



# UN Global Compact

“Towards Corporate Social Responsibility”



## Communication on Progress Report

**EGYTRANS**  
August 2010

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## **CHAIRMAN'S COMMITMENT**

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## MAKING A COMMITMENT TO UN GLOBAL COMPACT PRINCIPLES

EGYTRANS has committed to the principles articulated in the United Nations Global Compact (UNGC). We have been proud signatories to this international voluntary initiative since August 2009. This is our first COP. It was to be presented by August 2011, but we decided to present our report in August 2010 to set an example to other UN Global Compact participants to disclose their commitments and practices whenever possible, and to enable other new participants to benefit from disclosed reports and to demonstrate that preparing the COP is neither difficult nor a complicated process.



Before entering the UN Global Compact, EGYTRANS was, and still is a true believer that our company will only prosper if certain values and principles are upheld in our day-to-day business. EGYTRANS continues to integrate best practices in human rights, labor standards, environmental protection and anti-corruption into its culture and operations.

One of the objectives of EGYTRANS is to make the 10 principles of the Global Compact an integral part of the company's culture and its general business development. We are also devoted to promoting the Compact to all our affiliates and subsidiaries. We embrace this initiative, and thank the United Nations for its efforts to make this world a better place for us and for future generations.

I hope you will find this Communication on Progress Report informative and I invite you to view the EGYTRANS Investor Relations Website [ir.egytrans.com](http://ir.egytrans.com) for further detailed information.

A handwritten signature in blue ink, appearing to read 'Hussam Leheta'.

**Hussam Leheta**  
**Chairman & CEO**

## COMPANY BACKGROUND

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## **EGYTRANS BACKGROUND**

The Egyptian Transport and Commercial Services Company S.A.E. was established in December 1973 under Egypt open door policy with regard to private enterprises. However, its transport activities and experience date back to 1939 as a continuation to GAMAL EL DIN LEHETA & CO. EGYTRANS was nationalized in 1964 when it was one of the biggest companies in EGYPT offering shipping agency, tourism agency and other transport services.

The company was originally established as a limited liability company with a capital of EGP 10,000. It is now a corporation with Issued Capital of EGP 156,062,500 million and annual turnover of EGP 130 million. Since its inception it has grown into a true leader in the transport field in Egypt with three hundred and fifty employees and eight branches in strategic locations close to the country's main ports, airports and transport centers.

### **Services**

The mission of EGYTRANS is to make integrated transport easy, safe and cost-effective for businesses and people. In order to do this, the company offers a wide and varied mix of services in the field of integrated transport, with the ability to handle all the stages of any shipment door-to-door from pick-up and transport to delivery at the final destination.

### **Sea Freight**

EGYTRANS is able to ship all types of cargo including general, break bulk, containerized or Ro/Ro cargo to and from any part of the world at competitive rates in addition to issuing its own Suez Gulf Line NVOCC bills of lading. For very large volumes, EGYTRANS provides a chartering service for cargo vessels.

### **Air Freight**

EGYTRANS provides a quick and easy air freight service at competitive rates. Our services include import, export, consolidation and hanging garment containers.

### **Consolidation (LCL)**

EGYTRANS offers weekly consolidation services from Egypt to over 400 worldwide destinations with receiving stations in Cairo and Alexandria. Consolidation groups many small sea or air freight shipments together into a single large shipment and offers the advantages of competitive freight rates and insurance premiums, reduced risk of damage and reduced packing costs. We continually expand and develop our services by adding direct import services from new origins and direct export services to new destinations in order to provide our customers with the safest, fastest, most regular and most economic service available in the local market.

### **Warehousing**

EGYTRANS owns and operates several warehouses strategically located at or near industrial areas in Cairo, Alexandria and the Port Said Free Zone. EGYTRANS provides distribution services, bonded warehousing, container yard operations and domestic storage. Many years of experience and continuous process improvement have made EGYTRANS's warehousing service one of the central building blocks of the company's success.

## Exhibitions

EGYTRANS provides integrated solutions in the field of fairs and exhibitions, smoothly coordinating the transport of cargo and materials to and from any exhibition. EGYTRANS has a specialized Exhibitions Department comprising a team of professionals in transport, logistics and freight handling and providing efficient and reliable services to both organizers and exhibitors at competitive rates.

## Project Logistics & Specialized Transport

EGYTRANS specializes in logistical solutions for large projects including transport of sensitive equipment and packages of exceptional weight or dimensions. EGYTRANS has a highly trained and specialized team that carries out detailed route surveys and logistical studies to determine the best transport method and route for each piece of project cargo. The team then supervises any work required to reclaim or strengthen any part of the route or remove obstacles along the path before carrying out the actual transport.



Over the years, EGYTRANS has successfully provided integrated transport solutions for power plants, cement mills, steel mills, transformer sub-stations, water and wastewater plants, oil, gas and petrochemical plants, large scale infrastructure projects and others.



## Other Services

EGYTRANS also performs customs clearance, packing, land transport, distribution, transit and insurance services, providing its customers with a one-stop shop for all their cargo transport needs.

## World-wide Network of agents

While based in Egypt, EGYTRANS has established a worldwide network of professional agents, enabling us to serve our customers and handle shipments to or from any location in the world. Our agents are carefully selected based on their track record, expertise and commitment to maintaining the excellent level of service that our customers expect. Through this worldwide network, EGYTRANS is able to offer global capabilities while maintaining the flexibility and personalized service of a local company.

Egytrans has agents all around the world in the following geographical areas:

- Far East
- U.S.A. & Canada
- Indian Sub-continent
- Europe & Mediterranean Basin
- Australia
- Africa
- Middle East
- South America

### Participation in Industry Organizations

EGYTRANS is an active member of FIATA, the International Federation of Freight Forwarder's Associations and BIMCO, the Baltic and International Maritime Council, founder of EIFFA, the Egyptian International Freight Forwarders Association and an official agent of IATA, the International Air Transport Association. EGYTRANS is also a member of the Through Transport Club, the leading provider of insurance and risk management services to the international transport and logistics industry.



### Customer Commitment

At EGYTRANS, we believe that our customers' success is our success and we are deeply committed to building lasting win-win relationships with our customers. We make every effort to gain a deep knowledge of our customers and focus on tailoring solutions to their individual needs. Whether we are moving cargo to the other side of town or to the other end of the world, we actively listen and respond to our customers requirements and proactively seek new ways to help our customers achieve success by ensuring that their cargo arrives safely, in perfect condition, within budget and on time, every time.

# UN GLOBAL COMPACT PRINCIPLES

## 1. HUMAN RIGHTS

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This document explains how EGYTRANS supports and respects the 10 principles of the United Nations Global Compact initiative.

## 1- HUMAN RIGHTS

**Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.**

### System

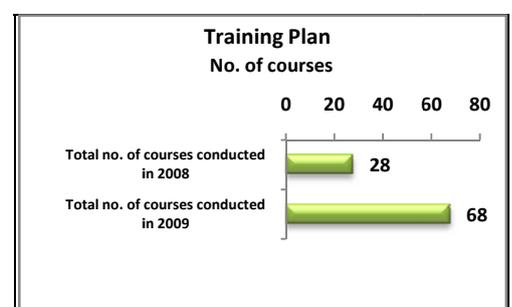
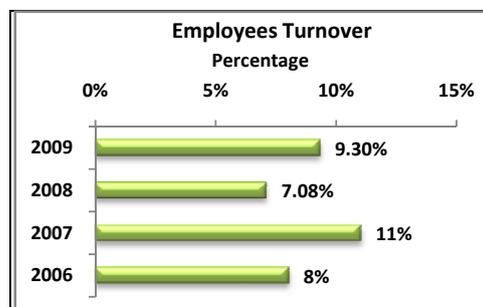
- “We promote employment conditions that protect the rights and welfare of all EGYTRANS employees”. - **EGYTRANS Code of Ethics**. For more information, please visit our IR website: <http://ir.egytrans.com/code.htm>
- As an SME active in applying Corporate Governance and CSR practices, we expressly support human rights through all our engagements with our employees and our partners.
- We do not yet have an advanced company policy or strategy in this regard but the senior management commitment is very clear.

### Actions

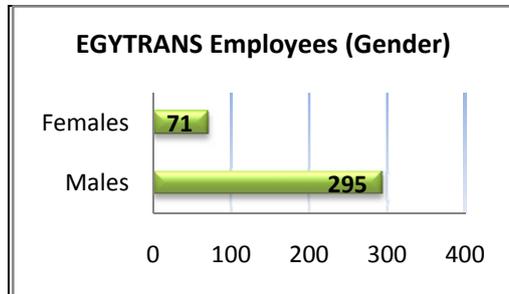
- As an SME, we take our employees and their interests very seriously by providing them with safe and healthy working conditions, access to private health care and fair salaries.
- All human rights issues are fully considered and respected at EGYTRANS. Employees are well treated, fairly appraised on an annual basis, and compensated financially and non-financially based on their achievements and work.
- All safety measures are applied at work places and offices and all employees have health insurance.
- We conduct regular employee satisfaction surveys to ensure the satisfaction of our team and prevention of discriminatory actions throughout the organization.

### Performance Indicators

- Turnover is relatively low because we are responsive to the needs of our employees including providing awareness sessions and training courses.



- We provide an egalitarian and friendly workplace with no discriminatory practices. There is complete gender equality in the workplace.



**Principle 2: Businesses should ensure that they are not complicit in human rights abuses.**

**System**

- As an SME active in applying Corporate Governance & Corporate Social Responsibility practices, we expressly support human rights through all our engagements with employees and stakeholders.
- Our commitment to zero tolerance for human rights violations is expressly provided, adhered to and lived by.

**Actions**

- EGYTRANS abides by the laws, regulations and guidelines in the field of eliminating human rights violations and we encourage our employees and stakeholders to implement zero tolerance on such actions.
- Internally, there have been no abuses in human rights or incidences of complicity. No form of force is ever used.
- EGYTRANS does not use any form of discrimination when hiring employees and selection is based on which candidate is most qualified for a job. An attempt is always made to recruit internally before looking outside the company when there is a job opening.

**Performance Indicators**

- We have not received any claims of human right abuses related to our business or operations.

## 2. LABOR STANDARDS

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## 2- LABOR STANDARDS

**Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.**

System	<ul style="list-style-type: none"> <li>- We uphold the freedom of association and the effective recognition of the right to collective bargaining.</li> </ul>									
Actions	<ul style="list-style-type: none"> <li>- We are as supportive towards the freedom of association and the right to collective bargaining as the law permits.</li> <li>- The EGYTRANS Employees' Fund was established in mid-January 2007. The Fund includes 150 members. Employees that are members in the Fund freely elect representative board for the Fund. The Fund provides several services to its members, such as:             <ul style="list-style-type: none"> <li>• End of service remuneration.</li> <li>• Marriage remuneration provided once to the members.</li> <li>• A contribution in case of death or sickness of a member or his/her first-degree relative.</li> <li>• Loans given to employees for purposes not covered by the company's loans system particularly school fees and expenses.</li> <li>• Organizing exhibitions and providing collective discounts for some durable and consumer goods.</li> <li>• Organizing Eftar for employees during the holy month of Ramadan.</li> <li>• Organizing trips throughout the year.</li> <li>• Any other services required by employees.</li> </ul> </li> <li>- Employees are able to send individual or collective feedback or suggestions to their direct managers or to top management directly through various communication channels including e-mail or requesting a meeting. Management is committed to reviewing this feedback and responding promptly, implementing suggestions for improvement where applicable. <b>(EGYTRANS Formal Communication Manual )</b></li> </ul>									
Performance Indicators	<div style="border: 1px solid black; padding: 10px; width: fit-content; margin: 0 auto;"> <p><b>EGYTRANS Employees' Fund</b></p> <p>■ Non-Members in the Fund    ■ Members in the Fund</p>  <table border="1" style="margin: 0 auto; border-collapse: collapse;"> <thead> <tr> <th>Category</th> <th>Count</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Non-Members in the Fund</td> <td>150 persons</td> <td>41%</td> </tr> <tr> <td>Members in the Fund</td> <td>216 persons</td> <td>59%</td> </tr> </tbody> </table> </div>	Category	Count	Percentage	Non-Members in the Fund	150 persons	41%	Members in the Fund	216 persons	59%
Category	Count	Percentage								
Non-Members in the Fund	150 persons	41%								
Members in the Fund	216 persons	59%								

	<ul style="list-style-type: none"> <li>- % of departments and branches that hold annual meetings to discuss employee concerns = 100%.</li> </ul>
<b>Principle 4: Businesses should support the elimination of all forms of forced and compulsory labor.</b>	
System	<ul style="list-style-type: none"> <li>- All employees are above the age of 18 and educated. Therefore, the issue of forced labor is not directly addressed within our management systems and processes.</li> </ul>
Actions	<ul style="list-style-type: none"> <li>- We ensure that all our employees are aware of their rights and entitlements, their conditions of service and their freedom to leave (with consequences of such departure as per the law).</li> <li>- EGYTRANS does not hire anyone by force or keep any employee by force. All employment takes place subject to an employment contract and all employees are free to leave the company at any time subject to fulfilling the notice period in the contract.</li> <li>- All employees earn above the minimum wage and are entitled to benefits to balance out the increased cost of living that we are subjected to from time to time as a result of the increase in fuel costs and living expenses.</li> <li>- All our employees are of a mature enough age to identify their needs and concerns and communicate them to the company.</li> </ul>
Performance Indicators	<ul style="list-style-type: none"> <li>- % of employees who have signed legal employment contracts with the company = 100%.</li> </ul>
<b>Principle 5: Businesses should support the effective abolition of child labor</b>	
System	<ul style="list-style-type: none"> <li>- All employees are well above the age of 18 and educated.</li> <li>- All employees receive adequate pay obviating the need for them to force their children to work.</li> <li>- The minimum age of part time employees is 18 years. These are usually summer trainees at university who can perform small jobs in order to learn and earn some money.</li> </ul>
Actions	<ul style="list-style-type: none"> <li>- We ensure that we do not hire children in all our branches and departments.</li> </ul>
Performance Indicators	<ul style="list-style-type: none"> <li>- Within EGYTRANS, as well as within its subsidiaries and affiliates, no children are employed.</li> </ul>

**Principle 6: Businesses should support the elimination of discrimination in respect of employment and occupation.**

<p style="text-align: center;"><b>System</b></p>	<ul style="list-style-type: none"> <li>- “We treat all people fairly and respectfully regardless of religion, ethnic origin, race, gender, age or disability” - <b>EGYTRANS Code of Ethics</b>. For more information, please visit our IR website: <a href="http://ir.egytrans.com/code.htm">http://ir.egytrans.com/code.htm</a></li> <li>- We are committed to eliminating all forms of discrimination in respect of employment and occupation.</li> <li>- We support equality in the workplace with equal female to male employment opportunities and compensation.</li> <li>- There is a system for hiring people, evaluating them, training them and rewarding them on their achievements. The system applies equally to everyone without discrimination. Promotions and rewards are announced.</li> </ul>
<p style="text-align: center;"><b>Actions</b></p>	<ul style="list-style-type: none"> <li>- The hiring and firing policy of EGYTRANS is based on Egyptian labor laws.</li> <li>- Equal opportunities are given to everyone when hiring for a new position or a vacant one. The only thing that counts is the qualifications and competencies required by the job itself.</li> <li>- An attempt is always made to recruit internally before looking outside the company when there is a job opening.</li> <li>- Equal opportunities are also given for training.</li> <li>- We do not discriminate against any form of handicap and have demonstrated this by employing physically challenged staff in the organization.</li> <li>- We believe in local recruitment and accordingly, we recruit directly from the areas we work in.</li> </ul>
<p style="text-align: center;"><b>Performance Indicators</b></p>	<ul style="list-style-type: none"> <li>- % of handicapped employees in the company = 3%.</li> <li>- % of working women in the company = 19% (including the managerial and board level).</li> </ul>

## 3. ENVIRONMENT

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### 3- Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges

Principle 8: Businesses should support undertake initiatives to promote greater environmental responsibility

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies

System	<ul style="list-style-type: none"> <li>- “We have a duty to the society in which we live and work. We are also committed to protecting the environment and natural resources” - <b>EGYTRANS values</b>. For more information, please visit our IR website: <a href="http://ir.egytrans.com/vision.htm">http://ir.egytrans.com/vision.htm</a></li> <li>- EGYTRANS is committed to applying occupational health and safety procedures in order to secure its work environment and was granted the OHSAS 18001 certificate. The company also acts to prevent practices leading to environmental pollution and has attained ISO 14001 certification.</li> </ul>
Actions	<ul style="list-style-type: none"> <li>- EGYTRANS is a non-smoking organization; it prevents smoking in all of its locations for all employees and visitors.</li> <li>- The company and all of its branches take active steps to secure the work environment against physical risks resulting from:             <ul style="list-style-type: none"> <li>• Severe heat and cold.</li> <li>• Noise and vibrations.</li> <li>• Intense light.</li> <li>• Dangerous and harmful radiation.</li> <li>• Atmospheric pressure changes.</li> <li>• Static and dynamic electricity.</li> </ul> </li> <li>- The company is committed to providing effective means of risk prevention and mitigation, including means of providing first aid, rescue and cleanliness in workplaces.</li> <li>- The company and its branches are committed to following the required procedures, precautionary measures and stipulations required to prevent fire risks, which are:             <ul style="list-style-type: none"> <li>• All firefighting tools used must conform to Egyptian specifications.</li> <li>• Maintaining firefighting and prevention equipment by using the latest tools and providing warning and early warning equipment.</li> <li>• Informing the concerned government body of the contingency plan and any amendments therein.</li> </ul> </li> <li>- EGYTRANS applies all of the above-mentioned procedures to ensure:             <ul style="list-style-type: none"> <li>• Individual safety.</li> <li>• Equipment safety.</li> <li>• Building safety.</li> </ul> </li> <li>- The company is committed to applying the laws and regulations required to protect the environment as follows:</li> </ul>

- Preventing smoking.
- Collecting and disposing of waste.
- Getting rid of liquid and solid wastes to preserve environmental safety.
- Applying all laws related to the fifth section of Labor Law 12 for the year 2003.

### **I- ISO 14001/2004 (Environment)**

1. EGYTRANS was certified based on the 14001 standard issued in 1/9/1996. It was then amended in 2004, and EGYTRANS applied the required amendments and was re-certified according to the new international standard.
2. This standard protects the internal and external environment (work environment) to ensure that it is suitable for work and that the environmental impact resulting from the company's activities and services is minimized. It also ensures commitment to:
  - Continuous improvement and pollution prevention.
  - Compliance with laws and regulations and any other requirements
  - Ensuring that the standard is documented, applied and circulated to all employees.
  - Ensuring that the standard is available for public access.
3. The standards are reviewed in an internal audit by the Quality Assurance Dept. and an external audit by the certifying body (TUV).



### **Performance Indicators**

### **II- IMS Integrated Management System Certificate**

The company attained this certificate after completing:

- ISO 9001, ISO 14001, OHSAS 18001

by collecting all of these standards in one procedure manual for the three certificates.

For more information please visit our IR Website:  
<http://ir.egytrans.com/integrated.htm>



## 4. ANTI - CORRUPTION

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#### 4- Anti – corruption

##### Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

<p style="text-align: center;">System</p>	<ul style="list-style-type: none"> <li>- As an active company in the field of applying Corporate Governance, EGYTRANS operates in a transparent and accountable manner.</li> <li>- “We will always live up to our promises. We treat everyone with respect, dignity and honesty. We hold ourselves to the highest moral and ethical standards in what we do.” – <b>EGYTRANS values</b>. For more information, please visit our IR website: <a href="http://ir.egytrans.com/vision.htm">http://ir.egytrans.com/vision.htm</a></li> <li>- “We practice fair and honorable competition” - <b>EGYTRANS Code of Ethics</b>. For more information, please visit our IR website: <a href="http://ir.egytrans.com/code.htm">http://ir.egytrans.com/code.htm</a></li> <li>- “We reject the offering or acceptance of bribes, gifts, personal commissions or other inducements leading to unfair or preferential treatment” - <b>EGYTRANS Code of Ethics</b>. For more information, please visit our IR website: <a href="http://ir.egytrans.com/code.htm">http://ir.egytrans.com/code.htm</a></li> <li>-</li> </ul>
<p style="text-align: center;">Actions</p>	<ul style="list-style-type: none"> <li>- Internally, EGYTRANS has set up an auditing system where all departments and expenditures are audited on an ad-hoc basis to ensure that all budgets are spent properly according to the company’s policies.</li> <li>- Externally, EGYTRANS does not allow any form of bribery. We believe that transparency is the only way forward for a better economy.</li> <li>- Additionally, EGYTRANS has put the 10th principle on its website for advocacy. For more information, please visit our IR website: <a href="http://ir.egytrans.com/corporate_social_responsibility.htm">http://ir.egytrans.com/corporate_social_responsibility.htm</a></li> <li>- Creating an advanced whistle-blowing system accessible by all our employees.</li> <li>- Dealing with incidents as they occur to minimize miscommunication and inappropriate behavior.</li> <li>- Participation in collective action and stakeholder engagement through focus groups discussing the problem of corruption and identifying means to fight such corruption.</li> </ul>

Performance Indicators

- EGYTRANS was awarded third place in “The 2009 Responsible Business Conduct Annual Award” in Corporate Governance & Corporate Social Responsibility by the Egyptian Institute of Directors (EIoD) and Egyptian Ministry of Investment in EIoD’s Fourth Annual CG Conference in June 2010.



# UN GLOBAL COMPACT NETWORK MEETINGS

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## **UN GLOBAL COMPACT NETWORK MEETINGS**

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**EGYTRANS participated in the following UN Global Compact Network meetings in 2009/2010:**

1. 1<sup>st</sup> UN Global Compact Roundtable, Tuesday, 13<sup>th</sup> of October 2009, Mansour Group Premises, Zahraa El Maadi, 5<sup>th</sup> industrial zone (hosted by Mansour Group).
2. 2<sup>nd</sup> UN Global Compact Roundtable, Tuesday, 9<sup>th</sup> of February 2010, Four Seasons Nile Plaza (hosted by the Arab African International Bank).
3. 3<sup>rd</sup> UN Global Compact Roundtable, Monday 17<sup>th</sup> of May 2010, German – Arab Chamber of Industry & Commerce (GACIC) premises. (Hosted by the German – Arab Chamber of Industry & Commerce).

## CONTACT INFORMATION

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## CONTACTS

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**Chairman & CEO**

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### 2. The Contact Point

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