

UN GLOBAL COMPACT

Communication on progress

The UN Global Compact is a strategic policy initiative for companies dedicated to sustainable business development.

Grieg Shipping Group committed to the ten principles of the UN Global Compact in 2008, and strive to implement these principles in our strategies and operative work. It is imperative that these principles become embedded in the way we conduct our business and thus our corporate culture.

We promote and use our influence to voice UN Global Compact’s principles and ideas, and report on progress by applying the Global Reporting Initiative as our reporting standard.



Corresponding GRI indicators

THE 10 PRINCIPLES

HUMAN RIGHTS		
Principle 1:	Businesses should support and respect the protection of internationally proclaimed human rights; and	HR 1-7
Principle 2:	Businesses should make sure that they are not complicit in human rights abuses.	HR 1, 2
LABOUR STANDARDS		
Principle 3:	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	HR 5, LA 4-5, LT 14
Principle 4:	Businesses should uphold the elimination of all forms of forced and compulsory labour;	HR 7
Principle 5:	Businesses should uphold the effective abolition of child labour;	HR 6
Principle 6:	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	HR 4, LA 2, 13, 14
ENVIRONMENT		
Principle 7:	Businesses should support a precautionary approach to environmental challenges;	Profile disclosure 4, 11
Principle 8:	Businesses should undertake initiatives to promote greater environmental responsibility; and	EN 2, EN 5-7, EN 10, 13, 14, 18, 21, 22, 26, 27
Principle 9:	Businesses should encourage the development and diffusion of environmentally friendly technologies.	EN 2, 5, 6, 7, 10, 18, 26, 27
ANTI-CORRUPTION		
Principle 10:	Businesses should work against corruption in all its forms, including extortion and bribery.	SO 2, 3, 4

GLOBAL REPORTING INITIATIVE

The Global Reporting Initiative’s framework represents a platform for transparent and reliable exchange of sustainability information. It is the most widely applied standard for reporting on non-financial areas such as environment, anti-corruption, labour standards and human rights.



GLOBAL REPORTING INITIATIVE		PAGE/REFERENCES
PROFILE		
Strategy and Analysis		
1.1	Statement from the most senior decision maker of the organization	Refer to Annual Report Grieg Shipping Group 2011 via www.grieg.no
1.2	Description of key impacts, risks, and opportunities.	Refer to Annual Report Grieg Shipping Group 2011 via www.grieg.no
Organizational Profile		
2.1	Name of the organization	Grieg Shipping Group AS
2.2	Primary brands, products, and/or services	Ship owner / Ship management / Chartering / Operations
2.3	Operational structure of the organisation	Refer to www.grieg.no
2.4	Location of organization’s headquarters	Bergen, Norway
2.5	Countries where the organization operates	Refer to www.grieg.no
2.6	Nature of ownership and legal form	Shareholding company, not listed
2.7	Markets served	World-wide
2.8	Scale of the reporting organisation	Refer to Annual Report Grieg Shipping Group 2011 via www.grieg.no
2.9	Significant changes in size, structure, or ownership	None
2.10	Awards received in the reporting period	WWF Philippines Environmental Leadership Award
Report Parameters		
3.1	Reporting period	January 1 - December 31. 2011
3.2	Date of most recent previous report (if any)	2010 Annual and Corporate Responsibility Report
3.3	Reporting cycle (annual, biennial, etc.)	Annual
3.4	Contact point for questions regarding the report or its content	Senior Vice President Human Resources Ole Steinar Mjell, Corporate Responsibility Manager Marit Trodal, Chief Financial Officer Annicken Kildahl
3.5	Process for defining report content	Involvement of relevant departments and content providers
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, etc).	All subsidiaries, divisions and countries included.
3.7	Limitations on the scope of boundary of the report	GRI reporting does not include Product Responsibility. Customer related indicators are not measured per today and other indicators are irrelevant.

3.8	Basis for reporting on joint ventures, subsidiaries etc	Refer to accounting principles in Annual Report Grieg Shipping Group 2011 via www.grieg.no
3.9	Data measurements techniques	Refer to accounting principles in Grieg Shipping Group Annual Report 2011 via www.grieg.no
3.10	Effect of any re-statements of information	Nothing to report
3.11	Changes in the scope, boundary, or measurement methods	None
3.12	GRI Index table	Published in Annual Report 2011 on www.grieg.no
3.13	External assurance for the report	Financial reporting only. Other parameters are self declared.
Governance, Commitments and Engagement		
4.1	Governance structure of the organisation	
4.2	Whether the Chair of the highest governance body is also an executive officer	The chair is not executive officer
4.3	For unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Three external board members
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Formal mechanisms for shareholders only. Notification policy for employees involves board as ultimate recipient.
4.5	Compensation for the highest governance body, senior managers, and executives	Refer to accounting principles in Grieg Shipping Group Annual report 2011 via www.grieg.no
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	Board members abstain from board discussions if potential conflict of interests occur.
4.7	Process for determining the qualifications and expertise of the members of the highest governance body	Independent executive search
4.8	Internally developed statements of mission or values, codes of conduct, and principles	Refer to www.grieg.no for details on values, ethical guidelines and supplier code of conduct.
4.9	Procedures of the highest governance body for overseeing the organization	Annual audits corresponding to board agenda, input from external ISO 14001 audit.
4.10	Processes for evaluating the highest governance body's own performance	Internal audit and self assesement.
4.11	Whether and how the precautionary approach or principles is addressed by the organisation	Internal compliance committee identifies and recommends actions for improvement to organisation. Also refer to director's report in Annual Report Grieg Shipping Group 2011 via www.grieg.no .
4.12	Externally developed charters, principles, or other initiatives to which the organisation subscribes or endorses	UN Global Compact, Transparency International
4.13	Memberships in associations and/or national/international advocacy organisations	Member of the Norwegian Shipowner Association (NSA). Board representation in Bergen Shipowner Association, Incentra, Marintek, Norwegian Training Center (Manila), Castex/Intercargo. Chair of Deep Sea Group in NSA. Member of industry anti-corruption network. Financial support to WWF Norway & WWF Philippines.
4.14	List of stakeholder groups engaged by the organization	Employees, suppliers, environment, local community
4.15	Basis for identification and selection of stakeholders with whom to engage	Strategic decision to target some key stakeholders actively

4.16	Approaches to stakeholder engagement	Involvement of employees, supplier engagement via Incentra network, environmental projects across the industry
4.17	Key topics and concerns that have been raised through stakeholder engagement	Continuous focus on health & safety , competence development. Co-operation with WWF Norway, NSA and other shipping companies to increase energy efficiency. International anti-corruption network for shipping industry.

ECONOMIC PERFORMANCE INDICATORS

Management Approach		
EC1	Direct economic value generated and distributed	Refer to key figures in Annual Report Grieg Shipping Group 2011 via www.grieg.no
EC2	Financial implications and other risks and opportunities due to climate change.	Not reported
EC3	Coverage of the organization’s defined benefit plan obligations.	Refer to financial statements in Annual Report 2011 via www.grieg.no
EC4	Significant financial assistance received from government.	Refer to directors report in Annual Report Grieg Shipping Group 2011 via www.grieg.no
EC6	Spending on locally-based suppliers at significant location of operation.	Not reported
EC7	Procedures for local hiring proportion of senior management	All crew including officers are recruited from the Philippines. Scholarships at cadet level available. Crew management responsible for career development plans. Manning agency in Manila run by local management and staff.
EC8	Infrastructure investments and services provided primarily for public benefit	Supporting SOS Childrens Village Cebu, WWF Norway and WWF Philippines.

ENVIRONMENTAL PERFORMANCE INDICATORS

Management Approach		
EN1	Materials used by weight or volume	Not applicable
EN2	Percentage of materials used that are recycled input materials	Not applicable
EN3	Direct energy consumption by primary energy source	173000 ton Heavy Fuel Oil
EN4	Indirect energy consumption by primary source	To a very low extent during dry docking. Not recorded.
EN5*	Energy saved due to conservation and efficiency improvements	Energy saved by 9 % compared to 2007
EN8	Total water withdrawal by source	All consumed fresh water is produced onboard.
EN11	Location and size of land in areas of high biodiversity value outside protected areas	Not relevant
EN12	Impacts on biodiversity in protected areas and areas of high biodiversity	Ballast water is treated in accordance with IMO regulation.
EN16	Total direct and indirect greenhouse gas emissions by weight	538000 tons CO2.
EN17	Other relevant indirect greenhouse gas emissions by weight	Not reported
EN18*	Initiatives to reduce greenhouse gas emissions and reductions achieved	Refer to Annual Report Grieg Shipping Group 2011 via www.grieg.no

EN19	Emissions of ozone-depleting substances by weight	Recovery equipment for repair of freezer and aircondition compressors. Weight not reported.
EN20	NOx, SOx, and other significant air emissions by type and weight	NOx: 16000 tons. SOx: 8600 Tons.
EN21	Total water discharge by quality and destination	Estimated grey water pr. crew member is 200 l/day, approximately 37000 tons/year. Produced onboard.
EN22	Total weight of waste by type and disposal method	Amount of waste is not quantified. Shore delivery of segregated waste to approved recipient.
EN23	Total number and volume of significant spills	No significant spills reported in 2011.
EN26	Environmental impacts of products and services, and extent of impact mitigation	Not reported
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	Not reported
EN28	Significant fines and sanctions for non-compliance with environmental laws and regulations	None

SOCIAL PERFORMANCE INDICATORS

Labor Practices and Decent Work

Management Approach		
LA1	Total workforce by employment type, employment contract, and region	Refer to non-financial figures in Annual Report Grieg Shipping Group 2011 via www.grieg.no
LA2	Employee turnover by age group, gender, and region	Reported as return rate for crew: 95%. Male crew only.
LA4	Percentage of employees covered by collective bargaining agreements	Land based personell: None. Crew: 100% International standards
LA5	Minimum notice period(s) regarding operational changes	International rules and standards are followed (crew)
LA6*	Formal joint management-worker health and safety committees	Practiced onboard the vessels due to size of organisation. Internal working environment committee at HQ/Oslo office.
LA7	Injuries, occupational diseases, lost days, absenteeism, and work-related fatalities	Refer to non-financial figures in Annual Report Grieg Shipping Group 2011 via www.grieg.no
LA8	Education, training, prevention, and risk-control programs in place regarding serious diseases	None
LA9*	Health and safety topics covered in formal agreements with trade unions	International standards apply.
LA10	Average hours of training per year per employee by employee category	Approximately 12 hours (all crew levels included)
LA13	Diversity within governance bodies and employee categories	Refer to non-financial figures in Annual Report Grieg Shipping Group 2011 via www.grieg.no
LA14	Ratio of basic salary of men to women by employee category	Not reported
Mobile worker working pattern		
LT9	Description of policies and programmes to determine working hours and rest hours, rest facilities and leave for seafarers	Work in progress to improve rest hours and leave periods to ensure compliancy with Maritime Labour Convention.
LT10	Approaches to provision of facilities to enable mobile workers to maintain personal communication while working	Implementation of internet access onboard all vessels to be completed in 2012.
Ship safety inspections		

LT13	List the accients when ships have been detained by port in-spectors	None
Use of labour providers		
	Describe how these criterias relate to existing international standards such as conventions of the ILO	Manning office in Manila follows international ILO conventions.
Continuity of employment		
LT17	Describe measures in place to provide income security and employment continuity for workers employed/contraced repeatedly but not continuously	Seafarer(ratings) have contracts for one period (9 months) at sea at a time, and have to apply for next period. Officers have stand by pay-ment.
Human Rights		
Management Approach		
HR1	Human rights clauses or screening related to investment agreements	None
HR2	Screening of suppliers and contractors regarding human rights	Included in supplier code of conduct.
HR4	Total number of discrimination and actions taken	None
HR5	Freedom of association and collective bargaining	Crew is organized by international seamen associations
HR6	Child labor, and measures taken to contribute to the elimina-tion of child labor	Included in supplier code of conduct. Also refer to Grieg Green's busi-ness purpose via www.grieg.no
HR7	Forced or compulsory labor	Included in supplier code of conduct
Society		
Management Approach		
SO1	Impacts of operations on communities, including entering, op-erating, and exiting	Local employment and scholarship opportunities.
SO2	Percentage and total number of business units analyzed for risks related to corruption.	None
SO3	Percentage of employees trained in organization’s anti-corrup-tion policies and procedures.	Dilemma training workshops conducted at most landbased business units worldwide in 2010.
SO4	Actions taken in response to incidents of corruption.	Improvements in procedures for payment authorisations.
SO5	Public policy positions and participation in public policy devel-opment and lobbying	Via the Norwegian Shipowner Association
SO7*	Legal actions for anti-competitive behavior, anti-trust, and mo-nopoly practices	None
SO8	Fines for non-compliance with laws and regulations concern-ing provision and use of products	None
* GRI Additional Performance Indicator		