

Global Compact

Communication on Progress

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

December 2006

Part I

C O P

Hashem Brothers Co. for essential oils and aromatic products is proudly committed to the United Nation Global Compact since its initiation in Egypt Feb.2004. We have put all our effort this year in to the spread of the 10 principles among our "stake holders". "Sustainability" and "change" were the key driving points behind our activities during 2006.

Alaa Hashem
President

Human rights

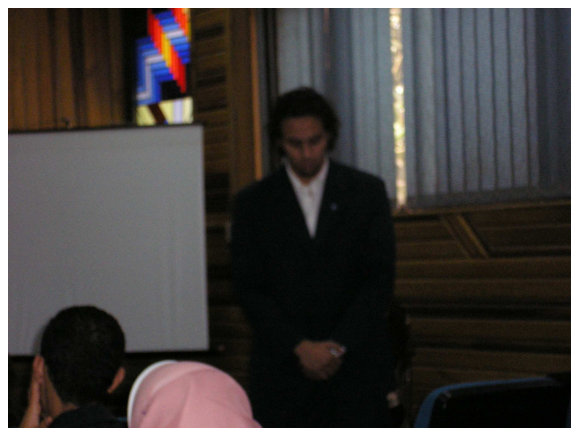
- 1- Business should support and respect the protection of internationally proclaimed human rights.
 - Human rights policies are incorporated into Hashem Brothers code of business conduct.

- Case 1

This year our company sponsored a series of lectures with the collaboration of the Faculty of Political science and Economies in Cairo University. These lectures were aiming at raising the awareness of the students with regard to the universal human rights. Each lecture was discussing a different aspect of human right aiming at increasing the awareness of students who can play an effective role within the society to spread the awareness among different segments of the Egyptian society. We have chosen Cairo University for several reasons. It is the biggest University in Egypt and one of the oldest Universities in the middle East . Students enrolled in Cairo University can be a fair representation of different segments of the Egyptian society as well as the Arab World .However, a number of young member of Egyptian NGO were invited to these lectures for the spread of the awareness among youth.



One of the lectures held at Cairo University.



A simulation held during the lectures.



HB managing director (Miss.Hashem) among students and young members of NOG

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

- All our supply chain is already free from any human right abuses.

Labour Standards

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

- Our company respects the freedom of association and upholds the effective recognition of the right to collective bargaining.
- Effective September 2006, 95% of our employees became members in labour unions and relevant syndicates.
- Effective SEP.2006 a new place has been build next to our factory to host all labour gatherings and meetings.



New place built to host labour gatherings and meetings.
HB Factory/ Kalyoubeya / Egypt.

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

- The employees of Hashem brothers Co. have freely chosen their employment and are free to leave the company upon due notice.

5 – The effective abolition of child labour.

Our company does not use child labour (i.e. children under the age of 15 years in accordance with international labor organization – ILO – convention #138). Shifting into the organic concepts in production and agriculture in the year 2001, Hashem Brothers Company had to ensure that all its supply chain is free from the use of any child labour.

An integral part of our company philosophy is trying to demolish the phenomena of child labor in Egyptian Agricultural sector and combating the main reasons for this phenomenon (poverty and illiteracy).

Case 1

Building on last year efforts with regards to the demolishing of the phenomena of child labour. More efforts were done in that domain aiming at securing an alternative source of income for the poor families who send their kids to work in the fields. We have noticed that a number of these families also encourage their children to quit education and work instead in the fields; the result will be the spread of more illiteracy and its traditional consequences.

We worked in two directions to address this issue:

1 – To include the kids who work already as wage labour in the fields into an educational program in the afternoons. They have already skipped educations in the public schools our company has built an elementary school next to our plantations and factory in 1995 and donated it to the ministry of Education since that time." Dr. Moustafa Hashem School "is operating as a public school since 1995 in Kafr El Shorafa village / Kalyoubeya / Egypt.

Hashem Brothers Co. have made the agreement with the Egyptian ministry of education to open this school in the afternoons to include the kids of our area mainly "Drop out kids"



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



Including those kids in an educational program would help in the future into opening more doors and opportunities for those kids with regard to better chances of employment yet this could be seen as a very long terms solution to the effective abolition of child labor .

Case 2

The key solution is always economical providing income to those families can always be a quicker and more effective solution. With the collaboration of an NGO in our area

together we have introduced the idea of funding micro credit funds to the mothers of those children. Thus, show them that they can have other alternatives other than sending kids into labour. We were faced with many hindrances such as trying to find the best ways for those women to have their independent micro projects. But, through several meeting and gatherings with those mothers together we succeeded into introducing the idea. The brainstorming and discussions with the members of our company as well members of the Egyptian association for community services led to marvelous ideas for those ladies to increase their families' income, at the same time to feel empowered and independent as females in a rather "traditional" and under developed society. The outcome of this project would be measured and analyzed in details in next year report.



Picture showing one of the meetings held with the mothers.



Picture II showing the ladies listening to the discussions.



Case 3

Having on top of our Social responsibility agenda the eradication of the phenomena of child labor in Egypt, Hashem Brothers expanded its effort to reach every aspect leading the rise of this phenomena. **Illiteracy** and **Poverty** were the main players behind the rise of this phenomena. Economical and Cultural empowerment of people is the focal starting point for developing any society. Therefore, our company has decided to contribute actively in the field of illiteracy eradication. For that reason we have contacted the Egyptian ministry of Communication and particularly the ICT program for illiteracy eradication (a project funded by the UNDP/Egypt), in order to implement the project at our production site in Kalyoubeya2005. The program mainly focuses on demolishing illiteracy through the use of technology, i.e. via special CD's tailored to demolish illiteracy of Egyptians. Our company has prepared the place for a small computer lab as a starting point. The program has started next month and we are hoping to be able to serve the biggest number of illiterate people living in the areas surrounding our production site. Below, is the picture of HB Computer Lab opened in October 2006.



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

- In relation to recruitment or conditions of employment, our company does not engage in a support discrimination based on race, caste, national origin, religion, disability, gender, union membership or political affiliation.

Environment:

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

8 – Business should undertake initiatives to promote greater environmental responsibility

"This year, with collaboration with "the Egyptian Association for Environment and Community Services" (Reg. No 1551/2001 Guizeh) - an active Egyptian NGO in the field of environment – we have launched a campaign for tree cultivation in Cairo (one of the most polluted cities of the world) with the help of the ministry of Agriculture and the Giza Governor.

The Egyptian Environmental Association was able to reduce the cost of cultivation for each tree in the streets of Cairo in order to encourage the biggest member of individuals or companies to financially contribute in that important project. Hashem Brothers Co. as an active partner with (the Egyptian Association for Environment and Community services) contributed in the awareness campaign for that project as well as many workshops aiming at building awareness among individuals in Egypt of the importance of green areas inside the crowded cities.

As our office is situated in Mohandessin area (Part of greater Cairo) we have chosen to plant our trees next to our office area (activities 2006)

In continuation of our last year project "more trees cultivation" was our slogan this year we have succeeded in cultivating more trees in the area of Mohandessin surrounding our Cairo office.



Same Trees in 2007



Trees planted in 2006.

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

We support and promote the diffusion of the organic and Biodynamic concepts in agriculture and production process among other Egyptian companies working in the same business.

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

Hashem Brothers co. supports the anti-Corruption initiatives through on internal code of business conduct.

Three workshops were held at our Cairo office to increase the awareness of our employees of the importance of the support of the anti-corruption initiative. Some experts in that field voluntarily contributed in speaking about this subject to HB staff and management.

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.	

Crafts Development

Case I:

From the beginning of time, people who make things have largely been anonymous.

Their skills, learned at the knees of their parents and honed by hard work, have been unappreciated. The rewards they receive in no way reflect either their mastery of the medium in which they work with, or the number of hours the production of a single artifact takes. These artisans often live far from the amenities that the government provides, such as schools, and hospitals.

Egypt has an immensely rich culture represented through the traditional crafts of its different regions. However, through the years, market dynamics have drastically changed. The changing demands of the market and the circumstances surrounding the craft maker have negatively influenced the quality of crafts in general.

As the demand for crafts decreases, so does the income for the craft-makers, therefore craft-making becomes a lower priority livelihood source. Consequently, less attention is paid by craft-makers to quality and design, eventually leading to the loss of the inherited skill.

The Initiative aims to contribute to an enhanced income generation among craft-makers and to protect the unique cultural heritage through conservation of the traditional skill.

Through product development and building new awareness, the initiative will expose the society's current consumption trends towards more integration of traditional crafting skills into daily use.

The initiative is about people, their work environment, and their social environment. It is about the cultural heritage of which they are the heirs. It is about the respect that they deserve and acknowledgement that they do not receive.

Hashem Brothers is one of the sponsors of this project to revive the crafts and to create an income generating project for Bedouin women.

This piece of Bedouin art was hand made in the Deserts of Egypt in the aim to establish an economically viable, culturally sensitive, and socially oriented community

"This statement was written on the crafts that were sent to all HB clients (2006-2007) as Christmas gifts."

We sponsored some projects in the Bahareya Oasis in Egypt aiming at preserving the traditional cultural heritage and at the same time help these craft people to be economically independent.