



# COMMUNICATION ON PROGRESS 2018

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## About this report

This report constitutes the statutory report on Corporate Social Responsibility cf. § 99a of the Danish Financial Statements Act.

This report is published annually together with the [Annual Report](#).

This report also constitutes our Communication of Progress under the UN Global Compact.

# The 10 principles and the sustainable development goals

We are committed to running our business in a way that supports the 10 principles of the UN Global Compact and we contribute directly to the 7 sustainable development goals (SDGs) mentioned below. The SDGs were defined by the United Nations General Assembly and they reflect the greatest challenges globally and promote sustainable growth.

## 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**

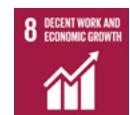
The elimination of all forms of forced and compulsory labour.

### **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.



# Our responsibility

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).

Our customers 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 purpose is clear. We want to play an important role in meeting the world's growing energy demand in a safe and sustainable way. This is reflected in our projects and solutions for the global energy sector.

We use the 10 principles as a good common frame of reference, and together with the Sustainable Development Goals they serve as a solid platform and guideline for all our CSR activities. The principles and development goals set the basis of cooperation not only for Semco Maritime, but also for suppliers around the world.

**Steen Brødbæk, CEO**



# Semco Maritime at a glance

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

Since 1980, our specialist competencies have provided a platform for the work carried out at all stages of offshore and onshore assignments – from preliminary analyses over design, procurement and manu-

faturing to installation, commissioning and subsequent service as well as rental of manpower and supply of tailor-made components, systems and solutions.

Semco Maritime has about 1,300 employees, who secure our customers cost-effective project management and operations from the head office in Denmark and subsidiaries in 12 other countries.



## SERVICES AND SOLUTIONS

- EPCI projects
- Construction and fabrication
- Installation and commissioning
- Yard and workshop facilities
- Upgrades and refurbs
- Maintenance, modification and service
- Products, components and technology
- Manpower and consultants

## ORGANISATION

- Headquarters in Esbjerg, Denmark
- Subsidiaries in Norway, UK, Germany, Singapore, Central America and the USA

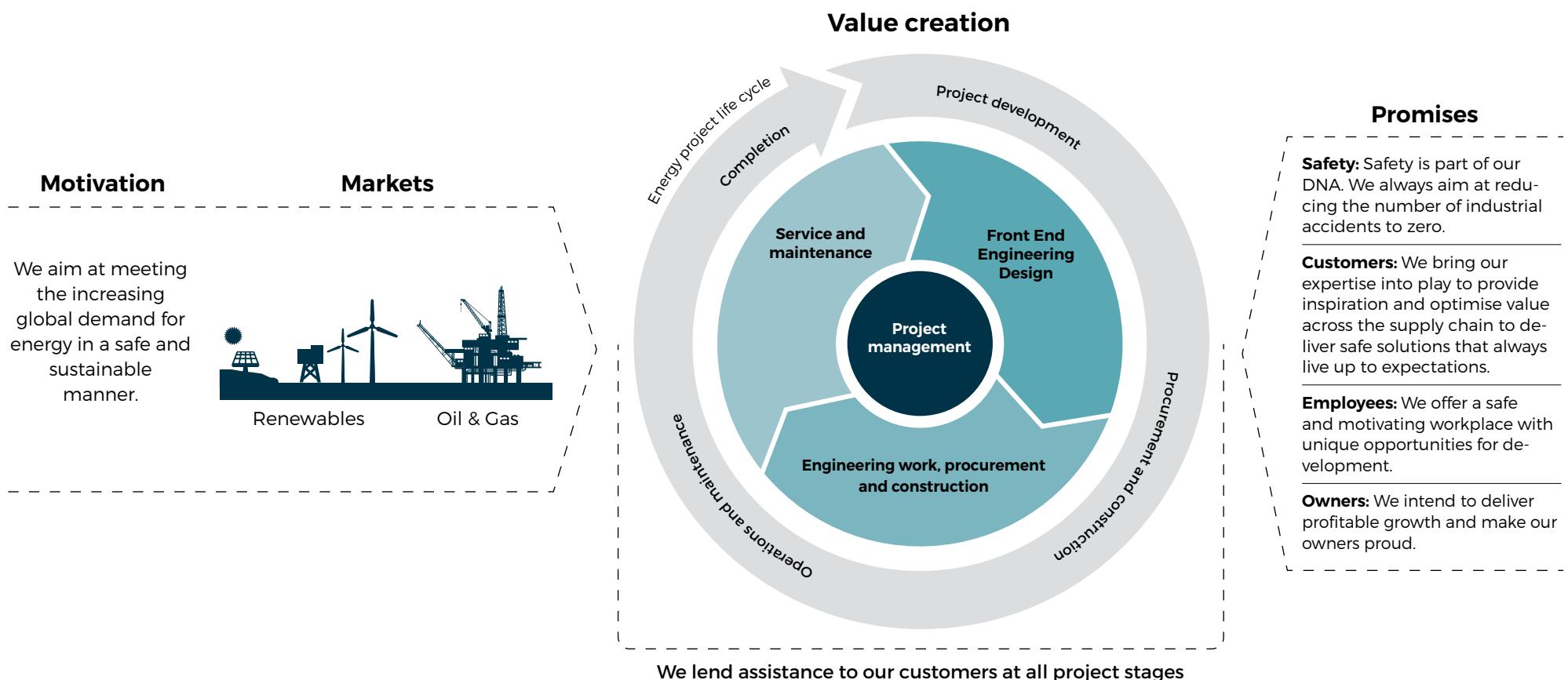
## LIABLE MANAGEMENT

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

## READ MORE ABOUT SEMCO MARITIME:

[www.semcomaritime.com/about](http://www.semcomaritime.com/about)

# Business model





# Strategy and stakeholders

## Corporate Social Responsibility

Corporate Social Responsibility (CSR) initiatives encourage organisations to take responsibility for their actions. To make sure that our business is in line with 10 principles of the UN Global Compact, we have integrated a CSR Policy and a Global Compact procedure in our organisation.

The objective of Semco Maritime is to develop strategic and cost-effective solutions that create value for customers in a socially responsible way.

## CSR and risk management in our projects

As part of our project execution, all projects refer to the overall Semco Maritime CSR policy ([see page 30](#)).

We have 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 line of business and take the type and size of each project into account.

## Business management system

Our business management system is available to all employees and gives easy access to all policies, procedures, instructions and templates. This way we ensure:

- That the quality of products and services delivered by Semco Maritime and suppliers meet specified requirements.
- That our working environment and safety meet statutory requirements and own policies and objectives.
- That our activities consider the environment.
- That Semco Maritime remains an attractive working place providing development opportunities for the individual employee.

## Strategy towards 2020



Our 2020 strategy »First Choice - Stronger core for value creation« aims at consolidating and strengthening our position. In order to reach our goals, we must ensure a safe and motivating working environment by:

- Developing our competencies across the organisation
- Ensuring an inspirational and motivating working environment
- Always keeping our safety promise

# Supplier Management

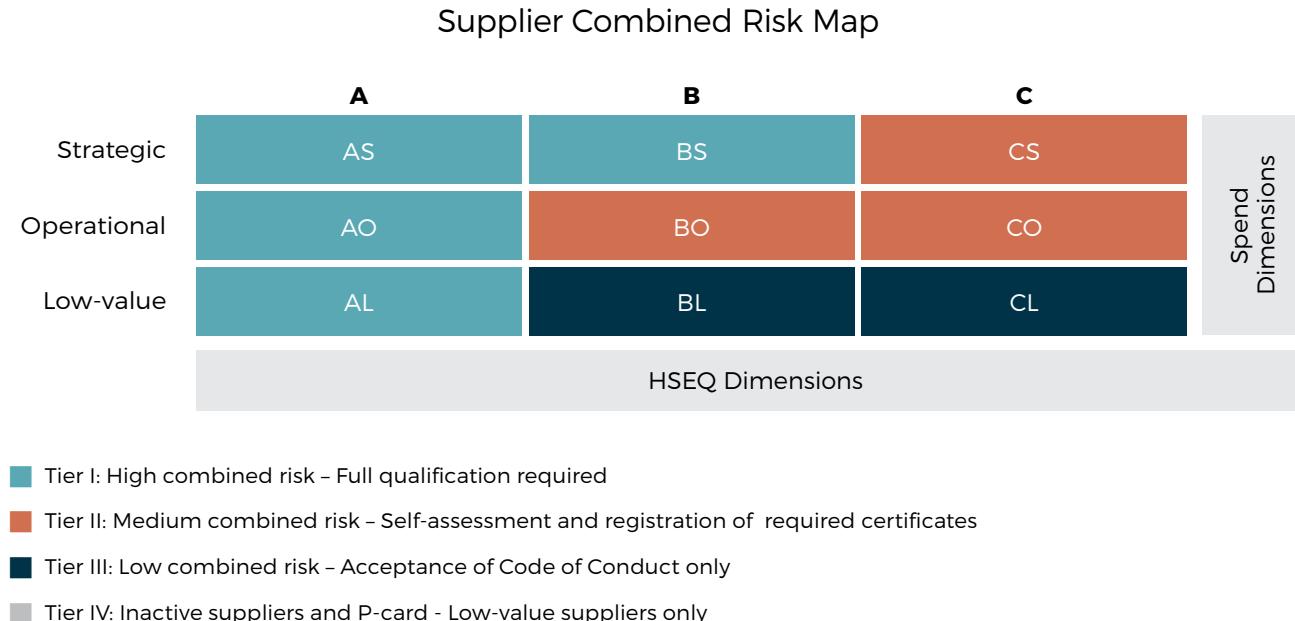
In Semco Maritime, we wish to incorporate values and attitudes that support a responsible dialogue with our stakeholders and suppliers. Our focus is on the supply chain risks, especially relating to human rights and our responsibility in ensuring compliance with international norms and development goals.

## Supplier Management programme

During 2018, we continued the development of our Supplier Management programme launched in 2017 with the introduction of a new supplier risk assessment and tier-based supplier segmentation model. The

model allows for a more targeted approach towards the application of resources to ensure compliance with our Code of Conduct and mitigate the growing risks of an increasingly globalised supply chain.

Semco Maritime is facing competitive pressure from the markets it is operating in. Customers continually demand lower prices, faster delivery and greater value, all of which Semco Maritime strives to deliver. A key strategy to meet these expectations is to use suppliers from low-cost countries (LCC) which are often less developed than existing source countries.



## ACHIEVEMENTS IN 2018

- Successful evaluation of 80% of suppliers via electronic supplier self-assessment database.
- Implementation of Strategic Sourcing initiative to qualify new suppliers in low-cost countries.
- Improved Strategic Sourcing capability in our Singapore office.

## AMBITIONS 2019

- Introduce several new low-cost country (LCC) suppliers for key goods and materials.
- Continue focus on long-term supplier relationships and develop a solid LCC supplier base.
- Maintain an 80% evaluation coverage.
- Further improve supplier self-assessment and registration for more efficient evaluation.



8.7, 8.8

This is especially true when it comes to human rights, the rights of workers and workplace safety. Workplace safety is by far the area of concern where we encounter the highest risk. We look at workplace safety broadly and include not only access to personal protective equipment (e.g. eye and ear protection, helmets, gloves etc.), but also appropriate training and instruction, excessive working hours, discrimination, workplace culture and, most importantly, the right to stop work that is not safe.

Such protections and rights seem commonplace to people working in more developed countries. However, in less developed countries, suppliers have not yet adopted safety cultures fully aligned with our own »no compromise – we care« mindset. Our responsibility is therefore to help these suppliers self-assess their workplace safety and environment and develop improvement plans that bring them up to a compliant level in the first instance and then help them continually improve so that safety and a healthy work environment become their competitive advantage.

Our risk-based supplier segmentation model allows our team to focus on suppliers posing a higher risk and to identify issues and implement improvements that create the most value for the affected workers and communities. This in turn brings additional value to Semco Maritime and to our customers through improved relations with suppliers and local stakeholders.

Supplier Management				
Management Theme	Tier I	Tier II	Tier III	Tier IV*
Qualification	<ul style="list-style-type: none"> <li>Full HSEQ qualification including Supplier Self-Assessment (SSA) and audit</li> <li>Full commercial due diligence</li> </ul>	<ul style="list-style-type: none"> <li>SSA</li> <li>Registration of certificates</li> <li>Financial due diligence as required post risk assessment</li> </ul>	<ul style="list-style-type: none"> <li>Acceptance of Code of Conduct</li> <li>No known violations of international norms</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>
Performance	<ul style="list-style-type: none"> <li>Full KPI scorecard</li> <li>Monthly reporting</li> <li>Half-yearly performance review meetings</li> </ul>	<ul style="list-style-type: none"> <li>Full KPI scorecard</li> <li>Quarterly reporting</li> <li>Annual performance reviews</li> </ul>	<ul style="list-style-type: none"> <li>Commercial KPI scorecard</li> <li>Biannual performance reviews</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>
Relationship	<ul style="list-style-type: none"> <li>VP sponsorship</li> <li>Half-yearly management reviews</li> <li>Partnership/alliance approach</li> </ul>	<ul style="list-style-type: none"> <li>Director sponsorship</li> <li>Annual management reviews</li> <li>Preferred supplier approach</li> </ul>	<ul style="list-style-type: none"> <li>No sponsor</li> <li>Management reviews as needed, but at least once every 5 years (guideline)</li> <li>Take it or leave it approach</li> </ul>	<ul style="list-style-type: none"> <li>No coffee</li> <li>Watch for technology or service-level stepouts.</li> </ul>

\*Tier IV: Dormant suppliers with no current or planned spend (within next 18 months).

# Giving back to society

In 2018, we supported various charities, humanitarian projects and projects in our local community.

## SPORTS

We support EFB - the leading football club in Esbjerg! We also support other sporting events in our local community:

- Vestkystløbet
- Blue Water Staffetten
- Royal Run

We use these events to encourage our employees and their families to participate and be active together.

## CHARITY

- Families with children with cancer
- Hospital clowns: An initiative spreading happiness and laughter among children in Danish hospitals!
- The Danish Red Cross (the national subscription)

## CULTURE

- Tall ships Race
- Energiens Folkemøde (Energy mass meeting)
- Musikhuset Esbjerg (Esbjerg Performing Arts Centre)
- The Fisheries and Maritime Museum in Esbjerg

## HEADSPACE

### - giving young people a chance!

We have an ongoing cooperation with Headspace, an organisation that is very close to our hearts!

Headspace gives advice and guidance to young people with problems. Semco Maritime is part of the business network and therefore offers temporary employment contracts for young people who are referred to us by Headspace.

Fundamentally we believe in inclusion and we know that with a little support, this vulnerable group of young people will become a valuable resource in the labour market!

# Health, wellbeing and development

We want to create an attractive workplace where each individual has the opportunity to develop both personally and professionally.

We do not discriminate nor let our decisions be affected by employee affiliation with trade unions or other associations. Nor do we interfere with the forming of any trade unions or other associations in the workplace. As a global company we recognise the diversity of our employees. Therefore, we do not accept discrimination based on nationality, ethnic heritage, sexual orientation, political affiliation, religious belief or age. We see diversity as a strength and want to maintain a culturally diverse staff!

We do not use force, threats or disciplinary means to force people to work nor do we withhold identification papers or wages to force employees to work. 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. Our commitment to respect the above is set out in our policies ([see page 30](#)).

## Creating and attractive environment

We aim to create an attractive working environment that considers both the mental and the physical health of our employees. We do not want to risk causing illness among our employees due to a poor working environment. Our greatest asset is our people – and we know that we are at risk of losing them if we fail to create an attractive working environment

with room for diversity and personal development! In order to make sure that we keep focusing on mitigating the mentioned risks, we have decided to monitor the points below. In addition to our biannual satisfaction survey, we have added 3 measuring points that help us assess the wellbeing of our organisation:

- Sickness absence
- Personal development dialogue meetings
- Satisfaction survey (biannual)
- Voluntary turnover rate

## Sickness absence

In 2018, the overall sickness absence rate was 3.0 % whereas the result was 2.9 % in 2017. Our overall objective is 2.8 %.

We constantly monitor the sickness absence reports, and a close cooperation between Human Resources and our Social Counsellor ensures that we address irregularities through a constructive dialogue between our Social Counsellor, the relevant manager and the employee in question. We have a sick leave procedure that helps us ensure regular contact between Semco Maritime and the employee on sick leave and which aims to reduce the duration of leave.

## Personal and professional development

We strongly believe in the value of open and honest dialogue and in creating room for personal development. In Semco Maritime, the Personal Development Dialogue (PDD) is the tool that we use to create a confidential space in which the manager and employee can have a safe and honest face-to-face

## Sickness absence

Target → 2.8 %

2018: 3.0 %

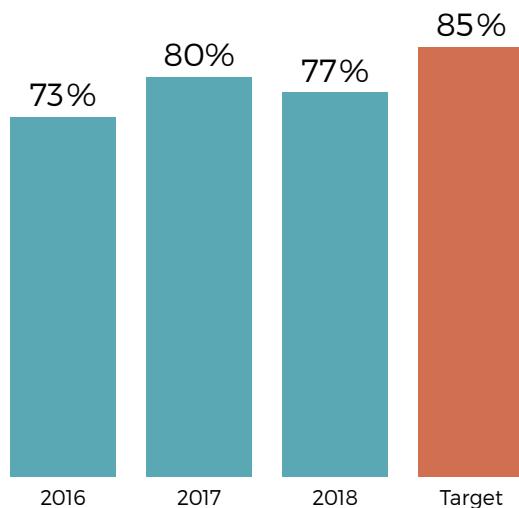
2017: 2.9 %

2016: 3.4 %

2015: 3.9 %



## Completed PDD meetings



dialogue about all aspects of life as a Semco Maritime employee. One important aim of the dialogue is to connect personal values to our company values.

Through this dialogue, we want to give the employee increased influence on his/her own career path while at the same time identifying development potential and individual training needs. The outcome of the dialogue is an individual action plan for the coming year.

Our goal is to make sure that at least 85 % of all on-shore employees complete their PDD. However, in 2018, only 77 % reported (via the satisfaction survey) that they had completed their PDD. This is a 3 % decrease compared to 2017. One explanation could be that we have welcomed many new employees in 2018. Most often, newcomers are not called for a PDD during their first year of employment.

In 2018, we have developed a tool for monitoring the number of completed PDD meetings. The aim of this tool is to increase the number of completed PDDs through a more structured follow-up. We expect to begin the implementation of the tool in 2019.

### Job satisfaction survey

In 2018, we completed our biannual job satisfaction survey. The survey includes all white-collar and blue-collar employees except for offshore employees. The survey analyses the knowledge and understanding of our employees in terms of our strategy, management satisfaction, cooperation, work life balance etc. 86 % of our employees completed the survey and the overall

average rate was 4.1 (on a scale of 1 to 5 where 5 is the best). In 2016, the overall result was 4.0.

Job satisfaction workshops are held in all departments following our satisfaction survey. During the workshops, which are facilitated by a HR representative, the manager and his/her team have an open dialogue about the survey result. During these meetings, the team discusses how to maintain the positive results and how to improve the below-average results. A team action plan is agreed upon following each workshop. The next survey will be completed in 2020.

### Employee retention and voluntary turnover

We want to retain our dedicated employees, and use the satisfaction survey as an indicator of the satisfaction level among our employees. Combining the results of the satisfaction survey with the staff turnover rate gives us a good indication of our attractiveness as a workplace.

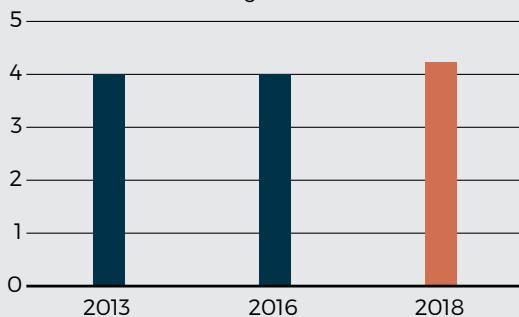
It is only natural that some people leave us of their own free will, as they often have specialist competencies also in demand at our competitors. Our goal is that the staff turnover rate remains below 10 %. In 2018, the turnover rate was 6.8 % and this is acceptable. We will continue to monitor the turnover rate while aiming to increase our employer branding activities, as this will be even more important in the years to come.

### Women in management positions

Our line of business has been significantly overrepre-

## Job satisfaction

Target: 4.0



sented by men for many years and this is also still the case when we look at the overall gender distribution. However, we see great potential in a diverse workforce and we know that an important step is ensuring a more diverse management team. We therefore strive to increase the ratio of the underrepresented gender, i.e. women, in management positions.

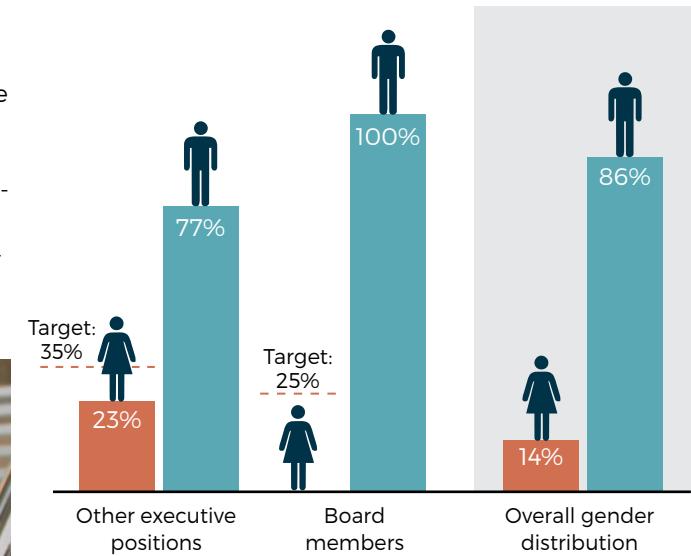
Semco Maritime has set the goal that women must occupy 35 % of 'other executive positions' (which include C-level + SVP, VP, Directors, Managers) by 2021.



Furthermore, our goal is that 25 % of the board members elected at the general meeting are to be women (equivalent to 1 woman) in 2021. In 2018, none of the members of the Board of Directors elected at the general meeting were women and in 'other executive positions' women currently represent 23 %.

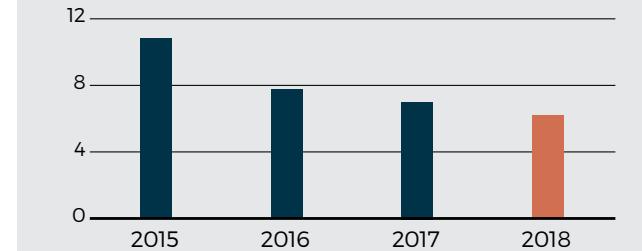
To achieve our objectives we have launched an internal management education (talent camp) with the goal of also developing female talents and strengthen their management skills.

## Women in Semco Maritime



## Voluntary turnover

Acceptable turnover rate: < 10 %



### Strong focus on human values!

At Semco Maritime we genuinely care about the well-being of our employees and are very proud to have our own in-house social counsellor (since 2007). This role is at the very core of our efforts to ensure a strong focus on people and on human values.

Our social counsellor, is available to all employees AND their families at any time. An employee can always ask for support, e.g. in case of mental or physical illness, that might require cooperation with psychologists, hospitals, municipalities, patient associations or other relevant partners.

Semco Maritime has a zero-tolerance policy towards

drugs and alcohol, which are not compatible with work and the workplace. However, employees can always contact our social counsellor for professional support and assistance. Our social counsellor also spars with the senior management team in order to ensure the highest level of well-being.

### Activities

In 2018, we completed several campaigns to make sure that our employees know where to turn if they need help.. We saw a need for more information among our offshore workers as too many did not know that the counselling services are for everyone. Consequently, we have aimed some information campaigns at this specific group.

### Data protection / GDPR



From 25 May 2018, the EU legislation became more restrictive and required new standards for data security, authorisations and transparency. We have initiated actions to:

- Protect our employees' and customers' personal data.
- Increase the awareness of data privacy for persons handling personal data.
- Comply with the new legislation.

We have prepared a privacy policy that applies to all current and future employees. The privacy policy and other relevant GDPR documentation are available to employees through our business system.

The privacy policy is also available through our website: <http://bit.ly/SemcoPrivacyPolicy>

### ACHIEVEMENTS IN 2018

- Sickness absence was 3.0 %.
- 77 % of employees completed their annual PDD.
- Voluntary turnover: 6.8 %.
- Campaigns to inform offshore workers of our social counselling services.
- Women in management positions: 23 %.

### AMBITIONS 2019

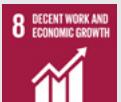
- Maintain a low sickness absence rate in 2019. Target remains 2.8 %.
- PDD target is 85 %.
- In 2019, we will focus on employee retention and on keeping the voluntary turnover at an acceptable level (10 %).
- Next job satisfaction survey to be held in 2020.
- Women in management positions: 35 % in 2021.
- Female board members: 25 % in 2021.



3.4, 3.5



5.1, 5.5, 5.5.2



8.6, 8.7, 8.8

# Safety is part of our DNA

ZERO harm to employees, stakeholders, our assets and the environment.

At Semco Maritime we have defined a new safety motto: »Safety is part of our DNA«. This statement indicates that safety is one of our core values and that it is embedded in everything we do. We believe that all incidents can be prevented by approaching work proactively and by learning from experience. We know that if we fail to put safety before everything else, we risk that people get injured or even die while doing their job.

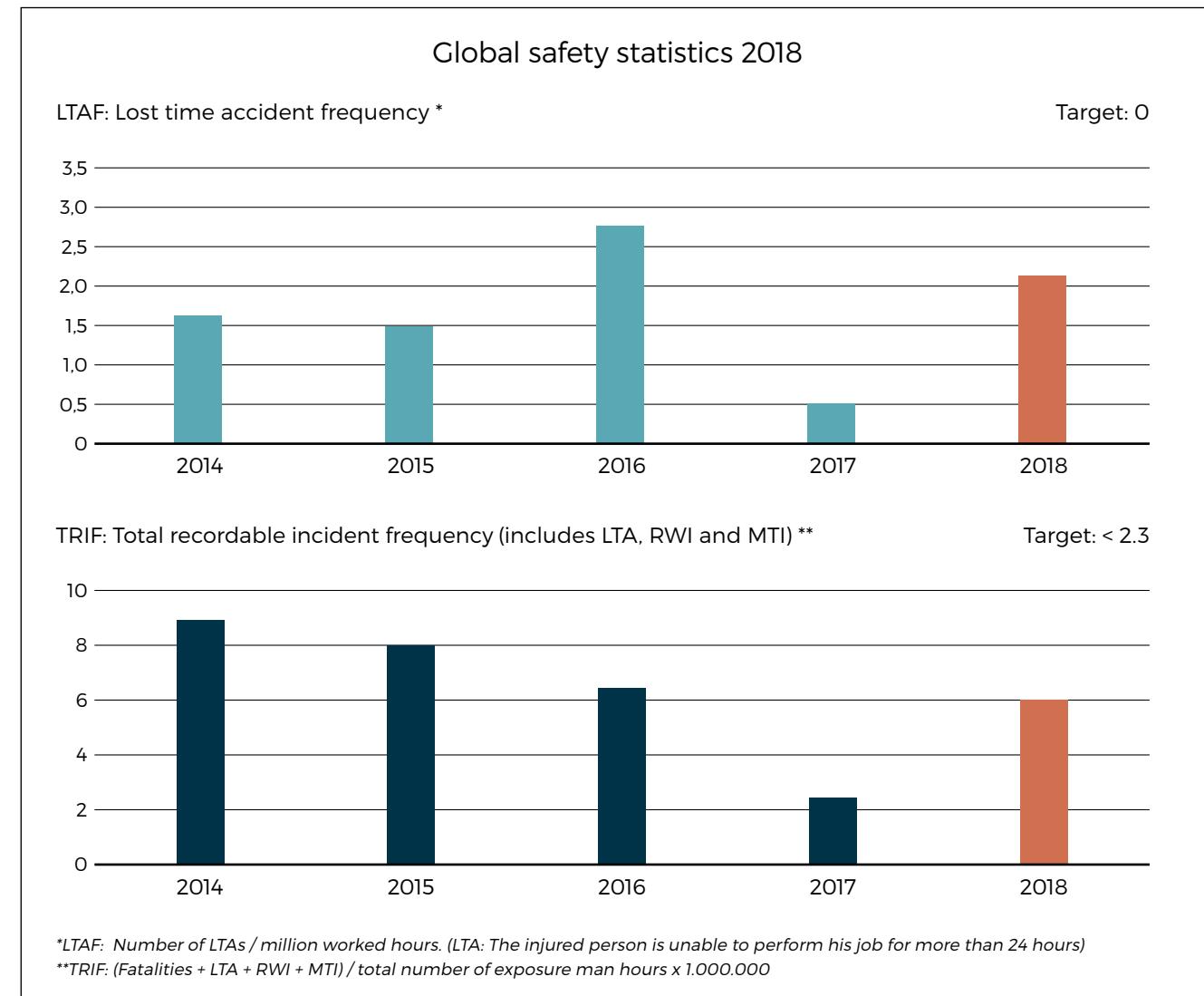
We strongly believe in a continued focus on Safety Leadership. This means that if our leaders show their commitment towards safety, they will be able to lift our Safety Culture to a level that makes our ultimate goal of zero accidents a reality.

## Safety performance 2018

During 2018, we unfortunately experienced an alarming rise in the number of incidents and high-potential near misses (situations with a high risk of very serious injuries or death). These incidents and near misses have been investigated, and no patterns as such were identified except that the root causes of all incidents and near misses were related to human behaviour. Below are some of the initiatives taken to increase focus on safety across the organisation.

## Safety awareness courses

Safety awareness refresher courses have been completed for managers and blue-collar workers in our workshops.



## Safety culture survey



Besides, safety awareness courses have been held for foreign project hired employees at our site in Northern Jutland - in their native language. This was a good initiative given the cultural differences and helped the project employees understand the importance of safety awareness and reporting. The main purpose of the safety awareness courses was to strengthen our safety culture and safety behaviour and to provide a common point of departure.

### Safety talk

A »safety talk« is a communication tool for managers to remind employees that health and safety are important. The talk can help employees recognise and control hazards when at work and outside working hours. Safety talks demonstrate the commitment of employers and employees to health and safety. If only the manager acts as a role model and a safety ambassador, the purpose of the safety talk has been fulfilled.

In previous years, we have not been able to reach our target of 328 registered safety talks. However, in 2018, we did a consistent monthly follow-up with the relevant managers, and progress was also reported to the top management. Our extended focus paid off and we managed to complete AND register 381 safety talks in 2018. Our target for 2019, however, re-

mains at almost the same level (332) in order to keep focus on all levels of management.

### Safety culture survey

We have also carried out a safety culture survey to measure the safety culture on all operational and offshore sites.

The safety questionnaire contains 50 questions and is divided into 7 headlines:

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

The target for 2018 was to exceed 3.25 on a scale from 0-5. The overall result was 3.251, which was satisfactory, especially as the response rate was 64.3 % - an increase compared to 2017. In 2019, the survey will only include operational and offshore sites, and we aim to further improve the response rate and to keep the score above 3.25.

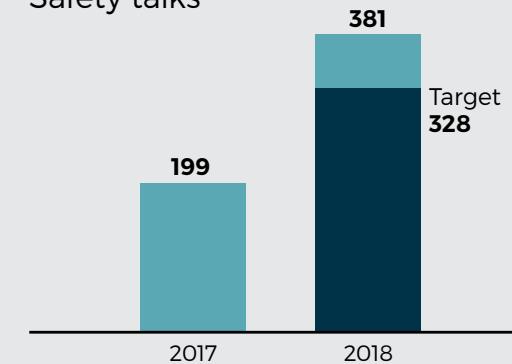
## ACHIEVEMENTS IN 2018

- LTAF: 2.1
- TRIF: 6.0 / mio working hrs.
- Safety culture survey: 3.251.
- Safety talks completed: 381 (goal 328).

## AMBITIONS 2019

- LTAF: 0
- TRIF: < 2.3 / million working hours.
- Safety culture survey: Score exceeding 3.25 in average at operational sites.
- Safety talks completed: 332.
- Establish a Safety Value Committee.

## Safety talks



## Safety campaigns

Safety campaigns play an important role when we try to increase focus on safety culture and safety awareness. In 2018, we completed the following campaigns:

### Global campaign:

#### Safety is part of our DNA!

Introduction of our new safety motto. We urged each employee to submit a private picture to HSE, stating the reason why he or she wants to return home safely. The picture could be of one's family, pet, sporting friends or other.

### Offshore campaign:

#### Safety is also common sense

This campaign focuses on common sense in relation to safety. Safety can be very abstract, and we have



many different tools to improve safety at work. HOWEVER, common sense is very important if you want to stay safe.

### Global campaign:

#### How is safety part of your DNA?

With this campaign, we put focus on our new safety motto and try to inspire employees to think about what safety means to them.

### Our safety work continues

We will continue to work with our new motto and try to signal that safety is promoted as a core value in Semco Maritime.

We need to define what we mean when we talk about »safety and being safe« in Semco Maritime.

This work will involve ALL departments in 2019. By the end of 2019, ALL employees will therefore know the meaning of our new motto and feel the importance of their own safety dedication.

Among several initiatives, we will establish a Safety Value Committee with employees from across the organisation. The most important purpose of this committee is to define the Semco Maritime safety behaviour behind our new value.

*Safety campaign to raise the level of safety awareness at Semco Maritime.*



Waste management at Hanøytangen, Norway.  
In 2018, our yard at Hanøytangen reached an amazing recycling rate of 99 %.

This is the result of a strong and close cooperation between our local HSE coordinator and the waste supplier Franzefoss Gjenvinning AS. Yard routines are regularly updated and staff are trained on an ongoing basis - also through participation in »environment days«.

Hanøytangen is equipped with a very functional and permanent station. In addition, customised environmental stations are set up for each project. Both the environment, employees and customers benefit from our strong focus on HSE.



*Theme day at Hanøytangen:  
Plastic waste and the ocean  
- how can we help solve the  
waste challenges of the future?*

# Environment and climate

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

We are aware of our potential role in mitigating climate change and in conserving natural resources. We know that we risk contributing unduly to climate change and depleting the world's finite resources. We have set ambitious goals to limit our impact and believe that »a responsible approach« is a »preventive approach«.

We know that a large share of our emissions is caused by our energy consumption (electricity and heating). However, the recent mapping of our CO2 emissions ([see page 20](#)) will probably call for a review of our goals.

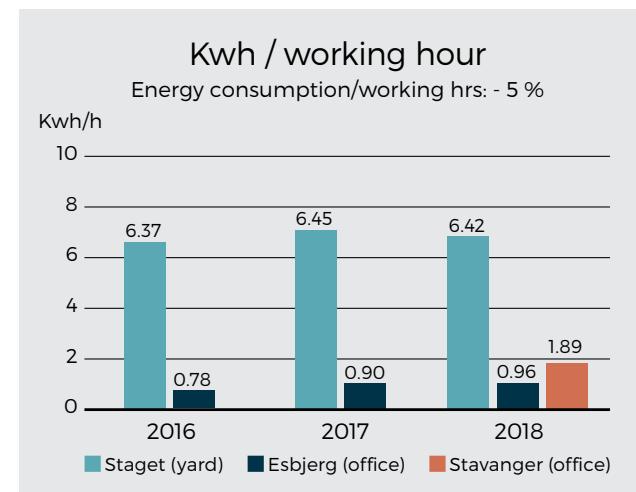


## Waste management and energy consumption

We aim to reduce our environmental impact by using resources most efficiently, reducing energy consumption and ensuring an efficient waste management through maximum recycling

Our waste recycling has once again improved due to ongoing staff training at our sites. We also organise specific »environment days« with a focus on improving waste separation and strengthening our cooperation with local waste handling companies and municipalities.

We have changed our way of measuring our energy consumption. We used to measure Kwh/employee but decided to look at Kwh/working hour instead. Furthermore, we have decided to divide the energy consumption into locations as this makes it easier for us to iden-



## CO2 neutral website

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

## Nordic Swan Ecolabel

Our stationery is made from environmentally friendly materials. At present, all stationery and almost all envelopes carry the Nordic Swan Ecolabel.

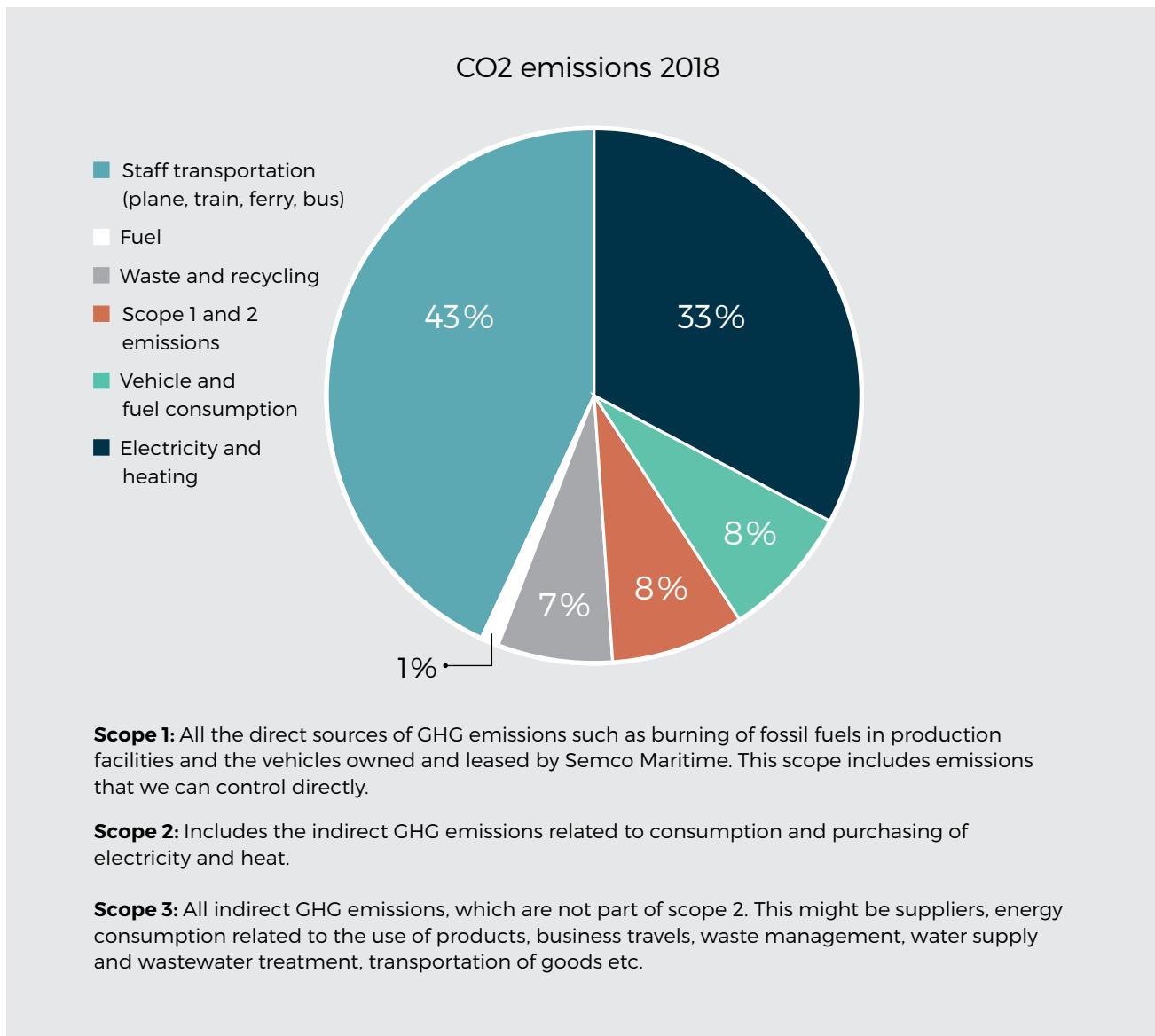
## FSC® - The Forest Stewardship Council

An international non-profit label for wood and paper. FSC is your guarantee that printed material is from a FSC-certified forest. No more wood is cut than the forest is able to regenerate naturally.

## ISO certified

Certified according to ISO 14001 ([see page 31](#)).





tify the areas needing additional focus. So far, we are only able to monitor three of our locations, but our goal is to monitor all locations similarly.

It is obvious that there is not much to be improved at our headquarters in Esbjerg. Consequently, we will focus on our yard at Staget in Esbjerg. We have developed an action plan containing specific things that need to be improved at this location in relation to energy management.

#### Mapping our CO2 emissions

As a new initiative in 2018, we started to map our CO2 emissions. Initially, we wanted to map the emissions from our shipping activities, but we ended up extending our scope (see pie chart).

To create an overview of the greenhouse gas emissions (GHG emissions) in Semco Maritime, we used the online tool »[Klimakompasset.dk](#)«. The carbon calculator is based on the GHG protocol, which is a global standardised framework used to measure and manage emissions from both private and public operations. The carbon calculator divides GHG emissions into three scopes: Scope 1 is the direct emissions, whereas scope 2 and 3 are the indirect emissions.

#### Developing a carbon footprint ladder

In 2018 we also started to develop a carbon footprint ladder and the work is ongoing. We know that we are on the very first step of the ladder, the awareness phase. We have only just begun to develop a framework and are about to initiate internal discussions

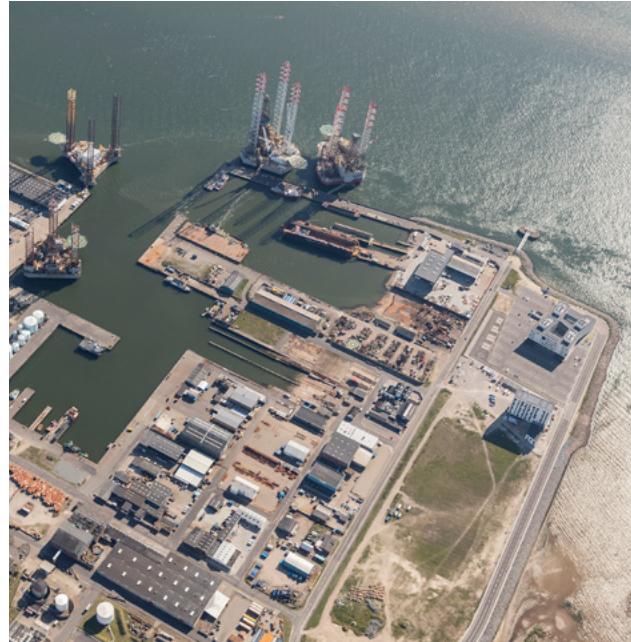
about our carbon emission and environmental impact.

In 2019, we expect to start in-house discussions about our CO2 emissions in order to raise awareness of our impact and to identify initiatives to reduce the impact. Discussions will be based on our mapped emissions (with »staff transportation« as one of the major sources of air pollution).

“

We want to keep our environmental impact to a minimum and ensure the best possible use of resources.”

Dorthe Ulsø, Director HSE&Q



#### Concrete actions in 2019

- **CO2 saving ideas:**

Initiate an »idea bank for CO2 saving ideas« and encourage employees to contribute ideas.

- **Discuss new goals:**

Can we limit emissions caused by staff transportation?

- **Waste:**

Continuing awareness-raising globally and provision of facilities for recyclable materials.

- **Energy consumption:**

Special focus on our yard in Esbjerg where there is still room for improvement.

#### ACHIEVEMENTS IN 2018

- Savings on energy consumption/working hours: - 0,5 % (DK only).
- Recycling of waste/total amount of waste: 90,66 %.
- Development of carbon ladder framework and starting the mapping of our CO2 emissions.

#### AMBITIONS 2019

- Savings on energy consumption/working hours: - 5 %.
- Recycling of waste/total amount of waste: min. 90 %.
- Starting to raise awareness of our CO2 emissions through in-house campaigns (what can YOU do?).



3.9



7.2, 7.a



11.6



12.4, 12.5  
12.6, 12.6.1

# Turning towards renewable energy

We want a larger share of our turnover to come from renewables

Renewable energy, and especially offshore wind, is getting more and more of our attention and is becoming an important part of our strategy. We believe that the renewable energy market will continue to grow. We have developed a strong position within offshore substations for offshore wind farms. In short, we specialise in bringing energy to shore!

Initially, we provided services for the oil & gas industry, but our business is turning more and more

towards the renewable energy industry. Our offshore wind activities continue to increase and now account for 31 % of the total revenue!

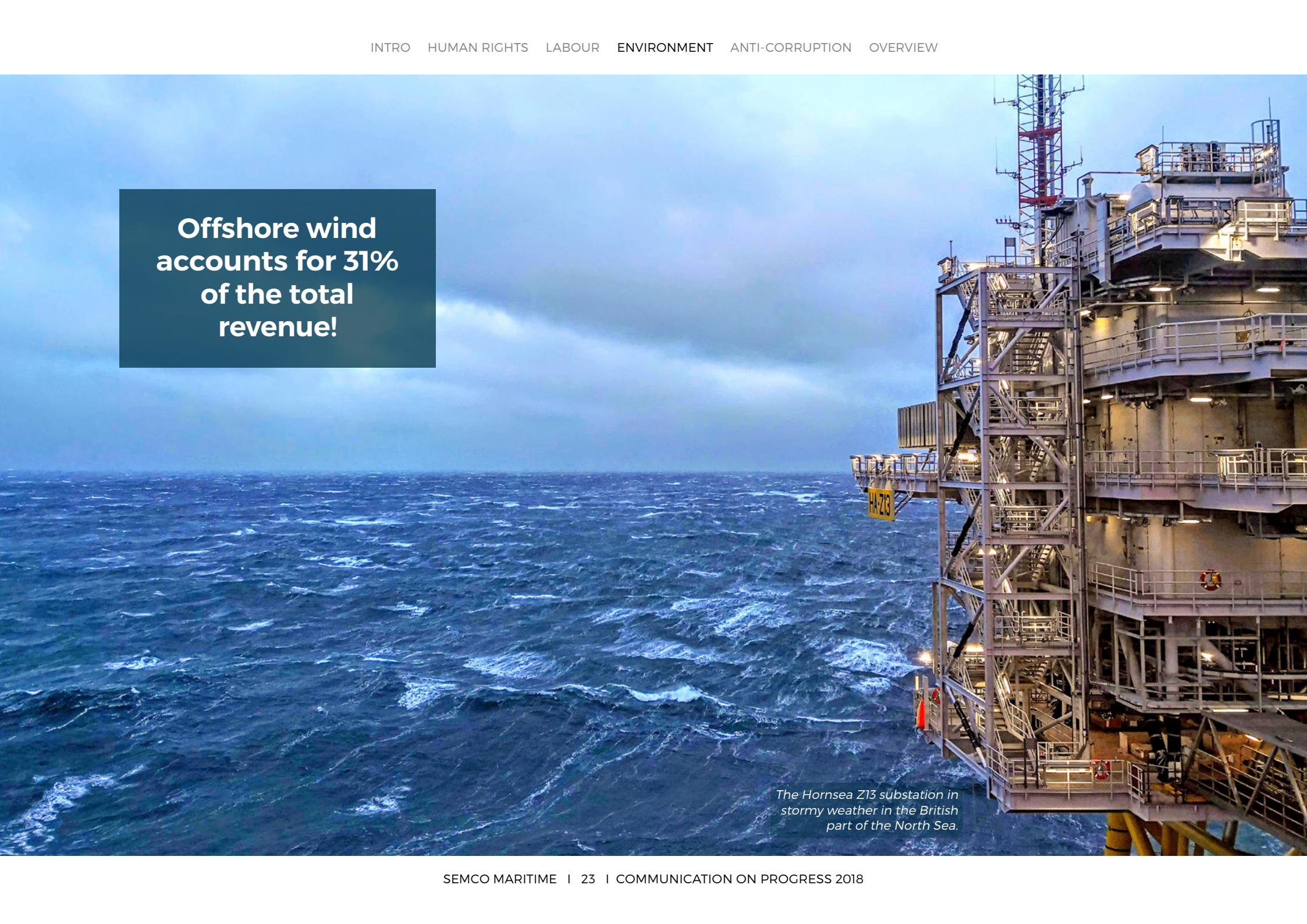
At Semco Maritime we design and engineer electrical infrastructure systems for wind farms and construct on- and offshore substations. We continuously aim to reduce the cost of green renewable energy. Therefore, our engineers and specialists focus on optimising each design element of the substation and the balance of plant (BOP). We always strive to optimise the way we bring energy to shore!



Borkum Riffgrund 2

## Some of our major offshore wind projects:

- Horns Rev
- Burbo Banks
- West of Duddon Sands
- Walney I
- Walney II
- Northwind
- Nordsee Ost
- Borkum Riffgrund I
- Anholt
- Rødsand B
- Gunfleet Sands
- Robin Rigg
- Lillgrund
- Princess Amalia (Q7)
- Nysted
- London Array
- DanTysk
- Sandbank
- NordSee One
- Bligh Bank
- Horns Rev 3
- Hornsea
- Northwestern 2



**Offshore wind  
accounts for 31%  
of the total  
revenue!**

*The Hornsea Z13 substation in  
stormy weather in the British  
part of the North Sea.*



# Anti-corruption and anti-bribery

We have always focused on honesty and fairness, but in recent years, transparency has become increasingly important. Transparency is also driving force behind our successful introduction and implementation of a new whistleblower arrangement.

As a signatory to the UN's Global Compact since 2007, we are 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.

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

We are strengthening our focus on promoting transparency and honesty in everything we do.

Our ultimate goal is to help eliminate corruption

and bribery. Therefore it was a natural step for us to establish a formal whistleblower policy and whistleblower rules (2016). During 2017 and 2018, we focused on informing employees about the whistleblower arrangement, and in 2018 we published the whistleblower policy on our website.

In 2018, we were informed of two potential corruption cases under the whistleblower arrangement.

The reporting of the two cases and the subsequent handling confirm

that the system works as intended; One of the cases showed that Semco Maritime was blacklisted by a customer due to an erroneous suspicion of corruption within our company. The matter was investigated and cleared with the customers' compliance officer and we are now receiving orders from the customer again. We will continue to repeat the message internally to make sure that everyone knows where to report cases of corruption or bribery.

#### **Anti-corruption**

Semco Maritime and its Group Companies' (Subsidiaries') employees shall not directly or indirectly accept, solicit or offer bribes, kickbacks, facilitation payments or any other unjustified advantages in order to improperly influence or gain an unfair business advantage from any governmental or private legal entity or other.

We have based our anti-bribery and corruption policy on the 6 principles of the Bribery Act 2010 (UK):

#### **1. We have proportionate procedures:**

- By designing and implementing this »anti-bribery policy« and by having current, suitable and proportionate »anti-bribery procedures« for handling risk exposures in our markets.
- By synergising the necessary resources of our CEO, CFO, legal department and HSEQ department - ensuring appropriate attention to our anti-bribery and corruption policy and procedures.
- E.g. by capping gifts at € 100.- Other promotions, sponsorships and hospitality gestures are regulated in each case based on specific individual criteria.



#### **ACHIEVEMENTS IN 2018**

- Whistleblower arrangement established and in force.
- Whistleblower policy made available to external contacts on our [website](#).
- We were informed of two possible corruption cases under the whistle-blower arrangement. Both cases were investigated by our legal department and solved efficiently and professionally. This confirms that our setup works as intended.

#### **AMBITIONS 2019**

- Continue the implementation of the whistle blower arrangement across the organisation.
- Arrange sessions to inform new colleagues about our code of conduct and our anti-corruption initiatives and to make sure that also newcomers know where to report cases.
- Monitor number/types of cases under the whistleblower arrangement.



16.5

**2. We have top-level commitment:**

- This means that our CEO and CFO »own« the anti-bribery policy.
- By having an internal Culture and Development programme and a General Counsel who proactively sponsors the policy whenever necessary.
- By having our Senior Vice Presidents inform employees of the policy/procedures on an annual basis (via the intranet or similar internal communication channels).

**3. Risk assessment is made:**

- By evaluating, as applicable, the risks associated with potential and current projects in terms of:
  - (i) geography, (ii) industrial sector, (iii) nature of transaction and (iv) scope and nature of necessary partnerships.

- By allocating, whenever necessary, specific resources (legal as commercial) to:
  - supply (from simple purchase orders to full-blown EPC contracts including operation & maintenance (O&M), purchasing, agents and consultants).

**4. Due diligence is made:**

- By inserting an anti-bribery clause in Corporate Contract Review Guidelines;
- A specific set of questions on the anti-bribery and corruption policy is now included in our internal auditing rules established by the HSE&Q department.

**5. Communication is performed:**

- By bringing focus to the anti-bribery and corruption policy through, among others, introductory courses for new employees.

- By making our Code of Conduct readily available on our website along with the updated versions of our Communication on Progress (COP) report and Global Business Manual, including the anti-bribery and corruption policy and procedures.

**6. Monitoring and review:**

- By having established a Business Ethics Committee or other 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 by our HSE&Q department.

**Send us an e-mail:**

[whistleblower@semcomaritime.com](mailto:whistleblower@semcomaritime.com)



## The formal whistleblower policy and rules

The detailed whistleblower policy is available to all; internally in our Business Management System

- together with a template for reporting and externally on our corporate website.

**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 Counsel and Corporate Counsels of the SEMCO MARITIME Group of Companies.

The General Counsel and Corporate Counsels must as applicable minimum cc the CFO (and General Counsel always to Corporate Counsel(s) on any reported incident), the startup of any case and any later process and/or reporting. Reporting to the General Counsel and Corporate Counsels can take place by anyone by telephone, e-mail and/or written- or any oral communication.

**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 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 HR and as relevant and as decided by the General 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.

**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).

**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.

**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.

# Targets, progress and ambitions

This overview sums up our targets, progress and ambitions within the four sustainability themes - human rights, labour, environment and anti-corruption.

	Targets	Progress in 2018	Ambitions
<b>Human rights</b>	By the end of 2018, we have successfully evaluated 80 % of all suppliers via our electronic supplier self-assessment database.	✓ Successful evaluation of 80 % of suppliers via our electronic supplier self-assessment	Maintain an 80 % evaluation coverage and further improve supplier self-assessment and registration database. for more effective evaluation.
	Focus on long-term supplier relationships and building a solid supplier base in low-cost countries.	✓ Implementation a Strategic Sourcing initiative to qualify new suppliers in low-cost countries.	Introduce several new LCC suppliers and continue focus on long-term supplier relationships and develop a solid LCC supplier base.
<b>Labour</b>	Sickness absence rate: 2.8 %	● 3.0 %	Target remains 2.8 %
	Completed personal development dialogues: 85 %	● 77 %	PDD target is 85 %
	Voluntary turnover rate: < 10 %	✓ 6.8 %	Voluntary turnover rate: < 10 %
	Job satisfaction survey: 84 % completed the survey. Overall average score of 4.0	✓ 86 % completed the survey. ✓ Satisfaction level: 4.1	New satisfaction survey will be completed in 2020.
	Number of female board members: 25 %	● 0 %	25% of board members must be female (by 2021).
	Women in management positions: 35 %	● 23 %	35% of women in management positions (by 2021).

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

	Targets	Progress in 2018	Ambitions
<b>Safety</b>	TRIF: below 2.3	● TRIF: 6.0	TRIF: below 2.3
	LTAF: 0	● LATF: 2.1	LTAF: 0
	Safety culture survey: above 3.25	✓ 3.251	Safety culture survey: Above 3.25
	Safety talks: 328	✓ 381	Safety talks: 332
<b>Environment and climate</b>	Savings on energy consumption/employees: -5 %.	● Savings on energy consumption/ working hours: -0.5 %.	Savings on energy consumption/ working hours.: -5 %.
	Recycling of waste: 80 %.	✓ Average recycling across sites: 90.66 %	Recycling of waste: min. 90 %.
	Set the framework for mapping of carbon footprint.	● Development of carbon ladder framework and our first mapping of CO2 emissions.	Begin raising awareness about our CO2 emissions through internal campaigns.
<b>Anti-corruption</b>	Continue the implementation of whistleblower arrangement and making sure that everyone knows how and where to report	✓ Whistleblower arrangement established and in force. Infor about the arrangement was made available to external website users.	Continue the implementation of the whistleblower arrangement across the organisation. Arrange sessions to inform new colleagues about our code of conduct and anti-corruption initiatives.
		✓ First two cases reported under the whistleblower arrangement.	Monitor the number of cases filed under the arrangement.

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

# Our policies on responsible practices

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

## CSR in general

CSR Policy - POL-SEMCO-0001

The objective of Semco Maritime is to develop strategic and cost-effective sustainability models that create differentiation to others and value for customers. We will challenge and develop what we do best in a socially responsible way. CSR covers the initiatives launched by Semco Maritime to protect the environment, ensure good working conditions and care for society beyond legal requirements.

## Global Compact Procedure

P-SEMCO-0082

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

## Human Rights

Code of Conduct – POL-SEMCO-0013

We have formulated a Code of Conduct specifically aimed at employees, partners and suppliers. The

Code of Conduct contains our values and ethical guidelines. All employees must know and understand not only the guidelines of the Code of Conduct, but also the values on which it is based. We are all committed to abide by the wording and the rules of the Code of Conduct and to help others do so.

## Inclusion Policy

POL-SEMCO-0006

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

## Employee Health Policy

POL-SEMCO-0012

The health policy of Semco Maritime has been

developed with the formulated strategy in mind and is based on the values and attitudes that are the hallmarks of our corporate culture. We want to provide a healthy environment and promote a healthier lifestyle among our employees without invading their personal space and lifestyle.

## Drugs and Alcohol

P-SEMCO-0087

Semco Maritime has a zero tolerance towards the possession and consumption of drugs during working hours. We expect all employees to come to work without being under the influence of alcohol or drugs.

## GDPR

Privacy Policy - POL-SEMCO-0022

This policy describes the details on the processing, use and disclosure of the personal data relating to



your job application and the hiring process and, if employed with Semco Maritime, the details on the employment relationship and the hiring-out of labour to customers, etc.

## Labour

Personnel Policy – POL-SEMCO-0011

The personnel policy applies to all Semco Maritime employees, regardless of title or position. The policy is reviewed on a regular basis and is based on the following core ideas:

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

## Anti-Corruption and Bribery

POL-SEMCO-0016

Employees shall not directly or indirectly accept, solicit or offer bribes, kickbacks, facilitation payments or any other unjustified advantages in order to improperly influence or gain an unfair business advantage from any governmental or private entity.

## Physical/Psychological Bullying, Harassment and Violence

POL-SEMCO-0015

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

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

## Safety, Environment and Climate

HSSE Policy – POL-SEMCO-0019

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

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

## Whistleblower Arrangement

P-SEMCO-0378

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

## THIRD-PARTY CERTIFICATES

### Quality management

ISO 9001

This standard is based on a number of quality management principles including a strong customer focus, the motivation and implication of top management, the process approach and continuous improvement.

### Environmental management systems

ISO 14001

This standard specifies the requirements for an environmental management system to be used by an organisation for enhancing its environmental performance.

### Occupational health and safety management systems

OHSAS 18001

Compliance with the OHSAS 18001 standard enables us to demonstrate that we have a system in place for occupational health and safety.

### Learn more:

[www.semcomaritime.com/downloads/  
download-hsseq-certificates](http://www.semcomaritime.com/downloads/download-hsseq-certificates)

**Semco Maritime A/S**  
Esbjerg Brygge 30  
DK-6700 Esbjerg  
CVR-nr.: 25 49 07 62  
Tlf. 79 16 66 66  
[semco@semcomaritime.com](mailto:semco@semcomaritime.com)  
[www.semcomaritime.com](http://www.semcomaritime.com)

