



UNITED NATIONS GLOBAL COMPACT

COMMUNICATION ON PROGRESS

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1. EXECUTIVE STATEMENT OF CONTINUED SUPPORT

Aegis signed up to the United Nations Global Compact in April 2009, and in doing so has pledged its support and commitment to the adoption and advancement of the ten principles encompassing the four major categories of Human Rights, Labour, the Environment; and Anti-Corruption. This support is part of our broader endeavour to make a lasting and significant contribution in the areas where we operate and to set the highest standards within our industry with regards to responsible business practice.

Aegis remains dedicated to ensuring that its work and activities are conducted with the highest degree of integrity and corporate social responsibility. We see our commitment and participation in the UNGC as a key element of this and we shall strive to improve our performance in all areas.

This is Aegis' first Communication on Progress and our continued support and commitment to the Compact is unwavering.

Jonathan Newman
Company Secretary, AEGIS

2. GENERAL

Aegis is a London based, privately owned, British security and risk management company with overseas offices in Afghanistan, Bahrain, Iraq and the USA. We have substantial experience and a world-wide client-base, including governments, international agencies and the international corporate sector. We are a major security provider to the US government, a registered UN contractor and security advisor to the Lloyds Joint War Risk Committee.

We offer comprehensive advice on every aspect of security – from corporate operations, commercial risk and foreign investment to counter-terrorism, close protection and support to governments. We run a worldwide network of offices, contacts, and associates and our clients further benefit from the extensive capabilities of our personnel, built up through careers in the military, diplomatic and intelligence services, as well as in the police, journalism, the UN, finance and commerce. This breadth of knowledge, combined with our global reach and wide practical experience, allows us to provide the highest quality specialist security advice as well as risk management solutions that take meticulous account of the specific requirements of each client.

Our aim is to deliver outstanding service to our clients. We ensure that our clients, whether government or commercial, are able to concentrate on their primary objectives, leaving Aegis to deal with all matters related to security. Our corporate ethos relies on the following principles:

- Professional excellence
- Discretion and integrity
- Client confidentiality
- Corporate transparency
- Respect for national and international law and human rights
- Full and open engagement with government and international institutions
- Support for industry regulation
- Employee duty of care

3. ACCOUNTABILITY AND ETHICS

Aegis believes that the private security sector can only benefit from a constantly improving, properly regulated system of accountability and ethics. As we face changing missions, new responsibilities and increasingly complex and dangerous environments, we recognise that the need for transparency and oversight is greater than ever.

As such, Aegis is committed to setting and adhering to the highest ethical standards, as reflected in our **Code of Conduct** - http://www.aegisworld.com/LEGAL_Code%20of%20Conduct_V3.pdf and **Code of Business Conduct** - http://www.aegisworld.com/LEGAL_Code%20of%20Business%20Conduct_V3.pdf . In addition, all employees, advisors and sub-contractors sign up to an internal code of ethics that insists on integrity in all areas of commercial and personal behaviour. These are all set out in our Code of Conduct.

4. OUR COMMITMENT

The United Nations Global Compact's principles are reflected in our Company policies, standards and guidance. All these documents can be found on our Company's intranet and our external website. All staff are encouraged to familiarise themselves with them.

Below we provide evidence from our relevant policies in how we apply the UNGC's principles in our work:

4.1. Human Rights

Principle 1: support and respect the protection of international human rights within their sphere of influence; and

Principle 2: make sure their own corporations are not complicit in human rights abuses.

Our commitment to the UNGC's principles on human rights is expressed in our Code of Conduct in which it states as follows:

- Aegis will only engage in legitimate security work which adheres to the principles of International Law, including International Humanitarian and Human Rights Law.
- Aegis does not condone, nor will it ever become involved in, the violation of human rights as embodied within the Universal Declaration of Human Rights and the European Convention of Human Rights.
- Aegis personnel respect the culture, religion and ethnic customs, human dignity and human rights of the communities and countries in which they work. They will to the best of their ability and wherever possible, rigorously oppose violation of these rights.

Furthermore, as a consequence of Aegis' status as consultants to the extractive industry, although unable to participate formally in the Voluntary Principles on Security and Human Rights (VPs), Aegis incorporates the ethos of the VPs into our day-to-day business conduct via our Code of Conduct. The VPs are also reflected in our Statement of Ethics and Code of Business Conduct which all personnel (regardless of employee or contractor status) across the Aegis Group are bound by.

Systems

Statement of Ethics:

In order to maintain the highest ethical standards, Aegis has a Statement of Ethics which is signed by all personnel.

Whistleblowing policy:

The Company encourages all workers to take responsibility for raising any concerns that they might have about any unethical malpractice or human rights abuses within the workplace. As such Aegis has a designated Whistleblowing Policy in order for any individual to report concerns about potentially dangerous, illegal or unethical workplace practices. The policy allows anonymity if it is requested.

Training for Operatives:

To ensure that the ethos that we work to is properly understood by all deployed personnel, training is given which covers Geneva Convention, Hague Convention and International Humanitarian Law; local Law; Human Rights Law (including anti trafficking in persons); Public International Law; The Montreux Document and UN Global Compact and where relevant Sharia Law.

Activities

Support to the Regulation of the Private Security Company industry -

Aegis recognises that the need for transparency and oversight within the industry is greater than ever. As such Aegis was one of the companies that signed up to the International Code of Conduct for Private Security Service Providers in November 2010. Working with civil society and government agencies, we were actively involved in the development and drafting of the code, which sets robust and measurable standards for the sector.

Aegis welcomes the international agreement on the "Montreux Document on Pertinent International Legal Obligations and Good Practices for States related to Operations of Private Military and Security Companies during Armed Conflict" ("Montreux Document") created in association with the ICRC and the Swiss Initiative in September 2008. For full details of Aegis' commitment please click on the following link - [MontreuxDocument.pdf](#)

In addition, Aegis has financially supported and is a founder member of the British Association of Private Security Companies (BAPSC) which lobbies for regulation in the private sector in the UK. The BAPSC has developed, together with its members, a comprehensive Code of Conduct. Aegis is also involved in efforts by the ICRC and the International Institute for Law and Justice at New York University to regularise the status of PSCs under International Law.

Plans for 2011-12

- Further support of the International Code of Conduct for Private Security Service Providers: Aegis will continue to support and develop the Code as it enters its secondary phase - the creation and implementation of an appropriate accountability mechanism.
- Review of all deployment training to incorporate the importance of situational awareness and in particular a more profound focus on human rights.
- The restructuring of our operations department to include specialist training and quality assurance functions which will allow for closer monitoring of operational consultants deployed to high-risk areas

4.2. Labour

Principle 3: freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Aegis understands the paramount importance of providing the highest standards of welfare for our personnel. Aegis prides itself on being a respected employer and achieves this by providing competitive pay, the best available equipment, safe and secure accommodation and life support relevant to the operating environment.

Aegis fulfills its responsibility for promoting equal opportunities and combating discrimination, seeking to ensure the full integration of each employee in his or her working environment regardless of his or her ethnic or social origin, colour, gender, religion, nationality, sexual orientation or other distinguishing characteristics.

Our commitment to the UNGC's principles on Labour is expressed in our Code of Conduct in which it states as follows:

Working Standards:

- Good working standards are crucial in the development of Aegis and the potential of its personnel. Maintenance of appropriate remuneration levels reduces the risks of staff turnover and through continuity of quality ensures a high level of efficiency.
- Aegis is committed to ensuring the best working conditions that the field of operation will permit.
- In accordance with this principle, the level of remuneration is designed to ensure that quality work is appropriately remunerated and encourages loyalty and continuity.
- There are many different occupational hazards associated with the nature of the work engaged in by Aegis. Appropriate medical support including psychological counselling is provided to ensure the maximum possible attention in the event of serious incidents and subsequent injuries to personnel.
- In line with these procedures Aegis follows best practise by ensuring suitable insurance is always in place to cover medical issues, assets and business risk.

Equal Opportunities:

- Aegis assumes its responsibility for promoting equal opportunities and combating discrimination.
- It seeks to ensure the full integration of all personnel in his or her working environment, regardless of his or her ethnic or social origin, colour, gender, religion, nationality, sexual orientation or other distinguishing characteristics.
- It seeks to ensure that its clients also recognise respect for these values in the working conditions made available to all personnel.

Systems

Aegis has implemented practices that prevent People Trafficking activities, such practices include performing our own recruitment and where this is not possible, undertaking due diligence on the recruitment companies we use. This ensures that any person recruited is not being coerced, tricked, blackmailed or otherwise pressurised into accepting employment or conditions that would fail under the definitions of People Trafficking or Forced Labour. All personnel receive training to ensure awareness of the issue and a clear understanding of the applicable regulations.

One of Aegis's four core values is Respect. At Aegis all staff are committed to treating each other with dignity and respect regardless of background or level and understands that each employee has a valuable contribution to make to the overall success of the company. These values are embedded into the culture of the Company alongside our other core values – Integrity, Professionalism and Accountability.

Aegis has a Grievance Policy which clearly outlines the procedure that staff can take to ensure they can resolve any complaints or grievances relating to their employment.

Aegis is committed to identifying training and development needs of employees as well as monitoring and reviewing training and development at individual and organisational levels. All employees have the opportunity to discuss and agree with their line manager any gaps in skills and/or performance against objectives.

Plans for 2011-12

- A revised, clearly defined HR strategy which can be implemented on both a strategic and practical level
- The introduction of inclusivity and engagement initiatives to include mentoring programmes, inter-department 'educational' sessions and a review of effective communication channels.
- An on-going review of all HR policies in order to ensure legal compliance as well as to maintain the highest standards within the industry as a whole.

4.3. Environment

Principle 7: support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

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

Within the scope of our business activities, Aegis aims to promote respect for the environment both on a local and global level. Aegis appreciates the necessity of a sustainable environment in continuing sustainable business activities.

Our commitment to the UNGC's principles on the Environment is expressed in our Environmental Policy in which it states as follows:

Environmental Policy

It is the policy of Aegis Defence Services Limited to conduct its business throughout the world in a manner that protects and sustains the environment. To this end, the company is committed to the following:

- Incorporating environmental considerations into business decisions, including planning and design activities.
- Assessing environmental impacts of products, processes, and operations.
- Encouraging employees to adopt good housekeeping measures to save energy, use public transport and non-paper based communications where possible, and recycle paper and other office waste responsibly.
- Assure compliance with both the spirit and intent of local and national laws and regulations. In countries where laws and regulations do not exist or are inadequate, appropriate standards will be developed.
- Reporting environmental results to all stakeholders.
- Striving to make a positive environmental contribution to the communities where we operate.

Systems

As part of Aegis STRIKE © HSSE both management systems of 14001 and 18001 are fully integrated across our business.

Aegis Project Managers are not only environmentally aware but also fully trained in environmental aspect assessment and environmental impact mitigation. Environmental emergency contingencies are fully planned and rehearsed with both staff and sub-contractors.

Due to the unique nature of environmental analysis and assessment, for all new projects commissioned Aegis employs a specialist environmental consultancy company to ensure all aspects are fully considered and planned for.

Activities

Aegis is committed not only to environmental sustainability but also to better social welfare and is very proud of the efforts of its own registered charities, the Aegis Foundation in the UK, and Hearts and Minds Inc (a 501c3 corporation) in the US, which aim to bring immediate relief to communities in post-conflict environments through low-cost, high impact, grass roots community projects such as water purification projects in Iraq.

Aegis adopts a prudent use of natural resources where possible and at all times strives towards a waste and energy reduction through initiatives such as double sided printing, the use of paper from sustainable forests and the switching off of PCs and office lighting at the end of the working day.

With regards to travel, Aegis promotes the 'cyclescheme' which allows staff to purchase a bicycle 'tax free' to use for commuting purposes.

Plans for 2011-12

- Review of both the Environmental and Sustainability Policies, with a particular emphasis on our carbon footprint strategy, in a bid to reaching carbon neutrality.
- A general strive to use sustainable products and to save energy wherever possible within our control.
- Increased use of video-conferencing to cut down on travel in order to reduce carbon emissions
- Review of the flexible working policy to encourage more home working.

4.3. Anti-corruption

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

Aegis is committed to the very highest of ethical standards in relation to business integrity. We have a Code of Business conduct which extensively and comprehensively demonstrates that we have a zero tolerance approach to corruption, including extortion and bribery.

Our commitment to the UNGC's principles against corruption is expressed in our Code of Business Conduct in which it states as follows:

"Aegis operates a value added outsourced service in high risk environments, often in the undeveloped world. We wish to be the "best of breed" and as such it is essential that we set ourselves the very highest standard of ethics, conduct and procedures. Aegis – its employees, advisors, contractors and suppliers – must behave, at one and the same time, ethically and with integrity, whilst remaining a commercial organisation. All Aegis employees, contractors, or suppliers are, in one form or another, open to audit for compliance with this Code. The spirit of this code applies not only to all employees of Aegis but also to any advisor, contractor, supplier or agent engaged by Aegis. This Code is not a contract and no contract is implied. If any part of this Code conflicts with applicable law, the law will prevail."

Detailed within our Code of Business Conduct is policies relating to our "Ethical Business Practices" including anti-trust/anti-competitive behaviour and independent pricing, anti-boycott, international business, conflicts of interest and potential conflicts.

Systems

Training is given to all staff regarding our Code of Business Conduct to ensure that all employees are cognisant of all relevant policies. This is also emphasised in our Core Values induction training.

Aegis's consultancy business, Aegis Advisory, advises clients on complex anti-corruption issues including money-laundering and bribery legislation. Many of our analysts are informed about specific conditions in individual markets and we pride ourselves on having developed in-house expertise relating to the regulations of anti-bribery practice around the world.

Activities

Our Code of Business Conduct was reviewed and updated in January 2010.

UN Convention Against Corruption (UNCAC) – Aegis pledged its support for the CEO Letter on the UNCAC, calling on governments to adopt an effective implementation review mechanism at the next conference of State Parties in November 2009.

Participation in the Local Network Event, London, UK, March 2011 - "Reducing the Risk and Cost of Conflict: Responsible Business in High-Risk and Challenging Operating Environments."

Plans for 2011-12

- Increased training for all staff relating to our policies linked to our Code of Business Conduct. All staff are encouraged to familiarise themselves with these policies however additional training will help further.
- Inclusion in more anti-corruption activities, particularly those directly associated with our industry.
- Introduction of Internal Ethical Working Group (EWG) to discuss and educate regarding anti-corruption initiatives. All areas of the business will be represented. There will be particular emphasis on the new UK Bribery Act which comes into effect in April 2011.

5. SUMMARY

Aegis has pledged its commitment to conformity with and the promotion of the Global Compact and its principles. Each principle, as demonstrated, has been integrated within Aegis' management strategy, culture and day-to-day processes.

This is our first Communication on Progress; however, Aegis shall ensure that it meets its assurance to the Global Compact by publishing an annual Communication on Progress, setting out the progress that we are making in implementing the ten principles into our overall functions and performance.