

Mrs. Lise Kingo  
Executive Head Global Compact  
United Nations Global Compact Office  
United Nations  
New York NY 10017, USA

Rotterdam, 21 December 2018

Subject: Saybolt's support and Communication on Progress

Dear Madam,

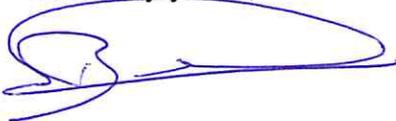
The UN Global Compact came a long way and we can now recognise that bringing together enterprises and their stakeholders proved a productive way to address crucial issues codified in the Sustainable Development Goals (SDG's).

Saybolt International is working on awareness of all 17 SDG's, and sees an increasing part of our clients similarly enthusiastic. We still think that the UN Global Compact's principles and Sustainable Development Goals can best be served by incorporation into the business processes of corporations. This process of incorporating will be more effective than the transfer of sums to supporting organisations. If only because it creates awareness and responsibility there where the effect is greatest: In the various global centres of economic activity.

That was also the key finding of the first SDG-progress report that Global Compact Network Netherlands launched on the 30th of November 2018, where my representative met with you personally. We value this meeting and look forward to a fruitful cooperation in the future.

This letter is accompanied by our most recent Communication on Progress, providing insight in how Saybolt International is supporting the UN Global Compact Principles and preparing on reporting on the Sustainable Development Goals.

Sincerely yours,



P.W.G. Boks

President



## United Nations Global Compact



### Saybolt International Communication on Progress (CoP)

This Communication on Progress contains an overview of the activities that were undertaken by Saybolt International throughout its worldwide network in the decade and a half period of 2002-2018, covering the whole period as member of the UN Global Compact. Saybolt's most recent CoP's were all reporting per theme (Labour, Environment, Human Rights and Anti-Bribery) as some themes are more obviously prominent in our industry than others.

Core Laboratories is Saybolt's parent company. It reports in accordance with the GRI method (<http://database.globalreporting.org/reports/31513/>). Because this is not practical for Saybolt in relation to our CoP. Core Laboratories' consolidated accounts would not allow reporting of their CSR efforts combined with reporting financial reports. Another negative effect would be that outcomes would be incomparable.

However, Corelab and Saybolt are now looking into the possibilities to broaden the membership towards Core Laboratories and in the future report from Core Laboratories.

#### **1. Saybolt International: a brief introduction**

Saybolt, founded in 1898, is one of the leading companies in the field of independent inspection, verification, monitoring and analytical services. In its 209 offices and 102 laboratories it employs approximately 2,600 staff located in over 85 countries around the world.

Saybolt provides services to private sector clients, as well as governments and international organisations, the latter mainly in the field of humanitarian aid inspection. We operate on a global scale in the oil & gas, as well as in the petro-chemical, chemical and agricultural industry. On these crossroads, Saybolt developed a specialism in biofuels where we see that first generation still represents the bulk, but that second generation biofuels are starting to blend in. Most prominently, the Used Cooking Oils are taking a leap forward. The favourable mandates, double counting schemes and other regulatory measures are taking their effect.

Saybolt International joined the UN Global Compact fifteen years ago, in 2002, and was a launching member of the Netherlands Chapter of the UN Global Compact in May 2007. Saybolt is not a member of the Dutch association of GC NL, and has not yet chosen its tier in the new UNGC system, awaiting the outcome of internal debate with Core Laboratories. Saybolt has stayed in close contact with the UN Global Compact on this topic and has even addressed its Global Director Mrs. Lise Kingo.

Saybolt is part of the Core Laboratories group of companies (Corelab), a public company with limited liability, incorporated under the laws of the Netherlands. The Corelab shares are traded on the New York Stock Exchange (symbol "CLB") and on Euronext in Amsterdam.

## 2. Saybolt Communication

### Internal Communication

Saybolt channels its internal communication through newsletters and meetings. In 2015 Saybolt launched its new internal magazine: Connect.S. In its predecessor, there was a column devoted to various issues. Amongst these was the UN Global Compact, its principles and the processes involved. In the most recent period, 2017-2018, columns in the organisation wide distributed Saybolt Newsletter were dedicated to topics such as safety, biofuels and our impact in our communities. In Connect.S. these topics will be dealt with in other separate articles. Because Connect.S. will appear less frequent than the old Saybolt Newsletter, and because there will be less articles, the volume of UNGC devoted articles will also decrease. This will not influence the devotion to addressing these topics, however.

- In July 2017, a previous summer edition of Connect.S. came out and featured the result of the flaring contest. In the same edition and last one of 2016, we dedicated an article to the mandatory flaring of waste gasses. As Saybolt works with gasses occasionally, we also need to dispose of excessive gasses. We have a permit to flare these gasses occasionally. Although there are many fiscal, legal and practical barriers to take, Saybolt wants to see how we can alter this behaviour and perhaps so contribute to keeping global warming below 2°C. Connect.S. issued a contest to find potential solutions to either stop this flaring or to make better use of this practise. The winner of the contest presented a plan to transfer energy to heating and possibly as fuel for short courier travel in the region.



- Another article was devoted to the Sustainable Development Goals and how they relate to the traditional 10 principles of the UN Global Compact.



During Area- and Country Management Meeting, there is often also opportunity to communicate the intention and nature of any upcoming project in the field of UN Global Compact issues, or more general Corporate Social Responsibility issues. Also within the scope of subjects discussed and more in general, there is always time to discuss issues that are reflecting our scope of direct responsibility, such as safety issues, combatting bribery and other compliance issues.

As part of a large scale internal communication effort, Saybolt has her own sharepoint-environment, where Saybolt employees can access various sorts of information from the Saybolt organisation. The internal wiki-pages are also part of this. A special section is dedicated to the UN Global Compact and our previous themes. This is an ever changing and 'live' tool.

## **External Communication**

Saybolt is a business-to-business company whose prime asset is its independency and impartiality. We do not have external communication targeted towards consumers. In our communication towards our clients we stress our policies towards the various principles embodied by the UN Global Compact.

Furthermore, on our corporate website there is a dedicated page on the UN Global Compact Principles and the way this reflects our various policies. This is also the location where the visitor will be directed through a link to the ten UN Global Compact principles and the link where our Communication on Progress (CoP) can be obtained.

It happened more frequently lately that Saybolt is asked to adhere to compliance programs of clients. Without exception, Saybolt is compliant with such requirements. Often Saybolt can even quote one or more of the UN Global Compact's 10 principles to illustrate such compliance. As well as in other years, also in 2018 we invited clients to join us as a member of the UN Global Compact. Furthermore, in meetings of the Trade association IFIA, Saybolt has explained its experience with the UN Global Compact and made promotional UN Global Compact material available.

Saybolt does not publish an individual annual report. The reporting is consolidated through the annual report of the mother company, Core Laboratories. We will inform our stakeholders of our efforts and results via pages on the website, dedicated to the UN Global Compact. We have Connect.S., our Saybolt international newsletter, available to any visitor at one of our locations. In these newsletters issues related to the ten principles are frequently addressed.

### 3. Themes and Practical Action

Occasionally, Saybolt will appoint one of the UN Global Compacts ten principles to be given special attention. As Saybolt is a specialist organisation, with limited room to influence outcomes in certain areas, most of the principles are not suitable for Saybolt to influence our environment thereon.

When a theme is chosen, internal communication will create awareness among our employees and hopefully also their personal and professional environment. When, and if possible, the actions chosen should also produce measurable results.

#### Human rights

- *Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and*
- *Principle 2: Business should make sure that they are not complicit in human rights abuses.*

Previously at Saybolt, we did not see certain issues as Human Rights issues, but rather as HR issues or other issues. Saybolt has not undertaken any specific action recently on these subjects.

Saybolt will consider taking these subjects up for the coming periods and see where we can best contribute within our capacity and industry.

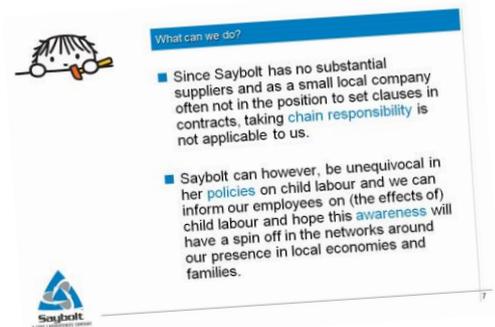
## Labour

- *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.*

### Fighting Child Labour (2010)

The abolition of child labour is not only a moral necessity, abolition of child labour can also yield high social and economic returns, combat poverty in general and advance human development.

This was the core message at a two-day conference, organized by the Ministry of Social Affairs and Employment of the Netherlands in cooperation with the International Labour Organization (ILO). It was attended by more than 450 delegates from 80 countries and witnessed interventions by high-level government officials as well as representatives from employers' and workers' organizations, international organizations and members of the academia and civil society. During this conference the roadmap for fighting child labour up to 2016 was assembled. This inspired Saybolt to enquire about the role we could play in this field.



Being a multinational worldwide service provider we seldom come across practices of child labour. It almost speaks for itself that Saybolt does not turn to child labour in any form of work, or in any part of the world. Professionals in this area convinced us however, that there was a part to play on our side.

Awareness programs are a very effective way of fighting child labour, according to the experts in the field. The network of our company obviously expands beyond our office doors and we are active in countries that see child labour within their borders. A presentation was there for developed in cooperation with and advised by Hivos, an NGO focussing on issues like child labour. The outcome in the form of this presentation was to inform and educate higher and middle management, who in their turn can educate their employees by showing them this presentation. It has yet to be rolled out into area- and country management level.

More direct was the advice to include the fight against child labour in our policies. At first it was deemed too obvious to make policy on this, but it was concluded that not working with child labour is not so obvious globally and so it was decided to align not only Saybolt's policies with this strive, but also to align this with the policies of the mother company Core Laboratories. From this exercise the policy in the textbox was composed. From 2010 on of this is part of the Saybolt policy and mentioned in the Administration Letter.

*No person under the age of eighteen (18) may be employed unless associated with a fully accredited work/study program or for temporary summer work during the student's vacation.*

*Part-time, temporary openings may be filled with individuals under eighteen (18) provided they have graduated from a school of secondary education and they meet all local and state age/work requirements. Hire of an individual under these circumstances must have the prior approval of the Division Head and the Human Resources Manager.*

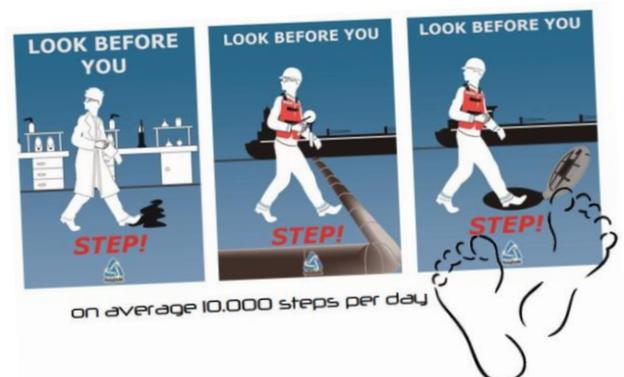
*Any person under the age of eighteen (18) must have a parent or legal guardian co-sign all employment-related forms (including the drug screen consent and the completed employment application form).*

*Persons under the age of eighteen (18) are not allowed to work with dangerous substances (including, but limited to petroleum products).*

### Safety Handbook (previously Arbo-catalogus) (2008-2018)

For ten years now, in the continuing period of 2008-2018, Saybolt initiated and proceeded with a project to come to a set of 'best practices' in the field of safety in the inspection sector. Soon other inspection companies committed themselves to this initiative and contributed likewise in the initiative called Safety Platform Cargo Surveyors (SPCS), a subcommittee of the International Federation of Inspection Agencies (IFIA). The so called 'Arbo-catalogus', a guide for working conditions and best practices on how to comply with regular safety standards and beyond, was the result of this exercise. Eventual aim was to have this catalogue recognised by (semi) governmental organisations as a standard in the industry. Due to unfamiliarity with the industry this proved difficult. Therefore, it was decided that this would continue on a less mandatory basis, providing best-practices.

Since safety is a very prominent issue within the Saybolt organisation, in our regular internal communication we report every single issue on this matter. The especially dedicated Safety Officer will keep track of all reported incidents and accidents and touch on a pressing subject in every newsletter.



Slips, trips and falls was the biggest contributor to personal injuries of Saybolt staff. As mentioned in the chapter on communication, in 2018 Saybolt continued our permanent multimedia campaign since 2011 pointing to the risks of slips, trips and falls, creating awareness on this subject and educating in ways to prevent them.

One of the biggest barriers for safety improvement is the reporting of the safety hazards and the accident reporting. By making it mandatory for all employees to report at least three safety hazards in their direct work environment, Saybolt is managing the first barrier. The second barrier has already been attended by paying extra attention to the collection of data on which accident reporting is based.

#### Elimination of Discrimination (2006/2007)

As inspection and testing is very much a task of humans, Saybolt's human resources are hence one of the biggest assets. Within Saybolt terms and conditions for employment issues like maternity leave and equal employment remuneration and working hours are common. Also, for a company in such a male dominated sector, Saybolt has a striking male-female balance.

The Saybolt compliance officer makes sure that any report of work related discrimination is handled. Formal procedures are developed to canalise these possible reports. The 'help line', available to report, with the least possible obstruction, any form of discrimination, is promoted throughout the company's locations. For example by posters distributed throughout the companies locations. In Saybolt's global newsletters, attention was raised for the subject of the fight against discrimination within Saybolt.

#### HIV/Aids and the Workplace (2003-2004)

Saybolt International introduced an awareness programme among all staff members focused on two tracks:

1. Awareness and prevention communication program (Material in various languages was made available)
2. Applying the non-discrimination principle and company support for those infected. A special policy on HIV/AIDS and the workplace was put in place.

There was a special introduction of the president and the higher management. From here the area -as well as- country managers had to sign declarations in which they confirm their implementation activities. During internal audits, the participation was confirmed.

## Environment

- *Global Compact Principle 7*  
*"Businesses should support a precautionary approach to environmental challenges"*
- *Global Compact Principle 8*  
*"Businesses should undertake initiatives to promote greater environmental responsibility."*
- *Global Compact Principle 9*  
*"Businesses should encourage the development and diffusion of environmentally friendly technologies."*

### Environmental Care – Health & Safety (2004-2005)

Within this theme, attention was drawn to the day-to-day environmental management and health & safety standards in the Saybolt offices around the world. In addition to the health & safety and environmental policies that are part of the internal audit function, Saybolt launched a review of its existing policies through extensive questionnaires reviews during the Area Managers Meeting in September 2004 and extended into existing environmental policies.

One of the main conclusions was that Saybolt's environmental compliance with domestic legislation and company policies was good to excellent. Possible improvement was in day-to-day environmental care in the offices.

### Safety – tank (2010)

Not obliged by local or national environmental legislation, but driven by safety concerns for her employees, Saybolt Vlaardingen office in The Netherlands decided to abolish the old method of storing obsolete and used chemicals in an underground storage tank. From the beginning of January 2010 Saybolt will use a more labour intense, but deemed safer method of disposing her chemical waste by hiring a specialised company that will manage this disposal in an environmental and generally responsible way.

### Environmental Care – Air Treatment System (2013)

In the new Saybolt location of Europoort, management did a study on the way the air could be treated more environmentally friendly. This resulted in a new system where the heat from the air exiting the laboratory is used to heat incoming air for as much the offices and the laboratory itself. The investments in this new system lead to an 80% efficiency of heating. This represents a huge reduction of greenhouse gasses by actual reduction of gas used to heat the location.

## Paper Management (2007-2010)

As Saybolt's main product is information, it is obvious that transporting and storing this information is vital to Saybolt. Because of above mentioned reasons Saybolt has a strict Document Retention Policy. However, reducing the use of paper should reduce Saybolt's environmental footprint.

Saybolt set up a paper management system covering the printing and copying; the disposal of waste paper; and the acquisition of paper. New policies included campaigns on double sided printing; reducing margins and awareness on useless printing in general. Paper recycling was in place in a few Saybolt locations, now some of the biggest locations, including Saybolt Netherlands introduced separated paper disposal facilities and closed contracts for dedicated paper disposal.

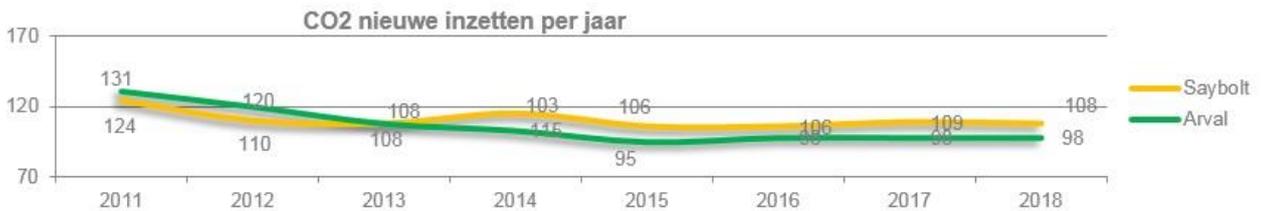
Finally, within the purpose made handbook on sustainable paper management, Saybolt guided country management towards the acquisition of recycled paper.

Continuing with and focussing on the multi annual Paper Management Project, more communication materials were added in the years 2009-2010 to the internal communication. In most Saybolt Netherlands offices separate paper collection boxes were installed, (paper) waste collection was adapted and printing and copying hardware was set to double sided printing. Outcome of internal update on progress in reducing our 'paper footprint' showed that so far a reduction of 4.75% was achieved in prevention of printing emails. Mostly it was the offices with high rate of email printing that generated reduction. Also paper use in general reduced significantly. Even corrected for fluctuations in revenue, double digit reduction was achieved.

Furthermore, it became Saybolt policy that where possible and efficient, new copiers and printers would be equipped with energy efficient buttons that turn themselves off, when not used for some time.

## Clean Car Park (2005-2018)

As a company working in the energy sector, Saybolt felt an obligation to comply with a trend to act energy efficient. Saybolt's policy to have all lease cars for employees at least fall into the top three of fuel-efficient car segments was re-considered and prolonged. Furthermore, the life span of a car was lengthened by a year, thus avoiding unnecessary waste of cars.



Our lease contracting partner, Arval, keeps track of CO<sub>2</sub> emission performance results per vehicle. This enables us to compare our initial projected and actual performance. After last year's stable average emittance for new vehicles, Saybolt managed to decrease its level at 108 grams per kilometre. This figure was not reported in last year's CoP, as this data was not available. This reduction was a slight drop of emission for Saybolt's car park in 2017.

However, for 2017 and 2018 there is no improvement measured since and it is still above Arval's average. Even though Saybolt introduced electrical cars and has introduced infrastructure to support this development, we also started calculating LPG emissions. This development is probably still not in par with average Arval emissions.



### Electrical mobility infrastructure (2016)

For a long time Saybolt had a policy not to allow fully electric vehicles (EV's) in its car-parc. However, Saybolt recently embraced the relative inflexible vehicles, because they do mitigate so many emissions.

To facilitate external electric vehicles and some Saybolt EV's, Saybolt invested in two charging stations for a total of four cars. In 2016, the stations were installed at Saybolt Headquarters in Vlaardingen, the Netherlands.



### Clean IT waste (2010)

Saybolt is an information driven organisation, where independent reporting needs to get delivered to the customer in a sound fashion. Information Technology (IT) is there for a very prominent instrument in our service provision.

Using hardware such as mobile phones, laptops, monitors and desk-top computers, Saybolt has a certain footprint. In 2010 it was decided that all our obsolete, and otherwise not to be used, IT hardware will be collected and where possible recycled. If and when this is not possible the hardware will be destroyed in the most environmental-friendly way possible. A specialist company was hired for this purpose. Saybolt sees the premium paying for these processes as a part of our effort to reduce our footprint.

### Clean Transport Fuels (2002-2018)

As a company working in the fuel quality sector, Saybolt has developed a specialism in the Biofuels sector. What began with quality and quantity control of biofuel storage in the Netherlands and in Spain turned out in market-leadership in the ARA (Amsterdam-Rotterdam-Antwerp) region in the field of biofuel quality control. By testing biofuels for quality we so help facilitating the public acceptance of such transport fuels as alternative for fossil transport fuels.

In 2007-2008 Saybolt performed quality control for a second generation biofuel feedstock plantation in Malawi, Africa. This project was carried out within the TNT-WFP partnership and so we performed our services not for profit. For Saybolt this was also our first experience with Jatropha based FAME.

Saybolt was a launching member of the Rotterdam Biomass Commodities Network (RBCN) in 2009 and has been a participant up to present. This network aims to create a platform for discussions and deal making in the line of Biomass production and trading. Biomass is thought of as a major contributor to CO<sub>2</sub> reduction.

In 2012 Saybolt opened a fully equipped laboratory for the testing of biodiesel in the Southern Spanish town of Algeciras. We are now able to test biofuels in this location without having to ship samples to alternative locations in Europe.

## Sustainable office lighting (2014)



In December 2014, at Saybolt's Headquarters, a trial period commenced whereby TL (Tube Luminescent) lights were replaced by LED tubes. The initial trial is for a single floor. If tried and found acceptable, these LED light tubes could be used throughout all locations in the Netherlands and possibly even globally.

Not only will such LED's increase the life span of such a tube by fivefold, but it should also seriously reduce the energy use generating the same light. A traditional TL light uses 71 watt/hour while the new LED tubes only use 23 watt/hour, a reduction of more than 67%. The supplier uses a calculation whereby a minimum of 55% CO<sub>2</sub> reduction is accomplished, which translates into a reduction of 7529 kilograms of CO<sub>2</sub>.



Compared to the use of electricity from our laboratories, the electricity savings from this change does not impress in bulk figures. Still, on a meta level this does lower Saybolt's footprint and fits into our business processes.

## Anti-corruption

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

### Fighting Bribery and Corruption (2005-2006)

While the UN Global Compact was considering adding its tenth principle, Saybolt was already actively engaged in the drafting process of a new ethics and compliance code dealing with preventing and fighting corruption, amongst others. Also, Saybolt was involved in developing a compliance code in the International Federation of Inspection Agencies (IFIA). Late 2003, the IFIA Compliance Code was adopted and beginning 2004 it was fully implemented in the Saybolt global operating procedures. In 2015 the most recent adjustment of the IFIA Compliance Code was implemented.

As part of its global implementation, every staff member has to undergo compliance training. After the training he/she has to take an online compliance exam and sign a declaration that the code and its implications are well understood. Every year, a mandatory compliance refresher course and exam is scheduled.

In 2011, with the coming into force of the UK Bribery Act, Saybolt performed a test on compliance with this legislation that stretches further than the United States Foreign Corrupt Practices Act and also has extra-territorial ambitions.

Finally, a helpline is available. Senior management participates in a Global Compliance Committee that meets every quarter to monitor implementation of compliance issues and resolve questions on ethics that might arise. It is also directly in the interest of Saybolt to continue to give full attention to the fight against bribery and corruption and after this special project fighting bribery and corruption remains a top priority for Saybolt Management.

#### **4. UN Global Compact Netherlands Chapter**

Saybolt continued to be a loyal visitor of most UN Global Compact Netherlands Chapter meetings in 2018 and took active part in meetings and discussions. Saybolt participated in UNGC Surveys and some UN Global Compact Academy sessions.

In June 2018, Saybolt's representative also took seat in the Financial Committee of the Dutch UN Global Compact chapter and so helped the internal housekeeping of the chapter.

On 8 October 2018 the Netherlands chapter of the UN Global Compact organized 'a cross border social dialogue', following the publication of the new ILO report, likewise named.

On 30 November 2018 the Netherlands chapter of the UN Global Compact launched the key finding of its first SDG-progress report. Chairman Jan-Willem Scheijgrond (Philips) opened and meeting and UNGC CEO Lise Kingo addressed the audience with her keynote speech.

At these meetings Saybolt's UN Global Compact officer was present and actively participated in discussions.

## 5. Measurements of Outcomes

The outcome of the activities and programmes initiated under the UN Global Compact philosophy is measured as follows.

The UN Global Compact Officer is the overall coordinator of all activities. In close co-operation with the senior management he develops the activities and programmes and coordinates implementation and reporting. For many activities, country management (at director's level) directly reports to the UN Global Compact Officer.

An important instrument for measuring the outcome of programmes is the internal audit function. By adding audit requirements regarding some of the UN Global Compact activities to the regular audit scheme, a fixed input of measurements is generated. It is being studied on how measurement on UNGC principles can be measured through this, without contributing to an increasing 'paper burden' on the various offices.

All reports on active programmes are analysed at headquarters level and the results presented to the area- and country managers' meetings that take place twice per year. The area- and country managers will communicate the results back to their respective staff and also communicate the bottom-up information that will flow back to the UN Global Compact Officer.

In addition and with regular intervals, measured outcome and activities are reported in the Saybolt International Newsletter. Latest examples have been included in this report.

Safety is an aspect that is monitored very closely by as much as one of our main stakeholders: Our clients. Our safety record communication can be found in the chapters here above.

In the field of CO<sub>2</sub> emissions of the Saybolt car park Saybolt has managed to get measurable results over the past years: Saybolt's goals in CO<sub>2</sub> emissions were not realised, and last year's results were disappointing, emitting a higher average of CO<sub>2</sub> than the general carpark. However, there is still a decreasing trend in CO<sub>2</sub> emissions visible over the past 5 years.