



United Nations Global Compact

Communication on Progress

Achilles Group Limited
November 2007

Chief Executive Officer's/Chairman's statement

Since 2005 Achilles has been a member and advocate of the UN Global Compact. We believe that the principles laid out by the compact align closely with Achilles' core business values of being collaborative, insightful and neutral. As an organisation we are committed to promoting the ten Global Compact principles and have ensured that they are embedded within our business with the full support of the board and employees across the regions in which we operate.

Achilles provides services for sustainable procurement, working to identify, assess and monitor suppliers on behalf of major organisations worldwide. We build and support buyer-supplier communities in many industry sectors, creating unique global networks. Our services for sustainable procurement help create opportunities and reduce risk in the supply chain. As such we are in a unique position to be able to assist our customers to monitor corporate responsibility and more specifically the 10 Global Compact principles, through their supply chains.

Achilles' operations fully support the Global Compact principles of building more sustainable and inclusive global markets. As a group, Achilles continues to adhere to the 10 Global Compact principles as we are actively promoting these amongst our customers. As we continue to develop our service offerings we are conscious of the role that we can play in helping our customers to adopt the principles within their own organisations.

The work that Achilles does internally on our own corporate responsibility such as supporting the Outward Bound Trust (a charity which uses outdoor activities to help young people to develop their self-confidence, team building, and leadership skills), is integral to the company ethos that we all, as individuals and organisations, have responsibilities when it comes to our social, ethical and environmental practices.

In November 2006 Achilles launched the Oxford-Achilles working group on CSR with the Saïd Business School, University of Oxford. The initiative aims to raise the level of debate in CSR and make practical recommendations to an important but underdeveloped field of corporate life. Supported by lectures, seminars, white papers and case studies the working group has already had discussions which cover

many aspects enshrined by the Global Compact principles. Topics so far include child labour in the cocoa industry, lessons on labour standards in the supply chain, climate change and the promotion of environmental responsibility through programmes aimed at emissions reductions. This initiative demonstrates Achilles commitment to implementing practical actions to promote the Global Compact principles within our sphere of influence and beyond.

Signed by Colin Maund (CEO) and Sturla Sand (Chairman)

Two handwritten signatures are displayed side-by-side. The signature on the left is written in blue ink and appears to be 'Colin Maund'. The signature on the right is written in red ink and appears to be 'Sturla Sand'.

Principle 1: Business should support and respect the promotion of internationally proclaimed human rights

Achilles Group has developed an Employee Handbook which is currently being rolled out across our business units. The Handbook is a resource for employees which contains all relevant employment policies and guidance to the Achilles competencies.

In the last 12 months Achilles has launched a service for the oil and gas industry in Nigeria and we have recently opened up operations in Lagos. Operating in a region which has historically experienced problems with human rights and labour standards, Achilles has ensured that the Employee Handbook drafted for the Nigerian office transfers best practice from our existing operating units worldwide whilst also reflecting local culture and aligning with local employment legislation.

The services that Achilles offer all now have sections on human rights as a standard and it is in this way that we are able to support the 500+ buying organisations in nine sectors and 30,000 suppliers registered on our systems to monitor human rights through the supply chain.

Achilles is developing significant capability in the area of social and ethical assessment services for a range of industry groups. Most recently Achilles has been requested by one of the world's leading construction organisations to develop a social and ethical audit process for the granite industry in China.

Principle 2: Business should ensure that they are not complicit in human rights abuses

As Achilles service offerings are delivered almost entirely via the internet, we believe that the potential to become unintentionally complicit in human rights abuses is limited. However, Achilles is fully supportive of this principle and as we develop our services we are conscious of the need to enable our customers to monitor issues relating to human rights throughout their supply chains and engage in sustainable procurement practices.

Principle 3: Business should support the freedom of association and the effective recognition of the right to collective bargaining

As noted in our previous Communication on Progress in 2006, Achilles remains committed to upholding the rights of all employees, across all our business units and in all regions, to freedom of association and collective bargaining. Achilles ensures that it complies with all local legislation regarding this principle in the regions in which it operates.

Principle 4: Business should support the elimination of forced and compulsory labour

Achilles has a written Equal Opportunities policy within the Employee Handbook which specifies that all employees will be treated fairly and that the organisation will ensure equal terms with respect to conditions of work, salary and remuneration. All employees are issued with contracts of employment guaranteeing that staff are employed under nothing other than free and fair contract terms. Staff may terminate contracts of employment at their own free will.

Achilles endeavours to provide a working environment, which encourages equal opportunity, diversity and personal growth and makes a firm commitment to support the elimination of forced and compulsory labour.

Achilles is continuing to enhance its service offerings to allow purchasers greater visibility of this principle within their own supply chains. For example ControlAR, operated in Argentina, conducts monthly checks to ensure that contractors are paying salaries.

As part of an industry scheme created in collaboration by the Global e-Sustainability Initiative (GeSI) and the Electronic Industry Code of Conduct (EICC), and supported by Achilles Group, E-TASC (Electronics - Tool for Accountable Supply Chains) was launched recently. E-TASC enables companies working in the ICT (Information and Communications Technology) sector to monitor and improve CSR practices within their supply chains in an efficient way. Areas pertinent to the Global Compact principles and covered by the scheme include child labour, working hours, humane treatment, freedom of association, and ethical business practices. The service allows purchasers greater visibility of employment practices within their supply chain with an aim to develop high standards of social and environmental responsibility.

Principle 5: Business should support the effective abolition of child labour

Achilles continues to support the effective abolition of child labour and ensures that it does not employ child workers. Employees are required to provide verification of age to ensure that we are compliant with employee minimum age legislation. This detail is not used as part of recruitment selection criteria.

Many of our services support our customers in monitoring and ensuring that child labour is not employed. For example the E-TASC scheme covers a broad range of corporate responsibility issues across key areas like labour, health and safety, environmental, management systems, and ethics and includes provision for high profile issues such as child labour avoidance.

Principle 6: Business should support the elimination of discrimination in respect of employment and occupation

Achilles strongly supports this principle and considers that discrimination in respect of employment and occupation is totally unacceptable.

Our offices in the UK and Spain have this year implemented a flexi-time system to facilitate a better work-life balance for employees. This enables employees to have greater control and flexibility over working hours and is a significant move towards realising flexible working for staff.

Achilles is fully committed to the sixth principle as we are a global organisation operating in twenty-two countries with employees from a diverse and wide range of nationalities. We have a number of policies which support this principle, including those covering equal opportunities and, recruitment and selection, and we ensure that we are compliant with local legislation in each of the regions in which we operate.

Achilles has a detailed recruitment and selection policy which makes knowledge, skill and competence the basis for recruitment and commits to training and advancement of staff at all levels without discrimination.

Principle 7: Business should support a precautionary approach to environmental challenges

A Group wide environmental policy has been drafted and is currently in circulation for feedback from the regional units. The policy states Achilles commitment to conserve natural resources, promote energy efficient measures, and minimise pollution and damage to the environment. The policy also covers Achilles commitment to continually monitor environmental policies and practices to ensure that the company is keeping up-to-date with all necessary legislation as well as obligation to our various stakeholders.

Achilles Head Office in the UK has had an external waste audit conducted within the last 6 months and has subsequently adopted a plan for improving our environmental impact. Following the audit a comprehensive recycling scheme has been implemented in the office. Individual bins were removed and central recycling points are now located around the office for recycling cans, paper, plastics, bottles, cardboard and magazines. The audit also raised our attention to the quantity of paper towels that were being thrown away each week. These have now been replaced with energy efficient, infrared hand driers. Following the launch of the recycling scheme, a questionnaire was sent round to all UK employees to collect their feedback on recycling, and ask for any further ideas for improving our organisation's impact on the environment. The changes undertaken at Head Office will be communicated out to the regional business units in an effort to share best practice in approaching environmental challenges.

Principle 8: Business should undertake initiatives to promote greater environmental responsibility

As part of the recycling scheme launched recently in the UK, daily recycling tips were sent round to all UK employees for two weeks. These tips included useful advice on recycling and other ways employees could improve their impact on the environment, both in the office and at home. UK employees also have access to a trial sharepoint site set up to raise awareness of recycling initiatives and for employees to make suggestions and raise questions on the topic of environmental responsibility.

Employees are made aware of Achilles commitment to environmental responsibility through a dedicated session in the induction day for new starters which details Achilles environmental policy and what is being done around the office to reduce our environmental footprint. Kosmos, the company wide newsletter which is sent out to all employees worldwide, includes articles on Achilles progress towards environmental responsibility and keeps employees informed of progress.

The Group Marketing department have reviewed communications for effectiveness and have subsequently adopted an electronic mail shot system. This is now being used by our operations worldwide and is significantly reducing the number of communications which were previously sent in hard copy by post. At Head Office there is a scheme for returning unwanted post with a request to be removed from mailing lists. This has cut down on the quantity of unwanted post received.

Principle 9: Business should encourage the development and diffusion of environmentally friendly technologies

The vast majority of marketing material that Achilles sends out is done electronically and promotional items are now being attained from recycled sources. All marketing material which is produced in hard copy is being transferred to recycled paper.

Over the coming months Achilles will start to monitor emissions with an aim to measure our carbon footprint, initially for our UK operations, before extending to our regional business units. In this process we will also develop an improvement plan so that we can work towards ongoing monitoring and reduction of emissions.

As the services that Achilles operates are IT based databases, our scope for reducing the environmental impact associated with our services is limited. However this is something which Achilles is keen to address and this year we have placed a focus on looking at the ways in which we can reduce our impact on the environment, specifically concentrating on minimising the travel associated with our services.

Achilles is also encouraging the development of environmentally friendly practices amongst our customers. ControlAR, a system that we run in Argentina, scans suppliers official documents for their records so that they do not need to be duplicated every time a buying organisation requests to see them. As far as possible, whilst still providing a high quality service for the smallest of our customers as well as the largest, we are streamlining our processes to become fully paperless. We are also centralising our systems in order to become more efficient, working towards the target that none of our scheme questionnaires are on paper or discs thereby significantly reducing our use of materials and packaging.

Principle 10: Business should work against corruption in all forms, including extortion and bribery

As part of Achilles' ethical business practice, employees travelling to high risk countries are given a cultural briefing detailing pertinent health and safety and risk information. These briefings include information regarding travel, dress code, extortion, bribery, kidnapping, and cultural differences.

Achilles operates best practice and has an informal policy on gifts and hospitality which will be formalised over the coming months. We are acutely aware of complying with our customers policies when conducting our own hospitality and giving gifts.
