

2020  
**SUSTAINABILITY**  
COMMUNICATION  
ON PROGRESS



# Contents

## Intro

- 3 The 10 principles and the sustainable development goals
- 4 Our responsibility
- 5 Semco Maritime at a glance
- 6 Our business model
- 7 Strategy and stakeholders
- 8 Investing in green growth

## Human rights

- 10 Supplier management and code of conduct
- 12 Giving back to society

## Labour

- 13 Health, wellbeing and development
- 17 Safety - a core value

## Environment and climate

- 21 Environment and climate

## Honesty, fairness and transparency

- 24 Honesty, fairness and transparency

## Overview

- 26 Targets, progress and ambitions
- 28 Our policies on responsible practices

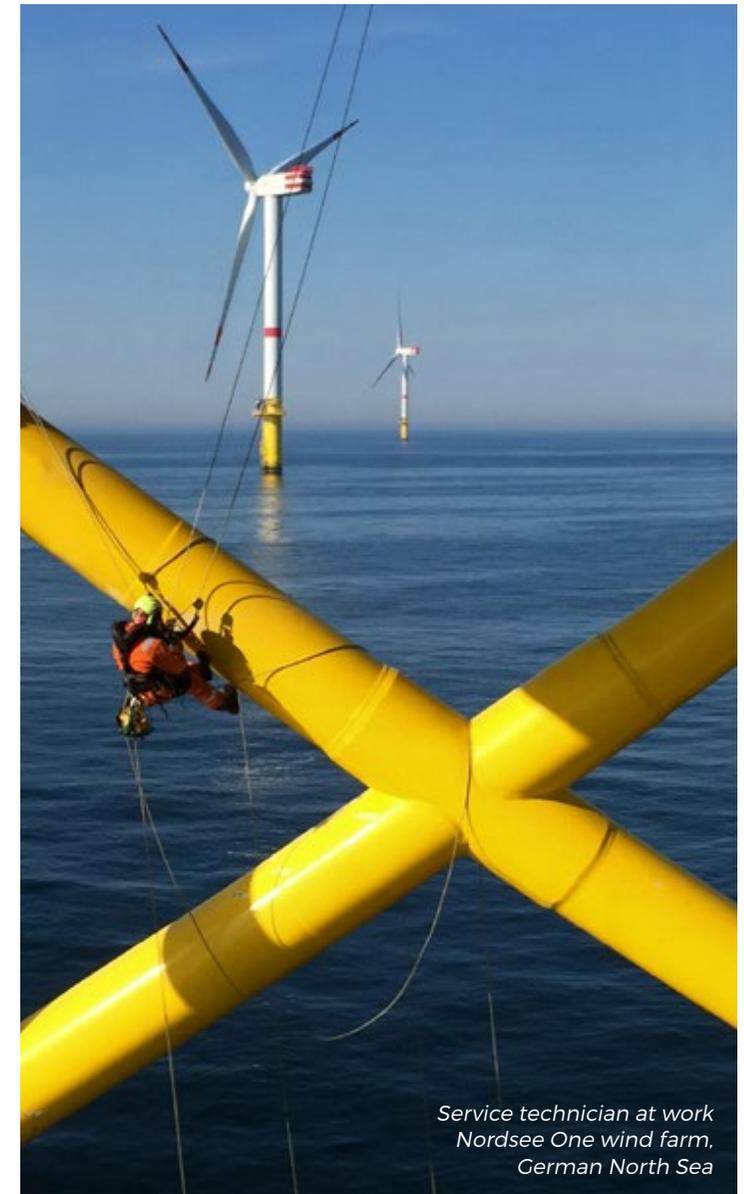
---

## 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 once a year along with the [Annual Report](#).

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



*Service technician at work  
Nordsee One wind farm,  
German North Sea*

# 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. In total there are 17 SDGs which have been defined by the United Nations General Assembly and reflect the greatest challenges globally and promoting 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

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.

Semco Maritime has a long and proud history of being a socially responsible company demonstrating integrity and operating in an honest and transparent manner and has always considered responsible management an essential corporate value.

It is our responsibility to actively use our position and role in the energy business to develop innovative and sustainable solutions that will play an important role in the green energy transition.

In 2020, the entire world was engaged in combatting the spread and the impact of COVID-19. As always, our priorities were the health and safety of our people and to safeguard the proper functioning of our operations in order to continue to meet our customers' needs. We managed to adapt to a new situation quickly and to continue business almost as usual. The pandemic »forced« us to think differently, to travel less, to work from home and to find ways to bring new technologies into use.

In the years to come, the ten principles of the UN Global Compact and the Sustainable Development Goals will continue to serve as the basis for our sustainability efforts. To further strengthen these, we will launch a dedicated and company-wide initiative in 2021 to frame and further sharpen our approach. The interests of our key stakeholders and our aspiration to play an important role in meeting the world's energy demand in a sustainable way will provide guidance for reviewing our sustainability goals and for defining even more concrete activities to put sustainability at the very core of our business.

**Steen Brødbæk, CEO**

# Semco Maritime at a glance

Semco Maritime is an international engineering and contracting company 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 onshore and offshore assignments – from preliminary analyses over design, procurement and manu-

facturing 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 1,500 employees, who provide our customers with cost-effective project management and operations from the Danish head office and subsidiaries around the world.



## 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 Denmark, Norway, the UK, Germany, Singapore, Taiwan, and the USA.

## LIABLE MANAGEMENT

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

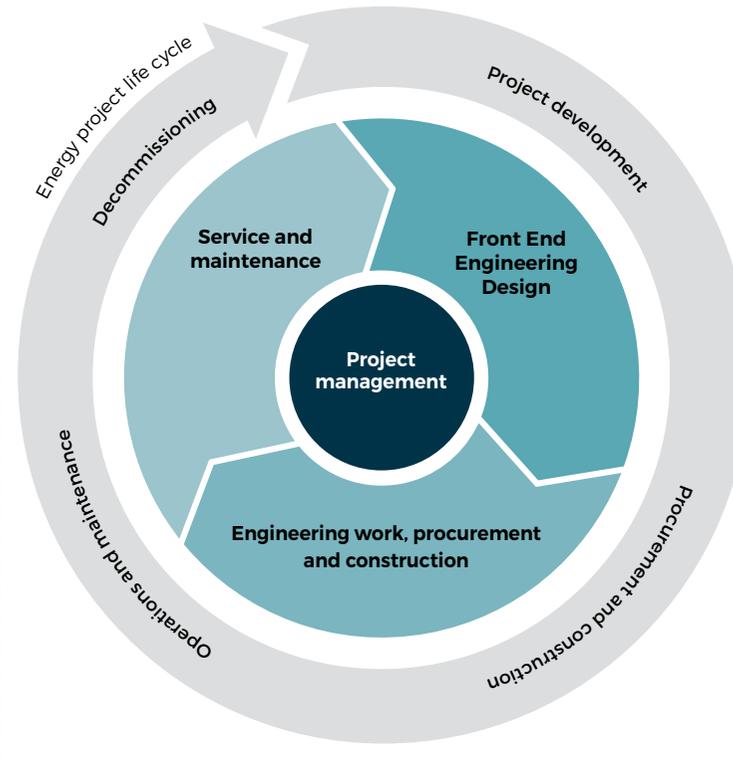
## READ MORE ABOUT SEMCO MARITIME:

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

# Our business model

## Value creation

- based on affordable, reliable and sustainable solutions



## Promises

### Safety

Safety is part of our DNA. We always aim at reducing the number of work accidents to zero.

### Customers

We bring our expertise into play to provide inspiration and optimise value across the supply chain to deliver safe solutions that always live up to expectations.

### Employees

We offer a safe and motivating workplace with unique opportunities for development.

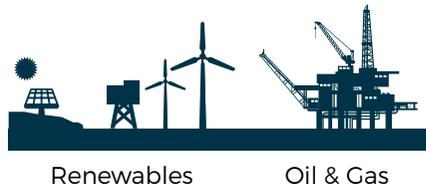
### Owners

We intend to deliver profitable growth and make our owners proud.

## Motivation

We want to play an important role in meeting the world's growing energy demand in a safe and sustainable way.

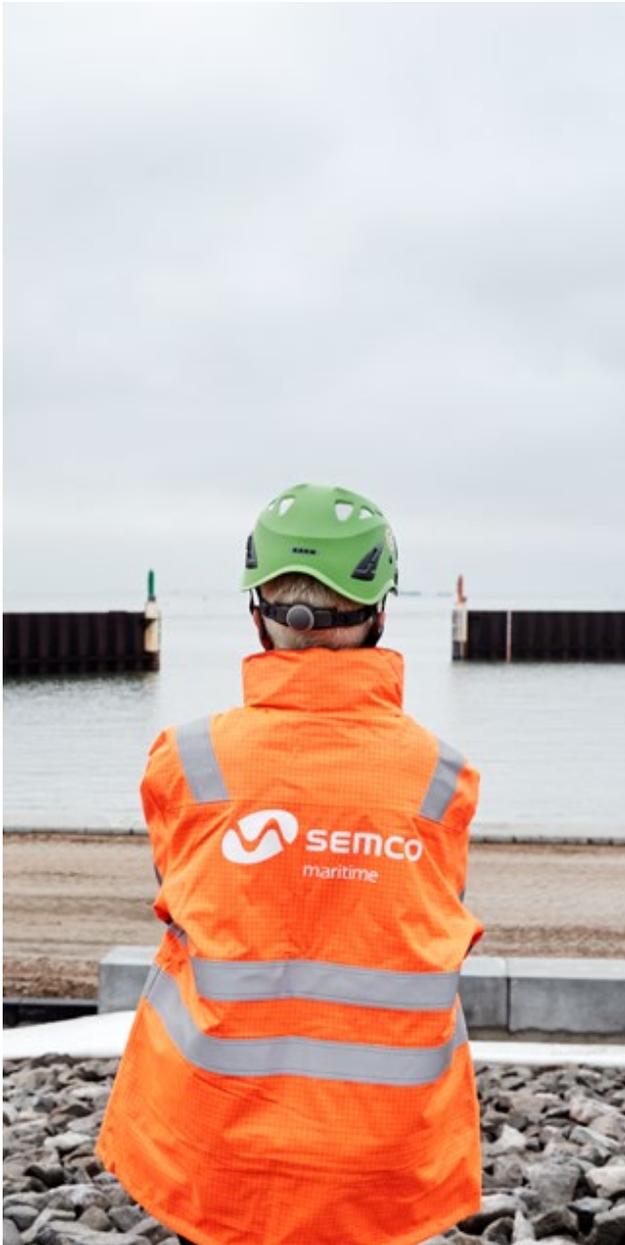
## Markets



## Group long-term targets 2023

- Revenue split 50/50 between Renewables and Oil & Gas
- 20% of revenue shall come from Service activities
- EBITDA margin of 6%

We provide assistance to our customers at all project stages



# Strategy and stakeholders

## Corporate Social Responsibility

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

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 28](#)).

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 consider the type and size of each project.

## Business management system

Our business management system is available to all employees and provides 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 all employees



## Strategy towards 2023

Our 2023 strategy »First Choice - Stronger core for value creation« aims at consolidating and strengthening our position. In order to reach our goals, we:

- Develop our competencies across the organisation
- Ensure an inspirational and motivating working environment
- Always keep our safety promise

# Investing in green growth

**As part of the strategic ambition to grow the Renewables business areas by 2023, Semco Maritime will invest tens of millions in product and service development by 2021 to ensure a significant expansion of capacity and staffing in the Renewables area.**

For more than 20 years, we have helped grid connect offshore wind farms and bring green power safely ashore by continuously strengthening and improving our expertise and services with a special focus on offshore substations. To maintain

and expand the leading position with a focus on innovation, capacity and cost-effectiveness, we will double capacity and expand the Renewables business area by 20-30 new employees during 2021.

As a supplier to the global energy industry, we contribute to the green transition by helping customers ensure cost-effective, reliable and sustainable energy production. In the field of Offshore Wind, Semco Maritime's experts focus in particular on the efficient transfer and integration of renewable energy in the energy network, just as the concept

of »Safeguarding people and assets« ensures a sustained focus on safety, reduces maintenance costs and maximises the uptime of assets.

The investments in the Renewables business will also make it possible to bring our strong offshore and energy competencies into play in several areas of application and support the development of new energy solutions for e.g. power to X, electrification of drilling rigs, offshore oil and gas platforms, energy islands and floating offshore wind projects.





## GERMAN RENEWABLES AWARD Product innovation of the year 2020

September 2020, our innovative »automatic corrosion management« solution won »Product innovation of the year 2020«. The Automatic Corrosion Management project aims to drastically reduce the time and cost associated with handling corrosion. Today, the whole process is paper based, and the ambition is to digitalize the process to reduce time spent on identifying corrosion and enable our clients to develop a corrosion management strategy based on facts and accurate predictions. Our project partners Global Tech I Offshore Wind GmbH, EIC, ZEVIT, MM Survey, and Aalborg University helped us develop the project that has also been granted funding from EU's Regional Fund for further development.

# Supplier management and code of conduct

In Semco Maritime, we want to incorporate values and attitudes that support a responsible dialogue with our stakeholders and suppliers. In 2019, our focus was on the supply chain risks that we faced when expanding our project deliveries into new regions such as Taiwan and the US. In 2020, however, we changed our focus towards the Covid-19 pandemic and towards the risks to the communities of our supply-chain partners.

## An extraordinary year

During 2020, the COVID-19 pandemic sharpened our focus on supply chain risks and on the overall performance of our supply partners. Specifically, we looked at how our partners responded to the pandemic and at the steps they had taken to keep their employees safe while ensuring continued delivery. The extraordinary COVID-19 restrictions, such as quarantines and border closures, which impacted the movement of labour and goods, also stressed the importance of

local supply chains, not only to improve sustainability, but also to ensure business continuity.

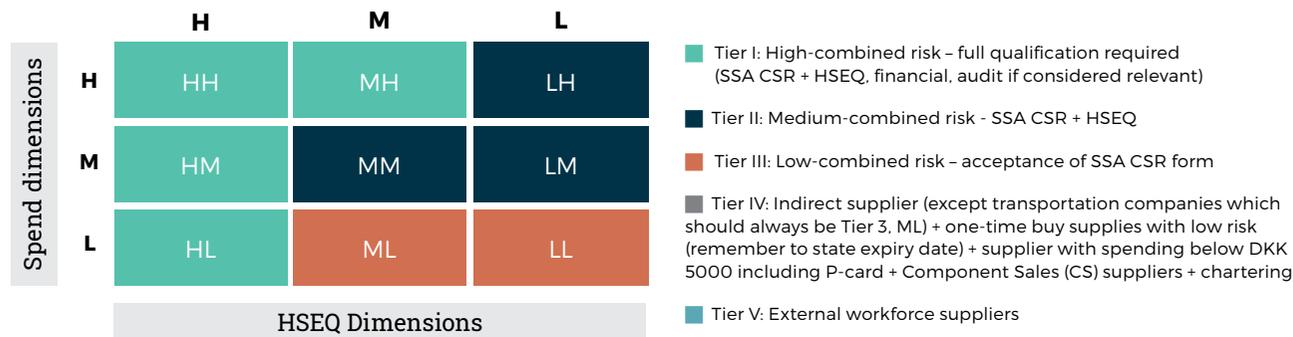
## Supplier Management and compliance with Code of Conduct

Our Supplier Management programme, including supplier risk assessment and tier-based supplier segmentation model was modified in 2020 to improve usability and transparency thereby enabling our supply partners to better understand, accept, and comply with our Code of Conduct. An upgrade of our ERP system enabled a fuller implementation and improved compliance.

## Worker and community safety

The extraordinary events of 2020 made us more aware of our workers' safety, including the safety of their families and communities. While there has always been a focus on workplace hazards, COVID-19 has now made our supply partners implement safety cultures that are more closely aligned with our own »Safety is part

## Supplier Combined Risk Map



## ACHIEVEMENTS IN 2020

- Successful evaluation of >90% of direct-spend suppliers via the electronic Supplier Self-Assessment database
- Many new LCC suppliers qualified through Strategic Sourcing initiatives
- Upgrade of Supplier Qualification process based on learnings

## AMBITIONS 2021

- Maintain >90% supplier evaluation rate.
- Increase local sourcing efforts to drive sustainability performance
- Incorporate Sustainable Procurement into our Procurement Policy

## POLICIES

- Code of Conduct, POL-SEMCO-0013
- Health and Safety, OHSAS 18001
- Environment Management System, ISO 14001
- Quality Management, ISO 9001



8.7, 8.8

### SUPPLIER RISK CLASS

of our DNA« mindset and with our health and safety approach.

Throughout the year, employees had many good suggestions as to how we could meet the challenges we were all facing. The commitment that everyone showed in ensuring the health and well-being of all people involved in our supply chain activities is highly appreciated. The fight against COVID-19 is of course still ongoing, but we believe that Semco Maritime and our supply partners are well prepared to meet the challenges that lie ahead.

#### Low-cost country sourcing

During 2020, we successfully qualified and partnered up with many new suppliers in low-cost countries. The travel restrictions presented a challenge to qualification, site auditing and engagement in general. However, the increased use of virtual meeting spaces combined with increased commitment and reference checking allowed our initiatives to be completed. We look forward to developing these relationships further and adding more low-cost country suppliers to our portfolio during 2021.

Supplier management	Tier I	Tier II	Tier III	Tier IV	Tier V
Qualification	<ul style="list-style-type: none"> <li>· All 3 supplier self-assessment forms</li> <li>· Financial risk assessment</li> <li>· Audit if considered relevant</li> <li>· Commercial due diligence</li> </ul>	All 3 supplier self-assessment forms	Supplier self-assessment form »Corporate Social Responsibility«	<ul style="list-style-type: none"> <li>· Indirect Suppliers approved by default</li> <li>· Vessel Chartering suppliers must sign a BIMCO Agreement per scope of work</li> </ul>	Depending on the type of external workforce supply, the Supplier shall sign the relevant Agreement
Performance	<ul style="list-style-type: none"> <li>· Regular supplier performance review meetings</li> <li>· Follow-up on NCR reports</li> </ul>	<ul style="list-style-type: none"> <li>· Supplier performance review meetings when considered relevant</li> <li>· Follow-up on NCR reports</li> </ul>	<ul style="list-style-type: none"> <li>· Ad hoc performance reviews</li> <li>· Follow-up on NCR reports</li> </ul>	<ul style="list-style-type: none"> <li>· For indirect suppliers no performance reviews, part of daily operation</li> <li>· For vessel chartering suppliers' performance is measured based by progress report (DPR) per project</li> </ul>	<ul style="list-style-type: none"> <li>· Supplier performance review meetings when deemed relevant</li> <li>· Follow up on NCR reports</li> </ul>
Internal stakeholder management	<ul style="list-style-type: none"> <li>· VP sponsorship</li> <li>· Supplier score card and lessons learned</li> </ul>	<ul style="list-style-type: none"> <li>· Director sponsorship</li> <li>· Supplier score card and lessons learned when deemed relevant</li> </ul>	No sponsor	<ul style="list-style-type: none"> <li>· Facility manager/ Procurement/ Component Sales/ GSF will handle inconsistencies</li> <li>· Category Manager for Vessel Chartering</li> </ul>	<ul style="list-style-type: none"> <li>· Category Manager for external workforce</li> <li>· Supplier score card and lessons learned when deemed relevant</li> </ul>

*If a supplier supplies goods or services for both the direct project business and indirect supplies, the supplier shall be assessed as a direct supplier - higher ranking will always prevail and decide the Supplier Risk Class. Same goes if a supplier provides both goods/services and external workforce, external workforce has higher ranking.*

# Giving back to society

In 2020 we supported various charities and projects in our local community.

## Charity

### Børnecancerfonden

Families with children diagnosed with cancer

### Hospital clowns

An initiative spreading happiness and laughter among children in Danish hospitals.



## Sports

### EfB

We support EfB: The leading football club in Esbjerg!

**We normally support the following other sporting events in our local community:**

Vestkystløbet, Blue Water Staffetten and Esbjerg City Half - but in 2020, all these events were cancelled due to COVID-19.

We use these events to encourage our employees and their families to an active life together. We hope to be able to continue the tradition in 2021.

## Shorewalk 2020

As a Shorewalk Partner, we take part in the annual march that puts focus on the Sustainable Development Goals in close dialogue between young people, local schools and companies in Esbjerg.



## Culture

**Musikhuset Esbjerg** (Esbjerg Performing Arts Centre)

**The Fisheries and Maritime Museum** in Esbjerg



## Headspace

As part of the business network, 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.



# Health, wellbeing and development

We want to create an attractive workplace where everyone can develop both personally and professionally.

We do not discriminate or let our decisions be affected by employees' association with trade unions or other associations. Nor do we interfere in the formation of 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 origin, sexual or political orientation, 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, nor withhold identification papers or wages to force employees to work. All employees have individual contracts approved in accordance with international and national legal requirements. We do not use or support the use of child labour. Our policies set out our commitment to observe the above (see [page 28](#)).

## Creating an attractive working 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 poor working conditions. 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 biennial satisfaction survey, we monitor the wellbeing of our employees based on:

- Sickness absence
- Personal development dialogue meetings
- Voluntary turnover rate

## Sickness absence

In 2020, our overall sickness absence rate increased from 2.7 to 3.3%. We constantly monitor the sickness absence rates, and our Human Resources department and our social counsellor ensure that we address any problems through a constructive dialogue between the social counsellor, the employee in question and his/her manager.

As a result of the COVID-19 situation in 2020, we have experienced a higher sick absence rate within some areas and locations, not only due to the nature of our work, but also because our employees have had to take care of their own health or the health of a family member. However, our procedures help us maintain regular contact between Semco Maritime and the employee who is absent owing to illness and reduce the duration of the period of absence.

## Personal and professional development

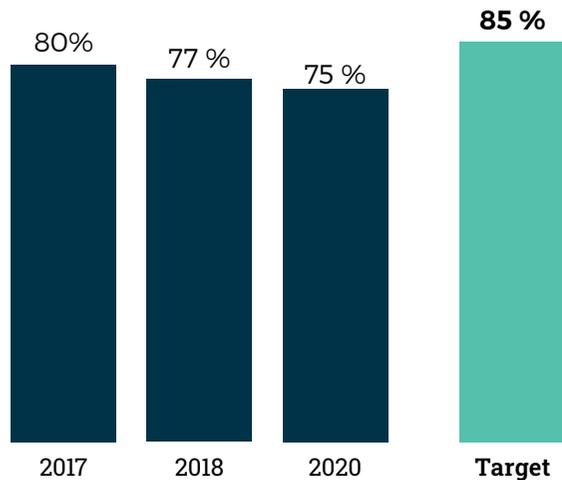
We strongly believe in the value of open and honest dialogues and in creating room for personal development. Our Personal Development Dialogue (PDD) tool to create a confidential space in which the manager and the employee can have a confidential and straightforward face-to-face dialogue about all aspects of being a Semco Maritime employee. With the PDD we want to increase the employee's influence on his or her own career

## Sickness absence



*Illness percentage is calculated based on number of absence hours due to own illness / total number of hours.*

### Completed PDD meetings



*PDD completion rate is based on data from Employee Survey 2020 in which all employees were asked whether or not they had a PDD during the past 12 months.*

path and to identify any development potential and individual training needs.

In 2020, we started to implement a new way of conducting and monitoring our development dialogues. In 2021, we will complete the global implementation by introducing the simplified tool through our leaders. Both the manager and the employee are responsible for the themes and quality of discussion, and the updated tool will provide a great opportunity to use it more regularly.

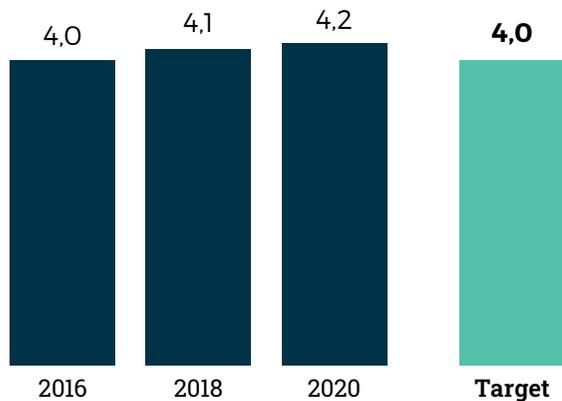
#### Employee Satisfaction Survey

In 2020, we completed our Employee Satisfaction Survey (ESS). The survey includes all white-collar and blue-collar employees except for offshore employees. The survey helps us identify our employees' knowledge and understanding of our strategy, and how

they feel about the management, cooperation, work-life balance etc. In 2020 an all-time high of 89% of our employees completed the survey and the overall score was 4.2 (on a scale of 1- 5 where 5 = best).

ESS workshops are held in all departments following the completion of the satisfaction survey. During the workshops (facilitated by a HR representative), the manager and the team have an open dialogue about the result, how to maintain a positive result and how to improve any below-average result. Due to the COVID-19 challenges and given the fact that people have been working from home, we have experienced the benefits of an agile approach and a need for more dialogues and feedback in 2020, helping us to identify the advantages of a possibly future survey, which will be shorter, more frequent and more targeted.

### Job satisfaction



*Total average of all Employee Survey scores was 4.2 (on a 1-5 scale where 5 is best).*



**Employee retention and voluntary turnover**

We want to retain our dedicated staff and use the satisfaction survey as an indicator of the satisfaction level among our employees. The voluntary turnover rate gives us a good indication of our attractiveness as a workplace. It is, however, only natural that some people choose to leave us, as they often hold specialist competencies that are highly reated by our competitors. Our goal is that the staff turnover rate remains below 10%. In 2020, the turnover rate was 7%, which is very satisfactory and lower than 2019. Please note that this voluntary turnover rate only includes white collars.

We will continue to monitor the turnover rate while aiming to increase our employer branding activities, as it will be even more important in 2021 to attract the right people in order to be able to support our growth ambitions!

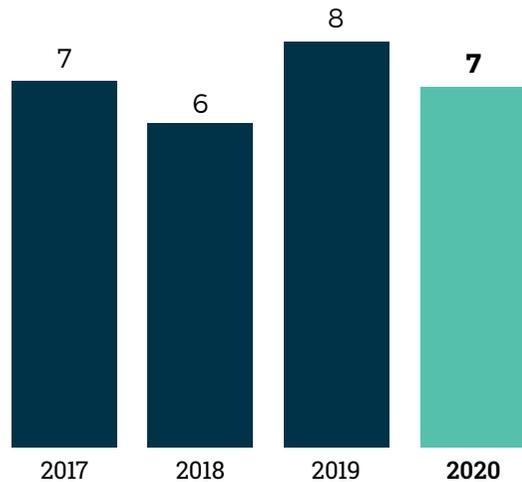
meeting should be women (equivalent to 1 woman) by 2021. In 2020, however, none of the members of the Board of Directors elected at the general meeting were women as no changes occurred in the Board of Directors during 2020. We maintain the goal of 25%, but postpone our deadline to 2024.

**Women in management positions**

Semco Maritime has set the target that female employees should hold 35 % of »other executive positions« (including C-level + SVP, VP, Directors, Managers) by 2021. In 2020, women represented 25% of »other executive positions«. Furthermore, it was our goal that 25 % of the board members elected at the general

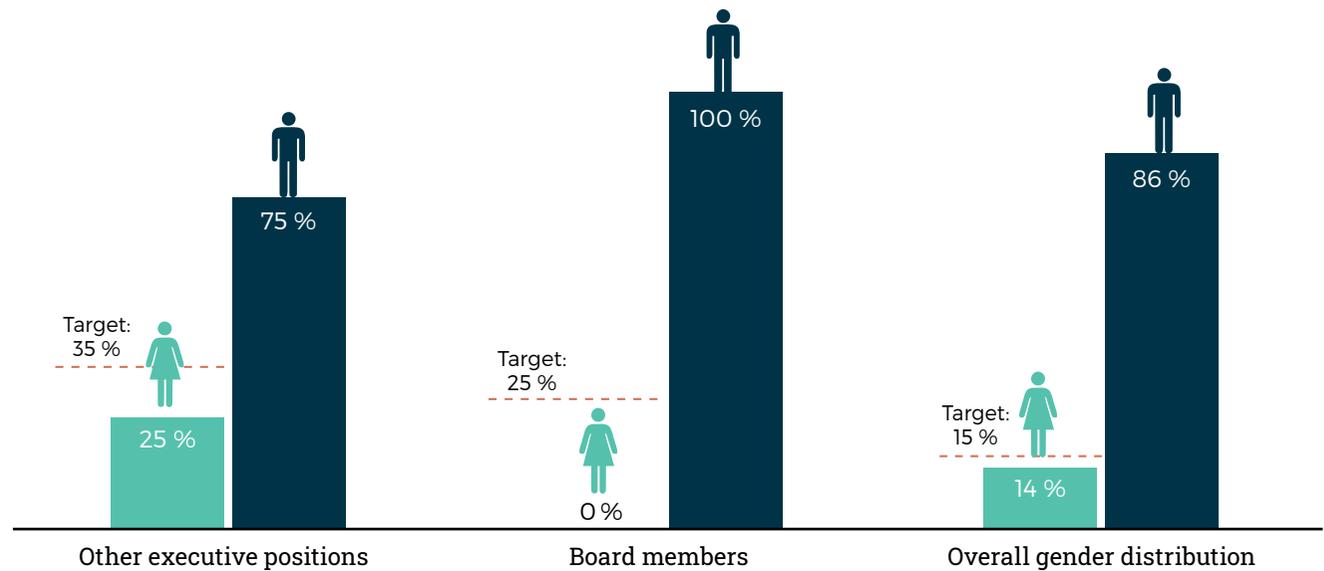
We see great potential in a diverse workforce, and we know that it is important to have a more diverse management team. We therefore strive to increase the ratio of women in management positions. One of our initiatives is an in-house management training (talent camp) with the purpose of developing female

**Voluntary turnover**  
Acceptable turnover rate: < 10 %



Turnover for White Collars onshore, is calculated on number of voluntary resignations / average headcount.

**Women in Semco Maritime**





talents and to strengthen female management skills. Our line of business has been significantly over-represented by men for many years - and still is. The majority of our positions require a technical background and are therefore mostly applied for by male candidates. Due to the nature of our business and the type of job openings, we do not expect the number of women in management positions to improve significantly in the short run.

We continue to focus on setting the very best teams and ensuring the right competence matrix

for the projects at hand. We strive to become even better at developing people and competencies within our organisation. For this purpose, we will carry out professional performance reviews and targeted succession planning. This is the best way to develop a broad, diverse and strong foundation of future managers.

**Strong focus on human values!**

At Semco Maritime, we genuinely care about the wellbeing 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 keep a strong focus on people, human values and mental health (more about this on [page 19](#)).

**Simple global processes - happy people!**

In 2021, our Human Resources department will focus on describing, simplifying and changing the way we do things globally. We are in the process of developing and implementing new ways as to how we onboard new employees and brand Semco Maritime. Moreover, we will implement a new PDD setup and conduct people and talent reviews. In future, our CSR reporting will be affected by the said initiatives, and the measuring points might change.

Why are we changing our processes? The answer is simple: we want our people to thrive and we want to make sure that everyone is integrated and introduced properly and that each individual gets a chance to grow and develop within our organisation - no matter level and location. We are aligning worldwide, and our efforts are based on our global leadership model!

**ACHIEVEMENTS IN 2020**

- Sickness absence: 3.3 %.
- Voluntary turnover: 7 %.
- Women holding management positions: 25 %.
- Female board members: 0 %.
- Overall gender distribution: 14 % women.

**AMBITIONS 2021**

- Maintain a low sickness absence rate in 2021. Goal remains 2.5 %.
- Continued focus on employee retention and on keeping the voluntary turnover at an acceptable level (< 10 %).
- Employee satisfaction: Our objective is to match the 2020-result with a response rate of 89 % and an overall average rate of 4.2.
- Women holding management positions: 35 % in 2024.
- Female board members: 25 % in 2024.
- Overall gender distribution: 15% women 2024
- Focus on simplifying and changing the processes that support other processes such as PDDs, on-boarding and people reviews. Establish new measuring methods in 2021, by use of digitalised tools and people analytics.



3.4, 3.5



5.1, 5.5, 5.5.2



8.6, 8.7, 8.8

# Safety - a core value

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

At Semco Maritime, we have defined a new safety motto called »Safety is part of our DNA«. This statement indicates that safety is a core value 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, there is a risk that people might get injured or even die while carrying out work.

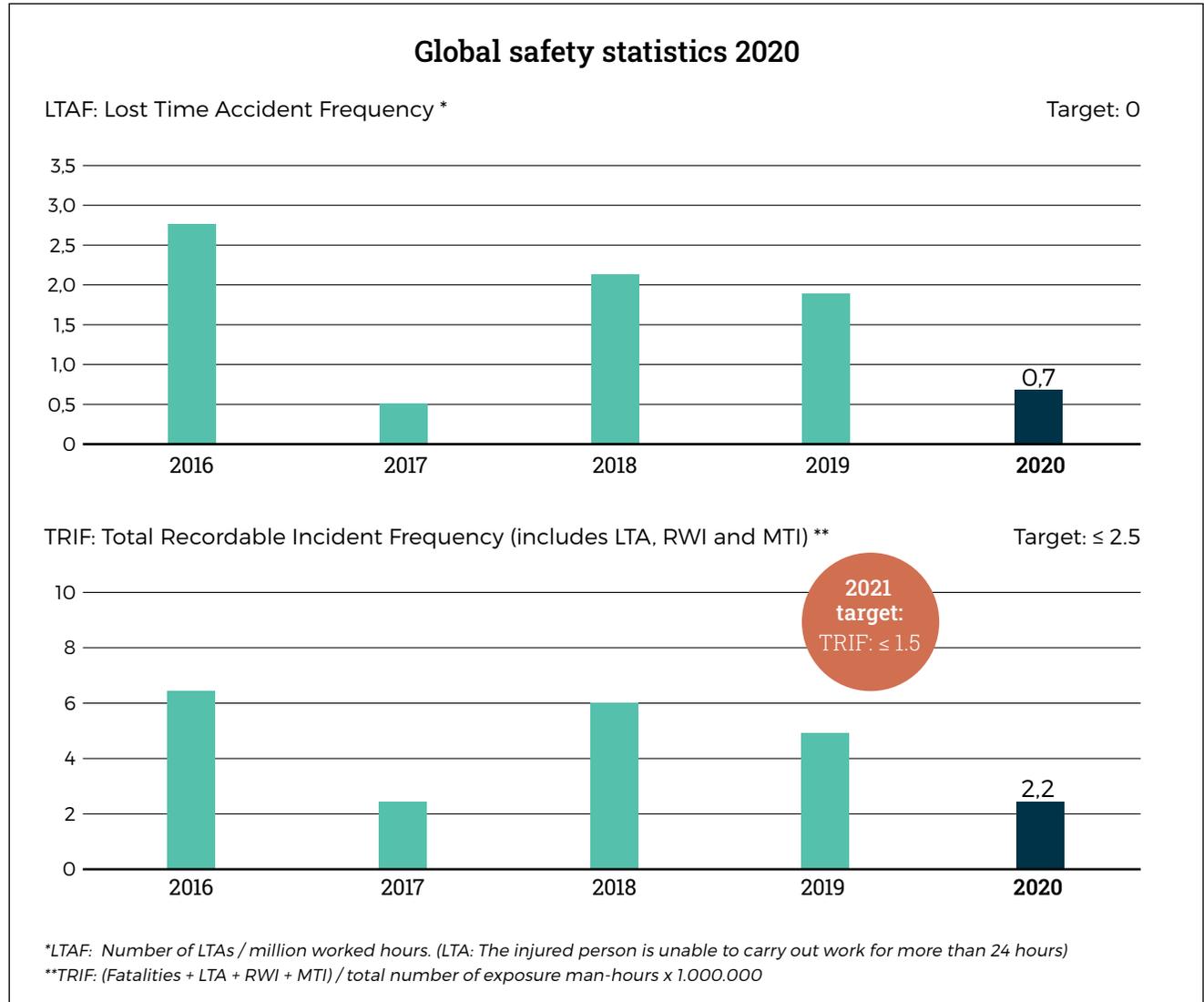
We strongly believe in a continued focus on »safety leadership«. This means that if our leaders show their commitment towards safety, they will be able to take our safety culture to a level that makes our ultimate goal of ZERO accidents a reality.

## Safety performance 2020

Our safety performance improved significantly during 2020 compared to the two years before. We see a positive development with fewer incidents - both LTAs and less severe incidents. We consider this a positive result from our implementation of Safety as a value, meaning that intensified focus on safety will result in fewer incidents.

## Safety as a value

It is more than a year since we launched our new safety motto, and the integration has been more successful than we could have imagined - especially as COVID-19 has impacted our physical courses and training which we consider key factors for a solid implementation of



## Safety culture survey



our new motto. In 2021, we will take safety one step further and focus on employee behaviour which is a natural part of »Safety is part of our DNA«.

We started »safety value training sessions« late 2019 and continued in 2020. We did 10 sessions in the beginning of 2020, but COVID-19 forced us to rethink the sessions, so that we could complete them online going forward.

### Safety talks

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

We set personal goals for each manager and follow up on a monthly basis. Instead of measuring the total number of safety talks, it makes more sense to monitor each manager and his or her personal goals.

- **Operational managers:** 12 safety talks a year
- **Admin. managers:** 4 safety talks a year

Our extended focus has paid off and we managed to complete AND register more than 100 % of the safety talks in 2020.

### Safety culture survey

In 2020, employees from all sites and locations, both onshore and offshore, were invited to participate in the safety culture survey. In order to be able to compare the results from year to year, the headlines of the survey remain the same:

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

Our target was to exceed the average score of 3.25 on a scale from 0-4. In 2020, the result was 3.26 and we thus achieved our target and improved the result from 2019. The response rate was 57.6% and also higher than in 2019. In 2021, the survey will cover operational sites and offshore sites and we will focus on improving the response rate.

### ACHIEVEMENTS IN 2020

- **LTAF:** 0.7 / million working hours
- **TRIF:** 2.2 / million working hours.
- **Safety culture survey:** Score of 3.26.
- **Number of safety talks held:** 397 = 112%

### AMBITIONS 2021

- **LTAF:** 0
- **TRIF:** ≤ 1.5 / million working hours.
- **Safety culture survey:** Score exceeding an average of 3.25 for operational sites and offshore sites.
- **Safety talks:** Operational managers: 12 safety talks  
Administrative managers: 4 safety talks



**Strong focus on mental health**

With safety as a core value, our focus on mental health expands. We want to provide quick support to employees who have mental, physical, economic or social issues. Our social counsellor is the primary stakeholder in these efforts along with the HSEQ and HR departments and the relevant managers.

Our social counsellor is available at any time and can help employees AND their families by involving psychologists, hospital care, relevant authorities, patients' associations and other relevant partners.

**Our safety work continues**

We will continue to integrate safety as a core value in Semco Maritime. All departments will participate in »safety value training« and consequently define their own safety commitments. Due to COVID-19, the training has not been fully implemented, but we will resume safety value training in another context in 2021 and in line with the COVID-19 restrictions.

**Safety focus in 2021**

In 2021, we will develop new safety campaigns based on »mental health« and »Human behaviour«,

both relating to »Safety is part of our DNA«. »Mental health« is a focus area - and has become even more important during the COVID-19 with many employees working from home for long periods. »Human behaviour« will be an important focus area because experience has shown us that »human behaviour« is the most common root cause of all incidents.

**Global safety campaigns**

Safety campaigns play an important role when trying to increase focus on safety culture and safety awareness. In 2020, we completed the following campaigns:

**Positive recognition**

Positive recognition is one of the most important driving forces of building the right culture and attitude in the workplace. Valuing and appreciating employees boosts job satisfaction, productivity and staff morale.

The purpose of the campaign is to emphasize the importance and the impact of recognising each other for the work we do, for the people we are, for the little things, for great performances, for successes, for work ethics and for being great personalities.

The campaign was accompanied by postcards giving an employee the opportunity to send a well-deserved high five to a colleague. Small stickers were used as a quick and visible way of giving recognition or positive feedback to a colleague.





## INNOVATION

### Factory Acceptance Test from home ...

We have used 2020 to make the most of new technologies. We found ourselves challenged by the Factory Acceptance Tests (FATs) because many stakeholders need to participate in this crucial project phase, i.e. qualified Semco Maritime specialists, test engineers, manufacturers, third-party inspectors and customer representatives from all over the world.

*»We found out that by using augmented reality technology and remote collaboration, we could successfully perform and deliver FATs of telecommunication and firefighting systems for high-profile customers in the energy industry. Our customers love this new way of doing FATs and we save on travelling, CO2 and manhours«, says Alexia Jakobsen, Head of Innovation.*

# Environment and climate

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

We are aware of our potential role in mitigating the consequences of 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«.

## Energy consumption

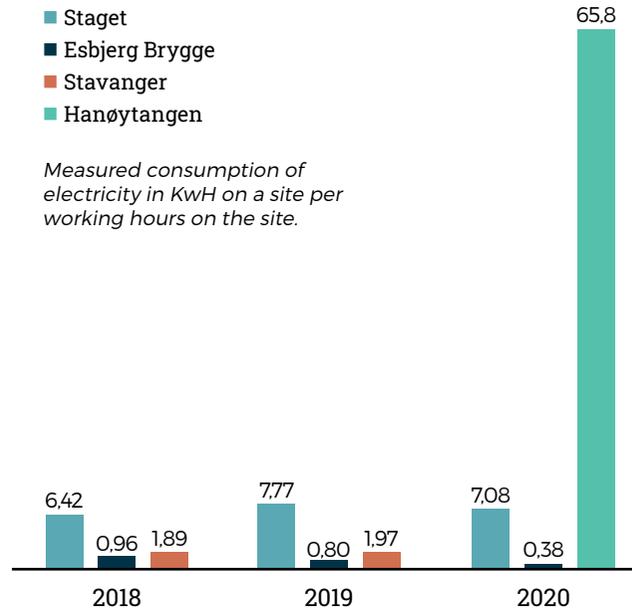
We aim to reduce our environmental impact by using resources most efficiently, thereby reducing energy consumption:

- **Staget:** 7.08 – energy consumption reduced by 8.8 % per working hour.
- **Esbjerg Brygge (HQ):** 0.38 – energy consumption reduced by 5.25 % per working hour.
- **Stavanger:** The office does no longer impact the CO2 footprint significantly due to its size and will no longer be part of this report
- **Hanøytangen:** We are currently having a baseline of 65.8 Kwh/h. During 2021, we will work to reduce this figure.

The energy consumption at Staget, the location of our yard facilities in Esbjerg, is highly affected by the processes carried out. In 2020, however, the workload and type of jobs in Semco Maritime were similar to previous years.

The energy consumption is measured in Kwh per working hour and some work processes require more energy than others. Still, we managed to reduce the energy consumption per working hour from 7.7 in 2019 to 7.08 in 2020.

## Kwh per working hour



## Shore power at Hanøytangen

The energy consumption at Hanøytangen might look alarming. However, one of the major driving forces behind this energy consumption is the concept that we refer to as »shore power« – a concept that provides shore power for rigs and vessels moored at the quayside. Using power from shore is a better alternative compared to fuel - it saves CO2 and reduces noise pollution at the yard. Using power from shore provides environmental benefits since 99% of the power production in Norway comes from hydropower which is a renewable energy.

Our goal is to expand our onshore power supply in order to further reduce the impact of diesel at the quayside. We plan to further develop our capacity to provide shore power in collaboration with the municipality of Aksøy.

At Hanøytangen, we have started a project that aims to reduce energy consumption. We are currently mapping non-project related energy consumption in offices, warehouse, workshops etc.)

The objective for 2021 is of course a further reduction of the Kwh per working hour and the energy consumption will be a consideration in the larger sustainability strategy that we are currently developing.

The CO2 footprint has been on our »to-do-list« for some years now and will also be an important part of the above-mentioned sustainability strategy process. We will be looking at our own energy consumption and CO2 footprint - but ideally, we should also be able to estimate the CO2 footprint of our supply chain.

**Waste management**

The waste management result in 2020 showed a re-

cycling percentage of 83, which was better than in 2019 and an achievement of our aim of at least 80% waste recycling. In 2020, we completed a waste management campaign at our yard facilities in Esbjerg, and we believe that this was the main driving force behind the positive result. The waste management campaign was initiated based on a Bachelor project with the aim of reviewing the waste management system and coming up with various solutions.

Our primary focus was small combustible waste. Simply by highlighting the type of combustible waste that we have and by making waste separation easier, the amount of combustible waste decreased.

In Stavanger, the recycling percentage has been above target for many years. In future, we will focus on the waste separation at Hanøytangen as the potential impact here is much greater. The waste management in Stavanger will still be monitored to identify any changes. At Hanøytangen, however, we have now been able to find comparable data that we will use as our baseline going forward.

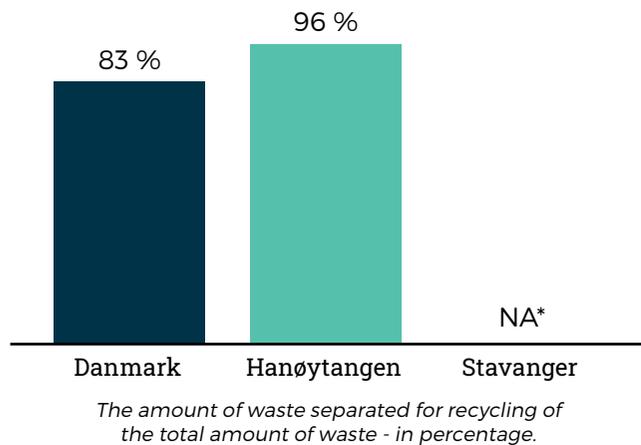
Hanøytangen has a very high level of waste separation, i.e. 96.18%

Our objective for 2021 is to recycle more than 90 % of our total amount of waste regardless of the activities.

**Waste recycling**

Goal: 80 %

\*Stavanger: The office building has approximately 15 employees and no significant impact from waste. The location will no longer be part of this report.



**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 carries the Nordic Swan Ecolabel, which means that it is made from environmentally friendly materials.

**FSC® - the Forest Stewardship Council**

The Forest Stewardship Council (FSC) is a non-profit, international labelling system for wood and paper. FSC is your guarantee that paper products are from sustainable and ethically acceptable sources.

**ISO certification**

Semco Maritime is certified according to ISO 14001 (see [page 29](#)).



This requires that we focus even more on waste separation, information and updated signage and on the dialogue with our waste disposal contractor.

**Mapping our CO2 emissions (footprint)**

When we started focusing on our CO2 footprint, we were inspired by the Greenhouse Gas (GHG) Protocol which divides emissions into 3 scopes:

Scope 1 and 2 cover direct and indirect emission sources, and we have been addressing this for some years now.

Scope 3 covers all indirect emissions due to the activities of an organisation (involving suppliers, use of products, business travels, waste management,

transportation of goods etc.) and will be addressed in the above-mentioned sustainability strategy that is currently being developed.

2020 was a year that was affected by the COVID-19 pandemic – especially in terms of travelling. In Semco Maritime, we travelled less and found innovative ways of doing things from a distance (see case [page 20](#)).

As aviation is a significant contaminant source compared to other ways of travelling, we have made a rough estimate showing that flights represent a major part of the total amount of carbon emitted by Semco Maritime. However, we have not, at this point, been able to calculate the overall reduction in CO2 emissions in 2020.



**Concrete actions in 2020**

Launch of waste management campaign at headquarters in Esbjerg:

- Primary focus was on small combustible waste.
- Highlighting types of combustible waste at Semco Maritime.
- Made waste separation easier.
- Reduced the amount of waste which contributed to an overall positive result.

**ACHIEVEMENTS IN 2020**

**Savings in energy consumption/working hours:**

- Staget (yard): 8.8 % reduction
- Esbjerg (HQ): 5.25 % reduction
- Hanøytangen: 65.8 Kwh/h (new baseline)

**Recycling rates:**

- Denmark: 83 %
- Hanøytangen: 96.18 %

**AMBITIONS 2021**

- Keep monitoring the energy consumption locally in Esbjerg, Stavanger and at Hanøytangen.
- To develop a sustainability strategy and implement aligned targets. Deadline summer 2021
- Recycling rate: Min. 90 %



3.9



7.2, 7.a



11.6



12.4, 12.5  
12.6, 12.6.1

# Honesty, fairness and transparency

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

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 operating in various countries and across different cultures, we know that we run the risk of being directly or indirectly involved in corruption, bribery and other legality issues. However, corruption and bribery will never be an acceptable part of doing business with Semco Maritime.

## Anti-corruption

Semco Maritime 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 base our anti-bribery and corruption policy on the six principles of the Bribery Act 2010 (UK).

## Whistle-blower

We take our Code of Conduct seriously and therefore we established a corporate whistleblower mailbox and whistleblower policy/guideline in 2016.

We continue to focus on informing employees about the whistleblower arrangement, and we communicate the whistle-blower policy via our website. At Semco Maritime, whistleblowing is not only a tool for reporting cases of corruption and bribery, but also a tool for reporting cases like workplace harassment, discrimination (HR-related cases) etc. Our whistleblower arrangement is a preventive tool that reduces the risk of malpractice and irregularities. Through this arrangement we aim to empower employees and relevant stakeholders to »blow the whistle« so to speak, if they experience irregularities.

In 2020, we were informed of three potential HR-related cases under the whistle-blower arrangement. The reporting of these cases and the subsequent handling confirm that the system works as intended. We will, however, continue to repeat the message internally to make sure that everyone knows where to report such matters. In 2021, we need to focus extra on new employees and on the various types of cases that can be reported

## ACHIEVEMENTS IN 2020

Three potential cases were reported under the whistleblower arrangement.

Once investigated by our legal department, the cases were resolved efficiently and professionally. This confirms that our setup works as intended.

## AMBITIONS 2021

- Prepare and implement changes to our existing whistleblower arrangement to be ready to observe the EU directive on whistleblowing by 17 December 2021.
- Continue the implementation of the whistleblower arrangement across the organisation.
- Our General Counsel will inform about our anti-corruption policy and whistleblower arrangement during townhall meetings and road trips worldwide and when welcoming new employees to the company.



16.5



Whistle-blower mailbox: [whistleblower@semcomaritime.com](mailto:whistleblower@semcomaritime.com)

## Whistle-blower Procedure

Employees can find the detailed whistle-blower procedure in our Business Management System, along with a template for reporting. The procedure and template are also available on our corporate website.

**1** Any suspicious or noncompliant behaviour 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 or of any external laws, rules codes or otherwise can anonymously be reported to the General Counsel or head of HR of the Semco Maritime Group.

Reporting to the General Counsel can take place by anyone by telephone, e-mail and/or written - or any oral communication.

**E-mail:** [whistleblower@semcomaritime.com](mailto:whistleblower@semcomaritime.com)

**2** If requested by the reporting person, 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 or
  - B. The Head of HR and as relevant and as decided by the General Counsel in each incident:
  - C. As applicable a Board Member of the mother company of the Semco Maritime Group in Denmark (The Chairman of the Board) to investigate, conclude and act on each incident of reporting.
  - D. An external lawyer, external accountant and/or any other relevant resources

**5** If found guilty, 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 are with due consideration to legislative rights and obligations informed about investigation also with consideration of;

- 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 interest.
- 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 as possible under the applicable legislation and company policies) duly protected under the employment laws 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 2020	Progress 2020	Ambitions
<b>Human rights</b>	<p>By the end of 2019, we have successfully evaluated 80 % of all suppliers via our electronic supplier self-assessment database.</p> <hr/> <p>Focus on long-term supplier relationships and building a solid supplier base in low-cost countries.</p>	<p>✓ Successful evaluation of &gt;90% of direct-spend suppliers via the electronic Supplier Self-Assessment database.</p> <hr/> <p>✓ Many new LCC suppliers qualified through Strategic Sourcing initiatives</p> <hr/> <p>✓ Upgraded our Supplier Qualification process based on learnings</p>	<p>Maintain &gt;90 % supplier evaluation rate.</p> <hr/> <p>Increase local sourcing efforts to drive sustainability performance</p> <hr/> <p>Incorporate Sustainable Procurement within our Procurement Policy</p>
<b>Labour</b>	<p>Sickness absence rate: 2.5 %</p> <hr/> <p>Completed personal development dialogues: 85 %</p> <hr/> <p>Voluntary turnover rate: &lt; 10 %</p> <hr/> <p>Employee Satisfaction Survey: 84 % completed the survey.</p> <hr/> <p>Number of female board members: 25 %</p> <hr/> <p>Women in management positions: 35 %</p>	<p>● 3.3 %</p> <hr/> <p>● 75 % completed PDDs</p> <hr/> <p>✓ 7 %</p> <hr/> <p>✓ 89 % completed the survey. ✓ Satisfaction level: 4.2</p> <hr/> <p>● 0 %</p> <hr/> <p>● 25 % ● 14 %</p>	<p>Target 2021: 2.5 %</p> <hr/> <p>Simplify and change global processes for personal development dialogue.</p> <hr/> <p>Voluntary turnover rate: &lt; 10 %</p> <hr/> <p>Maintain satisfaction level from 2020 (4.2), 89 % of employees to complete the survey.</p> <hr/> <p>25 % of board members are to be women (by 2024)</p> <hr/> <p>35 % women in management positions (by 2024) 15 % Overall gender distribution</p>

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

	Targets 2020	Progress in 2020	Ambitions
<b>Safety</b>	<p>TRIF: ≤ 2.5</p> <hr/> <p>LTAf: 0</p> <hr/> <p>Safety culture survey: above 3.25</p> <hr/> <p>Safety talks: 328</p>	<p>✓ TRIF: 2.2</p> <hr/> <p>● LATAf: 0.7</p> <hr/> <p>✓ 3.26</p> <hr/> <p>✓ 397 = 112%</p>	<p>TRIF: ≤ 1.5 (NEW target)</p> <hr/> <p>LTAf: 0</p> <hr/> <p>Safety culture survey: Above 3.25</p> <hr/> <p>Operational managers: 12 safety talks/year Admin. managers: 4 safety talks/year.</p>
<b>Environment and climate</b>	<p>Savings on energy consumption/employees: -5 %</p> <hr/> <p>Recycling of waste: 80 %</p> <hr/> <p>Raise awareness of our CO2 emissions internally (»staff transportation« and »electricity«).</p>	<p>✓ Energy consumption/working hours: +5 % - Staget (yard) - 8.8 % - Esbjerg (HQ) - 5.25 % - Hanøytangen: 65.8 Kwh/h as a baseline</p> <hr/> <p>✓ Recycling of waste: - DK: 83% - Hanøytangen: 96%</p> <hr/> <p>● Mapping of CO2 footprint is still on the to-do-list - but further actions await new »sustainability strategy«.</p>	<p>Energy consumption / Working hours.: -1 %</p> <hr/> <p>Focus on decreasing the energy consumption at Hanøytangen</p> <hr/> <p>Recycling of waste: min. 90 % (new ambition)</p> <hr/> <p>Strategic framework is being developed</p>
<b>Anti-corruption</b>	<p>Continue the implementation of the whistle-blower arrangement making sure that everyone knows how and where to report.</p>	<p>✓ Whistle-blower arrangement established and in force - implementation ongoing.</p> <hr/> <p>✓ Continue the implementation of our whistle-blower arrangement across the organisation.</p>	<p>Prepare and implement changes to our existing whistle-blower arrangement to be ready to observe the EU directive on whistle-blowing by 17 December 2021.</p> <hr/> <p>Continue the implementation of the whistle-blower arrangement across the organisation.</p> <hr/> <p>In 2021, the General Counsel will inform employees about our anti-corruption policy and whistle-blower arrangement during townhall meetings and road trips worldwide. (Postponed due to COVID-19)</p>

✓ 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.

## Labour

### 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.

### 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.

### 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 hall-

marks 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 have trace of drugs in their system.

### 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.

### 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.

## 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.

## Anti-corruption and bribery

### Anti-bribery and Corruption - 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.

### 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 ISO 45001

Compliance with the ISO 45001 standard enables us to demonstrate that we have a system in place for occupational health and safety.

### Learn more:

<https://www.semcomaritime.com/hseq>



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

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

 #semcomaritime