



# RESPONSIBILITY

*Communication on progress 2013*

# THE 10 PRINCIPLES OF THE UN GLOBAL COMPACT

## HUMAN RIGHTS

- Principle 1      Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2      make sure that they are not complicit in human right abuses.

## LABOUR

- Principle 3      Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4      the elimination of all forms of forced and compulsory labour;
- Principle 5      the effective abolition of child labour; and
- Principle 6      the elimination of discrimination in respect of employment and occupation.

## ENVIRONMENT

- Principle 7      Businesses are asked to support a precautionary approach to environmental challenges;
- Principle 8      undertake initiatives to promote greater environmental responsibility; and
- Principle 9      encourage the development and diffusion of environmentally friendly technologies.

## ANTI-CORRUPTION

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

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## Global energy

An international project engineering company dedicated to the global energy sector, Semco Maritime facilitates the design, fabrication, service and maintenance of our customers' assets, providing comprehensive project management across all phases of energy projects. From turnkey engineering solutions to operation support and delivery of components, systems and solutions – we make sure our customers and partners in the energy sector experience safe, cost-efficient operations.

Headquartered in Esbjerg, Denmark, our dedicated employees work offshore and onshore from our subsidiaries in Norway, the UK, UAE, Singapore, Vietnam, Australia, Central America and the USA.

We believe in setting the bar high, challenging our people to deliver solutions of the highest quality, anywhere in the world.

Our services and solutions include:

- Project management
- Engineering and design
- Procurement
- Construction and fabrication
- Installation and commissioning
- Yard and workshop facilities
- Upgrades and refurbs
- Maintenance, modification and servicing
- Products, components and technology
- Operation support

### Liabile management

Steen Brødbæk, President & CEO

Jørgen Devantier Gade, President & CFO

### Third-party certified according to:

ISO 9001

ISO 14001

OHSAS 18001

ISO 3834-2

### Assessments:

Achilles

First Point Assessment

PQAN Certificate



## CEO statement

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

The markets in which we operate continuously demand high quality projects delivered at the right time, the right price and at the right cost. Our expanding global presence means more stakeholders – and a greater environmental impact – and we strive to meet each new challenge in an environmentally, ethically and socially responsible way.

Our motto, 'Dedicated people, exceeding expectations' is reflected in our projects, solutions and manpower services for the global energy sector. We have formalised our corporate values; commitment, responsiveness, reliability and inspiration in our Corporate Responsibility strategy, which focuses on four areas: the community, the environment, people and sustainability. Our Corporate Responsibility initiatives define

how we should interact with our customers, employees, suppliers, and the communities and the environments in which we work.

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

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

Semco Maritime uses the UN Global Compact as a platform for our Corporate Responsibility (CR) activities and as an incentive for suppliers to support the principles of CR. The UN Global Compact constitutes a good common frame of reference and core values, which form the basis of the cooperation between Semco Maritime's departments, as well as with suppliers and other business partners around the globe.

Steen Brødbæk  
CEO



## Strategy and stakeholders

### Corporate Responsibility

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

There are a number of factors that influence a company's CR strategy. As production networks expand around the globe and information moves faster and faster and becomes more easily accessible, organisations are becoming more transparent – and stakeholders are demanding an insight into how companies affect their social and environmental surroundings.

Our CR strategy focuses on four areas: the community, the environment, people and sustainability. It is formalised in our business strategy and is in line with our motto, "Dedicated people, exceeding expectations." To chart our progress, we have developed step-by-step plans for each area.

### Construction of new domicile meeting strong Danish demands for building code 2020

In 2013 Semco Maritime decided to build a new head office in Esbjerg. In cooperation with Pension Danmark, who will be the owner of the building, we have designed the domicile to more than 700 workplaces. It will be placed in the northern part of the harbour in an area the local authorities will develop in the coming years.

It has been important for us, that the building is above average, when it comes to working environment. There will be high standards for indoor climate, and most of the building standards meet the Danish "BR 20", which are standards supposed to be the norms for 2020. The building meet the standard on the floor, roof, windows and exterior walls supplied with solar cells on the roof. The owner will ensure that the building score a silver certificate DGNB Denmark.(Green Building Council).

We expect to move into the new domicile in January 2016.

### Corporate Responsibility survey 2013

To collect information on three stakeholders perspective on Semco Maritime's Corporate Responsibility a survey was conducted with the following target groups:

- Customers
- Suppliers
- Employees

Following topics created the basis for the questions:

- Climate change, compliance, corruption and bribery, community, environment, ethical profile, human rights, safety and working environment.

The survey was conducted to collect knowledge on whether Semco Maritime's work and focus level was in sync with our stakeholders expectations. Further it gave the company guidelines on the direction of our future work with CR.

35 customers responded to the CR survey, which was an add on to the yearly customer satisfaction survey. 27 suppliers and 398 employees completed the survey.







 SEMCO  
maritime

# STRATEGY

*and stakeholders*

## Strategy and stakeholders

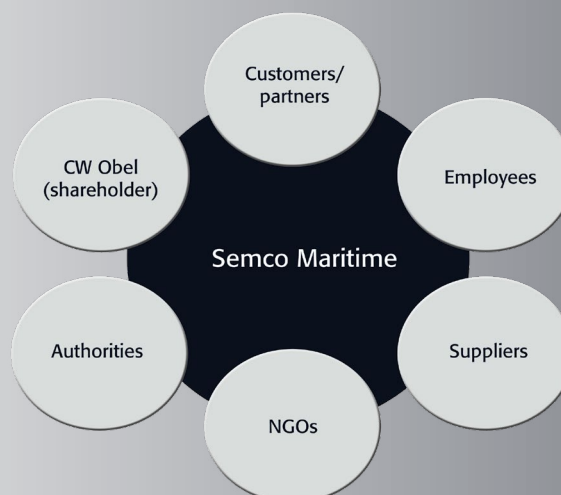
### The overall conclusion was:

- Overall, the three stakeholder groups shared the same view on the industry and on Semco Maritime as a whole
- The three groups mainly agreed and responded favourably to the CR work performed by Semco Maritime
- There is agreement in the stakeholder groups regarding the importance and the contribution of CR work.

Semco Maritime management team is decided to continue the CR work at the level, the company has fulfilled during the past years. The company CR performance meets the stakeholders expectations, and Semco Maritime will continue to act as a responsible partner for customers, employees and suppliers.

### Stakeholders

We wish to pursue an active dialogue with our stakeholders in order to develop and strengthen the company. Our primary stakeholders are our customers – the foundation of our business. To serve them as best as we can, we depend on qualified employees, good partners and sustainable political decisions. We value a close and healthy relationship with our stakeholders and are always interested in their opinion. Our annual customer satisfaction survey, provides a valuable insight into how customers perceive our company and we use this information to target our resources to specific areas.







# STRATEGY

*and stakeholders*



## Human rights

We support and respect the protection of internationally recognised human rights. We observe the law and wish to instil values and attitudes that support a responsible dialogue with our stakeholders (customers, owners, end-users, suppliers, employees, national organisations, grass-root movements and local community).

To strengthen the company and improve our business strategy, we wish to develop a responsible ethical profile. This will link our vision with our values and attitudes and with our motto "Dedicated people – exceeding expectations." We must share our success stories – big as well as small – so that we can motivate and learn from one another.

### Code of conduct

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

### Supplier evaluation

Semco Maritime's ability to operate our business in line with our corporate value at the standards is impacted by the products and services we purchase for external suppliers and the standards they set corporately for their business. We therefore need to continually strive to ensure that we understand the principles and policies of our external supplier and therefore have a procedure for supplier evaluation.

Our supplier evaluation process forms the basis of our partnership with our major suppliers and is a key element of our Corporate Procurement Strategy.

The Corporate Procurement Department underlined the importance of this process by setting a target for 2013 that the majority of the money we spend should be with suppliers who have gone through the supplier registration process. This was achieved with 81% of the external spend in 2013 at registered suppliers.

At the start of 2014 the Corporate Procurement department will introduce an improved self-assessment system which is broadly aligned with the Oil and Gas industry Achilles JQS Supplier Self-Assessment process, with both being inspired by NORSOK S-006 standard.

The purpose of the process is to classify and evaluate existing and new potential suppliers. The assessment process will evaluate the supplier's responses against criteria regarding Corporate Responsibility, Health and Safety (OHSAS 18001), Environment policies (ISO 14001), Quality Risk Management (ISO9001) and where applicable ISO 3834-2 for Welding and Heat Treatment.

Although each supplier is evaluated on an individual basis, the recommended level for approval against the different criteria is based on Business Criticality groupings.

The suppliers are put into different evaluation groups dependent on their influence on Semco Maritime's business. The business criticality is ranked from "High" to "Low" dependent on the type of product or service supplied, the influence this can have on Semco Maritime or our end customers and the business criticality of the relationship.

After assessment by the Procurement and HSE&Q departments, the supplier will be register as follows:

Approved: Supplier meets expected criteria for business type, Registered: Supplier does not meet all expected criteria levels, however no fundamental issues for continued use are foreseen, Blocked: Supplier does not meet expected criteria and is not deemed suitable for use or Expired: Supplier is no longer active & therefore no assessment is needed. A supplier can also be classified as Not Assessed if the nature of the commercial relationship does not warrant it.

The approval of the supplier is valid for 3 years and all information will be stored in the corporate ERP system. Prior to the expiry of the approval, the procurement department will contact the supplier to start the re-approval process.

By the end of 2011, 11 suppliers were registered.  
By the end of 2012 there were 121 registered suppliers and by the  
end of 2013 this number was 412 corresponding to 81% of the  
value of procurement being spent at registered suppliers.



RESPECT  
*and responsibility*



## Human rights

**Semco Maritime has supported 83 charity and humanitarian projects in 2013. Below we have listed a selection of the projects:**

**DanChurchAid** - aim is to strengthen the world's poorest people in their struggle for a life in dignity.

**STUDIECYKEL.DK** - a social economic undertaker company to help students in Denmark and Africa.

**Roseliv charity concert** - supporting multiple sclerosis.

**Aflastningstjenesten** - providing care and attentive, compassionate assistance to vulnerable, seriously ill and dying people.

**Familier med kræftramte børn** - support to families with children with cancer.

**Hospital clowns** - spread joy among children in hospitals.

**Stafet for Livet** - community awareness, information and collection for the fight against cancer.

**June Skaale jupitervænget Hus** - vulnerable children

**Danish Red Cross** - humanitarian aid organisation.

### **A hospital clown is a clown - not a child and not an adult**

For that reason alone, a hospital clown can help the child in a whole different way than the rest of us might.

A Hospital Clown can mirror the child's emotions such as fear, anger and powerlessness and thereby making these feelings acceptable.

A hospital clown can make fun of us - the authorities - and thus make life in the hospital more human and acceptable. A hospital clown can, at least for a while, ease the sorrow and discomfort and make way for the joy of life.

The job of a hospital clowns is to provide the child compassionate attentiveness. A hospital clown does not have any projects to be implemented they are just present - along with the child and on the terms of the child.

A hospital clown never does anything unpleasant. A hospital clown is often a clumsy person with whom the child can laugh or scold. But the hospital clown is also a friend with whom the child can trust and maybe talk to about things that it's hard to talk to others about.



# RESPECT

*and responsibility*



## Human rights

### Give, support and recycle

In Guatemala through a non-lucrative organisation, DAR (Donate, Support, Recycle), it's possible to ensure the collection of the waste that can be recycled and this enables the support of social responsibility activities oriented to homeless people, nursing homes for old people, studding support for children and others.

Semco Maritime had beeng supporting this project since August 2013 up today, recycling more than 200 pounds.

### Sexual transmitted diseases and HIV/AIDS Awareness

During September of last year The Termopuerto Power Plant operated by Semco Maritime in El Salvador promoted an intensive campaign about sexual transmitted diseases and HIV/AIDS awareness among the employees.

As part of the campaign different talks were given during the month to the employees about the topics mentioned above. The staff from the 4 different shifts of the operation and maintenance participated and supported the campaign.

The talks were given by a doctor from the Salvadorian Social Insurance Institute, as part of the annual safety training schedule.

### Traffic education

An intensive campaign about traffic safety, not just to drivers but also to the pedestrians has been carried out.

The campaign covered safety talks, training, review of the controls (driving policy, maintenance logbooks, driving licenses), weekly campaigns, safety wall collage (with the picture of the relatives of the workers).

This activity in particular touched the lives of the employees although they were working cross borders colleagues.

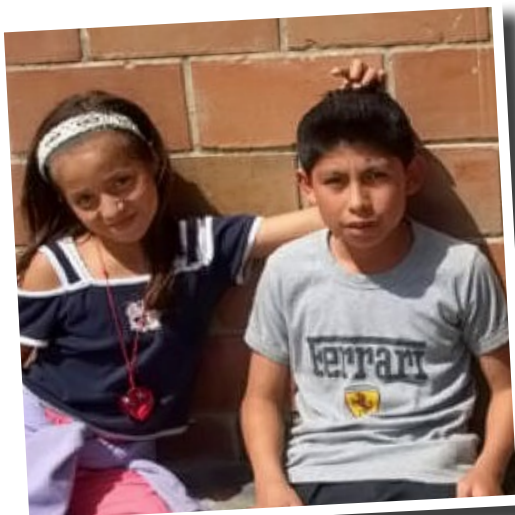
### Effects of the alcohol abuse

In October the campaign in the Termopuerto Power Plant was informed about the awareness of the effects of the alcohol abuse in the society, in the family, in the personal life and at work.

The campaigns were supported by a doctor from the Salvadorian Social Insurance Institute, to explain the health effects and by a psychologist to explain the psychological effects on the person and the environment in which he/she is living.

The different activities of the campaign were supported by all the employees.

The talks were given as part of the annual safety training schedule.







# RESPECT

*and responsibility*



## Labour

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

We do not use force, threats or disciplinary means to force people to work, or withhold identification papers or wages from employees to force them to work. All employees have individual contracts, made and approved in accordance with international, and national legal requirements. In some countries, however, where required by law, Semco Maritime holds both working permits and passports during the period of employment. We do not employ nor support the use of child labour.

The purpose of our personnel policy is to create an attractive workplace where each employee has the opportunity to develop both personally and professionally, and where the knowledge and attitude of each employee contributes to a creative and inspiring working environment.

### Equal opportunities

We support diversity and equal opportunities. We do not expose any person to discrimination based on gender, race, colour, religion, political opinion, sexual orientation, national extraction, social origin, ethnic origin, age or handicap. No person is subject to discrimination in hiring, dismissal, transfer, promotion, wage setting, and setting of working conditions or competency development. All decisions regarding employment, promotion, dismissal, wages and other working conditions are based on relevant and objective criteria.

Our equal opportunities policy ensures that both female and male employees at all levels

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

### Social counsellor

On August 1, 2007 Semco Maritime created the position of a social counsellor based on the staff's wish for increased focus on human values.

The position covers working areas in the company social inclusion, job satisfaction, job retention by disease and counselling and coaching the employees and their families. A few examples of initiatives concerning job satisfaction are the job satisfaction survey onshore in Denmark, where all the employees get a presentation of result and time to choose focus areas for them and their team to increased job satisfaction every day. Another initiative is that the employees can contact the social counsellor if they have problems with their job satisfaction and get counselling, so they can regain the job satisfaction. There are also job satisfaction groups in some departments. In these groups management and employees discuss steps that result in increased job satisfaction at the work place. The social counsellor has a coordination function in cooperation with Semco Maritime. The focus area is job satisfaction of the employees, which has continued unabated since 2007 and still is in focus.

### Competency assessment

Each employee and the company have a mutual obligation to develop in order to create results and add value to the company and the individual. To strengthen competencies within the company and to ensure our strategic ▷





# PERSONAL FREEDOM

*and development*



## Labour

development, competence assessment will be implemented at all levels: company, business units and divisions.

Employee, education and training needs are identified in an annual appraisal, and a plan of action is prepared for the coming year. We also record employee educational qualifications so that qualified resources are matched to the right tasks. The company is following a group strategy "First Choice 2015" and it is important that employees connect their individual development plan to the strategy. We are initiating a competency management and development project to identify the competencies required to live up to our current strategy. In 2013 we have implemented generic behavioural competencies on all positions in Denmark and generated job descriptions for all positions.

The work will continue in 2014 focusing on adding functional competences and rating employee competence level vs. required level at the specific job in order to identify competence gaps and development need.

### **Reporting system helps ensuring safe working conditions and continuous improvements**

At Semco Maritime we want to ensure continuous improvements, especially regarding Health, Safety, Environment and Quality. In order to achieve this, we have throughout the year 2013 increased our focus on Non Conformance Reporting, Health, Safety and Environment incidents and Improvement Proposals. This has resulted in 1822 registrations in 2013 compared to 430 registrations in 2012. In order to keep this positive development, we have set an optimistic target of 1200 registered Non Conformance Reports in 2014 verses our 730 registrations in 2013. The target is set to ensure that every Non Conformance is registered in our global reporting system, helping us to improve our

performance and deliver high quality solutions to our customers.

Semco Maritime strives to be a learning organisation and therefore we find the learnings in Non Conformances Reports, Health, Safety and Environment incidents and Improvement Proposals of utmost importance. Our global registration system helps us sharing knowledge across departments, divisions and country borders, and enables Semco Maritime to raise the bar and create value for our customers. Furthermore, the electronic reporting system has saved the amount of paper which was used in our old manual system.

Through our Health, Safety and Environment reporting we are capable of improving the involved areas, in order to ensure a safe and cost efficient workplace. When an incident is registered, our HSE department will evaluate the incident and take actions to ensure the safety of our employees and improve the working conditions, fulfilling our motto: "No compromise – we care". The no compromising attitude is highly relevant, since our employees often operate in extreme work environments. When Non Conformances occur, they are reported to the manager responsible for the involved business area. This provides the managers with a unique overview of which type of Non Conformances occur in his/her business area. The manager allocates an analyst who is responsible for finding the root cause of the issue and if needed a person is allocated to carry out corrective- and preventive actions. Before the Non Conformance Report is closed, our Quality department evaluates each case, to ensure the quality of the Non Conformance handling. At Semco Maritime Improvement Proposals are regarded as important as any other observations, since an Improvement Proposal can prevent Non Conformances or Health, Safety and Environment incidents.





# PERSONAL FREEDOM

*and development*



## Labour

All Improvement Proposals are sent to our Quality department, who assigns an analyst responsible for evaluating the improvement suggestion. If the suggestion is found relevant, a person is allocated to implement the suggestion before our Quality department verifies the implementation and closes the case. Even simple ideas can generate value, for example an improvement suggestion resulted in 2 sided printing as the default print setting on all Semco Maritime printers, in order to reduce paper usage and thereby reduce the environmental costs.

### Working conditions

Our employees are our greatest assets. Our work often takes us to extreme working environments, both on and offshore and we handle heavy machinery, explosive materials and high-voltage equipment on a daily basis. In order to prevent our people from getting hurt we make risk assessment in every phase from design to installation/commissioning.

In the engineering phase it is technical safety that is the key word and we review/assess the design to ensure that the future fabrication, installation, commissioning and later on the dismantling can take place without any people getting hurt. Neither our own people nor the future users (client).

The fabrication phase is completed in our own facilities and we are carrying out work place assessment to ensure that the work place and machinery is arranged and maintained so the employees are not put to any risk when carrying out their work. Before any task a risk assessment is carried out by the employees involved.

The installation phase is planned very carefully and controlled through work permits or job packages. This in order to ensure that no activities are overruling each other and pose a special danger to the involved personnel. Before starting up any work permit or job package a risk assessment comprising the task is made by the employees to perform the work. The level of details of the assessment is dependent on the specific job.

To protect the health and safety of our people, our assets and our customers' assets, as well as the communities we operate in, we insist on adhering to globally approved health and safety standards. Semco Maritime is certified according to OHSAS 18001. Our staff receives regular training in the latest health and safety tools and procedures, and we publish our health and safety performance in annual reports.

We constantly develop the processes and policies of our work. It is the responsibility of

The table below illustrates the number of accidents during the past five years.

<b>ACCIDENTS</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Lost Time Accidents	13	9	16	10	7



the management to create a working environment that ensures that we can achieve our goals and that policies are observed.

Accidents can be prevented, so we continuously inform, train and educate employees to ensure they know how to work safely. Likewise, employees are obliged to 'raise the red flag' if the workplace does not meet safety requirements, report all undesirable incidents and suggest improvements.

The past year Semco Maritime has intensified our work to strengthen our safety culture. A safe behaviour in a safe environment is of the utmost importance. We need to ensure a safe workplace to protect the health and safety of our people and our assets. This means a common focus on safe habits and behaviour, which is also an essential part of an organisation which is both observant and is constantly improving. "NO COMPROMISE – we care" is the name of a large scale safety conference hosted by the HSE department. The conference is intended to be a yearly recurring event and subsequently, we will launch campaigns and provide supporting focus areas and activities.

In addition, all business units are working strategically with safety. This has led to numerous new initiatives that have resulted in strategic plans for safety. One initiative is a standard safety manual for Semco Maritime international sites. This standard safety manual will be used as a template for larger projects on sites abroad so that all relevant information is included.

These initiatives are expected to reduce work-related injuries in the future. Our aim for 2014 is to see Lost Time Accidents (LTA) fall to zero. In the coming year, we will continue to focus on reducing the number of work-related injuries.

# PERSONAL FREEDOM

*and development*

## Environment

We respect the environment and comply with applicable laws and regulations. However, we place higher demands on ourselves than stipulated by the law. Semco Maritime is certified according to ISO 14001, which means that we engage in targeted and systematic efforts to continuously improve our environmental performance. We understand 'a precautionary approach' as preventive.

We will strengthen employee environmental awareness and responsibility through education and active participation in environmental work. Our activities must not in any way harm the surroundings and we must maintain a positive track record of environmental action and improvement. We aim to reduce our environmental impact by using resources in the best way possible, reducing energy consumption, and waste and discharge levels.

We aim to ensure the best possible energy efficiency of all purchased energy-intensive equipment. We will maintain an efficient waste separation system to ensure maximum waste recycling and the best possible separation of the remaining waste, as well as strengthen the development and use of environmentally friendly technologies around the world.

### Reduce paper consumption

In 2013, our goal was to reduce the paper consumption by 10 percent. This goal was not achieved at all as the consumption ended up on more than plus 50 % from the previous

year due to a major project which required a very large amount of paper.

In order to continue our focus on reducing the paper consumption we will launch the following initiatives during 2014.

- We seek to influence our customers by sending project documentation electronically, instead of hard copy
- Several types of documentation that are normally printed are now scanned and saved electronically
- The ERP system will affect paper consumption, as numerous working procedures will be automated, which will reduce paper consumption.
- All printers are set up to print on both sides of the paper.

### Reduce electricity consumption

We continuously seek to reduce our power consumption. During 2013, we launched various initiatives, but despite our efforts electricity consumption was maintained nearly at the same level as 2012. However, despite a general increase in activities in 2013, our electricity consumption has maintained at the same level as the previous year.

In 2014 we will focus on the following initiatives:

- Ongoing campaigns will be launched to save electricity in all business units worldwide
- In the production areas, various initiatives will be launched in order to reduce the power consumption.

The table below illustrates paper consumption during the past five years.

<b>CONSUMPTION OF MATERIALS</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Paper consumption	14.8 ton	15.3 ton	14.9 ton	14.6 ton	21.7 ton

The figure below illustrates electricity consumption during the past five years.

<b>ELECTRICAL CONSUMPTION</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Electricity (kWh)	2,144,023	2,419,783	2,410,288	2,400,024	2,354,430





# SUSTAINABILITY

*and stewardship*



## Environment

### CO2 neutral website – climate-friendly surfing

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



### Nordic swan marking

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



### FSC®

#### Sustainability in the forest

FSC stands for The Forest Stewardship Council and is an international non-profit label for wood and paper. FSC is your guarantee that the paper used for your printed material comes from wood in a FSC forest. Here no more wood is cut than the forest can regenerate. FSC is also a guarantee that animals and plants are protected and that forest workers are guaranteed education, security and decent wages.



### Climate partnership agreement with DONG Energy

Semco Maritime is DONG Energy climate partner. A climate partnership includes joint responsibility for the future climate challenges by setting up targets for Semco Maritime's climate efforts, carry out energy conservation and support the production of renewable energy.

The basic idea behind this climate partnership is that DONG Energy assists Semco Maritime in finding areas where we can save energy. The savings are used to finance more renewable energy.

The energy consultants from DONG Energy are working in close cooperation with Semco Maritime around specific challenges and possibilities and together we have identified where and how to implement energy savings. The savings from the reduced energy consumption is used to finance certified guarantees of origin from wind power, corresponding to the total electricity use of Semco Maritime. In that way we can contribute to more renewable energy projects in Denmark.

The climate partnership is the long-term investment, which is based on a common climate vision, mutual confidence and a strategy for achieving the planned targets.







# SUSTAINABILITY

*and stewardship*



## Environment

### SemCoMem, produced water solutions – the next generation

Together with the Danish company, Liqtech, we have been working on an environmentally friendly solution for the treatment of produced water. As the only fully automated system, for challenging produced water, SemCoMem offers the lowest OPEX of any solution on the market.

All offshore oil producing installations need water treatment systems. Oil fields produce up to 90 percent water during operations. When most of the oil has been separated from the water, the produced water still contains too much oil to be pumped back into the ocean, and too many particles to be re-injected into the well. Our new product, SemCoMem, reduces the dispersed oil and brings the produced water back down to oil concentrations below 5mg/l.

Every existing installation already has a produced water system. However, in some cases these systems, based on conventional gravitation separation, cannot comply with the environmental regulations for discharge of oil, because of the complexity of the water. In these cases SemCoMem provides a solution that requires very limited man power and has the ability to always comply with environmental legislation.

Our future SemCoMem solution will be even more efficient and space-saving than the present system which has been installed on

a platform in the North Sea and is awaiting commissioning. We expect the system to start-up in summer 2014. We have met considerable interest in efficient water treatment solutions like SemCoMem. Besides the North Sea, we are trying to penetrate the oil-sand market in Canada and the markets in the Middle East.

As part of a long-term future strategy, we have engaged the assistance from the University of Aalborg. With their expertise within calculation of flow and turbulence, they helped verify the design of our new design.

All in all there is substantial global market potential for this environmentally friendly solution.

### Waste separation

Waste is one of our most significant environmental impacts, particularly combustible waste. In general, we produce less waste, recycle more and incinerate less waste than we did previously.

In 2013 our waste levels were kept at the same level as previous year and our goal to recycle at least 80 percent of the total amount of waste was met as we recycled 89 percent. However, waste separation is dependent on the local infrastructure in the countries where we operate.

We will keep the focus on waste separation in 2014, and aim to maintain the recycle percent at 80 % of the total amount of waste.

The figures below illustrate the various types of waste produced during the past five years.

TYPE OF WASTE (KG)	2009	2010	2011	2012	2013
Combustible waste	26,832	58,582	58,790	78,710	88,410
Recycling	328,704	438,725	560,683	550,763	977,655
Deposit waste	5,710	45,136	40,636	26,542	27,300
Specially treated waste	1,619	1,650	962	1,182	3,424
Total amount of waste	362,865	544,093	661,071	657,197	1,096,789
Recycling degree compared to total amount of waste	90 %	81 %	85%	83%	89 %





# SUSTAINABILITY

*and stewardship*

## Windpower

Rapid growth in renewable energy projects.

Semco Maritime is among the market leaders in electrical infrastructure for offshore substations and offshore balance of plant.

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

Originally a provider of services for the oil and gas industry, our business has increasingly turned toward renewable energy. A logical step, as many of our core competencies from many years in the oil and gas business are easily applied to offshore wind.

We design and engineer electrical infrastructure systems for wind farms, including construction of the on and offshore substations. We are one of the leading operation and maintenance suppliers to wind farms in Denmark, the UK and Germany. Our safety and quality-conscious staff operate and/or maintain substation modules, offshore accommodation modules, wind turbine foundations and land-based substations. Our dedicated

engineering and design department handles everything from specialised studies to the detailed design and specification of substations, accommodation modules, seafastening and installation equipment. Our teams have also been involved in projects to upgrade installation vessels, install wind farms, Tetra communication systems and test equipment for wind turbine manufacturers.

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



Semco Maritime has participated in the following offshore wind projects:

**Burbo Banks**

**West of Duddon Sands**

**Walney I**

**Walney II**

**Northwind**

**Nordse Ost**

**Innogy 1**

**Borkum Riffgrund I**

**Anholt**

**Rødsand B**

**Gunfleet Sands**

**Robin Rigg**

**Lillgrund**

**Princess Amalia (Q7)**

**Nysted**

**London Array**



## Anti-corruption

As a signatory to the UN's Global Compact since 2007, Semco Maritime is committed to the highest standards of integrity, honesty, and fairness in all internal and external relationships, in accordance with all applicable laws and regulations, including, but not limited to, anti-bribery and anti-corruption laws.

Semco Maritime A/S' employees shall not directly or indirectly accept, solicit or offer bribes, kick-backs, facilitation payments or any other unjustified advantages in order to improperly influence or to gain an unfair business advantage from any governmental or private entity.

We have built our anti-bribery and corruption policy's foundation "Prevent – Monitor – React" on the basis of the 6 principles of the Bribery Act 2010 (UK) as follows:

### 1) Proportionate procedures:

- By designing and implementing (i) an "anti-bribery policy" and (ii) actual, suitable and proportionate "anti-bribery procedures" to handle risk-exposures in our markets;
- By synergizing the necessary resources of our CEO, CFO, the Legal- and the HSEQ departments - ensuring the appropriate attention to our anti-bribery and corruption policy and procedures;
- E.g. by capping gifts to €350 - other promotions and hospitality gestures are regulated in each incident based upon specific criteria;

### 2) Top-level commitment:

- By having our CEO and CFO and "owning" the anti-bribery policy.
- By having a Culture & Development internal program and Group General Counsel proactively sponsoring the policy, when necessary;
- By having our Senior Vice-Presidents annually (via for instance the intranet and similar internal communication channels) make employees aware of the policy/procedures;

### 3) Risk assessment

- By evaluating - as applicable - the risks associated to our potential and current projects with regard to the risks inherent with:
  - (i) geography and (ii) industry sector
  - (iii) nature of transaction and (iv) scope and nature of the necessary partnerships
- By when necessary - devoting - specific resources (Legal- as commercial) to identify potentially risk agreements related to:
  - supply (from simple Purchase Order to full-blown EPC contract with Operation and Maintenance), purchasing, agents and consultants

### 4) Due diligence:

- By inserting an anti-bribery clause in internal Contract Review Guidelines across Semco Maritime's 4 divisions;
- By including a specific set of questions on the anti-bribery and corruption policy in our HSE&Q Department's new set of internal auditing rules;

### 5) Communication:

- By bringing focus on the anti-bribery and corruption policy in introductory courses for new employees;
- By making our Code of Conduct readily available on our internet site, along with the updated version of our Communication on Progress ("COP") report and Global Business Manual - including the anti-bribery and corruption policy and procedures;
- By training, through our Contract Review Guidelines course, all Semco Maritime employees involved in contract negotiations will be aware of counterparts on bribery clauses;

### 6) Monitoring and review:

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

## Future focus areas

### Supplier evaluation

Continually evaluate and approve the key suppliers to Semco Maritime to maintain the majority of our external spend with suppliers that meet our expectations in terms of Corporate Responsibility, Health and Safety, Environment policy and Quality process.

### Equal opportunities

Introduce equal opportunity policy to all employees in all departments.

### Competency assessment

"In 2013 we have implemented generic behavioural competencies on all positions in Denmark and generated job descriptions for all positions. The work will continue in 2014 focusing on adding functional competences and rating employee competence level vs. required level at the specific job in order to identify competence gaps and development need."

### Working conditions

Continued focus on prevention of accidents, concentrated on three issues: behaviour, safety and vigilance  
Lost time accident frequency (LTA) shall be 0  
Increased focus on NCR and HSE reporting to focus on on-going improvements.

### Environmental consumption

- Reduce paper consumption
- Reduce electrical consumption
- Focus on waste disposal and recycled waste
- Initiate activities in the climate partnership agreement with DONG Energy.

### Technologies

Focus on developing climate and environmentally friendly technologies.

### Ethical guidelines

Anti-bribery and corruption policy courses for selected employees.

## Our strategy "First Choice 2015"

-gives the direction and guidelines that we should achieve:

- To be our customers' First Choice
- To be the First Choice as a workplace for employees
- To be the First Choice as a benchmark baseline on execution

**Vision:** To be the energy sector's first choice for safe solutions that consistently exceed expectations

**Values:** Commitment, Responsiveness, Reliability, Inspiration





# LOOKING AHEAD

*to a brighter future*



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# SEMCO MARITIME

*Dedicated people – exceeding expectations*

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