
United Nations Global Compact Communications on Progress 2014

CEO's Statement

April 7, 2014

To our stakeholders:

I am pleased to confirm that Gulf Catering Company for General Trade and Contracting, WLL reaffirms its support of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our continued adherence to the principles of the Global Compact and our achievements in furthering these 10 Principles in our business strategy, work culture and daily operations.

During the past year, we relocated our company headquarters from Kuwait to Dubai to facilitate ease of access to our clients in Abu Dhabi, Cyprus, Indonesia, Iraq, Libya, Sudan and Uganda. In doing so, we recertified ISO, established new contracts and began work for the UN in Cyprus and Sudan, providing Food Rations for Peacekeepers.

Achievements during the past year include:

- ISO 9001:2008 certification for Abu Dhabi, Dubai and Uganda
- ISO 14001:2004 certification for Dubai
- ISO 18001:2007 certification for Dubai
- ISO 22000:2005 certification for Abu Dhabi, Dubai and Libya
- HACCP CODEX Alimentarius Annex 2 CAC/RCP 1- 1969 (2009) certification for Saadiyat Accommodation Village in Abu Dhabi
- Establishment of a Food Safety Management System and initiation of ISO 22000 certification of our food warehouses in Sudan and Cyprus
- Certification of 2 HACCP trainers through Highfield in the UK
- Qualification as an HABC center for HACCP training and examinations
- HACCP certification by Highfield, UK of 60 Sudanese staff members in Sudan/Darfur - with 240 more to be completed this year
- "Go Green" Recycling and Tree Planting Program
- Goumbook Green Connection: Give a Ghaf tree planting program
- Gazprom NEFT Iraq recognition for 500 days of work without an HSE incident
- Award of the American Society for Safety Engineers HSE Excellence Award 2013 - GOLD Award
- Emirates Environmental Group - CSR Arabia Network continued membership.

Gulf Catering Company is committed to increasing employee training and job skills in the remote and challenging areas in which we operate. In conflict zones, this certification of local employees is often difficult. We have overcome the challenges by becoming an HABC certified training company - allowing us to directly train and administer exams to host nation employees.

We proudly present our latest achievement to our stakeholders.



Rashad Sinokrot, CEO

UN GLOBAL COMPACT Human Rights

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

Principle 2: Make sure they are not complicit in human rights abuses

Gulf Catering Company personnel are required to participate in Ethics and Compliance courses through Integrity International. Human Rights is one of the six key modules. Participation is conducted through e-learning on an individual basis - and employees must pass an on-line examination to achieve certification.

Gulf Catering Company has worked in challenging and remote locations throughout the Middle East, Africa, Australia and Asia since 2003. We have employed upwards of 8,000 employees representing over 30 nationalities.

Many of our employees are from developing countries: representing a challenge in ensuring proper recruitment, hiring, work conditions and accommodation of staff members.

In our Iraq operations we have transitioned to 75 percent local hire operations, with a goal of steadily increasing this number as we promote junior staff and create new openings.

In 2013, we were awarded a UN Food Rations contract in Darfur, Sudan. Our staffing consisted of 85 percent local national employees: all of whom were employed according to local and international labor law: at fair salaries and benefits. We implemented a training program that has resulted in 60 local employees undergoing HACCP Food Safety training in Arabic that will result in official certification through Highfield Awarding Body for Compliance in the United Kingdom. The training, testing and certification for the remaining 240 employees is scheduled to be completed by the end of 2014.

Local employees in Sudan are provided with transport to and from their workplace, mid-day meals, water, uniforms, job-related protective equipment and safety shoes. Our corporate position is not simply to adhere to minimum requirements - but to provide the communities in which we are working with employment opportunities, training, certification and skills that ensure their future.

Gulf Catering Company has adapted the Universal Declaration of Human Rights and US Government guidelines on Trafficking in Human Beings (TIPs).

We adhere to and exceed international regulations on Trafficking in Human Beings.

Our contract performance is constantly monitored and inspected by our auditors, clients and audit agencies.

As a part of our recruitment and employee orientation training, new staff members are informed of their rights in their native language. Contracts defining salary and benefits are issued to each employee. Gulf Catering Company pays all recruitment fees, visa, airfare, travel, lodging and meals for our employees.

Employee orientation includes individual human rights and direct reporting access that is independent of direct line management. Daily training modules cover all aspects of job performance and a Trafficking in Persons (TIPS) module that reinforces employee human rights. In May 2012 a new Employee Handbook was issued.

Labor Camps and Lodgings are routinely inspected to ensure that each employee receives a minimum of 55 square feet of personal space, adequate caloric intake, no cost medical care, a free monthly hygiene kit, and free laundry service. Employees are issued 6 complete sets of company uniforms, 2 pairs of safety shoes, winter weather clothing and job-related personal protective equipment (PPE). As required, body armor is provided for employees working in conflict zones such as Iraq and Afghanistan.

All employees retain their own passports.

At our newly constructed camps in Darfur, employee rooms have beds, desks, refrigerator, TV and in-room bathrooms. All linens, hygiene items are provided by the company. Our laundry is operated onsite. Employee clothing and uniforms are cleaned and pressed at no cost to the employee.

Working hours are governed by the labor law of the country in which we are operating or our own corporate policy, with the more stringent policy being applied if compliance is unclear. Religious holidays and Ramadan hours are respected. Our camps also feature small mosques or prayers rooms. Meals are provided at no cost.

Gulf Catering Company has adapted a **no-tolerance policy** regarding violations of human rights. From direct line supervisors, to project managers, QHSE and corporate HR: all management personnel are held directly

responsible for the welfare of employees. In 2013, two discrimination complaints were lodged through our corporate hotline. Both were thoroughly investigated by the Global Ethics, Safety and Security Department. One was deemed to be unfounded and the second resulted in termination of the employee against whom the complaint was made.

At our Dubai Headquarters, our CEO chairs a junior employee council meeting. All council members are non-management level and represent every department in the company.

A newly developed employee satisfaction survey is completed annually by all Dubai staff members.

A locked, **CEO Mail Box** is prominently placed so that every employee can voice his issues, either directly or anonymously.

Additionally, all employees are provided with our parent company **HOTLINE** access.

Gulf Catering Company is ISO 9001: 2008, ISO 22000:2005, ISO 18001:2007 and ISO 14001:2004 certified. Our ISO audit systems ensure proper living and working conditions for our staff and subcontractors.

UN Global Compact Labour

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

Principle 4: The elimination of all forms of forced and compulsory labour

Principle 5: The effective abolition of child labour

Principle 6: The elimination of discrimination in respect of employment and occupation

Gulf Catering Company Headquarters and management personnel are required to participate in mandatory Ethics and Compliance Courses through **Integrity International**. **EEO and Workplace Conduct for Managers** is a key course in the program. Employees participate electronically and are required to pass the course examination - the process of which ensures compliance and provides the foundation of our zero tolerance policy regarding breach of conduct.

Gulf Catering Company respects and protects the right of employees to freely associate and form collective bargaining groups as allowed by local labour laws in the countries in which we operate. We do not discriminate against employees involved in activities of association or collective bargaining. While the majority of our work is performed in the Middle East, where labour organizations are not common, we do impose International Labour Organization guidelines within our organization. Such guideline compliance is mandatory through our contracts with governments, international agencies, NGOs and global corporations.

Our Global Employment Policy commits us to not tolerate any inhumane treatment of people working for us, including any form of forced labour, physical punishment or other abuse.

Work contracts clearly define employee entitlements, including salary and its payment date, vacation, indemnity and medical entitlements.

Gulf Catering Company promotes workplace equality and seeks to eliminate all forms of unfair discrimination. Equitable processes for recruitment, promotion and remuneration are in place, which ensure employment and promotion on the basis of job requirements and merit, and which support the establishment of

a diverse workforce and ensure that all employees and employment applicants are treated equally irrespective of race, color, sex, sexual orientation, religion or belief, family circumstances, political opinion, age, nationality or disability.

Employee training is ongoing: allowing us to identify abilities and to promote from within the organization. It is not uncommon to find that employees who began with the company have risen to supervisory or management roles.

Gulf Catering Company became certified by Highfield Awarding body for Compliance of the UK to conduct, test and certify HACCP training. In the past year, 8 QHSE Managers became certified as Tutors through Highfield Awarding Body for Compliance. This allows a greater reach in training employees in Iraq and Africa - areas where training personnel are scarce. By adding Food Safety HACCP training and certification, we provide important job skills and opportunities to employees in remote areas. This was evidenced as we trained, examined and submitted 60 Sudanese staff members in our Darfur operations for certification. By the end of 2014 an additional 240 Sudanese staff members will be trained, tested and certified.

Gulf Catering Company's focus is on a safe and productive working environment for our employees. QHSE awareness and training are a daily part of our work environment. At our GAZPROM NEFT Badra Base Camp, we proudly received recognition from GAZPROM for 150,000 man-hours of work without injuries.

Gulf Catering Company includes information on employee rights to associate and bargain in our employee orientation program and on-going training program. Employees elect their own representative to management on location and they receive direct QA/ QC corporate access.

Gulf Catering Company carefully screens all employees prior to employment. We do not employ personnel under the age of 18, nor do we accept suppliers who employ children.

In countries where the minimum employment age is higher than 18 years of age, we adhere to local laws.

By implementing ISO 9001 standards, all vendors are vetted prior to engaging in supply contracts. Vetting by our QHSE Team involves plant / facility inspection, verification of company registrations and licenses, ISO certifications, product traceability, and product manufacturing ingredient lists.

A comprehensive food product supplier inspection format has been designed specifically for our United Nations food rations contracts. Our Quality Control team visits all premises of food products of animal origin or key product lines before our procurement team issues purchase orders to a supplier company.

UN Global Compact Environment

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

Principle 8: Undertake initiatives to promote greater environmental responsibility

Principle 9: Encourage the development and diffusion of environmentally friendly technologies

Gulf Catering Company received **ISO 14001:2004 certification** through Lloyd's Register Quality Assurance on November 12, 2011. In December 2013, we became re-certified in the UAE.

Gulf Catering Company implemented a '**Go-Green**' program in 2011 that transferred from Kuwait to Dubai with our head office relocation. All offices are provided with collection bins, for plastic, paper and electronics that are collected for recycling on a weekly basis by Union Paper Mills (UPM). To contribute towards the philosophy of 'KEEPING DUBAI CLEAN' and its environmental friendly cause of recycling waste, the UPM has set up its own Recyclable Waste Management Division.

Gulf Catering Company Dubai office contribution to UPM from our joining date in November 2013 to February 2014 represents the following recycled items and quantities:

- Paper - 237.96 kgs
- Plastic & Cans - 172 kgs
- E-Waste - 7.5 kgs

Gulf Catering Company Dubai joined Green Dot Solutions' toner cartridge recycling program in January 2014. We send our used Toner Cartridges for Recycling and replenish our printers with recycled cartridges.

While the Dubai office amounts are small, joining with Union Paper Mills and Green Dot Solutions allows us to increase the impact of recycling, as evidenced by the below certificate. In doing so, we maximized our environmental impact as a

new member of the Dubai community.



Certificate of Participation in Green Dot Solutions recycling program

Our corporate newsletter is now issued quarterly, but its' focus remains on Health, Safety and Environmental topics. Environmental issues have covered Recycling, Reducing Paper Use, Tree-planting and Safety issues.

Our country operations in Iraq, Libya, Uganda and Sudan have each developed their own environmental programs, from recycling, to tree-planting and water conservation.

Earth Day events take place to commemorate environmental appreciation. Trees were planted in Kuwait, Sudan-Darfur and Abu Dhabi. In Nyala, Darfur our team members planted 50 Neem, Mahagony, and Lemon trees. In Abu Dhabi a ceremonial Lemon Tree was planted at our clients' location.



Tree planting at Nyala, Sudan



UAE-indigenous Ghaf Trees

In the UAE, our management team took part in an educational program that highlighted planting of the indigenous ghaf tree that is native to the UAE, Oman, and Saudi Arabia. It is a drought-tolerant evergreen tree that has often been called the 'tree of life' due to its root system's ability to find water in the desert - even up to 30 meters. The early inhabitants of the region relied on sighting a ghaf tree to locate water.

The ghaf tree withstands drought and can survive off of very little water. Its flowers, fruit, leaves, branches, bark and roots provide a natural habitat to many desert birds. The ghaf is endangered by camels and goats who feed off of its bark and leaves and by man, who cuts it down. Its existence is further threatened by planting initiatives that focus on water-thirsty imported varieties of plants and floral trees that require extensive amounts of water.



Removing the seeds from the pods

We joined the "Give a Ghaf" program by organizing our first special tree planting. The event began with an introduction lecture on the tree, and the opening of pods that hold precious seeds.



Preparing and Labeling the Pots

The seeds were then planted in special pots labeled with our company name. The seeds are expected to germinate at the nursery greenhouse in 3-6 months, and

then be planted at select schools, communities or desert locations. We will follow the progress of our trees throughout the coming months until actual trees are planted.

Our Construction and Life Support contracts involve both preventative actions and the incorporation of environmentally friendly / recycling initiatives. Examples include the safe processing of waste, fuel overspill basins, recycling of aluminum cans, metals and plastic water bottles, and the use of biodegradable catering materials.



Our future Ghaf trees

In many projects, a percentage of the proceeds of recycling initiatives are contributed to local educational initiatives.

Gulf Catering Company gives priority to ISO14001 qualified suppliers.

When sourcing materials and supplies we require a Material Data Safety Sheet (MSDS) that we provide to our clients.

Environmental spills or contamination have an immediate reporting requirement. Refueling stations are equipped with spill kits, and fuel storage tanks are enclosed in concrete spill containers capable of holding 110% of the tank contents. Catering Operations feature special cooking oil collection areas and grease traps to prevent soil contamination.

Gulf Catering Company has developed waste management charts that include specific handling for each type of domestic and industrial waste including: batteries, tires, concrete, light bulbs, plastic, aluminum, spent brass, iron, glass, oil soaked clothing and rags, paper, wood, kitchen waste, and chemicals. These charts are distributed to all of our work sites and to our clients.

Employees are furnished with appropriate Personal Protective Equipment such as overalls, gloves, eyeglasses, hearing protection, reflective vests and safety shoes to ensure that anyone coming into contact with Hazardous Materials (HAZMAT) is protected. Training is continuous for both recognizing and responding to environmental incidents.

UN Global Compact Anti - Corruption

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

Recognizing the difficulties of employees and clients in the Middle East, Asia and Africa to understand international standards and practices, Gulf Catering Company's parent company Agility published a comprehensive **Code of Business Ethics and Conduct** that apply to all group companies and our external relationships. All headquarters and management personnel are required to completed Integrity International on-line, interactive training modules in:

- Global Mutual Respect
- FCPA Anti-Bribery
- Government Procurement
- Code of Business Ethics
- Privacy and Data Protection
- Combating Bribery in Business

The training is conducted using examples and situational analysis designed to develop understanding and model behavior. Participants must complete an imbedded examination designed to ensure understanding of good business practices. Course participation is mandatory. An electronic transcript of completion is generated for employee and corporate records.

Our Code of Business Ethics and Conduct mirrors the UN Global Compact and specifically addresses Employee conflicts of interest, gifts, meals and entertainment in the course of interacting with clients, suppliers, subcontractors and competitors. Our work in emerging or conflict nations requires an understanding of how employees are to conduct themselves - knowing full well that such situations will arise.

The document further addresses business with third parties and anti-trust compliance including:

- Conducting Business with Suppliers, Vendors, Jobbers, Agents, Consultants, and Customers
- Conducting Business with Governments
- Antitrust Compliance
- Agreements among Competitors
- Monopolization

A new revision is scheduled for release in April 2014 - followed by extensive employee training. The updates include:

- Updated Corporate Alert Line numbers and contact information to report suspected violations
- Adjustments to the Gifts, Meals and Entertainment section highlighting the difference between acceptable hospitality and acts that can be considered bribes in different countries where we operate
- A revised anti-corruption section that reflects more stringent standards that were set by a number of anti-corruption laws, including some with broad-ranging extraterritorial reach. The revised anti-corruption section reflects what is “as a minimum” acceptable to our global customers as well as an increasing number of local customers
- Our Corporate obligations towards unilateral and multilateral trade sanctions and our commitment to respect them while conducting our business

Employee orientation and training covers real life situations encountered by employees and provides explanatory responses that demonstrate compliance with corporate policy.

Gulf Catering Company has a zero tolerance anti-corruption policy. The first page of our corporate Code of Business Ethics and Conduct clearly specifies a hotline number for clarifications, employee concerns and reporting. All communications are considered privileged to ensure employee trust.

Gulf Catering Company and our parent company Agility Logistics are dedicated to our Code of Business Ethics and Conduct. We staunchly defend our record of performance and strive to ensure international compliance at corporate levels.

Our audit processes include internal and external audits. External audits include ISO 9001 compliance and Ernst & Young third-party financial audits.

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