

Global Compact

Communication on Progress

**Presented by: Hashem Brothers Co for
Essential oils and Aromatic products / Egypt**

May 2012

Part I

C O P

“We proudly continue our engagement to the United Nations Global Compact. We also continue to embrace and implement the compact 10 principles into our sphere of business influence making the 10 principles an integral part of our business strategies.”

Hashem Brothers Company continues its ongoing support to the United Nations Global compact. We spend all efforts to implement and integrate the Compact ten principles into our business sphere of influence.

Alaa Hashem
President

Human rights

1- Business should support and respect the protection of internationally proclaimed human rights.

- Human rights principles are incorporated into Hashem Brothers code of business conduct.
- This year with the help a CSR consultant, the Company has issued a new internal code of business conduct with all human rights aspect and also recognition of all labor rights.

2-Business should make sure that they are not complicit in human right abuses.

- Our Company and all its supply chain are not engaged in any human rights abuses.

Labor Standards

3 – The freedom of association and the effective recognition of the right to collective bargaining.

- Hashem Brothers respects the freedom of association and the effective recognition of the right to collective bargaining.
- Employees are encouraged by the top management to join labor unions and relevant syndicates.
- The Company provides places to host labor gatherings.



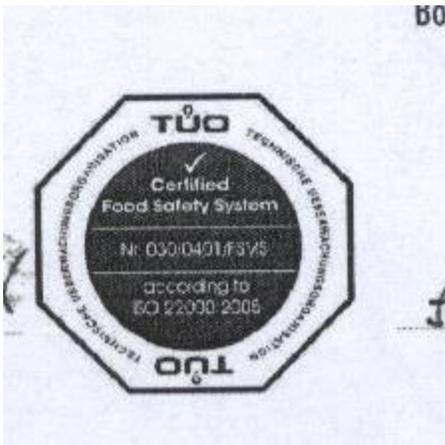
- The Company has issued a new code of conduct recognition all human rights aspect.
- The Company has co-sponsored the publication of a book on Human rights. The book has been distributed to the employees as well as our suppliers and also to the public to raise awareness on human rights.



4- The elimination of all forms of forced and compulsory labor.

- All workers at Hashem Brothers have freely chosen their jobs and are free to quit their jobs upon due notice.
- All forms of forced and compulsory labor do not exist in Egypt.

Complying to international standards: Hashem Brothers Company comply with international standards in production, agricultural and labor standards.



- The Company is in the process of acquiring the ISO 26000 which is dedicated to social responsibility.

5- Business should uphold the effective abolition of child labor.

Hashem Brothers Company believes that combating the phenomena of child Labor in Egyptian agricultural sector should be on top of our social responsibility agenda. We focused this year on improving the basic living conditions of the local community in the areas surrounding our facility and plantations.

Hashem Brothers Company continues to implement the Global Compact 10 principles in different fields, focusing on activities that have an impact on the community. The Company collaborates with many NGO's in order to cover areas and activities that will help in developing the unprivileged areas that government did not reach.

Our efforts this year focused on:

- 1) Combating poverty by empowering the unprivileged families.
- 2) Continue our effort in supporting education.
- 3) Help improving basic health conditions and living conditions in poor rural areas.



“Empowering basic health conditions in the local community” :

The Company has focused its effort into improving basic health conditions in the local Community.

Case 1

- Our major problem in area of Shebin El Kanater town where our factory and plantation exist is renal failure.
- A big number of inhabitants suffer from that disease; the local public hospital of the town suffers from lack of resources.
- The Company has donated 8 Kidney dialysis equipments to the hospital of Shebin El Kanater.
- The equipments are now operating free of charge for the benefit of the sick people.
- The Company also donated heater comfortable arm chairs for the hospital to be used by the patients during the dialysis sessions.



Case 2

The Company has realized the major problem behind the renal failure disease which is widely spread among the inhabitants of the area where our factory is located "Shebin El Kanater" town is that the water is not purified.

- We have focused our efforts in the assessment of the problem and its consequences. We have chosen the village of "Kafr El Shorafa" to start our project in which is a village with more than 10,000 inhabitants.
- A big number of the inhabitants of the village suffer from renal problems. With a help of a local NGO working in the village, we have inserted a big water filtering machine on the major source of fresh water supplying the village houses.
- Starting the month of March 2012 all water supplied to the houses of the village is now purified which will have a direct positive impact on the health of the inhabitants of the village of "Kafr El Shorafa".



"Pictures showing the water filtering machines"





Case 3

Building a local health unit for the inhabitants of "Shobra Beloula" village.

- Most of the raw material for our industry comes from a place in the Delta mostly in the village of "Shobra Beloula" in "Tanta" governorate.
- The village has more than 5000 inhabitants with no health care unit.
- With the collaboration with the village inhabitants we have built this year several clinics fully equipped for the benefit of the village inhabitants.
A clinic for general health, a clinic for child care, a dental clinic, and a clinic for female health.
- All clinics will operate against a small fee in order to guarantee sustainability.



(A picture for the gynecology clinic)



(A picture for the dental clinic)



(A picture for the child care clinic)



(A picture for the general health clinic)

“Providing education in rural areas”:

We continue our efforts in providing education in rural areas particularly in Kalyoubeya governorate.

- Our two schools both the elementary and the secondary education continue to provide free education for the local community.



Picture of "Dr Moustafa Hashem Elementary school" built early 1995
Kafr El Shorafa / Kalyoubeya / Egypt



- This year we have sponsored the renewal of bathrooms in the Secondary school built by the Company.

"Introducing ICT learning to the rural community":

- Our Community services computer lab continue to provide basic computer skills classes for the youth of the local community of “Kafr El Shorafa” village. A small fee is collected which enables the project to be self sustained.



All graduates of our computer lab have been introduced to the basic IT tools to enable them to join labor force easily.

"Improving basic living conditions in El Haraga village (115 Km South of Cairo)":

El Haraga Village is 115 Km South of Cairo particularly in Beni Sweif governorate. It is important to mention that we have chosen this area because most raw materials of our industry come from this governorate.

The village has 10,000 inhabitants from which 50% lives in very bad conditions:

- No concrete roads
- Poor living conditions
- Unhygienic atmosphere



The houses of the village had the following problems:

- No or poor roofing
- Unstable walls
- Absence of drainage system

Roofing

In the following pictures one can notice that most of the houses of the village are having straw or wooden roofs. Most roofs of the houses are made from straw which could not protect the inhabitants of the houses from cold weather and other bad weather conditions such as rains.

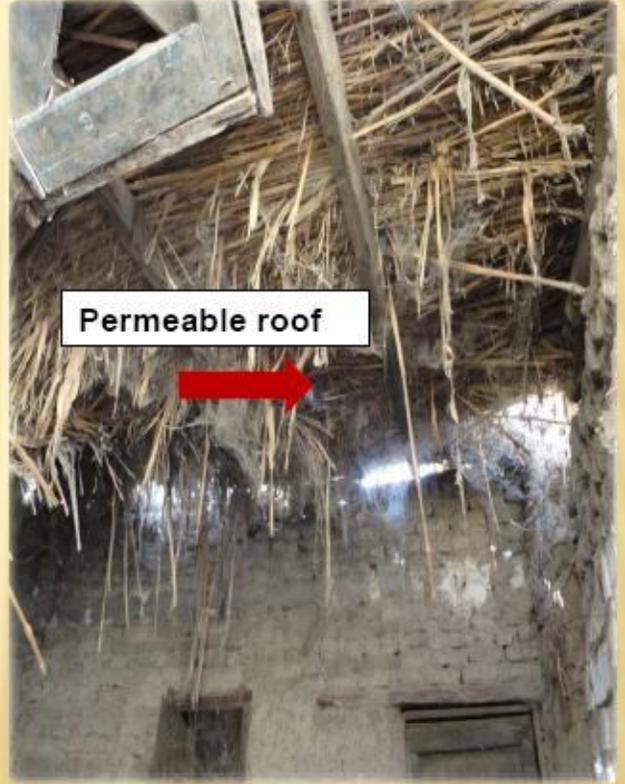
- That is why the majority of the people living in those houses suffer from rheumatism and joint pains caused by humidity. Consequently, these disabled people are not able to work and generate income.

In the next pictures we can notice the condition of the roofs of the houses made from staw and wood.





Poor materials



Permeable roof



Permeable roof

No proper roof above the living room



Again permeable roofing conditions

- Our company decided to intervene and provide proper roofing for the houses of the village-our intervention was with the collaboration of a local NGO “Al Tanmeya Al Mostadema NGO”.

- Improving the housing condition can help the inhabitants of the village develop themselves and live a healthy atmosphere.
- A problem occurred while building the roofs of the village houses that the walls of some houses felled, we have decided to build new houses for the families.
- With the help of the NGO working in the "Haraga" village, Hashem Brothers has succeeded to build a number of ten homes.



(A picture showing the building completed for the houses.)

"Supporting Local NGO's programs in providing basic needs of the local community":

Hashem Brothers Co. collaborate with the “ Meshwar NGO” in providing food for the extremely poor families in Giza. These families or individuals were selected by the NGO after applying social researches on their cases. Findings showed that those candidates could not work because of some illness or age.



Every month since 5 years our company donates fresh table eggs from our farms to each individual supported by the Meshwar organization.



6- The elimination of the discrimination in respect of employment and occupation.

- Hashem Brothers is not engaged in discrimination based on race, religion, gender, union membership or political affiliation.



- Female empowerment is part of the Company policy, each year we hire more females.

Environment:

7- Business should support a precautionary approach to environmental challenges.

For the 8th year, Hashem Brothers Co. continues its tree cultivation program with the collaboration of “The Egyptian Association for Environmental and Community Services”. Trees are cultivated each year in the most polluted areas of Cairo.



8- Business should undertake initiatives to promote greater environmental responsibility.

The company supports an initiative of promoting the use of cotton shopping bags instead of plastic bags which can be harmful on the environment.



“Our Organic Compost Production”



Our organic compost production site helps in promoting organic agriculture and eliminates the use of chemical fertilizers. Further, it helps in cleaning our area from chicken manure due to the large number of chicken farms in the area surrounding our facilities.



9- Business should encourage the development and diffusion of environmentally friendly technologies.

- Hashem Brothers supports and promotes the diffusion of the organic concepts in agriculture and production process in the agriculture sector in Egypt.

10- Business should work against all forms of corruption including extortion and bribery.

- Hashem Brothers Company has introduced anti-corruption policies in our internal code of business conduct 2012.
- The Company also has provided an internal framework reporting system on any abuses of integrity.
- Several internal meetings have been held with the help of a CSR consultant to introduce the issue of anti- corruption to the employees of the Company.
- Employees were encouraged to join the Learning platform of the Global Compact website to learn more about the subject.
- Several meetings were held with the local suppliers of our Company to raise awareness on the issue of anti- corruption.

Part III

"The UH Global Compact is an international initiative that brings together companies, UH agencies and labour and civil society organizations in support of ten principles covering human rights, labour and environment. The ten principles are based on the Universal Declaration of Human Rights; the International Labour Organization's Declaration of the Fundamental Principles and rights at work; and the Rio Declaration on Environment and Development."

As a member of the Global Compact, We believe that our business policies incorporate the ten principles since we participate in the Global Compact meetings and workshops.

Below is an index to our performance in living the ten principles. More information and data are available throughout this report and will be shortly published on our website. (www.hashembrothers.com)

Global Compact Principles	Corresponding GRI indicators
1. Business should support and respect the protection of international proclaimed human rights within their sphere of influence	HR1, HR2,HR3,HR4
2. Business should make sure that they are not complicit in human rights abuses	HR2, HR3
3. Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.	HR5, LA3, LA4
4. Businesses should uphold the elimination of all forms of forced and compulsory labour	HR7
5. Business should uphold the abolition of child labour.	HR6
6. Business should eliminate discrimination in respect of employment and occupation.	HR4, LA10, LA11
7. Business should support a precautionary approach to environmental challenges.	3.13
8. Business should undertake initiatives to promote greater environmental responsibility	EN1, EN2, EN3, EN4, EN5, EN6
9. business should encourage the development and diffusion of environmental	EN17
10 - Business should work against all forms of corruption, including extortion and bribery.	