

31st May 2020

Reporting Team
United Nations Global Compact
685 Third Avenue, FL 12
New York, NY 10017
USA

Re: Communication on Progress (COP) 2020

Dear Stakeholders & Relationship Manager,

In this annual Communication on Progress (COP), 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 sharing this information with our stakeholders using our primary channels of communication.

This COP reports our progress as an organization and describes our ongoing achievements and efforts. By making progress in these areas we are delighted to be supporting the UN Global Compact initiative and doing our part to make the Seventeen global Sustainable Development Goals (SDGs) a reality by 2030.

Sincerely yours,

Mr. Adam Beriro
CEO
PHNX Group LLC

PHNX Group LLC
Company # 17010
P.O. Box 7800, Fujairah
UAE

1. STATEMENT OF CONTINUED SUPPORT BY CEO

I'm pleased to communicate that PHNX Group LLC reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

Sincerely,

Adam Beriro
CEO
PHNX Group LLC

2. DESCRIPTION OF ACTIONS

PHNX Group LLC has, in the last 12-months, taken the following actions in the areas of Human Rights, Labour, Environment and Anti-Corruption:

Human Rights

- Assessment, policy and goals:

We maintain our core belief in the fundamental role of equality and defending and upholding human rights as the key for the sustainable advancement of mankind. In addition we're commitment to equal opportunity for all workers and candidates in our hiring process, which is visible in our workforce and by the candidates we interview. Our organization's goal, on our modest scale, is to be a reference locally with regards to human rights and hiring. We hope to inspire others with our example and intend that our actions advance the regional collective awareness and respect of rights and equality.

- Implementation:

We continue to conduct monthly satisfaction interviews with each employee and treat all our staff and stakeholders equally and fairly, guided by the principles of the Universal Charter of Human Rights. We define corrective action based on feedback obtained and relevant action is taken immediately when grievances made known conflict with our policy, universal standards or the intended goals of this initiative.

Labour

- Assessment, policy and goals:

We believe labour rights are a fundamental pillar for development and satisfaction of our employees. Our policy is to surpass local legal minimums regarding pay and to provide paths for all employees to exceed industry standards in terms of annual leave, work-life balance, accommodation, recreation and privileges in general.

- Implementation:

We pay our staff substantially more than going market wages for their work, have a profit sharing scheme and practice a twice-yearly paid vacation allowing employees the dignity of maintaining strong relationships with their relatives, spouses, children and friends.

Environment

- Assessment, policy and goals:

Our business is sustainability. Our policy is to promote and supply replacement products that are always sustainably produced, carbon neutral and fully recyclable or bio/oxi-degradable. Sustainability is our 'raison d'etre' and continues to be our ethos as well.

- Implementation:

Our client solutions help eliminate single-use plastics. We often substitute plastic items with non-plastic items by, for example, providing PLA alternatives or starch-based packaging products. We insist on the use of high levels of d2W in plastics where they must be used and advocate for the use of natural fiber products (examples are Jute, Bamboo, certified organics, sustainable cotton etc.). Our offices is plastic free.

Anti-corruption

- Assessment, policy and goals:

We believe corruption is the Achilles' heel preventing genuine ethical development in the World. Our organization categorically refuses to work (directly or indirectly) with any organization known or suspected of behaving in a corrupt manner or supporting corruption in any way. Internally we are committed to preventing any form of corruption finding its way into our practices, directly or indirectly.

- Implementation:

We don't support or engage any administrative 'shortcutting' regardless of where it may arise, even if it means losing a client or being denied efficient service. This approach to doing business is explained upfront and is demanded from and upheld with all people and entities we engage with. Also, with regards to the transfer of funds while doing business, we only work with banking institutions reputed for ethical standards and that adhere to international transparency and reporting requirements.

3. MEASUREMENT OF OUTCOMES:

The following indicators help us measure, track and improve our outcomes on a n ongoing basis:

We encourage our employees to conduct their own administrative tasks with authorities without our intervention (permits, IDs, medical etc.). This fosters an understanding of said procedures and empowers the individual and employee.

As an ongoing example human rights implementation, we do not hold our employees' passports as we believe that legal free-movement is a fundamental human right. We deliberately and irrevocably choose to break from the regional tradition of holding passports, a trait that doesn't fail to create loyalty and satisfaction with our new hires and existing employees.

As an ongoing example of equality implementation, we successfully hired the brother of our Bangladeshi Manager, also in spite of a visa freeze banning the immigration of new citizens from that country. We achieved this by making a significant investment in our employee's visa category and proven to be a life transforming event for him and us. Our approach to immigration and hiring has been celebrated and mimicked by our peers.

We only work with certified and carbon neutral suppliers and factories.

We continue to perform annual inspections to our local supplier's places of business.

We request and review all supplier factory certifications annually.

We require the use of 3rd party inspection companies to complete purchase transactions.

We only work with internationally accredited fair-trade suppliers and factories.

We have been honored by our community with media coverage domestically and internationally.

Finally, we believe that participation in the UN Global Compact program is in itself a way to demonstrate our commitment and we take great pride in doing so.

~ END of COP ~