



Sperre Sustainability Report 2021



About this report

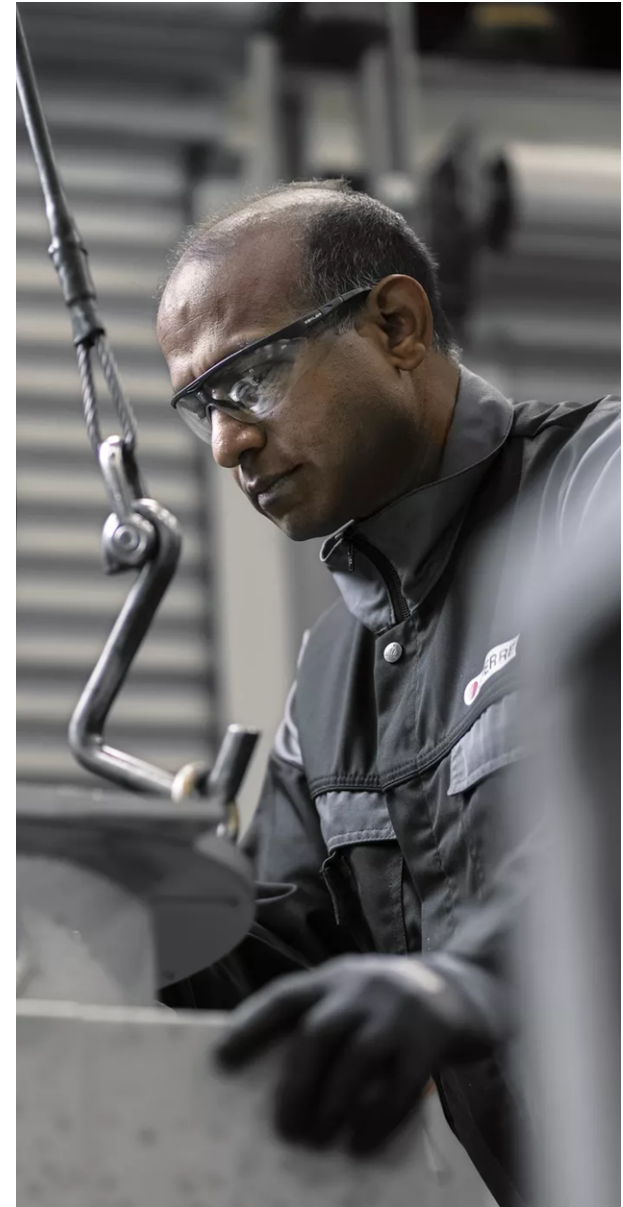
Sustainability is one of the most important and pressing themes of our age. Environmental, Social and Governance (ESG) are the three central factors in measuring the sustainability and ethical impact of a company. ESG factors, though non-financial, have a material impact on the long-term risk and financial performance of a company. Principally, companies that use ESG standards are more conscientious, less risky and are more likely to succeed in the long run.

This report describes the relevance of ESG in the industry that Sperre is operating in. It highlights the key material ESG themes, assesses performance on those themes and provides an action plan to identifying value creation opportunities. The report is updated annually to monitor progress and keep the company focused on achieving our goals of becoming a more sustainable and future-proof company over time.

The report is the result of an independent review by the ESG & Sustainability consulting firm MJ Hudson, commissioned and approved by the board and management of Sperre.

Note: All judgements are, where possible, based on or backed by analyses conducted by MJ Hudson. In cases involving across-category comparisons or result classification, judgements are not always based on objective analyses or data. These judgements are intersubjective in the sense that they are agreed between MJ Hudson and management, and in line with the thinking of industry experts and leading NGOs

This report is the UN Global Compact Communication of progress.



Sperre is a world-leading provider of compressed air system solutions for a broad range of mission-critical applications within the marine transportation industry. Through partnership with our customers and peers, we are developing our product portfolio for sustainable applications for the future vessel types and service offerings.

We support the global transition to a low carbon economy, and we are taking action throughout our complete value chain to reduce our carbon footprint.

Our Sperre Code of Conduct is the most important instrument to make sure we always act with the highest ethical standards and integrity. We ask our significant business partners to be compliant and this is followed up frequently.

Sperre Compressors is a member of the UN Global Compact & UN Sustainable Oceans principles since 2020, and we will continue to provide our support and commitment to the principles years to come.

Ole Nustad
Chief Executive Officer
Sperre Compressors



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Today's industry

- › **Market demand** – Governments, investors and customers are increasingly demanding sustainable action from businesses active in carbon intensive industries. For end-clients in the energy and marine industry, sustainability is becoming an increasingly important criterion – specifically to preserve the marine ecosystem. To meet current and future demands, Sperre is actively working with optimizing the product portfolio with new product applications and life cycle offerings.
- › **Regulation & standards** – The key regulatory body, imposing initiatives affecting sustainability targets in the complete value chain of the maritime industry, is the International Maritime Organization (IMO). IMO's key target is to reduce GHG emissions by 50% and CO2 intensity by 70% from a 2008 level by 2050. Based on their operational criticality, compressed air products and system solutions are certified by a wide range of classification societies chosen by the customer and defined by type of vessel. Other regulations and directives which might come into play are monitored closely.
- › **Industry initiatives** – Industry peers in the Maritime sector appear involved on sustainability topics, especially through showcasing their contribution to realize sustainable ocean business. While some communicate their contribution by means of the SDGs, others are becoming signatories of the UN Sustainable Ocean Principles.

Long-term vision for a sustainable industry

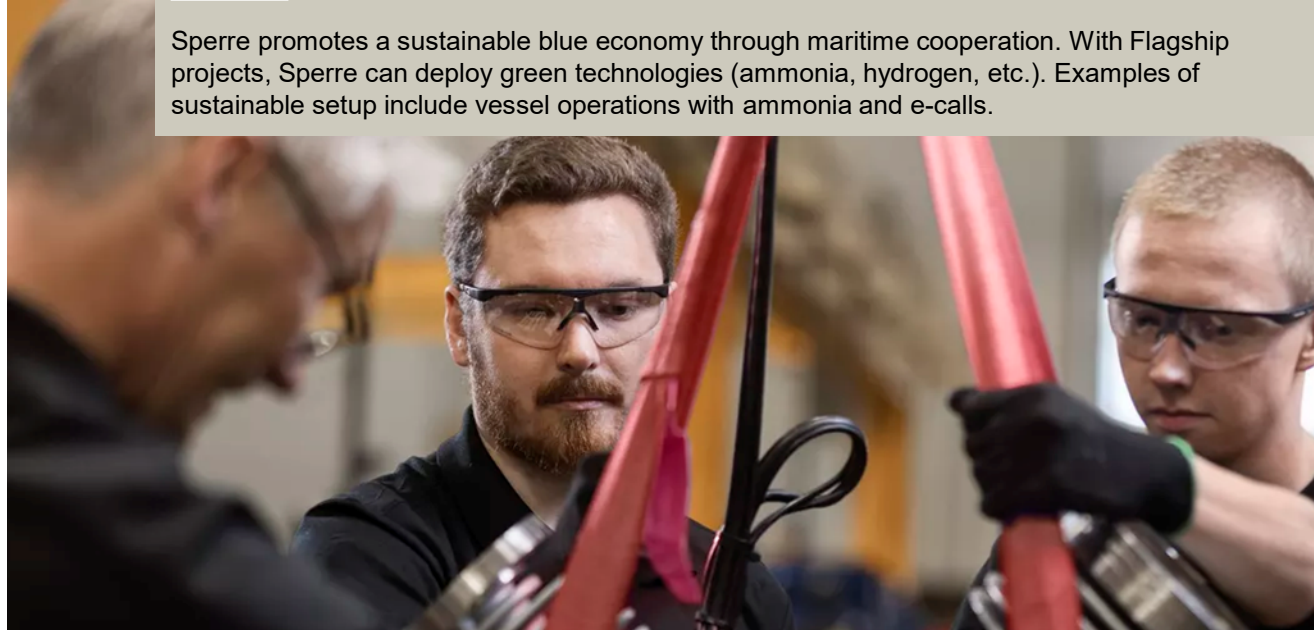


- › The industry has the potential to reach a future-proof state, yet there are conditions for growth. Players in the Maritime industry will need to comply with emerging regulations and targets set by the IMO, such as the IMO 2050 which aims to cut the GHG emissions from the maritime transportation industry by at least 50% by 2050 compared to 2008.
- › Air compressor manufacturers will have to strive towards 100% recyclable materials and elimination of hazardous waste. Initiatives should be continuously developed to improve the life cycle, so that the product contributes positively to a circular economy.
- › The industry will need to shift towards circular business models, thereby minimizing material waste. The integration of sustainability principles into product design will become mainstream to align with shifting demand (e.g., spare parts/design for disassembly). Players ensure an embedded safety culture with adequate safety training and initiatives to promote well-being of employees. The use of low-carbon technologies will reduce the CO2-footprint of operations.

- › Sperre is a global maritime tech company based in Ålesund, Norway. The company develops, produces, delivers and services compressed air systems.
- › Sperre has been in operation since 1938, and today company solutions are found on every fifth ship sailing the World's Oceans.
- › Sperre strives to increase the life of compressors for as long as one's vessel is in operation. By offering predictive maintenance, spare part kits and innovative digital solutions Sperre can deliver dependable air power for decades.
- › To align with customer demands and emission regulations Sperre continuously develop the products and service offerings, strengthening the position as a systems provider with a key focus on digitalization and turning ESG into a source of value creation.
- › Sperre aims to have sustainability at the core of its strategy, risk assessment, and reporting structure. Emerging from a personal mission to deliver dependable air power, sustainability is an integrated part of Sperre.
- › In 2021, Sperre sold Sperre Sveis, the welding unit. All data in this report is excluding Sperre Sveis.
- › Over the past years, Sperre has had uninterrupted operations in light of the pandemic and has managed to keep the full support and services of customers.

Flagship – future proof

Sperre promotes a sustainable blue economy through maritime cooperation. With Flagship projects, Sperre can deploy green technologies (ammonia, hydrogen, etc.). Examples of sustainable setup include vessel operations with ammonia and e-calls.



393

NOKm
revenue

<2%

Absenteeism rate

78%

Carbon intensity
reduction since 2019

92%

Recycled waste

How we look at sustainability



Investigate the industry exposure

First, the relevance of ESG is assessed for the industry that the company operates in, and a long-term vision for a sustainable industry is defined.



Determine key impact areas

Key material themes are highlighted, taking a perspective on the full value chain. They are reviewed on an annual basis.



Assessing performance

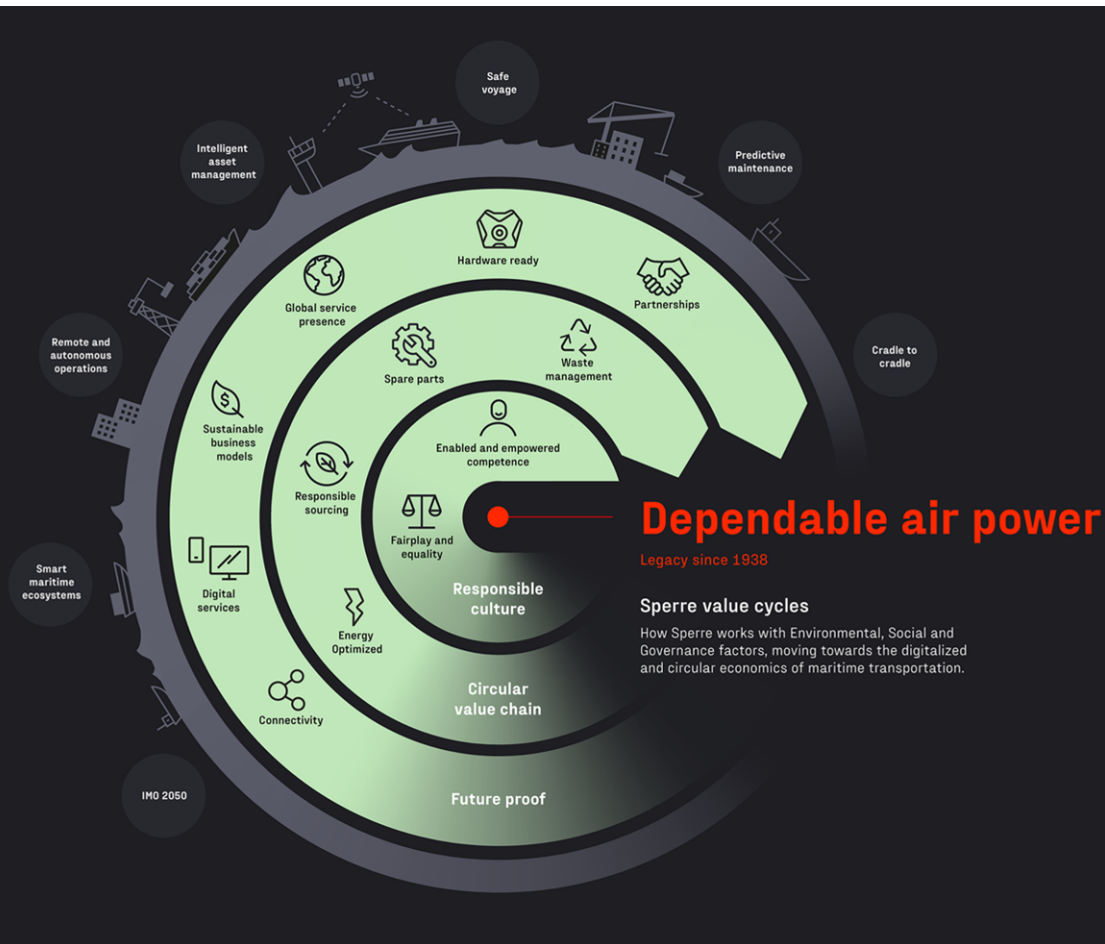
The company's performance on the identified key material themes is assessed, reflecting on relevant initiatives and performance metrics.



Position for the future

Finally, opportunities are identified where ESG and value creation coincide, formulated in actionable priority projects to drive progress.





Sperre response to sustainability

- › Included in the Sperre re-profiling project in 2021, sustainability narratives and ambitions already developed, resulted in the illustration known as the “Sperre value circles”.
- › The outer circle consists of factors that are especially important to Sperre and provides situational awareness of what regulations and trends are present in the market.
- › The inner circles, namely future proof, circular value chain, and responsible culture, explain Sperre’s response.
- › In addition, three ESG focus areas have been defined including “CO2, Competence and Trust”:
 - › CO2: Reduce the carbon footprint of Sperre.
 - › Competence: Enable employees to further develop their competence by means of individual development plans, ensuring certificates are in place and increasing the product portfolio competence – all realised through “Sperre Academy”.
 - › Trust: Ensure Sperre is working in compliance with all laws and regulations. Ensure Sperre is transparent in reporting and keeping risks low.
- › In 2022, Sperre aims to fulfil projects within the scope of these areas.

Overview of the key material themes

9

How Sperre envisions ESG factors at the core of its strategy ties into the key material themes

Description

Sperre supports the transition to a low carbon economy, and takes action throughout the complete value chain to reduce the carbon footprint.

Sperre works with suppliers to ensure responsible conduct. Materials are safe to use, where Sperre strives for a hazard-free environment.

Circularity is fundamental for Sperre and is ensured through materials that can be either repaired, reused, refurbished or recycled.

The safety and well-being of employees are central to Sperre. By developing a high-performance culture within the organization Sperre achieves a highly skilled workforce providing high-quality products.

Tracking the product quality helps ensure a more responsible production. At end-users, products are operated and maintained according to Sperre standards and procedures.

Sperre executes business aligned with social, environmental and ethical requirements.

Sperre's value circles



Link to key material themes¹

Energy & carbon



Material use



Product life cycle



Employee health & safety



Product quality & safety



Sustainability principles



¹Key material themes based on SASB materiality map

Managing the key material themes

10



Energy
Optimized

Energy & carbon



Responsible
sourcing

Material use



Recycling

Product life cycle



Enabled and empowered
competence

Employee health & safety



Spare parts

Product quality & safety



Global service
presence



Sustainable
business
models



Sustainability principles



- › Sperre is focused on lowering its carbon footprint and has set initiatives to do so, such as the energy monitoring system developed and launched together with the electricity supplier. Sperre aims to obtain ISO 50001 by 2023.
- › In 2020, Smartmeters were installed on key process equipment to gain a higher degree of control on energy consumption. The implementation of these Smartmeters is ongoing.
- › Sperre aims to reduce Scope 1 emissions by using electric vehicles and replacing oil heating in paint cabinets in 2022. From 2020 to 2021, Scope 1 already decreased by 44%.
- › Due to travel restrictions related to the pandemic and by promoting video conferencing and designing the product such that clients can perform maintenance themselves, Sperre has reduced air travel-related emissions significantly.
- › Selecting sustainable materials is high on the agenda of Sperre. Whenever new products or revision updates are managed, the environmental aspect of materials is a key decision-making factor. Conflicting minerals and materials included in IHM documentation is closely monitored.
- › The main material used in Sperre's compressors is cast iron, which is recyclable. Some hazardous materials, including paint, cooling fluid and cleaning chemicals, are used in operations.
- › All materials and chemicals in operations are managed in a portal EcoOnline. All employees have access to the portal and can easily find safety data sheets with information related to the personal protective equipment required.
- › In 2021, 97% of input materials were recyclable.
- › Core to Sperre's strategy is to provide products and systems that last the lifespan of the application they are used in, provided they follow the service schedules.
- › The company offers a 'lifecycle concept', featuring 24/7 service, 30 years spare part availability.
- › If clients comply with Sperre pre-defined scheduled maintenance schemes set out in the service manual, the life span of the Sperre air compressors, both piston and screw, will last the life time of the vessel or power plant application.
- › During service of a compressor, some components can be refurbished and reused.
- › Sperre is monitoring the lifecycle of each product and can provide customers with proactive support.
- › Sperre is focused on safeguarding the health and safety of its employees and does so according to ISO 45001/OHSAS 18001 standards (HQ certified since 2013).
- › A health & safety handbook is available with links to procedures, laws and information.
- › Safety representatives are a key resource to ensure H&S of Sperre's employees. During work environment committee reviews, concerns are discussed, and follow-up plans are drafted.
- › From 2020 to 2021, the absenteeism rate decreased from 3.3% to 1.7%.
- › Employee training and development is a high priority at Sperre, supported through Sperre Academy: individual competence mapping and development plans, mandatory certificates and e-learning courses, etc.
- › Sperre's manufacturing location is ISO 9001 certified, and quality assurance departments and procedures are in place to ensure product quality.
- › Products are labelled according to machinery directive requirements and class society standards.
- › Deviations are reported in the quality management system. (Digital) quality checkpoints during manufacturing and final inspection procedures are in place to verify good quality deliveries to customers.
- › There have been zero safety-related incidents concerning products deployed in the field over the past years.
- › A dedicated technical support department provides support on technical issues reported by customers.
- › ESG is part of Sperre's strategy. The management team is continuously working on ESG-related topics within the company.
- › Key governance policies and procedures have been established (e.g. ESG policy). The compliance management system ensures responsibilities are carried out and regulations are met. Sperre complies with all local environmental and social laws.
- › The Code of Conduct is publicly available on the website and addresses Sperre's commitment to ESG stewardship.
- › Sperre is a Signatory of the UN Global Compact and the UN Sustainable Ocean Principles.
- › Three ESG focus areas have been defined including "CO2, Competence and Trust". In 2022, Sperre aims to fulfil projects within the scope of these areas.




Priority projects (1/2)

A selection of projects has been defined that contribute to fulfilling Sperre's sustainability ambition(s).

		
	Energy Optimised	Energy Optimised
Project	100% electric production Norway	ISO 50001
Description	<ul style="list-style-type: none">› Sperre Air Power Norway has the ambition to have 100% electric-powered operations by the end of 2022.› The transition from fossil fuels to electricity for the heating system in paint cabinets is to be completed by May 2022; equipment is ordered. Diesel forklift will be replaced by electrical forklift.	<ul style="list-style-type: none">› As a consequence of 100% electric production, the electricity consumption will increase.› As a response, Sperre will work to become compliant with ISO50001, which means several initiatives to ensure our energy consumption is kept at an optimal level.
Timeline & deliverables	<ul style="list-style-type: none">› Close to 0 emissions in Scope I of the carbon footprint.› By July 2022, the oil heating system for paint cabinets to be replaced.› By the end of 2022, diesel forklift will be replaced by electric forklift.	<ul style="list-style-type: none">› Potential reduction in Scope II emissions.› By the end of 2022, a cross-functional team will be established to work on activities with focus on energy optimization.› ISO 50001 certificate in 2023.

Priority projects (2/2)

A selection of projects has been defined that contribute to fulfilling Sperre's sustainability ambition(s).

			
	Responsible Sourcing	Waste Management	Waste Management
Project	Sustainable packaging	Product disposal	Internal waste management
Description	<ul style="list-style-type: none">› Implement rust protection during packing of all products.› Optimise packing of spare parts.› Replacement of film wrapping machine for spares.› Sperre packaging specification to suppliers.	<ul style="list-style-type: none">› Update product manual with information related to the disposal of piston compressor.	<ul style="list-style-type: none">› Reduce waste intensity (total waste/revenue) compared to 2021, with priority on wood waste.› Awareness training to employees on waste sorting.› Organise waste sorting - Sperre Air Power Norway.
Timeline & deliverables	<ul style="list-style-type: none">› Q1: Implement preservation of all products.› Q2: Optimise packing of spare parts.› Q3: Replacement of film wrapping machine for spares.› Q4: Sperre packaging specification to suppliers.	<ul style="list-style-type: none">› By the end of H1 2022, specification to be implemented in manuals.	<ul style="list-style-type: none">› Standardise packing from suppliers.› Organise waste sorting and ensure proper labeling during 2022.

A man with glasses and a dark shirt is looking intently at a large industrial machine in a workshop. The machine has a large, circular, metallic component in the foreground. The background is slightly blurred, showing other parts of the workshop.

Annex

SPERRE

ZEISS

ZEISS

Climate risk assessment

Type of risk

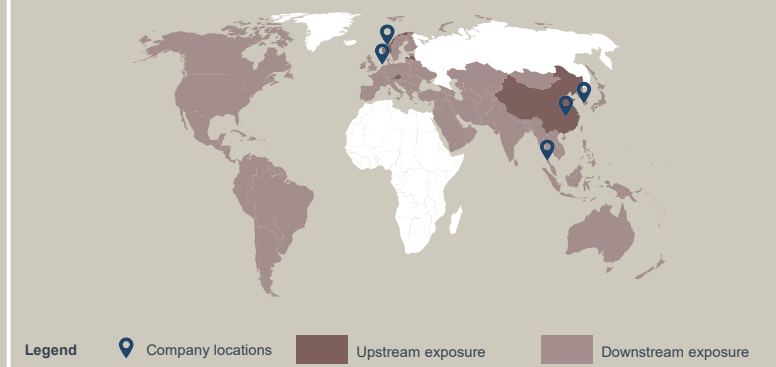
Physical climate risks

Description

To assess exposure to physical climate risks, a company's geographical presence and its upstream and downstream exposure are considered. The risk score takes water stress and country ESG RepRisk into consideration, retrieved from Aqueduct Water Risk Atlas tool – recognized for physical climate risk assessment by the TCFD.

Exposure

Geographical presence Sperre



Risk score

UPSTREAM



Norway and Austria have low exposure to natural disaster and high institutional and socio-economic coping capacity. China and Latvia have medium risk.

OPERATIONS



The headquarters in Norway, located in Ellingsøy, have low water risk stress and high socio-economic coping capacity.¹

DOWNSTREAM

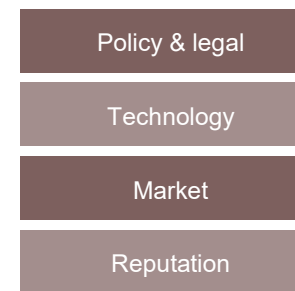


Given Sperre has many clients all over the world, downstream physical climate risk are medium and highly dependent on the client at stake.

Transition risks and opportunities

The transition risk element captures the risks associated with a shift to a low-carbon economy and the opportunity element portrays how well a company is positioned for a shift to a low-carbon economy. An example of a transition risk element would be high costs associated with the transition to lower emission technology.

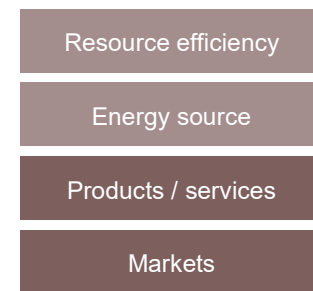
Transition risks



Legend

- Material
- Less material

Transition opportunities



TRANSITION RISK



- **Policy & legal:** Regulatory bodies prioritizing emission reduction, increasing compliance costs.
- **Market:** Driven by regulations, there will be demand for more sustainable & digital shipping systems.


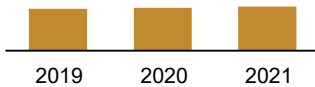

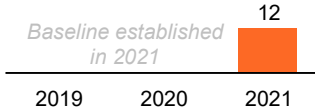

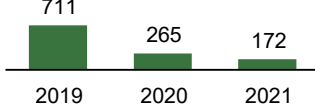

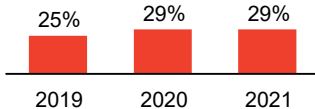

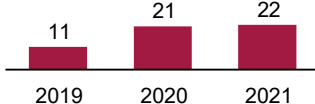
TRANSITION OPPORTUNITIES



- **Products / services:** Development and expansion of low-emission applications and services.
- **Market:** Expansion of applications to meet increasing demand. Sperre product portfolio is considered to be future proof in this respect.

Targeted UN SDGs* for Sperre



15

Company activity	SDG	SDG target	SDG indicator	Company KPIs								
Potentially impactful activities												
Promote sustainable consumption and production patterns	<div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> 	12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle. 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	12.5.1: Recycling rate.	Recycled waste, % IRIS+ (OI2535)  <table><tr><th></th><th>2019</th><th>2020</th><th>2021</th></tr><tr><td>Recycled waste, %</td><td>87%</td><td>89%</td><td>92%</td></tr></table>		2019	2020	2021	Recycled waste, %	87%	89%	92%
	2019	2020	2021									
Recycled waste, %	87%	89%	92%									
Partnerships with customers and peers to develop more sustainable applications	<div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> 	9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.	9.4.1: CO2 emission per unit of value added. ¹	Flagship initiative projects², # <i>Baseline established in 2021</i>  <table><tr><th></th><th>2019</th><th>2020</th><th>2021</th></tr><tr><td>Flagship initiative projects, #</td><td></td><td></td><td>12</td></tr></table>		2019	2020	2021	Flagship initiative projects, #			12
	2019	2020	2021									
Flagship initiative projects, #			12									
Sustainable activities												
Minimise carbon emissions of operations	<div>13 CLIMATE ACTION</div> 	13.2: Integrate climate change measures into (national) policies, strategies and planning.	13.2.1: Number of countries that have communicated an integrated plan for adaptability and resilience to climate change; - For companies: GHG contribution to national emissions.	Carbon footprint, tCO2e IRIS+ (OI1479)  <table><tr><th></th><th>2019</th><th>2020</th><th>2021</th></tr><tr><td>Carbon footprint, tCO2e</td><td>711</td><td>265</td><td>172</td></tr></table>		2019	2020	2021	Carbon footprint, tCO2e	711	265	172
	2019	2020	2021									
Carbon footprint, tCO2e	711	265	172									
Empower women throughout all levels in the organisation	<div>5 GENDER EQUALITY</div> 	5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.	5.5.2: Proportion of women in managerial positions.	Women on the board, % IRIS+ (OI2444)  <table><tr><th></th><th>2019</th><th>2020</th><th>2021</th></tr><tr><td>Women on the board, %</td><td>25%</td><td>29%</td><td>29%</td></tr></table>		2019	2020	2021	Women on the board, %	25%	29%	29%
	2019	2020	2021									
Women on the board, %	25%	29%	29%									
Create safe working environment	<div>8 DECENT WORK AND ECONOMIC GROWTH</div> 	8.8: Protect labour rights and promote safe and secure working environments for all workers.	8.8.1: frequency rates of fatal and non-fatal occupational injuries, by sex and migrant status.	Accident rate, #/1,000 FTE IRIS+ (OI3757)  <table><tr><th></th><th>2019</th><th>2020</th><th>2021</th></tr><tr><td>Accident rate, #/1,000 FTE</td><td>11</td><td>21</td><td>22</td></tr></table>		2019	2020	2021	Accident rate, #/1,000 FTE	11	21	22
	2019	2020	2021									
Accident rate, #/1,000 FTE	11	21	22									

*United Nations Sustainable Development Goals

¹Goal is to establish baseline with life cycle assessment of (key) products and monitor progress accordingly; ²Include flagships in the category "Flagship promotion" which is projects with new green technology, such as full electric, etc. In addition, but not reported, there is a separate category called "Flagship value", which is vessels with dual fuel, biofuel, LNG, etc. In this category, Sperre has delivered a significant higher number of compressors.

Potentially impactful SDG activities

		□	≡	○	+	△
Company activity	SDG	What	How much	Who	Contribution	Risk
Promote sustainable consumption and production patterns <i>Providing compressor spare parts</i>		<p>Sperre has developed service intervals and spare part kits with instructions to ensure a long and economically sustainable product life for compressors.</p>	<p>Sperre promotes sustainable consumption and production by preventing waste generation and recycling the materials within the value chain. The baseline for how much to be established, potentially with LCA data.</p>	<p>Customers benefit from the extended durability of their compressors. In turn, reducing waste downstream.</p> <p>Simultaneously, the environment benefits from Sperre as the focus on circularity avoids further extraction of raw materials to create compressors.</p>	<p>Sperre's compressors are designed to last. Follow the preventative maintenance routines and its client receives dependable air power for the lifetime of their vessel or plant in return. As part of their life cycle support, 30 years of spare parts availability is guaranteed.</p>	<p>Use of energy-intensive transport solutions to ship spare parts to customers globally.</p>
Partnerships with customers and peers to develop more sustainable applications		<p>Engaging in Flagship projects help promote a sustainable blue economy through maritime cooperation.</p>	<p>Sperre currently has 12 Flagship promotion projects, focused on green technology (ammonia, hydrogen etc.) and is looking to expand the number of Flagship projects.</p>	<p>Positive impacts are experienced by the global community through the reduction of carbon emissions in the maritime sector.</p>	<p>Sperre are a preferred partner which provide future-proof applications to support the decarbonisation of the maritime industry.</p>	<p>Uncertainty in the industry in what future fuels is the long term solution, to meet IMO2050, This is pushing asset life of vessels.</p>

The SDG assessment highlighted impactful activities. Using the Impact Management Project's five dimensions of impact framework, the scope and potential of impact of Sperre's company activities is assessed.

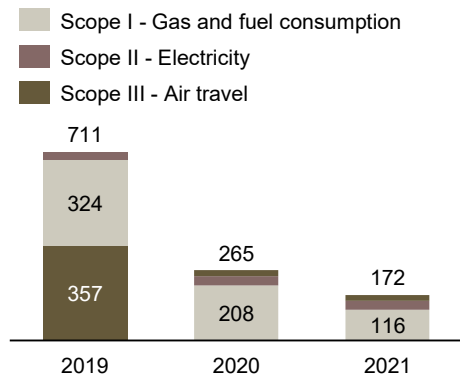
A woman with long blonde hair, wearing a black t-shirt, is working on a circuit board in a factory setting. She is using a screwdriver to work on the board. The background shows industrial equipment and lights.

— Performance on key material themes

Energy & carbon

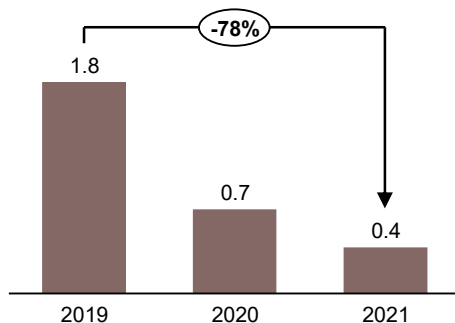
CARBON FOOTPRINT^{1,2}

tCO₂e



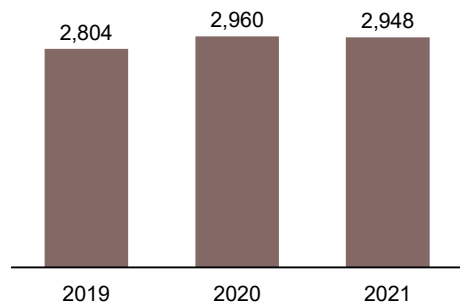
CARBON INTENSITY^{1,2}

tCO₂e / NOKm



ELECTRICITY CONSUMPTION

MWh



- › Most of the carbon footprint in 2021 can be attributed to Scope I emissions resulting from the fuel consumption of company vehicles as well as the oil heating system used for process equipment. Company diesel vehicles in Norway were replaced by electric vehicles in 2021.
- › Due to Covid-19 pandemic from 2019-21, travel was highly restricted, and an increase in use of video conference systems was established, both for customer meetings as well as technical support. In turn, driving a scope III (air travel) reduction over time.

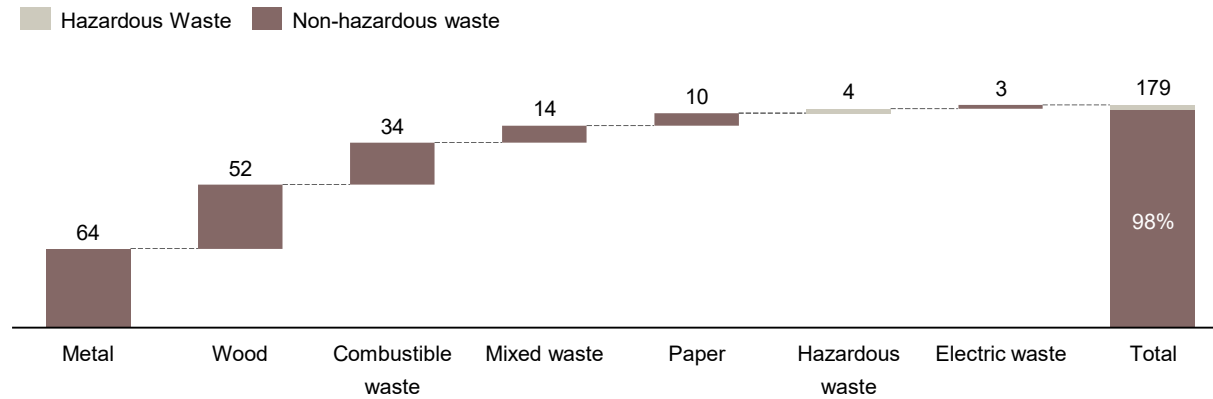
¹ As defined by The Greenhouse Gas Protocol; The carbon footprint is an estimate expressed in equivalent tonnes of carbon dioxide (tCO₂e); ² Following Sperre internal carbon footprint calculations, the Norwegian electricity has been calculated with the emission factor 8 gram CO₂e/kWh, as defined by the NVE. Source: NVE, Greenhouse Gas Protocol, Company data, MJ Hudson assessment

Material use – waste streams

19

TOTAL WASTE (OPERATIONS)

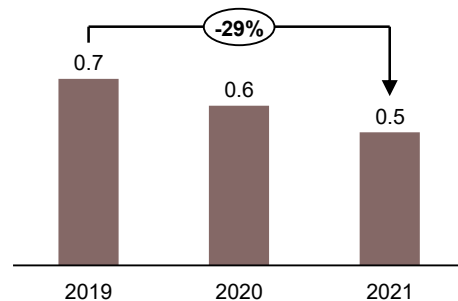
Tonnes



- › Sperre sources sustainable materials whenever possible, for instance recycled packaging materials.
- › Waste is organized into separate streams to allow monitoring and performance assessments (e.g., paper, wood, metal, batteries, electrical waste).
- › Waste is handled by an authorized waste management firm, that treats and monitors hazardous waste. Waste is one of the internal KPIs that reviewed on a monthly basis.

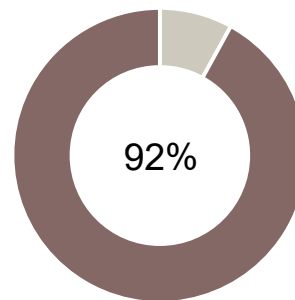
WASTE INTENSITY

Tonnes / NOKm revenue



RECYCLED WASTE

%



Product lifecycle

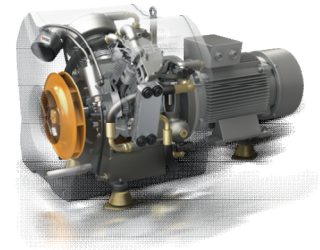
Through cooperation with customers, Sperre knows how to meet the most stringent requirements and can supply compressed air solutions for a broad range of mission-critical applications. The company delivers state-of-the-art compressor systems with full life cycle support. The circularity of its products is a key part of the future strategy.

Sperre's Product Lifecycle Strategy

- › Sperre's strategy is to provide products and systems that last the lifespan of the applications they are used in.
- › Sperre offers a 'lifecycle concept', featuring 24/7 service, 30 years spare part availability and additional value offerings for lifecycle support.
- › The average lifespan of Sperre's piston air compressors is 30 years, and screw compressors have an average lifespan of 35,000 hours. If clients comply with the procedures set out in a service manual, a longer lifetime of the compressor can be expected.
- › Sperre is taking steps to add waste information and end-of-life procedures in the service manual provided to all clients. Most components in Sperre's products are recyclable.

Innovations

Working together with customers and suppliers, Sperre is constantly making improvements and refinements to its solutions. The result is important benefits and large savings during the entire life cycle of the product, from engineering to decommissioning or recycling.

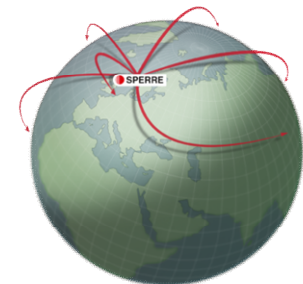


30 years of spare parts availability

With the right maintenance routines, a Sperre compressor is designed to last for the lifetime of the vessel. As part of the Life Cycle Concept, Sperre guarantees that they will stock wear & tear parts and accessories for at least 30 years from the installation of the system.

Lifecycle support

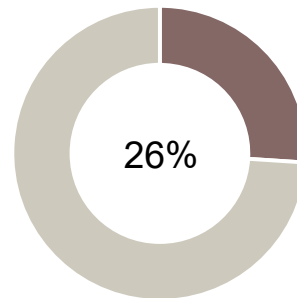
With 24/7 service, unique logistics, a 30-year spare part guarantee and a global network, the company has fulfilled lifecycle support for more than 50 years. To meet future demands, there are ongoing projects focusing on additional service offerings, such as preventive maintenance resulting in more eco-friendly distribution of components. Currently, there are 3 use cases which are fully connected for continuous monitoring of the Sperre application.



Employee health & safety

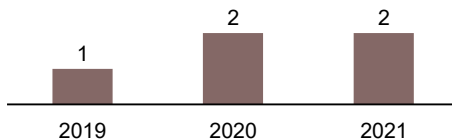
DIVERSITY

% of female FTE



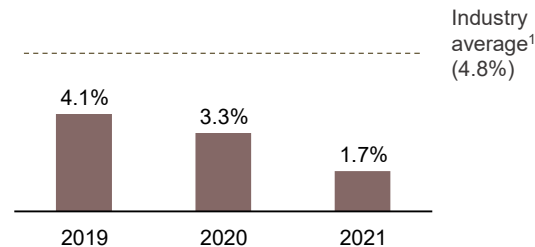
ACCIDENTS

#



ABSENTEEISM RATE

%



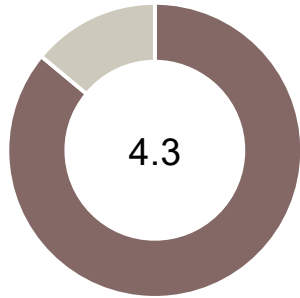
- › A H&S handbook is available online with links to laws and information.
- › H&S conditions are well monitored; both 'unwanted situation' and 'incidents'. Both categories are evaluated, and actions are taken to prevent this in the future.
- › 2 accidents occurred in 2021 with more than 3 days absence.
- › Sperre believes in building a more dynamic and trainable workforce. Some employees over 50 years old have been recruited since they master specific competencies.
- › A training program is in place for skilled workers and additional mandatory courses are provided related to certifications. 1.5% of the total payroll has been budgeted for training purposes.
- › Cooperation between departments in various projects provide great "on the job training" for all employees.
- › Sperre arranges activities to motivate employees to have a healthy, active and well-balanced lifestyle.

¹Retrieved from SSB, transportation and storage industry which includes the maritime sector

Product quality & safety

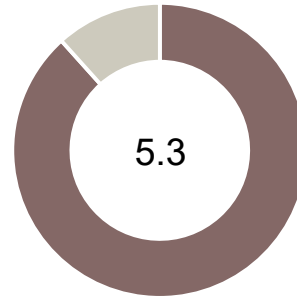
DOMESTIC CUSTOMER SATISFACTION

5-point scale, 2021



GLOBAL CUSTOMER SATISFACTION

6-point scale, 2021



- › Domestic surveys are conducted by Incentra (purchased organization handling ~40 ship owners and managers in Norway) on an annual basis. Ten criteria are evaluated. Sperre was rewarded with an average score of 4.3/5.0 in 2021.
- › Global surveys, conducted by Pulsana every second year, based on the data from the domestic survey to facilitate comparison between the two surveys. Surveys are sent out to all customers with invoices at Sperre in the past 12 months. The most recent global survey was conducted in 2021, with scoring of 5.3/6.0.

Sustainability policies, certificates and targets

- › Key governance policies have been established by Sperre and embedded into operations, including ESG, anti-trust, health & safety, whistleblowing, diversity, gifts, data security policies are in place. Employees receive training on relevant policies in their department.
- › Sperre is ISO 14001 and ISO 45001 certified.
- › Sperre has ESG KPIs and targets in place related to carbon emissions, competence development, flagship initiatives, etc.

Engagement & responsibility of the Board of Directors

- › Sperre has dedicated staff responsible for ESG-related topics.
- › In board meetings, ESG is part of the overall agenda for all meetings, and as a specific theme at least once a year.

Risk inventory and evaluation

- › All major risks are defined and available in the health & safety handbook (part of the ISO 45001 certified management system).
- › Risk assessments are carried out periodically in all departments; follow-up action is taken if required. Sperre is continuously working to reduce hazard exposure on-site.



Quality of monitoring systems

- › The production facility in Norway is ISO 9001 certified. Sperre has a quality assurance department and procedures in place for quality assurance and testing.
- › Sperre's products are strictly approved by a third party and CE marked accordingly. No serious claims related to safety occurred in the last years.
- › Quality assurance checks are performed, including measurement controls, testing and performance documentation.

Ensuring supplier compliance to Sustainability standards

- › The Supplier Code of Conduct is provided to all suppliers and must be signed for compliance purposes. Internally, Sperre has an overview of the suppliers' code of conduct to ensure alignment with supplier standards. Supplier business reviews are conducted on an annual basis.
- › A separate Purchasing policy is available and communicated to suppliers.

Transparency and reporting

- › The sustainability report outlines Sperre's main initiatives with respect to ESG and is issued on an annual basis.
- › Sperre is committed to supporting the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption.
- › The Sperre website has an extensive ESG statement and discloses the company's life cycle concept and sustainability ambitions.

An aerial photograph of ocean waves, showing white foam and deep blue-green water. The image is split vertically, with the left half showing the textured surface of the water and the right half being a solid light beige color.

--- UN Principles

The UN Global Compact



The Ten Principles:

Human rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights 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; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

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 commitment

Sperre commits to ensuring that basic responsibilities to the people and planet are integrated into strategies, policies and procedures, and having a culture of integrity. Sperre will publicly disclose its commitment to the ten principles of the *UN Global Compact*.

Sperre operates in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption by having policies and practices:

- › Supporting and respecting human rights by providing safe and healthy working conditions; quantified through accident (#) and absenteeism rate.
- › Requesting our suppliers to be compliant to our Code of Conduct to ensure human rights and proper working conditions is respected at the supplier,
- › Respecting international guidelines and standards to ensure we are not complicit in human rights abuses.
- › Giving workers the right to form and join a trade union of their choice without fear of intimidation or reprisal, in accordance with national law.
- › Ensuring proper labour and working conditions, to safeguard the health and safety of the employees and to promote the development of the communities in which it operates.
- › Believing in equal opportunities and being a stimulating workplace with an inclusive working environment; quantified remuneration of women to men and ensuring no harassment, discrimination or bullying occurs.
- › Developing sustainability targets and indicators.
- › Implementing technologies that have a lower environmental impact.
- › Providing systematic training related to anti-bribery & corruption.

UN Sustainable Ocean Principles



Principles

Principle 1: Assess the short and long-term impact of their activities on ocean health and incorporate such impacts into their strategy and policies.

Principle 2: Consider sustainable business opportunities that promote or contribute to restoring, protecting or maintaining ocean health and productivity and livelihoods dependent on the ocean.

Principle 3: Take action to prevent pollution affecting the ocean, reduce greenhouse gas emissions in their operations to prevent ocean warming and acidification, and work towards a circular economy.

Principle 4: Plan and manage their use of and impact on marine resources and space in a manner that ensures long-term sustainability and take precautionary measures where their activities may impact vulnerable marine and coastal areas and the communities that are dependent upon them.

Principle 5: Engage responsibly with relevant regulatory or enforcement bodies on ocean-related laws, regulations and other frameworks.

Principle 6: Follow and support the development of standards and best practices that are recognized in the relevant sector or market contributing to a healthy and productive ocean and secure livelihoods.

Principle 7: Respect human-, labour- and indigenous peoples' rights in the company's ocean related activities, including exercise appropriate due diligence in their supply-chain, consult and engage with relevant stakeholders and communities in a timely, transparent and inclusive manner, and address identified impacts.

Principle 8: Where appropriate, share relevant scientific data to support research on and mapping of relevance to the ocean.

Principle 9: Be transparent about their ocean-related activities, impacts and dependencies in line with relevant reporting frameworks.

Our commitment

Sperre commits to ensuring that material ocean-related risks and opportunities are integrated in corporate strategy, risk management and reporting. Sperre will publicly communicate on its commitment to endorse the *UN Global Compact Sustainable Ocean Principles*, including through the UN Global Compact annual Communication on Progress – in the spirit of continuous improvements.

Sperre is committed to:

- › Continuously investigate freight & supply procedures in order to identify efficiency gains that would minimize environmental impacts.
- › Continuously improve our applications to reduce the GHG footprint
- › Reducing emissions by lowering our energy consumption. We are working to reduce our carbon footprint of everyday and we intend to offset remaining CO2 emissions from air travel.
- › Reporting annually on the usage of our products to the relevant authority.
- › Using standards and best practice guidelines within our industry and markets.
- › Working according to the Working Environment Act to secure all the human-, labour- and indigenous peoples' rights both for own employees but also for suppliers.
- › Maintaining transparency in reporting while aligning to frameworks to disclose impacts, dependencies and ocean related activities.