

Global Compact
Communication on Progress 2008

bosal

Bosal is herewith submitting its 'Communication on Progress' on implementing and maintaining the principles of the Global Compact. Bosal joined this international initiative, bringing together businesses and UN agencies, the labour world and the civil society around 10 principles related to human rights, labour standards, the environment and anti-corruption in May 2004.

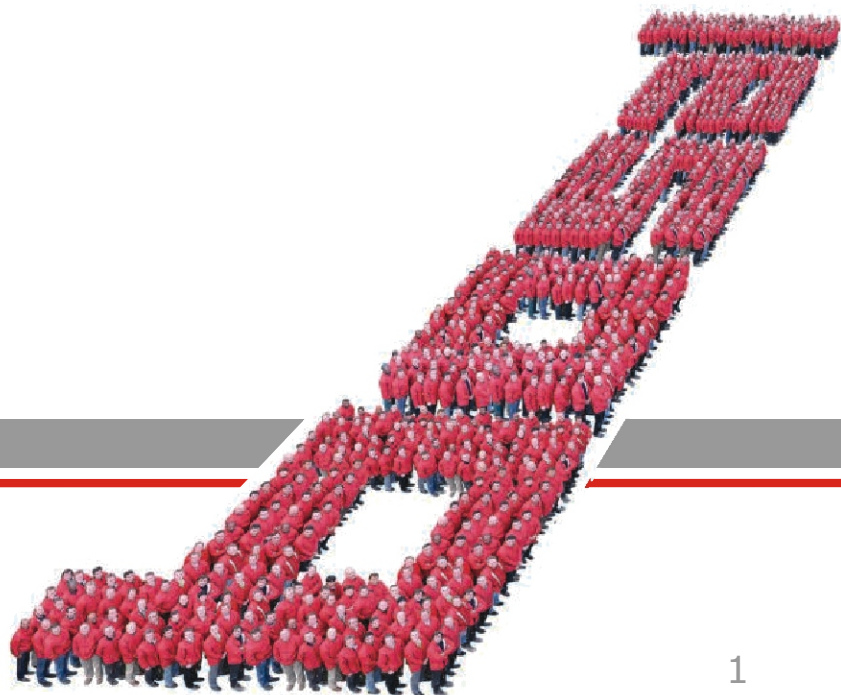
In this communication, we will be reporting on how Bosal is implementing the Global Compact principles in the area of:

1. Labour standards

Principle 6: the elimination of discrimination in respect of employment and occupation.

Bosal is a strong believer in equal opportunities and non-discrimination. One of the Bosal Group Policies⁽¹⁾ regarding Labour is titled 'Equal Opportunities'. The objective of this policy is to generate the maximum potential from all persons working at Bosal. In this policy is stipulated that the employment and promotion will be on personal merit only with specific exclusion of considerations in respect of:

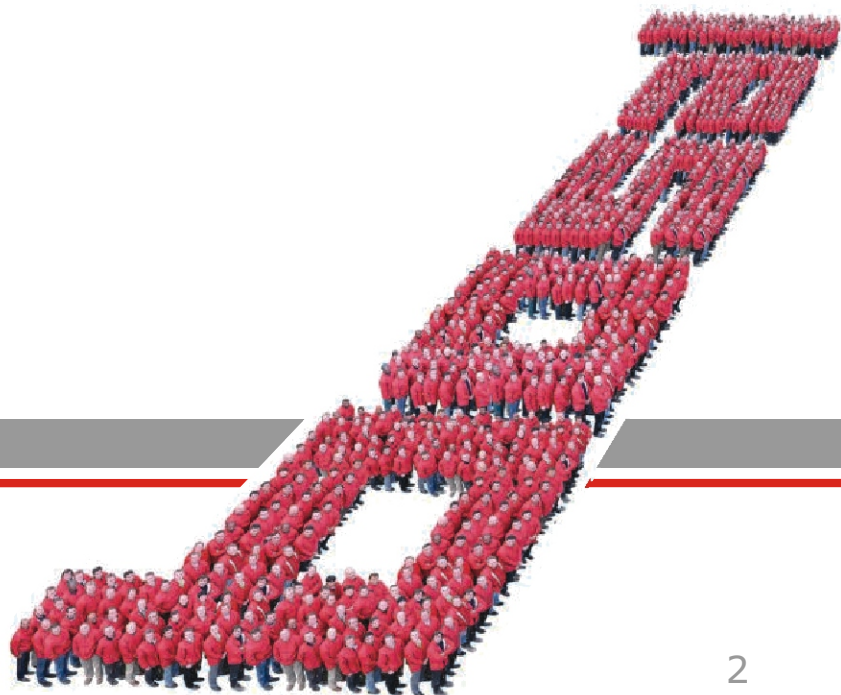
- a. Gender
- b. Race
- c. Religion
- d. Colour of skin
- e. Family relations



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No function nor job will be allocated exclusively to any of the above groups. In all companies of the Bosal Group, segregation of facilities will be done on a basis of function only, such as: offices, workshops, canteens and kitchens, ablutions (toilets, change rooms, rest rooms), entrance and roads, except for ablutions where a segregation of sexes is accepted. All references of segregation other than specified above, will be strictly forbidden on any of the Group's buildings.



2. Environment:

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Innovation is a key driver throughout the Bosal organization. Many of the innovations being brought to market and still under development are the result of Bosal's strategic commitment to help reduce the impact of emissions on the environment.

With the environmental considerations becoming more prevalent in automotive design, one of the products our research & development team has designed and developed is the lightweight exhaust system.



The performances of this lightweight exhaust system are similar to those of a conventional exhaust system. This means that the criteria including the control of noise, temperature, vibration and emissions are met. The major difference is the weight-saving and as a result a decreased fuel consumption of the passenger car.

With our knowledge and experience of high temperature components, we are now entering a market sector designing and producing components for combined heat and power systems, Stirling engines and fuel cells. This concept delivers energy savings, better utilization of non-

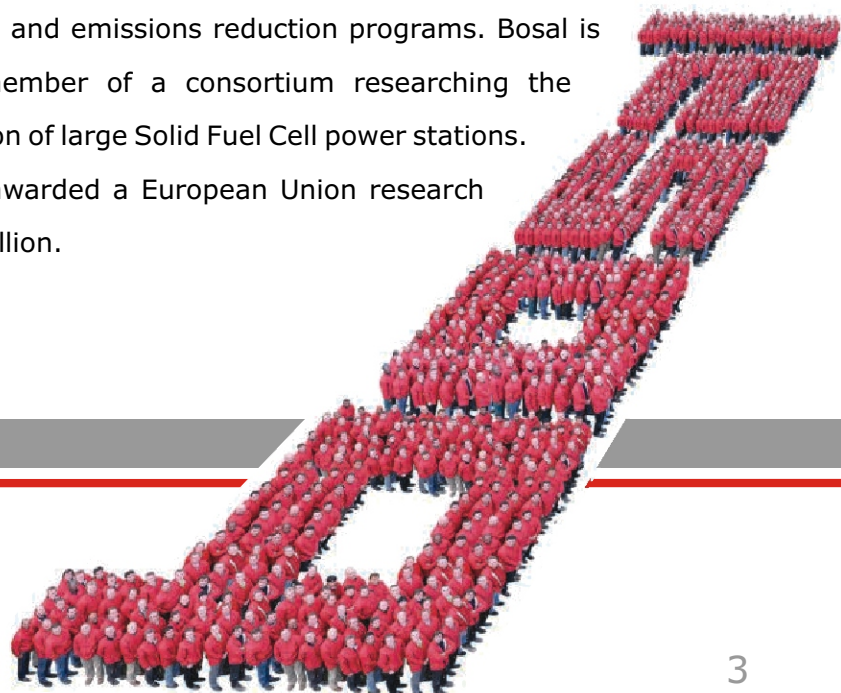
renewable energy resources and emissions reduction. This new

activity therefore fits perfectly within our strategic energy saving and emissions reduction programs. Bosal is

also member of a consortium researching the

commercialization of large Solid Fuel Cell power stations.

The project was awarded a European Union research subsidy of € 5.8 million.



3. Anti-corruption:

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

With reference to the Bosal Group Policies⁽¹⁾ mentioned above, another policy in this file is titled 'Acceptance of gifts, favours, etc.'. The objective of this policy is to ensure that the company transacts all business on an arm length basis only:

- a. No employee of the company, regardless of his position, may solicit gifts, entertainment or favours from our suppliers, either directly or indirectly and she/he may not accept anything of that nature beyond an ordinary social amenity or one involving normal company sales promotion, advertising or publicity.
- b. Every Mid-November a letter is sent by all Bosal companies to all their suppliers of goods and services to inform or remind these suppliers of this policy and request them to respect it.

⁽¹⁾ The Bosal Group Policies are formulated within the Bosal Group philosophy by the Bosal Group Executive Directors and need approval from the Bosal Chairman. Bosal Group Policies are distributed to all the Bosal Companies. The managing directors of the different companies are responsible to make sure that all people within their company are fully informed of the Bosal Group Policies. Furthermore, they have to ensure and monitor that the Bosal Group Policies are strictly adhered to throughout their company.

