

HART SECURITY LIMITED (ID 64841) COMMUNICATION ON PROGRESS
REPORT 2016

There are three parts to this document – Hart’s first Communication on Progress Report covering 2015/16 – a letter from our CEO, a description of practical actions and measurement of outcomes.

PART 1: LETTER FROM CEO

To Whom It May Concern
United Nations
New York, NY 10017
USA

12th August 2016

Dear Sir/Madam,

I am pleased to confirm that *Hart Security Limited (Hart)* has continued to support the ten principles of the United Nations Global Compact with respect to human rights, labour, environment and anti-corruption. In this, our first Communication on Progress, we present evidence of the practical measures that Hart has taken to integrate the principles within our culture and working practices. We have also brought influence to bear upon our activities upstream and downstream with our suppliers and subcontractors respectively. We remain committed to sharing this information with our stakeholders and the general public through our marketing material and website.

Yours sincerely,



LORD RICHARD WESTBURY
Chief Executive Officer
Hart Security Limited

PART 2: DESCRIPTION OF PRACTICAL ACTIONS

HUMAN RIGHTS

1. Hart's appreciation of the importance of human rights in all its business activities is demonstrated primarily through its certification to the ANSI PSC1 (2012) and ISO18788 (2015), which are internationally recognised management standards concerned with human rights and the delivery of security services. Both standards find their roots in the International Code of Conduct for Private Security Providers (2010) and the Montreux Document (2008). As a result, the Company has a lexicon of pertinent documents which provide evidence of its commitment to the sanctity of human life and respect for human rights; these include:

- a. Hart's Human Rights Policy
- b. Hart's Business Ethics
- c. Hart's Grievance Policy
- d. Hart's Whistleblower Policy¹
- e. Hart's risk assessment process (Procedure 001) incorporates Human Rights Risks as part of its criteria
- f. Stated Goal: Promote the sanctity of human life and safety whilst respecting human rights at all times. **Targets**
 - (1) Zero severe irremediable adverse impact on human rights
 - (2) Known adverse impacts on human rights are remediated
 - (3) ICoC commitment to report reasonable suspicions of international crimes fulfilled.

2. The implementation of these policies has been achieved through the following:

- a. The establishment of an Integrated Management System (IMS) which includes: security (ISO18788), quality assurance (ISO9001), health and safety (OHSAS 18001), maritime security (ISO28007) and environment (ISO14001).
- b. Briefings and training (induction and continuation) which ensure that the entire staff are aware of: the importance of human rights, the abovementioned documentation, and, most importantly, their part in ensuring that any suspected or actual infringements are reported to the appropriate authorities.

¹ The latter two demonstrate the Company's commitment to the Remedy element of the Ruggie trilogy, whilst the former two are concerned with Protect and Respect.

- c. Audits and management reviews which are integral parts of our IMS are conducted internally every 6 months and externally by our Certification Body (MSS Global) also every 6 months.
- d. The Company conducts due diligence (Procedure 004) upon its suppliers of key resources and all subcontractors. One of the elements examined is that of their human rights record.
- e. The Company's recruitment process includes extensive background checks upon its prospective employees and contractors. This incorporates any evidence of human rights transgression and also requires successful candidates to sign a document confirming that they have not been involved with any human rights infringement issues in the past.
- f. Figure 1 illustrates that human rights have become an integral part of our operational planning process:

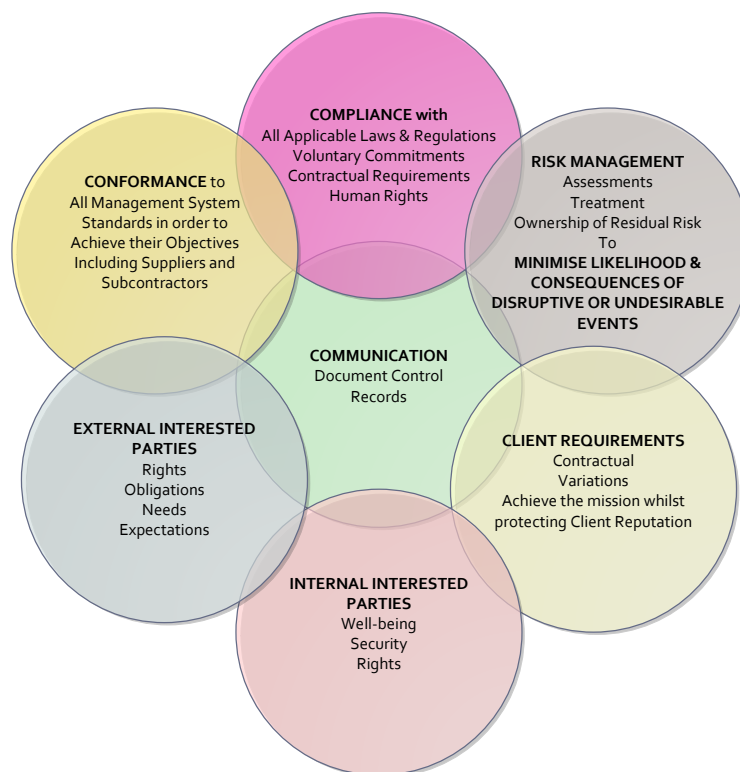


Figure 1: Hart Operational Planning Components

3. Measurement

- a. Zero severe irremediable adverse impacts on human rights has occurred this year – nor have there been any minor ones.
- b. Known adverse impacts on human rights are remediated; this has not proved necessary.
- c. ICoC commitment to report reasonable suspicions of international crimes fulfilled. No action required.

LABOUR

4. The HR Department keeps abreast of the labour laws pertaining to the countries in which Hart operate. The Department has produced and maintains currency for a lexicon of policies and procedures required for human resource management; examples of key ones are:

- a. Contractor's handbooks, relevant to the country in which the individual works. These include background and cultural briefs, ethics and a code of conduct.
- b. Employment contracts – each individual contractor or employee has their own. These provide the terms and conditions of service, in particular the employer's and employee's roles, rights and responsibilities in working for the Company.
- c. Hart's business ethics which state its position concerning human rights and as a non-discriminatory² employer.
- d. Grievance policy.
- e. Whistleblowing policy.

In addition, Hart has a comprehensive health and safety management system in place as part of its IMS. This ensures that the risks within its workplaces and its accommodation facilities are analysed and ameliorated to the extent practicable using the Company's aforementioned risk assessment process (see 1e above). Hart does not employ anyone under 20 years of age and remuneration is commensurate with the labour laws of the country in which services are provided.

5. Hart currently employs 1178 staff – 53 employees, 644 local national employees, and 481 contactors. As a service providing company, Hart recognises the value of its workforce and the importance of retaining those of the right quality. The following examples illustrate the Company's modus operandi in this respect:

- a. Hart's salaries have generally been higher than the market norm and this benefits local national employees particularly.
- b. All employees are properly insured with life and medical cover.
- c. Staff are provided with training to ensure their competence in meeting the demands of their role. Personal development is encouraged.
- d. Relationships with local employment councils and agencies are nurtured for the mutual benefit of the local communities and the Company.
- e. Hart's operational SOPs and health and safety management system ensure that work related risks are minimised. These are audited biannually.
- f. Hart's system of performance review promotes feedback and direction to be maintained.

² Hart does not discriminate on the basis of race, colour, religion (creed), gender, gender expression, age, national origin (ancestry), marital status, or sexual orientation.

- g. Management reviews are conducted biannually; retention and employee issues are an agenda item.
- 6. The following are examples of how Hart monitors and evaluates its labour principles:
 - a. Record of grievances and whistleblowing – nil during this period.
 - b. Staff turnover target is 10% – was 8.89% during this period.
 - c. Health and safety records – no work related fatalities or serious injuries during this period.
 - d. Welfare packages within accommodation sites in Iraq, Afghanistan and Somalia have been improved (better food, gymnasium facilities and access to internet).

ENVIRONMENT

7. It has been assessed that the Company's direct impact upon the environment is small, mainly fossil fuel usage through its vehicle fleets and this is relatively little. Indirectly its offices and accommodation facilities consume water and electricity, the latter being the main concern during the summer months when air-conditioning is essential in both. Overall Hart's business activities can reasonably be deemed to have a minimal adverse effect upon the environments in which it operates. Nevertheless, the Company adheres to the requirements of ISO 14001 and has a clearly stated policy and objectives for environmental management – which is part of Chapter 6 of our IMS Manual. Our objectives are:

- a. **Objective 1.** Ensure compliance with all applicable international and national laws and regulations concerning environment. **Targets**

- (1) Monitor legal and regulatory framework to ensure currency
- (2) Zero legal/regulatory transgressions environmentally
- (3) Known adverse environmental impacts are remediated swiftly.

- b. **Objective 2.** Conserve energy and other resources to maximum extent practicable. **Targets**

- (1) Reduce fuel usage by 10% year on year,
- (2) Restrict air travel to essential trips only
- (3) Reduce electricity usage by 10% year on year.
- (4) Reduce paper and water usage by 10% year on year.

- c. **Objective 3.** Recycle materials to the maximum extent practicable. **Target areas**

- (1) Paper
- (2) Water
- (3) Food
- (4) End of life disposal of goods and equipment.

d. **Objective 4.** Protect the environment from pollution to the maximum extent practicable. **Targets**

- (1) Zero adverse impacts upon the environment (land, water and air)
- (2) Storage of HAZMAT in accordance with HSE stipulations
- (3) No spillages of HAZMAT
- (4) Waste material management to eliminate/avoid/reduce risks of pollution.

e. **Objective 5.** Environmental impacts to be taken into account in purchasing decisions. **Target** considerations

- (1) Purchase locally to the extent possible
- (2) Energy efficiency of the goods being procured
- (3) Potential for recycling goods and components
- (4) Pollution factor.

8. Our policy has been implemented through the following measures:

- a. Briefings and awareness training
- b. Monitoring and reporting on a monthly basis
- c. Responsibilities, roles and authorities being designated within the Company's management staff
- d. A programme of auditing which is conducted biannually as part of our IMS.

9. In many of the countries in which the Company operates the opportunities for recycling waste and the eco-systems that are practically utilisable are limited. Nonetheless, Hart strives to achieve its objectives as far as reasonably practicable. In a wider sense air travel is scrutinised to ensure that only essential flights are undertaken.

10. **Measurement**

- a. All waste disposal systems to meet ISO 14001 standards
- b. Zero spillage incidents for the past year
- c. Where practicable use recycled products and arrange for waste to be recycled; this has been achieved in offices like London, Sydney, Dubai and Cyprus
- d. Reduce utility usage per capita annually.

The above-mentioned are being measured monthly and records maintained to provide comparable assessments for future years.

ANTI BRIBERY AND CORRUPTION

11. Hart's Anti Bribery and Corruption Policy finds its roots in both the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act 1977 (FCPA). The policy is based upon the following principles:

- a. A zero tolerance approach to bribery and corruption.
- b. It is the Company's best practice objective that it should conduct business with those who take a similar zero tolerance approach to bribery and corruption.
- c. Hart and its personnel are to comply with all relevant and applicable laws concerning bribery and corruption, but their main points of reference are to be the UK Bribery Act and the FCPA.
- d. Any incidence or suspected incidence of bribery and corruption is to be reported to the appropriate manager and it is to be investigated fully prior to any action being taken.

12. This policy is applicable throughout the whole Company and all its personnel (inclusive of senior managers, officers, directors, employees (permanent or temporary), consultants, contractors, trainees, seconded staff, homeworkers, casual workers, agency staff, volunteers, interns, agents, sponsors or any other person associated with it). This policy covers:

- a. Bribes
- b. Gifts and hospitality
- c. Facilitation payments
- d. Political contributions

e. Charitable contributions.

13. The policy has been implemented through a combination of measures, such as:

- a. The Company's IMS which engender sound monitoring and performance evaluation.
- b. Training and briefings which ensure awareness of the main tenets of the policy and that each individual understands what their part is in making it work successfully. In particular, the potential consequences of becoming involved in any form of bribery or corruption or a failure to report incidents of it are reinforced.
- c. The use of the risk assessment process to derive the level of risk posed by bribery and corruption in our operating environments; and, more importantly, what measures can be taken practically to ameliorate them.
- d. Due diligence is performed on suppliers and subcontractors to ascertain their policies concerning anti-bribery and corruption.
- e. Ensuring that the entire staff understand the Company's Whistleblowing Policy and how it should be used in respect of bribery and corruption.

14. **Measurement.** Hart's internal and external audit programmes mean that the Company's performance in this respect is scrutinised biannually; whilst monitoring is conducted by management at every level on a daily basis. Management reviews are undertaken by senior managers twice per year. The current policy was introduced in Sep 15 and this has codified the Company's position more stringently concerning bribery and corruption than in the past – this is deemed to have been an improvement since our last report. If bribery or corruption is reported, or suspected, the Company's investigation procedure is followed (P008) and, if proven, the outcome may be criminal charges and summary dismissal. There have been no cases of bribery or corruption within the Company over the past year.