



Responsibility

Communication on
progress 2017

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ABOUT THIS REPORT

- This report constitutes the statutory report on Corporate Social Responsibility cf. the Danish Financial Statements Act § 99a.
 - This report is published annually together with the Annual Report.
 - This report also constitutes our Communication of Progress under the UN Global Compact.
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The 10 principles and the sustainable development goals

The United Nations General Assembly has defined 17 sustainable development goals (SDGs) that reflect the greatest challenges globally and promote sustainable growth. We are committed to running our business in a way that supports the 10 principles of the UN Global Compact and we contribute directly to the 7 SDGs mentioned below.

■ HUMAN RIGHTS

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2

Make sure that they are not complicit in human rights abuses.



■ 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.

Principle 6

The elimination of discrimination in respect of employment and occupation.



■ ENVIRONMENT

Principle 7

Businesses are asked to support a precautionary approach to environmental challenges.

Principle 8

Undertake initiatives to promote greater environmental responsibility.

Principle 9

Encourage the development and diffusion of environmentally friendly technologies.



■ ANTI-CORRUPTION

Principle 10

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



Semco Maritime

An international project engineering company dedicated to the global energy sector.

Semco Maritime facilitates the design, fabrication, service and maintenance of our customers' assets, providing comprehensive project management across all phases of energy projects.

From turnkey engineering solutions to operation support and delivery of components, systems and solutions

– we make sure our customers and partners in the energy sector experience safe, cost-efficient operations.

We operate within three main industries; Oil & Gas, Offshore Wind and Renewables - and we challenge our people to deliver solutions of the highest quality, anywhere in the world.



SERVICES AND SOLUTIONS:

- EPCI projects
- Construction and fabrication
- Installation and commissioning
- Yard and workshop facilities
- Upgrades and refurbis
- Maintenance, modification and servicing
- Products, components and technology
- Manpower

ORGANISATION:

- Headquarter Esbjerg, DK
- Subsidiaries: Norway, UK, Germany, Singapore, China, Australia, Central America and the USA.

LIABLE MANAGEMENT:

- Steen Brødbæk, President and CEO
- Jørgen Devantier Gade, President and CFO

3. PARTY CERTIFICATES:

- ISO 9001
- ISO 14001
- OHSAS 18001
- ISO 3834-2
- ATEX PQAN Certificate

ASSESSMENTS

- Achilles
 - First Point Assessment
-

Introduction

We want to meet all challenges in an environmentally, ethically and socially responsible way.

We continue to develop Semco Maritime with a strategic approach to cost-effective and sustainable models that differentiate us from our competitors, create value for our customers and keep our focus on Corporate Social Responsibility (CSR). We see a clear and growing trend from our customers demanding focus on developing a clear CSR policy.

Our customers continuously demand high quality projects delivered at the right time and at the right cost. Our global presence means many stakeholders and a potentially great environmental impact. We strive to meet each new challenge in an environmentally, ethically and socially responsible way.

Our vision is clear. We want to be the energy sector's first choice for safe solutions that consistently meet expectations. This is reflected in our projects and solutions for the global energy sector.

We have formalised our corporate values; commitment, responsiveness, reliability and inspiration in our CSR strategy, which focuses on four areas: the community, the environment, people and sustainability. Our CSR strategy defines how we interact with our customers, employees, suppliers,

the communities and the environments in which we work.

We are all responsible for raising the bar and setting our expectations a little higher, and therefore we constantly monitor our actions and develop new initiatives to keep pace with our ever-changing world.

In 2007, Semco Maritime joined the UN Global Compact initiative. We are committed to aligning our operations and strategies with the 10 universally accepted principles in the areas of human rights, labour, the environment and anti-corruption. Our progress within these areas is reported and published annually.

The 10 principles constitute a good common frame of reference and together with the Sustainable Development Goals they serve as a solid platform and guideline for our CSR activities. The principles and development goals set the basis of cooperation internally in Semco Maritime, as well as with suppliers, stakeholders and business partners around the globe.

Steen Brødbæk, CEO



We will play an important role in meeting the world's growing energy demand in a safe and sustainable way! »

Our business ...

We supply the global energy sector with projects, systems, solutions and competences. We work hard to create value for our customers and stakeholders within the following three industries:

Offshore wind

We are a global market leader in offshore substation solutions. We design and deliver all necessary electrical equipment and offer flexible service concepts.

As one of the most accessible sources of non-fossil energy, wind power is providing more and more of the world's energy needs.

We have successfully applied knowledge from more than 30 years working on rigs, platforms and power plant projects, to the wind power industry

Oil & Gas

For more than 30 years, we have specialised in solutions and projects for offshore operations and we supply everything from conceptional studies to installation.

Our experience in engineering and project management ensures that our customers get maximum value from their offshore assets – with minimum downtime.

Our engineers and technicians are trained in the health and safety standards of the oil and gas industry.

Renewable power

In our renewable power plant projects, we use solar power, biomass or combine several generation technologies in hybrid power plants that provide reliable and cost-efficient energy in remote areas. Our co-generation and industrial process energy projects have taken us from Greenland to Africa, across East Asia to Central America.

We are our customer's single point of entry for all aspects of your power projects, from development to financial close and execution.



Strategy and stakeholders

Corporate Social Responsibility

Corporate Social Responsibility (CSR) initiatives encourage organisations to take responsibility for their actions. These initiatives range from protecting the environment, ensuring good working conditions for employees and caring for the local community.

Our CSR strategy focuses on four areas: the community, the environment, people and sustainability. To make sure that our business is in line with the 10 UN Global compact principles, we have integrated a CSR Policy and a Global Compact procedure. The objective of Semco Maritime is to develop strategic and cost-effective sustainability models that create differentiation to others and value for customers – we will challenge and develop what we do best in a socially responsible way.

CSR in our projects

As part of our project execution, all projects refer to the overall Semco Maritime CSR policy and must ensure that our suppliers are also in compliance. For further details about supplier assessment and approval, please see p. 8 - 9.

Project risk management

We secure a strong focus on potential risks in all projects. All risks are registered, and the probability and consequence of each risk is assessed and mitigated. Risk management starts

in the tender phase and continues throughout the project lifecycle. Each division uses risk assessment tools that match their exact line of business and their type and size of projects.

Strategy - looking towards 2020

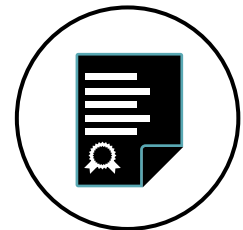
Our 2020 strategy »First Choice - Stronger core for value creation« aims at consolidating and strengthening our position in the coming years. To reach our goals we must ensure a safe and motivating working environment by:

- Develop competencies throughout the organisation.
- Ensure an inspiring and motivating working environment.
- Always keep our safety promise.

Business management system

Our business management system helps us ensure that:

- the quality of products and services delivered (also by our suppliers) meet specified requirements.
- our working environment and safety meet statutory requirements and own policies and objectives.
- our activities take care of the environment.
- we are an attractive working place providing development opportunities.



POLICY

- CSR Policy, POL-SEMCO-0001
- Global Compact procedure, P-SEMCO-0082
- Quality Management, ISO 9001
- Business Management System: a system available to all employees that provides easy access to all policies, procedures, instructions and templates.



Human rights

We incorporate values and attitudes that support a responsible dialogue with our stakeholders and suppliers.

We observe the law and wish to incorporate values and attitudes that support a responsible dialogue with our stakeholders (customers, owners, end-users, suppliers, employees, national organisations, grass-roots movements and local community).

Code of Conduct

Our Code of Conduct is a set of ethical guidelines that outlines responsibilities and best practices in relation to human rights, labour, the environment and anti-corruption issues. All our employees, partners and suppliers are obliged to know, understand and comply with our Code of Conduct, as well as the values upon which it is based.

We know that our ability to operate according to our corporate values and standards is directly impacted by our suppliers. We therefore work closely with our suppliers to ensure that they understand our policies and principles and that they meet not only our expectations but also those of our customer.

Supplier evaluation

In 2017, we implemented a new tier-based supplier management programme with improved processes for supplier evaluation and qualification. The new programme includes new methodologies for classifying and segmenting suppliers based on a two-dimensional risk assessment model.



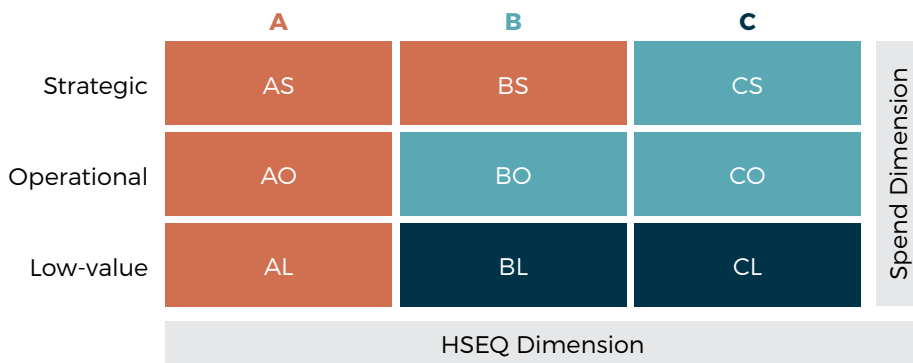
ACHIEVEMENTS IN 2017

- Implemented a world-wide electronic supplier self-assessment database
- Implemented a new tier-based supplier management program, with improved processes for supplier evaluation and qualification.

AMBITIONS 2018

- By end of 2018, we have successfully evaluated 80% of all suppliers via the electronic supplier self-assessment database.
- Focus on long-term supplier relationships and building a solid supplier base in LCC.

SUPPLIER COMBINED RISK MAP



- Tier I: High combined risk - full qualification required
- Tier II: Medium combined risk - Self-assessment and registration of certificates required
- Tier III: Low combined risk - Acceptance of Code of Conduct only
- Tier IV: Inactive suppliers and P-card only low-value-suppliers



8.7, 8.8

SUPPLIER MANAGEMENT

Management Theme	Tier I	Tier II	Tier III	Tier IV*
Qualification	<ul style="list-style-type: none"> • Full HSEQ qualification incl. SSA and audit • Full commercial due diligence 	<ul style="list-style-type: none"> • Supplier Self-Assessment (SSA) • Registration of certificates • Financial due diligence as required post risk assessment 	<ul style="list-style-type: none"> • Acceptance of Code of Conduct • No known violations of international norms 	<ul style="list-style-type: none"> • None
Performance	<ul style="list-style-type: none"> • Full KPI scorecard • Monthly reporting • ½-yearly performance review meetings 	<ul style="list-style-type: none"> • Full KPI scorecard • Quarterly reporting • Annual performance reviews 	<ul style="list-style-type: none"> • Commercial KPI scorecard • Biennial performance reviews 	<ul style="list-style-type: none"> • None
Relationship	<ul style="list-style-type: none"> • VP sponsorship • ½-yearly management reviews • Partnership/Alliance approach 	<ul style="list-style-type: none"> • Director sponsorship • Annual management reviews • Preferred supplier approach 	<ul style="list-style-type: none"> • No sponsor • Management reviews as needed but at least once every 5 years (guideline) • Take it or leave it approach 	<ul style="list-style-type: none"> • No coffee • Watch for technology or service-level step outs.

*Tier IV: Dormant suppliers with no current or planned spend (within next18mths).

The two dimensions are :

1. Commercial risk, based on annualized spend, and
2. HSEQ risk, based on cumulative HSE (incl. CSR) and Quality risks.

Supplier related risks are assessed and mapped across both dimensions resulting in suppliers classified in 4 tiers based on the combined risk. Each tier has a set of supplier management requirements with focus on three management themes, Qualification, Performance, and Relationship.

With this new methodology, suppliers in higher risk tiers are subject to enhanced evaluation efforts, both during initial qualification and regular re-qualification and performance monitoring. Suppliers in lower risk tiers are subject to evaluation efforts appropriate to

their lower risk. This methodology allows us to concentrate our efforts on those suppliers where the risks are higher and greater progress can be made and value added through engagement, improvement plans, and increased oversight.

The new programme continues to use and build upon the electronic Supplier Self-Assessment tool (SSA) introduced in previous years. This tool is essential to data gathering and engaging with suppliers and identifying gaps and areas for improvement. We find that the process works best when suppliers are asked to self-assess and reflect on their own performance in key areas such as employee safety, human rights and social responsibility, as well as anti-bribery and corruption.



POLICY

- Code of Conduct, POL-SEMCO-0013
- Health and Safety, OHSAS 18001
- Environment Management system, ISO 14001
- Quality Management, ISO 9001
- Welding and heat treatment, ISO 3834-2



Charity

In 2017, we supported various charity and humanitarian projects. Below you will see some of our sponsorships.



The Children's Cancer Foundation

Through employee participation in the SEPE Bike challenge, a 12 hour bike event, Semco Maritime sponsored 6 bikes in support of the Children's Cancer Foundation (Børnecancerfonden).

Headspace

We have an ongoing cooperation with Headspace, which is an organisation that provides advice and guidance to young people with problems. Semco Maritime is part of the business network and continually offers temporary employment contracts for young people who are referred by Headspace. Read more on p. 13

Familier med kræftramte børn

Support to families with children with cancer.

Stafet for Livet / Relay for life

Community awareness and fundraising to support the fight against cancer.



Røde Kors - the Danish Red Cross

The Danish RC is an auxiliary to the Danish government in the fields of humanitarian assistance, relief work and education, either alone or in co-operation with state bodies or other organisations.

Hospital clowns

An initiative that spreads joy and laughter among children in Danish hospitals.





Labour

We respect the right to collective bargaining and we support diversity and equal opportunities.

We do not discriminate, or in any other way make decisions that are affected by employee affiliations with trade unions or other associations, nor do we interfere with which trade unions or other associations that might be formed in the workplace.

We do not use force, threats or disciplinary means to force people to work, or withhold identification papers or wages from employees to force them to work. To ensure uniform and professional handling of warnings/terminations, and that laws and collective agreements are complied with, we have a disciplinary procedure (P-SEMCO-0293). All employees have individual contracts, drafted and approved in accordance with international and national legal requirements. We do not employ nor support the use of child labour.

The purpose of our personnel policy (POL-SEMCO-0011) is to create an attractive workplace where each employee has the opportunity to develop both personally and professionally.

Equal opportunities

We support diversity and equal opportunities. According to our Inclusion policy we do not expose any person to discrimination based on gender, race, colour, religion, political opinion, sexual orientation, national extraction, social origin, ethnic origin,

age or handicap. No person is subject to discrimination in hiring, dismissal, transfer, promotion, wage setting, and setting of working conditions or competency development. All decisions regarding employment, promotion, dismissal, wages and other working conditions are based on relevant and objective criteria.

Inclusion and gender equality

Our inclusion policy ensures that both female and male employees at all levels and in all departments are treated equally, and are guaranteed the same opportunities and terms of employment with regard to education, salary, allowance, promotion, leave of absence and job content/tasks, etc. We believe that difference and diversity foster development and change. It is important to use the resources of each individual optimally to further develop the individual and the business. This policy applies to all employees across the organisation.

Semco Maritime is committed to helping young people with challenges in the labour market. Therefore, we have established a close collaboration with the Headspace organisation. Headspace is an organisation that helps young people with various types of problems by providing anonymous counselling and support when entering the labour market. We believe that helping a young

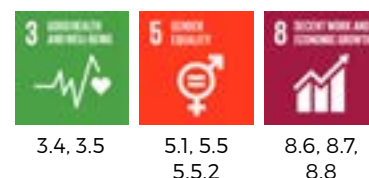


ACHIEVEMENTS IN 2017

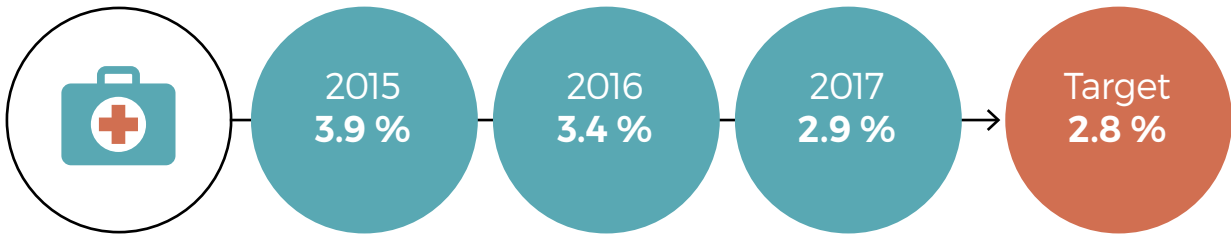
- Sickness absence was brought down from 3.4% in 2016 to 2.9% in 2017.
- 80% of all employees have had their annual personal development dialogue (PDD)

AMBITIONS 2018

- Maintain low sickness absence in 2018. New target is 2.8%
- Completed Personal Development Dialogues (PDD) – target is 85%.
- Conduct our bi-annual job satisfaction survey. Our target is to match the 2016-result of 84% and an overall average of 4.0.



SICKNESS ABSENCE



person is not only beneficial for the individual, but for the company and for society in general. Semco Maritime has also participated together with Headspace at the Psychiatry Summit 2017 to inform about the Headspace concept and to show how businesses can help vulnerable young people gain a foothold in the labour market.

We also want to remain attractive for our older and experienced employees. We want to make sure that we retain them in the workplace for as long as possible. Therefore, we have a senior policy that describes how this challenge is handled (P-SEMCO-0193).

Social counsellor

We care about the wellbeing of our employees. Since 2007, we have therefore had an in-house social counsellor in order to ensure strong focus on human values. Our social counsellor focuses not only on the employee but also on his/her family. The individual employee can ask for support in case of illness among the employee or his/her immediate family. Illness can be of a mental or physical nature, which might require collaboration with psychologists, hospitals, municipalities, patient associations or other relevant partners.

We have zero tolerance when it comes to drugs and alcohol, as

this may pose a safety threat. If an employee contacts the social welfare system for assistance in dealing with the abuse of drugs or alcohol; he/she will receive support and assistance to remedy the abuse (P-SEMCO-0087). The type of problems that employees seek help for through the social counsellor reflect the problems that are also found in the surrounding community.

Our social counsellor also provide sparring to the senior management in order to ensure the best possible wellbeing in the company. In 2017, the Danish HSE organisation was educated in "mental balance - including mental robustness and vulnerability". We continuously focus on wellbeing in smaller teams whenever and wherever the need occurs - this includes initiating both preventative and mitigating measures (P-SEMCO-0185).

Sickness absence

Our sick leave procedure helps us minimize long-term sick leave and ensure regular contact between the employee and workplace during sick leave, we have a. In 2017, the total sickness absence was at 2.9%. This means that we actually reached our goal - but we will maintain our focus by lowering our goal to 2.8%.

Health and wellbeing

At Semco Maritime, we know that

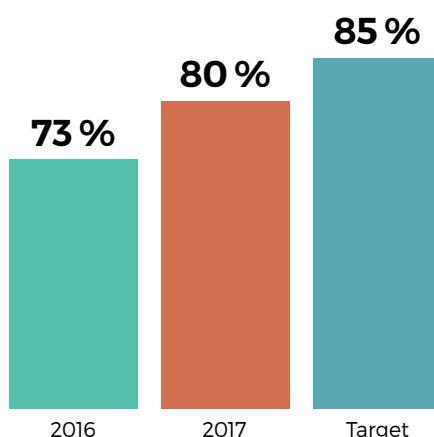
both mental and physical health is important for our general wellbeing. This applies to mental health, where we, as mentioned before, have a social welfare scheme for employees and their families. When it comes to physical health, we also seek to promote a healthy lifestyle through the food choices in our canteens and if our employees experience problems with the musculoskeletal device, we also offer physiotherapy at some of our addresses. (POL-SEMCO-0012)

We value job satisfaction and wellbeing. This also means that we never accept physical or mental violence. We have a policy that describes our actions if such situation should arise (POL-SEMCO-0015).

Competency assessment

Each employee and the company have a mutual obligation to develop in order to create results and add value to the company and the individual. To strengthen competencies within the company and to ensure our strategic development, competence assessment has been implemented in Denmark and Singapore and rollout will proceed to the remaining global entities. Education and training needs are identified in an annual appraisal (Personal Development Dialogue, PDD), and an action plan is prepared for the coming year. We follow our group strategy »First

COMPLETED PDD MEETINGS



Choice» and it is important that employees can connect their individual development plan to the corporate strategy. We have initiated a competency management and development project to identify the competencies required to succeed with our current strategy. The system focuses on adding functional competences and rating the individual employee competence level vs. the required level job in question. This system also identifies potential competence gaps and

development needs. Registration of competences and ongoing development of employees are vital parts of the overall Semco Maritime business strategy. It is in our common interest to map and keep track of individual employee competences, previous and current. Registration of employee qualifications and competences also gives the employees greater influence on his/her own career development.

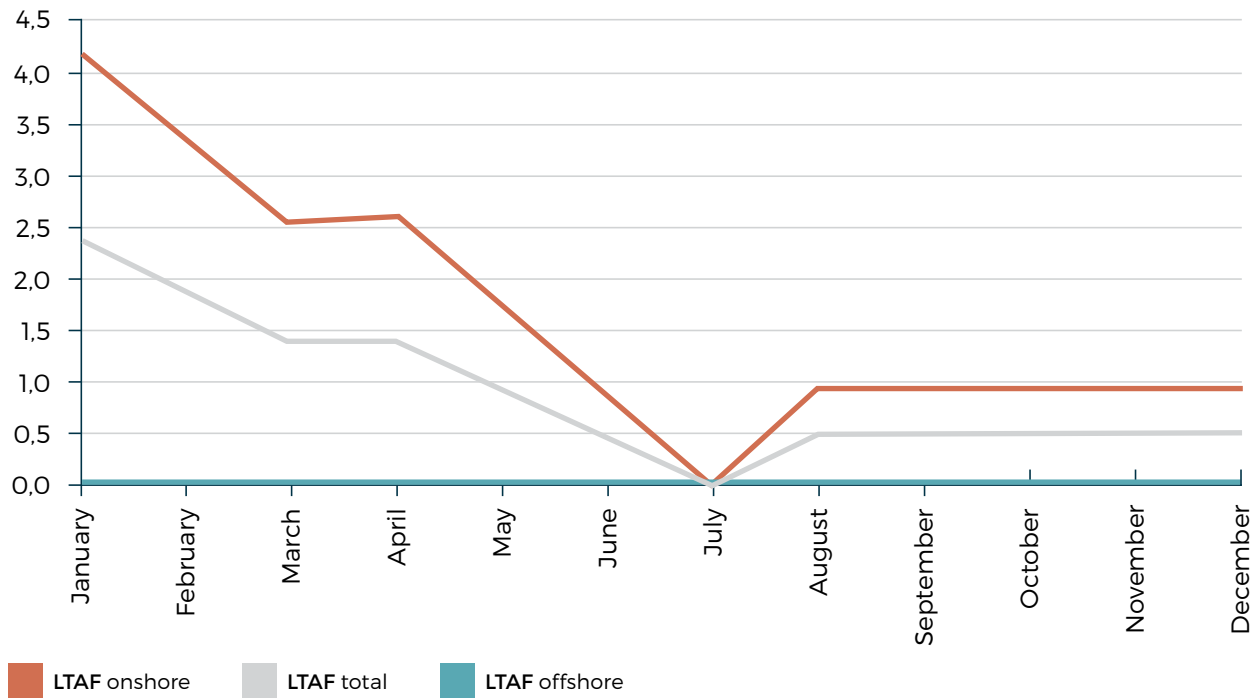


POLICY

- Personnel Policy, POL-SEMCO-0011
- Inclusion Policy, POL-SEMCO-0006
- CSR Policy, POL-SEMCO-0001
- Disciplinary Procedure, P-SEMCO-0293
- Sick leave procedure, P-SEMCO-0187
- Competence Assessment, P-SEMCO-0199
- Drugs and alcohol, P-SEMCO-0087
- Stress - Mitigation and prevention, P-SEMCO-0185
- Senior Procedure, P-SEMCO-0193
- Employee health policy, POL-SEMCO-0012
- Physical/ Psychological Bullying, Harassment and Violence, POL-SEMCO-0015

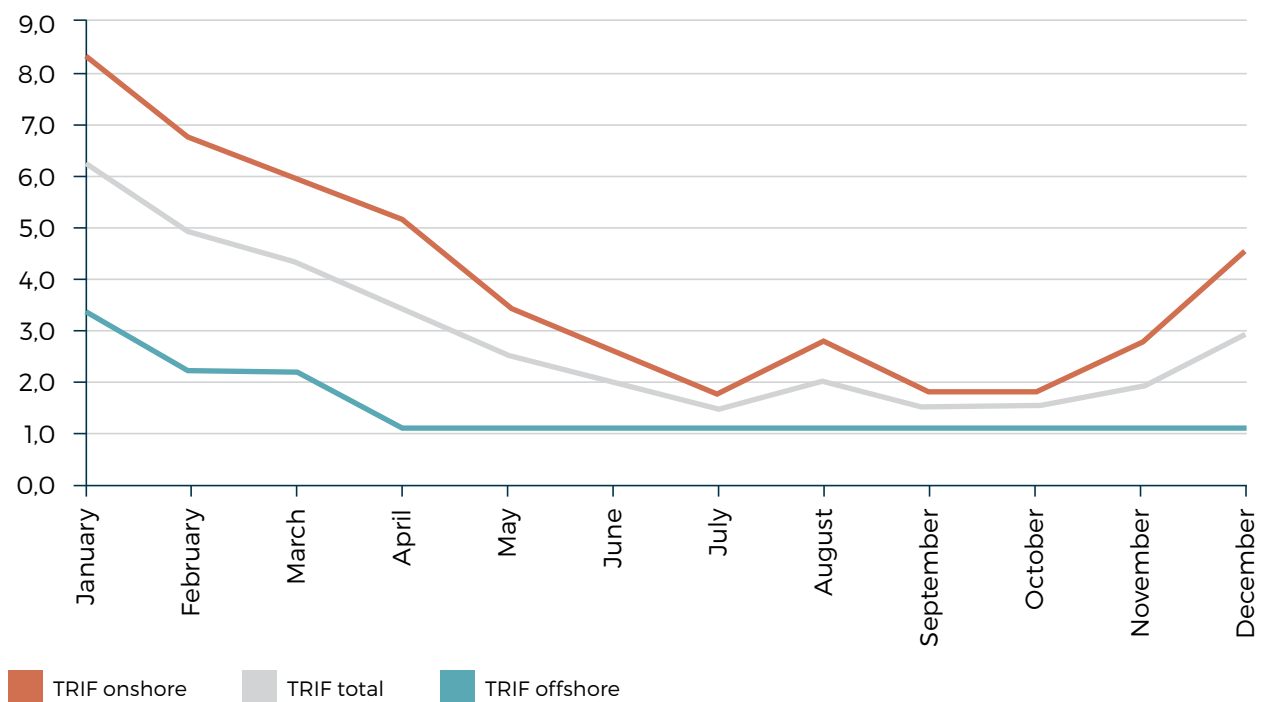
Global safety statistics 2017

LTA per million working hours



LTA: Lost time accident frequency/million working hours

TRIF per million working hours (TRIF includes LTA, RWI and MTI)



TRIF: Total recordable injury frequency/million working hours

Safety

No compromise means ZERO harm to employees, stakeholders, our assets and the environment.

At Semco Maritime we are committed to *No compromise – we care*, which means that our main focus is zero harm to employees and stakeholders, to our assets and to the environment. We believe that all incidents can be prevented by approaching work proactively and learn from experience.

Furthermore, we believe that continuously focus on Safety Leadership and leaders to show their commitment towards safety will bring our Safety Culture to the level where we can reach our goal of zero accidents. When an organization has a high safety culture and is in front with Safety Leadership this organization will be a leader in its business. Semco Maritime has had strategic plans for these two areas for some years now.

2017 was our best »safety year« in Semco Maritime for many years as we reached zero accidents both onshore and offshore. This is a product of the continuous effort from leaders and employees with the uncompromising goal of ZERO accidents.

In 2017, we launched many safety initiatives within the areas of Safety Leadership and Safety Culture; Some of them are mentioned below.

Safety Awareness Courses
Safety Awareness courses for

managers, offshore employees and blue collars in our workshops have been completed. Furthermore, safety awareness courses have been held at our worksite in the northern Denmark for the project hired-in employees in Romanian language. Because of the cultural differences, this was a good initiative in order to get a common understanding of the importance of reporting and safety awareness. The main purpose of the safety awareness courses to strengthen our safety culture and safety behaviour and to have a common point of departure

Safety talk

A »Safety Talk« (previously known as »Safety Walk«) is a communication tool for managers to show their commitment and dedication towards safety to their employees in order to increase level of safety culture.

A safety talk is a dialogue of safety behaviour and the subject can be everything within safety – both professional and private issues can be discussed. As long as the manager is a role model and an ambassador within safety the purpose of a safety walk has been fulfilled.

In order to be able to reach our target of 328 registered Safety Talks in 2018, the HSE representatives will do a monthly follow-up with the relevant managers and progress is

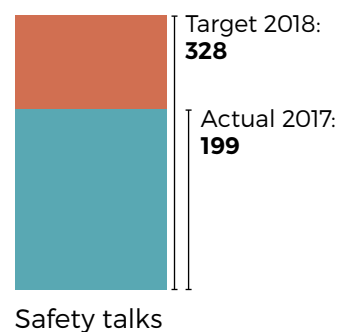


ACHIEVEMENTS IN 2017

- TRIF: 3.0
- LTAF: 0.5
- Safety culture survey: 3.16
- Safety talks: 199

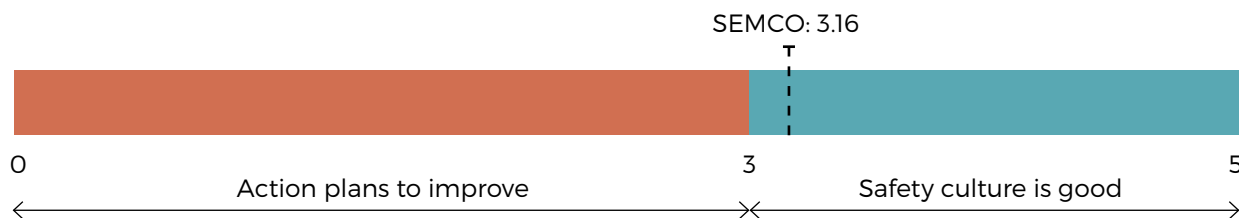
AMBITIONS 2018

- TRIF: below 2.3
- LTAF: 0
- Safety culture survey: above 3.25 in average on operational sites
- Safety talks: 328





SAFETY CULTURE SURVEY



reported to the top management in the BOR report.

Safety culture survey

In order to be able to measure the safety culture in Semco Maritime a safety culture survey has been carried out on operational and offshore sites.

The safety culture survey is a questionnaire containing 50 questions and are divided into 7 headlines:

The 7 headlines are:

- Management safety priority and ability
- Management safety empowerment
- Management safety justice
- Workers safety commitment
- Workers safety priority and risk non-acceptance
- Peer safety communication, learning and trust in safety ability
- Workers trust in efficacy of safety systems

The target for 2017 was to be above 3.0 on a scale from 0-5. The overall result was 3.16, which was very satisfactory especially as the response rate was 64.3 % - an increase from the year before. We aim to further improve the result in 2018 with an ambitious goal of 3.25.

Safety campaigns

Safety campaigns plays also an important role when focus on safety culture and safety awareness. Both global and local safety campaigns are made and the headline for all campaigns is »nudging«. Also an offshore safety campaign has been carried out with focus on »work life balance« with the headline »Balance in your work life makes you safe«.

»Safety Moments« were introduced in 2017 with the purpose of initiating internal and external meetings with a safety moment where stories with safety lessons learned are shared to enable us to learn from each other on a professional and/or private level.



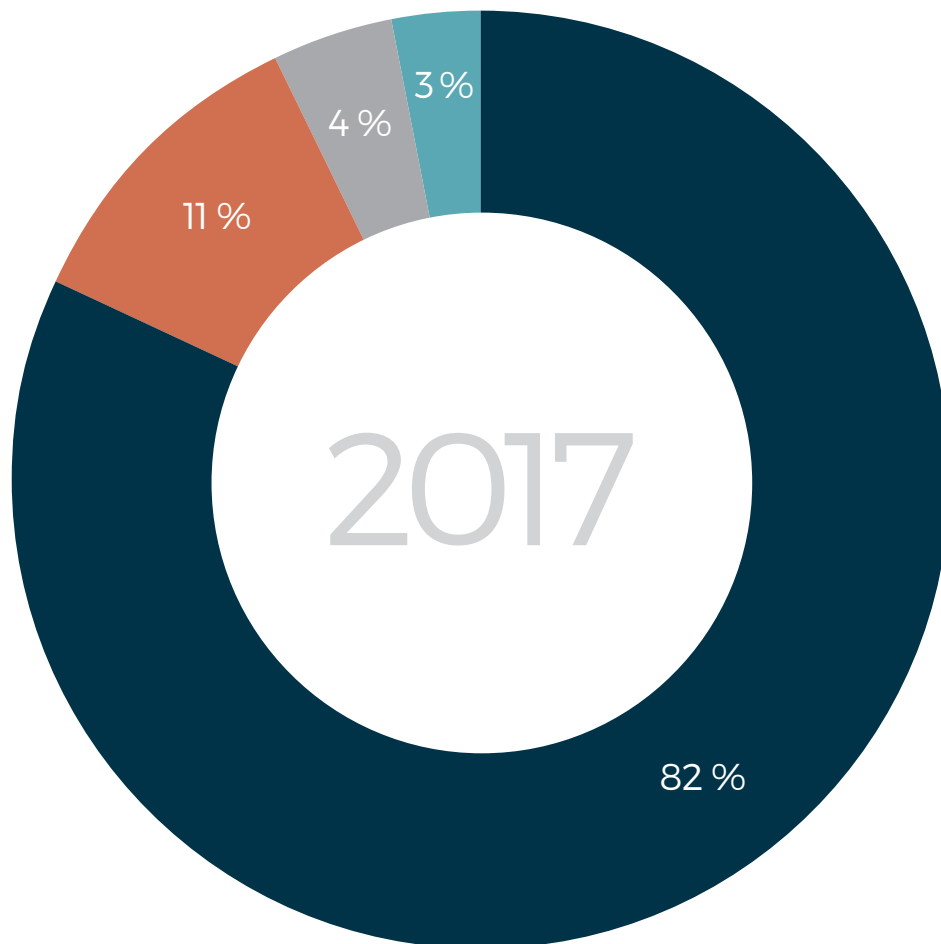
POLICY

- HSSE Policy, POL-SEMCO-0019
- Safety walk (talk), P-SEMCO-0297

Semco Maritime is certified according to OHSAS 18001.



RECYCLING OF WASTE



Special treatment



Disposal



Combustion



Recycling

Environment

We aim to reduce our environmental impact by using resources efficiently and reducing energy consumption.

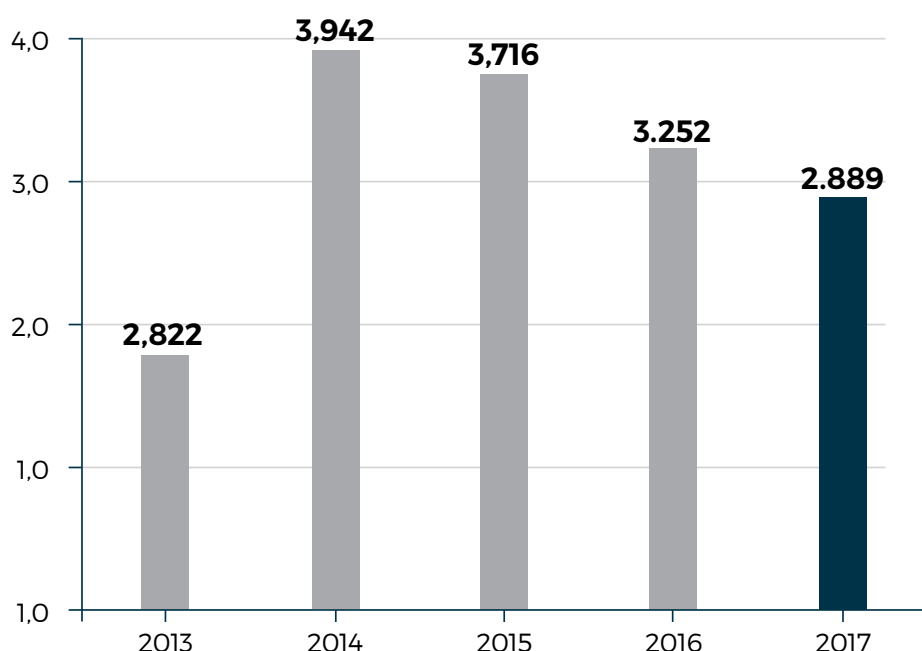
Semco Maritime respects the environment and comply with applicable laws and regulations. However, we place higher demands on ourselves that stipulated by the law which means that we engage in targeted and systematic efforts to continuously improve our environmental performance. We understand »a responsibly approach« as preventive.

We aim to reduce our environmental impact by using resources in the

most efficient way, reducing energy consumption and ensure an effective waste management by recycling as much as possible by maintain an efficient waste separation system.

Furthermore, Semco Maritime will focus more on CO² emissions caused by our shipping activities. This will be one of our focus areas in 2018 why this is also incorporated in the internal step-by-step plan for this year.

ENERGY CONSUMPTION KWH/EMPLOYEE



ACHIEVEMENTS IN 2017

- Savings on energy consumption/employee: -11 %
- Recycling of waste/total amount of waste: 82 %

AMBITIONS 2018

- Savings on energy consumption/employee: -5 %
- Savings on heating/employee: -5 %
- Recycling of waste/total amount of waste: 80 %
- Setting the framework for mapping of carbon footprint of shipping activities.

3 GOOD HEALTH AND WELL-BEING 3.9	7 AFFORDABLE AND CLEAN ENERGY 7.2, 7.a
11 SUSTAINABLE CITIES AND COMMUNITIES 11.6	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 12.4, 12.5 12.6, 12.6.1





Golden DGNB certificate

The new Semco Maritime domicile was awarded with a Golden DGNB certificate with the score of 69.7 %. The building was awarded the certificate for, among others, the indoor climate, space efficiency and the focus on energy, e.g. the use of solar cells.

DGNB (Deutsche Gesellschaft für Nachhaltiges Bauen) is one of the world's leading standards when it comes to the sustainability of buildings. DGNB measures indoor climate, the life cycle of building materials, transport, consumption of energy and water during and after construction, durability, availability, etc.



POLICY

Semco Maritime is certified according to ISO 14001.



CO2 neutral website

We have joined the CO2 neutral website initiative in order to neutralise the emissions originating from our website and our website users



Nordic swan marking

Our stationery is manufactured from environmentally friendly materials. At present, all stationery and almost all envelopes carry the Nordic swan-label.



FSC® - The Forest Stewardship Council

An international non-profit label for wood and paper. FSC is your guarantee that the paper used for your printed material comes from wood in a FSC forest. Here no more wood is cut than the forest can regenerate.

ISO certified: Semco Maritime is certified according to ISO 14001.



Being a global company conducting a large part of our business near sensitive environments, we work responsibly to protect these environments by preventing pollution, keeping the environmental impact to a minimum and ensuring the best possible use of resources. »

Dorthe Ulsø, Director HSE&Q



Renewable energy

We work towards a greener and brighter future for our business - for the benefit of the environment and our children.

During the last years, renewable energy, and especially offshore wind, has attracted more of our attention and has become a very important part of our future strategy with a dedicated focus. Semco Maritime has developed a strong position as one of the market leaders for offshore substations and safe communication solutions for offshore windfarms.

We believe that the renewable energy market will continue to grow and we market Semco Maritime as a viable choice for developers of offshore wind farms.

Originally we have provided services for the oil and gas industry, but our business has increasingly turned towards renewable energy (see figure). A logic step, as many of our core competencies from many years in the oil and gas business are easily applied to offshore wind.

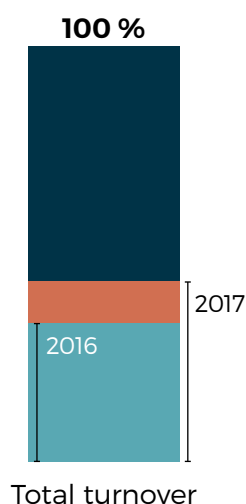
We design and engineer electrical infrastructure systems for wind farms, including construction of the on and offshore substations.

We are one of the leading operation and maintenance suppliers to wind farms in Denmark, the UK and Germany. Our safety and quality-conscious staff operates and/or maintains substation modules, offshore accommodation modules, wind turbine foundations and

land-based substations. Our dedicated engineering department handles everything from specialised studies to the detailed design and specification of substations, accommodation modules, sea fastening and installation equipment. Our teams have also handled upgrade and mobilisation of installation vessels, Tetra communication systems and test equipment for wind turbine manufacturers.

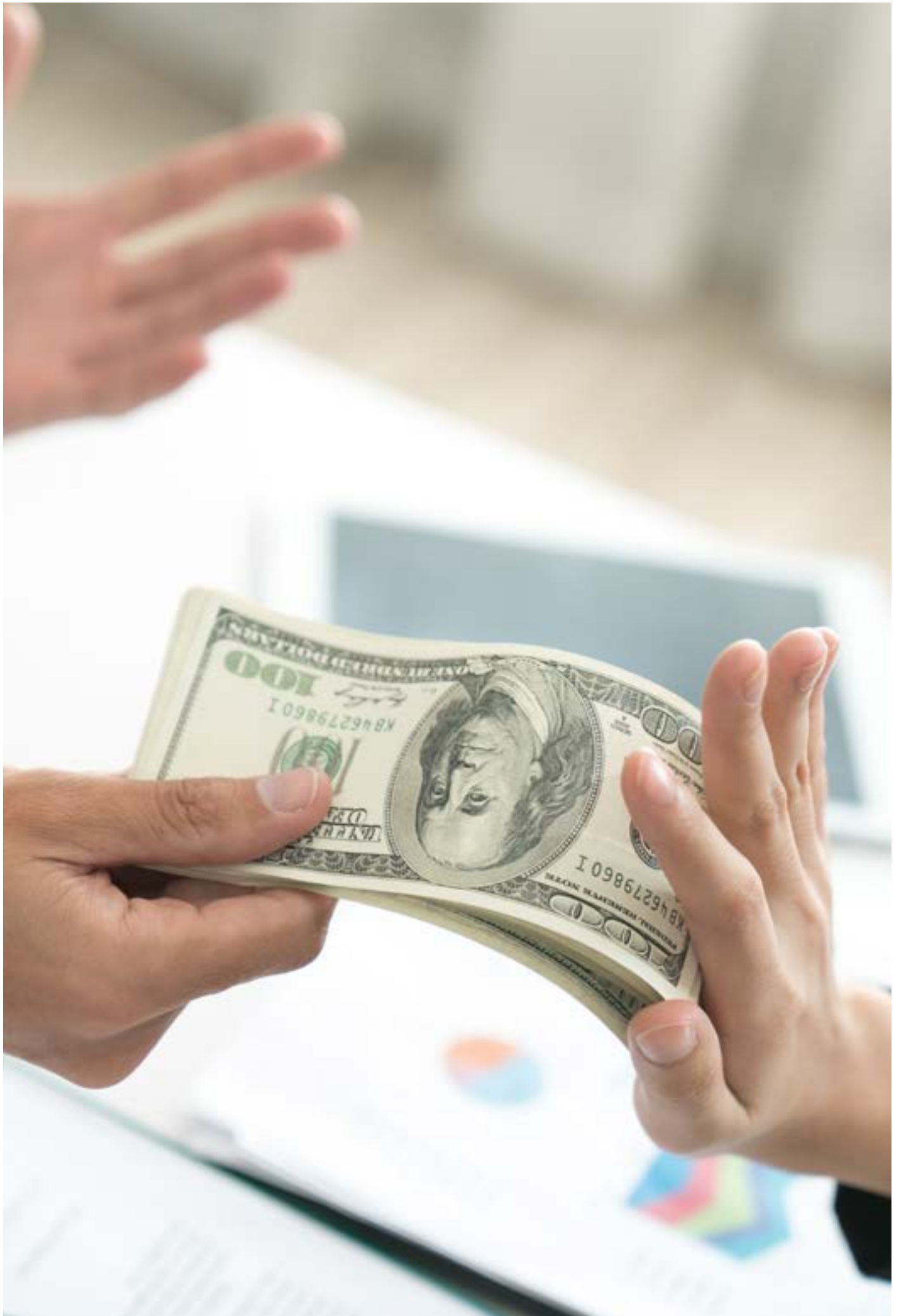
With focus on bringing down the cost of green energy, our engineers focus on the functionality of each element for integration into the overall design of the wind farm, and our work continues to break new ground.

OFFSHORE WIND - share of total turnover



WE PARTICIPATED IN THE FOLLOWING OFFSHORE WIND PROJECTS:

- Horns Rev
- Burbo Banks
- West of Duddon Sands
- Walney I
- Walney II
- Northwind
- Nordsee Ost
- Borkum Riffgrund I
- Anholt
- Rødsand B
- Gunfleet Sands
- Robin Rigg
- Lillgrund
- Princess Amalia (Q7)
- Nysted
- London Array
- DanTysk
- Sandbank
- NordSee One
- BlighBank
- Horns rev 3
- Hornsea



Anti-corruption

We have always focused on honesty and transparency in everything we do - in 2017 we further formalised our efforts.

As a signatory to the UN's Global Compact since 2007, Semco Maritime is committed to the highest standards of integrity, honesty, and fairness in all internal and external relationships, in accordance with all applicable laws and regulations, including, but not limited to, anti-bribery and anti-corruption laws. In 2016, we decided to further formalise our efforts to eliminate corruption and bribery by establishing a formal whistle-blower policy and whistle-blower rules.

Anti-corruption

Semco Maritime and its Group Companies' (Subsidiaries') employees shall not directly or indirectly accept, solicit or offer bribes, kickbacks, facilitation payments or any other unjustified advantages in order to improperly influence or to gain an unfair business advantage from any governmental or private legal- or any other entity. We have built our anti-bribery and corruption policy's foundation on our »Prevent - Monitor - React« policy on the basis of the 6 principles of the Bribery Act 2010 (UK) as follows:

1. We have proportionate procedures:

- By designing and implementing this »anti-bribery policy« and by having actual, suitable and proportionate »anti-bribery procedures«

to handle risk-exposures in our markets.

- By synergising the necessary resources of our CEO, CFO, the Legal- and the HSEQ departments - ensuring the appropriate attention to our anti-bribery and corruption policy and procedures.
- E.g. by capping gifts to € 100 - other promotions, sponsorships and hospitality gestures are regulated in each incident based upon specific criteria in each case.

2. We have Top-level commitment:

- This means that our CEO and CFO »own« the anti-bribery policy.
- By having a Culture and Development internal program and the Group General Legal Counsel proactively sponsoring the policy, whenever necessary.
- By having our Senior Vice Presidents annually (via for instance the intranet and similar internal communication channels) make employees aware of the policy/ procedures.

3. Risk assessment is made:

- By evaluating - as applicable - the risks associated to our potential and current projects with regard to the risks inherent with:
 - (i) geography and (ii) industry



ACHIEVEMENTS IN 2017

Whistle-blower arrangement established and in force.

AMBITIONS 2018

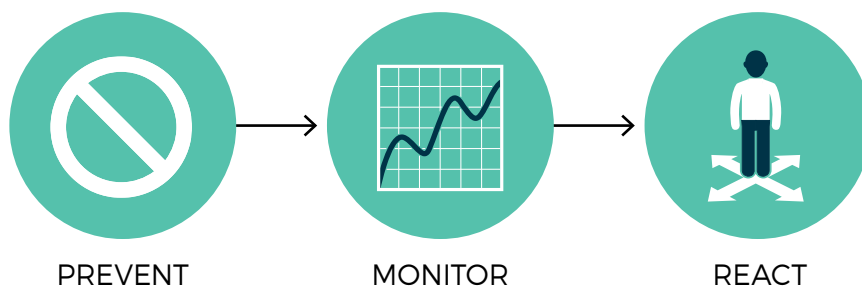
Continue implementation of the whistle-blower arrangement throughout the organisation. Meaning that everyone knows how and where to report non-compliant behaviour.



16.5



ANTI-BRIBERY AND CORRUPTION



sector- (iii) nature of transaction and (iv) scope and nature of the necessary partnerships.

- By whenever necessary - devoting - specific resources (Legal- as commercial) to identify potentially risk agreements related to: - supply (from simple Purchase Order to full-blown EPC contract with Operation and Maintenance, purchasing, agents and consultants).

4. Due diligence is made:

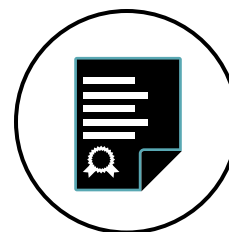
- By inserting an anti-bribery clause in internal Contract Review Guidelines across Semco Maritime's 5 divisions;
- A specific set of questions on the anti-bribery and corruption policy is now included in our HSE&Q Department's set of internal auditing rules.

5. Communication is performed:

- By bringing focus on the anti-bribery and corruption policy in among others introductory courses for new employees;
- By making our Code of Conduct readily available on our internet site, along with the updated version of our Communication on Progress ("COP") report and Global Business Manual - including the anti-bribery and corruption policy and procedures.

6. Monitoring and review:

- By having established either a Business Ethics Committee or another suitable legal internal body to annually review and adjudicate on instances related to our anti-bribery and corruption policy and procedures.
- By regularly modifying, updating and adding to the anti-bribery and corruption policy and procedures during reviews and monitoring conducted by our HSE&Q Department.



POLICY

- Code of conduct, POL-SEMCO-0013
- Anti-bribery and corruption, POL-SEMCO-0016
- Whistle-blower arrangement P-SEMCO-0378



THE FORMAL WHISTLE-BLOWER POLICY AND RULES

The detailed whistle-blower policy is available to all in our Business Management System
- together with a template for reporting.

1 Any suspicious or noncompliant behavior or actions/omissions in connection with any anti-bribery or any other relations of breach of internal financial- and/or other relevant policies of the SEMCO MARITIME Group of Companies or of any external laws, rules codes or otherwise can from December 15, 2016 anonymously be reported to the General Legal Counsel and the Deputy Legal Counsels of the SEMCO MARITIME Group of Companies. The General Legal Counsel and Deputy Legal Counsels must as applicable minimum cc the CFO (And General Legal Counsel always to Deputy Legal Counsel(s) on any reported incident), the startup of any case and any later process and/or reporting. Reporting to the General Legal Counsel and Deputy Legal Counsels can take place by anyone by telephone, e-mail and/or written- or any oral communication.

4 The reporting person and the person being reported are with due consideration to legislative rights and obligations best possible informed about any investigation also with due consideration to; (i) the facts finding process and investigation, (ii) the right as an investigated person to respond to the investigation and/or the findings/report to take due consideration to the investigated person's right to protect one's personal and any other interests - and (iii) the applicable legislation at all times.

5 There can be (severe) employment consequences for a reported person and ultimately a criminal investigation and termination of the employment (as applicable in each incident).

2 If the report is not anonymous - however the reporting person's identity can be asked to be kept anonymous by the reporting person. If so, then any reporting shall be kept anonymous with regards to the reporting person's identity at all times with due consideration to the applicable legislation.

3 The General Legal Counsel shall facilitate to take appropriate action on any report within reasonable and due time to:

- Investigate (If necessary sided by external legal counsel, accounting specialists and/or other necessary external resources or specialists) any report, and
- Bring the legal conclusion of any investigated reporting to a hereto formed »board« consisting of and in each incident as applicable:
 - A. The CEO/CFO and
 - B. The Head of HR and as relevant and as decided by the General Legal Counsel in each incident:
 - C. An external lawyer, external accountant
 - D. And/or any other relevant resources
 - E. As applicable a Board Member of the Semco Maritime Group of companies' mother company Semco Maritime in Denmark (The Chairman of the board), to investigate, conclude and act on each incident of reporting.

6 The reporting person is secured anonymous reporting with due consideration to the applicable, relevant legislation. The reported person is also considered (as far possible under the applicable legislation and company policies) duly protected under the employment laws rights and obligations against employment consequences due to any reported acts/omissions. The latter means that the employment laws are duly considered throughout any investigation, reporting and/or actions/omissions in each incident.



Future focus areas

We look ahead to a brighter and greener future within the global energy sector.

Data protection / GDPR

From 25 May 2018 the EU legislation will be more restrictive and require new standards for data security, authorizations and transparent procedures. We are initiating actions to:

- Protect our employees' and customers' personal data.
- Increase awareness on data privacy for persons handling personal data.
- Comply with the new legislation

We focus our efforts where the risk is highest and worked with a prioritized data and geographic scope.

- Data-wise, we focus on personal data such as but not limited to CPR/SSN/PIN, CVs and passport and sensitive personal data such as but not limited to medical conditions and health certificates.
- Initially, we focus on Denmark where the amount of data is the largest. Secondly, we involve Norway, UK and Germany and will as a last step include companies outside EU.

We are preparing the necessary policies, procedures, contracts and other documentation to ensure compliance with the GDPR. Go live date of the project is 25 May 2018 when the EU legislation will be effective.

Job satisfaction survey

In 2018, we will be performing our global, bi-annual job satisfaction survey, which will then be mapped against the 2016-results. Our goal is to match the 2016-result.

Supplier evaluation

We will continue to work closely with our suppliers and further implement our new tier based supplier management program in combination with the existing electronic supplier assessment database.

CSR reporting

We further increase our focus on the CSR reporting and recognise that we in a continuous learning process.

We want to communicate our progress in an honest and open way and continue to work towards making sure that our COP report is relevant and easy-to-use for our stakeholders. In 2018, we aim to further incorporate the Sustainable Development Goals even further in our reporting together with the 10 principles of the UN Global Compact.



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Data protection
from 25 May 2018

Read the report online here:

[www.semcomaritime.com/about/
our-company/csr](http://www.semcomaritime.com/about/our-company/csr)

    #SemcoNews

Semco Maritime is an international company with branches around the world.

For further information, addresses, e-mail addresses, fax and phone numbers, please see our website:

www.semcomaritime.com