



Basrah Development Services Company Ltd.

شركة البصرة للخدمات الانمائية محدودة المسؤولية

07th January 2015

To our stakeholders:

I am pleased to confirm that Basrah Development Services (BDS) 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.

BDS have recently been awarded the Chief Executive Officer's HSSE & SP Award in the category "Excellence in Env&SP"

Sincerely Yours

Sinan Shakir
General Manager





Human Rights Principles

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

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

Assessment, Policy and Goals

- BDS is committed to respect the Universal Declaration of Human Rights and other relevant International Standards
- To achieve the above, BDS have set certain process for:
 - Recruitment of employees
 - Gender Balance
 - Working hours and leave Balance
 - Salary Scale depending of the level of recruitment
 - Providing suitable working environment for the staff
 - Clear conditions for ending services of staff and conditions for doing so
- Throughout the work that BDS have carried out over the past period, the company was keen to carefully choose its business partners and suppliers from those who would adhere to the principles on Human Rights
- Since BDS is working in country of operations, a strict Risk Assessment is done prior to conducting any work on the ground. A dedicated HSE officer is on board and his reporting is made directly to the Company General Manager to take the required action when and if needed.
- BDS is working on obtaining the ISO certificate during 2015. This will be an evidence of how the company's systems are in line with the international standards and that a high degree of transparency is adopted.

Implementation

- BDS has followed the following measures to ensure the implementation of Human Rights and reduce the risks and respond to Human Rights Violations:
 - Regular Staff meetings to respond to complaints and concerns
 - Recruiting of an HSE officer with OSHA certificate
 - Adopting a standard HR system

Measurement of Outcomes

- Gender Balance issue was addressed and responded to during the recruitment process. This led to new recruitment of Female staff members
- BDS was also subjected to external audit as part of the normal practice carried out on annual basis. Recommendations of the external audit were integrated in the work of BDS throughout the past year.
- Complaints received from clients are dealt with highest level of importance and is discussed at the senior management level.



Labour Principles

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: and

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

Assessment, Policy and Goals

- *BDS works hard to make sure that labour rights are respected in terms of:*
 - *Working conditions*
 - *Working hours*
 - *Accuracy in payments / Salaries*
 - *Leave days*
 - *Recruitment age to be in line with ILO and international laws avoiding any source of Child Labour*
- *BDS works strictly with partners and client who adhere to the international rules related to labour and always apply close follow up to the work done to make sure that those rules are applied always*

Implementation

- *Risk management policy has been developed and is followed to protect the safety of the workers*
- *Continuous monitoring of the implementation of this plan is done by the designated HSE officer*
- *Periodical meetings with business partners and stakeholders are to give guidance on how to deal with any diversification from the plan.*
- *BDS has an organogram that describes the roles and responsibilities for each member of the staff and there are those who are responsible for the follow up and to ensure that labour rights are followed.*
- *The HR system also provides a base for timely implementation of regulations and to keep record of the working hours and the rights of all staff.*

Measurement of Outcomes

- *In its efforts to achieve the mission of the company, BDS has placed an effective system for monitoring and evaluation that produces regular reports to help the management is rectifying any diversity from the planned strategy.*
- *Global Compact is considered one of the main strategies to be followed by the company in implementing all of the projects.*
- *By applying the above measures, certain goals have been achieved during the past period and since the last COP date. Some of those achievements are:*
 - *Introducing the new HR system with full web management*
 - *Increasing the number of female staff in the company to keep gender balance*
 - *Introducing new facilities to respond to the needs of the staff*



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Environmental Principles

Principle 7: Businesses should support

Principle 8: undertake initiatives to promote greater environmental responsibility; and

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

Assessment, Policy and Goals

- An EIA was carried on to have a better understanding of the impact of BDS on the environment. The results of this study showed no significant or even minor effects of the company on the environment.
- Being located in a highly affected environment, BDS is working hard to encourage the partners and stakeholders to protect and sustain the environment and to help in improving the environmental situation not only in the surrounding areas but also in the projects sites and the partner's work place.

Implementation

- A full HSE policy was developed for BDS and our HSE officer is in charge of the follow up of implementation of this plan
- Regular awareness campaigns are conducted to the staff to ensure a full compliance with the HSE policy
- Induction HSE briefings are conducted at the beginning of every workshop held at the BDS offices to introduce the HSE Policy and the parameters that need to be followed
- Posters and other advertising materials are also distributed in the offices and copies are handed over to all visitors

Measurement of Outcomes

- Incidence record is kept at the company and site offices to record the various incidences that occur and try to take protective measures
- Annual reports are produced by the HSE officer and
- Full review of the reports is done by senior management to come up with recommendations to mitigate the risks.



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Anti-corruption Principles

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

Assessment, Policy and Goals

- *BDS have always made it clear that there will be zero tolerance when it comes to corruption including bribery and extortion, further more BDS do not allow its staff or partners to deal and respond to requests of bribery and have practiced the highest degree of firmness in such cases.*
- *Staff contracts include clear statements criminalizing such acts and considering it as a reason for ending the contract of any staff member if proven to have violated those instructions.*

Implementation

- *Senior management contact details are always shared with partners and stakeholders encouraging them to report any incidence of corruption*
- *The staff emails are all under the supervision of the company IT and are all channelled through the company server to prevent any miss use of the mail system*

Measurement of Outcomes

- *In case of proven corruption cases, company board meeting is held to investigate in the incidence and strict preventive actions are taken to apply the conditions mentioned in the staff contracts.*
- *In the cases where corruption is coming from partners or providers, BDS would start contacts at the highest levels to prevent such actions including reporting that to the Integrity Commission.*
- *External audit reports supports the above and has not reported any incidence of the above mentioned with in the reporting period.*

In support of the previously mentioned, we are pleased to inform all of our stakeholders and partners that BDS have been awarded the **Chief Executive Officer's HSSE & SP Award in the category "Excellence in Environment and Social Performance from Shell Petroleum in 2014.**

Awarding ceremonies are to be held on 12th January 2015.