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United Nations Global Compact Office  
United Nations  
New York NY 10017, USA

Rotterdam, 12 April 2007

Subject: Saybolt's support and Communication on Progress

Dear Sir,

Next September it will be five years since I addressed a letter to the Secretary General of the United Nations. In this letter I pledged Saybolt's support for the United Nations Global Compact.

In 2002 Saybolt International and the Rabobank Group were the first in the Netherlands to commit themselves to the principles set out at that time. Not even five years later the number of organisations expressing support to the UN Global Compact in the Netherlands is tenfold. More importantly the initiative has globally grown into a truly global network encompassing more than 1,000 companies.

Today, only a few months away from our first lustrum of commitment, I would like to prolong our support to the 10 Principles of the UN Global Compact.

Additionally, this letter is accompanied by the Communication on Progress, giving insight in how Saybolt International is supporting the UN Global Compact Principles.

Sincerely yours,

Jan Heinsbroek

President

## United Nations Global Compact

### Saybolt International Communication on Progress (CoP)

<b>Company Name</b>	Saybolt International	<b>Date</b>	April 2007
<b>Unit (if applicable)</b>		<b>Membership date</b>	12 November 2002
<b>Address</b>	P.O. Box 151 3000 AD Rotterdam	<b>Number of employees</b>	3000
<b>Country</b>	Netherlands	<b>Sector</b>	Oil and Gas
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*This Communication on Progress contains an overview of the activities that were undertaken by Saybolt International throughout its world-wide network in the period 2006-2007, but also reflects on actions covering the period 2002-2006.*

#### **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. In its 235 offices and 103 laboratories it employs approximately 3,000 permanent staff located in over 92 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. On these crossroads, Saybolt furthermore developed a specialism in bio fuels. 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.

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 ten principles on Human Rights, Labour, Environment and preventing Corruption. Furthermore, visiting the UN website was promoted.

Subsequently, information on the added 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 2007, 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***

Periodically, Saybolt area managers and country managers meet in order to report and debate the progress of business activities worldwide. At such meetings progress reports on UN Global Compact activities are 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 that progress is monitored and results on implementation are presented.

Saybolt does not publish an individual annual report. The reporting is consolidated through the annual report of the mother company, Core Laboratories. Since a new website will be launched shortly, we will inform our stakeholders of our efforts and results via pages on the website, dedicated to the UN Global Compact. 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 (2003-2004)**

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.

#### **4.4. Special Theme: Elimination of Discrimination (2006/2007)**

“Businesses should uphold the elimination of discrimination in respect of employment and occupation”

As inspection and testing is very much a task of humans, Saybolt’s human resources are hence one of the biggest assets. Discrimination in respect of employment and occupation would therefore be an irrational limitation of a company’s own abilities to form the best production mix. As a commercial company, however, Saybolt does not hire people who are not up to providing the best service to our customers, no matter what race, colour, sex, sexual orientation, religion, political opinion, national extraction or social origin they have.

Not only with employment access, but also when being a Saybolt employee, effort is made to ensure discrimination is eliminated. Within Saybolt terms and conditions for employment issues like maternity leave and equal employment remuneration and working hours are common. Also, for a company in such a male dominated sector, Saybolt has a striking male-female balance.

An inventory was made at the U.S. and Netherlands H.R. departments, the backbones of the Saybolt organisation. Because of Saybolt’s policy that many aspects of a person’s identity are not relevant in a work relation, much basic information needed to measure discrimination is not available.

Feedback from our U.S. offices show for instance that policies on Equal Opportunity state within Policy 165 that all employees should enjoy a work environment “*free from all sorts of discrimination, including sexual harassment*”.

And policy nr 110, more generally, states that:

*“Management and supervisory personnel of Core Laboratories are responsible for implementing consistent procedures to ensure the elimination of any discriminatory practice, either intentional or inadvertent, with respect to race, color, creed or religion, sex, age, disability, national origin or status as a Vietnam Era disabled veteran. The employment, retention, training, transfer, and promotion of all employees are subject equally to these conditions.”*

And:

*“The president of Core Laboratories may from time to time issue policy statements delineating Core Laboratories’ policy and responsibility in regard to Equal Employment Opportunity and non-discrimination. Core Laboratories commits itself to the continual monitoring of its practices and procedures to ensure that each member of the Company understands the importance of the program and the responsibility of each employee to contribute to the attainment of this objective.”*

Furthermore it is Core Laboratories, and therefore also Saybolt Policy, to undertake to comply fully with all federal, state and local laws relating to equal employment. Within the compulsory company training this aspect of Saybolt and Core Laboratories policy is also not left unmentioned.

At Core Laboratories Headquarters in Houston, USA, Deanna Nwankwo, is the companies Compliance officer. She makes sure that any report of work related discrimination is handled. Formal procedures are developed to canalise these possible reports. The 'help line', available to report, with the least possible obstruction, any form of discrimination, is promoted throughout the company's locations. An example of this are the posters distributed throughout the companies locations. Also on a pro active basis she tries to identify discrimination and then follow the procedures designed for violation of the related policies.

In Saybolt's Global newsletters, attention was raised for the subject of the fight against discrimination within Saybolt. A copy of an issue is included with this CoP.

### **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 (2007), 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.