



للزيوت والعجائن  
العطرية

شركة مشاليكو

SOCIETE MACHALICO

pour les huiles et les concrètes de parfumerie

December 21, 2019

H.E. António Guterres  
Secretary-General  
United Nations  
New York, NY 10017  
USA

Dear Mr. Secretary-General,

I am pleased to confirm that Machalico S.A. supports the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption. With this communication, we express our intention to implement those principles. We are committed to make the UN Global Compact and its principles part of the strategy, culture and daily operations of our company, and to be engaged in collaborative projects to advance the broader development goals of the United Nations, particularly the Sustainable Development Goals. Machalico S.A will make a clear statement of this commitment to our stakeholders and to the general public. We recognize that a key requirement for participation in the UN Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the Ten Principles. We support public accountability and transparency, and therefore commit to report on progress within one year of joining the UN Global Compact, and annually thereafter according to the UN Global Compact COP policy.

The practical actions taken by Machalico S.A. to implement the UN Global Compact principles:

**Human Rights:** All fundamental human rights, including providers, customers and dealers, as well as the labor law approved by the governmental labor office are applied. In addition, the financial benefits department in Machalico S.A. applies a fair evaluation among suppliers of flowers, materials, equipments and spare parts.

**Labour:** As per the Egyptian law any one of the employees is allowed to request whatever he/she needs. After discussion with the general manager if the answer does not satisfy the employee, he/she is allowed by law to ask the governmental labor office. The number of employees being small (= 30), so by the Egyptian law No. 12/2003 and its updates, the establishment of a labor union is not obligatory. Moreover, the relations between the different function levels are controlled by organization chart and job description.

**Environment:** We hereby MACHALICO S.A. certify that, we have never been informed that our products use are causing environment impacts. We were purchasing during the last 5 years our floral products mainly for the following two international companies:

- a- International Flavors and Fragrances S.A. (I.F.F).
- b- Firmenich S.A.

We have never received complains, or comments from our customers in France, Switzerland, Spain and USA.

**Anti-Corruption:**

Internally the workers inside the factory and externally the contracted farmers are concerned to apply the prescribed clauses of our ethics rules. It comprises the following:

A) **Reception and inspection of flowers:**

- 1- Each worker is concerned to do his job without comments regarding the other workers or technicians.
- 2- The General Manager or his assistant in addition to the two concerned employees constituting the (Flower Reception Committee) are responsible to weight and to inspect the received flowers. No comments outside the committee are allowed.
- 3- Both the three concerned persons are signing a receipt including the weight as well as an appreciation regarding the quality.
- 4- It is forbidden to choose cousins in the Flowers Reception Committee.
- 5- The results of this commission are analyzed every week by comparing the weight of the manufactured product to that obtained applying the classical yield.
- 6- If the results don't coincide with the standards a corrective action is applied.

B) **Manufactured floral products:**

Two groups are manufacturing the flowers, the first one transforming the flowers to the corresponding solution by adding the solvent of Hexane. The second is concentrating the solution under Vacuum to obtain the Floral concrete product (Jasmine Concrete , Violet Concrete , ..... etc).

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As the product is based on an agricultural crop where the atmosphere conditions can influence relatively the results, every week the results of manufacturing are compared to the classical yield results. If a great difference exists a doubt of corruption can be the case.

A corrective action is applied by changing the members of both teams.

C) Social aspects:

Machalico S.A is applying a social program dedicated to our suppliers

(Contracted farmers) for health and educational aspects .The budget program is covered by 10% of Machalico's net profit every year.

Inspection regarding this social aid consists to be sure that the fees payments are accurately fulfilling the corresponding goals. If any dispute arises we can consider that a corruption may be the situation.

As a corrective action the members of the social team are eliminated. New employees are nominated to do the job.

**Measurement of outcomes**

Machalico S.A. is an accredited company according to the following certificates:

- ISO 9001
- ISO 14001
- ISO 18001
- ISO 22000

An annual audit for each certificate is obligatory.

All the requirements of these certificates are a must to be applied.

In addition, there are annual internal audits from a committee of our company to supervise and to ensure that the ten principles of the U.N. Global Compact are applied and if there is any defect an immediate corrective action is done.

Sincerely yours,

Dr. EL Sayed Machaly

General Manager

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**A statement expressing continued support for the UN Global Compact**

We are Machalico Society, for the production of essential oils and aromatic raw materials, express our continued support for the United Nation Global compact, and renewing our ongoing commitment to the initiative and its principles.

This is a separate statement from our initial letter of commitment to join the UN Global Compact.

Sincerely yours,

Dr. EL Sayed Machaly

General Manager

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