

United Nations Global Compact Communication on Progress 01 / 2010

INTRODUCTION -**PROVIDING CONTINUING SUPPORT** TO THE GLOBAL COMPACT

WE AT HELOG

PROVIDE UNMATCHED **PROFESSIONALISM** IN HELICOPTER OPERATION

During the past years, a broad consensus has emerged in Germany, that companies are not only obligated to their economic success, but also to the interests of the employees, the community and the environment. Many firms have already assumed this social responsibility (Corporate Social Responsibility), by integrating ecological and social standards in their management process and value-added chain.

At this time, the management and the employees are faced with a challenge, in a dimension unlike we've ever imagined, due to the international business orientation of the HELOG Lufttransport KG. We have to give answers to questions like:

- Which strategies will be used in global competition in the future?
- Which consequences will arise from location decisions and co-operation of different cultures?
- How can we prepare our employees for the flexibility and mobility of a modern working environment, even though many of our colleagues work in African countries?



"We need business to give practical meaning and reach to the values and principles that connect cultures and peoples everywhere."

Ban Ki-moon, Secretary General United Nations

To be able to understand both parties, you must have a high degree of aesthesia, tolerance and respect. Cross-cultural competence is becoming even more important, because of the globalization of economics and society.

We at HELOG Lufttransport KG are aware that company culture can not be dictated. A corporate culture has to develop out of the business itself.

We are also aware that the future will belong to companies that exhibit a positive contribution to ethical and enduring management in their countries and also at international locations. A company that is fit for the future shows "sustainability leadership".

Today, the economy influences nearly all areas of social life. The future-prospects of each individual and if the potential of a society is optimally used, depends on the actions of the company. This also decides whether or not the company is fit for the future. Therefore, the entrepreneurial activity is an important responsibility for social development. Although the HELOG Lufttransport KG is a small company that only employs 150 people, it is extremely important to comprehensively occupy itself with CSR, because of its international activities and multicultural workforce.

We at HELOG Lufttransport KG have realized that regularly performed sustainability analyses are important instruments that estimate the economical, ecological and social performance of a company.



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

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

HELOG Lufttransport KG

✓ Wolfgang Zagel

CEO



HUMAN RIGHTS

PRINCIPLE 1:

BUSINESSES SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS; **AND**

The commitment of HELOG Lufttransport KG to the 10 Principles -Development to our Report on Progress 2009:

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.

The discussions to improve possibilities and means of the worldwide implementation of human rights play a very important role. But we shouldn't forget that companies are still left out in the rain by politics. The author's opinion is that the governments should be criticized for doing nothing, for their endless discussions and for their failure to act as well as foiling the serious efforts of the companies, by taking lobbies under consideration. It has also come to our attention that western governments, particularly the United States, have recently violated human rights policies quite controversially with the war in Iraq, Guantanamo, the Gaza war, etc.

It clearly shows that the unacceptable behaviour of countries that supposedly practice "good governance" makes it very difficult for companies with well-meant intentions.



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.

We at HELOG Lufttransport KG 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.

However, we must come to the conclusion that our influence as a SMB (small and medium-sized business) is relatively small and can only on be implemented at a local level.

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.



HUMAN RIGHTS

PRINCIPLE 2: MAKE SURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES.

For general appraisal we monitor the recommendations from the Ministry of Foreign Affairs, the ZIF information letters and take action if necessary.

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 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.

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.

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



PRINCIPLE 3:

BUSINESSES SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING

SOCIAL CHALLENGE - Finding, supporting and obligating talents

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.

It is of great importance to the HELOG Lufttransport KG to replace the foreign workers with local co-workers at locations of developing countries as quickly as possible. This usually requires that these employees participate in extensive trainings, which will also qualify them for their future professional career. We want to ensure that employees will easily find new jobs in case HELOG Lufttransport KG is forced to close down a location because of our clients.

The hiring of the local co-workers at HELOG Lufttransport KG not only depends on the professional skills of the candidates. Social and family-related aspects and the resulting responsibilities also play a big role in the final evaluation of the job candidates. In this country, the people that have work provide for far more than only their own families. We feel that this is also an important task to consider.



PRINCIPLE 4: THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR: We also offer routine training courses for staff of the local aeronautical authorities in Germany to enable their understanding of the different regulations and procedures.

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.

Working hours

For operational areas that are exposed to extreme pressure, HELOG Lufttransport KG offers specific working hours. For the helicopter crew and the technicians on site, which are sometimes exposed to inhospitable areas, HELOG Lufttransport KG offers a 6/6 or an 8/8 rotation. This means that after working for 6 (or 8) days, the employee will have the same number of days off.



PRINCIPLE 5: THE EFFECTIVE ABOLITION OF CHILD LABOR; AND Generally, we try to make sure that our employees can regenerate by compensating overtime with time off.

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.

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 guickly. 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.



But investments and services in this area can also have a reverse effect. Due to its corporate commitment, a company can very quickly become accused of indirectly supporting illegitimate regimes and extending these intolerable conditions.

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".





PRINCIPLE 6: 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.

Education and training

The flight staff, technical staff, logistics staff and quality management must regularly attend training courses, according to the corresponding regulations. This is partially the responsibility of the employee himself. HELOG offers all of these courses and trainings free of charge and even encourages the staff to visit additional training courses during working hours.

HELOG offers its employees free courses such as:

- CRM Crew Resource Management
- Fire Fighting



- Dangerous Goods
- ♦ First Aid
- ♦ ARM Aviation Resource Management
- Human Factors
- ◆ Type rating courses for Pilots and engineers on the Aircraft types operated by HELOG
- ♦ Continuation Training Maintenance
- Apprenticeship for Engineers
- ♦ EASA Part M for CAMO Staff (NOT Mechanics!)
- Quality Management Continuation Training / DIN ISO 9001

All foreign employees will be trained, certified and deployed in accordance to the corresponding regulations, to the standards of the Federal Office of Civil Aeronautics, the EASA (European Aviation Agency) and the HELOG Lufttransport KG.

Safety at work

HELOG has created its own HSE-S (Health, Safety, Environment, and Security) manual, which was introduced as a binding procedure for all branches. Herein clear rules, instructions and procedures are specified for all employees.

The following positions are directly responsible for the compliance of these standards and for developing the procedures:



"WE HAVE TO TURN THE RESPONSIBILITY OF BUSINESS INTO THE BUSINESS OF RESPONSIBILITY."

Ban Ki-moon, Secretary General United Nations

- Managing Director
- Quality Manager
- **HSE-S** Director
- Flight Safety Officer

It was also specified that there will be at least 8 internal audits per year in the various business areas.

Further audits will regularly be carried out by the Federal Office of Civil Aeronautics and especially by the customers themselves.

Diversity

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. HELOG Lufttransport KG employs workers of The cultural diversity in relation to gender, age, nine different nationalities. 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 Lufttransport KG 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 Lufttransport KG, that our employees consider and live by the regulations of sustainability and CSR.



The 115 people working for HELOG LUFTTRANSPORT KG today can be divided as follows:

- 30 % are women
- 14 % are working in Germany
- 50 % are employed in developing countries
- 70 % have foreign citizenships
- 13 different nationalities
- 40 is the average age
- 26 are older than 50 years

Diversity-Management

The general conditions of the HELOG Lufttransport KG have been put into motion quite strongly, due to the orientation on the international market. At one time, HELOG Lufttransport KG had employees of 16 different nationalities in the various places of operation. Because of this variety in cultures, synergies were produced, which strengthened our company even more. The cultural diversity regarding gender, age, ethnic group, family background, sexual orientation, disability/ illness, religion, philosophy of life, career, lifestyle and belief not only improves the image of a company. It also raises the company's profits. The goal of HELOG Lufttransport KG's management is to enhance and use the potential of the differences and the similarities within the staff. We at HELOG Lufttransport KG have been able to observe the following synergies due to cultural diversity:



- Less cross-cultural conflicts. The cultural differences and the effect on collaboration and contact will be portrayed to the customer.
- Better market access, because cross-cultural employees are the specialists in international markets as well as in ethnic marketing
- An increase of innovational ability. Different perspectives of creative problem solving are the result of the diversity of the staff.
- A higher level of tolerance in the entire business area.





ENVIRONMENT

PRINCIPLE 7:

BUSINESSES SHOULD SUPPORT
A PRECAUTIONARY APPROACH
TO ENVIRONMENTAL
CHALLENGES;

ENVIRONMENTAL CHALLENGE

Reaction to the climate change - Strategies

No other subject affects the public quite as much as the climate change.

The consequences of the climate change are vast. Rising sea levels, extreme weather conditions, food and water shortage, the spread of diseases and other negative influences have already become a part of everyday life and will presumably continue to increase.

But the climate change also bears opportunities. Many technical innovations for better energy use are a result of the economical changes.

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.



ENVIRONMENT

PRINCIPLE 8: **UNDERTAKE INITIATIVES TO** PROMOTE GREATER **ENVIRONMENTAL** RESPONSIBILITY; AND

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 2 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.

Kerosene and emissions

Oil is a finite resource. We can expect a short-term increase in costs for research development. The political behaviour of oil-producing countries is also unpredictable. The extremely high energy consumption of some emerging countries is also a cause for the price increase of this resource.

Kerosene is the fuel of the aviation industry. The turbo engines of our helicopters strictly use oil-based kerosene.

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.



ENVIRONMENT

PRINCIPLE 9:

ENCOURAGE THE

DEVELOPMENT AND DIFFUSION

OF INVIRONMENTALLY FRIENDLY

TECHNOLOGIES.

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 Lufttransport KG responds with technical and organizational actions in order to significantly reduce fuel consumption.

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.

Measures to reduce consumption

In addition to better flight and operation scheduling, the most effective possibility to reduce fuel consumption is the use of new technology. This means that we must use the most modern helicopters with the most recent generation of engines. The kerosene consumption can be reduced by up to 50 %, by using this new technology!



This year, the HELOG Lufttransport KG has already temporarily exchanged some of the older SA 330J helicopters for Bell 212 helicopters. However, we are still forced to use the Puma helicopters for the next few years, due to special missions and the extremely long delivery periods for the new helicopters.

Last year, HELOG Lufttransport KG ordered 2 modern EC 145 helicopters from Eurocopter, which will reduce the fuel consumption by 40 % compared to the Puma.

Our goal is to replace our entire fleet with the most modern helicopters in the next 3-4 years. That means we would save approximately 700,000 litres, compared to our fleet's current consumption of 1.8 million litres!





ANTI-CORRUPTION

PRINCIPLE 10:

BUSINESSES 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.



"THE DEVELOPMENT OF EFFICIENT RULES FOR REGULATION DEPENDS CRITICALLY ON GOOD COMMUNICATION BETWEEN THE PEOPLE INVOLVED"

Elinor Ostrom

No concealment of suspicious cases 8.

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.

> **HFLOG** Group of Companies



REVIEW AND PERSPECTIVE

Today, HELOG Lufttransport KG is one of the most important helicopter operating companies in Africa. The company has an excellent network in many African countries and continues to expand its business operations there. Safety, reliability and trust are the main principles of the HELOG Lufttransport KG. These principles alone were the reason the HELOG Lufttransport KG was able to convince some of the African governments to entrust us with the transportation of their leading personalities and government officials as a pure transport company.

We believe it is necessary to report to our stakeholders and target groups and also to animate dialogues, especially because of our international orientation.

We are also aware that business decisions will generally be tested with sustainability even more in the future.

We at HELOG will accept this challenge!

We would like to encourage our stakeholders to reinforce sustainability even more and to prepare the company even better for its future duties and responsibilities in our globalized world.



