



OLYMPIC

24.01.2018

We at Olympic Subsea ASA are committed to aligning our operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption covered by the United Nations Global Compact. To do this, we set measurable sustainability goals, establish / adjust policies to incorporate visions and objectives, conduct corporate responsibility risk assessments, monitor and evaluate sustainability performance.

We are committed to addressing the challenges of operating responsibly and taking advantage of opportunities to make a positive impact and deliver lasting benefits to people, communities and markets everywhere.

In 2013, we joined the Global Compact program. Since then, we have approved the SOCIAL RESPONSIBILITY POLICY AND EQUAL OPPORTUNITIES. We have also approved our anti-bribery policy, ANTI-BRIBERY & CORRUPTION POLICY STATEMENT where we are committed to doing business with great transparency and to fight against any form of corruption.

We aim to achieve a holistic way of doing business, placing equal emphasis on the planet, people and profits. We voluntarily integrate social and environmental issues into our business models and daily operations through the adoption of related corporate policies and this work will continue in 2018.

Yours sincerely,

Stig Remøy

CEO and President

[www.olympic.no](http://www.olympic.no)

Olympic Subsea ASA - PO Box 234 - N - 6099 Fosnavaag - NORWAY - post@olympic.no  
Phone: +47 70 08 12 00 - Fax: +47 70 08 12 01 - NO 917 772 533

**UN Global Compact**

**COP 2017**

**Olympic Subsea ASA**



ÍNDICE

History.....3  
About Us.....3  
Goals and Strategies.....4  
Olympic Group Structure.....4  
QHSE.....5  
Report for 3RD quarter of 2017.....5  
Overview of Principles of Human Rights.....7  
Overview of Labor Rights.....8  
Overview of Anti-corruption Principles.....8  
Overview of Environmental Principles.....13

## HISTORY

For thousands of years, people on Norway's weather torn west coast have ridden the waves and conquered the sea. It is from this stock of strong seafarers that Olympic Subsea ASA has emerged as owner of one of the world's largest and most modern subsea fleets.

Through a restructuring of the company in February 2017, Olympic Subsea is financially strong and healthy – enabling the company to become the most specialized, financial robust and agile ship owner in the blue energy sector.

Founder Stig Remøy started as a fisherman only 15 years old. At 19, he bought his first vessel. When he was 21, while studying to become marine master, he sailed as a skipper for the first time. Remøy gradually broadened his maritime interests and acquired his first two offshore vessels. Together with a trawler this was the basis for Olympic Shipping, which Remøy founded together with Bjørn Inge Kvalsund in 1996.

Through Remøy's entrepreneurial drive, Olympic became an early mover in the subsea industry. From the start, the Olympic companies have invested more than 12 billion NOK in modern, flexible and cost efficient vessels – all built in yards connected to the maritime cluster around Olympic's home base of Fosnavåg.

Since Stig Remøy became a ship owner for the first time, he has been an uncompromising champion for safety and sustainability, and Olympic has been in the forefront of the industry through groundbreaking and game changing projects.

Olympic plans to increase its presence in subsea and renewable in years to come, and the company is committed to remain in these sectors also when the oil and gas market improves.

For old and new customers Olympic Subsea promises to be

**YOUR PARTNER IN BLUE ENERGY!**

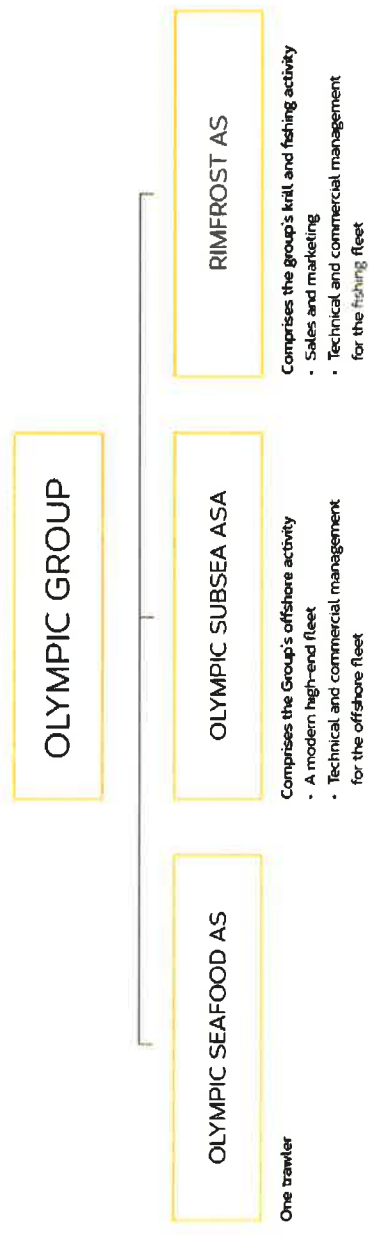
## ABOUT US

- A partner in blue energy – with one of the world's most flexible and modern subsea fleet.
- Established in 1996 as Olympic Shipping. Restructured as Olympic Subsea ASA in 2017.
- Founder and working chairman Stig Remøy is the largest shareholder.
- Fleet of 11 flexible vessels operating within subsea and renewable.
- An important part of the maritime cluster on the North West coast of Norway, where Olympic has invested several billions in new and modern technology from local yards.
- An important contributor to local activity in Fosnavåg and surrounding area through our business activities, Fosnavåg Ocean Academy and our social engagements.

## GOALS AND STRATEGIES

- Aiming to be the most specialized and best performing partner in blue energy
- Be recognized by our customers for having the most modern, flexible and fit-for-purpose fleet of vessels optimized for safe, efficient and cost effective subsea and renewable operations
- Be regarded by our customers as the company with the most experienced and responsive management team, reliable and knowledgeable crews.
- Use the challenging market conditions to grow and consolidate the market by adding attractive vessels and optimize our specialized fleet.
- Differentiate itself by becoming the most financially robust and agile company to lead in the market recovery.
- Become the favored company to invest in.
- Zero harm to people, assets and environment.

## OLYMPIC GROUP STRUCTURE



## QHSE

Olympic Subsea ASA and its group of companies are dedicated to provide a safe and healthy workplace for its employees.

The company shall continuously define safe operating procedures designed to meet, or preferably exceed, all appropriate legal requirements. Where no standards are presently defined, we shall meet or better generally accepted industry-wide "best operating practices".

The company will actively participate with all client/contractor bodies and other authorities in developing standards and promoting the image of the industry. Health and Safety aspects of our operations shall always be considered with equal importance as other business objectives.

The overall aims of our Total Management System with regards to health and safety is to prevent incidents or conditions that could lead to personnel injuries, fatalities or health problems as a result from working in the company.

We comply with all applicable legislations and regulations regarding to our certification ISO 14001, ISO9001 and OHSAS 18001, ISM, ISPS, MLC2006.

### Report for 3RD quarter of 2017

**Olympic Subsea ASA reports consolidated net revenues of MNOK 200 for the third quarter of 2017. Earnings before interest, tax & depreciation (EBITDA) was MNOK 84 and net profit after tax was MNOK -36.**

**There has been increased activity throughout the quarter with 10 out of 11 subsea vessels employed.**

**The Olympic Subsea ASA Group was established February 7<sup>th</sup> 2017 in connection with the financial restructuring of Olympic Ship AS. Through implementation of the new structure a new pure-play subsea structure is created and NOK 400 million injected in new equity. Olympic Subsea will be a pure play subsea company going forward, following the acquisition of 11 subsea vessels form Olympic Ship AS and its subsidiaries.**

## GENERAL INFORMATION

The interim financial statements are prepared in accordance with IFRS rules.

Olympic Shipping AS is identified as the acquiring party in the transaction, and the Olympic Shipping AS Group accounting figures are used as comparable figures.

**PROFIT & LOSS STATEMENT PER 30.09.17**

Olympic Subsea ASA had consolidated net operating revenue of MNOK 459 for the period. The operating costs amounted to MNOK 377. Earnings before interest, taxes & depreciation (EBITDA) were MNOK 83. The company's EBITDA margin was 18 % for the period. Operating profit was MNOK 99, due to identified bargain purchase gain at MNOK 152. Depreciation was MNOK 74 and write-down was MNOK 16. Net financial items were MNOK -124, which resulted in net profit after tax of MNOK -25.

**BALANCE SHEET PER 30.09.17**

Total assets for the group amounted to NOK 4,8 bn. Fixed assets were NOK 4,2 bn. Current assets amounted to NOK 0,6 bn of which cash represented MNOK 387.

Total equity amounted to MNOK 440, corresponding to an equity ratio of 9%. The interest-bearing debt related to the long-term financing of the fleet amounted to NOK 3,9 bn. In addition, the Group has net bond obligations amounting to MNOK 229. Short-term debt, excluding current liability of long-term debt and bonds, amounted to MNOK 147. Working capital of the Group was MNOK 420 at end of the period.

**MARKET**

The Group mainly operates in the subsea and renewable markets. In the renewable market, we see increased activity in the next 12 months, and we also expect the subsea market to gradually improve due to a higher oil price and reductions in the oil companies' break-even levels. In the short run the company expect a seasonally weak market with low demand and too many vessels available.

**FLEET**

At end of the period the fleet consisted of the following vessels:

Type	I drift / In operation	I opplag / Laid up	Management	Sum / Total
Subsea / Renewable	10	1	-	11
OSV (AHTS / PSV)	4	3	1	8
<b>Sum / Total</b>	<b>14</b>	<b>4</b>	<b>1</b>	<b>19</b>

The group owns minority shares in 1 PSV vessel which is under management of the group.

**QHSE**

Olympic provides broad and systematic QHSE work to secure safe, effective and environmentally friendly operations. There were no serious injuries or serious emissions to report during the period.

#### **FINANCIAL RISK**

The Group revenues are earned in NOK, USD, GBP and EUR, thus the group is exposed to currency fluctuations. The Company's interest bearing debt is mainly in NOK.

The Group is also exposed to fluctuations in interest rates. This risk is partly covered through fixed interest rates for part of the long-term debt in the group.

#### **EMPLOYEES**

Per 30 September the Group had 356 employees on its vessels and 35 man-years in the administration.

#### **SUBSEQUENT EVENTS**

The Group has sold the PSV vessel Olympic Progress with delivery to new owner at the end of November. The sale has limited effect on the Group's result and liquidity.

#### **Overview of Principles of human rights**

##### **Assessment, Policies and Goals**

In July 2014, Olympic created and approved the Human Rights policy, as follows:

*Olympic Shipping AS and related companies (hereafter Olympic) support the ten principles of UN Global Compact with regards to human rights, labor rights, environment and anti-corruption.*

*This policy applies for everyone who works for, or on behalf of Olympic. The CEO, Captains and Department Managers on- and offshore are responsible to ensure compliance of this Policy across Olympic.*

*Suppliers, contractors, and joint venture partners working for Olympic in any capacity must act consistently with Olympic's values and compliance standards.*

##### **Human Rights:**

*All business in Olympic shall respect and protect internationally proclaimed human rights and make sure the company are not complicit in any human right abuses.*

*As a responsible employer, Olympic is committed to complying with relevant national statutory requirements and legislation.*

##### **Implementation**



This policy shows the commitment of the Company to act pro-actively in the challenge that is dealing with the protection of human rights in the corporate environment.

#### **Conduct Code**

Olympic is planning for 2018 a conduct code that will be prepared with many criteria of human rights, as for example, harassment and discrimination, diversity, equality, freedom of expression, equal opportunities and discrimination in the workplace.

This Code of Conduct will be discussed with all employees in meetings, trainings, inductions, etc. Also it will be released for the other groups of relationship, such as suppliers, shareholders and Government authorities. The conduct code will be published in internal magazine, company's Intranet, web site and on every channel possible.

#### **Conflict mediation mechanisms**

Olympic has established complaint procedures forms to identify and mitigate conflicts or human rights violations committed within the work environment.

These complaints can, in a first moment, be sent to the DPA, a Designated Person Ashore (DPA) who is the person appointed to provide a link between the Company and the vessels with direct access to the highest level of management and to the crew. The DPA/MR has the independence, authority and responsibility to report deficiencies, performance, effectiveness and needs for improvement of the management systems to the Company's top management.

The DPA determines how complaints will be investigated and treated.

#### **Measurement of Results**

Goals and targets will be included in the QHSE Plans and evaluated in the annual management review.

Management review is a detailed report with information on the performance of programs and policies. Is the continuous monitoring of indicators that give the warning sign regarding the problems that must be faced by managers.

#### **Overview of Labor Rights**

##### **Assessment, Policies and Goals**

In July 2014 was created and approved the Labor Rights policy of Olympic Shipping AS. This policy is detailed below:

*Olympic Shipping AS and related companies support the ten principles of UN Global Compact with regards to human rights, labor rights, environment and anti-corruption.*

*This policy applies for everyone who works for, or on behalf of Olympic. The CEO, Captains and Department Managers on- and offshore are responsible to ensure compliance of this Policy across Olympic.*

*Suppliers, contractors, and joint venture partners working for Olympic in any capacity must act consistently with Olympic's values and compliance standards.*

**Labor Rights:**

*Olympic respects the freedom of association and the right to collective bargaining.*

*Olympic supports elimination of forced, compulsory and child labor. The business shall not in any way benefit from this.*

*It is the policy of Olympic that all employees will be provided with a workplace free of discrimination, harassment and victimization and treated with dignity, courtesy and respect.*

*In all workplace practices and in the provision of goods and services, Olympic is committed to ensure that regardless of gender, race, color, disability (physical, intellectual or mental), religion, age, sexual preference, family responsibilities, pregnancy, political beliefs, national/ethnic origin, labor union activity or marital status, individuals or groups will not be treated unfairly or be disadvantaged.*

**Implementation**

In our point of view, one of the main ways to meet the labor rights in our business is to meet and comply with all applicable laws, rules and regulations. Also, together with other businesses, funding and encouraging strategic social investments to promote public policies that support social sustainability in our community.

Olympic is member of the Norwegian Ship owners Association follows their collective bargaining agreements.

Besides of the maritime laws, Olympic Shipping AS adheres to all applicable laws for operating in Norway. All updated laws and regulations are found at website [www.lovdata.no](http://www.lovdata.no).

**Maritime Labor Convention**

The implementation of the MLC 2006 was completed in August 2013 and is an important improvement to systemize labor rights for seafarer worldwide. Most of the aspects of this were already in place through the collective bargaining agreements and Norwegian Legislation, but it contributed to some systematic improvements.

**ISO standards**

In addition to ISM code; Olympic Shipping Total Management system procedures also comply to:

ISO 9001:2008 Quality Management System  
ISO 14001:2004 Environmental Management system

**DnV Class Rules and Regulations**

**Local laws and regulations**

**Bahamas laws and regulations**

**Brazilian laws and regulations**

**Measurement of results**

The Company has an exhausting evaluation and review system, as follow:

**Audit review meetings**

**Formal review**

**Other reviews**

**Company Internal Audits**

**Technical Inspections**

**External Audits**

**Overview of Anti-corruption principles**

**Assessment, Policies and Goals**

**In our first year as a member of the Global Compact and as a first step, the company, in July 2014 created and approved a policy to support the ten principles of UN Global Compact as follows:**

*"Olympic Shipping AS and related companies (hereafter Olympic) support the ten principles of UN Global Compact with regards to human rights, labor rights, environment and anti-corruption.*

*This policy applies for everyone who works for, or on behalf of Olympic. The CEO, Captains and Department Managers on- and offshore are responsible to ensure compliance of this Policy across Olympic.*

*Suppliers, contractors, and joint venture partners working for Olympic in any capacity must act consistently with Olympic's values and compliance standards.*

**Anti-corruption**

*Business in Olympic shall be conducted in a fair and transparent manner.*

*Activities shall be in compliance with all applicable laws and regulations that prohibit corruption, bribery and extortion.*

*The Company will do its utmost to support anti-corruption behavior.*

*Everyone in Olympic has a responsibility to report any appearance of dishonesty and corruption to the appropriate level. The Norwegian Working Environment Act regulates and protects the employees' right to act as a Whistleblower. We extend this right as a policy to all areas across Olympic".*

In 2015, Olympic approved a new anti-bribery and corruption policy:

*Olympic Shipping AS and its subsidiaries (collectively 'the Company') embrace the highest standards of honesty, ethics and integrity and do not tolerate, permit, or engage in bribery, corruption, or improper payments of any kind in our business dealings, anywhere in the world, both with public officials and people in the private sector. The Company policy is to abide by all laws applicable to the jurisdictions in which it operates. The Company expects both its employees and anyone doing business on its behalf to comply with all applicable laws.*

*We are committed to the following principles:*

- We will carry out business fairly, honestly and openly.*
- We will avoid doing business with others who do not commit to doing business without bribery.*
- We are committed to a program to counter the risk of the company being involved in bribery.*
- We will not use intermediaries or contractors for the purpose of committing acts of bribery.*
- We will not give or offer any money, gift, hospitality or other advantage to any person carrying out a business or public role, or to a third party associated with that person, to get them to do something improper.*
- We will not give or offer any money, gift, hospitality or other advantages to any foreign public official with the intention of influencing them to our business advantage.*
- We do not allow personnel (employees and or contractors) to accept money, gifts, hospitality or other advantages from business associates, actual or potential suppliers, or service providers which are intended to influence a business decision or transaction in some improper way.*
- An employee found to be in breach of this policy and its principles may face disciplinary action.*
- Any concerns relating to a breach of this policy should be reported to the Designated Person Ashore.*
- No employee will suffer demotion, punishment or other adverse consequence for refusing to pay bribes, even if it may result in the company losing business.*

These policies give us improved tool to deal with anti-corruption issues. It is the company, thus implement specific programs for the consolidation of these values and principles, making these clear for several segments, such as employees, suppliers, shareholders, competitors, etc. We must above all build sustainably integrity values, which presupposes the development of a set of rules and institutions that define ethical and behavioral standards. Ethical values must therefore be one of the pillars of the construction of a system of corporate integrity. To consolidate our anti-corruption policy, the next step is the preparation of a code of conduct, establishing ethical values to be followed. Through this code of conduct, not only the agents acting on behalf or in the name of Olympic, but also all other stakeholders can take cognizance of the principles, values, norms and forms of activity of the company.

In 2017, Olympic is preparing a code of conduct that will be prepared and approved, from there:

- this code will be published in various channels, as a meeting of leaders, trainings, inductions, institutional magazine, web site, etc.;
- the code of conduct should be released, also for the other groups of relationship, such as suppliers, shareholders and Government authorities;
- the code of conduct should be released in the company's Intranet;
- presentation of the results from the implementation of the conduct code.

#### **Implementation**

The existence of standards that feature on ethics, by itself, does not guarantee the ethical behavior. It must be disclosed and monitored in the Company, so the rules of conduct can be known and well understood by all who serve.

In a first moment, the company will use as a direct channel between the Company's management and the employees, a Designated Person Ashore (DPA). The DPA will be responsible to collect complaints related to this topic. This person is educated and trained according to IMO guidance on Designated Persons and has full insight of the Company's policies.

#### **Measurement of results**

##### **Internal Control**

Internal control is defined as the set of actions, methods, procedures and routines that an organization carries on its own actions, in order to preserve the integrity of your assets and examine the compatibility between operations carried out, the pre-set parameters, principles and agreed targets. Your goal is, therefore, reduce the vulnerability of the Organization to risks, seeking to identify and correct any deviations from the parameters and guidelines, including financial and accounting previously established. Therefore, have transparency as one of the bases for sustainable development confirms the company's commitments with an ethical management and guided by social interests. In this sense, Olympic has internal audit controls suitable for preventing and detecting acts of corruption. The company submits your accounts and its accounting statements the frequent audits and certification procedures.

##### **Approved Suppliers**

To help the Company works more effectively against corruption, Olympic is a member of the INCENTRA, a marine purchasing organization, who works as a consultant in the selection of the suppliers who obey the principles and policies in support of anti-corruption.

Olympic has also joined forces with 2 other offshore service companies to cooperate to audit common critical suppliers.

#### **External Audits**

As an example of external control, Olympic follows a rigid program of audits to ensure transparency in our business and consistency with the anti-corruption commitment, including periodic financial reviews undertaken by third party companies such as BDO Nor, the fifth largest accountability network in the world, it carries out various annual audits in order to assess the financial health of the company and accurately map the use of its resources.

The company is also subject to others external audits like:

Den Norske Veritas - DNV Audit, Peotram Audit, Port States, etc. We cite these various audits because we understand that each one of them contributes in some way to assess the transparency in the company's business, valuable anti-corruption principles are scattered inside the concepts that guide these audits.

#### **Overview of Environmental Principles**

##### **Assessment, Policies and Goals**

Olympic has committed to face the challenges of operating responsibly and have different opportunities to make positive efforts to address environmental responsibilities. In 2015 the Company continued work to reduce emissions of gases into the atmosphere as a result of our operation. The results are below.

Olympic was certified towards the ISO14001 code in 2006 as one of the first offshore service vessel managements. In this process Olympic also established its separate Environmental policy.

##### **ENVIRONMENTAL POLICY**

*This policy shall apply to anyone engaged in any Olympic Shipping activities. All personell have a duty to act responsibly to prevent damage to the environment*

*We have a vision of zero emission to air and water from our activities.*

*We have a goal of zero spill to the environment.*

*We will continuously work to reduce environmental impact and risk related to our activities.*

*We will always work to improve our energy efficiency and environmental performance.*

*We will set specific environmental targets and improvement measures which shall be reviewed and audited annually.*

*We will comply with all applicable legislation and regulations and our own requirements for environmental aspects, including ISO 14001:2004.*

*We will be in the forefront in our business in environmental issues and strive to use best available equipment and techniques.*

*We will communicate the environmental policy and targets to all personnel involved in our activities and make our environmental policy available to the public on our web-site. Environmental aspects overview will be regularly reviewed as part of company's management review.*

*We will always have an overview of identified impact on the environment through regular and frequent reporting from the vessels.*

The environmental policy has been reviewed in September 2015, but no changes have been suggested.

**In order to achieve the environmental goals stated in the company policies and in the Total Management System, Olympic has set these Specials Goals to 2017:**

- **Special follow up of KPI for NOX reducing measures;**
- **Continue work to influence customers and vessels to optimize operations with regards to fuel consumption;**
- **Continue the departments focus on technical development to reduce fuel consumption and the reduction of the emission of CO2 in 3%, the reduction of the emission of SOx in 3% and the reduction of the emission of NOx in 5%;**
- **Increase in the use of Urea with catalyzer;**
- **Continue implement software for evaluating Energy Efficiency on the vessels based on activity log in Unisea Daily Report;**

**In addition to company targets, the top management has challenged all vessels to establish 3 targets for 2015, one for each subject Health/Safety, Environment and Quality. These are not included in this reporting, but was followed up and verified by QHSE department.**

### Implementation

As a result of this Olympic has established a system for reviewing all environmental aspects of the operations and regularly review the aspects.

In addition the company holds an online database where all relevant environmental aspects are recorded to keep overview for each vessel and company.

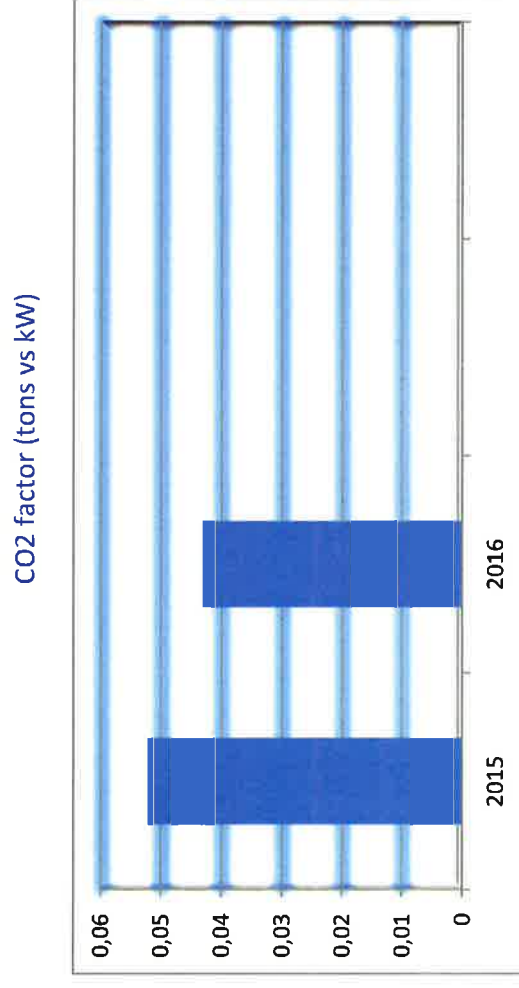
Since the establishment of ISO14001, Olympic has performed an annual environmental review lead by the company's top management team.

The result of each review is to establish annual environmental targets for the company to reduce the environmental footprint.

### Measurement of results

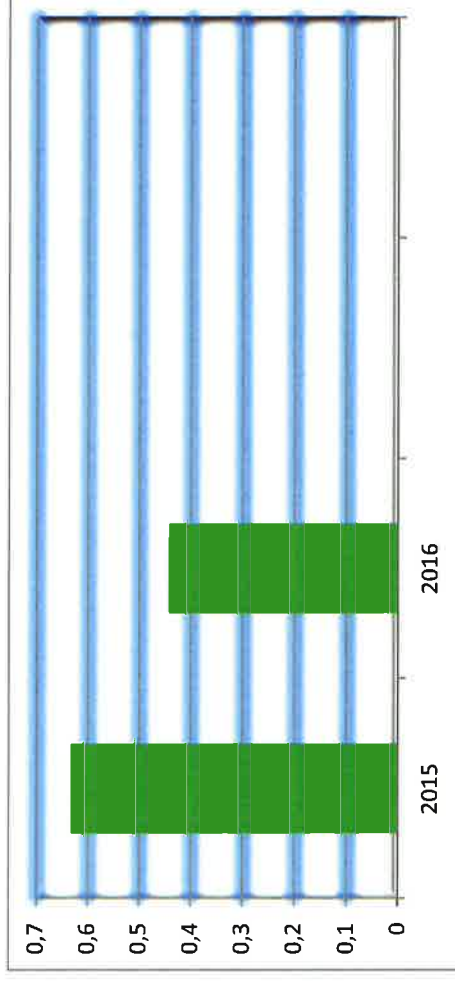
Olympic has understood that emission to air of CO<sub>2</sub>, SO<sub>x</sub> and NO<sub>x</sub> is the most critical environmental aspects of our operation. The focus has therefore been on reducing these. As an example the figures below shows the result of implementation of new technology in fleet segment called AHTS.

Olympic had a target to reduce emissions to air by 3 % for CO<sub>2</sub> and 5% for NO<sub>x</sub> in 2016 compared to 2015 (related to available kW in fleet). The targets were achieved by far with 16 % improvement of CO<sub>2</sub> and 31% improvement in NO<sub>x</sub>. There was a major change in activity and market situation for the fleet in 2016, making it less relevant to measure the environmental performance in this way.





NOx factor (kg vs kW)



The main focus in the environmental work in 2016 was to connect the emission to actual activity of the vessel. This was implemented from July 1st in the whole fleet after a long test period at Energy and Hera. The activity log in Unisea is now automatically connected to the Unisea Emission, giving much more detailed information about vessels consumption in different activity modes.

In January 2017, the QHSE department issued benchmarking report to the captains of the fleet, gaining a lot of feedback and needs for improving the log keeping of activity mode of the vessels in Unisea. This work will continue. The most significant environmental project in 2016 was the installation of a battery package onboard Olympic Energy. It will be very interesting to evaluate over longer period of time the effect of this investment.

With regards to NOX, the company set a KPI to use 300 000 ltrs of Urea to reduce NOX emission. Olympic was very clear that use of Urea should not only be done in NOX tax area.

When company has done investments in NOX reducing equipment, this shall also be in operation. As the KPI overview showed. Olympic used 396592 ltrs of Urea on applicable vessels. This has together with increased use of LNG and battery, been a major factor in reducing the NOX emission. Environmental aspects have been updated yearly in cooperation with Havila Shipping ASA. In the aspect overview Olympic identify emissions to air of CO2, SOX and NOx as the most important environmental aspects of our operation. Unisea 14001 is the software where the organization keeps all environmental records. The system is well implemented and there are 5925 records in 2016. This comes in addition to the about 7849 daily fuel record from the vessels. ISO 14001 CBT module is available on all vessels and part of the training matrix. The KPI for training within this area was 99%, a good progress from 2015. One focus area in 2016 has been effective use of bilge water separator. Statistics showed that

many vessels had very high shore based delivery of bilge water and low production. Delivery to shore is a little environmental efficient way of handling this and also very costly in many areas. This is a complex matter where vessels have different frame condition. We recognize a small increase of delivery to shore-based facility, but this is related to vessel working area. At the same time we have an increase of discharge to sea (outside 12 nm). The work to improve process and awareness should continue in 2018.