
United Nations Global Compact Communications on Progress 2014

CEO's Statement

Mar 30, 2015

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.

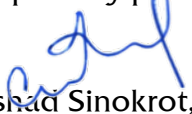
Achievements during the past year include:

- ISO 9001:2008 certification for Abu Dhabi, Dubai, Iraq and Uganda
- ISO 14001:2004 certification for Dubai
- ISO 18001:2007 certification for Dubai
- ISO 22000:2005 certification for Abu Dhabi, Sudan/Darfur, Dubai and Libya
- Certification of 3 HACCP trainers through Highfield in the UK
- Qualification as an HABC center for HACCP training and examinations
- HACCP certification by Highfield, UK of 212 Sudanese staff members in Sudan/Darfur
- "Go Green" Recycling and Tree Planting Program
- Goumbook Green Connection: Give a Ghaf tree planting program
- Award of the American Society for Safety Engineers HSE Excellence Award 2014 - GOLD Award
- Arab Organization for Social Responsibility (ASOR) Corporate Social Responsibility Award 2014
- Emirates Wildlife Society (WWF association) Member 2015
- 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, but we have certified 212 Darfurian nationals by becoming an HABC certified training company - allowing us to directly train and administer exams to host nation employees.

As our employees become trained they take on greater responsibility for the environments in which we work. Our Sudanese management team is now work to rehabilitate a 906-student school in Darfur - overseeing and implementing the project.

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

We have revised our Code of Conduct and Business Ethics in 2015. Gulf Catering Company personnel are required to participate in Ethics and Compliance e-learning courses through Integrity International. Human Rights is one of the six key modules. Participation is conducted on an individual basis – and employees must pass an on-line examination to achieve certification. Further training modules are being translated into Arabic for our employees in Sudan and Iraq.

Gulf Catering Company has worked in challenging and remote locations throughout the Middle East, Africa, Australia and Asia since 2003. We currently employ 57 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. Our Sudan operations represent 85 percent local hire.

In Sudan, it is our local management team that is currently project managing the rehabilitation of a 906-student school in Darfur – applying the principles and ethical practices gained through their own training. We empower our employees to create a multiplier effect that improves the lives of many community members.

In 2014, we continued a local employee-training program that has resulted in 212 local employees undergoing HACCP Food Safety training in Arabic that has resulted in official certification through Highfield Awarding Body for Compliance in the United Kingdom. The training, testing and certification increase knowledge and provide a tremendous sense of pride for employees who have limited access to education – but now have official certificates from the UK.

As a result of the knowledge and skills acquired by our employees, GCC SERVICES went on to prepare each of the three Darfur food warehouses for ISO 22000 certification. Obtaining certification of our warehouses in Darfur was difficult. Three internationally recognized certifying bodies refused to audit our operation in Darfur due to security risks. TUV Nord of Dubai took the challenge and our Director of QHSE accompanied the auditors to Darfur.

GCC SERVICES was awarded ISO 22000:2005 (Food Safety Management) certification for all three of our warehouses in Darfur. This is the first time such a massive training has taken place and the first time ISO 22000 certification was achieved at a remote conflict zone.

Local employees in Sudan are provided with mini-bus 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 2015, we completed the revision of our Employee Handbook.

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.

All employees retain their own passports.

At our employee camps in Darfur, employee rooms have beds, desks, refrigerator, TV and in-room bathrooms. All linens and 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. Meals are prepared on site in the facility kitchens.

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. Midday meals are provided for local employees 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 2014, there were no complaints alleging discrimination - whereas in 2013 there were two in 2013 (one unfounded).

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. In 2015 education and medical benefits were expanded for junior staff members.

Our 2014 Employee Satisfaction Survey was completed by 90 % of our Dubai staff members. Areas for improvement included communication between departments and a review of salaries and benefits. Sixty-nine percent of employees deemed the company a good work place. A good portion of the results can be attributed to a 100% increase in staff members as the company grew since moving to Dubai in July of 2013. Subsequently a review of salaries and benefits is being conducted by an independent agency.

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.

In 2015, we revised our Code of Conduct and Business Ethics. An Arabic version has been created, and training modules are being disseminated to all country management teams. Our Legal, QHSE and Government Relations directors constitute the newly formed Compliance Committee responsible for rolling out the document and ensuring training.

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 Sudan employees have collective bargaining rights under local labour law.

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.

Our Sudan team is a key example of workplace equality. While our primary work is comprised of warehousing - an area of work where only local males apply, many female community members are proudly earning wages in administrative and camp support services. Culturally, the women segregate themselves from the males - but we have trained them together, and the women achieve HACCP certification along with the men.



Training and certification in Sudan is for all employees

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 in the UK to conduct, test and certify HACCP training. In the past year, 3 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 212 Sudanese staff members in our Darfur operations for certification.

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.

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**. 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, UPM has set up its own Recyclable Waste Management Division.

Gulf Catering Company Dubai office contribution to UPM from January 2014 through December 2014 represents the following recycled items and quantities:

- Paper - 452.46 kgs
- Plastic & Cans - 365 kgs
- E-Waste - 21.19 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.

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, 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 Dubai, Sudan-Darfur, Iraq and Abu Dhabi.

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 dessert 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.

In April 2014 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. We proudly received news that our trees were growing in November of 2014 – and that they would soon be planted in the UAE desert.



Preparing and Labeling the Pots



Ghaf Shoots today

To further our company's environmental awareness, on December 9, 2014 we participated in the Clean Up UAE initiative: a nationwide campaign that aims to create awareness among the local community about environmental issues with special emphasis on waste management, waste reduction, and recycling.



Our team worked hard to remove nearly one ton of trash and debris from the Ras AL Khaimah desert.

On February 22, 2015, we joined the Emirates Marine Environmental Group (a WWF affiliate), at the Ghantoot Sanctuary in the UAE. The area is a wildlife sanctuary with a mangrove lagoon and beaches that are home to many endangered species, including hawk-bill turtles that return to the beach each year to lay their eggs.

Algae is pulled by hand from the roots of the mangroves, allowing them to grow. The algae can be dropped on an oil spill in the sea and it absorbs the oil.



Beach Clean-up



Algae Extraction



Algae Collected

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.

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 was completed in March 2015 with extensive employee training in Arabic and English to follow. 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
- Revised corporate Values and Mission

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 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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