

# MAKEEN ENERGY

January 2020

## Responsible energy solutions on a sustainability journey

- Communication on Progress for the UN Global Compact

# MAKEEN ENERGY



*Siraga*

**KC**ProSupply

**MAKEEN**  
POWER

**KC**LNG



Photo by Delase Bonney

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# CEO statement

Over time, some things change - while others stay the same. At MAKEEN Energy, we are still a global, market-leading corporation in the energy industry, and we are still determined to play an active role in the sustainable transformation of the energy market. And in my opinion, this last part - the one about transformation - is the actual reason why we keep changing for the better.

Today, MAKEEN Energy has supported the UN Global Compact for 2 years, and our sustainability journey keeps taking us new places. It supports the promise we make to ourselves and our stakeholders in our purpose: responsible energy solutions for people and planet. However, no one is perfect, and neither are we. We know that we can always do better - and that thought only fuels our ambitions and initiatives.

Over the last 12 months, we have expanded the itinerary for our sustainability journey. Among the newest initiatives, we find a global satisfaction survey, a code of conduct for suppliers and third parties and a commitment to the UN Sustainable Ocean Principles.

As our organisation is spread across continents, the same goes with our initiatives. We know that it takes a dedicated effort to spread the actions and involve people across all our locations. And with the UN Global Compact, we have a good tool that on the one hand ensures we keep sustainability on our minds and on the other hand helps identify areas where we can improve. To maintain and focus our efforts to change for the better, we therefore continue to support the UN Global Compact as well as the UN Sustainable Ocean Principles.



Anders C. Anderson  
CEO / Managing Director



Anders C. Anderson  
CEO / Managing Director of MAKEEN Energy

# UN Global Compact

Global Compact is a United Nations initiative. By signing up, companies world-wide commit to follow the initiative's 10 principles within the 4 topics: human rights, labour, environment and anti-corruption. In January 2018, MAKEEN Energy chose to join the UN Global Compact as a part of our sustainability journey, and this Communication on Progress report is therefore the second one from us.

The 4 topics and the 10 principles are listed to the right<sup>1</sup>.

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<sup>1</sup> <https://www.unglobalcompact.org/what-is-gc/mission/principles>

COMMUNICATION  
ON PROGRESS



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

HUMAN RIGHTS	
<b>Principle 1</b>	Businesses should support and respect the protection of internationally proclaimed human rights; and
<b>Principle 2</b>	make sure that they are not complicit in human rights abuses.
LABOUR	
<b>Principle 3</b>	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
<b>Principle 4</b>	the elimination of all forms of forced and compulsory labour;
<b>Principle 5</b>	the effective abolition of child labour; and
<b>Principle 6</b>	the elimination of discrimination in respect of employment and occupation.
ENVIRONMENT	
<b>Principle 7</b>	Businesses should support a precautionary approach to environmental challenges;
<b>Principle 8</b>	undertake initiatives to promote greater environmental responsibility; and
<b>Principle 9</b>	encourage the development and diffusion of environmentally friendly technologies.
ANTI-CORRUPTION	
<b>Principle 10</b>	Businesses should work against corruption in all its forms, including extortion and bribery.

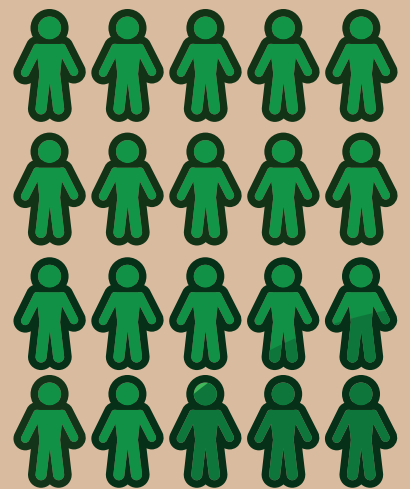
# MAKEEN Energy at a glance

MAKEEN Energy is a global, market-leading corporation that delivers equipment, solutions and services to the energy industry. We employ approx. 1,000 people across 6 continents and operate in over 140 countries. With our global reach, local presence and decades of experience, we can deliver responsible solutions that make a difference to people and planet.



We have customers in

**140**  
countries



Across 6 continents,  
we have approx.

**1,000**  
employees

**WE SUPPORT**

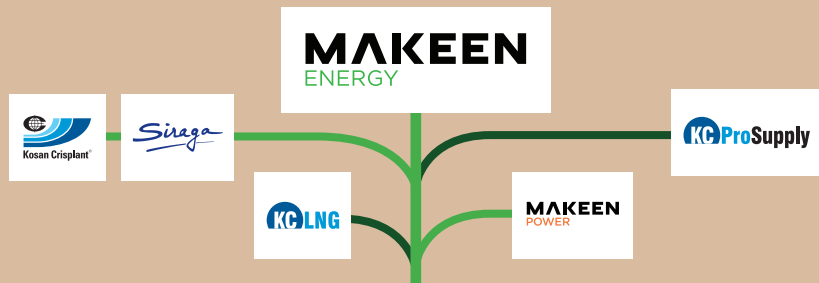


On 29 January 2018,  
we joined the  
**UN Global Compact**



**Wherever you are, we are**

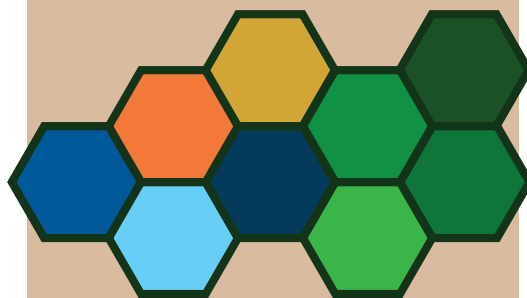




MAKEEN Energy is the mother company of several companies  
- that all share the same purpose



Our purpose is  
**Responsible energy solutions for people and planet**



**Our business areas are**

LPG\*, LNG\*, power, trading, plastic waste conversion, facility management, engineering, service, project management

We have offices in 19 countries and our headquarters is in Denmark



In 2019, our turnover was

**881 M<sub>DKK</sub>**  
(€118M)\*\*



Our history can be traced back to 1936, and the **MAKEEN Energy** name was introduced in 2015

\*LPG: Liquefied Petroleum Gas / LNG: Liquefied Natural Gas

\*\* The turnover is preliminary, awaiting examination of accounts

# Responsible energy solutions for people and planet





# Human rights

At MAKEEN Energy, we recognise and respect human rights. And as a global corporation, we know that we have a responsibility towards the people around us – whether or not they are directly in contact with our business.

The job of keeping our efforts going is assigned to our CSR Committee. Along with – and as a part of – Global Compact and CSR issues, the committee is responsible for ensuring that MAKEEN Energy does not contribute to human rights violations of any kind.

To strengthen our support for the international human rights, the CSR Committee is working on incorporating our efforts into our supply chain. The first result of this was seen in 2019 when we drew up an official document for our suppliers to sign – described more in detail later in this chapter.

## Human rights risks

At MAKEEN Energy, it is our objective and purpose to develop responsible energy solutions for people and planet. Therefore, we find it natural to consider and protect human rights for all individuals who are somehow involved in our activities.

We have identified the following risks within the topic of human rights:

- Monetary penalties due to legal violations
- Negative impact on reputation among suppliers, customers, employees and other stakeholders
- Not acting in accordance with our purpose of developing responsible energy solutions for people and planet

## Code of conduct for suppliers and third parties

With offices, work sites and employees all around the world, it is without a doubt important to make sure that we as a company do not violate the international human rights. Moreover, we recognise that we are also present in industries and places where the international human rights might be challenged.

Nevertheless, in our opinion it is also important to realise and acknowledge that we can never truly act independently. No matter what we do, partners will always be involved. And if we want to protect human rights throughout the entire supply chain, we need to include such third parties in our considerations.

To do so, we set up a goal of creating an official document for our suppliers to sign – and now that is a reality. We have composed a document – our *code of conduct for suppliers and third parties* – that our suppliers must sign to verify that they do not violate any human rights by, for example, using forced or child labour.

However, this document also incorporates other areas relevant for a decent business. Among other things, it deals with corruption, bribery and conflicts of interest.

We want all our suppliers and third parties to sign the document, but with almost 1,000 different partners, we are aware that this project takes time to complete properly. However, we will start the process in 2020 and create a feature to visualise the progress and number of signatories.



Photo by Artem Belajkin

# Labour

Our employees are our most valuable asset. They are the ones who have turned MAKEEN Energy into what it is today – a global, market-leading corporation in the energy industry. Since we know how important everyone in our organisation is, we are extremely committed to providing them with the best possible work environment.

No matter where we are operating, we always adhere to local and international requirements regarding working conditions. Moreover, we regularly review our methods, processes and systems to detect and prevent possible risks and discover opportunities for improvement. Some of the newest means to improve our working environment count a revised health and safety policy, a global satisfaction survey and non-discrimination training. These were all introduced in 2019 and will be further explained later in this chapter.

As we pay great attention to our employees' health, safety and well-being, we also believe that our employees should have the right to further their own interests. Therefore, they all have freedom of association and the right to collective bargaining. And we are confident that this is one of the reasons why people tend to stay with us until they can celebrate their 10th, 25th and/or 40th anniversaries – just like a number of employees did in 2019.

## Labour risks

As MAKEEN Energy depends on the hands and minds of our employees, we need to provide these with a safe and healthy working environment. We always adhere to the local requirements, and we strive to provide the best working conditions for everyone everywhere.

We have identified the following risks within the topic of labour:

- Monetary penalties due to legal violations
- Work-related injuries among our employees
- Negative impact on reputation among suppliers, customers, employees and other stakeholders
- Difficulties in attracting and keeping skilled labour
- Not acting in accordance with our purpose of developing responsible energy solutions for people and planet

## Health and safety policy

Even though MAKEEN Energy's employees are located all around the world, their working conditions are always subjected to the same requirements: our health and safety policy. This is an important starting point and tool, but it does not have to be complicated. As a result, we rewrote it, along with the other MAKEEN Energy policies, in 2019 to make it more accessible and reader-friendly.

However, the essence of the policy has remained the same. Our health and safety policy still sets out to ensure a healthy and safe working environment for everyone involved in our activities. Whether we are dealing with full-time employees, temporary staff, contractors or other stakeholders with a work-related connection, this policy states our requirements and expectations concerning working conditions.

In addition, our global health and safety management system ensures that our efforts are aligned across all our locations around the world. The system itself is managed by our Group Quality Committee while the implementation of initiatives

and requirements is handled locally by functional management teams. These teams are responsible for involving employees from every corner of the organisation, and this ensures that our efforts are transformed into operational action plans and implemented throughout the organisation.

## Fighting forced and child labour

We strongly believe that all children, no matter where they grow up, should be able to be children – with everything this involves. They should have access to education and through that be able to develop both themselves and their skills. And in our opinion, growing up and learning about the many aspects of life is not compatible with being compelled to work in order to provide for parents, siblings or other family members.

However, we do acknowledge that it can be beneficial for children to combine education and work in some contexts. And as a global organisation, we are also aware that we have activities and partners in countries where child labour can be a problematic topic.

Everywhere we operate, we want to take responsibility and join the fight against both forced and child labour. Besides ensuring that we use neither of these within our own organisation, we have also taken action by composing an official document for suppliers to sign. This was one of our goals for 2019, and the document – our code of conduct for suppliers and third parties – is now a reality. For more information, see the chapter about human rights.

## Anti-discrimination – in a male-dominated industry

Whether it relates to gender, age, ethnicity, religion, disabilities or other factors, MAKEEN Energy is against any kind of discrimination. We are com-

mitted to working actively against it and to promoting a diverse and inclusive culture. Consequently, we embrace diversity among our employees, and we believe that it helps to create a better and more dynamic working environment.

For a number of years, we have been making an effort to show the career possibilities for women in the energy industry which is traditionally rather male-dominated. We, and the rest of the industry, depend on engineers and other technically educated and trained staff, and statistics show that primarily male students choose these educations<sup>1</sup>. But on education and career fairs as well as in the career section on our website, we make sure to tell the story of both male and female employees.

Over the last year, we have expanded and strengthened our efforts against discrimination by initiating internal anti-discrimination training. By starting to educate and train our management in non-discrimination procedures, we have taken the first step on the way to further ensuring that we do not discriminate at MAKEEN Energy – neither consciously nor unconsciously.

At the time of writing, we have trained part of the management group at our headquarters in Denmark. Among other things, the training has focused on articulating and exemplifying the ways in which we possibly discriminate both current and potential employees. The materials we used in Denmark have been shared with the HR managers at the other MAKEEN Energy offices around the world, and these are responsible for conducting similar sessions locally in the near future.

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<sup>1</sup> McKinsey & Company, Bridging the talent gap in Denmark – Insights from female representation in STEM, 2018, pp 38-39, <https://www.mckinsey.com/-/media/McKinsey/Featured%20Insights/Europe/Bridging%20the%20talent%20gap%20in%20Denmark/Bridging-the-talent-gap-in-Denmark-McKinsey-Full-report.ashx>



Our internal non-discrimination training deals with all possible types of discrimination. However, as we are part of the energy industry, we are aware that we operate in a typically male-dominated world, and we pay special attention to gender discrimination. When considering all MAKEEN Energy's management levels globally, women assumed 11% of the positions in 2019. It is our vision to promote gender equality and increase the number of females in our management, but at the same time we also believe that qualifications should always be the decisive factor.



## The first global satisfaction survey

In addition to our health and safety policy, we also focus on providing a good mental working environment for our employees by taking action against stress and bullying. Previously, we had implemented efforts to prevent both at our headquarters in Denmark, and last year we set a goal for ourselves to include all our offices in these initiatives.

As the first step on the way, we conducted the first global satisfaction survey in 2019. All employees received an e-mail with a link to a completely anonymous survey, and the survey included 11 questions/topics that should be rated on a scale from 1 to 6. Our HR department collected the anonymous answers, and the survey statistics now offer an insight into both positive and problematic areas.

On the positive side, the scores are highest when our employees are asked if they are generally happy to go to work and if they find their tasks meaningful. On the negative side, we unfortunately see that some employees have experienced stress symptoms within the last year. We do not want any of our employees to be under such pressure that they are affected negatively, neither at work nor when they get home. As a result, we will pay special attention to stress prevention. It is important that our people feel they can talk openly about the topic – and to solve the stressful situations as soon as possible.

## Safety always comes first

In 2019, we committed ourselves to creating a global reporting system that our employees can use to report work-related accidents – and now, this system is a reality. Safety always comes first at MAKEEN Energy, and since we work with equipment and solutions for gas, we know that our product and industry can cause possibly hazardous situations. And that just makes our focus on safety even more important.

When considering average numbers, the manufacturing industry which we are part of has an LTIFR of 2.67% . However, it is our ambition to make the working conditions as safe as possible for all our employees and to continually keep focusing on and improving the conditions. The ultimate goal is, of course, to ensure that our employees can do their jobs without any risks of work-related injuries.

As a result, we prioritise to take action in response to any work-related accident. Only by responding to these situations can we take care of our employees – and learn in order to prevent the situations from reoccurring in the future.



Enabling our partners  
to embrace  
the energy market  
of tomorrow



# Environment

Our activities and solutions inevitably involve and affect the communities and places around us. In our opinion, that is actually the whole point of working with solutions for the energy industry. At MAKEEN Energy, we see it as our first job to make our influence on the planet (and its people) as positive as possible. That is vital when you, like us, strive to make responsible energy solutions.

We continually look for ways to reduce adverse environmental impacts and use resources more efficiently, and we turn our eyes to both the products we deliver to our customers and actions we perform as a company. Over the last year, we have introduced and engaged in a number of new initiatives. Among them, you find a bicycle campaign, a revised environmental policy and a facility that converts plastic waste into new resources. These, and other environmentally friendly projects, will be introduced later in this chapter.

Generally speaking, our environmental approach is based on the principles and requirements of the ISO 14001:2015 standard, combined with national and customer criteria. And despite our current efforts, we know that it is always possible to do better. So that is our aim for next year as well.

At MAKEEN Energy, we have identified a number of environmental risks related to our business both now and in the future. Among other things, we want to optimise our use of resources, for example by reducing packaging waste, and to develop greener and healthier energy solutions.

## Environmental risks

We have identified the following risks within the environmental topic:

- Monetary penalties due to legal violations
- Not meeting the growing demand for sustainable energy solutions
- No development of our business
- Negative impact on reputation among suppliers, customers, employees and other stakeholders
- Not acting in accordance with our purpose of developing responsible energy solutions for people and planet

## Environmental policy

As our purpose states, we provide responsible energy solutions for people and planet. In other words, sustainable initiatives and ambitions drive us forward, and they, consequently, also form the foundation for our environmental policy. This is an important starting point and tool, but it does not have to be complicated. As a result, we rewrote it, along with the other MAKEEN Energy policies, in 2019 to make it more accessible and reader-friendly.

However, the essence of the policy has remained the same. Our environmental efforts are still founded on two main pillars: actors and actions. Concerning the first, we work hard to involve all our stakeholders – employees, suppliers and

others - in our environmental initiatives. Strengthening awareness and knowledge-sharing is key to succeeding and engaging people. Concerning the second, we endeavour to embed proactive measures throughout all our activities. Preventing pollution, reducing waste and optimising use of resources are all important actions when it comes to managing and minimising harmful environmental effects.

In addition, our global environmental management system ensures that our environmental efforts are aligned across all our locations around the world. The system itself is managed by our Group Quality Committee while the implementation of initiatives and requirements is handled locally by functional management teams. These teams are responsible for involving employees from every corner of the organisation, and this ensures that our efforts are transformed into operational action plans and implemented throughout the organisation.



## Responsible initiatives from our everyday office life

To reduce our use of paper, we have started to shift from hard copies to digital versions whenever possible – and when printing, we encourage duplex printing and the use of recycled paper



We have mulched the flower beds outside one of the offices in France to eliminate the use of herbicides

In our canteen in Denmark, we collect plastic lids from milk cartons and use them in our on-site Plastcon\* test facility




We have started to phase out single-use cups and instead welcome washable mugs in several offices

\*Learn more about Plastcon in the chapter about environment




Our Sri Lankan employees and their families have continued with their tree planting campaign to fight deforestation and reduce carbon footprint – and by the end of 2019, they had planted 1,271 trees in total



To be as energy efficient as possible, we have gradually started to replace traditional light bulbs with LED

We have generally strengthened our focus on sorting waste with, for example, separate bins for paper, glass and plastic



A group of Danish employees joined a national “cycle to work” campaign and cycled 14,076 km in 74 days – and even won the competition in the local area



## Solutions that make an environmentally friendly fuel good business

With rising political and legislative focus on strengthening sustainability and minimising emissions, the maritime sector (along with the rest of the transportation industry) is looking into alternative fuels like never before. And here, liquefied natural gas (LNG) – simply, natural gas in its liquid form – comes forth as one of the best options.

As a global corporation in the energy industry, MAKEEN Energy naturally wants to contribute to the development of and transition to LNG – an environmentally friendly and highly cost-efficient fuel. Through our division KC LNG, we work dedicatedly with designing, manufacturing and delivering solutions that enable our customers to use LNG as a fuel. And as an additional and even more environmentally friendly advantage, it is actually possible to use those solutions with liquefied biogas (LBG) as well. The already low emissions are then brought further down for the benefit of our planet and its people.

### What is LNG?

When natural gas is cooled down to -162°C (-259°F) in a process known as liquefaction, it becomes a clear, odourless liquid – also known as liquefied natural gas, LNG. The liquid takes up 600 times less space than the gas and is easy to store and transport.

Natural gas is the most environmentally friendly fossil fuel, and it emits significantly lower amounts of CO<sub>2</sub>, SO<sub>x</sub>, NO<sub>x</sub> and particulate matters into the atmosphere than e.g. coal and oil. The emissions are reduced by 20-100%, and the solutions from KC LNG therefore play a valuable part in pushing this fuel forward.

As often when a new product enters the market, LNG also faces some challenges. Currently, one of the barriers to widespread LNG usage in the maritime sector is the cost. However, by enabling bunkering from 2 tank trailers at the same time, the Y-piece from KC LNG helps to break down this obstacle and make LNG a more economically viable fuel. And with a world record in 2019, KC LNG's Y-piece even proved that it is possible to bunker a ship with LNG from 4 tank trailers, 2 at a time, in just 1 hour and 23 minutes.

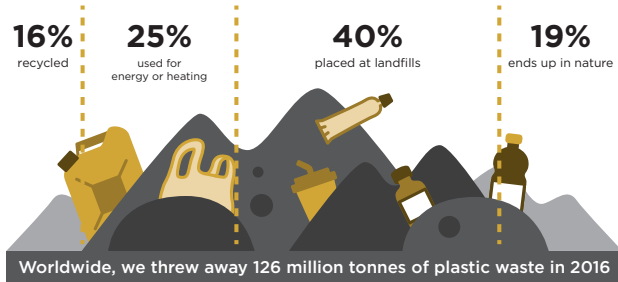
Briefly put, the Y-piece is an enormous time saver – and a minute saved is a penny earned. With less time spent on refueling the ferry, the shipowner gets more productive time by sea, and that is good business.

## Turning problematic plastic waste into useful resources

Our planet is drowning in plastic. And even with our advances in recycling, plastic waste is still a problem. Today, we produce more than 1,260 million tons of plastic waste on a global scale annually, but it is only possible to recycle a small portion of it<sup>1</sup>. Consequently, thousands of tons of plastic waste end up at landfills or, even worse, in nature where it takes between 500-1,000 years to degrade into micro-plastic that never goes away.

<sup>1</sup> <https://www.statista.com/statistics/282732/global-production-of-plastics-since-1950/>



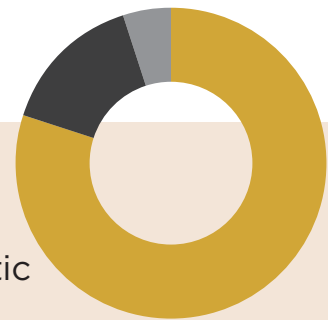


MAKEEN Energy’s Plastcon system is a responsible and profitable solution to the plastic waste problem. Some plastic items are too difficult or resource-demanding to melt down and use for new items – what is also known as mechanical recycling. A major reason is the fact that one item, like for example a water bottle or a toothbrush, consists of several different plastic types, and to be able to recycle it mechanically, these types must be separated.

However, Plastcon can turn all kinds of plastic waste, also when mixed together, into new resources through what is known as chemical recycling. Simply put, it can separate the elements in the plastic waste and make them available as new resources – ready to use again. More specifically, it can turn plastic waste into oil, gas and carbon black.

During 2019, the Plastcon system and technology has been developed further. We have put up a test system at our own headquarters in Randers, Denmark, and the results have been very good. At the time of writing, we are working hard to set up the first facility that can turn plastic waste from households and industries in the local area around our headquarters into useful resources.

### What can Plastcon convert plastic waste into?



The process in the Plastcon system converts plastic waste into the following resources:

- **80% oil** which can be used as fuel for ships and trucks, as an alternative to conventional marine gas oil and in the production of new plastic materials
- **15% gas** which can be recirculated to power the system itself
- **5% carbon black** which can be used to colour new plastic materials

# Bridging gaps in global energy supply







## International standards against corruption

As a part of the UN Global Compact, MAKEEN Energy naturally complies with the project's international standards for anti-corruption. And since one of our offices is located in the UK, our entire organisation is also compliant with the UK Bribery Act which is regarded as a rather comprehensive piece of legislation.

Photo by Hitesh Choudhary

# Anti-corruption

Wherever you are, we are – that is a saying we live by and strive to fulfil. To live up to it, MAKEEN Energy is represented in countries all around the world. Some of the places and industries we operate in are characterised by rough competition for business opportunities, and that can easily lead to situations with demands for improper payments or other actions that break with our company policies.

Nevertheless, there should be no ambiguity or doubt about our dissociation from corruption. At MAKEEN Energy, we are in no way interested in doing business based on improper payments or solving problems with illegal means. On the contrary, we believe in founding a business on strong values, integrity and high moral standards and in the importance of a fair market that is not ruined by bribery and corruption. Over the last year, we have been working on a code of conduct and on anti-corruption training sessions to strengthen our efforts against corruption. Both initiatives are further introduced in the next sections.

## Anti-corruption risks

MAKEEN Energy is an international corporation and deals with stakeholders all around the world. As a result, we also operate in countries that according to the Corruption Perception Index by Transparency International are affected by corruption in their public sectors.

We have identified the following risks within the topic of anti-corruption:

- Monetary penalties due to legal violations
- Negative impact on reputation among suppliers, customers, employees and other stakeholders

## Code of conduct – in the making

In 2019, we set out to compose and publish a code of conduct. It will guide our employees in cases and situations where they may be in doubt about what is the right thing to do. At the time of writing, we are still working on our code of conduct, but we expect to finalise it in April 2020. Besides sharing and using it internally, we will also make it publicly available on our website so everyone has a chance to see what they can expect from the way we do business.

MAKEEN Energy's code of conduct will deal with a number of topics and, among other things, it will consider the 4 topics from the UN Global Compact: human rights, labour, environment and anti-corruption. Moreover, our code of conduct will also point out directions regarding conflicts of interest, whistleblower arrangements and legal compliance.

## Training in anti-corruption

When we planned our activities in the beginning of 2019, we also committed ourselves to start educating and training our management and sales managers in our anti-corruption objectives and procedures. Both groups are at the front line when we interact with people outside our own organisation and, therefore, particularly exposed when it comes to potential corruptive practices.

Up until January 2020, we have trained part of our management group in anti-corruption so they are equipped with knowledge about and methods for handling any type of corruption if they should come about. Next step is to set up an online training module in our internal system, so sales managers and other relevant personnel can be trained here in the future. We will implement this online system within the first 6 months of 2020.



Photo by Levent

# UN Sustainable Ocean Principles

As one of the first companies in the world, MAKEEN Energy signed the Sustainable Ocean Principles, a United Nations initiative, in October 2019. As a signatory, MAKEEN Energy will take action to promote the well-being of the ocean for current and future generations. We are convinced that we can take part in making a difference, and especially our solutions for liquefied natural gas (LNG) as well as our plastic conversion facility (known by the name Plastcon) have great potential for having a positive impact.

## What are the Sustainable Ocean Principles?

The Sustainable Ocean Principles were introduced by the United Nations in September 2019 as a supplement to the UN Global Compact. They recognise the urgency and global importance of a healthy ocean, and their 9 principles point out ways to take action to protect our ocean.

To focus our efforts, we have chosen to work dedicatedly with particularly 2 of the 9 principles. Specifically, we will dedicate our attention to principles 2 and 3 that both address the issue of ocean health and productivity. Whereas principle 2 is about promoting or contributing to restoring, protecting or maintaining a healthy ocean, principle 3 pays attention to preventing pollution and reducing greenhouse gas emissions that can affect the ocean.

At the time of writing, the Sustainable Ocean Principles have only existed for a few months, and the

same is, consequently, the case for our support. As a result, we have not yet launched activities specifically to support the initiative, but the sections below present two projects that we believe can contribute positively.

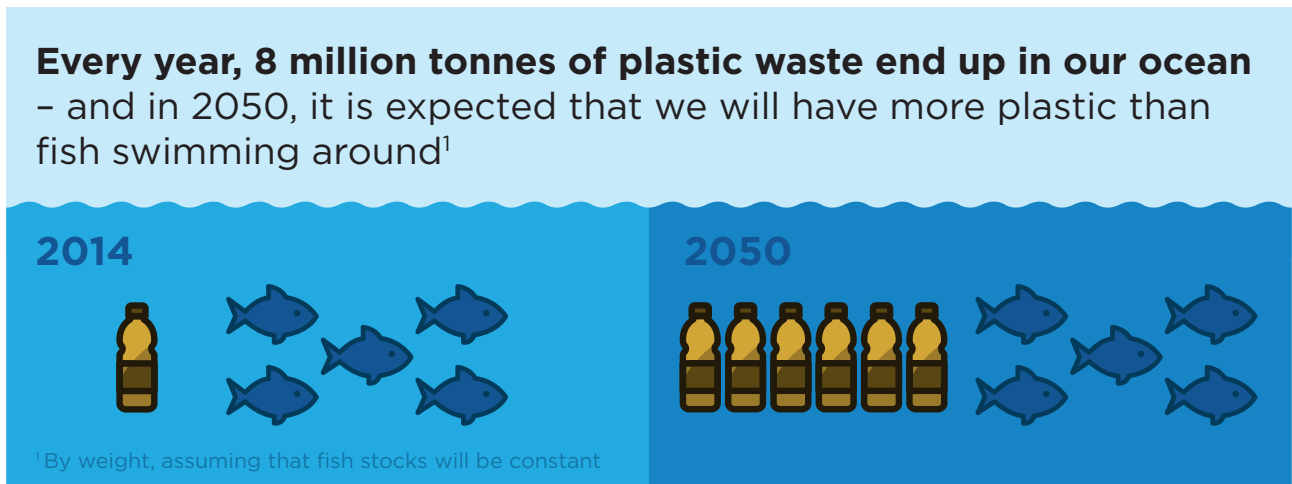
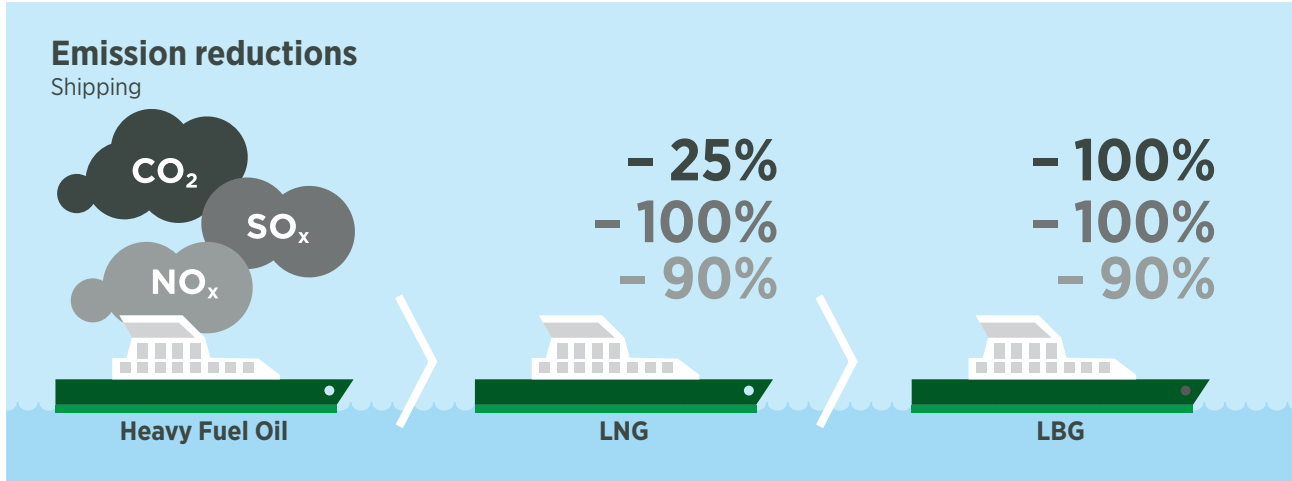
## Protecting our ocean with solutions for an environmentally friendly fuel

Liquefied natural gas (LNG) is the cleanest fossil fuel available, and its emissions of CO<sub>2</sub> and other greenhouse gases are significantly lower compared to other conventional fuels. As a result, our ocean is much better off with a maritime industry using LNG as a fuel instead of, for example, traditional heavy fuel oil (HFO).

Our LNG division, KC LNG, strives to facilitate the transition to LNG by developing solutions that enable ferries to be fuelled with LNG. And by using a cleaner fuel for ferries, we make transportation by sea as responsible as possible.

Common to all KC LNG's solutions are 4 core principles: scalability, customisation, mobility and zero-emission. These headlines more or less speak for themselves, but from a sustainable point of view, one deserves a little extra attention.

With the zero-emission principle, we refer to our goal of constructing systems and solutions with the lowest possible emissions – and completely without any methane slip. When bunkering a ship with LNG, you typically use nitrogen to purge the hoses free from natural gas in the end, and that releases methane; a gas that is about 25 times more harmful to the environment than CO<sub>2</sub>. However, with KC LNG's patented solutions we completely avoid this.



**SO<sub>x</sub>**

Plastcon can convert plastic waste to marine gas oil with **10 times less sulphur** than the normal product



When focusing on emissions, it is also relevant to notice that KC LNG's solutions are designed to handle a transition to an even more responsible fuel: liquefied biogas (LBG). When replacing LNG with LBG, the already low emissions are brought further down – and the ocean's well-being will go up. So, when the LBG production and infrastructure is in place, KC LNG's solutions are ready to handle an even more responsible fuel. For an overview of the emissions reductions with both LNG and LBG, see the illustration to the left<sup>1</sup>.

## Addressing the problem of plastic waste pollution

With our Plastcon – a system that converts plastic waste into new resources – the ocean can enjoy 2 benefits.

Firstly, Plastcon can take away some of the plastic waste pollution our planet suffers under. Studies have shown that approximately 8 million tons of plastic waste ends up in the ocean every year, so plastic waste is without a doubt a threat to our oceans. And it is only expected to grow bigger in the future – as the illustration to the left shows<sup>2</sup>.

Secondly, Plastcon can convert the harmful plastic waste into new resources. The largest part of the output is oil, and by refining this, you can get a marine gas oil with 10 times less sulphur than the product which is normally used by the maritime industry as illustrated to the left. In that way, we reduce some of the emissions that our ocean is exposed to<sup>3</sup>.

## Emissions regulations – and solutions that facilitate the new limits

With the 2020 emissions regulations from the International Maritime Organization (IMO), the maritime sector needs to lower its sulphur emissions – and, consequently, rethink fuel solutions. To live up to the new limits, both our LNG solutions and our Plastcon facility come forth as problem solvers. With our bunkering solutions, it is possible to fuel ships with LNG which is a fuel with low sulphur emissions. And a low sulphur content is also found in the oil from the Plastcon facility which makes this an ocean friendly fuel too.

1 Illustration #1. Source: KC LNG

2 Illustration #2. Source: Ellen Macarthur Foundation; PlasticsEurope; ICIS Supply and Demand; EIA, World Energy Outlook (2015) (Global GDP projection 2013-2040 and central 'New Policies' scenario oil demand projection 2014-2040, both assumed to continue to 2050; Ocean Conservancy and McKinsey Center for Business and Environment, Stemming the Tide: Land-based strategies for the plastic-free ocean (2015); J. R. Jambeck et al., Plastic waste inputs from land into the ocean (Science, 13 February 2015); J. Hopewell et al., Plastics recycling: Challenges and opportunities (Philosophical Transactions of the Royal Society B, 2009); IEA, CO<sub>2</sub> emissions from fuel combustion (2014); IEA, World Energy Outlook Special Report : Energy and Climate Change (2015); Carbon Tracker Initiative, Unburnable Carbon (2013).

3 Illustration #3. Source: <http://www.imo.org/en/MediaCentre/PressBriefings/Pages/MEPC-70-2020sulphur.aspx>

# Empowering our people to innovate





# Key Performance Indicators from 2019

	2018	2019 target	2019 result
<b>HUMAN RIGHTS</b>			
We will compose and publish a document that all our suppliers shall sign to verify that they do not use forced or child labour or violate any other human rights.	No action	Process planned to be started	Target achieved with our <i>code of conduct for suppliers and third parties</i>
<b>LABOUR</b>			
At our headquarters in Denmark, we have implemented efforts to prevent stress and bullying, and during 2019 we want to spread these initiatives throughout the entire organisation.	Only local efforts in Denmark	Efforts implemented throughout the entire organisation	First global satisfaction survey conducted
To ensure a good working environment throughout the company, we work to publish a code of ethics that will help strengthen the working environment and our differences within the company.	No action	Code of ethics published	<i>Code of conduct</i> under construction, expected to be finalised in April 2020
We will create a global reporting system in which employees shall report work-related accidents. Among other things, the system will include a measure of LTIFR (lost time injury frequency rate).	No action	New system created and <2% in LTIFR	Reporting system created with the possibility to report accidents and measure LTIFR
In the future, we will start conducting external audits to check if suppliers use forced or child labour.	No action	Process planned to be started	Target not achieved, but a <i>code of conduct for suppliers and third parties</i> has been published as a starting point
By 2022, our goal is to have 20% women in the board of directors.	0% women in the board of directors	Process planned to be started	Process in progress
We will start to educate and train our management in non-discrimination procedures.	No action	30% of management have completed training	Target achieved

	2018	2019 target	2019 result
<b>ENVIRONMENT</b>			
During 2019, we will reduce our headquarters' CO <sub>2</sub> emissions from heating.	CO <sub>2</sub> emissions from heating: 348 tons/year	CO <sub>2</sub> emissions from heating: 5 tons/year	Target not achieved, because the utility provider has not been ready
<b>ANTI-CORRUPTION</b>			
We will compose and publish a code of business conduct that shall guide our employees in cases of doubt.	No action	Code of business conduct published	<i>Code of conduct</i> under construction, expected to be finalised in April 2020
We will start to analyse all our business activities and collaborations for risks related to corruption.	No action	30% of activities and collaborations analysed	Target achieved
We will start to educate and train our management and sales managers in our anti-corruption objectives and procedures.	No action	25% of management and sales managers have completed training	Target achieved
We will take action in response to incidents of corruption, if any should occur.	No global system of action	Action in 100% of the cases	Not relevant, no incidents registered
We will start to implement an anti-corruption training for all new employees within management, sales and business development.	No action	100% of new employees within management, sales and business development have completed training	Target not achieved, since we have focused on training current management first



Photo by Sasin Tipchai

# Key Performance Indicators for 2020

	2019	2020 target
<b>HUMAN RIGHTS</b>		
In our internal ERP system, we will create a feature that visualises the number of signatories of our code of conduct for suppliers and third parties.	No feature to monitor the number of signatories	Feature created in ERP system to visualise progress and number of in signatories
<b>LABOUR</b>		
At all our hubs, we want to strengthen our efforts to prevent stress and bullying in 2020, among other things by using the results from the first global satisfaction survey (conducted in 2019) as our starting point.	First global satisfaction survey conducted	Results from survey turned into initiatives to prevent stress and bullying
We will start to conduct external audits among our suppliers to check if they use forced or child labour, and in 2020 we will begin to check our 3 largest suppliers.	4 external audits conducted	External audits conducted among our 3 largest suppliers
We will continue to educate and train our management in non-discrimination procedures.	30% have completed training	100% have completed training
By 2022, our goal is to have 20% women in the board of directors.	0% women in the board of directors	Process continues
<b>ENVIRONMENT</b>		
During 2020, we will reduce our headquarters' CO <sub>2</sub> emissions from heating	CO <sub>2</sub> emissions from heating: 348 tonnes/year	CO <sub>2</sub> emissions from heating: 5 tonnes/year
<b>ANTI-CORRUPTION</b>		
We will compose and publish a code of conduct that will guide our employees in cases of doubt.	Process has been started	Code of conduct will be finalised in April 2020
We will continue to educate and train our management and sales managers in our anti-corruption objectives and procedures.	25% have completed training	100% have completed training
We will continue implementing anti-corruption training for all new employees within management, sales and business development.	New employees in management have completed training	100% have completed training

# MAKEEN ENERGY

MAKEEN Energy  
Alsvej 21  
8940 Randers SV  
Denmark  
Tel +45 8740 3000

[www.makeenenergy.com](http://www.makeenenergy.com)



Siraga

KG ProSupply

MAKEEN  
POWER

KG LNG

## Responsible energy solutions for people and planet

**MAKEEN Energy** is a global, market-leading corporation in the energy industry. We are determined to play an active role in the sustainable transformation of the energy market, and this is why we develop responsible energy solutions that make a difference to people and planet. We do this by enabling our partners to embrace the energy market of tomorrow, by bridging gaps between present and future energy supply and by empowering our people to innovate.

Our portfolio includes equipment, services and spare parts, facility management, engineering and project management for everything from LPG filling facilities to LNG bunkering solutions and power plants. We take pride in having co-responsibility for our customers' success – not only for short-term business results, but also for long-term business transformation.

We employ and empower approx. 1,000 people across 6 continents and operate in over 140 countries. Our global reach, local presence and decades of experience ensure that we can deliver complete solutions at a level unmatched in our industry. As we say – wherever you are, we are.

COMMUNICATION  
ON PROGRESS



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.