
United Nations Global Compact Communications on Progress 2016

CEO's STATEMENT

March 26, 2017

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, France and Uganda
- ISO 14001:2004 certification for Dubai
- ISO 18001:2007 certification for Dubai
- ISO 22000:2005 certification for Abu Dhabi, Abyei, Sudan/Darfur, Dubai, Iraq and the UAE
- HACCP certification by Highfield, UK of 404 Sudanese staff members in Iraq, Sudan/Darfur and Abyei
- Continued "Go Green" Recycling and Tree Planting Program in Africa and Iraq
- Award of the American Society for Safety Engineers HSE Excellence Award 2016 – our 4th GOLD Award
- Award of the American Society for Safety Engineers CSR Excellence Award 2016 – 2nd GOLD Award
- TATWEEJ Awarding Body (UAE) Corporate Social Responsibility Award 2016 – our 2nd award
- Emirates Wildlife Society (WWF association) Member 2016 - 2017
- Emirates Environmental Group – CSR Arabia Network continued membership
- Dubai Cares Walk for Education – company participation 17 February 2017

Training of local employees is a key focal point in our operations. In conflict zones, this certification of local employees is difficult, but we have now certified 383 Darfur and Abyei nationals by becoming an HABC certified training company – allowing us to directly train and administer exams to host nation employees. In early 2017, we band a program of further developing junior staff from our remote missions; conducting a one-week management skills course for them.

As our employees become trained they take on greater responsibility for the environments in which we work. Our Sudanese management team played lead roles in the rehabilitation a 760-student school in El Fasher, Darfur – completing the project in 60 days.

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

Gulf Catering Company personnel are required to participate in Ethics and Compliance e-learning courses through Integrity International. Human Rights are a key component of the first module, *Code of Business Ethics*. The program is administered by Integrity International and allows us to reach our employees regardless of their physical location. Participation is conducted on an individual basis – and employees must pass an on-line examination to achieve certification. Statistical data is sent to our Human Resources Department on a monthly basis.

In 2016, a total of 182 employees successfully completed the Code of Business Ethics module. Represented were employees from Australia, Dubai, Abu Dhabi, Indonesia, Iraq, Sudan, Uganda and Cyprus.

We also implemented a training program on the UN Global Compact – using the 10 principles and our communication on progress as the program foundation. Our goal here is to ensure that UNGC is understood and practiced by all employees.

Gulf Catering Company has worked in challenging and remote locations throughout the Middle East, Africa, Australia and Asia since 2003. We currently employ 2,435 employees in 11 countries, representing 61 nationalities.

Many of our employees are from developing countries: representing a challenge in ensuring proper recruitment, hiring, work conditions and accommodation of staff members is adhered to at all levels of our organization.

In our Iraq operations we have 62% local hire employees. This number dropped somewhat from 2015 (75%) as oil companies scaled back projects as a result of the drop in oil prices. Our Sudan operations represent 85 percent local hire. We began a new project in Abyei where 70% of our staff members are local employees.

In El Fasher, Sudan, our local management team project managed the rehabilitation of a 760-student school – applying the principles and ethical practices gained through their own training. This was our second school rehabilitation project in Africa, and we are currently assessing schools for our 2017 project.

We empower our employees to create a multiplier effect that improves the lives of many community members. The El Fasher School project incorporated a local charity that performed many of the works: allowing them to generate needed income, while improving the community. We also engage this charity to provide mid-day meals to our local employees; ensuring that they have sufficient nutrition and that they have fair and respectful treatment. Another key aspect of this project is that many of our local national employees have children attending the school – so they are not only proud to participate, but also proud to be a part of our company.

In 2016, we continued our local employee training program that has resulted in a total of 404 local employees undergoing HACCP Food Safety training in Arabic: resulting 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. In 2016 we added three certified instructors to our Iraq program.

As a result of the knowledge and skills acquired by our employees, GCC SERVICES went on to prepare our Abyei Sudan food warehouses for ISO 22000 certification. Obtaining certification of our warehouse in Sudan's Abyei region was difficult. 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 our Abyei warehouse in Sudan.

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. Likewise, our supplier audits extend the same surveillance; ensuring that we are not buying from suppliers who abuse human rights.

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. We also pay all social taxes and provide indemnity pay to departing 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.

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 and Abyei, 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.

Employees in Iraq and Sudan are paid in compliance with local labor laws: ensuring that social taxes and allowances are a part of their salary package.

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 2016, there were no complaints alleging discrimination

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. A target of 3 key improvement areas (whereby results are 70% positive or less) is taken from the company's independently administered annual survey and serves as the council's objective.

Our 2016 Employee Satisfaction Survey was completed by 96 % of our Dubai staff members. Areas for improvement included communication between departments and a review of salaries and benefits. Subsequently a review of salaries and benefits was conducted in early 2016 by an independent agency utilizing the Hay Job Evaluation system.

A locked, **CEO Mail Box** is prominently placed so that every employee can voice 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.

As we prepare for the new series of ISO audits and extended criteria, audits will start first with leadership: querying them to ensure that they are aware of and practicing compliance.

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.

Gulf Catering Company respects and protects the right of employees to freely associate and form collective bargaining groups as allowed by local labor 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 labor organizations are not common, we do impose International Labor 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 labor law.

Our Sudanese employees have labor councils and benefit from a very comprehensive government allowance system for local employees.

Our Global Employment Policy commits us to not tolerate any inhumane treatment of people working for us, including any form of forced labor, 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 and Abyei teams are 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. They continue to develop their skills and progress.

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 2017, a total of 8 QHSE Managers were certified 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.

To date we have trained and certified:

- Sudan Darfur – Level 1 Food Safety – 304 employees
 - Sudan Abyei – Level 1 Food Safety – 79 employees
 - Abu Dhabi - Level 2 Food Safety – 17 employees
 - Abu Dhabi – Level 3 Food Safety – 3 employees
 - Abu Dhabi – Level 4 Food Safety – 1 employee
- UAE Dubai corporate office – HSE Level 1 – 22 employees

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.

We strongly believe that children belong in school.

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. Children are not allowed on site, both for their safety and to remove any doubt about their working.

In countries where the minimum employment age is higher than 18 years of age, we adhere to local laws.

Making a statement about the 'rights' of children to education is not the business model we follow. Each year we select one school nominated by our own employees in the communities where we work – and we refurbish it. In 2016 we fully refurbished a 760-student school in El Fasher, Darfur. We installed, windows, doors, floors, light fixtures and repaired the walls. Desks were fabricated locally of metal to prevent them from being destroyed by termites. All work was done by our employees, volunteers, a local charity and local contractors.



A classroom 'before' refurbishment: No desks, dirt floors and broken chairs



A classroom 'after' refurbishment: concrete floors, desks, chairs, black board and window shutters



Opening Ceremony of the refurbished school – July 2016

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. Child labor presence is audited by examining employee records and visual observation of supplier factories and warehouses.

We also engage TUV Nord and SGS to conduct audits of manufacturing facilities. Identifying signs of labor abuse is key to our audit process. Employee records are reviewed, and visual inspections of working conditions are conducted to ensure compliance on the part of our suppliers.

In our UAE operations, compliance with government-approved accommodation units is required. Here, the government has stepped in to ensure that each employee has life support at a level in agreement with international standards on human rights. Facilities are continuously inspected by our Quality Assurance auditors and by government auditors. Inspections are frequently unannounced to ensure that a true picture is made.

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. We undergo surveillance audits annually.

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 eliminated plastic bottles of water from our offices in 2015 and replaced them with 25-liter water coolers. While this effectively eliminated plastic waste, it also resulted in our recycling company terminating pick up of recycled materials due to our small quantities. We continue to recycle paper and electronics, but contribute the collected material to the office tower bins.

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. Monthly safety bulletins are issued by our QA Department and QHSE reporting is including in each country's monthly financial operations review.

Our country operations in Iraq, Uganda, Sudan and Abyei have each developed their own environmental programs, from recycling, to tree-planting and water conservation. In Nyala, Darfur and Abyei staff members have focused on planting of trees and kitchen gardens. Compost areas have been created for kitchen waste and the compost is then used to fertilize trees and the gardens.

Earth Day events take place to commemorate environmental appreciation. Trees were planted in Dubai, Sudan-Darfur, Iraq and Abu Dhabi.

In 2015, we began a relationship with the Emirates Marine Environmental Group (EMEG) a WWF organization that continues. EMEG operates a wildlife sanctuary in the United Arab Emirates. Participation in their environmental cleanup actions is an annual CSR project.

In 2016 we visited the sanctuary and cleaned debris from the beaches where the endangered hawk-bill turtle will come to nest. 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 3 times its weight oil.

Our team participated in clearing a portion of the mangrove swamp of transplanted saplings that had not thrived in the environment.



Beach Cleanup in preparation for Hawksbill Turtle nesting Emirates Marine Environmental Group: Ghantoot Sanctuary



Removal of dead saplings from the mangroves

IN 2017 we continued our WWF relationship by incorporating their 'Adopt a Turtle' pack into a Dubai school program where 120 first graders attended an Emirates environmental program, followed by each student receiving a soft plush turtle, adoption certificate and educational puzzles featuring the animals of the UAE.

Students learned about UAE Wildlife and the conservation work that ensures future generations retain the knowledge and appreciation of the UAE's natural habitat prior to shopping malls, skyscrapers and mass transit. Many of the students were well-informed about the chain of life, and all were excited to answer and ask questions. The children and their parents were invited to the Wildlife sanctuary to take part in the release of the turtles in late spring.



WWF Adopt a Turtle Pack



Hawksbill turtle released with tracking device

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 ISO 14001 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.

In 2017 our CEO challenged each senior manager traveling from our Dubai HQ to mission sites to conduct a Safety Inspection as one of their Key Performance Indicators. Senior Managers and Directors were provided with an audit worksheet that included key environmental aspects including oil spills, garbage processing and greening of the sites. Findings are presented at management meetings and follow-up action is monitored.

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:

- Government Procurement (rules and restrictions for contractors involved in government procurement processes)
- Code of Business Ethics
- FCPA Anti-Bribery (Foreign Corrupt Practices Act)
- Combating Bribery in Business (bribery, gifts, entertainment, etc)
- UK and EU Competition Law
- Antitrust was added as a training module in 2016 (protection of fair competition, free markets, and customer choice)

The training is conducted on-line 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 and certificate are generated for employee and corporate records.

The new Anti-trust module focuses on advanced relationships in the business environment. In many cases, we had never thought of situations where our suppliers became our competitors, but in our current environment, with very large contracts at hand, but fewer contracts due to the oil crisis, this is becoming a very real business situation. We now explore the business activities of the companies who have previously been only our supplier.

A key example of this changed business environment manifested itself in late 2016 when an approved, and prominent industry supplier in the UAE was found to be adulterating food supplies with rice and maize powder to increase profits. Our company reacted by undertaking DNA sampling and then providing the results to the Ministry of Health to ensure that the company would provide no future products in the market.

To ensure that we equip our team members with more advanced business skills in the detection of food adulteration, we have organized a training module by EURFINS Laboratory in Germany to impart observational skills in detecting food adulteration and a more concise understanding of the use of DNA testing.

The below table details basic and advanced corporate training undertaken by our team members.

INTEGRITY INTERNATIONAL ETHICS TRAINING							
Countries	Combating Bribery in Business	Code of Business Ethics	UK & EU Competition Law	Antitrust	FCPA Anti-Bribery	Government Procurement	Totals
Australia	5	9	8	6	8	6	42
Dubai	20	64	62	55	67	63	331
France	1	0	1	2	1	1	6
Abu Dhabi	15	17	18	13	18	22	103
Indonesia	3	5	6	1	5	6	26
Iraq	2	16	13	12	13	13	69
Libya	3	2	1	0	2	1	9
Sudan	35	53	43	26	56	49	262
Uganda	6	9	8	6	9	12	50
Cyprus	3	7	3	3	4	3	23
Total	93	182	163	124	183	176	921

Our corporate 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 issued in 2015 - followed by extensive employee training. 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

Employee orientation and training covers real life situations encountered by employees and provides explanatory responses that demonstrate compliance with corporate policy. A series of ‘What would you do if.....’ scenarios provide guidance.

Gulf Catering Company has a zero tolerance anti-corruption policy. The first page of our 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.
