

COMMUNICATION ON PROGRESS

Implementing UN global compact principles in Scanjet Marine AB 2016



1. Introduction

I am pleased to confirm that Scanjet Marine AB reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti Corruption.

In this annual Communication on Progress, we describe our actions to integrate the Global Compact and its principles into our business strategy, culture and daily operations.

Yours sincerely

Niklas Falkmer



Managing Director



WE SUPPORT

2. Scanjet Marine AB

Scanjet Marine AB is an experienced supplier of tank management equipment and is well known for being the world's leading producer of tank cleaning equipment and marine protection systems.

For any marine and offshore application, Scanjet Marine as a part of Scanjet group, designs and produces a full range of fixed and portable tank cleaning equipment, marine protection systems (anti-pirate water cannons), as well as together with the group, high level alarms, vapor emission control systems and tank level gauging equipment suiting any type and size of tank using alternative technologies.

Legally, Scanjet is governed by a Board of Directors. With a deputy council and in communication with the Board they jointly formulate Scanjet's political views. Members of the Council are elected by the board of Directors which include the owners.

The Managing Director and management oversee the daily activities of the employees and co-ordinates the activities of the number of network groups linked to Scanjet Marine and Scanjet group.

Our leading position in the market enable us with the power to change and implement our initiatives, not only internally within our own organization, but also globally to ensure that our network understand the UNs basic principles.



3. Our approach to the 10 principles

In the autumn of 2011 Scanjet Marine AB signed up for the UN Global Compact program, something we have chosen to maintain and nurture as an asset with annual updates. At an early point we could define a number of stakeholders which were sorted to the main three following areas.

These were:

- People (employees and members)
- Society (locally)
- Society (globally)

We continue our work with implementing our initiatives during 2016, to ensure that all members of staff within the organization understands UNs basic principles and to ensure the willingness to implement sustainable solutions throughout the organization. Outside the secretariat is where we can make a difference we try both locally and globally to spread the ideals and goals of the ten principles.

To make sure that all initiatives within our organization were employee borne, we made it a point in the existing steering committee of the company, which became responsible for choosing and implementing the internal initiatives within stage one.

Since January 2015 this is maintained as part of daily work.

Our approach concerns the ten principles:

Human Rights

- 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.

Labor

- 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 labor;
- Principle 5: the effective abolition of child labor; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

- 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.

Anti-Corruption

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

HUMAN RIGHTS

ANTI-CORRUPTION

ENVIRONMENT

LABOR



4. Contents of Scanjet Marine CSR policy 2015-2016 -

The first set of CSR initiatives, which made sense in the context of our organization, has been initiatives concerning labor (employee rights) and environment. A continuous monitoring of the initiatives have been performed since the first COP, see further point 4.3.

4.1 The environment

The environmental impact of our business association and our possibilities for reducing the carbon footprint is smaller in scale than in many other industries. Even so, we find that it is important to be aware and do something about the things and areas we can affect.

We have adopted a greener working policy since our first COP, in which environmental considerations are essential.

One major proactive improvement that has grown over time is the usage of new technology early in design, eliminating need for unnecessary model manufacturing, i.e disposal of metals and castings related to product development is now at a minimum. Usage of 3D printers early in the design stages in combination with modern software makes excess materials and casting emissions related to new product development and design a minimum. This applies not only to consumption but also disposal and transport of packaging, we do not need to make extensive heavy castings and transport them to the designer's offices any longer.

This have saved time, money and the environmental impact for model tests is now significantly less than previously.

Our document systems have been maintained and updated, further decreasing our paper consumption and the excess disposal of such is now performed in recyclable ways and now we have started to digitize our older archive so that we can move away as far as possible from the usage of physical copies of documentation.

Modern phones and video meeting systems reduce CO2 emissions from unnecessary travelling, this area is continuously updated to ensure a high level of technology. The majority of office staff has individual video meeting possibilities.

With regards to lighting, we chose low-energy solutions wherever possible, buying energy efficient light bulbs. All computers and network are modern and energy efficient as well as the company cars where brand is chosen thoroughly in terms of lower emission abilities towards other brands, where also such things as usage frequency and designed location is taken in to consideration.

Goals

We wish to continue to find areas where we can reduce our CO2 emissions and environmental footprint.

How do we monitor and evaluate performances

The steering committee regularly informs the organization, which and if initiatives have been initiated through the company newsletter that reaches all employees.

4.2 4.2 The working environment and health of the employees

Scanjet Marine AB believes that all employees have the right to individual freedom of expression and opinion. This is upheld by regular meetings between management and employee groups and bi-monthly office meetings.

We also have a highly developed intranet where all employees have access to the latest information regarding working laws, rights and health directives set by the Swedish government. In addition to this, all employee positions have written job descriptions and annual meetings is performed where this is tracked to find deviations where descriptions and communication may be unclear, or whether improvements can be implemented for the general happiness of the employees.

During the autumn of 2015, managing level participants prepared routines for the new forthcoming international edition of ISO 9001, replacing the older edition of ISO to a more harmonized standard covering areas concerning ways and principles of work. The DIS (draft international standard) is still a draft at the time of writing but as we are ISO certified steps towards the forthcoming standard is already in progress. The new standard will affect some of the procedures regarding documentation etc. and work related to this will be communicated in next COP.

The data collected from all employee interviews and surveys, where such things as information to the employees is measured, or whether the information flow is sufficient within the organization is continuously presented to concerned director for initial action.

Responsible director for human resources matters reports this information directly to the board for matters that require immediate action, action that has been taken throughout the year and requested non implemented action. In line with our written HSE policy we try to find, prevent or improve any deviations to the same.

Part of our current ISO system and quality handbook we conduct work place assessment, which showed a few areas of employee discontent. The findings were acted upon immediately to improve the satisfaction of the employees.

In having a good working environment lies also having good health. A bad working environment affects the health of the individual and vice versa – and both have an impact on employee wellbeing and motivation.

Some of the initiatives we have implemented thus aim at promoting and protecting our employees' physical wellbeing. The employee rights therefore include ergonomic work place assessment, fresh fruit, and health inspections of the employees by consultant doctors. We also occasionally perform team building events.

Possibilities to influenza vaccinations, massage, and annual sports and social activities is of course independently used but means for this is provided within the organization for those who such wishes.

Goals

It is our goal to have a high rate of employee satisfaction and low sickness absence.

Monitoring and evaluating performances

Constant dialogue with the employees is deemed the best way of securing a good working environment and preventing stress. The management therefore has a responsibility of monitoring the employees well-being, both on a regular basis and annually where all employees is given additional time to express their view upon the organization privately with a responsible person, separated from the person that regularly performs such tasks so that all employees can discuss topics freely without pressure of retaliation or stress.

4.3 Measurements and outcome

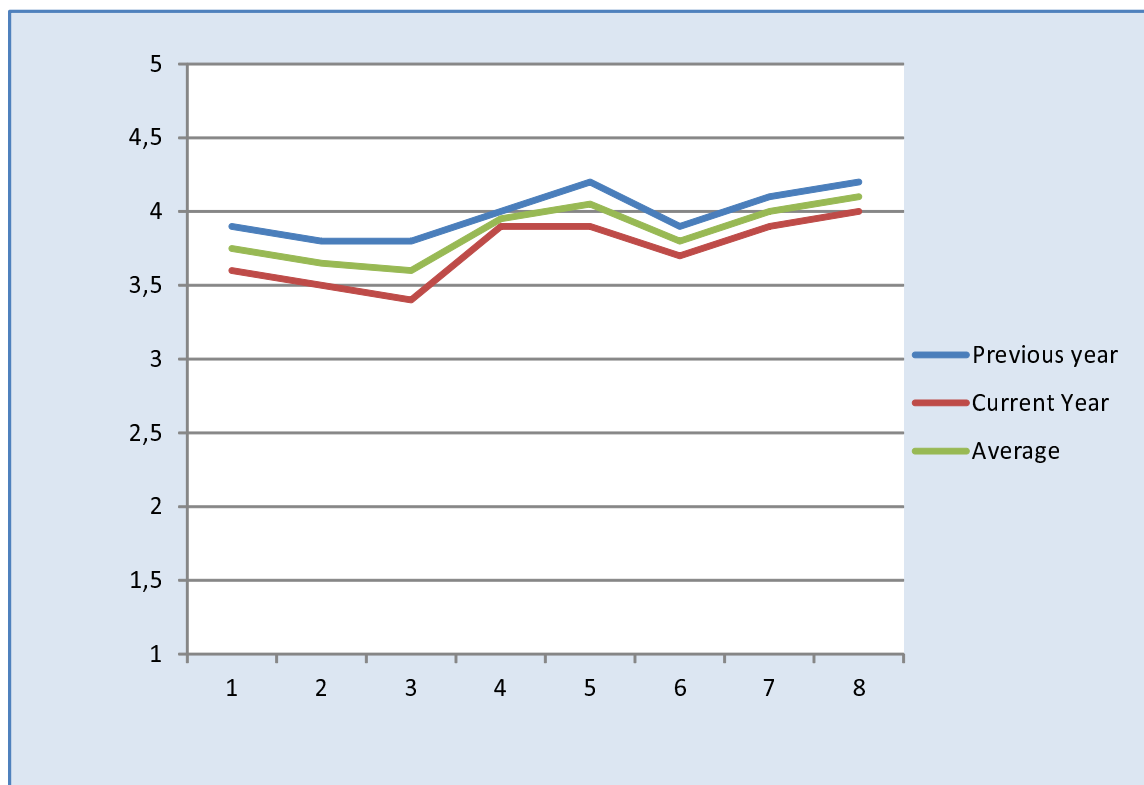
As the points three and four is important for us we have monitored the organization as well as taken our responsibility towards the environment resulting in decreased emission and we conclude that our

Environmental goal was reached and exceeded.

We have also monitored the employee's satisfaction with the company since the latest COP on the subjects as follows. Note that the digit after each listed subject is presented in the diagram below.

- * Management (1)
- * Effectiveness / Guidance (2)
- * Information (3)
- * Development (4)
- * Cooperation (5)
- * Communication with for the employee, closest manager or supervisor (6)
- * Personal development dialogue (7)
- * Working environment / happiness (8)

The data presented as a diagram in 4.3.1 was collected via questionnaires by for its purpose designed third party HSE software (specifically for measuring HSE points). The data collected has been anonymously given by the employees, point based, the values below is a product of a great number of sub questions (span from 1 to 5 where 5 is total satisfaction or 100%).



The conclusion is that we have a high level of satisfaction overall as expected, we have however a slightly lower average than previous year.

The minor decrease in figures from past year is related to a positive order increase for the group as a whole which have resulted in new product lines, now implemented in production which naturally affect the routines of the work for some.

As the company expands, new routines have replaced old which requires such things as training even for older employees, something which we follow up during the year.

Proactive teambuilding efforts have been performed through the past year. As we see a growth of the company the more important is that we share information and work with common goals within the organisation. One example of our efforts was a highly appreciated Scanjet group activity past autumn, taken place at our new built factory offices close to the existing production area. This was not only limited to our own employees but also our agent and sales network to ensure that the company group's ideals and policies reach out to every part related to Scanjet.

Scanjet as a whole continue to have a high satisfaction rate in our questionnaires and even if lower than the past year we are close to 80% of maximum value of the questionnaires, where the percentage is to be seen as an index figure between years. If we had only considered this data as a thermometer of happiness only a "less than maximum happy figure" would lead to immediate actions and which for an unexperienced reader would look strange, the diagram is to be seen as a HSE index for our company specifically and the values are high.

In addition to the above we have also collected similar data from our clients and the outcome is as positive where the sales department and HSE cooperates continuously for a good relation.

We have as part of the supplier assessment program for our company not found any deviation from the ten principles since the latest COP (this also applies to the whole chain of work, no matter if it is a client, sub-contractor employee or supplier).



Scanjet new office building in Sjöbo.



Scanjet Group provide responsible and innovative tank cleaning solutions and products for the marine and industrial industries. As well as being a world leader in this field, Scanjet Group also produce state of the art products and services such as Level Gauging Equipment, High Level Overfill Alarms, Vapor Emission Control Systems. The Scanjet Group also provide industrial, offshore and marine engineering design services