### GLOBAL COMPACT COMMUNICATION ON PROGRESS

September 2009



### **Our Chairman's commitment – First Communication on progress**

Since its creation in 1974, AGS has been a family business, loyal to its fundamental values of **Quality**, **Performance**, **Respect**, **Innovation and Solidarity**.

I am proud to announce our Group's membership to the United Nation's Global Compact and our commitment to the 10 universal principles. We have always upheld these principles, and our membership has now made this widely recognised. We solemnly undertake to promote and respect **human rights**, **labour standards**, **the protection of the environment** and the **fight against corruption** in all our activities. We also commit to sharing these principles with our partners within their scope of influence.

Guidelines will be specified and various actions will be carried out in the future. This progress will be the subject of recurring communication, which will highlight the measures we have taken and the progress made.

We will communicate our environmental initiatives in order to reinforce our participation and commitment to Global Compact and its principles. Areas focused on will include improved working conditions, without discrimination, and the struggle against child labour. These issues are of great concern to us and will be at the heart of our efforts.

Alain TAÏEB

Chairman

In this first Communication on Progress, we describe our actions to date and the new objectives that have been set in terms of the Global Compact's environment and labour principles.

Our next communication will cover the other themes of the Global Compact, such as the promotion of human rights and our anti-corruption initiatives - principles which have always been integrated into the Group's responsibility policy.

### Principle 8: "Businesses should undertake initiatives to promote greater environmental responsibility."

As a leading international removals company, we realise that we have an important role to play by managing our impact on the environment. We also recognise the need to communicate good environmental practice amongst our staff and external partners.



Uncontrolled consumption of natural resources and relaxed waste management policies has a negative effect on our local environment and global natural resources.

The AGS Group was one of the first companies in the removals industry to ensure that quality standards are

followed to in all its branches. We have continued implementing these standards, in conjunction with our partners (AFNOR, FIDI, AFDI, etc.) to improve the quality of service that we offer our clients. This initiative started with the implementation of management control of all our activities. Such practises include the control of the activities linked to service completion: commercial, packing, loading, import, export, storage, client follow-up and utilising operational and subcontracted resources.

All our AGS branches worldwide are subject to regular onsite inspections. This aims to evaluate our conformance to procedures and ensure that we satisfy the rigorous environmental standards and criteria of our partners.

Our commitment to the environment includes:

- Sorting plastic, paper and cardboard for recycling.
- Recycling printer cartridges.
- Communicating electronically to reduce paper and energy consumption.
- Using quality packing material that can be recycled.
- Implementing preventative maintenance programs for all our vehicles.
- Using water transport wherever possible.
- Minimising road transportation.
- Regulated disposal of motor oil.
- Disposal of batteries.

The AGS Group also seeks to be socially responsible with regard to the environment by:

- Engaging in initiatives that ensure the reduction and recycling of waste, including the efficient use of energy.
- Implementing remuneration practices, designed to encourage employees to use public rather than private transport.



 Promoting "environmentally-friendly" policies in the workplace with the distribution of posters.

Principle 9: "Businesses should encourage the development and diffusion of environmentally friendly technologies."

The AGS Group is maintaining a positive and proactive strategy as we plan for the future. The Group's investment in ecological initiatives illustrates our aim to minimise our carbon footprint, and is proof of our contribution to the advancement of the industry's role in the environment.

#### Example n°1

AGS recently began the construction of new office and warehouse facilities in London. The building will benefit from the latest advancements in sustainable development, and we are particularly pleased that these facilities adhere to good environmental standards and practise.

- Photovoltaic panels use direct solar radiation and convert it into useable electricity.
- Air source heat pumps were installed. These pumps rate highly in performance and use little energy to produce large amounts of heating or cooling, depending on the season.



Implementing these innovations will lead to a marked reduction in the building's carbon emissions, which benefits our group and the local community. The use of air source heat pumps at the AGS unit is also progress in terms of assisting the UK to meet its carbon reduction targets, under the Kyoto Protocol, and is a key part of the carbon reduction strategy for the site.

### Example n°2

The AGS Group has invested in the modernising of its equipment during the past 6 years with the creation of the European Lift Van, a 10m3 small steel container used in road transportation.

These Lift Vans, with a capacity of 10m3, are perfectly suited to moves in cities. Due to their compact size, they can be easily loaded onto a 7.5 ton truck which will transport cargo better than a 19-ton truck in town.



In addition to the numerous advantages, like service quality improvement, this Liftvan represents a positive impact to the environment. Its compact size allows for transportation via traditional carriers, thus avoiding partial loading and contributing to a reduction in the amount of trucks on the road and carbon emissions.

After a range of tests and prototype adjustments, we equipped our European branches with 800 Liftvans, and have increased their

numbers annually.

#### Example n°3

In line with our company's social responsibility objectives, we recognise that we have a role to play in controlling the impact our activities have on the environment. The Group applies the FIDI/FAIM packing standards at each of its branches. The careful selection of our worldwide agents guarantees compliance to the FIDI/FAIM standards.

With numerous years of testing and observing the industry, we have enhanced our quality standards internally by improving our packing materials and practices. We have therefore managed to drastically reduce our carbon footprint.

We therefore implement the following measures:

- Sorting plastic, paper and cardboard for recycling.
- Using packing material of high quality that can be recycled.
- Appropriately-designed packing materials to save space in delivery vehicles, thus reducing the number of vehicles used and our impact on the environment.



### **Axes of Progress and Perspectives**



The following progress is expected:

- Optimisation of intra-European routes via national and international cabotage.
- Clarify our partners' role and responsibilities in terms of environment.
- Implementing tools to measure recycling and energy saving.

### Principle 6: "Elimination of discrimination in respect of employment and occupation."

In order for the AGS Group to continue experiencing success as an international corporate, it is essential that we present ourselves as economically, socially and ethically responsible. It is the only way to guarantee financial and social development.

We outlined several areas of strategic responsibilities in our Code of Conduct:

- Zero Tolerance of Discrimination
- Fight against Harassment

- Training and Development
- Working Conditions

#### **Zero Tolerance of Discrimination**

As the Group is present in more than 83 countries, and because our clients are foreign locals, we



ensure that all language barriers are eliminated. **We employ people from various nationalities** in order to facilitate the communication between the employees of the Group and the clients in their native country. This extends to expatriates, regardless of their nationality, when they travel abroad. We have identified about 20 languages within the Group, which are spoken by our branch managers and employees.

**The AGS Group applies a policy which promotes equal opportunities.** We therefore ensure that no candidate or employee is discriminated against in terms of race, sex, sexual-orientation, marital status, age, colour, nationality, caste, handicap, religion, union or political affiliation.

**Our selection criteria are fair and objective** and are based on the knowledge, abilities and skills required for the position. All medical evaluations needed for a particular position is carried out in a non discriminative and equitable manner.

AGS promotes our diverse working environment and range of skills within our international company. More women are entering the working world, yet few manage companies. Through the promotion of true equity and opportunities, **more women are accessing strategic positions within our company**. The transportation business is a difficult industry, and at AGS, we are thrilled to see our women succeed.

#### **Fight against Harassment**

All employees have the right to be treated with dignity and respect. Harassment is not tolerated at AGS, and all reported cases are treated in an appropriate manner by the Group.

#### **Training and Development**

Mobilitas is an avant-garde Group and treats employee training is an inherent component of its vision for the future. The Group empowers its employees at all levels, and its philosophy is to offer them continued training and a work environment in which they can develop to their full potential.



### **Working Conditions**

The Group enforces the labour laws applicable in the country where the branch is located. Working conditions are created from basic standards in order to apply equality principles i.e. the **same rights for all within a company**, thus ensuring the best environment.

To fulfil these responsibilities, we ensure our basic values and ethical principles, which are described in our Group's Code of Conduct, and are applied in these simple principles:

- Implement and observe the codes of conduct, aimed at protecting employees from harassment or any other discrimination and providing equal opportunities.
- Ensure that employees are aware of these codes and that they respect them.
- Operate an adapted remuneration policy and reward exceptional performance.
- Ensure that all employees know what is expected of them within the framework of their job, and that they can evaluate their performance.
- Provide a framework that will help employees develop their skills.
- Offer a safe work environment and ensure that employees fully understand their own responsibilities, with regard to health and security problems.
- Help employees balance work and personal life.

It is the responsibility of each manager at AGS to ensure that all their staff understand and respect the Code of Conduct. Managers must lead by example. AGS management regularly ensures that the principles of the Code of Conduct are applied correctly.

### 5th principle: "Effective abolition of child labour."

In countries where AGS has not yet established subsidiaries, international agents are selected according to strict quality and reliability criteria. We can therefore maintain our commitment to quality service, irrespective of the destination.



We practice honesty and integrity in all our activities and expect the same from our commercial partners. Mobilitas encourages all its partners to adhere to similar codes of conduct, which can impact our selection process.

The AGS group requests that its partners, in those countries considered to be sensitive, to ensure that no child labour is used at the off-loading of containers at destination, for both sea and air shipments. The Group aligns itself to Convention 13 of the International Labour Organisation with regard to the legal age for employment.

Furthermore, AGS will ensure that all forms of forced or compulsory labour will be avoided and eradicated. No employee is expected to hand over their ID document or money when employed at AGS.

#### **Progress and Perspective objectives**



The following progress is envisioned:

- Clarification of the roles and responsibilities of our partners in terms of employment and involve them in our standards as soon as possible.
- Act against corruption in all forms, including extortion and bribery.