

UN Global Compact - Communication on Progress

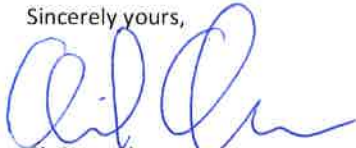
2019-06-28

To our stakeholders,

I am pleased to confirm that Salinity AB reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Ant-Corruption.

In this, our first Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,



Christer Olausson

CEO

SALINITY

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Salinity's strategy for sustainable business development is, along with our customers, business partners and suppliers, to implement measures that are responsible in the long term. In our work, we shall make every effort to limit our impact on the climate, reduce waste and contribute to a non-toxic environment. We shall be an attractive employer for both current and new employees. Everyone shall contribute toward reaching the company's goals, and that is why we are constantly developing our leadership and focus on job satisfaction, enthusiasm and competence of our employees.

Each section below begins with an excerpt from our Code of Conduct.

In regard to the Sustainable Development Goals, SALINITY has reviewed the stakeholder and materiality analyses during the period and updated the prioritised SDG's for the coming years:

SDG 1: No poverty – End poverty in all its forms everywhere.

SDG 3: Good health and well-being – Ensure healthy lives and promote well-being for all at all ages.

SDG 12: Responsible consumption and production – Ensure sustainable consumption and production patterns.

SDG 14: Life below water – Conserve and sustainably use the oceans, seas and marine resources for sustainable development.

SDG 16: Peace, justice and strong institutions – Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

During Q1 and Q2 2019 SALINITY's management has reviewed the company's value chain in a combined strategic and process-oriented project. The goal being to identify areas of improvement and focus for the coming years. Sustainability has now been included in the strategic plan and goals have been identified. During Q3 2019, the strategy and goals are to be anchored throughout the organization and KPI's identified and measured upon.

Human Rights

Salinity supports and respects internationally declared human rights. We actively strive to ensure that our employees are treated fairly, equally and with respect. We do not accept child labour and we do not accept discrimination, threats, oppression or harassment in any form.

Our Supplier Code of Conduct was finalised in 2018 and is consistently distributed for signing to all suppliers delivering goods or services exceeding the amount of 500 000 SEK. Suppliers failing to adhere to the said Code of Conduct will be placed on probation and given a timeframe to address and resolve the issue.

In the reporting period, SALINITY has conducted the annual employee survey targeting areas such as discrimination and harassment. The results of the survey have been discussed in the Management Team and within the workforce for better understanding and an action plan was created with concrete improvement measures. One employee reported a harassment incident relating to tough and disrespectful jargon in the workplace. The matter was addressed with related parties and monitored to avoid repeat behaviour. This will further be monitored closely in the next survey and questions will be improved to help identify specific harassment issues. Whistleblowing is addressed in the Code of Conduct and any issues can be brought to light via a specific e-mail address. The company has not received any incidents reported via this channel.

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Last year's goal to implement the Code of Conduct as a point on the introduction checklist of new employees has not been reached. Sustainability will be the theme for the company's annual gathering in August 2019 which will allow all employees to be informed of the Code of Conduct at the same time and following this, the Code of Conduct will be a part of the introduction process for new employees.

Labour

Salinity promotes a safe and healthy working environment, and we work systematically in order to identify and to address any risks. We expect our suppliers and business partners to act in the same manner toward their employees regarding freedom of association, fair wages, working hours, employment terms and working conditions.

Our Employee Handbook and our Code of Conduct covers policies concerning employee rights, compensation and responsibilities. We have dedicated resources monitoring safety risks at all sites.

We wish all our employees to benefit from a healthy lifestyle and encourage physical activity through wellness grants and paid registration fees to any sport competitions. On a regular basis, employees can also join an organised activity such as cross fit and yoga during office hours.

All employees in Sweden can benefit from private health insurance through SALINITY.

Limiting stress during peak-season is a focus area for the well-being of our staff and can continuously be improved. Learnings have been made from the season 2018/2019 and organisational changes have been made to alleviate for the coming season.

The number of accidents during the reporting period was four (4). The company has a zero-accident policy and each event is thoroughly followed-up so as to avoid repetition.

The gender distribution is 42% women/58% men.

In our annual employee survey, employee satisfaction amounted to 7,03 out of 10. SALINITY's goal is at least 8 and the result is a decrease from the previous period (7,76). The results were discussed at management level and with staff representatives. Specific suggestions for improvement were identified and completed/rectified during the period in areas such as ergonomics.

Environment

Salinity is active in the value chain of salt and is dependent on natural resources and well-functioning ecosystems. At the same time, we have an effect on the very environment on which we depend. We conduct a systematic effort to continuously improve our operations and reduce our effect on the environment. Our measures are based on the precautionary principle and on a life-cycle approach. Within the areas in which we have a considerable effect on the environment, natural resources or ecosystems, we shall make a constant effort in finding suitable solutions that take into account both the environment and the business.*

SALINITY's objective is to not exceed 12 kg CO₂ per ton delivered to our production/warehouse site. During the reporting period the goal has unfortunately only been achieved 4 out of 12 months. This was due to railway connections from suppliers being closed down forcing us to truck our goods instead. New logistic solutions are under investigation.

Electricity from renewable energy is used at both office and production sites. More efficient waste management was planned for in the new production/warehouse facility Q4 2018/Q1 2019. This has been delayed until Q3 2019 due to longer implementation time at new site than expected.

Anti-Corruption

Salinity has established and applies strict norms for ethical behaviour and good business practices and fights all forms of corruption. Our actions in all situations shall be characterised by responsibility and respect for customers, suppliers, business partners and the local communities in which we operate.

Anti-corruption has always been addressed in the Employee Handbook that is shared with all employees.

The goal to have a workshop addressing anti-corruption with the management team and representatives from purchasing and sales has been delayed but is planned for during Q3 2019.

Whistleblowing is addressed in the Code of Conduct and any issues can be brought to light via a specific e-mail address. No matters have been received through this channel during the reporting period.