




Responsibility

Communication on
progress 2016



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Read the report online here:
[www.semcomaritime.com/about/
our-company/csr](http://www.semcomaritime.com/about/our-company/csr)



The 10 principles

of the UN global compact

■ HUMAN RIGHTS

Principle 1

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

Principle 2

Make sure that they are not complicit in human 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.

Principle 6

The elimination of discrimination in respect of employment and occupation.

■ ENVIRONMENT

Principle 7

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

Principle 8

Undertake initiatives to promote greater environmental responsibility.

Principle 9

Encourage the development and diffusion of environmentally friendly technologies.

■ ANTI-CORRUPTION

Principle 10

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



Semco Maritime

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

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

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

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

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



Headquartered in Esbjerg, Denmark: Semco Maritime's new domicile was awarded with a Golden DGNB; a stamp of sustainability.

SERVICES AND SOLUTIONS:

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

ORGANISATION:

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

LIABLE MANAGEMENT:

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

3. PARTY CERTIFICATES:

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

ASSESSMENTS

- Achilles
 - First Point Assessment
-

Introduction

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

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

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

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

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

our customers, employees, suppliers, the communities and the environments in which we work.

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

In 2007, Semco Maritime joined the UN Global Compact initiative. We are committed to aligning our operations and strategies with the 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 supports the UN Global Compact and we use the ten principles as a solid platform for our CSR activities and as an incentive for our suppliers. The UN Global Compact constitutes a good common frame of reference and core values, which form the basis of cooperation internally in Semco Maritime, as well as with suppliers and other business partners around the globe.

Steen Brødbæk, CEO





Strategy and stakeholders

Corporate Social Responsibility

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

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

CSR in our projects

As part of our project execution, all projects refer to the overall Semco Maritime CSR policy and must ensure that our suppliers and subsuppliers are also in compliance. For further details about supplier assesment and approval, please see p. 9-11.

Project risk management

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

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

Strategy - looking towards 2020

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

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

Business management system

Our business management system helps us ensure that:

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



POLICY

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





Human rights

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

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

Code of conduct

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

code of conduct, as well as the values upon which it is based.

Supplier evaluation

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

The procedure for supplier evaluation process sets the basis for our relationship with our suppliers. We found it important to ensure easier



ACHIEVEMENTS IN 2016

An improved electronic supplier self-assessment form which leaves less room for human error in the assessment of our suppliers,

Introduction of supplier performance scorecard

AMBITIONS 2017

Further implementation of the electronic supplier self-assessment forms.

By end of 2017, we have successfully migrated 35% of all supplier approvals into the new electronic approval system.

In 2017, we will reduce the number of suppliers. This will enable us to increase focus on our remaining suppliers and on developing long-term supplier relationships.





and more direct contact between our HSSEQ department, procurement and the suppliers.

In 2016, we therefore released a new and improved and electronic supplier self-assessment form that contains general supplier information as well as information about their CSR approach. We request suppliers to comply with the principles described in our code of conduct, Health and Safety (OHSAS 18001), Environment Management System (ISO 14001), Quality Risk Management (ISO9001) and where applicable (ISO 3834-2) Welding and heat treatment. If a supplier does not have the relevant certificates,



our HSSEQ department will follow up with a questionnaire.

Business criticality rating is another important area when evaluating a supplier. The product or service provided can have a large impact on our business or that of our end-customers. Performance reports made continuously - from contract signing until delivery - are important tools that we use together with on-site audits.

It is important for us to share and store our experience with suppliers - good or bad. In 2016, we therefore implemented a supplier performance scorecard; this tool evaluates suppliers on total cost level, delivery performance, quality performance, responsiveness, reliability and technical capability. Suppliers will be involved in the result of their own scorecard whenever necessary and Semco Maritime will request improvement processes to mitigate unacceptable performance.

In 2017, we aim to lower the amount of suppliers used and to keep the supplier base trimmed to secure a high data quality across the organisation. We aim to build strategic long-term relationships with key suppliers of products and services that can influence our cost structure considerable.



POLICY

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

Charity

In 2016, we supported various charity and humanitarian projects. Below you will see some of our sponsorships.



Røde Kors - the Danish Red Cross

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

Familier med kræftramte børn

Support to families with children with cancer.

The Children's Cancer Foundation

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

Hospital clowns

An initiative with the purpose of spreading joy and laughter among children in hospitals.



Headspace

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

Stafet for Livet

Community awareness, information and fund-raising to support the fight against cancer.





Labour

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

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

We do not use force, threats or disciplinary means to force people to work, or withhold identification papers or wages from employees to force them to work. To ensure uniform and professional handling of warnings/terminations, and that laws and collective agreements are complied with, we have a disciplinary procedure (P-SEMCO-0293).

All employees have individual contracts, drafted and approved in accordance with international and national legal requirements. We do not employ nor support the use of child labour.

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

Equal opportunities

We support diversity and equal opportunities. According to our Inclusion policy we do not expose

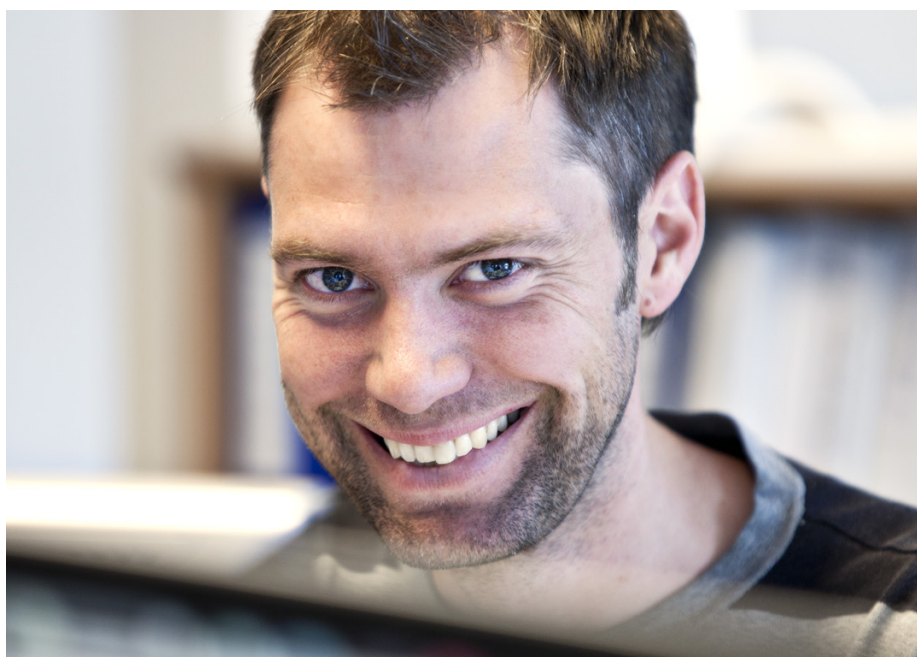


ACHIEVEMENTS IN 2016

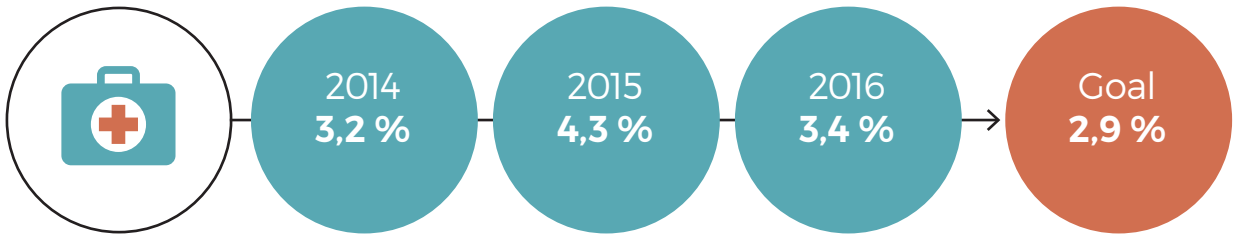
- Job satisfaction survey – overall average of 4 out of 5
- Sickness absence was brought down from 4,3% in 2015 to 3,4% in 2016.
- 73% of all employees have had their annual personal development dialogue (PDD)

AMBITIONS 2017

- Lower sickness absence in 2017 – goal is 2,9%.
We will improve in 2017 by increasing our focus on sickness absence, especially in the departments/locations where the absence is highest.
- Improve number of completed Personal Development Dialogue (PDD) meetings – goal is 90%.
We will inform about the importance of PDDs and make the PDD tools known and accessible for all managers!



SICKNESS ABSENCE



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

Social counsellor

Since 2007, we have had an in-house social counsellor in order to ensure a strong focus on human values. The position handles social inclusion, job satisfaction, job retention by disease and counselling and coaching of the employees and their families.

In order to minimize long-term sick leave and to ensure regular contact between employee and workplace during sick leave, we have a sick leave procedure. In 2016, the level of sickness absence was at 3.4%. This is better than 2015, but still too high. Therefore we continue our focus on reducing sickness absence in 2017.

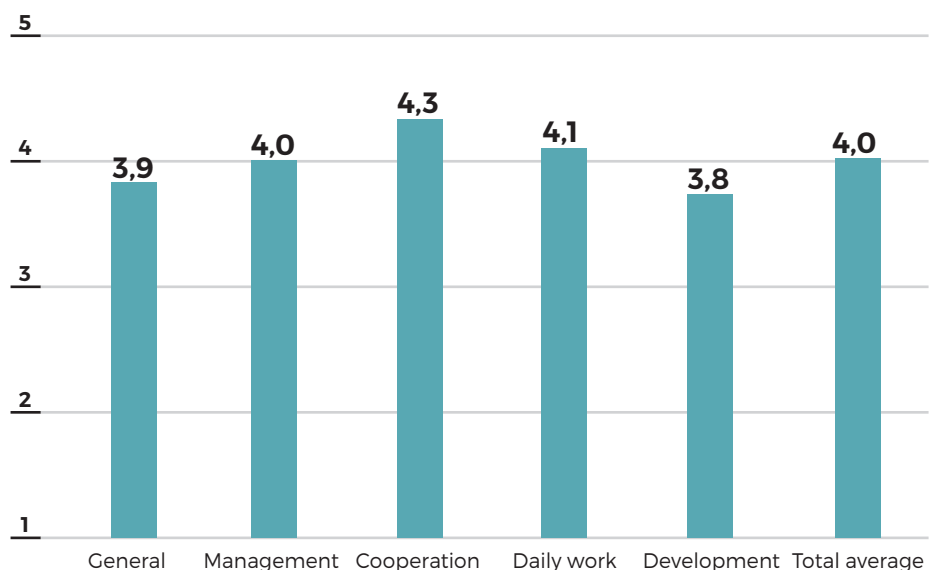
Ultimo 2016, we initiated an analysis of absence and launched concrete actions, which include extended written action plans in case of long-term sick leave. These action plans will focus on promoting an accelerated and successful return to the workplace. This work and further

implementation will also continue in 2017. In 2016 we worked with welfare groups in a few of our divisions. The aim is to increase the general job satisfaction. We believe that well-being and performance are closely linked.

Job satisfaction

In 2016, we completed a job satisfaction survey in Semco Maritime. The survey included all white collar and blue collar employees except for offshore employees. The job satisfaction survey analysed the knowledge and understanding of our strategy, the satisfaction with management, cooperation, work-life balance, etc.

Average results of the job satisfaction survey - 5 is best





84% completed the survey and the overall average was 4,0 (on a scale from 1-5, where 5 is best).

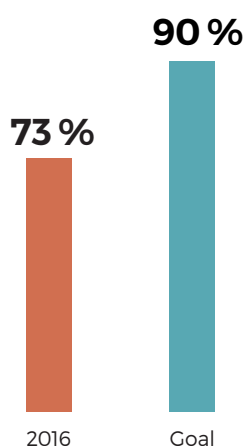
After the completion of the survey, job satisfaction workshops have been arranged in all departments. During the workshops, it was possible to discuss how positive results can be maintained and how the below-average results can be improved.

Competency assessment

Each employee and the company have a mutual obligation to develop in order to create results and add value to the company and the individual. To strengthen competencies within the company and to ensure our strategic development, competence assessment has been implemented in Denmark and Singapore and roll-out will proceed to the remaining global entities.

Education and training needs are identified in an annual appraisal (Personal Development Dialogue, PDD), and an action plan is prepared for the coming year. We follow our group strategy »First Choice« and it is important that employees can connect their individual development plan to the corporate strategy. We have initiated a competency management and development project to identify the competencies required to succeed

COMPLETED PDD MEETINGS



with our current strategy. The system focuses on adding functional competences and rating the individual employee competence level vs.the required level job in question. This system also identifies potential competence gaps and development needs.

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

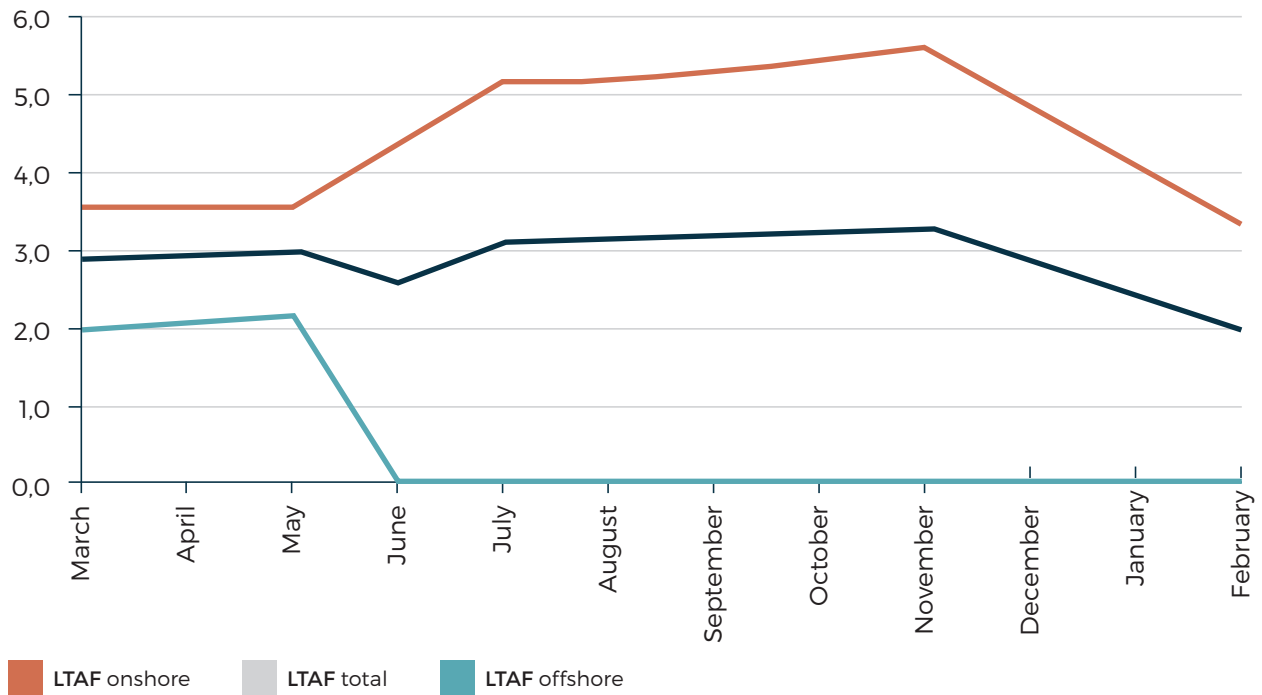


POLICY

- Personnel Policy POL-SEMCO-0011
- Inclusion Policy, POL-SEMCO-0006
- CSR Policy, POL-SEMCO-0001
- Disciplinary Procedure, P-SEMCO-0293
- Sick leave procedure, P-SEMCO-0187
- Competence Assessment, P-SEMCO-0199

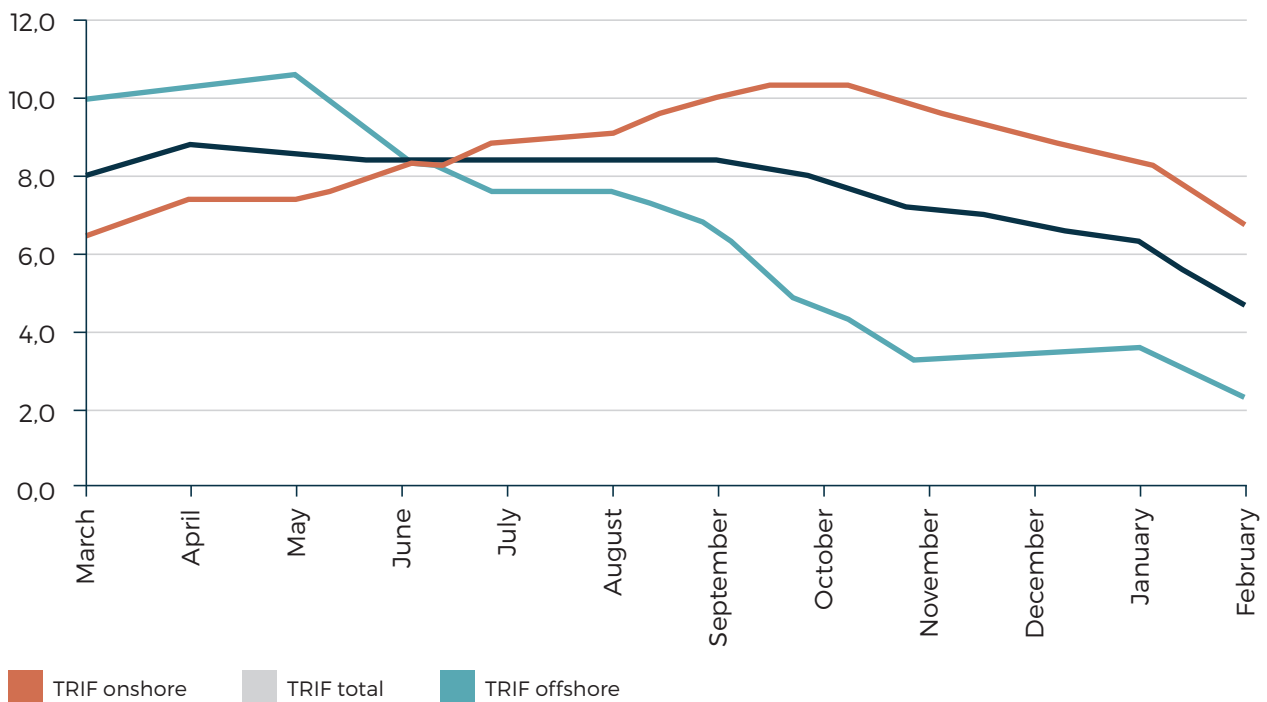
Global safety statistics 2016

LTA per million working hours



LTA: Lost time accident frequency/mio working hours

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



TRIF: Total recordable injury frequency/mio working hours

Safety

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

At Semco Maritime we are committed to »no compromise – we care«, which means that our focus is zero harm to employees and stakeholders, to our assets and to the environment. We believe that incidents can be prevented by a proactive approach and by learning from experience. We believe that a continuous focus on safety leadership and a persistent safety approach will enable us to reach our goal of zero accidents while promoting a strong safety culture.

When an organisation has a strong safety culture and demonstrates strong safety leadership, it has the

potential to become an industry leader. Semco Maritime has had strategic plans for these two areas for some years now.

In 2016 many safety initiatives were launched with the purpose of strengthening the areas of safety leadership and safety culture. Some of them are mentioned below.

Safety Awareness Courses

Safety Awareness courses for managers, offshore employees and blue collars in our workshops. These safety awareness courses have the main purpose of strengthening our safety culture and safety behaviour.



ACHIEVEMENTS IN 2016

- TRIF: 6.0
- LTAF: 2.5
- Safety culture survey: 3.16

AMBITIONS 2017

- TRIF: below 5.0
- LTAF: 0
- Safety culture survey: above 3.0 on operational sites

SAFETY WALKS IN 2017

- All Managers must perform safety walks and we have set an ambitious goal:

Operational managers:
6 safety walks/year

Admin. managers:
2 safety walks/year





SEMCO
maritime



SAFETY HELMET
MUST BE WORN
SIKKERHEDSHJELM
PÅBUDT



PROTECTIVE FOOTWEAR
MUST BE WORN
SIKKERHEDSFØDTØJ
PÅBUDT



GLOVES
MUST BE WORN
HANDSKER
PÅBUDT

EYE PROTECTIONS
MUST BE WORN



NO ALCOHOL
ALKOHOL FORBUDT



NO DRUGS
NARKOTIKA FORBUDT



NO SMOKING
RYGNINGFORBUDT

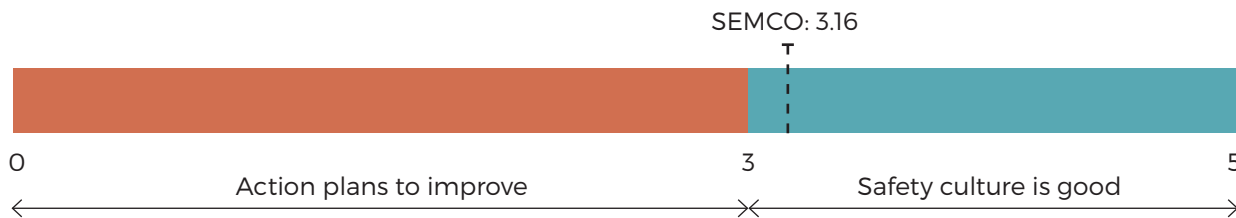


NO JEWELLERY
SMYKKER FORBUDT

BAKER HUGHES

GROSS 17000kg
TARE 17000kg
SWL NILkg

SAFETY CULTURE SURVEY



The courses ensure that we have a common point of departure on this journey under the tagline »no compromise – we care«.

Safety walks

We introduced the concept of »Safety Walks« worldwide in 2015 and this initiative was further implemented in 2016. The safety walk is a communication tool for managers to show their commitment and dedication towards safety to their employees. A safety walk is the starting point for a dialogue about safety behaviour and the subject can be anything related to safety – both professional and private issues can be discussed. As long as the manager acts as a safety ambassador, the purpose of a safety walk has been fulfilled. From 2017, all managers have a safety walk objective and therefore they have to register and document each safety walk.

Safety culture survey

A worldwide safety culture survey was carried out in order to measure the overall safety culture in Semco Maritime.

The safety culture survey is a questionnaire containing 50 questions under 7 headlines. All employees evaluate their closest managers and their colleagues. The survey

evaluated the following points:

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

If results are above 3 out of 5 the safety culture is good but can still be improved. When results are below 3 actions plans are made for the departments in question in order to improve the safety culture.

Safety campaigns

Safety campaigns were also an important part of 2016. Both global and local safety campaigns were rolled out. We also did a successful offshore campaign with focus on employee safety during the off-duty periods.

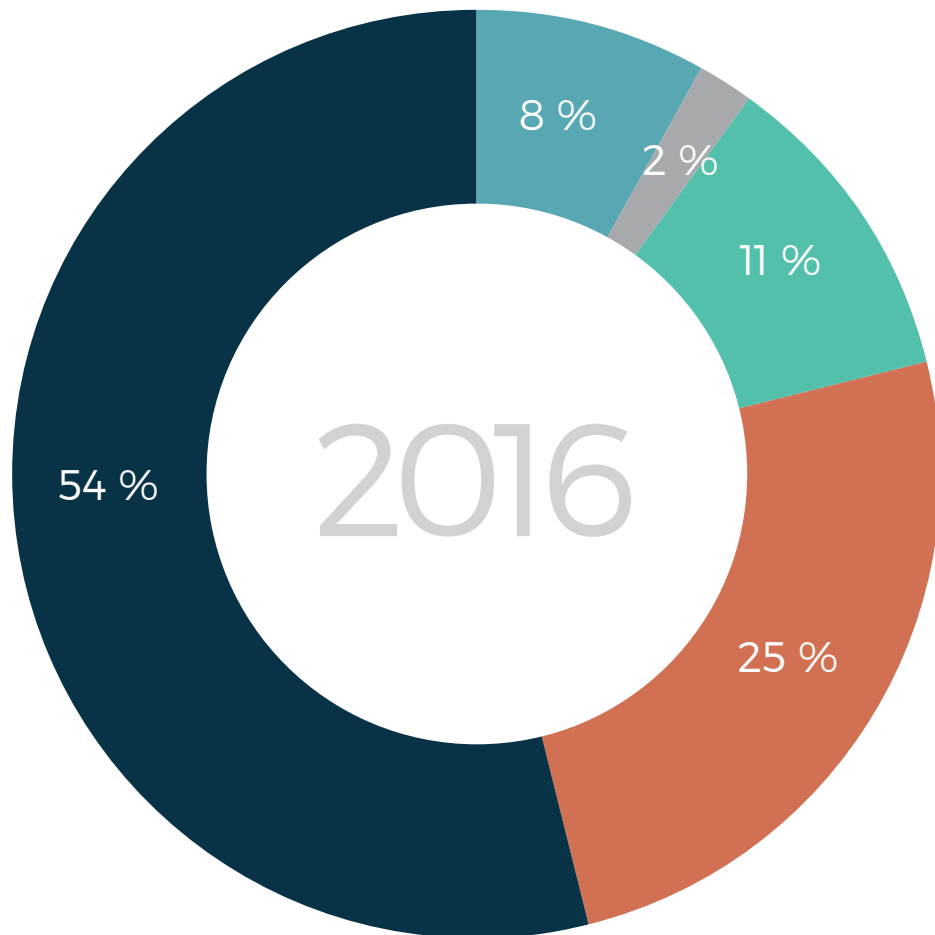


POLICY

- HSSE Policy
POL-SEMCO-0019
- Safety walk
P-SEMCO-0297

Semco Maritime is certified according to OHSAS 18001

RECYCLING OF WASTE



Temporary storage



Special treatment



Disposal



Combustion



Recycling

Environment

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

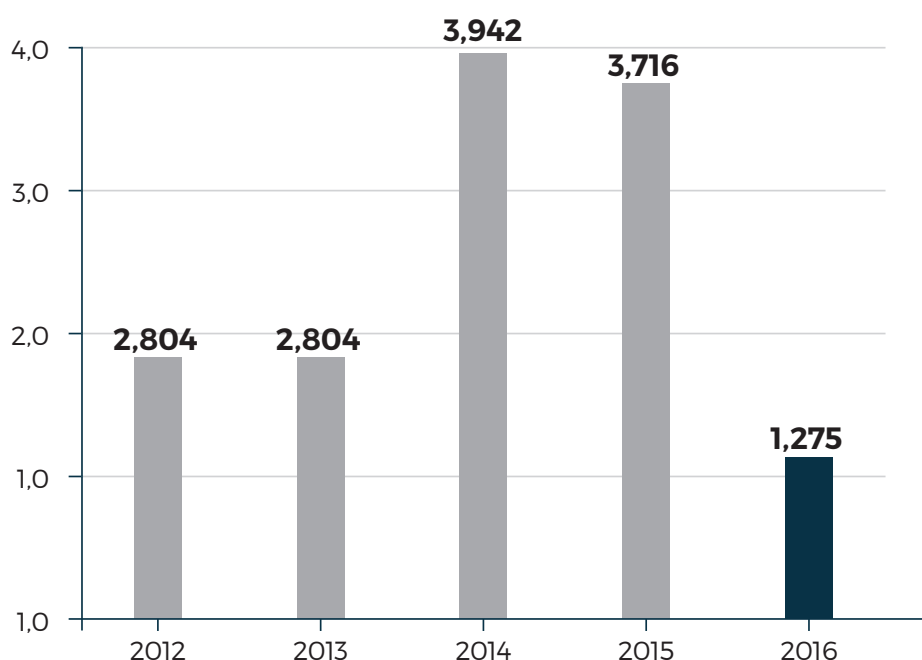
Semco Maritime respects the environment and comply with applicable laws and regulations. However, we place higher demands on ourselves that stipulated by the law. This means that we engage in targeted and systematic efforts to continuously improve our environmental performance. We understand »a responsibly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

We aim to reduce our environmental impact by using resources in the most efficient way, reducing energy

consumption and ensure an effective waste management by recycling as much as possible and maintaining an efficient waste separation system.

In 2016 we see the benefits of the major energy saving project at our yard facility in Esbjerg. We can see that the savings have been great. The fact that we moved from three addresses into one new domicile has also contributed significantly to those savings.

ENERGY CONSUMPTION KWH/EMPLOYEE



ACHIEVEMENTS IN 2016

- Savings on energy consumption/employee: -65 %
- Recycling of waste/total amount of waste: 79 %

AMBITIONS 2017

- Savings on energy consumption/employee: -10 %
- Savings on heating/employee: -10 %
- Recycling of waste/total amount of waste: 80 %



POLICY

Semco Maritime is certified according to ISO 14001.





New domicile

On 21 December 2015, three Semco Maritime locations moved into one domicile in Esbjerg. When planning and building the sustainability of the new domicile was based on 5 theme areas;

- Environmental Quality
- Economic Quality
- Sociocultural / functional quality
- Technical Quality
- Process Quality

Golden DGNB certificate

The new Semco Maritime domicile was awarded with a Golden DGNB

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

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



CO2 NEUTRAL WEBSITE

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



NORDIC SWAN MARKING

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



FSC®

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.

ISO CERTIFIED

Semco Maritime is certified according to ISO 14001.



A sustainable new domicile with outstanding indoor climate, space efficiency and focus on low energy consumption.



Renewable energy

Offshore Wind and Renewable energy is a market that will continue to grow.

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

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

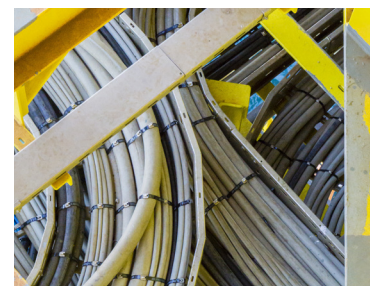
Originally we have provided services for the oil and gas industry, but our business has increasingly turned towards renewable energy (see figure). A logic step, as many of our core competencies from many years in the oil and gas business are easily applied to offshore wind.

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

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

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

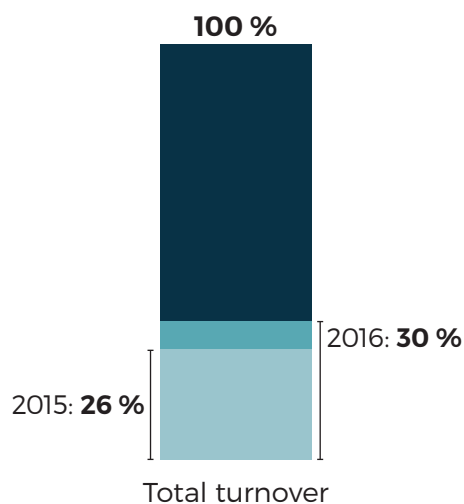
With focus on bringing down the cost of green energy, our engineers focus on the functionality of each element for integration into the overall design of the wind farm, and our work continues to break new ground.

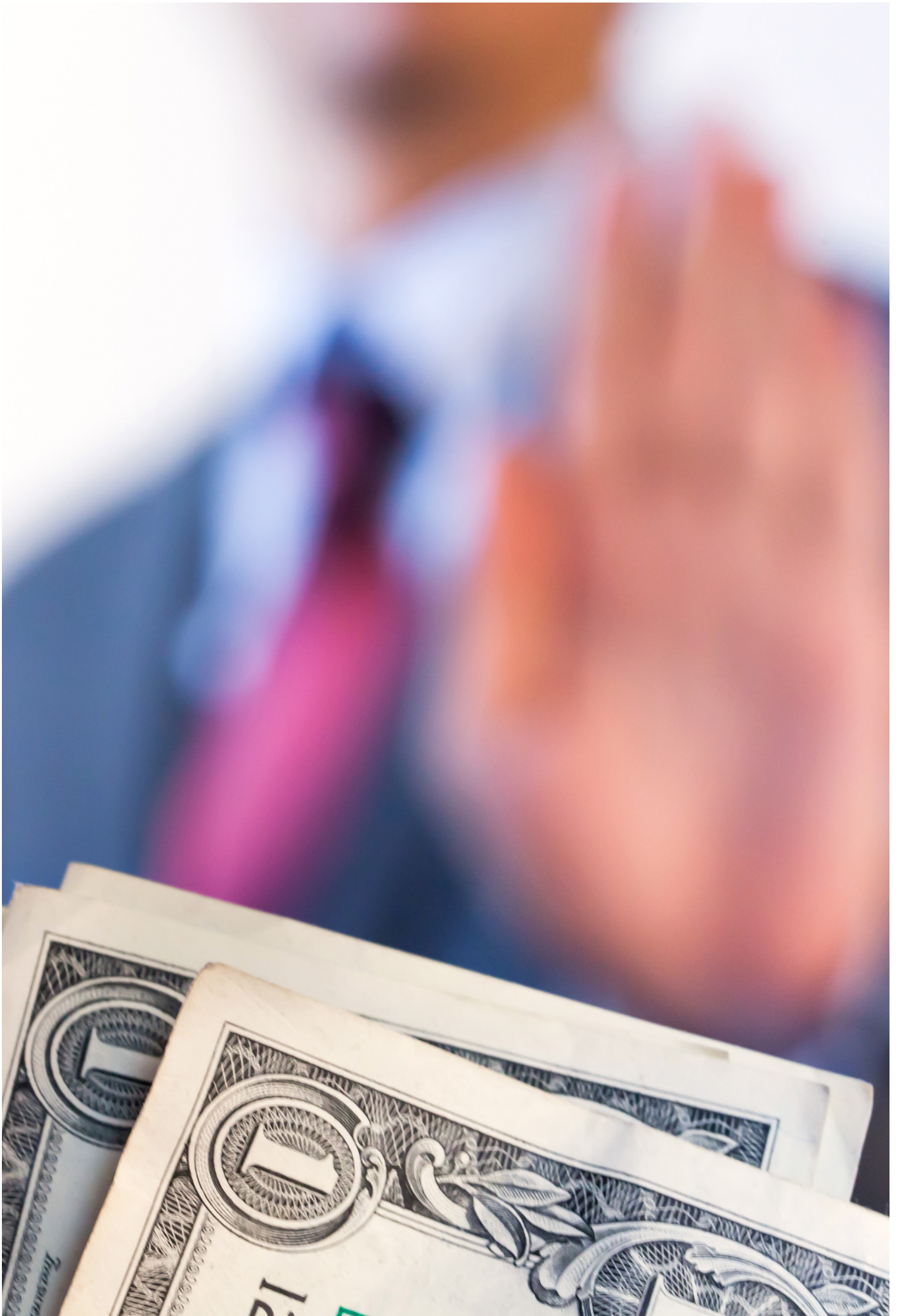


WE PARTICIPATED IN THE FOLLOWING OFFSHORE WIND PROJECTS:

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

AN INCREASING SHARE OF TOTAL TURNOVER





Anti-corruption

We have always focused on honesty and transparency in everything we do - in 2016 we further formalised our efforts.

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

Anti-corruption

Semco Maritime and its Group Companies (Subsidiaries) employees shall not directly or indirectly accept, solicit or offer bribes, 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 legal- or any other entity. We have built our anti-bribery and corruption policy's foundation on our »Prevent - Monitor - React« policy on the basis of the 6 principles of the Bribery Act 2010 (UK) as follows:

1. We have proportionate procedures:

- By designing and implementing this »anti-bribery policy« and by having actual, suitable and proportionate »anti-bribery procedures« to handle risk-exposures in our markets.

- By 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 € 100 - other promotions, sponsorships and hospitality gestures are regulated in each incident based upon specific criteria in each case.

2. We have Top-level commitment:

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

3. Risk assessment is made:

- By evaluating - as applicable - the risks associated to our potential and current projects with regard to the risks inherent with:
 - (i) geography and (ii) industry sector- (iii) nature of transaction and (iv) scope and nature of the necessary partnerships.



ACHIEVEMENTS IN 2016

Whistle-blower arrangement established and in force.

AMBITIONS 2017

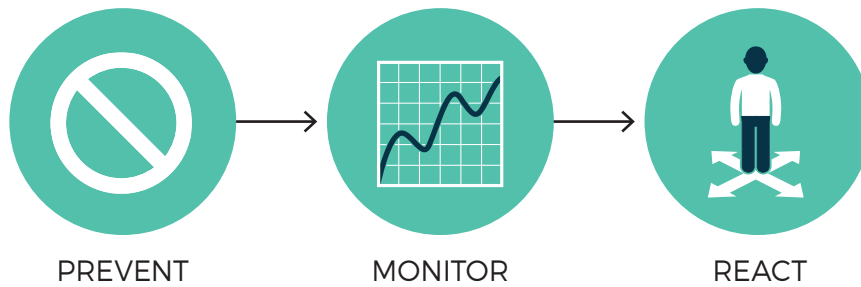
Ensure full implementation of the whistle-blower arrangement throughout the organisation. Meaning that everyone knows how and where to report non-compliant behaviour.



POLICY

- Code of conduct, POL-SEMCO-0013
- Anti-bribery and corruption, POL-SEMCO-0016
- Whistle blower policy and rules

ANTI-BRIBERY AND CORRUPTION



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

4. Due diligence is made:

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

5. Communication is performed:

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

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.



THE FORMAL WHISTLE-BLOWER POLICY AND RULES

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

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

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

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

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

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

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

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



Future focus areas

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

Safe 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 HSE observations in order to strengthen our focus on preventive activities.

Environmental consumption

Focus will be on waste disposal and recycled waste and on energy savings through optimized production machinery.

Anti-bribery and corruption

Continued focus on informing about our anti-bribery and corruption policy. We will ensure full implementation of our whistle-blower arrangement throughout the organisation. Everyone will know how and where to report non-compliant behaviour.

Supplier evaluation

We will continue to work closely with our suppliers to meet Semco Maritime and our customers' expectations in terms of corporate social responsibility, Health & safety, Environmental policy and Quality process. Our new electronic supplier assesment tool is an important tool.

CSR reporting

We further increase our focus on the CSR reporting while recognising that we are still in a learning process. Our goal is to be able to determine where our greatest impact lie - and to be able to measure results and, most importantly, progress. We want to communicate our progress in an honest and open way and continue to work towards making sure that our COP report is relevant and easy-to-use for our stakeholders.



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    #SemcoNews

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

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

www.semcomaritime.com