



# U.N. GLOBAL COMPACT

## Communication on Progress

05 March 2014

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**1. STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER (CEO)**

To our stakeholders,

I am very pleased to reaffirm Automotive Management Services' continued commitment to support the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

As a world leader in Fleet Management Solutions, AMS supports and respects the protection of human rights within the Company's sphere of influence. We endeavour to conduct our business operations accordingly. This includes standing against such tragedies as human trafficking and the exploitation of children.

A reputation for integrity is crucial to the attainment of our commercial goals and to the fulfilment of our corporate responsibilities. It preserves our license to operate and is an essential asset which we are dedicated to protect and strengthen. We therefore expect every AMS employee to uphold high professional and ethical standards in all business conduct.

In this annual Communication on Progress, we will express our continuous support to the Ten Principles and the business initiatives which ensures the enactment thereof. These principles will play a big role at AMS during the coming year as we continue to improve the integration of the United Nations Global Compact Principles into our corporate strategy, culture and daily operations.

Yours sincerely,

Martin Rasmussen  
President and Chief Executive Officer  
Automotive Management Services

**2. HUMAN RIGHTS PRINCIPLES**

*Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights*

*Principle 2: Make sure that they are not complicit in human rights abuses*

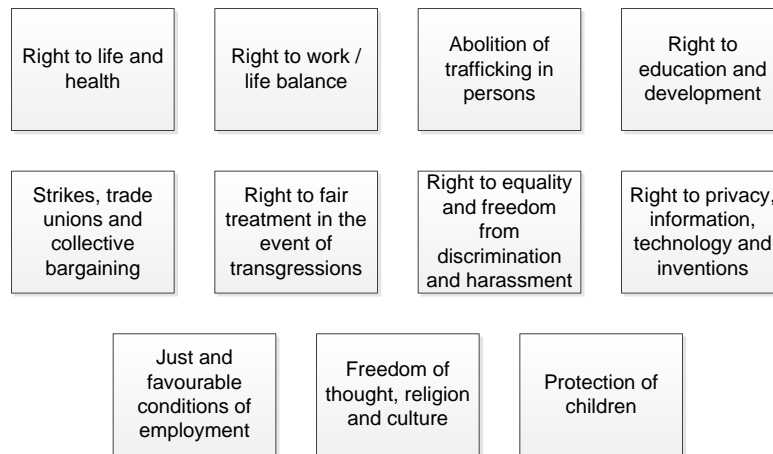
**2.1. CORPORATE POLICY AND GOALS**

As a leading fleet management solutions provider with operations on a global scale, we not only can, but it is our responsibility to promote human rights in every aspect of our business. Our approach towards human rights is thusly aligned with the United Nations Guiding Principles for Human Rights.

We therefore get inspiration from these for our company policies on a number of human and labour rights building blocks that are based on the following international standards:

- Universal Declaration of Human Rights (UDHR)
- International Covenant on Civil and Political Rights (ICCPR)
- International Covenant on Economic, Social and Cultural Rights (ICESCR)
- International Labour Organization Declarations & Conventions on Fundamental Principles and Rights at Work

These buildings blocks are:



AMS issues all employees with an Employee Handbook as well as corporate policies which promote and protect the rights of our employees as well as other individuals within our sphere of influence. These policies include but are not limited to: Policy on Human Trafficking, Adequate Employee Living Conditions, Withholding Passports and other identification documents, Disciplinary Policy, Grievance Policy, Anti-Harassment Policy, Leave Policies, Health and Safety Policy, Drug-Free Workplace Statement and Travel Policy.

**2.1.1. RISK ASSESSMENT**

AMS is utilizing Maplecroft’s Human Rights Risk Atlas, and / or other tools like this, to assess, quantify and compare human rights risks and responsibilities for our global operations. The table below outlines our countries of operation as well as their associated risk ratings:

Country of Operation	Human Rights Risk Rating
Afghanistan	Extreme
Somalia	Extreme
United Arab Emirates	High
Uganda	High
Liberia	High
USA	Medium
United Kingdom	Low
Australia	Low

The aforementioned Human Rights Risk Index highlights that the majority of our operation and human capital continue to be based in countries associated with a high to extreme human rights related risk. This magnifies the importance of a corporate commitment towards Human Rights and the potential impact that this commitment may have on the countries of operation.

### 2.1.2. GOALS

AMS aims to initiate the following additional initiatives to continue our progress on the enactment and promotion of fundamental human rights:

- HIV awareness training of all employees
- Implementation of Personal Development Plans for all international staff members
- Updated Health and Safety, Cultural Awareness and Technical Training across all AMS locations
- Formal AMS First Aid Policy

### 2.2. IMPLEMENTATION

AMS accepts the responsibility not only to respect and promote human rights, but to promote it proactively. AMS has taken the following measures to prevent human rights violations in our work locations:

#### RIGHT TO LIFE AND HEALTH

- Ensure adequate First Aid training and arrangements on all AMS sites
- Ebola disease prevention program within our operations located in high risk areas
- Assess fitness to deploy and work in areas of potential danger, stress and physical hardship when working in support of military operations
- Inform employees of health risks associated with deploying to post-conflict countries and secure written confirmation of voluntary deployment thereto
- Provision of employee insurance benefits and security which is adequate to protect all staff from health and safety risks associated with post-conflict countries
- Ensure a well-balanced diet is followed by all staff deployed to remote areas where food supply is limited
- Perform random alcohol and drug tests to ensure a safe working environment
- Educate staff on practice and conduct required to ensure a safe work environment through health and safety training

#### RIGHT TO JUST AND FAVOURABLE WORKING CONDITIONS

- Formal mechanisms and controls for grievance and disciplinary formalities through corporate policies
- Promotion of safe psychological working environment through the implementation of Anti-Harassment, Anti-Bullying and Anti-Victimization Policy
- Implementation of UNGC commitment and awareness training for all new staff members to ensure they are fully aware of their rights
- Ensure company provided recreational facilities are available for staff on major operational sites
- Require staff to take Rest and Recreation leave when they are deployed to post-conflict countries for more than 6 months at the time

#### RIGHT TO EDUCATION AND DEVELOPMENT

- Contribute to local capacity building to ensure the skillset is left behind in all the countries in which we operate
- Personal development through basic English Training
- Personal development through Maintenance Training

### FREEDOM OF THOUGHT, RELIGION AND CULTURE

- Honour reasonable religion related requirements and activities
- Make Employment Contracts available in native languages where a language barrier might significantly limit the understanding thereof
- Cultural awareness training as part of the induction program for all new staff members specifically related to the country they will be working in

### RIGHT TO WORK / LIFE BALANCE

- Offer employment terms which allow an extended period of annual leave between deployment periods. This enables staff to spend more time with family members
- Investment in enhancement of our information technology infrastructure in remote locations to encourage frequent communication between staff and their family members

The initiative to promote and respect human rights is the responsibility of each and every staff member. The management of programs and policies in support hereof is however, the responsibility of the Human Resources Department and is endorsed by Executive Management and the Chief Executive Officer.

### 2.3. MEASUREMENT OF OUTCOMES

The AMS Compliance Department conducts regular audits throughout the organization to ensure compliance with these policies and to confirm that business practice respects and promotes fundamental human rights. Violations detected through these audits were minimal and addressed appropriately. The reporting year can be closed with no outstanding corrective actions.

### 3. LABOUR PRINCIPLES

*Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining*

*Principle 4: The elimination of all forms of forced and compulsory labour*

*Principle 5: The effective abolition of child labour*

*Principle 6: The elimination of discrimination in respect of employment and occupation*

#### 3.1. CORPORATE POLICY AND GOALS

AMS respects and supports the values of the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. The commitment is shown by integrating its four fundamental principles into our corporate Human Rights building blocks (section 2.1.) and standard business practice on a global scale. These four fundamental principles are aligned with the United Nations Global Compact principles on Labour.

AMS issues all employees with an Employee Handbook as well as corporate policies which are aimed at promoting, respecting and realizing the ILO Four Fundamental Principles and Rights at Work. These policies include but are not limited to: Policy on Human Trafficking, Adequate Employee Living Conditions, Withholding Passports and other identification documents, Disciplinary Policy, Grievance Policy, Anti-Harassment Policy, Leave Policies, Health and Safety Policy, Drug-Free Workplace Statement and Travel Policy.

##### 3.1.1. RISK ASSESSMENT

The Human Rights related risks which were assessed in the overview in section 2.1.1. include the risks associated with the ILO Declaration on Fundamental Principles and Rights at Work. The results emphasized that the majority of our operations and human capital are exposed to human and labour rights related risks with ratings ranging from high to extreme. AMS subsequently primarily operates in areas which do not automate the integration of basic human and labour rights into everyday business practice. AMS purposefully encourages the adherence to human and labour rights international standards through a commitment to abide to our own policies or local legislation, whichever sets the highest standards.

##### 3.1.2. GOALS

AMS aims to initiate the following additional initiatives to continue our progress on the enactment and promotion of the ILO Declaration on Fundamental Principles and Rights at Work:

- Introduce formal policy for handling employees leaving the company
- Review of salary structure for local nationals
- Performance appraisal training for all managers to ensure all employees are treated fairly and equally

#### 3.2. IMPLEMENTATION

In support of the ILO Declaration on Fundamental Principles and Rights at Work, AMS has taken the following measures to prevent human and labour rights violations in our work locations:

##### RIGHT TO STRIKES, TRADE UNIONS AND COLLECTIVE BARGAINING

- Renewal of formalized Collective Bargaining Agreement in Liberia

##### FREEDOM FROM TRAFFICKING IN PERSONS

- Upgrade of company facilities to enhance the living standards of our staff members working and living in remote locations
- Combatting Trafficking in Persons awareness program as part of induction programs for all staff members
- Introduction of Whistle-blower Policy to ensure all employees are protected if they witness illegal actions

### PROTECTION OF CHILDREN

- Formal mechanism for age verification in the recruitment procedures
- Formal corporate policy that child labour is not accepted in the AMS organization

### RIGHT TO EQUALITY, REMEDY AND FREEDOM FROM DISCRIMINATION AND HARASSMENT

- Introduction of formal Anti-Harassment, Anti-Bullying and Anti-Victimization Policy to ensure equal and ethical treatment of all staff members
- Focus on training and promotion of local nationals in austere environments
- Recruitment and Selection Policy to ensure non-discriminatory hiring practices for all candidates
- Formal Grievance Procedure and Policy for all staff members

The initiative to promote and respect human and labour rights supported by the ILO Declaration is the responsibility of each and every staff member. The management of programs and policies in support hereof is however, the responsibility of the Human Resources Department and is endorsed by Executive Management and the Chief Executive Officer.

### 3.3. MEASUREMENT OF OUTCOMES

The AMS Compliance Department conducts regular audits throughout the organization to ensure compliance with these policies and to confirm that business practice respects and promotes fundamental human rights. Violations detected through these audits were minimal and addressed appropriately. The reporting year can be closed with no outstanding corrective actions.



#### 4. ENVIRONMENTAL PRINCIPLES

*Principle 7: Businesses should support a precautionary approach to environmental challenges*

*Principle 8: Undertake initiatives to promote greater environmental responsibility*

*Principle 9: Encourage the development and diffusion of environmentally friendly technologies*

##### 4.1. CORPORATE POLICY AND GOALS

AMS specializes in providing large dedicated automotive and fleet maintenance solutions to customers operating in austere environments, many of which are in conflict or post-conflict situations. The nature of many of these countries is such that they have been seriously impacted by years of insecurity and poverty, and generally they have poorly defined regulations and codes in relation to environmental protection.

In spite of the lack of environmental regulation and protection guidelines determined by the host states, AMS is committed to meet international standards on environmental and sustainability issues, and hence has become a signatory to the UN Global Compact. We recognize the significant importance of improving awareness of environmental and sustainability issues, and will make further concrete commitments and actions to meet clearly defined targets.

Current AMS policies and procedures in relation to the environment are focused on Quality Control and Health and Safety, where we ensure a safe working environment for our employees, sub-contractors and customers, and deliver a very high level of service. By providing very clear quality control procedures, underpinned by the principles of ISO 9001 Certification, we significantly reduce risk in our operations, and therefore reduce environmental impact through preventative processes.

##### 4.1.1. GOALS

We recognize that realizing positive environmental impacts must not simply be a by-product of existing procedures, but has to become a priority policy driving sustainable changes in the organization, and the environments within which we operate. It is with this goal in mind that AMS will focus on the following initiatives:

- Provide advanced HSE Awareness Training for all employees
- Educate the local communities on environmental areas where they can make a difference
- Introduce a Reduce, Reuse and Recycle campaign across all functions of AMS
- Implement a formal AMS Environmental Policy

##### 4.2. IMPLEMENTATION

###### EMPLOYEE HEALTH AND SAFETY

AMS has made commitments in relation to the provision of the best possible living conditions for our employees under the circumstances that they work in, in the Policy on Identification Documents, Adequate Employee Living Conditions and Human Trafficking. This policy covers the provision of a living environment including good sanitation to ensure the hygiene and health of our employees are protected, adherence to Health and Safety regulations in relation to accommodation, canteen and life support areas, and effective waste management in line with local regulations and World Bank Standards. Whilst AMS exceeds the minimum criteria for the provision of these basic environmental conditions we will continuously strive to improve these to secure the well-being of our employees.

###### HAZMAT AND ENVIRONMENTAL CONTROL PLAN

Whilst AMS will try as much as possible to limit the use of hazardous materials in our operations, and to choose non-hazardous and non-polluting alternatives wherever possible, we also acknowledge that it is not possible to completely avoid using hazardous materials when performing automotive repairs and services.

AMS has a comprehensive HAZMAT Policy and Procedure in place to cover all aspects of hazardous goods handling in our operations. Training our employees to identify and handle HAZMAT as part of their job is a mandatory part of the induction process, and there are ongoing annual refresher trainings as part of the HSE

training program. The use of Material Safety Data Sheets (MSDS) are mandatory, and all hazardous substances are properly labelled with colour coded MSDS labels, and segregated from other products in isolated protected lockable areas. All HAZMAT is stored in approved drums and containers, free from rust and bulging, and protected from severe heat and / or cold. HAZMAT storage areas are well-ventilated and have concrete floors to reduce the risk of spills and potential seepage into the ground.

Whilst these preventative procedures are in place, occasional spills are possible, and AMS has an effective spill response process in place should that occur. Contaminated hazardous waste resulting from spills will be contained and as a minimum are disposed of in accordance with local regulations.

The initiative to protect our environment is the responsibility of each and every staff member. The management of programs and policies in support hereof is however, the responsibility of the Compliance Department and is endorsed by Executive Management and the Chief Executive Officer.

#### 4.3. MEASUREMENT OF OUTCOMES

AMS uses a rigorous Quality Control Plan and Compliance Assurance Program to monitor and maintain standards and performance in environmental safety and protection and the reporting year can be closed with no outstanding corrective actions.

##### THE QUALITY CONTROL PLAN

The Quality Control Plan is built around the inclusive participation of our workforce, and uses the principles of ISO 9001, to implement processes and procedures to measure and hold people to account through a process of continuous improvement and prevention.

In order to manage this effectively, AMS has developed an application called Tools and Assets Management System (TAMS), that helps track and report areas of non-conformity, corrective action steps, and responsibility. TAMS has modules covering facilities, health and safety, first aid and asset management, and includes incident reporting functionality. The AMS incident reporting procedure has recently been improved and expanded to cover all incidents across the organization from minor vehicle accidents to serious environmental or security situations. The new procedure includes a rigorous decision making escalation process, and investigation follow up to ensure corrective measures are identified and implemented.

##### COMPLIANCE ASSURANCE PROGRAM

The Compliance Assurance Program supports the Quality Control Plan, and is controlled by a team of internal Compliance Managers. This structured program ensures that AMS maintains effective compliance to our contractual obligations, including health and safety and environmental commitments, as well as compliance to local and international standards. Compliance audits are carried out according to a structured calendar across all of the operations, where non-conformities are highlighted and reported to Program Managers and Vice President of Operations for their corrective actions. The AMS CEO has full visibility of all audit findings, and will hold the operation to account to meet corrective actions on time.

## 5. ANTI-CORRUPTION PRINCIPLE

*Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery*

### 5.1. CORPORATE POLICY AND GOALS

AMS has expressly established and implemented a Code of Ethics and Business Conduct, an Anti-Corruption and Bribery Policy along with a Whistle-blower Policy. These policies form an integral part of who AMS and our employees are and in all what we do. They are distributed amongst all our stakeholders, including shareholders, personnel and third-parties via our internal Document Control Management System (DCMS) and as well as training programs.

#### 5.1.1. RISK ASSESSMENT

AMS will utilize International Transparency' Corruption Perceptions Index, and / or any other toll as such, to assess, quantify and compare corruption risks and anti-corruption responsibilities for our global operations. The Corruption Perceptions Index ranks countries and territories based on how corrupt their public sector is perceived to be. A country or territory's score indicates the perceived level of public sector corruption on a scale of 0 – 100, where 0 means that a country is perceived as highly corrupt and 100 means it is perceived as clean from corruption. The table below outlines the countries of operation and their associated global rank and index score:

Country of Operation	Global Rank Rating	Corruption Score
Afghanistan	175	8
Somalia	175	8
Uganda	140	26
Liberia	83	38
United Arab Emirates	26	69
United States	19	73
United Kingdom	14	76
Australia	9	81

The aforementioned Corruption Perception Index highlights that the majority of our operations and human capital are based in countries associated with high to extreme corruption related risks. This demonstrates the importance of a corporate commitment to advocate anti-corruption behaviour in an environment which does not encourage it.

#### 5.1.2. GOALS

AMS aims to continue with the execution of the following initiatives to ensure our progress on the enactment of Anti-Corruption Principles:

- Continuously support and operate in accordance with the Foreign Corrupt Practice Act
- Amend our contracts with business partners and suppliers by requesting that they adhere to the Ten Principles of the United Nations Global Compact which includes the abolition of Anti-Corruption
- Ongoing Anti-Corruption campaign across all functions in AMS
- Introducing even more rigid, unbiased, objective and formal recruitment, supplier selection and purchasing processes throughout the AMS operations

### 5.2. IMPLEMENTATION

#### CODE OF ETHICS

The Code of Ethics and Business Conduct introduced and implemented by AMS in October 2010 has been implemented initially by making it available to all personnel through our DCMS and followed up by a poster campaign which was launched throughout our operations. Further to this all employees, upon joining the company, undergo an induction course and are provided with an employee handbook, which both clearly and openly address our Code of Ethics and Business Conduct as well as the Anti-Corruption and Bribery Policy.

### UNGC COMMITMENT

AMS uses a formal training program on the Ten Principles of the United Nations Global Compact, which has been rolled out to all existing employees and is continuously provided to all new staff members.

### ANNUAL REVIEW OF ANTI-CORRUPTION AND BRIBERY POLICY

The internal AMS Compliance Department reviews the Anti-Corruption and Bribery policy on an annual basis prior to the anniversary of the policy. This policy is measured against and adapted to industry best practice. Coinciding with this is the introduction of the Anti-Corruption awareness program which uses as its base the UN program and literature. All employees undertake this awareness program on starting with the Company and regular reminders are sent to all worksites, which includes a poster/leaflet campaign that is displayed at all working environments in visible locations where staff will congregate i.e. dining facilities, etc.

The initiative to promote activities against corruption within corporate guidelines is the responsibility of each and every staff member. The management of programs and policies in support hereof is however, the responsibility of the Head Office Compliance Department and is endorsed by the Executive Management and Chief Executive Officer.

### 5.3. MEASUREMENT OF OUTCOMES

All payment approvals for any and all payments to government organizations, suppliers and or business partners are centralized through our Finance Department in Dubai and as such provide a strong control mechanism to ensure that corruption does not occur throughout our operations across the world.

AMS has not received any reports or requests claiming money or any other form of compensation from any source for the period covered in this Communication on Progress. Thusly the reporting year can be closed with no outstanding corrective actions.