

Flight Report 1/2009

Global Compact

&gt;&gt; Report on Progress &lt;&lt;

## 1. Introduction

HELOG Lufttransport KG has been a signatory to the Global Compact since 2002. HELOG Lufttransport KG issued Communication of Progress reports in 2005 and 2006 in which we provided an overview of our activities during these years, as well as a status on the support of the Global Compact's objectives.

In 2007 and 2008 we could improve on some objectives and achieved a higher level by involving more employees in this project.

## 2. Letter of Support

We have committed ourselves to the international principles of the United Nations Global Compact.

Apart from the location of our headquarters, all of our operations are conducted in Africa and we are thus deeply involved in the globalization process.

For the company, the management and the employees the implementation of the 10 Principles has led to positive development.

Many improvements and changes brought us closer to the core values of the Global Compact.

We did not submit a report about the process in 2007 and we believe that our reasons to suspend reporting are comprehensible.

Participants in the Global Compact expect and rely on the ethic integrity of the trading entity of the Global Compact, the United Nations. We had to learn that at least in the department we had to deal with, business ethics is an unknown term.

HELOG Lufttransport KG has been a vendor to the United Nations since 2004 and operated for the United Nations from 2005 with up to 8 helicopters in the Sudan and the Ivory Coast. According to feedback from the United Nations officials and the operators' headquarters, HELOG Lufttransport KG performed fully to their satisfaction. And yet, prior to the regular expiration of the contracts, a new tender was submitted. It took three re-bid processes until HELOG Lufttransport KG was suspended and the desired (or should we say designated) operators could take over this contract. Additionally HELOG Lufttransport KG was rejected as a vendor based on dubious motivations and irrelevant substantiation.



If we apply just to the lowest denominator of business ethics, we must realize that the way this United Nations department performed is a serious breach of the spirit of the Codex (of the Global Compact) and a violation against some of the principles.

Owing to this obscure process, HELOG Lufttransport KG decided to reconsider its relationship with the United Nations and all related organisations.

It is difficult for us to support an organisation of the United Nations, when the United Nations itself does not follow the rules which they expect to be followed by their supporters!

However, in a meeting with the employees we took the decision to uphold our relationship instead of withdrawing from the Global Compact. We believe that in this manner chances to influence the system positively within the United Nations can occur.

We are convinced that it is important to mention these facts for the sake of sincerity of this Report on Progress

As a result of HELOG Lufttransport KG's international orientation, the management and employees are posed numerous challenges to an extent that could not have been imagined several years ago. We have to provide answers to questions such as:

- In future, which strategies will survive within the global competition?
- Which consequences will result from decisions taken with regard to location and from the collaboration of different cultures?
- How can we lead our employees to the flexibility and mobility of a modern working environment, when some of our colleagues are based in African countries?

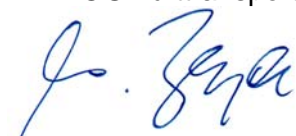
In order to understand one another, a high degree of sensibility, tolerance and respect is essential. Intercultural competence gains importance with the globalisation of economy and society.

We at HELOG Lufttransport KG are also aware that a business culture cannot be dictated. A business culture must develop from within the company.

However, we are conscious that the future will belong to those companies, that have an active share in ethic and effective business management in their country as well as in international locations. Only companies prepared for the future can demonstrate Sustainability Leadership.

We at HELOG Lufttransport KG trust in the idea as well as in the core value of the principles for HELOG Lufttransport KG and will continue to implement them in our companies.

HELOG Lufttransport KG



Wolfgang Zagel  
CEO

## **Sharing the COP**

The COP is issued to all employees, to the customers and to the suppliers in hard copy.  
It is part of all tender documents forwarded to bid.  
It is posted on the website [www.helog-global.com](http://www.helog-global.com)

HELOG is a participant in the German network of the Global Compact. Almost all events, meetings and gatherings were attended by a HELOG representative.

## **The commitment of HELOG to the 10 Principles**

### **Principle 1**

*“Business should support and respect the protection of internationally proclaimed human rights.”*

Nowadays the economy has influence in nearly all areas of social life. It decisively depends on the action of the company what prospects an individual has and if the company's potentials are used to an advantage in order to form society sustainably. That's why entrepreneurial action carries responsibility for social development. Even though HELOG Lufttransport KG is a small company with its 115 employees, because of the international activity and its multicultural personnel it is extremely important that the company is extensively engaged in topics relating to CSR.

### **Effect to HELOG**

HELOG Lufttransport KG has been operating in various African countries since 2005. First we were solely operating for the United Nations, since 2006 we have been operating in the oil- and gas industry supporting the oilfields and production sites for governments as well as for the EU Commission.



Circumstances regarding human rights are complex in some of these countries. While these governments are ostracized by most of the western states, other governments support the politics of these governments. Many other implications, most of them politically driven, have led to a situation where we realized that we have to issue clear guidelines to our crews and to the customers, in order to express our attitude.

To approach our customers was a bold venture and in a few cases it was difficult to find the most appropriate manner.

### **Activities undertaken by HELOG**

- With strict procedures and manuals we managed to insist on a certain level in respecting human rights in the vicinity of our locations.
- Employees are encouraged to report any violation in these countries, no matter if it is in our vicinity or beyond. In the daily management meeting these reports are seriously discussed and if applicable, instructions to the bases are forwarded.
- For general appraisal we monitor the recommendations from the Ministry of Foreign Affairs, the ZIF information letters and take action if necessary.

We also outlined, that we refuse to undertake flights to transport passengers or goods, when we have a reasonable suspicion that the action could be in violation to rules and procedures with regards to human rights.

Meanwhile our strict procedures have been accepted by our customers and their staff. Even if it is a small contribution, a first step has been taken in order to improve the situation in the periphery where HELOG Lufttransport KG operates..

### **Sphere of Influence**

While we determined the continued success in our core business, the influence to other circles is growing constantly and has already reached some of our suppliers and decision makers and employees in government organisations of the countries where we are operating.

**Principle 2**

*“Business should make sure that they are not complicit in human right abuses*

**Effect to HELOG**

As HELOG is working in countries where there is a permanent risk of violation against human rights, HELOG expresses a strong commitment to avoid that employees become complicit or involved in any breach of our standards.

**Activities undertaken by HELOG**

HELOG has an effective reporting system implemented in every country where operating. In case of a reasonable suspicion it immediately becomes a matter of the CEO of the company.

**Principle 3**

*“Business should uphold the freedom of association and effective recognition of the right to collective bargaining*

**Effect to HELOG**

All personnel, whatever the qualification, level or nationality may be, are entitled to form and join trade unions as long as they operate in compliance with local regulations.

**Activities undertaken by HELOG**

Up to now there has been no request or initiative by the employees to form a union or association. According to regulations in Europe HELOG cannot exert any influence. Any initiative in our operating countries would be supported by HELOG.

## Principle 4

*“Business should uphold the elimination of all forms of forced and compulsory labour*

### Effect to HELOG

In the HSE manual, HELOG insists in maintaining the standards which apply in Germany also for the foreign bases. Local management is required to monitor those regulations and report any violation to the CEO.

### Activities undertaken by HELOG

Every employee has a contract stating the terms and conditions, the job description and the wages. This contract is signed by the CEO of HELOG. There are no differences in the general terms no matter where the employee is working.

It is a strict policy of HELOG to set a living wage and pay local employees higher salaries compared to the market. We are proud of our very low fluctuation rate, which is a positive sign and confirms that the activities implemented by the management are being accepted.

HELOG Lufttransport KG currently employs 115 people from in the following countries:

	Female	Male	Total
Germany	3	19	22
France	0	22	22
Sudan	7	15	22
South Africa	0	16	16
Austria	4	8	12
Ghana	6	4	10
Ivory Coast	1	2	3
Sierra Leone	2	1	3
Peru	0	2	2
Bosnia	0	1	1
Great Britain	0	1	1
Norway	0	1	1
Angola	0	0	0
Total	23	92	115

The comparatively low figure of female employees results from the fact that especially in helicopter aviation jobs women are under-represented and not easily found on the employment market.

### **Principle 5**

*“Business should uphold the effective abolition of child labour*

#### **Effect to HELOG**

HELOG does not tolerate any kind of child labour.

The influence of HELOG in that issue is very limited. However, the rejection of any kind of child labour within HELOG assists the general campaign.

#### **Activities undertaken by HELOG**

Also the management on the foreign bases is instructed not to employ children for any kind of work.

Employees are requested to report any violations on the part of our suppliers. It is up to the management to react according to HELOG standards and to convince the suppliers to follow the policy of the principle.

### **Principle 6**

*“Business should uphold the elimination of discrimination  
in respect of employment and occupation*

#### **Effect to HELOG**

HELOG currently employs staff members from 13 different countries. It is the aim of the management to eliminate any discrimination.

For us it is important when evaluating new applicants for positions in our company to make sure they have a fitting attitude towards this issue.

### Activities undertaken by HELOG

In meetings with the employees HELOG promotes the policy of non-discrimination with regard to occupation, employment, nationality, race, gender or age. We have realized that cultural diversity with respect to sex, age, ethics/origin, sexual orientation, religion, ideology, career, prospects and lifestyle not only involves improvement of image, but definitely also raises the business profile. The target of the HELOG Lufttransport KG management is to raise and benefit from the potential created by differences and similarities among the employees of our organisation.

**Employees to scope of business**

	Female	Male	Total
<b>Administration</b>	20	17	37
<b>Flight Ops</b>	1	35	36
<b>Maintenance</b>	2	40	42
<b>Total</b>	23	92	115

### Principle 7

*“Business should support a precautionary approach  
to environmental challenges*

### Effect to HELOG

The environmental issue is a huge problem in the countries where we are working. Most of the people are not yet aware of, nor were they educated to maintain, a certain sustainability level in order to protect the environment.

### Activities undertaken by HELOG

All HELOG employees are required to exemplify high standards regarding waste management in our operation. From experience, this approach is very effective and mind changing. It has to be reviewed regularly and is also an issue in the general audit plan.

HELOG recently started a project evaluation for the installation of solar energy technology in order to reduce the consumption of electricity, which is currently produced by diesel generators.



**Principle 8**

*“Business should undertake initiatives  
to promote greater environmental responsibility*

**Effect to HELOG**

Kerosene is the fuel of the air traffic industry. The turbo engines of our helicopters are exclusively operated with kerosene on petroleum basis.

The CO<sub>2</sub> emissions are considerable and strain our climate.

**Activities undertaken by HELOG**

HELOG Lufttransport KG is reacting by taking technical and organisational measures in order to achieve a significant reduction of fuel consumption. We succeeded in convincing our customers of noteworthy fuel and cost reducing measures through improved flight planning, resource planning and route selection.

**Principle 9**

*“Business should encourage the development and diffusion  
of environmentally friendly technologies.*

**Effect to HELOG**

To date we are operating helicopters of the first generation which are not equipped with the newest technologies regarding fuel consumption and better environmental figures. We are aware that some of them must be operated for another 4 to 5 years because of financial issues and the lack of replacement aircraft for our operation profile.

**Activities undertaken by HELOG**

As a first step to replace the older technology, HELOG has ordered two new modern EC 145 Helicopters. Because of the state of the art technology, the impact on the environment will be significantly reduced.

In addition to the type ratings, check-flights and training flights can be conducted in certified simulators which are available for new generation helicopters. The reduction of flight hours for training purposes on this type amounts up to approx. 70 hours per year. This also means we consume approx. 25.000 litre of jet fuel less.



**Principle 10**

*“Business should work against corruption in all its forms,  
including extortion and bribery.”*

In 2007 HELOG initiated an Anti Corruption Codex to make the employees aware of this issue and to hand out clear guidelines on how to handle this issue in daily business.

**ANTI CORRUPTION CODEX**

**For a better future**



## **Preface**

HELOG is an international helicopter operator, therefore mainly active abroad, and one of our main areas of operation is Africa. Especially on this continent we are often faced with business practices which do not correspond with our own way of doing business. In our daily operations we are frequently confronted with unfair and corrupt methods. But it is our intent to avoid and prevent corrupt methods and stand up for a better future, because only without corruption will it be possible to take a step forward towards fair and equal market conditions for everyone. Our commitment towards this objective is an ANTI CORRUPTION CODEX.

The codex is a framework of regulations to help our company avoid all forms of corruption because laws alone are not enough to bring an end to this dilemma. We are convinced that every company has to implement its own anti-corruption regulations to avoid corrupt methods within its own ranks.

As a result HELOG has created an ANTI CORRUPTION CODEX to prevent and avoid methods which inevitably lead to economical, social and political damages.

## **Global Compact**

As an active member of the Global Compact, HELOG supports the Global Compact's 10 principles. Principle 10 refers to:

### **Anti-Corruption Principle 10**

**Businesses should work against all forms of corruption including extortion and bribery.**

Our ANTI CORRUPTION CODEX should be seen in this context. The executive board as well as the management of HELOG are aware of their responsibility and have created the following codex to avoid corrupt business practices.

Perhaps this codex can be an incentive for other companies to take a step in the same direction in order to create fair and equal market opportunities for everyone.

Wolfgang Zagel  
Chief Executive Officer  
HELOG Lufttransport KG

## Basis: Information

The basis of this anti-corruption codex is „information“. By informing our employees of what is considered to be a corrupt business practice and how to work against it, everyone in our company is made aware of how to avoid corruption.

First of all the question of what is considered to be a “corrupt business practice” needs explaining. A business practice is considered ‘corrupt’ if other than normal legal methods are used to achieve an objective, especially if someone is bribed.

According to § 334 StGB together with the Law Against International Bribery (IntBestG), the fight against bribery is defined as follows:

Bribery is liable to prosecution when

- Foreign officials, judges and soldiers or
- officials who work for international organisations (e. g. the United Nations or the European Union) or
- foreign politicians or Members of Parliament or members of international organisations,  
are bribed, for example, to
- obtain a contract, or
- an authorisation for a new product, a company, a subsidiary, etc., or
- in order to achieve any other kind of economic or financial advantage.

This law is not only applicable to foreign officials but also to officials within the European Union. Individuals as well as companies can be called to account for bribery or extortion.

Depending on the extent of the misconduct, according to German law it is punishable with a fine, in extreme cases even with a prison sentence of up to five years. The applicable law is not that of the country where the wrong-doing occurred, but in the case of German citizens the German law. In other words: if a German citizen bribes someone far from home, in a country where it is a customary practise, he will be prosecuted according to German law.

Our employees must be made aware of this fact. Even a small “*baksheesh*” can lead to prosecution. HELOG, a company which provides its services abroad, mainly in Africa, does not in any way endorse the “baksheesh-tradition”.

## **The codex of rules to avoid corruption**

### **Within one's own company**

### **as well as while doing business with partners and foreign officials**

#### **1. Transparency**

A basic rule of this codex is that all business processes within the company are handled in a transparent manner. Corruption, for example in the form of extortion or bribery, takes place in seclusion.

The procedures and daily business within our company should therefore be transparent for all employees and every one else involved. It is recommended

- to issue reports,
- to document all transactions and negotiations,
- to file all relevant documents.

#### **2. Increase awareness**

The aim is to make our employees - in general and especially in their field of work - aware of the topic „corruption“. If everyone keeps an eye on it, the basis for this problem is erased. There is no fertile ground for corruption to arise.

#### **3. Define sectors**

It is important to define which sectors within the company are most at risk from bribery and corruption. The departments which are in charge of new acquisitions and new contracts, as well as the departments which have direct contact with suppliers and clients are considered to be especially vulnerable. Therefore it is important to prepare the managers of these departments on the topic “corruption”. If they are aware of the risks, they will be able to focus on acting fair, honest and incorruptible.

The following forms of self-control

- rota systems between the managers of the departments,
- the obligation for every employee to issue reports,
- mutual obligation concerning the signature of documents,
- the principle of having „more than 2 eyes“ on one topic

are an aid to avoid corruption in the relevant departments.



**4. Exemplary function**

With these measures it is of great importance that the executive board gives a good example. A corrupt director cannot attain incorruptible staff. Thus the management of HELOG has set a good example and has shown its strict rejection of corruption with every new contract won abroad.

**5. Regulations within the contract of employment**

Furthermore the strict disapproval of any form of corruption is part of the contract of employment. The affirmative character of this rule strengthens the awareness of our employees to act against any form of corruption.

**6. Constant inspections**

However, constant checks are necessary. The management has to carry out spot checks to verify that the rules of the ANTI-CORRUPTION CODEX are respected. This is also a part of HELOG's Quality Management (QM)-Security Manual.

**7. Ombudsman**

For any suspicious case we have introduced an ombudsman, Dr. Walser. If an employee notices any suspect behaviour, he or she can contact the ombudsman. The ombudsman is sworn to secrecy but it is his duty to follow up every dubious circumstance and search for evidence.

**8. No concealment of suspicious cases**

If there should be an accusation for corruption and subsequently proof of corruption within our company, HELOG is obliged to clarify the case. We do not consent to any concealment of suspicious cases by for example changing the employee's field of work or place of work. If a corruption case is confirmed, we will take suitable measures and act according to the regulations established within the contract of employment.

**HELOG**  
**Group of Companies**

