

COMMUNICATION ON PROGRESS

UN Global Compact

Member since: July 2011
Reporting date and period: 25 July, 2012
This report covers the period from
1 January 2012 to 31 December 2012

SHIELD Communication on Progress
is also available on www.shield.eu

ANNUAL REPORT 2013

July 25, 2013

PERIOD: JANUARY 01, 2012 – DECEMBER 31, 2012

CONTENTS

IN 2011, SHIELD RISK CONSULTING JOINED THE UN GLOBAL COMPACT AND UNDERTOOK TO FOLLOW ITS TEN PRINCIPLES COVERING HUMAN RIGHTS, EMPLOYEE RIGHTS, ENVIRONMENTAL PROTECTION AND ANTI-CORRUPTION AND THE GUIDELINES AND OBLIGATIONS.

THIS CSR REPORT IS THE FIRST OF ITS KIND WITHIN THE SHIELD CORPORATION.

WE TAKE THIS CHALLENGE SERIOUSLY AND RECOGNIZE THAT IT ALSO CONTRIBUTES TOWARDS MAKING SHIELD RISK CONSULTING A MORE SUSTAINABLE COMPANY. OUR SOCIAL RESPONSIBILITY WORK THEREFORE EXTENDS NATURALLY FROM OUR EFFORTS TO REMAIN AN ATTRACTIVE COMPANY THAT MAKES A SIGNIFICANT DIFFERENCE TO ITS SURROUNDINGS AND ITS EFFORT TO PROTECT EMPLOYEES, BUSINESS PARTNERS AND CLIENTS AROUND THE WORLD.

I AM THEREFORE DELIGHTED TO REAFFIRM SHIELD RISK CONSULTING CONTINUING SUPPORT FOR – AND COMMITMENT TO – THE UN GLOBAL COMPACT.

I AM ALSO PLEASED TO INVITE YOU TO READ THE VARIOUS SECTIONS IN THIS REPORT, WHICH ILLUSTRATE THE DIVERSITY OF SHIELD RISK CONSULTING TASKS AND HOW WE ACTIVELY INVOLVE MEMBERS OF LOCAL COMMUNITIES ON A GLOBAL SCALE.

WE LOOK FORWARD TO FOLLOWING THROUGH ON ALL THESE INITIATIVES IN THE YEAR AHEAD.

JESPER LUNDGAARD
CEO, SHIELD RISK CONSULTING

SHIELD
RISK CONSULTING

Introduction	4
Corporate profile	5
Mission:	5
VISION:	5
Organisation	6
Global Compact	7
SHIELD VALUES	7
Environment and energy	8
Human Rights	9
Responsibility for security	9
SHIELD Risk Consulting employees	11
Anti-corruption	12
Increased requirements to suppliers	12

© SHIELD RISK CONSULTING 2013. ALL RIGHTS RESERVED. READERS MAY FORWARD AND PRINT EXTRACTS OF CONTENTS FROM THIS REPORT FOR PERSONAL AND COMMERCIAL USE ONLY, PROVIDED THEY DO NOT REMOVE ANY COPYRIGHT, TRADEMARKS OR OTHER PROPRIETARY NOTICES. EXCEPT AS PROVIDED ABOVE, USERS MAY NOT REPRODUCE, PUBLISH, SELL, DISTRIBUTE OR IN ANY WAY COMMERCIALY EXPLOIT CONTENTS FROM THIS REPORT WITHOUT THE PRIOR WRITTEN CONSENT OF SHIELD RISK CONSULTING. SHIELD RISK CONSULTING AND ITS LOGO ARE REGISTERED TRADEMARKS.

THE CONTENT ON THIS REPORT, INCLUDING STATEMENTS, QUOTES, PICTURES, DATA AND OTHER INFORMATION, IS PROVIDED BY SHIELD RISK CONSULTING FOR THE INTENDED RECIPIENT INFORMATION ONLY, AND IS NOT INTENDED FOR TRADING OR INVESTING PURPOSES. CONTENT ON THIS REPORT IS NOT APPROPRIATE FOR THE PURPOSES OF MAKING A DECISION TO CARRY OUT A TRANSACTION OR TRADE. NOR DOES IT PROVIDE ANY FORM OF ADVICE (INVESTMENT, TAX, LEGAL) AMOUNTING TO INVESTMENT ADVICE, OR MAKE ANY RECOMMENDATIONS REGARDING PARTICULAR FINANCIAL INSTRUMENTS, INVESTMENTS OR PRODUCTS.

SHIELD RISK CONSULTING STANDARD TERMS OF BUSINESS FOR THE RELEVANT SERVICE APPLY – ATTACHED OR OTHERWISE AVAILABLE ON REQUEST

INTRODUCTION

SHIELD Risk Consulting assist international companies in conducting their business, trade and operations in a more risky world. We provide security and consulting services to companies and individuals, and provide services for people and companies abroad that need a professional and experienced handling of their safety and security when conducting business around the world.

At SHIELD Risk Consulting, we are aware of the responsibility entailed in providing and developing security and consulting services so we can retain and improve our position as a global player in the security industry.

Our strategy is to ensure a stronger position in the international competition among security providers through development of services, competitive prices, communication, stakeholder management and development of services meeting corporations and individuals.

SHIELD Risk Consulting has, as one of the few in the security industry, a general social responsibility with respect to sustainability. This includes a responsibility for the environment and climate and a social and ethical responsibility for clients, our employees, business partners and cultures in areas of operations. We understand the need for environmental and ethical development when conducting operations in conflict and high risk areas around the world, and we take this responsibility seriously.

SHIELD Risk Consulting is committed in building a sustainable and responsible business for our current and future stakeholders. We are committed to the United Nations Global Compact and the ten principles for human rights, labor, environment and anti-corruption.

We are committed to achieve the position as a world-class business in social responsibility, as we believe it helps us to achieve our goals and expand our business.

SHIELD Risk Consulting is an important part of societies in communities all over the world. Accessibility, growth potential and job opportunities depend on the ability of SHIELD Risk Consulting to retain and expand the position of a world-class Risk Management and Security Management business. We take this broad social responsibility very seriously and our CSR is adopted in all strategic priorities and day-to-day decisions.

We work closely with communities, law enforcement, NGO's and justice departments in order to reduce the number of attacks on our clients and criminal activity in the community at large. Our efforts to wide our network and business is to help build safer communities wherever we operate.

CORPORATE PROFILE

Founded in 1998, SHIELD Risk Consulting is one of the most experienced risk management and security providers in the world.

SHIELD Risk Consulting has since 1998 supplied risk management and security solutions to companies and organizations in an increasingly uncertain world. Our consulting and security teams, help create innovative business solutions for companies operating anywhere in the world. This integrated approach combines insight and innovation from multiple disciplines with business knowledge and security expertise to help our clients to protect themselves and others. Business fundamentals are important, but there's no substitute for knowing an industry inside and out. Companies need to mitigate risks, track competitive dynamics, regulatory changes, and advances in technology to compete and thrive in their sector.

Our consultants draw upon years of direct, front-line experience in a full range of industries. From maritime to telecommunications, we help clients harness risk management and boost security performance.

Our vision and mission focuses on providing the very best consulting and security services across regional, functional, and business borders and to be perceived as the "best in class" Security and Risk Management provider.

Mission:

'OUR MISSION IS TO SERVE INDIVIDUAL CUSTOMERS AND BUSINESSES' TO CREATE A STABLE AND HIGH QUALITY FOUNDATION OF RISK MANAGEMENT AND SECURITY PROCEDURES '

We play an important role in providing peace of mind to people and businesses all over the world through our security solutions and consulting services.

The mission is to create the foundation for a visionary security policy in the area of defence, security and Emergency Management, and to exercise the overall management of the security for our clients.

As a provider of important services and as a workplace in high risk areas, we recognize our social responsibility. We want to play an active part in the relationship between the public sector, the business community and the citizens.

VISION:

'WE WANT TO BE PERCEIVED AS ONE OF THE LEADING SECURITY AND RISK MANAGEMENT PROVIDERS IN THE WORLD'

We want to secure profitable growth and develop our business – for the benefit of customers, employees, and other stakeholders.

We want our customers to perceive us as the best at providing Security & Risk Management Consulting and at addressing our customers on their terms. As a security provider, we must offer a complete package of security products and services. Consequently, we must be available and have the strongest security platform.

ORGANISATION

The combination of military and civilian employees contributes to an effective workflow within the SHIELD organization. The commercial business administration mindset combined with the military effectiveness, gives a lean workflow where we continue to optimize our business processes and our services to add value to our clients and ourselves.

SHIELD Risk Consulting, founded in 1998, is owned and operated by SHIELD group a listed company which also owns and operates WHITESAND INTERNATIONAL and NORTH SEALAND INTERNATIONAL. In addition, SHIELD Risk Consulting is engaged in international activities like SHIELD Security in the Middle East.

Analysis Division

Analysis division is responsible for assignments concerning Risk Analysis, NEWS Section and Travel Security. The division is divided into two departments:

- Risk Analysis/NEWS Section
- Travel Online

Operations Division

Our operational division deals with assignments concerning operations, governance, risk management and development of the total security concept. The division is divided into six departments and one support department:

- Specialist Consulting (Support Department)
- InfoSec & ComSec
- Business Risk Intelligence
- Security Services
- Maritime Security
- Airport & Aviation Security
- Risk & Crisis Management

Training & Courses

SHIELD Academy is established to educate and train corporate employees, managers and security professionals.

SHIELD Office and Administration Centre

SHIELD administration deals with assignments concerning Finance, HR, Legal, Sales, Communications and Public Affairs.

GLOBAL COMPACT

We believe that a structured and serious approach to CSR reporting promotes targeted and goal-directed efforts to handle social responsibility.

SHIELD COP covers 16 performance indicators that have been decided to be our primary focus in our CSR strategy. These indicators are also a measurement on how SHIELD Risk Consulting is performing within the ten principles. Subsidiaries, program offices and business partners are obliged to report their performance to ensure an overall CSR commitment in the entire SHIELD Risk Consulting Corporation.

To support the Global Compact initiative and the valuable work done worldwide to promote CSR reporting, we joined the initiative in July 2011. SHIELD Risk Consulting is committed to the continued support for the UN Global Compact and its 10 principles.

In 2011, we worked to create a common strategy and redefining our values in the areas of anti-corruption, labour, environment and human rights. We outlined four values that define our company and our interaction with clients, business partners, suppliers etc.

SHIELD Risk Consulting wants to emphasize its commitment and its business conduct to be in-line with our commitments to the UN Global Compact. Our values and ethical guidelines continue to be the foundation of our company, but we also want to be perceived as a company who is defined by its values.

SHIELD VALUES

We do not evaluate our business partners alone on the basis of their services and prices, but also on their ethic rules and engagement

SHIELD Risk Consulting wishes to work together with companies who respect equal rights and employees' right to unionize, who do not employ children, and who trade with sub-suppliers who also adhere to these principles.

We give to the local communities

We assist our stakeholders to build communities, supporting local and international organisations to build a safe and sustainable community. We give to our local community; we give support to schools, local sport clubs and to community organisations around the world. We take the responsibilities seriously that comes with being a risk management and security provider.

We conduct our business with ethics in mind

At SHIELD Risk Consulting we conduct our business to high standards of ethics, Corporate Social Responsibility, and integrity. We are all individually collectively responsible and accountable.

We commit to our stakeholders

We believe that a team of professional individuals with diverse experiences and backgrounds, working together with our stakeholders in a business that promotes respect and responsibility, is essential to our success.

The following describes the principles that form the basis of our work with anti-corruption, human rights, labour, environment and the regulatory issues that provide the framework of our work accordingly. Our performance indicators are defined for each commitment in regards to anti-corruption, human rights, labour and environment.

ENVIRONMENT AND ENERGY

We have a great responsibility to operate and develop our corporation in a sustainable and responsible way that respects the environment and the climate.

Our approach to environmental and energy issues

As a member of the Global Compact, our overall approach is to comply with the Global Compact environmental principles. These principles are:

- Our work is based on a precautionary approach to environmental challenges
- We undertake initiatives to promote greater environmental responsibility
- We encourage the development and diffusion of environmentally friendly technologies

These principles define our current approach to both environmental and energy issues.

SHIELD Risk Consulting is aware of the climate challenges and by applying precautionary measures, such as having integrated the climate challenge in its values; we are always reminded of targets for reduction of the CO2 emission.

The environmental value is focused on own resource consumption, with reduction in waste and raised awareness of environmental responsibility among employees.

SHIELD Risk Consulting have implemented the following initiatives to reduce CO2 emission:

- Replaced all computer equipment's with new energy saving computers, printers, servers and copy machines
- Reduced paper consumption by using tablets

Ethical commitment from partners and suppliers is essential when doing business with us. We demand an environmental responsibility from our suppliers and producers, and we ensure that our purchases are in-line with SHIELD's Code of Conduct.

SHIELD Risk Consulting takes a joint responsibility for achieving sustainability at its own facilities and when representing clients. The means used include implementation of responsibility policies and improved sustainability culture in-house and entering into partnerships with other companies.

Our environmental policy is:

As an environmentally responsible organisation, SHIELD Risk Consulting is managed and developed so that it continually improves its environmental results. This involves:

- Constant attention to environmental aspects in business decisions
- Increased environmental awareness among employees and partners
- An open dialogue about the environmental impact of the business
- Preventive action and use of efficient transportation

Our energy policy is:

We minimise the use of non-renewable energy, while also allowing for operational growth. This involves:

- Efficiency improvements of power consumption
- Continuous monitoring of energy consumption
- Evaluation of new technologies with a view to potential implementation
- Evaluation of the effect of the energy policy

Environment and energy performance indicators:

- Energy consumption
- Water consumption
- Waste
- Environmental impact
- Percentage of implemented efficient technology

HUMAN RIGHTS

As a member of the Global Compact, our overall approach is to comply with the Global Compact human rights principles. These principles are:

- SHIELD Risk Consulting respects and supports the protection of internationally proclaimed human rights, and
- Makes sure that we don't complicit in human rights abuses

Our corporate social responsibility includes a social and ethical responsibility towards the thousands of people who interacts with SHIELD Risk Consulting each year. While always respecting human rights and diversity and consistently endeavouring to provide a high level of service, we work hard to provide safety and security for our clients.

SHIELD Risk Consulting is committed to developing an organizational culture which implements a policy of support for internationally recognized human rights and seeks to avoid complicity in human rights abuses. We support the principles contained within the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises and the ILO Core Conventions on Labour Standards.

We seek to establish relationships with entities that share the same principles and values as SHIELD Risk Consulting. We also promote human rights awareness and respect along our value chain, including the adoption of legal contractual clauses. In the event of disrespect to human rights, duly proven by government authorities and mechanisms provided by legislation, we notify the supplier/partner or the customer so they may adopt corrective measures and, in cases in which such measures are not taken, we then are entitled to rescind the respective commercial relationship.

We only allow ourselves and our clients to use armed security from SHIELD Risk Consulting when required by law, business policy or if there is no other way to manage security risks. All armed personal must meet our standards, based on UN guidelines and conventions on the use of force and the Voluntary Principles on Security and Human Rights. Armed personal must follow SHIELD's Code-of-Conduct and Rules-of-Engagement and they should only use the minimum force needed and offer help to anyone – including offenders – injured as a result. All International staff follows SHIELD's Code-of-Conduct.

Responsibility for security

SHIELD Risk Consulting has a number of obligations to ensure that the security of the company, corporate clients and areas of operations isn't jeopardised. These obligations are laid down in international rules, EU rules and national rules.

Our responsibility as a security provider comprises the handling of all tasks involving protection of people, corporations and other stakeholders.

SHIELD Risk Consulting is working every day to ensure a compliance with international and national law in regards to the use and safekeeping of weapons. Weapons used in operational tasks is registered and handled with care, and all who handle these weapons has been security cleared and has the appropriate licenses and permits to carry and use weapons. SHIELD Risk Consulting aims to achieve a better control of weapons used in operational tasks to ensure that weapons owned by the company does not disappear or become involved in offenses such as violation of arms embargoes. SHIELD Risk Consulting has worked intensively during 2012 to obtain permission and regulation procedures from with the Danish Ministry of Justice to safely store weapons and ammunition in Denmark.

This is done to ensure that weapons and ammunition are not involved in human rights violations and corruption when performing operational tasks in high-risk areas. United Nations and SHIELD Risk Consulting has also been in dialogue in regards to the control and ensuring the safekeeping of weapons used abroad, where the United Nations needs documentation of our compliance with applicable legislation and to ensure that weapons are properly secured after each task.

The Danish Ministry of Justice has responded to our request for permission to safely store weapons and ammunition in Denmark and has granted us permission to store, import and export weapons. However they have only granted permission to store, import and export weapons used on maritime assignments. This permission is only a small step in mitigating the risk of human rights violations and corruption when performing operational tasks in high-risk areas.

Our human rights policy is:

As a human rights responsible organisation, SHIELD Risk Consulting is managed and developed so that it continually improves its human rights results. This involves:

- Ensure that all security consultants working in high-risk areas take our human rights course, and pass the test.
- Undertake a pre-business assessment on human rights issues before taking on an assignment
- Strict control and surveillance of business partners involved in armed security assignments
- Promote human rights standards and to contribute to the development of best practices
- Human rights evaluation by stakeholders of SHIELD Risk Consulting

Human rights performance indicators:

- Human rights score by stakeholders
- Percentage of employees undertaken our human rights course
- Code-of-conduct performance
- Rules-of-engagement policy followed by security employees
- Percentage of business partners and suppliers with human rights policy and standards

SHIELD RISK CONSULTING EMPLOYEES

Security services are intended to improve the safety and security of clients. Our employees in the Security Department make every effort to handle their responsibility for this important area without compromising our service level and our respectful approach to managers, employees and business partners. All our staff has a background from law enforcement or military.

Through regular supplementary training, we ensure that all security staff is always up to date on changes in the rules and regulations issued at the national and international levels, and that they are always familiar with SHIELD policies for observing human rights in relation to the Security Department's areas of responsibility.

As all our employees gain insight into matters that must be treated as confidential, SHIELD Risk Consulting performs a thorough background check of all employees. This helps ensure that our services are handled by professional and responsible employees who work together to handle the great responsibility for security.

SHIELD Risk Consulting provide equality of opportunity and treatment for the purposes of eliminating discrimination based on race, colour, gender, sexual orientation, gender identity, religion, political opinion, nationality, social origin and status, indigenous status, disability, age or other status of individuals unrelated to the individual's ability to perform work.

SHIELD Risk Consulting recognizes the right to join unions, to associate freely and to comply with union agreements.

We encourage our employees to take responsibility of their own, and others, to promote our business ethics, Code-of-Conduct and SHIELD Values. Our Code-of-Conduct and business ethics contains an upper level on the number of work hours per week that our employees can work, despite where they are stationed in world.

We promote to all employees to tell us if they have concerns or opinions that SHIELD Risk Consulting should be aware of.

Child labour is not used. There is no recruitment of child labour. If any incidence of child labour is identified in the supplier's industry and region, the supplier shall initiate, or participate in, a programme to transfer any children involved in child labour into quality education until they are no longer children.

SHIELD Risk Consulting regards high standards of safety and health as a cornerstone of a successful business. SHIELD Risk Consulting has a clear duty to take every reasonable precaution to maintain a safe and healthy working environment in order to avoid the possibility of injuries or putting at risk those with whom we work with and members of the public. Strict adherence to SHIELD's Health & Safety Policy is expected of every employee.

Employees of SHIELD Risk Consulting is treated with dignity and in accordance with the SHIELD Code-of-Conduct and ethic values of maintaining a good work environment, where we all have the responsibility to treat each other with respect and take action on matters which result in a poor working environment.

Our labour policy is:

As a responsible organisation, SHIELD Risk Consulting is managed and developed so that it continually improves its labour results. This involves:

- Recognise the rights of its workers to freedom of association and collective bargaining, including the right to freely form and/or join independent trade unions
- SHIELD Risk Consulting ensures that it does not use labour from agencies or firms involved in human trafficking or other forms of bonded labour
- SHIELD Risk Consulting has established a grievance mechanism, accessible and known to all employees, where employees can safely report incidents of workplace discrimination.
- Promote labour rights and standards and to contribute to the development of best practices
- Development program for all employees and educational opportunities

Labour performance indicators:

- Employees satisfaction score
- Percentage of manager's undertaken labour rights courses
- Security and safety report (incident report)

ANTI-CORRUPTION

We have introduced a number of internal rules and procedures aimed at countering any form of corruption, including extortion and bribery. The purpose of these rules is to ensure that our managers or employees accept no gifts or other kinds of benefits that could in any way affect their conduct towards the supplier, customer or business partner in question.

Our anti-corruption rules with respect to gifts mostly relate to procurement but also apply to other relationships with customers and business partners.

Our HR policy contains clear rules against discrimination in labour and hiring practices. Our HR procedures also ensure that there is no discrimination in our recruitment, development or promotion processes. Similarly, our managers and employees are not permitted to offer gifts or other kinds of benefits that could affect the conduct of a supplier, customer or business partner towards SHIELD Risk Consulting. Modest gifts given in connection with special occasions, such as anniversaries etc., are not comprised by the rules.

Increased requirements to suppliers

We require commitment from our suppliers to full compliance with the Global Compact principles, and we demand that they respect generally recognised ethical rules and that they work to supply a good working environment for their employees, to combat corruption and to protect the environment.

SHIELD's anti-corruption principles and values is the foundation of its business practices when operating in conflict areas and in its day-to-day business.

SHIELD Risk Consulting has a zero tolerance in relation to corruption, in all parts of regions and countries and in whatever form that may be encountered. This document is intended to build on our Ethics Policy and to clearly state the standards and principles required to ensure commitment to anti-corruption requirements within the countries in which SHIELD Risk Consulting and its subsidiary companies operate. SHIELD Risk Consulting also consists of a Response Team which key responsibility is to investigate specific cases and is in charge of anti-corruption implementations for clients and in-house at SHIELD Risk Consulting. Prevention of corruption and fraud through training and information is offered to all our employees and is one of our strength in also educating stakeholders.

Training is provided in the form of education in SHIELD's anti-corruption program and test. SHIELD Risk Consulting holds strong emphasis on maintaining laws and regulations which are relevant to countering corruption and bribery in all the jurisdictions in which we operate and we are very attentive in ensuring SHIELD Risk Consulting is following laws and regulations that are relevant to our specific business practices. We encourage our employees to report if they encounter corruption.

The following laws and conventions is part of SHIELD's day-to-day business.

- OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (1997)
- UN Global Compact – Principle 10 (Anti-Corruption)
- Foreign Corrupt Practices Act (US)

Our anti-corruption policy is:

As a responsible organisation, SHIELD Risk Consulting is managed and developed so that it continually ensures the mitigation of corruption. This involves:

- SHIELD Risk Consulting has established a grievance mechanism, accessible and known to all employees, where employees can safely report any acts of corruption
- Educate employees in identifying and mitigating corruption
- Ensuring that business partners and suppliers comply with UN Global Compact on anti-corruption
- As an anti-corruption partner for corporate clients, we ensure the best and newest methods on preventing corruption and bribery is used by employees

Anti-corruption performance indicators:

- Risk Assessment of suppliers and clients
- Anti-corruption training score
- Anti-corruption awareness index



SHIELD Risk Consulting
Lautruphøj 1-3
DK-2750 Ballerup
Denmark
Phone: +45 7023 3000
Email: shield@shield.eu
www.shield.eu