



# Annual Corporate Social Responsibility Report 2012

# Corporate Social Responsibility

## Global Compact - Communicating on Progress



A/S Uglands Rederi has traditionally had a strong focus on sustainable business practice. Safety has always been the number one priority, but other key elements such as environmental and social impact as a consequence of conducting our business have received increased focus. Knowing that company activities affect society in many ways, and that the company is affected by its surroundings, it is important for A/S Uglands Rederi to contribute to creating and maintaining a positive and sustainable shipping environment.

As a result of this focus, A/S Uglands Rederi joined the United Nations (UN) Global Compact during 2012. The UN

Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, the environment and anti-corruption. A/S Uglands Rederi has embarked on making this a part of the company policy, operations and strategy, and an integral part of the corporate culture.

As member of this initiative an annual "Communication on Progress" is required, which shall be available on the Global Compact website. This is a public disclosure to stakeholders on progress made in implementing the ten principles.

### THE UN GLOBAL COMPACT TEN PRINCIPLES

#### HUMAN RIGHTS

- |             |  |
|-------------|--|
| Principle 1 | Businesses should support and respect the protection of internationally proclaimed human rights; and |
| Principle 2 | Businesses should make sure that they are not complicit in human rights abuses.                      |

#### (GRI Reference)

HR 1-7

HR 1,2

#### LABOUR STANDARDS

- |             |  |
|-------------|--|
| Principle 3 | Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; |
| Principle 4 | Businesses should uphold the elimination of all forms of forced and compulsory labour;                                   |
| Principle 5 | Businesses should uphold the effective abolition of child labour;  |
| Principle 6 | Businesses should uphold the elimination of discrimination in respect of employment and occupation.                      |

HR 5

LA 4-5

HR 7

HR 6

HR 4

LA 2, 13, 14

#### ENVIRONMENT

- |             |   |
|-------------|---|
| Principle 7 | Businesses should support a precautionary approach to environmental challenges;                     |
| Principle 8 | Businesses should undertake initiatives to promote greater environmental responsibility; and        |
| Principle 9 | Businesses should encourage the development and diffusion of environmentally friendly technologies. |

Profile disclosure 4, 11

EN 2, 5-7, 10, 13, 14, 18, 21, 22, 26, 27

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, SO 3, SO 4

## Implementation of the UN Global Compact ten principles 2012

The most important corporate social engagement is to provide a safe, sustainable and long-term business and work environment for the employees, business partners and the local community. JJUC supports several initiatives in various communities, believing that social engagement in communities where we do business contributes to creating shared value for both the company and society as a whole. JJUC is engaged in various social activities both in Norway and in the Philippines seeking to continually renew and improve its approach to the local community.

In 2012, in accordance with ISO standards, efforts to ensure continuous improvement in safety and environmental performance were made. One example related to seeking environmentally friendly technologies, was the signing in 2012 of a building contract for a new platform service vessel (PSV) with the SALT 100 design. SALT 100 contains several new and progressive solutions,

tailored to meet the oil companies' needs for a modern platform service vessel. SALT 100 combines innovations in design and technology to achieve better fuel efficiency, and reduce emissions.

JJUC supports and respects the protection of internationally proclaimed human rights. In 2012, steps were taken to improve performance in this area, by renewing and expanding the "supplier declaration" (a questionnaire to suppliers related to Quality, Environment, Social Responsibility, Transparency and Health & Safety). The supplier declaration provides guidance when choosing suppliers, identifying those that support a precautionary approach to environmental and social challenges, undertake initiatives to promote greater environmental responsibility, and encourage the development and diffusion of environmentally friendly technologies. JJUC through policy and procedures strives not to contribute to any forms of forced labour, child labour and

discrimination in respect of employment, occupation, gender, age and culture.

JJUC has had procedures and guidelines in place related to averting corruption through gifts and other more specific office related subjects. In 2012, anti-corruption efforts were intensified by formalizing an anti-corruption procedure specifically for the fleet and crew onboard. The said procedure is an attempt to formalize the existing routine enabling an enhanced and systematic stance against corruption. Employees are trained in accordance with recommendations from The United Nations Office on Drugs and Crime (UNODC), Global Compact and The Norwegian Shipowners' Association. JJUC is considering membership in organizations and networks where corruption can be combatted together with other shipping companies and organizations at a higher level.

## Global Reporting Initiative



Global Reporting Initiative, as the most widely applied standard for reporting on the ten principles of Global Compact, has been chosen as the company's reporting framework. The objective of the Global Reporting Initiative is to create a platform where the reported information is transparent, reliable, comparable and precise.

The Global Reporting Initiative's (GRI) vision is that disclosure on economic, environmental, and social performance is as commonplace and comparable as financial reporting, and important to organizational success.

Sustainability reports based on the GRI framework can be used to benchmark organizational performance with respect to laws, norms, codes, performance standards and voluntary initiatives;

demonstrate organizational commitment to sustainable development; and compare organizational performance over time.

The A/S Uglands Rederi Global Reporting Initiative report is structured as a matrix naming the GRI element/indicator and referencing the documents and page where relevant information is publicly noted. When not referenced, specific information may be noted. As this is the company's first report, not all GRI elements/indicators are reported on, either they are not applicable or the requested information is not readily available. It is the company's intention to continuously improve and expand its GRI reporting.

	GRI Element / Indicator	Page/Reference (Annual report/other)
<b>Indicator</b>	<b>PROFILE</b>	
	<b>Strategy and Analysis</b>	
1.1	Statement from the most senior decision maker of the organization	5
1.2	Description of key impacts, risks, and opportunities	5,6,8-11
	<b>Organizational Profile</b>	
2.1	Name of the organization	A/S Uglands Rederi
2.2	Primary brands, products, and/or services	Shipowner, management chartering and operations, 8-11
2.3	Operational structure of the organization	<a href="http://www.jjuc.no/the-jjuc-companies">http://www.jjuc.no/the-jjuc-companies</a>
2.4	Location of organization's headquarters	Grimstad, Norway
2.5	Countries where the organization operates	Norway, Brazil, Philippines and Canada (worldwide)
2.6	Nature of ownership and legal form	Family Owned (Note 11, Annual Report)
2.7	Markets served	8-11
2.8	Scale of the reporting organization	6
2.9	Significant changes in size, structure, or ownership	None
2.10	Awards received in the reporting period	None
	<b>Report Parameters</b>	
3.1	Reporting period	January to December 2012
3.2	Date of most recent previous report (if any)	None, first time
3.3	Reporting cycle (annual, bi-annual, etc.)	Annually
3.4	Contact point for questions regarding the report or its content	Deputy Managing Director- Arnt Olaf Knutsen
3.5	Process for defining report content	Board of Directors, Management, Relevant Department & UMS CSR Supervisory Committee
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, etc)	A/S Uglands Rederi with Norwegian subsidiaries (As pr. Note 4)
3.7	Limitations on the scope of boundary of the report	None
3.8	Basis for reporting on joint ventures, subsidiaries etc	Full basis (as pr. Indicator 3.6) where A/S Uglands Rederi has majority of shares (exceeding 50%)
3.10	Effect of any re-statements of information	N/A
3.11	Changes in the scope, boundary, or measurement methods	N/A
3.12	GRI Index table	Link from Annual Report to JJUC webpage.
	<b>Governance, Commitments and Engagement</b>	
4.1	Governance structure of the organization	<a href="http://www.jjuc.no/board--management">http://www.jjuc.no/board--management</a> <a href="http://www.jjuc.no/the-management">http://www.jjuc.no/the-management</a>

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	<a href="http://www.jjuc.no/board-management">http://www.jjuc.no/board-management</a>
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	General Meeting. Employees can provide suggestions through the management.
4.5	Compensation for the highest governance body, senior managers, and executives	Note 3, Annual Report
4.8	Internally developed statements of mission or values, codes of conduct, and principles	<a href="http://www.jjuc.no/company-policies">http://www.jjuc.no/company-policies</a>
4.9	Procedures of the highest governance body for overseeing the organization	Audits
4.11	Whether and how the precautionary approach or principles is addressed by the organization	Ref Indicator 4.8. Ref annual improvement circles. Accessible in manual for all employees.
4.12	Externally developed charters, principles, or other initiatives to which the organization subscribes or endorses	UN Global Compact, Global Reporting Initiative
4.13	Memberships in associations and/or national/international advocacy organizations	The Norwegian Shipowner Association (NSA), Nordisk Defence Club (Nordisk)
	<b>ECONOMIC PERFORMANCE INDICATORS</b>	
EC1	Direct economic value generated and distributed	Annual Report (The 82 <sup>nd</sup> Annual Accounts).
EC2	Financial implications and other risks and opportunities due to climate change	No implications or risks presently identified.
EC3	Coverage of the organization's defined benefit plan obligations.	Note 8, Annual Report
EC4	Significant financial assistance received from government	"Nettolønnsordningen"
EC6	Spending on locally-based suppliers at significant location of operation	Primarily supporting local business/activities in Grimstad, Norway when possible
EC8	Infrastructure investments and services provided primarily for public benefit	<a href="http://www.jjuc.no/230/un-global-compact-csr">http://www.jjuc.no/230/un-global-compact-csr</a>
	<b>ENVIRONMENTAL PERFORMANCE INDICATORS</b>	
	<b>Management Approach</b>	
EN1	Materials used by weight or volume	Annual Environmental Report 2012
EN2	Percentage of materials used that are recycled input materials	Principally we recycle where possible. Hope to report more in detail in Annual Report 2013.
EN3	Direct energy consumption by primary energy source	Annual Environmental Report 2012, Section 4 & 9
EN4	Indirect energy consumption by primary source	Annual Environmental Report 2012, Section 9
EN5	Energy saved due to conservation and efficiency improvements	Annual Environmental Report 2012, Section 4 & 9

EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	Annual Environmental Report 2012, Section 10
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	Annual Environmental Report 2012, Section 4 & 10
EN8	Total water withdrawal by source	Annual Environmental Report 2012, Section 9
EN9	Water sources significantly affected by withdrawal of water	None
EN10	Percentage and total volume of water recycled and reused	None – zero percent
EN16	Total direct and indirect greenhouse gas emissions by weight	Annual Environmental Report 2012, Section 4
EN17	Other relevant indirect greenhouse gas emissions by weight	Annual Environmental Report 2012, Section 4
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	Annual Environmental Report 2012, Section 10 & 11
EN19	Emissions of ozone-depleting substances by weight	Annual Environmental Report 2012, Section 4
EN20	NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions by type and weight	Annual Environmental Report 2012, Section 4
EN21	Total water discharge by quality and destination	Annual Environmental Report 2012, Section 9
EN22	Total weight of waste by type and disposal method	Annual Environmental Report 2012, Section 9
EN23	Total number and volume of significant spills	None
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and the percentage of transported waste shipped internationally.	N/A - 2012
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	Complying with International Ballast Water Convention (IMO)
EN26	Environmental impacts of products and services, and extent of impact mitigation	Annual Environmental Report 2012
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	N/A
EN28	Significant fines and sanctions for non-compliance with environmental laws and regulations	None
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's organizations, and transporting members of the workforce	Annual Environmental Report 2012, Section 9
	<b>SOCIAL PERFORMANCE INDICATORS</b>	
	<b>LABOUR PRACTICES AND DECENT WORK</b>	
	<b>Management Approach</b>	
LA1	Total workforce by employment type, employment contract, and region	11



LA2	Employee turnover by age group, gender, and region	2-3 % turnover
LA4	Percentage of employees covered by collective bargaining agreements	Seamen 100%
LA5	Minimum notice period(s) regarding operational changes	NA
LA6	Formal joint management-worker health and safety committees	Yes, Working Environmental Committee at office and vessels
LA7	Injuries, occupational diseases, lost days, absenteeism, and work-related fatalities	Partial reporting, see Annual Report page 13 & 35
LA8	Education, training, prevention, and risk-control programs in place regarding serious diseases	Starting from 2008, program regarding Health & Safety: (ISWAN) <a href="http://www.seafarerswelfare.org/">http://www.seafarerswelfare.org/</a>
LA9	Health and safety topics covered in formal agreements with trade unions	MLC 2006/ Collective Bargaining Agreement
LA11	Program for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Performance Review
LA12	Percentage of employees receiving regular performance and career development reviews, by gender	All office personnel during a two year period.
	<b>HUMAN RIGHTS</b>	
	<b>Management Approach</b>	
HR1	Human rights clauses or screening related to investment agreements	<a href="http://www.jjuc.no/company-policies">http://www.jjuc.no/company-policies</a>
HR2	Screening of suppliers and contractors regarding human rights	<a href="http://www.jjuc.no/files/1-HR-Supplier-Declaration.pdf">http://www.jjuc.no/files/1-HR-Supplier-Declaration.pdf</a>
HR4	Total number of discrimination and actions taken	None recorded
HR5	Freedom of association and collective bargaining	100% Seamen (LA4)
HR6	Child labor, and measures taken to contribute to the elimination of child labor	<a href="http://www.jjuc.no/company-policies">http://www.jjuc.no/company-policies</a>
HR7	Forced or compulsory labor	<a href="http://www.jjuc.no/company-policies">http://www.jjuc.no/company-policies</a>
	<b>SOCIETY</b>	
	<b>Management Approach</b>	
SO1	Impacts of operations on communities, including entering, operating, and exiting	Minimal/None
SO2	Percentage and total number of business units analyzed for risks related to corruption.	All relevant unit, ref indicator 3.6 above
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	All office personnel. Seafarers/Officers: ongoing
SO4	Actions taken in response to incidents of corruption	Established internal procedure to avoid and handle known situation related to corruption.
SO5	Public policy positions and participation in public policy development and lobbying	Through Norwegian Shipowner Association
SO7	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	None
SO8	Fines and non-monetary sanctions for non-compliance with laws and regulations	None

	<b>PRODUCT RESPONSIBILITY</b>	
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	As a service provider, management system ISM, ISPS, OHSAS18001
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	Non-compliance notes issued during 2012 by Det Norske Veritas in accordance with the ISM/ISPS Code, ISO 9001, ISO 14001 and OHSAS 18001: Office: 7 NC, Ships: 23 NC
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	N/A
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	As per ISO9001
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	None
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	None
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	None

Link to Annual Environmental Report:

<http://www.jjuc.no/annual-ums-hseq-report>