



Turbulent DIFFUSION
Technology Inc.

2015

Communication on Progress

United Nations Global Compact



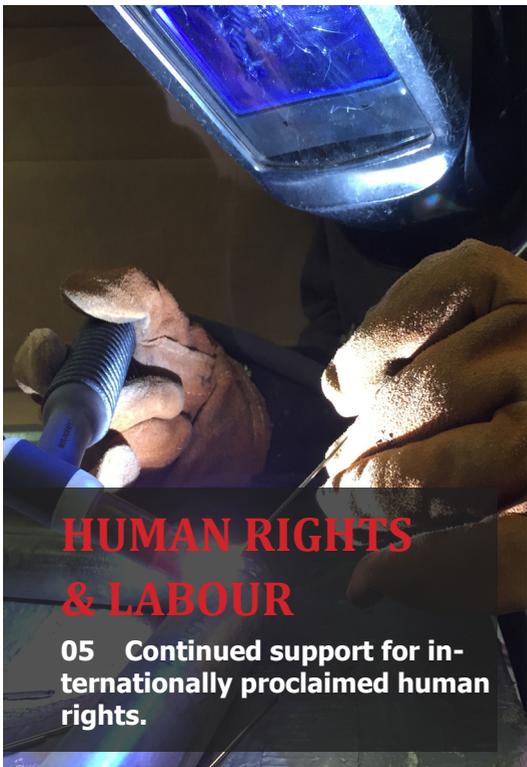
STATEMENT OF CONTINUED SUPPORT

We are delighted to reaffirm our commitment to the United Nations Global Compact (UNGC) and convey Turbulent Diffusion Technology's full support of the Ten Principles. These ten principles have been incorporated into our operations and corporate philosophy covering the areas of Human Rights, Labour, Anti-Corruption, and the Environment.

This has been an especially exciting year for Turbulent Diffusion as we are now ISO 9001:2008 Quality Management System certified and ISO 14001:2004 Environmental Management System certified.

As a company we recognize the impacts of our business and the opportunity we have to help further sustainability and prosperity globally. It is with this realization that we present our annual Communication on Progress (COP) to the global community.

Our annual COP is made publically available through the UNGC website and in print at our facility. We look forward to demonstrating our commitment to continuous improvement in the coming years.



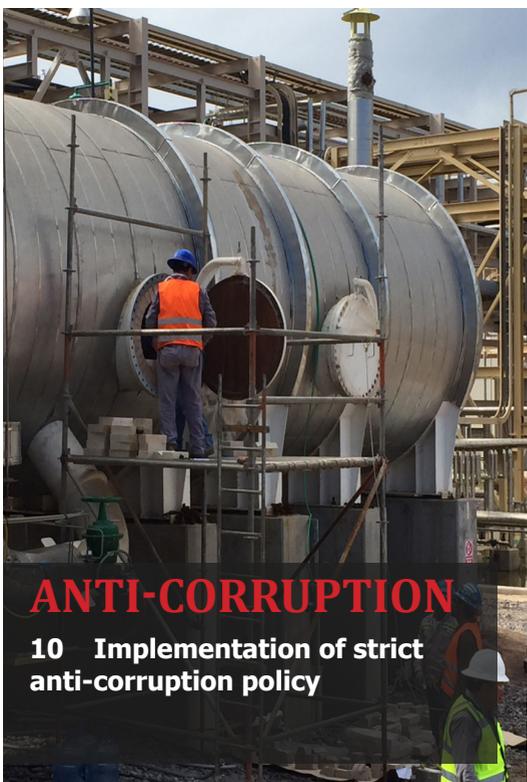
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OUR STORY

Turbulent Diffusion Technology Inc. is an international combustion company committed to reducing the environmental impact of industrial process facilities through cleaner burning combustion practices. Our solutions reduce emissions due to incomplete combustion by a minimum of 6%, with a typical reduction of up to 24%. – Protecting air quality, the environment, and minimizing emissions linked to global climate change.

Our solutions help reduce harmful emissions including Total Reduced Sulfur (TRS) and Nitrogen Oxide (NOx). On average our solutions reduce TRS emissions in installations from 200ppm to less than 5ppm and NOx emissions from over 350ppm to below 150ppm. Turbulent Diffusion products can be found in most industrial processing industries such as pulp and paper, petrochemical, mineral processing, and cement. - In recent years we have contributed several Synthetic Gas and Biogas installations to further reduce emissions.

At Turbulent Diffusion we are committed to corporate responsibility. Our products are typically manufactured using local labour and suppliers. While overseas, our company supports local economies by paying fair and ethical wages in developing countries, providing flexible working hours, and supporting education. - We believe in integrity, ethical business practices, and creating a better future for the next generation.

Turbulent Diffusion Technology is now ISO 9001:2008 certified, ISO 14001:2004 certified, ASME registered, and BC Safety Authority Registered.



HUMAN RIGHTS

Turbulent Diffusion supports, respects, and complies with internationally proclaimed human rights as well as local standards.

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Make sure that they are not complicit in human rights abuses

Turbulent Diffusion supports, respects, and complies with internationally proclaimed human rights as well as the Human Rights Code of British Columbia and local standards while overseas.

Employees are trained on a regular basis regarding the importance of human rights. This year's training included:

- Encouragement of an open-door policy for complaints
- Acceptance, tolerance, and embracement of different social classes
- Rights and accommodations of persons with disabilities
- Racial, ethnic, and cultural discrimination
- Safe and harassment free work place.

All perceived violations of Turbulent Diffusion policy regarding human rights violations are to be reported immediately to senior management. Where a conflict of interest arises, an executive team member shall follow-up on the violation.

In 2015 Turbulent Diffusion reported the following outcomes:

- 0 human rights policy violations occurred.
- 100% of employees attended annual human rights & sensitivity training.
- 71% of individuals hired were of socially disadvantaged, minority, or diversified ethnic groups.
- All labour and human rights complaints were successfully and amicably resolved within 30 days of the initial complaint.
- Completed the acquisition of a new facility with accommodations for wheelchair accessibility.
- Turbulent Diffusion increased the average training budget per employee by over \$670 for the 2015 year.



LABOUR

Turbulent Diffusion supports, respects, and complies with internationally proclaimed human rights as well as the Human Rights Code of British Columbia.

Principle 3: Businesses should uphold the 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.

Our commitment to the four principles relating to labour and the fair treatment of individuals can be best demonstrated within our Human Resource Manual (HRM-MAN-000). This manual is updated and maintained on an annual basis, audited internally annually, and reviewed by management as required.

Turbulent Diffusion is an equal opportunity employer promoting a positive corporate culture through integrity, entrepreneurial spirit, and giving back to the communities in which we are located or conduct business in. Particular attention is given to the health, safety, and training of our employees. Each employee is personally responsible for his/her safety as well as that of their team. All workplace safety concerns or incidents are required to be reported immediately. Turbulent Diffusion has a zero tolerance policy for workplace violence, threat of violence, harassment, and abuse.

In 2015, a new Health & Safety Officer was designated along with Occupational First Aid (OFA) training provided for five (5) individuals. - local WorkSafe BC only requires one (1). These individuals have demonstrated excellence in team leadership and are a combination of front staff as well as warehouse staff.

Both qualitative and quantitative data is recorded and analyzed on a regular basis through standard human resource practices. Turbulent Diffusion furthermore promotes an open door policy where all complaints can be heard by a neutral party.

All Turbulent Diffusion employees and contractors are required to meet legal requirements for employment, according to local laws. All labour disputes were satisfactorily handled at the employee level with no escalation to mediation.

Hiring Policy

Potential employees are assessed on their demonstrated merit including skills, knowledge, experience, and personal attributes. Hiring practices are non-discriminatory (defined by the Human Rights Code of BC), objectives, consistent, transparent, and documented.

Unionization

Although all employees are non-union, Turbulent Diffusion supports the right to collective bargaining and will entertain all proposals. In 2015, there were zero (0) collective bargaining proposals presented.

Labour

Turbulent Diffusion supports the elimination of forced labour and child labour, both locally and internationally. All employees are over the age of fifteen (ages range from 20 - 59), complying with BC Employment Standards Act.



ENVIRONMENT

The Turbulent Diffusion Environmental Management System provides a mechanism for environmental management throughout all functions and departments.

Principle 7: Businesses should 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

As a global manufacturer of environmental combustion systems, Turbulent Diffusion recognizes its responsibility to maintain superior environmental protection efforts. As a result, Turbulent Diffusion has developed and implemented an environmental management system in order to manage and prevent negative environmental impacts on the environment.

The Turbulent Diffusion Environmental Management System is ISO 14001:2004 certified with the next external audit scheduled for late 2016.

The purpose of the environmental manual is to provide comprehensive evidence to all customers, suppliers, employees, and shareholders, of what specific controls are implemented to ensure adequate environmental management.

The manual further describes the environmental management system and provides procedures or references for all activities regarding the environmental management system to ensure compliance to the necessary requirements of the standard.

The objectives and targets contained in the Environmental Management System include:

- Operational objectives to reduce energy usage, elimination of hazardous cleaning materials, and the reduction of consumables.
- Product objectives to reduce customer fuel expenditure by 6%, NOx guarantees of as low as 4ppm, as well as a host of other performance guarantees.

On an annual basis the Environmental Manual, its objectives, identified aspects, and the policy itself is reviewed for accuracy and applicability. Non-conformance reports as well as corrective actions are also reviewed to determine what preventative actions should be undertaken to ensure a continual improvement process.



ANTI-CORRUPTION

With a growing global economy, anti-corruption practices are becoming a greater asset for businesses.

PRINCIPLE 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Turbulent Diffusion Technology adheres to a strict anti-corruption policy that applies to all employees and contractors, regardless of their location. Prohibited by law and corporate policy, Turbulent Diffusion employees, contractors, shareholders, and directors are prohibited from giving, promising, or arranging the exchange of money or anything of perceived value, including company work, to a potential or current customer, vendor, government or party official, or person of perceived influence in order to influence that person or company to obtain an improper advantage.

Within the nature of our business we obtain sensitive customer information to design or optimize combustion equipment. This information is considered confidential by the customer or manufacture and must be treated as such and applies under the strict anti-corruption policy outlined above.

At Turbulent Diffusion, not only do we believe in internal anti-corruption, we are committed to promoting an external anti-corruption policy for suppliers, vendors, contractors, and customers. In contract agreements clauses have been inserted to prohibit anti-corruption. Furthermore, Turbulent Diffusion encourages the use of the International Chamber of Commerce (ICC) Anti-Corruption policy integrated into domestic and international contracts.

Employees, customers, vendors, and contractors knowing of or suspecting any violation of this policy are required to immediately report to the executive team. Any conflicts of interest are controlled and monitored by an appointed third party. As required, this may include legal advice or consultants.

Once a suspected violation is reported, our Anti-Corruption representative conducts interviews and reviews available information with all applicable persons to determine both the validity and severity of the claim. External parties are required to follow a 3 strikes policy; identification, warning, expulsion. Employees however, are required to abide by a two strikes policy; a warning followed by anti-corruption re-training, then termination if required.

In 2013 and 2014, there were no reported or documented cases violating the Turbulent Diffusion anti-corruption policy.

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