



UN GLOBAL COMPACT COMMUNICATION ON PROGRESS 2018

KGL HOLDING
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UN GLOBAL COMPACT COMMUNICATION ON PROGRESS 2018
STATEMENT OF CONTINUING SUPPORT:

As KGL pursued new business opportunities throughout the region and the globe over the past year, it has been encouraging to see a cautious but increasing confidence in the state of the global economy. Growing side by side this gradually returning optimism is a greater awareness of the need to restore trust in markets and institutions. More pointedly, business must meet the challenge of a higher standard of social responsibility.

One of the greatest losses from the global financial crisis was the loss of trust and the public at larger questioning if business can act in the public good. It is the firm assertion of KGL that we can serve both the public good and our stakeholders at the same time. The leaders I speak with in business, as well as government, not only recognize this need to be stewards of the planet, the public trust, and the bottom line, most are intent on doing something about it. A groundswell within the leadership ranks to stand up with a common commitment to values, integrity, and taking on social, community, and environmental challenges is here.

The UN Global Compact (UNGC) serves an important purpose in providing consistent guiding principles for businesses to follow, which is demonstrated by the number of companies signing on to the Global Compact, especially from local economies. I am proud that KGL is a signatory to the UNGC and we plan to continue our commitment to the goals contained therein for many years to come. In many ways our commitment to the Ten Principles of the UN Global Compact (UNGC) pre-dates the initiative. The ethos of the principles is embodied in the ethical practices and good corporate citizenship which are at the foundation of our business.

We recognize having inspired and confident leaders working in partnership with agencies like the UNGC as central to our efforts. Looking ahead, we will explore new opportunities to develop programs and partnerships that support the UN's missions and objectives. Moreover, we will continue to further the goals of the Global Compact through KGL's vision, strategy and wider corporate goals. We believe that our success depends on fulfilling a larger sense of purpose, and we are committed to empower change through participating in programs that achieve solutions to pressing international issues. The returning optimism in the global economy sets a foundation for encouraging and joining with other businesses – clients, suppliers and business partners – to take a stand in responding to the world's challenges.



Yaqoub Wazzan
Vice Chairman
KGL Holding

UN GLOBAL COMPACT COMMUNICATION ON PROGRESS 2018**UN GLOBAL COMPACT PRINCIPLES:****PRINCIPLE 1: BUSINESS SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS****COMMITTMENT**

KGL is committed to raising its employees' awareness of their basic rights and create a corporate culture that encourages the commitment to these rights and the elimination of any abuse of them within the company, its direct vendors , clients and/or environment.

KGL SYSTEMS

- KGL introduces to all employees a “Code of Rights” that is derived from the Universal Declaration of Human Rights. This Code is a fixed part of the KGL Intranet communication page and is a part of the introductory materials provided to new employees within their orientation.
- KGL grants a reporting channel against any abuse of Human Rights noticed at the company, its vendors or the clients (Call center and Link on MY KGL)
- The company has a rigid policy in choosing recruitment agents who are applying clear terms indicating that the recruited employees are made aware of their rights, contractual obligations, not to pay for being chosen and are not forced to work or trapped in any way.

IMPLEMENTATION

- KGL uses its intranet to introduce and celebrate the Universal Declaration of Human Rights each 10th of December.
- KGL Insures that all employees are implementing their rights to rest and leisure through paid leaves on annual basis.

ASSESSMENT

KGL has recorded a marked increase in the general awareness of employee's understanding of their basic human rights through the use of employee surveys and personal interviews. We have also been gaining greater transparency into the processes of our business partners to ensure a greater awareness of their policies concerning human rights abuses.

UN GLOBAL COMPACT COMMUNICATION ON PROGRESS 2018**UN GLOBAL COMPACT PRINCIPLES:****PRINCIPLE 2: BUSINESSES MUST MAKE SURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES****COMMITMENT**

KGL is committed to raising its employees' awareness of their basic rights and create a corporate culture that encourages the commitment to these rights and the elimination of any abuse of them within the company, its direct vendors , clients and/or environment.

KGL SYSTEMS

- The company has a specific policy of non-discriminations on all levels of its Human Resources policies and procedures with special emphasis on recruitment and training.
- KGL has established an anonymous reporting channel against any abuse of Human Rights noticed at the company, its vendors or the clients (Call center number and link is published on the company's intranet - MY KGL).

IMPLEMENTATION

- KGL have periodical maintenance of the accommodation status to insure safety and healthiness of facilities to all accommodated workers.
- KGL's abuse reporting system is monitored 24/7 and all submitted cases are cataloged and reviewed monthly for status and resolution updates.
- KGL provides a Human Rights training program to all incoming personnel and requires the same of all of our subcontractors and major suppliers.

ASSESSMENT

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UN GLOBAL COMPACT COMMUNICATION ON PROGRESS 2018

UN GLOBAL COMPACT PRINCIPLES:

PRINCIPLE 3: BUSINESSES SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING

COMMITMENT

KGL commits to support employees' efforts and needs to join collective bargaining throughout the countries that KGL operates within, and to keep open channels with these bodies.

KGL SYSTEMS

- KGL recruitment procedures abide by all local governmental laws and regulations, as well as regulations governing the employment of foreign nationals as stipulated by their home governments, and all international agreements governing collective bargaining.

IMPLEMENTATION

- KGL deploys special negotiating teams to work with any employee groups, the respective negotiators, and any governmental agencies which may be involved in the event that employee grievances are presented.

ASSESSMENT

In the past year KGL has successfully eliminated any work stoppages by working with our employees and their representative groups when ever the needs of the employees were brought to the attention of the management team.

UN GLOBAL COMPACT COMMUNICATION ON PROGRESS 2018**UN GLOBAL COMPACT PRINCIPLES:****PRINCIPLE 4: BUSINESS SHOULD SUPPORT THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOR****COMMITMENT**

KGL commits to ensuring that all employees are aware and accepting of the conditions and requirements of their jobs.

KGL SYSTEMS

- KGL recruitment cycles and policy insure that all employees personally receive and sign a legally binding job offer and employment contract that includes all employment terms and conditions.
- KGL runs periodical job analysis surveys to insure that job descriptions and employee compensations fit the actual work performed.
- All KGL employment policies adhere to the local labor laws of the countries in which they pertain.
- The company has a rigid policy in choosing recruitment agents that dictates that clear terms indicating that the recruited personnel are made aware of their rights and contractual obligations, that the agency does not engage in 'pay for interview' schemes, and that no potential employee is forced to work or trapped in any way. These terms are included in all agency agreements that KGL enters into.

IMPLEMENTATION

- Each employee has a contract written in their native language and Arabic stating the terms and conditions of their employment. All employees are presented with a copy of this contract for their own records and a copy is retained by HR.
- During the initial in processing of each employee they are briefed and acknowledge understanding and acceptance of their job description. As often as practical these descriptions are updated.
- All Recruiting agencies sign contracts indicating their commitment to our recruitment terms and conditions.

ASSESSMENT

In the last year KGL has reduced the number of complaints about an employee not understanding their position, rights, or responsibilities during an exit interview by over 90% from our previous recorded measurements.

UN GLOBAL COMPACT COMMUNICATION ON PROGRESS 2018

UN GLOBAL COMPACT PRINCIPLES:

PRINCIPLE 5: BUSINESS SHOULD SUPPORT THE EFFECTIVE ABOLITION OF CHILD LABOR

COMMITMENT

KGL does not participate in any activities, with any vendors, nor any clients that are involved in any kind of child labor. Furthermore we continually work to raise the awareness of this grave concern among our employees.

KGL SYSTEMS

- KGL's employment policies adhere to the minimum age of workforce as indicated in the labor law of the applicable country.
- KGL's employment policies ensure that official documentation showing the employee's date of birth are presented as a condition to apply for any job.

IMPLEMENTATION

- All KGL recruited employees must provide legal documents certifying they are within the legal age of work.

ASSESSMENT

KGL can state with certainty that we do not employ any children within our organization and adhere strictly to applicable labor laws and UNGC guidance concerning the employment of anyone under the legal age.

UN GLOBAL COMPACT COMMUNICATION ON PROGRESS 2018**UN GLOBAL COMPACT PRINCIPLES:****PRINCIPLE 6: BUSINESS SHOULD SUPPORT THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION****COMMITMENT**

KGL commits to ensure the equitable treatment of all of our employees and to eliminate any form of discrimination as soon as it is detected.

KGL SYSTEMS

- KGL recruitment policy clearly states a prohibition of any discriminatory practices as they relate to age, gender, religion, and origin (ethnic and social) within our hiring processes.
- KGL has grading systems that insures all employees are paid equal wages for similar jobs and levels without any reference outside the specified rates for the position.

IMPLEMENTATION

- Periodic job evaluations are made to insure that new jobs are in line with company's grading system.
- KGL on participates in annual industry surveys to establish market wages for similar jobs.
- Periodic reports are generated to maintain and review the diverse culture of the company.

ASSESSMENT

KGL continues to develop a rich and culturally diverse employee base that serves as the foundation for our past and future successes.

UN GLOBAL COMPACT COMMUNICATION ON PROGRESS 2018

UN GLOBAL COMPACT PRINCIPLES:

PRINCIPLE 7: BUSINESS SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES

COMMITTMENT

KGL ensures environmental precaution is used in all our business activities and that it involves the systematic application of risk assessment (hazard identification, hazard characterization, and risk classification: Ref. KGL-T-EMS-P09), risk management and risk communication (Ref. KGL-T-EMS-P08).

KGL SYSTEMS

KGL has implemented ISO 14001 Environmental Management System for an environmental precautionary approach as follows:

- Evaluate all products, for environmental effects and to minimize the potential for pollution.
- Dispose of all solid or liquid wastes in accordance with the requirements defined by regulation.
- Employee development through involvement, training and effective communication.
- Periodic review of results by Sr. Management.
- External Surveillance of environmental performance.

IMPLEMENTATION

All KGL employees are trained in site-specific Hazard Communication Procedure. (Ref. KGL-T-EMS-P08). Typical training topics that may be covered for training are listed below.

- KGL Safety Policies & Procedures
- Safety Handbook
- Hazard Communication Training
- Solid Waste Management Practices
- On-Site Vehicle Operation Safety & Traffic Awareness
- Spill Reporting & Response
- Emergency Response Plan

ASSESSMENT

In the past year KGL has been able to reduce it's number of reported environmental infractions to nearly zero while reducing our number of potentially environmentally impacting activities by over 40% across all business units from our previously recorded measurements.

UN GLOBAL COMPACT COMMUNICATION ON PROGRESS 2018**UN GLOBAL COMPACT PRINCIPLES:****PRINCIPLE 8: BUSINESS SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY****COMMITTMENT**

KGL is committed to supporting the ecological protection of the country at organizational or governmental levels, for the benefit of the natural environment.

KGL SYSTEMS

- KGL applies Environmental Management System ISO 14001 that includes a process for Waste Management (Ref. KGL-T-EMS-P13)
- The company arranges periodical voluntarily environmental activities through the social responsibility team for cleaning public beaches and places.

IMPLEMENTATION

- Hazardous materials are stored in appropriate containers and are identified by signs and labels.
- Methods for handling of materials, and in particular hazardous materials, are communicated in work instructions and through training.
- Limited quantities of flammable chemicals are stored in designated dispensing stations within specialized storage facilities.

ASSESSMENT

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UN GLOBAL COMPACT COMMUNICATION ON PROGRESS 2018**UN GLOBAL COMPACT PRINCIPLES:****PRINCIPLE 9: BUSINESS SHOULD ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES****COMMITMENT**

KGL commits to the use of sustainable energy technologies, low impact vehicle technologies, and other environmentally friendly technologies to the greatest extent possible where the mission requirements and economic feasibilities allow.

KGL SYSTEMS

- The company utilizes an electronic communication system (Shared file systems, email/texting, paperless initiatives, an ERP System) instead of the use of paper.
- The company warehouses are isolated and minimum energy is used.

IMPLEMENTATION

- KGL has periodic tracking systems for the fuel consumption and operational condition of its equipment and devices.
- Regular checks and fitness certifications by governmental authorities are also obtained for all KGL equipment.

ASSESSMENT

By updating our fleet of vehicles and equipment as new pieces are brought on board we have found a significant reduction in our fuel costs. Also, by utilizing more efficient electrical equipment we have also lower utility costs. Both are very strong indicators that by deploying greener technology our operational costs are impacted in a significant way - something that we are demonstrating to suppliers and clients alike to help disseminate these technologies across out industry.

UN GLOBAL COMPACT COMMUNICATION ON PROGRESS 2018**UN GLOBAL COMPACT PRINCIPLES:****PRINCIPLE 10: BUSINESS SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY****COMMITMENT**

KGL is committed to eliminating all forms of corruption in our business practices. We do not deal with governmental nor commercial entities that do not source services through open competition. Furthermore, we strive to only procure goods and services through competitive sourcing channels to eliminate even the appearance of corrupt business practices on our part.

KGL SYSTEMS

- KGL's procurement, quality assurance, and financial systems all operate with multiple redundancies to identify and eliminate potential corrupt business practices.
- KGL's Business Ethics Policy which all personnel are bound to adhere to clearly prohibits all forms of bribery and dictates that a fair and non-discriminatory environment be maintained for all of our business practices.
- KGL proactively seeks out local legal guidance concerning corruption in every country within which we operate to ensure that all corporate and local project policies are in line with and in most cases exceed local legal requirements.

IMPLEMENTATION

- During every employees' in processing training KGL's Business Ethic Policy is briefed and each employee demonstrates acceptance by signing their employment contract.
- Refresher training is given to each employee at the beginning of every project.
- Signage describing each employee's responsibilities to curb corruption and bring it to light when they find it is displayed in project offices, employ accommodations, and elsewhere as appropriate.
- Employees can report corrupt business practices through our intranet portal MyKGL.

ASSESSMENT

While it is unfortunate to find, there are businesses who operate on a less ethical standard than KGL is prepared to accept. We have in the past year terminated two contracts with suppliers due to what we considered corrupt business practices. Our systems and auditing teams are ever vigilant in rooting out corruption and we work hard to eliminate it when we find it.