



Switch Group Facility Management, Contracting & Trading

COP Report – Switch Group –Member of the UN GLOBAL COMPACT INITIATIVE

May 2014 – August 2016

August 24, 2016

To our Stakeholders:

I am pleased to confirm that Switch Group 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,

Ziad Haddad
Managing Director



Human Rights Principles

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

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

Assessment, Policy and Goals

Switch Group hereby reaffirms its support for the Universal Declaration of Human Rights. Below is an excerpt from our Company Policy against Human Rights:

“Switch Group is a strong and vocal advocate for the *Universal Declaration of Human Rights* and a proud member of the UN GLOBAL COMPACT. Every member of the Switch Group family is expected to act in accordance with the Declaration in whichever country they find themselves in – both on and off duty. Therefore, it is only natural that we will not tolerate or give business to any supplier that contributes any doubt as to a violation of the basics of Human Rights.”

Moreover, below is an excerpt from the Employee Handbook on Sexual Harassment:

“The Company recognizes that all employees have the right to be treated with dignity, and therefore must be provided with a working environment free from sexual harassment. Accordingly, it will not tolerate behavior from any member of Staff, which might constitute sexual harassment.”

There is an established procedure for resolving complaints of sexual harassment.

Implementation

Below is a list of some small yet significant strides in our fight against Human Rights:

- Switch Group’s Company Bylaws include a Grievance Policy by which all employees can benefit from anonymous and non-anonymous reporting of any grievance committed against them.
- Switch Group’s Company Bylaws was revised to include the **Human Rights Policy Statement**. The change was communicated to the entire company and the handbook is available for all.

Measurement of Outcomes

Below is how all company grievances and Human Rights violations are monitored by the HR department at the company:

- Special reporting and documented Minutes of Meeting regarding any grievances or Human Rights incidents to TOP MANAGEMENT during the monthly Leadership Meetings.



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

Switch Group is a service company. The company's core business is 100% dependent on labor. Therefore, it is in our best interest to take good care of our team and maintain a positive working environment for them. Below is an excerpt from the Employee Handbook:

Sexual Harassment:

"The Company recognizes that all employees have the right to be treated with dignity, and therefore must be provided with a working environment free from sexual harassment. Accordingly, it will not tolerate behavior from any member of Staff, which might constitute sexual harassment.

Bullying:

- 1.1 "The Company believes that all employees have the right to be treated with dignity and respect. Bullying is harmful; it causes distress and can lead to accidents, illness and poor performance. Bullying is defined as any unsolicited or unwelcome act that humiliates intimidates or undermines the individual involved. No form of bullying will be condoned at work or outside work if it has a bearing on the working relationship.
- 1.2 Bullying could include:
 - ❖ Derogatory remarks
 - ❖ Insensitive jokes and pranks
 - ❖ Insulting and aggressive behavior
 - ❖ Assault
 - ❖ Ignoring or excluding the individual
 - ❖ Setting unrealistic deadlines
 - ❖ Public criticism
 - ❖ Substituting responsible tasks for menial ones
 - ❖ Devaluing efforts on purpose
- 1.3 The list is not exhaustive and it is the perceptions of the recipient that determine whether any action is viewed as bullying.



Implementation

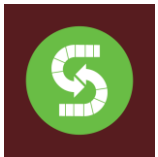
Below is a list of some small yet significant strides in our fight against Human Rights:

- Switch Group's Company Bylaws and Employee Benefits were presented in a Town Hall Meeting for the company with all staff present with a Q&A at the end to respond to all queries in October 2014.
- Switch Group's Company Bylaws include a Grievance Policy by which all employees can benefit from anonymous and non-anonymous reporting of any grievance committed against them.
- Review of the Switch Group's Company Bylaws were added to the "New Employee Checklist Orientation" in a documented procedure for HR to follow so all new hires are aware of their rights and benefits at the company.
- The Health and Safety Policy was updated to include Site Safety Instructions for workers.
- Helmets were added as a compulsory part of the Personal Protective Equipment for all site workers.
- HR has rolled out the "*Employee of the Month*" award system in October 2015.

Measurement of Outcomes

Our company measures the outcome of policies established to ensure labor rights by are adhered to by:

- Diversity and Inclusion: Today, we are 80 employees of 6 different Nationalities. Ages range from 18 to 55.
- Company turnover has decreased from 20% to 10% within 1 year from the establishment of the Employee Handbook and down to 8% in the second year of establishment.



Environmental Principles

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

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

SWITCH GROUP management is committed to protecting human health and natural resources and promoting environmental stewardship.

Through management leadership and employee participation, SWITCH GROUP is committed to:

- Minimizing our environmental footprint by promoting more environmentally friendly adaptations of mundane procedures and increasing staff awareness in order to ensure their implementation inside and outside the workplace.
- Ensuring that energy and water are used responsibly and conserved through innovative practices and procedures, staff awareness and positive reinforcement.
- Complying with all applicable laws, regulations, and other requirements.
- Employing Environmentally-Friendly techniques and materials, where possible.
- Implementing effective pollution prevention and waste minimization programs to reduce, reuse, and recycle materials.
- Promote Car Pooling and efficient project mobilizing methods for the staff to avoid multiple vehicular trips on the same route if possible.

This commitment demands that:

- We each take personal responsibility to protect the environment and minimize the negative environmental consequences of our activities as we conduct our work and during our daily routines.
- Adhere to Company Policy for staff demobilization from the designated *Worker Assembly Point* where a few drivers mobilize the teams to the different locations thereby minimizing the environmental footprint of having excess company vehicles.
- Ensure that energy and water are used responsibly by adhering to Switch Group's policy to turn off all lights and running HVAC units if you are the last person to leave the office.
- We each take personal responsibility to use resources wisely.
- We use only what we need and look for opportunities to minimize waste.
- We respectfully challenge each other to be efficient in the use of natural resources.
- We promptly report all incidents and unsafe conditions to SWITCH GROUP emergency services



Below is an excerpt from the Company's Environmental Policy Statement:

“Environmental stewardship is and must be an integral part of every SWITCH GROUP business practice, operation, job, and task. It is incumbent on each of us to assess our own roles and responsibilities and to help fulfill, to the utmost of our abilities, the commitments set forth in this statement.”

Implementation

- Awareness of the staff through fun laminated leaflets at all gathering points and outside all offices to remind them to close the lights and any functioning A/C units before they leave.
- Full sponsoring of the landscaping and re-planting of all the once green areas around the Beirut Museum.
- Working closely with LED LAMP suppliers and clients to switch from Sodium to LED lamps where possible.
- Installed LED Lamps in all our offices.
- Installed attractive flyers near every socket and light switch in the office reminding personnel to switch off prior to exiting end of day and explaining briefly the impact of energy saving on the community.
- Added a performance goal for all operations personnel to decrease fuel consumption by 10% in fiscal year 2016.
- Hired a Logistics Officer to ensure that all company vehicles are maintained on time and at pre-approved service providers to ensure a decrease in emittance due to lack of maintenance.

Measurement of Outcomes

- Special reporting and documented Minutes of Meeting by the Quality Department to TOP MANAGEMENT during the monthly Leadership Meetings.
- The Company has achieved a 5% decrease in fuel consumption as of June 2016.



Anti-Corruption Principles

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

Assessment, Policy and Goals

- TOP MANAGEMENT is involved with the resolution and investigation of potential corruption cases at the micro level.
- It is company policy that no staff member accepts any bribes, gifts and even small change from any clients or suppliers.

Implementation

- Switch Group's Company Bylaws include an Anti-Corruption Policy by which all employees can benefit from anonymous and non-anonymous reporting of any grievance committed against them.
- Switch Group's Company Bylaws and Employee Benefits were presented in a Town Hall Meeting for the company with all staff present with a Q&A at the end to respond to all queries in October 2014.
- Review of the Switch Group's Company Bylaws were added to the "New Employee Checklist Orientation" in a documented procedure for HR to follow so all new hires are aware of their rights and benefits at the company
- Switch Group's Company Bylaws include an Anti- Corruption Policy by which all employees can benefit from anonymous and non-anonymous reporting of any questionable activities around them.
- Monthly meetings with the company's biggest suppliers always include Anti-Corruption awareness as a point on the agenda.
- Added an Anti-Corruption clause in all legal agreements.

Measurement of outcomes

- Using the anonymous reporting policy, it was discovered that the company's Junior Procurement Officer was accepting bribes from multiple suppliers and owed them money for personal service carried out at his home. This employee was immediately terminated and mass email from TOP MANAGEMENT was sent to remind all the staff of the company's hard stance on corruption.
- All recent service agreements signed with new clients and/or renewed by existing clients include the Anti-Corruption clause.