

TO: H.E. Ban Ki-moon

UN Secretary-General

United Nations New York, NY 10017

USA

FROM: Charles Skinner

Chief Financial Officer

AFGS

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DATE: November 4, 2016

SUBJECT: AFGS's UN Global Compact Communication of Progress 2016

Dear Mr. Secretary-General,

I am pleased to re-affirm that AFGS supports the ten principles of the UN Global Compact on human rights, labor, the environment, and anti-corruption. With this Communication of Progress, we express our intent, implementation, and observed outcomes of this support. We are committed to making the Global Compact and its principles a part of the strategy, culture, and day-to-day operations of our company and to advancing the transparency and communication of this commitment to the United Nations, our stakeholders, and the general public.

We recognize that a requirement for participation in the Global Compact involves the submission of a Communication on Progress regarding the company's implementation of its principles. We commit to continue to submit the Communication on Progress in each of the following years.

Sincerely,

Charles Skinner Chief Financial Officer

Afghan Fleet and Group Services (AFGS)



1 HUMAN RIGHTS

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 their human rights abuses.

1.1 POLICY

AFGS respects the rights of human beings in accordance with UN guidelines, U.S., Afghan, and widely accepted government laws, and moral principles that guide the company's operations. This includes living conditions and freedom from abuse and coercion.

1.2 GOALS

AFGS's goal is to observe no human rights abuses initiated by company personnel, and to report any human rights abuses observed by suppliers, subcontractors, and clients with no delay. AFGS will also aim to fully implement protection of human rights in the company's policies.

1.3 IMPLEMENTATION

AFGS ensures that its employees have access to basic housing at a minimum standard. All employees are trained on how to identify signs of human rights abuses, especially human trafficking. Violent acts or threats made by company employees are not tolerated under any circumstances. Government liaisons also work to address any disagreements from stakeholders in the communities in which AFGS operates who are not employed by the company or by clients, suppliers, or subcontractors.

1.4 OUTCOMES

No human rights abuses have been reported, either internally or from suppliers, clients, subcontractors, or other external entities.

1.5 FUTURE ACTIONS

AFGS will continue to honor the rights of the people it employs, the employees of the company's clients, suppliers, and subcontractors, as well as the stakeholders affected by the company's activities.

2 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 labor;

Principle 5: the effective abolition of child labor; and

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

2.1 POLICY

AFGS respects all labor laws and regulations as governed by the United Nations, the UAE government, the U.S. government, and the Afghan government. Aspects of particular focus to AFGS include combatting forced labor and child labor, giving equal opportunities for employment with regard to gender, ethnicity, and race, working conditions, and fair pay.

2.2 GOALS



AFGS's goal is to provide as well as increase, opportunities for women and qualified candidates from all backgrounds for required positions, to provide ample pay based on market conditions, to regulate the number of hours worked by employees and provide compensation extra hours worked, and to avoid instances of forced labor and child labor.

2.3 IMPLEMENTATION

AFGS mandates that employees receive a minimum number of hours off per week, especially with regards to physically strenuous work. All employees are provided with safe working conditions, and are trained to identify factors that may lead to risky or dangerous conditions. If such conditions are observed, work is stopped until the area or condition is made suitable for performance of the required activity.

AFGS has employed numerous women in its internal operations and contract performance with the United Nations in Afghanistan. All employees are required to provide numerous forms of identification and letters from references prior to employment. This ensures that no underage labor is employed by the company.

Finally, all contracts are clearly written and explained to employees prior to their acceptance of job offers with the company, and questions and concerns regarding the contracts are welcomed in all cases. Following the formal acceptance of employment and throughout each employee's time with the company, AFGS's HR Department is open to any and all complaints, comments, requests, and concerns from employees, and discussions regarding these issues are always welcomed and resolved with respect.

2.4 OUTCOMES

Many women work in office roles in the company's operations as well as contract performance. Safe working conditions have been maintained throughout the company's activities, and no significant work-related injuries have been observed in the past year. To date, no underaged employees have been hired by the company. Furthermore, no strikes or work stoppages have been experienced due to wage disagreements.

2.5 FUTURE ACTIONS

AFGS will continue to open its doors to and try to increase female candidates as well as those from a wide range of ethnic and racial backgrounds.

3 ENVIRONMENT

Principle 7: Business 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 environmental friendly technologies.

3.1 POLICY

AFGS's policy is to have a zero-harm effect on the environment through the performance of all operations. Furthermore, in the company's corporate headquarters in Dubai, AFGS follows all recycling practices supported by the Dubai government.

3.2 GOALS

In the course of performing facility and generator maintenance services for the United Nations and other clients in Afghanistan, it is imperative that all waste materials are disposed of responsibly. Furthermore, cleaning materials must be stored in such a way to prevent leaks into surface water and groundwater sources.



3.3 IMPLEMENTATION

All contract employees are instructed to store cleaning materials, engine oil, and additives on shelves that are elevated from the ground, as well as to regularly inspect storage areas for signs of leakages. Such materials are only removed from such areas when they are used, and are promptly returned when not in use. Employees are trained prior to daily commencement of work on the handling of toxic substances to ensure constant awareness of potential effects. Oil used in kitchens under catering services contracts with the United Nations is also stored until it can be disposed of in accordance with UN standards and laws of the Afghan government.

3.4 OUTCOMES

AFGS has not encountered any spills or leaks of toxic or contaminating materials during the course of the company's operations.

3.5 FUTURE ACTIONS

In the future, advanced metrics will be introduced to measure the use of recycled material in the company's corporate office. Also, the company will seek alternative sources for materials that may be produced from recycled resources.

4 ANTI-CORRUPTION

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

4.1 POLICY

Corruption is a particular area of focus that is necessary to address for any entity operating in Afghanistan. Due to a litany of socio-economic factors, corruption is prevalent in Afghanistan. However, AFGS has a zero-tolerance policy for corrupt practices being initiated or taken part in by AFGS employees, management, clients, or suppliers. Such activities include blackmail, bribery, gifts, commissions, kickbacks, misrepresentations of services delivered, forgery, or knowingly misrepresenting a person or a company.

All company personnel are held responsible for their adherence to this policy in their own actions, as well as to act as the company's first line of defense against corruption. All employees are instructed to report observed corruption to their superiors without the threat of retribution for the superior or the suspected party.

4.2 GOALS

AFGS's goal is to prevent all fraud and corruption, and to report all attempts to draw AFGS personnel into such activities as well as fraudulent or corrupt activities observed by clients and suppliers.

4.3 IMPLEMENTATION

All company personnel have received training on the types of activities to look out for in regards to fraud and corruption, whether that be discrepancies in financial reports or unusual communications with suppliers or other often seen practices. Chains of command have been established to provide employees with points of contact within the company to report any observed corruption or suspected corrupt activities.

AFGS employees have reported to their superiors incidents of suspected corruption or fraud by fellow employees, as well as suppliers. Such suppliers have been added to a blacklist distributed to employees to avoid contact with in the future.

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4.4 OUTCOMES

All reported incidents have been investigated. In the case of three former employees, evidence of corrupt activities was found and the employees were promptly terminated. Likewise, a supplier was found to be conducting corrupt activities (without the collusion of AFGS employees), and the supplier relationship was consequently ended with a newly vetted supplier established for the same services.

AFGS has not been involved in any cases of corruption or fraud from other companies or governments of any nation.

4.5 FUTURE ACTIONS

AFGS will continue to proactively fight corruption from within the company and amongst the companies that AFGS deals with in Afghanistan.