

TO:



COMMUNICATION ON PROGRESS

THE UNITED NATIONS GLOBAL COMPACT
FEBRUARY 2017

GLOBAL WORKFORCE SOLUTIONS
UNLOCKING HUMAN POTENTIAL ENABLING SUCCESS





LETTER FROM THE CEO: MESSAGE TO OUR STAKEHOLDERS / FEBRUARY 2017

The ethical recruitment initiatives that we embarked on in 2016 have progressed well with the first teams of female migrant workers from Nepal undergoing their free training in Kathmandu prior to being employed in the apparel industry in Jordan.

Our industry leading construction project in Qatar with Daruna which will see the deployment by FSI of up to 2000 ethically recruited workers is in the final stages of contract negotiation.

In 2017, we will finalise the engagement of impact investment partners to scale-up FSI's ethical recruitment capability across the GCC and within US Federal Labour Supply Chains

We have continued the highly successful anti-trafficking work with the US Department of State and FSI's ethical recruitment support to US Department of State (US DOS) contractors is set to grow significantly in 2017 and is likely to expand into US Department of Defense work.

Furthermore I am pleased to confirm that the FSI Worldwide Group reaffirms its continued support of the Ten Principles of the Global Compact on human rights, labour, environment and anti-corruption. We are committed to continue to make the Global Compact and its principles part of the strategy and ethos of our company.

A key requirement for participation in the Global Compact is the submission of a Communication on Progress that sets out FSI's efforts to implement the Ten Principles. FSI commits to do this annually and thereby record our involvement and improvements in attaining and maintaining the Ten Principles transparently.

FSI is also committed in sharing this information with its stakeholders using its primary channels of communications.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tristan Forster'.

Tristan Forster
Founder and CEO FSI Worldwide Group

INTRODUCTION

FSI Worldwide (FSI) is an established and experienced global leader in workforce solutions, ethically recruiting and managing personnel of the highest quality, across a wide range of industries. FSI is founded on the conviction that the adoption of ethical recruitment practice is imperative, both from a human rights perspective and a business one.

FSI has developed an ethical manpower recruitment model, which ensures that all personnel are protected from paying any fees and from exploitation frequently associated with the international recruitment sector. FSI was founded with the aim of bringing international best practice to the recruitment and management of migrant workers from the developing world, where the widespread practice of bonded labour is still very real. The company's ethos is centered on the principle that investing in people through ethical recruitment processes of the highest standards promotes vital human rights, which in turn, enhances productivity for businesses and naturally aligns its practice with the Global Compact principles.

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INTRODUCTION

FSI's recruiting model, which has already protected thousands of recruits from exploitation, is a unique vertically integrated model. This means that FSI owns the recruitment process from the village level in the source country right through to the deployment to destination country, cutting out the risk of external agents corrupting the recruitment process.



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Eleanor Roosevelt holds the 1948 charter of liberties: The Universal Declaration of Human Rights. Source: Huffington Post 12.10.15

HUMAN RIGHTS PRINCIPLES

ASSESSMENT, POLICY AND GOALS

FSI is committed to respect and promote the Universal Declaration of Human Rights. FSI was founded to bring international best practice to the recruitment and management of migrant workers from the developing world. Therefore it puts these principles at the forefront of its responsibility to ensure the rights of those recruited by FSI and who are employed for the organisation are respected. This commitment covers the rights of FSI employees and of all those who are recruited via FSI to third party contractors.

FSI's organisational policy and culture is shaped by these principles and these are regularly reviewed and developed to ensure it is not complicit in human rights abuses.

FSI is in the early stages of growing its capacity to develop technological solutions to further promote human rights principles and to provide quality assurance of the recruitment process. This is to work hand-in-hand with an independent think tank FSI has closely been collaborating on, to develop tool-kits and strategic consultancy to governments, businesses and the third sector. This looks at how to improve the ethical and sustainable engagement of work forces when operating in and through the developing world.

IMPLEMENTATION

FSI's Code of Conduct which will be published on its new website is reviewed and enhanced regularly and all new

employees are given a comprehensive introduction to it when they join, as well as having this training refreshed annually. All employees are given a staff handbook outlining how grievances and perceived unfair treatment should be dealt with.

Furthermore, all personnel recruited through FSI receive an orientation training prior to deployment, which includes an overview of FSI, its founding principles and relevant all the policies of both FSI and that of any third party employer, where this is different. This training covers job site country briefs, working hours, and grievance mechanisms. FSI's intention of developing its capacity around a technology platform is to help it further improve dissemination processes and training on these core principles to ensure workers at all levels understand its policies and know their rights. Whilst also continuing to educate clients and



Posters from the series that form part of FSI's Code of Conduct and Guiding Principles.

suppliers on the issues of human rights relative to the recruitment industry and FSI's countries of operation.

FSI works collaboratively with a number of organisations to share knowledge, best practice and expertise. Currently it is working with the International Labour Organisation (ILO), DFID and the London School of Hygiene and Tropical Medicine on the 'Work in Freedom' project. This project was established to prevent the trafficking of women and girls in South Asia and the Middle East through the promotion of education, fair recruitment, safe migration and decent work. Women are recruited from the village level through FSI's vertically integrated model and ILO ensures the rights of these women are respected in Jordan the destination country, through its 'Better Work Jordan' initiative. All partner organisations agree to and are required to comply with by ILO's Labour Standards, including in all contracts. Additionally, as part of this initiative all the women, once in Jordan have access to a Worker Centre and there are clear processes where any grievances can be addressed.

On all of FSI's contracts it completes an initial assessment of work and living conditions to ensure that high standards of welfare are met, especially in terms of health and safety. As a part of this, salary levels, accommodation standards, grievance mechanisms, working hours, leave schedules, and life support are all thoroughly assessed. Additionally, FSI management visits each job site a minimum of once every 3 months to make sure standards are maintained and to provide workers with an additional forum for them to voice any issues and concerns.

FSI also provides management and welfare support to all personnel it recruits. This includes support to families back in the source countries where required, management of any compassionate and sickness cases, and facilitating payroll to ensure all personnel receive their full salary, on time every month, without any fees or hidden charges. FSI established a new team (3 females) especially to coordinate the 'Freedom to Work' recruiting, with the aim of enhancing its capacity to recruit women safely and fairly.

Over the last year FSI introduced 'Safe Call', a hotline for breaches of Codes of Conduct, run by an independent organisation to safeguard workers rights.

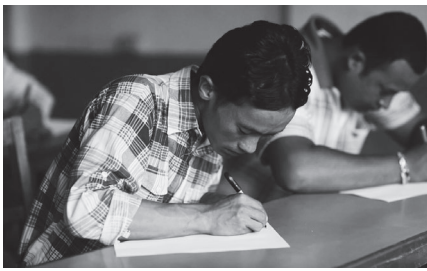
FSI also collaborates with the International Organisation for Migration (IOM) on many projects. It also promotes the work of other organisations and initiatives encouraging ethical and fair recruitment. Moving forward FSI plans to expand its collaborative work to include more grass-root organisations, potentially by establishing local steering groups.

FSI also regularly consults with the UN, Governments and other stakeholders on the issue of human rights.

MEASUREMENT OF OUTCOMES

FSI audits and evaluate all suppliers and clients against a set of defined principles, policies and guidelines. Any contravention of human rights will be documented and FSI will work with the responsible company establish and then implement, a corrective action plan (CAP), where necessary and appropriate. FSI's policy of the violation of the Code of Conduct is to take robust action unequivocally at any and all levels of staff, which resulted in one dismissal over the last year.

The 'Freedom in Work' project has its own thorough monitoring and evaluation mechanisms which the ILO oversee.



LABOUR PRINCIPLES

ASSESSMENT, POLICY AND GOALS

FSI's vertically integrated model was developed to ensure that all workers are selected only on merit, without the charge of fees, bias or nepotism. All recruits are treated fairly and are managed to the highest standard throughout their period of employment.

FSI adheres to the highest standards required by the ILO convention 181 with a very clear and unequivocal policy of no fees charged to recruits. FSI meets the best practice standards stipulated by the Athens Ethical Principles, the Dhaka Principles, Palermo and Luxor protocols, and UN Charter for Human Rights.

FSI is compliant with the U.S. Trafficking in Persons regulations, the Federal Acquisition Regulation of 2015, the Protections Against Trafficking in Persons in Federal Contracts Executive Order. Implements title XVII of the National Defense Authorization Act (NDAA) for Fiscal Year 2013, Ending Trafficking in Government Contracting Act of 2012. It is also compliant with UK legislation: the Modern Slavery Act 2015 and the Bribery Act of 2012. FSI continues to audit and improve its

recruitment processes and human resources mechanisms.

IMPLEMENTATION

FSI has completed having the staff handbook translated into all the native languages of all its staff, ensuring complete access and understanding. FSI regularly reviews its recruitment processes for all recruits and employees to ensure all are adhering to labour rights involved each step of the way. The FSI staff handbook covers policies concerning, equal opportunities, anti-harassment and bullying, whistle-blowing, health and safety, stress at work and social responsibilities and clearly sets out who should be contacted in the event that an employee has a grievance.



Documents (such as the Code of Conduct shown above) translated in to all native languages.

FSI's Code of Conduct contains the following provisions, specifically in relation to forced labour:

- We do not charge any fees or costs of recruitment to the candidate in whole or in part, including costs associated with travel and visa processing.
- We ensure that workers are not subject to any form of forced labour and have the freedom to terminate their contracts.
- We do not withhold identity documents such as passports.
- We ensure workers' freedom of movement is not unreasonably restricted.
- We ensure employment contracts are understood and translated into native languages where required. FSI ensure that employees receive copies of their employment contracts prior to deployment. Contract substitution (the replacement of an original contract or any of its provisions with those that are less favourable) is strictly prohibited.
- We ensure all employees receive pre-deployment orientation covering topics such as the terms and conditions of work, their rights and responsibilities, living conditions and grievance mechanisms.
- We ensure that workers are paid in full on time every month and that clear and transparent information is provided to workers regarding days worked, rates of pay, etc.



The United Nations Global Compact Business Leader's Awarded in 2013

Top: Tristan Forster gives a 10 minute briefing at the House of Commons on the problem of modern day slavery in the construction industry and FSI's solution.

LABOUR PRINCIPLES (CONTINUED)

MEASUREMENT OF OUTCOMES

FSI's Founder and CEO Tristan Forster collected the United Nations Global Compact Business Leader's Award to Fight Human Trafficking Now in 2013 in Davos.

Co-Founder and FSI Senior Vice President, Nick Forster, spoke at the UN General Assembly high-level dialogue on migration in New York in October 2013.

FSI is frequently asked to represent ethical recruitment practice at national and international forums, globally.

All FSI staff sign a non-extraction form at the start of their employment. A non-extraction form is a statement that the FSI employee understands that no payment is to be taken from candidates and clearly states that the employee will be terminated if this happens, which has proven to be very effective.

Employees using the channels set out in the staff handbook in relation to employee rights and responsibilities have raised no complaints or concerns.

The U.S. Department of State conducts detailed audits of FSI's operations on behalf of prime contractors annually and has found that its standards exceed their recommendations.



ENVIRONMENTAL PRINCIPLES

ASSESSMENT, POLICY AND GOALS

FSI is committed to continuously working towards improving its environmental impact, through initiatives to raise awareness within its offices on the importance of developing an environmental conscious culture to recycle waste, to use energy more efficiently and to conserve water better.

Where possible, FSI uses suppliers that are environmentally conscious and it purchases products and services that do the least damage to the environment. FSI's environmental policy is therefore a fundamental part of its business strategy and operating methods.

IMPLEMENTATION

FSI's staff handbook has processes in place on how to alert the organisation to any employee suspected of undertaking any activity that may cause serious damage to the environment.

FSI's Code of Conduct also includes a section on the protection of the environment, highlighting how even if the organisation's direct environmental impact is limited, it places great importance on these principles.

MEASUREMENT OF OUTCOMES

FSI, to date has not been alerted to any issues around environmental concerns involving its staff.

FSI's general waste material has been reduced as a result of the paper and plastic recycling facilities in Dubai and UK.





ANTI-CORRUPTION PRINCIPLES

ASSESSMENT, POLICY AND GOALS

FSI is strongly committed to working against corruption. Its vertically integrated model of recruitment is an example of how these principles are integral to FSI's policies, work and vision. As an organisation working at the forefront of migrant labour recruitment in some of the most controversial contexts for violations of these principles globally,

FSI has a zero tolerance policy on corruption. Corruption in all its forms including extortion and bribery, are considered to be serious violations of the organisation's policies and codes of conduct and will be addressed seriously and without delay. FSI is additionally committed to the UN Convention against Corruption, the UK Anti-bribery laws, the OECD anti-bribery convention, the U.S. Foreign Corrupt Practices Act and any other similar laws relating to corruption of source and of destination countries.

FSI strenuously abides by all the source country legislation (employment law) and regulations on areas such as minimum salary regulations. It also follows any guidance or policy on or around how private recruitment organisations should operate within the law of both source and destination countries.

FSI's staff handbook clearly outlines where it stands in relation to corruption.

IMPLEMENTATION

FSI's staff handbook covers anti-corruption, bribery and whistle-blowing in depth. FSI's code of conduct also covers anti-corruption in detail. Should an employee be found guilty of such an offence it is regarded as gross-misconduct and will be dealt with as such, without delay.

FSI has an advanced system of checking records across the FSI group to account for all funds and these are cross-checked by the Finance Department. The divisional heads and ultimately the CEO also have total visibility of the accounts.

Annual external auditing is carried out with the last one completed in November 2016.

All of FSI's clients require FSI to sign-up to an anti-bribery/corruption confirmation, which is renewed yearly. FSI has also signed an agreement attached to client contracts to say they could be terminated without notice should FSI be under suspicion of bribery. It is therefore fundamental to FSI that there is no corruption at any level of the business.

MEASUREMENT OF OUTCOMES

The FSI group is regularly audited to ensure there can be no corruption at any level or in any jurisdiction.

FSI has not been called into question by any of its clients in relation to the anti-bribery confirmations between itself and clients.

FSI has not been involved in any legal cases, rulings or other events related to corruption.

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