



**ULSTEIN®**

Ulstein Group ASA supports the ten principles of the Global Compact with respect to human rights, labour, environment and anti-corruption. We are committed to making the Global Compact and its principles part of the strategy, culture and operation of our company.

With this COP we express our intent to advance those principles within our sphere of influence.

Gunvor Ulstein

CEO Ulstein Group ASA

## COP-report 2014 Ulstein Group ASA

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### **Introduction**

Ulstein Group's stakeholders trust is based on our professional competence and integrity. Ulstein Group is committed to work in accordance with responsible, ethical and sound business principles. Our business principles are based on our visions and values that are set out in our Code of Conduct and our policies regarding compliance and Corporate Social Responsibility. The content of these policies is the foundation for our business and its purpose is to reflect and outline our vision and values and to function as a script to affect the attitudes and the culture within the company.

References in the Code of Conduct or in this COP-report to Ulstein, Ulstein Group or the Company should be understood as Ulstein Group ASA and its direct and indirect subsidiaries.

Ulstein's Code of Conduct applies to all employees – including temporary personnel – and board members of Ulstein Group and subsidiaries throughout the world. Ulstein has also a separate Code of Conduct applicable to its business partners including suppliers, distributors, agents and joint venture partners.

It is the responsibility of every manager to ensure that Ulstein's Code of Conduct is communicated to all its employees and to promote and monitor compliance.



<b>Human Rights</b>	Assessment, policy and goals	<p>The statement of Human Value:          “All of Ulstein’s personnel is expected to behave in an impeccable manner towards business associates, colleagues and others. This includes respect towards foreign cultures and customs at the same time as common Ulstein standards are explained and promoted. No discrimination of any kind is accepted, for example on the grounds of sex, race, religion or sexual orientation.          Ulstein Group aims in being a corporation that develops diversity and equality”</p> <p>According to Norwegian Working Environment Act, the company has established Guidelines for notifications, and an Ethical committee where ethical dilemmas may be put up for discussion.</p>
	Implementation	<p>All policies and documentation in relation to Ulstein’s ethical standards and principles are available on our digital Personnel Handbook.</p> <p>Ulstein’s separate Code of Conduct applicable to its business partners including suppliers, distributors, agents and joint venture partners is in process of being implemented in all relevant contracts.</p> <p>Ulstein has established a new collaboration platform in order to ensure Quality &amp; Governance concerning Ulstein’s vision and values as set out in Ulstein’s ethical guidelines.</p> <p>Other actions:          Awareness raising/ training of employees in Code of Conduct          Training program new employees          Compulsory Compliance-training of management, relevant employees and partners.          Dilemma training program to be established on our training portal          Both Ulstein’s Code of Conduct and Ulstein’s Whistleblowing guidelines were revised in 2014.</p>
	Measurement of outcomes	Monitoring of the mandatory training in Compliance and Code of Conduct
<b>Labour</b>	Assessment, policy and goals	<p>Ulstein puts safety first and follows the strategy that accidents, injuries and occupational illnesses are preventable. Ulstein’s core principles and our values with respect to safety are set out in Ulstein’s HSE Policy, which is reflected in Ulstein’s Quality System. We have taken all applicable requirements for Health, Safety &amp; Environment into consideration.</p>



		<p>The Norwegian companies are members in the governmental agreement in Norway regarding an inclusive working life ( IA Agreement). The agreement is based on a protocol between the employer, the trade unions and the authorities of Norway. The purpose for the IA Agreement is a joint effort to prevent and reduce sickness absence, encourage return to work, improve working environment and promote inclusion from the working environment.</p> <p>Each year the companies in Ulstein Group set objectives in order to reduce the percent of absence from work due to sickness, the percent of the employee turnover and personal injuries in the production (H-value). Yearly objectives are set in the Groups companies to reduce the present of sickness absent, the employee turnover and personal injuries in the production .</p> <p>In Norway labour rights and the right to collective negotiation are strongly regulated by law. Ulstein desires to work in compliance with all legal requirements in the different countries where we have companies or activity.</p> <p>There is a strong tradition in Ulstein to work for co-determination and to maintain a good dialogue between management and trade unions. The Company encourage its employees to sign up for membership with the trade unions.</p> <p>Negotiation committees are established to represent the employees in yearly wage negotiations. The employees in Ulstein's companies in Norway have representatives in the Board of Directors in all the relevant Norwegian companies of Ulstein Group.</p> <p>Our Personnel Handbook covers policies concerning our employees' rights, benefits and responsibilities.</p> <p>Ulstein has a welfare policy :</p> <p>“The Ulstein Corporation should be an attractive and good place to work. Through active welfare work, we aim at creating prosperity, increased job satisfaction and social belonging. At the same time we want to focus on activities that promote a good physical and mental health.”</p>
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		Ulstein Group will motivate all manning suppliers to act in accordance with our Labour principles.
	Implementation	<p>In each company with trade unions, it is established a forum for collective negotiations, information and consultation between the management and the trade unions.</p> <p>A Corporate Committee, equal represented with management and union members, will have four meetings a year to provide information, consult and discuss cooperation between employer and employees in addition to general topics of relevance.</p> <p>Ulstein Group has flexible working arrangement for our employees.</p> <p>All employees are entitled to medical insurance.</p> <p>All employees are encouraged to practice exercise and be in physical activity. Ulstein is also subsidizing physical activities.</p> <p>In each business area, a HSE yearly report and yearly action plans are worked out.</p> <p>In the companies with the highest rate of absence due to sickness and injuries, specific campaigns have been initiated in order to reduce the absence due to sickness and injuries.</p> <p>The IA-agreement and the follow-up activities from staff and management have resulted in a decreased rate of sickness absence.</p>
	Measurement of outcomes	<p>Sickness rate for the Ulstein Group should not extend 4.5%.</p> <p>H-value in the Shipbuilding area should be less than 10.</p> <p>The employee turnover should not exceed 7%</p>



<b>Environment</b>	Assessment, policy and goals	<p>Ulstein maintains high standards for environmental performance. Ulstein is committed to minimizing the impact of our businesses on the environment.</p> <p>Our goal for HSE: Ensure 100 % compliance with all HSE related procedures and requirements</p> <p>From HSE Policy in Ulstein Group: “Ulstein Group will strive for all activities and products to have the least possible negative effect on the environment.”</p> <p>From Code of Conduct: “The Corporation must have a Quality system which ensures that all statutory rules and regulations are adhered to. Ulstein Group must be a responsible company in regards to how the company effects the environment.”</p> <p>Ulstein Group will take gradual, measurable steps towards making its products, processes and operations more sustainable. Under the direction of Code of Conduct each individual organizational unit fully or partly owned, will strive to take necessary actions to ensure energy efficiency in its operations and ensure and secure appropriate recycling of materials.</p> <p>Ulstein aims to develop new vessels that helps the customers to increase their value by reducing emissions and doing less harm to the environment.</p> <p>We seek to challenge conventional wisdom and employ proven technology in new ways, consistent with what is environmental friendly. This environmental friendly focus is reflected in all our development of ship designs and business development. Examples of environmental friendly developments within ship designs are X-Bow and X-stern hull designs, hybrid propulsion system and exhaust system.</p>
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		One important project driver in our innovation processes is environmental friendly products through reducing environmental footprints, increase the operational windows for the vessels and to develop safer operations.
	Implementation	<p>Improvement of our waste handling system.</p> <p>Use of environmental-friendly materials in the product innovation and fabrication.</p> <p>Awareness of electricity energy consumptions in our buildings and production facilities.</p> <p>Improvement of our records of substances on products used in the production.</p> <p>Use Ulstein Ship Emission Index system to help the costumers to take better decisions to reduce the environmental footprint.</p> <p>Environmental mitigation in all our product innovation projects.</p>
	Measurement of outcomes	<p>Measurement of electrical energy consumptions.</p> <p>Environment should be a part of Project Charters Innovation projects</p> <p>Internal audit of environmental performance in compliance with ISO 14001</p>
<b>Anti-corruption</b>	Assessment, policy and goals	<p>Commitment to secure that all business and all activity shall be conducted in accordance with applicable laws, regulations and Ulstein Group`s internal guidelines, company policies and steering documents.</p> <p>Principles for Corporate Governance will yearly be revised by Ulstein Group Board of Directors.</p> <p>From Code of Conduct document:</p> <p>”Ulstein Group disapproves all forms of corruption. Corruption undermines all kind of business undertakings and destroys free competition. It is destructive for the reputation of the company and puts the company and each individual at great risk.”</p>



		Guidelines in connection with the exposure of economical disloyalty, and routines in connection with misconduct and irregularities are a part of the digital Personnel Handbook.
	Implementation	Revision of the notification system and ethical committee in 2014 Policy on anti-corruption regarding suppliers and customers in place 2015. Compulsory follow-up of management, relevant employees and partners. Formal due diligence procedures for potential suppliers and partners in 2015. Awareness questions in relation to gifts, hospitality and expenses have been worked out and implemented.
	Measurement of outcomes	Reported notifications to the Ethical committee Annual reporting to Board of Directors on Governance and Compliance.