



YEARS OF VISION  
LEGACY PEOPLE  
GROWTH

**RAYA**

**SUSTAINABILITY  
REPORT**

2018

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## ACRONYMS & ABBREVIATIONS

<b>BoD</b>	Board of Directors
<b>BPO</b>	Business Process Outsourcing
<b>CCO</b>	Contact Center Outsourcing
<b>CSR</b>	Corporate Social Responsibility
<b>CEO</b>	Chief Executive Officer
<b>ECHO</b>	Employee Engagement Survey
<b>EDP</b>	Elementary Development Program
<b>EGX</b>	Egyptian Stock Exchange
<b>ESG</b>	Environmental, Social and Governance
<b>FEI</b>	Federation of Egyptian Industries
<b>FMCGs</b>	Fast Moving Consumer Goods
<b>G.A.P.</b>	Good Agricultural Practices
<b>GDPR</b>	General Data Protection Regulation
<b>GRI</b>	Global Reporting Initiative
<b>HDPE</b>	High-Density Polyethylene
<b>HiPo</b>	High Potential Program
<b>HR</b>	Human Resources
<b>HVAC</b>	Heating, Ventilation and Air Conditioning
<b>IT</b>	Information Technology
<b>MDP</b>	Management Development Program
<b>PBDAC</b>	Principal Bank for Development and Agricultural Credit
<b>PCI DSS</b>	Payment Card Industry Data Security Standard
<b>PET</b>	Polyethylene Terephthalate
<b>RAC</b>	Raya Achiever's Club
<b>RCC</b>	Raya Contact Center
<b>RH</b>	Raya Holding
<b>SDP</b>	Supervisory Development Program
<b>SEYP</b>	Sustainability and Entrepreneurship Youth Program
<b>UAE</b>	United Arab Emirates
<b>WEPS</b>	Women's Empowerment Principles

## ABOUT THIS REPORT

From the moment of our inception, we have firmly believed in the importance of aligning our operations and management approach with international best practices. We have engrained our company's culture and DNA with the principles of sustainability in multiple ways. In 2016, we decided to share our sustainability journey with our stakeholders for the first time. This biennial report builds on our first sustainability report; and covers our progress in the areas of Good Governance, Environmental Sustainability, and Social Sustainability over the period from January 2017 to December 2018.

One of the primary objectives of this report is to ensure that our diverse range of stakeholders are aware of our sustainability priorities. This report also represents an open call for our stakeholders' feedback, which we believe is integral to our continuity and growth. Finally, this report not only represents one of the many mechanisms we use to assess where we stand with regards to sound, sustainable, and inclusive business practices, but also provides a solid and informed foundation for the development of our roadmap for the way forward.

## SCOPE AND DATA

As demonstrated throughout this report, Raya Holding is strongly committed to ensuring the adoption of Environmental, Social and Governance (ESG) best practices across all subsidiaries. We set key policies and practices at the holding level, which then act as guidelines and starting points for sustainability adoption within our subsidiaries. This report presents an overview of our sustainability philosophy and key policies and procedures at the holding level, with a focus on how they are manifested in three of our core business lines, namely: Raya Contact Center (RCC), BariQ, and Raya Foods.

The quantitative data presented within the report reflects Raya Holding, and each of the business lines covered as part of this report separately. Any aggregates covering Raya Holding and all of its lines of business are clearly indicated for each instance. We applied basic international measurement standards in compiling this report and sourced relevant information from our databases, internal reports and communications, and externally audited statements. Additional information was collected through interviews with relevant management personnel at Raya Holding, Raya Contact Center, BariQ, and Raya Foods. We would like to assure our stakeholders of our commitment to update, validate and correct any figures and data that may be deemed incorrect, or may change due to unforeseen events in the future.

This self-disclosure report was prepared in accordance with the Global Reporting Initiative's (GRI) Standards (Core); including disclosures on our strategy and governance frameworks. Furthermore, and in line with GRI methodology, we undertook a stakeholder engagement exercise to inform the scope of our material topics. We also complemented the identified material topics with ones that we believe are integral to the continued growth and success of our business. Key insights gathered through the stakeholder engagement exercise can be found on pages 20-22, and our GRI materiality and disclosures table can be found on pages 82-93.

Any inquiries or feedback are welcomed and should be directed to our CSR Department:

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## LETTER FROM THE CHAIRMAN

We established Raya with the following end in mind: becoming a pioneering and globally competitive Egyptian company. Twenty years from our inception, I am proud to affirm that we have succeeded in doing so. This report comes at a momentous time in our journey as a holding company, and I am proud to present you with our efforts in the spheres of sustainable and inclusive business, which have been at the core of our success and growth.

Creating value for all of our stakeholders, and for the Egyptian economy as a whole has been at the core of our mandate over the past twenty years. Our commitment to sustainable business has thus been engrained within our operations and philosophy early on in our journey. This has translated into an array of strategies and initiatives that differentiate us from any other player within Egypt and the region. We believe that our commitment to sustainability starts with the governance systems that we have embedded into the Holding Company, and which are passed on to all of our business lines. The impact of good governance on our business has translated into our own growth over the years, as well as the growth and success of our subsidiaries. An exemplar of the impact of good governance on our company has been Raya Contact Center's successful IPO, which is now independently listed on the Egyptian Stock Market at 1.6 Billion pounds; a value that is more than 10-fold its value 10 years ago.

Over the past twenty years, Raya has created thousands of jobs for Egyptians, especially young Egyptians. We hire more than 1,500 individuals annually and are committed to continuing to expand our business and to tackle Egypt's burgeoning unemployment rate head on. Today, 10,781 employees power our operations, 81 percent of whom are aged 18 - 35. Our commitment to this issue does not stop at job creation. Raya is determined to create high quality and humane jobs for Egypt's youth. We achieve this by ensuring safe workplaces, decent working conditions, and most importantly, continuous investments in enhancing the capacity of our most important asset: our workforce. Stemming from an understanding that a more diverse and gender equitable economy is critical for our own success, and for the sustainability of the Egyptian economy, we are dedicated to ensuring greater gender diversity within our own companies, and within the industries in which we operate. This year, we have become a signatory of the Women's Empowerment Principles (WEPs) and have started devising and implementing strategies for enhancing gender diversity across key business lines.

We have engrained our own operations with core policies and procedures to ensure that our growth has a positive impact on our local communities and our planet. Our commitment to environmental sustainability starts with adopting the most advanced technologies and standards to ensure the efficient use of resources within our own facilities. It also extends to launching businesses to address some of the world's most pressing environmental challenges. BariQ, one of the subsidiaries covered by this reporting cycle, is revolutionizing the Egyptian plastic recycling industry, allowing us to capture great value, and to formalize this largely undervalued sector.



Raya has always been committed to disrupting the Egyptian economy whether by introducing pioneering technologies or opening up new markets. Our product and service innovations are aligned with national and global sustainable development priorities and have ranged from ensuring a more inclusive financial system, to enhancing Egypt's capacity to export value-added products and services. Raya has differentiated Egypt's economy in many ways, among the examples closest to my heart are the efforts of Aman for Microfinance, which blends between digitization and financial inclusion, and currently acts as a one-stop-shop for suitable, timely and diversified financial solutions for the un-banked or those who have limited access to funding.

Among our upcoming efforts to ensure an Egyptian economy that is environmentally sustainable, diversified, and more inclusive is the introduction of the first of their kind electronic bikes, in an effort to enhance Egypt's reliance on lightweight electronic transportation vehicles. Moving forward, we continue to be committed to disrupting and differentiating Egypt's economy. In addition to sustaining and expanding current commitments to sustainable and inclusive business practices, we will continue launching pioneering practices and businesses to our portfolio.

**Medhat Khalil,**  
Chairman and CEO

## OUR 20-YEAR LEGACY OF SUCCESS

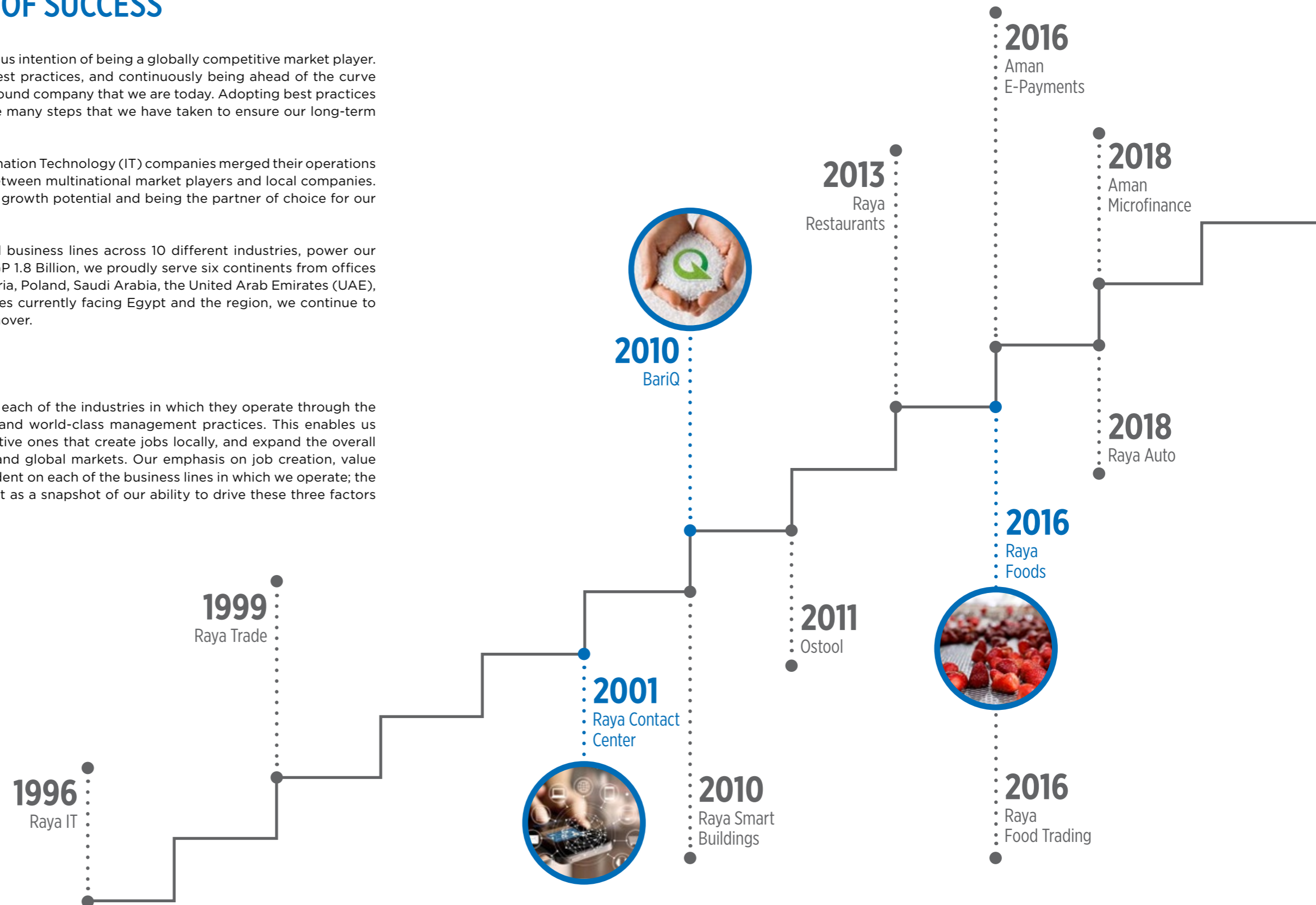
Raya Holding was established with the conscious intention of being a globally competitive market player. Our commitment to adopting international best practices, and continuously being ahead of the curve has enabled us to grow into the multi-billion pound company that we are today. Adopting best practices in the areas of ESG Performance is one of the many steps that we have taken to ensure our long-term sustainable growth and success.

Our journey started when seven national Information Technology (IT) companies merged their operations in 1999, with the intention of filling the gap between multinational market players and local companies. We have been committed to fulfilling Egypt's growth potential and being the partner of choice for our different stakeholders ever since.

Today, 10,781 people, impacting 12 successful business lines across 10 different industries, power our operations. With a portfolio spanning over EGP 1.8 Billion, we proudly serve six continents from offices across the following six countries: Egypt, Nigeria, Poland, Saudi Arabia, the United Arab Emirates (UAE), and Tanzania. Despite the economic challenges currently facing Egypt and the region, we continue to sustain the growth of our operations and turnover.

### RAYA'S JOURNEY

Today, our different subsidiaries add value to each of the industries in which they operate through the introduction of break through technologies, and world-class management practices. This enables us to grow our businesses into globally competitive ones that create jobs locally, and expand the overall economy through exporting to neighboring and global markets. Our emphasis on job creation, value addition, and global market penetration is evident on each of the business lines in which we operate; the three business lines covered by this report act as a snapshot of our ability to drive these three factors forward in Egypt and beyond.



## THREE BUSINESS LINES IN FOCUS

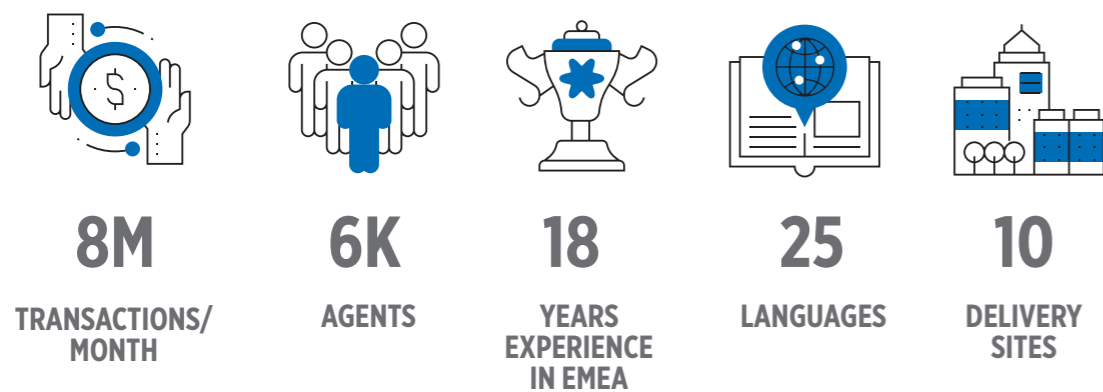
As mentioned in the introduction, this report covers three of our most significant business lines, namely Raya Contact Center (RCC), BariQ, and Raya Foods. This section will serve to introduce each of these business lines.

### RAYA CONTACT CENTER (RCC)

Raya Contact Center was the brainchild of two of our young employees at the time, which has grown into a world-class Business Process Outsourcing (BPO) provider. We believed in the opportunity presented to us by our employees and pioneered the introduction of call center services in Egypt. Today, Raya Contact Center offers contact center services, back office services, and inside sales channel management and professional services to global Fortune 100 companies in the Middle East, Europe, Africa, and North America, in over 25 different languages. Raya Contact Center's 6,500 agents serve clients from 10 contact center facilities located in three countries: Egypt (Cairo and Hurghada); the United Arab Emirates (Dubai); and Poland (Warsaw).



Raya Contact Center works with clients in high growth industries including, but not limited to, technology and consumer electronics; media and communications; fast food; banking and insurance; automotive; white goods; retail; healthcare; travel and hospitality; e-commerce; government and public services; and real estate. Raya Contact Center has had significant impact on job creation for Egyptian youth, as well as enhancing the employability skills of those who join its workforce.



### BARIQ

BariQ was established in 2010 to become the biggest bottle-to-bottle manufacturer of recycled Polyethylene Terephthalate (PET) plastic in Egypt and the MEA region. BariQ reprocesses post-consumer plastic PET bottles into food grade FDA, EFSA, Health Canada and REACH compliant PET pellets.



BariQ pioneered this market in Egypt as the result of an early recognition of the environmental value of recycling PET plastic and High-Density Polyethylene (HDPE), and a commitment to sourcing recycled materials to manufacture high quality and durable bottles (both food-grade and non-food-grade). BariQ serves both consumer and industrial markets and is trusted by market leaders within the FMCGs industry. Today, BariQ exports its products to clients across Europe and United States of America (USA). As the first formal and large scale recycling facility, BariQ has revolutionized the Egyptian recycling industry and is addressing one of the world's most pressing environmental challenges through its operations.

### SUSTAINABILITY



### RAYA FOODS

In 2016, Raya Foods acquired The International Union for Integrated Food Industries' factory (operating in the market since 2006), allowing it to offer a wide variety of frozen fruits and vegetables to the Egyptian market. Raya Foods not only provides the basic day-to-day product range, but also new innovative food solutions that are tailored to consumers' needs. Raya Foods launched two brands in the local market under the names "Lazah" and "Everest." By the end of 2018, we had doubled the manufacturing capacity of Raya Foods, and enabled it to export frozen fruits to Germany, Russia, the United States, South America, and the Gulf region. Raya Foods places significant attention to enhancing the capacity of members of its supply chain, and continuously works towards operating a model that is more inclusive of the most marginalized.



## OUR SUSTAINABILITY APPROACH

Our sustainability philosophy is based on two key principles:

- 1 Ensuring the sustainability of operations at the holding level and across our business lines
- 2 Pioneering products and services that contribute to furthering sustainability in Egypt.

Both principles are served and guided by our core values:

### CORE VALUES



#### RESPECTING PEOPLE

Respecting and ensuring the rights and interests of our employees, clients and business partners, shareholders, and members of surrounding communities is at the core of how we do business.



#### PURSUING EXCELLENCE

We constantly strive to benchmark our performance in line with international best practices and standards, as well as reward employees who demonstrate excellence in fulfilling our mandate to become a market leader.



#### CUSTOMER FOCUS

We have institutionalized unparalleled procedures and systems to ensure the constant engagement of our clients and customers, continuously introducing products and services that meet their unmet needs and ensuring their satisfaction at all phases of their interaction with Raya.



#### TEAM WORK

Team work is the enabler of our ability to grow as a company, and to work towards our commitments to growth, evolution and sustainability.



2018- Wall of Fame Winner



### VALUES IN ACTION

2018 - Stars for Teamwork, Respect for People, Customer Focus, and Excellence.



## SUSTAINABILITY PROMISES AND PRIORITIES

Guided by our values, our sustainability philosophy focuses on fulfilling three key promises, namely: a thriving Egyptian economy, thriving local communities, and thriving individuals. Each of these promises corresponds with our sustainability priorities, as demonstrated below:

### THRIVING ECONOMIES



- A diversified and growing Egyptian economy that is based on the principles of good governance
- Economic growth that ensures shared value creation

### THRIVING COMMUNITIES



- Environmentally sustainable operations



- More inclusive value chains



- Long-term social investment programs

### THRIVING INDIVIDUALS



- A satisfied and continuously evolving workforce



- A satisfied client and customer base, whose needs and expectations are met.



At the executive level, a CSR Manager oversees adherence to our values and works towards the fulfillment of our sustainability priorities and promises, guided by the following materiality matrix:

### MATERIALITY ASSESSMENT SUMMARY

Topic/ Company	Good Governance	Human Resource Management	Customer Privacy	Inclusive Value Chains	Health & Safety	Environmental Sustainability	Social Investment
Raya Holding HQ	●	●	●	●	●	●	●
RCC	●	●	●	●	●	●	●
BariQ	●	●	●	●	●	●	●
Raya Foods	●	●	●	●	●	●	●

● High Materiality   ● Low-Moderate Materiality   ● Not Material



## ALIGNMENT WITH THE SUSTAINABLE DEVELOPMENT GOALS

Our sustainability philosophy and priorities actively contribute to multiple Sustainable Development Goals (SDG), namely:



To end hunger, achieve food security and improved nutrition and promote sustainable agriculture.

- Through our innovative efforts to foster more inclusive and sustainable food production practices (please see the “Sustainable Value Chains” section for more details).



Ensure inclusive and quality education for all and promote lifelong learning.

- Through investments in our own employees’ lifelong learning, as well as our social investment efforts (please see the “Social Investments” section for more details).



To achieve gender equality and empower all women and girls.

- Through our efforts to foster gender diversity within our headquarters, and across all of our subsidiaries (please see the “Our People” section for more details).



To promote inclusive and sustainable economic growth, employment and decent work for all.

- Through our overall management approach, the economic value that we create, as well as our commitment to integrating best sustainability practices across our operations (please see the “Governance for Growth” and “Economic Value Creation” sections for more details).



To reduce inequalities within and among countries.

- Through our innovative efforts to foster more inclusive and sustainable practices (please see the “Sustainable Value Chains” section for more details).



To ensure sustainable consumption and production patterns.

- Through our environmental management practices, as well as the pioneering work of BariQ in addressing the plastic waste challenge (please see the “Environmental Sustainability” section for more details).



To conserve and sustainably use the world’s oceans, seas and marine resources.

- Through our environmental management practices, as well as the pioneering work of BariQ in addressing the plastic waste challenge (please see the “Environmental Sustainability” section for more details).



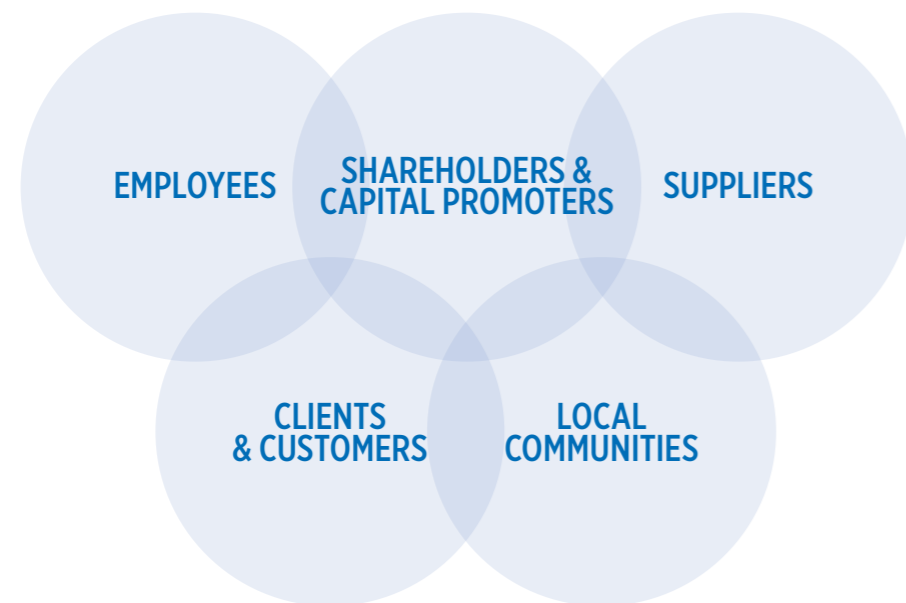
To revitalize the global partnership for sustainable development.

- Through our partnerships with industry peers, pioneering social enterprises, and civil society organizations to further sustainable development in Egypt (please see the “Our Stakeholders” and “Social Investments” sections for more details).

## OUR STAKEHOLDERS

Stakeholder engagement is a key differentiator between ‘business as usual’ and conducting business in a responsible and sustainable manner. We firmly believe that a successful business is one that is **stakeholder-driven**. Accordingly, we have enriched our operations with key policies and procedures that ensure the frequent and consistent engagement of all our diverse stakeholders, including our investors, employees, business partners, and surrounding communities, among others.

### OUR KEY STAKEHOLDERS



Our emphasis on stakeholder engagement is also mainstreamed throughout our different business lines. Each of the three business lines covered by this report has its own set of mechanisms for consistently engaging stakeholders, as detailed across the different sections of the report. The below table summarizes the frequency and methods of engaging stakeholders across Raya Holding and the three business lines covered by this report:

### STAKEHOLDER ENGAGEMENT FREQUENCY AND METHODS

Group	Frequency of Engagement	Method of Engagement
<b>Employees</b>	Ongoing, daily, weekly, monthly, quarterly and annually.	Employee engagement surveys (ECHO & Pulse), career appraisals, capacity development programs, recognition programs, regular meetings with management, various internal publications, emails, and meetings.
<b>Shareholders &amp; Capital Providers</b>	Ongoing and quarterly.	Phone calls, emails, meetings, investor relations' team, annual general meeting, and regular publications (Quarterly Financial Statements, Quarterly Earnings Release, and Press Releases). As a stock listed company, we comply with all rules set by the Egyptian Stock Exchange (EGX) including financial reporting and disclosure regulations.
<b>Clients &amp; Customers</b>	Ongoing, weekly, monthly, post-project delivery and annually.	Phone calls, emails and meetings.
<b>Local Communities &amp; Civil Society Organizations</b>	Ongoing and annually.	Social investment programs, conferences, and meetings.
<b>Suppliers</b>	Ongoing, daily, weekly, monthly and annually.	Meetings, phone calls, and email.
<b>Industry Peers</b>	Ongoing, monthly, and quarterly.	Membership in various industry associations and business chambers.

## STAKEHOLDER INSIGHTS

As part of the process of issuing this sustainability report, we conducted a 1-day stakeholder consultation session to specifically engage Raya Holding stakeholders, as well as key stakeholders of the three business lines covered by the report around our current sustainability roadmap. The consultation, attended by 25 stakeholders (employees, clients, governmental organizations and civil society partners), enabled us to validate and enrich our materiality scope; receive stakeholder feedback on the material topics discussed; and confirm and refine the scope of material topics for us as a Holding Company, and for the three business lines covered as part of this reporting cycle.

During the consultation, stakeholders were presented with our overall sustainability approach, as well as the ESG efforts of the three business lines covered by this reporting cycle. In addition, they were presented with the materiality framework included in page 15, to gather their feedback about it. Stakeholder perceptions of our materiality scope were highly aligned with the framework presented. Discussions resulted in one change, namely changing the materiality of Health and Safety from moderate to high in the case of Raya Contact Center.

Next, stakeholders were engaged in a group exercise and discussion on their feedback around our sustainability approach and efforts. Stakeholders in presence provided us with valuable feedback about our overall strategy and how they would like to see it enhanced. Those in presence expressed an interest in placing more emphasis on three main topics moving forward, namely: Social Investments, Gender Diversity, and Inclusive Value chains. During the second half of the day, stakeholders were asked to generate recommendations for enhanced practices in the key areas that they identified.



The below sub-section summarizes the three topics stakeholders expressed interest in us placing greater emphasis on, as well as their recommendations for doing so:

### PRIORITY AREAS MOVING FORWARD

- 
- Inclusive Value Chains**
- Both RCC and BariQ have robust value chains that involve thousands of people and families from certain communities; each has its own systematic complexities in terms of creating an effective, yet, inclusive process. As challenging as it may be, it also creates a space for several efforts to be done within this sphere to address these systems and tackle positive change.
  - RCC can explore the concept of treating universities as members of their value chains, and expanding its collaboration efforts with educational facilities to ensure access to skilled and qualified labor, and create more jobs in the process.
- 
- Social Investments**
- Devising social investment programs that are specific to each business line, and create win-win scenarios. For example, BariQ can invest in increasing awareness about its mission and the cause it serves, while also creating local demand for its products in the process.
- 
- Workforce Diversity & Well Being**
- Stakeholders highlighted the importance of filling the gender gap in BariQ, which has a low female workforce percentage and, RCC, which, on the contrary, has a diverse set of employees but needs to address the percentages of women in management positions.
  - Employees are the core asset of RCC and therefore emphasizing their physical and psychological health is of high materiality even if this industry does not, by nature, involve heavy or hazardous operations compared to the other two business lines addressed in this report. Hence, this topic should be seen as one of high materiality, as opposed to moderate, materiality to RCC.

## SPECIFIC STAKEHOLDER RECOMMENDATIONS

### Inclusive Value Chains

#### BariQ:

- Expanding efforts to formalize their suppliers / collectors.
- Enhance suppliers' capacity to meet ESG practices through trainings and capacity development efforts.

#### Raya Foods:

- Continue to work towards sourcing directly from small holders.

### Social Investments

#### Raya Contact Center:

- Building an Academy for potential employees to assist them with gaining the needed skills that they usually find lacking (such as language) for their services which can help in creating a larger pool of qualified employees. This can also occur through creating partnerships with technology and online educational partners and universities.

#### BariQ:

- Launching competitions or challenges for startups and youth who can innovate contextualized solutions to the issue of garbage collection and segregation at source in Egypt.

#### BariQ and Raya Foods:

- Supporting NGOs that can address the general standard of living and education and awareness levels within the communities of garbage collectors and farmers.
- Working with NGOs with an emphasis on child protection to find solutions to and combat child labor.

### Workforce Diversity, Health & Safety

#### Raya Contact Center:

- Continuing to enhance the overall work environment to ensure employee health and well being.

#### BariQ:

- Improving work environment to be more inclusive of women employees and workers.

#### All business lines:

- Work on increasing the representation of women in management positions.



## ENGAGING INDUSTRY PEERS

We continue to engage industry peers and other private sector companies to drive a more sustainable and globally competitive Egyptian private sector. We primarily do so through our membership in key industry and business associations, including the following:

- The United Nations Global Compact network in Egypt (Raya Holding is a proud and active signatory of the UN Global Compact since 2004 and a founding & steering committee member to the Global Compact Network Egypt).
- The Egyptian Information, Telecommunications, Electronics, and Software Alliance (EiTESAL); Reem Asaad, CEO of Raya Contact Center & EiTESAL Board Member founded EiTESAL's "Women in ICT" initiative to address the gender gap in the ICT sector. She is also a steering committee member in (EBNI) Eitesal Business Nurturing Initiative (Accelerator/Incubator).
- The Information Technology Export Community of Egypt (ITEC).
- The American Chamber in Commerce (Reem Asaad, CEO of Raya Contact Center currently co-chairs the ICT committee).
- The British Egyptian Business Association (BEBA).
- The German-Arab Chamber of Industry and Commerce (GACIC).
- The Egyptian Junior Business Association (EJB)
- The Egyptian Institute of Directors, and The Egyptian Directors and Governance Association.



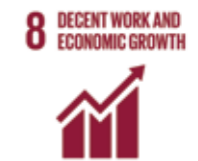
**Economic Value Creation**

Raya Holding ●

Raya Contact Center ●

BariQ ●

Raya Foods ●



● High Materiality   ● Low-Moderate Materiality   ● Not Material

**Corresponding Sustainability Priority:**

Thriving economies through economic growth that ensures shared value creation.

**ECONOMIC VALUE CREATION**

## ECONOMIC VALUE CREATION

Ensuring a thriving and globally competitive Egyptian economy is at the heart of our mandate. Our strategies for doing so include differentiating the industries in which we operate through the introduction of international management best practices, as well as the integration of technology into the various industries across which we operate to ensure their efficiency and rapid growth. In the process of doing so, we are constantly expanding our operations and commercial growth, creating jobs, and we are working towards enabling Egypt to become a key exporter of high quality goods and services. Over the past two years, we have witnessed an increase of 17.2% in consolidated revenues from year-end 2017 to year-end 2018; compared to 10.2 percent during the years 2015 and 2016. Our own growth also trickles down to our employees, whereby we have distributed EGP 11.3 million in dividends to employees in 2018; representing 23% of total dividends, and 13% higher than the legally required percentage of distributions. Our 2018 employee dividend distributions are 2.63 times higher than dividends distributed in 2017 (EGP 4.3 million).



**12**  
LINES OF BUSINESS

**150+**  
OFFICE SITES, OUTLETS  
AND CENTERS

**10K+**  
EMPLOYEES

EXPORTING TO  
**6**  
CONTINENTS

**20**  
YEARS IN THE MARKET

**1.8B**  
EGP  
INVESTMENTS TO DATE

**11.3M**  
EGP  
DIVIDENDS TO EMPLOYEES IN 2018

- REPRESENTING 23% OF TOTAL DIVIDENDS
- 13% HIGHER THAN THE LEGALLY REQUIRED PERCENTAGE OF DISTRIBUTIONS

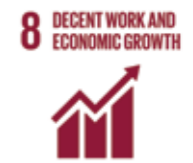
Over the past two years, we have placed special emphasis on economic value creation through focusing on enhancing manufacturing and exporting capacities. This is demonstrated through an array of examples in our 2017 and 2018 annual reports; and some of which are demonstrated through out this report.

Please see Annex 1 for the audited financial statements relevant to this report.



**Good Governance**

Raya Holding	●
Raya Contact Center	●
BariQ	●
Raya Foods	●



● High Materiality    ● Low-Moderate Materiality    ● Not Material

**Corresponding Sustainability Priority:**  
 Thriving economies through a diversified and growing Egyptian economy that is based on the principles of good governance.

# GOVERNANCE FOR GROWTH

## GOVERNANCE FOR GROWTH

Good corporate governance is essential to any corporation's success. This is especially true in growth economies, where external environments and business conditions are often volatile. We recognized the role of good governance practices early on in our journey and remain steadfast in our belief that robust governance frameworks are fundamental to our growth and success.

We believe that ensuring good governance is aligned with Sustainable Development Goal (SDG) number 8, as it enables us to sustain and expand our own economic growth, and thus the growth of Egypt's economy as a whole. Moreover, our emphasis on ESG performance enables us to contribute to other target indicators under SDG 8, including those related to job creation, youth employment, and decent work at large.

Our understanding of the importance of good governance has meant the creation of a strong, comprehensive, dynamic and continuously evolving governance framework, that enables us to retain our values as a company, maximize value creation for our different stakeholders, and manage all aspects of our business and operations transparently, ethically, and responsibly.

Our governance framework goes beyond compliance, providing a framework to ensure excellence while maintaining transparency and trust, as well as the long-term continuity of our business and the value that it creates. This universal framework is then cascaded to our different business lines and is adapted to each business line's realities and needs. This governance approach provides our different business lines with the autonomy to adopt what actually works and fits their context, and reinforces accountability.

The Board of Directors (BoD) constitutes our highest governance body. The BoD meets on a quarterly basis, and its members are responsible for setting and approving standard procedures and strategic directions, and making strategic decisions. The BoD is guided by a set of comprehensive policies and procedures to ensure sound management, transparency, and the absence of any conflict of interest. These include:

- Egypt Code of Corporate Governance
- Raya Code of Business Conduct
- Raya Insider Trading Policy
- Raya Dividends Policy
- Raya Disclosure Policy
- Raya Related Party Transactions Policy
- Raya Risk Management Policy
- Raya Succession Policy
- Raya Whistle Blowing Policy

While each of our business lines is equipped with leadership cadres who drive their respective company's strategic directions and operations, they are also guided by diverse boards. Each of our subsidiaries builds on our overarching governance framework in a manner that best suits the nature of its industry.

## OUR BOARD OF DIRECTORS

	Position	Executive / Non- Executive / Independent	Representing
Medhat Khalil	Chairman of the Board and Managing Director	Executive	None
Ahmed Khalil	Board Member	Executive	None
Ashraf Kheir El Din	Board Member	Non-Executive	None
Amr Tawil	Board Member	Non-Executive	None
Mark Tohamy	Board Member	Non-Executive	Financial Holding International
Seif Coutry	Board Member	Non-Executive	None
Samer El Waziri	Board Member	Executive	None
Hamed Shamma	Board Member	Non-Executive	None
Yaser Hashem	Board Member	Non-Executive	None
Malek Sultan	Board Member	Non-Executive	None
Sherif Kamel	Board Member	Independent	None
Mostafa Mubarak	Board Member	Independent	None



## THE BOARD'S MANDATE

Our BoD has four **committees**, each of which is guided by a specific charter<sup>1</sup> outlining its authorities and responsibilities.<sup>2</sup> Each of the committees fulfills an essential role in ensuring our ability to adopt the best governance practices. These committees are:

The Corporate Governance Committee	The Corporate Governance Committee is mandated with updating and continuously enhancing good governance frameworks and ESG performance management within Raya Holding and its subsidiaries.
The Audit Committee	The Audit Committee is mandated with overseeing financial and operational reporting processes, risk management, internal control systems, audit processes, and our process for monitoring compliance with laws and regulations and internal codes of control.
The Investment Committee	The Investment Committee sets the overall investment guidelines in line with the Board's strategy, sets due diligence criteria, as well as prepares investment cases, and monitors past and on-going investments.
The Remuneration Committee	The Remuneration Committee sets our remuneration policy for Executive Directors, Executive Management, the Chairman, and CEOs. It also reviews and approves hiring and remuneration plans for executive leadership and other senior executives; and approves the rules and associated guidelines for granting awards under the company's long-term incentive plans.



<sup>1</sup> RCC's charter can be accessed here: [http://www.rayacc.com/pdf/RCC\\_Board\\_of\\_Directors\\_Charter.pdf](http://www.rayacc.com/pdf/RCC_Board_of_Directors_Charter.pdf)  
<sup>2</sup> Further information about each committee's authorities can be accessed here: <http://rayacorp.com/investor-relations/>

## ENSURING INTEGRITY

Various policies are in place to encourage employees and ensure they have the space to address any wrongdoing or violations to the integrity of the company. Our **Code of Business Conduct** provides a foundation of integrity, transparency and accountability in the behavior of all our employees. Additionally, our **Whistleblowing Policy** clearly identifies what constitutes malpractice when it comes to criminal offenses, failing to comply with one's legal obligations, and health and safety. The reporting process is also clearly stated in the policy with regards to whom one should report to, and how a disclosure should be made (see below). In addition, our **Speak Up Program** is designed to make sure that any problems faced, or violations witnessed by an employee are well communicated and rapidly acted upon. The reporting process allows employees to:

- Report any issue to their direct manager.
- Upon no response or resolution within 1 to 2 days, report to the HR department of their business line;
- Upon no response or resolution, report to the CEO of the business line; and
- Upon no response or resolution, report directly to the CHRO and the Chairman.

## SPOTLIGHT ON GOVERNANCE AT RAYA CONTACT CENTER

RCC has a robust governance system, which has played an integral role in its growth over the years. Currently, RCC's board is served by the following **leading private sector actors**:

- Medhat Khalil, Chairman & CEO, Raya Holding for Financial Investments; Non-Executive
- Reem Asaad, CEO- Raya contact Center; Executive
- Ahmed Khalil, CEO; Non-Executive
- Hossam Hussein, CFO, Raya Holding for Financial Investments; Non-Executive
- Hany Khalil, Legal Consultant, Raya Holding for Financial Investments; Non-Executive
- Ayman El Baz, Managing Director, Innovo-Tawasol; Non-Executive
- Ahmed El Guindy, Founding Partner, Tanmeya Capital Venture; Non-Executive
- Khaled AbdelAziz, Former Egyptian Minister of Youth & Sports; Non-Executive

RCC's BoD is governed by its own charter, which details its mandate, criteria and mechanisms of member selection, terms, meeting frequency, as well as committees and their mandates. The board currently includes three sub-committees, namely: Audit, Corporate Governance and Remuneration.

### Operational Governance At Raya Contact Center

RCC's industry is highly client-interfacing, and entails accessing and handling private data. Ensuring the satisfaction of the massive number of clients and customers that our 6,500 agents deal with, as well as the privacy of their information, requires a diligent management system. Accordingly, RCC created an **Operational Governance Function**, which regularly monitors the performance of the company as a whole and ensures alignment with international best practices.

RCC's operational governance framework has engrained lean and innovative practices across the company and ensures adherence to multiple quality certifications. RCC is a full-fledged COPC ® 2000, ISO ® 9001:2000 and ISO ® 27001, certified single point for intelligent customer interactions. In fact, RCC is one of the rare cases of being COPC certified as an organization rather than a project; several individuals (managers and employees) are also COPC certified and the company goes through annual audits addressing leadership, business planning, target-setting and operational performance. In addition, RCC is PCI certified, operates in alignment with the new European data security standards, and is in the process of becoming GDPR compliant.

Customer privacy is one of the key elements that RCC ensures through its governance framework. All employees are trained at entry and monitored throughout their work, and customer data is securely stored. Any violation to customer privacy has a clear consequence. Violations are classified as follows;

- Compliance critical error: failing to carry out the verification process: Illegality.
- End user critical / Customer critical: could cause financial loss or a loss of time.
- Business critical: would cost the client or RCC any cost or measurable error.

Penalties and corrective measures are taken on a case-by-case basis, pursuant to an HR investigation.



**Human Resources Management**

Raya Holding	●
Raya Contact Center	●
BariQ	●
Raya Foods	●

8 DECENT WORK AND ECONOMIC GROWTH



5 GENDER EQUALITY



4 QUALITY EDUCATION



● High Materiality   ● Low-Moderate Materiality   ● Not Material

**Corresponding Sustainability Priority:**

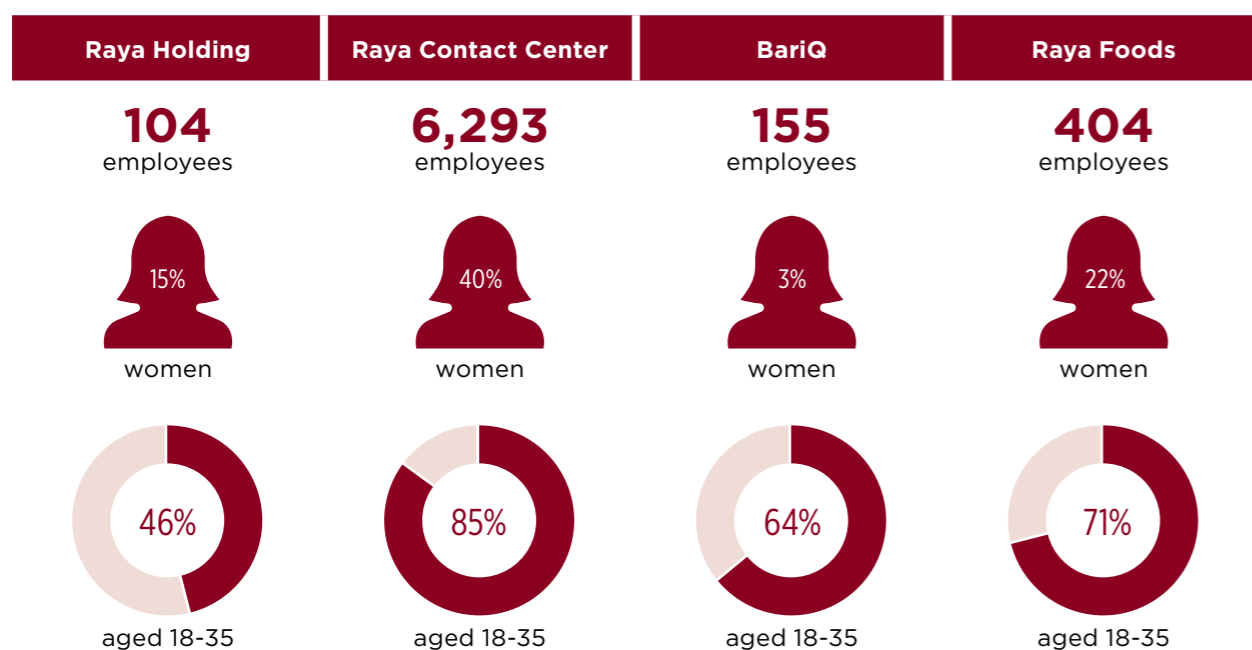
Thriving individuals through a satisfied and continuously evolving workforce.

**OUR PEOPLE**

## OUR PEOPLE

Our employees are the key enabler of our growth and success. Adopting human resource management practices that are based on the principles of sustainability, diversity, and inclusion have been our key differentiator as an employer of choice. Our human resource management philosophy is aligned with multiple SDGs, including SDG 4, through our commitment to securing lifelong learning opportunities for our workforce; SDG 5, as we invest in greater gender diversity across our companies, and SDG 8, as we continuously work towards creating sustainable and fulfilling employment opportunities for Egyptians.

Today, Raya Holding and its subsidiaries are powered by a total of 10,781 employees (25.6 percent of whom are female, and 81 percent of whom are between 18 and 35 years of age). A total of 8,790 employees (28.6 percent females, and 91.6 percent aged between 18 and 35) were hired in 2018.



As detailed in our previous sustainability report, and in the previous chapter, our **Code of Conduct** and our **Anti-Corruption Policy** guide employees with regards to integrity and ethical behavior; and our Whistleblowing Policy clearly addresses what constitutes malpractice, and mechanisms for reporting them. Available channels include a hotline and a dedicated email address.

In parallel, we have devised an intricate **Human Resources (HR) Management System** that ensures the translation of our core values across the organization, and the constant engagement of our employees. To ensure that effective HR management practices are streamlined across all of our subsidiaries, HR Committee Meetings led by our Chief Human Resources Officer and including the HR leads for all our business lines have been instituted and are held on a bi-weekly basis. Focal points of all HR sub-functions also meet on a regular basis to discuss any emerging issues, and to ensure the constant development of our HR practices.

The HR Management approach adopted by Raya Holding, and our subsidiaries focuses on ensuring the following:

- 1 Employee Experience and Engagement
- 2 Continuous Investments in Capacity Development
- 3 Recognizing and Rewarding Excellence
- 4 Fostering Workforce Diversity

The below sub-sections provide our approach towards each of these focus areas.

## STAYING IN TOUCH

**Employee experience and engagement** are critical to our business success. We realize that open and frequent communication channels allow for the identification of any issues early on, and for integrating our employee's invaluable feedback into our operational and strategic frameworks. We adopt a series of policies and practices to ensure the constant engagement of our employees.

Open communication at Raya starts with our universal open-door policy, whereby any Raya employee can directly approach any member of management. To foster linkages between the different companies, functions, and tiers of employment within the company, we conduct a series of convenings, including the **Raya Town Hall Meeting** which provides employees and management with the opportunity to confirm alignment on priorities and strategies for the coming year; and the **Annual Kickoff Meeting**, when Raya's senior management, achievers and top performers gather to discuss the overall strategy for the year. This is in addition to monthly management meetings, monthly Chairman's and CEOs' breakfasts, weekly circulars and 'Rayetna,' which features various modes for employees and management to communicate.

As previously highlighted, our Speak Up Program allows employees to report concerns or issues they face to their direct manager and guarantees a response within 1 to 2 days. If they do not receive a response, employees can report to the HR Department, the CEO of the business line, the CHRO, and/or the Chairman, if needed.

Among our most important employee engagement tools is the **ECHO Employee Engagement Survey**, which is conducted biannually to assess employees' experiences with regards to six attributes:

- 1 Active Communication
- 2 Hands-on Management
- 3 Pro-active Human Resources
- 4 Opportunities for Growth and Development
- 5 Inclusive Work Environment
- 6 Connection to Raya

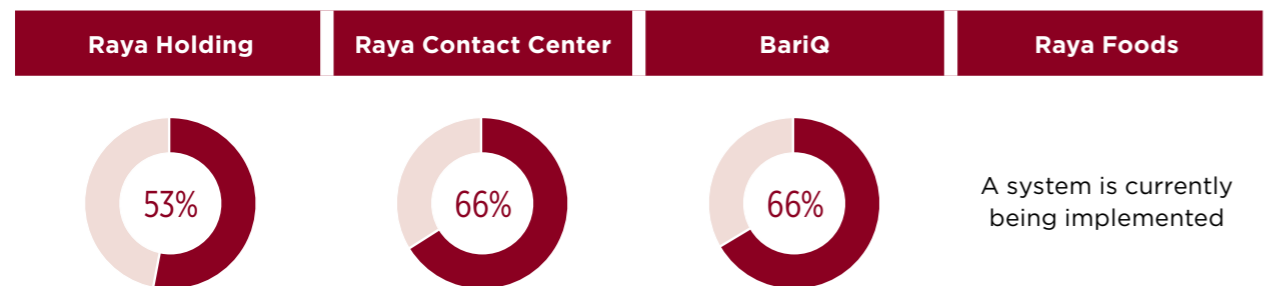
Results of the survey are devised to design comprehensive action plans that capitalize on identified strengths and address any expressed issues or concerns. In parallel, a follow up "Pulse" survey is conducted to assess three of the six ECHO attributes every year.

Another aspect of employee engagement is related to issues of health and wellbeing. Accordingly, we conduct regular health awareness sessions at our headquarters on important topics. Our headquarters also feature a fully equipped gym, a large cafeteria, with a range of subsidized healthy eating options, as well as a clinic and pharmacy. We also provide local transportation for our employees to travel to and from work.

## GROWING TOGETHER

**Continuous investments in capacity building** are at the core of our philosophy and have been a key prerequisite to our growth over the past years. Our investments are guided by a series of assessments, including career performance reviews and ongoing learning and development activities.

The **Career Performance Review Process** is in place within Raya Holding and across our business lines, however, it is currently being revamped to ensure a more robust framework that captures employee strengths, concerns, and pathways of growth. During 2018, the percentage of employees who underwent comprehensive career review processes was as follows:



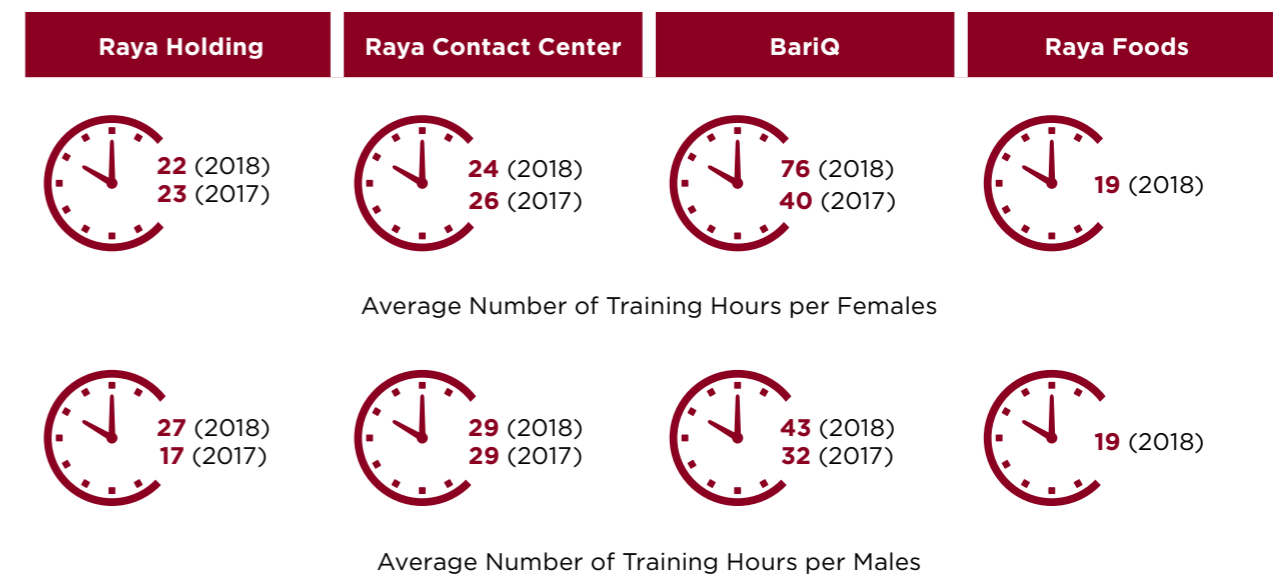
**The HR team also conducts Annual Learning Needs Assessments (LNAs)** of all employees across all the business lines as part of our HR audit process. Results are used to inform employee capacity development schemes. To date, Raya Holding employees receive an average of 22.5 to 26.8 hours of training per year.

In an effort to emphasize leadership development, as well as encourage the growth of current employees, we have introduced a series of development programs, namely: the **Leadership development Program (LDP)**, the **Supervisory Development Program (SDP)**, **Management Development Program (MDP)**, and an **Essential Development Program (EDP)**. Moreover, our High Potential (HiPo) Program aims at identifying and accelerating the journeys of emerging leaders within the company. Participating employees receive intensive coaching and support, and their promotions may be accelerated.

- 159 employees have participated in the EDP program over the past two years.
- 144 employees have participated in the SDP program over the past two years.
- 63 employees have participated in the MDP program over the past two years.
- 206 employees have participated in the Hi-Po program over the past two years.
- A total of 572 employees have participated in the development programs over the past two years.

Chief Executive Officers (CEOs) also join an executive management program at one of the top business schools in the world; either Harvard Business School or The Center of Creative Leadership.

## AVERAGE HOURS OF TRAINING PER EMPLOYEE



### Investing in Young Talents: The RISE Graduate Program

RISE is designed for young talents with up to 2 years of experience. RISERS get exposure in various departments within a specific business line. Participants go through a rigorous selection process, composed of a preliminary interview with the HR team, followed by an advanced graduate assessment and ending with a presentation to a panel that includes the CEO of the business line they may be allocated to. 9 fresh graduates have graduated from the Rise program to date.

## RECOGNIZING EXCELLENCE

Our efforts to ensure a cadre of proficient and engaged employees culminate in a series of programs that allow us to **recognize and reward** high achievers. Among these is the **Raya Values Program**, which recognizes and rewards employees who demonstrate a commitment to furthering our core values and contributing to our strategic directions. Rising employees from each of our business lines are screened, selected, and rewarded on a monthly and a quarterly basis, and become eligible to join the **Raya Achiever's Club (RAC)**. The RAC is an annual 5-day recreational retreat that welcomes top achievers from each of our business lines.

## FOSTERING WORKFORCE DIVERSITY

With a strong belief in the value that diversity can add to any organization, Raya Holding is committed to developing the required policies and systems that would encourage **workforce diversity**. Our primary diversity and inclusion priorities are to include people who are differently abled, and to ensure greater gender diversity.

To tackle stigma and stereotypes around working with people who are differently abled, we collaborated with Helm to conduct the **Raya Community Day<sup>1</sup>** to battle any stigmas among our own workforce, and to change perceptions through direct interactions and activities. We also collaborated with the Ministry of Communication and Information and Technology to conduct a workshop for HR personnel on how to enhance the integration of people with disabilities in the workplace.

Given the low rates of women's economic participation in Egypt, and the significant role that women have to play in Egypt's socioeconomic growth and development, gender diversity is also a key priority for us at Raya Holding. Efforts to ensure a safe working environment include a strict policy against offensive conduct, which is backed by our Speak Up Program that allows employees to confidentially report any misconduct that they have been subjected to. This is in addition to ensuring that all of our facilities are well-lit and secured at all times.

Our second priority is better understanding our own operational framework as well as enhancing our structures and processes to ensure greater gender equity. In 2017 we participated and proudly won the GIZ- ECONWIN (when women work, economies win) competition<sup>2</sup> for gender diversity. We also signed a partnership agreement with the ECONWIN program to assess gender sensitivity within some of our companies, and to devise strategies to overcome any identified barriers. The program has so far been effectively implemented in Raya IT and is planned to be implemented by Raya Contact Center within the next year. The program focuses on three main pillars, namely:

**Attracting Female Talent:** This pillar involves multiple activities, including efforts to ensure that more women are represented in our internship program, as well as communicating the features of our workplace that are gender sensitive, including flexible working hours across select business lines.

**Recruiting Female Talent:** This pillar includes awareness sessions for management about gender diversity in the workplace, documenting the experiences of our female leaders who can act as role models for potential hires, as well as reviewing our recruitment and selection processes to decrease biases at the screening and selection phases.

**Retaining Female Talent:** This pillar is achieved through improvements to the working environment. It includes investing in the well-being and development of current female talent and leaders. To date, we have conducted a Women's Leadership Workshop, as well as ensuring that our facilities cater to both women and men.



<sup>1</sup> Helm is an organization with the mission of promoting the full inclusion of persons with disabilities in all aspects of life.

<sup>2</sup> GIZ - ECONWIN is a regional program pioneered to economically empower women.

### Spotlight on Raya Contact Center's Human Resource Management Approach

The Call Center Industry is globally characterized by high turnover rates. RCC has developed a unique human resource management system to ensure a unique working environment, enhance retention rates, and ensure our clients and customers an excellent service and experience. RCC has reduced its attrition rate from 60 percent in 2017 to 45 percent in 2018; compared to the international average of 35 percent and 70 percent average in Egypt. Today 86 percent of promotions at RCC are from within the company, demonstrating the impact of our efforts in retaining and investing in our workforce.

RCC's employees benefit from a series of training programs that equip them with key skills and set them on a path of growth once they enter the company. These include:

- A 3-5 day induction training addressing soft skills, culture (for non-Egyptian client interaction) and job specific skills.
- A product knowledge training focusing on the specificities of the accounts they are serving.
- A shadowing period to allow employees to become comfortable with real time interactions with clients and start integrating into regular operations.

Each year, employees also receive specialized leadership trainings to accelerate their growth paths. In 2018, more than 300 team leaders attended an intensive 7-day program on Team Leadership and People Management.

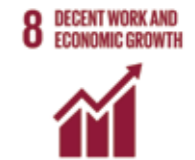
To ensure that employees are constantly aware of their prospects and potential, each employee has a clear set of Key Performance Indicators (KPIs) that are set in consultation with their managers and reviewed on a monthly basis. Finally, a series of recognition programs are in place including the opportunity to join Raya's Achiever's Club, and the Towards Quality certificate, where top performers receive a certificate and voucher rewards on a quarterly basis.





**Quality, Health & Safety**

Raya Holding	●
Raya Contact Center	●
BariQ	●
Raya Foods	●



● High Materiality   ● Low-Moderate Materiality   ● Not Material

**Corresponding Sustainability Priority:**

Thriving individuals through safe working environments, and a satisfied client and customer base, whose needs and expectations are met.

**QUALITY, HEALTH AND SAFETY**



## QUALITY, HEALTH AND SAFETY

The health and safety of our employees and our customers is a main priority for us at Raya Holding. Accordingly, we have adopted a series of standards to ensure the health and safety of employees and customers, as well as our capacity to continuously monitor the quality at which we deliver our goods and services. Our commitment to ensuring the health and safety of our employees is aligned with SDG 8, and specifically the targets pertaining to protecting labor rights and promoting safe and secure working environments.

From an operational perspective, our facilities department manages adherence with our Health and Safety policies and ensures the adoption of the most advanced standards at our headquarters, and across our business lines. Our headquarters have been OHSAS 18001 certified since 2012. Additionally, we acquired the ISO 45001: 2018 certificate ever since our last reporting cycle. To ensure compliance with the adopted standards, we perform our own regular audits of our premises. These certifications translate into a series of precautions including functional firefighting systems, fire drills, and awareness training sessions, among others.

In line with local regulatory frameworks, and international best practices, a formal joint management-worker health and safety committee is in place to help monitor and advise on occupational health and safety issues. In parallel, dedicated Health and Safety departments are in place within high-risk business lines, including BariQ and Raya Foods, each of which adopt their own sector specific standards and assurance mechanisms. To ensure clear knowledge of the health and safety measures and practices within both companies, employees also receive routine trainings on the topic.

## ENSURING EMPLOYEE HEALTH AND WELL BEING AT RAYA CONTACT CENTER

In line with the practices adopted within our headquarters, all Raya Contact Center offices are equipped with fire alarm and fire fighting systems, fire extinguishers, and undergo periodic evaluation drills. In parallel, facility cleanliness and hygiene are constantly monitored and maintained by a dedicated team. As demonstrated in the HR section, our employee engagement team is constantly looking into the adoption of best practices to ensure employee health and well-being. These range from the introduction of daily engagement surveys to track and ensure the psychological state of our agents. A newly appointed Health and Safety focal point is currently conducting a detailed gap analysis to identify the priorities for enhancing our facilities to ensure greater employee health and well-being; the analysis includes better understanding employee concerns if any, the nature of furniture being used, and the overall work environment. This assessment is conducted in close coordination with our facilities team.

To further enhance our Health and Safety infrastructure, we are working on introducing an Emergency Marshals Team across all of our worksites, which will include fire fighters, first aiders and evacuators to lead the site evacuation and crisis management in case of emergencies. The Marshals Team members would be highly trained and certified on their responsibilities to ensure our employees safety and wellbeing. In addition, a more institutionalized reporting process will be introduced for accidents, incidents and near misses to ensure and monitor the effectiveness of the measures we put in place to control the risks in the workplace.



## REVOLUTIONIZING PLASTIC WASTE RECYCLING AT BARIQ

The Egyptian recycling industry is characterized by extremely high rates of informality, and in turn an array of violations including the exposure of sorters and workers in general to an array of health hazards due to poor ventilation or the absence of protective equipment. BariQ's model was designed to overcome such challenges, whereby it introduced a large scale, formal and highly automated facility. In addition, BariQ's facility adopts Health and Safety standards to ensure that on-site workers are fully protected within its premises. These include being ISO 18001 certified, to ensure a safe working environment for our employees.

BariQ's commitment to Health and safety does not stop at that of our own workforce. We are also committed to adopting best practices to ensure our ability to ensure the health of the end consumers of our product. Accordingly, we adopt and comply with a series of management systems and certifications, including:

## PRODUCT CERTIFICATIONS



The US Food and Drug Administration is responsible for protecting public health by assuring the safety, effectiveness, quality, and security of human and veterinary drugs, vaccines and other biological products, and medical devices.



The European Food Safety Authority (EFSA) is a European agency funded by the European Union that operates independently of the European legislative and executive institutions (Commission, Council, and Parliament) and EU Member States.



Health Canada Food Directorate of The Bureau of Chemical Safety is the federal health authority responsible for establishing policies, setting standards and providing advice and information on the safety and nutritional value of food.



Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) is a European Union regulation dating from 18 December 2006. REACH addresses the production and use of chemical substances, and their potential impacts on both human health and the environment.



## ADOPTING GLOBAL BEST PRACTICES AT RAYA FOODS

Raya Foods is also compliant with multiple international quality assurance and health and safety standards and certificates, including:



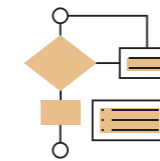
All of Raya Foods products are labeled in accordance to the requirements of the local and international markets we serve. Labels include information about the contents, directions of use, storage instructions and validity details.

Raya Foods has also consulted external experts in order to enhance health and safety and wastewater systems within its facilities. This has resulted in a series of upgrades, including: 1) firefighting systems; 2) infrastructure; 3) storage facilities; 4) product compliance; and 5) water and waste management systems.

## INVESTING IN RAYA'S FOODS' HEALTH, SAFETY AND ENVIRONMENTAL INFRASTRUCTURE



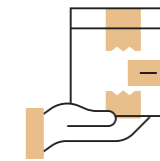
Fire Fighting System



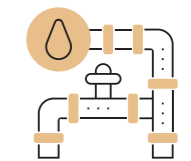
Physical Infrastructure



Storage Facility and Capacity



Product Compliance



Water Management System



**Environmental Sustainability**

Raya Holding	●
Raya Contact Center	●
BariQ	●
Raya Foods	●



● High Materiality    ● Low-Moderate Materiality    ● Not Material

**Corresponding Sustainability Priority:**

Thriving communities through environmentally sustainable operations.

**ENVIRONMENTAL SUSTAINABILITY**

## ENVIRONMENTAL SUSTAINABILITY

Preserving natural resources and mitigating potential negative environmental impacts of our operations is essential for sustaining our operations, as well as ensuring the health and well-being of our employees and of surrounding communities. Our emphasis on environmental sustainability has translated into two key paths: 1) ensuring efficiencies across all of our operations, and 2) launching business lines that are centered around mitigating key environmental challenges, as is the case with BariQ. The below sub-sections provide with an overview of efforts adopted to ensure greater efficiency and sustainability, and our resource consumption rates. The work of BariQ is directly related to SDG 14, as it works towards the prevention of marine pollution through debris. In parallel, our efforts towards more sound resource use frameworks contribute to SDG 12, and specifically targets related to achieving the sustainable management and efficient use of natural resources.

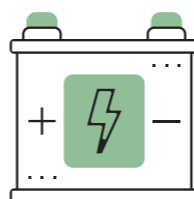
### ENERGY

All of our facilities adopt a series of practices to ensure the efficient use of energy. Our headquarters are equipped with a state of the art air-conditioning system that ensures energy efficiency, and significantly mitigates the impact of our operations. In 2018, we introduced a series of facility upgrades to our headquarter building, which houses one of Raya Contact Center's offices. These upgrades have included the introduction of a scheduled operational control system for energy (including lighting, electric water heaters and HVAC), as well replacing fluorescent lighting with LED lighting. This has: 1) reduced energy consumption for lighting power by 50 percent, and 2) reduced total electricity consumption by 5 percent.

**Raya Foods** has also adopted a series of efforts to reduce energy consumption within its facilities, including the introduction of capacitors that enhance energy efficiency, continuously maintaining machinery to ensure the efficient use of fuels, and using LED lighting. These efforts have reduced consumption rates by 20 percent.

### ELECTRICITY CONSUMPTION

Company / Year	2017	2018
Raya Holding	6,113,710 Kw	5,902,182 Kw
Raya Contact Center	5,950,000 Kw	6,490,000 Kw



## EMISSIONS

In an effort to mitigate and reduce the impact of our operations on climate change, we have gotten into the practice of monitoring the direct emissions resulting from our own operations. Naturally, tracking efforts focus on business lines to which this is material, namely: BariQ and Raya Foods. Please see pages 58 and 60 for each company's emissions figures.

### WATER

Water is another critical resource that we strive to conserve. None of our business lines significantly impact water sources, yet, we closely monitor our consumption rates and introduce efforts to rationalize them. To monitor consumption rates across our headquarter office facilities, five water metering units have been installed in 2018. To reduce consumption rates, tap water flow has been reduced. Landscape irrigation systems were also switched from manual to drip irrigation. These changes have reduced monthly consumption rates.

### WATER USE

Company / Year	2017	2018
Raya Holding	34,556 m <sup>3</sup>	34,065 m <sup>3</sup>



## TRANSPORT

While we realize the impact of transporting people, goods, and services on our environmental performance, we still have not institutionalized systems for measuring the environmental impact of modes of transportation resulting from our operations. Nevertheless, strong operational planning frameworks to ensure optimal routes when transporting people, goods and services.

## MATERIALS AND WASTE

We constantly monitor the amount of materials used through our procurement functions, which allows us to enhance the efficiency of consumption rates. Close monitoring of consumption patterns also allows us to reduce the waste generated by our operations. In an effort to reduce the amounts of waste resulting from our own operations at Raya Holding, we launched the Choose Green campaign in collaboration with BariQ in 2018. The campaign aims at raising environmental awareness among employees at our headquarters through an online campaign. In parallel, we launched the “Recycle and Get Rewards” campaign to encourage employees to facilitate recycling at our headquarters. We installed a reverse vending machine to encourage employees to recycle their cans and plastic bottles in exchange for rewards. The campaign has culminated in the collection of 46,625 plastic bottles, and 36,750 cans. Gathered bottles were integrated into BariQ’s recycling lines. It is worth noting that none of the business lines covered by this report generate hazardous waste.



45,406 plastic bottles and cans collected



628 Kg reduction in CO2 emissions



5,785 KWH of energy and 16.3 barrels of oil saved

## BARIQ’S ENVIRONMENTAL PERFORMANCE

BariQ was founded in 2012 to bring back materials that would have ended up in oceans or landfills to life. BariQ pioneered the market by recognizing the economic and environmental value of reclaiming PET plastic and HDPE, and turning it into high quality and durable bottles for food grade and non-food grade uses across consumer and industrial clients.

BariQ was established with several economic and environmental facts in mind, including the facts that:

- Recycling a half kilogram of PET approximately saves 12,000 BTU’s of heat energy
- Producing new plastic products from recycled materials uses two-thirds less energy than that required to producing products from raw (virgin) materials
- Substituting 1 ton of virgin materials with rPET reduces 1.7 tons of CO2
- RPET reduces the amount of energy needed for manufacturing and saves 79% CO2, compared to virgin resin

BariQ’s pioneering efforts have resulted in its recognition as a Pioneering Business for Sustainable Development by the Federation of Egyptian Industries (FEI) and the Confederation of Danish Industry in 2015.

In line with our approach at RH, BariQ has optimized its energy use rates by upgrading two of its washing line machinery, and thus reducing consumption rates by 12 percent. Electricity and energy consumption figures at BariQ for the past two years are demonstrated below:

Energy Type	2017	2018
Electricity	10,008,978 Kw	11,864,277 Kw
Diesel	193,000 L	202,311 L

The demonstrated increases are a result of expanding our operational capacity. Constantly upgrading machinery to ensure efficiency also allows us to mitigate the impact of our operations on climate change, which we track by monitoring the direct emissions resulting from our operations. In parallel, we are currently exploring the use of alternatives to fossil fuels, namely solar power, to mitigate emission levels.



BARIQ DIRECT GREENHOUSE GAS EMISSIONS BY WEIGHT

Units are in PPM	2017	2018
CO2	1904	1776
NO2	2.78	2.4
SO2	1.7	1.1

We have started recycling water used within our operations, and are gradually increasing the percentage of water being recycled and reuse. Today, 10 percent of water used by our facilities is reused. We also treat waste-water generated by our operations before disposing of it, to mitigate any negative health or environmental impact.

WATER USE • 2017 ..... 4.5 M<sup>3</sup>/TON • 2018 ..... 5 M<sup>3</sup>/TON

Given the nature of our industry, the waste generated by our operations is minimal, and is mainly composed of mud. Waste that is in the form of plastic materials is sold to external suppliers as a raw material for their operations.

MUD WASTE • 2017 ..... 107 TONS • 2018 ..... 101 TONS



**Spotlight on BariQ's Environmental Impact**

Ever since its establishment, BariQ has created significant positive environmental impact, including:

- SAVED 23 THOUSAND TONS OF CO<sub>2</sub>
- SAVED 43,750 BTU;
- RECYCLED 10 BILLION BOTTLES
- TREATED 900 THOUSAND LITERS OF WATER
- SAVED 16 THOUSAND OIL BARRELS.

## RAYA FOODS' ENVIRONMENTAL PERFORMANCE

**Raya Foods** has also adopted a series of efforts to reduce energy consumption within its facilities, including the introduction of capacitors that enhance energy efficiency, continuously maintaining machinery to ensure the efficient use of fuels, and using LED lighting. These efforts have reduced consumption rates by 20 percent. There have been increases in natural gas consumption due to doubling the manufacturing facility's capacity.

### ELECTRICITY AND ENERGY CONSUMPTION

Year	2017	2018
Electricity	8,000,000 Kw	6,200,000 Kw
Natural Gas	200,000 m <sup>3</sup>	3,100,000 m <sup>3</sup>

In parallel, and in an effort to mitigate and reduce the impact of our operations on climate change, we have gotten into the practice of monitoring the direct emissions resulting from our own operations. Efforts to reduce significant emissions include exploring the introduction of solar energy sources to their operations.

### DIRECT EMISSIONS

Units are in PPM	2017	2018
CO <sub>2</sub>	6.4	0
CO	14	23
NO	3	70
NO <sub>X</sub>	6	109



Increases in NO and NO<sub>X</sub> emissions between the years 2017 and 2018 are due to the fact that our boiler was not being operated during most of the year 2017, and was heavily utilized in 2018. With regards to water consumption, our operations do not significantly impact neighboring water bodies. To mitigate the impact of our value chain, we are currently working with growers in its value chain on the rationalization of their water consumption practices.

**WATER USE** • 2017 ..... 210,000 M<sup>3</sup> • 2018 ..... 210,000 M<sup>3</sup>

The main materials utilized within our operations are those used for packaging our products, and are as follows: 500 tons of carton per year, 200 tons of plastic bags per year, 50 tons of plastic film per year, and 100 tons of sack cloth sacks per year. Waste generated by our operations is mainly in the form of organic waste, which we are currently working with our suppliers to reduce at the source. Specifically, we are working with our suppliers on enhancing their own growing, storage, and transportation practices to ensure less waste. Current increases in waste are a result of doubling our facility's capacity.

**ORGANIC AGRICULTURAL WASTE** • 2017 ..... 50 TONS • 2018 ..... 75 TONS



**Inclusive Value Chains**

Raya Holding	•
Raya Contac Center	•
BariQ	●
Raya Foods	●



● High Materiality    ● Low-Moderate Materiality    • Not Material

**Corresponding Sustainability Priority:**

Thriving communities through more inclusive value chains.

**SUSTAINABLE  
VALUE CHAINS**



## SUSTAINABLE VALUE CHAINS

At Raya, we realize that the impact of our company does not stop at the level of our operations. We realize the impact that our supply and value chain has on the economy, and on our surrounding communities. We have thus introduced a series of efforts to upgrade and enhance the capacity of members of our value chains. Our efforts have primarily focused on enhancing the technical capacity of members of our supply and value chains, as well as their capacity to comply with best ESG practices. The latter is a part of our roadmap towards screening and selecting suppliers based on their social and environmental performance over the next few years. These efforts contribute to SDGs 2 and 10, specifically targets and indicators related to fostering sustainable agribusiness models through working with small scale farmers, and achieving and sustaining the income growth of the bottom 40 percent of the population respectively.

### FOSTERING FORMALITY THROUGH BARIQ

With regards, to BariQ, the local recovery and collection supply chain is composed of several layers of informal garbage collectors and sorters. This segment is highly resistant to any systematic changes as it affects their cost structure and bargaining power. The industry's size is estimated at EGP 5 to EGP 7 Billion, which are excluded from the tax system. High informality rates also mean that only an estimated 45 percent of the available PET waste reaches recyclers, and that working conditions are not ideal.

We have been working on formalizing our suppliers (i.e. garbage collectors), by assisting them with registering their facilities, and requiring them to start using invoicing and filing systems. This was only made possible by working closely with garbage collectors, offering them extensive technical support, as well as offering them incentives in the form of micro-financing the expansion of their capacity through purchasing needed machinery.

Given the nature of the garbage collection industry, our current supplier screening procedures focus on financial diligence and quality. We plan on gradually engaging suppliers around their social and environmental performance, to enable them to better meet our criteria in these spheres, and to start adopting social due diligence procedures when screening local suppliers.

We have also created a coalition of global brands and key stakeholders to address the challenges faced in sourcing traceable materials locally, and enhancing collection and recycling rates in an innovative and disruptive manner.

## INCLUSIVE GROWTH AT RAYA FOODS

As of July 2018, Raya Foods introduced a dedicated **supply chain management department**, whose mission is to ensure that 50 percent of our suppliers are contracted suppliers by 2020. This requires working closely with small growers on enhancing their technical practices, enhancing their production capacity, and most importantly, their ability to comply with international quality, health and safety standards. One of the most significant support mechanisms planned during the upcoming year is to ensure that all the growers we contract are Global G.A.P. certified.<sup>1</sup> By obtaining this certification, growers will be made aware of best practices to avoid health hazards and contamination risks, ensure efficient water use, mitigate waste levels, and prevent any human rights violations.

We are also in the process of developing a protocol with the Principal Bank for Development and Agricultural Credit (PBDAC), to ensure a more impactful support system for small local growers. PBDAC will provide small growers working with us with the needed tools and supplies. The bank is considering using the supplier assessments performed by Raya Foods on these growers as the required due diligence, and will provide them with loans at 5 percent interest, as well as finance up to 50 percent of the costs required.

### Raya Foods' Indirect Economic Impact


Raya Foods' value chain has created thousands of jobs through the multiple functions that serve our operations, including growing, transportation, distribution, processing, export, etc. At our 2018 capacity of sourcing from 1,200 feddans of the strawberry crop alone, we have secured 960,000 days of work for members of our value chain. This rate of production and value generation for our stakeholders is expected to double by 2020.



<sup>1</sup> Global G.A.P.: Global Agricultural Practices. An internationally recognized set of standards addressing measures of health, safety and welfare of workers, the environment, and in consideration of animal welfare issues; reflecting on the safety and quality of the product.



**Social Investments**

Raya Holding	●	 
Raya Contact Center	●	
BariQ	●	 
Raya Foods	●	

● High Materiality   ● Low-Moderate Materiality   ● Not Material

**Corresponding Sustainability Priority:**

Thriving communities through long-term social investment programs.

# SOCIAL INVESTMENTS

## SOCIAL INVESTMENTS

As demonstrated throughout this report, we prioritize the interests and well-being of our different stakeholders, and especially surrounding communities. This stems from a realization that surrounding communities are home to our 11,000 employees, and that their well-being is strongly tied to ours as a company. It also stems from our own belief in that it's our duty as a responsible corporate citizen to actively tackle challenges being faced by local and surrounding communities.

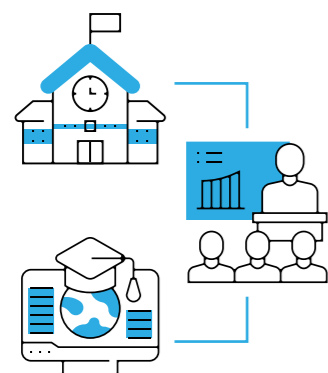
We work towards addressing key challenges through our own operations, and through a highly selective social investments portfolio, which primarily focuses on investing in Egypt's human capital. We also implement several humanitarian and emergency response projects to address critical and urgent needs within remote and underserved communities. Our social investment portfolio contributes to SDG 10, as we work towards promoting the social and economic inclusion of marginalized groups, as well as SDG 4, as we work towards accessible quality education, and especially equipping youth with relevant skills for decent employment and entrepreneurship. In parallel, our partnerships with pioneering social enterprises and civil society organizations contribute to SDG 17.

### INVESTING IN EGYPT'S HUMAN CAPITAL

Our investments in this sphere cover the entire education spectrum, starting with investments in innovative school education programs, and up until enabling the development and evolution of undergraduate university students.

#### TRANSFORMING SCHOOLS

Aiming at transforming schools and impacting child education, Raya Holding has been supporting the Educate Me<sup>1</sup> Transformation Journey Program since 2015; believing in their mission of creating a generation of well-rounded individuals who are aware of their identities and conscious of their potentials, and the impact this has on their choices and actions towards maximizing their potential. Over the past two years, three schools have been transformed.



- Three schools in El Fayoum governorate, Egypt in 2017 and 2018.
- 109 school staff members were trained.
- 1,951 students were able to receive 21st century skills, an introduction to the humanistic approach, and self-development programs.

Currently, Raya Holding is also partnering with Educate Me on their School Transformation Program in three public schools in El Fayoum, and conducting three "Building Pioneers" student camps in these schools. The camps aim at unleashing the creativity of these students, and instilling in them the values of collaboration, respect and responsibility.



- 368 children in 3 different schools were able to work on their teamwork, time management, and creativity and presentation skills.
- There was an 83 percent knowledge improvement in acquired skills and values.
- 100 percent student satisfaction level.

In addition, Raya Holding funded the establishment of a classroom in a community school initiated by Man Ahyaha<sup>2</sup> in Behbet Village in 2017. This school was built with the aim of providing access to education for 200 children, thereby solving a serious community problem, since the nearest school was several kilometers away, without any available transportation. As a result, early age dropout rates were extremely high in this village.



<sup>1</sup> 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.

<sup>2</sup> Man Ahyaha is an NGO which has been working on sustainable development projects in Egypt's most underserved rural areas with the objective to improve the quality of life of this rural area and to promote a value-based education to the children.

## UNTAPPING YOUTH ENTREPRENEURSHIP POTENTIAL

Step Up is an entrepreneurship competition that was conducted in partnership with the AUC School of Business in 2018. The competition's objective was to introduce the "cashless" concept to Egyptian Society. Participants worked in teams of four to identify the current and/or potential users of the Aman E-Payment<sup>3</sup> Application and come up with creative solutions and use-cases that they would benefit from for Aman to address this market. Students had to consider the target audience number, socio-economic class, education and accessibility.

The winning team was awarded a three-week scholarship program at the International Business School (IBS) in Italy to give them international exposure, coupled with an overview of contemporary topics on the theme of their choice; either "Creativity, Innovation and New Business" or "International Management and Leadership."

## FOSTERING CIRCULAR BUSINESS MODELS

Youthink Green is a social enterprise dedicated to promoting sustainable development, education and innovation. This year, we supported their Sustainability and Entrepreneurship Youth Program (SEYP), which aims at educating and empowering youth to innovate eco-friendly creative solutions to local sustainability challenges. Specifically, we launched a partnership between us as a holding company, BariQ and Youthink Green to foster circular business models in Egypt. The program has enabled us to work towards two of our primary sustainable development aspirations, namely: 1) equipping youth with the needed knowledge and skills; and 2) tackling the plastic waste challenge in an innovative manner.



Through the Sustainability Entrepreneurship Youth Program:

- 230 Egyptian youth completed the program.
- Topics such as business modelling, sustainability, waste management and circular economy were covered.
- 4 winter schools and 1 winter camp in Cairo, Alexandria, Assuit and Ismailia conducted.



<sup>3</sup> Aman E-Payment is one of Raya Holding's business lines established in 2016 aiming at creating an ultimate cashless society in Egypt, enabling Financial inclusion for Egyptians citizens through available secure and convenient E-payment solution; within the recent economic and financial decisions undertaken by the Egyptian government and the Central Bank of Egypt in support of financial inclusion.

## WINTER EMERGENCY RESPONSE CAMPAIGNS

In partnership with Misr El Kheir, we have financed the full restoration of houses in remote areas suffering from poor infrastructure. The aim of this initiative is to ensure more humane livelihoods for members of Egypt's most marginalized communities.



2017 —  
2018 —

12 houses were restored in El Taweryat village in Gena.

40 houses were restored in villages in Ismaileya with the participation of 39 Raya employees.

Moving forward, we plan on sustaining current social investment efforts, as well as working with our civil society partners on integrating the principles of design thinking and human-centered design into their own strategies and approaches, which we believe will ultimately lead to greater and more meaningful impact.

### Spotlight on Corporate Volunteering Efforts

Our employees have a strong sense of civic responsibility, and constantly engage with our CSR and Sustainability department in order to engage in an array of volunteering opportunities. These range from volunteering their time in community development activities, to passing on their skills and know-how to Egypt's youth.

- 70+ employees invested 671+ hours in community engagement activities.
- 116+ employees invested 1,280+ hours in community engagement activities.
- Raya employees volunteered an estimate of 517 training hours in public schools.
- Raya employees have donated 1,151 units of blood ever since.



# ANNEX 1

## FINANCIAL STATEMENTS

### CONSOLIDATED BALANCE SHEET

As of 31 December 2018	31 December 2018 (LE)	31 December 2017 (LE)
<b>Non-current assets</b>		
Fixed assets	789,789,591	641,172,199
Investment property	645,309,172	660,607,312
Projects under construction	295,535,945	152,036,852
Intangible assets	24,392,080	23,783,208
Goodwill	82,078,561	82,078,561
Investments in associates	50,182,123	46,999,552
Available for sale investments	28,187,862	19,605,387
Deferred tax assets	49,831,539	10,807,339
<b>Total non-current assets</b>	<b>1,965,306,873</b>	<b>1,637,090,410</b>
<b>Current assets</b>		
Inventory	1,100,029,281	971,122,389
Work in progress	35,370,215	94,266,945
Accounts and notes receivable	1,622,734,746	1,156,211,087
Prepayments and other debit balances	901,519,761	850,587,917
Share based compensation	720,000	720,000
Cash on hand and at banks	461,140,699	353,557,280
<b>Total current assets</b>	<b>4,121,514,702</b>	<b>3,426,465,618</b>
<b>Total assets</b>	<b>6,086,821,575</b>	<b>5,063,556,028</b>
<b>Equity</b>		
Issued and paid up capital	630,586,820	504,624,835
Legal reserve	59,994,255	34,203,775
General reserve	41,935,960	41,935,960
Treasury shares	(1,155,316)	(1,155,316)
Net gain arising from sale of Raya Contact Centre shares (1-A)	-	380,346,421
Revaluation reserve of available for sale investments	8,168,976	774,923
Accumulated foreign currency translation	5,270,682	5,816,474
Retained earnings	479,141,901	250,600,906
Profits for the year after deducting non- controlling interest	5,379,662	50,034,720
<b>Total equity before deducting non- controlling interest</b>	<b>1,229,322,940</b>	<b>1,267,182,698</b>
Non- controlling interest	243,124,261	201,539,656
<b>Total equity</b>	<b>1,472,447,201</b>	<b>1,468,722,354</b>
<b>Non-current liabilities</b>		
Long term notes payable	70,315,254	46,597,827
long term loans	313,869,316	249,895,858
Other long term liabilities	70,622,128	55,367,042
<b>Total non-current liabilities</b>	<b>454,806,698</b>	<b>351,860,727</b>
<b>Current liabilities</b>		
Provisions	32,047,916	33,424,331
Accounts and notes payable	1,145,548,970	922,203,189
Current portion of long term loans	165,320,268	150,270,296
Credit facilities	2,034,347,675	1,411,455,760
Income tax payable	8,004,387	10,356,261
Accrued expenses and other credit balances	763,018,981	710,978,444
Dividends payable	11,279,478	4,284,666
<b>Total current liabilities</b>	<b>4,159,567,675</b>	<b>3,242,972,947</b>
<b>Total liabilities</b>	<b>4,614,374,373</b>	<b>3,594,833,674</b>
<b>Total equity and liabilities</b>	<b>6,086,821,575</b>	<b>5,063,556,028</b>

### STATEMENT OF CONSOLIDATED INCOME

For the Year Ended 31 December 2018	31 December 2018 (LE)	31 December 2017 (LE)
Revenues	7,909,540,584	6,745,402,871
Cost of revenues	(6,438,073,739)	(5,543,055,137)
<b>Gross profit</b>	<b>1,471,466,845</b>	<b>1,202,347,734</b>
General and administrative expenses	(672,526,982)	(534,313,801)
Board of directors Remuneration	(465,000)	(540,000)
Selling and marketing expenses	(288,917,349)	(199,832,742)
Impairment of accounts receivable	(29,782,607)	(15,326,973)
Reversal of impairment of accounts receivable	21,676,709	14,206,707
Provisions	(5,805,589)	(7,559,045)
Provisions no longer required	1,667,939	1,079,806
Reversal of impairment of other debit balances	-	1,922,871
<b>Operating profit</b>	<b>497,313,966</b>	<b>461,984,557</b>
Finance cost (net)	(334,751,853)	(293,776,840)
Foreign exchange differences	(910,350)	3,975,398
Company's share from profits of associates	3,182,571	4,231,631
(Loss) Gain from sale of fixed assets	(173,450)	347,402
Other (loss) income	(636,315)	4,842,263
Takaful contribution	(10,733,940)	-
<b>Profits for the year before income taxes and non controlling interest</b>	<b>153,290,629</b>	<b>181,604,411</b>
Income taxes	(64,168,307)	(78,379,969)
<b>Profits for the year</b>	<b>89,122,322</b>	<b>103,224,442</b>
<b>Distributed as follows :</b>		
Holding company	5,379,662	50,034,720
Non-controlling interest	83,742,660	53,189,722
<b>Profits for the year</b>	<b>89,122,322</b>	<b>103,224,442</b>

## STATEMENT OF CONSOLIDATED CHANGES IN EQUITY

For the Year Ended 31 December 2018	Issued and Paid up capital	Legal reserve	General reserve	Revaluation reserve of available for sale investments	Treasury shares	Net gain from sale of Raya Contact Center Shares	Accumulated foreign currency translation	Retained earnings	Profits for the year after deducting non-controlling interest	Total before non-controlling interest equity	Non-controlling interest equity	Total
	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE
Balance as of 1 January 2018	504,624,835	34,203,775	41,935,960	774,923	(1,155,316)	380,346,421	5,816,474	250,600,906	50,034,720	1,267,182,698	201,539,656	1,468,722,354
Transferred to retained earnings and legal reserve	-	25,790,480	-	-	-	(380,346,421)	-	404,590,661	(50,034,720)	-	-	-
Accumulated foreign currency translation differences	-	-	-	-	-	-	(545,792)	-	-	(545,792)	-	(545,792)
Dividends	-	-	-	-	-	-	-	(21,361,975)	-	(21,361,975)	-	(21,361,975)
Dividends for the Non-controlling interest	-	-	-	-	-	-	-	(28,725,706)	-	(28,725,706)	(42,158,055)	(70,883,761)
Capital increase from retained earnings	125,961,985	-	-	-	-	-	-	(125,961,985)	-	-	-	-
Profits for the year	-	-	-	7,394,053	-	-	-	-	-	7,394,053	-	7,394,053
Balance as of 31 December 2018	-	-	-	-	-	-	-	-	5,379,662	5,379,662	83,742,660	89,122,322
	630,586,820	59,994,255	41,935,960	8,168,976	(1,155,316)	-	5,270,682	479,141,901	5,379,662	1,229,322,940	243,124,261	1,472,447,201
Balance as of 1 January 2017	504,624,835	30,657,350	41,935,960	-	(1,875,316)	-	(13,920,869)	169,855,382	112,825,642	844,102,984	18,941,614	863,044,598
Transferred to retained earnings and legal reserve	-	3,546,425	-	-	-	-	-	109,279,217	(112,825,642)	-	-	-
Accumulated foreign currency translation differences	-	-	-	-	-	-	19,737,343	-	-	19,737,343	-	19,737,343
Dividends	-	-	-	-	-	-	-	(28,533,693)	-	(28,533,693)	-	(28,533,693)
Share base compensation	-	-	-	-	720,000	-	-	-	-	720,000	-	720,000
Capital increase from non-controlling interest	-	-	-	-	-	-	-	-	-	-	8,269,399	8,269,399
Net gain from sale of Raya Contact Center	-	-	-	-	-	380,346,421	-	-	-	380,346,421	-	380,346,421
Revaluation reserve of available for sale investments-net	-	-	-	774,923	-	-	-	-	-	774,923	-	774,923
Change in non-controlling interest due to the sale of part of the company's stake in Raya Connect Centre	-	-	-	-	-	-	-	-	-	-	121,138,921	121,138,921
Profits for the year	-	-	-	-	-	-	-	-	50,034,720	50,034,720	53,189,722	103,224,442
Balance as of 31 December 2017	504,624,835	34,203,775	41,935,960	774,923	(1,155,316)	380,346,421	5,816,474	250,600,906	50,034,720	1,267,182,698	201,539,656	1,468,722,354

## FINANCIAL STATEMENTS\*

The following are the names of subsidiaries included in Raya Holding's consolidated financial statements for the reported period.

### COMPANY NAME

1. Raya Distribution Company
2. Raya Integration Company
3. Raya International Service Company
4. Raya Network Services Company
5. Raya for Information Technology and Management Company
6. Raya Gulf Company
7. Raya Technology Company Ltd.
8. Raya Contact Centre Company\*
9. Raya Electronics Company (Previously Sama)
10. Raya Algeria Company
11. Call Centre Company - C3
12. Best Service Company
13. Best Service Company- Nigeria
14. Raya Finance Lease Company
15. Raya for Contact Centre Building Management Company
16. Bariq for Advanced Industrial Techniques Company
17. Ostool for Land Transport Company
18. Raya Restaurants Company
19. Raya Qatar Company
20. Raya Tech Distribution Company
21. Raya for Social Media Company
22. Raya for Data Centres Company
23. Raya Venture and Investment Company
24. Raya Contact Centre Gulf
25. Raya for Food and Beverages Company
26. Raya Contact Centre Company - Europe
27. Aman for Electronic Payments Company
28. Raya for Manufacturing and logistics Services Company
29. Raya Network power Company
30. Eden for Import and Export Company
31. Integrated Technology Systems Company
32. Raya East Africa for financial investments company
33. Madova Company
34. International Federation for Food Industries Company
35. Aman for Financial Services Company
36. Aman for Micro finance Company
37. Raya for Modern vehicles Company
38. Raya for advanced manufacturing Company

## INACTIVE COMPANIES

### COMPANY NAME

1. International Business Ventures Company - IBVC
2. Raya U.S.A. Company
3. Egyptian Company for Investment and Glass Production
4. Oratech for Communication and Information Systems Company \*
5. Oratech for Management and Information Technology Company \*\*
6. Al Byoot Al Arabia for Finance Lease Company
7. Ain Company for Networks
8. Interpain Egypt Company
9. International Business System Company - IBSE

\*For further details, including notes for these statements, please refer to our 2018 annual reports and consolidated financial statements for the year ended 31 December 2018.

\*\* On 13 January 2004, Oratech for Communication and Information Systems Company Company notified the tax authority about its need to temporary suspend its activities starting from 21 March 2003 and it handed over its tax card.

\*\*\* On 25 May 2008, Oratech for Management and Information Technology Company notified the tax authority about its need to temporary suspend its activities starting from 30 June 2007 and it handed over its tax card.

## ANNEX 2

### WORKFORCE DATA

#### RAYA HOLDING (ALL LINES OF BUSINESS - 2018)

##### Gender breakdown of Entry Level, Middle Management, and Senior Management

	Entry Level	Middle Management	Senior Management	Grand Total
Female	2,703	44	13	2,760
Male	7,684	252	85	8,021
Grand Total	10,387	296	98	10,781

##### Ratio of basic salary and remuneration of women to men by employee category

	Male	Female
Entry Level	0.96	1
Middle Management	0.90	1
Senior Management	1.12	1

#### RAYA HOLDING (HQ SEPARATELY)

The below tables demonstrate new hires and turnover for the years 2017 and 2018:

	New Hires 2017	New Hires 2018	Turnover 2017	Turnover 2018
Women Employees	1	0	NA	2
Age range (18-24)	NA	NA	NA	2
Age range (25-34)	NA	NA	NA	NA
Age range (35-44)	1	NA	NA	NA
Age range (45-54)	NA	NA	NA	NA
Age range (>55)	NA	NA	NA	NA

Parental Leave	2017	2018
Females	1	0
Males	1	0

#### RAYA CONTACT CENTER

In addition to a comprehensive career development package, employees are provided with life insurance, health insurance, and parental leave. The below tables demonstrate new hires and turnover for the years 2017 and 2018:

Country/ Location	New Hires 2017			New Hires 2018			Turnover 2017	Turnover 2018
	Egypt	Dubai	Poland	Egypt	Dubai	Poland	Egypt	Egypt
Employees with Disability	0	0	0	9	0	0	0	0
Women Employees	2010	26	2	2230	0	0	1721	1345
Age range (18-35)	5842	0	0	5740	0	0	4725	5837
Age range (35-54)	475	1	0	262	0	0	463	308
Age range (>55)	1	0	0	2	0	0	0	2
Missing Birth date	62	145	7	21	20	128	87	42

Parental Leave	2017	2018
Females	55	93
Males	12	7



## BARIQ

Benefits provided to BariQ full-time employees include health insurance, life insurance, parental leave, and stock ownership options. The below table demonstrates the age and gender breakdown of new hires and employees who left the company in 2017 and 2018:

	New Hires 2017	New Hires 2018	Turnover 2017	Turnover 2018
Employees with Disability	0	0	0	0
Women Employees	1	0	0	0
Age range (18-24)	6	6	6	0
Age range (25-34)	17	26	22	7
Age range (35-44)	11	8	8	9
Age range (45-54)	0	0	1	2
Age range (>55)	0	0	0	0

Parental Leave	2017	2018
Females	0	1
Males	2	3

## RAYA FOODS

Benefits provided to our full-time employees include health insurance, life insurance, parental leave, and disability coverage. A total of 332 and 151 employees left the company in 2017 and 2018 respectively. The below table demonstrates the age and gender breakdown of new hires in 2017 and 2018:

	New Hires 2017	New Hires 2018
Employees with Disability	9	14
Women Employees	68	46
Age range (18-24)	84	70
Age range (25-34)	128	138
Age range (35-44)	52	36
Age range (45-54)	14	9
Age range (>55)	1	254
<b>Total</b>	<b>279</b>	<b>507</b>

Parental Leave	2017	2018
Females	1	2
Males	0	0

# ANNEX 3

## GRI CONTENT INDEX

### RAYA HOLDING

GRI Standard	Disclosure	Page number(s) and/or URL(s)
GRI 101: Foundation 2016		
General Disclosures		
GRI 102: General Disclosures 2016	Organizational profile	
	102-1 Name of the organization	Raya Holdings for Financial Investments
	102-2 Activities, brands, products, and services	8 to 11
	102-3 Location of headquarters	8
	102-4 Location of operations	8
	102-5 Ownership and legal form	8
	102-6 Markets served	8 to 11
	102-7 Scale of the organization	8 to 11
	102-8 Information on employees and other workers	38 to 43
	102-9 Supply chain	64 to 65
	102-10 Significant changes to the organization and its supply chain	64 to 65
	102-11 Precautionary Principle or approach	Previous sustainability report.
	102-12 External initiatives	68 to 71
	102-13 Membership of associations	23
Strategy		
	102-14 Statement from senior decision-maker	6 to 7
	102-15 Key impacts, risks, and opportunities	6 to 7
Ethics and integrity		
	102-16 Values, principles, standards, and norms of behavior	12 to 15
	102-17 Mechanisms for advice and concerns about ethics	34 to 35
Governance		
	102-18 Governance structure	30 to 35
	102-19 Delegating authority	30 to 35
	102-20 Executive-level responsibility for economic, environmental, and social topics	30 to 35
	102-21 Consulting stakeholders on economic, environmental, and social topics	18 to 23

GRI Standard	Disclosure	Page number(s) and/or URL(s)
	102-22 Composition of the highest governance body and its committees	30 to 35
	102-23 Chair of the highest governance body	30 to 35
	102-24 Nominating and selecting the highest governance body	30 to 35
	102-25 Conflicts of interest	30 to 35
	102-26 Role of highest governance body in setting purpose, values, and strategy	30 to 35
	102-27 Collective knowledge of highest governance body	30 to 35
	102-28 Evaluating the highest governance body's performance	30 to 35
	102-29 Identifying and managing economic, environmental, and social impacts	14 to 23
	102-30 Effectiveness of risk management processes	Previous sustainability report.
	102-31 Review of economic, environmental, and social topics	12 to 23
	102-32 Highest governance body's role in sustainability reporting	30 to 35
	102-33 Communicating critical concerns	14
	102-34 Nature and total number of critical concerns	None
	102-35 Remuneration policies	30 to 35
	102-36 Process for determining remuneration	30 to 35
	102-37 Stakeholders involvement in remuneration	External stakeholders are not currently involved in this process.
	102-38 Annual total compensation ratio	Raya Holding is not able to disclose this information.
	102-39 Percentage increase in annual total compensation ratio	Raya Holding is not able to disclose this information.
Stakeholder engagement		
	102-40 List of stakeholder groups	18 to 23
	102-41 Collective bargaining agreements	None of Raya Holding's employees are covered by collective bargaining agreements
	102-42 Identifying and selecting stakeholders	18 to 23
	102-43 Approach to stakeholder engagement	18 to 23

GRI Standard	Disclosure	Page number(s) and/or URL(s)
	102-44 Key topics and concerns raised	18 to 23
	<b>Reporting practice</b>	
	102-45 Entities included in the consolidated financial statements	76
	102-46 Defining report content and topic Boundaries	5
	102-47 List of material topics	14 to 15
	102-48 Restatements of information	Highlighted within this table.
	102-49 Changes in reporting	This report covers Raya Foods, which was not covered in the previous reporting cycle.
	102-50 Reporting period	Two year period
	102-51 Date of most recent report	2016
	102-52 Reporting cycle	January 2017 - December 2018
	102-53 Contact point for questions regarding the report	5
	102-54 Claims of reporting in accordance with the GRI Standards	5
	102-55 GRI content index	82 to 93
	102-56 External assurance	This report is not externally assured.
<b>Material Topics</b>		
<b>GRI 200 Economic Standard Series</b>		
<b>Economic Performance</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	6,8,26
	103-2 The management approach and its components	6,8,26
	103-3 Evaluation of the management approach	Please refer to our 2017 and 2018 annual reports.
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	72
	201-2 Financial implications and other risks and opportunities due to climate change	8, 54
	201-3 Defined benefit plan obligations and other retirement plans	All of our full time employees benefit from health and social insurance, other benefits are offered across the various business lines.
	201-4 Financial assistance received from government	None.
<b>Market Presence</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	8 to 12
	103-2 The management approach and its components	8 to 12

GRI Standard	Disclosure	Page number(s) and/or URL(s)
	103-3 Evaluation of the management approach	8 to 12
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	
	202-2 Proportion of senior management hired from the local community	The majority of our employees and managers are from the local community.
<b>Indirect Economic Impacts</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	6, 64, 65
	103-2 The management approach and its components	6, 64, 65
	103-3 Evaluation of the management approach	6, 64, 65
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	No infrastructural investments were made during this reporting period.
	203-2 Significant indirect economic impacts	6, 33, 34
<b>Procurement Practices</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	64 to 65
	103-2 The management approach and its components	64 to 65
	103-3 Evaluation of the management approach	64 to 65
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	The majority of our suppliers are from the Egyptian market.
Anti-corruption		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	33 to 34
	103-2 The management approach and its components	33 to 34
	103-3 Evaluation of the management approach	33 to 34
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	All operations.
	205-2 Communication and training about anti-corruption policies and procedures	All employees are familiarized with the code of conduct and anti-corruption policies during their induction trainings.
	205-3 Confirmed incidents of corruption and actions taken	No incidents were documented within this reporting cycle.
<b>Anti-competitive Behavior</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	33 to 34
	103-2 The management approach and its components	33 to 34

GRI Standard	Disclosure	Page number(s) and/or URL(s)
	103-3 Evaluation of the management approach	We comply with relevant local regulations.
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	None.
<b>GRI 300 Environmental Standards Series</b>		
<b>Materials</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	54 to 57
	103-2 The management approach and its components	54 to 57
	103-3 Evaluation of the management approach	54 to 57
GRI 301: Materials 2016	301-1 Materials used by weight or volume	54 to 57
	301-2 Recycled input materials used	54 to 57
	301-3 Reclaimed products and their packaging materials	There are no efforts to reclaim packaging materials.
<b>Energy</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	54 to 57
	103-2 The management approach and its components	54 to 57
	103-3 Evaluation of the management approach	54 to 57
GRI 302: Energy 2016	302-1 Energy consumption within the organization	54 to 57
	302-2 Energy consumption outside of the organization	Not monitored.
	302-3 Energy intensity	54 to 57
	302-4 Reduction of energy consumption	54 to 57
	302-5 Reductions in energy requirements of products and services	54 to 57
<b>Water</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	54 to 57
	103-2 The management approach and its components	54 to 57
	103-3 Evaluation of the management approach	54 to 57
GRI 303: Water 2016	303-1 Water withdrawal by source	54 to 57
	303-2 Water sources significantly affected by withdrawal of water	None.
	303-3 Water recycled and reused	54 to 57

GRI Standard	Disclosure	Page number(s) and/or URL(s)
<b>Biodiversity</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	We do not operate in protected or biodiverse areas.
	103-2 The management approach and its components	Not material.
	103-3 Evaluation of the management approach	Not material.
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not material.
	304-2 Significant impacts of activities, products, and services on biodiversity	Not material.
	304-3 Habitats protected or restored	Not material.
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not material.
<b>Emissions</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	54 to 57
	103-2 The management approach and its components	54 to 57
	103-3 Evaluation of the management approach	54 to 57
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	54 to 57
	305-2 Energy indirect (Scope 2) GHG emissions	Not monitored.
	305-3 Other indirect (Scope 3) GHG emissions	Not monitored.
	305-4 GHG emissions intensity	54 to 57
	305-5 Reduction of GHG emissions	54 to 57
	305-6 Emissions of ozone-depleting substances (ODS)	54 to 57
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	54 to 57
<b>Effluents and Waste</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	54 to 57
	103-2 The management approach and its components	54 to 57
	103-3 Evaluation of the management approach	54 to 57
GRI 306: Effluents and Waste 2016	306-1 Water discharge by quality and destination	54 to 57
	306-2 Waste by type and disposal method	54 to 57
	306-3 Significant spills	None.

GRI Standard	Disclosure	Page number(s) and/or URL(s)
	306-4 Transport of hazardous waste	None.
	306-5 Water bodies affected by water discharges and/or runoff	None.
<b>Environmental Compliance</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	54
	103-2 The management approach and its components	54
	103-3 Evaluation of the management approach	54
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	None.
<b>Supplier Environmental Assessment</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	64 to 65
	103-2 The management approach and its components	64 to 65
	103-3 Evaluation of the management approach	64 to 65
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Screening based on social and environmental performance is still not practiced.
	308-2 Negative environmental impacts in the supply chain and actions taken	We are working on enhancing suppliers' capacity to comply with best practices.
<b>GRI 400 Social Standards Series</b>		
<b>Employment</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	38 to 44
	103-2 The management approach and its components	38 to 44
	103-3 Evaluation of the management approach	38 to 44
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	38 to 44, 78 to 81
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	All of our full time employees benefit from health and social insurance, other benefits are offered across the various business lines.
	401-3 Parental leave	78 to 81
<b>Labor/Management Relations</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	38 to 44
	103-2 The management approach and its components	38 to 44
	103-3 Evaluation of the management approach	38 to 44

GRI Standard	Disclosure	Page number(s) and/or URL(s)
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Two weeks at Raya Foods, 1 month at all other companies covered by this report.
<b>Occupational Health and Safety</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	48 to 51
	103-2 The management approach and its components	48 to 51
	103-3 Evaluation of the management approach	48 to 51
GRI 403: Occupational Health and Safety 2016	403-1 Workers representation in formal joint management-worker health and safety committees	The currently available data is limited to The currently available data is limited to Raya headquarters, which hosts staff from Raya Holding, Raya Data Center, Raya Contact Center, Raya IT and Raya Trade. Each line of business has an employee representative in the Health and Safety Committee.
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	11 minor injuries at Raya Foods.
	403-3 Workers with high incidence or high risk of diseases related to their occupation	Not material.
	403-4 Health and safety topics covered in formal agreements with trade unions	Not material.
<b>Training and Education</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	40 to 41
	103-2 The management approach and its components	40 to 41
	103-3 Evaluation of the management approach	40 to 41
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	40 to 41
	404-2 Programs for upgrading employee skills and transition assistance programs	40 to 41
	404-3 Percentage of employees receiving regular performance and career development reviews	40 to 41
<b>Diversity and Equal Opportunity</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	42 to 43
	103-2 The management approach and its components	42 to 43
	103-3 Evaluation of the management approach	42 to 43

GRI Standard	Disclosure	Page number(s) and/or URL(s)
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees 405-2 Ratio of basic salary and remuneration of women to men	42 to 43 Equal.
<b>Non-discrimination</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	We adopt and ensure a zero tolerance policy. Previous sustainability report. Previous sustainability report.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	No incidents were documented within this reporting cycle.
<b>Freedom of Association and Collective Bargaining</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Not material. Not material. Not material.
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not material.
<b>Child Labor</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	We adopt and ensure a zero tolerance policy. Employees can't be hired unless they are 18 years old. Efforts to enhance our suppliers' understanding of our standards are being implemented; such as small holders' compliance with global G.A.P., and planned efforts to enhance the capacity of garbage collectors.
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	33 to 34
<b>Forced or Compulsory Labor</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Not material. Not material. Not material.

GRI Standard	Disclosure	Page number(s) and/or URL(s)
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Not material.
<b>Security Practices</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Not material. Not material. Not material.
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Not material.
<b>Rights of Indigenous Peoples</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Not material. Not material. Not material.
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Not material.
<b>Human Rights Assessment</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary  103-2 The management approach and its components  103-3 Evaluation of the management approach	Raya ensures that there are no human rights violations within all its operations, in addition to making sure that its stakeholders are in compliance with these rights. Raya ensures that there are no human rights violations within all its operations, in addition to making sure that its stakeholders are in compliance with these rights. Raya ensures that there are no human rights violations within all its operations, in addition to making sure that its stakeholders are in compliance with these rights.
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments 412-2 Employee training on human rights policies or procedures 412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Human rights assessments are still not being adopted. Not material Human rights screening are still not being adopted.

GRI Standard	Disclosure	Page number(s) and/or URL(s)
<b>Local Communities</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	68 to 71
	103-2 The management approach and its components	68 to 71
	103-3 Evaluation of the management approach	68 to 71
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	68 to 71
	413-2 Operations with significant actual and potential negative impacts on local communities	None
<b>Supplier Social Assessment</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	64 to 65
	103-2 The management approach and its components	64 to 65
	103-3 Evaluation of the management approach	64 to 65
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Suppliers are not yet screened based on their social performance, we are working on enhancing their capacity to comply with ESG practices, to enable their social and environmental screening in the future.
	414-2 Negative social impacts in the supply chain and actions taken	Strategies will be developed to mitigate negative societal impacts that maybe caused by members of our supply chain.
<b>Public Policy</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Raya is inconstant dialogue with relevant stakeholders around furthering a more conducive regulatory framework.
	103-2 The management approach and its components	Our C-level executives engage various stakeholders and coordinate with industry peers as needed,
	103-3 Evaluation of the management approach	Our efforts focus on bringing relevant bodies up to date with latest commercial developments, and required changes to ensure the competitiveness of the Egyptian economy.
GRI 415: Public Policy 2016	415-1 Political contributions	None.

GRI Standard	Disclosure	Page number(s) and/or URL(s)
<b>Customer Health and Safety</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	50 to 51
	103-2 The management approach and its components	50 to 51
	103-3 Evaluation of the management approach	50 to 51
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	50 to 51
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No incidents took place in this reporting period
<b>Marketing and Labeling</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	51
	103-2 The management approach and its components	51
	103-3 Evaluation of the management approach	51
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	51
	417-2 Incidents of non-compliance concerning product and service information and labeling	There are no incidents in this reporting period
	417-3 Incidents of non-compliance concerning marketing communications	There are no incidents in this reporting period
<b>Customer Privacy</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	35
	103-2 The management approach and its components	35
	103-3 Evaluation of the management approach	35
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	RH can not disclose this information.
<b>Socioeconomic Compliance</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	25 to 34
	103-2 The management approach and its components	25 to 34
	103-3 Evaluation of the management approach	25 to 34
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	There are no incidents in this reporting period

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