



GCRIEBER

Communication on Progress 2016

UN Global Compact

GC Rieber

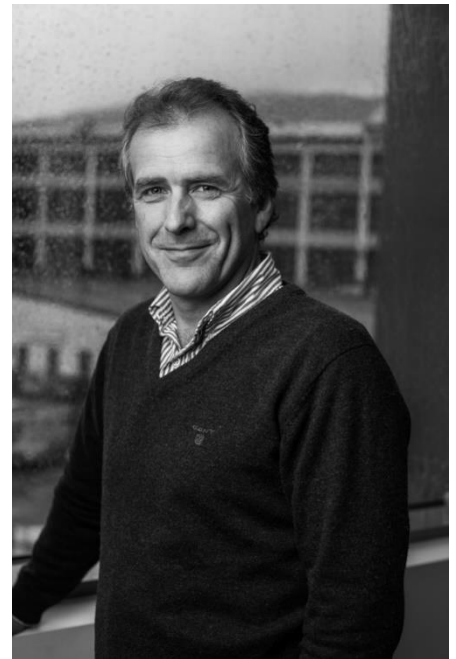


United Nations Global Compact

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Sustainable Transformation



Digital revolution, disruptive innovation, virtual reality – there is no lack of buzzwords that many of us are struggling to fully comprehend. We may disagree about terminology, but we all understand that our business environment is undergoing fundamental change. Change is happening at unprecedented speed, driven by technological development. Like most digital incumbents, we are trying to understand which opportunities and threats these changes bring to our business, and how we must adapt to ensure that our strong customer relationships will continue to thrive in a digital world.

Over the last year, the GC Rieber Group has undergone significant transformations related to strategy, business model and processes in our organization. One of the core changes relates to reduced operational control of the group companies to create a more agile development platform. However, to ensure that we maintain the same level of ambition and focus on sustainability in a looser organization structure and a faster changing environment, our owners, our Board and our management have strongly emphasized the importance of Social Responsibility (CSR) as a core element of the new business model for the GC Rieber Group. Even though we may move much faster than before, we still need to remember where we are coming from.

As part of our transformation processes, we have therefore adapted our core policies, including CSR and ethics. Furthermore, we are continuously increasing the use of technology to help us work smarter and more effectively – and become more sustainable. Many big and small examples from our group companies demonstrate indeed that technology can help us increase both, sustainability and economic growth. We have always been committed to put social responsibility and concern for our stakeholders first, no matter the commercial consequences. Thanks to technological development, we finally can do just that and still become more competitive.

In this annual Communication on Progress, we describe our CSR framework and our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also present a few examples from our group companies on how they use CSR thinking to create more value for customers, employees and the society around us. We commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

A handwritten signature in blue ink, which appears to read 'Paul-Christian Rieber'. The signature is fluid and cursive, written over a light blue horizontal line.

Paul-Christian Rieber
CEO GC Rieber AS



About GC Rieber

Our employees

At the end of 2016, the GC Rieber Group consists of 600 employees allocated to five business areas:

GC Rieber Shipping ASA

GC Rieber Shipping operates within the subsea, marine seismic and ice/support segments.

GC Rieber Compact AS,

GC Rieber Compact including Compact India Private Ltd. and GC Rieber Compact South Africa
GC Rieber Compact develops and produces life-saving, ready-to-use food products.

GC Rieber Oils AS

GC Rieber Oils is a supplier of concentrated Omega-3 fatty acids to the supplements industry.

GC Rieber Salt AS

GC Rieber Salt delivers salts and minerals across the Nordic region. GC Rieber Chemicals AS is a 100% owned subsidiary of GC Rieber Salt, and a major supplier of a variety of chemicals for industrial use.

GC Rieber Eiendom AS

GC Rieber Eiendom develops and manages urban business premises in Bergen (Norway).

The countries in which we operate

Besides Norway, our offices and production sites are located in the following countries:
Sweden, Denmark, Australia, Russia, India, South Africa and Tunisia.

IEBER SALT AS

JOZO
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DK-8800 Skjerve
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Jozo Havsalt 6x4kg.

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Creating customer value through Green Operations

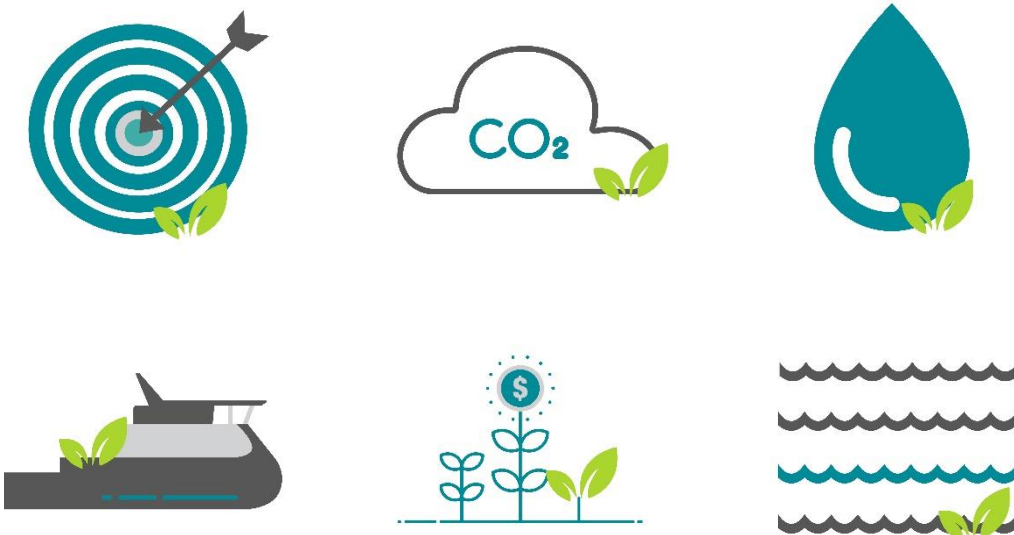
In 2016, GC Rieber Shipping introduced the “Green Operations” initiative with the goal to run 10 % of all transits and Dynamic Positioning (DP) operations with fuel efficiency measures. Reducing fuel consumption not only reduces our carbon footprint significantly, it also saves our customers for considerable operational costs.

The various fuel efficiency measures are defined in the Ship’s Energy Efficiency Management Plan (SEEMP) and contain activities such as:

- Main and auxiliary engine optimization
- Electrical energy optimization
- Speed optimization
- Trim and ballast optimization
- Hull resistance optimization (hull cleaning, propeller polishing and renewal antifouling)
- Voyage planning / weather routing

Progress is being measured per ship on a quarterly basis, and all vessels receive their ranking according to individual achievements.

Continuous performance updates on defined KPI can be found on the GC Rieber Shipping website www.gcrieber-shipping.com.





Quality and safety throughout the production value chain

GC Rieber Compact India Ltd. (CIPL), a daughter company of GC Rieber Compact, is specialized in therapeutic and supplementary food manufacturing for hunger and malnutrition treatment. The company supplies worldwide NGOs such as UNICEF, World Food Programme, and Medecins Sans Frontieres.

CIPL focuses on quality, systems and technology to provide the safest food in the world. We have implemented a number of controls that include in-factory production processes on one side, and worker conditions such as health and housing on the other side.

A recent survey of CIPL workers' residence areas highlighted several concerns related to area overpopulation, lack of infrastructure and poor cleaning and sanitation conditions in the premises. These circumstances increase the risk for unacceptable hygiene and health issues amongst our employees.

Safety and health of customers, end-users and employees alike are of utmost importance to GC Rieber. Therefore, we have introduced a "Residence Improvement Plan" to improve life conditions for workers and at the same time ensure better quality control throughout the entire production process. The CIPL management is planning to relocate GC Rieber workers to more suitable and better standard residences where they can enjoy a better and safer lifestyle.

Sustainable urban development

The ambitions of GC Rieber Eiendom (Commercial Property) have always gone far beyond developing and renting out high-quality office space. We are aiming to be an urban developer who contributes to build Bergen as a city where business and people thrive alongside each other, and where environmental and social aspects are taken into consideration at each step of a project.

In fall 2016, the city's first building with BREEAM Excellent certification developed and built by GC Rieber was inaugurated, and a new project with the same construction standard is already underway. Better solutions for car-pooling and parking for electronic vehicles were introduced around the Solheimsviken business center to facilitate greener commute for office workers. We have also initiated several industry collaboration projects to share GC Rieber knowledge and data on green buildings to encourage focus on sustainable construction methods across the industry, including recycling, use of environmentally friendly material and solar panels.

The Marineholmen area, previously a run-down and rather unattractive industry site, is today a vibrant urban quarter with start-ups, international businesses, science and research institutes and recreational spaces for the city's inhabitants. Access to all possible facilities, short distances and closeness to public transport make this area a leading example for a greener and smarter urban development in Bergen – and demonstrates that ambition can make things happen.

Read more about our projects on the GC Rieber Eiendom (Commercial Properties) website www.gcrieber-eiendom.no



The GC Rieber CSR framework

Company CSR Functions

Corporate Social Responsibility activities in each group company are supported and monitored by a central Group CSR Manager reporting to the Group CEO and Board of Directors.

Since 2016, each group company has their own CSR Coordinator to support the implementation of Group policies and guidelines, coordinate the company CSR strategy and action plan, and to act as an advisor and for company leaders and employees. The CSR coordinator role contributes to better integration of sustainability considerations into the business strategies of the group companies, and ensures alignment between GC Rieber Group and company CSR goals.

Internal policies and guidelines

As part of our strategic business model review, we updated our internal guidelines and policies for ethics and CSR in 2016. The guidelines contain general principles for best practice and professional conduct, and represent the fundament of our core beliefs and our corporate culture that we expect all employees to adhere to.

Sustainability in our supply chain

In order to make our position on CSR and sustainability clear to our business partners, we have created a Code of Conduct (CoC) that we ask them to sign. GC Rieber will, when selecting suppliers and prior to making investment decisions, consider compliance with this CoC as part of our general assessment. The CoC provides a framework for what we consider to be the minimum standard for professional conduct.

In addition, group companies conduct regular audits of their suppliers and partners either directly or through recognized agencies. We also use third-party assessment form to assess sustainability risks with a potential business partner in cases where a signed CoC may be difficult to obtain in due time.

CSR Strategy, action plans and reporting

Our CSR policy is an integral part of our organization and reflects our business goals. At GC Rieber, we involve and engage all parts of the organization in CSR work.

Each business area in the GC Rieber Group identifies their own sustainability goals and turns them into action plans which are communicated internally and externally, and monitored continuously. CSR reports are presented and discussed in company and group Board meetings on a regular basis to ensure top-level commitment.

Training

Dilemma training and information meetings are important elements in building knowledge and awareness around important CSR topics in our organization. In 2016 we achieved our aim for all employees of the GC Rieber Group to complete an e-learning course on anti-corruption which we had developed ourselves.

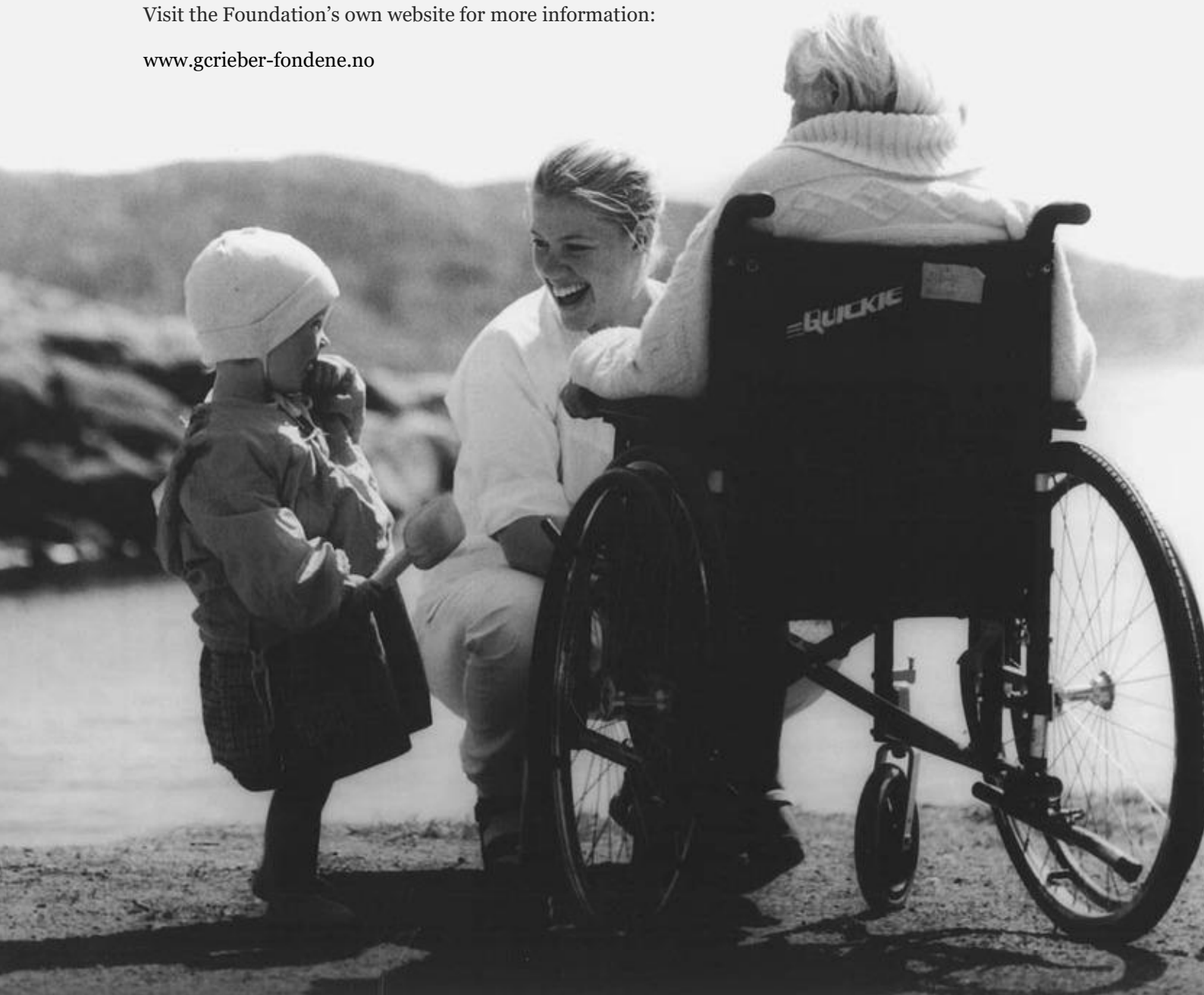
The GC Rieber Foundations

The GC Rieber Foundations comprise four charitable foundations and manage philanthropic and charitable contributions to benevolent and social initiatives and a wide array of culture and science projects in Norway and abroad.

The Foundations hold a 20% ownership in the GC Rieber Group. Consequently, a significant part of the Group's value creation finds its way into social investments through the GC Rieber Foundations. This contribution means a lot to employees and shareholders of GC Rieber and motivates us to go the extra mile every day.

Visit the Foundation's own website for more information:

www.gcrieber-fondene.no



Contact

For further information about our sustainability work, please contact our Group responsible for CSR

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or visit our website www.gcrieber.com

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