

ESG Report 2019

A proactive approach to corporate social responsibility and sustainability has long been an integrated part of the day-to-day business in GC Rieber Shipping. GC Rieber Shipping's culture embraces the need for constantly pushing standards further and to contribute to an even larger matter. We are proud to see several important measures implemented to minimise the Group's footprint in the environment and enhance social responsibilities.

GC Rieber Shipping has in recent years shifted its business towards the offshore renewables sector, constituting almost half of the Group's income in 2019. As part of the Group's strategy, several projects targeting this sector are currently ongoing. Significant parts of GC Rieber Shipping's business, however, has been and still are within the oil and gas industry. GC Rieber Shipping is committed to perform its delivery towards this industry in the most efficient way, with the lowest possible environmental impact.

Focus on corporate social responsibility and sustainability has in a short amount of time gained significant attention from several important stakeholders. For GC Rieber Shipping, the subject comes up on a daily basis both internally and with external stakeholders such as customers, employees, owners and financial institutions to name a few.

GC Rieber Shipping wishes to play its part in shifting the offshore industry towards a better tomorrow.

ESG STRATEGY

GC Rieber Shipping has a steadfast commitment to good environmental practices, corporate social responsibility and corporate governance (ESG). International sustainability programs are supported by actively using know-how and competence to drive economic, environmental and social development through own initiatives and efforts. A solid ESG strategy is also proving essential for reaching GC Rieber Shipping's quality objective of client satisfaction above expectations.

GC Rieber Shipping shares ethical guidelines, basic corporate values and guidelines for corporate social responsibility with the GC Rieber group. The guidelines provide general principles for business practice and personal behaviour and are intended to form a platform for the attitudes and basic vision that should permeate the culture in the GC Rieber group, and how these relate to the value creation by the GC Rieber group. In addition, the GC Rieber group has been a member of the UN Global Compact since 2010, and GC Rieber Shipping is thereby committed to integrating UN Global Compact's ten principles as part of its business strategy.

THE UN SUSTAINABLE DEVELOPMENT GOALS

"The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth - all while tackling climate change and working to preserve our oceans and forests."

promoting these principles vis-à-vis partners and reporting on activities and improvements when it comes to these ten principles. Please refer to the annual report and the website for the GC Rieber group for a closer description.

GC Rieber Shipping's ESG-reporting is based on the Sustainable Development Goals (SDGs) adopted by the United Nations in 2015, which set out 17 goals to improve environmental sustainability, social inclusion, and economic development by 2030. Through thorough assessments, GC Rieber Shipping has identified and prioritised a range of SDGs where the Group believe it has the greatest opportunity to make a positive contribution. The Group assess its prioritised range of SDGs on a regular basis, giving an opportunity to shift priorities over time.

GC Rieber Shipping apply key performance indicators (KPIs) to track performance. However, a clear objective is to develop further measurable targets to be included in the future ESG reporting. On a general note, GC Rieber Shipping welcome industry specific standardised measures and performance indicators.

GC Rieber Shipping holds certifications according to the International Safety Management (ISM) Code, ISO 9001 standard (quality management) and ISO 14001 standard (environmental management).

HEALTH AND SAFETY

Safeguarding our people is the overall objective in everything we do. The constant search for ways to improve safety performance is embedded in GC Rieber Shipping's culture. Each and every employee and contractor of the Group is responsible for:

- seeking and sharing relevant knowledge related to safe work;
- being a positive influence and contributor to a strong safety culture;
- creating a trusting work atmosphere to support intervention in unsafe conditions;
- being diligent in efforts to ensure integration of safety; and
- being creative and dare to question "truths" in the pursuit for improvement opportunities and innovation.

Through its risk management principles, GC Rieber Shipping has ambition to ensure the good health and well-being of all employees. Measurable key performance indicators monitor the effect of the activities performed within the area.

There were two lost time injuries registered on board vessels operated by GC Rieber Shipping in 2019 (one in 2018). Sick leave in 2019 was 1.0% (0.6% among marine crew and 2.4% (2.5%) in the shore organisation.

UN SUSTAINABLE DEVELOPMENT GOALS

In GC Rieber Shipping, we believe in corporate social responsibility and sustainable development within our entire business operation. We believe that companies can better support international sustainability programs by actively using their know-how and competence to drive economic, environmental and social development through own initiatives and efforts.

GC Rieber Shipping has evaluated and assessed the 17 SDGs, placing them in different dimensions based on the Group's business. The different dimensions are defined by magnitude of effect and type of effect, targeting the SDGs where the Group has the ability to have direct impact with high effect. The aim is to identify where GC Rieber Shipping has the best opportunity to make a difference. Not, however, implying that the remaining SDGs are considered less important.

The following five SDGs have been defined as areas of focus in GC Rieber Shipping

INDUSTRY SPECIFIC IMPACT AREAS

Ensure access to affordable, reliable, sustainable and modern energy for all



Take urgent action to combat climate change and its impacts



Conserve and sustainable use the oceans, seas and marine resources for sustainable development



GENERAL IMPACT AREAS

Achieve gender equality and empower all women and girls



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels



INDUSTRY SPECIFIC IMPACT AREAS



SDG 7: AFFORDABLE AND CLEAN ENERGY

Ensure access to affordable, reliable, sustainable and modern energy for all

Relevant goal 7 targets for GC Rieber Shipping:

- By 2030, increase substantially the share of renewable energy in the global energy mix
- By 2030, double the global rate of improvement in energy efficiency

As part of GC Rieber Shipping's strategy, the Group has in recent years increased its activities towards offshore renewable energy. In 2019, almost half of the Group's operating income was from the renewable energy industry.

GC Rieber Shipping's vessel Polar Queen is equipped with a gangway that allows service personnel to access offshore wind turbines for commissioning and service directly from the vessel. With a capacity of 119 persons, the vessel also serves as a flotel

allowing effective installation and operation of wind parks far off the coastline. Furthermore, GC Rieber Shipping deliver vessels and services for offshore cable laying and trenching, contributing to distribution of renewable energies worldwide.

GC Rieber Shipping continues to hold investments and responsibly serve clients within the oil and gas sector markets. However, the company's ambition is to gradually shift its exposure towards renewable industries.

The market for offshore wind is in rapid development and the focus on innovation is rising. GC Rieber Shipping has a unique track record of repositioning for new markets and will continue to pursue attractive opportunities. Specifically, the company is seeking to develop innovative ship designs with a sustainable profile and reduced climate footprint throughout the vessel's life.

The Group aims to reduce the general energy consumptions in own operation, including several fuel-efficiency measures more thoroughly described under SDG 13 and 14. The vessels seek to use shore power in port whenever possible, eliminating the fuel combustion and subsequent release of greenhouse gases.



SDG 13: CLIMATE ACTION

Take urgent action to combat climate change and its impacts

Relevant goal 13 targets for GC Rieber Shipping:

- Integrate climate change measures into (national) policies, strategies and planning
- Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

The Group has an objective of zero uncontrolled releases of harmful substances in the natural environment. The Group's operations are conducted in accordance with international shipping standards and the Group has a proactive approach to compliance with existing and future environmental requirements.

In close collaboration with designers, shipyards and equipment suppliers, the Group makes use of the at any time best available technological solutions to build and operate vessels with minimal risk of releasing environmentally hazardous substances into air and water.

GC Rieber Shipping is committed to lowering the greenhouse gas (GHG) emission intensity of its operations. Fuel consumption is the main source of such emissions. GC Rieber Shipping has several measures in place to reduce GHG emissions, the measures are collectively referred to as Green Operations (ref. fig.1). Green Operations include various fuel efficiency measures which are defined in the Ship Energy Efficiency Management Plans (SEEMP). Monitoring and statistical analyses of fuel consumption verifies best-practice for energy efficient engine operations. Anti-fouling paint on the hulls reduces growth of barnacles and subsequently lower fuel consumption due to less friction. Other means to reduce the energy consumption onboard the vessels have been taken with means such as shore power capabilities and use of LED. GC Rieber Shipping aim to further reduce GHG emissions through improved fuel monitoring, training of key personnel and implementation of measurable targets. Efficient fuel operations include speed/thruster optimisation, voyage planning, weather routing and optimum use of trim, ballast and autopilot to name a few.

The vessels are equipped with selective catalytic reduction (SCR), which is an advanced active emissions control technology system that injects a liquid-reductant agent through a special catalyst (urea) into the exhaust stream of a diesel engine. By using urea as a reductant, NOx emissions are reduced. The SCR can reduce NOx emissions up to 90%. All fuel taken on board the vessels are logged in the Environmental Ship Index, which is designed to improve the environmental performance of sea going vessels.

GC Rieber Shipping also has other internal activities such as preparedness for acute pollution from vessels, using environmentally friendly products and environmental management plans. Measures are implemented to manage logistics in the most efficient and environmentally friendly way. For example, planning ahead and send larger shipments by containers when sending parts and goods to the vessels, rather than smaller and more frequent shipments by airfreight.

GC Rieber Shipping has acknowledged the importance of immediate climate actions and factors in this understanding when developing corporate strategies and activities. Furthermore, the company aims to raise awareness and understanding of climate change and the role of the shipping industry among clients, investors, employees and other stakeholders.



Fig.1: Share (%) of transits and DP operations categorised as Green Operations



SDG 14: LIFE BELOW WATER

Conserve and sustainable use the oceans, seas and marine resources for sustainable development

Relevant goal 14 targets for GC Rieber Shipping:

- *By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution*
- *By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans*
- *Minimize and address the impacts of ocean acidification, including through enhanced scientific cooperation at all levels*

GC Rieber Shipping operates on and in the oceans. Our commitment is to ensure that our operations have minimal impact on the ocean's ecosystems.

All vessels follow the mandatory MARPOL which regulates discharge and waste from vessels. All garbage produced on board are segregated and logged; and measures are in place to reduce garbage in general, and plastics in particular. Plastic recycling/reduction targets is set for us and relevant suppliers. Whenever possible, waste and litter found in the ocean are taken onboard and treated as per MARPOL regulations. Ghost nets, plastics and other waste getting attached to the in-water equipment are removed from the oceans and brought to shore for proper disposal. All vessels are also compliant with the IMO Ballast Water Management convention.

GC Rieber Shipping's has taken its owned vessels above and beyond the applicable environmental legislative worldwide standards for shipping as they are classified as "Clean Design" by DNV-GL. This is an optional classification, giving further requirements on emissions to air (fuel oil management plan, NOx and SOx emissions, firefighting substances and shipboard incinerators), discharges to sea (oil bunkering arrangements, ballast and bilge water, garbage, sewage and anti-fouling to prevent growth and transfer of alien species) and environmental responsibilities. All owned vessels have stricter oily tank protection, 5ppm oily bilge separators and alarms and approved ballast water treatment systems.

The Group is in compliance with the Hong Kong Convention for ship recycling. The Group aims to have a modern fleet at all times. Responsible ship recycling clauses is included whenever vessels are sold.

GC Rieber Shipping has several measures in place to mitigate ocean acidification through reducing NOx and SOx emissions in own operations as described under SDG 13.

Efforts are in place to minimise the effect of produced acoustic noise from seismic vessels on marine mammals, by identifying appropriate operational measures when sailing in environmentally sensitive areas. This is ensured by having marine mammal observers and passive acoustic monitoring on board.

Garbage picked up from sea during operation

Turtle freed from ghost nets



GENERAL IMPACT AREAS



SDG 5: GENDER EQUALITY

Achieve gender equality and empower all women and girls

Relevant goal 5 targets for GC Rieber Shipping:

- End all forms of discrimination against all women and girls everywhere
- Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life

GC Rieber Shipping is committed to be an equal opportunities employer. The Group embraces a positive and inclusive working

environment, characterised by equality and diversity. GC Rieber Shipping does not accept discrimination of any kind of its employees or other parties involved in the Group's activities. This includes any and all unjust treatment, exclusion or preference based on gender, ethnicity, age, sexual orientation, disability, religion, political persuasion or other circumstances.

The Group operates a policy of complete equality between male and female workers at all levels in the organisation,

based on the assumption that an even gender distribution will contribute to an improved working environment and to greater adaptability and improved earnings for the Group in the long run. However, the number of qualified applicants for some of the Group's vacant positions offshore has been limited. As at 31 December 2019, 5% (7% in 2018) among the marine crew and 38% (36%) of the land organisation were women. The Management team consisted of 6 men and 1 woman, and the Board of Directors had 40% female representation.

The Group acknowledges that the industry in which it operates has had, and still has an overweight of male representation. Through the day-to-day business GC Rieber Shipping will commit to continue to:

- support women's leadership and ensure sufficient participation of women in decision making and governance bodies at all level and across all business areas;
- implement gender-sensitive recruitment and retention practices and ensure equal access to all company-supported education and training programs;
- include non-discrimination clauses in supplier code of conduct policies and support suppliers in advancing gender equality and women's empowerment;
- ensure that business activities, products and services respect the dignity of women, and do not reinforce harmful gender stereotypes.



SDG 16: PEACE, JUSTICE AND STRONG INSTITUTIONS

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Relevant goal 16 targets for GC Rieber Shipping:

- Substantially reduce corruption and bribery in all their forms
- Develop effective, accountable and transparent institutions at all levels

Making sure the business support and respect the protection of internationally proclaimed human rights and making sure that the business is not complicit in human rights abuses is an integrated part of GC Rieber Shipping's organisation and operations. GC Rieber Shipping supports the GC Rieber Group's strategy to promote human rights through its membership in UN Global Compact, further information about the membership in UN Global Compact is available in the GC Rieber Group's annual report and website.

GC Rieber Shipping's commitment to operate responsibly and to respect local laws and regulations is absolute. Implications of relevant laws are communicated to employees through policies and trainings, and effective, accountable and inclusive institutions are built at all levels.

The shipping industry is generally exposed to potential risks

relating to corruption and facilitation payments, particularly in relation to the use of agents and for port calls. GC Rieber Shipping has a zero-tolerance approach to corruption and bribery at all levels. The Group actively promotes transparency, counteracts corruption and bribery and has several anti-corruption measures in place with mandatory training of anti-corruption for all employees. The training raises awareness about corruption and provides guidelines on how to handle threats of corruption. The Group also work together with peers and other stakeholders to avoid bribery and corruption taking place in the supply chain.

GC Rieber Shipping has clear procedures for incident reporting and whistle blowing and has created a work environment which encourages incident reporting and whistle blowing.

The Group is qualified through the Achilles network, a worldwide community dedicated to raising standards and doing business in ways that benefit everyone. GC Rieber Shipping is committed to focus on business ethics and risk management, and to establish effective, accountable and transparent governance structures.

