

To our stakeholders

I am pleased to confirm that Arab Center for Engineering Studies (ACES) reaffirms its support of the Ten Principles 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 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,

Dr. Izz Eddin Katkhuda
Partner & Director

ACES Code of Ethics

We, the employees of Arab Center for Engineering Studies (ACES) believing in the importance of Engineering Consulting and in the necessity of upgrading the standards of the profession, hereby declare that we commit ourselves to the following Code of Ethics.

Dealing with Clients

Confidentiality: We will keep client information confidential and will not use them for personal purposes or allow others to do so.

Servicing Clients: We will serve our clients with integrity, competence and objectivity.

Conflict of interest: We will not allow any conflict of interest that would provide a competitive advantage to a client through our use of confidential information from another client who is a direct competitor without that competitor's permission.

Recruiting: We will not recruit employees of a client or assist them in getting employment anywhere else without prior consulting with the client.

Principles of Engagements

Qualifications: We will not engage in any consulting assignment unless we are qualified to perform it based upon our experience and competence.

Contracts: We will make sure that the objectives, scope of work, work plan, the professional fees and payment arrangements have all been agreed upon with the client in writing before commencing the execution of any consulting assignment

Expectations: Based upon our honesty and objectivity, we will refrain from encouraging unrealistic expectations or guarantee specific results to clients that might arise from our engineering consulting services.

Objectivity: We will immediately inform our clients of any influences on our objectivity and integrity and will offer to withdraw from a consulting assignment when they are impaired.

Coordination with Others: We will not engage in any consulting assignment with clients if there are other engineering consulting firms or individuals working with those clients, without prior consultation with them and ensuring that there is no conflict between the concerned parties.

Conducting Consulting Assignment

Quality: We will conduct any consulting assignment with professionalism and high quality commensurate with specialization experience, expertise and gained knowledge.

Guidance for Implementation Purpose: We will educate and guide client staff regarding the principles, techniques and methodologies adopted in conducting an assignment, to assist them in implementing the proposed solutions successfully.

Documentation: We will document all reports submitted to clients, to maintain continuity of understanding of their problems and the solutions that have been designed for them in order to refer to them when needed.

Review of Other Work: We will review the work done by other consulting firms or individuals for the same client without issuing any judgmental remarks on the standard of the work being reviewed.

Commitment: We will commit ourselves to the agreed – upon scope of work and conditions.

Fees

Fees: We will charge reasonable fees that are commensurate with the services we deliver, the responsibility we shoulder and the time we spend.

Commissions: We will not accept any commissions, fees or remunerations from other parties in connection with any recommendation to a client to award works or buy equipment, materials or services as a result of our consulting assignment.

Profession

Advertising the Services: We will not advertise our services in a deceptive or exaggerated manner or in any other way that may impair the integrity of the profession of engineering consulting.

Property Rights: We will protect the intellectual property rights of our clients, other consulting firms and individuals and will not use their proprietary information or methodologies without their permission.

Professionalism: We will maintain a fully professional standard in our dealings with clients, the public and fellow consultants.

Cooperation and Professional Development: We will assist our fellow consultants in developing their capabilities, support them in practicing the code of ethics of the profession and cooperate with them in a constructive manner. We will strive for our professional development by continually improving our knowledge, skills and techniques and exert efforts for the advancement of the management consulting profession.

In 2015, ACES developed a Corporate Social Responsibility Policy which was communicated to all its employees across the region:

Corporate Social Responsibility Policy

AT ACES, we define Corporate Social Responsibility as follows:

- Conducting business in a socially responsible and ethical manner;
- Protecting the environment and the safety of our people;
- Engaging, learning from, respecting and supporting the communities and cultures with which we work, and;
- Supporting the Global Compact Program principals in Human Rights, Labor, Environment and Anti-Corruption. ACES is a member of the UN Global Compact Program since 2008.

In alignment with our code of Ethics, ACES will ensure that all matters of Corporate Social Responsibility are considered and supported in our operations and administrative matters and are consistent with ACES's stakeholders' best interests. ACES is committed to being recognized as a leader in Corporate Social Responsibility in its fields of activities in the markets of operation and recognizes that in doing so, we will add significant value for our shareholders.

This Policy applies to activities undertaken by or on behalf of ACES Group and its offices in the markets of operation. All ACES employees will adopt the Corporate Social Responsibility considerations described in this policy into their day-to-day work activities. ACES Management will act as role models by incorporating those considerations into decision-making in all business activities.

ACES Policy is built on the following areas that reflect best standards in Corporate Social Responsibility including UN Global Compact Program principles:

Business Ethics and Transparency

- ACES will conduct its business in an open, honest, and ethical manner.
- ACES is committed to measuring, auditing and publicly reporting performance on its Corporate Social Responsibility programs.

Environment Health & Safety

- ACES is committed to protecting the health and safety of all individuals affected by our activities, including our employees, clients and the public.
- ACES will provide a safe and healthy working environment, and will not compromise the health and safety of any individual. ACES goal is to have no accidents and mitigate impacts on the environment by working with our stakeholders, peers and others to promote responsible environmental practices and continuous improvement.

Stakeholder Relations

- ACES will engage stakeholders clearly, honestly, and respectfully.

Employee Relations

- ACES will ensure that employees are treated fairly and with dignity and consideration for their goals and aspirations and that diversity in the workplace is embraced.
- ACES will apply fair labor practices, while respecting the national and local laws of the countries and communities where we operate.
- ACES is committed to providing equal opportunity in all aspects of employment and will not engage in or tolerate unlawful workplace conduct, including discrimination, intimidation, or harassment.

Human Rights

- ACES recognizes that governments have the primary responsibility to promote and protect human rights. ACES will work with governments and agencies to support and respect human rights within our sphere of influence.

Contribution to the Community & Well-Being of the Society

- ACES will contribute to our communities' quality of life by supporting innovative programs in health, education, social services and the environment, as well as cultural and civic projects.
- ACES will strive to provide employment and economic opportunities in the communities where we operate.

Description of concrete actions to implement Human Rights policies, address Human Rights risks and respond to Human Rights violations

- See our corporate social responsibility policy statement above developed in 2015 and communicated to all ACES staff across the region for implementation.
- ACES pays great attention to the protection of its employees' rights through fair pay which include:
 - Fair pay
 - Safe & friendly work environment
 - Gender equality
 - Incentive & motivational schemes
 - Training & development
 - Leaves & vacations
 - Social & sporting activities

See articles below from our ACES Newsletter Issue 50, November 2017 regarding some of our CSR activities in 2017 which can be downloaded from our website www.aces-int.com

Internships & sponsorships

ACES Conducts an Internship Program for University Students

A well-structured and comprehensive internship program was conducted across ACES Group in summer 2017. The program aims to familiarise the university students with the working environment and enhance their knowledge of current engineering practices. ACES Amman hosted the largest group of students, where more than 25 students from Jordanian and UK universities attended the program. Such programs are part of ACES corporate social responsibility (CSR) and community development.



ACES Sponsors the Imperial College Soil Mechanics Bursary Meeting in UK

ACES has joined the Imperial College Soil Mechanics Bursary Scheme in 2016 to provide industrially funded bursary awards for perspective students. Dr. Naeem Abdulhadi represented ACES in the 2017 sponsors meeting in London, along with 15 UK and international companies that are currently members of the scheme. This scheme allows ACES to enhance its relationship with Imperial College and to stay connected with international activities and events.



**Imperial College
London**

Training Programs

ACES Regional Center of Excellence for Pavement Studies & Evaluation Manager, Dr. Ibrahim Asi, conducted three training courses in Saudi Arabia, United Arab Emirates and Jordan for the Materials and Special Projects Departments of ACES branches in these countries. The course title was “Structural and Performance Evaluation of Roads and Airport Pavement, Case Study - Dubai International Airport Evaluation Project” and emphasized on measurements analysis and reporting of pavement roughness using laser profiler, pavement structural evaluation using the falling weight deflectometer and pavement condition evaluation using paver condition evaluation method.



Mr. Nizar Hamdan, CH Group Financial Controller conducted a training course on the IFRSs (International Financial Reporting Standards) and the IASs (International Accounting Standards) for ACES branches in Oman, UAE and Doha, in addition to a few presentations on project management, risk management and financial ratios analysis to the technical departments in these branches.



Other Local Contributions

- University Students Assistance USD 33000
- Arab group for Protection of Nature \$700
- Foundation for Global Compact \$1000
- Injaz USD 10000
- Gift of Life Charitale Society (Gola) USD 8500
- Imperial College London \$4400

Measurement of outcomes

- 31 University Students were rehabilitated and trained to join the labor market.
- Several farms whose businesses were negatively affected due to poor weather conditions were helped with the plantation of 200 olive trees with all its positive impacts on the environment.
- Several families were provided with food & clothing as part of our efforts to reduce poverty.

Description of the relevance of labour rights for the company (i.e. labour rights-related risks and opportunities). Description of written policies, public commitments and company goals on labour rights.

- ACES developed a comprehensive Safety Manual for its employees containing policies and procedures regarding safety actions and measurements that ACES employees should adhere to in the work place and the field.
- ACES also developed a corporate social responsibility policy containing labor rights principles along with other principles embedded in the Global Compact Program.

Sport & Social Activities

During the holy month of Ramadan, ACES arranged an Iftar gathering event for all its employees in all ACES branches. During the event, some employees were awarded for their long services in the company.



ACES Doha basketball team wins the 4TH Season DWL Basket Ball Tournament in Doha, Qatar under the leadership of coach Rodolfo M. Dimayuga & team manager Eng. Ruel Reyes. This win makes it 6 championships crowns in 2 years for ACES Doha Basket Ball team since joining the league in 2015. Congratulations to ACES Doha Basket Ball team.



Environment

Description of the relevance of environmental protection for the company (i.e. environmental risks and opportunities). Description of policies, public commitments and company goals on environmental protection.

ACES' Environment Policy Statement

General Policy

ACES is committed to ensuring the preservation of the environment. ACES will conduct their business in such a fashion as to ensure that no damage is caused to the environment as a result of its activities.

Objectives

ACES objectives in the fulfillment of this policy are:

- to ensure that company employees recognize the importance of the environment
- to work closely with the client and comply with their environment rules, regulations and specifications
- to mitigate any damage to the environment as a result of an accident
- to implement and continually upgrade its environment procedures

Responsibilities

The overall responsibility for pursuing sound environmental principles in the conduct of ACES operations lies with the resident manager and the environment studies & testing department. All employees will be trained and encouraged to contribute towards the preservation and protection of the environment in their work place and outside and to suggest improvements whenever and wherever possible

Implementation

Description of concrete actions to implement environmental policies, address environmental risks and respond to environmental incidents.

- Annual Contribution to the UN Global Compact
- Implementation of the Environment Friend Award @ ACES
- Continuing imposing Non-Smoking Rules in ACES premises and offices
- Energy saving measures
- Donation of \$700 for the Arab Group for the protection of nature

Measurement of outcomes

- ✓ contribution to the preservation of the environment in ACES premises and offices (No- smoking rules)
- ✓ Improvement of the general safety of ACES employees as a result of continuous training on safety and the safety manual. Very minimal accidents were reported in 2017.
- ✓ Reduction in electricity bills by approximately \$1400 monthly as a result of installing and powering the Photovoltaic System with capacity of 25.2KWp helping ACES to achieve its goals in green building.

- ✓ Preservation of the environment by helping to plant 200 trees in Jordan.

Anti-Corruption

Description of the relevance of anti-corruption for the company (i.e. anti-corruption risk-assessment).

Description of policies, public commitments and company goals on anti-corruption.

Not Applicable

Description of concrete actions to implement anti-corruption policies, address anti-corruption risks and respond to incidents.

Not Applicable