



UN Global Compact – Communication on Progress

2020

16 July 2021

To our stakeholders,

I am pleased to confirm that Global Sea Mineral Resources NV (GSR) ¹ reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this, our first annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture, and daily operations. We are also committed to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,



Dr Kris Van Nijen

Chief Executive Officer

¹ (<https://www.deme-gsr.com>)

“The Global Compact asks companies to embrace universal principles and to partner with the United Nations. It has grown to become a critical platform for the UN to engage effectively with enlightened global business.” - Former UN Secretary-General Ban Ki-moon

The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

By doing so, business, as a primary driver of globalization, can help ensure that markets, commerce, technology, and finance advance in ways that benefit economies and societies everywhere.

Global Sea Mineral Resources (GSR), the deep-sea exploratory division of the DEME Group, embodies a pioneering spirit and is at the forefront of developing an innovative approach to source minerals in a responsible manner and in direct support of the green energy transition. The principles of the UN Global Compact are fully reflected in GSR’s approach and company values.

GSR believes that with the correct environmental controls, ensuring effective protection of the marine environment, and a robust regulatory framework, collecting nodules from the seafloor could be one of the most responsible, least impactful, methods of meeting the world’s rising mineral demand and herewith enabling global society’s transition to a decarbonized future.

GSR proudly signed up to support the UN Global Compact initiative on 17 October 2019.

This report reflects on our progress throughout the course of 2020 to implement key principles into the operational framework of our business. The report is available via our website

(www.deme-gsr.com) as part of our engagement to transparent stakeholder communications.

GSR’s parent company, the DEME-group, is similarly committed to a sustainable future and publishes group-wide sustainability reports².

Through the implementation of consistent policies and clear targets for every aspect of the business, as well as mechanisms to continuously measure and report performance, GSR is ensuring that the Global Compact Principles forms a core part of our strategy.



² (<https://www.deme-group.com/sustainability>)

Human Rights

“Businesses should support and respect the protection of internationally proclaimed human rights and make sure that they are not complicit in human rights abuses”.

Assessment, policy and goals

GSR’s development of deep seabed minerals will offer - for the first time ever - a viable alternative to some land-based mines, many of which are operating in nations with a poor track record in terms of human rights and labour conditions. For GSR the value of human rights goes beyond sustainable development: it’s part of our core mission.

GSR’s goal is for all our employees and business partners to respect the Universal Declaration of Human Rights. DEME has established a code of conduct (DEME Code of Ethics and DEME Code of Ethics for Business Partners), published on its website, which GSR adheres to and uses to make our position clear for all our suppliers, employees and partners. Our commitment has been enshrined in a dedicated human rights policy implemented on 6 April 2020 and applicable across the entire DEME Group and its subsidiaries worldwide.

Implementation

Operationally, GSR (as a subsidiary of the DEME-group) currently applies due diligence to ensure human rights are adequately safeguarded.

We have actively informed all our suppliers, partners and employees of our commitment and encouraged them to be part of this commitment.

Measurement of outcomes

We have a reporting system in place that facilitates employees, clients, and partners to report back if they suspect any wrongdoing regarding our Code of Ethics. No reports have

been filed since the system has been implemented.



Build collaborative relationships with local communities through consultation, engagement and participation.

Labour

“Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining, eliminate all forms of forced and compulsory labor, abolish child labor and eliminate discrimination in respect of employment and occupation.”

Assessment, policy and goals

Respecting the rights of every individual is key for DEME and GSR. It is at the heart of our values. Our commitment has been enshrined in a dedicated human rights policy implemented on 6 April 2020 and applicable across the entire DEME-group and its subsidiaries worldwide, which fully aligns with the UN Global Compact principles. Our policy explicitly supports equal opportunities and hiring practices, prohibits the use of forced labour, ensures the age of all personnel – including part-time or temporary – is verified to prevent child labour and takes tangible steps to ensure a fair, safe and healthy workplace. For example, our Health and safety policy explicitly gives any workers a “stop work” power to stop all activity if they perceive it as unsafe, regardless of rank or position. We expect

our business partners to adhere to the same principles outlined in our policies.

Implementation

We promote an inclusive working environment where everyone has the same opportunities for promotion, career progression and training, regardless of their gender, age, religion, sexual orientation, nationality, culture, political conviction, mental or physical ability.

We aim to promote diversity across all positions, levels and activity lines. We want to make sure that everyone has equal opportunities at all levels of decision making and that they can achieve their managerial ambitions.

Our Code of Ethics regulates our policies and are compliant with UNGC principles. The Code of Ethics is published on DEME's website.

GSR is also committed to supporting educational programs, with a particular focus on developing nations. We currently offer two fellowship opportunities at Belgium-based universities to students from developing countries selected by the UN's International Seabed Authority (ISA). One fellowship focuses on a multi-disciplinary approach to sustainability and nature conservation (please see: oceansandlakes.be). The other fellowship focuses on knowledge of resources (geology, landfills, urban mines, reserve characterization and modelling) and process engineering techniques. Professional training and courses are also a commitment of GSR. During the first 5-year phase of its Exploration Contract with the ISA, GSR financially supported 10 trainees, who successfully obtained their certificates.

Measurement of outcomes

The diversity in age, gender and nationality of employees of the DEME-group is monitored and reported as part of our annual sustainability report. We strive to ensure a workplace where all workers are treated equally - with dignity and respect.

Everyone has the right to work in a safe, secure and healthy working environment. Due to the nature of our work, many projects take place in challenging, and sometimes remote environments. Workplace health, safety and wellbeing - for our own people as well as subcontractors, suppliers, partners, trainees and other stakeholders - is an ongoing priority.

We have a system in place that encourages employees, clients and partners to report back if they suspect any wrongdoing in regard to our Code of Ethics. No reports have been filed since the system has been implemented.

Environment

"Businesses should support a precautionary approach to environmental challenges, promote greater environmental responsibility and encourage the development and diffusion of environmentally friendly technologies."

Assessment, policy and goals

GSR supports the UNGC principles on the Environment. The protection and preservation of the environment is a core value at GSR and DEME. Our oceans, seas, rivers and coastlines are vital for a healthy planet and economy. It is undeniable that marine contracting alters the environment. For this reason, it is important to find responsible solutions that safeguard and improve oceanic and coastal ecosystems. Our strive is protecting the environment and the communities in which we do business by limiting our impact and exploring opportunities for sustainable value creation together with our stakeholders.

DEME Group's Code of Ethics and Quality, Health, Safety and Environmental policy provides the guidelines and information on several matters, including environmental responsibility, needed for staff to conduct

business responsibly, based on sound ethical and science-based decision-making.

GSR adheres to and uses this Code and policy to make our position clear for all our suppliers, employees, and partners.

Implementation

Environmental Impacts

We aim to minimize the environmental impacts and effects of our operations and strive for a net positive impact on biodiversity and ecosystems. In order to be effective, we have to have an in-depth knowledge of the ecosystems in which we operate in, including the environmental features and receptors. It is important to map the level of sensitivity these receptors have and the values that they bring.

We believe that all deep-sea activities need to be underpinned by good science, good monitoring and tough enforcement (for more information about deep seabed minerals, please see: mineralsindepth.org). We advocate a precautionary approach and are collaborating with the scientific community and the regulator, the International Seabed Authority of the United Nations (ISA), to ensure the highest levels of oversight and to develop tailored, ecosystem-based management strategies to ensure that overall biodiversity and ecosystem health and functions are maintained.

Environmental monitoring is a key component of GSR's development program, ensuring the effects of its activities are understood, can be accurately predicted and improved upon and so that appropriate environmental management strategies can be appropriately developed and implemented.

GSR is committed to working side by side with a team of independent scientists, focusing on studying and understanding the potential environmental impact of deep-seabed polymetallic nodule collection. The development of robust environmental baseline,

environmental impact assessment and environmental management and monitoring programs are a key focus of the GSR team.

Climate change

Climate change is one of the greatest threats to our planet and society. Increasing global temperatures driven by greenhouse gas (GHG) emissions lead to rising sea levels, the warming of the ocean surface and more volatile weather phenomena causing drought, fires and flooding.

In line with DEME, GSR's ambition is to achieve climate-neutral operations by 2050. We are taking our responsibility seriously, in order to be at the forefront of the industry when it comes to integrating climate proof technology and energy efficiency to our operations. For our vessels and equipment, we continue to optimize their fuel consumption by deploying them efficiently, and DEME is gradually transforming its fleet, which will ultimately see us move towards climate-neutral vessels and equipment. We strive for integrated energy solutions for our offices and project sites and continuously work to further increase the awareness of our employees.

In the Benelux, DEME is certified according to the requirements of the CO₂ performance ladder, which encourages companies to map out and reduce their CO₂ emissions. Since 2012 LRQA (an accredited independent party) has regularly verified our processes and results. In 2018 DEME passed the renewal audit with the highest qualification level (level 5). Widely used, the CO₂ performance ladder is an instrument that helps organisations reduce their carbon emissions, in the performance of projects and in their business operations. The principle behind the ladder is that efforts concerning CO₂ are rewarded economically; i.e. the higher score on the ladder, the better the company's assessment in tenders.

We urgently need to decarbonise our energy and transport systems and clean energy technology is metal intensive. The World Bank estimates

that more than three billion tons of new metal will be needed to deploy the necessary wind, solar and energy storage technologies required to keep climate change to below +2°C.

The multi-metal nature of polymetallic nodules means that a deep seabed mining area is, in effect, two or three land-based mines in one, which means there is the potential to reduce waste and CO₂ emissions per tonne of metal mined and minimise several other environmental impacts and social effects associated with obtaining metals.

We need to take a holistic, whole planet, approach to determine the most responsible sources of metals. Diversification of supply will be critical, and polymetallic nodules could be an important part of the solution.

Example actions being taken:

- Each vessel used by GSR strictly follows IMO obligations and standards regarding environmental practices at sea. These standards regulate amongst others air and water emissions.
- Use of biodegradable oils in the equipment, to limit the effects on the environment in case of accidental discharge.
- In depth study of the baseline environment and potential environmental effects of nodule removal in partnership with independent scientists.
- Peer-reviewed scientific study on the life cycle impacts of producing metals from nodules compared to land-based mining.

Measurement of outcomes

We have a reporting system in place that encourages employees, clients and partners to report back if they suspect any wrongdoing. No reports have been filed since the system has been implemented.

Anti-corruption

"Businesses should work against corruption in all its forms, including extortion and bribery"

Assessment, policy and goals

GSR supports the UNGC principles on anti-corruption. In line with our ambitions to create a sustainable business for the long-term, we aim to conduct our business with integrity and actively and proactively prevent corruption or bribery in any form. We respect and protect labour rights in our operations. And crucially, an ethical mindset is embedded within our organization, and we place a great deal of importance on communicating transparently about our ethical performance. The culture of GSR and DEME is one where corruption is not tolerated in any circumstance and is pro-actively discouraged.

Implementation

Our Code of Ethics include our policies on anti-corruption and respond to incidents. Any person may report allegations of past, current, future or suspected material misconduct that may adversely impact DEME, DEME's customers, shareholders, Personnel, investors or the public at large. We ensure employees follow mandatory training courses about ethical awareness.

Measurement of outcomes

We have a reporting system in place that encourages employees, clients and partners to report back if they suspect any wrongdoing in regard to our Code of Ethics. No reports have been filed since the system has been implemented.