

United Arab Emirates, May 30th 2022

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

Re: PHNX Group LLC - Communication on Progress (COP) - 2022

Dear Stakeholders & Relationship Manager,

A post COVID-19 restrictions business environment has been a welcome relief in many countries around the world, only to be followed by a fresh set of restrictions and supply-chain disruptions due to the conflict in Ukraine. Business has been volatile globally and our organization has felt these challenges like most other businesses. Despite this we continue to support a move towards reaching corporate and global sustainability.

In this annual Communication on Progress (COP), we describe our actions to adapt to the new post COVID-19 environment and instability resulting from the conflict in Ukraine. We aspire to continually improve the integration of the Global Compact and its principles into our strategy, culture and 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're delighted to maintain support of the UN Global Compact initiative and seeing that the Seventeen global Sustainable Development Goals (SDGs) become 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 proudly reaffirms its support of the Ten Principles of the United Nations Global Compact in 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, Labor, 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.

Labor

- *Special post COVID-19 response:*

We have embraced the trend of working remotely and facilitated implementation for all possible roles. This action on its own serves multiple SDGs, benefits the planet and serves our people. Many changes were made permanent and have influenced our working culture for the better, as well as evolving who and how we hire.

- Assessment, policy and goals:

We believe labor 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'être* 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 are 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 a new wave of Bangladeshi employees in spite of ongoing new visa bans hampering immigration. We achieve this by numerous financial and HR efforts which include significant investments in higher visa categories. These actions are time and capital intensive but when an individual is identified and integrated correctly it a life transforming event for them and our organization. Our approach to hiring has inspired our peers and had a positive spill-over effect for many.

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, adherence and continued support in the UN Global Compact program is in itself a way of demonstrating our commitment and passion for doing good in the world. We take great pride in doing so and will continue to do so for the foreseeable future.

~ END ~