



Communication on Progress 2011 – 2012

A statement of continuing support for the Global Compact

GM Helicopters supports the ten principles of the Global Compact with respect to human rights, labor, environment and anti-corruption. With this communication, we express our intent to advance those principles within our sphere of inspiration. We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals. GM Helicopters will make a clear statement of this commitment to our stakeholders and the general public.

GM Helicopters supports the United Nations Global Compact by annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles. We support public accountability and transparency, and therefore commit to report on progress annually according to the Global Compact COP policy.

Aivars Bebrisš

President

GM Helicopters Ltd.

FOREWORD

GM Helicopters is a heavy-lift helicopters company that was established in 2004 on base of a long previous experience in a similar business but with more ambitious intent and on more developed standards and quality level.

Most of experience is gained during worldwide from Asia to Africa nature disaster and humanitarian relief operations in conjunction with international humanitarian organizations in particular with UN agencies. More important is the fact that long period experience reflected in the company's employee's skill to operate within the international environment on the strength of fundamental human rights guidelines and principles. Taking in to account that in our company works side by side various different nationalities, compliance with the principles of human rights is a key factor which allows to the company successful development in the atmosphere of nowadays thoughtful challenges.

Basic principles of company's day to day operations as well as governance are stated in Code of Ethics and internal regulatory 'scripture' Operations Manual.

- *Code of Ethics*

Today's pilots and aviation professionals have access to highly sophisticated systems and resources, the best safety device remains a well-trained individual possessing the knowledge, skill, and understanding to safely and competently handle any aviation challenge. We therefore accept the responsibility to practice our profession according to the standards listed below:

- A learning environment that promotes excellence and professionalism, rather than minimum standards;
- Opportunities for our clients to experience diverse situations and scenarios in a controlled environment;
- Instruction that is efficient and effective;
- Conservative practices, personal minimums and a safety mind-set;
- Tools for risk management, and aeronautical decision making, with safety as the highest priority;
- Adherence to regulations and limitations and rules of good basic common sense;
- A teaching philosophy and exemplary conduct promoting: integrity, positive attitudes, personal responsibility, environmental stewardship, accountability and courtesy toward fellow members of the aviation community;
- A commitment to continuing education and personal improvement, including recurrent training;
- Respect for the privilege of flight;
- Dedication to the safety of all flight operations and the reduction of aviation accidents.

Each employee of the GM Helicopters agrees to abide by this Code of Ethics to further the objectives of SAFE.

HUMAN RIGHTS

- **Assessment, policy and goals**

GM Helicopters fully respects supports and implementing the principles underlying universal human rights, including the right to equal opportunity and non-discrimination, the right to the security of persons, respect for national sovereignty and obligations with regard to customer protection. In this respect GM Helicopters enunciates a spirit of the United Nations Universal Declaration of Human Rights, the European Convention for the Protection of Human Rights and Fundamental freedoms and other international and regional human rights treaties containing internationally recognizes standards that the business sector must respect, and complies with the law, rules and regulations of the Republic of Latvia.

Societies where human rights are respected are more stable and provide a better environment for business. Workers who are treated with dignity and given fair and just remuneration for their work are more likely to be productive and remain loyal to an employer.

- **POLICY - OUR PEOPLE ARE THE BASIS FOR SUCCESS OF OUR BUSINESSES.**

ANY FORMS OF DISCRIMINATION ARE NOT TOLERATED IN ACCORDANCE WITH THE VALID CODE OF ETHICS

ENCOURAGEMENT AND DEVELOPMENT OF OUR STAFF IS PART OF GMH CORPORATE CULTURE

GMH DECLARES TO RESPECT AND SUPPORTS IN ITS ACTIVITIES THE HUMAN RIGHTS AND INTERNATIONAL HUMAN RIGHTS CONVENTION

The risk of an allegation of complicity is reduced in company by become aware of, prevents and addresses risks of complicity through adopting a systematic management approach to human rights issues, including exercising due diligence.

- **Implementation**

Our company is supporting and respecting human rights through their daily activities

- In the workplace:
 - by providing safe and healthy working conditions,
 - by guaranteeing freedom of association,
 - by ensuring non-discrimination in personnel practices,
 - by ensuring that we do not use directly or indirectly forced labour or child labour,
 - by providing access to basic health, education and housing for the workers, if these are not provided elsewhere,
 - by making reasonable accommodations for all employees' religious observance and practices.
 - Social benefits for the employees:
 1. Medical care - GMH provides constant medical service by a nurse equipped with first aid kit, blood pressure apparatus and medicines.
 2. Canteen – GMH provides place for comfortable meal to its employees.
 4. Company transport – GMH provides shuttle for its employees to and from the working place.

- In the community:
 - by fostering opportunities for young workers to be educated to empower them and also helps a company to have a broader and more skilled pool of workers in the future, and
 - perhaps most importantly, a successful business which provides decent work, produces quality services that improve lives, especially for the poor or other vulnerable groups, is an important contribution to sustainable development, including human rights.

An effective human rights policy will help to company avoid being implicated in human rights violations. In order to avoid such situations, company is considering the following:

- company made a human rights assessment of the situation in countries where it does, or intends to do, business so as to identify the risk of involvement in human rights abuses and the company's potential impact on the situation;
- company have explicit policies that protect the human rights of workers in its direct employment and throughout its supply chain;
- company is in progress of inventing a monitoring system to ensure that its human rights policies are being implemented;
- company have an explicit policy to do best to ensure that its security arrangements do not contribute to human rights violations.

Actions that may be particularly helpful in avoiding complicity include:

- if financial or material support is provided to security forces, establish clear safeguards to ensure that these are not then used to violate human rights and make clear in any agreements with security forces that the business will not condone any violation of international human rights laws;
- privately and publicly condemn systematic and continuous human rights abuses;
- raise awareness within the company of known human rights issues within the company's sphere of influence;

- **Measurement of outcomes**

Description of how the company monitors and evaluates performance.

- GMHelicopters has had no incidents of Human Rights violation in the time since initial application for the United Nations Global Compact. The president and CEO, Mr. Aivars Bebrīšs, regularly visits employee meeting. We believe that our proactive attitude, as well as our commitment to the UNGC is indicative of our zero tolerance for human rights violations.

LABOUR

- **Assessment, policy and goals**

Company policy on Labour

The management of GM HELICOPTERS has declared personal engagement with health and safety (HS) policy. Company's policy is supporting and fully in compliance with the Principles and Rights identified in the ILO Declaration comprises the labour portion of the Global Compact. They are:

- to promote and realize in good faith the right of workers and employers to freedom of association and the effective recognition of the right to collective bargaining;
- to work towards the elimination of all forms of forced or compulsory labour;
- the effective abolition of child labour;
- the elimination of discrimination in respect of employment and occupation.

The labour principles deal with fundamental principles in the workplace and the challenge for us is to take these universally accepted values and apply them at the company level.

**MAIN RIGHTS OF THE WORKERS:
FREE CHOICE OF WORK, NO FORCED
LABOUR:
NOBODY COULD BE EMPLOYED AT
GMH AGAINST HIS/HER WILL OR TO
BE FORCED TO WORK.**

**CHILD LABOUR ABOLITION:
WORKERS BELOW 16 YEARS OF AGE ARE
NOT HIRED AT GMH. YOUNG WORKERS
BETWEEN 16-18 YEARS OLD ARE NOT
HIRED THUS THERE IS NO RISK OF
ACCIDENTS OF IMPOSING YOUNG
WORKERS TO DANGEROUS WORKING
CONDITIONS.**

**WORKING TIME AND
ORGANIZATION OF WORK:
IN ACCORDANCE WITH
APPROVED COMPANY RULES**

Health and safety (HS) working conditions:

The GMH policy on Labour standards is focused on risk prevention of employees and on improvement and sharing the best practices with suppliers and other business partners. In order to assure the policy, GMH established the following objectives:

1. Focusing on prevention and taking of action to prevent occupational hazards -

There is a Working Weekly Meetings at GMH in accordance with the company's authority requirements. GMH conducts routine meetings in order to monitor overall development and as the part of that the programme for working place improvement and risk assessment. The members of meetings actively participate in development and evaluation of professional risks and working place risk assessment.

2. Care for health and safety of employees and visitors -

GMH authority is regularly conducting examinations for safety preventive and evaluation of working place risk assessment.

3. Compliance with applicable legal and internal requirements -

Implemented procedure for Monitoring and evaluation the compliance of management system with the normative documents and standards.

4. Provision of necessary employees training and enhancement on personal responsibility -

Instructions in HS are conducted by authorized people, as well as internal and external trainings of GMH personnel.

Upholding the elimination of discrimination in respect of employment and occupation and valuing all relevant local and national laws. Company announcing measures to promote equality needs to be aware of the diversities of language, culture and family circumstance that exists in the workforce. Managers and supervisory staff in particular pursuing to develop an understanding of the different types of discrimination and how it can affect the workforce. Disabled employees may have particular needs that should be met, where reasonable, in order to ensure that they have the same opportunities (e.g. for training and advancement) as their peers.

- **Implementation**

In the workplace

- ❖ Confirming that all workers are able to form and join any union of their choice without fear of intimidation or reprisal, in accordance with national law.
- ❖ Do not interfere with the activities of worker representatives while they carry out their functions in ways that are not disruptive to regular company operations.
- ❖ Make available workers' representatives with appropriate facilities to assist in the development of effective collective agreement.
- ❖ Have a clear policy not to use, be complicit in, or benefit from forced labour.
- ❖ Where adherence to forced labour provisions of national laws and regulations is insufficient, take account of international standards.
- ❖ Ensures that all company officials have a full understanding of what forced labour is.
- ❖ Make available employment contracts to all employees stating the terms and conditions of service, the voluntary nature of employment, the freedom to leave (including the appropriate procedures) and any penalties that may be associated with a departure or cessation of work.
- ❖ Write employment contracts in languages easily understood by workers, indicating the scope of and procedures for leaving the job.
- ❖ Being aware of countries, regions, industries, sectors, or economic activities where forced labour is more likely to be a practice.
- ❖ Institute policies and procedures to prohibit the requirement that workers lodge financial deposits with the company.
- ❖ Ensure that large scale development operations do not rely on forced labour in any phase.
- ❖ Carefully monitor supply chains and subcontracting arrangements.
- ❖ Company aspiring in order to be aware of countries, regions, sectors, economic activities where there is a greater likelihood of child labour and respond accordingly with policies and procedures.
- ❖ Obeying to minimum age provisions of national labour laws and regulations and, where national law is insufficient, take account of international standards.
- ❖ Using adequate and verifiable mechanisms for age verification in recruitment procedures.
- ❖ Institute company policies and procedures which make qualifications, skill and experience the basis for the recruitment, placement, training and advancement of staff at all levels.
- ❖ Assign responsibility for equal employment issues at a high level, issue clear company-wide policies and procedures to guide equal employment practices, and link advancement to desired performance in this area.
- ❖ Keep up-to-date records on recruitment, training and promotion that provide a transparent view of opportunities for employees and their progression within the organization.
- ❖ Where discrimination is identified, develop grievance procedures to address complaints, handle appeals and provide recourse for employees.

- ❖ Be aware of formal structures and informal cultural issues that can prevent employees from raising concerns and complaints.
- ❖ Provide staff training on non-discrimination policies and practices, including disability awareness. Reasonably adjust the physical environment to ensure health and safety for employees, customers and other visitors with disabilities.
- ❖ Establish programs to promote access to skills development training and to particular occupations.

At the negotiating table

- ❖ Recognize representative organizations for the purpose of collective negotiating.
- ❖ Use collective negotiating as a constructive forum for addressing working conditions and terms of employment and relations between employers and workers, or their respective organizations.
- ❖ Address any problem-solving or other needs of interest to workers and management, including restructuring and training, redundancy procedures, safety and health issues, complaint and dispute settlement procedures, disciplinary rules, and family and community welfare.
- ❖ Provide information needed for meaningful negotiating.

In the community of operation

- ❖ Preserving the confidentiality of the trade unions and leaders in countries where the government does not permit respect for human rights (including rights at work) or does not provide a proper legal and institutional framework for industrial relations and collective negotiating.
- ❖ Supporting the establishment and functioning of local/national employers' organizations, and trade unions.
- ❖ Informing the local community, media and public authorities of company's endorsement of the UN Global Compact and its intention to respect its provisions, including those on fundamental workers' rights.
- ❖ Participate in a task force or committee on forced labour in our representative employers' organization at the local, state or national level.
- ❖ Working in partnership with other companies, industrial associations and employers' organizations to develop an industry-wide approach to address the issue, and build bridges with aviation industry unions, law enforcement authorities, labour inspectorates and others.
- ❖ Encouraging and support efforts to build a climate of tolerance and equal access to opportunities for occupational development such as adult education programs and health and childcare services.

- **Measurement of outcomes**

LABOUR CONDITIONS INDICATORS

GMH data and statistics for the reported period

1. No registered working accidents or injuries
2. Training on HS: indicated in trainings records

ENVIRONMENT

- **Assessment, policy and goals**

Company's policy on Environment protection → To support by any possible means a precautionary approach to environmental challenges, undertake initiatives to promote greater environmental responsibility and encourage development of environmentally friendly technologies.

MANAGEMENT OF COMPANY
ACTIVITIES AND THEIR RESULTS
THAT CAN HAVE AN
SIGNIFICANT IMPACT ON
ENVIRONMENT

ENCOURAGEMENT OF COMPANY
PERSONNEL TO DEMONSTRATE IN ITS
DAILY ACTIVITIES PROFESSIONALISM
AND RESPONSIBILITY TO
PROTECTION OF ENVIRONMENT

GMH DECLARES COMPLIANCE
WITH ALL APPLICABLE LEGAL
REQUIREMENTS ON
ENVIRONMENT

Supporting a precautionary approach to environmental challenges.

Introducing the precautionary approach, means that “where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation”.

Precaution involves the systematic application of risk assessment (hazard identification, hazard characterization, appraisal of exposure and risk characterization), risk management and risk communication. When there is reasonable suspicion of harm and decision-makers need to apply precaution, they have to consider the degree of uncertainty that appears from scientific evaluation. Deciding on the "acceptable" level of risk involves not only scientific-technological evaluation and economic cost-benefit analysis, but also political considerations such as acceptability to the public. From a public policy view, precaution is applied as long as scientific information is incomplete or inconclusive and the associated risk is still considered too high to be imposed on society. The level of risk considered typically relates to standards of environment, health and safety.

The key element of a precautionary approach, from GMH perspective, is the idea of prevention rather than cure. In other words, it is more cost-effective to take early action to ensure that irreversible environmental damage does not occur. Under that we consider the following:

- Whereas it is true that preventing environmental damage demands both opportunity — and implementation — costs, remediation environmental harm after it has occurred can cost much more, e.g. for treatment costs, or in terms of company's image.
- Investing in production methods that are not sustainable (i.e. those deplete resources and degrade the environment) has a lower, long-term return than investing in

sustainable operations. In turn, improving environmental performance means less financial risk, an important consideration for insurers.

Undertaking initiatives to promote greater environmental responsibility.

We have the responsibility to ensure that activities on our own backyard should not cause harm to the environment of our neighbours. Society also expects us to be good neighbours. We gain its legitimacy through meeting the needs of society, and increasingly society is expressing a clear need for more environmentally sustainable practices.

Encouraging the development and diffusion of environmentally friendly technologies.

Environmentally sound technologies should protect the environment, are less polluting, use all resources in a more sustainable manner recycle more of wastes and products and handle left over wastes in a more acceptable manner than the technologies for which they were substitutes. Those include a variety of cleaner production process and pollution prevention technologies as well as end-of-pipe and monitoring technologies.

RESPONSIBILITY

The company determines the activities and their results that can have a significant impact on environment and established objectives in order to be in compliance with the ecology norms.

1. Improvement of working environment and care for environment protection

Monitoring and endeavour to establish measurement system of key environmental factors (pollutions, gas emissions, noise, fuel and chemical liquids emissions).

2. Compliance with applicable legal requirements

Available sources for to-date information about changes in government regulations on environment protection.

3. Provision of necessary training of employees

Made aware to employees on Information for the standards under which the company is to follow: ISO 9001; ISO 14001.

• **Implementation**

Steps that the company is taking in the application of precautionary approach include the following:

- Develop a company's guideline on the consistent application of the approach throughout the company.
- Join industry-wide collaborative efforts to share knowledge and deal with issues, in particular production processes and products around which high level of uncertainty, potential harms and sensitivity exist.

Steps that the company is taking to promote environmental responsibility as the following:

- Re-define company's vision, policies and strategies to include the 'triple bottom line' of sustainable development — economic prosperity, environmental quality and social impartiality.
- Develop sustainability targets and indicators (economic, environmental, and social).
- Work with suppliers to improve environmental performance, extending responsibility up the service provided chain and down the supply chain.
- Measure, track and communicate progress in incorporating sustainability principles into business practices, including reporting against global operating standards.
- Ensure transparency and fair dialogue with stakeholders.

The expected key benefits of environmentally friendly technologies are the following:

- Technology innovation creates new business opportunities and helps increase the overall competitiveness of the company.
- Technologies that use materials more efficiently and cleanly with long-term economic and environmental benefits.

Strategic level approaches to be incorporated to improving technology include the following:

- Establishing a corporate or individual company policy on the use of environmentally sound technologies.
- Making information available to stakeholders that illustrates the environmental performance and benefits of using such technologies.
- Examining investment criteria and the sourcing policy for suppliers and contractors to ensure that tenders stipulate minimum environmental criteria.
- Co-operating with industry partners to ensure that 'best available technology' is available to other organizations.
- **Measurement of outcomes**

ENVIRONMENTAL INDICATORS

Environmental impact activities for improvement:

- Reduced emissions
- Non-organized dissolver chemical liquids emissions in accordance with restrictions
- The mixing of hazardous and non- hazardous wastes is prohibited

As per the legal requirements on hazardous chemical substances – GMH is a 'consumer in the chain' and as such the obligations are: to demand and register safety data sheets from the manufacturers and the importers of the chemicals, and all employees working with the respective chemicals should be instructed.

As per the legal requirements on waters – GMH has no obligations. GMH has an independent source and purification for water treatment.

ANTI-CORRUPTION

- **Assessment, policy and goals**

Policy on transparency of activities

PREVENTION IN ACTIVITIES WITH POSSIBLE DEVELOPMENT OF ANTI – CORRUPTION PRACTICES

PREVENTION OF CONFLICTS OF INTERESTS AT CONTRACTING

PROVISION OF TRANSPARENCY FOR ALL ACTIONS OF COMPANY EMPLOYEES

Risk recognised

❖ **'Known as clean'**

Once a bribe is paid, repeat demands are possible and the amounts demanded are likely to rise. Conversely a company which takes a firm and principled stand against all forms of corruption will become known for this and the risk of its employees being exposed to demands will lessen.

❖ **'The one who cheats will be cheated against'**

If a company engages in or tolerates corrupt practice, it will soon be widely known, both internally and externally. Unethical behaviour corrodes staff loyalty to the company and it can be difficult for staff to see why high standards should be applied within a company when it does not apply in the company's external relations. *Internal trust and confidence is then eroded.*

- **Implementation**

Fighting corruption and implementing the 10th principle.

- ❖ **Internal:** As a first and basic step, introduce anti-corruption policies and programs within company and our business operations;
- ❖ **External:** Report on the work against corruption in the annual Communication on Progress; and share experiences and best practices through the submission of examples and case stories;
- ❖ **Collective:** Join forces with industry peers and with other stakeholders

- **Measurement of outcomes**

GMH is pleased to report that there have been no incidents of corruption alleged at the company from either internal or external agencies. Due to the company's zero-tolerance policy, it is obvious that there is a great deal of social and legal pressure not to participate in such acts.

JOINT EFFORTS

GMH coordinates its efforts on prevention and fight against corruption as it interacts with organizations. GMH management takes part in key meetings, conferences and other publicly important events.