

Ulstein Group ASA support 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 2016 Ulstein Group ASA

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### **Introduction**

Ulstein Group's stakeholders trust 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 employee – 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.

Assessment, policy and goals

## Human Rights

Ulstein Group's Code of Conduct is a foundation for our vision and values, and functions as a script to positively affect the attitudes and the culture within the company.

All employees should be familiar with the ethical guidelines. It is the responsibility of every manager to ensure that the Code of Conduct is communicated to and examined by all employees.

The guidelines apply to all our companies.

The statement of Human Value:

"All members of Ulstein Group have the same value. No discrimination of any kind is accepted, for example on the grounds of gender, race, religion or sexual orientation.

Ulstein Group aspires to be a corporation that develops diversity and equality"

In accordance with the Norwegian Working Environment Act, the company has established Guidelines for notifications, and an Ethical committee where ethical dilemmas may be put up for discussion.

Ulstein Group supports NGOs working with children's rights.

We want to emphasize the UN sustainability goals through our sponsorship:

- Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

- Achieve gender equality and empower all women and girls

In addition, we support local activities for children and youth in our local communities in Norway.

Implementation

All compliance documentation is available in our Quality System.

**Awareness raising & training of employees towards the Code of Conduct**

Training program for new employees

Dilemma training program to be established on our training portal

Through our collaboration with SOS Children`s Villages Norway we support families and communities in becoming self-sustainable, so they can provide for their children in the future. Our latest engagement is the Family Strengthen program in Lubango, Angola.

Measurement of outcomes

Monitoring of the mandatory training in Compliance and Code of Conduct

Measurement of notifications to Ethical Committee

BI-Annual Reports from SOS Children`s Villages:

The Family Strengthen Program is providing support for living and education for 121 families, including 542 children.

Assessment, policy and goals

## Labour

In Norway, labour rights and the right to collective bargaining are strongly regulated by law. The corporate strategy is to work in compliance with local legal requirements in the different countries we have companies and activities.

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 encourages membership of trade unions for its employees.

In Norway negotiation committees are established to represent the employees in yearly wage negotiations. Employees are represented in the Boards of all Norwegian companies.

In the current market situation, with a lot of uncertainty and temporary and permanent lay-offs, the cooperation with the trade unions is a critical input factor. In these situations, we strive to maintain good working conditions for our employees and run processes in compliance with legal rights and fair treatment of people.

Our Personnel Handbook covers policies concerning our employee`s rights, benefits and responsibilities.

Ulstein has a HSE Policy and a Management System in compliance with requirements to Health, Safety & Environment.

The Norwegian companies are members of the governmental agreement regarding an inclusive working life (IA Enterprise). The agreement is based on a protocol between employer/ trade unions and the authorities for a joint effort to prevent and reduce sickness absence, encourage return to work, improve working environments and promote inclusion.

Annual objectives are set out in the respective companies to reduce the present of sickness absence, employee turnover and injuries in the production (H-value).

Ulstein has a welfare policy :

“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 good physical and mental health.”

Ulstein Group has a policy requiring manning suppliers to adhere to the Labour principles.

Implementation

In each company with trade unions, a forum is established for collective bargaining between the management and the trade unions.

A Corporate Committee, equally represented by management and union members, will have 4 meetings per year to discuss cooperation and common issues.

A Salary policy is established, and there are flexible working arrangement for our employees.

All employees are entitled to medical insurance.

The IA-agreement and the follow-up from staff and management have resulted in a further decreased rate of sickness absence and H-value.

The company has an Occupational Health Service in compliance with Norwegian Environment Act.

In each business area a HSE annual report and action plan is established and followed up.

Measurement of  
outcomes

Sickness rate for the Ulstein Group should not extend 4,5%.

H-value in the Shipbuilding area should be less than 10.

The voluntary employee turnover should not exceed 7 %.

Increase feedback on unwanted incidents and HSE observations.

Reduce number of legal cases in restructuring processes.

Assessment, policy and goals

## Environment

Our goal for HSE: Ensure 100 % compliance with HSE-related procedures and requirements.

From HSE Policy in Ulstein Group:

“Ulstein Group will strive for all activities and products to have the lowest possible negative effect on the environment.”

From Code of Conduct:

“The Corporation must have an internal control system that ensures that all statutory rules and regulations are adhered to. Ulstein Group must be a responsible company with regards to how the company affects the environment.”

Ulstein Group will take gradual, measurable steps towards making its products, processes and operations more sustainable. Under the direction of the Code of Conduct, each individual organisational unit, whether fully or partly owned, will take necessary actions to ensure energy efficiency in its operations and secure proper recycling of materials.

Ulstein aims to develop new vessels that help the customer to increase its value, while reducing emissions and doing less harm to the environment.

We seek to challenge conventional wisdom and employ proven technology in new ways, with a keen eye on the environment. This environmentally friendly focus is reflected in all our development of ship designs and business development. Examples of this are the X-BOW® and X –STERN™ hull design elements and hybrid propulsion systems.



One important project driver in our innovation processes is environmental friendly products focused on reducing environmental footprints, increasing the operational windows for the vessels and developing safer operations.

Implementation

Improvement of our waste handling system.

Use of environmentally friendly materials in the product innovation and production.

Awareness of energy consumption in our buildings and production facilities.

Improvement of our records of substances on products used in the production.

Use Ulstein Ship Emission Index system to help the costumers to take better decisions in order to reduce the environmental footprint.

Environmental drivers in all our product innovation projects.

Measurement of outcomes

Measurement of electrical energy consumption.

Project Charters for Innovation projects.

## Anti-corruption

Assessment, policy and goals

Commitment to comply with all relevant laws.

Principles for Corporate Governance approved by Ulstein Group Board of Directors.

From Code of Conduct: "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."

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

Policy on anti-corruption towards suppliers and customers.

Risk assessment procedures for high-risk areas of corruption.

Measurement of  
outcomes

Training Managers and new employees – digital dilemma training.

Internal Audit on Anti-corruption in compliance with ISO 26000.

Reported notifications to the Ethical committee.

Registration of gifts and relation activities.