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COMMUNICATION ON PROGRESS

Prepared for the United Nations Global Compact

9 December 2015 – 8 December 2016



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Communication on Progress

9 December 2015

To our Stakeholders,

I am pleased to confirm that Sovereign Global Solutions (SG SOL) affirms its support of the Ten Principles of the United Nations Global Compact (UNGC) in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this our first annual Communication on Progress, we describe our existing policies and our actions to begin to improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations, which includes seeking adherence from our business partners and suppliers.

We are in the SME bracket (small and medium-sized enterprises) but keen to 'do our bit' to help the UNGC work towards the vision of a sustainable and inclusive global economy and help companies meet their commitment to corporate sustainability.

We commit to share this information with our stakeholders through our website and the Global Compact. We are committed to analysis and continuous improvement of our performance and look forward to any feedback on this report.

Yours sincerely,

Jérôme Paolini
Chairman

Bruno Pardigon
Chairman

Sovereign Global Solutions Ltd.

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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

Our support of the Universal Declaration of Human Rights (UDHR) and observer status of the International Code of Conduct for Private Security Providers' Association (ICoCA) demonstrates our commitment to Human Rights and these first 2 principles. The latter endorses the principles of the Montreux Document (*Montreux Document On Pertinent International Legal Obligations and Good Practices for States Related to Operations of Private Military and Security Companies During Armed Conflict*) and the "Respect, Protect, Remedy" framework it adopts.

Policy & Assessment

Our Code of Conduct explains how we will conform at all times to the rule of law and acknowledges our corporate responsibility to respect human rights, as well as seeking to ensure our business partners and suppliers do the same. Part of this process is achieved by conducting an assessment of Human Rights related risks and impact in our business sector and countries of operation.

We require our personnel to treat all persons humanely and with respect for their dignity and privacy and will report any breach of compliance. We will not engage in torture or other cruel, inhuman or degrading treatment or punishment. Contractual obligations, superior orders or exceptional circumstances such as an armed conflict or an imminent armed conflict, a threat to national or international security, internal political instability, or any other public emergency, can never be a justification for engaging in torture or other cruel, inhuman or degrading treatment or punishment.

We require our personnel to report any acts of torture or other cruel, inhuman or degrading treatment or punishment, known to them, or of which they have reasonable suspicion. Such reports will be made to the senior management of SG SOL who will coordinate with the client and / or more of the following: the competent authorities in the country where the acts took place, the country of nationality of the victim, or the country of nationality of the perpetrator.

In addition to inhumane treatment of individuals, we pay particular attention to acts which are considered particularly heinous and at no point will they ever be sanctioned by us, including but not limited to:

- Sexual exploitation and abuse or gender-based violence. SG SOL will not benefit from, nor allow their personnel to engage in or benefit from, sexual exploitation (including, for these purposes, prostitution) and abuse or gender-based violence or crimes, either within the Group or externally, including rape, sexual harassment, or any other form of sexual abuse or violence. SG SOL requires its personnel to remain vigilant for all instances of sexual or gender-based violence and, where discovered, report such instances to competent authorities.

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- Human trafficking. SG SOL will not to engage in trafficking in persons and requires its personnel to remain vigilant for all instances of trafficking in persons or illegal trafficking of human organs and, where discovered, report such instances to competent authorities. This includes, but is not limited to:
 - A commercial sex act induced by force, fraud, or coercion, or in which the person induced to perform such an act has not attained 18 years of age.
 - Labour or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, debt bondage, or slavery.
 - Illegal trafficking of human organs.

We require our personnel to report any instances of the activities referenced above that they know of, or have reasonable suspicion of, to competent authorities. We will record and report any credible allegations of human rights abuses discovered in our areas of business to appropriate host government authorities, or other authorities as appropriate. Where appropriate we will urge investigation and that action be taken to prevent any recurrence, and actively monitor the status of investigations and press for their proper resolution.

We will, to the extent reasonable, monitor the use of equipment provided by the Company and investigate properly situations in which such equipment is used in an inappropriate manner. Every effort will be made to ensure that information used as the basis for allegations of human rights abuses is credible and based on reliable evidence. The security and safety of sources will be protected. Additional or more accurate information that may alter previous allegations will be made available as appropriate to concerned parties.

The Group Directors have overall responsibility for the protection of Human Rights within SG SOL, advised by the Human Resources Director, but all personnel have a responsibility to report any abuse or violation up to senior management.

Goals for 2016

- Advertising a staff 'online' suggestion box for raising any Human Rights issues
- Conduct awareness raising of Human Rights for employees
- Consultation with stakeholders and affected parties
- Support relevant community projects based on identified risks and impacts, and local need
- Ensure that our business partners and suppliers are aware of our expectations and standards regarding Human Rights.

Measurement of outcomes

We intend to monitor and evaluate our performance by:

- Recording specific progress made in the area of Human Rights in the past reporting period
- Recording any Human Rights violations and explaining how we dealt with them
- Recording any Human Rights related investigations, legal cases, rulings, fines and other relevant events

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- Conducting periodic reviews of results by senior management

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

Policy & Assessment

Within our comprehensive Human Resources, Compliance and Health & Safety frameworks based on National and ILO Core Conventions, daily consultation with our employees is an important part of our business. We encourage our employees to feedback their thoughts (good and bad) and engage in dialogue with their supervisors and managers in order to improve the company's performance. This includes collective bargaining, or open negotiation between management and employees to reach agreements on topics such as working conditions, wage scales, working hours, training, health and safety, overtime, grievance mechanisms, and rights to participate in workplace or company affairs.

At the heart of our ISO 9001 processes we include assessments of labour-related risks in our business areas and countries of operations.

It is our policy that neither us nor our partners or suppliers will use slavery, forced or compulsory labour, or be complicit in any other entity's use of such labour. We will respect the rights of children to be protected from the worst forms of child labour, including:

- All forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in provision of armed services.
- The use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances.
- The use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs.
- Work, which by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.

We will undertake all necessary steps to provide a safe and secure workplace for all personnel. All Group workplaces must operate without any threat of violence, harassment or illegal discrimination and operate in a respectful and responsible way, in line with all policies and procedures in place at the location and at a Group level.

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Discrimination, or behaviour or comments that may be understood to be based in discrimination, will not be tolerated from or to personnel of the Group. All personnel are to be treated equally irrespective of race, ethnicity, religion, colour, national origin, gender, sex, sexual orientation, gender identity, age, veteran status, marital status, ancestry, genetic information or disability, or any status protected by national or international law.

Harassment will not be tolerated from or to personnel of the Group. Harassment includes, but is not limited to, racist, sexist, ethnic, or other inappropriate comments, jokes, gestures, or any action or statement that demeans individuals or creates a hostile, intimidating, or offensive work environment.

The Group Directors have overall responsibility for the protection of Labour Rights within SG SOL, advised by the Human Resources Director, but all personnel have a responsibility to report any abuse or violation up to senior management.

Goals for 2016

- Advertising a staff 'online' suggestion box for raising any Labour issues
- Conduct awareness raising of Labour Rights for employees
- Maintain and advertise a compliant and effective Health & Safety management system
- Consultation with employees and other stakeholders
- Support relevant community projects based on identified risks and impacts, and local need
- Ensure that our business partners and suppliers are aware of our expectations and standards regarding Labour Rights.

Measurement of outcomes

We intend to monitor and evaluate our performance by:

- Study of the demographics of management and employees by diversity factors (e.g. gender, ethnicity, age, etc.)
- Recording specific progress made in this area in the past reporting period
- Recording any Labour violations and explaining how we dealt with them
- Recording any Labour related investigations, legal cases, rulings, fines and other relevant events
- Conducting periodic reviews of results by senior management

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Environmental

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

Policy & Assessment

All our decision-making processes should consider the potential impact on the environment. We do this by conducting an Environment Risk Assessment for every project.

For a good few years Environmental Responsibility has been a key part of National and Commercial Institutional Policy. Presently the United Nations Climate Change Conference is underway in Paris and we, like any socially responsible SME, is trying to promote greater environmental responsibility throughout our business.

With most of our business consisting of service supply, opportunities to develop and diffuse environmentally friendly technologies is limited, but as the owner of several ocean-going vessels, there are improvements we can make.

The implementation of our new Shipboard Oil Pollution Emergency Plan (SOPEP) written in accordance with the requirements of regulation 37 of Annex I of the International Convention for the Prevention of Pollution from Ships, has raised the awareness of environmental protection throughout our fleet and tightened up emergency procedures.

The Group Directors have overall responsibility for the protection of the environment within SG SOL, advised by the HSEQ Manager, but all personnel have a responsibility to report any abuse or violation up to senior management.

Goals for 2016

- Assessment of the environmental footprint and impact of our company
- Written company policy on environmental issues, including prevention and management of environmental risks and response to environmental incidents
- Initiatives and programmes to reduce waste materials (e.g. recycling on our vessels) and consumption of resources (energy, fossil fuels, water, electricity, paper, packaging, etc.)
- Advertising a staff 'online' suggestion box for raising any Environmental issues
- Conduct awareness raising of Environmental issues for employees
- Maintain and advertise a compliant and effective Environmental management system
- Consultation with employees and other stakeholders
- Ensure that our business partners and suppliers are aware of our expectations and standards regarding Environmental protection

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Measurement of outcomes

We intend to monitor and evaluate our performance by:

- Recording specific progress made in this area in the past reporting period
- Recording any environmental violations and explaining how we dealt with them
- Recording any environmental related investigations, legal cases, rulings, fines and other relevant events
- Conducting periodic reviews of results by senior management

Anti-Corruption

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

Policy & Assessment

SG SOL has a zero-tolerance policy for corruption, bribery and extortion.

The Group expects all personnel to not engage in any activity which conflicts or competes with the interests of the Group or in any way damages the Group's reputation or integrity. Personnel must not exploit their position or influence, or misuse any Group asset including confidential information, for their own personal gain or benefit or that of an unauthorised third party. This also precludes any unfair bias or favouritism during the recruitment of personnel or any other business activity. Any potential conflict of interest must be reported to senior management.

All Group, business partner and supplier activities shall be exercised in strict compliance with the laws and regulations against corruption in force in the United Kingdom and France, as well as other international legislation including the UN Convention Against Corruption, US Foreign Corrupt Practices Act 1977, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions of 1997, the Convention of the European Union of 1997, as well as their transcription in national law. Personnel must not promise, offer or give to any person or public official, directly or indirectly, anything of value for the public official them self or another person or entity, in order for that person to act or refrain from acting in the exercise of their official duties if such inducement is illegal. This includes the prohibition of facilitation or "grease" payments.

At the heart of our ISO 9001 processes we include assessments of corruption-related risks in our business areas and countries of operations.

The Group Directors have overall responsibility for anti-corruption within SG SOL, advised by the Human Resources Director, but all personnel have a responsibility to report any abuse or violation up to senior management.

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Goals for 2016

- Advertising a staff 'online' suggestion box for any such corruption or bribery issues
- Awareness raising for employees about company policies regarding anti-corruption and extortion
- Consultation with employees and other stakeholders
- Ensure that our business partners and suppliers are aware of our expectations and standards regarding anti-corruption.

Measurement of outcomes

We intend to monitor and evaluate our performance by:

- Recording specific progress made in this area in the past reporting period
- Recording any corruption or bribery violations and explaining how we dealt with them
- Recording any corruption or bribery related investigations, legal cases, rulings, fines and other relevant events
- Conducting periodic reviews of results by senior management

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