

Highlights of the 2007 Panama Canal Authority Sustainability Report

Below are highlights from the Panama Canal Authority (ACP) Sustainability Report for Fiscal Year 2007. Please e-mail Teresa Arosemena at TArosemena@pancanal.com if you would like additional information.

Overview

In 2007, the ACP maintained Canal operations while managing the biggest project undertaken in its history: the expansion project. To ensure success, the ACP created a business model designed to secure the welfare of its **employees, customers**, the **community** surrounding the Canal, its **suppliers**, and the **environment**. The following highlights demonstrate the ACP's success in safeguarding and upholding Panama's most important asset – the Panama Canal – as a safe, reliable and efficient service.

Employees

The ACP recognizes the employees of the Canal as its most important resource in achieving excellence, and continually creates opportunities for workers to develop both personally and professionally. In 2007, the ACP executed a variety of programs for existing Canal occupations and professionals including:

- **Educational Assistance Program** – reimburses employees' partial or total tuition costs for successfully completing courses for their professional development.
- **Equal Opportunity Program** – promotes equal opportunity employment and prohibits employee discrimination on the basis of sex, religion and age, among others. In 2007, 1,150 of 9,239 employees – or 14 percent of the total workforce – were women.
- **Retirement Benefits Program** – provides financial benefits to workers who elect to retire and promotes generational relief and development opportunities in diverse areas. In fiscal year 2007, benefits were offered to 367 workers; 72 percent of which accepted.
- **Incentive Awards Program** – recognizes employees whose work performance exceeds the expectations of ACP management. In 2007, 1,654 workers received a "Years of Service Award," which recognizes workers who have completed five to 40 years of work at the Canal.

Customers

To provide quality customer service, the ACP places great emphasis on maintaining strong communication and exchange of information with its clients. In 2007, the ACP participated in international forums and meetings to share details on the expansion project, and renewed Memorandums of Understandings with the main ports of the East Coast and the Gulf of Mexico in the United States. Additionally, dignitaries of foreign governments visited the Canal to obtain first-hand knowledge of the Canal, including the presidents of Nicaragua, El Salvador, Honduras, Colombia and Brazil; former president of the United States, Jimmy Carter; Secretary General of the Organization of American States, Jose Miguel Insulza; and, the Secretary General of the United Nations, Ban Ki-moon.

Community

The ACP is committed to enriching its surrounding community and proudly supports programs that engage and educate Panamanians on the importance of the Canal including:

- **Kids for the Canal** – offers Canal tours and educational programs to children, parents and teachers so they may learn about Canal operations. Originally aimed at children living in communities within the Canal Watershed, in 2007, the program expanded to communities across the country.
- **Cultural Summer Program** – showcases performance art free-of-charge during the country's dry season. Over the last five years, the program has become a platform for high quality performances ranging from symphonic orchestra to folk music.

- **The People's Canal** – welcomes students and teachers to visit the Miraflores Visitors Center to see how ships transit through the locks. Since its 2003 inception, the program has hosted 319 tours attended by approximately 26,542 Panamanians.

Suppliers

Suppliers play a vital role in developing the ACP business model, and through successful implementation of an online tender system, the ACP attracts Panamanian companies to participate in bidding for new business opportunities. As a result of this robust and competitive contractual system, 83 percent of Canal suppliers are Panamanian companies. The online system is designed to facilitate supplier participation and is accessible to all Panamanians. Certified under ISO 9001:2000 and subject to regular audit, the ACP online system is noted for its transparency, efficiency and commitment to customer satisfaction. This system has significantly increased online tender proposals from 11,183 in 2006 to 13,147 in 2007, engaging more Panamanians in the contracting process.

Environment

The ACP is an environmentally-friendly company which, in 2007, continued to develop several policies and programs in areas such as education conservation and environmental protection. For example, as part of the ACP's Selective Reforestation Program, 252 hectares of forest were replanted in the Canal Watershed with the assistance of community volunteers. Additionally, 1,800 children from 189 communities were exposed to environmental issues related to the Canal and more than 55 communitarian projects were carried out through the Environmental Conservation and Employment Education Program.

About the Panama Canal Authority (ACP)

The ACP is the autonomous agency of the Government of Panama in charge of managing, operating and maintaining the Panama Canal. The operation of the ACP is based on its organic law and the regulations approved by its Board of Directors. For more information, please refer to the ACP's Web site: www.pancanal.com.

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