



**Hashem Brothers  
Communication on Progress Report**

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For Essential Oils & Aromatic Products

**June, 2014**

## Abstract

On the occasion of launching our first stand- alone GRI-based social responsibility report, Hashim Brothers (HBs) would like to seize the opportunity and thank all who have participated in developing this report. It wouldn't have been possible without the immense contribution and support of our farmers, workers, employees, suppliers, civil society, and customers. Our aim through formulating this report is to provide a clear picture of our economic, social and environmental commitments and impact while opening a formal, credible and transparent communication channel with all our stakeholders, whom we deeply value and appreciate.



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## 1. Message from the President

Over the past 38 years, HBs has proudly maintained its tradition of commitment to quality in its operations, products and customer service. We regard social development and environmental protection as complementary factors to a sound economic development. We believe in a set of business principles that guide our operations; accountability, sustainability, transparency, persistence, and deliberation are but a few of our core principles.

Hashem Brothers continues its support to the United Nations Global Compact principles we regard social development and environmental responsibility as a complementary factors to a sound economic development.

Implementing the Global Compact ten principles within our sphere of business influence became an integral part of our Social Responsibility agenda.

Finally, I would like to stress that we are pleased to share with you our successful stories, challenges and opportunities, and our future commitments to give you an in-depth overview of who we really are and create a tangible and proactive relationship with all our stakeholders.

Sincerely,

*Alaa Hashem*

*President*



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## ABOUT HASHEM BROTHERS

Hashem Brothers (HBs) is a family partnership in the field of agro-business that has come a long way since its establishment in 1974. Ever since, essential oils and aromatic products branch were introduced in 1995. HB's priority has been to restore Egypt's essential oils industry to its former glory and to regain Egypt's position in the international markets. Producing premium quality products has made the company a pioneer in essential oils production and in acquiring a reputable position in the international market. Since its inception, the family partnership, has researched, explored and passionately produced oils and aromatic products to comply with the international market demand. Dedication, attention to details, full commitment and keenness are the key words behind our success. HBs has been moving forward to meet the competitive market demands by expanding its business activities, building the necessary infrastructure and developing its capacity to satisfy the market needs.

Hashem Brothers (HBs) is a family partnership which was established in 1974 with a total number of employees that reaches 50. HB's prime expertise is in the field of producing essential oils and aromatic products in Egypt with a range of 60 different types of fine quality Essential oils, hydrosols, Concretes and Absolutes. HBS is considered the owners of Egypt's largest Jasmine and Bitter Orange plantations. HB has also the largest market share of Egypt's Jasmine Concrete, Geranium and most of the Neroli outputs. HBs exports to over 15 countries. HBs annual sales value exceeded 10 Million USD in **2012**.

HB uses 100 % local inputs, and exports 100 % of its products. The scale of its operation drove the whole industry forward, encouraging the development of support activities; including contract farming, and distribution. The company also pushed for high standards of relevant safety codes, which also contributed to raising the industry standards. HBs complies with the international certifications ISO 26000, ISO 18001, 22000, NOP, EC Organic Certificate (EU), Halal and KOSHER.

Our path is evolutionary, gradual, and systematic as it rests on the understanding that the challenges of the future are there to be met today. HBs invests strongly in the development and growth of its business, not only through increasing the capacity of its employees, but also through creating an ethical spirit of competition, integrating technology, and always maintaining field research. HBs takes extreme pride in taking the lead and setting a successful model for an extraordinary change, and integrating alternative, sustainable methods for field expansion and growth. The factory for essential oil production is located in Egypt, Kalyoubeya, which is a unique model on its own.

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Where we are located:

Factory & Plantation: Qalyoubia

Secondary Facility: Minia

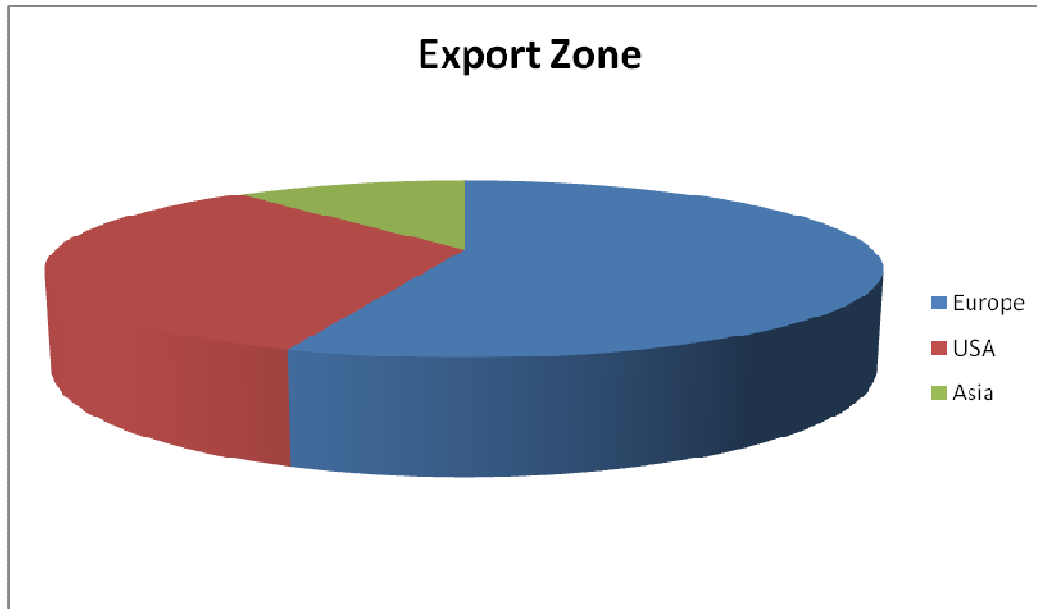
New Plantation: Cairo – Alexandria Desert Road



The past year has been extraordinary for HBs, despite volatile market conditions. There is no doubt that HBs is facing challenges under the current business environment, however, HBs has established a strong base, through a deep understanding of social responsibility and how that contributes to the welfare of the organization at critical times. Our commitment towards our customers, employees, farmers, supply chain, environment, and society has helped us in difficult times to maintain our position through increased productivity, customer loyalty, innovation, resources conservation, and many other factors.

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## HBs Export Zones



### Mission

HB is dedicated to excellence in every area- using knowledge, creativity, innovation, and technology to provide its customers with superior consumer understanding and the highest quality products and services. From industry insights to anticipating and interpreting the latest trends, HB provides its customers with the edge they need in an ever- changing market.

### Vision

We aim to flourish and expand our business and field of expertise to satisfy the market needs and requirements. We believe that giving back to the community is a major key for responsible business conduct. We aim to dedicating resources and efforts into the domain of social and environmental activities with the collabouration of our stakeholders (employees, workers, suppliers, farmers, local NGO's & clients) within the Compsny's sphere of influence.

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## Values

### WE VALUE...

- **Our customers:** we are restless when it comes to customer responsibility.
- **Our employees:** we are a family.
- **Our shareholders:** we are transparent.
- **Our business:** we are persistent.
- **Our product:** we are quality-focused.
- **Time:** we are accountable.
- **The environment:** we are deliberate.
- The whole society: we are sustainable.

### *HBs Strategy*

Our business strategy is to sharpen our focus on development thinking. This is reflected on our business policies and investments, which are aimed at achieving a successfully advanced, sustainable model. Our model is achieved through creating an indisputable economically ethical engine that benefits the country at large.

### *HBs Philosophy*

“Listen to the need of your local community”

“Interact with your stakeholders”

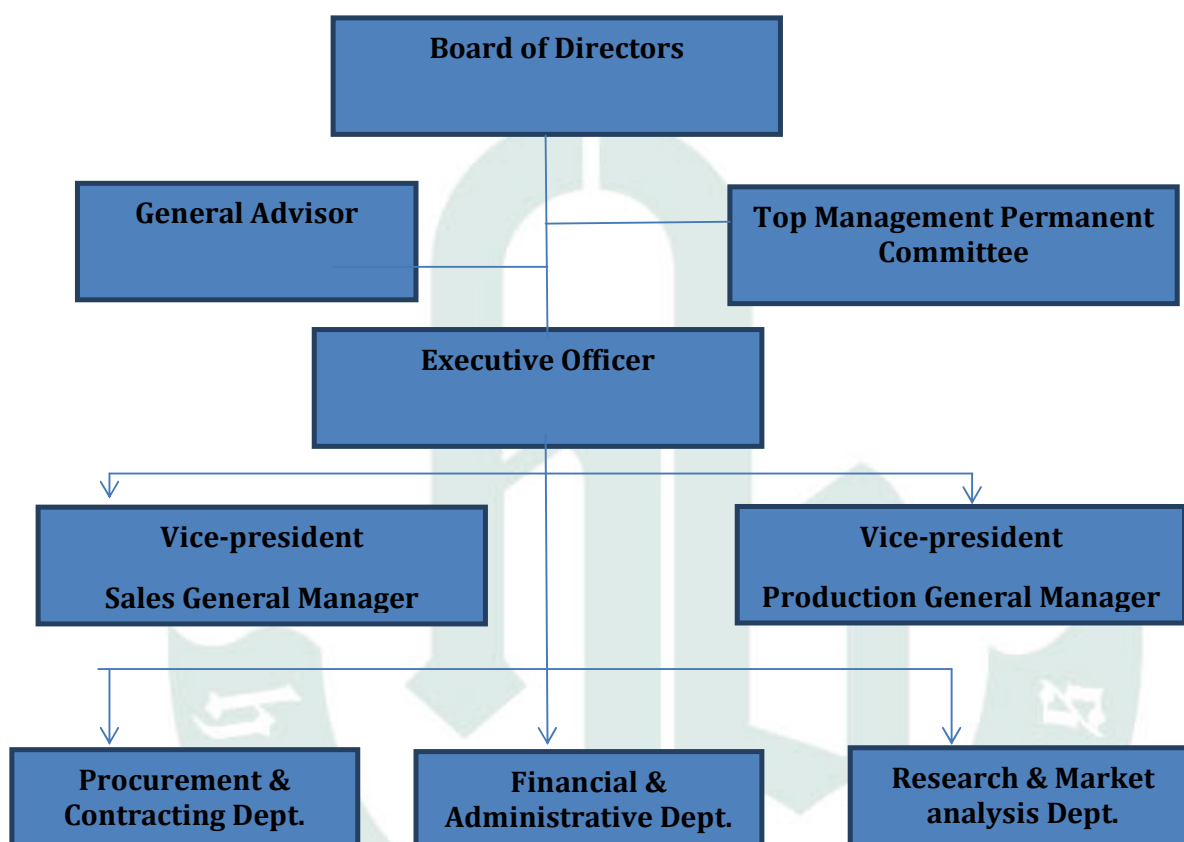
“Think out of the box”

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## Organization structure



## Hashem Brothers Corporate Governance (Transparency & Integrity)

HB has a board of directors whom are carefully chosen according to their expertise, educational background, and experiences.

## Hashem Brothers Board of Directors

1	AlaaHashem	President & CEO
2	MostafaHashem	Vice-president (Sales)
3	AmrHashem	Vice-president (R&D)
4	SohailaHashem	Managing Director
5	Mohamed Hafiz	CFO

For us, compliance signifies the integrity of our actions, as well as the ethical and moral principles to which we are committed to. We have established firm guidelines in order to help us achieve our goal in reaching the highest standards of integrity and transparency. These standards are regularly revised and enhanced.

### *Our Factory*

Our factory was built with an aim to maximize product quality, reduce production wastes, and minimize environmental impacts, and control product safety and hygiene. Our factory was built with a view to infrastructure that prioritizes creativity and innovation.



We believe that the work environment has a great impact on our employees, and that is why we have built our factory with the highest standards of safety and comfort.

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### **Report Scope and Boundary**

In this report, we only refer to the activities and performance undertaken by the Company for the last two years. As this is our first issued sustainability report, we will be reporting on one year for readers to identify our growth, progression, and development and to have an in-depth overview of the company's initiatives, activities, commitments, and overall environmental, economic, and social performance.

Our report follows the guidelines of the GRI Reporting Framework. We are committed to respond to more indicators in the upcoming report as we are working on integrating the GRI Framework in our business.

For Further information about HBs report or further details about our corporate social responsibility activities and initiatives please contact Sohaila Hashem or e-mail us at [sohaila@hashembrothers.com](mailto:sohaila@hashembrothers.com)

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## MANAGING OUR RESPONSIBILITY

### Our Approach

Implementing corporate social responsibility helps the company create new opportunities for short, medium, and long term business objectives. It also leads to opportunities which create tangible business benefits and long term business profits. Customers, employees, and potential investors are all becoming more aware of environmental responsibility.

### Our Commitments

- To ensure an on-going sustainable raw material supply
- To reach zero emissions
- To double our size of production, as the demand is growing drastically
- To reach higher quality standards (NOP, EC Certificate of Organic Agriculture, HALAL, KOSHER, ISO 22000:2005, and OHSAS 18000:2007)
- To create proper customer complaints management and documentation system
- To increase the level of employees' engagement
- To implement a proper auditing system and a suppliers' code of ethics



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## **RESPONSIBILITY TOWARDS OUR CONSUMERS**

The success of HBs is the result of quality in every detail, from organization to employees, and from logistics to service. These factors are combined to make HBs a reliable producer.

### **1. Product responsibility**

#### **IT IS OUR RESPONSIBILITY**

To conform to all Standards of Quality and all production related logistics.

#### **WE AIM TO**

- Provide safe, good quality products & services that meet our customer daily needs everywhere.
- To identify, control and update the process steps that are critical to product safety.

#### **WE SET**

- Objectives and targets for product Safety and quality

#### **WE ESTABLISH**

- Audit procedures for monitoring compliance and improvement.

**We assure our product quality and safety by creating a quality culture behaviour among all workers and employees.**

#### **Cascading quality concept is achieved through;**

- Awareness & training through clear effective communication
- Spreading Quality Culture
- Health & Safety training
- Housekeeping & personal Hygiene trainings
- Facility security

We have rigorous control over the manufacturing processes, and we reinforce the need to comply with local and global rules and regulations, which have added extra complexity to our manufacturing process over the years. Technology is used to maximize product quality and reduce production costs. Creating closed-loop production systems has helped minimize adverse impacts in our production, and maximize product safety and hygiene.

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## **STAKEHOLDERS**

Stakeholder engagement and reporting is a crucial planning tool that helps companies achieving their business targets more effectively. It is a formal communication tool where companies and industries can engage to ensure sustainability and growth, while winning the support of its stakeholders as well

### **Our key Stakeholders**

- Consumers
- Employees
- Civil society (NGOs & Charities)
- Regulators
- Suppliers
- Farmers
- Workers
- Professional sector/labour associations
- Competitors

### **Tools and Frequency of Communication**

- Social Responsibility reporting
- Global Compact Communication on Progress
- Focus groups
- Interviews with customers
- E-mails

### **Stakeholders Dialogue**

As part of good corporate governance, we enter into discussions with our stakeholders and make an effort to respect their interests. We know that our stakeholders have a critical influence on whether our business thrives or fails. Their expectations and needs are what link our company's commitment to sustainability with our business success. Determining which issues are relevant to specific interest groups is the job of the HBs sustainability committee, whose members maintain regular contact with our stakeholders. The committee analyses and evaluates sustainability issues at regular intervals to establish their relevance to our stakeholders and their significance for HBs. We identified and set out the topics relevant to our stakeholders and to HBs itself in a materiality matrix.

### **Stakeholder analysis**

Our business puts us in contact with many different groups of people, including clients, suppliers, employees, investors, and representatives of governments, residents of the neighbourhoods surrounding our facilities, the media, opinion makers and NGOs. For us, maintaining an active dialog with these external interest groups serves as a tool to help us identify expectations and develop credible solutions, which is why we foster discourse every place where we do business – discourse, in other words, that plays out on an international level as well as in regional and local settings.

We have a presence in over 15 countries and sell more than 60 products throughout the world. Our clients expect high-quality products, innovative solutions, reliable delivery and an attractive cost-benefit ratio. Our employees expect us to support them and demand career advancement opportunities – in an environment where their work is rewarded both personally and professionally. The society in which we hope to be successful expects us to contribute to its social success. Nature expects us to preserve its resources as much as we possibly can. And our expectation of ourselves is that we meet all of the above expectations.

## **OUR EMPLOYEES**

### **Policy:**

Hashem Brothers as being defined as a Family business corporation, the Company is adopting the policy of the equity at the working atmosphere. There is no discrimination in treatment based on gender, religion or education. The Company encourages the hiring of women in the high management positions. The application of this policy copes one of the most important principles of the Social Responsibility.

We believe that our employees are a core component of our long-term success. Our mission is to create a healthy working environment in which employees fulfil their potentials and develop their skills and talents. We have created a corporate culture where our employees have the opportunity to make decisions, take responsibility and get regular feedback on their performance.



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## **Human rights Principles:**

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 labour 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. HB regularly monitors its supply chain through visits and face-to-face meetings.

## **Human Rights principle implementation through our stakeholders:**

### ➤ **Employees:**

Implementation and monitoring the outcomes:

- The company does not require involuntary labour
  - Employees should not be restricted from reasonable movement within the work place. Security personnel are not allowed to restrict the movement of employees or force employees to work.
  - Employees are allowed to leave employment any time with reasonable notice.
  - HBs grants employees' permission to leave the facility under reasonable circumstances, such as personal or family emergency, without disciplinary penalty.
  - All overtime work is voluntary.
  - We have introduced the international and the national labor laws to the employees by distribution for code of business conduct through the employees
  - regular evaluation for the employees performance "employee of the month / employee satisfaction survey"
  - explain the finished and potential SR activities and the role of each member in it by contribution of the employees in the SR activities
- 
- 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.
  - In 2011, HB had Co-sponsored the printing and publication of a book that simplified what is meant by a constitution.

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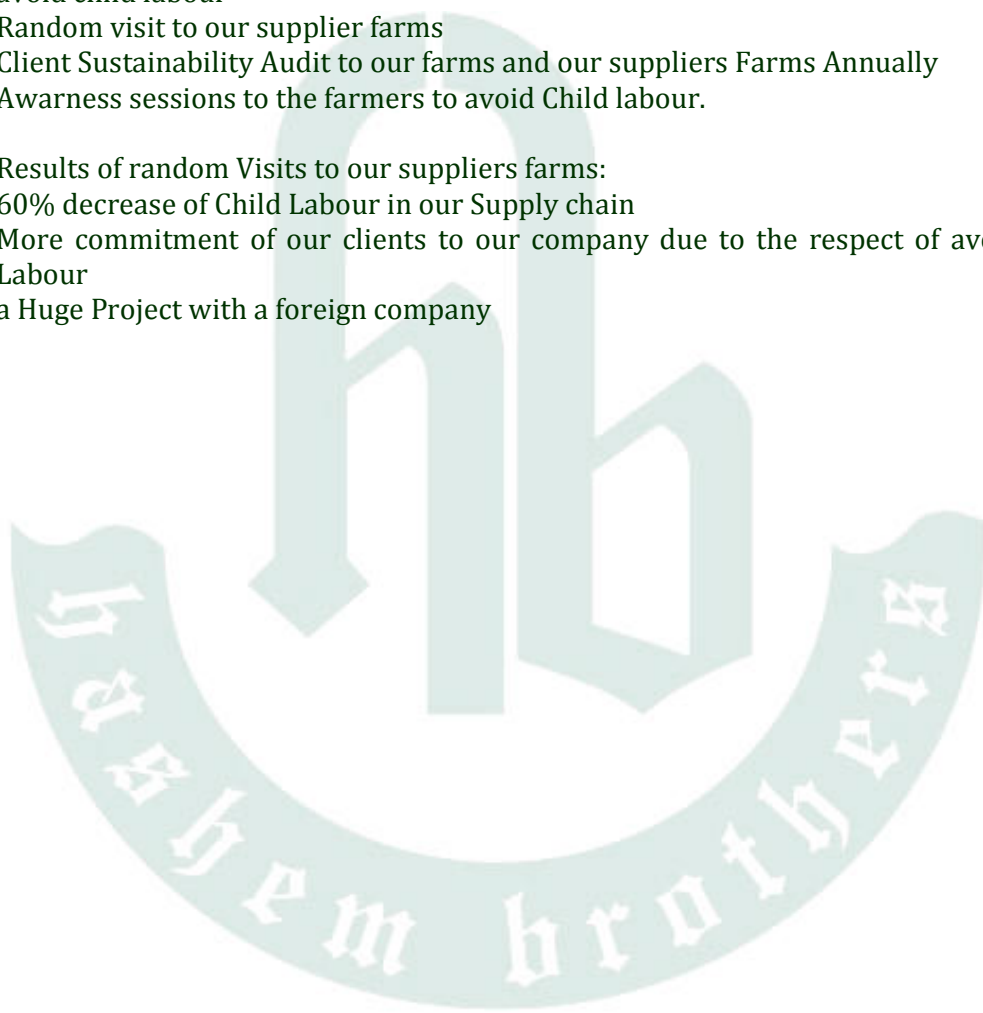
## ➤ Suppliers

Implementation and monitoring the outcomes:

- Eliminating Child Labour Phenomena in our Supply Chain; Contracts with Supplier to avoid child labour
- Random visit to our supplier farms
- Client Sustainability Audit to our farms and our suppliers Farms Annually
- Awareness sessions to the farmers to avoid Child labour.

Results of random Visits to our suppliers farms:

- 60% decrease of Child Labour in our Supply chain
- More commitment of our clients to our company due to the respect of avoiding Child Labour
- a Huge Project with a foreign company



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## **Labour Standards principles**

- 3- Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
  - 4- The elimination of all forms of forced and compulsory labour
  - 5- The effective abolition of child labour; and
  - 6- The elimination of discrimination in respect of employment and occupation
- 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 labour unions and relevant syndicates.
  - The Company provides places to host labour gatherings.
  - The Company has issued a new code of conduct recognition all human rights aspect.
  - The Company has acquired the ISO 26000 which is dedicated to social responsibility.

## **At the Work Place**

The recruitment of staff is based on a non-discriminatory process to appoint the best candidate for the job. All our employment contracts contain a clause forbidding discrimination on all bases. Being an equal opportunity employer, we are committed to eliminating discrimination in employment particularly and to provide a work environment where all employees are treated with respect and dignity. Hashem Brothers works hard to provide equal opportunities for men and women in taking high positions, salaries and benefits.

## **Labor practices:-**

- **Employment & Employment relationships**

### **Policy:**

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There is no discrimination in treatment based on gender, religion or education. The Company encourages the hiring of women in the high management positions. The application of this policy copes one of the most important principles of the Social Responsibility.

### **Responsibility:**

- 1- The Board of Directors is responsible of applying the SR program of the company each year.
- 2- The SR Manager is responsible of monitoring the application of this policy annually.

### **Procedures:**

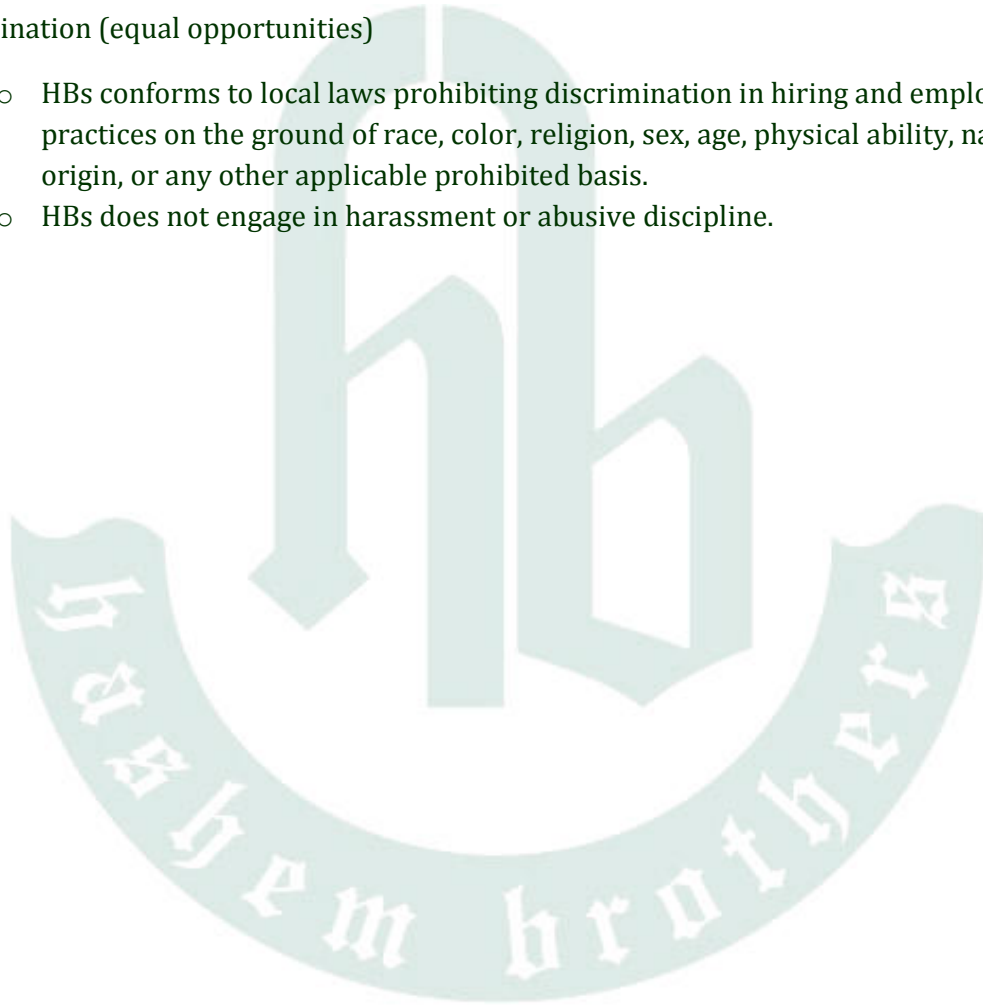
- 1- Record all Social Responsibility activities in records.
- 2- Publish all these activities in our annual report.

## Labour - Management Relations and Communication, Empowerment, and Engagement Tools

- Complaints box
- Employee's empowerment
- Employees handbook and manuals

### No discrimination (equal opportunities)

- HBs conforms to local laws prohibiting discrimination in hiring and employment practices on the ground of race, color, religion, sex, age, physical ability, national origin, or any other applicable prohibited basis.
- HBs does not engage in harassment or abusive discipline.



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## Labour Practices implementation through our stakeholders

- Employees

### **Health and Safety**

Effective health and safety practices play a central role in our daily operations. The health and safety department strives to ensure a safe, sound and health working environment and give special attention to the well-being of our employees. We ensure that all information, policies and regulations are communicated appropriately to all workers. All employees and workers receive health and safety training and guides with pre and post assessment. We also have established an internal Work Health and Safety committee.

- Fire fighting system (annually)
  - First aid training in program (annually)
  - Chemical handling (annually )
  - How to use PPEs (annually )
  - Smoke detectors
  - Fair Working shifts
- **train the employees and workers about the risks in using some ingredients**
  - **Posters all over the working place for the precautions actions for the H1N1**
  - **Improving Labour Standards; Health and Safety at work environment under OHSAS 18001 System**
  - **Good Manufacturing Practices by ISO 22000**
  - **providing medical insurance service to our employees.**
  - **Appraisal to Employees to work with Sustainability Standards.**

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## ➤ OUR SUPPLY CHAIN

HB is fully aware of its role and impact of developing its suppliers given the fact that we use 100percent local inputs and export almost 100percent of our products.

In order to achieve sustainable development, HBs includes suppliers in its development program to fulfil the company's corporate responsibility. Strengthening our supply chain will ensure high quality product from suppliers which will eventually save the company's' time, money and manpower.

The objective is to advance local capabilities and develop their technical skills and professionalism and provide them with efficient information that would improve their businesses performance on the technical and humanitarian levels. We have created a system for suppliers for Procurement Activities to ensure that all suppliers are offered equal opportunities, evaluated fairly, abiding by all laws and social standards, and protecting the environment in each and every activity related product manufacturing.

### **Commitments**

- We ensure that all its suppliers conduct internal audits
- We construct an auditing system for suppliers
- We ensure that our suppliers perform according to labour laws and human rights practices
- We work on constructing a suppliers' code of ethics
- **we provide Incentives to Jasmine workers and suppliers as a bonus for the quality of Jasmine Flowers collection**

### **measurements of the outcomes:**

- **We have measured the number of accidents /year and we have reached 90% decrease.**
- **we have Measured the quality offered to clients by the number of rejected samples and we have reached 50% Higher quality of Final product**
- **we are getting Better Performance under Sustainability Guidelines**
- **Higher yield of Jasmine Flowers; we have reached 40% increase of high quality Jasmine Flowers Quantiy**

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## Hashem Brothers efforts in fighting Child Labour in the Agricultural Sector

- 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 focuses on:
  - 1) Combating poverty by empowering the unprivileged families.
  - 2) Spreading education and fighting illiteracy
  - 3) Help improving basic health conditions and living conditions in poor rural areas.
    - HBs complies with legal work restrictions for young workers
    - HBs does not hire employees less than 16 years old



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## **ENVIRONMENT PRINCIPLES**

- 7- Businesses should support a precautionary approach to environmental challenges;
- 8- undertake initiatives to promote greater environmental responsibility; and
- 9- encourage the development and diffusion of environmentally friendly technologies.

### **Policy:**

Hashem Brothers is committed to respect and fulfil the environment pollutants standards according to the Business Conduct & the Egyptian environment and labour law to provide safer workplace. Hashem Brothers is committed to apply the Global compact environment standards through its SR activities.

Environmental protection is a fundamental value of HBs; accordingly, it has developed a strict environmental program that goes beyond compliance to set higher standards in achieving our target in reaching zero emissions and waste footprints. We believe that waste is the result of not using materials efficiently. By reducing our waste, we will definitely make production processes more efficient. Waste activities such as recycling, waste control, emission reductions, pollutants reduction, and energy use reduction is a priority to us when we set our business core strategy and yearly budgeting.

We aggressively control our environmental footprints and this is how we achieve our target. We encourage best practices among our employees. We support and give them the space to come up with environmentally friendly solutions to reduce environmental footprints and they are rewarded on their efforts by increasing their yearly bonuses. We provide our employees with frequent orientation and training sessions about environmental footprints and its impact and possible alternative methods related to this industry to reduce business resulted foot prints. We maintain a good monitoring and assessment system to measure the effectiveness of our applied waste management system. We ensure that we confirm with all local environmental laws and regulations.

### **Our aim and goal is to:**

- Improve Environmental Performance and Responsible Use of Resources such as energy, water and materials, more efficiently
- Responsible use of fertilizers
- Develop new and cleaner products meeting the growing consumer demand for greener products
- Improve business and reduce the environmental risks resulting from our production by Exchange Experience Regarding Social Responsibility
- improve the health conditions in plantation areas
- Develop our agricultural techniques to reduce environmental footprints and provide sustainability of our products & reclamation of desert land
- For the 8th year, Hashem Brothers 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.
- The company supports an initiative of promoting the use of cotton shopping bags instead of plastic bags which can be harmful on the environment.
-

## Environmental practices implementation through our stakeholders

- Changing irrigation system at our farms by using drip irrigation instead of flood irrigation
- Decrease the Electricity consumption using power saving lamps.
- Using Heat Insulators on the water pipes.
- Using the condensation water in irrigation.
- Using the distilled water (By-product of distillation) as a new product. (Floral water).
- **The Diffusion of Environmental Friendly Techniques “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 which:

1. Encourage farmers of our supply chain to use organic fertilizers
2. Help many of our supply chain farms to become organic certified
3. Turn the waste of our factory into organic compost
4. HBS' new project turning chicken manure into organic compost for the elimination of the use of chemical fertilizers and its negative side effects on health of farmers and on the soil.
5. The project aims in the spread of the organic concept in the Egyptian agricultural sector.
6. The project also contributed in providing new jobs for the unemployed people of the Villages next to HB factory.







- **Promote Sustainability Practices with our clients as an action of the environmental practices through a large project agreement with a multinational company regarding sustainability to buy sustainable product, sustainable agriculture and we facilitate the lands and the place to establish this project.**

**New Project Partnership between us and one of our key Customers in product sustainability 2010-2012 in agriculture and production of strategic products**

Supporting sustainable agriculture:

Incorporating sustainable agricultural 'factors' into a long-term ingredient sourcing plan;

Working hard to improve crop yields and reduce cost;

Improve agriculture practices use pesticides and fertilizers in the most responsible way.

HBs has established pilot project in the Cairo-Alexandria desert Road to be a model for sustainable agriculture in partnership with one of our key customers;

The project focuses on Geranium best practices in plantation and yield in production.

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**Improving 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 the area of Shebin El Kanater town where our factory and plantation exist is renal failure.
- A big number of inhabitants suffers from that disease; the local public hospital of the town is very poor and lacks a lot of basic resources.
- The Company has donated 8 Kidney dialysis equipments to the hospital of Shebin ElKanater.
- The equipments are now operating free of charge for the benefit of the sick people.
- The Company also donated heather comfortable arm chairs for the hospital to be used by the patients during the dialysis sessions.



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## 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 suffers 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".



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"Pictures showing the water filtering machines"



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### Case 3

#### "Fresh water and sewage system in Menyah with the collaboration of Kassem El Masry NGO":

The village of Kafr el Madawer in Menya Governorate 200 km south of Cairo suffers severely from lack of a proper sewage system and the lack of the access to fresh water inside their houses. The village has about 4000 inhabitants only 2% of the village houses have access to fresh water inside their houses. The rest of the people have to bring water from a community "water supply" for their household usage and mostly for drinking. Again only 2% of the houses have a proper sewage system.

Hashem Brothers have collaborated with a local NGO in the village (Abnaa Kassem El Masry NGO) and sponsored bringing fresh water to a number of houses as well as installing a proper sewage system to these houses. This project will continue for the next year.



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#### Case 4

##### Building a local health unit for the inhabitants of "ShobraBeloula" 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 gynaecology clinic)



(A picture of the general clinic)





(A picture for the dental clinic)



(A picture for the child care clinic)

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### “Providing education in rural areas”:

- Elementary school was provided in the area surrounding our factory and plantations in Kafr El Shorafa village (kalyubeya)
- The school today caters for more than 700 students.
- The second school built by Hashem Brothers is dedicated for secondary education also in the same village. This school capacity caters for 600 /1000 students.
- Both the two schools were donated to the ministry of education .The Company held itself ethically responsible for all restorations of the schools whenever resources are available.



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### Illiteracy Eradication Classes for Women

- HB has opened classes for illiterate women in the local community; they have a chance to learn in a friendly and encouraging atmosphere. These classes were opened in Menya in the village of Kafr El Madawer under the supervision of Kassem El Masry NGO which is a local NGO operating in that village. We have chosen Minya particularly for 2 reasons : because about 50% of the raw material for our industry come from the area around Menya and Benysweif and secondly because we do own a secondary facility there supervision and impact of the classes can be easily measured.



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### **Women Empowerment Initiative**

Generating income for unprivileged women of Meet Okba and Ard El Lewa (Giza Governorate) in collaboration with the Egyptian Association for Environmental and Community service.



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### **Informal education for Drop out children & Pre-School Children**

- The second achievement for HB was the opening of informal education class to include drop out children. The aim of this class is to engage the drop out children in a program which can provide them with basic educational needs.
- About 100 students every day attend those classes.



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**"Introducing ICT learning to the rural community":**

Our Community services computer lab continues 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 (350 graduates). All graduates of our computer lab have been introduced to the basic IT tools to enable them to join labour force easily.



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

El Haraga Village is 115 Km South of Cairo particularly in BeniSweif 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
- Instable walls
- Absence of drainage system

### **Roofing**

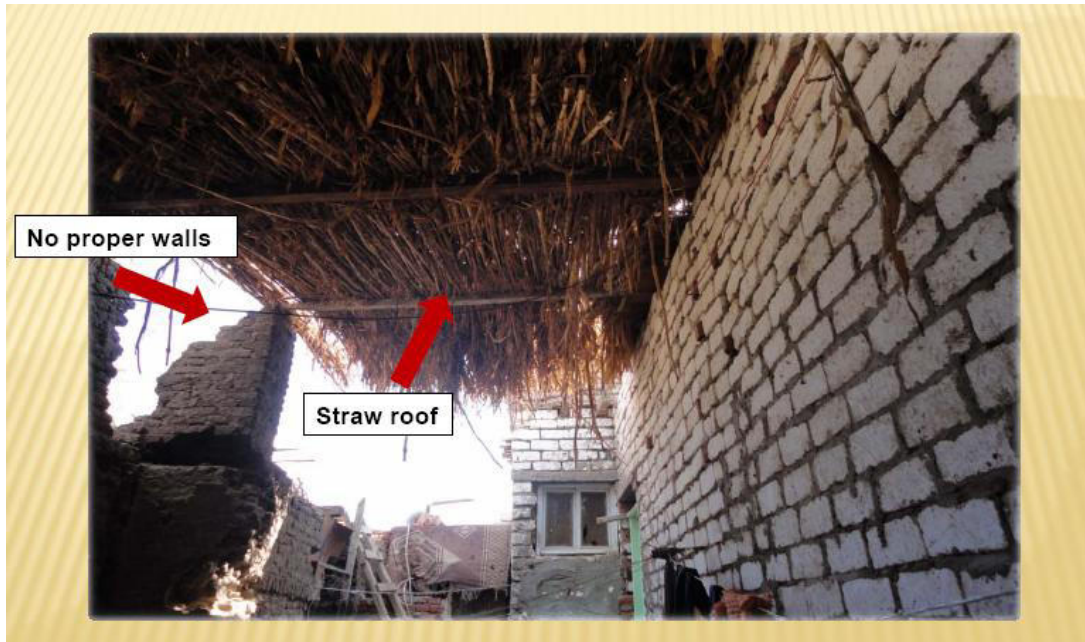
Most of the houses of the village are having straw or wooden roofs. Most roofs of the houses are made from straw which could not protect the inhabitants of the houses from cold weather and other bad weather conditions such as rains. That is why the majority of the people living in those houses suffer 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 straw and wood.

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. With the help of the NGO working in the "Haraga" village, Hashem Brothers has succeeded to build a number of ten homes.

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

Hashem Brothers collaborates 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.



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## "Training and Income Generating Project "Systems Egypt & Waay NGO"

- HB collaborated with our sister company "Systems Egypt" and "Waay" NGO in a training program enabling 10 Ex-patients of "Waay" NGO -mostly suffering from tragic and violent acts- into professional hairdressers.
- The company also provided the trainees with electrical tools to start their own projects.
- Every trainee will pay the amount of only 10 Pounds every month to the company over a period of one year in order to ensure commitment of the trainees. This money will be re-used by our sister company to duplicate this model.



### **Measurement of outcomes in the Environmental principles:**

- Decrease in the water use for irrigation for about 40%
- 25% decrease in the cost for cultivation per acre
- The percentage of organic farms at our supply chain increased by 7.5%
- We have achieved 50% better quality of final products (oils)
- We have achieved 100% less harms on the farmers that shifted to organic agriculture
- We have succeeded to reach 50% less consumption of Electricity
- We have achieved 50% increase in Floral water sales
- We had 20% increase in sales of organic compost
- The increase of the number of the trained housewives from 8 women in 2011 to 25 woman in 2013 in our Income generating project
- We have reached 50% decrease in the number of inhabitant suffering from renal diseases
- We have provided better health care for the Jasmine farmers



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### **Standards, Certificates and Voluntary obligations**

- HB has been following relevant standards and certifications to the nature of its business activity. HBS is certified under the "Egyptian Center Of Organic Agriculture", ISO 22000: 2005, Kosher Certificate, Halal Certificate, European Organic Certificate, American Organic Certificate. This is in addition to the fact that HBs has been committed to follow voluntary standards such as the Social Responsibility ISO 26000.



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## **Anti- Corruption principle:**

10-Businesses should work against corruption in all its forms, including extortion and bribery

- HB supports the anti-corruption initiatives through our internal code of business conduct.
- HB management sets rules and policies to avoid corruption and bribery.

### **• Anti- Corruption:-**

#### **Policy:**

Hashem Brothers is committed to work against all forms of corruption including extortion and bribery.

Hashem Brothers is committed to apply the Global compact standards to resist all corruption activities through its SR activities.

Business Conduct is our reference in applying anti-corruption practices.

#### **Responsibility:**

The Board of Directors is responsible of following anti-corruption practices.

#### **Procedures:**

- 1- Inform all its stakeholders by anti-corruptions practices.
- 2- Taking the necessary corrective actions if any deviation occurs.

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## Application Level

Report Application Level	C	C+	B	B+	A	A+	
Standard Disclosure	G3 Profile Disclosures  Output	Report on:  1.1 2.1 – 2.10 3.1 – 3.8, 3.10 – 3.12 4.1 – 4.4, 4.14 – 4.15	Report Externally Assured	Report on all criteria listed for Level C plus:  1.2 3.9 – 3.13, 4.5 – 4.13, 4.16 – 4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	G3 Management Approach Disclosures  Output	Not required		Management Approach Disclosures for each Indicator Category		Management Approach disclosed for each Indicator Category	
	G3 Performance Indicators & Sector Supplement Performance Indicators  Output	Report on a minimum of 10 Performance Indicators, including at least one from each of: social, economic, and environment.		Report on a minimum of 20 Performance Indicators, at least one from each of: economic, environment, human rights, labour, society, product responsibility.		Respond on each core G3 and Sector Supplement* indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission	

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