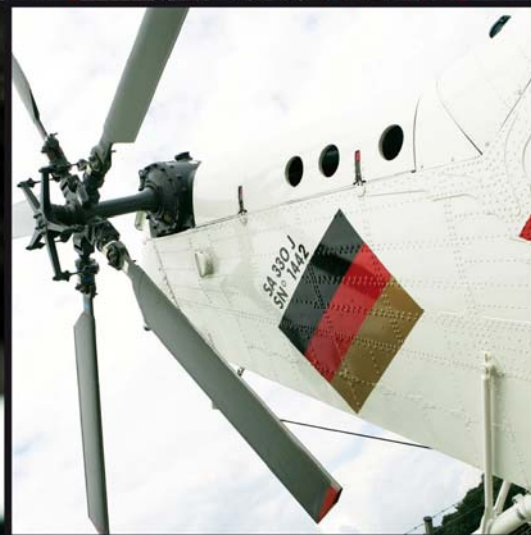


## Sustainability report

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## INTRODUCTION

During the past years, a broad consensus has emerged in Germany, that companies are not only obligated to their economic success, but also to the interests of the employees, the community and the environment. Many firms have already assumed this social responsibility (Corporate Social Responsibility), by integrating ecological and social standards in their management process and value-added chain. This is the first time that HELOG Lufttransport KG is documenting its activities in this sustainability report.

## THE CHALLENGE

At this time, the management and the employees are faced with a challenge, in a dimension unlike we've ever imagined, due to the international business orientation of the HELOG Lufttransport KG. We have to give answers to questions like:

- ◆ Which strategies will be used in global competition in the future?
- ◆ Which consequences will arise from location decisions and co-operation of different cultures?
- ◆ How can we prepare our employees for the flexibility and mobility of a modern working environment, even though many of our colleagues work in African countries?

To be able to understand both parties, you must have a high degree of aesthesia, tolerance and respect. Cross-cultural competence is becoming even more important, because of the globalization of economics and society.

We at HELOG Lufttransport KG are aware that company culture can not be dictated. A corporate culture has to develop out of the business itself.



We are also aware that the future will belong to companies that exhibit a positive contribution to ethical and enduring management in their countries and also at international locations. A company that is fit for the future shows "sustainability leadership".

Today, the economy influences nearly all areas of social life. The future-prospects of each individual and if the potential of a society is optimally used, depends on the actions of the company. This also decides whether or not the company is fit for the future. Therefore, the entrepreneurial activity is an important responsibility for social development. Although the HELOG Lufttransport KG is a small company that only employs 150 people, it is extremely important to comprehensively occupy itself with CSR, because of its international activities and multicultural workforce.

We at HELOG Lufttransport KG have realized that regularly performed sustainability analyses are important instruments that estimate the economical, ecological and social performance of a company. Sustainability reports allow potential investors to estimate the company's risks and chances even better.

## **SUSTAINABILITY AT HELOG LUFFTRANSPORT KG -**

### **A DEMANDING PATH INTO THE FUTURE OF THE COMPANY**

Particularly small and medium sized businesses have been very cautious about releasing sustainability reports. The HELOG Lufttransport KG wasn't any different up to now. Usually, only limited resources and staff are available to write reports. Because of this, it was necessary to point out the benefits of writing these sustainability reports for the company and to keep the associated time and effort at a minimum. We are also aware that sustainability reports usually only reach a small part of the desired readership. The knowledge of the informational needs of the target groups is still small. An additional purpose of this report is to define the target groups and their informational demand.



## CHANGES IN THE VALUE-ADDED CHAIN

In the last five years, a change has occurred in the value-added chain at HELOG Lufttransport KG. The value added activities of originally 100 % added value in Europe have changed to 100 % added value in Africa. During the last three years, our entire sales volume has been generated in Africa alone. Even though the clearly defined value creation has become a central challenge, we have discovered that the international character has not yet reached all business sectors and management levels.

Unfortunately, moving the value-added activities abroad also had negative effects on the HELOG Lufttransport KG. These are the reduction of jobs or the cutback of skills in the home country, for example. But it appears that the foreign place of business should be regarded as a driving force of growth, which will ultimately strengthen our home headquarters. Moving the value creation activities of the HELOG Lufttransport to foreign branches mainly occurred because of the following reasons:

- ◆ There is no suitable market in Europe for the helicopters that HELOG uses.
- ◆ The company and most of its employees have acquired a large know-how to be able to operate in countries with poor infrastructure. Because of this, we have the front spots in the international competition.
- ◆ HELOG has found a good market in Africa for its services. Several industries prefer helicopters as a means of transportation, due to the poor infrastructure and the high demand of mobility.
- ◆ Better chances of growth. We can grow together with the African economies.
- ◆ HELOG'S management has a very good network in Africa which is profitable for the sales of our services.



## DIVERSITY-MANAGEMENT

The general conditions of the HELOG Lufttransport KG have been put into motion quite strongly, due to the orientation on the international market. At one time, HELOG Lufttransport KG had employees of 16 different nationalities in the various places of operation. Because of this variety in cultures, synergies were produced, which strengthened our company even more. The cultural diversity regarding gender, age, ethnic group, family background, sexual orientation, disability/ illness, religion, philosophy of life, career, lifestyle and belief not only improves the image of a company. It also raises the company's profits. The goal of HELOG Lufttransport KG's management is to enhance and use the potential of the differences and the similarities within the staff. We at HELOG Lufttransport KG have been able to observe the following synergies due to cultural diversity:

- Less cross-cultural conflicts. The cultural differences and the effect on collaboration and contact will be portrayed to the customer.
- Better market access, because cross-cultural employees are the specialists in international markets as well as in ethnic marketing
- An increase of innovational ability. Different perspectives of creative problem solving are the result of the diversity of the staff.
- A higher level of tolerance in the entire business area.



## HELOG'S INITIAL STAGES OF CSR AND CCS IMPLEMENTATION

- ◆ Which entrepreneurial challenge will result out of the goal of a sustainable development?
- ◆ Which known theoretical and practical approaches are suitable for facing the sustainability challenges and therefore support the corporate sustainability management?
- ◆ In which operational areas of a company can the approach of sustainability management be successfully applied?
- ◆ What characterizes the management's approach and which strengths and weaknesses do they have?
- ◆ Which advantages and chances can be the result of a successful and sustainable corporate development?

Out of this, we can conclude the following central sustainability challenges at HELOG Lufttransport KG:

- ◆ Social challenges
- ◆ Ecological challenges
- ◆ Integration challenges
- ◆ Economical challenges

The four sustainability challenges mentioned above will assign the areas, departments and branch offices of the companies with various new duties. For this, different approaches of the management are necessary. In the chart below we have assigned the different systems and concepts to the corresponding functional area.





Systems/Concepts and Instruments	HELOG - Area of Operation						
	Controlling	Logistic	Finance Management	Marketing	Personnel	Operation	Strategy
Incentive Systems	○				○		
Working Time Model	●	●			●		
Operational Environmental Information System	●	○	○	○	○	○	●
Corporate Citizenship				●			●
Corporate Social Responsibility		●	●	●	●		●
Design				●		●	
Sustainability Management System	●	○		●	○	●	●
Quality Management System	●	●	●	●	●	●	●
Audit/Auditing	●	●	●		●	●	●
Benchmarking	●		●	●		●	●
Record/Reporting	●			●	●		
Financial Statement/Balance	●	●	●				●
Budgeting	●	●	●	○		●	●
Corporate Volunteering			●	●	○		●
Dialogue Instruments	●			●	●	●	●
Early Warning	●		●				●
Capital Budgeting	●		●			●	●
Label				●			
Mission Statement/Guideline				○	○		
Risk Analysis	●		●			●	●
Sponsoring	●		●	●			●
Suggestion Scheme			●	●	●	●	
Continuing Education	○		●		●		●

\* ● is already being applied

\* ○ in planning



## CHALLENGES AND LIMITS TO A COMPANY'S COMMITMENT TO HUMAN RIGHTS

### Challenges

In Germany, the rule of law and the protection of human rights are taken for granted, but we as a company are confronted with the fact that basic human rights are not being enforced in developing and emerging countries. There are certainly various reasons for this.

Despite the challenging environment, we are anxious to achieve higher social standards, better education, more environmental protection and an overall increase in living standards with the jobs we provided. With this, we indirectly assume a certain responsibility for the realization of human rights.

The discussions to improve possibilities and means of the worldwide implementation of human rights play a very important role. But we shouldn't forget that companies are still left out in the rain by politics. The author's opinion is that the governments should be criticized for doing nothing, for their endless discussions and for their failure to act as well as foiling the serious efforts of the companies, by taking lobbies under consideration. It has also come to our attention that western governments, particularly the United States, have recently violated human rights policies quite controversially with the war in Iraq, Guantanamo, the Gaza war, etc.

It clearly shows that the unacceptable behaviour of countries that supposedly practice "good governance" makes it very difficult for companies with well-meant intentions.

We at HELOG Lufttransport KG are trying to produce platforms, in order to give our employees from all over the world the possibility to give us their own opinion on how we can implement human rights policies and the compliance of social standards even better at our company.

However, we must come to the conclusion that our influence as a SMB (small and medium-sized business) is relatively small and can only on be implemented at a local level.

We have presented an overview of our activities in the Global Compact "Report on Progress", on our website under "Corporate Social Responsibility" as well as in this sustainability report.



## Our limits

To make things clear right at the beginning: we as a company do not have the social and political position or the ability to solve emerging conflicts regarding human rights. Companies can only support the politics of the national regimes in the strengthening of human rights, but cannot provide them with a replacement.

HELOG also operates in so-called "weak governance zones". So far, we have been able to pursue our business activities without restrictions or limits in these areas. We are also aware that the numerous problems of the "weak governance zones" cannot be resolved quickly. This is where the input of neighbouring countries, the UN and other international organizations is needed.

On the other hand, we can improve the local situation with our investments, even though they are simply measures for fair pay or the disapproval of child labour and discrimination that will not take effect nationwide.

But investments and services in this area can also have a reverse effect. Due to its corporate commitment, a company can very quickly become accused of indirectly supporting illegitimate regimes and extending these intolerable conditions.

We believe that a company's commitment in these areas doesn't automatically mean that they are accomplices. We still think that our actions will provide chances and possibilities for the workers and business associates, which they wouldn't have had. However, we cannot estimate how much these initiatives will influence the improvement of the overall development. Nevertheless, the following also applies here: "Constant dripping wears away the stone".

Furthermore, the highly political and emotional discussions about this issue show the different opinions about overall procedures and corporate strategies. It is still controversial whether or not and to what extent companies should be held responsible for the protection of human rights according to international law.



In the past decades, companies have been expected to be "good corporate citizens" that respect and protect human rights within their business activities. At the same time, official regulations have lost their influence due to the globalization.

We are certain that we have had a sphere of influence in the realization of human rights, which are only apparent in the local area and in the immediate areas of operation.

We accept the challenge in this complex subject and are very happy that we have already had some success.

## SOCIAL CHALLENGE

### **Finding, supporting and obligating talents**

It is of great importance to the HELOG Lufttransport KG to replace the foreign workers with local co-workers at locations of developing countries as quickly as possible. This usually requires that these employees participate in extensive trainings, which will also qualify them for their future professional career. We want to ensure that employees will easily find new jobs in case HELOG Lufttransport KG is forced to close down a location because of our clients.

The hiring of the local co-workers at HELOG Lufttransport KG not only depends on the professional skills of the candidates. Social and family-related aspects and the resulting responsibilities also play a big role in the final evaluation of the job candidates. In this country, the people that have work provide for far more than only their own families. We feel that this is also an important task to consider.

We also offer routine training courses for staff of the local aeronautical authorities in Germany to enable their understanding of the different regulations and procedures.



## Working hours

For operational areas that are exposed to extreme pressure, HELOG Lufttransport KG offers specific working hours. For the helicopter crew and the technicians on site, which are sometimes exposed to inhospitable areas, HELOG Lufttransport KG offers a 6/6 or an 8/8 rotation. This means that after working for 6 (or 8) days, the employee will have the same number of days off.

Generally, we try to make sure that our employees can regenerate by compensating overtime with time off.

## Education and training

The flight staff, technical staff, logistics staff and quality management must regularly attend training courses, according to the corresponding regulations. This is partially the responsibility of the employee himself. HELOG offers all of these courses and trainings free of charge and even encourages the staff to visit additional training courses during working hours.

HELOG offers its employees free courses such as:

- ◆ CRM - Crew Resource Management
- ◆ Fire Fighting
- ◆ Dangerous Goods
- ◆ First Aid
- ◆ ARM - Aviation Resource Management
- ◆ Human Factors
- ◆ Type rating courses for Pilots and engineers on the Aircraft types operated by HELOG
- ◆ Continuation Training Maintenance
- ◆ Apprenticeship for Engineers
- ◆ EASA Part M for CAMO Staff (NOT Mechanics!)
- ◆ Quality Management Continuation Training / DIN ISO 9001

All foreign employees will be trained, certified and deployed in accordance to the corresponding regulations, to the standards of the Federal Office of Civil Aeronautics, the EASA (European Aviation Agency) and the HELOG Lufttransport KG.



## Safety at work

HELOG has created its own HSE-S (Health, Safety, Environment, and Security) manual, which was introduced as a binding procedure for all branches.

Herein clear rules, instructions and procedures are specified for all employees.

The following positions are directly responsible for the compliance of these standards and for developing the procedures:

- ◆ Managing Director
- ◆ Quality Manager
- ◆ HSE-S Director
- ◆ Flight Safety Officer

It was also specified that there will be at least 8 internal audits per year in the various business areas.

Further audits will regularly be carried out by the Federal Office of Civil Aeronautics and especially by the customers themselves.

## Diversity

Cultural diversity has proven to be a great advantage, despite the challenge in terms of language, behaviour and integration.

The results of this diversity of different cultures are synergies, which have led to a strengthening of the entire company. HELOG Lufttransport KG employs workers of nine different nationalities. The cultural diversity in relation to gender, age, ethnicity/origin, sexual orientation, disability/illness, religion, ideology, career, lifestyle and performance not only improves a company's image, but will certainly increase the company's potential. The goal of the management of HELOG Lufttransport KG is to increase and take advantage of the potential, which is a result of the differences and similarities within the workforce.

It is very important to us at HELOG Lufttransport KG, that our employees consider and live by the regulations of sustainability and CSR.



The 115 people working for HELOG LUFTRANSPORT KG today can be divided as follows:

- ◆ 30 % are women
- ◆ 14 % are working in Germany
- ◆ 50 % are employed in developing countries
- ◆ 70 % have foreign citizenships
- ◆ 13 different nationalities
- ◆ 40 is the average age
- ◆ 26 are older than 50 years

## ENVIRONMENTAL CHALLENGE

### Reaction to the climate change - Strategies

No other subject affects the public quite as much as the climate change.

The consequences of the climate change are vast. Rising sea levels, extreme weather conditions, food and water shortage, the spread of diseases and other negative influences have already become a part of everyday life and will presumably continue to increase.

But the climate change also bears opportunities. Many technical innovations for better energy use are a result of the economical changes.

### Kerosene and emissions

Oil is a finite resource. We can expect a short-term increase in costs for research and development. The political behaviour of oil-producing countries is also unpredictable. The extremely high energy consumption of some emerging countries is also a cause for the price increase of this resource.

Kerosene is the fuel of the aviation industry. The turbo engines of our helicopters strictly use oil-based kerosene.



Today, alternative fuels are still not available. Synthetic kerosene (BTL fuel) could become a possible alternative; the primary substances being biomass, natural gas and coal. Natural gas and hydrogen are under discussion as well as "blending", which can possibly be put into action in a short period of time. This method combines kerosene with soy-based bio diesel.

The most important aspect for each alternative is still flight safety. Important criteria must be met such as high combustion, material compatibility, handling, viscosity at low temperatures, injection efficiency, the ability to restart the engines during flight, etc, etc.

I wouldn't say that it would be pessimistic to suggest that alternatives won't be available for the next 10-20 years.

That's why HELOG Lufttransport KG responds with technical and organizational actions in order to significantly reduce fuel consumption.

## **Measures to reduce consumption**

In addition to better flight and operation scheduling, the most effective possibility to reduce fuel consumption is the use of new technology. This means that we must use the most modern helicopters with the most recent generation of engines. The kerosene consumption can be reduced by up to 50 %, by using this new technology!

This year, the HELOG Lufttransport KG has already temporarily exchanged some of the older SA 330J helicopters for Bell 212 helicopters. However, we are still forced to use the Puma helicopters for the next few years, due to special missions and the extremely long delivery periods for the new helicopters.

Last year, HELOG Lufttransport KG ordered 2 modern EC 145 helicopters from Eurocopter, which will reduce the fuel consumption by 40 % compared to the Puma.

Our goal is to replace our entire fleet with the most modern helicopters in the next 3-4 years. That means we would save approximately 700,000 litres, compared to our fleet's current consumption of 1.8 million litres!



## SOCIAL RESPONSIBILITY

### Disaster management contribution

HELOG LUFTRANSPORT KG, pioneer, initiator and sponsor of **HELIALERT**

Since 2002, the HELOG Lufttransport KG has strived to provide the requirements for a complimentary participation of private aviation companies during flight missions in non-police emergencies such as fire suppression, missions due to natural disasters and other major losses (even amongst legally defined contractual obligations subject to public law in case of emergency).

This has proven to be a tedious task, since mainly the authorities consistently opposed the participation of private companies. One of the reasons is the unjustified fear of competition and the other is the strict rejection of new ideas in the area of civil protection.

In 2004 we were able to attract the German helicopter association (Deutscher Hubschrauberverband) for this project, which ultimately led to the formation of **HELIALERT**. Further negotiations followed until the authorities recognized the need and made **HELIALERT** an integral part of emergency aid.

Today, this concept is considered an idealistic example all across Europe and gets improved constantly.

Currently there are 16 private aviation companies with a total of 154 helicopters of all sizes that participate in the **HELIALERT** working group inside the German helicopter association. They can be alarmed by their own operational headquarters or the GMLZ of the BKK around-the-clock and can mobilize unused helicopters without contingency costs. In addition to the public aircraft companies, this working group represents an effective private operation system within the Public Private Partnership (PPP), which is available for emergency management in Germany.

The pilots of the participating companies possess evident flight experience, due to the daily demand during task flights and precision flights, as well as fire suppression missions and the participation in humanitarian missions for the UN and the International Red Cross. This also qualifies the pilots for emergency management missions.



## Investments for Education

### ▮ Project "pro school africa"

*Excerpt from our letter to interested companies, to support the project.*

Last year, our company ([www.helog.de](http://www.helog.de)) created a project that deals with professional education of youths in countries we work in. This project is an attempt to qualify the technical staff on location. ([www.helog-academy.de](http://www.helog-academy.de))

In doing so, we discovered that the statistics of the number of educated people and children that go to school were sad reality.

But what can we do about it? How can we help? How is it possible for us employers to qualify the future generations?

The answer is simple: get involved by promoting qualified schooling to invest in the future. It's an investment for everyone's future!

Our concept is the project „*pro school africa*“! It is applied in elementary school, where structured education should begin. In this brochure, we will introduce you to the project "*pro school africa*".

We've been located in Sierra Leone (and other countries) for 4 years now and we are aware of the problems of this country. We want to use our location to begin with this ambitious project "*pro school africa*", and not only because of the economic reasons.

The new government in Freetown is doing its best to maintain Good Governance.

The country is starting from scratch after its 12-year civil war. The country deserves support, but it's particularly the children that need your support!

With this project we would like to address employers that are interested in assuming social responsibility to begin with a perspective CSR-action (Corporate Social Responsibility).

We ensure you that this project only helps those who really need help. It will be effective and most of all it will be transparent.

Your input will assist your school and therewith the educational opportunity for the children. You are already invited to visit your school, the children and the village to convince yourself of the progress and that your investment retained its value.

The enthusiasm of the children and their joy in education will also inspire you.

We are certain, that you will proudly tell others about your CSR-project.





The children and your company will gain from it!

We are looking forward to your participation and being able to work with you!

## ▮ Project „HELOG academy“

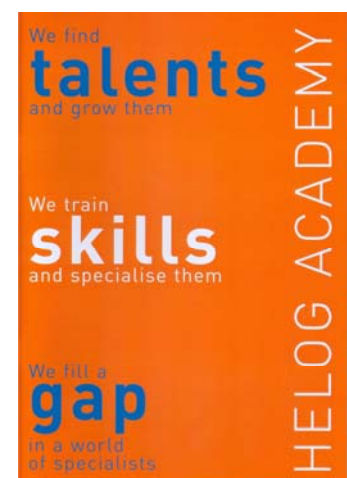
Training facility for Helicopter Mechanic Assistants (HMA)

The origination of this concept is the lack of specialised workers in the aviation industry, which is one of the fastest growing markets today. There is a lack of specialists in Europe, Africa and the entire world, which are needed to meet these particular demands. For many young people, especially in Africa, an occupation in the aviation industry is a dream for the future.

We are convinced that a strong professional education by our HELOG Academy concept will contribute to the social development. The future success depends on the availability of qualified staff to meet the demands of specialised companies. Especially technical professions can benefit from “learning-by-doing”, which can lead to immediate success.

The HELOG Lufttransport KG has developed a concept, which qualifies young people from less developed countries to become Helicopter Mechanic Assistants (HMA). That way, they get the opportunity to earn a living and to support the development of their countries.

We will launch the training to become a HMA, using a dual education system consisting of theory and practice, which has been proven successful in Germany. However, there will be minor modulations to meet with the special demands of each situation. Schooling will alternate with practical work at the JAR 145-maintenance-centre. Altogether, the training will take 15 months including vacation. For the trainee, the schooling is free of cost. The HELOG Lufttransport KG will assume the costs for the training, in order to provide a stable working environment for young Africans, which wouldn't be possible under normal circumstances. The training to become HMA is based on European EASA-standards and will be offered to the African countries in which the HELOG Lufttransport KG has assumed flight operations. First, the trainee will receive a HELOG Lufttransport KG certificate as Helicopter Mechanic Assistant. With this certificate, he/she can work in an aircraft maintenance-centre. The HELOG Lufttransport KG HMA-licence can be upgraded to an EASA-licence for example, which is valid worldwide.





The participants will benefit from the acknowledged qualifications and certificates - the professional skills provided by the HELOG Lufttransport KG are status quo.

The HELOG Lufttransport KG is trying to launch this concept in Sudan, Sierra Leone and the Ivory Coast and would also like other companies with projects in Africa, to consider offering professional educations. A training facility can be established at very low costs!

With this training concept, studying will become reality for many young people. It prepares them for the working environment of the future with a practical approach and an atmosphere for easy learning.

The HELOG Lufttransport KG is certain that responsible business practices will not only serve stakeholders, but will also help develop long-term values for the company itself.

That's the reason why we want to use the HELOG Academy to qualify the African workers, in order to cope with the challenges of the future.

## Participant of Global Compact

In 2002, the HELOG Lufttransport KG was one of the first German companies to join the Global Compact and has been actively supporting its principles ever since.

The Global Compact is an initiative of the UN-Secretary-General Kofi Annan. It focuses on ten principles in the areas of human rights, labour, the environment and anti-corruption. The Global Compact calls upon companies worldwide, to publicly commit to these principles and to actively put them into action.

The Global Compact also encourages organizations to discuss ideas and successful projects, with other participants. Possible partnerships with governmental and non-governmental representatives can be initiated and viable approaches will emerge.

By now, numerous German organizations have committed to the principles of the Global Compact.



In 2007, 2008 and 2009 the progress of the HELOG Lufttransport KG has been documented in the "Report on Progress" for the support and the implementation of the 10 principles.

Unfortunately, after years of service to the United Nations, we had to discover that the implementation of principles of their organization is far from the principles of the Global Compact. For this reason, the morals and the business development sometimes seem questionable.



## ▮ Project "African Homes Ltd."

Today, the HELOG Lufttransport KG is one of the most important helicopter operating companies in Africa. The company has an excellent network in many African countries and continues to expand its business operations there. Safety, reliability and trust are the main principles of the HELOG Lufttransport KG. These principles alone were the reason the HELOG Lufttransport KG was able to convince some of the African governments to entrust us with the transportation of their leading personalities and government officials as a pure transport company.

The HELOG Lufttransport KG is assuming its Corporate Social Responsibility, by taking over various projects.

One of the most familiar projects is "African Homes Ltd."

One of the greatest challenges at this time is the construction of housing in the African market. The extremely miserable housing situations of the low-income population can only be resolved by governmental measures.

But the current housing situations of the middle-class population also have room for improvement. The unavailability of living space is not the only reason for many well-educated people to leave the country. In turn, this constitutes an irreversible loss for developing countries, which can strongly affect the development of the country. It is very important for these countries to keep hold of their elite. The infrastructure has often suffered severe damages during long periods of war. The existing buildings are partially remains from colonial times and are often in need of renovation or have been partially destroyed. Necessary infrastructure such as electricity, water and sewage is not available; this problem has to be solved. In the past years, the requirements for equipment and quality have also increased in developing countries.

Various surveys document that the important middle-class population has an enormous demand for functional, well-equipped houses that offer a high-quality standard. The surveys also state that these standards cannot be satisfied in a shorter period of time.

The HELOG Lufttransport KG founded the subsidiary "AFRICAN HOMES Ltd." in Freetown/Sierra Leone, which faces these challenges and offers a solution with an extensive concept.

Furthermore, Helog opened an office in Germany, as a contact centre for Europe.

AfricanHomesLtd.



The company's objective is the construction of prefabricated houses, which are fitted and designed for the African market to fulfill the high demand for functional living space of middle-class families.

AFRICAN HOMES provides products of high-quality standards and a well-thought-out concept, which should separate us from low-cost suppliers. The highest European standards are implemented for structural calculations, the materials and the construction work. Due to the extraordinary design, we obtained high functionality with an ideal room layout. Appealing features, the use of modern building materials and the quick construction as well as affordable pricing for our houses are persuasive arguments, which support our idea.

And: We are the pioneers for energy strategies for single-family homes in Africa. With our highly-developed energy concept to reduce CO<sub>2</sub>, we fulfill the wildest expectations and desires of the experts!

The responsible and economical use of resources and climate protection are very important to us.

The earth's climate is currently changing at an unprecedented rate.

The climate change is associated with the increasing atmospheric concentration of carbon dioxide.

As an additional feature, we also offer solar energy systems to generate electricity. The solar energy system not only generates electricity for the air-conditioning, it also produces enough energy to supply the entire house with electricity. By equipping our houses with renewable energies, such as solar energy, the energy supply will become self-sufficient and energy will be effectively produced due to the climate in Africa. The CO<sub>2</sub> emissions will be reduced, because the energy for the air conditioning will be produced by a diesel generator or its use will only become necessary from time to time.





For over 10 years now, the founders of the company "African Homes" have gathered experience in implementing projects on the African continent, especially the implementation of CSR-projects.

Sustainability and added value are specified qualities, which we live by and implement in all our business areas.

The added value of the high-quality elements in Germany is just as important to us as the added value possible in the project country.

Approximately 70% of the products and materials, needed to construct our houses, are either produced in Germany or bought there, such as:

- ◆ Wooden construction
- ◆ Roof framework
- ◆ Roof isolation
- ◆ Doors and windows
- ◆ Sanitary facilities
- ◆ Kitchens
- ◆ Electricity
- ◆ Solar energy systems
- ◆ Water filtration systems

Even though the single components are prefabricated in Germany, the added value of the project country can be provided by time-consuming services, such as:

- ◆ Concrete slab
- ◆ Masonry work
- ◆ Plaster work
- ◆ Painting
- ◆ Tiling
- ◆ Sewage system
- ◆ Outdoor installation
- ◆ Well systems

Despite the difficult environment, we strive to obtain high social standards, better education, more environmental protection and an overall increase of living standards with the jobs we created. Thereby, we also indirectly assume responsibility for the realization of human rights.



By the way, Helog was one of the first few companies, which joined the Global Compact of the United Nations in the year 2002. We felt that the objectives of the Global Compact deserved our trust and also fulfilled our expectations of Corporate Social Responsibility.

Of course, we at Helog use the same approach for our activities in "African Homes Ltd". We also consider these criteria and demand the same from our suppliers.

## REVIEW AND PERSPECTIVE

The SMB (Small and Medium-sized business) Helog took a step forward, by releasing a sustainability report for the first time. We believe it is necessary to report to our stakeholders and target groups and also to animate dialogues, especially because of our international orientation.

We are also aware that business decisions will generally be tested with sustainability even more in the future.

We at Helog will accept this challenge!

This report should demonstrate our position today.

We would like to encourage our stakeholders to reinforce sustainability even more and to prepare the company even better for its future duties and responsibilities in our globalized world.

We are looking forward to our next report.

14 July 2009

Wolfgang Zagel