



*International S.A.M.*



## *Communication on Progress*

**C.O.P 2019**

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November 18, 2019

***To our stakeholders and the general public:***

I am pleased to confirm that ES-KO reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this second annual Communication on Progress, we describe like previously our efforts to advance those principles within our sphere of influence.

We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles.

We support public accountability and transparency, and therefore commit to report on progress annually according to the Global Compact COP policy.

Sincerely yours,

***Michael Anthony Masters***

***Chief Executive Officer  
ES-KO International SAM***

# » HUMAN RIGHTS PRINCIPLES

*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

ES-KO's activities providing logistics support services around the globe bring us into contact with a myriad of cultures making it especially important for us to provide leadership in the respect of human rights both within the organization and externally towards suppliers and service providers that we deal with.

With this in mind, our Integrated Management System Policy (IMSP) reflects the principles expressed in the Universal Declaration of Human Rights to which we unreservedly subscribe. We believe these principles are fundamental to the Company's success as respect for them not only makes ES-KO a better employer but they make better individuals of every ES-KO employee.

Application of ES-KO's IMSP to its everyday activities has been subjected to a careful risk assessment leading to procedures and control measures to ensure those procedures are adhered to. Of particular importance is the training that we provide on an on-going basis to all our staff and induction training provided to newcomers.

The effectiveness of those control measures is evaluated continually and corrections are made if these appear necessary. ES-KO's internal procedures ensure that all employees enjoy the right to association, to organize and bargain collectively, to receive equal pay for equal work and that their access to specific job roles is governed by their competence and attitude, regardless of their ethnicity gender, or religion.

The policies ensure that the Company does not employ minors, that no one is forced to remain under employment with Company against their will,

that they have the right to participate in the organization of their work making suggestions to improve productivity and health and safety conditions, that their voices will be heard if they have cause for complaint in respect of their working conditions and the way they are treated.

Perhaps the most important control measure we have put in place is that of adopting the SA 8000 Social Responsibility Standard which requires a qualified third party to audit our practices and assist with identifying areas of potential non-conformance.

Externally, ES-KO's procedures seek to ensure that suppliers share our respect for the Universal Declaration of Human Rights and adopt similar measures to assure the declaration's principles are adhered to within their own organizations and those of their sub-suppliers. ES-KO's procedures are designed to shape our supply chain to exclude subjects unwilling to support our values in this respect.

ES-KO's goals are to remain a first-class employer and promote respect for the rights of all individuals employed in any connection to the services we provide. We hope that by demonstrating our virtuousness and the positive outcome of our policies, we can influence others and contribute in a tangible way to better working conditions for everyone.

## Implementation

ES-KO's objectives are to provide services that meet the expectations of our Customers while performing activities in complete compliance with mandatory requirements and the requirements of the standards that we have voluntarily adopted.

Our Integrated Management System (IMS) combines standards for Quality Management (ISO 9001), Environmental Management (ISO 14001), Food Safety (ISO 22000), Health and Safety (OHSAS 18001) and Social Responsibility (SA 8000).

The IMS includes procedures designed to ensure compliance with the above requirements.



# » HUMAN RIGHTS PRINCIPLES

Control measures and methods of measuring compliance assure us that this is the case and corrective actions are swiftly implemented whenever non-compliance is detected.

The procedures, control measures and methods of measurement are reviewed not only when non-compliance happens but also whenever there appears to be the potential for non-compliance or when changes to requirements happen.

The IMS and all of its elements are available to staff through ES-KO's Intranet site.

Staff are trained from the beginning of and throughout their careers in the Company to assure awareness, conscientiousness and knowledge of our objectives and the methodology employed to reach them.

Staff are informed through email alerts whenever a change is made to the IMS procedures and documentation and re-training is performed whenever necessary.

Staff participation in the organization of their work is encouraged and mechanisms exist to allow them to put forward their suggestions or report irregularities that affect their performance and well-being. These mechanisms rely on suggestion boxes and an email address that staff can write to in full discretion. – to report their grievances.

The Human Resources Office is also available to all employees for a more direct contact.

ES-KO takes particular pride in the training provided to employees, training that not only teaches them how to perform their duties but how to act in the workplace in respect of their own dignity and that of all colleagues, customers, sub- contractors working on site, suppliers and the environment.

Disciplinary practices always aim to correct an individual's behaviour before applying sanctions in respect of irregularities.

Team-building activities are encouraged and funded so that employees form bonds that increase mutual respect and reduce the risk of irregularities.

Externally, ES-KO assesses its suppliers and partners to evaluate their practices. Our preferred suppliers are those that have adopted voluntary standards similar to the above and whose certification demonstrates compliance.

ES-KO's internal auditors are trained to observe application of appropriate practices in all areas when visiting suppliers or performing audits of their facilities.

Businesses should support and respect the protection of internationally-proclaimed human rights". ES-KO is committed to an increased protection of personal privacy in relation to the processing of personal data, in compliance with the 1948 Universal Declaration of Human Rights. Art. 12 provides that "No one shall be subjected to arbitrary interference with his privacy, family, home or correspondence, nor to attacks upon his honor and reputation. Everyone has the right to the protection of the law against such interference or attacks". By implementing the EU General Data Protection Regulation 2016/679 (GDPR) even when not legally obliged to do so, ES-KO is increasing its commitment to ensure adequate protection of privacy for people/individuals outside of the European Union.

## Measurement of outcomes

In matters of compliance with mandatory requirements, ES-KO has not been subjected to any investigations or legal actions.

All our operating licenses and permits are current and valid. Statutory inspections by competent authorities have not produced any observations or revealed any non-conformities. Staff have not reported any irregularities in respect of the requirements of SA 8000 either through the suggestion boxes or the dedicated email address or directly to the Human Resources Office.

*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.*

## Assessment

ES-KO operates in many countries worldwide including some where trade unions are uncommon or even discouraged. As a result, it is necessary to ensure workers are aware of their rights as set out in the International Labour Organization's Declaration of Fundamental Principles and Rights at Work and reassure them of the Company's support for these principles.

While there are no cases of forced labour in ES-KO's organization, we do realise that this may not always be the case externally. This makes it essential to assess the practices of our suppliers with care, selecting only those whose workforce is free of any such constraints. Internally, it is appropriate to ensure workers are suited to the tasks assigned to them and motivated to perform well so that they do not feel compelled to work against their will.

Suitable control measures at the time of hiring eliminate the risk of employing people under the working age by mistake. Again, this may not be the case externally especially in small family-run businesses. Supplier assessment must therefore

address this possibility and ensure that only those suppliers whose entire workforce is composed of workers above the legal age for employment are selected for inclusion in our list of Qualified Suppliers.

ES-KO does not tolerate discrimination on any basis, whether race or gender, religion, sexual orientation, views on Trade Unions, age or physical disabilities.

Our assessment of the related risks concludes that ES-KO as an organization does not afford any room for discriminating behaviour.

However, in a multi-ethnic workforce, where people of many different cultures come together, the potential for discrimination certainly exists among the workers themselves. This risk is included in our assessment and appropriate measures are in place to prevent it.

## Policy

ES-KO's Integrated Policy – at the heart of our Integrated Management System - has clear statements concerning our commitment to respect the work rights of our employees, upholding their freedom of association, their right to establish their own organizations and carry out related activities without interference, to receive fair compensation and benefits and to ensure that they are not discriminated against and have equal opportunities to access positions within the organization.

The Integrated Policy also reaffirms ES-KO's commitment to ensure the absence of child labour and forced labour practices in the organization.

## Goals

ES-KO's goals in matters of labour rights are to maintain our position of leadership as a fair employer, to continue providing our employees with a work environment in which their rights are upheld and protected and their hard work and

# » LABOUR PRINCIPLES

dedication rewarded, and to demonstrate externally that the Company's practices lead to a satisfied, motivated and productive workforce in order to influence others and contribute to the promotion of worker rights and the adoption of similar practices throughout our supply chain.

A further – and constant - goal is to follow and where possible remain ahead of developments in the field of labour rights for the benefit of all our employees who are ultimately responsible for ES-KO's success.

## Implementation

ES-KO's Policy is supported by procedures, control measures and methods of measurement that represent the tools needed for its implementation and to ensure compliance with our stated aims.

The Integrated Policy is distributed to all employees by email and is made available in a printed format in all places of work and is freely available for consultation on the company's intranet.

Properly informed of their rights, employees are encouraged to report any irregularities that they may encounter, whether they affect them or their co-workers, and four tools are provided to this end.

Firstly, employees can use suggestion boxes to provide reports, suggestions and comments. Reports can be provided anonymously.

Secondly, ES-KO provides a dedicated email address that employees can use to address any particular concerns or suggestions they might have.

Thirdly, in compliance with ES-KO's strict policy against all types of workplace harassment (including harassment on the basis of ethnicity, religion, nationality, sex, gender, sexual orientation and physical or mental disability) and as a further measure to guarantee the well-being of all employees, ES-KO has nominated a person in charge of dealing with harassment and violence in the workplace.

The appointment of the person in charge is communicated to all employees by internal memo every year.

Further to the above, ES-KO's Human Resources Office is available at all times to receive reports and employees know they are welcome to use this channel if they so prefer.

Externally, ES-KO's trained auditors observe practices being followed at the suppliers they visit to perform audits and inspections and report possible irregularities to the Risk Manager who would ensure appropriate action is taken either to persuade the supplier to correct the irregularity or amend the list of Qualified Suppliers if necessary. Suppliers are provided with a questionnaire to be compiled during the Supplier assessment process and the information is verified whenever it is practical for us to do this.

The questionnaire will be updated should there be any changes to the expectations in respect of workers' rights and re-submitted to suppliers so that the information available to continual assessment of suppliers is correct and up-to-date.

## Measurement of Outcomes

Internal audits are performed at least annually and with greater frequency if warranted by the results of monitoring the performance of our Integrated Management System.

The results of internal and external audits, workers' input received through the suggestion box/email/Human Resources Office and information related to the continual assessment of suppliers are collated and presented to ES-KO's Senior Management at the time of the annual Management Review during which objectives are modified if necessary, to ensure continual improvement in all areas of the organization including those covered in this chapter.

To date no cases of harassment have been reported.

*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*

## Assessment

ES-KO performs a careful assessment of all risks posed by every aspect of our activities and risks to the environment are no exception.

While we do not perform any heavy industrial type of activity, we recognize that the very presence of an operation such as the ones ES-KO manages (food supply, catering, camp construction and services) impacts the environment in which it is located.

ES-KO is certified to the ISO 14001 Standard for its Headquarters where support to the operations takes place and is subjected to annual audits by an Accredited Third-Party Certification Body.

Risks associated to day-to-day operations are assessed with particular focus on transport activities and waste management as areas of greater risk at the operations level.

Office type activities can also create risks for the environment and these too are assessed both in project operations and at Headquarters.

Risk assessment includes not just the impacts deriving from operations but also those from human behaviour, the way employees interact with the environment.

## Policy

Our environment-related policy is contained in our Integrated Management System Policy and it sets out our commitment to orientate the Company's processes towards solutions of greater respect for the environment, limiting the consumption of energy and natural resources.

Our policy is also to develop control systems that measure negative impacts on the environment, so that mitigation measures can be studied and implemented, and to promote the professional growth of our collaborators through training programs.

## Goals

ES-KO's objectives are:

- to reduce as far as possible the impacts that our activities have when it is not possible to eliminate them altogether;
- to train staff not just in working practices that achieve this but to educate them so that they are conscious of the need to protect the environment in and around the places where they work and live;
- to develop sustainable models for the design and provision of our services;
- to develop and update risk assessment criteria to augment the effectiveness of environmental safeguards.

## Implementation

Implementation of our Environmental policy is achieved through appropriate procedures included in our Integrated Management System and begins at the service design stage when correctly orientated processes and appropriate control measures are established.

Our Technical Staff monitor advances in technology and evaluate the effectiveness provided by new materials, innovative



# » ENVIRONMENTAL PRINCIPLES

construction techniques and ways of re-cycling waste. Innovations are applied to existing projects where practical and incorporated into future designs of projects and services together with the results of an assessment of the effectiveness of existing mitigation measures.

Convinced that “every little bit counts”, we encourage staff to “go green” and provide them with the information they need to do this. We minimize paper usage in the office, for example by establishing communication groups which reduces the need to distribute printed information and we encourage employees to correspond and communicate via email.

We operate waste separation and re-cycling schemes, encourage turning lights off when vacating a room and setting air conditioning and heating equipment to work only during working hours and at appropriate levels.

The Human Resources Office and the Social Responsibility Team – established in accordance with our SA 8000 certification – issue frequent emails reminding staff of their responsibilities towards the environment and providing helpful tips to ‘go even greener’.

ES-KO participated in “Trees for Water”, a new environmental initiative led by the “Prince Albert II of Monaco Foundation” launched to fight against deforestation and climate change.

The concept of this initiative, supported by our Board of Directors, consists in planting trees in India. Our contribution has been very strong and in recognition of the participation of staff and because of the importance of the initiative, the Board of Directors decided to multiply by 5 the number of trees planted by staff.

ES-KO was selected for the conception and the construction of the Principality of Monaco’s pavilion for the Universal Exposition «EXPO Milan 2015» held from May to October 2015 in Italy. Unique among all the participants, ES-KO proposed a pavilion that could be re-purposed and the whole multi-complex structure was dismantled and re-deployed in Burkina Faso. 85% of the pavilion functions have been retained and the building meets the HQE (High Environmental Quality).

The center will provide training in first aid at a national level and throughout the West African sub-region. The inauguration of the new center, handed over to the Red Cross Burkinabe, was held recently by HSH Prince Albert II and Princess Charlene, together with the Red Cross Executive Committee.

ES-KO, together with 64 other companies in Monaco, is a signatory to the "Charter on Wood", a partnership to fight against deforestation involving the Government of Monaco and the Prince Albert II of Monaco Foundation. In recognition of its contribution and great support, in December 2018 ES-KO was awarded the 2018 Prize by H.E. Bernard FAUTRIER, CEO of the "Prince Albert II of Monaco Foundation".

## Measurement of outcomes

ES-KO maintains an efficient procedure through which all workplace incidents, including those that have impacts on the environment, are reported.

Each incident is investigated to establish root causes and effective control measures and a periodical analysis of statistics is performed to identify trends and take appropriate steps to reinforce control measures and improve the overall system.

Periodical audits of our projects are carried out by our qualified internal auditors using the environmental Management Section of our Integrated Management System. This provides internal auditors with the tools needed to perform a thorough verification of compliance with its requirements.

Internal and external audits have not revealed any non-conformities concerning Environmental Management. ES-KO has not had any environmental incidents within the last year and has not been subject to any statutory notices or prosecutions.

Once a year, statistics are extracted from the Incident Report Log together with the results of audits and presented to Senior Management for the annual Management Review.

Senior Management uses this process to verify the effectiveness of the Integrated Management System and to make any changes to it or to the Company’s objectives in line with their findings.

# » ANTI-CORRUPTION PRINCIPLE

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

## Assessment

Corruption is certainly a potential problem affecting the geographical areas in which ES-KO operates.

According to Transparency International, the average 2017 Corruption Perceptions Index score of the countries in which ES-KO's major operations are located was less than 30 (where 0 signifies highly corrupt and 100 is very clean).

A careful assessment of the potential risk involved in working in these countries is therefore of great importance as are a robust anti-corruption policy, anti-bribery management and fostering an anti-bribery culture within the organization.

Assessment looks at opportunities for bribes being sought by officials, by customers, by suppliers and contractors and by the Company's own staff.

Opportunities may arise in several areas such as trading influence, abuse of powers,

## Policy

ES-KO has a zero-tolerance policy in respect of corruption in any form and we are committed to upholding all relevant laws and supporting regional and international anti-corruption legal frameworks, such as the United Nations Convention Against Corruption, the OECD Anti-Bribery Convention inter alia.

Our Integrated Management System includes several policies concerning the ethical conduct of our activities:

- Authority Levels;
- Employee Code of Conduct and Ethics;
- ES-KO Code of Business Conduct;
- Local Procurement; and,
- Procurement Ethical Code.

Authority Levels determine limits within which each employee may bind the Company to an obligation, whether payments (purchases, funding, advances, personal expenses etc.), execution of contracts (RFPs, bids, performance bonds, contracts and contract amendments) or other obligations (letters of intent, memorandums of understanding, provision of services not covered by a proper contract).

The Employee Code of Conduct and Ethics, to which every employee subscribes, ensures that business conduct is free from conflicts of interest whether real or perceived and that assets, whether ES-KO's or the Customer's, are not used inappropriately.

It requires employees to avoid illegal conduct in their business and private lives and to protect the Company's reputation in all their dealings.

It makes clear that money, gifts of more than nominal value and hospitality beyond what would be normal may not be given to customers, competitors or suppliers to favour either ES-KO or the employees themselves. It ensures that company files, records and other information are kept confidential and protected from unauthorized access.

# » ANTI-CORRUPTION PRINCIPLE

The ES-KO Code of Business Conduct binds all employees to complying with the spirit of applicable laws and regulations governing the conduct of ES-KO's business.

It makes clear that ES-KO will never pay or condone the payment of bribes or other improper payments.

It leads employees to promote a culture in which ethical conduct is recognised, valued and exemplified.

Local Procurement and Procurement Ethical Code govern the way in which employees participate in the purchase process for goods and services necessary for the Company's activities.

They ensure procurement follows ethical lines and is done in the best interests of ES-KO and the Customer with no personal benefits or involvement.

## Goals

To continue support for the UN convention and other legal frameworks in their fight against corruption.

To ensure that transparency is maintained in order to demonstrate the Company's commitment to excluding corrupt practices from our business dealings

## Implementation

ES-KO's policies are implemented through appropriate procedures contained in the Integrated Management System, accurate

record-keeping and internal and external oversight.

We are committed to fighting corruption in all of its forms and to do business with the highest sense of transparency and integrity. We do not accept bribery or corruption in any form. Therefore, ES-KO is working for 2020 on an anti-bribery and anti-corruption policy/program to protect our people and our business (with zero tolerance approach to bribery and corruption stating how our employees should behave and what they should do if confronted with bribery or corruption).

## Measurement of outcomes

There have been no reported cases of attempted bribery or conflict of interest and no disciplinary actions taken have been taken against any of our employees.



People to trust in difficult times

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