

Achilles Group Limited

United Nations Global Compact Communication on Progress – 1 June 2017

Statement of continued support by Jay Katzen, Chief Executive Officer

I am pleased to confirm and renew the ongoing support and commitment of Achilles to the UN Global Compact initiative. Achilles has supported the UN Global Compact for over 10 years, becoming a participant in 2005, and continues to align strategy and business operations with the 10 principles for human rights, labour standards, environment and anti-corruption.

Achilles is a global supply chain risk management company, providing supplier information services for sustainable procurement for over 850 major buying organisations worldwide. We collect, validate and maintain essential information so that our customers can build a picture of the risks present within their supply chain and implement measures to protect their business, people, environment and profit.

We are conscious of the role that Achilles can play in helping our customers to adopt the UN Global compact principles within their own business practices and it is a continuing objective of Achilles to promote and advance those principles within our sphere of influence, as we develop the services that we offer.

Jay Katzen		
CEO		

Description of actions and outcomes:

Human rights

Principle 1 & 2: Businesses should support and respect the protection of internationally proclaimed human rights; and make sure that they are not complicit in human rights abuses.

Achilles is committed to being an ethical and equal opportunities employer to ensure human rights are upheld and that we do not become complicit in any human rights abuses. The Achilles Intranet contains links to all global company policies such as equal opportunities, health & safety, flexible working, compassionate leave, maternity & parental leave and grievance, together with the systems and documentation that support the implementation of these policies. These are communicated to employees as part of their induction process and policies are regularly reviewed and updated. We also encourage anyone involved with our business, including employees, contractors, suppliers and customers to report in good faith any issues or concerns about potential ethics, human rights, legal or regulatory violations, including improper or unethical business practices.

Through our business relationships, Achilles can help customers to monitor issues relating to human rights throughout their own supply chains and therefore engage in responsible procurement practices. Our audit services include human rights as standard and in addition to this, Achilles have developed a Conflict Minerals Programme in response to a growing need for companies to source more responsibly and prevent Conflict Minerals from entering global markets. Conflict Minerals are certain minerals that are mined in conditions of armed conflict and linked with human rights abuses in the Democratic Republic of Congo and other conflict zones and the programme helps companies to undertake the appropriate due diligence on their supply chain to identify any potential risks in this area. A key customer that has been following this programme since 2013 was ranked as "leading" in a survey carried out by the Responsible Sourcing Network in 2016, a testimony to the success and rigour of our service.

Labour Standards

Principles 3 - 6: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.

Achilles are committed to ensuring that there is no modern slavery or human trafficking in our supply chain or in any part of our business. Our Anti-Slavery and Human Trafficking Policy reflects this commitment to act ethically and with integrity by adopting effective systems and controls to ensure that any forms of forced and compulsory labour are not taking place. We support the abolition of child labour and ensure that we do not employ child workers by requiring verification of age in the recruitment process across all our operating business units.

To identify and mitigate any risks in our supply chain we endeavour to have detailed knowledge of our suppliers and their operations and practices. To ensure that our contractors comply with our values we have in place a rigorous supply chain compliance programme. Within Achilles Audit Services this includes a requirement for our audit service suppliers to operate in line with the Achilles Conflict of Interest, Unethical Incentives and Professional Conduct statements, underpinned by periodic audit to validate compliance with these standards.

The nature of our business means that we can work closely with customers to help them eliminate these forms of abuse from their supply chains. In 2017 Achilles expanded the existing audit portfolio with the introduction of a Labour Practices Audit, an audit that gathers insight from employees and Human Resources related policies and processes to provide an additional level of due diligence in this area and improve supplier visibility.

Achilles recognises the right to freedom of association and collective bargaining by working constructively with trades unions wherever they represent our employees and complying with local legislation. An employee's rights, responsibilities, compensation and benefits are clearly stated in a contract of employment. Employee representatives are consulted regularly on a range of matters affecting employees.

Considerable value is placed on employee communication, involvement and a culture where feedback is embraced. Employees are regularly kept informed via regular companywide updates and quarterly global town hall briefings by the CEO. Employee engagement is encouraged through various channels including 'lunch with the CEO' and Achilles Innovators, a suggestion style scheme that was launched in 2017. In 2016, we partnered with People Insight to run an employee engagement survey to better understand the experience of working at Achilles and how we could improve moving forward. With an 80% response rate the survey gave us some important insights and highlighted the areas to focus on. Also in 2017, Global Engagement Teams consisting of 51 colleagues from around the globe were formed, to report in to the CEO on business purpose and enablement.

Achilles is a global organisation operating in 22 countries with employees representing a diverse range of nationalities and cultures. We are committed to treating all employees equally, regardless of their sex, race, sexual orientation, age, marital status, ethnic origin, disability, religion, belief or any other grounds of discrimination prohibited by legislation. Our Equal Opportunities Policy was revised and updated in December 2016 and applies to the recruitment and selection process, training, conditions of work, and salary and remuneration. Every manager and employee has a responsibility to ensure that the policy is adhered to and any case of alleged discrimination will be reviewed in line with the procedure outlined in the Achilles Grievance Policy. We monitor and review employee engagement scores, issues raised under our Whistleblowing & Grievances policies and any security incidents. During the past year Achilles have not been subject to any investigations, legal cases or incidents involving employee discrimination.

Environment

Principles 7 - 9: Businesses should support a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility; and encourage the development and diffusion of environmentally friendly technologies.

As set out in our Environmental Policy Statement, Achilles commits to do all that is reasonable to conserve natural resources, to minimize or reduce pollution and its impact, and the impact of others on the environment. Our recent CEMARS certification (Carbon & Energy Management and Reduction Scheme) for the 9th year running, reflected a 34% reduction in the last 3 years alone. This follows the implementation of a range of new initiatives including a review of the global travel policy, regionalising

activities and utilising occupancy sensors to reduce electricity. These results were reported and independently verified and confirm that the company has measured its greenhouse gas emissions in compliance with ISO 14064-1:2006 and has committed to managing and reducing emissions in respect of all operational activities. CEMARS is also a recognised verification standard under the Carbon Disclosure Project (CDP).

Another environmental impact for Achilles is through our work within supply chain communities to support carbon reduction. Achilles has partnered with Enviro-Mark Solutions to deliver a CEMARS programme and provide organisations with the ability to measure and develop strategies to reduce their carbon footprint, as we have done. A recent event in London co-hosted with Enviro-Mark Solutions celebrated the achievements of 29 corporations across the construction, rail, utilities, manufacturing and public sectors. On average the companies participating in the CEMARS programme have reduced absolute carbon emissions by just over 30% over the last 6 years. This represents a great achievement in any industry, but particularly infrastructure which is traditionally energy-intensive.

Anti-Corruption

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

Achilles operate a zero-tolerance approach to bribery and corruption, as reflected in our Anti-Bribery Policy. This policy forms part of the employee induction pack requiring acknowledgment by employees on joining, and is available via the Company Intranet. Achilles is committed to conducting business in an honest and ethical manner acting professionally, fairly and with integrity in all our business dealings and relationships, implementing and enforcing effective systems to counter bribery and corruption. We comply with all laws relevant to countering bribery and corruption in the jurisdictions in which we operate including the Bribery Act 2010 in the UK. Management at all levels are responsible for ensuring those reporting to them understand and comply with the Anti-Bribery policy and any breach is treated as a disciplinary offence.

As outlined in the Anti-Bribery Policy, the giving and acceptance of gifts and hospitality is permitted if certain requirements are met and must be approved by or declared to an employee's line manager or a member of the Executive team. A member of the Executive team must declare or seek approval from the CEO. If there is a suspected breach of this policy this should be reported in accordance with

the Whistleblowing Policy and Achilles aims to encourage openness and support in relation to genuine concerns, reported in good faith.

Some of the business and financial controls that are in place to help mitigate the risk of any forms of corruption and bribery are documented in the Achilles Global Schedule of Authorisations, outlining those who have the authority to commit Achilles financially and the approvals required to complete various transactions and sign contracts and legal documents. During the past year Achilles have not been involved in any investigations, legal cases or incidents involving bribery, corruption or extortion.

In relation to our business partners, and as referred to earlier, independent third-party auditors within Achilles Audit Services must comply with our standards of ethical conduct and corporate governance as outlined in our Conflict of Interest, Unethical Incentives & Professional Conduct Statements. Employees or contractors may not offer nor accept from any source any inducements, bribes or incentives that may influence their judgement or the results of an audit or assessment. Any gifts or offers of entertainment that are presented at any time must be declared and logged in a register that will be maintained and made available to any interested party at any time.

Finally, our customer audits include sections on bribery and involve a review of documented policies and processes to ensure that suppliers are legally compliant. The Conflict Minerals Programme is another example of how customers can undertake due diligence on their supply chain to identify any potential risks of corruption.

For further information please contact enquiries@achilles.com or refer to our website www.achilles.com