



# ULSTEIN GROUP 2017 REPORT

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## GLOBAL GOALS FOR SUSTAINABLE DEVELOPMENT

### UN GLOBAL COMPACT - COMMUNICATION ON PROGRESS



# 17 SUSTAINABLE DEVELOPMENT GOALS

In September 2015, countries adopted a set of goals to end poverty, protect the planet, and ensure prosperity for all as part of a new sustainable development agenda. The goals came into force on 1 January 2016. For the goals to be reached, everyone needs to do their part. Ulstein Group has decided on four goals to be prioritised in our work.



## QUALITY EDUCATION

Ensure inclusive and quality education for all and promote lifelong learning.

- Ulstein will aim to foster skilled and engaged employees
- We will support lifelong competence building for our employees
- The combination of experience and formal competence is critical for our innovation and business activity
- Our work with the Family Life Project in cooperation with SOS Children's Villages in Angola will secure kindergarten and school attendance for vulnerable children and give self-sustainable communities

## INDUSTRY, INNOVATION AND INFRASTRUCTURE

Build resilient infrastructure, promote sustainable industrialization and foster innovation.

- Ulstein provides efficient, safe and reliable products and services to our customers
- Through innovation of future-oriented products and services we contribute to sustainable development
- We have entered new market segments for renewable energy
- We develop fuel-efficient ships to move heavy goods traffic from the motorway to the seaway

## GENDER EQUALITY

Achieve gender equality and empower all women and girls.

- Ulstein will secure equal career possibilities across gender in our companies
- As of today, we have equal numbers of women and men in the Group Management and Board of Directors. We will continue to foster female leadership
- For decades, we have aimed to inspire girls to choose mathematics and science as school subjects

## LIFE BELOW WATER

Conserve and sustainably use the oceans, seas and marine resources.

- Our aim is to design and construct vessels for demanding operations while maintaining a keen eye on the environment
- We allocate resources to innovation and new development. This includes new types of vessels or solutions that help the customers increase their value, while improving fuel efficiency, reducing emissions and doing less harm to environment
- We innovate to develop new solutions for environmentally sound marine and maritime activities

# UN GLOBAL COMPACT - WE ARE COMMITTED

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.

## HUMAN RIGHTS

### Assessment, policy and goals

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.

Our statement of Human Value is: "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.

We support NGOs working

with children's rights. Also, we support 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.

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 Strengthening program in Lubango, Angola.

### Measuring outcomes

- Monitor the mandatory training in Compliance and Code of Conduct

- Measurement of notifications to Ethical Committee

- Biannual Reports from SOS Children's Villages: The Family Strengthening Program is providing support for living and education for 109 families, including 577 children.

# LABOUR

## Assessment, policy and goals

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 where 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 our Norwegian companies. In the current market situation, with

much 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 employees' rights, benefits and responsibilities.

Our 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 sickness absence, employee turnover and injuries in the production (LTI value).

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 is a 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 LTI.

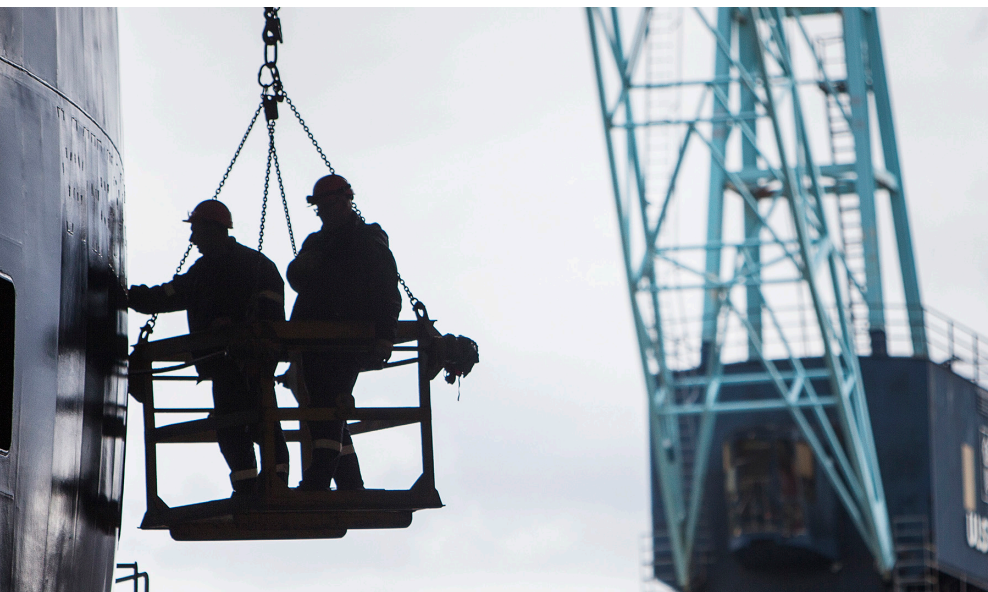
Feedback and improvement system and increased focus on reporting of unwanted incidents are implemented.

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

In each business area, an HSE annual report and an action plan are established and followed up.

## Measuring outcomes

- Sickness rate for Ulstein Group should not extend 4.5%.
- H-value in the Shipbuilding area should be less than 9.
- The voluntary employee turnover should not exceed 7 %.
- Implemented feedback system in all companies.
- Increase feedback on unwanted incidents and HSE observations.
- Avoid legal cases in restructuring processes.



*The Code of Conduct applies to all employees, temporary personnel and board members of Ulstein Group and subsidiaries. Ulstein also has 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 employees and to promote and monitor compliance. References to Ulstein, Ulstein Group or the Company should be understood as Ulstein Group ASA and its direct and indirect subsidiaries.*



## ENVIRONMENT

### Assessment, policy and goals

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

From HSE Policy in Ulstein Group: "Ulstein will strive for all activities and products to have the lowest possible negative effect on the environment."

We deliver designs and solutions for areas such as the exploitation of renewable energy and for sustainable tourism and transport.

From Code of Conduct: "The Corporation must have an internal control system that ensures that all

statutory rules and regulations are adhered to. Ulstein must be a responsible company with regards to how it affects the environment."

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

We aim to develop vessels that help the customers to increase their value, while reducing emissions and doing

less harm to the environment.

We seek to challenge conventional wisdom and deploy both proven and new technologies in alternate ways, with a keen eye on the environment. Examples are the X-BOW® and X-STERN® hull design elements and hybrid propulsion systems.

Important project drivers in our innovation processes are development of environmentally sound products focused on reducing environmental footprints, developing safer operations and increasing the operational windows for the vessels.

### Implementation

Our vessels are developed to satisfy international environmental and safety standards and regulations, such as EEDI, ESI or Polar Code.

We aim to minimize the footprint of our vessel designs. One of the main drivers is minimizing emissions to air and water through novel system designs. We develop and build vessels with solutions for alternative energy sources and new methods of storing and transferring energy through modern battery and capacitor technologies. We use low power and high efficiency solutions. All efforts are neatly and holistically designed into complete ship systems.

We design and build vessels with on-board waste management systems, ballast water treatment and onshore handling of waste.

We use environmentally friendly materials in the product innovation and production.

Increased awareness of energy consumption in our buildings and facilities.

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

Our ships are equipped to reduce hazards to the crew, the vessel and the environment. This includes collision and grounding avoidance, fire and flooding countermeasures, reduced pollution risk in the event of damage, Inventory of Hazardous Materials and HSE-focused designs.

We use modern ship systems featuring low power consumption and less use of cabling. Extensive use of analogue cabling is substituted by digital solutions.

Cooperation with the Green Efficiency Norway knowledge hub to develop joint environmentally sound products.

### Measuring outcomes

Analyse and measure effects of design choices:

- Measurement of electrical energy consumption in our buildings and production facilities
- Efficiency and fuel consumption measurements are conducted on built vessels to verify the theoretical calculation analyses done in the design stages. These measurements are used to improve the next generation of vessel designs.
- Ulstein is also conducting field studies on board Ulstein designed vessels in operation to improve performance and operability for the new generation of vessels.
- The Environmental aspect is an integrated part in Project Charters for Innovation projects.
- Percentage of offshore vessels delivered with CLEAN and CLEAN DESIGN classification.
- High vessel score on the ESI Index.

# ANTI CORRUPTION

## Assessment, policy and goals

Commitment to comply with all laws and regulations.

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

From Code of Conduct:  
"Ulstein Group disapproves of all forms

of corruption.  
Corruption undermines all kinds 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 on whistleblowing and anti corruption, 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.

Training of employees.

### Measuring outcomes

- Reported notifications to the Ethical committee.

- Registration of gifts and relation activities.

- Documentation of training and attendance in compliance session.

- Dilemma training.



## NOTE FROM THE CEO

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.

A handwritten signature in black ink, appearing to read 'G. Ulstein'.

Gunvor Ulstein  
CEO Ulstein Group ASA