

## United Nations Global Compact Communication on Progress 2011





Dear Readers,

We have committed ourselves to the international principles of the United Nations Global Compact and are looking to the 10th anniversary of HELOG's signatory to the United Nations Global Compact.

Ten years onwards HELOG remains committed to its ten principles and to promoting the Global Compact wherever we operate.

I am proud to confirm HELOG's continued support for this important initiative; however we had to question our participation again as we did it in our Report On Progress 2009.

The reason at that time and also today is the out of question behaviour of an UN Organization, which has caused significant financial damages and hurt our reputation because of wrong allegations and publishing.

Participants in the Global Compact expect and rely on the ethic integrity of the trading entity of the Global Compact, the United Nations. Unfortunately, we again had to learn that at least the UN department in Côte d'Ivoire have shown that business ethics is an unknown term to them.

However, we took the decision to continue our relationship instead of withdrawing from the Global Compact even if it is difficult to convince the employees to continue after these experiences.

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.

We are as well aware, that we currently operate in very critical areas such as Sudan, Côte d'Ivoire, Liberia, Sierra Leone, Guinea and others but we see it as a challenge to sustain there and to implement the principles into our daily business.

One of our important and challenging issues is the fight against corruption in the countries where we operate and in the business where we generate our revenues. Unfortunately, we cannot see any improvement in general in the past years which must encourage us to even increase efforts to counter this development.

The safety and health of our people is a core aspect of our business.

Tragically, while we are preparing this report, we lost two colleagues at a HELOG operation. We extend our sympathy to their families, friends and colleagues. We are also reminded to work harder in improving our safety structures and train our people in the best possible way.

In this report we describe how we identify and prioritise our key sustainable issues and how we manage them.

After participating in the Global Compact for over ten years we confirm, that for the company, the management and the employees the implementation of the 10 Principles has led to a positive development.

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

As a result of HELOG's international orientation the management and employees are faced with numerous challenges to an extent that sometimes may reach their limits in organisational issues.

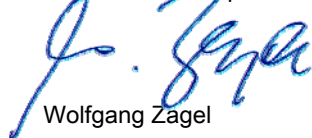
In order to understand one another, a high degree of sensibility, tolerance and respect is essential. Intercultural competence gains importance with the globalisation of economy and society.

We at HELOG are conscious that the future will belong to those companies having 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.

I would like to thank all our employees, contractors, clients and friends for their ongoing support in achieving the Global Compact objectives.

We again express our intent to advance the principles within our sphere of influence.

HELOG Lufttransport KG



Wolfgang Zagel

CEO



The commitment of HELOG to the 10 Principles of the United Nations Global Compact

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Development to our Report on Progress 2010:

## HUMAN RIGHTS

### Principle 1

**Businesses should support and respect the protection of internationally proclaimed human rights**

In Germany, the rule of law and the protection of human rights are taken for granted, but we as a company are confronted with the fact that basic human rights are not being enforced in developing and emerging countries. There are certainly various reasons for this.

Despite the challenging environment, we are anxious to achieve higher social standards, better education, more environmental protection and an overall increase in living standards with the jobs we provided. With this, we indirectly assume a certain responsibility for the realization of human rights.

Even though HELOG is a small company with its 50 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.

HELOG 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-

gas and mining industry supporting the oilfields and production sites, had mission contracts for Governmental support, passenger and cargo transport and Medevac.

We at HELOG are trying to produce platforms, in order to give our employees from all over the world the possibility to give us their own opinion on how we can implement human rights policies and the compliance of social standards even better at our company. One concrete sample for such a platform are our weekly team meetings on site at the bases, where those items are being approached.

## Health and Safety

- HELOG has established effective health and safety procedures on our operation bases, which comply with industry, national and international standards. The procedures are clearly defined and in English language.
- In 2011 we established an online based Safety Management System Software (IQSMS), which is supported and evaluated by our SMS Manager regularly.
- Health and safety incidents are reported and investigated, furthermore, a confidential procedure is in place for handling complaints from employees.





- On operation site we provide clean and comfortable workplaces with suitable temperature, ventilation and lighting, good washing and sanitation facilities. We therefore built up our own office complex in Freetown. It is further a strict requirement to our clients to provide accommodation facilities according to our standard.
- Our employees are all certified in First Aid, our base stations are all equipped with high standard First Aid kits and equipment. Furthermore, with our partner West African Rescue Association we have a specialist on site all the time and standby in case of medical emergencies.



### Hours, Wages and Leave

- For the administration personnel HELOG established a system to plan, record and monitor hours worked by each employee in order to control the limit of working hours per day and week as well as requested breaks by law.
- It is HELOG's company policy to provide employees with a living wage sufficient to meet human requirements, even a higher rate is paid. Local personnel on our bases in Africa are paid above average according to the standard in the respective country.
- All of HELOG employees are registered with the Social Insurance Authority of each respective country. The social insurance contributions for each employee are paid by HELOG.
- Salary Tables have been revised and adapted to personnel qualifications and operational needs.
- HELOG provides paid holidays according to law requirements, sick leave is not deducted



from employee's vacation time. Our freelance personnel is scheduled 4-6 weeks on/off, which ensures a guaranteed off time after each duty period.

#### Fair Treatment

- ♦ In order to respect privacy each employee has its own room including sanitary area on operation base.
- ♦ Each employee has its own password protected workplace. HELOG ensures, that private information is safely stored without granting access to anybody else.



#### Principle 2

**Make sure that they are not complicit in Human Rights abuses**

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.

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.



We accept the challenge in this complex subject and are very happy that we have already had some success.

#### Security Arrangements

- ♦ HELOG employs own security agents in order to ensure safety on operation site, where necessary.

- Our security agents are monitored very carefully in order to ensure not to injure international human rights and the use of force.

#### Suppliers

- By our Safety Management System as well as our own JAR 145 Maintenance Organization our suppliers are regularly audited, as well in order to ensure their commitment to protect human rights.
- Suppliers and business partners not complying with HELOG's minimum requirements for human rights standards are black listed and refused for any collaboration.

In the past decades, companies have been expected to be "good corporate citizens" that respect and protect human rights within their business activities. At the same time, official regulations have lost their influence due to the globalization.

We are certain that we have had a sphere of influence in the realization of human rights, which are only apparent in the local area and in the immediate areas of operation.

#### Principle 3

##### **Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining**

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. 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.

- HELOG recognises the rights of our employees to freedom of association and to bargain collectively.
- The company management meets regularly in order to discuss work related problems and any grievances employees may wish to raise, such meetings are held in the headquarter in Germany as well as on the operation bases mentored by the base managers.
- Confidential and anonym comments can also be inserted and communicated via our new established Safety Management System software. All inserts are being treated with high priority and sensitivity.

#### Principle 4

##### The elimination of all forms of forced and compulsory labour

In the HSE (Health, Safety and Environment) 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.

HELOG has always taken all necessary measures to ensure that it does not participate in any form of forced or bonded labour, by

- providing employment and freelance contracts prior to starting work for the company as well as staff regulations clearly defining company / operation procedures, notice and trial periods, working hours, etc.
- ensuring that it does not collaborate with personnel leasing companies involved in human trafficking or other forms of bonded labour.
- Salary payments to our local staff is being monitored very carefully by our base managers on site and double proved by our Human Resources Department in Germany.



#### Principle 5

##### The effective abolition of child labor



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.



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.

HELOG also operates in so-called "weak governance zones". So far, we have been able to pursue our business activities without restrictions or limits in these areas. We are also aware that the numerous problems of the "weak governance zones" cannot be resolved quickly. This is where the input of neighbouring countries, the UN and other international organizations is needed.

On the other hand, we can improve the local situation with our investments, even though they are simply measures for fair pay or the disapproval of child labour and discrimination that will not take effect nationwide.

We believe that a company's commitment in these areas doesn't automatically mean that they are accomplices. We still think that our actions will provide chances and possibilities for the workers and business associates, which they wouldn't have had. However, we cannot estimate how much these initiatives will influence the improvement of the overall development. Nevertheless, the following also applies here: "Constant dripping wears away the stone".

#### Support of Primary School in Sierra Leone



HELOG is operating in Freetown conducting air operation with helicopters and aircrafts and has its office in Aberdeen / Freetown.

HELOG is supporting West African Rescue Association with its all-time Medevac services by providing its helicopters and airplanes in joint operation.

In 2011 HELOG committed to support the Cape Community Primary School Aberdeen as a Corporate Social Responsibility project to improve the equipment of the school, to provide school material to the pupils and to support the lunch for the pupils once a week with an agreed amount.

The funds are used for the provision of colour and material to paint the school building in- and outside, to improve the structure of the building, to provide pens, pencils, paper in regular intervals in order to enable the minimum necessary for the pupils. Furthermore, a subvention for the lunch, which is being organized by the school, is sponsored.



HELOG ensures by regular visits, that the money, the goods or equipment is not misused or distributed to other people than to the pupils of the school. Furthermore,

HELOG clearly expressed to the village teachers, that the agreement will be terminated if any children from the local area are being excluded from the classes for reasons, where the child cannot be made liable for. It is part of the agreement, that the school is not allowed to change any fees to the parents for the children to attend the classes, except voluntary paid donations.

### Principle 6

#### The elimination of discrimination in respect of employment and occupation

HELOG currently employs staff members from 12 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. For this purpose we ensure that employment-related decisions are based on relevant and objective criteria.

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 management is to raise and benefit from the potential created by differences and similarities among the employees of our organisation.

Cultural diversity has proven to be a great advantage, despite the challenge in terms of language, behaviour and integration.

The results of this diversity of different cultures are synergies, which have lead to a strengthening of the entire company. The cultural diversity in relation to gender, age, ethnicity/origin, sexual orientation, disability/illness, religion, ideology, career, lifestyle and performance not only improves a company's image, but will certainly increase the company's potential. The goal of the management of HELOG is to increase and take advantage of the potential, which is a result of the differences and similarities within the workforce.

It is very important to us at HELOG, that our employees consider and live by the regulations of sustainability and CSR.

The 57 people currently working for HELOG today can be divided as follows:

- ♦ 11 % are women
- ♦ 25 % are working in the Headquarter in Germany
- ♦ 26 % are employed in developing countries

- ♦ 66 % have foreign citizenships
- ♦ 12 different nationalities
- ♦ 43 is the average age
- ♦ 11 are older than 50 years

Further measures have been established to improve our working conditions and procedures in respect of non-discrimination:

- ♦ Each job position has a written description stating the salary level and the qualifications required for that job category.
- ♦ Employment advertisements do not reference discriminatory criteria, such as race, gender or age (unless legal requirements ask for in the position concerned)
- ♦ Job applicants are not asked to give information about their marital status, pregnancy, intent to have children or similar information that may lead to discriminatory hiring decisions.
- ♦ Any incidents of workplace discrimination can be anonymously reported in our Safety Management System and will be followed seriously by our SMS Manager.
- ♦ Our suppliers and business partners are further proved in respect of their labour standards by regular audits of our Quality Management.



### Principle 7

#### Businesses should support a precautionary approach to environmental challenges

The environmental issue is a huge problem in almost all of 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.



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 is still evaluating the project for the installation of solar energy technology and wind power technology in order to reduce the consumption of electricity, which is currently produced by diesel generators.
- Our foreign operation bases are asked to keep the operating hours of the generator as low as possible and to turn them off during day time.

- The plan for our operation in Freetown for 2012 is to generate the power need during daytime by wind turbines. Only by this measure we will save approximately 50 litre Diesel per day, just in this small operation in Sierra Leone.

### Principle 8

#### Undertake initiatives to promote greater environmentally friendly technologies

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.

HELOG 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.



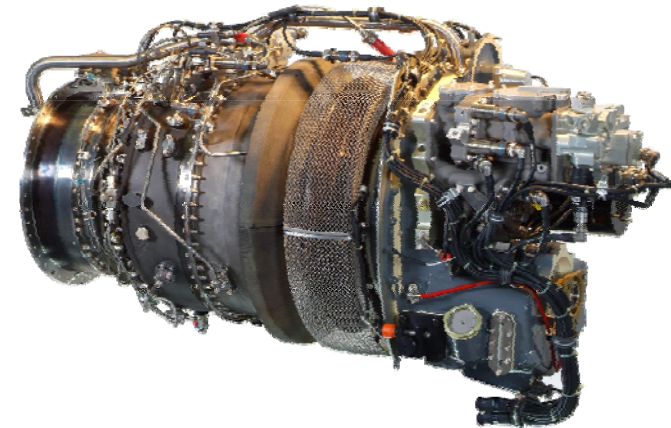
Today, alternative fuels are still not available. Synthetic kerosene (BTL fuel) could become a possible alternative; the primary substances being biomass, natural gas and coal. Natural gas and hydrogen are under discussion as well as "blending", which can possibly be put into action in a short period of time. This method combines kerosene with soy-based bio diesel.

The most important aspect for each alternative is still flight safety. Important criteria must be met such as high combustion, material compatibility, handling, viscosity at low temperatures, injection efficiency, the ability to restart the engines during flight, etc, etc.

We wouldn't say that it would be pessimistic to suggest that alternatives won't be available for the next 10–20 years.

That's why HELOG responds with technical and organizational actions in order to significantly reduce fuel consumption.

- ♦ HELOG built a completely new office building in Sierra Leone considering low consumption and efficiency of energy and water.
- ♦ HELOG aircrafts are permanently monitored by our Maintenance Department as well as the Authorities in respect of noise odour and vibrations.



- ♦ HELOG has taken the decision to take the PUMA fleet out of service. The technology of the engines used in this helicopter type is almost 40 years old.
- ♦ HELOG replaced this helicopter with Bell 212 / Bell 412 aircrafts, which are using modern, state of the art PT6 engines, being permanently improved in terms of the environmental footprint. Compared to the previously used engines we keep the air cleaner by approximately 50 % less NOx emissions and it creates less noise of approximately 50 %.

**Principle 9**

**Encourage the development and diffusion of environmentally friendly technologies**

HELOG itself is not developing any kind of machinery.

However, HELOG is in ongoing information exchange with manufacturers on different forums and events regarding the development and improvement of technologies. It is our aim to convince the industry to continue with these environmental friendly technologies.

**Principle 10**

**Businesses should work against corruption in all its forms, including extortion and bribery.**

HELOG is evaluating the potential areas of corruption including factors such as type of transaction, countries of operation, industries, and customers or business partners involved. The risk of corruption is being evaluated when employees, agents or consultants are dealing with public officials including employees of state owned companies.

HELOG has developed an Anti-Corruption Codex to address the risk of corruption and has defined responsibilities for each task including detailed policies for high-risk areas. This codex is a living action plan, being updated and refreshed regularly to be adapted to our operational status.

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