



**United Nations Global Compact
Communication on Progress
Raya Holding 2017**

CHAIRMAN STATEMENT OF CONTINUED SUPPORT 2017

It is our great pleasure to re-affirm our continuous support to the UN Global Compact and its principles for the 12th 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 2017, 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 Sustainability Development Goals (SDG's) and Raya as UN Global Compact active participant is committed to contribute these goals and 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 2017 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 the 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 and continue to maintain OHSAS 18001:2007 certification, which relates to occupational health and safety.

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 2017, 270 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 2017, we sustained our support to social initiatives tackling issues in the educational sector; focusing on skills development and creating sustained social impact.

We have been providing continuous support to Educate Me in their community school in Talbeya, their Teacher Training Program and School Transformation Program. Based on Raya's sustained and continuous support to Educate Me's Education programs, Raya proudly received a token of recognition for its efforts in promoting the quality of education in Egypt. Raya received this recognition from Educate Me foundation during el "Mo3allem" "The Teacher" conference held last September 2017 at the American University in Cairo

Raya Holding is currently supporting the implementation of their school transformation program in three public schools in Sheikh Zayed, 6th of October. The aim of this program is to empower students, teachers and management of targeted public schools with skills, tools and principles to enable them to cope with 21st century challenges and seek excellence.

Believing in the power of education in creating social change and driving sustainable development, we also this year have partnered with Man Ahyaha foundation and sponsored the establishment of a classroom in a community school in Behbet El Ayyat

village; an underserved rural area. The objective of this intervention is to improve the quality of life in this village and to promote a value-based education to the children. Man Ahyaha community school will provide access to education to 200 children.

Promoting civic engagement and reaching out to the community is an integral part of our CSR activities. For that reason, we are constantly soliciting employee engagement and corporate volunteering. In 2017, we have organized several volunteering activities. Over the year, employees across Raya Lines of Business invested over 671 hours in community engagement activities.

As part of our corporate volunteer program, Raya Holding partnered with INJAZ Egypt to contribute to their skilled-based education program in public schools. Raya employees leveraged their know-how by teaching Egyptian students key skills not covered in the public school curriculum, in such fields as financial literacy, basic management, effective communication, self-discovery, and responsible citizenship. Raya employees volunteered with an estimate of 297 training hours in public schools to provide students' with these important skills, to ensure they are better prepared to be constructive members of the economy and work towards sustainable development at large.

In line with our belief that part of giving back is in being connected and engaged with the community. For that reason, we

offered to Raya's employees an opportunity to participate in a community trip where they had the chance to witness and volunteer in the building of a community school in Behbet El Ayyat. Raya employees volunteered and participated in the building of this school. During that day, they had the chance to interact and play with the children, leaving a smile on their faces. It was a live enriching experience for Raya volunteers and leaving a positive impact on the children and the locals in this village.



Moreover, Raya volunteers participated in the packing and distribution of Ramadan food boxes donated by Raya Holding in partnership with Misr El Kheir Foundation. Among these civic engagement activities, we organized two blood donation campaigns, across all Raya premises across Cairo. As part of Raya's emergency relief response, we sponsored the full restoration and renovation of houses in Qena with the aim to promote a better of quality of livelihood for targeted beneficiaries.

In 2017, Raya celebrated and thanked its employees who volunteered and participated in Corporate Social Responsibility volunteering initiatives conducted over year. In recognition of their

efforts and time, volunteers who fully completed their volunteering programs received a certificate of appreciation from Mr. Medhat Khalil, Raya Holding Chairman and CEO.

For more details on Raya's CSR initiatives, please contact us at CSR@rayacorp.com or visit our corporate website: www.rayacorp.com.



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

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