

**United Nations Global Compact Office
Georg Kell
Executive Head Global Compact
United Nations
New York NY 10017
USA**

Rotterdam, 12 April 2005

Subject: United Nations Global Compact/Communication on Progress

Dear Sir,

On 5 September 2002, I addressed a letter to the Secretary General of the United Nations, His Excellency Kofi Annan. In this letter I pledged Saybolt's support for the United Nations Global Compact.

The essence of the Global Compact is a body of principles, meanwhile containing ten principles on human rights, labour rights, protection of the environment and fighting corruption.

Many companies have preceded Saybolt in expressing support, leading multinational corporations as well as medium and small enterprises included. To date the UN Global Compact is the most extensive private-public sector movement embracing corporate social responsibility in its various forms.

Multinational corporations do not operate in splendid isolation. They form part of an increasingly global system where private and public sectors meet. An evolution occurred in the international business community. Single focus on the shareholder and the generation of shareholder value is no longer the exclusive business driver. International business has shifted towards recognition of stakeholders, among them the shareholders. Other stakeholders are the company's employees, clients and their concerns and the communities in which we operate. In this balanced system, principles incorporated in the Global Compact such as those on human rights, labour rights and protection of the environment, should guide us in our day-to-day business activities. Even though these principles are neither legally binding, nor set for annual auditing, similar to financial performance.

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In a recent interview, the Dutch Minister for Development Cooperation highlighted this horizon in international business:

“...A good example of the good will of companies is the UN Global Compact. By participating in this UN initiative, companies are obliged to promote and strive for universal values such as human rights and environment. Participants are no small fish: giants like Nike, Unilever and Royal Dutch Shell are among them. Those who label this system as a public relations show, demonstrate a clear lack of insight in the current private sector changes”.

In view of the above, I would like to confirm my continued support and that of the Saybolt management and staff, for this important instrument in international business.

This letter is accompanied by the Saybolt Communication on Progress, including attachments that provide a good insight how a medium size company is supporting the UN Global Compact Principles.

Sincerely yours,

Jan Heinsbroek

President

United Nations Global Compact

Saybolt International Communication on Progress (CoP)

This Communication on Progress contains an overview of the activities that were undertaken by Saybolt International throughout its world-wide network in the period 2002-2006. This CoP therefore covers a longer period than the last fiscal year, as per UN Global Compact guidelines, since the previous Progress report (2004) was not registered at the UN Global Compact Secretariat.

1. Saybolt International: a brief introduction

Saybolt International, founded in 1897, is one of the leading companies in the field of independent inspection, verification, monitoring and analytical services. It employs approximately 3,000 permanent staff located in over 80 country offices around the world.

Saybolt operates on a global scale in the oil & gas, as well as in the petro-chemical, chemical and agricultural industry. It provides services to private sector clients, as well as governments and international organisations, mainly in the field of humanitarian aid monitoring.

Saybolt International joined the UN Global Compact in 2002. In the period 2003-2006 the following activities have been undertaken.

Saybolt is part of the Core Laboratories group of companies (Corelab). The Corelab shares are traded on the New York Stock Exchange (symbol "CLB").

2. UN Global Compact Awareness: Newsletter Contributions

Upon signing up to the UN Global Compact, the first stage was to inform staff throughout our network of the ambitions of the management to actively engage in the promotion of the goals formulated as part of the Global Compact.

In various contributions in the widely circulated Saybolt International Newsletter, attention was drawn to the UN Global Compact, its history, origin and most importantly: the nine principles on Human Rights, Labour and Environment. Visiting the UN website was promoted.

Subsequently, information on the tenth principle (preventing corruption) was also widely publicised. This principle fits very well within the context of the Saybolt Compliance Code, which focuses in concrete detail on measures that assist in preventing and fighting bribery and corruption.

In several editorials, the President of Saybolt International underscored the importance of the Global Compact and its Principles. He also announced special programmes that would be developed and implemented as of 2003. As a first topic, the issue of HIV/Aids and the workplace was identified. This was in particular relevant since the company operates world-wide including in countries posing a high risk. We only have to look at the situation regarding

HIV/AIDS prevalence in countries such as South Africa, Russia and Ukraine in order to understand the significance of the issue at stake.

A few newsletters have been attached to this report. Per 2006, coinciding with the launch of the new corporate website, part of the website will be exclusively devoted to the UN Global Compact activities.

3. Area and Country Managers Meetings & Annual Reports

Twice per year, Saybolt area managers and country managers meet in order to report and debate the progress of business activities worldwide. At every such meeting since 2002, a progress report on UN Global Compact activities was presented.

The occasions were used by the senior management to demonstrate their commitment to the principles and goals set out in the Global Compact. In the presentations, projects and activities were launched, explained and subsequently reported upon.

It is also during these meetings twice per year that progress is monitored and results on implementation are presented. Below, more information is provided on how progress is measured.

Saybolt does not publish an individual annual report. The reporting is consolidated through the annual report of the mother company, Core Laboratories. It is currently considered how stakeholders can be better informed about UN Global Compact activities the company undertakes. Continuing the Saybolt International Newsletters as well as a dedicated part of the new corporate website are good starting points.

4. Activities & Practical Action

4.1 Special Theme: HIV/Aids and the Workplace (2003-present)

Since Saybolt International operates world-wide, it is also affected by the tragic consequences of this epidemic. In particular operations in Sub-Sahara Africa, Russia and Ukraine are exposed to increased risks.

The awareness programme that was introduced among all staff members focused on two tracks: first of all awareness and prevention and secondly applying the non-discrimination principle and company support for those infected. A special policy on HIV/AIDS and the workplace was already in place.

The introduction and implementation of this awareness programme was achieved in the following manner.

1. Material available through UN Global Compact and (in this case) the ILO was used as a basis. Of particular value was the fact that various information was already available in translated form (Russian, Spanish). This will certainly contribute to reaching the maximum possible number of staff.

2. Presentations and documentation were disseminated among (first of all) the area managers. The President of Saybolt International introduced the topic.
3. The area managers were tasked with introducing the material to the respective country managers who in turn were made responsible for informing the staff operating at the various country-offices and laboratories.

In addition to this implementation scheme, the area -as well as- country managers had to sign declarations in which they confirm their implementation activities. During internal audits, the participation was confirmed.

4.2. Special Theme: Environmental Care – Health & Safety (2004/2005)

This theme requires further clarification in view of its broad scope.

The core activities of the company include the sampling, analysis and storage/disposal of oil, oil products, petro-chemicals and chemicals. By definition tasks that should be executed in accordance with strict norms and due care, in order to safeguard health & safety standards and protection of the environment.

It is mainly on these operational aspects that Saybolt focused. It goes without saying that guidelines and policies are in place to properly conduct the required sampling and testing activities. It seems nevertheless advisable to review the implementation and execution of these guidelines on a regular basis, as we do.

In particular, attention was drawn to the day-to-day environmental management and health & safety standards in the offices around the world.

In addition to the health & safety and environmental policies that are part of the internal audit function, Saybolt launched a review of its existing policies. As a first step, an extensive questionnaire was developed that had to be completed by every Saybolt office around the globe.

The results of the environmental review were discussed during the Area Managers Meeting in September 2004 and it was decided to extend the focus on environmental policies into 2005.

One of the main conclusions was that environmental compliance with domestic legislation and company policies was good to excellent. Where in particular the Saybolt offices thought they could outperform the minimum standards, was in day-to-day environmental care in the offices. In particular small efforts such as waste separation (paper, metals, plastics) will receive more attention.

4.3. Special Theme: Fighting Bribery and Corruption (2005/2006)

While the UN Global Compact was considering adding its tenth principle:

“Businesses should work against corruption in all its forms including extortion and bribery”

Saybolt was already actively engaged in the drafting process of a new ethics and compliance code that includes a significant part dealing with preventing and fighting corruption. This effort being a follow up to the ethics policies that were already in place for many years, but deserved further updating and fine-tuning.

At first instance, the Saybolt efforts were directed towards developing a compliance code in the International Federation of Inspection Agencies (IFIA). IFIA is the industrial federation that represents the interests of – and develops standards and policies for – the international inspection, testing and certification industry. Saybolt considers it of utmost importance that anti-corruption measures are based on the broadest possible participation within a specific industry or industry segment.

Late 2003, the IFIA Compliance Code was adopted and beginning 2004 it was fully implemented in the Saybolt global operating procedures. A copy of the Compliance Code has been attached to this report.

The Saybolt Compliance Code provides principles as well as ‘behavioural’ guidelines in order to prevent and address corruption, bribery and other unethical behaviour.

As part of its global implementation, every staff member has to undergo compliance training. After the training he/she has to take an online compliance exam. The staff also has to sign a declaration that the code and its implications are well understood. These documents form part of the personnel file of the individual employee. Every year, a mandatory compliance refresher course and exam is scheduled.

As part of the implementation process, a helpline is available. Senior management participates in a Global Compliance Committee that meets every quarter to monitor implementation of compliance issues and resolve questions on ethics that might arise.

5. Measurements of Outcomes

The outcome of the activities and programmes initiated under the UN Global Compact philosophy is measured as follows.

1. The UN Global Compact Officer is the overall coordinator of all activities. In close co-operation with the senior management he develops the activities and programmes and coordinates implementation and reporting. For many activities, country offices (at Director’s level) directly report to the UN Global Compact Officer.
2. An important instrument for measuring the outcome of programmes is the internal audit function. By adding audit requirements regarding the UN Global Compact activities to the regular audit scheme, a fixed input of measurements is generated.
3. In addition, country offices are obliged to report separately on the implementation and actions taken.

4. All reports on active programmes are analysed at Headquarters level and the results presented to the Area and Country Managers Meetings that take place twice per year. The Area and Country Managers will communicate the results back to their respective staff.
5. In addition and with regular intervals, measured outcome and activities are reported in the Saybolt International Newsletter. Some examples have been attached to this report.
6. With the launch of the new Saybolt website later this year (2006), a special part of the site will be devoted to the UN Global Compact.
7. In addition to the current measuring of results, Saybolt is considering the methods as developed by e.g. the Global Reporting Initiative.

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FROM THE PRESIDENT

THE UN GLOBAL COMPACT PROGRAM



The United Nations Global Compact is a set of nine basic principles on Human Rights, Labour Law and Environment.

The aim of the Global Compact program, an initiative that was taken by the secretary General of the U.N., Mr. Kofi Annan, is to guide multinational corporations, in implementing and promoting basic policies that are universally applicable in the day-to-day work of a company.

The nine principles are :

Human Rights

- 1) *Support and respect the protection of international human rights within their own sphere of influence.*
- 2) *Make sure their own corporation is not complicit in human rights abuses.*

Labour

- 3) *Freedom of association and the effective recognition of the right to collective bargaining;*
- 4) *the elimination of all forms of forced and compulsory labour.*
- 5) *The effective abolition of child labour.*
- 6) *The elimination of discrimination in respect of employment and occupation.*

Environment

- 7) *Support a precautionary approach to environmental challenges.*
- 8) *Undertake initiatives to promote greater environmental responsibility.*
- 9) *Encourage the development and diffusion of environmentally friendly technologies.*

Support for these principles is important since it underlines the awareness of companies to take their responsibilities on issues that in the past were considered outside the scope of business. Today the contrary is true; also the business community can and should promote these values. International business does not operate in isolation.

Saybolt supports this initiative and its principles. The initiative is not a static phenomenon. We will actively implement the thoughts and

principles, in accordance with the suggestions that have been put forward by the United Nations. This will include attention to these issues during meetings in Saybolt companies and on the periodic meetings of the Area and Country Managers.

For this year we have selected for Saybolt to highlight **Principle Nr 1** paying special attention to the topics:

- **Health and safety standards, Safety awareness and compliance.**
- **HIV/Aids and the workplace.**

Health and Safety continues to get extra attention in our company, we added to that the topic of HIV/AIDS. We are already distributing world wide, to all Saybolt offices, the Code of Practice and Training manual of the International Labour organisation with respect to HIV/AIDS and the workplace.

Needless to say that Saybolt with its wide spread office network can really contribute with respect to this item. Soon you will hear, also in your company more about these this.

The implementation of the Global Compact program will also include an annual submission to the so-called "Learning Forum" of the Global Compact.

Such a submission, or case study, will present an example, describing how Saybolt, throughout its worldwide network has advanced at least one of the nine principles.

In the forthcoming newsletters, we will continue to address this theme by providing updates on developments within Saybolt and the United Nations Global Compact program.

In the meantime, I hope you will explore the Nine Principles. To learn more about the Global Compact, you can visit the UN website: <http://www.un.org/partners/index.html>.

I am sure all this will contribute to make Saybolt an even better company. ←

Jan Heinsbroek

SAYBOLT SUPPORTS THE GLOBAL COMPACT

**By: Jerome Jansen,
Project Manager
Saybolt International**



In a letter addressed to Kofi Annan, the United Nations Secretary General, Jan

Heinsbroek, the President of Saybolt International expressed his support for the nine principles of the Global Compact on Human Rights, Labour Law and Environment.

The Global Compact is a set of nine basic principles on Human Rights, Labour Law and Environment. The aim of the Global Compact is to guide companies, in particular the multinational corporations, in implementing basic policies that are universally applicable in the day-to-day work of a company.

It is proof of the growing awareness of standards concerning corporate social responsibility.

Support for this initiative is important since it underlines the awareness of companies to take their responsibilities on issues that in the past were considered outside the scope of business. Today the contrary is true: also the business community can promote these values. It is only under the circumstances where these minimum standards are achieved, that the business community can fully thrive.

In the forthcoming newsletters, we will continue to address this theme by providing updates on developments within the United Nations. In the mean time, I hope you will explore the Nine Principles. To learn more about the Global Compact, please visit:

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THE GLOBAL COMPACT

HUMAN RIGHTS

LABOUR

ENVIRONMENT

The Nine Principles

At the World Economic Forum, Davos, on 31 January 1999, UN Secretary-General Kofi A. Annan challenged world business leaders to "embrace and enact" the Global Compact, both in their individual corporate practices and by supporting appropriate public policies. These principles cover topics in **human rights, labour and environment**:

Human Rights

The Secretary-General asked world business to:

Principle 1: support and respect the protection of international human rights within their sphere of influence; and
Principle 2: make sure their own corporations are not complicit in human rights abuses.

Labour

The Secretary-General asked world business to uphold:

Principle 3: 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.

Environment

The Secretary-General asked world business to:

Principle 7: 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.

SAYBOLT - FAST TO THE POINT.

GLOBAL COMPACT: THE NEXT STEP

By: Jerome Jansen
Project Manager
Saybolt International



In the last Newsletter, it was announced that Saybolt International expressed his support for the nine principles of the United Nations Global Compact on Human Rights, Labour Law and Environment.

Meanwhile, the United Nations acknowledged our support in a letter whereby it is stated that our commitment can help realise the UN Secretary-General's vision of making globalisation more inclusive, stable and equitable.

The implementation will also include an annual submission to the so-called "Learning Forum" of the Global Compact. Such a submission or case study will present an example describing how Saybolt, throughout its worldwide network has advanced at least one of the nine principles. You are invited to actively participate in identifying such activities, no matter how great or small.

The submissions to the "Learning Forum" are an important tool to be publicly identified on the UN website as a full Global Compact Participant.

At a later stage, we might also consider to engage in the discussions provided by the Policy Dialogues the UN offers in this framework.



To refresh the memories: the Global Compact is a set of nine basic principles on Human Rights, Labour Law and Environment. The aim of the Global Compact is to guide companies, in particular the multinational corporations, in implementing basic policies that are universally applicable in the day-to-day work of a company. It is proof of the growing awareness of standards concerning corporate social responsibility.

You are encouraged to visit the UN website:

www.un.org/partners/index.html

and familiarise yourself with the current developments of this important initiative between public and private sector.

Support for this initiative is not a static phenomenon. We will actively implement the thoughts and principles, in accordance with the suggestions that have been put forward by the United Nations. This will include attention to this issue during meetings of the Area and Country Managers.

The annual topics for this year are:

- "Role of Business in Zones of Conflict"
- "Business and Sustainable Development"

In particular the topic concerning business and conflict zones is a challenging one. Many of us have been involved in assignments (Iraq) or regions (e.g. Georgia, Azerbaijan) where conflicts dominated the agenda.

In the next issues of the Saybolt Newsletter we will come back to this theme. In related developments, IFIA is working on the adoption of an ethics compliance system, focussing on the prevention of anti-bribery and corruption within our industry.

This development will be highlighted in the next issue. ←

SAYBOLT AND THE UN GLOBAL COMPACT

By: Jerome Jansen
Project Manager
Saybolt International



In 2002, Saybolt International registered its support for the United National Global Compact initiative. Recently, Saybolt International President Jan Heinsbroek submitted a first report to the UN on the progress of activities undertaken worldwide in the framework of the UN Global Compact.

As another milestone, Saybolt has now been listed as a participating company on the UN Global Compact Website: www.unglobalcompact.org.

An overview of the activities so far:
 Newsletter Contributions

Upon signing up to the UN Global Compact, the first stage was to inform staff throughout our network of the ambitions of the management to actively engage in the promotion of the goals formulated as part of the Global Compact.

In various contributions in the Saybolt International Newsletter, attention was drawn to the Global Compact, its history, origin and most importantly: the nine principles on Human Rights, Labour and Environment.

In several editorials, Jan Heinsbroek underscored the relevance of the Global Compact and its 9 Principles. He also announced special programmes that would be developed and implemented as of 2003. As a first topic, the issue of HIV/Aids and the workplace was identified.

Special Theme: HIV/Aids and the Workplace

Since Saybolt International operates worldwide, it is also affected by the tragic consequences of the HIV/AIDS epidemic. In particular operations in Sub-Sahara Africa, Russia and Ukraine are exposed to increased risks.

The awareness programme that was introduced among all staff members focused on two tracks: first of all awareness and prevention and secondly applying the non-discrimination principle and company support for those infected. A special policy on HIV/AIDS and the workplace was already in place.

The introduction and implementation of this awareness programme was achieved in the following manner.

1. Material available through UN Global Compact and (in this case) the ILO was used as a basis. Of particular value was the fact that information was already available in translated form (Russian, Spanish). This will certainly contribute to reaching the maximum possible number of staff.
2. Presentations and documentation were disseminated among (first of all) the area managers.
3. The area managers were tasked with introducing the material to the respective country managers who in turn were made responsible for informing the staff operating at the various country-offices and laboratories.

Special Theme for 2004:

Environmental Care

This theme requires further clarification in view of its broad scope.

The core activities of the company include the sampling, analysis and storage/ disposal of oil, oil products, petrochemicals and chemicals. By definition tasks that should be executed in accordance with strict norms and due care.

It is mainly on these operational aspects that we are going to focus. It goes without saying that longstanding guidelines and policies are in place to properly conduct the required activities. It seems nevertheless advisable to review the implementation and execution of these guidelines. In addition, attention will be drawn to the day-to-day environmental management in the offices around the world.



THE BASICS IN MIND

By: Jerome Jansen
Project Manager
Saybolt International



As we are all aware, Saybolt International expressed its support for the nine principles of the United Nations Global Compact on Human Rights, Labour Law and Environment. Meanwhile, the United Nations acknowledged the Saybolt support and stated that our commitment can help realise the UN Secretary-General's vision of making globalisation more inclusive, stable and equitable.

Saybolt is by now a registered participant in this groundbreaking international effort. You are encouraged to visit the UN website: www.un.org/partners/index.html.

2003 ACTIVITIES: HIV/AIDS and the Workplace

During the year 2003, Saybolt choose to devote special attention to a topic that affects large geographical parts of our global network: "HIV/AIDS and the workplace". The UN Global Compact, in association with the International Labour Organisation (ILO) developed special guidelines on prevention of HIV/AIDS and non-discrimination of employees.

During the Area & Country Managers Meetings, presentations of the topic were conducted and the guidelines and training manuals (in various languages) were introduced.

Area Managers reported on the significance of the problems related to HIV/AIDS in their respective regions. These reports confirmed that the situation is particularly worrying in Russia and the CIS countries, Africa and South America.

Main aim of the focus on this issue is to create more awareness for HIV/AIDS related topics and achieve prevention through this awareness.

2004: NEW POLICIES AND A NEW TOPIC FOR ATTENTION

Anti-Corruption

On the central level at the UN, a proposal has been launched to add a new Principle to the already existing Nine Principles of the Global Compact. The Tenth Principle would have to reflect the fight against corruption and bribery.

Saybolt shall fully support this addition since it is a clear reflection of developments in recent years. These developments resulted in e.g. the OECD Convention against Bribery and Corruption and the Anti-Bribery Principles of Transparency International. In turn these leading documents were used as a basis for the recently adopted IFIA Compliance Code that aims at essentially banning bribery and corruption from the inspection industry.

Although Saybolt has had its own ethics code for many years, the code has now been superseded by the new Saybolt Compliance Code. In effect, the Saybolt Compliance Code fully integrated the IFIA standards.

This effort in itself is already a welcome contribution to the UN Global Compact. We could even consider ourselves as front-runners on this topic.

Environment

As a new UN Global Compact topic for 2004 the choice was made to address the issue of environmental care and protection. This will relate to day-to-day environmental care in the offices (paper, metal, glass waste separation) as well as the lab environment where we will address issues as sample treatment, storage and disposal.

In the following newsletters and during the Area & Country Managers meetings, more attention will be devoted to this issue. ←