



ULSTEIN®

SUSTAINABILITY REPORT 2020

SUSTAINABLE
DEVELOPMENT
GOALS



SUPPORTING THE SDGs

Ulstein's vision is to create tomorrow's solutions for sustainable marine operations. Our 2020 Sustainability Report on the Sustainable Development Goals (SDGs) serves as our Communication on Progress (CoP) in terms of implementing the principles in the areas of human rights, labour, environment and anti-corruption.

Human rights

Ulstein is committed to equal opportunities for all our employees in an inclusive environment. We appreciate and recognize that each individual is unique and valuable. No discrimination is accepted. We aspire to be a corporation that develops diversity and equality, being conscious to hire people with various backgrounds. For many years we have supported SOS Children's Villages Family Life Project in Angola to secure learning opportunities and build self-sustainable communities.

Labour

Ulstein has a strong tradition to work for co-determination and to maintain good dialogues between management and trade union representatives. We are continuously working to ensure equal career opportunities. We inspire young women to choose specialisation within technical subjects.

Environment

Stated in our HSE Policy, we will strive for all our activities and products to have low negative effect on the environment and our work to comply with all relevant laws and regulations. We are involved in a wide range of actions, initiatives and projects that have positive impacts on the society and the environment. We are particularly focused on the footprint caused by the vessels we design and deliver.

Anti-corruption

We are continuously working to comply with all laws and regulations. The Principles for Corporate Governance have been approved by the Group's Board of Directors. Our Code of Conduct states that Ulstein Group disapproves of all forms of corruption. Corruption undermines all kinds of business.



NOTE FROM THE CEO

Ulstein Group ASA supports the Sustainable Development Goals. With this COP we express our intent to continue our work towards a sustainable future and commit to making the prioritised SDGs part of the strategy, culture and operation of our company.

Cathrine Kristiseter Marti
CEO Ulstein Group ASA

FOUR PRIORITY GOALS

Ulstein's activities are based on ship designs and solutions, shipbuilding, marine systems and products. Due to the nature of our business, we have identified four prioritised goals where we see the possibilities to make an impact.

Ulstein's main focus area is to find solutions that can reduce the CO2 emissions in vessels which have been designed or built by us.

We are focused on developing greener solutions for new vessels. We are also working to reduce the CO2 emissions caused by our land-based activities.

The COVID-19 pandemic has impacted our core market activities. It has reduced work travels and increased digital meetings.

Ship design

The design and solutions business area holds the key to the development of the existing and future fleet of ships and their effect on the global environment.

We can make an impact by continuing to improve our designs and the ships' performance.

Shipbuilding

Several of the SDGs are highly relevant to the Shipbuilding area, due to the nature of the work carried out. Ulstein can make a difference when it comes to the impact of our shipbuilding activities, particularly regarding energy consumption, waste reduction/reuse and waste handling.

Innovation

Innovation is paramount for the continued development of Ulstein Group's product and service portfolios.

Several of our companies participate in and initiate projects within research, innovation and competence building. We develop our activities in areas that provide added value for our stakeholders.

Life-long learning for our employees comes as a natural consequence.

International standards

Ulstein is a global player, and is actively working against corruption, inequality and discrimination.

Partnerships and the joint effort to take care of the natural environment are important to our business. We continuously follow up that our Code of Conduct, laws, rules and regulations are adhered to.



EQUALITY

WE DO NOT ACCEPT ANY KIND OF DISCRIMINATION

EQUAL RIGHTS TO EDUCATION AND WORK

The purpose of the Norwegian Anti-discrimination Act is to promote equality, secure equal opportunities and rights and prevent discrimination. Ulstein is focused and systematic in promoting the purpose of the law within our operations. Activities include recruitment, wages and working conditions, career and development opportunities and protection against harassment. No discrimination of any kind is accepted. It would be desirable to have a higher percentage of women, particularly in middle management and technical disciplines, as we believe that increased diversity will enhance our competitiveness. We actively support career development and life-time training.

Measuring:

Equal pay for equal work. Annual appraisal dialogue includes question of further coursing and education. Percentage of women working full time. The overall percentage of female workers has increased by 1.2 % from 2019 to 2020, and was 22.2 % at the start of 2020. We continuously work to increase the percentage of female workers in Ulstein. Keep 40-60 % representation of each gender in the group management and group board - Year's end 2020 this number was 40 % of women in group board (same level as 2019), and 33 % in group management, a reduction compared to 2019. Organisational changes has led to currently 3 people in group management, so for the time being a number of 40-60 per cent representation of each gender is not feasible. Management audits are held on a regular basis.

SOCIAL RESPONSIBILITY

The aim of our sponsorship activities is to contribute to the communities we are part of, to express our values 'to innovate, engage and advance' and to secure equality and non-discrimination. We are a long-time supporter of SOS Children's Villages, which is working for families and communities to become self-sustainable so they can provide for their children in the future. In 2020, we supported their Family Strengthening programme in Lubango, Angola with NOK 250,000.

Measuring:

Reports by SOS Children's Villages.
Sponsorship agreements promoting equality.



Sponsor to SOS Children's Villages Family Strengthening programme.

EQUALITY (CONTINUED)

WE DO NOT ACCEPT ANY KIND OF DISCRIMINATION

BUSINESS-SCHOOL COOPERATION

We participate in a school-company-community educational programme. This includes school visits to our sites and Ulstein employees functioning as tutors at educational institutions on regular basis and on request. We are hiring apprentices and TAF (technical general education) students and trainees. We are engaged in projects for long-term recruitment targeted to get more young people to choose studies within the group's core areas, including to increase the percentage of women in these core areas.

Measuring:

Annual fixed plan for school-company programme defines number of involvements for educational purposes, presentations and visits to/from schools. Percentage of apprentices and TAF students in the Shipbuilding area compared to total number of employees in the Shipbuilding area decreased from 8.9 per cent to 6.9 per cent in 2020 compared to 2019, a result of a decrease in work prognosis ahead. Number of bachelor/master/doctoral theses involvements.

LABOUR RIGHTS

Ethical procurement, sales and project management. We disapprove of all forms of corruption. Implementation through Ulstein Code of Conduct. Ethical guidelines. Respect for diversity. Personnel handbook. We focus on continuous and thorough communication between union representatives and the management, with quarterly cooperative meetings. Due to the Corona situation, the need for communication exchange between the management and the union representatives have increased, and these meetings are temporarily held monthly.

Measuring:

Continuous monitoring through audits of sub-contractors. We appreciate and recognize that each individual is unique and valuable - this is included in annual training programmes for employees, hired personnel and sub-contractors.



Ulstein Verft employee in project meeting.

INNOVATION

PROVIDE ADDED VALUE FOR THE STAKEHOLDERS

INNOVATION

Innovation involves the realisation and capitalisation of inventions, and is paramount for the continued development of Ulstein Group's product and service portfolios. Several of Ulstein Group's companies participate in, and initiate projects within research, innovation and competence building, partly supported by Norwegian government authorities through organisations such as NFR, NAV and Innovation Norway. Ulstein Group develops its activities in areas that provide added value for its stakeholders.

We support scientific research by actively cooperating with higher educational institutions in areas such as professorates, master theses and PhD work. We financially support research programmes and projects such as MAROFF (Norwegian Research Council), EDIS (NTNU, Ålesund / UCL), MOVE-SFI (NTNU, Ålesund), INSTALLER (SINTEF, Bergen), MASSFERRY (Sundbåten) and DIGI (Innovation Norway).

Measuring:

Investing in Research & Development (R&D) activities which lead to the development of a prototype. Participate in and initiate projects within research, innovation and competence building. Annual R&D investments and activities. Ulstein Group defines R&D as the process up to, and including, the development of a prototype. Based on this definition, Ulstein Group had NOK 132.8 million in R&D expenses in 2019, of which NOK 4.2 million (3.2 %) was government supported, 2020 numbers not summed up at time of this report.



The semi-submersible 'Alfa Lift' was nominated for the Offshore Renewables Award 2020. After delivery 2021 she will be installing the foundations at the Dogger Bank Wind Farms.

INNOVATION (CONTINUED)

PROVIDE ADDED VALUE FOR THE STAKEHOLDERS

INCREASE ECONOMIC PRODUCTIVITY

Achieve higher levels of economic productivity through our overall strategy of achieving sustainable growth and promoting our international position through dedicated innovation processes.

Measuring:

Group overall result. The past 5 years have been characterised by increased costs in adapting to new markets, customers and by developing new products. Prior to COVID-19, we expected a positive development in 2020. The Corona situation has slowed down and temporarily wiped out some of our core market segments, which directly influence our group result.

RESPONSIBLE, LOW-CONSUMPTION ENERGY MANAGEMENT AT OUR SITES

Our Shipbuilding area has lately invested in several energy efficiency and energy reduction efforts through an Energy Management plan.

Service level agreement: Remote control can reduce travelling.

Measuring:

Our Energy Management Plan states an overall goal of 18 % reduction in energy consumption in the Shipbuilding area in 2020, compared to 2014. Now having completed 2020, we note a 13 % overall reduction. Due to several energy saving investments, we have managed up to 19.8 % energy consumption savings per production hour (2019 achievement). In 2020, we have carried out a project on remote assistance/operation for on-site work tasks.



Ulstein has developed a battery hybrid system which has been installed in 2020 on the offshore wind vessel 'Windea Jules Verne'.

LIFE BELOW WATER

REDUCED EMISSIONS

REDUCED EMISSIONS CAUSED BY VESSELS

This is our main focus, starting from the early design process and meetings with customers. Alternative energy solutions, wise set-up of systems, development of basic and detail designs. Hybrid propulsion solutions, on-board waste management and onshore waste handling, ballast water treatment, comply to international environmental standards, environmentally conscious materials in product innovation and production, recording product substances used in production. The X-BOW® and X-STERN™ are innovations that reduce fuel consumption and, thus, emissions. The Ulstein Blue Box enables ship owners to analyse Big Data in order to reduce e.g. fuel consumption, and enables us as ship designers to further develop our designs and systems.

Measuring:

Percentage of vessels, designed or built by us, with eco-friendly solutions (X-BOW®/X-STERN™, propulsion, power source). Big Data analysis through Ulstein Blue Box. In 2020 we implemented first shore power connection on a vessel, for the vessel to only use electric power while moored. We have introduced a variable speed AC power system solution to reduce fuel.

INCREASED EFFICIENCY IN OUR VESSEL DESIGNS AND PRODUCT DEVELOPMENT

When designing a ship or developing a product, we keep in mind their life cycle environmental impact. Most CO₂ emissions caused by Ulstein come from vessels that we have designed or built. We aim to take a position in holistic design thinking and product development. Cooperation with suppliers in development process to implement alternative energy sources.

An ULSTEIN X-BOW® Platform Supply Vessel has a power demand which is 7-8 % lower than the conventional bulbous bow vessel, resulting in reduced fuel consumption and emissions. Design vessels for the renewable energy markets and other sustainability-wise operations. Operating the ULSTEIN X-STERN™ towards weather requires 60 % less power than for a conventional, transom stern arranged vessel. Any product will have an impact when being produced, when being in use, and when taken out of use. We keep updated on new environmental standards and safety regulations.

Measuring:

Reduced fuel consumption/increased efficiency in comparable vessels and products. Introduction of X-BOW® in cruise vessels. In 2020 we launched a design for a hybrid hydrogen jack up vessel, and signed a contract for a subsea rock installation vessel for the emerging U.S. Offshore Wind Industry. We have delivered our first self-developed battery hybrid system. Number of sales of Ulstein Blue Box. We have developed several X-BOW and battery hybrid trawler designs for sustainable fish handling. Smart solutions to reduce transport e.g. combining two vessels in one vessel. Increased number of vessels with eco-friendly solutions, e.g. heat recovery systems and hybrid, battery or alternative fuel systems.



The X-BOW® and X-STERN™ reduce hull impact in head seas. This leads to reduced fuel consumption and, thus, emissions.

LIFE BELOW WATER (CONTINUED)

REDUCED EMISSIONS

WASTE MANAGEMENT AND REDUCED EMISSIONS TO AIR AND WATER - LANDBASED ACTIVITIES

We work consistently to reduce emissions from the landbased activities. The waste management plan and our energy management efforts in our shipbuilding area will influence this.

In order to reduce strain on the environment, we first and foremost aim to reduce waste and initiate reuse, next in line is material recycling and energy recycling, while deposit is the last option. We are currently working to reduce waste and increase reuse and recycling in our companies at the Head Office in Ulsteinvik, including the Shipbuilding production area. This is followed up by employee training.

All vessel paint and other material are in accordance with international standards and regulations. All sea water from the yard's dry dock is cleansed through sludge separating (oil and debris) before returned to sea.

Measuring:

Annual waste management reports. Increase in sorted waste fractions and waste sent to reuse or recycling.

Eliminate single-use plastic for eating/drinking purposes and reduce single-use items of other materials.

Start sorting of plastic packaging, glass and tins in our offices and/or canteens, consider sorting of food waste. Due to COVID-19, most of our canteens have been closed in 2020, so this KPI has not been worked on.

The waste from the Shipbuilding area has increased with 27.8% in 2020 due to increased newbuilding activity. The waste is sorted in 28 different fractions (2020), a reduction of two fractions since 2019 which comes as a result of changes in waste handling at the recycling company. In 2020, 79.9 % of the waste from the shipbuilding area was sorted, of which 60.5 % has been sent to recycling, a slight decrease from 2019.

Sustainable tourism

We design and build vessels for travelling and tourism. Our vessels comply to international environmental and safety standards and regulations. One of the main drivers is to minimise emissions, which we have done through introducing the X-BOW in the cruise industry.

Measuring: Meet-ups with customer in pre-design phase with focus on eco-friendly solutions. Efficiency and fuel consumption measurements conducted on built vessels to verify the calculation analyses, in order to improve the next generation of vessel designs. The Environmental aspect is an integrated part in Project Charters for Innovation projects.



The 'Ocean Explorer' being launched - one in a series of X-BOW® expedition cruise ships under construction in China.

PARTNERSHIPS

WORKING TOGETHER TO MAKE A CHANGE

SUSTAINABLE GROWTH

Adopting responsible business practices and committing to sustainability in our own operations is an important step to achieve long-term value creation. Some of the toughest global challenges cannot be achieved by one company alone and Ulstein Group with its design and yard capabilities is a key integrator in developing new solutions across companies supporting sustainable longer term growth.

Measuring: We cooperate with many companies such as educational and financial institutions, local and regional authorities, customers and suppliers, and classification societies. We can make a change through the demands we set when purchasing products, through our reduction of waste and waste handling, through energy management, the development of new sustainable ship designs and solutions. Innovation is key to advancing our industry.

Measuring tools: Annual Research & Development expenses, annual profit, annual group report, reporting to UN Global Compact.

COOPERATION

We will encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships by partnering up with organisations and associations who share a vision of safety and sustainability in the marine area.

Measuring: Through years, we have cooperated with marine organisations such as IMO, class societies, The Norwegian Maritime Authority, political authorities, NHO/Norsk Industri, other employer and employment associations, educational institutions, regional and national marine organisations, as well as suppliers, customers, financial institutions etc.

Measuring tool: Annual reporting of the SDGs.





ULSTEIN®

ZERO EMISSION WIND TURBINE INSTALLATION VESSEL

The ULSTEIN J102 zero emission wind turbine installation vessel operates approx. 75% of her time in jacked-up position performing crane operations. A combination of a hydrogen fuel cell system and a relatively small battery energy storage system will then be sufficient to meet the overall power demand on board and the crane peak loads.



75%

Operational time in zero emission mode



5%

Max. additional cost percentage of CAPEX



-4,000

Metric tonnes CO2 reduction per year



-25%

Emission reduction per installation cycle

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