



December 3, 2013

To our stakeholders:

I am pleased to confirm that ANHAM FZCO reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

A. Huda Farouki
President & CEO

Assessment, policy and goals – Human Rights

Description of the relevance of human rights for the company (i.e. human rights risk-assessment). Description of policies, public commitments and company goals on Human Rights.

ANHAM FZCO (“ANHAM” or the “Company”) is one of the major international contracting companies operating in the Middle East, Afghanistan and North African Region. Legal and ethical business practices, including the preservation of Human Rights, form the core of ANHAM’s values and mission. Our goal is to be a market leader, while not compromising our commitment to our core values and our reputation.

ANHAM’s Code of Business Conduct and Ethics (“Code”) addresses Company policy relating respect for Human Rights and the prevention of potential abuses. The Code applies to all ANHAM officers, employees, agents, representatives and consultants working for, or on behalf of, ANHAM or any of its subsidiaries. The specific topics covered in the Code include, but are not limited to, non-retaliation, commitment to the end of human trafficking, non-discrimination, and protections from harassment.

ANHAM takes very seriously its commitment to the values stated in the Universal Declaration of Human Rights, and through its Code of Conduct and mandatory annual training, ensure that all employees, agents, representatives and consultants working for, or on behalf of, ANHAM or any of its subsidiaries, abide by the same.

As stated in ANHAM’s Policy on Human Trafficking, Human trafficking is an abhorrent crime that is tantamount to modern-day slavery. The United Nations Convention Against Transnational Organized Crime defines human trafficking as “the recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation.” While the problem may seem far removed, it is actually one of the largest illegal industries globally. Many countries have stringent laws regarding human trafficking with severe penalties for offenders. Specifically, the U.S. Government has a zero tolerance policy regarding human trafficking. As a U.S. government contractor, we are subject to that zero tolerance policy. Any employee that engages in any form of human trafficking will be immediately terminated. It is important to note that this zero tolerance policy applies not only while an employee is at work, but also after work hours.

Furthermore, it is against ANHAM policy to do business with any individual or entity that engages in any form of human trafficking. This includes any subcontractors, customers, suppliers, vendors, and consultants. Such individuals and entities shall expressly be made aware of ANHAM’s policy on human trafficking and strictly abide by it.

Implementation

Description of concrete actions to implement Human Rights policies, address Human Rights risks and respond to Human Rights violations.

ANHAM's Code of Business Conduct and Ethics ("Code") addresses Company policy relating respect for Human Rights and the prevention of potential abuses. The Code applies to all ANHAM officers, employees, agents, representatives and consultants working for, or on behalf of, ANHAM or any of its subsidiaries. The specific topics covered in the Code include, but are not limited to, non-retaliation, commitment to the end of human trafficking, non-discrimination, and protections from harassment.

Employees are strongly encouraged to report all potential violations to their supervisor, and if necessary, directly to the legal department at the compliance email address: compliance@anham.com. Employees receive annual training on the Code of Business Conduct and Ethics, which provides descriptions, red flags, and definitions for human rights and possible violations. All employees are notified that it is their responsibility to help the company combat human rights abuses, and report all suspicious activity. ANHAM company management takes very seriously all reports of possible violations, and acts accordingly through internal or external investigations approved by company management.

Measurement of outcomes

Description of how the company monitors and evaluates performance.

The company monitors and evaluates performance of Human Rights progress through risk-assessment and self reporting mechanisms.

Prior to entering a theatre or new contract, the company performs risk assessment to determine what possible violations are most likely to be encountered by employees. ANHAM works closely with outside counsel at various law firms that have expertise in investigations, legal cases, rulings, and fines associated with Human Rights violations to ensure that ANHAM always remains in compliance.

Employees are strongly encouraged to report all potential violations to their supervisor, and if necessary, directly to the legal department at the compliance email address: compliance@anham.com. Employees receive annual training on the Code of Business Conduct and Ethics, which provides descriptions, red flags, and definitions for human rights and possible violations. All employees are notified that it is their responsibility to help the company combat human rights abuses, and report all suspicious activity. ANHAM company management takes very seriously all reports of possible violations, and acts accordingly.

If an area is determined to be a high risk for Human Rights violations, or an employee has reported a suspected violation, the company will conduct an internal or external investigation, as appropriate. Senior management reviews and authorizes the reports prior to investigation, and thoroughly reviews the results of all completed investigations. ANHAM will adjust its procedures and policies as necessary in order to ensure Human Rights are upheld and respected at every area of operation.

ANHAM annually reviews its company policies and procedures, and implements changes whenever necessary.

Assessment, policy and goals – Labour Rights

Description of the relevance of labour rights for the company (i.e. labour rights-related risks and opportunities).

Description of written policies, public commitments and company goals on labour rights.

ANHAM's Code of Business Conduct and Ethics provides written guidance concerning employment discrimination and employee rights. All ANHAM employees sign individual employment labor contracts that clearly explain each employee's rights, benefits, compensations, and responsibilities.

ANHAM is committed to recruiting, hiring, developing and promoting employees without discrimination on the basis of race, color, sex, age, national origin, religion, disability, genetic information, or veteran status. The Company believes diversity strengthens its work force and enhances its competitiveness. ANHAM expects its employees to treat each other with respect and to learn to appreciate other backgrounds and cultures.

ANHAM assess the labor-related risks in every aspect of the hiring and employment process. ANHAM's Affirmative Action Plan provides the basis for fair hiring, and is continually updated to meet the changing needs of the employment environment.

The Company does not tolerate harassment based on race, color, sex, age, national origin, religion, disability, genetic information or veteran status. It is important to remember that harassment can be both verbal and non-verbal and that the Company does not tolerate any form of harassment. The Company has a strict policy against any employees engaging in any form of harassment against another employee or any other individual that comes in contact with the Company. Additionally, employees are not expected to tolerate harassment from either a fellow employee or any other individual that comes in contact with the Company. Employees subjected harassment are encouraged to report the harassment to their supervisor or Compliance Officer.

As stated in ANHAM's Child Labor Policy, the Company including its subsidiary companies and regional offices will comply with all relevant and applicable local and international labor regulations, treaties, conventions and principles relating to the protection, welfare and health & safety of children. This includes, but is not limited to, the United Nations Policy on the Prohibition of Child Labor in UN Peacekeeping Operations, Ref. 2011.21. Furthermore, ANHAM will not employ any person deemed by local or international laws, conventions or regulations to be a child in any capacity in any industrial operation under its control. As a good corporate citizen, ANHAM is committed to the principles of protecting children from child labor exploitation. The Company believes that their future development and that of the communities and countries in which they live is best served through education not child labor.

This is a commitment the Company seeks to apply throughout every region in which the Company operates, and through all stages of the Company's operations. The Company acknowledges that it is sometimes customary in some parts of the world for children to play a part in the day-to-day family business.

Nevertheless, the Company aims to apply this commitment and principles to all the Company's partners, to ensure that:

- a) The welfare and health & safety of children are paramount at all times.
- b) Any form of family business undertaken by children for the development of craft skills, do not conflict with or impede their proper educational development including school attendance.
- c) No activity that could be considered to put children at risk is undertaken by children.

Each operating and end-market company is responsible for introducing procedures and programs to implement this policy and to proactively demonstrate the Company's commitment to corporate social responsibility in this regard.

Implementation

Description of concrete actions taken by the company to implement labour policies, address labour risks and respond to labour violations.

The Company has adopted a Corporate Compliance Program as a tool to assist employees to understand and comply with legal, regulatory, and ethical obligations imposed on ANHAM and its personnel. The Compliance Program is designed to convey, in no uncertain terms, the absolute commitment of ANHAM and its leadership to the highest standards of integrity. This Code is an integral part of the Compliance Program. Other elements of the Program include setting ethics and compliance standards, communicating those standards through policies set forth in written form, providing a mechanism for employees to report issues of a compliance or legal concern, monitoring and auditing employee practices, and maintaining an organizational structure that supports the furtherance of the Compliance Program. Employees are free to contact the compliance department at any time at: compliance@anham.com.

The company prevents discrimination of all kinds and ensures comparable pay for comparable work through its Affirmative Action Plan. The Affirmative Action Plan is routinely updated by the Human Resources Department to reflect the ever-changing employment environment. This Plan provides an assessment of employment by gender and ethnic origin, then provides a plan to ensure equal representation is achieved through the hiring, promotion, and employment process.

Measurement of outcomes

Description of how the company monitors and evaluates performance.

It's is ANHAM's Affirmative Action Policy to abide by all federal and state laws, rules and regulations concerning equal employment opportunity, including, but not limited to, the following:

1. Executive Order 11246
2. Executive Order 11375

The Company's Affirmative Action Program includes an Organizational Profile, Job Group Analysis, Utilization Analysis, Placement Goals, Designation of Responsibility for Implementation, Identification of Problem Areas, Action-Oriented Programs, Internal Audit and Reporting Systems, and Support Data. These are all in accordance with 41 C.F.R. Section 60.

The Company will work with the Federal Government in carrying out equal employment opportunity obligations and in their review of the Company's activities under the contract. It is the policy of ANHAM to assure that applicants are employed and that employees are treated during employment, without regard to their race, religion, sex, age, color or national origin. Such action shall include: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms

of compensation; and selection for training, including apprenticeship, preapprenticeship, and/or on-the-job training.

The following actions will be taken as a minimum:

1. Meetings of supervisory and personnel office employees will be conducted periodically, at which time the Company's equal employment opportunity policy, and the affirmative action required to carry out the policy, will be reviewed and explained. The meetings will be conducted by the Compliance Manager or other knowledgeable Company personnel.
2. All new supervisory or personnel office employees will be given a thorough indoctrination by the Compliance Manager or other knowledgeable Company personnel covering all major aspects of the Company's EEO obligations within a reasonable time following their reporting for duty with the Company.
3. The Compliance Manager or appropriate Company personnel will instruct all employees engaged in the direct recruitment of employees for the project relative to the methods followed by the Company in locating and hiring minority group and women employees.

B. In order to make the Company's equal employment opportunity policy known to all employees, prospective employees and potential sources of employees, i.e. employment agencies, minority and women's organizations, etc., the Company will take the following actions:

1. Notices and posters setting forth the Company's EEO policy will be placed in areas readily accessible to employees, applicants for employment and potential employees.
2. The Company EEO policy and the affirmative action to implement such policy will be brought to the attention of employees by means of meetings, employee handbooks, or other appropriate means.

A. Wages, working conditions, and employees benefits shall be established and administered, and personnel actions of every type, including hiring, upgrading, promotion, transfer, demotion, layoff, and termination, shall be taken without regard to race, color, religion, sex, age or national origin. The following procedures shall be followed:

1. The Compliance Manager will implement inspections of all project sites to insure that working conditions and employee facilities do not indicate discriminatory treatment of project site personnel.
2. The Company Official will evaluate the spread of wages paid within each classification to determine any evidence of discriminatory wage practices. Specific attention will be paid to premium wages paid to employees and assignment of overtime. If discrimination is found, the Company will take immediate corrective action, including payment of back wages if warranted, or assignment of overtime on a compensatory basis in the future if past assignment of overtime indicates discrimination.
3. The Company Compliance Manager will review selected personnel actions in depth to determine whether there is evidence of discrimination. Where evidence is found, the Company will promptly take corrective action. If the review indicates that the discrimination may extend beyond the actions reviewed, such corrective action shall include all affected persons.

4. The Company Compliance Manager will investigate all complaints of alleged discrimination. The Company will attempt to resolve such complaints, and will take appropriate corrective action. In this connection, the Company shall devise and promulgate to all employees formal procedures for lodging discrimination complaints within the Company. The complaint procedure will be adopted into the Affirmative Action Plan and will be promulgated to all employees by means of notices on Company bulletin boards and meetings held.

This procedure shall include a full and complete investigation of each complaint by the Company Compliance Officer. If the investigation indicates that the discrimination may affect persons other than the complainant, corrective action will be taken and shall include all persons affected, including the complainant. Upon completion of each investigation, every complainant will be informed of all avenues of appeal.

Assessment, policy and goals – Environmental Protection

Description of the relevance of environmental protection for the company (i.e. environmental risks and opportunities).

Description of policies, public commitments and company goals on environmental protection.

ANHAM's written Environmental Policy Statement Provides:

We believe that businesses are responsible for achieving good environmental practice and operating in a sustainable manner.

We are therefore committed to reducing our environmental impact and continually improving our environmental performance as an integral and fundamental part of our business strategy and operating methods.

It is our priority to encourage our customers, suppliers and all business associates to do the same. Not only is this sound commercial sense for all; it is also a matter of delivering on our duty of care towards future generations.

Our policy is to

- 1) Wholly support and comply with or exceed the requirements of current environmental legislation and codes of practice.
- 2) Minimize our waste and then reuse or recycle as much of it as possible.
- 3) Minimize energy and water usage in our buildings, vehicles and processes in order to conserve supplies, and minimize our consumption of natural resources, especially where they are non-renewable.
- 4) Operate and maintain company vehicles with due regard to environmental issues as far as reasonably practical and encourage the use of alternative means of transport and car sharing as appropriate.
- 5) Apply the principles of continuous improvement in respect of air, water, noise and light pollution from our premises and reduce any impacts from our operations on the environment and local community.
- 6) As far as possible purchase products and services that do the least damage to the environment and encourage others to do the same.
- 7) Assess the environmental impact of any new processes or products we intend to introduce in advance.
- 8) Ensure that all employees understand our environmental policy and confirm to the high standards it required.
- 9) Address complaints about any breach of our Environmental Policy promptly and to the satisfaction of all concerned.
- 10) Update, our Environmental Policy annually in consultation with staff, associates and customers.

Implementation

Description of concrete actions to implement environmental policies, address environmental risks and respond to environmental incidents.

ANHAM posts its environmental policy and relevant updates for all employees to read and understand.

ANAHM implements its policy goals through supporting and complying with or exceed the requirements of

current environmental legislation and codes of practice, and encourage employees to reuse and recycle as much as possible, and provide easy access to recycling bins placed in convenient locations.

Measurement of outcomes

Description of how the company monitors and evaluates environmental performance.

The company monitors and evaluates performance of its Environmental Policy through risk-assessment and self reporting mechanisms.

Prior to entering a theatre or new contract, the company performs risk assessment. ANHAM works closely with outside counsel at various law firms that have expertise in investigations, legal cases, rulings, and fines associated with environmental protection to ensure that ANHAM always remains in compliance.

If an area is determined to be a high risk for environmental protection, or an employee has reported a violation of the policy, the company will conduct an internal or external investigation, as appropriate. Senior management reviews and authorizes the reports prior to investigation, and thoroughly reviews the results of all completed investigations. ANHAM will adjust its procedures and policies as necessary in order to ensure environmental protection is upheld at every area of operation.

ANHAM annually reviews its company policies and procedures, and implements changes whenever necessary.

Assessment, policy and goals – Anti-Corruption

Description of the relevance of anti-corruption for the company (i.e. anti-corruption risk-assessment). Description of policies, public commitments and company goals on anti-corruption.

ANHAM has a very robust Anti-Corruption policy which includes extensive training, internal and external audits and investigations, and an easy-access reporting system. ANHAM firmly stands behind all relevant U.S. and international law concerning anti-corruption measures, including but not limited to the UN Convention Against Corruption.

ANHAM's Anti-Corruption Policy is included in ANHAM's Code of Business Conduct and Ethics as Attachment 3 of the Code. The policy states:

"Corruption, whether or not a crime, plagues many different countries and can manifest itself in many forms. One of the most basic forms of corruption is bribery. It is the policy of ANHAM to prohibit bribery and all other forms of corruption. Bribery of an official in any company or government position is strictly prohibited, even if ANHAM will lose a business opportunity as a result.

While offering cash is the most obvious form of a bribe, offering anything of substantial value can be reasonably viewed as a bribe. ANHAM recognizes that the line between a legitimate business gift and a bribe may become blurred. Therefore, it is important for each employee to know and understand ANHAM's policies regarding both corruption and offering gifts and seek guidance in advance if there is any question regarding the appropriateness of a gift. Supervisors, managers, and the Compliance Officer are available to answer questions and provide direction."

Specific goals in the area of Anti-Corruption include ensuring all employees complete the extensive training for the Foreign Corrupt Practices Act. This training will provide the basis of ANHAM's anti-corruption outreach efforts, and is available to all employees through their email address and password. All reports of anti-corruption violations may be reported to ANHAM through its compliance email address: compliance@anham.com. Employees are trained to use this email address to report violations.

Implementation

Description of concrete actions to implement anti-corruption policies, address anti-corruption risks and respond to incidents.

All reports of anti-corruption violations may be reported to ANHAM through its compliance email address: compliance@anham.com. Employees are trained to use this email address to report violations. Employees receive extensive training online and through live presentations on anti-corruption measures, including the Foreign Corrupt Practices Act. Training is accessed through employees email address and password, and is available in the primary languages spoken by ANHAM employees.

Measurement of outcomes

Description of how the company monitors and evaluates anti-corruption performance.

The company monitors and evaluates performance of its Anti-Corruption Policy through risk-assessment and self reporting mechanisms.

Prior to entering a theatre or new contract, the company performs risk assessment. ANHAM works closely with outside counsel at various law firms that have expertise in investigations, legal cases, rulings, and fines associated with environmental anti-corruption to ensure that ANHAM always remains in compliance.

If an area is determined to be a high risk for corruption, or an employee has reported a violation of the policy, the company will conduct an internal or external investigation, as appropriate. Senior management reviews and authorizes the reports prior to investigation, and thoroughly reviews the results of all completed investigations. ANHAM will adjust its procedures and policies as necessary in order to ensure environmental protection is upheld at every area of operation.

ANHAM annually reviews its company policies and procedures, and implements changes whenever necessary.