

Sustainability report 2023

# Heading towards a greener future - together!



# Contents

## Welcome to Semco Maritime's sustainability report for 2023.

This report constitutes the statutory report on Corporate Social Responsibility cf. § 99a 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

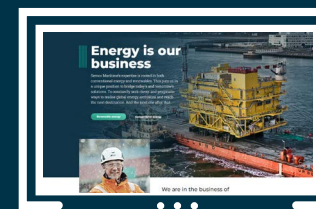
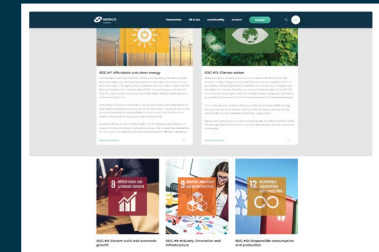


### Annual Report

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.





# A commitment to making a positive impact

**Semco Maritime is dedicated to sustainable growth and to making a positive impact on people and planet. I am proud of the commitment and engagement shown by our employees in driving meaningful change. Together, we are transforming our industry, advancing clean energy and exploring innovative green technologies.**

As the focus on sustainability intensifies globally, we are working to meet demands for carbon data, mitigate adverse environmental impact and align with responsible business practices such as due diligence in the value chain. Our Code of Conduct has been revised to reflect these developments, repeating our commitment to performing responsible management.

Safety is at the core of our business. It is not just a priority, it is part of who we are. Through safety moments, safety talks and campaigns, we uphold this value with pride.

The introduction of the 6 safety behavioural principals in 2023 further reinforces our commitment. Addition-



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

ally, we now offer 'walk and talk' meetings, recognizing that safety encompasses both physical and mental well-being. As we move forward, we continue prioritizing safety, knowing it is essential to our success and the well-being of our employees.

Since the launch of our sustainability strategy in 2021, we have made progress in reducing carbon emissions. Our goal is to achieve carbon neutrality in scope 1 and 2 by 2023. We have identified company cars, vehicles, heat consumption and electricity consumption as being major contributors to these scopes and have taken steps towards achieving our targets. Furthermore, we compensate for the carbon reductions that may be lacking by supporting a wind farm in Vietnam as part of our responsibility to promote cleaner energy in a country where we are present.

We remain committed to reducing carbon emissions further beyond 2023 and aim for climate neutrality in our operations by 2030.

## Data-driven progress

In 2023, we focused on data enhancements, formalising carbon accounting practices, implementing a measuring tool for analysing carbon hotspots across our operations and – as a critical step in our decarbonisation journey – collecting climate data directly from our supply chain.

Looking ahead to 2024, preparing for future require-



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

ments will be crucial. Moreover, we continue to enhance our data capabilities and deepen our understanding of product carbon footprints and our impact on environment and society.

Sustainable growth is our responsibility. Committed to making a positive impact on people and planet, we embark on the next chapter of our journey.

**Steen Brødbæk, CEO**

# Highlights



## Decarbonisation

Scope 1 and 2 reductions:

70% absolute  
reductions



## Environmental protection

Recycling of waste:  
56%



## Safe and responsible business

Women in  
management positions:  
19%

Lost time accident frequency:  
0.4





# Bridging today's and tomorrow's energy solutions

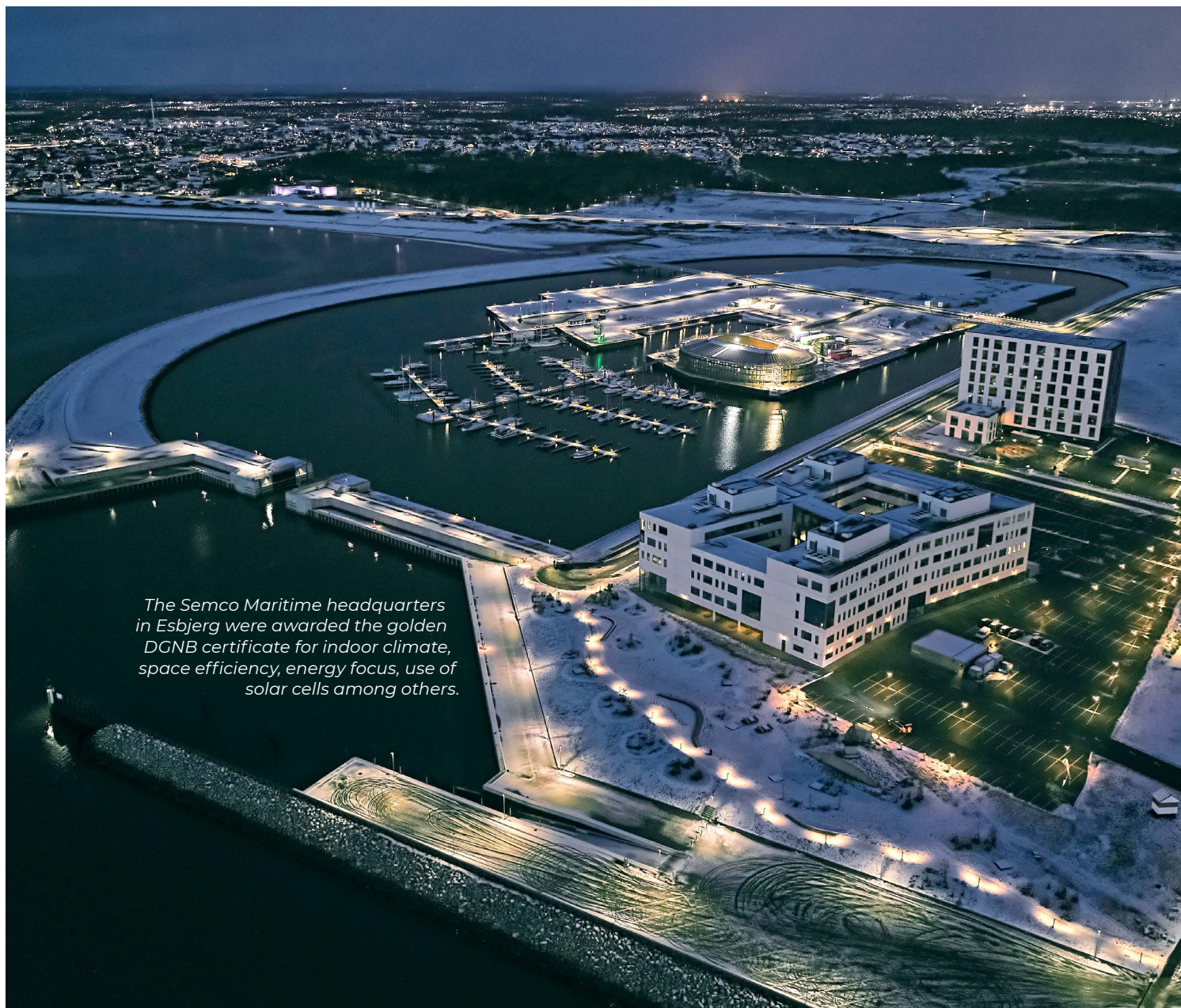
**Driven by the challenge. Powered by innovation. And building on 40 years of dedication.**

To fulfill the vision of a fossil-free future, we need conventional and renewable energy sources to coexist effectively until the day when renewables can fully keep the world running.

Semco Maritime is an international engineering and contracting company with 2,400 employees and more than 40 years of dedication rooted in both the conventional energy sector and the offshore wind industry.

And since Semco Maritime is deeply rooted in the challenges of both the conventional energy sector and the offshore wind industry, we are in a unique position to bridge today's and tomorrow's solutions. Constantly seeking clever and pragmatic ways to realise global energy ambitions.

We do this through comprehensive project management across all phases of energy projects together with world-leading partners across the globe.



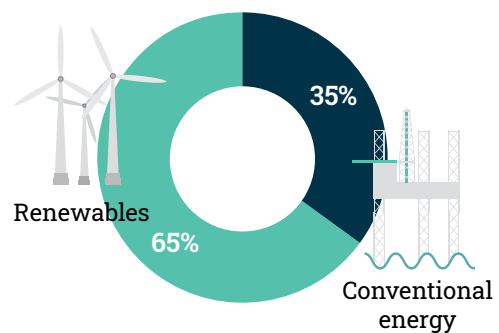
*The Semco Maritime headquarters in Esbjerg were awarded the golden DGNB certificate for indoor climate, space efficiency, energy focus, use of solar cells among others.*

# Our business model

## Motivation

We enable a safe and sustainable energy transition

## Markets

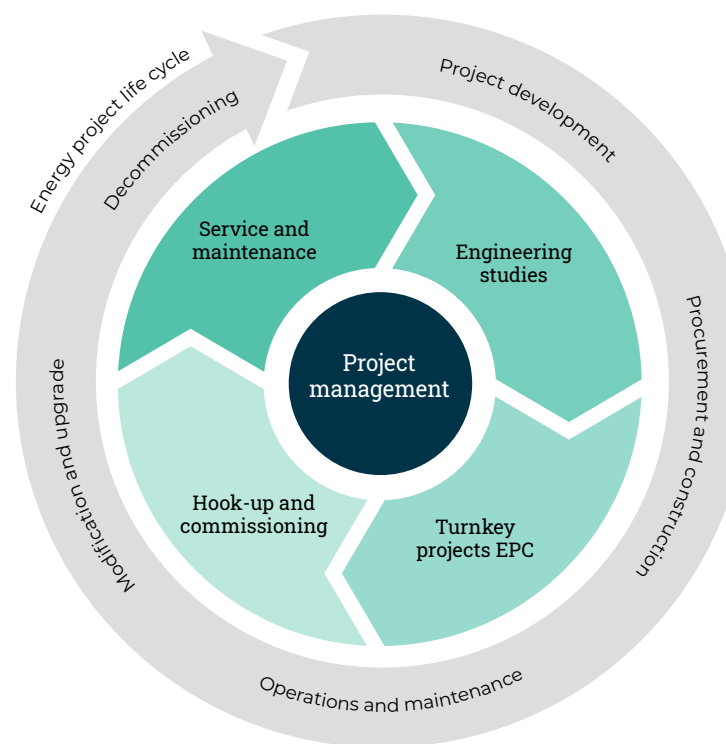


## Group targets 2027

- Revenue split between Renewables and Conventional energy 65% / 35%
- EBITDA margin of ~7%

## Value creation

- based on affordable, reliable and sustainable solutions



## 7 drivers

- Safety:** Reducing number of work accidents to zero
- People:** Employer of choice within offshore energy
- Sustainability:** CO<sub>2</sub> neutrality in own operations by 2030
- Customers:** Preferred partner and top 3 in core market
- Partners:** Strong partnerships to support growth
- Service:** 40% from OPEX business
- Execution:** Affordable  
- Reliable - Sustainable

Safety

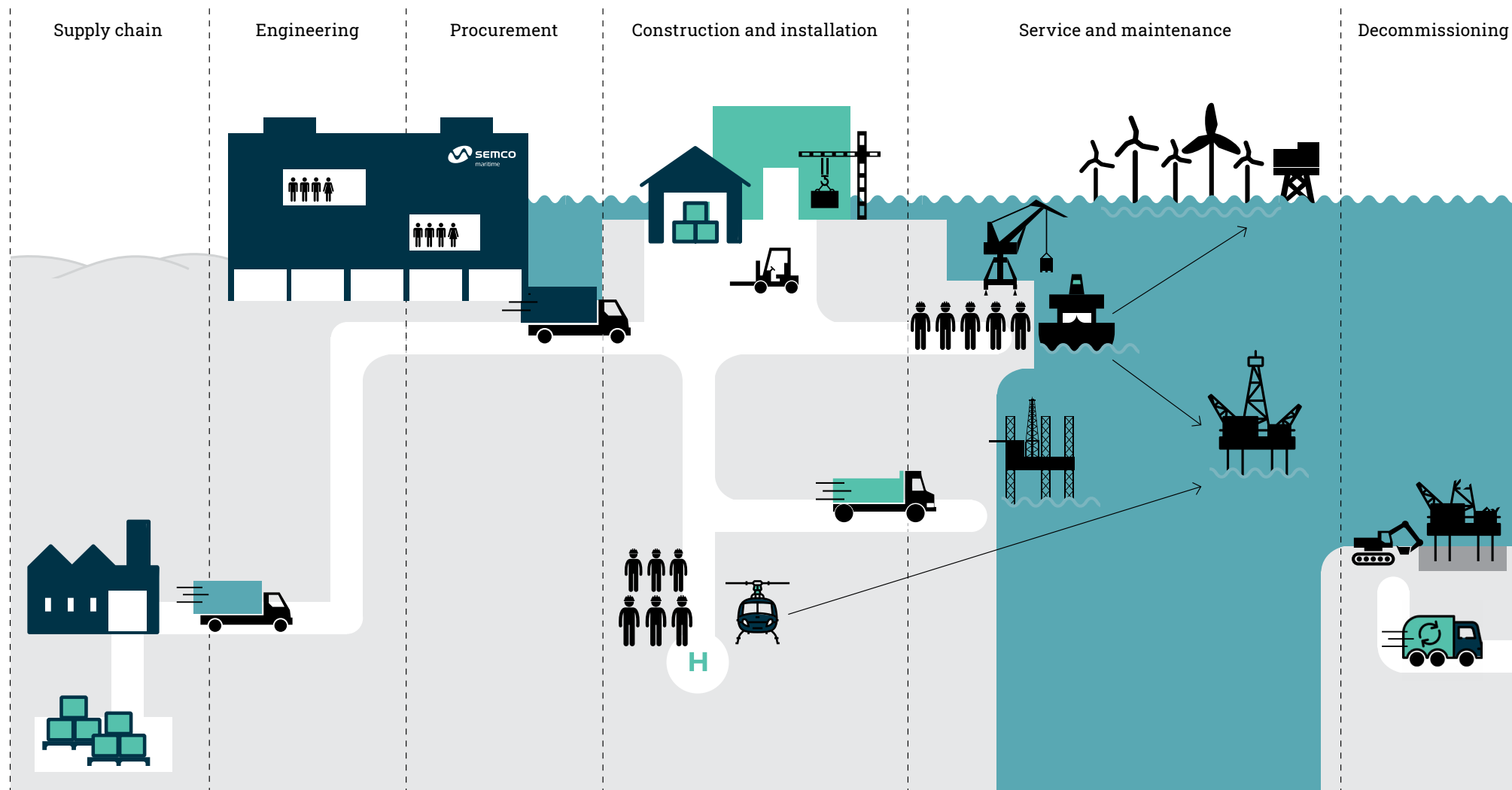
Commitment

Responsiveness

Reliability

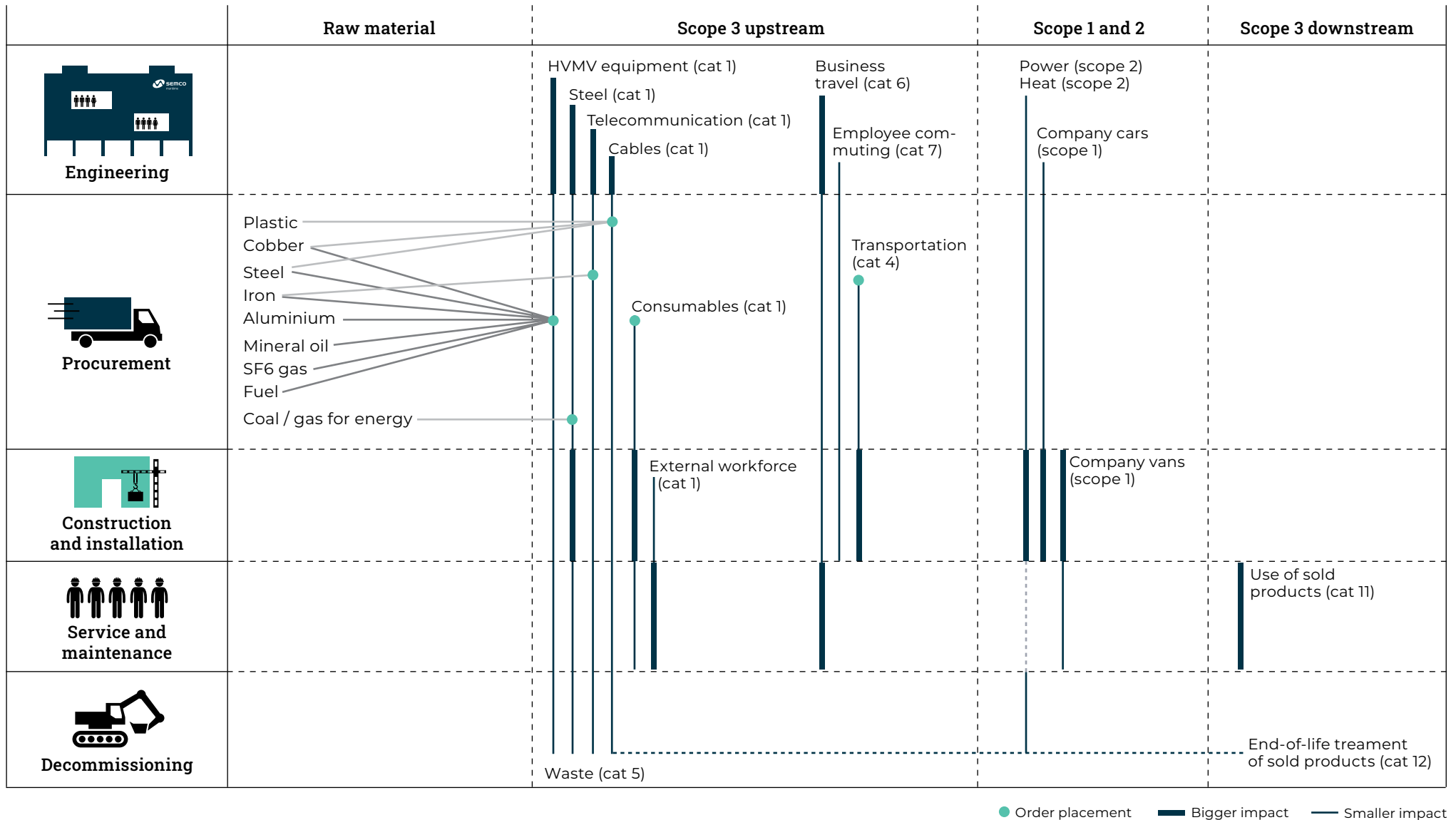
Inspiration

# Value chain overview





# Decarbonisation focus areas



# Our sustainability strategy

In 2021, Semco Maritime framed 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 the opportunity to make a positive difference. The sustainability strategy reflects the biggest risks and opportunities defined within the three areas.



## 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 13](#) onwards we 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. From [page 21](#) onwards you are guided through our waste management and supplier engagement.



## Safe and responsible business

Safety is a core value at Semco Maritime, and we live by the motto "Safety is part of our DNA". Health and safety are key elements of our day-to-day operations, and we take great pride in our safety track record. Pillar 3 gives an insight into our safety figures, work environment, diversity figures 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 serves as the foundation for all our sustainability activities.

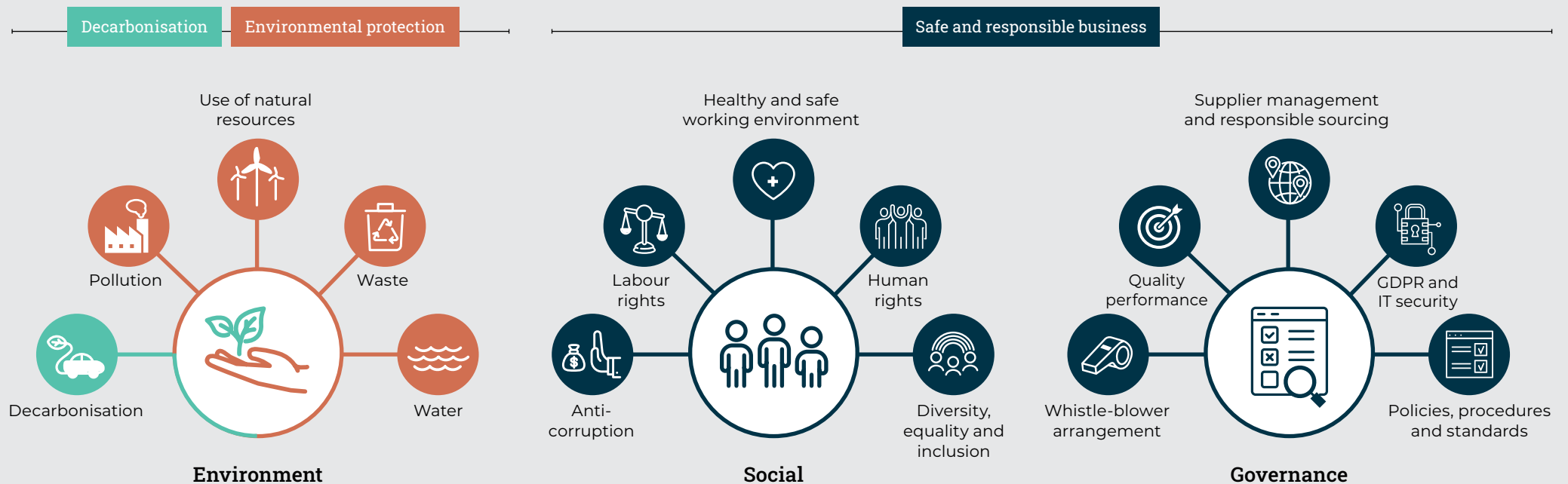
To track our progress within each of our focus areas, the sustainability report is structured according to

the three strategic pillars of the sustainability strategy. Additionally, the ESG (Environment, Social and Governance) terminology is incorporated to ensure a holistic approach to sustainability.

Below, we have combined the focus areas of our

sustainability efforts into the official ESG categories to enable comparison and transparency, also in relation to risk mitigation related to climate, environment and social aspects.

## 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 are most relevant to our company and industry.

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



In alignment with SDG #13, our sustainability strategy outlines our roadmap to reach carbon neutrality. We are addressing this goal 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!

## Molten Salts Storage System (MOSS)

In September 2023, Hyme Energy started the construction of a new energy storage plant based on molten salt. The MOSS project is supported by a strong consortium of partners, including Semco Maritime who will accommodate the plant in Esbjerg.

The new energy storage facility is built as a demonstration plant and will store green power from wind turbines in molten hydroxide salt – also known as drain cleaner.

The technology will play a significant role in the energy transition, enabling the industry and utilities to replace fossil fuels with green power for heat and steam production. Heat consumption accounts for half of the world's energy usage and is responsible for 40% of global carbon emissions. Upon completion of the MOSS project in Esbjerg, the intention is to transition the pilot plant into commercial use in 2026.

Read more about The MOSS project [here](#)



Photo: KirtxThomsen



## Floating offshore substation (FOSS)

Funding to further develop a floating offshore substation (FOSS) concept has been secured by Semco Maritime and partners.

The floating offshore substation (FOSS) is a vital element in the offshore wind farm industry as we will see deeper marine locations further away from the coastline going forward. Traditional offshore wind farms are installed on the seabed, but at depths greater than approximately 80 metres, this method becomes costly and challenging. Between 60 and 80% of the world's offshore wind energy potential is found in areas with water depths greater than +60 metres, which necessitates an alternative approach, such as floating offshore substations, to efficiently transmit power to shore.

Read more the floating offshore substation concept [here](#)





# 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 avert catastrophic climate impacts. Therefore, decarbonisation has been assigned as the first pillar and primary focus of our sustainability strategy.**

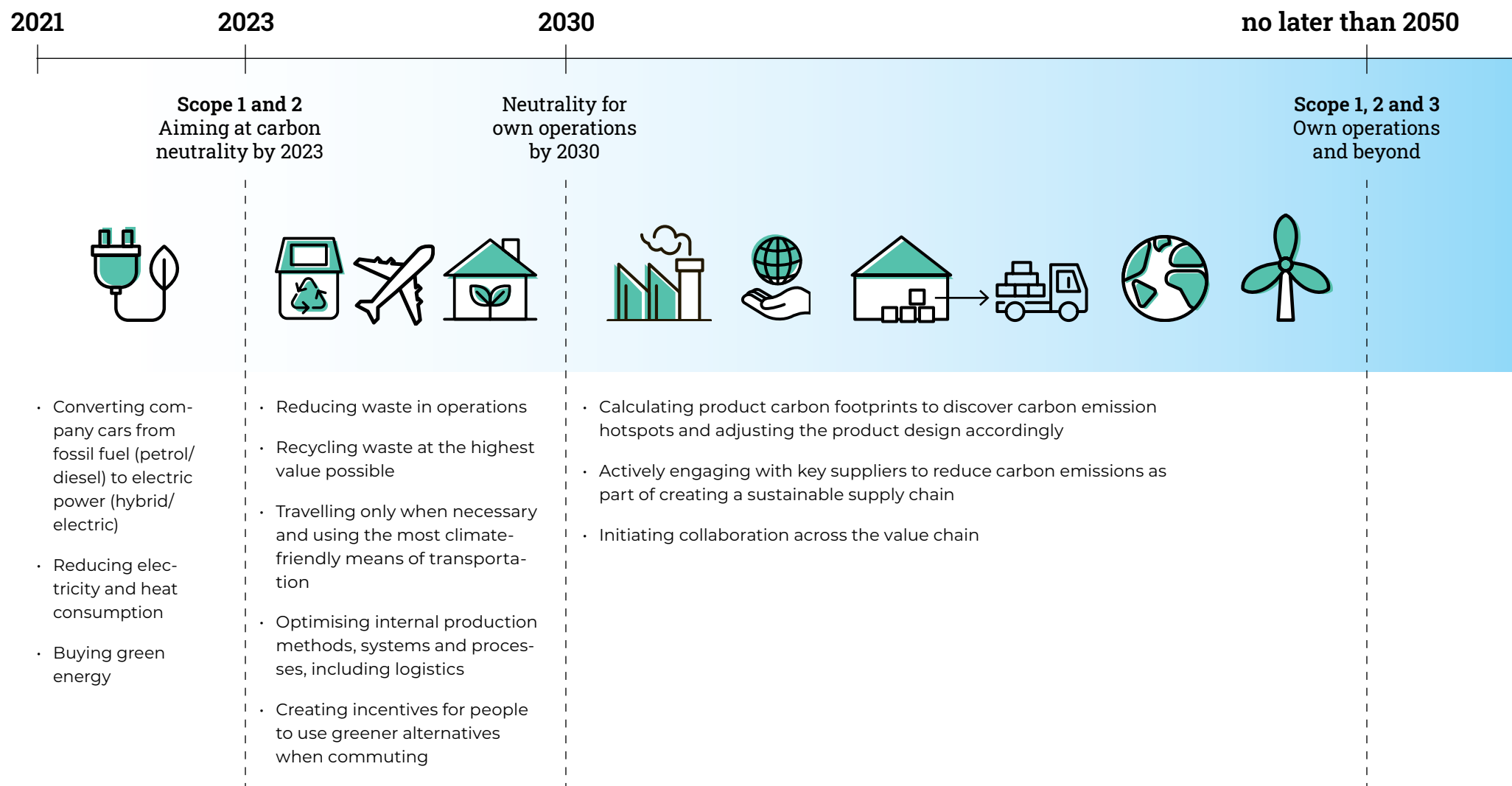
We are committed to playing our part in enabling the transition towards a sustainable energy future in alignment with SDG #7 and SDG #13.

### **Our commitment is actualized by:**

- Growing the renewable energy sector, thereby increasing the share of renewable sources in the global energy mix;
- Influencing sustainable practices in the oil & gas industry and in hybrid technologies;
- Our own operations and by influencing our supply chain.



# Roadmap to carbon neutrality



# Mapping our carbon emissions

**The journey of decarbonisation is dynamic. Carbon accounting is a new practice, and we are laying the tracks while the train is in motion. This ongoing process not only drives us forward, but also enhances our understanding of our data, as evidenced over the previous year.**

2023 has been our data improvement year. We calculated our baseline in 2021 based on the first initial mapping. In 2022, we made some minor adjustments in the dataset, with special focus on emission factors. As supplier-specific emission factors offer precision, we have chosen to replace our updated average emission factors from 2022 with the supplier-specific emission factors. This causes some changes in the carbon footprint. Methodology, emission factors etc. are shared on [page 61](#).

Additionally, the acquisition of Wind Multiplikator in 2023 introduced more data points. In line with our recalculation policy we have included data from Wind Multiplikator, increasing our carbon emissions from 2019 until now.

## Absolute reductions in scope 1 and 2

With the initiatives already implemented, we have reduced our scope 1 and 2 by 70% in 2023 compared to our base year (2019).

The decrease is mainly due to our investments in green energy in Denmark, Norway and Germany and the reduced need for gas heating resulting from an office relocation in Aberdeen, UK. Moreover, a lower heat consumption in Esbjerg has led to lower emissions from district heating.

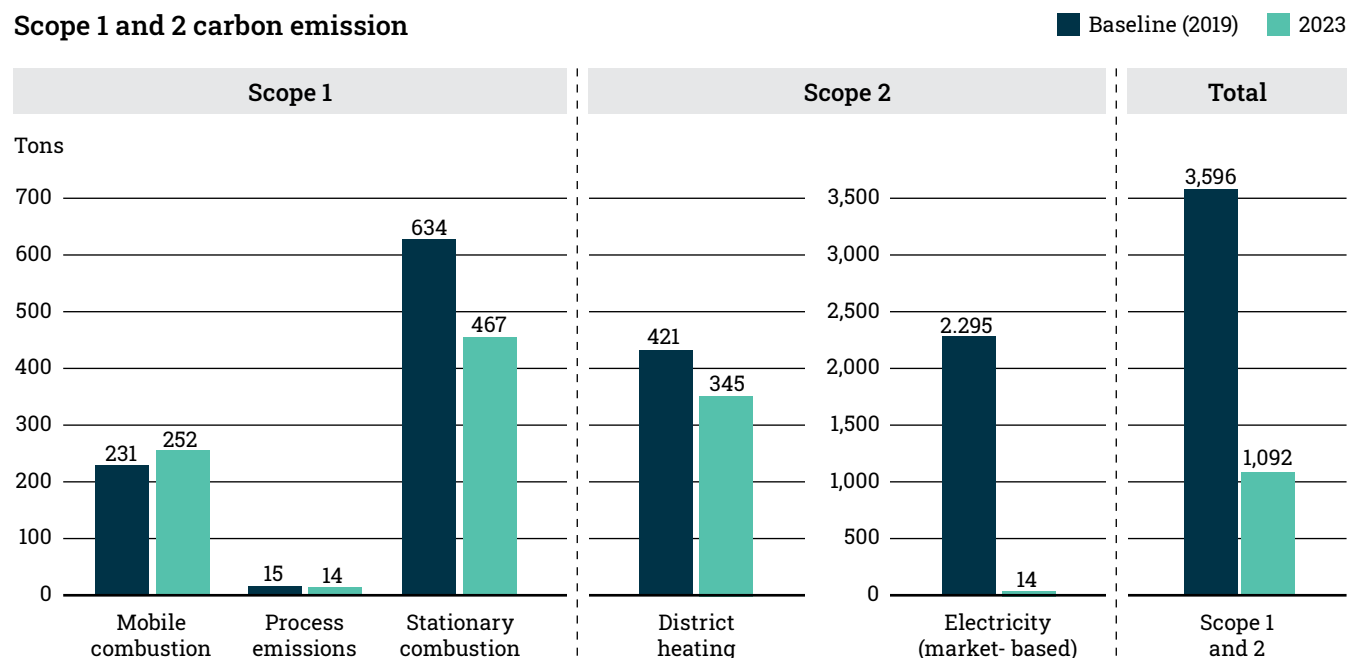
On the other hand, we see a rise in emissions from mobile combustion. This is due to increased operational activities causing a higher number of kilometres driven by company vans (yellow plates). We are investigating the opportunity of converting all company vans from fossil fuel to electric power, thus following the reduction strategy laid out for the company cars (white plates).

While acknowledging progress, we also recognize the fact that we have not fully reached our goal. We compensate for the missing carbon reductions by supporting a coastal wind farm project in Vietnam. The project is certified according to the Gold Standard and the Clean Development Mechanism (CDM).

As we move into 2024, we persist in our commitment to reducing scope 1 and 2 emissions and are broadening our efforts to include scope 3 emissions.

We have investigated the possibility of reducing our

## Scope 1 and 2 carbon emission





process emissions by changing the gas types used for welding at our workshop at Staget. Welding gas is determined by its intended application and the preferences of the welder. If we changed the gas types used, we would have to change our welding procedures. Besides, the changes would have a low impact on our carbon footprint. Consequently, we have decided not to proceed with this initiative for now.

### Working with scope 3

Our objective is to achieve carbon neutrality in own operations by 2030, comprising canteen operations, water consumption, waste management, transportation, business travel, employee commuting and fuel and energy-related activities within scope 3. Enhancing our carbon footprint data involves ob-

taining activity and supplier data for accurate estimates and a solid foundation for emission reductions. Despite progress, we acknowledge the journey ahead, outlining carbon accounting methods on [page 61](#).

Some initiatives have already been introduced to reduce the emissions related to the specific categories mentioned below, taking the initial steps towards achieving our goal.

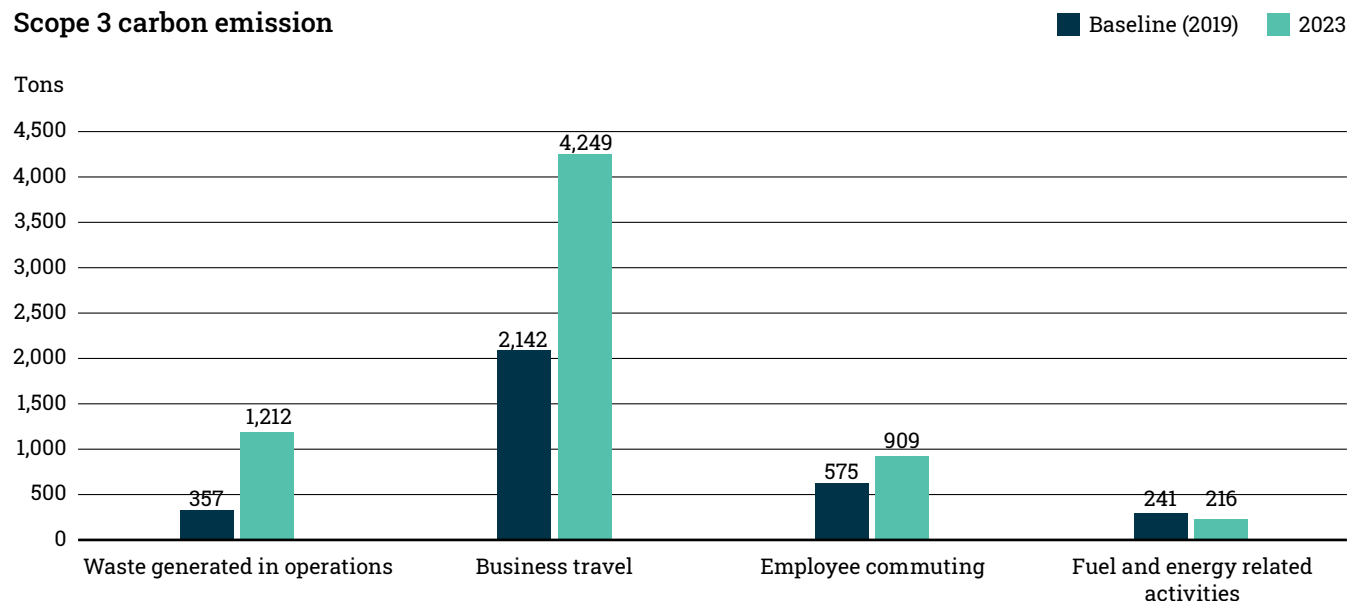
### Scope 3 developments - 3 deep dives

The initiatives have already contributed to lowering carbon emissions, as demonstrated by the improvements in the canteen at our headquarters. The canteen has had an increased focus on reducing food waste,

### Examples of initiatives already introduced and with a positive impact on our carbon footprint:

- Global waste recycling targets to optimise the use of resources
- New canteen supplier to focus more on green alternatives and organic opportunities
- Customised carbon emission reports from key transportation suppliers, providing insight into our transportation hotspots
- Pilot project focusing on business travels (case shared in [Sustainability Report 2022](#))
- Communication encouraging employees to carpool when participating in the same meetings, conferences etc.

### Scope 3 carbon emission



but also on introducing green alternatives to meat. Moreover, using locally grown food and food in season has been a priority, which has resulted in a reduction of 13% of CO<sub>2</sub>e per ton of food consumed from 2022 to 2023.

Employee commuting emissions (carbon emissions caused by people travelling between their homes and workplaces) are increasing along with our growing business. However, the carbon intensity caused by commuting is steady when looking at the development from 2022 to 2023. This is due to the use of aver-



age numbers, both in relation to travel distance and emission factors. Thus, every employee is contributing with 6 tons of CO<sub>2</sub>e, based on average commuting distance. Our ambition for 2024 is to improve the data within the employee commuting category to be able to calculate a more accurate carbon footprint.

Over the last five years, our transportation and distribution activities have remarkably increased. We have analysed our activities within one of our key shipping partners, and the kilometres linked to our operations increased from 60.000 kilometres in 2019 to 3.9 million kilometres in 2023. Corresponding, the emissions also increased (43 t CO<sub>2</sub>e in 2019 to 388 t CO<sub>2</sub>e in 2023). Air travel makes up 76% of the 2023 emissions, primarily caused by our activities in Vietnam. Excluding air travel completely, 2023 emissions would be 93 t CO<sub>2</sub>e.

### Carbon intensity

As increased carbon emissions are related to increased activities, we take carbon intensity into account when assessing the development. The carbon intensity is calculated in relation to net revenue. As we have not calculated the full scope 3 carbon footprint yet, the carbon intensity would not correspond to reality. Therefore, we omit the carbon intensity figure in this report.

### 2024 activities

Knowing that we still have data gaps, also within the shared scope 3 categories, our data improvement activities continue into 2024 where we will have special focus on the water consumption data from all our locations. We will also carry out a survey among employees regarding their commuting habits to gather information on the frequency of office days, means of transportation etc.

In line with this focus, we will undertake two Life Cycle Assessment studies to enhance our understanding of the environmental impact of our services and products. These studies will also be the foundation for creating a full scope 3 estimate primarily based on activity data.

Reducing carbon emissions across scope 1, 2 and 3 remains a key priority, and we will investigate the opportunity of reducing emissions associated with transportation. Our goal is to reduce the overall carbon footprint by 3.5% compared to our baseline year.

# Decoding sustainability: Life Cycle Assessments of our products

**Semco Maritime has started using Life Cycle Assessments (LCAs) to unveil the carbon emission hotspots of company products. During 2023, we prepared our first LCA study of the electricity conversion from the Vineyard Wind Offshore Substation (OSS).**

Calculating the product carbon footprint of our products and services is part of our decarbonisation roadmap (page 15). Within the industry, we are experiencing an increased number of questions regarding product-specific carbon emissions and, in particular, initiatives targeted to reduce the common carbon footprint across the value chain.

In response to the increasing demand for decarbonisation – and our ambition of becoming carbon neutral across all scopes no later than 2050 – we regard LCA studies as our knowledge base for making decisions based on data.

Moreover, LCA studies serve as the foundation for dialogues with business partners. We need to join efforts for the successful decarbonisation of our operations.

## Facts about the LCA study

Firstly, the purpose of the study was to obtain an initial assessment of the product carbon footprint of a substation. The accumulation of knowledge regarding the environmental impact caused by materials, equipment, transportation and operation associated with an offshore substation (OSS) project has started interesting dialogues in-house. Secondly, the methodology and results of the LCA study will be used to develop a framework

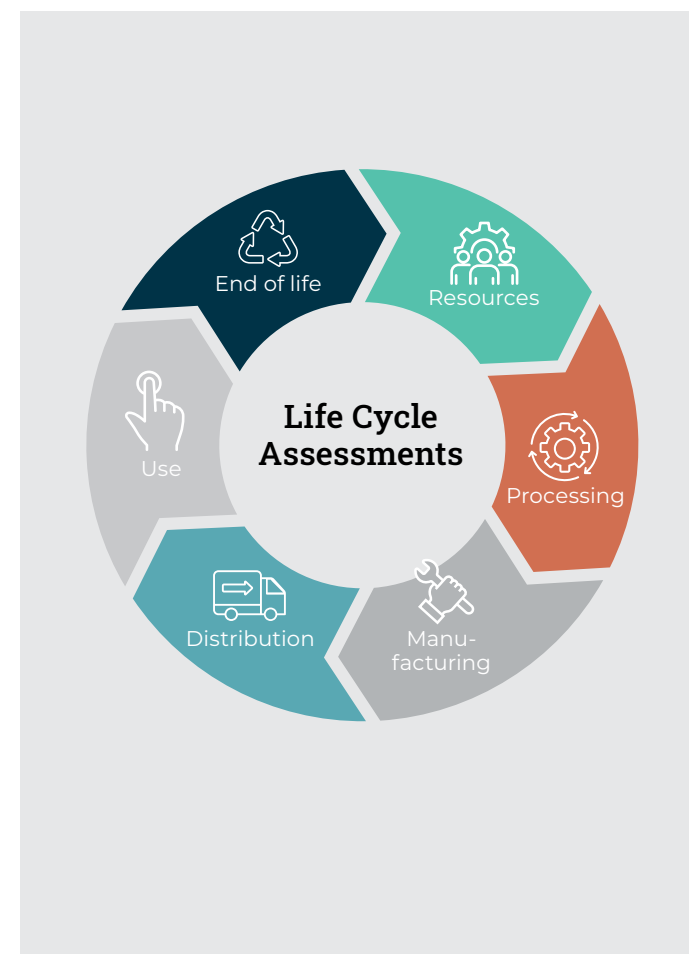
to enhance our knowledge of emission hotspots and design improvement opportunities further.

LCA studies undergo critical review and verification by external experts in compliance with ISO 14040 and 14044.

A LCA enables informed decision-making for sustainable development by quantifying energy and resource consumption, emissions and waste generation associated with all the stages of the life cycle of a product, process or service. This holistic approach helps to identify opportunities for environmental improvement and for reducing carbon emissions.

## What does Life Cycle Assessment mean?

A Life Cycle Assessment (LCA) study is a comprehensive evaluation of the environmental impact associated with a product, process or service throughout its entire life cycle – from raw material extraction to production, use and disposal. The product carbon footprint is a subset of the LCA that specifically focuses on quantifying the greenhouse gas emissions associated with a product throughout its life cycle.



# Summing up: Ambitions for 2023 and beyond

**In 2023, we continued the initiatives already implemented in line with our roadmap. Our focus on scope 1 and 2 reductions remains steadfast, aligning with our ambition to achieve carbon neutrality in scope 1 and 2 by the end of 2023.**

The recent acquisition of Wind Multiplikator has led to an adjustment of our baseline year, consequently causing an increase in emissions within scope 1 and 2. Unfortunately, despite our efforts, we did not meet our goal for achieving carbon neutrality in these scopes (reduced by 70% in absolute figures).

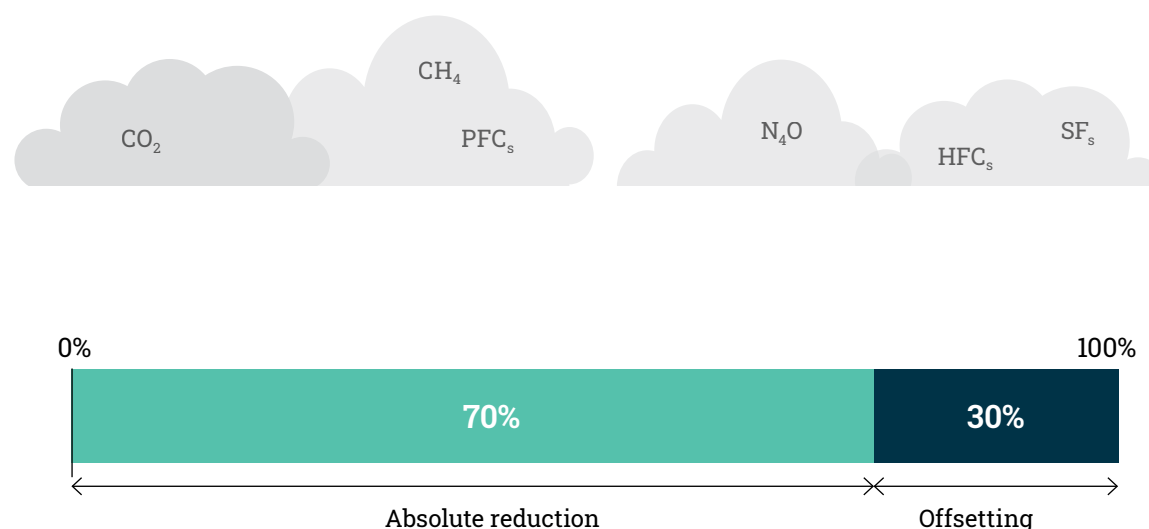
To compensate for the emissions that we were unable to reduce, we engaged in offsetting measures. However, we recognise that true progress lies in actively reducing our carbon footprint. Our upcoming milestone centres around achieving carbon neutrality in our own operations by 2030.

As part of our ongoing commitment, we are expanding our focus to include a broader range of categories within scope 3 while maintaining our emphasis on reducing emissions within scope 1 and 2. This approach is in line with our dedication to sustainable practices and to further our ambition for carbon neutrality.



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

**2023 ambition:  
100% absolute reduction of  
carbon emissions in scope 1 and 2**







# 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 the following main UN Sustainable Development Goals (SDGs):**

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



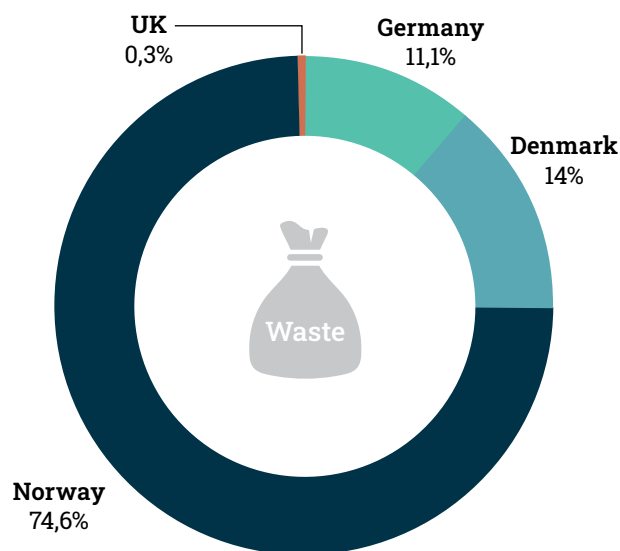


# Waste management

**It is our ambition that by 2030, all our generated waste will be 100% sorted and recycled to the highest value achievable.**

By setting this ambitious 2030 goal, we have established a definitive strategy for waste sorting and management, which is currently assessed through our recycling rate. However, our primary focus is on waste reduction, recognising its environmental benefits and its role in responsible use of resources.

**Total amount of waste, divided between locations**



In 2023, we changed our calculation method to show where we generate the most waste. In previous years, we used to monitor the waste management for our locations in Esbjerg and Norway and calculate the recycling rate based on the average recycling rate for the two locations.

As of 2024, the recycling rate will be calculated based on the percentage of recycled material in relation to the total amount of waste. This means that our location in Norway, which is responsible for 75% of our total amount of waste, will have a higher impact on the global recycling rate, for which reason our upcoming initiatives will also be centred around this location.

In 2023, our focus has been on monitoring waste management at all locations under our waste management control, that is, our locations in Esbjerg (Esbjerg Brygge and Staget, Denmark), Hanøytangen (Norway), Aberdeen and Invergordon (UK), and Emden (Germany). This means that we do not include our leased office locations.

With a recycling rate in Norway decreasing to 47% in 2023 (from 66% in 2022), we see an impact on our global recycling rate. When looking deeper into the waste report from Norway, it shows that the amount of recycled waste is the same (in kg), whereas the



## Waste as a resource - steel at Staget

As planned, we investigated our use of steel at Staget, Denmark, as we wanted to understand the purchased quantity and waste streams of both raw and premanufactured steel better. Results on the individual steel quantities cannot be concluded yet as our data basis does not provide sufficient details. We are aware that steel, due to its energy-intensive production, has a high share of emission, and we will continue our focus on quantifying our material flows in 2024.



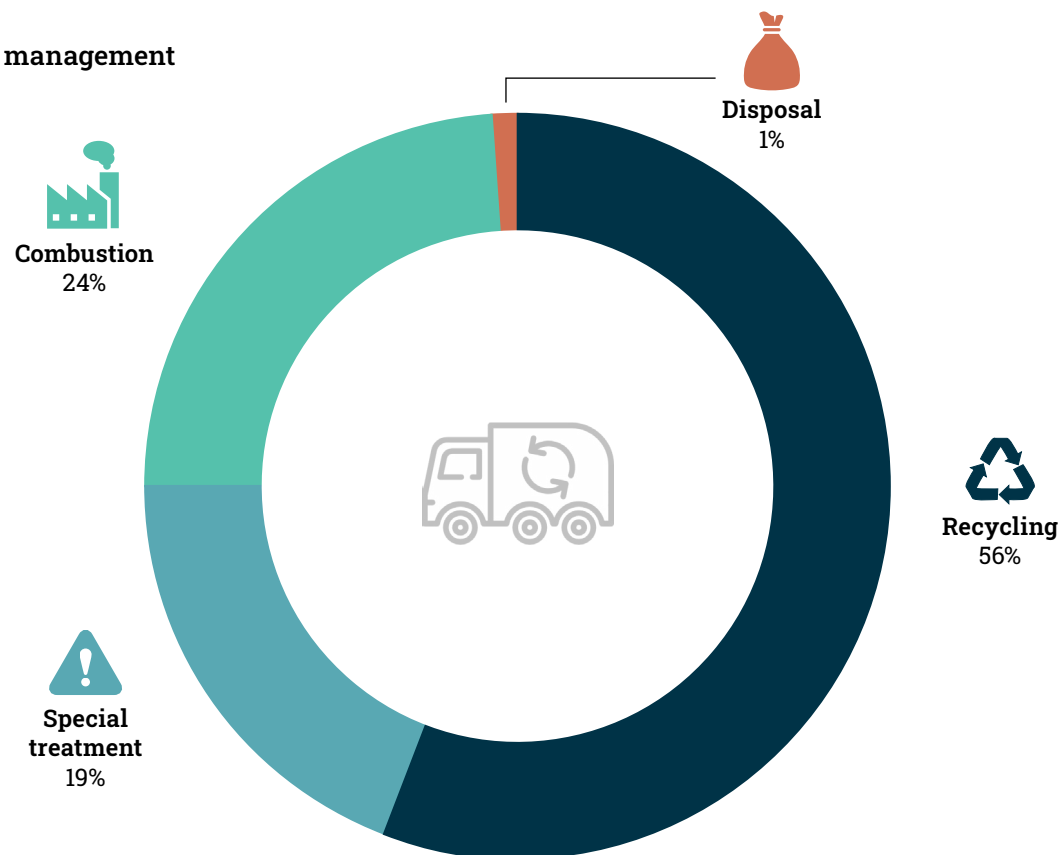
waste for combustion (in kg) and waste for special treatment (in kg) more than doubled, causing the decrease in the local recycling rate. This is caused by the uptake of projects in Norway involving older rigs has led to a rise in non-recyclable waste, as older rigs tend to generate more of it compared to newer counterparts.

Therefore, we have a global recycling rate of 56%

(compared to 70% in 2022) which does not meet our ambition of 80% of recycled waste.

Using the development of waste types as our starting point, we will adjust our global recycling rate accordingly and start with the ambition to increase the recycling rate to 70%, meeting the level from 2022. In 2025, we aim to increase the recycling rate to 80%.

## Global waste management





# Donating computer screens to local schools

**Semco Maritime was the first company to enter a climate partnership with the local authorities of Esbjerg in 2021. This means that we are committed to supporting the reduction of carbon emissions in the municipality of Esbjerg by 2030.**

One way to do so is by reusing equipment. In the autumn of 2023, we replaced a number of computer screens that were still functional and which could be used elsewhere. Instead of discarding the computer screens, we passed them on to the local authorities of Esbjerg who donated them to local schools, thereby helping us to extend the life of the screens.

## Why is reuse a good idea?

The core principle of reusing equipment is to lower the environmental impact by reducing the demand for new production, which is in line with the circular economy's objectives. This practice not only contributes to a decrease in carbon emissions and waste, but also fosters a more sustainable and environmentally friendly methodology. Such an approach is consistent with our goal to diminish resource utilization, waste production and carbon footprint.



# Hull cleaning protects marine ecosystems

**Biofouling is the accumulation of unintended settlements and growth on submerged surfaces, causing degradation to the primary purpose of a surface/item. Hence, hull cleaning is a crucial measure for reducing the risk of changes to ecosystems.**



*Semisubmersible high docked with thrusters enabling access to entire hull.*

Vessels and ballast water are major pathways for the transport of foreign marine organisms to new waters. Once the microorganisms have settled onto a surface, they can spread, and threaten healthy marine habitats and ecosystems, thereby causing negative impact on ecological and environmental health.

Various initiatives can be taken to manage the risk of biofouling. One is to clean the hull of the vessel completely before sail-away into new waters. Hull cleaning is part of the services offered by Semco Maritime.

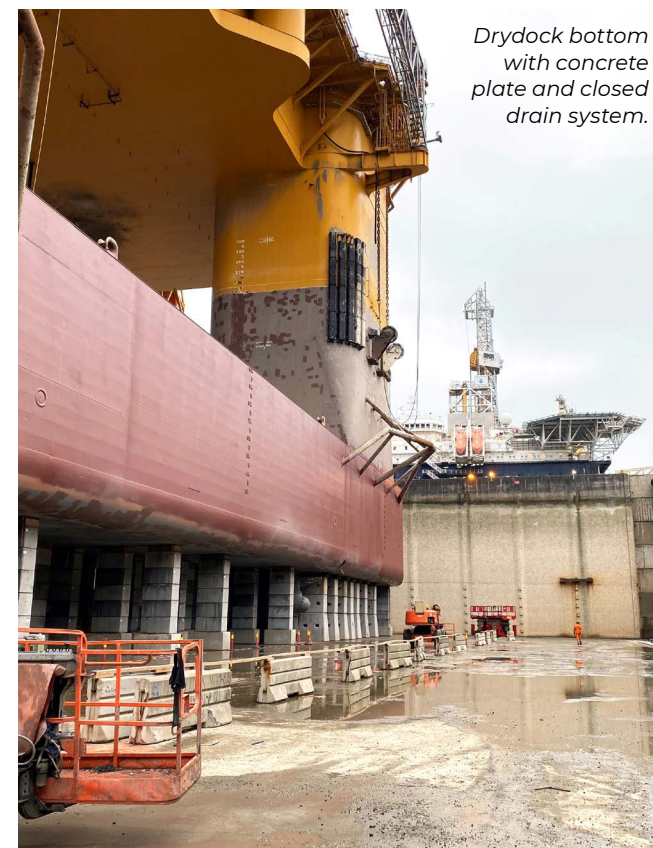
## **Using a closed drain system**

At our facilities at Hanøytangen, Norway, we successfully cleaned the hulls of three vessels in our dry dock in 2023, making it a successful first year using our new hull cleaning concept that mitigates the risk of microorganisms spreading during voyage.

Our dry dock has a unique closed drain system giving us full control of all fallout during the cleaning process. The system ensures that everything is clean enough to go back to the sea, goes back while the remaining residue (typically organic material) is recycled if possible.

## **Protecting the oceans**

The ocean serves as the primary stage for our core activities, and protecting the marine environment is important to us. Therefore, we appreciate the



*Drydock bottom with concrete plate and closed drain system.*

recognition received from the Australian authorities, approving our cleaning methodology and process at Hanøytangen.

We look forward to continuing our work to protect marine ecosystems.



# 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.**

During 2023, the joint efforts of our Procurement and Sustainability teams have led to several accomplishments that we take pride in. We have continued our progress towards our goal of developing a fully sustainable supply chain that supports and is part of a truly circular economy. Although there is still much work ahead, the noteworthy steps taken during the year are steps in the right direction.

### Engaging with suppliers

Fostering supply chain engagement is central to crafting a sustainable and ethically responsible value chain. The collaborative effort extends to measuring and mitigating carbon emissions, with data serving as the foundation for a realistic picture of our impact.

Acknowledging the significance of quantifiable results, we have advanced our efforts on measuring our

carbon footprint by fully implementing a carbon measuring tool linking to our spend data and by joining the CDP Supply Chain programme (see textbox for explanation). CDP not only provides a platform for sharing carbon emission data, but also enables constructive interaction with suppliers based on actual data.

Based on the responses collected from business partners through the CDP, we intend to initiate a supplier engagement programme in 2024, starting with 25 key suppliers. The invited suppliers represent our different business areas and are linked to the five highest emitting categories within purchased goods & services (as estimated by our carbon measuring tool). Moreover, the carbon emission data shared by suppliers will be integrated into our carbon accounting where applicable, which will help us to continually improve the data foundation for our carbon footprint.

*Richard Bowen, Senior Director,  
Supply Chain*



### Supplier qualification & Code of Conduct

Over the years, we have made substantial investments in enhancing our supplier qualification process to align our supply chain with both our Code of Conduct, the principles of the UN Global Compact and upcoming legislation.

In 2020, we introduced an improved digital and user-friendly supplier qualification system featuring a two-

### What is the CDP supply chain programme?

The Carbon Disclosure Project (CDP) is a global non-profit organisation that operates a disclosure system for companies and cities to measure, disclose, manage and share data related to carbon emissions and climate change as well as water usage and deforestation.

The CDP Supply Chain programme is an extension of the broader CDP initiative that specifically addresses the environmental impact of supply chains. The CDP Supply Chain programme allows Semco Maritime to engage with business partners, encouraging them to disclose their environmental data and implement more sustainable practices.

dimensional risk assessment and a tier-based segmentation model. This allows suppliers to confirm their understanding and acceptance of and compliance with our Code of Conduct and the 10 Principles of the UN Global Compact.

In 2023, we enhanced the qualification model to evaluate if suppliers are engaging with environmental, social and governance (ESG) factors. This includes questions about carbon accounting and carbon reduction targets, as well as practices for upholding human & labour rights.

Our annual target is to ensure that 100% (adjusted from >90%) of our suppliers undergo assessment and approval according to our qualification procedure. We are proud to share that we have once again achieved our goal this year.

The development of the qualification model was initiated in conjunction with the updates to our Code of Conduct. Previously, our Code of Conduct was a single document, but to target the content to the intended group, we divided the document into two parts: a Code of Conduct for Business Partners and a Code of Conduct for Employees. The Code of Conduct for Business Partners outlines our expectations within the following categories: safety, human & labour rights, environment and business ethics.

As an integral part of the global value chain, our company recognises the diverse challenges associated with international operations. Operating across borders not only presents potential gains, but also entails a wider scope of responsibilities, and we are committed to expanding our efforts in the years to

come to positively influence and engage with our business partners.

**Looking forward to 2024**

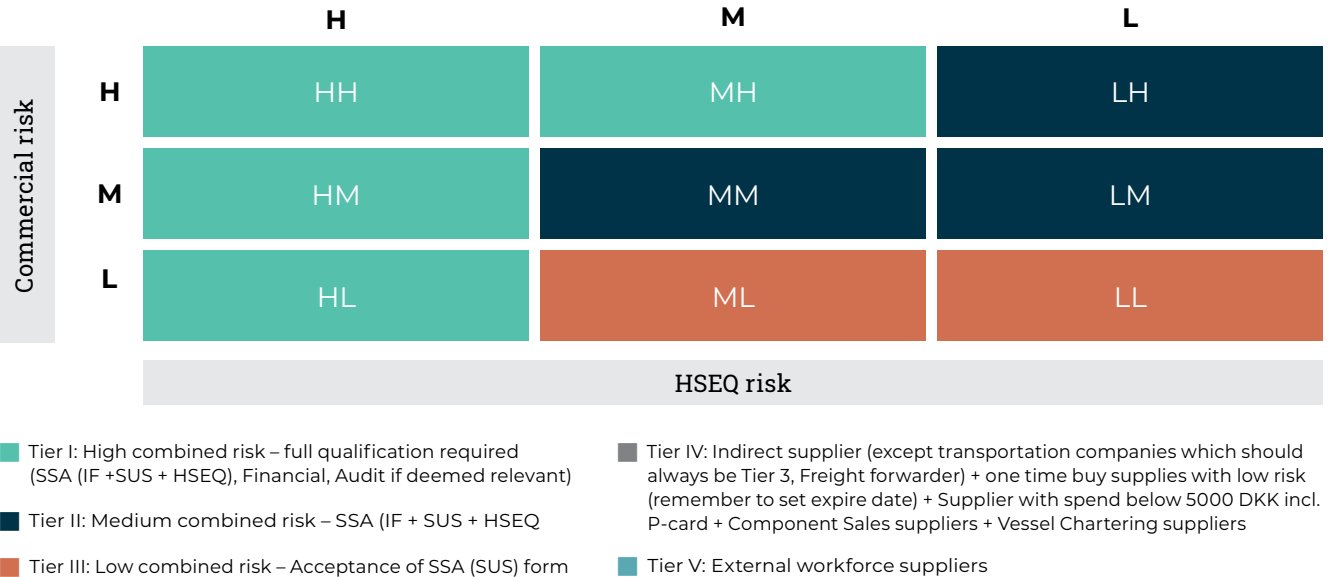
In the coming year, sustainability will become an increasingly important aspect of our partnerships. Our many activities started in 2023 will continue, and with the supplier engagement programme starting up, we look forward to many engaging discussions.

Similar to the previous two years, our annual webinar is also planned for 2024. With 3,500 active suppliers, this platform provides an excellent opportunity to reach and communicate with most suppliers and foster collaboration/knowledge sharing.

We will continue with the CDP Supply Chain programme with the ambition to collect carbon data from suppliers, covering 50% of our spend. To prepare for the future, we will conduct a risk assessment within the value chain across the ESG factors (environmental, social and governance). The risk assessment will support our efforts to create a sustainable supply chain, not only focusing on carbon reductions and circularity potentials.

Through shared responsibility across our global supply chain, we work with sustainability by making use of actual data for informed decisions and continuous improvements. The road ahead holds exciting opportunities to enhance transparency, responsibility and positive impact.

**Supplier Risk Assessment Matrix**





# Investigating recycling opportunities in collaboration with Roxtec

As part of our sustainability goals, we are committed to contributing to a more circular economy. We therefore aim to promote the use of material input that is renewable, reusable or recyclable.



To fully understand the potential of a material input, it is essential to conduct an in-depth analysis, particularly with regard to the sustainability potential of the input. Given that our business partners hold the most comprehensive knowledge of the materials, we welcome collaborations to investigate the potential for recycling and reuse.

Currently, our collaboration with Roxtec is unfolding.

Roxtec is our primary partner in delivering sealing solutions for substation cables. The sealing solutions are constructed with rubber bodies featuring removable layers, ensuring easy adaptability to various cable sizes.

During the installation process, rubber layers are removed for fitting of specific cable sizes, resulting in a waste product. In response to this, Semco Mari-

time and Roxtec have jointly decided to investigate the potential associated with this waste material.

As part of this initiative, we are currently sorting out the removed rubber layers on a separate pallet during the installation at our production site. Subsequently, Roxtec will be responsible for investigating the waste product further. The objective is twofold: first, to determine the quantity of rubber layers generated after installation, and secondly, to investigate diverse recycling opportunities.

We are pleased with the ongoing collaboration with Roxtec and look forward to continuing our joint efforts to foster a more sustainable supply chain.

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“ We at Roxtec are thrilled to partner with Semco Maritime to explore opportunities for recycling and reusing materials, thereby contributing to the circular economy and reducing waste.

**Leo Konradsson**  
Sustainability Development Manager  
Roxtec

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# Summing up: Ambitions for 2023 and beyond

Our primary focus in 2023 was to involve all locations in waste management. Our goal for 2024 is to enhance the global recycling rate.

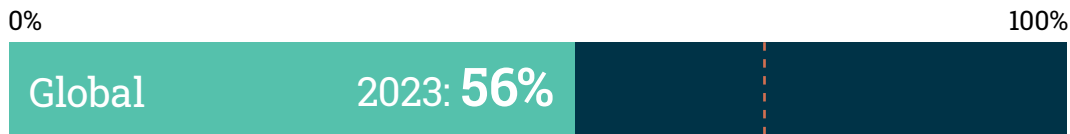
With emphasis on the importance of waste management, we have encouraged a local focus on exploring recycling opportunities. Especially at Hanøytangen, Norway, circularity has put itself centre stage by introducing the Green Dock concept, thereby highlighting our commitment to recycling.

Although the inclusion of more locations impacts our recycling rate (56% in 2023), we aim to achieve a 70% global recycling rate by 2024.

In 2023 we also improved our engagement with suppliers, asking them to disclose data related to climate change. Based on this, our efforts will intensify in 2024 as we launch a supplier engagement programme with selected key suppliers. This initiative signifies our dedication to fostering sustainability not only within our operations, but also throughout our supply chain.



2023 ambition:  
80% recycling of generated waste in Denmark\*



2024 ambition:  
70% recycling of generated waste globally





# 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 associated with 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 day-to-day operations.

We work to promote diversity and equality and align our efforts with SDG #5 and #8.



# Safety is part of our DNA

"Health" and "safety" are core elements of our day-to-day operations. For 2023, we set the ambition that our total recordable incident frequency (TRIF) should not exceed 1.5 and that our lost time accident frequency (LTAF) should be zero. At the end of 2023, we had a TRIF of 2.1 and a LTAF of 0.4.

The 2023 TRIF safety goal was not met, as we had 12 recordable incidents, including 4 medical treatment injuries (MTIs), 6 restricted work injuries (RWIs) and 2 lost time accidents (LTAs) during 2023.

An analysis of the incident characteristics revealed that all incidents could be associated with the safety behaviours introduced in 2023 (presented on [page 35](#)).

33% of the incidents were connected to the "Aware" behaviour. In 2024, the "Aware" behaviour will receive increased focus along with the "Say Stop" (25% of incidents) and "Team Player" (25% of incidents) behaviours.

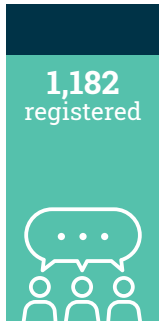
Our goal for 2024 is zero LTAFs and a TRIF below 1.5.

### Safety talks

Every year, we set goals for our safety talks, which are used by managers as a tool to communicate and emphasise the importance of health and safety to colleagues. The safety talks help employees recognise and manage hazards not only at work, but also in their private lives.

Safety talks represent our shared commitment to health and safety. With managers serving as role

Goal: 1,406



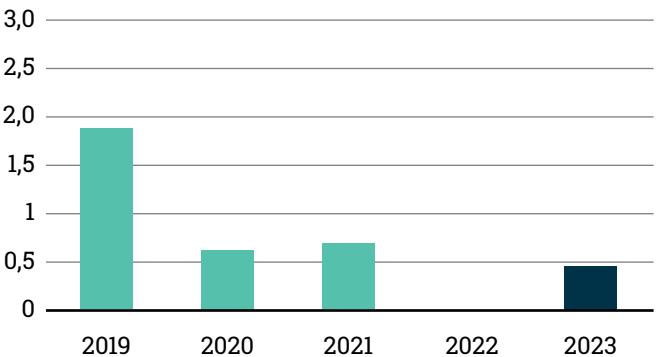
Safety talks 2023

models and safety ambassadors, the safety talks have fulfilled their purpose.

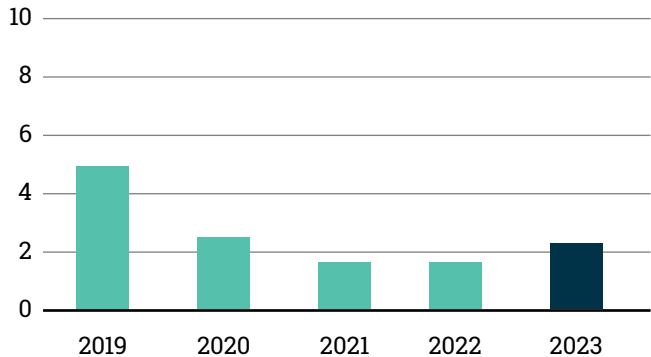
In 2023, our goal was to conduct 14 safety talks for each operational manager and 4 safety talks for each administrative manager, totalling 1406 safety talks. We conducted and documented 1182 safety talks throughout the year, thereby matching the 2022 level, but not meeting our target for 2023. We will maintain our goal of conducting 14 safety talks for each operational manager and 4 safety talks for each administrative manager to continue the safety dialogue.

In 2024, we will be launching an improved initiative to actively involve our top management in the concept of safety talks. The intention is to create a sense of responsibility and accountability across divisions, thereby fostering transformation. This approach aims to emphasise the importance of safety talks and integrate the talks more naturally into our ongoing

LTAF: Lost Time Accident Frequency  
Target: 0



TRIF: Total Recordable Incident Frequency  
Target: ≤ 1.5







discussions. Our top management will play a key role as role models in this effort.

### Safety culture survey

In 2023, offshore employees were invited to participate in our annual safety culture survey. To facilitate year-to-year comparisons, the survey retained consistent headlines. However, to streamline the process for respondents, we reduced the number of questions while maintaining the key themes for on-going comparability.

Our goal was to achieve an average score of 3.3 on a scale ranging from zero to 4. The actual result was 3.4, signifying that our goal was successfully achieved. Despite this satisfactory outcome, we made a thorough analysis of the survey data to pinpoint areas for potential improvement.

### Safety culture survey



The response rate was 26%, a level we consider unacceptable. In recognition of the significant role these responses play in our safety efforts, we intend to send out invitations for the survey to all employees, both onshore and offshore staff, while also intensifying our efforts to motivate their involvement in the 2024 safety survey.

The 2023 survey results have shown a consistent trend with those of 2022, creating an interesting scenario within the company. Although the increased TRIF might suggest a decline in our safety culture, a closer analysis of the data uncovers another dimension to the 2023 results. Incidents are mainly associated with new employees, which means that targeted support in the early stages of employment is required. Additionally, people, who have been employed for many years, recognize an improvement in the safety culture when compared to previous years, highlighting their positive assessment regardless of the number of incidents recorded the year before. This acknowledgement reflects a positive view on the continuous improvement of our safety culture.





We remain committed to reaching a global score of 3.3 and will intensify our efforts to improve our response rate.

### Safety campaigns in 2023

Just before the summer holiday, we launched a campaign encouraging our people to take active breaks during their daily routines. Every employee received an elastic band with an instruction folder and a link to motivational videos on how to make the most of the "break band".

In addition to promoting active breaks, we also introduced the option of scheduling "Walk and Talk" meetings in the Outlook calendar. Acknowledging



the benefits of physical activity and being outdoors, we encourage our employees to embrace these benefits, regardless of whether their meetings are held face-to-face or online.

Our annual Safety Week event took place during week 47. The primary focus of the Safety Week is to foster a workplace environment where all employees feel safe, while promoting their physical and mental well-being. Various activities were planned across the divisions to strengthen our collective commitment to safety measures.

One of the initiatives was a glove campaign targeting our offshore people who are involved in numerous tasks. Our key message was that there are different gloves for different purposes. Hands should therefore be protected by the appropriate gloves designed for the specific job.

In 2019, employees in Singapore, Aberdeen, Hanøytangen and Esbjerg worked together to define the meaning of the "Safety" value. Experiences and stories about safety behaviour or the lack of safety behaviour were shared across the organisation. We captured the core insights from these stories about behaviour, focusing on 6 behavioural principles that were launched during our Safety Week:

1. Team Player
2. Say Stop
3. Respectful
4. Proud
5. Care
6. Aware.



Our commitment to behavioural principles continues into 2024, with a heightened focus on their application. Achieving behavioural change requires continuous dedication. With the implementation of the 6 behavioural principles, we aim to foster a deeper engagement in safety behaviour, making it an intrinsic part of our employees' DNA. The principles serve as a directional compass, explaining the necessary action for effecting positive changes to our safety practices. They will be the cornerstones of an upcoming safety training programme. During 2024, our emphasis will be on managers, as we strive to increase the number of safety role models across the organisation.

In 2024, we will also launch additional motivational campaigns focusing on the physical and mental well-being of our employees.

# Employee satisfaction survey

## In 2023, we carried out our annual global employee satisfaction survey.

The survey examined various aspects of our employees' professional lives, including job satisfaction, development opportunities and specific elements that are important for us as a company. Our response rate for 2023 was an impressive 90%, marking a significant rise from the previous year's 67%. The 2023 survey provided an overall score of 3 out of 4, thus aligning with our overall goals and contributing to our target of achieving a satisfaction score of 3.2 in 2025.

The employee satisfaction survey is completed only by our onshore white-collar (monthly paid) and blue-collar (hourly paid) employees. We see a significantly higher response rate (89%) for the white-collar employees compared to the response rate for blue-collar employees (37%). One possible explanation for the lower engagement level among blue-collar employees might be their deep involvement in specific projects, which could lead to a stronger sense of affiliation with these projects rather than with the company as a whole.

Having reviewed the overall survey results, we are pleased to see that Safety Culture, Support, Diversity, Goals & Vision, Prioritisation of the Working Environment and Communication all receive a high score. They are areas of strength and important pillars for our future work. However, we also have areas where

we can improve, and we have chosen Development & Career, Recognition, Retention Potential and Thriving to be our four focus areas for 2024.

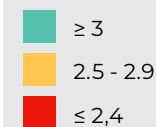
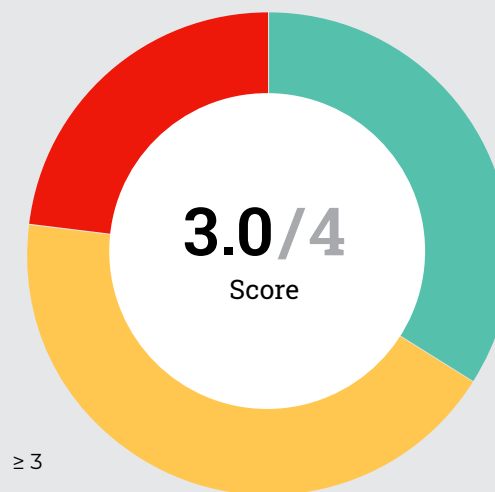
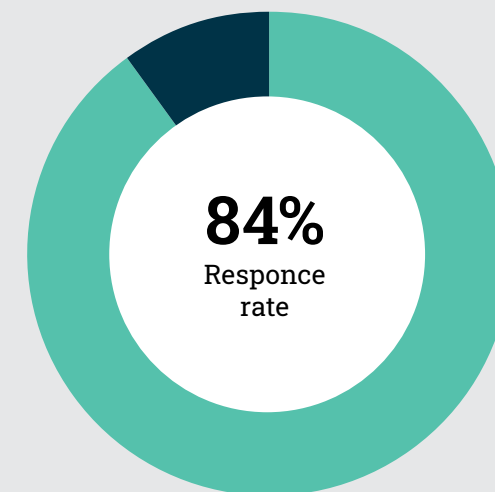
When looking at the responses from white-collar and blue-collar separately, our conclusion is that the four focus areas just mentioned are the ones highlighted across the two groups, thus being the focus areas across our business units.

Workshops based on the employee satisfaction survey are being held across all departments to facilitate an open dialogue about the results. At the workshops, work is focused on maintaining and improving positive results while addressing areas that need further attention. Global and local initiatives will be initiated at the beginning of 2024 to address the identified issues, recognising that customized solutions will be necessary based on the results achieved within the departments.

As part of our dedication to foster employee engagement, we have decided to carry out an annual employee satisfaction survey. Offshore employees receive the survey every second year. The next employee satisfaction survey is scheduled for Q3 2024.

Instead of setting an annual target, our focus is on achieving an overall satisfaction score of 3.2 by 2025 and increasing the response rate to get the most accurate picture of our employees' well-being.

### Global results



# Caring about the well-being of our people

Dedicated and skilled employees are key to the continuing success of our growing business. They are instrumental in fostering innovation, advancing digitalization and automation, and contributing to the green transition.

## Welcomes and goodbyes

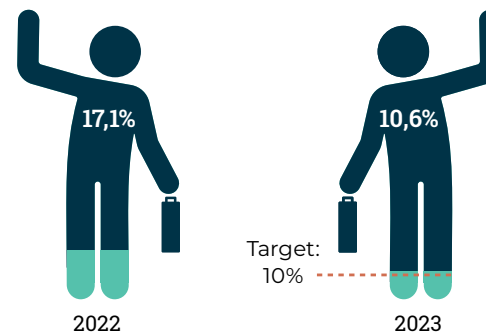
As mentioned on [page 40](#), our recently launched employer branding campaign is one of our activities aimed towards attracting and retaining employees. As the campaign was launched late 2023, the figures do not reflect the number of people that may have been attracted to Semco Maritime as a result of the campaign, but we have welcomed quite a few new colleagues.

312. This is the number of new white-collar employees welcomed to our global locations. Moreover, the number also includes our new colleagues in Wind Multiplikator (acquired by Semco Maritime this year (read more [here](#)))

Out of the 312 new colleagues, 78 were women. The 312 new white-collar employees represent 13 different nationalities, and 109 are under the age of 35 (our average age was 43.6 years by the end of 2023, and the average age for new hires was 39.4).

Semco Maritime wants a diverse workforce that mirrors the diversity found within the industry, and we

## Voluntary turnover rate

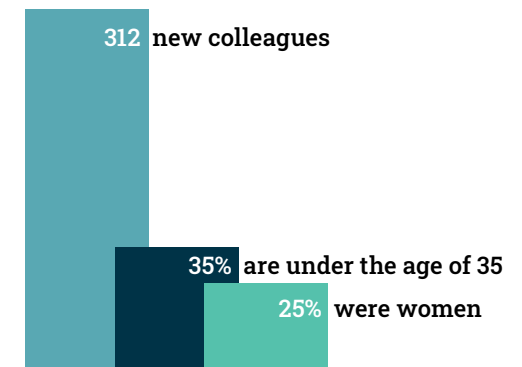


are measuring our progress based on different parameters. Read more about our work with diversity and inclusion on [page 41](#).

We are very pleased that so many people have decided to join us and stay with us. However, we also said goodbye to some of our colleagues in 2023. The voluntary turnover rate was 10.6%, which is lower than the 17.1% experienced in 2022. While our aim is to maintain a voluntary turnover rate of no more than 10% for our white-collar employees, we are pleased with the significant progress made and that we are close to meeting our target.

The reduction in the voluntary turnover rate reflects the development within the industry but is also partly caused by our improved recruitment and onboarding

## New colleagues in 2023



processes and the increased knowledge about Semco Maritime among engineers.

Exit interviews continue to play a crucial role in understanding the reasons behind employees' decisions to leave Semco Maritime, enabling us to leverage the insights for a deeper understanding of our organisational strengths and weaknesses.

## Sickness absence

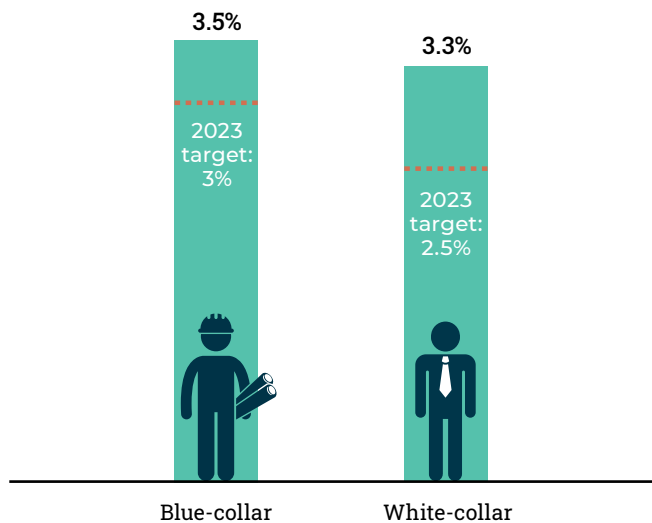
In 2022, we continued to monitor the sickness absence among our blue-collar and white-collar employees separately to ensure targeted support for each category of employment.

Like all other companies, our sickness absence has been highly affected by the corona virus during the





### Sickness absence in 2023



last couple of years. Consequently, we anticipated a reduction in the sickness absence rates when comparing the figures from 2023 with those from 2022.

In 2023, our sickness absence rate for blue-collar decreased to 3.5%, whereas the rate for white-collar decreased to 3.3%. However, we did not meet our goal of 3% for blue-collar and 2.5% for white-collar.

Based on the results from the 2022 employee survey, we have launched various initiatives over the past year aimed at improving the well-being of our employees. We have, among other things, tested the "an hour in silence" initiative for improved concentration and effective working hours. Besides, we have worked with our meeting culture to reduce the number of calendar meetings – always consider-

ring the agenda and meeting output, number of people required for the meeting and the length of the meeting. We have worked with the flexibility of working from home and are also focusing on removing pseudo work.

The results of the 2023 employee survey show an improvement of the score related to the well-being of our employees. We will continue to focus on the initiatives mentioned above.

### Personal and professional development - key focus in 2024

In 2023, we continued our adherence to the processes established for our annual personal development dialogues, ensuring a well-structured and well-planned process year after year.



Next year, we will intensify our focus on the dialogues to encourage discussions about potential development opportunities. Additionally, we are introducing "Career Paths" to improve the visibility and awareness of development opportunities within Semco Maritime.

The Dedicated Specialist programme, a global development programme launched in 2022 for our experts at Semco Maritime, has been maintained as one of the developmental activities into 2023.

In addition to the Dedicated Specialist programme, we launched the Dedicated Leaders programme in 2023 – a one-year leadership development programme that all personnel managers (with direct reporting) are required to attend. The teams are formed from different divisions and are organised according to job levels. The first two groups are currently undertaking the programme, and the rest will follow in 2024.

This is a key focus area because we acknowledge that the immediate manager plays a crucial role in employee well-being. The programme is structured around three main themes: "Leading Self", "Leading Team" and "Leading Business", referring to our Leadership Philosophy launched at the Leadership Forum in August 2023.

The Leadership Philosophy and the three themes continue to be the centre of our development activities.



# A change that matters!

In 2023, a new global employer branding initiative was launched, aimed at providing employees with a more distinct understanding of our shared workplace, while offering potential candidates a more attractive view of the global offshore company they might consider for their next move or career step.

New  
colleague  
Future  
friend

Last year, we launched our new corporate strategy, "Sustainable Growth". Part of the strategy is to be the employer of choice within offshore energy. As we transition towards Renewables, we contribute to strengthening the renewable energy sector while building a more sustainable business that promises robust growth and stable financial outcomes.

A crucial part of this transformative journey involves creating a unified narrative - a global employer brand - that appeals to both existing and future employees around the world.

Based on interviews with colleagues from across divisions, geographic locations and job functions, we have learned that our employees take great pride and satisfaction in knowing that each team project leaves a significant impact on the world - and that their work creates real change, not only for Semco Maritime, but also for our customers and business partners, for the global energy transition, for a sustainable future and for themselves.

As a result, we introduced our new employer brand, "Change. With us.", on 1 December 2023 as a powerful promise to existing and future employees.

## Why did Semco Maritime need a global employer brand?

- To ensure a more professional, coherent and convincing brand experience of Semco Maritime.
- To make Semco Maritime stand out and fortify our position in the increasingly fierce battle for the best candidates.
- To attract a wide spectrum of candidates, highlighting the varied and inclusive community that forms the global Semco Maritime organization.





# Gender diversity and inclusion

At Semco Maritime, we are committed to fostering an inclusive environment that actively embraces diversity and ensures equal opportunities for all individuals.

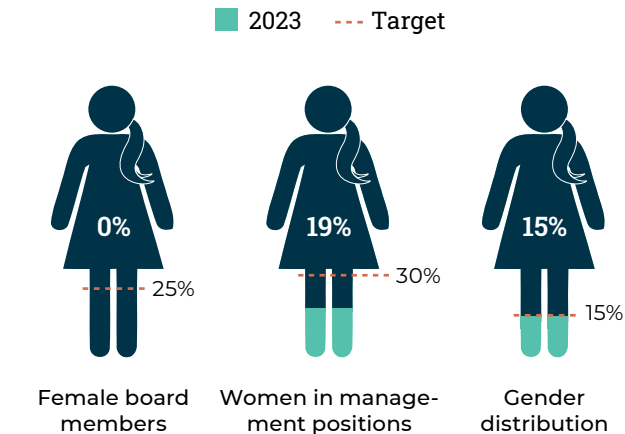
As part of our ongoing efforts to foster gender diversity in an industry that has traditionally been male-dominated, our goals for 2023 included reaching a female representation of 25% on our board and attaining 30% of women in managerial roles while maintaining our focus on achieving an overall gender distribution of 15%.

The composition of the four board members elected at the general assembly remained unchanged in 2023, and our objective was not fulfilled. However, our board of directors is a group of 8 individuals, of which two are employee representatives – 1 man and 1

woman. We see this as a positive development of the board composition.

Currently, women hold 16% of managerial positions (our goal was 30%). However, the overall representation of women in the workforce stands at 15%, which successfully meets our target. Both numbers include Wind Multiplikator. This is also the explanation for the decrease in women in management positions compared to 2022.

In general, we have not seen more female applicants for our open positions than in previous years. Thus,



we acknowledge that initiatives are necessary for attracting more women and increase the gender diversity within our organisation. Our new employer branding is one of our initiatives (presented on the previous page) along with a guideline focusing on diversity and biases during the recruitment process. The guideline will be launched during 2024.

## 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

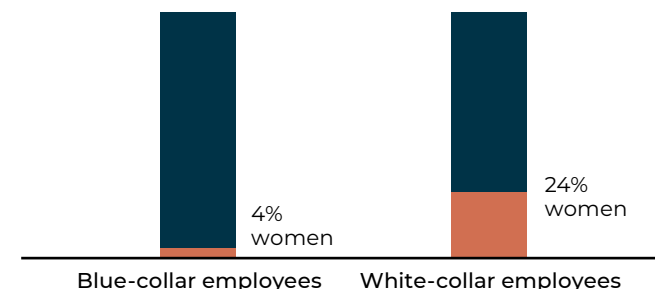
In Semco Maritime, we aim to empower our people, and inclusion is a vital element to nurture innovation and organisational growth.



Moving forward, we will analyse and present the gender diversity figures for our white-collars and blue-collars separately to provide a clearer picture of the workforce composition. Consequently, the figures will be more transparent and reflect the actual composition, as a higher number of women are employed in office roles as opposed to offshore locations.

In the overall gender composition of our workforce, women represent 24% of white-collar employees whereas they make up 4% of blue-collar employees.

#### Gender composition of our workforce



In 2024, we will focus on the diversity of our white-collars, while acknowledging that initiatives must also be in place for our blue-collars in order to improve the gender diversity across the organisation. Our goal is to achieve a representation of women comprising 30% of our white-collar employees by 2027, ensure that 35% of our managerial positions are held by women, and uphold a 25% representation of women on our board of directors.



#### 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.

#### Advisory Board for Gender Equality

In the summer of 2022, we set up an Advisory Board for Gender Equality. The board is comprised of employees representing different parts of the business, thereby ensuring that a variety of viewpoints are brought to the table during the quarterly meetings. In 2023, there were discussions regarding the following subjects: our employer branding strategy, revising the inclusion policy, existing roadblocks to increasing diversity in Semco Maritime, and the results from the employee satisfaction survey.

# Making a difference for our employees - and the society

Throughout 2023, we concentrated our efforts on contributing positively to the well-being of our employees, their families, and people in need.



## Giving back to our employees

On a windy day in March, we hosted a "Bring your family and friends to work" day. More than 650 people including employees and their families/friends joined us for a fun and active day at our headquarters in Esbjerg.

During December, Semco Maritime traditionally hosts various events to celebrate Christmas. On December 1, employees at the Esbjerg headquarters are greeted with the festive sounds of a live band playing Christ-

mas music in the morning. Another tradition is to decorate the main doors inside the building to spread Christmas cheer. In addition, we host an annual Christmas party for all employees and a separate Christmas event for employees and their families.

## Fulton Ambassadors

Semco Maritime is in a partnership with Fulton Foundation to provide local youth facing challenges with the chance to experience life aboard the Fulton ship. Our goal is to help young people towards a brighter future by integrating them into an inclusive community and providing them with the opportunity of being successful aboard the ship.

## Red Cross donation

In 2023, all employees had the opportunity to donate their Christmas gifts to Red Cross. A lot of people used this opportunity and liked the idea of supporting people in need. Thank you to all employees who decided to donate their Christmas gifts.

## "Knæk Cancer" (Danish Cancer Society)

We support the Danish Cancer Society by contributing to the annual "Knæk Cancer" charity event. In 2023, our canteen staff in Esbjerg also created awareness about the good cause, making a cake decorated with the iconic "Knæk Cancer" flower.



## Vestkystløbet (local run)

In 2023, we were happy to continue our traditional participation in Vestkystløbet in Esbjerg. We support local sporting events, thereby encouraging employees and their families to live an active life together.





### "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 on this day to support a good cause. For every employee wearing a football shirt, Semco Maritime donates an amount to the foundation.

### The Danish Hospital Clowns

We support the hospital clowns programme that works to spread happiness and laughter among children in Danish hospitals.

### "Danmarks Indsamling 2023"

#### (Danish Fundraising Campaign 2023)

We make it a priority to support local communities and societies that are going through challenging times for various reasons.

As part of our ongoing support to "Danmarks Indsamling", Semco Maritime is monitoring a project in Bangladesh focusing on climate-smart agriculture (read more on the next page). Working for the green transition, we are aware of the climate change and the environmental impact.



### Waste collection effort initiated

#### by our Hamburg office

16 September 2023 marked the World Cleanup Day. The Hamburg office joined the event, fully prepared with bags and gloves. Although the initiative was for employees only, the group experienced spontaneous help from people passing by. A man dedicated 20 minutes to waste collection before going to work, and a child on its way to the zoo said that she would clean the zoo.

As one of our dedicated employees put it:  
*»It was a good experience. It sharpened our awareness of what we can do to keep our environment clean, and additionally, we inspired others to do the same.«*





# Our support to "Danmarks Indsamling"

**Semco Maritime is proudly supporting "Danmarks Indsamling" and monitoring a project in Bangladesh to understand the impact of our contributions.**

"Danmarks Indsamling" and CARE collaborate on climate-smart agricultural initiatives in Bangladesh, specifically in the vulnerable Bagerhat region. Traditional farming methods are inadequate for coping with the increasing climate challenges, including storm surges, flooding and saltwater intrusion. Rising sea levels, along with changing rainfall patterns, exacerbate the difficulties of sustaining traditional agriculture and fish farming.

To address these issues, the project is introducing the farmers to innovative methods and nature-based solutions, including the implementation of new farming techniques, climate-resilient crops and nature-based practices such as planting mangrove forests to protect against cyclones. Additionally, floating and hanging vegetable gardens provide flood-resistant alternatives. Agricultural groups are being formed to educate the farmers on these new approaches.

Recognising the scarcity of clean water, the project is focusing on water collection and efficient usage. Rainwater is collected for drip irrigation, providing the exact amount of water needed for the crops. Cultivation bags reduce water evaporation and protects against salty subsoils, contributing to sustainable and climate-resilient agriculture despite environmental challenges.

Hjælp verdens sultne børn

**DANMARKS INDSAMLING**  
LILLE LAND, STORT HJERTE



# Engaging employees in sustainability

**In Semco Maritime, we believe that our employees are the catalysts for change. Consequently, we prioritize training and education on sustainability-related subjects to raise knowledge and awareness of these areas.**

In 2023, two main training initiatives were implemented: our Dedicated Sustainability Corps and an e-learning training module.

## **Dedicated Sustainability Corps**

Our Dedicated Sustainability Corps is comprised of people who have an interest in sustainability and who want to engage themselves in sustainability in-house. We call the members of our Sustainability Corps promoters, and they are to act as sustainability allies. The promoters help create a community around sustainability and help to ensure that sustainability is part of our offerings.

Throughout 2023, we organized a series of quarterly training sessions concentrated on different topics: the first on life cycle assessment analyses, the second on how climate change is causing incidents in nature, the third on the implications of forthcoming EU legislation, and the fourth providing an introduction to our work with Power-to-X and Carbon Capture and Storage technologies.

We have decided to keep the previously introduced agents out of the concept for now and continue with our Dedicated Sustainability Corps into 2024.

## **Sustainability e-learning module**

Our internal training platform now includes an e-learning module explaining the most commonly used sustainability terms and giving an introduction to our sus-

tainability strategy and targets. The module is available for all employees and is part of the onboarding material sent to new employees.

The module was launched in October 2023, and during the past quarter, 60 employees have completed the training.

We will continue these efforts into 2024.





# 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 anti-corruption 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 allowing employees to report risks that may conflict with Semco Maritime policies or current legislation. The whistle-blower arrangement is available to all employees across locations.

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

The whistle-blower arrangement is based on a third-party 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 new whistle-blower arrangement meets the requirements of the EU Directive 2019/1937 and is provided by a S-a-a-S (Software-as-a-Service) platform hosted by EQS Group, a secure third-party software provider.

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

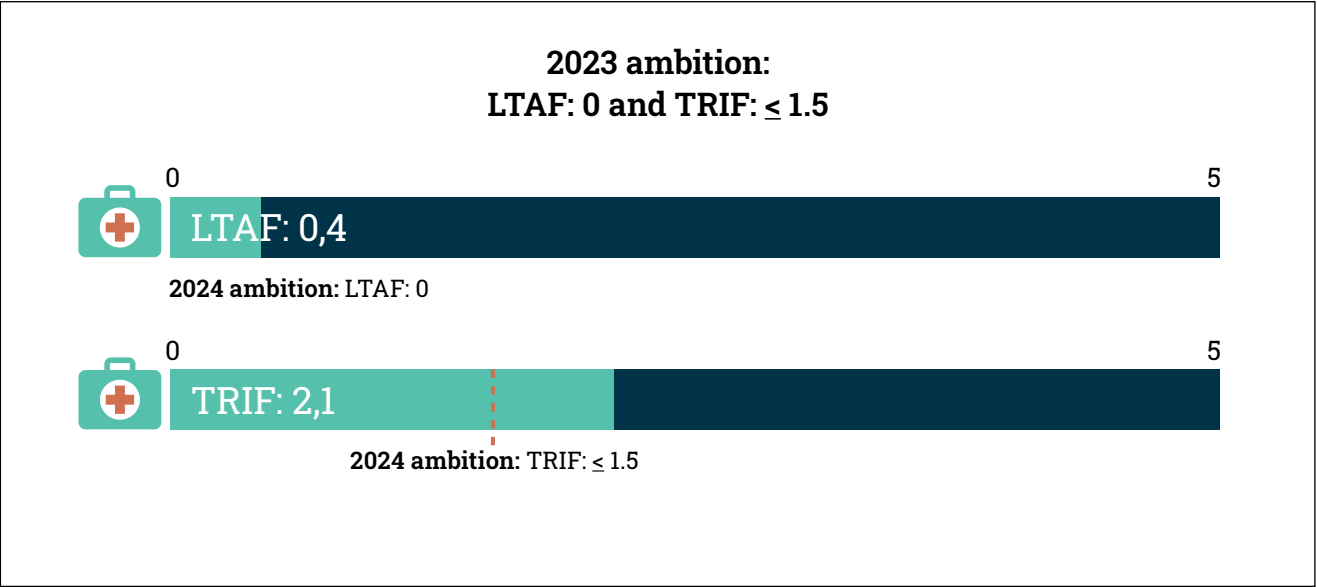


# Summing up: Ambitions for 2023 and beyond

Safety is part of our DNA, and we are therefore consistently striving to keep a record of zero accidents.

In 2023, we introduced our six safety behaviours to raise awareness and foster a safety-first mindset among our employees, with the intention of shaping their behaviours accordingly. Despite not achieving our safety objectives, we hold safety as a core aspect of our business. As we move forward into 2024, we are committed to strengthening our safety efforts through new campaigns, with a particular focus on the implementation and integration of these six safety behaviours.

Our goal is to have women fill 40% of our managerial positions at all levels by 2030. Currently, women comprise 19% of our managerial positions (below our 2023 target of 30%). We remain dedicated to our 2030 goal and continue to be proactive advocates for gender diversity.





# Overview



# Targets, progress and ambitions

## Decarbonisation

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

Long-term ambitions (2030)	Ambitions 2023	Ambitions 2024
Carbon neutral in own operations (targeting carbon neutrality by 2050).	Carbon neutral in scope 1 and 2 (offsetting where needed). ●  Engage with 3 key suppliers to understand their carbon footprint compared to our value chain. ●  Calculate product carbon footprint for at least 2 chosen products and services. ●	Reduce the carbon footprint across scope 1-3 by 3.5% in absolute numbers compared to baseline year.  Conduct and publish 2 verified Life Cycle Assessment studies.  Collect carbon emission data from key suppliers, aiming for 50% spend coverage.  Investigate the opportunity of reducing emissions linked to transport through our project model.



# Targets, progress and ambitions

## Environmental protection

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

Long-term ambitions (2030)	Ambitions 2023	Ambitions 2024
Generated waste is 100% sorted and recycled at the highest value possible.	<p>Global waste recycling target: 80%. ●</p> <p>Make gap analysis with the purpose of increasing CDP and Ecovadis score and act upon the analysis. ●</p> <p>Initiate a case study investigating the potential of optimising the utilisation of resources (starting with steel). ●</p>	<p>Global waste recycling target: 70% (80% by 2025).</p> <p>Investigate the potential for recycling additional waste categories that are not currently being recycled, focusing on Hanøytangen.</p> <p>Close data gaps and improve data quality related to Environment, starting with improving waste data and data on water consumption.</p>
<p>Sustainable supply chain with 100% material input that is renewable, recyclable or reusable.</p> <p><i>(Note: we set this ambition based on current insights and technology, while knowing that innovation is needed to achieve this ambition).</i></p>	<p>Full implementation of the third-party carbon measuring tool. Based on the tool, we will improve the baseline for Tier 1 suppliers. ●</p> <p>Start to measure how many of our suppliers have a carbon reduction target. ●</p> <p>Conduct a supplier webinar to follow up on the supplier webinar of 2022. ●</p> <p>Have started two sustainability initiatives within the supply chain with the aim of reducing, reusing and/or recycling resources across the value chain. ●</p>	<p>Initiate a planned supplier engagement programme with 25 key suppliers.</p> <p>Conduct a supplier webinar following up on previous webinars.</p> <p>Continue to train employees in sustainability-related subjects.</p>

# Targets, progress and ambitions

## Safe and responsible business

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

Long-term ambitions (2030)	Ambitions 2023	Ambitions 2024
<b>Safety</b>  Zero accidents.	<b>Safety</b>  TRIF: $\leq 1.5$ ● LTAF: 0 ● Safety culture survey: Above 3.3 ● Safety talks/year: • Operational managers 14 ● • Admin. managers 4 ●	<b>Safety</b>  TRIF: $\leq 1.5$ LTAF: 0 Safety culture survey: Above 3.3 Safety talks/year: • Operational managers 14 • Admin. managers 4
<b>Labour/Workforce</b>  Gender balance across all levels of management with a 40/60 distribution (women/men) - Gender Diversity Pledge.  25% of board members are to be women.	<b>Labour/Workforce</b>  25% of board members are to be women ● 30% women in management positions (35% by 2024) ● 15% overall gender distribution ● Sickness absence: • Blue-collars: 3% ● • White-collars: 2.5% ● Voluntary turnover rate < 10% ●	<b>Labour/Workforce</b>  25% of board members are to be women. 20% women at other managerial levels by 2025. 35% women across all managerial positions by 2024. 30% of white-collars are to be women by 2027. Sickness absence: • Blue-collars: 3% • White-collars: 2.5% Voluntary turnover rate: < 10%



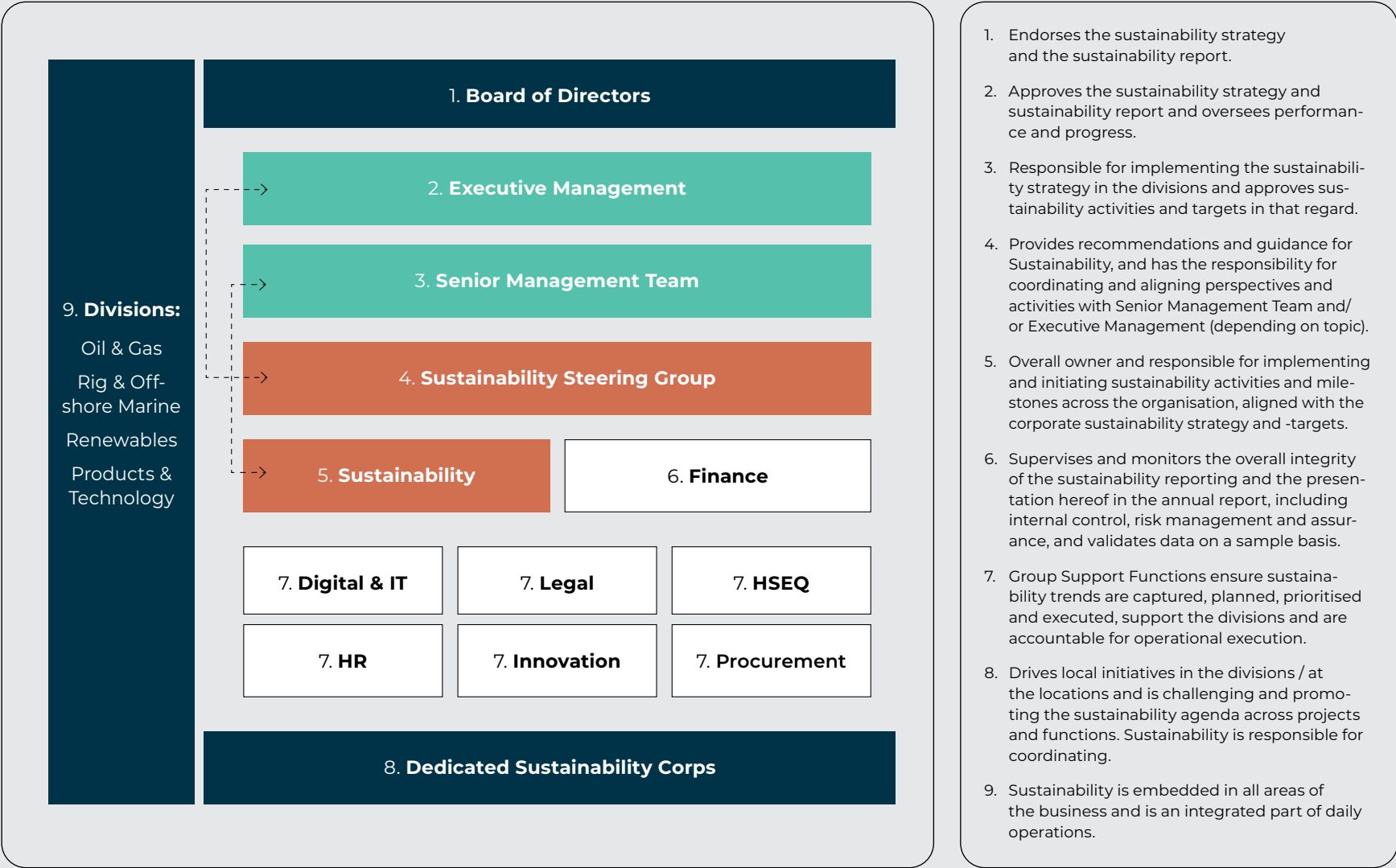
# Targets, progress and ambitions

## Safe and responsible business

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

Long-term ambitions (2030)	Ambitions 2023	Ambitions 2024
<p><b>Human rights</b></p> <p>Ensure 100% 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>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 gender diversity of the industry. ●</p> <p>Engage the Advisory Board for Gender Equality with relevant projects and increase the diversity of board members. ●</p>	<p><b>Human rights</b></p> <p>Ensure 100% evaluation rate of suppliers in accordance with our supplier management procedure.</p> <p>Conduct a risk assessment within the value chain, based on ESG factors.</p> <p>Documentation of work exercising due diligence within the supply chain and making a public report on the findings.</p>
<p><b>Whistle-blower</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>Whistle-blower</b></p> <p>Continue the implementation of 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>Whistle-blower</b></p> <p>Continue to implement 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>Train relevant employees in business conduct.</p>

# Sustainability governance\*



\*Governance structure will be fully implemented during 2024.

# Policies and standards

Below are some of our key policies that help us meet challenges in line with our dedication to environmental sustainability, ethical practices and social responsibility.

## **Codes of Conduct: P-SEMCO-0013 and P-SECMCO-0039**

In 2023, we updated our Code of Conduct and separated it into two documents, one for business partners and one for our employees. The codes of conduct contain our values and ethical guidelines in areas including safety, human and labour rights, environmental stewardship and business ethics. All employees must be familiar with 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. The same applies to our business partners.

## **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 enables procurement professionals to identify critical suppliers and take strategic approaches to purchasing, thereby reducing supply chain risks and increasing profitability.

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

Our health policy 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 with the primary workplace being 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 the individual team members and recognising that there is no standard approach as far as working from home is concerned.

## **Personnel Policy: POL-SEMCO-0011**

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



# Policies and standards



## Semco Maritime is certified according to the following ISO standards:

- ISO 9001: Quality Management System
- ISO 14001: Environmental Management System
- ISO 27001: Information Security Management Systems
- ISO 45001: Health and Safety Management Standard

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 within Semco Maritime and on the hiring-out of manpower to customers etc.

### HSSE Policy: POL-SEMCO-0019

Our core business is to create safe solutions within the oil & gas industry and 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-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 to improperly influence a business advantage or gain an unfair business advantage from any governmental or private entity.

### Whistle-Blower Arrangement:

#### P-SEMCO-0378

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

# ESG statement





# Key figures

## Carbon emissions

CO <sub>2</sub> e in tons	2019	2020	2021	2022	2023
<b>Scope 1</b>					
Mobile combustion	231	200	260	284	252
Process emissions	15	13	13	14	14
Stationary combustion	634	640	770	464	467
<b>Scope 2</b>					
District heating	422	389	425	383	345
Electricity (location-based)	701	659	691	683	536
Electricity (market-based)	2,295	2,461	3,357	1,533	14
<b>Scope 3</b>					
Waste generated in operations	357	664	826	460	1,212
Business travel	2,142	863	783	2,163	4,249
Employee commuting	575	456	669	781	909
Fuel and energy related activities	241	232	272	225	216

## Electricity consumption

kWh	2019	2020	2021	2022	2023
Electricity consumption	4,106,603	4,463,347	7,460,336	5,522,225	5,589,589



# Key figures

## Waste management

%	2021	2022	2023
Recycling	75	70	56
Special treatment	2	14	19
Combustion	23	15	24
Disposal	0	1	1

## Safety

Safety key figures	2019	2020	2021	2022	2023
LTAf	1.9	0.7	0.8	0	0.4
TRIF	4.4	2.2	1.9	1.8	2.1



# Key figures

## Well-being of employees

%	2019	2020	2021	2022	2023
<b>Sickness absence</b>					
Overall	2.7	3.3	3.5	-	-
White-collar	-	-	2.6	3.8	3.3
Blue-collar	.	.	4.2	4.3	3.5
<b>Voluntary turnover rate</b>					
White-collar onshore	8	7	11.7	17.1	10.6
<b>Gender distribution</b>					
Women in board positions	0	0	0	0	0
Women in management positions	21	25	19	22	19
Overall gender distribution	14	14	14	14	15

# Inventory management plan for carbon accounting



## Boundary conditions

Our organisational boundary follows the operational control approach. This means that we take ownership of all the activities – and the resulting emissions – for which we have the full authority to introduce and implement our operating policies at the operation, hereby also the possibility to impact the carbon emissions.

Semco Maritime is typically either a subcontractor to an operator or collaborating in a consortium, wherefore the organisational boundary differen-

tiates from activity to activity. We have operational control at the following locations:

- DK: Esbjerg Brygge and Staget
- NO: Hanøytangen
- UK: Aberdeen and Invergordon
- GE: Emden and Bremen

We account and report on scope 1, 2 and partly scope 3. We aim to report on the full scope 3 by 2024.

## Target boundary

We have set the following targets:

1. Carbon neutral in scope 1 and 2 by 2023
2. Carbon neutral in scope 3, own operations, by 2030
3. Carbon neutrality by 2050.

The targets cover the full company across divisions and locations. The use of the word "carbon" in the targets cover all the greenhouse gases as described by the Greenhouse Gas Protocol.

The targets are absolute reduction targets which means that emissions must be absolute reduced over time. The absolute reduction is starting from 2019 (the base year). 2021 was our first year of performance measurement, and we work to reduce emissions on an ongoing basis to meet the targets.

In Semco Maritime, we acknowledge that compensation is not the way to reach carbon neutrality, and we work to reduce rather than offset.

However, we see limitations in reduction opportunities, and therefore we use offsetting where reduction activities are not possible or did not meet the target of zero. When offsetting, we only purchase carbon credits certified by the Gold Standard and through a trusted partner. The offsets are not included in the absolute reduction calculation and is accounted for separately.

## Accounting policy

We are following the Greenhouse Gas Protocol when calculating the carbon emissions. We are using primary data (activity and supplier data), where available, and use average data, such as data from the national authorities, as a supplement where needed.

Carbon emissions accounted for in this report cover Semco Maritime A/S. We have 2019 as our target base year and are reporting on a year-on-year basis.

## Recalculation policy

Our business is growing, and this causes structural changes which affects our emission profile and scope.

To ensure that we keep comparing "like-with-like" emission data, we have set the following require-



# Inventory management plan for carbon accounting

ments to decide if the growth causes a recalculation of our base year emissions or not:

Keep base year emissions if:

- The increase or decrease in emissions are caused by an increase or decrease in projects or other activities within the organisational boundary.
- The increase or decrease in emissions is caused by smaller structural adjustments, e.g. opening a new office, as long as the increase or decrease is not exceeding 5% of the base year emissions.
- A change in emission factor is reflecting a change in activity.

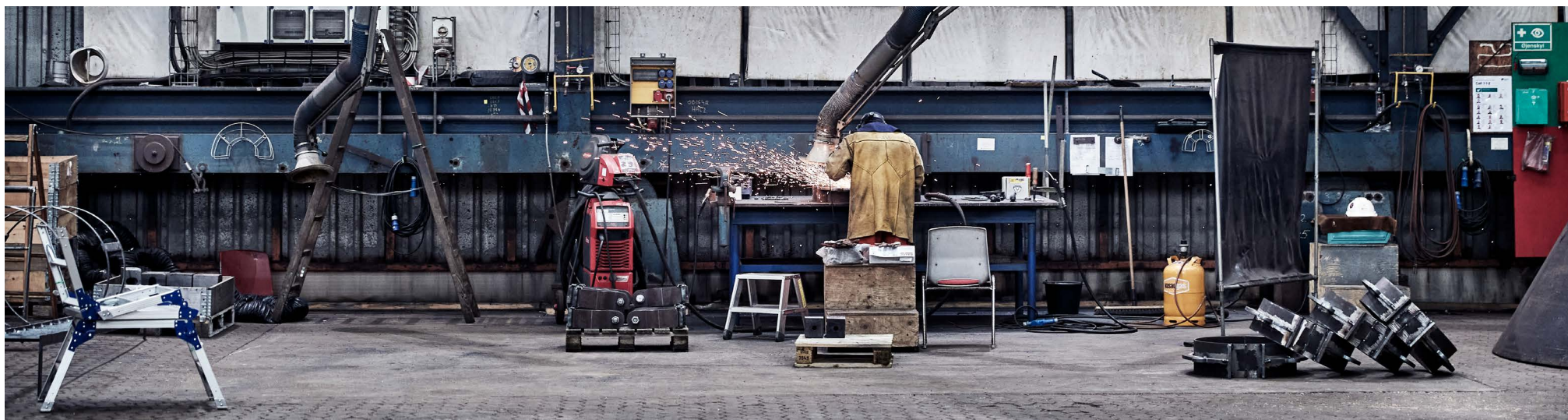
- Semco Maritime takes over the ownership of another company's – or facility's – emissions that did not exist in our base year. In that case, the emissions will be discounted to the year in which the company or facility came into existence.

Recalculate base year emissions if:

- Semco Maritime takes over the ownership of another company's emissions, for instance through acquisitions, or the opposite through divestments.
- The increase or decrease in emissions is caused by structural adjustments, e.g. opening a new office, and the increase or decrease is exceeding 5% of the base year emissions.

- The data source is changed, or if there are any other changes in calculation methodology, including correction of emission factors.
- Significant errors are discovered.

The recalculation is based on activity data, if available. When activity data is not available, we base the calculation on average data, either from public sources or from current activity data (depending on the category).



# Accounting methodology

Decarbonisation	
<b>Mobile Combustion</b>	<b>Topic</b> This category describes emissions that result from the combustion of fuels in company owned or controlled vehicles. This includes company leased cars for employees (mainly in DK) and company owned cars and vans in DK, NO, DE, SG and UK.
	<b>Accounting policy</b> For company cars, kilometres and CO <sub>2</sub> e emissions per km are obtained from the respective leasing contracts. Emissions are calculated by means of the distance-based method. For other shared company cars, emissions are calculated based on average emission factors and either fuel consumed, or kilometres driven. The fuel-based and the distance-based method are applied depending on data available.
	<b>Emission factors</b> For company-leased cars, emission factors are supplier-specific as the information is provided in leasing contracts. All other emission factors are from a third-party, in this case the conversion factors published by the British government.
	<b>Uncertainties/Assumptions</b> As information on specific car models was not available for all cars, some emission factors are not specific to the model but only to the fuel type.
	<b>Changes from previous years</b> While last year, emissions from company-leased cars were calculated using third-party emission factors only, this year car model specific emission factors were obtained from leasing contracts, and the data quality thereby improved.
<b>Process Emissions</b>	<b>Topic</b> Emissions stemming from physical or chemical processing. Emissions result mostly from manufacturing or processing of chemicals and materials. In our case, this includes emissions resulting from welding processes and emissions from diesel consumption of industrial trucks and forklifts used for production processes.
	<b>Accounting Policy</b> For welding gas, activity data has been obtained from the supplier. The data included types of gaseous mixture (including the CO <sub>2</sub> e percentage) and the respective amount of gas sold. The emissions were calculated by means of the amount of purchased gas and the applicable emission factor.

# Accounting methodology

## Decarbonisation

### Process Emissions

The emissions of the trucks and forklifts were calculated with a fuel-based method by multiplying the diesel fuel consumed in litres with the appropriate emission factor for the fuel type. Data about fuel consumption was obtained from the location.

#### Emission factors

The emission factor for welding gas was calculated by multiplying the weight per m<sup>3</sup> of CO<sub>2</sub> and the percentage of CO<sub>2</sub> in the gas mixture. The emission factor for the industrial trucks and forklifts was taken from a third-party, specifically from the conversion factors of the British government.

#### Uncertainties/Assumptions

It is assumed that all purchased gases were used in its entirety. For trucks and forklifts, there was only data available on 2023 consumption of fuel, so it is assumed that the consumption stayed consistent over the years from 2019 to 2023 and the 2023 consumption numbers are therefore applied for all years.

#### Changes from previous years

The emission factor for welding gas ARCAL Force has been updated as the percentage of CO<sub>2</sub>e in the gaseous mixture has decreased from 20% to 18%. The new emission factor has been applied for all years.

### Stationary combustion

#### Topic

This category includes emissions from the generation of electricity, heat, or steam when resulting from a combustion of fuels in stationary sources, such as boilers, furnaces or turbines. In our case, these are emissions from gas used for heating in DE and UK. UK is no longer using gas for heating which causes a decrease in emissions.

#### Accounting policy

Emissions are calculated based on the amount of gas used in kWh per year and the relative emission factor for gas consumption. Data on consumption is in one case obtained from internal data storage and in the other case directly from the supplier.

#### Emission factor

The emission factors are obtained from a third-party, in this case the conversion factors published by the British government.



# Accounting methodology

Decarbonisation	
<b>Stationary combustion</b>	<p><b>Uncertainties/Assumptions</b></p> <p>For DE, there is no updated 2023 consumption data available. Instead, it is assumed that the consumption is consistent with the 2022 consumption.</p>
<b>District heating</b>	<p><b>Topic</b></p> <p>District heating accounts for emissions stemming from the consumption of heat coming from district heating systems. At Semco Maritime, locations in DK use district heating (Esbjerg Brygge, Staget).</p> <p><b>Accounting Policy</b></p> <p>Data is obtained directly from the supplier for the locations in Esbjerg whereas the market-based method is applied. For Ballerup, an allocation approach is used to estimate the respective consumption data. The location-based method is implemented as there is no supplier-specific information available.</p> <p><b>Emission factors</b></p> <p>For the locations in Esbjerg, a supplier-specific emission factor was provided.</p> <p><b>Changes from previous years</b></p> <p>The change in emission factor used, from an average emission factor to supplier-specific emission factor, has led to a significant increase in all years. Recently, from 2022 to 2023 a decline in energy used can be observed and therefore also a decrease in total emissions.</p>
<b>Electricity (location-based)</b>	<p><b>Topic</b></p> <p>This category includes indirect emissions that are associated with the purchase of electricity used at own locations.</p> <p><b>Accounting Policy</b></p> <p>The activity amount of purchased electricity is based on meter readings from the utility companies/electricity supplying companies for each location within our operational control. Allocation is only used at times when meter readings are not available and, in such cases, based on the local annual consumption from previous years. Included are emissions generated at time of the production of electricity for each annual average production mix in each geography.</p>

# Accounting methodology

Decarbonisation	
<b>Electricity (location-based)</b>	<b>Emission factors</b> For all our global locations, emission factors of the fitting geography by production mix are taken from the publicly available database of country specific grid greenhouse gas emission factors 2023 published by Carbon Footprint Ltd.
	<b>Uncertainties/Assumptions</b> Meter readings for all locations are only available for the years 2019-2022, which is why allocation was used to determine the consumption for our location in Emden, Germany. Technological geographical uncertainty is seen low due to extensive and recently updated emission factor databases.
	<b>Changes from previous years</b> We have changed the reporting scheme to a separated view on location- and market-based figures and have updated emission factors accordingly.
<b>Electricity (market-based)</b>	<b>Topic</b> This category includes indirect emissions that are associated with the purchase of electricity used at own locations.
	<b>Accounting Policy</b> The activity amount of purchased electricity is based on meter readings from the utility companies/electricity supplying companies for each location within our operational control. Allocation is only used at times when meter readings are not available and, in such cases, based on the local annual consumption from previous years. Included are emissions generated at time of the production of electricity for each annual average residual mix in each geography. Our emission factor quality hierarchy is following the approach highlighted in the Scope 2 guidance report published by the Greenhouse Gas Protocol.
	<b>Emission factors</b> We are using supplier-specific emission factors at our locations in Denmark, Norway and Germany. We have Renewable Electricity Certificates since 2022 (Esbjerg) and 2023 (Norway). In Germany, we have Renewable Energy tariffs since 2020 in Emden and since 2021 in Bremen. Market based emissions factors (residual mix) for our other locations (UK and Norway) are taken from the country specific grid greenhouse gas emission factors 2023 database published by Carbon Footprint Ltd.

# Accounting methodology

Decarbonisation	
<b>Electricity (market-based)</b>	<b>Uncertainties/Assumptions</b> Meter readings for all locations are only available for the years 2019 to 2022, which is why allocation was used to determine the consumption for our location in Emden, Germany. Technological geographical uncertainty is seen low due to extensive and recently updated emission factor databases.
	<b>Changes from previous years</b> We have changed the reporting scheme to a separated view on location- and market-based figures and have updated emission factors accordingly.
<b>Waste generated in operations</b>	<b>Topic</b> Emissions of waste generated in own operations are including emissions occurring during the waste treatment processes of different waste types in facilities owned or operated by third parties.
	<b>Accounting Policy</b> The waste-type-specific method is applied for locations where data about waste types, amount in a mass unit and the waste treatment method is available. These locations in the accounting year 2023 are Esbjerg (Denmark), Emden and Bremen (Germany) and Hanøytangen (Norway).
	<b>Emission factors</b> Emission factors from one of our suppliers were used for the generated waste at our location in Esbjerg (Denmark). For any other waste stream, emission factors from databases Ecoinvent 3.9.1 and Industry 2.0 were used.
	<b>Uncertainties/Assumptions</b> Emission factors are representing the geography on country, European and global level. Geographic uncertainty exists for waste treatment methods at European and global average where no country specific emission factor was available. Technological scope in emission factors is seen as representative. Technological uncertainty exists as there are waste types which could not be fully represented by available emission factors. Based on material and treatment method, the best fitting emission factor was chosen.



# Accounting methodology

Decarbonisation	
<b>Business Travel</b>	<b>Topic</b> Business travel describes emissions from employee travel that are not stemming from commuting, driving in company cars or in company leased cars. These emissions are considered in other categories (mobile combustion, employee commuting). Business travel includes emissions from flying, travelling with car/train/subway/bus and hotel stays.
	<b>Accounting Policy</b> Data is coming from two internal systems. One system provides data on kilometres travelled in air and on land (flights & trains), on hotel night stays and on respective CO <sub>2</sub> e emissions. An activity-based approach is used to calculate these. The other system provides data on mileage allowance in kilometres and on spend for taxi, car rentals, flights, hotels, trains and buses. For mileage allowance, the activity-based approach is applied, while the spend-based approach is used for the other topics.
	<b>Emission factors</b> For activity-based data, supplier-specific emission factors were applied. For spend-based data, emission factors were taken from a third-party, in this case the database Exiobase.
	<b>Uncertainties/Assumptions</b> A large amount of data provides only information on expenses, not on kilometres travelled or fuel consumed.
<b>Employee Commuting</b>	<b>Topic</b> Employee commuting describes all emissions arising from employees travelling between their home and work. Hereby, the following transportation methods are included: <ul style="list-style-type: none"> <li>• Automobile travel</li> <li>• Bus, rail and subway travel</li> <li>• Bicycling</li> <li>• Walking</li> </ul>
	<b>Accounting policy</b> The average-data method is applied whereby average data on commuting patterns is used to estimate emissions for the years 2019 to 2023. For each location, average data from nationwide statistics is used to calculate an average commuting distance and an average of which transport types are used. This way, country-specific emission factors for kg CO <sub>2</sub> e per commuted km were created. Colleagues

# Accounting methodology

## Decarbonisation

### Employee Commuting

were also divided into onshore and offshore employees to account for differing numbers of days in office per year. Finally, emissions for each location are calculated as such: average days at the office per year x average amounts of colleagues at location per year x emission factor of one person commuting one way x 2.

#### Emission factors

Country-specific emission factors were calculated based on publicly available third-party data on commuting behaviours.

#### Uncertainties / assumptions

As no activity data on actual commuting patterns is available, assumptions were made to calculate these emissions. E.g. when calculating average days in office per year, home office rules and patterns are not considered. If a high percentage of employees stays home two days a week, then the emissions from commuting would be significantly smaller.

### Fuel and energy related activities

#### Topic

Emissions from the production of fuels and purchased energy not included in scope 1 and 2. This includes the upstream emissions of fuel and electricity purchases and losses through the transmission and distribution of electricity and district heating.

#### Accounting Policy

The average-data method is applied to calculate the emissions for fuel and energy related activities. The activity amount are based on the activities and locations reported in scope 1 and 2.

#### Emission factors

Life cycle upstream emission factors 2023 published by the International Energy Agency (IEA) are used for upstream emissions for purchased electricity for each geography. Upstream emissions for district heating are based on the fuel mix in each geography taken from German and Danish authorities and Ecoinvent 3.9.1 emission factors. Emissions for the transmission and distribution loss rates of electricity are taken from the worldbank database 2015 for each geography.

#### Uncertainties/Assumptions

Uncertainties occur through unavailable emission factors for the transmission and distribution loss rates for district heating in Denmark and Germany. These numbers have not been added to the calculation. Parametric uncertainties exist as the geographical scope of the production of fuels is not directly linked to the geographies of our own purchased fuels in all cases. Therefore, emission factors representing the geography of Europe were chosen.

# Accounting methodology

## Environmental Protection

### Waste management

#### Topic

Generated waste across our locations within the organisational boundary, segregated into 4 waste categories:

- 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.

#### Accounting policy

The segregation into the 4 categories is based on activity data from waste reports provided by the local suppliers in Esbjerg (DK), Hanøytangen (NO), Aberdeen (UK) and Invergordon (UK). The waste reports describes either waste type, handling method or both. The rates are calculated by taking the total kg of waste from a global perspective.

#### Uncertainties / assumptions

The waste reports are of different qualities which means that the segregation entails some uncertainty. We adjusted the recycling category in 2021 and this is therefore our starting point.

#### Changes from previous years

More locations are included, and calculation method is changed. Last year, we calculated rates for each location with a 50/50 split between DK and NO. This year, the rates have been calculated by combining the activity data from all locations, thus is the location with the highest amount of waste weighting higher in the global rate compared to the location with the lowest amount of waste.



# Accounting methodology

Safe and responsible business	
<b>Safety</b>	<p><b>Topic</b> Safety is part of our DNA. We believe that incidents can be prevented by approaching work proactively making safety everyone's responsibility, by sharing knowledge and inspiring each other to find safer work practices. We have safety targets and record all incidents on an ongoing basis, divided into LTAF and TRIF.</p> <hr/> <p><b>Accounting policy</b> 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.</p>
<b>Well-being of our people</b>	<p><b>Topic</b> We strive to be an attractive workplace characterised by safety, commitment, reliability, responsiveness, and inspiration, thus appealing to both current and future employees. We undertake to include individuals in an equal community in accordance with the company culture. We measure and report on sickness absence, voluntary turnover rate and gender distribution.</p> <hr/> <p><b>Accounting policy</b> 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 categorising the sickness absence into a white-collar (monthly paid employees) and blue-collar (hourly workers) section, beginning in 2021 (Wind Multiplikator is excluded in 2023 and will be included in 2024).  <b>Voluntary turnover rate:</b> Includes the turnover for white-collars onshore and is calculated based on the number of voluntary resignations compared to the average headcount (Wind Multiplikator is excluded in 2023 and will be included in 2024).  <b>Women in the board:</b> 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.  <b>Women in management positions:</b> Number of women holding a management position compared to the total number of management positions, thus including all levels of management.  <b>Overall gender distribution:</b> Number of female employees compared to the total number of employees worldwide.</p>



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