



Communication on

Progress

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2017 - 2018



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The statement of continuing support for the Global Compact

GM Helicopters is the company that consistently supports the ten principles of the Global Compact with respect to human rights, labour, environment and anti-corruption. With this sixth Communication on Progress, we prompt our steadfastness to spread those principles continuously within the our sphere of inspiration. We vigorously committing to make of Global Compact and its principles part of our company strategy, culture and day-to-day operations, as well as to engaging in collaborative projects that advance the broader development goals of the United Nations, particularly the Millennium Development Goals. GM Helicopters will make a clear statement of this commitment to our stakeholders and the public.

GM Helicopters supports the United Nations Global Compact by annual submission of a Communication on Progress (COP) that describes company's aspiration and efforts to implement those ten principles. We support public accountability and transparency, and therefore commit to report on progress annually according to the Global Compact COP policy.

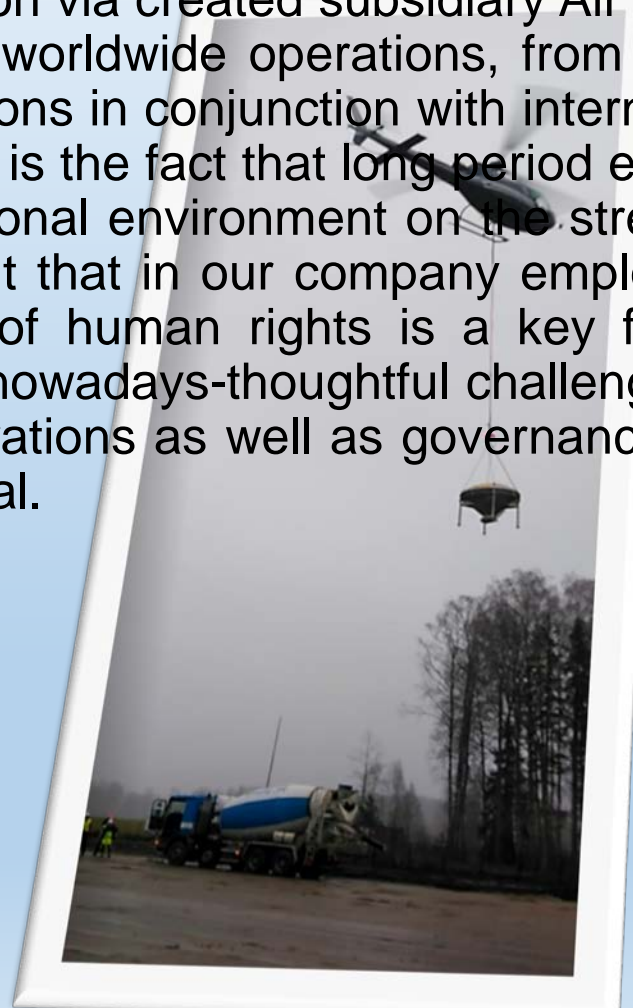
*AIVARS BEBRIŠS
CEO
GM Helicopters Ltd.*

INTRODUCTION

GM Helicopters is a mid-size and subsidiary heavy-lift helicopters operating company that has been established in 2004 on base of a long previous experience in a similar business but with more ambitious intent and on more developed standards and quality level. Sustainably expanding its fleet and capability. Since last year is extended capability within the Asia region via created subsidiary Air Operator, registered in Lao PDR.

Most of experience is gained during worldwide operations, from Asia to Africa, aerial construction, nature disaster and humanitarian relief operations in conjunction with international humanitarian organizations in particular with UN agencies. More important is the fact that long period experience reflected in the company employees' skill to operate within the international environment on the strength of fundamental human rights guidelines and principles. Taking in to account that in our company employed side by side various different nationalities, compliance with the principles of human rights is a key factor that allows to the company successful development in the atmosphere of nowadays-thoughtful challenges.

Basic principles of company's day-to-day operations as well as governance are stated in Code of Ethics and internal regulatory 'scripture' Operations Manual.



• *Code of Ethics*

Today's pilots and aviation professionals have access to highly sophisticated systems and resources, the best safety device remains a well-trained individual possessing the knowledge, skill, and understanding to safely and competently handle any aviation challenge. We therefore accept the responsibility to practice our profession according to the standards listed below:

- A learning environment that promotes excellence and professionalism, rather than minimum standards;
- Opportunities for our clients to experience diverse situations and scenarios in a controlled environment;
- Instruction that is efficient and effective;
- Conservative practices, personal minimums and a safety mind-set;
- Tools for risk management, and aeronautical decision making, with safety as the highest priority;
- Adherence to regulations and limitations and rules of good basic common sense;
- A teaching philosophy and exemplary conduct promoting: integrity, positive attitudes, personal responsibility, environmental stewardship, accountability and courtesy toward fellow members of the aviation community;
- A commitment to continuing education and personal improvement, including recurrent training;
- Respect for the privilege of flight;
- Dedication to the safety of all flight operations and the reduction of aviation accidents.

Each employee of the GM Helicopters agrees to bear by this Code of Ethics to further the objectives of SAFE.

We include in our COP relevant description of policies and practices related to company's operations in high-risk and conflict-affected areas in most unstable region of the World, Africa, such countries as Republic of South Sudan, Chad and Democratic Republic Congo.

- *Those that are currently experiencing violent conflict, including civil wars, armed insurrections and other types of organized violence, and those that are in transition from violent conflict to peace, often referred to as "post-conflict" (where there may be a risk of falling back into violent conflict).*

Conflicts can arise from a number of problems that may perhaps unintentionally worsened. Company is encouraged to take purposeful steps in order to operate in a manner sensitive to the conflict. This includes three overall dimensions:



1. Understand the risks and conflict dynamics present in the operating environment and the potential impacts of own operations. Examples of these include fuelling corruption, labour issues, or lack of socioeconomic opportunities for local populations. Conflicts can also arise where the company, unintentionally through exercise of activities required by contract, contributes to environmental damage; uses natural resources unsustainably; or restricts access to natural resources such as land and water.
2. Adapt operations to minimize undesirable risks and influences.
3. Adapt operations to maximize potential positive contributions through core business operations.



To achieve this, we should take up the following measures, in line with the due diligence principles outlined in the United Nations Framework for Business and Human Rights, developed by the UN Secretary-General's Special Representative on Business and Human Rights:

1. Develop policy and integrate it into management systems to minimize negative risks and impacts and maximize positive impacts through core business operations.
2. Clearly communicate this policy and steps taken to implement it, for example through a policy statement by the CEO. Organizing internal trainings via discussion can also raise staff awareness.
3. Conduct a “conflict risk and impact assessment” prior to starting operations. This should complement, and not replace, human rights, environmental and social impact assessment processes.
4. Continue to monitor the operating environment regularly based on credible and reliable sources of information from the pre-acquisition phase. This can be in addition to or integrated in other types of information gathering (such as security assessments).
5. Work in partnership with reputable third parties with the relevant local expertise and skills, such as in conflict analysis, mediation and arbitration. Relevant partners can be international civil society organizations/agencies.
6. Track and report on performance, including through annual Communication on Progress.



Company is encouraged to take all necessary measures to avoid complicity in human rights violations by government actors in relation to all aspects of the company's operations.

Company is stimulated to:

1. Include in the risk assessments the possibilities of being indirectly complicit in human rights abuses, in the illegal use of force and/or in uncivilized human rights violations.
2. Develop practices and operational guidance on government relations with regard to the environmental protection, the rights of labour and local peoples and the use of public security forces.

It is important to note that challenges are greater for Involvement in sectors strategically important to the government or the conflict (i.e. extractive, infrastructure, and defence and telecommunications sectors).

Regarding serious abuses:

While operating in conflict-affected and high-risk areas, we neither will tolerate nor by any means profit from, contribute to, assist with or facilitate the commission by any party of:

- i) any forms of torture, cruel, inhuman and degrading treatment;
- ii) any forms of forced or compulsory labour, which means work or service which is exacted from any person under the menace of penalty and for which said person has not offered himself voluntarily;
- iii) the worst forms of child labour;
- iv) other gross human rights violations and abuses such as widespread sexual violence;
- v) war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.



Regarding risk management of serious abuses:

We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party committing serious abuses.

Regarding direct or indirect support to non-state armed groups:

We will not tolerate any direct or indirect support to non-state armed groups through the extraction, transport, trade, handling or export of minerals. “Direct or indirect support” to non-state armed groups through the extraction, transport, trade, handling or export of minerals includes, but is not limited to, procuring minerals from, making payments to or otherwise providing logistical assistance or equipment to, non-state armed groups or their affiliates who:

- i) illegally control mine sites or otherwise control transportation routes, points where minerals are traded and upstream actors in the supply chain;
- ii) illegally tax or extort money or minerals at points of access to mine sites, along transportation routes or at points where minerals are traded;
- iii) illegally tax or extort intermediaries, export companies or international traders.

Regarding risk management of direct or indirect support to non-state armed groups:

We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party providing direct or indirect support to non-state armed groups.



Regarding public or private security forces:

We agree to eliminate, direct or indirect support to public or private security forces that illegally control mine sites, transportation routes and upstream actors in the supply chain; illegally tax or extort money or minerals at point of access to mine sites, along transportation routes or at points where minerals are traded; or illegally tax or extort intermediaries, export companies or international traders.

We recognize that the role of public or private security forces at the mine sites and/or surrounding areas and/or along transportation routes should be solely to maintain the rule of law, including safeguarding human rights, providing security to mine workers, equipment and facilities, and protecting the mine site or transportation routes from interference with legitimate extraction and trade.

Where we or any company in our supply chain contract public or private security forces, we commit to or we will require that such security forces will be engaged in accordance with the Voluntary Principles on Security and Human Rights. In particular, we will support or take steps, to adopt screening policies to ensure that individuals or units of security forces that are known to have been responsible for gross human rights abuses will not be hired.

We will support efforts, or take steps, to engage with central or local authorities, international organizations and civil society organizations to contribute to workable solutions on how transparency, proportionality and accountability in payments made to public security forces for the provision of security could be improved.

Regarding money laundering:

We will support efforts, or take steps, to contribute to the effective elimination of money laundering where we identify a reasonable risk of money-laundering resulting from, or connected to, the extraction, trade, handling, transport or export of minerals derived from the illegal taxation or extortion of minerals at points of access to mine sites, along transportation routes or at points where minerals are traded by upstream suppliers.

Regarding risk management of bribery and fraudulent misrepresentation of the origin of minerals, money-laundering and payment of taxes, fees and royalties to governments:

In accordance with the specific position of the company in the supply chain, we commit to engage with suppliers, central or local governmental authorities, international organizations, civil society and affected third parties, as appropriate, to improve and track performance with a view to preventing or mitigating risks of adverse impacts through measureable steps taken in reasonable timescales. We will suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation.



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SOCIAL & HUMAN RIGHTS POLICY AND STATEMENT



Preface statement

Management of GM Helicopters is committed to developing an organizational culture that implements a policy of support for internationally recognized human rights and seeks to avoid complicity in human rights abuses. We support the principles contained within the Universal Declaration of Human Rights.

Our policy aims:

→ **Society**

To contribute within the scope of our capabilities to improving economic, environmental and social conditions through open dialogue.

→ **Human rights**

To support and respect the protection of internationally proclaimed human rights.

Employees engaged as security personnel shall observe international human rights norms.

→ **Children and young workers**

To ensure as a fundamental principle, not to employ children or support the use of child labour, except as part of government-approved youth training schemes.

→ **Freedom of engagement**

To require that all employees enter into employment with the company of their own free will; and not to apply any pressure when engaging employees or support any form of forced or compulsory labour.

→ **Health and safety**

To provide a safe and healthy working environment at all sites and facilities and to take adequate steps to prevent accidents and injury to health arising out of the course of work by minimizing the causes of hazards inherent in the working environment.

→ **Employee consultation and communication**

To facilitate regular consultation with all employees to address areas of concern. To respect the right of all personnel to form and join trade unions of their best and to bargain collectively. To ensure that representatives of personnel are not the subject of discrimination and that such representative have access to their members in the workplace.

→ **Equality of opportunity**

We recognize, respect, and embrace the cultural differences found in the worldwide marketplace. Our workplace is a meritocracy where our goal is to attract, develop, promote, and retain the best people from all cultures and segments of the population, based on ability. To offer equality of opportunity to all employees and not to engage in or support discrimination in hiring, compensation, access to training, promotion, termination or retirement based on ethnic and national origin, caste, religion, disability, sex, age, sexual orientation, union membership, or political affiliation. We have zero tolerance for discrimination or harassment of any kind.

→ **Harassment and disciplinary practices**

To counteract the use of mental or physical pressure, verbal abuse or corporal/hard-labour punishment and not to allow behaviour, including gestures, language and physical contact, that is sexual, forcible, threatening, abusive or exploitative. To develop and maintain equitable procedures to deal with employee criticisms and disciplinary practices.

→ **Working hours**

To comply with applicable laws and industry standards on working hours, including over-time.

→ **Compensation**

To ensure that wages paid meet or exceed the legal or industry minimum standards and are always sufficient to meet basic needs of personnel and to provide some flexible income. To ensure that wage and benefits composition detailed clearly and regularly for workers, and that compensation is rendered in full compliance with all applicable laws and in a manner convenient to workers. To ensure that labour-only contracting arrangements and false traineeship schemes are not used to avoid fulfilling GMHelicopters's obligations under applicable laws affecting to labour and social security legislation and regulations.

→ **Suppliers**

To establish and maintain appropriate procedures to evaluate and select major suppliers and subcontractors on their ability to meet the requirements of GMHelicopters's social policy and principles and to maintain reasonable evidence that these requirements are continuing to be met.

→ **Community involvement**

To promote and participate in community engagement activities that actively foster economic, environmental, social and educational development, as part of GMHelicopters's commitment to the communities where it operates.

→ **Business ethics**

To uphold the highest standards in business ethics and integrity and to support efforts of national and international authorities to establish and enforce high ethical standards for all businesses.

HUMAN RIGHTS

- **Assessment, policy and goals**

GM Helicopters has methodical approaches in place to recruit, engage and develop people who can help us to meet our business needs and customer requirements. Our aim – the vital to our business success – is to have the right people in the right places at the right time.

With employees worldwide, we need to be sure that we have the appropriate processes to support our employees' performance, behaviours and development, and give the company a competitive advantage in different countries and cultures.

Our approach is to ensure we plan and resource appropriately to meet divisional, global and local business needs; to improve skills and competence in key operational areas; to focus on attracting and retaining dedicated and skilled employees.

Multicultural benefits

GM Helicopters is a truly international company with a strong multicultural environment. We are headquartered in Latvia and have strong historical ties there. Having a multicultural workforce improves our ability to respond to customer demands in different parts of the world, and strengthens the spirit of teamwork and innovation.

Of the 30 people based at headquarters in MSola, there are people from eight countries. It's a diversity – and strength – that is mirrored in various countries where GM Helicopters has business operations.

We attempt to make sure that they receive the right support to realize their full potential, relying on a mix of structured ability management and learning offerings. Our program includes Management development for different levels of supervision.

GM Helicopters has been working hard to raise awareness among managers of potential human rights risks, set in human rights due effort in business decision-making processes, and build capacity within the company.

We have long understood the materiality of human rights, knowing that violations can have human, legal, financial and reputational consequences – all of which are bad for business and inconsistent with company standards.

GM Helicopters fully respects supports and implementing the principles underlying universal human rights, including the right to equal opportunity and non-discrimination, the right to the security of persons, respect for national sovereignty and obligations with regard to customer protection. In this respect GM Helicopters articulates a spirit of the United Nations Universal Declaration of Human Rights, the European Convention for the Protection of Human Rights and Fundamental freedoms also other international and regional human rights treaties containing internationally recognizes standards that the business sector must respect, and complies with the law, rules and regulations of the Republic of Latvia.

Societies where human rights are respected recognised as more stable and provide a better environment for business. Workers who are treated with dignity and given fair and just remuneration for their work are more likely to be productive and remain loyal to an employer.

- **POLICY - OUR FOLKS: VITAL TO BUSINESS SUCCESS.**

ANY FORMS OF DISCRIMINATION ARE NOT TOLERATED
IN ACCORDANCE WITH THE VALID CODE OF ETHICS

ENCOURAGEMENT AND DEVELOPMENT OF OUR
STAFF IS PART OF GM HELICOPTERS CORPORATE
CULTURE

GM HELICOPTERS DECLARES TO RESPECT AND
SUPPORTS IN ITS ACTIVITIES THE HUMAN RIGHTS AND
INTERNATIONAL HUMAN RIGHTS CONVENTION

The risk of an allegation of complicity is reduced in company by become aware of, prevents and addresses risks of complicity through adopting a systematic management approach to human rights issues, including exercising due diligence.

- **Implementation**

Our company is supporting and respecting human rights through their daily activities

- In the workplace:

- by providing safe and healthy working conditions,
- by guaranteeing freedom of association,
- by ensuring non-discrimination in personnel practices,
- by ensuring that we do not use directly or indirectly forced labour or child labour,
- by providing access to basic health, education and housing for the workers, if these are not provided elsewhere,
- by making reasonable accommodations for all employees' religious observance and practices.

- Social benefits for the employees:
 1. Medical care - GM HELICOPTERS provides constant medical service by a nurse equipped with first aid kit, blood pressure apparatus and medicines.
 2. Canteen – GM HELICOPTERS provides place for comfortable meal to its employees.
 3. Company transport – GM HELICOPTERS provides shuttle for its employees to and from the working place.
- In the community:
 - by preventing the forcible displacement of individuals, groups or communities,
 - by fostering opportunities for young workers to be educated to empower them and also helps a company to have a broader and more skilled pool of workers in the future, and
 - perhaps most importantly, a successful business which provides decent work, produces quality services that improve lives, especially for the poor or other vulnerable groups, is an important contribution to sustainable development, including human rights.

An effective human rights policy will help to company avoid being implicated in human rights violations. In order to avoid such situations, company is considering the following:

- company made a human rights assessment of the situation in countries where it does, or intends to do, business so as to identify the risk of involvement in human rights abuses and the company's potential impact on the situation;
- company have explicit policies that protect the human rights of workers in its direct employment and throughout its supply chain;
- company is up to finalise a monitoring system to ensure that its human rights policies are being implemented;
- company have an explicit policy to do best to ensure that its security arrangements do not contribute to human rights violations.

Actions that may be particularly helpful in avoiding complicity include:

- if financial or material support is provided to security forces, establish clear safeguards to ensure that these are not then used to violate human rights and make clear in any agreements with security forces that the business will not condone any violation of international human rights laws;
- privately and publicly condemn systematic and continuous human rights abuses;
- continually consult within and outside the company with relevant stakeholders during both pre-investment and post-investment stages;
- raise awareness within the company of known human rights issues within the company's sphere of influence;
- **Measurement of outcomes**

Description - how the company monitors and evaluates performance.

- GM Helicopters has had no incidents of Human Rights violation in the time since initial application for the United Nations Global Compact. The president and CEO, Mr. Aivars Bebris, regularly visits employee meeting. We believe that our proactive attitude, as well as our commitment to the UNGC is indicative of our zero tolerance for human rights violations.

LABOUR

- Assessment, policy and goals

Company policy on Labour

The management of GM HELICOPTERS has declared personal engagement with health and safety (HS) policy. Company's policy is supporting and fully in compliance with the Principles and Rights identified in the ILO Declaration comprises the labour portion of the Global Compact. They are:

- to work towards the elimination of all forms of forced or compulsory labour;
- the effective abolition of child labour;
- the elimination of discrimination in respect of employment and occupation;
- to promote and realize in good faith the right of workers and employers to freedom of association and the effective recognition of the right to collective bargaining.

The labour principles deal with fundamental principles in the workplace and the challenge for us is to take these universally accepted values and apply them at the company level.

MAIN RIGHTS OF THE WORKERS:

FREE CHOICE OF WORK, NO FORCED LABOUR:

NOBODY COULD BE EMPLOYED AT GM HELICOPTERS AGAINST HIS/HER WILL OR TO BE FORCED TO WORK.

CHILD LABOUR ABOLITION:

WORKERS BELOW 16 YEARS OF AGE ARE NOT HIRED AT GM HELICOPTERS. YOUNG WORKERS BETWEEN 16-18 YEARS OLD ARE NOT HIRED THUS THERE IS NO RISK OF ACCIDENTS OF IMPOSING YOUNG WORKERS TO DANGEROUS WORKING CONDITIONS.

WORKING TIME AND

**ORGANIZATION OF WORK:
IN ACCORDANCE WITH
APPROVED COMPANY RULES**

Health and safety (HS) working conditions:

The GM HELICOPTERS policy on Labour standards is focused on risk prevention of employees and on improvement and sharing the best practices with suppliers and other business partners. In order to assure the policy, GM HELICOPTERS established the following objectives:

1. Focusing on prevention and taking of action to prevent occupational hazards -
 - There is a Weekly Working Meetings at GM HELICOPTERS in accordance with the company's authority requirements. GM HELICOPTERS conducts routine meetings in order to monitor overall development and as the part of that the programme for working place improvement and risk assessment. The members of meetings actively participate in development and evaluation of professional risks and working place risk assessment.
2. Care for health and safety of employees and visitors -
 - GM HELICOPTERS authority is regularly conducting examinations for safety preventive and evaluation of working place risk assessment.
3. Compliance with applicable legal and internal requirements –
 - Getting assistance via consultations with an experts.
 - Implemented procedure for Monitoring and evaluation the compliance of management system with the normative documents and standards.
4. Provision of necessary employees training and enhancement on personal responsibility -
 - Instructions in HS are conducted by authorized people, as well as internal and external trainings of GM HELICOPTERS personnel.

Upholding the elimination of discrimination in respect of employment and occupation and valuing all relevant local and national laws. Company announcing measures to promote equality needs to be aware of the diversities of language, culture and family circumstance that exists in the workforce. Managers and supervisory staff in particularity pursuing to develop an understanding of different types of discrimination and how it can affect the workforce. Disabled employees may have particular needs that should be met, where reasonable, in order to ensure that they have the same opportunities (e.g. for training and advancement) as their peers.

- **Implementation**

- **In the workplace**

- ❖ Confirming that all workers are able to form and join any union of their choice without fear of intimidation or reprisal, in accordance with national law.
- ❖ Do not interfere with the activities of worker representatives while they carry out their functions in ways that are not disruptive to regular company operations.
- ❖ Make available workers' representatives with appropriate facilities to assist in the development of effective collective agreement.
- ❖ Have a clear policy not to use, be complicit in, or benefit from forced labour.
- ❖ Where adherence to forced labour provisions of national laws and regulations is insufficient, take account of international standards.
- ❖ Ensures that all company officials have a full understanding of what forced labour is.
- ❖ Make available employment contracts to all employees stating the terms and conditions of service, the voluntary nature of employment, the freedom to leave (including the appropriate procedures) and any penalties that may be associated with a departure or cessation of work.
- ❖ Write employment contracts in languages easily understood by workers, indicating the scope of and procedures for leaving the job.
- ❖ Being aware of countries, regions, industries, sectors, or economic activities where forced labour is more likely to be a practice.
- ❖ In planning and conducting business operations, ensure that workers in debt bondage or in other forms of forced labour are not engaged and, where found, provide for the removal of such workers from the workplace with adequate services and provision of viable alternatives.
- ❖ Institute policies and procedures to prohibit the requirement that workers lodge financial deposits with the company.
- ❖ Ensure that large scale development operations do not rely on forced labour in any phase.

- ❖ Carefully monitor supply chains and subcontracting arrangements.
- ❖ Company aspiring in order to be aware of countries, regions, sectors, economic activities where there is a greater likelihood of child labour and respond accordingly with policies and procedures.
- ❖ Obeying to minimum age provisions of national labour laws and regulations and, where national law is insufficient, take account of international standards.
- ❖ Using adequate and verifiable mechanisms for age verification in recruitment procedures.
- ❖ Institute company policies and procedures which make qualifications, skill and experience the basis for the recruitment, placement, training and advancement of staff at all levels.
- ❖ Assign responsibility for equal employment issues at a high level, issue clear company-wide policies and procedures to guide equal employment practices, and link advancement to desired performance in this area.
- ❖ Work on a case by case basis to evaluate whether a distinction is an inherent requirement of a job, and avoid application of job requirements that would systematically disadvantage certain groups.
- ❖ Keep up-to-date records on recruitment, training and promotion that provide a transparent view of opportunities for employees and their progression within the organization.
- ❖ Where discrimination is identified, develop grievance procedures to address complaints, handle appeals and provide recourse for employees.
- ❖ Be aware of formal structures and informal cultural issues that can prevent employees from raising concerns and complaints.
- ❖ Provide staff training on non-discrimination policies and practices, including disability awareness. Reasonably adjust the physical environment to ensure health and safety for employees, customers and other visitors with disabilities.
- ❖ Establish programs to promote access to skills development training and to particular occupations.

At the negotiating table

- ❖ Recognize representative organizations for the purpose of collective negotiating.
- ❖ Use collective negotiating as a constructive forum for addressing working conditions and terms of employment and relations between employers and workers, or their respective organizations.
- ❖ Address any problem-solving or other needs of interest to workers and management, including restructuring and training, redundancy procedures, safety and health issues, complaint and dispute settlement procedures, disciplinary rules, and family and community welfare.
- ❖ Provide information needed for meaningful negotiating.

In the community of operation

- ❖ Preserving the confidentiality of the trade unions and leaders in countries where the government does not permit respect for human rights (including rights at work) or does not provide a proper legal and institutional framework for industrial relations and collective negotiating.
- ❖ Supporting the establishment and functioning of local/national employers' organizations, and trade unions.
- ❖ Informing the local community, media and public authorities of company's endorsement of the UN Global Compact and its intention to respect its provisions, including those on fundamental workers' rights.
- ❖ Participate in a task force or committee on forced labour in our representative employers' organization at the local, state or national level.

- ❖ Working in partnership with other companies, industrial associations and employers' organizations to develop an industry-wide approach to address the issue, and build bridges with aviation industry unions, law enforcement authorities, labour inspectorates and others.
- ❖ Encouraging and support efforts to build a climate of tolerance and equal access to opportunities for occupational development such as adult education programs and health and childcare services.

LABOUR CONDITIONS INDICATORS

GM HELICOPTERS data and statistics for the reported period:

1. No registered working accidents or injuries;
2. Training on HS: indicated in trainings records.



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ENVIRONMENT

- Assessment, policy and goals**

Company’s’ policy on Environment protection → To support by any possible means a precautionary approach to environmental challenges, undertake initiatives to promote greater environmental responsibility and encourage development of environmentally friendly technologies.

MANAGEMENT OF COMPANY ACTIVITIES AND THEIR RESULTS THAT CAN HAVE AN SIGNIFICANT IMPACT ON ENVIRONMENT	ENCOURAGEMENT OF COMPANY PERSONNEL TO DEMONSTRATE IN ITS DAILY ACTIVITIES PROFESSIONALISM AND RESPONSIBILITY TO PROTECTION OF ENVIRONMENT	GM HELICOPTERS DECLARES COMPLIANCE WITH ALL APPLICABLE LEGAL REQUIREMENTS ON ENVIRONMENT
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Supporting a precautionary approach to environmental challenges.

Introducing the precautionary approach, means that “where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation”.

Precaution involves the systematic application of risk assessment (hazard identification, hazard characterization, appraisal of exposure and risk characterization), risk management and risk communication. When there is reasonable suspicion of harm and decision-makers need to apply precaution, they have to consider the degree of uncertainty that appears from scientific evaluation. Deciding on the "acceptable" level of risk involves not only scientific-technological evaluation and economic cost-benefit analysis, but also political considerations such as acceptability to the public. From a public policy view, precaution is applied as long as scientific information is incomplete or inconclusive and the associated risk is still considered too high to be imposed on society. The level of risk considered typically relates to standards of environment, health and safety.

The key element of a precautionary approach, from GM HELICOPTERS perspective, is the idea of prevention rather than cure. In other words, it is more cost-effective to take early action to ensure that irreversible environmental damage does not occur. Under that we consider the following:

- Whereas it is true that preventing environmental damage demands both opportunity — and implementation — costs, remediation environmental harm after it has occurred can cost much more, e.g. for treatment costs, or in terms of company's image.
- Investing in production methods that are not sustainable (i.e. those deplete resources and degrade the environment) has a lower, long-term return than investing in sustainable operations. In turn, improving environmental performance means less financial risk, an important consideration for insurers.

Research and development related to more environmentally friendly products can have significant long-term benefits

Undertaking initiatives to promote greater environmental responsibility.

We have the responsibility to ensure that activities on our own backyard should not cause harm to the environment of our neighbours. Society also expects us to be good neighbours. We gain its legitimacy through meeting the needs of society, and increasingly society is expressing a clear need for more environmentally sustainable practices.

Encouraging the development and diffusion of environmentally friendly technologies.

Environmentally sound technologies should protect the environment, are less polluting, use all resources in a more sustainable manner recycle more of wastes and products and handle left over wastes in a more acceptable manner than the technologies for which they were substitutes. Those include a variety of cleaner production process and pollution prevention technologies as well as end-of-pipe and monitoring technologies.

RESPONSIBILITY

The company determines the activities and their results that can have a significant impact on environment and established objectives in order to be in compliance with the ecology norms.

1. Improvement of working environment and care for environment protection

Monitoring and endeavour to establish measurement system of key environmental factors (pollutions, gas emissions, noise, fuel and chemical liquids emissions).

2. Compliance with applicable legal requirements

Available sources for to-date information about changes in government regulations on environment protection.

3. Motivated to economy efficient use of natural resources.

4. Provision of necessary training of employees

Made aware to employees on Information for the standards under which the company is to follow: ISO 9001; ISO 14001.

• **Implementation**

Steps that the company is taking in the application of precautionary approach include the following:

- Developing a code of conduct or practice for its operations and products that confirms commitment to care for health and the environment.
- Develop a company's guideline on the consistent application of the approach throughout the company.
- Join industry-wide collaborative efforts to share knowledge and deal with issues, in particular production processes and products around which high level of uncertainty, potential harms and sensitivity exist.

Steps that the company is taking to promote environmental responsibility as the following:

- Re-define company's vision, policies and strategies to include the 'triple bottom line' of sustainable development — economic prosperity, environmental quality and social impartiality.
- Develop sustainability targets and indicators (economic, environmental, and social).
- Work with suppliers to improve environmental performance, extending responsibility up the service provided chain and down the supply chain.
- Adopt voluntary charters, codes of conduct or practice internally as well as through industrial and international initiatives to confirm acceptable behaviour and performance.
- Measure, track and communicate progress in incorporating sustainability principles into business practices, including reporting against global operating standards.
- Ensure transparency and fair dialogue with stakeholders.

In doing the above, the existence of appropriate management systems is crucial in helping the company to meet the organizational challenge. Key mechanisms or tools for the company to use should be:

- (a) assessment or audit tools (such as environmental impact assessment, environmental risk assessment, technology assessment, life cycle assessment);
- (b) management tools (such as environmental management systems and '*eco-design*') and
- (c) communication and reporting tools (such as corporate environmental reporting and sustainability reporting).

The expected key benefits of environmentally friendly technologies are the following:

- Implementing environmentally friendly technologies helps a company reduce the use of raw materials leading to increased efficiency.
- Technology innovation creates new business opportunities and helps increase the overall competitiveness of the company.

Technologies that use materials more efficiently and cleanly with long-term economic and environmental benefits.

Strategic level approaches to be incorporated to improving technology include the following:

- Establishing a corporate or individual company policy on the use of environmentally sound technologies.
- Making information available to stakeholders that illustrates the environmental performance and benefits of using such technologies.
- Examining investment criteria and the sourcing policy for suppliers and contractors to ensure that tenders stipulate minimum environmental criteria.
- Co-operating with industry partners to ensure that ‘best available technology’ is available to other organizations.
- **Measurement of outcomes**

ENVIRONMENTAL INDICATORS

Environmental impact activities for improvement:

- Reduced emissions
- Non-organized dissolver chemical liquids emissions in accordance with restrictions
- The mixing of hazardous and non- hazardous wastes is prohibited

As per the legal requirements on hazardous chemical substances – GM HELICOPTERS is a ‘consumer in the chain’ and as such the obligations are: to demand and register safety data sheets from the manufacturers and the importers of the chemicals, and all employees working with the respective chemicals should be instructed.

As per the legal requirements on waters – GM HELICOPTERS has no obligations. GM HELICOPTERS has an independent source and purification for water treatment.

ANTI-CORRUPTION

- **Assessment, policy and goals**

- Policy on transparency of activities

PREVENTION IN ACTIVITIES WITH POSSIBLE DEVELOPMENT OF ANTI –CORRUPTION PRACTICES	PREVENTION OF CONFLICTS OF INTERESTS AT CONTRACTING	PROVISION OF TRANSPARENCY FOR ALL ACTIONS OF COMPANY EMPLOYEES
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Risk recognised

- ❖ **'Known as clean'**

Once a bribe is paid, repeat demands are possible and the amounts demanded are likely to rise. Conversely a company which takes a firm and principled stand against all forms of corruption *хуй всем* will become known for this and the risk of its employees being exposed to demands will lessen.

- ❖ **'The one who cheats will be cheated against'**

If a company engages in or tolerates corrupt practice, it will soon be widely known, both internally and externally. Unethical behaviour corrodes staff loyalty to the company and it can be difficult for staff to see why high standards should be applied within a company when it does not apply in the company's external relations. *Internal trust and confidence is then eroded.*

- **Implementation**

Fighting corruption and implementing the 10th principle.

- ❖ Internal: As a first and basic step, introduce anti-corruption policies and programs within company and our business operations;
- ❖ External: Report on the work against corruption in the annual Communication on Progress; and share experiences and best practices through the submission of examples and case stories;
- ❖ Collective: Join forces with industry peers and with other stakeholders

- **Measurement of outcomes**

GM HELICOPTERS is pleased to report that there have been no incidents of corruption alleged at the company from either internal or external agencies. Due to the company's zero-tolerance policy, it is obvious that there is a great deal of social and legal pressure not to participate in such acts.

JOINT EFFORTS

GM HELICOPTERS coordinates its efforts on prevention and fight against corruption as it interacts with organizations.

GM HELICOPTERS management takes part in key meetings, conferences and other publicly important events.

