

# Cyrus Group



## Communication on Progress 2020

UN Global Compact

 Initial Commitment

 GC Active Level

 GC Advanced Level

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## 1. Statement of Continued Support by the CEO

To our stakeholders:

I am pleased to confirm that Cytech International F.Z.C supports the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption. With this communication, we express our intent to implement those principles. we are committed to making the UN Global compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals. Cytech International F.Z.C will make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the UN Global Compact is the annual submission of a Communication On Progress (COP) that describes our company's efforts to implement the Ten Principles. We support public accountability and transparency, and therefore commit to report on progress within one year of joining the UN Global Compact, and annually thereafter according to the UN Global Compact COP policy This includes:

- A statement signed by the chief executive expressing continued support for the UN Global Compact and renewing our ongoing commitment to the initiative and its principles. This is separate from our initial letter of commitment to join the UN Global Compact.
- A description of practical actions (i.e., disclosure of any relevant policies, procedures, activities) that the company has taken (or plans to undertake) to implement the UN Global Compact principles in each of the four issue areas (human rights, labour, environment, anti-corruption).
- A measurement of outcomes (i.e., the degree to which targets/ performance indicators were met, or other qualitative or quantitative measurements of results).

Sincerely Yours,



Ms. Rana Hajirasouli  
Managing Director  
Cyrus Group of Companies

## 2. The Cyrus Group

Since its inception, some four decades ago as a family enterprise, the Cyrus Group has today, progressively evolved into a truly multi-national and multi-cultural Corporation with strategic partners and operations internationally.

Cyrus Group began operations in 1977 importing bulk commodities, primarily foodstuffs and fertilizers. Over the last decade the Cyrus Group developed 'value adding' manufacturing capabilities to service the growing Infrastructure sector. Under its Cyrus infrastructure brand, the company has become internationally recognized as a prime supplier to the MENA Region, India and Africa of specialist Bituminous products and Construction Chemicals. Cyrus Infrastructure has now become a market leader in Polymer Modified Bitumen for major road and airport pavement construction projects.

Today, the Cyrus Group remains a wholly owned independent business incorporating a diverse group of companies brought together under four key operating divisions:

CYRUS Infrastructure, CYRUS Oil & Gas, CYRUS Logistics and RANSA Commodities.

### Cyrus Group Strategy

#### *Innovation*



#### *Quality*



#### *Performance*



#### *Value*



### 2.1. Commitment to the UN's sustainable development goals

In 2019, Cyrus Group has taken steps to work with select goals to contribute to the achievement of the UN sustainable development goals (SDG). Although we acknowledge that all SDG's are interconnected, it is important that we focus on matters where we can maximize the positive impact and reversely reduce the negative impact. Consequently, we have decided to focus on SDG 3 (Good Health and Well Being), SDG 4 (Quality Education) and SDG 5 (Gender Equality), SDG 9 (Industry, innovation and infrastructure), SDG 10 (Reducing inequalities), SDG 12 (Sustainable consumption and production), SDG 13 (Climate Action) and SDG 16 (Peace, Justice & Strong Institutions)



### 2.1.1. KPI's and target achievement 2021

Our goals and objectives for our corporate responsibilities activities for 2021 comprise:

#### General

- Participation in UNGC Networks: Attend workshops on UNGC to gain more knowledge and explore opportunities for collaboration with customers and business partners on sustainability issues.
- Participation in Dubai Chamber Sustainability Network so that we can demonstrate leadership in integrating sustainability practices.
- Tracking and Reporting on KPIs: Further develop and improve monitoring system to track and report on KPIs across areas for compliance with UNGC.
- Supplier Declaration and Guidelines: Implement developed declaration and guidelines for our suppliers on UNGC's ten principles.
- Supplier Screening: Continue to implement a screening tool for assessing business partners according to the UNGC's ten principles.

#### Human Rights

- UN Guiding Principles on Business and Human Rights: Implement UN's Guiding Principles on Business and Human Rights in our corporate policies and processes.

#### Labor

- Employee Satisfaction: Focus on work-life balance to further improve employee satisfaction.
- Employee Wellbeing: Better plan work to effectively utilize resources and avoid stress among employees.
- Employee Development: Establish plans and goals for developing employees' skills and competences.
- Lost-Time Injuries: Assess lost-time injuries and revise safety procedures accordingly.

## Environment

- Impact Assessments of Production: Conduct environmental impact assessment for core production/manufacturing processes.
- Development of Green Solutions: Develop and conceptualize sustainable (green) products and services to further reduce the impact on the environment and society.
- Efficient Supply Chains: Promote and facilitate efficient supply chains for goods procured and sold to reduce negative impacts on environment, such as shortening the distance from production to market.
- Reduce Waste and Energy Consumption: Reduce food waste in office by encouraging employees to bring home leftovers from lunch. Reduce energy consumption by using LED light bulbs and turning off light in rooms not occupied. Aim for a paperless office and reduce amount of paper printed.

## Anti-Corruption

- Business Ethics Training: Conduct business ethics training for employees.

## Employee Satisfaction

### Employee Satisfaction Survey Results

	2019	2020
Highly Satisfied/ Satisfied	-	78%
Partly Satisfied	-	11%
Dissatisfied	-	11%

\*Physical Conditions, Ergonomic Conditions, Working Conditions, Opportunities and Rewards.

## Diversity

### Gender Representation (Men and Women)

	2019	2020
Men	86	85
Women	10	9
Total	96	94

### Measurement - Age Distribution

	2019	2020
<20	0	0
20-29	8	5
30-39	35	35
40-49	40	37
50-59	10	14
60+	3	3
<b>Total</b>	<b>96</b>	<b>94</b>

## Safety

### Measurement - Number of Fatal Incidents at Work

	2019	2020	2021 Target
UAE Operations	0	0	0

Measurement – Lost time injuries

	2019	2020	2021 Target
UAE Operations	0	0	0

**Environmental Management System**

Measurement – CO2 Emission/ Mt Production

	2019	2020	2021 Target
UAE Operations	87.87KgCO <sub>2</sub> e	68.96KgCO <sub>2</sub> e	67.58KgCO <sub>2</sub> e

Measurement – Electricity Consumption in kWh / Mt Production and for Office /Sq. Mtr area

	2019	2020	2021 Target
Office	174 kWh/m <sup>2</sup>	136 kWh/ m <sup>2</sup>	125 kWh/ m <sup>2</sup>
Production	27 kWh/Mt	20 kWh/Mt	18.4 kWh/Mt

Measurement – Water Consumption in IG / Mt Production

	2019	2020	2021 Target
UAE Operations	183 IG/Mt	182 IG/Mt	173 IG/Mt

Measurement – Waste generated in KG's/ Mt Production

	2019	2020	2021 Target
UAE Operations	5.16 Kg/Mt	4.4 Kg/Mt	4.14 Kg/Mt

Measurement – Carbon Emission in KgCO<sub>2</sub>e/ Mt Production

	2019	2020	2021 Target
UAE Operations	87.87 KgCO <sub>2</sub> e/Mt	68.96 KgCO <sub>2</sub> e/Mt	67.58 KgCO <sub>2</sub> e/Mt

## 2.2. Risk related to Corporate Social Responsibility

Cyrus Group operates in a highly competitive and rapidly changing global marketplace. In order to sustain profitable growth, Cyrus Group considers risk management a necessity and has adopted a structured approach to address this area. In Cyrus Group, risk management contains four elements: risk identification, risk assessment, identification of mitigating actions and risk reporting.

Cyrus Group identifies risk using a combination of a bottom-up and a top-down approach. Key risks are initially identified within each divisional area and reported to Group Management together with information on what has been done and what is intended to be done. High risks are aggregated and a broad list presented in an annual risk report and challenged by Group Management and finally by the Audit Committee of the Board as well as the Board of Directors. Group Management continuously follows up and reports monthly on risk development with mitigating actions to the Board of Directors.

The main drivers for Cyrus Group's actions on corporate social responsibility are business related. Customer satisfaction, Employee recruitment and retention issues are important focus areas. Thus, failing to implement and preserve sound social responsibility may impair our attractiveness as an employer and consequently put our business at risk if we are not fully equipped to meet our customers' demands.

Cyrus Group considers the risk related to negative climate and environmental impact to be limited as activities related hereto are limited to energy consumption at data centres and offices as well as business travel which is primarily client related. Cyrus Group also considers the risks related to anticorruption to be limited as Cyrus Group has implemented and operates with strict business ethics and codes of conduct.

As such, the main risks identified in relation to Corporate Social Responsibility are related to company brand and reputation and our ability to attract and retain the required talent.

## 3. Human Rights Principles

### 3.1. Commitment

Treating all people with respect and honouring national and international laws and regulations for the protection of human rights remain our top priorities and guiding principles in all our business relations, and we ask all our employees that they work actively to ensure continued compliance in all their work.

In all aspects, Cyrus Group respects and acknowledges cultural difference and disassociates itself with discrimination based on race, religion, gender, age, nationality or sexual orientation.

Cyrus Group places high priority on a sound and healthy work environment, as it is a precondition for flexibility, adaptability and personal development.

### 3.2. Implementation

Cyrus Group only work with suppliers that respect human rights of workers and treat employees with dignity and respect. Cyrus Group requires its suppliers to adhere to the following requirements on labour practices (but not restricted to):

- ✦ Wages and benefits: Suppliers shall pay employees at least the minimum wage required by law or the prevailing industry standard in the country, and shall provide all legally mandated benefits, including medical insurance, workman compensation and end of service benefits, in full and on time.
- ✦ Working hours and holiday: Suppliers shall not breach local regulations on working hours and shall remunerate overtime in accordance with local laws and regulations as a minimum.
- ✦ Child labour: Suppliers shall not recruit or employ child labour. The minimum age of workers shall be 18 years or the minimum age set by the national laws in the country of manufacturing, whichever is higher. Young workers, i.e. those above the minimum age and below the age of 22, may only be employed for non-hazardous work.
- ✦ Freely chosen employment: Suppliers shall not use forced or involuntary labour (e.g. forced, bonded, indentured or involuntary labour).
- ✦ Freedom of association and collective bargaining: Suppliers shall respect the rights of employees established in local law to join or not join labour unions, seek representation and join worker organisations.
- ✦ Non-discrimination: Suppliers shall not discriminate in their hiring or employment practices on grounds of race, caste, national origin, religion, age, disability, gender, marital status, pregnancy, sexual orientation, union membership or political affiliation.
- ✦ Treatment of employees: Suppliers shall treat their employees with respect and dignity, and shall not subject them to any kind of cruel, inhuman or degrading punishment, physical, verbal or sexual abuse, or threat of abuse or harassment.
- ✦ Business integrity: Suppliers shall comply with all laws and regulations on bribery, fraud, corruption and prohibited business practices applicable in the specific country. Suppliers shall not engage in any form of bribery, facilitation payments, corruption, extortion or embezzlement.



Moreover, as part of the company's internal processes, Cyrus Group has developed a Working Environment Process that covers all activities that are required to ensure a healthy working environment.

HSE department was established in Cyrus Group in 2008 and has since continuously worked to create optimal work conditions for employees and secure the absence of workplace accidents.

### 3.3. Performance evaluation

In accordance with Cyrus Group's Corporate Social Responsibility Policy, published on the company's website, Cyrus Group has committed itself to proper and diligent conduct in its entire operations.

A workplace assessment survey is carried out at least every two years. In Feb 2019, it revealed no critical items, nor any cross-organizational issues. A new workplace assessment survey will be carried out in 2021.

Cyrus Group has not been subject to any investigations, legal cases or incidents involving human rights violations in 2020.

## 4. Rights Principles

### 4.1. Commitment

Cyrus Group acknowledges the requirements of the International Labour Organization's conventions and all local laws and regulations of the countries in which we operate.

### 4.2. Implementation

Cyrus Group's Code of Conduct forms the basis for diligent and proper conduct of business in Cyrus Group. All employees are trained in the Code of Conduct, and all suppliers undergo an approval process to ensure they meet Cyrus Group's safety and quality requirements as well as our business standards. Cyrus Group expects all suppliers and subcontractors to share the fundamental principles of Cyrus Group's responsible sourcing standards and that they meet and comply with the requirements of United Nations Global Compact.

All employees in Cyrus Group further participate in annual performance reviews, and individual development plans are made for all employees.

Also in 2020, Cyrus Group has monitored absence related to sickness on a monthly basis to be able to react if a negative trend is discovered. We also conduct yearly occupational health check up to reduce and prevent work-related injuries for our workers.

### 4.3. Performance evaluation

Cyrus Group employs more than 100 people, covering over 13+ nationalities. Individual development plans and performance reviews have been carried out for all employees.

Cyrus Group's Corporate Social Responsibility Policy is publicly available from the company's website, confirming Cyrus Group's commitment to sustainable and socially responsible behaviour.

No workplace accidents were reported in 2019 and 2020. No medical treatment beyond first aid were reported in 2019 and 2020.

## 5. Environmental Protection Principles

### 5.1. Commitment

Cyrus Group's business activities comprise infrastructure, oil & gas trading, logistics and commodities trading, including general office activities and business travel, primarily in connection with servicing clients. Although these services and business activities do not directly affect the environment, the associated energy consumption, first and foremost, and business travel do have an impact. While such activities are necessary when working in a global

business, Cyrus Group continuously aims to reduce the use of resources and the environmental impact of its business activities. The company thus maintains focus on how to reduce energy consumption in all business areas.

## 5.2. Implementation

The company's headquarters in United Arab Emirates as well as its established datacentre have been constructed with emphasis on sustainability and energy efficiency.

Wherever possible, Cyrus Group makes use of technology solutions, including virtual meetings via the Internet, to reduce the need for travel. Further, Cyrus Group promotes sustainable and low-energy devices.

Also in 2020, the company car fleet included stipulations to only select cars that are fuel-efficient and environmentally optimized.

## 5.3. Performance evaluation

In accordance with Cyrus Group's Corporate Social Responsibility Policy, published on the company's website, Cyrus Group has committed itself to proper and diligent conduct in its entire doings.

Cyrus Group has not been subject to any investigations, legal cases or incidents involving environmental protection violations in 2020.

# 6. Anti-Corruption

## 6.1. Commitment

Cyrus Group's policy on business ethics considers corruption and bribery wrong and illegal, and not acceptable. The company's business ethics and code of conduct clearly lay forward the consequences of engaging in such unlawfulness.

Cyrus Group's Business Ethics and Code of Conduct form the basis of Cyrus Group's business in its entire operations. They provide guidance and outline the responsibilities of the employees and management to protect Cyrus Group from any malpractice that may undermine the company's business integrity and impact its long-term business success.

Giving or accepting business gifts, hospitality or entertainment is not allowed, however minor gifts and moderate entertainment may be part of customary business dealings and hence considered acceptable. To avoid that gifts, hospitality and entertainment have undue influence on business decisions a maximum amount is defined by Cyrus Group's management board and applies to all employees in the group.

## 6.2. Implementation

In 2020, all employees were trained in the company's business ethics and code of conduct, including rules for gifts, hospitality and entertainment.

If and when the documents are updated, all employees will receive notification to familiarize themselves with the content of the documents and officially sign that they have read and understand and comply with the guidelines.

## 6.3. Performance evaluation

In accordance with Cyrus Group's Corporate Social Responsibility Policy, published on the company's website, the company's business ethics and code of conduct, Cyrus Group has committed itself to proper and diligent conduct in its entire doings.

Cyrus Group has not been subject to any investigations, legal cases or incidents involving anti-corruption violations in 2020.