-Up System" provides a guideline for employees on how to raise an issue and or complaints to management.
- *Whistleblowing System:* any employee who suspects wrongdoing from any of the senior management team -in his/her Line of Business or in another Line of Business- to raise his/her concern directly through reporting the incident to the Whistleblowing email known to employees.

### **Promoting the Health and Well- Being of Employees**

We support the advancement of health by providing various types of health guidance and raising health awareness.

To encourage active lifestyles, Raya helps employees make active choices. Well-equipped gym, showers, health and wellness tips, running programs, team sports, and Healthy Corner offer healthy options and are just some of the measures that encourage fitness and healthy lifestyles amongst employees.

In the effort to prevent illnesses, Raya, together with Raya Sports & Activities Committee, are promoting initiatives that focus on exercise and healthy eating. Sport activities and competitions are organized on

regular basis ranging from activities such as football, tennis and basketball to activities such as tennis table, air hockey and chess.

### **Gender Diversity and Women's Empowerment Initiatives**

At Raya, we acknowledge the significance of a gender balanced workforce in general and across the IT sector in particular. A part of our commitment to gender diversity and women's empowerment principle, Raya's CEO signed this year the Statement of Support expressing Raya's support to the Women's Empowerment Principles (WEP) disseminated by the United Nations Entity for Gender Equality and UN Women.

Committed to develop the required policies and systems that would encourage gender diversity and closing the gaps of women in, Raya participated and proudly won the GIZ-ECONWIN (when women work, economies win) competition for gender diversity, which is a regional program pioneered to empower women economically. This gender diversity program is currently being implemented in two major business lines at Raya; with the objective to create a more inclusive working environment that maintains the motivation and aspirations of all employees over the long-term.

### **Celebrating International Women's Day**

At Raya, we celebrate yearly International Women's Day. This year, we organized a leadership workshop delivered by a distinguished women leadership expert and coach Rania Abu Rabia. This topic of the workshop was how to adopt a winning mindset.



This year, in celebration to Women's International Day, we produced a video celebrating and thanking all women across different business functions for their valuable contributions at work.



رأية بتشكر كل ست أثبتت إن  
المعيار الوحيد للنجاح هو الكفاءة

*Thank you to all Raya women*

Click here to play the video



## **Raya Community Day “Inclusion Builds Community”**

Working towards creating a more enabling and inclusive working environment, we have organized Raya Community Day in collaboration with Helm whose mission is to promote the full inclusion of persons with disabilities in all aspects of life. Staff members across all business lines were encouraged to attend. The purpose of this day is to raise awareness about inclusion and change our perceptions about people with special abilities through engaging and team building activities with people with disabilities.

## **Workshop on How to Employ People with Special Abilities**

In collaboration with Ministry of Communication and Information and Technology, Raya Holding Human Resources and Corporate Social Responsibility department, organized a workshop for HR personal across Raya Lines of Business on how to interview and employ people with disabilities.

At Raya, we value the importance of advancing environmental sustainability and promoting environmentally friendly technologies. Over the years, Raya group have invested in key business lines where environmental stewardship is a cornerstone to their operations.



## Principle 7

**Business 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.**

### **Converting Raya Head Quarters into an energy efficient building**

Raya Holding is constantly looking for ways to reduce its energy consumption and using more environmentally friendly measures. Raya started converting the lighting systems in the Head Office to LED technology. In 2018, Raya has fully completed its project resulting in the reduction of lighting consumption by 50% in 2018 and the reduction of overall electricity consumption despite increase of our workforce capacity.

### **Recycling Awareness Campaign- Choose Green**

Recycling and waste management have a great impact on the natural environment. For this specific reason, Raya's corporate social responsibility department has cooperated with one of its subsidiary BariQ to raise awareness about recycling and to conduct a recycling campaign. We placed recycling bins in HQ premise. We conducted regular recycling awareness sessions, educating our employees about the

importance of recycling. Then, we launched the "Recycle and Get Rewards" campaign by installing a reverse vending machine to encourage employees to recycle their cans and plastic bottles in exchange of rewards. Further, we conducted a recycling competition among our employees motivating and recognizing those who participated the most in the "Recycle and Get Rewards" campaign.



### **Raya Smart Buildings: developing energy efficient and resource-saving commercial & offices complexes**

As part of our efforts in promoting environmental friendly business models,

Raya Smart Buildings developed Galleria 40, a multipurpose green commercial building constructed according to international standard of green building through the LEED program certification, by U.S Green Building Council (USGBC). This complex is designed to be a model of sustainability in terms of energy efficiency, water, carbon emissions and waste.

### **BariQ: First manufacturer of recycled polyethylene terephthalate in the MENA region**

Bringing state-of-the-art green technology to the region, BariQ is the first manufacturer of recycled polyethylene terephthalate (RPET) pellets in Egypt, the Middle East & North Africa Region. Backed by world-class technology providers, MENA's first "bottle-to-bottle" firm, BariQ, reprocesses post-consumer plastic PET bottles with a total annual quantity of 25,000 MT (approximately 1 billion bottles), that would otherwise likely become part of the landfill or burnt, providing top-quality food-grade pellets to major international bottle and food container makers and major recycled-material fiber producers throughout Europe and the United States. BariQ's pellets are proudly approved by international regulators including the U.S. Food and Drug Administration (FDA), the European Food Safety Authority (EFSA), Health Canada and REACH.

### **BariQ Environmental Performance**

By recycling 20 thousand tons of bottles in 2018, this resulted in saving 22500 Tons

CO<sub>2</sub>, while also saving 244,500 oil barrels; following saving 106 Giga Watt Hour of energy.

Recycling PET plastics at BariQ uses two-thirds less energy than that required from new (virgin) materials, and for every ton of rPET used greenhouse gas emissions are reduced by over 1.5 tons of CO<sub>2</sub>. Finally, rPET reduces the amount of energy needed in manufacturing compared to virgin resin, offering a saving in electricity costs.

### **Sustainability in Practice: School & University Visits/Projects**

As part of BariQ efforts in promoting the significance of recycling and raising the awareness of students in schools and universities, BariQ organizes school & university visits. The students learn about the importance of the recycling starting from the sorting phase, then the collection of the waste and delivery to the dedicated recycling plants where these items are cleaned then transformed into new products. Also, during these visits BariQ team highlights the consequences if these wastes were not recycled which would otherwise become part of the landfills or burnt and so pollute our environment, causing an imbalance to our ecosystem and endanger all living beings and the human health.

BariQ also collaborates with several universities each year in the graduation projects of their engineering departments.



BariQ intends to replicate such experience with many more schools & universities in the coming period as part of its sustainability program, aiming at building new generations well aware of the importance of recycling, changing their lifestyle to be more caring about their environment, and knowing tomorrow's challenges.

### **Lean Supply Chain Implementation**

As part of BariQ's strategic objectives for the coming years, BariQ fully implemented in 2017 the Lean Supply Chain project in partnership with one of the leading service providers.

The main objectives of implementing the Lean Supply Chain principles are eliminating the different wastes that might occur throughout the value chain in order to improve the quality of the final product, and having fewer defects and rework. In terms of operations, improving our material handling processes to ease the transportation of raw materials and goods to utilize all of our material handling equipment and workforce; which resulted in less breakdowns, organized workplace, higher efficiencies and more output to be achieved. Additionally, reaching lower levels of inventory and on-time delivery of orders will eventually lead to greater customer satisfaction and improved profitability.

### **Recycled Polyolefin (RPO) Production Lines**

BariQ team started categorizing all its waste while closely monitoring market trends and expenses. These figures ultimately made the case for establishing new Recycled Polyolefin (RPO) production lines. The new lines enable the company to use so-called slow-moving waste items by converting them into non-food grade products. Alongside BariQ's food-grade PET products, these new items help the company penetrate new markets by offering a more diversified product mix. Moreover, this production line provides two new sources of raw materials for the existing PET production lines via reworking both generated waste relieving pressure.



### **Energy Saving Measures**

BariQ awareness to energy efficiency was highlighted and increased through the UNIDO project, after effort done during the project and being able to work on machine development to save energy; BariQ has purchased a grinder machine which uses less energy than the previous machine and



produce more output. This will help us to conserve 15% energy on the grinders.

### **Energy Recovery Kit (ERK)**

In collaboration with BariQ's business partner and top-notch Austrian machinery supplier, an Energy Recovery Kit (ERK) was installed in the SSP production line, which recovers some of the heat generated in the process and allows it to be reused in the early production stages, saving energy and money.

The cooling temperature of the final product has reduced significantly from 180°C down to approximately 120°C, in addition to reducing the heating energy required for the input air by 60°C.



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

At Raya, we maintain 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, there is an established 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, any sort of bribery and fraudulent act is not allowed, putting forward transparency as the only way forward for a better economy.

Raya emphasizes anti-corruption strategies through clear financial and project reports. 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. The compliance to Raya’s of Code of Conduct and its standards is regularly communicated to employees; specifying

their roles and responsibilities in abiding and acting according to these standards; and in reporting non-compliance to our Code of Conduct.

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).