

Sustainability report 2022

# Heading towards a greener future - together!



# Contents

## Welcome to Semco Maritimes sustainability report for 2022.

This report constitutes the statutory report on Corporate Social Responsibility cf. § 99a and 99b of the Danish Financial Statements Act. This report is published once a year along with the Annual Report. This report also outlines our Communication on Progress under the UN Global Compact.

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## Find out more

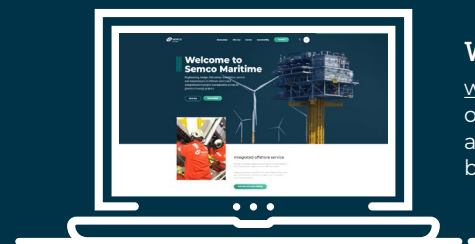
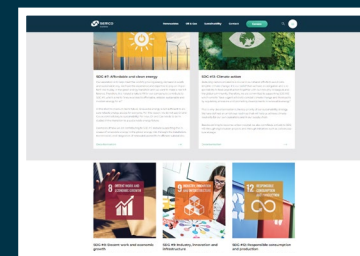


### Annual Report

The [Annual Report](#) focuses on our financial performance. It includes the information on sustainability that is most pertinent to investors.

### Sustainability online

Stay updated on our progress and sustainability initiatives on our website: [www.semcomaritime.com/sustainability](http://www.semcomaritime.com/sustainability)



### Website

[www.semcomaritime.com](http://www.semcomaritime.com) hosts our reports and policies, as well as stories of our biggest sustainability achievements.

### Social media

We share our latest stories on social media throughout the year.



# Semco Maritime wants to grow sustainably

We launched our new corporate strategy "Sustainable Growth" in 2022 - and this strategy lays the foundation for us to more than double revenue and earnings by 2027. We will reach this ambitious goal by leveraging our strong competencies and comprehensive offshore experience to seize opportunities in the energy markets and further shift the balance towards our Renewables business.

We want to be the employer of choice within offshore energy and run a safe business with a clear aim of reducing the number of work accidents to zero. We have set ambitious carbon-emission-reduction targets, and our sustainability efforts and targets have become an integrated part of our strategy and everyday business.

As we shift the balance towards Renewables, we contribute to the strengthening of the renewable energy sector while building a more sustainable business with bright growth prospects and solid financial performance.

The strategy is aligned with seven of the UN Sustainable Development Goals (SDGs), though we are primarily focusing on the following two SDGs by being part of the energy industry:

- SDG 7: Affordable and clean energy
- SDG 13: Climate action



*CEO Steen Brødbæk is looking towards a greener future.*

Semco Maritime has a long and proud history of being a socially responsible company demonstrating integrity and operating in an honest and transparent manner. We have always considered responsible management an essential corporate value, and we have been a proud member of the UN Global Compact for many years. The ten principles of the UN Global Compact will, together with the SDGs, continue to serve as the basis for our sustainability efforts.

### Our focus in 2022

Decarbonising our activities is our main priority. We have set the target of becoming carbon neutral in scope 1 and 2 by 2023, in own operations by 2030, and carbon neutral in all scopes by 2050.

In order for us to reach carbon neutrality in scope 1 and 2, one of the primary activities is to reduce the energy consumption. All of our offices worldwide have therefore introduced various energy-saving initiatives based on the best suggestions from employees. Moreover, we buy green electricity in Denmark, and similar investments will come. We are aware that some of our emissions cannot be avoided and that we must offset some emissions through climate credits. In 2022, we took the first preliminary steps in this direction, which contributes to the discussion of establishing an internal carbon price.

During 2022, the war in Ukraine made it clear that energy supply plays a key role in international security policy and that it is more essential than ever to

develop the energy industry fast and in a sustainable way. The volatility in our markets also underlined the importance of having strong partnerships and a reliable supply chain and we will engage further with our partners to strengthen the sustainable development going forward. Our ambition is not only to reduce the carbon footprint across the value chain, but also to protect the environment by increasing our recycling rate contributing to a more circular economy and by focusing on the sourcing of materials. In 2022, we sent out an e-learning module to our key suppliers and had a sustainability webinar to encourage our suppliers to begin measuring their carbon emissions. We will continue these efforts in the years to come.

Being a safe and responsible business is important to us. "Safety is part of our DNA" and everyday we work to ensure that everybody stays safe. We have safety moments, safety introductions and safety campaigns, where we engage with our colleagues to get new and updated knowledge, share experiences and learn from each other.

Engagement with colleagues is not only key in terms of safety but is one of our overall goals. Continuing the initiative started in 2021, where employees across divisions, locations and functions participated in discussions about sustainability, we reached the milestone of having 100% of our employees introduced to the sustainability strategy and engaged in the topic by 2022. We marked this important step by encouraging

all employees worldwide to sign a sustainability poster with the commitment of ensuring a greener future. All the posters are now on display at our offices around the world as a constant reminder that we should challenge business as usual and change for the better.

I am proud to lead a company of dedicated people who value sustainability and contribute to pushing this agenda forward. We cannot change the world ourselves, but by taking one step at a time we can change it together.

Semco Maritime takes responsibility and is committed to making a positive difference for people and planet.

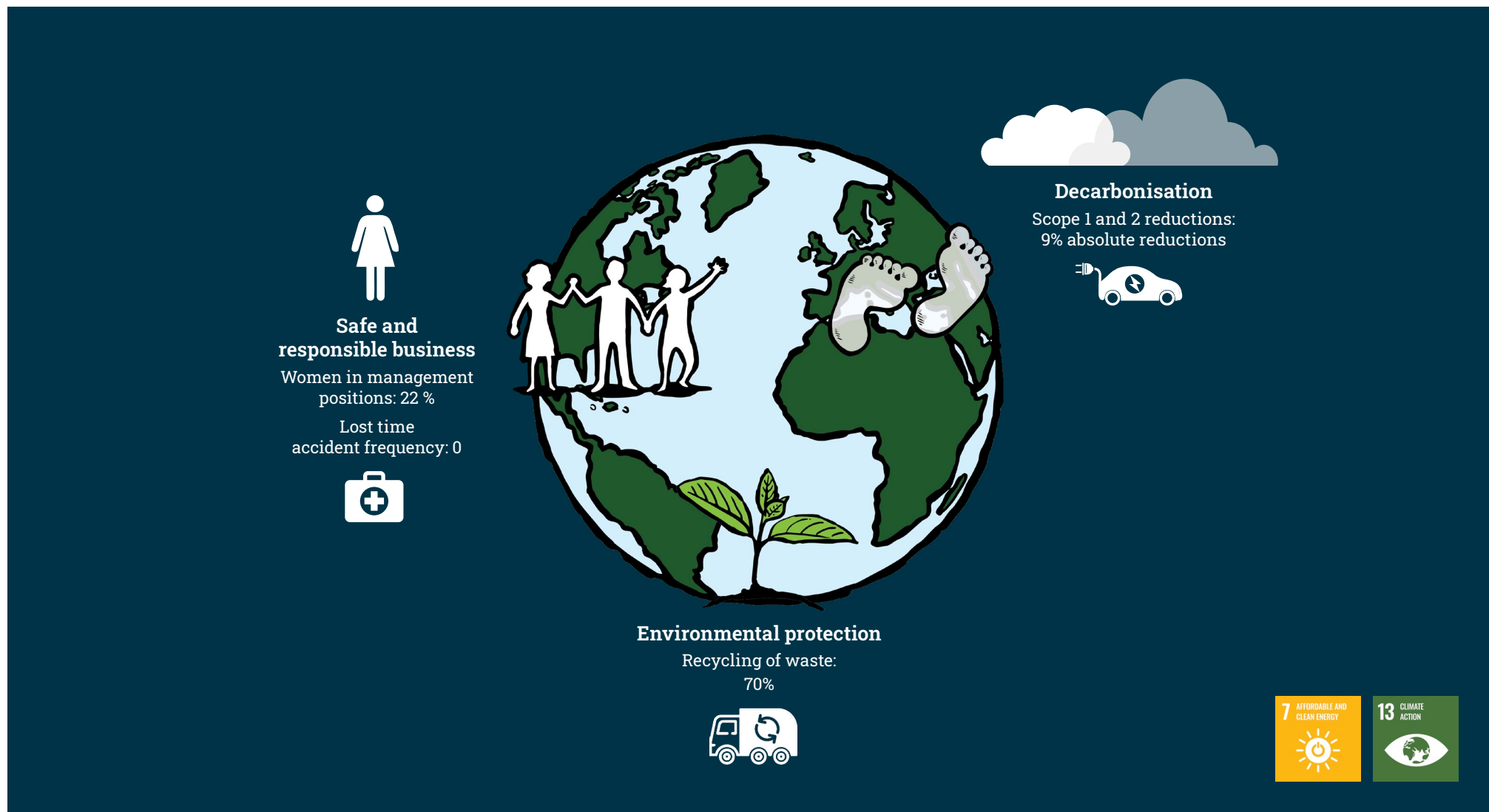
**Steen Brødbæk, CEO**

At Semco Maritime, we are committed to making a positive difference for people and planet. Based on existing initiatives, we are ready to take important steps towards a more sustainable business.



**Watch CEO, Steen Brødbæk, introduce our sustainability strategy: [Click here](#)**

# Highlights



# Semco Maritime at a glance

**Semco Maritime is an international engineering and contracting company undertaking and solving assignments across the value chain in the global energy sector.**

Since 1980, our specialist competencies have provided a platform for the work carried out at all stages of onshore and offshore assignments – from preliminary analyses, design, procurement and manufacturing to installation, commissioning and service, including manpower and supply of customised components, systems and solutions.

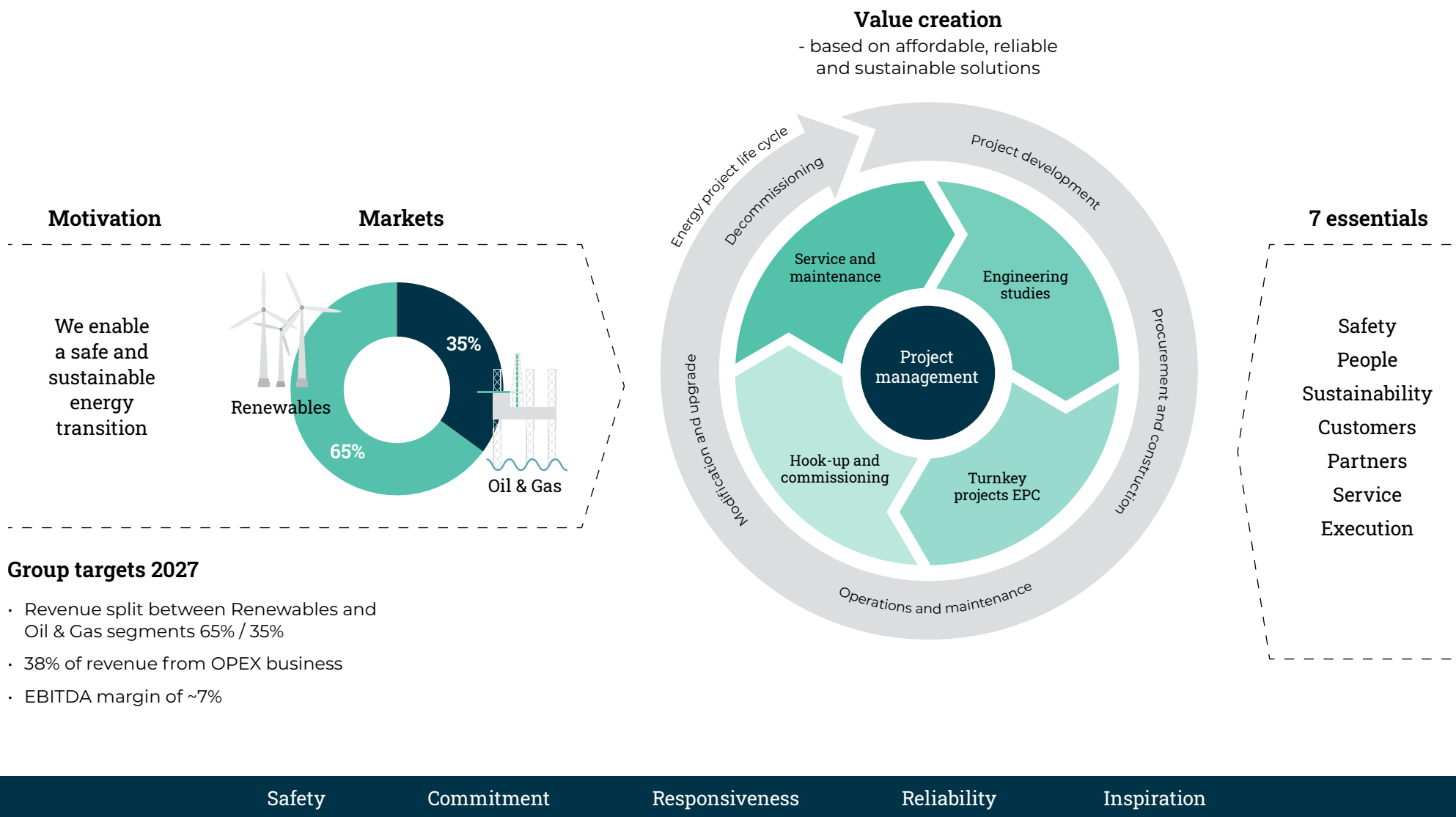
Semco Maritime has 1,835 employees who provide customers with cost-effective project management and operations from the Danish headquarter and subsidiaries all around the world.

Our aspiration is to enable a safe and sustainable energy transition! With our ambitious sustainability strategy, we are determined to bring more than 40 years of experience into play to ensure a greener future.

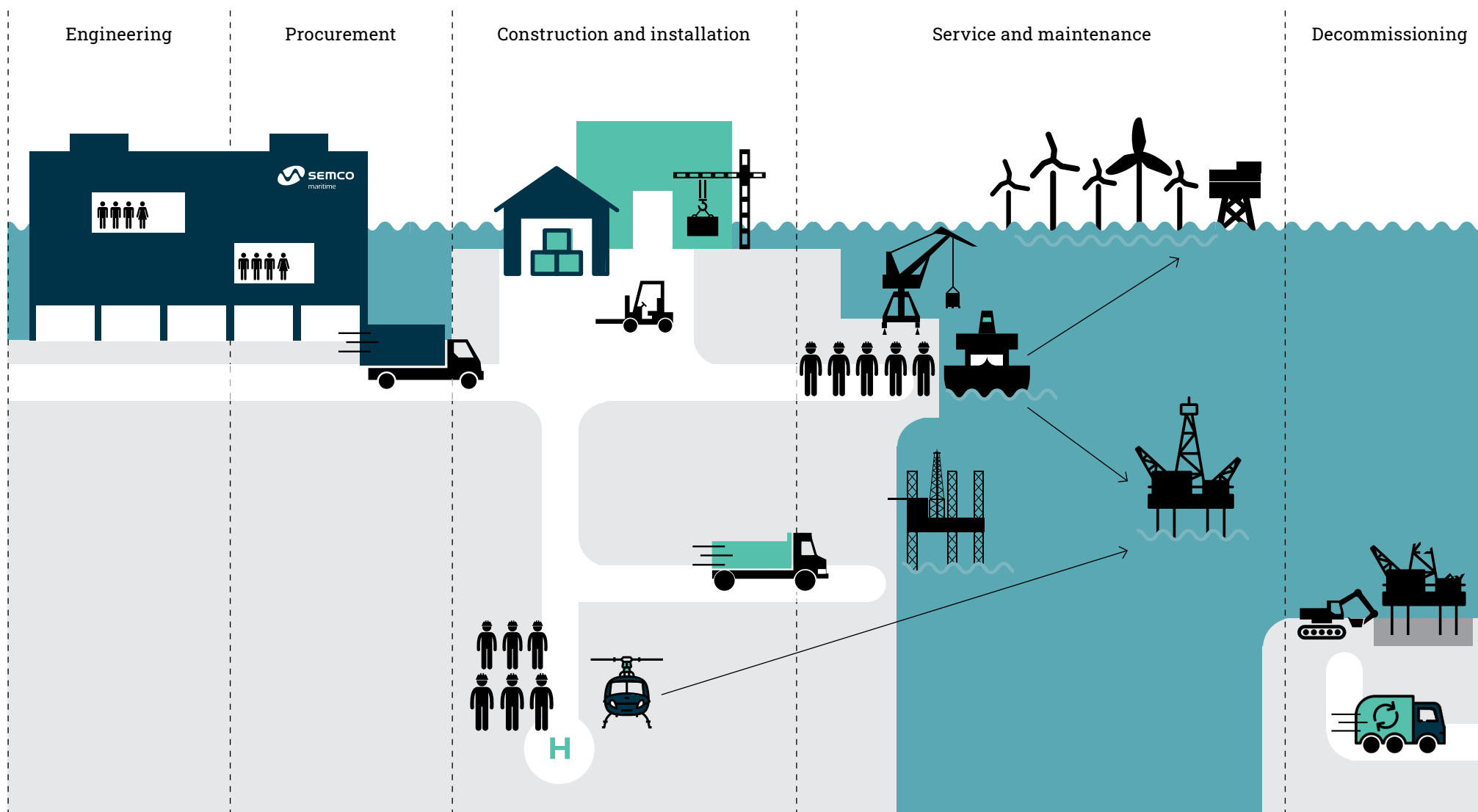


*The Semco Maritime headquarters in Esbjerg were awarded the golden DGNB certificate for indoor climate, space efficiency, energy focus, use of solar cells among others.*

# Our business model



# Project life-cycle





# Our sustainability strategy

In 2021, Semco Maritime started to frame the sustainability strategy and come up with a new and ambitious sustainability strategy within three areas: Decarbonisation, Environmental Protection and Safe and Responsible Business. We have an important role to play in the green energy transition, and we have an opportunity to make a positive difference.



## Decarbonisation

Decarbonisation is the first pillar and the highest priority of our Sustainability Strategy as we are committed to playing our part in enabling the transition towards a sustainable energy future. From [page 14](#) onwards we will introduce our roadmap to carbon neutrality, our progress, and reduction activities.



## Environmental protection

Environmental protection is the second pillar founded on our commitment to act responsibly and take care of our planet. The environmental protection aspect of our sustainability strategy has four focus areas: water protection, pollution, waste reduction and natural resources. The [pages from 23](#) onwards will guide you through our waste management and supplier engagement.



## Safe and responsible business

Safety is a core value for Semco Maritime and we live by the motto "Safety is part of our DNA". Health and Safety are key elements of our daily operations, and we are proud of our safety track record. Pillar 3 gives an insight into our safety numbers, our work environment, charity and employee engagement. From [page 31](#) onwards you can read more about pillar 3.



# Our approach to sustainable development

Our sustainability strategy is our roadmap towards a greener future, and all our sustainability activities have the strategy as a starting point.

To track our progress within each of our focus areas, the sustainability report is structured according to

the 3 strategic pillars of the sustainability strategy. At the same time, the ESG (Environment, Social and Governance) terminology is becoming part of the vocabulary of the wider organisation.

Below, we have merged the focus areas of our sus-

tainability efforts under the official ESG headlines to enable comparison and transparency.

## How we work with ESG



# Aligned with the 2030 agenda

At Semco Maritime, we are aware of our global footprint and impact. As an international company and a member of the global community, we have an obligation and a responsibility, and also an opportunity, to make a positive difference by supporting the Sustainable Development Goals (SDGs) established by the UN.

Our sustainability strategy is actively aligned with seven of the 17 SDGs that we have identified as being most relevant to our company and industry.

Being a long-term player in the energy industry and an active supporter of the growth of Renewables, we are able to make the most significant contributions to SDG #7, Affordable and Clean Energy.



In alignment with SDG #13, we have outlined our road map to carbon neutrality in our sustainability strategy. We are tackling these goals through our core business and through the decarbonisation focus area of our sustainability strategy.

Through the second focus area of our sustainability strategy, Environmental Protection, we are contributing to SDG #9, Industry, Innovation and Infrastructure, SDG #12, Responsible Consumption and Production, and SDG #14, Life Below Water.

Through our third focus area, Safe and Responsible Business, we are contributing to SDG #5, Gender Equality, and SDG #8, Decent Work and Economic Growth.

Read more about Semco Maritime and the SDGs on our [website](#).

# Thinking differently and creating sustainable solutions!

## Young minds merge innovation and sustainability

To stay innovative, we always try to push boundaries and come up with solutions and ideas that have never been tried or tested before. But to do this, we need inspiration, and we need to view our challenges from many different perspectives.

During the spring of 2022, we therefore invited some of the brightest minds from the University of Southern Denmark and Aalborg University Esbjerg to challenge our solutions and help us come up with new and innovative solutions to our challenges.

Three groups of students solved "real-life challenges" for us. Our only requirement was that aspects of innovation and sustainability needed to be merged into their proposed solution. We were impressed and inspired because their solutions touched upon interesting new ways of using for example drones and scaffolding offshore. Some of the ideas are still on the table for us to investigate the potential.



Watch the video summing up the launching day of ideas - [Click here](#)

## Realising subsea CO<sub>2</sub> storage

In 2022, we came one step closer to realising subsea CO<sub>2</sub> storage. We will draw on our oil & gas competencies and experience to provide innovative solutions for storage and transportation of CO<sub>2</sub> to depleted oil reservoirs in the North Sea.

The harbour of Esbjerg was buzzing with activity in 2022 and one of the projects was the installation of a full pumping system and equipment on board the Aurora Storm and Noble Resolve.

This newly designed and customised pumping system for Project Greensand will enable transportation of liquid CO<sub>2</sub> from containers via the Nini West platform and 1,800 metres below the sea, where the CO<sub>2</sub> will be permanently stored in a sandstone reservoir.



Watch video of Project Greensand [Click here](#)



## GREEN SAND

### About Project Greensand

Project Greensand is a consortium of 23 companies and organisations who are all working together to make a significant contribution to the green transition in Denmark through the storage of CO<sub>2</sub> below the North Sea.

In December 2021, Project Greensand was assigned DKK 197 million through the "Energy Technology

Development and Demonstration Program" (EUDP) for the development and demonstration of CO<sub>2</sub> storage in the North Sea.

The goal for Project Greensand is to help establish a value chain for transportation and geological CO<sub>2</sub> storage offshore in Denmark by the end of 2025.

[Read more about Project Greensand here](#)

# Sustainable innovation reduce value chain carbon emissions

In Semco Maritime, we have an ambition of reducing scope 3 carbon emissions in the industry towards 2050. To achieve this goal, we are, among other things, working on our PACMAN project - Predictive Automatic Corrosion Management.



The constant focus on corrosion detection offshore causes many offshore helicopter flights, resulting in substantial carbon emission. Through the PACMAN project, Semco Maritime wants to be able to use tools that can be applied to corrosion management prediction, e.g. more advanced camera technology and improved machine learning methods for 2D visual detection of corrosion. Predictive corrosion management is about the severity classification of identified corrosion.

Every two years, as required by law, offshore platforms must be inspected for corrosion. Inspecting an offshore platform requires between 2 and 4 helicopter flights.

Helicopters are a flexible means of transportation, but emit large amounts of CO<sub>2</sub>. By digitizing a large part of the process, we can reduce these flights to one flight per corrosion inspection and thereby cut the average carbon emission in half.

The project is funded by EU DP and co-developed with IPU, Aalborg University, MM Survey ApS, TREFOR, and Energy Cluster Denmark.



Together with 49 innovative and sustainable solutions from other companies, the PACMAN project was chosen as a Børsen Bæredygtig Case in 2022. We support sharing projects and stories towards a more sustainable future and would like to inspire others to do the same.

## Top learnings:

Innovative ideas and technological development contribute to leading us towards a more sustainable future.



# Decarbonisation

**Reducing** our carbon emissions  
and target carbon neutrality.

**Committing** ourselves to  
working with our supply chain on  
shared carbon reduction goals.

**Leading** our suppliers  
through the green transition and  
sharing the risks of innovation.

## Prioritised focus on decarbonisation

**Reducing CO<sub>2</sub> emissions is essential to prevent a catastrophic climate change. Therefore, we have put decarbonisation as the first pillar and highest priority of our sustainability strategy.**

We are committed to playing our part in enabling the transition towards a sustainable energy future.

### **We are doing this through:**

- our contributions to expand the Renewable Energy Industry and thereby the percentage of renewables in the global energy mix;
- influencing sustainable practices in the Oil & Gas industry and hybrid technologies;
- our own operations and through influencing our supply chain.



# Road map to carbon neutrality

**In alignment with the UN Sustainable Development Goal #13, Climate Action, we have created an ambitious road map for achieving carbon neutrality. The road map aims to reduce the risks we are facing in terms of the climate crisis, both as a company and as a member of the global society.**

The road map that will lead us to carbon neutrality has three phases:

1. Carbon neutrality in scope 1 and 2 by 2023
2. Carbon neutrality in own operations by 2030
3. Carbon neutrality in scope 3 (own operations and supply chain) by 2050 at the latest.

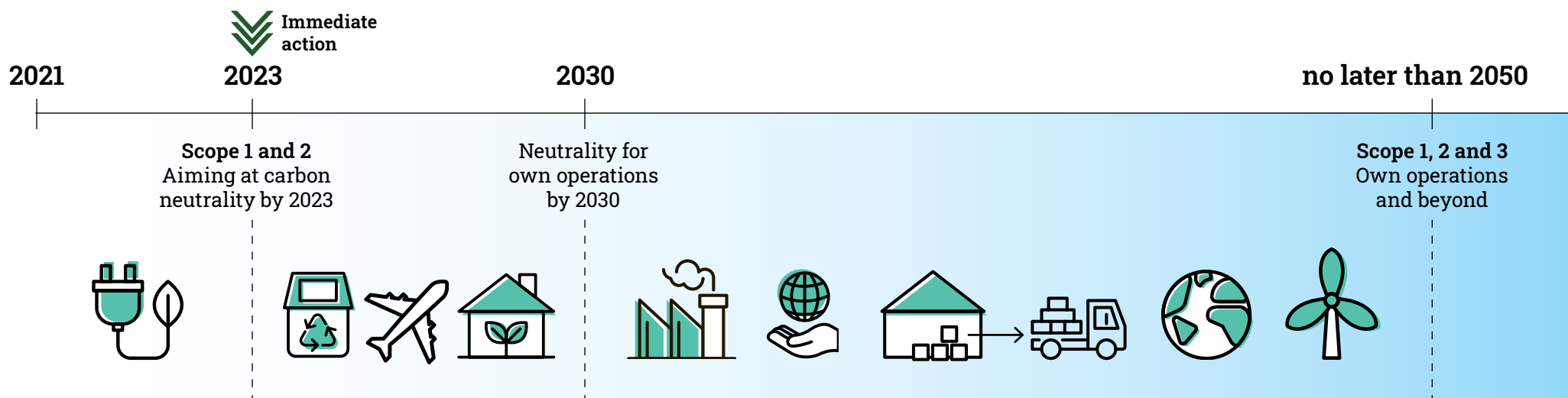
In 2022, we have focused on reducing our scope 1 and 2 emissions. Especially our energy consumption has been at the centre of our activities, and our focus was further strengthened by the energy crisis. We have continued to work with the activities already introduced in 2021 that lead us towards achieving the first phase of the road map. Activities are presented on [page 19](#).

The second phase of the road map will involve creating strategic changes to our internal production methods, systems and processes. We have already made minor adjustments targeting carbon emission reductions in phase 2, such as changing the canteen provider ([page 26](#)), choosing reusable packaging ([page 27](#)) and flying less ([page 21](#)).

In phase three we will actively engage with our suppliers to reduce carbon emissions as part of creating a sustainable supply chain and encourage a carbon neutral supply chain. We took the first steps in 2021, and in 2022 we sent out an e-learning module to suppliers and hosted a sustainability webinar for suppliers (more about this on [page 27](#)).



Semco Maritime and Esbjerg Municipality are climate partners, meaning that Semco Maritime has joined the municipality's pledge to become climate-neutral.



\*Based on the Greenhouse Gas Protocol



# Mapping our scope 1 and 2 emissions

**Our baseline year for measuring carbon emissions is 2019. We are monitoring our progress on a yearly basis, currently focusing on the first phase of our road map. To stay on track, we will begin to monitor the progress on a more frequent basis.**

We acknowledge that we do not have the data to fully estimate our scope 3 yet. However, we are working on obtaining the data. For a start, we share our scope 1 and 2 estimates.

The graph shows the development of the scope 1 and 2 categories since 2019 (baseline). The categories are named differently than in the Sustainability Report 2021. Previously, they were named based on the data input, but this has been changed, so now we follow the Greenhouse Gas Protocol categorisation (specified further in the note section of the report ([page 59](#))).

## Correction of emission factors

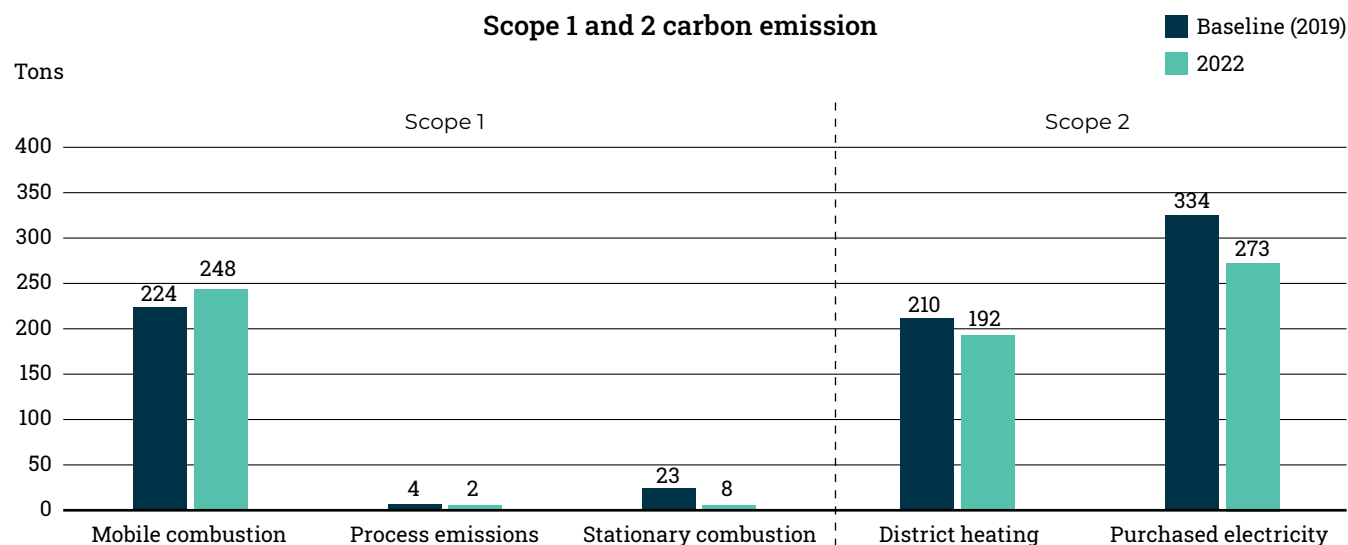
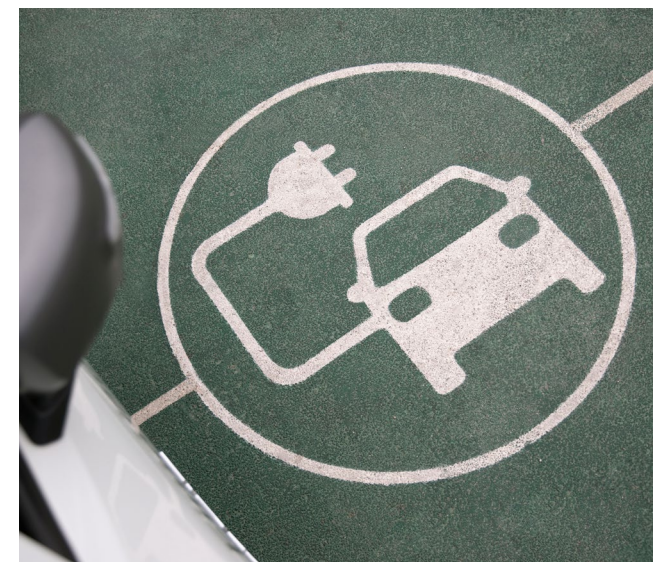
During 2022, we thoroughly reviewed our calculation methodology and the emissions factors used. We found that several emission factors were outdated and that some did not match the type of carbon emission. We have now corrected these mistakes, which has caused some changes to the carbon footprint previously shared. The correction is elaborated further in the note section ([page 59](#)).

## Development of carbon emissions

In 2022, our total scope 1 and 2 emissions were 723 tons of CO<sub>2</sub>e. Compared with our baseline year (795 tons of CO<sub>2</sub>e), this means that we succeeded in

reducing our scope 1 and 2 emissions by 9% in absolute numbers.

The reduction is mainly due to the purchase of renewable electricity certifications (RECs) for our sites in Esbjerg (Staget and Esbjerg Brygge). However, our energy-saving activities have also had a positive effect on our electricity consumption and on heating. The reduction in carbon emissions follows our plan to focus on optimising our electricity consumption and our use of





heat. Thus, our scope 2 reductions are also the main contributing factors to the carbon emission reduction in total. That said, we are still facing a high level of electricity consumption in Norway shared with our customers, and besides that we increased our electricity consumption by opening a new office in Poland.

Unfortunately, we are also facing an unstable market with uncertain deliveries, which has affected our fleet of company cars. New electrified cars have been ordered to reduce carbon emissions to a bare minimum. However, not all cars have been delivered yet, which means that the time schedule has been extended. Moreover, the reductions within the mobile combustion category have been further limited due to the start-up of construction activities in Odense in 2022, as these have caused an increase in the number of kilometres driven by car, resulting in increased carbon emissions.

We had the ambition of reducing our scope 1 and 2 emissions by 50% in 2022. As we did not meet this ambitious milestone, we chose to compensate 325

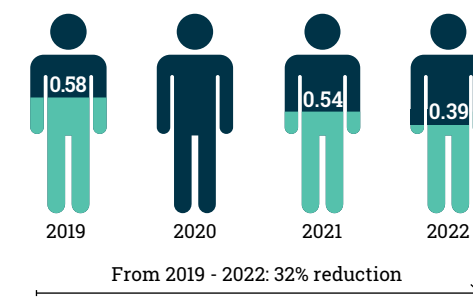
tons of CO<sub>2</sub>e through climate credits corresponding to the missing reduction.

We support a coastal wind farm project in Vietnam involving 62 wind turbines producing renewable energy, which is fed into the national grid, helping to bridge the supply-demand electricity gap. The project is certified under the Gold Standard and the Clean Development Mechanism (CDM). In Semco Maritime, we acknowledge that compensation is not the way to reach carbon neutrality, and we work to reduce rather than offset. Therefore, we continue the work of reducing carbon emissions in scope 1 and 2 to reach our next milestone of being carbon neutral in scope 1 and 2 by 2023.

#### Relative reductions

As increased carbon emissions are correlated with an increase in activities, we are taking the relative reductions into account when evaluating the development. As a large part of our hires are project hires, we have chosen to compare the carbon emissions to the number of employees.

#### Ton of CO<sub>2</sub>e per employee



*Due to COVID-19 and the impact of the pandemic on the level of carbon emissions, 2020 was not a representative year.*

In 2019, we emitted 0.58 ton of CO<sub>2</sub>e per employee in scope 1 and 2. In 2021, the number was 0.51 ton of CO<sub>2</sub>e per employee, whereas the number was 0.41 ton of CO<sub>2</sub>e per employee in 2022. This equals a decrease of 32% when comparing to the baseline year. When looking at the development through the lens of relative numbers, the reduction of our carbon emissions is higher.

# Scope 1 and 2 reduction activities

We have set an ambitious goal for ourselves. We want to become carbon neutral in scope 1 and 2 by 2023. To meet this objective, we have initiated several activities all aiming for a reduction in our scope 1 and 2.

## Purchased electricity

We have set up a green electricity contract for our headquarters in Esbjerg, thereby supporting the green transition of our industry. Furthermore, we are partly powered by the solar panels on the roof of our domicile.

We have looked into the possibility of buying renewable energy certificates for our locations in Norway. However, action has not been taken yet as Norwegian electricity is mainly coming from hydropower and thereby supporting renewable energy already.

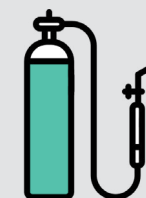
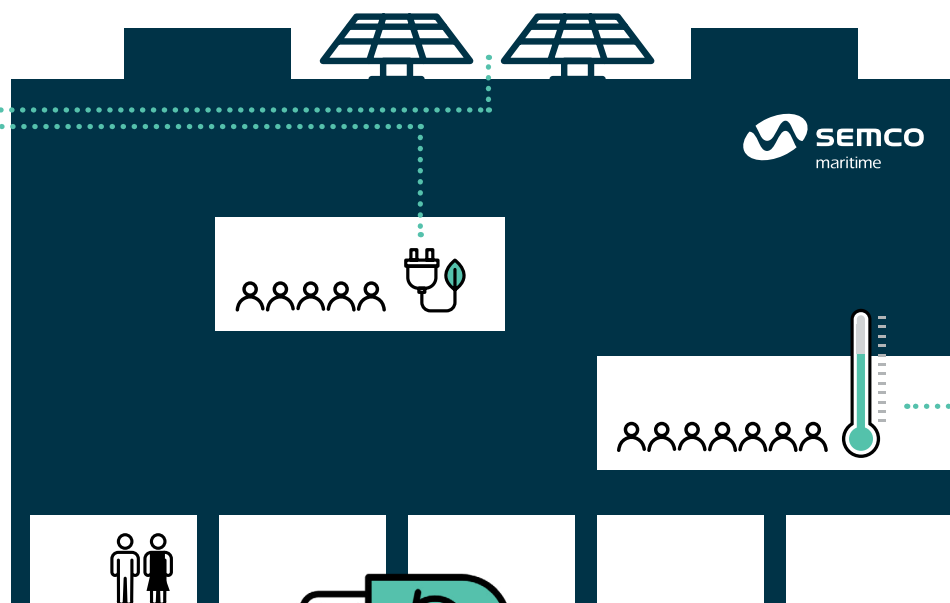
We will continue the discussions on green electricity in the coming year.

## District heating

We have reduced the room temperature in all our offices to save energy.

Moreover, new insulation has been installed in most of our production facilities in Esbjerg to reduce energy loss.

The remaining production facilities will be re-insulated in the near future.



## Mobile combustions

We are converting all company cars from fossil fuel (petrol/diesel) to electric power (hybrid/electric). Currently, we have converted 38% of our company cars, and we expect to reach 50% within the first 6 months of 2023. The electrification of company cars is slowed down by the uncertain supply of cars. We will continue to convert our company cars to electric power until they are all 100% electrified.

## Process emissions

Welding gas alternatives will be further investigated during 2023. Up until now, no alternatives with the same qualifications and quality have been found.

# Global energy-saving ideas

We have asked our colleagues to give us input to save energy across our locations, and we have received a lot of great ideas. Some of them are already implemented, and some are planned for 2023.

## Example from Germany:

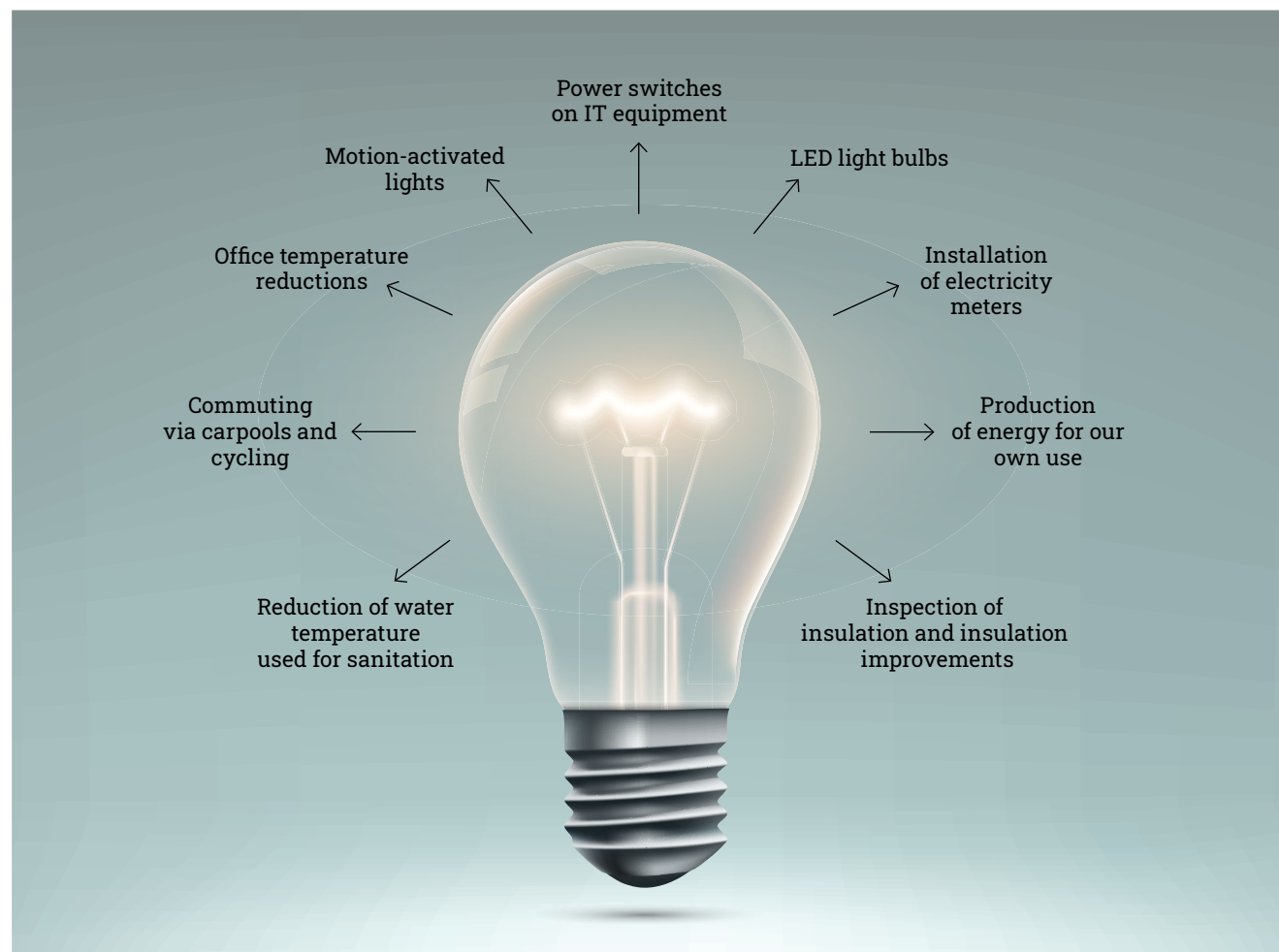
“ I am involved in energy-saving projects for the sites in Germany and this allows me to apply my private interest and knowledge in saving energy.

We have developed several energy-saving options in our German offices. One of the things we have done is to reduce our office temperatures and buy new low-energy LED floor lamps to further reduce our energy consumption. Besides, we are using plug connectors with a switch, enabling electrical equipment to be switched off.

Moreover, we are now offering a new benefit to our German staff. Due to tax incentives in Germany, it is now possible to lease bikes in the same way as we lease cars. Besides, being able to save large amounts of energy, people stay healthy, the environment will be protected, and finally you save up to 40% of the cost of a new bike. Many employees have already applied for the benefit.

Let's keep the momentum on saving energy - we only have one planet.

**Stephan Claussen, Managing Director**



# Reducing business travels by 33% by making good pandemic habits our new normal

**In Semco Maritime, we have an ambition of reducing our scope 3 carbon emissions towards 2050. One milestone in this regard is to become carbon-neutral in our own operations by 2030. The milestone includes business travels.**

The divisions are already actively involved in reducing business travels. One of them is the Products & Technology division who have continued their good habits from the corona pandemic and implemented operational adjustments. These habits have resulted in a 33% reduction in business travel.

## 3 important steps towards reducing business travels:

### 1. Make the decision

During the annual budget dialogues, the Products & Technology division defined an ambition of reducing travel by 25% in 2022 compared to the level of 2019. The ambition became a financial KPI and was communicated to all division managers.

The division initiated automatic monthly monitoring of travel to follow the development closely. This way, the division could react according to data without spending much time analysing data.

### 2. Show that you mean it through action

The Products & Technology division is global. The team supports customers globally and has suppliers worldwide. Back in 2019, before the corona pandemic,

Products & Technology colleagues travelled frequently to be able to maintain close contact with customers, suppliers and colleagues globally.

Using Microsoft Teams as the primary meeting forum during the corona pandemic, the division continued to have this meeting policy throughout 2022. The employees were encouraged to continue to meet virtually and only travel if necessary and if the business purpose was clear.

### 3. Embrace the technological development

The corona pandemic proved that the technological development has provided new solutions that can help reduce business travels. Virtual meetings are one thing, but for the Products & Technology division, remote FAT (Factory Acceptance Test) became an important tool as well.

Previously, testing a product required an employee to travel to the factory or having the product flown in. The remote FAT technology makes it possible to test products virtually without flying products or employees back and forth.

It has only been possible to implement this new

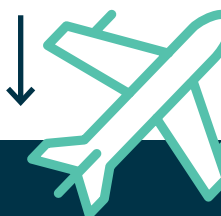
“Change is driven by employees. The most important thing for me is to ensure that we can work as smoothly as possible while taking the climate into consideration. I think that reducing travel by 1/3 speaks for itself. It pays off to be conscious about climate footprint, set targets and act upon them, and we will continue to maintain this focus.”

**Mogens Tyllesen, Senior Vice President**

technology into the daily operation because suppliers, customers and employees have embraced it.

Across Semco Maritime, “business travels” will be one of the focus areas within the decarbonisation pillar in 2023.

**33% reduction  
in business travel**



## Top learnings:

To make a difference in relation to our milestone of becoming carbon-neutral in our own operations by 2030, we need to challenge our business and the way we do things. To make a difference, we must mean it – and act upon it.

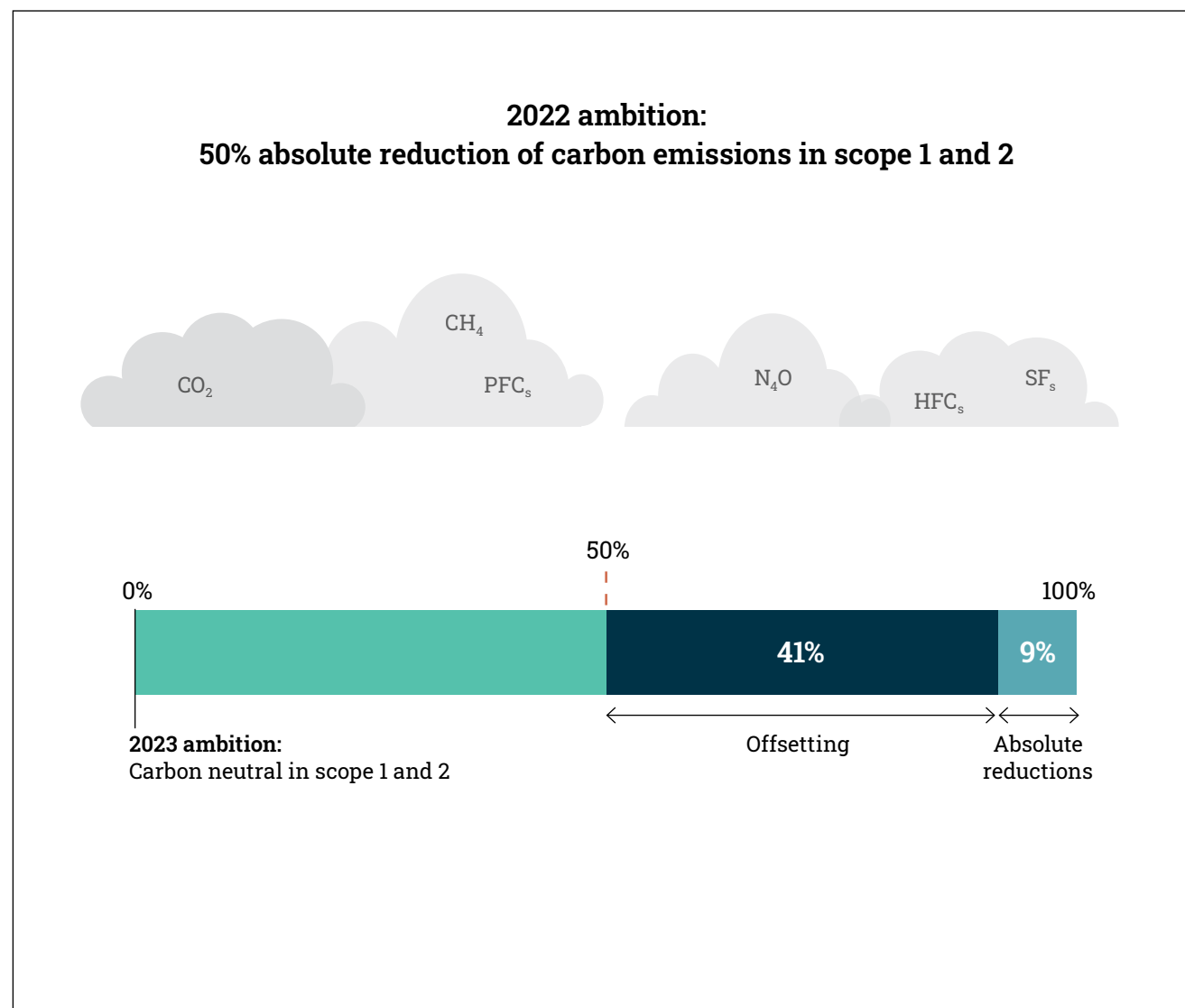
## Summing up: 2022 ambitions and moving forward

In 2022, we continued the activities launched in 2021 in line with the road map. Our focus on scope 1 and 2 reductions will continue to meet our goal of carbon neutrality in scope 1 and 2 by the end of 2023.

In 2022, we had the ambition of a 50% reduction in scope 1 and 2 in absolute numbers, compared to our baseline year. Although initiatives were launched with this specific focus, we did not reach our milestone. To compensate for the carbon emissions that we did not manage to reduce, we bought climate credits to reach our 50% ambition. However, we fully acknowledge that climate compensation cannot replace carbon emission reductions, and we are still working hard to make absolute reductions heading towards carbon neutrality.



*The Gold Standard coastal wind farm project in Vietnam that we support through offsetting.*





# Environmental protection

**Practicing** sustainable waste management with a strong focus on recycling.

**Designing** products and solutions with a circular mindset.

**Protecting** the surrounding environment of our activities with the ocean as a key focus area.





# A responsibility to take care of our planet

In addition to climate change, environmental protection is one of the major challenges of our time, causing irreversible change to nature and life on earth.

The United Nations has called for urgent action to protect the environment and we believe that we have an obligation to take care of the environment. We want to act responsibly and therefore consider environmental protection to be one of the three focuses of our sustainability strategy.

**The environmental protection aspect of our sustainability strategy has four focus areas:**

- Water protection
- Pollution
- Waste reduction
- The use of natural resource

**The focus areas are in line with three main Sustainable Development Goals (SDGs):**

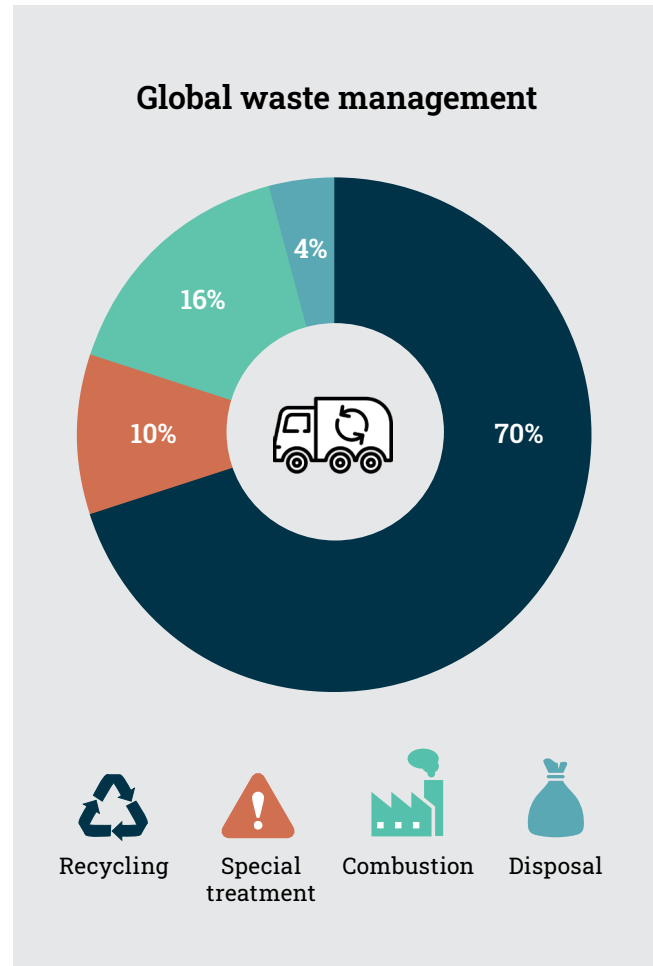
- SDG 9: Industry, Innovation and Infrastructure
- SDG 12: Responsible Consumption and Production
- SDG 14: Life Below Water





# Waste management

We have the ambition that all our generated waste will be 100% sorted and recycled at the highest value possible by 2030. We are focusing on our waste sorting and handling to ensure the highest recycling rate possible.



With our 2030 ambition, we set a clear direction for the sorting and handling of our waste, which is currently measured by the recycling rate.

That said, our first priority is to **reduce** the amount of waste as it is better for the environment and a more responsible way of using resources. Reducing food waste in the canteen in Esbjerg is one of our initiatives (see next page).

We are monitoring the waste management for our sites in Esbjerg, Denmark (Esbjerg Brygge and Staget), and for Hanøytangen, Norway. Here, the infrastructure for waste sorting is in place, and data is available from suppliers.

For 2022, we had a local recycling target for our sites in Esbjerg of 85%. Here, the largest amount of waste comes from Staget, our production site, where the disposal waste has increased from 0% in 2021 to 7% in 2022. This category covers waste that cannot be recycled or incinerated. We can trace the increase in disposal waste to the project types, we took in. Moving forward, we will monitor the waste types from the project intakes closely to increase the recycling rate. Our recycling rate was 75% in 2022 and did not meet our goal of 85%

Going forward, we will manage the waste on a global scale and include all our sites, where we are able to monitor the waste management, in the recycling target. By including the data from Hanøytangen, Norway, our global recycling rate was 70% in 2022.

Our global target for 2023 is to reach a recycling rate of 80% while also including the UK sites. In 2023 we will focus on our UK sites, but we will continuously investigate the possibilities of waste sorting and recycling at our other locations towards 2030.

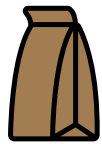
Our aim was to initiate a case study in 2022 that will investigate the potential of waste as a resource, thereby optimising the use of resources. Our plan was to start with steel. Due to a high level of activity, we have reprioritised this case study for 2023.

# Reducing food waste

Sustainability is important to Semco Maritime, and health is a core element of the daily wellbeing of our colleagues. We want our employees to be full of energy when they return to work after lunch and have the capacity to be present and aware in the workplace, to ensure the best and safest work environment.

In the canteen, we focus on food waste and have started to position-adjust the servings, thereby inserting an initiative which results in less food waste. We also serve vegetarian options daily, allowing us to contribute positively to the environment by choosing a meat-free option.

In 2022, Semco Maritime welcomed TooGoodToGo. This initiative makes sure that good food gets eaten and is not wasted, so each day after lunch our employees can order leftover food to take home.



116 bags



290 kg

Since the initiative started in September, we have sold 116 TooGoodToGo bags, and we have saved 290 kg of CO<sub>2</sub>. Reducing food waste is crucial for the environment, and Semco Maritime wants to do its part in reducing waste to protect the planet.

Read more about our canteen on our [website](#).



# Creating a sustainable supply chain

**Semco Maritime's ambition is to have a fully sustainable supply chain with material input that is 100% renewable, recyclable or reusable by 2030.**

## Looking back on 2022

2022 was a year of continued progress towards our goal of developing a fully sustainable supply chain that supports and is part of a truly circular economy. We still have a long way to go, but we took some important steps forward during the year and are excited about our momentum.

One of the key steps forward was to implement a tool for more accurately calculating and measuring our carbon footprint based on our spend and supplier data. We are still in the early stages of implementation and use, but are excited about the insights this tool is already giving us on carbon footprint and where we should target our reduction and offset efforts for maximum results.



*Richard Bowen,  
Director, Head of  
Supply Chain*

Another key step forward was our continued reaching out to key suppliers through targeted one-on-one meetings as well as a wider-reaching supplier webinar. In 2021, we engaged selected suppliers and sent a questionnaire seeking information and insights into their own sustainability activities and strategies. Based on the supplier data and insights, we developed and executed a plan to ensure that 100% of our suppliers were aware of our sustainability strategy and our expectations, based on our customers' goals and priorities, for a sustainable supply chain. During the webinar, we encouraged all suppliers to engage with Semco Maritime on sustainability and invited them to come up with specific proposals in terms of action and projects to reduce waste, conserve energy and resources, eliminate carbon emissions and lower our common carbon footprint.

We also took the important step of appointing a Sustainability Coordinator from our Supply Chain Management Team. The Sustainability Coordinator is meant to closely collaborate with our Sustainability Department and ensure that our Supply Chain team and our wider sustainability strategy and activities are fully aligned.

## Looking forward to 2023

The coming year will be a challenging one. Our supply chain faces many challenges brought on by geopoliti-



## We reuse our packaging

In 2022, we wanted to increase our focus on sustainable packaging for our products, aiming for a recycling/reuse rate of 25%.

This topic is not new to our warehouse team in Denmark, and they have continued to insist on reusing where possible. We estimate that 90% of the orders sent from our Danish warehouse are packed in reused plastic boxes, pallets or cardboard boxes.

We have asked our suppliers to investigate alternative packaging as well, and the cardboard boxes coming in are to an even larger extent marked with "sustainable and locally produced" signs.

We continue to optimise the use of packaging, and our procedure is to choose reusable packaging rather than recycled packaging.

cal and economic forces which can be unpredictable and difficult to manage and mitigate. It can be challenging for our team to remain focused on sustainability while simultaneously ensuring the continued supply of goods and services to our operations.

During 2023, we intend to continue to reach out to our suppliers to initiate them into our goals and expectations, strategies, and learnings. We cannot reach our goals alone. We need our supply chain to partner with us to achieve what must be done to secure our planet for future generations. Our 2023

goal is to kick off at least two sustainability initiatives together with supply partners, where specific actions will be taken to reduce, reuse, and/or recycle resources. Several ideas have already been put forward and we look forward to engaging in these and welcoming many more ideas in 2023.

It is also our intention to conduct a second supplier webinar and make this an annual event. With 3,500 active suppliers, the webinar is an excellent way to reach most of them at the same time and with the same message. It brings them together and allows

people to share ideas and learnings in terms of solving a common challenge.

In addition, we expect to complete the implementation of our new third-party carbon measuring tool. Full implementation will allow for the creation of baseline for tier 1 suppliers based on actual spend. For the first time we will have solid data to act on, design initiatives, set up specific supplier KPIs and otherwise drive our sustainability efforts towards significantly reducing the negative consequences of our work.

## Sharing CO<sub>2</sub>e data is key



Blue Water Shipping, one of our key suppliers for transportation, is calculating our carbon emission caused by their logistic services and is, most importantly, sharing this data with us. This makes it possible for us to initiate actions based on accurate activity-based data.

We are very pleased with Blue Water Shipping's decision of being transparent and sharing data, and we encourage other suppliers to follow their example, thereby supporting our efforts to create a more sustainable supply chain for our customers.



## Supplier Qualification and Code of Conduct

Over the years, we have invested heavily in the supplier qualification procedure to ensure that our supply chain complies with our Code of Conduct as well as the UN Global Compact principles.

In 2020, we launched our new improved digital and user-friendly supplier qualification system. The system is based on a two-dimensional supplier risk assessment and a tier-based supplier segmentation model. This enables suppliers to confirm that they understand, accept and comply with our Code of Conduct and the UN Global Compact's Ten Princi-

ples on human rights, labour rights, environment and anti-corruption. Moreover, we developed the qualification model further in 2021 to get a picture of whether suppliers had implemented a sustainability policy based on the UN Sustainable Development Goals.

It is our annual goal to ensure that more than 90% of our suppliers are assessed and approved in accordance with our supplier qualification procedure. This year, we can proudly say that we have once again achieved our goal.

## Supplier combined risk map

		H	M	L
Spend dimensions	H	HH	MH	LH
	M	HM	MM	LM
	L	HL	ML	LL
HSEQ Dimensions				

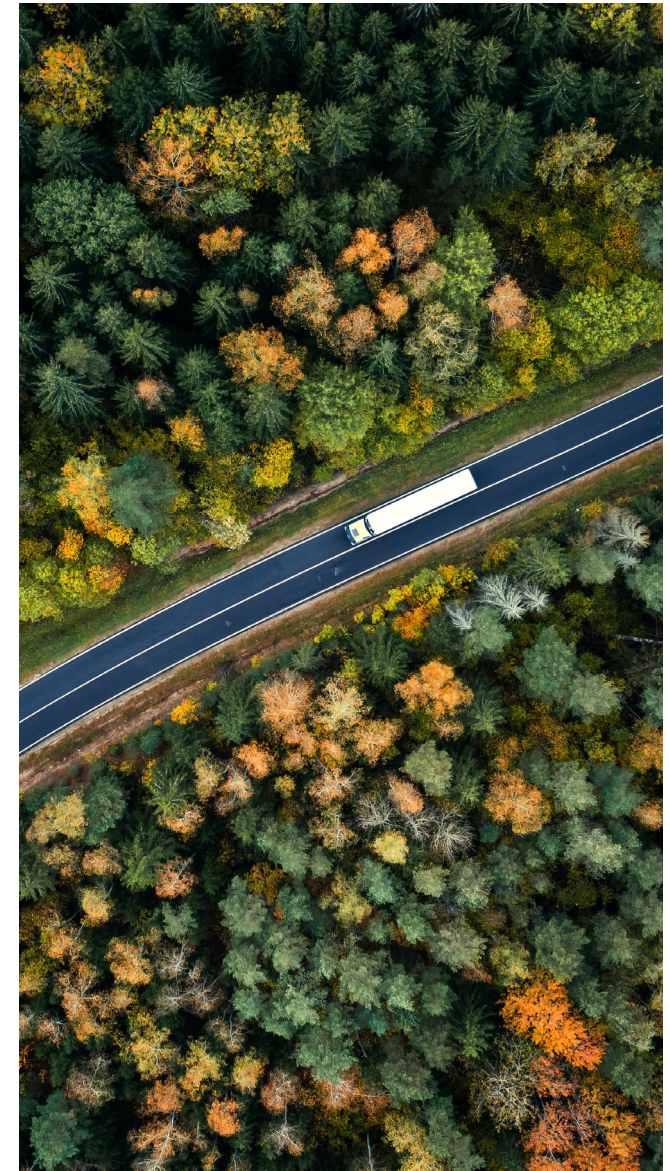
■ Tier I: High-combined risk – full qualification required (SSA CSR + HSEQ, financial, audit if considered relevant)

■ Tier II: Medium-combined risk - SSA CSR + HSEQ

■ Tier III: Low-combined risk – acceptance of SSA CSR form

■ Tier IV: Indirect supplier (except transportation companies which should always be Tier 3, ML) + one-time buy supplies with low risk (remember to state expiry date) + supplier with spending below DKK 5000 including P-card + Component Sales (CS) suppliers + chartering

■ Tier V: External workforce suppliers



# Marketing and exhibitions - with a sustainable mindset

In September 2022, we participated in WindEnergy Hamburg, the largest and most important offshore wind fair in the world.

Prior to the event, we decided to rethink our entire exhibition approach with sustainability as our key focus.

## Changing our focus and changing our look

Our booth was redesigned with a back wall made of recyclable wood. This wall and a large touchscreen set the perfect scene for interesting talks about Semco Maritime, our offerings and our role in the green transition.

At the same time, we made a few additional bold moves for the exhibition. For the first time, we had

NO giveaways, merchandise or gimmicks and we decided NOT to print trade fair brochures. Instead, people could download our brochure via a QR code found at the booth.

## “Cradle-to-cradle” certified business cards

We also implemented new cradle-to-cradle certified business cards in connection with the wind fair. Cradle-to-cradle is a holistic environmental certification that aims to make sure that a product does not pollute, does not consume the earth’s resources and is part of nature’s cycle. This way, our business cards

do not result in any waste, and they are not toxic to people or the environment.

## A strengthened understanding of our sustainability ambitions

Having increased our sustainability focus, it was important that all sales people attending the exhibition received a thorough introduction to our sustainability strategy and initiatives. Everyone was adequately equipped to participate in dialogues with customers and suppliers on sustainability initiatives, ambitions and requirements.



## Top learnings:

We are contributing to protecting the environment by choosing materials with a sustainable mindset.

Small, visible adjustments also count - and they will spark conversation about sustainability.

# Summing up: 2022 ambitions and moving forward

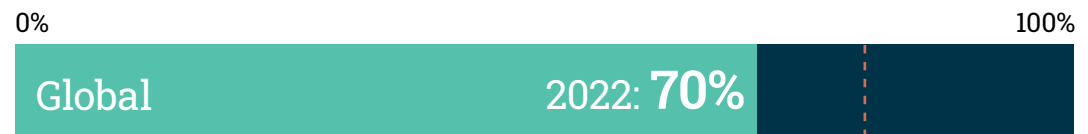
Our recycling rate in Denmark has not improved the past year, and to reach our 2030 ambition of sorting and recycling our waste at the highest value possible, we will increase our focus on this area.

Furthermore, we will extend our focus point to include our sites globally, wherefore one of our key activities for 2023 is to investigate the infrastructure for waste sorting at all our sites.

With the 2030 ambition of creating a sustainable supply chain, we will continue to engage with our suppliers to reduce our carbon footprint and investigate the potential for reusing and recycling the material input used for our products. Specific action will be taken during 2023.



2022 ambition:  
85% recycling of generated waste in Denmark\*



2023 ambition:  
80% recycling of generated waste globally

*\*In 2022, our ambition was for Denmark. Going forward, our ambitions for recycling will be on a global scale.*



# Safe and responsible business

Persisting on zero accidents to ensure a safe working environment.

Obtaining gender equality within our management teams and employees reflecting our industry.

Exploring the value of an inclusive and diverse workforce with equal opportunities for all.







## Running a safe and responsible business

**The third pillar of our sustainability strategy is related to running a safe and responsible business.**

Semco Maritime has been a member of the UN Global Compact since 2007, and the 10 principles (related to Human Rights, Labour Rights, Environment and Anti-Corruption) of the UN Global Compact form the basis of the business practices and Code of Conduct used in Semco Maritime.

At Semco Maritime, we consider safety a core value, and our motto is “Safety is part of our DNA”. We are proud of our safety track record, and “health” and “safety” are core elements of our daily operations. In 2022, we reached 1 year of Zero Lost Time Accidents worldwide!



# Safety is part of our DNA

**"Health" and "Safety" are core elements of our daily operations. For 2022, we set the ambition that our total recordable incident frequency (TRIF) should not exceed 1.2 and our lost time accident frequency (LTAF) should be zero. We ended 2022 with a TRIF of 1.8 and an LTAF of zero.**

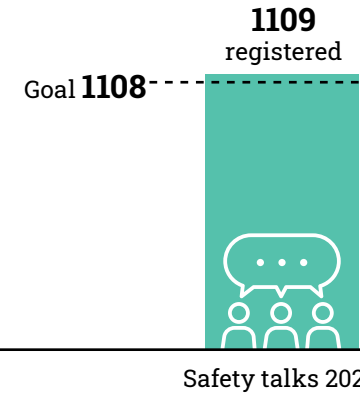
The TRIF safety target of 2022 was not met as we had 8 recordable injuries - 6 medical treatment injuries (MTIs) and 2 restricted work injuries (RWIs). Fortunately, the injuries were not irreversible, and all employees fully recovered. The TRIF improved from 1.9 to 1.8 compared to the year before, and the LTAF safety target was met, as we had zero LTAFs in 2022 which was a huge achievement.

When looking at the nature of the incidents, they are all categorised as "I just had to" incidents, which means that they are related to individual safety behaviour.

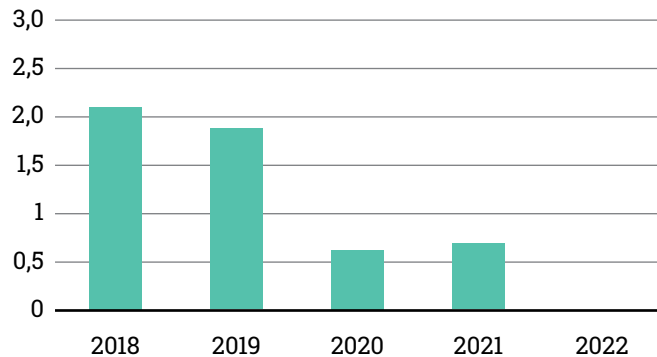
During 2022, we developed safety campaigns focusing on "mental health". We will continue to focus on developing new safety campaigns, as the topic is still relevant in 2023.

### Safety talks

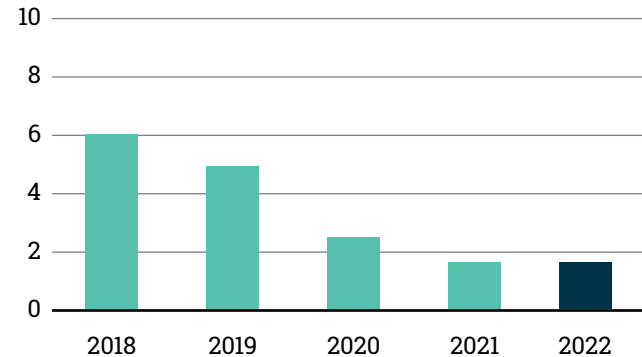
Every year, we also set goals for our safety talks. The safety talk is used as a communication tool for managers to remind employees that health and safety is important. The safety talks can help employees identify and control hazards at the workplace and in their private lives.



**LTAF: Lost Time Accident Frequency**  
Target: 0



**TRIF: Total Recordable Incident Frequency**  
Target: <1.2





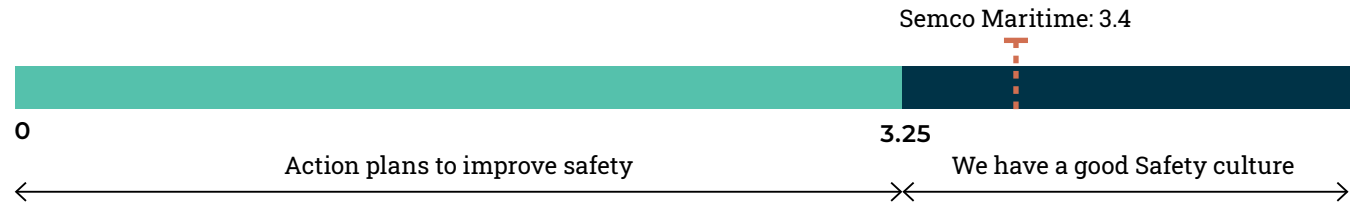
Safety talks demonstrate our shared commitment to health and safety. With the manager acting as a role model and a safety ambassador, the purpose of the safety talk has been fulfilled.

In 2022, we targeted 14 safety talks (adjusted from 18) for each operational manager and 4 safety talks for each administrative manager, equal to 1108 safety talks. We have carried out and registered 1109 safety talks during 2022. A high focus on safety talks and not least the purpose of safety talks have been a driving factor behind this achievement.

### Safety culture survey

In 2022, employees from all sites and locations, both onshore and offshore, were invited to participate in our annual safety culture survey. To be able to compare the results from one year to the next, the survey headlines are the same.

### Safety culture survey

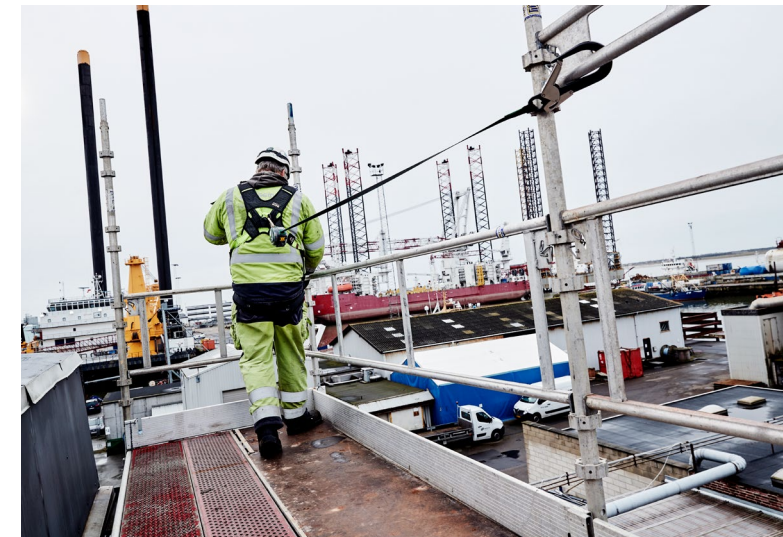


Our target was to exceed the average score of 3.25 on a scale from zero to 4 in 2022. The result was 3.4, which means that we met our target. Despite the satisfying result, we analysed the survey data to identify areas where we could improve. In 2022, we had an increased focus on the importance of employees answering the safety survey. The response rate was 58%, which was an improvement compared to 2021, where the response rate was only 38%.

In 2022, we used a new survey tool. This system enables each manager to see the survey score for his or her department if it has more than 4 employees. This means that more managers are responsible for following up on the survey result, which has triggered a lot of good discussions and dialogues in the departments.

Our 2022 survey results are the best results achieved so far, and especially Danish offshore safety has improved as shown by the numbers. In 2023, we will conduct the Safety Culture Survey again and this year only for offshore and construction sites in Semco Maritime. Our goal is 3.3 and we will also focus on increasing our response rate.

We will continue our key focus on "Safety is part of our DNA" during 2023, and safety talks will remain part of the way we work. We will continue with the goal of 14 safety talks for each operational manager to continue dialogues about safety. Moreover, we will focus on employee behaviour as an action. Our goal is zero LTAFs in 2023 and a TRIF below 1.5.



# Safety campaigns in 2022

In 2022, Semco Maritime launched various HSE initiatives. Our goal was to inspire employees through health campaigns and make them join us in creating new healthy habits - both physically and mentally.

At Semco Maritime, health and safety are core elements of our daily operations. In 2022, the Health, Safety and Environment (HSE) department had an increased focus on health and initiated campaigns to help employees focus on their physical and mental well-being.

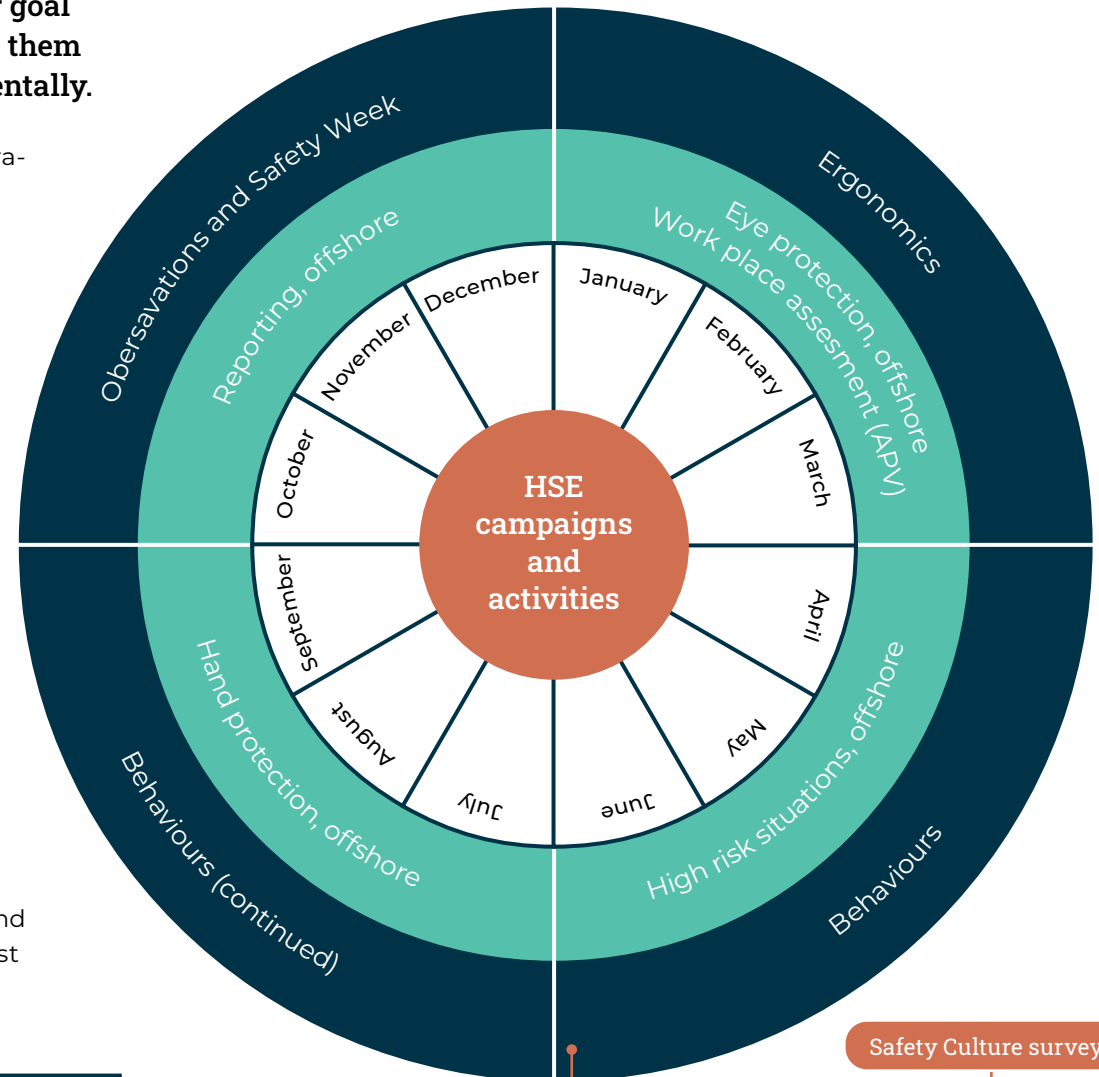
We started off the year with all our employees receiving a "message in a bottle". The idea behind was that people should break themselves of unhealthy habits and patterns and create new healthy ones. It included a simple physiotherapist-designed exercise programme that could be done anywhere, e.g. in the office, in a hotel room or while being offshore.

We also introduced frequency therapy to all employees, and the opportunity to get a health check. We also started up a new recurring event called Safety Week. The main theme of the Safety Week is to ensure that all employees feel safe when at work, securing both physical and mental well-being. Different activities were planned in the divisions to raise our collective participation in safety.

**In 2022, we celebrated 1 year of Zero Lost Time Accidents worldwide.**

For 365 days we managed to keep our LTA scoreboard at a perfectly round zero. One year without LTAs equals 4 million man-hours without any lost time accidents, and this result is only possible because our employees genuinely care about each other.

- Global HSE campaigns
- Local HSE campaigns in Denmark



# We want to be the employer of choice within offshore energy

**In order to play an important role in the green transition we need to focus on keeping our employees happy and motivated!**



The business is growing, and we need resources, both material resources and human resources, to meet industrial demands. Some processes can be automated and digitalised to optimise the use of resources, and our products can be designed with a more circular mindset. Either way, motivated and competent employees are the alpha omega to succeed. We need colleagues to drive projects, get innovative ideas and rethink products and services.

As I said last year, people drive sustainability. They are not only the key for growing together, but also

the key to succeed with a sustainable transition. We have to be smarter and challenge business as usual if we want to be a business in the future.

To do so, we explore the value of an inclusive and diverse workforce with equal opportunities for all. During 2022, we had a strong focus on diversity and gender equality. We have initiated actions to push the agenda further. One of them is the creation of an Advisory Board for Gender Equality (see next page).

Personally, I am proud and humble of winning the HR/D&I/CSR Executive Award at the Danish Diversity Awards 2022. Winning this award has given me many great opportunities to talk about diversity, equality and inclusion; topics that are close to my heart.

When I am talking about these topics at events, both nationally and globally, one of my main messages is to start measuring - to have data backing up the agenda - and to communicate about it. In Semco Maritime, we have chosen some measuring points which we are following closely to see progress and find spots for improvement, and we are regularly sharing data and actions with the organisation.

We continue our work with these important topics,



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“ People drive sustainability. Therefore, it is key for us to position ourselves as the employer of choice within offshore energy to ensure a greener future.

**Thomas Nagbøl Mejlgård, Senior Vice President  
People, Brand and Sustainability**

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and in 2023 it will be an integrated part of our employer branding activity.

Let us ensure a greener future where diversity, equality and inclusion are the fundamentals.

**Thomas Nagbøl Mejlgård  
Senior Vice President  
People, Brand and Sustainability**

# Advisory Board for Gender Equality

**In the summer of 2022, we set up an Advisory Board for Gender Equality with the purpose of:**

- Getting global perspectives on the topics of gender equality, diversity and inclusion, and
- having a group where we openly can discuss ideas, initiatives, impact and results in relation to gender equality and act upon them.

We are very proud of this initiative where some of our

dedicated colleagues spend time on giving valuable input, question status quo and ask for actions. For us, it is also a way of engaging employees in this important topic while benefitting from the knowledge held by the organisation.

The coming year, we will work to activate the group with relevant projects and increase the diversity of the advisory board members.

Here is what three of our members of the Advisory Board for Gender Equality say:



“ I find "Gender Equality" a very important and interesting topic. I think we all have a responsibility to contribute to a good workplace and a healthy and fulfilling working environment. Thus, my motivation for joining the board is to contribute to a safe workplace, where everyone is welcomed and where there are equal opportunities for development.

**Louise Vest Carstensen,  
Group Financial Controller**



“ In order for our company to be a desirable employer in the future, we must be highly attractive in the labour market to attract the right skills. Approximately 50% of the people with the right skills are women and 50% are men. To be able to solve complex tasks going forward in our industry, we must have a high degree of innovation and ability to adapt. A number of studies show that a good gender balance in a company provides just that. My goal in that perspective is that we do not need an Advisory Board for Gender Equality in the future.

**Frid Kuraas, HR Manager**

“ Historic numbers show a need for focus and dedication to close the gap. It is important for me that we as a company strive for fair and equal opportunities. I believe equal balance is required for a fair and collaborative working environment.



**Camilla Tobøl Andersen, Purchasing Manager**

# Caring about the well-being of our people

To retain and attract the most skilled employees, we focus on creating attractive jobs and favourable opportunities for professional development across Semco Maritime.

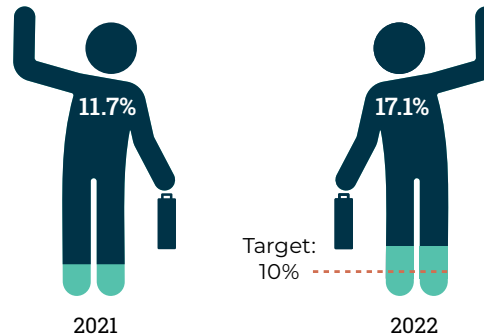
## Voluntary turnover rate

We target a voluntary turnover rate of maximum 10% for our white-collar employees. However, 2022 resulted in a voluntary turnover rate of 17,1% (2021 voluntary rate: 11.7%). An explanation of the increasing rate could be the current development of the job market, showing historically low unemployment and a high level of job openings in all the countries in which we have locations.

With focus on attracting and retaining employees we have created the Dedicated Specialist programme - a new global development programme. The programme was launched in April 2022 and is for specialists in Semco Maritime. To contribute to the development of our employees, we decided to create a customised 1.5-year specialist programme. It is our ambition that the programme becomes a regular part of our development activities.

In 2023, we will be focusing on employer branding to attract and retain employees. We will continue to work on our brand value from an employer perspective, emphasising the strength of having proud and loyal employees. We are working on a smoother onboarding process to ensure successful integration

## Voluntary turnover rate



of new employees across the organisation. Exit interviews remain important factors in understanding why some colleagues choose to leave Semco Maritime, and we use the findings to better understand our strengths and weaknesses.

## Sickness absence

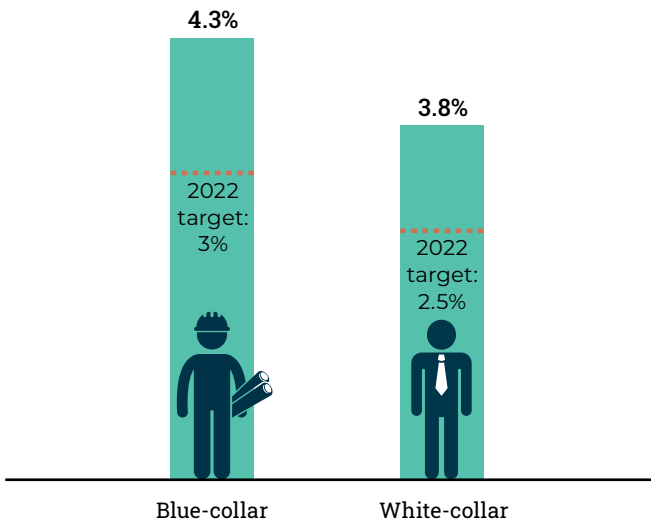
During 2022, we kept monitoring the sickness absence among blue-collar and white-collar employees separately to provide each job type with the necessary attention.

In 2022, our sickness absence for blue-collar employees increased to 4.3%, whereas it increased to 3.8% for white-collar employees. This means that we did not meet our goal of 3% for blue-collar employees and 2.5% for white-collar employees. 2022 started with a lot of illness mainly due to COVID-19, which continued during the first months of the year. Hereafter, the number of people affect-





### Sickness absence in 2022



ed by illness decreased until December where the numbers increased yet again.

In 2022, we developed a sickness follow-up form and a guide on how to manage sickness absence, and we made sure that managers took ownership. Instructions on how to use the material are in place for employee coordinators and managers.

All managers have also received a summary of individual sickness absence during the past 12 months. The lists are distributed once a month. We focus on dialogues with the employees with the highest sickness absence rates.

With this initiative, we get a better understanding of the numbers and the reasons behind them, and we

can take the necessary action and prevent sickness absence as much as possible.

### Personal and professional development

In 2021, we simplified the global process for the personal development dialogue (PPD). In 2022, we have therefore continued to use the annual plan for the processes around our personal development dialogue to ensure a well-structured and well-planned process year after year. In 2023, we plan to stick to this process, which we believe will make us stay on track and keep developing our employees, both personally and professionally.



# Employee Satisfaction Survey

**In 2022, we carried out our employee satisfaction survey, which was rolled out globally in Semco Maritime.**

The employee satisfaction survey provides detailed information about our employees' working life, including job satisfaction and development and some Semco Maritime-specific topics that are important for us as a company. In 2022, we had a response rate of 67%, and this year's employee survey gave us an overall result of 3 out of 4, which met our overall target.

The employee satisfaction survey is completed by both our white-collar (monthly paid) and blue-collar (hourly paid) employees, and we can see that for the white-collar, we have a higher response rate (83%) compared to that of the blue-collar (55%). One of the reasons for the lower response rate for blue-collar could be that they are often working on a project basis, thus feeling belongingness to the specific project rather than the company.

Having reviewed the overall survey results, we are happy to see that Safety Culture, Collaboration, Role Clarity, Meaningful Work and the Semco Maritime Culture all receive a high score. These are important pillars for our future work. While the above areas are areas of strength, we also have areas where we can improve, and here we have chosen Development & Career, Communication and Well-being (stress) to be the three focus areas for 2023.

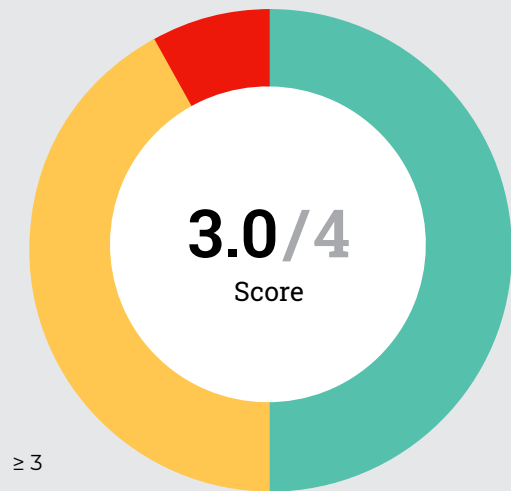
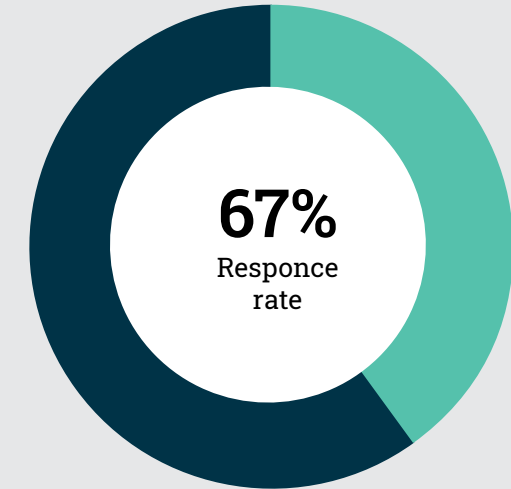
When we look at the responses from white-collar and blue-collar separately, we can conclude that the topics just mentioned are the ones highlighted across the two groups, thus being the focus areas across our business units.

Employee satisfaction survey workshops are carried out in all departments following the satisfaction survey. This enables an open dialogue about the results, both focusing on how to maintain and improve the positive result and which results should be followed up on. At the beginning of 2023, we will initiate global and local initiatives to address the abovementioned theme. We acknowledge that local department results may need a different focus, which will be addressed locally.

From 2023, we will roll out the employee satisfaction survey every year (instead of every second year). As we evaluate the satisfaction data from our employees annually, we will also be able to act upon changes quickly. The next employee satisfaction survey will take place in November 2023.

Instead of setting a yearly target, we have set a 2025-target of an overall satisfaction score of 3.2 as this will help us ensure that we improve in the long run.

## Global results



# Gender diversity and inclusion

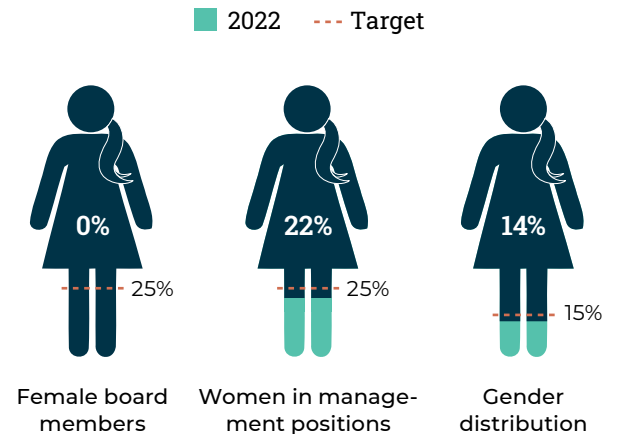
**At Semco Maritime, we strive to create and sustain an environment that actively embraces diversity, secures equal opportunities and fosters inclusion, ensuring that people are completely at ease with being their true selves when they come to work.**

Our aspiration for diversity, equality & inclusion (DEI) is anchored in three pillars (see below) that guide our approach and support the integration of DEI into our core people processes where relevant and possible.

Semco Maritime has the ambition of ensuring a more gender-diverse workforce, and this ambition is not new. As we are part of a male-dominated industry, we have worked to secure more women for Semco Maritime in general and in management positions for several years. In 2022, our goal was as follows:

1. 25% of board members elected at the general meeting should be female (equivalent to 1 woman)
2. 25% of women in management positions (30% by 2023 and 35% by 2024)
3. We will continue targeting an overall gender distribution of 15%.

In 2022, none of the members of the Board of Directors elected at the general meeting were wo-



men as there were no changes to the Board of Directors in 2022. We maintain our goal of 25% by 2023. We monitor the gender distribution in our organisation, and it shows that 22% of our managers are women and that a total of 14% of our employees are women.

## Diversity

We want to attract, develop and retain the right people, as diversity (different perspectives, experience and backgrounds) is a key element for our continued ability to deliver value to our customers.

## Equality

In Semco Maritime, we aim to secure equal opportunities throughout the organisation regardless of social identity. We want to empower our people and ensure a safe platform for everyone to be their true selves at work.

## Inclusion

In Semco Maritime, we aim to empower our people, and inclusion is a vital element to nurture innovation and organisational growth.



### Top learnings:

To move our agenda forward towards a more gender-diverse workforce, we need to share data and learnings from our activities.

2023. Our progress targets for 2023 will be to strive for 30% of women in management positions and maintain the goal of an overall gender distribution of 15%. Moreover, we will continue to support activities, e.g. at vocational colleges and at relevant centres for higher education that help to ensure more female candidates in the industry. We will offer our HR Business Partners further training in biases as we target potential biases in recruitment processes. Moreover, we will kick-start an "Employer Branding" project that aims to reflect diversity and equality of society.

### Promoting a diverse, equal and inclusive workforce

Through 2022, Semco Maritime promoted a diverse, equal and inclusive (DEI) workforce and spoke at several events, both nationally and internationally. We find it important to promote this topic to strengthen DEI activities across businesses. It is crucial to have both male and female role models who take the lead and show that it is not just for women, but for all of us. Through our engagement in different events, we have built more knowledge on how we can work with the topic going forward, and by adding DEI questions in the employer survey we ensure that we gain a valuable insight into our diversity and inclusion directly from our employees.



### Semco Maritime has signed the Gender Diversity Pledge

As a signatory of the pledge and the belonging 16 principles, we are committed to actively contribute to a greater gender diversity in Denmark. We are committed to ensure a gender distribution of 40/60 women/men in management positions by 2030.

In 2022, we have seen an improvement compared to 2021, and although we are close to meeting our progress target, we acknowledge that initiatives are required to reach our goal. Therefore, we will continue to investigate various efforts that might have a positive impact on gender distribution. Some actions have already been made, and in 2022 we removed gender, age and pictures of future candidates in our recruitment system and increased our focus on female candidates for our positions.

Our HR Business Partners will, among other things, support the organisation in increasing female hires in

# Charity and employee engagement

During 2022, we supported several charities, and employee engagement has been a vital part of this support and that makes us proud.



## Waste collection

At Semco Maritime, we care for the environment and during 2022 we held two cleanup days, where we gave back to our local community and collected trash. Waste kits were handed out to employees (and their families) and the event was introduced at all our sites worldwide.

## Danmarks Indsamling 2022 (Danish fundraising campaign 2022)

In collaboration with a local NGO, we asked our employees to donate cast-off children's books and used board games to vulnerable children and their families. For each donated book and game, Semco

Maritime donated an amount to the fundraising campaign. We want to give back to the community that we are part of and received a lot of support from our employees.

## Hospital clowns

We support the hospital clowns who spread happiness and laughter among children in Danish hospitals.

## Giving back to our employees

After the last couple of years with COVID-19, we were finally able to gather our colleagues for a harvest party and a Christmas party. We also invited employees and their families for a Christmas family event.

## Fodboldtrøjefredag (Footballshirtfriday)

Fodboldtrøjefredag is an awareness-raising initiative that supports Børnecancerfonden (the Danish Childhood Cancer Foundation). We encourage employees from all locations to wear a football shirt and support a good cause. For every football shirt worn, Semco Maritime donates an amount to the foundation.

## Knæk Cancer (Danish Cancer Society)

We support the Danish Cancer Society, and in 2022 we had the opportunity to support a good cause and win a Knæk Cancer t-shirt. We received a lot of employee donations, which Semco Maritime more than doubled.



## Vestkystløbet (local run)

In 2022, we were happy to continue our tradition and participate in Vestkystløbet in Esbjerg. We support sporting events in our local community and use the events to encourage employees and families to have an active life together.

# Engaging employees in the sustainability topic

**In Semco Maritime, we believe that change is driven by employees. Therefore, we set up a dedicated sustainability corps consisting of dedicated sustainability agents and dedicated sustainability promoters. The initiative is still in the implementation phase, for which reason no agents have been appointed yet.**

The role of future dedicated sustainability agents is to drive sustainability projects within their divisions. The agents will dedicate some of their time to push the sustainability agenda closer to customers and business partners through sustainability activities.

The role of the dedicated sustainability promoters is to be sustainability allies. The promoters help create a community around sustainability and help to ensure that sustainability is part of our offerings.

Semco Maritime offers sustainability training to the promoters – and future agents – to upgrade sustainability competencies across the business. We look very much forward to incorporating this initiative further.

## Top learnings:

Implementation takes time, and it is hard for new and large-scale initiatives to compete on time with other tasks. Our learning is to start small and then scale up.



# Taking our corporate responsibility seriously

**We are committed to integrity, honesty and fairness in all internal and external relationships and in line with all applicable laws and regulations including, but not limited to, anti-bribery and anticorruption laws.**

As a global company operating in various countries and across different cultures, we know that we run the risk of being directly or indirectly involved in corruption, bribery, facilitation payments and other legal issues. However, corruption, bribery and child labour will never be an acceptable part of doing business with Semco Maritime.

## **Whistle-blower policy**

In 2021, we updated our existing whistle-blower arrangement. The whistle-blower arrangement allows Semco Maritime employees to report risks that may conflict with Semco Maritime policies or current legislation. Others associated with Semco Maritime, e.g. existing and former partners and former employees, can report any non-compliance by sending an email to the whistle-blower mailbox: [\*\*whistleblower@semcomaritime.com\*\*](mailto:whistleblower@semcomaritime.com).

However, we recommend external business partners to report to their contacts in Semco Maritime or to the contacts' immediate superiors, should they observe any non-compliance.

The whistle-blower arrangement is based on a thirdparty digital solution and still enables reporting through written or spoken messages, pictures or

other means. Moreover, the system allows the whistle-blower to stay anonymous and still discuss the matter further with the dedicated whistle-blower officer.

The whistle-blower arrangement is communicated on our internal intranet available to all employees across locations and is an integrated part of our onboarding meetings.

The new whistle-blower arrangement meets the requirements of the EU Directive 2019/1937 and will be provided by a S-a-a-S (Software-as-a-Service) platform hosted by Got Ethics, a secure third-party software provider.

In addition to the whistle-blower policy, we have an anti-bribery and anti-corruption policy, which is based on the six principles of the UK Bribery Act 2010.



Whistle-blower mailbox:  
[\*\*whistleblower@semcomaritime.com\*\*](mailto:whistleblower@semcomaritime.com)

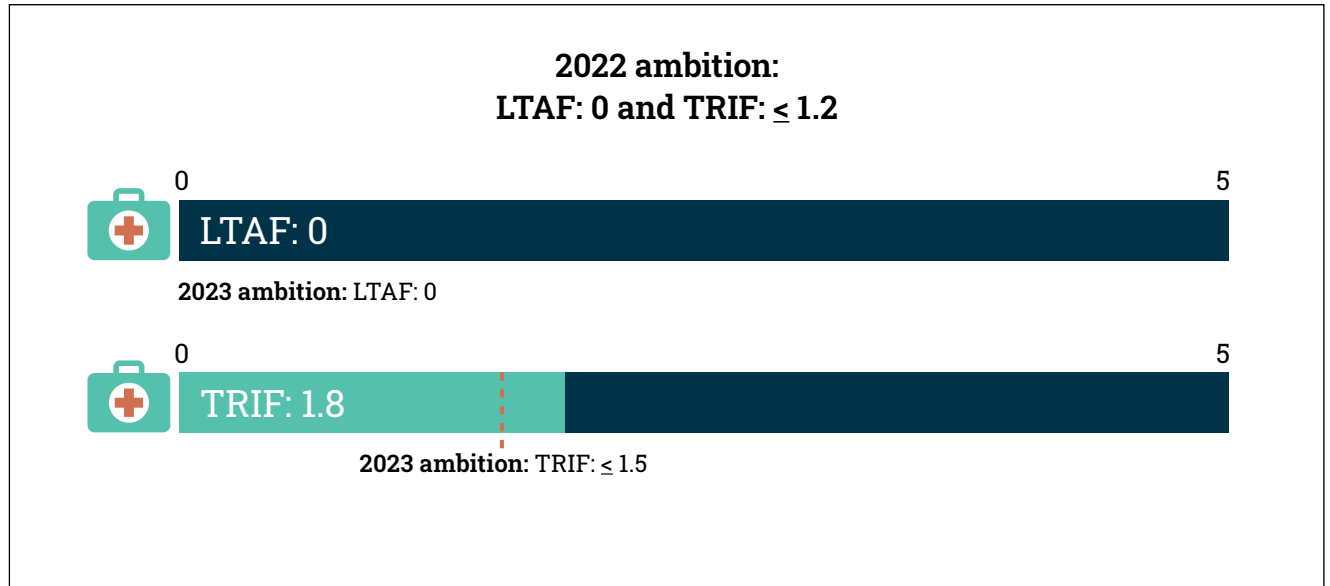
# Summing up: 2022 ambitions and moving forward

**Safety is part of our DNA and therefore we are striving for zero accidents year after year.**

We are proud of reaching the milestone of zero LTAs in 365 days, and by the end of 2022 we reached 447 days of zero LTAs. This has only been possible due to the collective safety efforts and awareness across our business.



It is our ambition that 40% of our management positions across all levels will be occupied by women by 2030. Currently, 22% of our managers are women (2022 target was 25%). We will continue our work to reach our 2030 ambition and are promoting the gender diversity agenda both in-house and externally as we encourage all companies across industries to work for closing gender gaps.





# Overview



# Targets, progress and ambitions

## Decarbonisation

● On target ● In progress ● Actions and extra focus needed

Long-term ambitions (2030)	Ambitions 2022	Ambitions 2023
<p>Carbon neutral in own operations (targeting carbon neutrality by 2050).</p>	<p>50% absolute reduction of carbon emissions in scope 1 and 2, compared to baseline year (2019). ●</p> <p>Engage with selected suppliers on estimating their carbon emissions and initiate planning carbon emission reduction actions. ●</p>	<p>Carbon neutral in scope 1 and 2 (offsetting where needed).</p> <p>Engage with 3 key suppliers to understand their carbon footprint in relation to our value chain.</p> <p>Calculate product carbon footprint for a minimum of 2 chosen products and services.</p>



# Targets, progress and ambitions

## Environmental protection

● On target ● In progress ● Actions and extra focus needed

Long-term ambitions (2030)	Ambitions 2022	Ambitions 2023
Generated waste is 100% sorted and recycled at the highest value possible.	Adjusted recycling of generated waste in Esbjerg: 85% ●  Initiate a case study investigating the potential of optimising the utilisation of resources (starting with steel). ●	Global waste recycling target: 80%  Make gap analysis with the purpose of increasing CDP and Ecovadis score and act upon the analysis.  Initiate a case study investigating the potential of optimising the utilisation of resources (starting with steel).
Sustainable supply chain with 100% material input that is renewable, recyclable or reusable.  <i>(Note: we set this ambition based on current insights and technology, while knowing that innovation is needed to achieve this ambition).</i>	Create baseline for Tier 1 suppliers based on initiated supplier survey. ●  100% of our suppliers are familiar with our customers' sustainability goals and our sustainability strategy and priorities. ●  Establish sustainable material input target aiming for 100% sustainable material input. ●  Investigate alternative packaging for our products and ask suppliers to do the same, targeting 25% sustainable packaging that is either recycled or reused by the end of 2022. ●	Full implementation of the third-party carbon measuring tool. Based on the tool, we will improve the baseline for Tier 1 suppliers.  Start to measure how many of our suppliers have a carbon reduction target.  Conduct a supplier webinar to follow up on the supplier webinar of 2022.  Have started two initiatives related to sustainability within the supply chain with the aim of reducing, reusing and/or recycling resources across the value chain.

# Targets, progress and ambitions

## Safe and responsible business

● On target ● In progress ● Actions and extra focus needed

Long-term ambitions (2030)	Ambitions 2022	Ambitions 2023
<p><b>Safety</b></p> <p>Zero accidents.</p>	<p><b>Safety</b></p> <p>TRIF: ≤1.2 ●</p> <p>LTAf: 0 ●</p> <p>Safety culture survey: Above 3.25 ●</p> <p>Safety talks/year:</p> <ul style="list-style-type: none"> <li>Operational managers 14 ●</li> <li>Admin. managers 4 ●</li> </ul>	<p><b>Safety</b></p> <p>TRIF: ≤1.5</p> <p>LTAf: 0</p> <p>Safety culture survey: Above 3.3</p> <p>Safety talks/year:</p> <ul style="list-style-type: none"> <li>Operational managers 14</li> <li>Admin. managers 4</li> </ul>
<p><b>Labour/Workforce</b></p> <p>Gender balance across all levels of management with a 40/60 distribution (women/men) - Gender Diversity Pledge.</p> <p>25% of board members are to be women.</p>	<p><b>Labour/Workforce</b></p> <p>25% of board members are to be women ●</p> <p>25% women in management positions (35% by 2024) ●</p> <p>15% overall gender distribution ●</p> <p>Sickness absence:</p> <ul style="list-style-type: none"> <li>Blue-collars: 3% ●</li> <li>White-collars: 2.5% ●</li> </ul> <p>Voluntary turnover rate &lt; 10% ●</p> <p>Our goal is to have a satisfaction score of 3 on a 1-4 scale ●</p>	<p><b>Labour/Workforce</b></p> <p>25% of board members are to be women</p> <p>30% women in management positions (35% by 2024)</p> <p>15% overall gender distribution</p> <p>Sickness absence:</p> <ul style="list-style-type: none"> <li>Blue-collars: 3%</li> <li>White-collars: 2.5%</li> </ul> <p>Voluntary turnover rate: &lt; 10%</p>

# Targets, progress and ambitions

## Safe and responsible business

● On target ● In progress ● Actions and extra focus needed

Long-term ambitions (2030)	Ambitions 2022	Ambitions 2023
<p><b>Human rights</b></p> <p>Ensure &gt;90% evaluation rate of suppliers in accordance with our supplier management procedure.</p>	<p><b>Human rights</b></p> <p>Ensure &gt;90% evaluation rate of suppliers in accordance with our supplier management procedure. ●</p> <p>Acknowledge gender diversity by introducing a non-binary option into our employee system. ●</p> <p>Baselining if the diversity of new hires reflects the diversity of the market. ●</p> <p>Including questions on Diversity, Equality and Inclusion in our employee satisfaction survey. ●</p>	<p><b>Human rights</b></p> <p>Ensure &gt;90% evaluation rate of suppliers in accordance with our supplier management procedure.</p> <p>Train our HR Business Partners in biases to create awareness and target non-bias in recruitment processes.</p> <p>Kickstart "Employer Branding" project that aims to reflect the diversity and equality of society.</p> <p>Activate the Advisory Board for Gender Equality with relevant projects and increase the diversity of board members.</p>
<p><b>Anti-Corruption</b></p> <p>All whistle-blower cases are carefully evaluated and processed.</p> <p>Maintain a whistle-blower system that comply with EU standards.</p>	<p><b>Anti-Corruption</b></p> <p>Continue implementing a whistle-blower system that is known by all employees and which is easily accessible and user-friendly. ●</p> <p>All whistle-blower cases are carefully evaluated and processed. ●</p>	<p><b>Anti-Corruption</b></p> <p>Continue implementing a whistle-blower system that is known by all employees and which is easily accessible and user-friendly.</p> <p>All whistle-blower cases are carefully evaluated and processed.</p>

# Policies and standards

These are some of our most relevant policies that help us meet challenges in an environmentally, ethically and socially responsible way.

## ■ CSR in general

### CSR Policy - POL-SEMCO-0001

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 covers the initiatives launched by Semco Maritime to protect the environment, ensure good working conditions and care for society beyond legal compliance.

### Global Compact Procedure - P-SEMCO-0082

By acceding the 10 UN Global Compact principles, Semco Maritime commits itself to prepare a COP report that documents the development and progress within the different areas. The COP report is published on the Global Compact website. We consider the process of a mechanism for assessing and demonstrating our actions in relation to the incorporation of responsible practices into day-to-day operations.

### Supplier Relationship Management - P-SEMCO-0010

Supplier Relationship Management (SRM) is an approach on how to assess, manage and improve supplier performance to a level that reflects the priorities of Semco Maritime and our customers. This procedure will enable procurement professionals to identify critical suppliers

and take strategic approaches to purchasing and thereby reduce supply chain risks and increase profitability.

## ■ Human Rights

### Code of conduct - POL-SEMCO-0013

We have formulated a code of conduct specifically aimed at employees, partners and suppliers. The code of conduct contains our values and ethical guidelines. All employees must know and understand not only the guidelines of the code of conduct, but also the values on which it is based. We are all committed to abide by the wording and the rules of the code of conduct and to help others do so.

## ■ Labour

### Inclusion Policy - POL-SEMCO-0006

Inclusion is part of Semco Maritime's strategy to create an attractive workplace. It is a necessary element for our ability to adapt to the never-ending development of employees, customers and the company as a whole.

### Employee Health Policy - POL-SEMCO-0012

The health policy of Semco Maritime has been developed with the formulated strategy in mind and is based on the values and attitudes that are the hallmarks of our corporate culture.



We want to provide a healthy environment and promote a healthier lifestyle among our employees without invading their personal space and lifestyle.

### Hybrid workplace Policy - P-SEMCO-0454

In Semco Maritime, we support a flexible working environment where the primary workplace is the local office, but where part of a person's work can be done from home. We trust in our leaders' ability to find the best balance for their teams considering the needs and dispositions of individual team members and recognising that there is no common approach to working from home.

### Personnel Policy - POL-SEMCO-0011

The personnel policy applies to all Semco Maritime employees, regardless of title or position. The policy

# Policies and standards



is reviewed on a regular basis and is based on the following core ideas:

- Semco Maritime shall be an attractive workplace characterised by commitment, reliability and responsiveness.
- It shall be possible to pursue a career in Semco Maritime, and the individual employee shall be able to use his or her talents and abilities to the full.
- In Semco Maritime, we are continuously changing and developing our processes. Therefore, we also expect our employees, our most important resource, to participate actively in the process.

## **Drugs and alcohol - P-SEMCO-0087**

Semco Maritime has zero tolerance towards the possession and consumption of drugs during working hours. We expect all employees to come to work

without being under the influence of alcohol or having traces of drugs in their systems.

## **Privacy Policy - POL-SEMCO-0022**

This policy describes the details on the processing, use and disclosure of personal data relating to job applications and the hiring process. It also contains the details on employment relationships, if employed with Semco Maritime, and on the hiring-out of manpower to customers etc.

## **Harassment and violence - POL-SEMCO-0015**

The purpose of this policy is to describe the following elements in Semco Maritime:

- Our attitude towards workplace violence and the course of action to be taken afterwards.
- Our attitude towards psychological workplace violence and the course of action to be taken afterwards.
- Our attitude towards physical and psychological harassment, including sexual, ethical, political and religious harassment and the actions to be taken afterwards.

## **Safety, environment and climate**

### **HSSE Policy - POL-SEMCO-0019**

Our core business is to create safe solutions within the oil & gas industry and the renewables market, as we see an increasing demand for reliable and sustainable energy. Our focus areas are:

- Zero harm to employees and stakeholders, our assets and the environment.
- Delivering a quality that makes us the first choice for customers.

## **Anti-corruption and bribery**

### **Anti-bribery and Corruption - POL-SEMCO-0016**

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 gain an unfair business advantage from any governmental or private entity.

### **Whistleblower arrangement - P-SEMCO-0378**

Our whistleblower arrangement allows employees to report any criminal act and/or other serious risk that could pose a threat to Semco Maritime A/S, the Semco Maritime Group of Companies or any of their employees.

## **We are certified in the following ISO standards:**

- ISO 9001: Quality Management System
- ISO 14001: Environmental Management System
- ISO 45001: Health and Safety Management Standard

# Accounting methodology

## Scope 1 and 2 emissions (page 17)

CO <sub>2</sub> e in tons	2019	2020	2021	2022
<b>Scope 1</b>	<b>251</b>	<b>197</b>	<b>221</b>	<b>258</b>
Mobile combustion	224	190	214	248
Process emissions	4	2	2	2
Stationary combustion	23	5	5	8
<b>Scope 2</b>	<b>544</b>	<b>549</b>	<b>662</b>	<b>465</b>
District heating	210	194	212	192
Purchased electricity	334	355	450	273
<b>Total</b>	<b>795</b>	<b>746</b>	<b>883</b>	<b>723</b>

### § Accounting policy

We are following the Greenhouse Gas Protocol when calculating the scope 1 and 2 emissions. We are using activity-based data and are following the operational control approach. Carbon emissions accounted for in this report cover Semco Maritime A/S. We have 2019 as our baseline year and are reporting on a year-on-year basis.

**Stationary combustion:** Includes gas used for heating at our Aberdeen site, UK. We calculate the emission based on purchase in total.

**Mobile combustion:** Includes company cars for business and private use and company vans at our locations Brygge, Staget and Ballerup (DK), Hanøytangen (NO), Singapore (SG), and Aberdeen and Invergordon (UK). We divide it into 4 categories: petrol, diesel, hybrid and electric. Each of the categories has its own emission factor. For company cars, the emission is based on kilometres in the leasing contract. For company vans, the emission is based on the amount of fuel used.

**Process emissions:** Includes welding gas used at Staget, Denmark. We include 5 different welding gas types and calculate the emission based on purchase in total.

**Fugitive emissions:** N/A.

**Purchased electricity:** We have chosen to calculate the emissions following the location-based approach for all our sites included: Staget and Esbjerg Brygge, Ballerup (DK), Hanøytangen and Stavanger (NO), Singapore (SG), Aberdeen, Invergordon, Grimsby and Norfolk (UK), Gdynia (PL) and Hamburg (GE). We exclude the following locations from our calculation: Norddeich (GE) and Houston (US). We calculate the emissions based on kWh used.

As we have bought Renewable Electricity Certificates (RECs) for the sites in Esbjerg (Staget and Esbjerg Brygge), the purchased electricity carbon emission in Esbjerg has been adjusted accordingly.

**District heating:** We use a location-based approach. The calculation includes our sites in Denmark (Esbjerg Brygge, Staget and Ballerup) and is based on GJ used. Our remaining sites are heated by electricity or gas and are therefore included in the purchased electricity category or the stationary combustion category. At present we are not able to include heating from shared offices.

# Accounting methodology

## Waste management (page 25)

%	2021	2022
<b>Global</b>		
Recycling	75	70
Special treatment	2	10
Combustion	23	16
Disposal	0	4

### § Accounting policy

Percentage of total amount of sorted waste separated into the following four waste types including data from our two locations in Esbjerg (Bryggen and Staget) and for Norway:

**Special treatment:** Hazardous waste such as chemicals.

**Disposal:** Waste that cannot be recycled or incinerated, such as contaminated soil.

**Combustion:** General waste, which we are not able to sort at present.

**Recycling:** Sorted waste such as steel, paper and plastic that are reprocessed to be used in a new product.

We adjusted the recycling category in 2021 and this is therefore our starting point.



# Accounting methodology

## Safety (page 34)

Safety key figures	2019	2020	2021	2022
LTAf	1.9	0.7	0.8	0
TRIF	4.4	2.2	1.9	1.8

### § Accounting policy

**LTAf - Lost Time Accident Frequency:** Includes accidents where the injured person is unable to carry out work for more than 24 hours.

Lost Time Accident Frequency is the number of lost time accidents per million working hours.

**TRIF - Total Recordable Incident Frequency:** Is the total number of recordable injuries per million working hours. Recordable injuries are the sum of Lost Time Accidents, Restricted Work Injuries and Medical Treatments.

Restricted injuries are injuries where the injured person is unfit for full performance of the regular job.

Medical Treatment Injury is a work injury which requires treatment beyond normal first aid.

# Accounting methodology

## Wellbeing of our people (page 39)

%	2019	2020	2021	2022
<b>Sickness absence</b>				
Overall	2.7	3.3	3.5	-
White-collar	-	-	2.6	3.8
Blue-collar	-	-	4.2	4.3
<b>Voluntary turnover rate</b>				
White-collar onshore	8	7	11.7	17,1
<b>Gender distribution</b>				
Women in board positions	0	0	0	0
Women in management positions	21	25	19	22
Overall gender distribution	14	14	14	14

### § Accounting policy

**Voluntary turnover rate:** Includes the turnover for white-collar onshore and is calculated based on the number of voluntary resignations compared to the average headcount.

**Sickness absence:** Percentage is calculated based on the number of hours absent due to own illness compared to the total number of hours.

To increase the transparency and to differentiate our activities, if necessary, we are now categorising the sickness absence into a white-collar (monthly paid employees) and blue-collar (hourly workers) section.

**Women in the board:** Number of women represented in the board compared to the total number of board members. The number includes board members elected at the general meeting and exclude board members elected by the employees.

**Women in management positions:** Number of women holding a management position compared to the total number of management positions, thus including all levels of management.

**Overall gender distribution:** Number of female employees compared to the total number of employees worldwide.

# Accounting methodology

## Adjusted categorisation of scope 1 and 2 emissions

The categories from the Reporting year 2021 are covered by the Greenhouse Gas Protocol categories as follows:

Reporting year 2021	Reporting year 2022
Heat (partly)	Stationary combustion
Company vans Company cars Fuel	Mobile combustion
Welding gas	Process emissions
Electricity	Purchased electricity
Heat (partly)	District heating

## Adjusted emission factors

We have changed emissions factors for the following categories:

Category	Reason for adjustment
Mobile combustion, diesel cars	Wrong emission factor was used
Mobile combustion, electric cars	Wrong emission factor was used
Stationary combustion, gas for heating	Wrong emission factor was used
Purchased electricity, location-based	Emission factors for locations have been updated

## § Accounting policy

In the Sustainability Report 2021, we shared our carbon emissions within scope 1 and 2 based on the following categories:

- Company vans
- Company cars
- Fuel
- Welding gas
- Electricity
- Heat

To follow the Greenhouse Gas Protocol categories, we are now reporting on the following categories:

- Stationary combustion
- Mobile combustion
- Process emissions
- Purchased electricity
- District heating



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