

15 February 2017

Dear Friends, Partners, Clients, and Stakeholders,

Welcome to our 2016 UN Global Compact Communication on Progress report. It's written for you, because we value our relationship and connection. You might be our client, a supplier, stakeholder, one of our 7000+ employees, or simply interested in our business.

The launch of the new Sustainable Development Goals (SDGs) and the first World Humanitarian Summit (WHS) taught the world to rethink the way companies do business and deliver aid and relief, including us at NRS International. Our mission statement, *'combining strengths, improving lives,'* is at the forefront of the way we conduct business, and we are aligning the SDGs and the lessons learned from WHS into the daily operations of our company.

This year we have seen tremendous growth and launched two new subsidiaries, expanded our product range, launched a new lean production strategy, deepened our charitable commitments, and created employment opportunities in our communities. We have also expanded our Corporate Social Responsibility teams in Dubai and Pakistan and were nominated as Steering Committee Members of the UN Global Compact Network within the United Arab Emirates for our commitment to sustainability, diversity and female empowerment, and core business values.

We are delighted to share our actions towards the UN Global Compact and we hope this report will stimulate a dialogue on what it means to be a socially responsible manufacturer for emergency shelters, core relief items, public health products and solar solutions. We invite and welcome your comments, questions and constructive feedback. Please join us on our journey to create more companies that care and build more sustainable communities.

Warmest regards,



Farhaj Sarwar,
Managing Director



United Nations Global Compact Communication on Progress

From February 2016 to February 2017

Making Progress on Corporate Responsibility Measures

We believe that sustainable and socially responsible business practice makes smart business and underscores our commitment to the environment, our employees, and the communities where we work. This year, our sustainable journey continued to take concrete actions towards the ten principles set by the UN Global Compact (UNGC) under Human Rights, Labour, Environmental and Anti-Corruption. Our support to the UNGC resulted in us being elected for the Steering Committee Members in the United Arab Emirates and we are now co-chairs of the UN Women's Empowerment Principles and Business for Peace Taskforce. We hope by leading by example we can inspire companies in the region, as well as, within the manufacturing sector to incorporate the UNGC principles into their operations. This Communication on Progress discusses who we are, our work towards the 10 Principles and a more sustainable business, as well as, our commitments to the United Nations Sustainable Development Goals (SDGs), and towards the World Humanitarian Summit.

I. Who we Are

NRS International is a family-run company that manufactures and develops products for the humanitarian, public health and development sectors. Responding to the growing demands of vulnerable populations, we aim to improve the lives of people in need by providing innovative, high quality and cost-effective aid essentials. Our products are fully compliant with the highest industry standards. Headquartered in Dubai, UAE, we are the parent company to four subsidiaries:

- [NRS Relief](#) offers [core relief items](#), [family tents](#), [multi-purpose shelters](#) and [mobile storage units](#) to the humanitarian sector. Through its innovative products that adhere to the highest international standards, aid organisations can effectively alleviate the suffering of people experiencing disasters and conflicts.
- [TANA Netting](#) manufactures high quality, WHOPEs-recommended [DawaPlus® 2.0 insecticide treated nets](#) as a tool for malaria control and prevention.
- [Enlight](#) develops and manufactures solar solutions for the developing world. [From entry-level lights through to mini-grids](#), its products bring power, light and connectivity to households, communities and businesses struggling to thrive with unreliable electricity supply.
- [Ulinzi Latex](#) manufactures high quality, totally reliable and affordable [reproductive health products](#) for the institutional market. By 2022, it aims to become the largest condom

manufacturer worldwide by volume. This will increase access to family planning and will bring new impetus in the fight against HIV/AIDS.



II. We manufacture what we sell

We fully control our supply chain and manage the entire product development process from manufacturing through to final delivery. Our core relief items, public health and solar products are manufactured exclusively by [H. Sheikh Noor-ud-Din & Sons](#) (HSNDS) in Pakistan, our factory that employs over 7,400 skilled workers. After leaving the factory, our expert logisticians facilitate the transportation of our products by air, sea and land to wherever they are required, and also maintain strategic stocks in Dubai and Lahore. [View our integrated catalogue](#)



III. We never stand still

Our approach is to lead and innovate. We invest in research and development to continuously improve the products we make and how we make them. By working hand-in-hand with our clients, suppliers and beneficiaries we are able to design new solutions, improve existing products and ensure that our products meet international quality standards. Our clients and their beneficiaries are at the centre of everything we do. This year, we introduced two new products in collaboration with our partners Oxfam and International Federation of Red Cross and Red Crescent Societies (IFRC). In 2014 we were the first supplier to offer affordable and fully fire retardant tents and tarpaulins to the humanitarian community, a truly [life-saving innovation which won the Aid Innovation Challenge at AidEx 2014](#).

IV. Partnering for Sustainable Solutions

Now more than ever, we know that we cannot work in isolation. SDG 17 recognizes that the ambitious SDGs cannot be attached unless governments, civil society, the private and the UN systems and other stakeholders work together. This past year, we continued to create meaningful partnerships through various industry platforms to leverage expertise, pool resources, and share best-practices. Through this collaborative approach we are creating systematic change to the aid, relief and development sectors. Partners and membership organizations, include;

- Global Business Coalition for Health
- Global Business Coalition Education
- UN Women’s Empowerment Principles
- Business for Peace
- Global Off-Grid Lighting Association (GOGLA)
- Nothing But Nets
- Energy Access Practitioner Network

V. Commitment to Lean Manufacturing

We have been consistent advocates and practitioners of responsible production. Our businesses strive for environmental, social and financial sustainability through the rigorous control of product development processes and supply chains, from manufacturing to delivery. Robust quality assurance ensures compliance with environmental and social accountability certifications, such as ISO 14000, ISO 9001 and SA 8000. Our sustainability culture ensures that we always look for ways to improve production standards. The decision of senior management in 2016 to implement a comprehensive Lean production regime marks our latest step in this journey. Watch a short video [here](#).

Battling the 3Ms with the 5S

Drawn from Japanese production methods pioneered by Toyota, lean production maximizes consumer value while minimizing waste in all forms. Collectively, these forms are known as the **3Ms**:

- **Muda**: any activity/process that does not add value e.g. defects and overproduction
- **Mura**: unevenness, e.g. a stop-start workflow caused by a lack of harmony
- **Muri**: overburden on employees and processes caused by e.g. lack of training

We seek to eliminate the 3Ms through **kaizen** – an ethos of continuous improvement – and five systematic steps known as **5S**:

- **Sort (Seiri)**: identifying waste, including the red tag activity
- **Set-in-order (Seiton)**: tidying, throwing waste, redesigning processes
- **Shine (Seiso)**: daily cleaning, optimisation of set-in-order changes
- **Standardize (Seiketsu)**: creating standards for all processes, maintain order.
- **Sustain (Shitsuke)**: sustaining all of the above.

5S Champions Program

A journey to lean management



Sort



Set in order



Shine



Standardize



Sustain

To implement this agenda, a week of training was conducted in September 2016 in consultation with Spring Vision Group, an expert in green production. Broken into thematic modules, this programme introduced senior management across all production units to lean management concepts and techniques. Before the training, a lean policy was adopted by NRS International and HSNDs directors and diffused throughout all subsidiaries. To aid the application of 5S principles, NRS International's structure has been reimagined along lean lines, including:

- The appointment of a Lean Coordinator
- The formation of a Steering, Audit and Advisory Committees
- The division of production facilities into distinct zones
- The assignment of Lean team leaders, facilitators and trainers to all zones.

As of January 2017, all zones have started implementation of Lean 5S, beginning with sorting activities. To this end, a 'red tag ceremony' was held in December 2016, whereby waste in all forms was clearly demarcated with a label bearing a deadline for elimination. Moving forward, we aim to move through 5S systematically over the coming months, beginning with a progression to set-in-order across departments. However, because our subsidiaries face different operational environments and challenges, production facilities and zones will not move at a uniform pace. Rather, they will be allowed the space to move at their own speed to ensure the most sustainable outcomes. Progress will be tracked using Global Reporting Initiative (GRI) metrics and incorporated into our Annual Report released in 2017.

VI. Our work towards the 10 Principles

We take our work towards the 10 principles very seriously. We have outlined our policy, implementation strategies, and actions to achieve a more sustainability company. In the coming year, we will continue to deepen our commitment and work towards these important goals.

Human Rights

- 1.) Business should support and respect the protection of internally proclaimed human rights
- 2.) Make sure that they are not complicit in human rights abuses

Our Actions and Outcomes:

- Our internal Code of Conduct explicitly mentions the respect and protection of internationally proclaimed human rights.

- Our Legal Office and Human Resource Departments ensures that our business adheres to the protection of human rights and we apply these principles in dealing with joint ventures partners, agents, contractors, and in our day-to-day operations.
- We prioritize innovation to create cost-effective products that alleviate suffering and builds resiliency in developing communities.
- We provide free and subsidized quality health care to all HSNDS employees and the greater community through our hospital, Bilqees Sarwar Hospital, in Lahore, Pakistan.
- We participated at the UN's World Humanitarian Summit and advocated for the importance of a sustainable supply chain in the procurement of core relief items, including human rights.
- Introduced a new centralized access control to ensure safety of employees, which includes new movement activated solar lighting around the premises to improve visibility and security around the premises at our headquarters in Dubai.

Labour Rights

- 3.) Business should uphold the freedom of association and the effective recognition of the right to collective bargaining
- 4.) The Elimination of all forms of forced and compulsory labour
- 5.) The effective abolition of child labour
- 6.) The elimination of discrimination in respect of employment and occupation

Our Actions and Outcomes:

- At NRS International and HSNDS we fully implement and adhere to local labour laws.
- We are committed to providing a healthy and safe workplace for all of our employees, customers and other guests who visits our premises. Our commitment means that we are always ready to adapt its practice to meet new standards as they are laid down. We take all steps to meet this responsibility.
- We prioritize diversity and inclusion in our workforce. At NRS International, we employ 43 staff (56% are women) who speak 19 different languages and who represent over 14 countries. 20 female staff and 23 male. Five female department heads and five male department heads.
- We have a zero tolerance for child labour and support the elimination of all forms of forced and compulsory labour.
- At HSDNS, we support the upholding of the freedom of association and the recognition of the right to collective bargaining according to the local laws. Management implements an

open door policy for monitoring, reporting and eliminating all forms of harassment and/or abuse.

- We carry out site inspections of third-party suppliers and have provisions in our Code of Conduct that allows us to terminate any contract that does not minimum standards for the health and safety and protection of workers. By the nature of our company, we do not sub-contract unless absolutely necessary and keep work in-house.
- We continue to adhere to safety regulations to protect employees and meets government standards. Implemented Fire & Safety trainings and evacuation drills at HSNDs and trained staff on Fire and First Aid at our headquarters in NRS International.

Environmental Principles

- 7.) Business should support a precautionary approach to environment challenges
- 8.) Undertake initiatives to promote greater environmental responsibility
- 9.) Encourage the development and diffusion of environmental friendly technology

Our Actions and Outcomes:

- We continuously review and improve our efforts to minimize our impact on the environment.
- Both HSNDs and NRS International began introducing Systems, Applications & Products (SAP) software to streamline our production.
- We began exploring partnerships for an energy recovery project for Ulinzi Latex.
- HSNDs created an internal water recycling and purification system, which was previously outsourced, and now recycles all production waste water.
- Energy consumption per unit or kg of fabric has been reduced.
- Physical and process waste reduced due to redesign of factory layout.
- Optimized fabric treatment process, resulting in 50% reduction in energy for fabric treatment.
- Water consumption reduced by around 3/4 due to the above optimization of fabric treatment process.

Anti-Corruption

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

Our Actions and Outcomes:

- Both NRS International and HSNDIS strongly condemn any form of corruption and have a series of policy and procedures to ensure employee and company compliance.
- Our Code of Conduct prohibits promising, offering, and/or giving anything of value directly or indirectly, (e.g. through an intermediary such as agents, business consultants etc.), in order to obtain an improper advantage and/or to influence official action.
- A new Management Committee was established on 1 April 2016. Its core purpose is to ensure matters of corporate governance, policy making and processes have been adhered to and are in line with the principles and directions of the Board of Directors and/or Managing Director.
- Company credit cards were provided to key members of staff to streamline financial transactions during international travel and for other business expenses, which provides financial transparency.
- Senior Management and Legal Office conducted a series of background checks and financial audits.
- Legal Office conducted two trainings for new staff and agents.
- Staff and Line Managers have been trained on policies, covering, bribery and corruption, disclosure of material interests, coercion, conflicts of interest, confidentiality and how to report improper business practices.
- New Whistleblowing Policy details the protection afforded to employees when making protected disclosures.

VII. Support of Women's Empowerment Principles (WEPs) and Business for Peace

We were nominated to co-chair the WEPs and Business for Peace Taskforces for our commitment in supporting the UNGC platform in the UAE. We integrate both WEPs and Business for Peace into the fabric of our company in the following ways.

Our actions toward WEPs include;

- Co-chair WEPs Taskforce in the UAE
- Created WEPs 2017 strategy for UAE

- Developed marketing material to encourage new signatories to WEPs in the region
- Spoke at the Dubai Women's Establishment annual forum in Dubai about the importance of gender equity within the workforce in Dubai
- Spoke at the annual WEPs conference in New York about our commitment to integrate WEPs into new business ventures
- Celebrated International Women's Day with staff, coupled with WEPs training and provided 200AED to female staff (see photos and write up here: <http://www.nrs-international.com/womens-empowerment-and-gender-equality-in-practice/>)
- Maintain flexible work hours for all staff members working Dubai
- Reintroduced our female factory in Pakistan to support 200 workers with plans to expand to 500 staff by end of 017
- Recognizing that that women and girls are disproportionately impacted by crisis and emergency we have made public World Humanitarian Summit commitments
- Ensure marketing and communication considers gender-sensitive messages
- Committed to provide quality family planning products at an accessible price that safeguards the health and well-being of young women, empowering them to fully participate in society, through our newest subsidiary Ulinzi Latex
- Participated at the Commission of Status Women in New York
- Provided scholarships in Pakistan for orphaned boys and girls from early education to university

Support to Business for Peace includes;

- Facilitated the execution of the Business for Peace event in 03 November 2016. Read more here: <http://www.nrs-international.com/nrs-international-participates-in-un-global-compacts-2016-business-for-peace-event-in-dubai/>
- Attended American University of Sharjah's Principles for Responsible Management Education (PRME) Business for Peace Forum 2016
- Participated in the World Humanitarian Summit as a supplier for emergency shelter and made public commitments to support the humanity agenda
- Launched a viral campaign on World Refugee Day across UAE. Read more here: <http://www.nrs-international.com/news/nrs-international-makes-headlines-in-the-uae/>

- Participated and presented at cross sector conference in Jordan to share best practices. Read more here: <http://www.nrs-international.com/news/nrs-international-joins-innovation-for-crisis-learning-event-in-jordan/>

VIII. Our Commitment in Action: Sustainable Development Goals (SDGs)

The SDGs have garnered an incredible amount of enthusiasm since their inception in September 2015. These goals have given a platform for the private sector to incorporate social and environmental considerations into their business models and build new strategic public-private partnerships. In order to express our commitment, NRS International has put together a comparative display of our steps towards achieving the SDGs.



- Donated \$13,600 to Christina Noble Children's Foundation to build safe space for at-risk boys
- Increased employment with dignity from 7,000 to 7,400 in Lahore, Pakistan.



- Established Minha Farms aimed to produce high quality milk, following responsible farming principles
- Distributed over 10,000 food parcels and 78,000 Iftar meals during Annual Ramadan Campaign, nearly double from the previous year.



- Invested 160 million USD into Ulinzi Latex; to bring new impetus in the fight against HIV/AIDS
- Our own Bilqees Sarwar Hospital (BSH) treats up to 12,000 patients per month, offering give free and subsidized health care services:
 - 1) Opened the Razia Begum Dialysis Centre as part of BSH to provide free quality treatment with a 32 bed capacity
 - 2) Launched the Free Eye Camp campaign to provide eye treatment to over 5,000 patients.



- Our Foundation offered over 100 scholarships to students in Pakistan
- Joined Global Business Coalition for Education



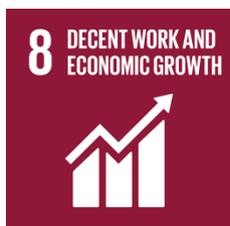
- Signatories and co-chair of the Women Empowerment Principles in the UAE



- Developed and designed the Jerry Bucket in collaboration with Oxfam to improve WASH practices



- Produce and supply clean, affordable, solar energy through NRS Enlight
- Certified in environmental management system ISO 14001



- Certified in Social Accountability SA8000
- Commitment to eliminate all forms of forced and compulsory labor
- Commitment to take robust measures to continue to improve safety measure policies at HSNDS.



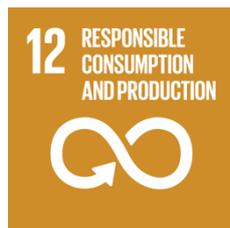
- Launched Innovation in Action campaign as core of our business strategy
- Improved safety in refugee camps by developing Fire Retardant core relief items
- ISO 9001 certified in quality management



- Prioritize diversity and inclusion in our workforce.



- We run the Bilqees Sarwar Hospital, to give free and subsidized quality healthcare for community members



- Introduction of LEAN 5S Management program
- Reduce TANA Netting's production waste by 4-5%



- Signatory of Business For Peace (B4P)



- Support causes revolving our education, public health and humanitarian assistance through the Bilqees Sarwar Foundation
- Create great collective impact through our partnerships

IX. A New Agenda for Humanity: World Humanitarian Summit (WHS)

The United Nation’s WHS set a new agenda for global humanitarian action to effectively respond to the highest level of human suffering since the Second World War. WHS hosted in Istanbul on 23-24 May 2016, endorsed five responsibilities that together form a new agenda for humanity:



Over 9,000 people attended the event, including our staff, to the multi-stakeholder event, which bolstered over 3,140 individual and joint commitments from around the world to support the new agenda. We have made 6 public commitments towards the WHS which will be achieved by 2020.

We have made the following commitments:

- Increase support to women and girls through capacity building and mentoring support
- Allocate 25% of our charitable projects (in humanitarian and crises settings) will be focused on improving the lives of women and girls
- Support and invest in national and local response systems wherever possible, avoiding duplicative international mechanisms
- Promote lessons learned, best practice and evidence based innovation on our products and supply-chain processes through the [Global Alliance for Humanitarian Innovation](#)
- Advance our approach to risk management by further improving our supply chain in order to facilitate improved strategies for response and recovery

- Create and support local and national disaster relief networks by becoming a participant of the [Connecting Business Initiative](#) to facilitate their coordinated engagements in risk and crisis management.

X. Bilqees Sarwar Foundation

Our charitable arm, Bilqees Sarwar Foundation, continues to make contributions to public health, education and humanitarian response effort across the world. It was founded by the chairing family of NRS International and HSNDS, the Sarwar Family. To date, we have opened our own hospital, Bilqees Sarwar Hospital, launched scholarship programs, donated to public health programs in Pakistan, and provided so support to community-based organizations working in Pakistan and the Middle East. To learn more about our work, please visit our website at <http://www.bilqeessarwarfoundation.org/>.

XI. Get in Touch

We launched our first Corporate Social Responsibility strategy in 2014 and our commitments and actions have grown expeditiously over the past two years. However, we also recognize that we can do better and welcome any suggestions or feedback you may have. Please contact us at csr@nrs-international.com. Thank you!