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**UNITED NATIONS GLOBAL  
COMPACT**

**AEGIS COMMUNICATION ON  
PROGRESS**

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## 1 CEO STATEMENT OF CONTINUED SUPPORT

I was pleased in 2014 to re-pledge the support of Aegis Defence Services Limited (“Aegis”) for and participation in the United National Global compact, and to provide our action plan to continue to deliver our commitment to advancing internationally recognised Human Rights, Labour, the Environment and Anti-Corruption principles. Our commitment to these principles is a fundamental element of our long-standing work to establish and develop high standards across the private security industry.

The company continues to go from strength to strength particularly with respect to standards and professionalism in a high-risk industry, building on the leading role we have played over the past decade to create and implement a regulatory framework for the global security sector that has human rights at its heart. Our successes are set out below.

We are determined to continue to improve our performance in all areas and our support and commitment to the Compact is unwavering.



Graham Binns  
CEO, Aegis Defence Services Limited

## 2 GENERAL

Aegis is a London based, privately owned British company that provides integrated, land-based and offshore security, risk management and consultancy services globally in complex and potentially high-risk environments. The company has overseas offices in Afghanistan, Dubai, Mozambique, Somalia, Iraq and the USA. We have substantial experience and a world-wide client base, including governments, international agencies and the international corporate sector. We are a major security provider to the US and UK governments, a registered UN contractor and security advisor to the Lloyds Joint War Risk Committee.

We offer comprehensive advice and services on every aspect of security – from corporate operations, commercial risk and foreign investment to counter-terrorism, close protection and support to governments. We run a world-wide network of offices, contacts, and associates and our clients further benefit from the extensive capabilities of our personnel, built up through careers in the military, diplomatic and intelligence services, as well as in the police, journalism, the UN, finance and commerce. This breadth of knowledge, combined with our global reach and wide practical experience, allows us to provide the highest quality specialist security advice as well as risk management solutions that take meticulous account of the specific requirements of each client.

Our vision is to deliver excellence to our clients worldwide, through outstanding service, total integrity and precision of compliance.

## 3 ACCOUNTABILITY, ETHICS AND VALUES

Aegis believes that the private security sector can only benefit from a continuously improving, properly regulated system of accountability and ethics. As we face changing missions, new responsibilities and increasingly complex and dangerous environments, we recognise that the need for transparency and oversight is greater than ever.

Aegis remains committed to setting and adhering to the highest ethical standards, as reflected in our Code of Conduct, Code of Business Conduct (together the “Aegis Code”) and Human Rights and Professional Standards policy (see <http://www.aegisworld.com/compliance/>). All employees, advisors and sub-contractors sign up to an internal code of ethics that insists on integrity in all areas of commercial and personal behaviour. These are all set out in the Aegis Code.

In 2013 Aegis became a founding member of the International Code of Conduct Association (ICoC(A)) and in April 2015 Aegis was one of the first companies to be approved by the ICoC(A) as a transitional member under the Association’s enhanced membership and certification processes. This formalises in an international forum our commitment to conform to the International Code of Conduct for Private Security Service Providers, the Voluntary Principles on Human Rights, UN Guiding Principles on Business and Human Rights and applicable international humanitarian law, human rights and customary laws and agreements.

The following core values and standards underpin Aegis practice and guide everything that we do, from the strategic decision making to tactical level detail:

- Integrity - Integrity is an essential ingredient of trust and a core requirement of management. We promote a culture of honesty, openness and transparency, and an ethical and working environment based on trust and confidence.
- Respect - Even in the most difficult of circumstances we will treat each other with dignity and decency.
- Professionalism - We undertake to set the gold standard of delivery by adopting an energetic, vibrant and 'can do' approach and ensure that everyone understands their roles and responsibilities in order to attain the highest of standards.
- Accountability - We aim to create an environment where individuals take full responsibility for their own actions and behaviour and ensure all employees have confidence that the Company is promoting a no blame culture. In 2014/15 we took action to further strengthen personal accountability for our quality management system through clearer allocation of responsibilities.

## 4 OUR COMMITMENT

The United Nations Global Compact's principles are reflected in our Company policies, standards and guidance which all flow from the Aegis Code. Our Code, our Human Rights and Professional Standards policy, and our Whistleblowing policy, can be found on our Company's intranet and our external website. Since our last communication on progress we have redeveloped our website to improve transparency around our compliance approach and make it easier for third parties to access our complaints procedure. Communications continue to be carried out regularly with all personnel – from those in our Head Office to locally engaged personnel - to ensure they are familiar with these documents and that a culture of continuous improvement is embedded in the organisation.

Below we provide evidence from our relevant policies on how we apply the UNGC's principles in our work; on how these have been mainstreamed into corporate functions and business units; and on the sustainability efforts and performance of the company in the last 12 months including implementation of our action plan in our 2014 communication on progress.

### 4.1 Human Rights

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

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

#### ***Assessment, Policy and Goals***

Our commitment to the UNGC's principles on human rights is expressed in the Aegis Code, which states that:

- Aegis will only engage in legitimate security work which adheres to the principles of International Law, including International Humanitarian and Human Rights Law.
- Aegis does not condone, nor will it ever become involved in, the violation of human rights as embodied within the Universal Declaration of Human Rights and the European Convention of Human Rights.

- Aegis personnel respect the culture, religion and ethnic customs, human dignity and human rights of the communities and countries in which they work. They will to the best of their ability and wherever possible, rigorously oppose violation of these rights.

We have a specific policy dealing with Human Rights and Professional Standards which outlines the commitment to the UN Guiding Principles on Business and Human Rights, including guidance on human rights impact and risk assessments. Furthermore, although unable to participate formally in the extractives' industry Voluntary Principles on Security and Human Rights (VPs) due to our status as consultants, Aegis incorporates the ethos of the VPs into our day-to-day business conduct via our the Aegis Code and our regular assessments, at both the strategic and operational level, of Human Rights risks and our potential impacts.

Aegis has robust policies requiring our sub-contractors to adhere to these principles. We have a supplier selection policy through which we determine whether potential suppliers meet the same standards and code of ethics and conduct on human rights. Only suppliers that can demonstrate evidence are included on our supplier list. Our due diligence approach includes where appropriate (dependent upon the area of operations and the work to be undertaken) assessing what training is provided by sub-contractors to their personnel, especially around human rights and anti-bribery and corruption.

### Systems and Monitoring

- Statement of Ethics: In order to maintain the highest ethical standards, Aegis has a Statement of Ethics which is signed by all personnel; every person's signed statement is kept on record.
- Whistleblowing: The Company encourages all workers to take responsibility for raising any concerns that they might have about any unethical malpractice or human rights abuses within the workplace. As such Aegis has a designated Whistleblowing Policy in order for any individual to report concerns about potentially dangerous, illegal or unethical workplace practices. The policy and procedures allow anonymity if it is requested. Any cases of whistleblowing are monitored by the Legal Department to ensure properly handled and lessons learnt.
- Training for operatives: To ensure that the ethos that we work to is properly understood by all deployed personnel, training is given which covers Geneva Convention, Hague Convention and International Humanitarian Law; Local Law; Human Rights Law (including anti trafficking in persons); Public International Law; the Montreux Document and UN Global Compact and, where relevant, Sharia Law. In addition, every member of staff receives mandatory training and will soon participate in workshops on human rights including the UN Guiding Principles on Business and Human Rights. Personnel attendance on training courses is recorded and monitored and the requirement for continuation training is reviewed as part of regular performance reviews.
- Policy Implementation: Human Rights Impact Assessments are carried out six-monthly at the strategic level to review and ensure that all our policies, systems and procedures comply with the requirements of salient human rights. Human Rights Impact Assessments are also carried out at the bid level, when entering into new markets or contracting with particular clients, to determine whether we are comfortable working in such regions or with such clients, and at the country and project level to identify any potential increased risk of negatively impacting human rights through our activities.
- Policy Implementation: Our Quality Management Review Board meets monthly to drive continuous improvement across the company, monitor Company performance against the Quality Management

System including through relevant data, trend analysis and audit recommendations, and ensure that lessons/improvements are incorporated into company policy, procedure and practices.

### Measureable Achievements since last COP

In the last 12 months Aegis has achieved measurable improvements in our processes, systems and culture, including the achievement of plans set out in our 2014 Communication on Progress. Company examples are:

- As envisaged in our 2014 Communication on Progress we have achieved Group certification to the ground-breaking standard (PSC-1) that has human rights risk management at its heart<sup>1</sup>. We are one of only two private security companies to achieve such certification across all operations globally.
- We have continued to be part of the British Standards Institution group driving forward the development of PSC-1 into a full ISO standard; this standard has been finalised in record time as ISO18788 and is due to be formally published by the International Standards Institute in summer 2015. The human rights aspects of PSC-1 have been strengthened and clarified during this process of conversion to a full ISO.
- We have continued to provide input and support to help build the ICoC(A) into an effective, high-profile organisation focussed on monitoring the health of the Private Security Sector globally. We contributed directly to the development of the ICoC(A)'s full membership requirements and its role in 'certification' of private security companies.
- We have developed a human rights training workshop, specific to Aegis, to reflect the latest thinking on Human Rights including the UN Guiding Principles Reporting Framework and to assist our employees from transitioning their theoretical knowledge of human rights issues into a greater understanding of how these issues affect us and what impacts we can have in practice. This workshop was tested by the Management Board and is now being rolled out across London Head Office. We intend to eventually tailor this for overseas-based personnel.
- We have embedded regular Human Rights Impact Assessments at Country and project level as well as at the strategic level in Head Office. At the country and project level these assessments are to be carried out annually or when circumstances materially change and in Head Office on a six-monthly basis.
- More generally we have improved reporting arrangements on human rights issues from in-country projects including through the participation of our Iraq Country Manager in our Quality Management Review Board and strengthening the role of this post in conducting internal quality audits.
- We have reviewed the implementation of our human rights policies through internal quality audits in country and at Head Office.

### Plans for 2015/16

We will:

- Apply the new ISO 18788 to all our operations and - once it is published and our auditors have been accredited to audit against it - apply for certification to this new standard to reinforce independent testing of our human rights, risk management and continuous improvement policies and procedures.

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<sup>1</sup> Which includes measuring compliance with the UN Guiding Principles on business and human rights.

- Carry out our next annual review of our policies and procedures in Autumn 2015 to ensure lessons are learnt and continuous improvement opportunities exploited. We will feed the results into our annual review of our Quality Management System.
- Continue to enhance our training provision in respect of human rights and situational awareness.
- Develop a question set on Human Rights, include this in all internal quality audits, and review the results of the internal audits at the Quality Management Review Board.
- Continue to work with the ICoC(A) to develop its complaints and international monitoring functions as part of its development into an effective, high-profile, organisation focussed on monitoring the health of the Private Security Sector globally.

## 4.2 Labour

**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; and**

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

### Assessment, Policy and Goals

Aegis has clear policies on all these issues as part of ensuring the highest standards of welfare are provided for personnel whether in-house staff or contractors. Aegis prides itself on being a respected employer of choice and achieves this by providing competitive remuneration, the best available equipment taking account of the operating and other risks, safe and secure accommodation and life support relevant to the operating environment.

Aegis fulfils its responsibility for promoting equal opportunities and combating discrimination, seeking to ensure the full integration of each employee in his or her working environment regardless of ethnic or social origin, race, gender, religion, nationality, sexual orientation or other distinguishing characteristics. Our commitment to the UNGC's principles on Labour is expressed in the Aegis Code which states:

### Working Standards

- Good working standards are crucial in the development of Aegis and the potential of its personnel. Maintenance of appropriate remuneration levels reduces the risks of staff turnover and through continuity of quality ensures a high level of efficiency.
- Aegis is committed to ensuring the best working conditions that the area of operation will permit.
- In accordance with this principle, the level of remuneration is designed to ensure that quality work is appropriately remunerated and encourages loyalty and continuity.
- There are many different occupational hazards associated with the nature of the work engaged in by Aegis. Appropriate medical support including psychological assessment is provided to ensure the maximum possible attention in the event of serious incidents and subsequent injuries to personnel.



- In line with these procedures Aegis follows best practice by ensuring suitable insurance is always in place to cover medical issues, assets and business risk.

#### Equal Opportunities

- Aegis recognises its responsibility for promoting equal opportunities and combating discrimination.
- It seeks to ensure the full integration of all personnel in his or her working environment, regardless of his or her ethnic or social origin, colour, gender, religion, nationality, sexual orientation or other distinguishing characteristics.
- It seeks to ensure that its clients also recognise respect for these values in the working conditions made available to all personnel.

#### **Systems and Monitoring**

Aegis has implemented practices that prevent People Trafficking activities; such practices include performing our own recruitment and where this is not possible, undertaking due diligence on the recruitment companies we use. This ensures that any person recruited is not being coerced, tricked, blackmailed or otherwise pressurised into accepting employment or conditions that would fail under the definitions of People Trafficking or Forced Labour. All personnel receive training to ensure awareness of the issue and a clear understanding of the applicable regulations. In addition, we have minimum age standards for our personnel which ensure that there can be no question of exploiting child labour: for example Aegis exceeds the ILO standards prohibiting hazardous work for all under 21s: our minimum age for personnel carrying arms or otherwise engaged in potentially hazardous work is 23.

One of Aegis's four core values is Respect. At Aegis all personnel are committed to treating each other with dignity and respect regardless of background or level and understand that each employee has a valuable contribution to make to the overall success of the company. These values are embedded into the culture of the Company alongside our other core values – Integrity, Professionalism and Accountability.

Aegis has a Grievance Policy which clearly outlines the procedure that personnel can take to ensure they can resolve any complaints or grievances relating to their employment. Instances of grievances are monitored by the legal department and at the highest level by the independently-chaired Quality Management Review Board.

Aegis is committed to identifying training and development needs of employees as well as monitoring and reviewing training and development at individual and organisational levels. All employees have the opportunity to discuss and agree with their line manager any gaps in skills and/or performance against objectives. Monitoring that these discussions have taken place is part of the Company's performance pay regime.

#### **Measureable Achievements since last COP**

We have delivered on our plans in our 2014 Communication on Progress and have implemented other improvements as part of our development of the company's Quality Management System. Company examples are:

- Measures that allow representative groups of workers to have their say have been reviewed, including taking account of lessons from recent operational incidents, and 'Town Hall' meetings have been formalised at the country and project level.

- The independently-chaired Quality Management Review Board receives regular (monthly) reports on grievances/complaints and monitors that lessons have been learnt and applied generally across the organisation's activities in order to ensure a culturally respectful environment.
- Employment practices have been reviewed during the company's strategic HRIA review and project level HRIAs.
- A Health and Safety at Work Operational Directive has been developed and issued mandating the minimum H&S standards expected of all projects. Reports of compliance/non-compliance are being received and corrective action is monitored in the Quality Management Review Board.

### Plans for 2015/16

- Aegis project level training on H&S and Human Rights will be offered to clients to develop a common understanding of working standards and equal opportunities.
- The results of a review of the Company's sub-contractor procurement processes will be implemented including strengthening due diligence processes around human rights, labour and employment issues.
- Our annual review of policies will be used to ensure that our policies on employment as set out above are fully transparent and reflect our commitment to human rights.

## 4.3 Environment

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

**Principle 8: undertake initiatives to promote greater environmental responsibility; and**

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

### Assessment, Policy and Goals

Within the scope of our business activities, Aegis aims to promote respect for the environment both on a local and global level. Aegis appreciates the necessity of a sustainable environment in continuing sustainable business activities. Our commitment to the UNGC's principles on the Environment is expressed in our Environmental Policy which states as follows:

Environmental Policy: It is Aegis policy to conduct its business throughout the world in a manner that protects and sustains the environment. To this end, the company is committed to the following:

- Incorporating environmental considerations into business decisions, including planning and design activities.
- Assessing environmental impacts of products, processes, and operations.
- Encouraging employees to adopt good housekeeping measures to save energy, use public transport and non-paper based communications where possible, and recycle paper and other office waste responsibly.

- Assure compliance with both the spirit and intent of local and national laws and regulations. In countries where laws and regulations do not exist or are inadequate, appropriate standards will be developed.
- Reporting environmental results to all stakeholders.
- Striving to make a positive environmental contribution to the communities where we operate.”

### **Systems and Monitoring**

As part of Aegis STRIKE © HSSE both 14001 and 18001 management systems are fully integrated across the company within Aegis’ Quality Management System.

Aegis Project Managers are fully trained in environmental impact assessment and environmental impact mitigation. Environmental emergency contingencies are fully planned and rehearsed with both staff and sub-contractors.

Aegis is committed not only to environmental sustainability but also to better social welfare and is very proud of the efforts of its own registered charities, The Aegis Foundation aims to bring immediate relief to communities in post-conflict environments through low-cost, high impact, grass roots community projects such as water purification projects in Iraq (we attach an information sheet detailing some projects undertaken by the Aegis Foundation).

Aegis adopts a prudent use of natural resources where possible and has adopted procedures to waste and energy reduction such as system defaults to double-sided printing, the use of paper from sustainable forests and lighting systems that switch off office lighting at the end of the working day.

With regards to travel, Aegis promotes the ‘cycle scheme’ which allows staff to purchase a bicycle ‘tax free’ to use for commuting purposes.

### **Measureable Achievements since last COP**

The plans set out in our 2014 Communication on Progress have been taken forward including the following company examples:

- We have been re-certified to the environmental ISO standard ISO14001.
- The environmental aspects of our Head Office move formed an important part of our cost-benefit analysis of the office accommodation options, and during the move energy efficiency measures have been implemented such as:
  - Improvements in telephone and video-conferencing to reduce our carbon footprint.
  - Reduction in printing through greater use of laptops in meetings eg paper packs are no longer printed for the Quality Management Review Board and instead members consider the paperwork on laptop.
  - Reduction in electricity through motion sensor lights.
- Aegis Advisory has now been awarded the sought after silver rating by the Dutch Corporate Social Responsibility accreditation organisation FIRA.

**Plans for 2015/16**

- Our Green Champion has undergone training on the UK government's Energy Saving Opportunity Scheme (ESOS) to allow the company to conduct an ESOS audit by December 2015 - findings will be reviewed to implement energy saving measures as appropriate.
- We are working with our new landlords to see if we can improve their waste management / recycling practices.

## 4.4 Anti-corruption

**Principle 10: Business should work against corruption in all its forms, including extortion and bribery.****Assessment, Policy and Goals**

Aegis is committed to the very highest of ethical standards in relation to business integrity. We have a Code of Business Conduct that extensively and comprehensively demonstrates that we have a zero tolerance approach to corruption, including extortion and bribery.

Our commitment to the UNGC's principles against corruption is expressed in our Code of Business Conduct in which it states:

"Aegis operates a value added outsourced service in high risk environments, often in the undeveloped world. We wish to be the "best of breed" and as such it is essential that we set ourselves the very highest standard of ethics, conduct and procedures. Aegis – its employees, advisors, contractors and suppliers – must behave, at one and the same time, ethically and with integrity, whilst remaining a commercial organisation. All Aegis employees, contractors, or suppliers are, in one form or another, open to audit for compliance with this Code. The spirit of this code applies not only to all employees of Aegis but also to any advisor, contractor, supplier or agent engaged by Aegis. This Code is not a contract and no contract is implied. If any part of this Code conflicts with applicable law, the law will prevail."

Detailed within our Code of Business Conduct is policies relating to our "Ethical Business Practices" including anti-trust/anti-competitive behaviour and independent pricing, anti-boycott, international business, conflicts of interest and potential conflicts, all personnel, potential suppliers, current suppliers and subcontractors are required to certify that they have not and will not engage in bribery and corruption.

**Systems and Monitoring**

Training is given to all staff regarding the Aegis Code to ensure that all employees are cognisant of all relevant policies. This is also emphasised in our Core Values induction training. Aegis's consultancy business, Aegis Advisory, advises clients on complex anti-corruption issues including money-laundering and bribery legislation. Many of our analysts are informed about specific conditions in individual markets and we pride ourselves on having developed in-house expertise relating to the regulations of anti-bribery practice around the world.

Monitoring is carried out through regular internal audit reviews of financial systems; cash-box and cash-flow checks in operational areas; and monitoring trends and statistics at the Quality Management Review Board.

**Measureable Achievements since last COP**

The company has continued to pay significant attention to this important aspect of our Code of Business Conduct and has delivered on its plans for 2014/15. Company examples are:

- Data collection by the Quality Management Review Board has resulted in a further tightening up of financial procedures including the extensive implementation of no-notice cash-book audits.
- A further round of mandatory training was carried out in 2015 and will be carried out annually; 100% of personnel are required to be trained.
- The internal Ethical Working Group continues to monitor any risks and gaps in our processes and procedures.
- QMRB has received monthly reports on gifts and hospitality and messages have been cascaded via the Management Board on the importance of transparency. At the end of 2014 procedures were further developed to include additional registration and reporting requirements: all offers of hospitality and gifts received from a third party must now be recorded and reported, irrespective of whether they are accepted and regardless of value. If they are accepted, a note of who authorised the acceptance is to be included as part of the registration.

**Plans for 2015-16**

- Revised cash management Standard Operating Procedures and payroll procedures will be introduced.
- Steps will be taken to remove the use of cash where possible thereby eliminating potential risks.
- Revised cashbook procedures will be introduced including additional financial audits.

## 5 SUMMARY

Aegis has pledged its commitment to conform with and promote the Global Compact and its principles. Each principle, as demonstrated, has been integrated within Aegis' Quality Management System, policies, culture and day-to-day processes including monitoring and continuous improvement.

Aegis has continued to play a leading role in the introduction of arrangements internationally to drive up standards in the private security industry including in relation to human rights, labour and anti-corruption. Through this broader action and advocacy in support of UN goals and issues Aegis meets some of the requirements of Global Compact Advanced.

Aegis has continued to test its own policies and procedures against those set out in PSC-1, a standard that builds on the International Code of Conduct and challenges private security companies to achieve high standards against operational delivery and in particular to assess human rights, labour, anti-corruption, environmental and other ethical policies and procedures. The requirements of PSC-1 are unique in that the independent auditors not only assess policies and protocols at a company's head office but also in the teams on the ground which support clients. Aegis is therefore very proud to be one of the first private security companies to be certified to this new, ground-breaking industry standard across the whole of the Aegis Group.

For the future, Aegis will ensure that it meets its assurance to the Global Compact by continuing to publish an annual Communication on Progress, setting out the progress that we are making in implementing the ten principles into our overall functions and performance.

12<sup>th</sup> August 2015