

# Sustainability Report 2022



# Letter from the CEO



Adaptability and patience were words used the last time I wrote the introduction to our Sustainability Report. 2022 was yet another highly unpredictable year. The on-going war in Ukraine with all its ripple effects, combined with macroeconomic difficulties, has challenged societies, businesses and people all over the world. In addition to this, it is vitally important that we do not forget that we have major climate issues to solve, and it is urgent.

**Our strategic vision** is to improve our customers' competitiveness by delivering systems and services giving reduced life-cycle costs, high operational reliability and reduced emissions. This vision remains unchanged. Entering 2023, we have strong initiatives to support this vision:

- **Further accelerating the development of new products & services**, adding even more resources to our highly skilled development teams.
- Continued **investment** to ensure world-class manufacturing and minimal footprint from our integrated value chain.
- An established **roadmap** to ensure that we reach ambitious ESG goals. To mention an example, **"Greenhouse gas accounting" for scope 1-3** will be delivered in 2023.
- In 2022 we started to work on the **"Norwegian Transparency Act"** which will continue in 2023 to ensure compliance and reporting. Reviewed and updated versions of our Ethical Guidelines and Supplier Code of Conduct are available on our website.
- **Our people** are our most important asset, by far. Attracting, developing, and retaining the best people is at the heart of our corporate strategy.

The maritime industry has its ups and downs. The outlook for Brunvoll's markets for the next years, both in renewables and other traditional segments, is promising. However, as a 110-year-old family-owned group, it is important to bear in mind the **long-term perspectives of building a sustainable business**.

In the last few months of 2022, we finalised our **Strategy for 2023-2025**. This spring we will spend significant time together with all employees to ensure that we have a common understanding of Brunvoll's strategic goals. Only when we have a common understanding of the strategy, we can work together effectively and with dedication to reach our ambitions.

Our values, **Reliable, Committed and Responsible** are core elements of our strategy. Every day, we will strive to make all stakeholders associate us with these values. This is not easy, nor will we ever see the end of this process, but we remain persistent in our efforts acting in line with our core values.

**From all of us in Brunvoll; keep working together. Together we can shape a better future!**

**Kåre Øyvind Vassdal**  
Group CEO, Brunvoll

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# Key figures 2022

	Unit	Target	2022	2021	2020	2019
Employees (own)	Total number		490	470	500	488
Employees (hired)	Total number		5	5	6	12
Own employees in %	Total number	98,0 %	99,0 %	99,0 %	99,0 %	99,0 %
Apprentices	Total number		29	36	35	26
Apprentices in %	%	7,5 %	5,6 %	7,7 %	7,0 %	5,3 %
Total employees	Total number		524	511	541	526
Female employees	Total number		61	60	64	65
Male employees	Total number		429	450	478	463
Female employees in %	%	17,5 %	12,4 %	12,8 %	12,8 %	13,3 %
Female leaders	Total number		8	7	7	7
Male leaders	Total number		41	48	47	43
Female leaders in %	%	17,5 %	16,3 %	12,7 %	13,0 %	14,0 %
Average number of years employed - men	Total number		14,3	14,2	14,6	15,2
Average number of years employed - women	Total number		15,2	14,1	14,3	15,1
Average number of years employed - total	Total number		14,4	14,2	14,5	15,2
Average age - men	Years		45,9	43,5	42,7	42,4
Average age - women	Years		47,9	46,6	46,0	45,9
Average age - total	Years		46	43,8	43,1	42,8
Number of new employees	Total number		55	23	28	39
Turnover (number)	Total number		41	41	26	27
Turnover <sup>1</sup> in %	%	7,5 %	8,5 %	7,8 %	2,8 %	3,7 %
Turnover in % - women	%		9,9 %	5,4 %	2,5 %	4,9 %
Turnover in % - men	%		7,9 %	8,1 %	2,9 %	3,5 %
eNPS <sup>2</sup>	-100 to +100		-4,0			
Temperature <sup>3</sup>	1 to 10		7,1			

<sup>1</sup>Includes the departure of employees for any reason, including resignation, termination, death or retirement

<sup>2</sup>Employee Net Promotor Score. 0 is neutral and is usually seen as a positive score <sup>3</sup>Engagement and Performance Indicator

	Unit	Target	2022	2021	2020	2019
Fatalities	Total number	0	0	0	0	0
Injuries with absence	Total number	Zero injuries and accidents	4	6	7	8
HSE reported cases	Total number	98	101	60	71	59
Improvements reported	Total number		120	158	127	99
Total Recordable Injury Frequency (TRIF) <sup>1</sup>		Zero injuries and accidents	9,3	7,4	9,02	13,0
Sick-Leave - total	%	4,0 %	5,1 %	5,4 %	4,8 %	4,2 %
Sick-Leave - women	%		8,1 %	10,0 %	7,4 %	9,8 %
Sick-Leave - men	%		5,2 %	4,9 %	4,5 %	3,3 %

<sup>1</sup>New guidelines for reporting TRIF from "Norsk Industri"

	Unit	Target	2022	2021	2020	2019
Revenue	kNOK		1 139 024	1 266 016	1 263 468	1 436 617
EBITDA	kNOK		132 783	200 027	119 060	100 238
EBITDA %	%	10,0 %	11,7 %	15,8 %	9,4 %	7,0 %
EBT	kNOK		89 968	152 519	67 180	53 967
Equity	kNOK		639 522	604 650	555 222	554 709
Equity %	%	40,0 %	52,3 %	50,3 %	48,1 %	46,6 %
Net Interest Bearing Debt (NIBD) <sup>1</sup>	kNOK		-176 889	-233 492	-2 948	180 270
ROCE %	%	15,0 %	19,9 %	42,6 %	11,9 %	8,7 %
Salary to employees	kNOK		437 170	407 706	380 862	401 418
Dividend	kNOK		30 240	43 200	49 680	0
Dividend in % of EBT	%		33,6 %	28,3 %	74,0 %	0,0 %
Corporate taxes	kNOK		24 848	35 052	16 988	12 630
Investments	kNOK		35 709	33 575	20 692	62 943
Costs related to purchased goods and services	kNOK		398 208	490 665	606 436	749 856

<sup>1</sup>Negative NIBD meaning cash surplus

	Unit	Target	2022	2021	2020	2019
Energy consumption (scope 1 and 2)	kWh		9 488 426	10 141 013	10 397 133	9 632 640
Energy Intensity (scope 1 and 2 / revenue)	kWh/kNOK	5 % reduction from 2019 to 2025	8,33	8,01	8,23	6,71
Emissions (scope 1 and 2)	tCO2e		154	280	292	353
Reduction of scope 1 and 2 emissions from baseline year	%	90 % by 2025 <sup>1</sup>	45,0 %	20,7 %	17,3 %	Baseline
Greenhouse Gas Emissions per Value Added (GEVA)	tCO2e/MNOK		0,271	0,461	0,584	0,704
Annual reduction in GEVA	%	> 5 %	41,2 %	21,1 %	17,0 %	Baseline
Waste sent to recycling, metric tonnes	metric tonnes		818	1 130	1 174	1 250
Waste sent to further processing - Sorted	metric tonnes		112	129	158	195
Waste sent to further processing - Unsorted	metric tonnes		70	87	79	130
Waste sent to further processing - % sorted	%	80,0 %	61,5 %	59,7 %	66,7 %	60,0 %
Emissions from admin airtravel	tCO2e		109	23	28	249
Emissions from service airtravel	tCO2e		443	298	272	662
Emissions from transportation of goods	tCO2e		report from 2023			
Emissions from purchased goods	tCO2e		report from 2023			

<sup>1</sup>Updated target from 50 to 90 %



# Brunvoll in brief

We are a family-owned business built up through more than 110 years of entrepreneurship. Our business concept is to design, manufacture and support systems for propulsion, positioning and manoeuvring of advanced seagoing vessels. Headquartered in Molde, Norway, we are located at five different sites in Norway (Molde, Volda, Dalen, Ålesund and Porsgrunn). Our customers are yards and shipowners in a global market, and we export about 80 % of our products and services. We are represented with sales and service support at strategic locations worldwide.



### Vision and values

Our vision is “Trusted World Wide”, supported by our values **Reliable, Committed and Responsible**. Trust cannot be bought. It can only be obtained through good teamwork, and is earned through our customers’ experience with the Brunvoll brand.

We aim to deliver with precision, and to be known for building trust globally.



Reliable



Committed



Responsible





### Governance

Brunvoll's Board of Directors (BoD) is responsible for ensuring that the ESG work is aligned with our Corporate Strategy and in compliance with all laws and regulations where we operate. The Group CEO, together with the Group Management, has the overall responsibility for the ESG work. The operational responsibility is delegated to a dedicated sustainability responsible manager. We are currently working on embedding ESG into our corporate strategy.

The BoD validates and approves Brunvoll's corporate framework for governance and control on a yearly basis. The framework covers the following areas:

- |                                       |                                    |
|---------------------------------------|------------------------------------|
| 1. Risk management & internal control | 6. Human resources                 |
| 2. Capital regulations                | 7. Corporate social responsibility |
| 3. Financial control & reporting      | 8. HSEQ                            |
| 4. Information security               | 9. Procurement                     |
| 5. Compliance                         | 10. Intellectual property rights   |

These policies are implemented in our business processes, that are available to all of our employees through our ISO-certified Management System.



[Brunvoll Volda AS](#)

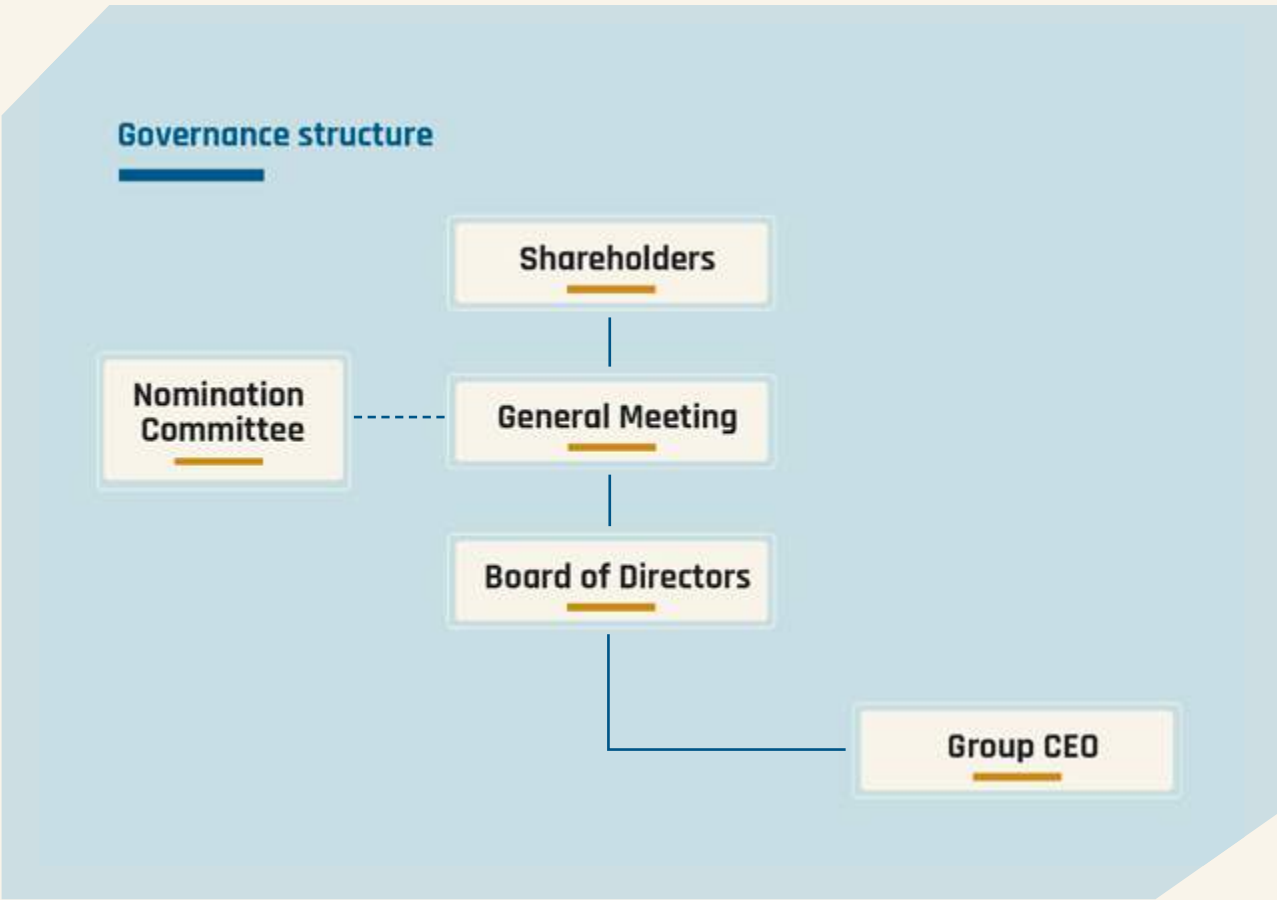


[Brunvoll Mar-Ei AS](#)



[Brunvoll AS](#)

Our Ethical Guidelines and Supplier Code of Conduct can be found on [brunvoll.no](https://brunvoll.no) and provide guidelines for our principles for behaviour and business practice.

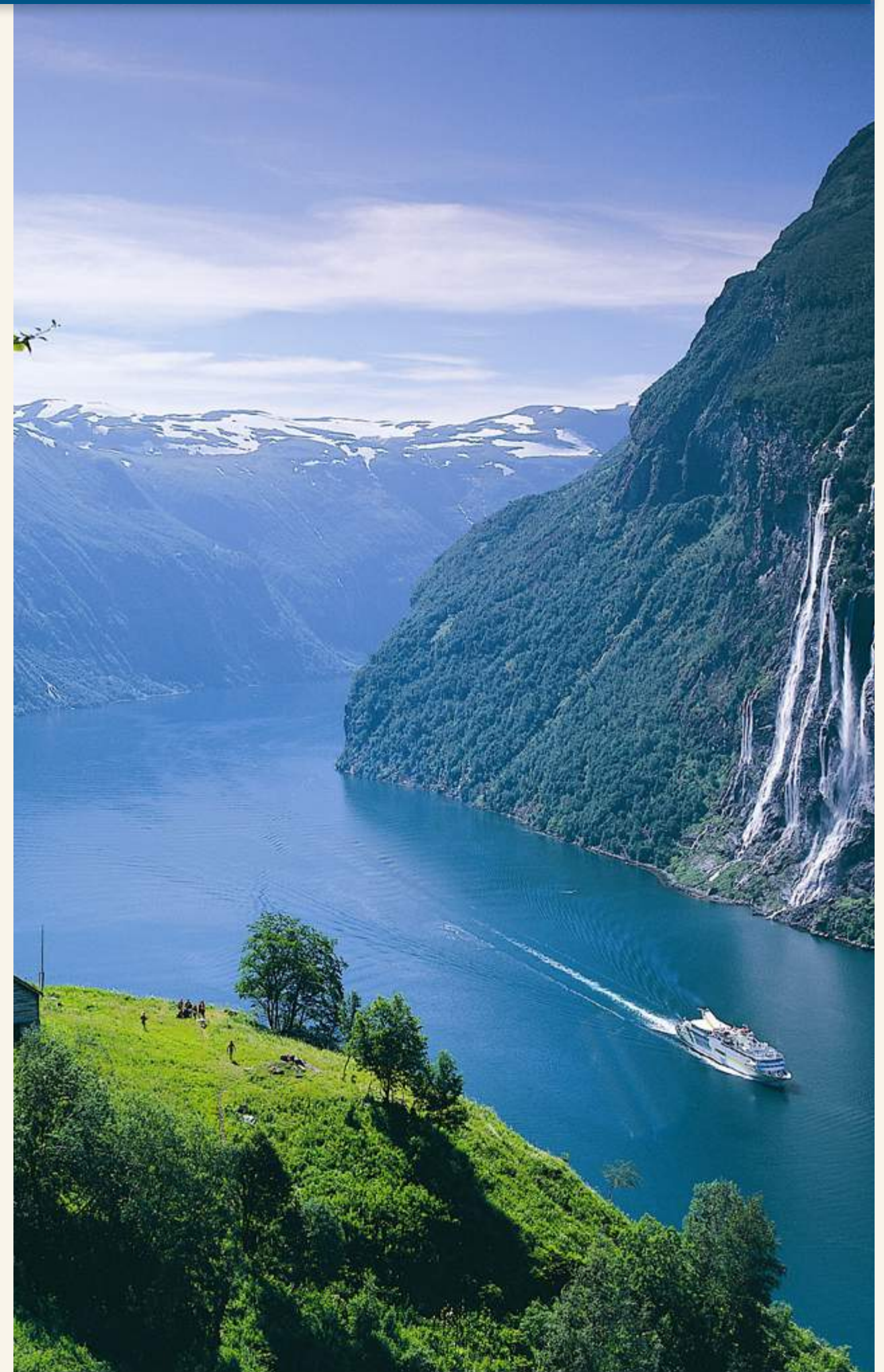




# Sustainability in Brunvoll

We consider trust, transparency, technology, digitalisation, and circularity as the great enablers towards a greener economy. Our ambition is to be in the forefront and take a position as an industry leader within sustainability.

With a proud and long history as a cornerstone company, contributing to the local community has been a major priority to Brunvoll. Our products have always been competing on reliability and energy efficiency. As a manufacturing company in a high-cost country, continuous improvement in productivity has been a necessity. Efforts made to maintain and enhance our competitiveness have rarely been made without an inherent positive effect on our ESG impact, but there has been little need to quantify these effects up until now. This has changed radically. Since 2021 we have been quantifying and reporting on material ESG topics. We have positive and negative impacts across our entire value chain, and we see both challenges and opportunities in the very much needed transition to a net zero economy.

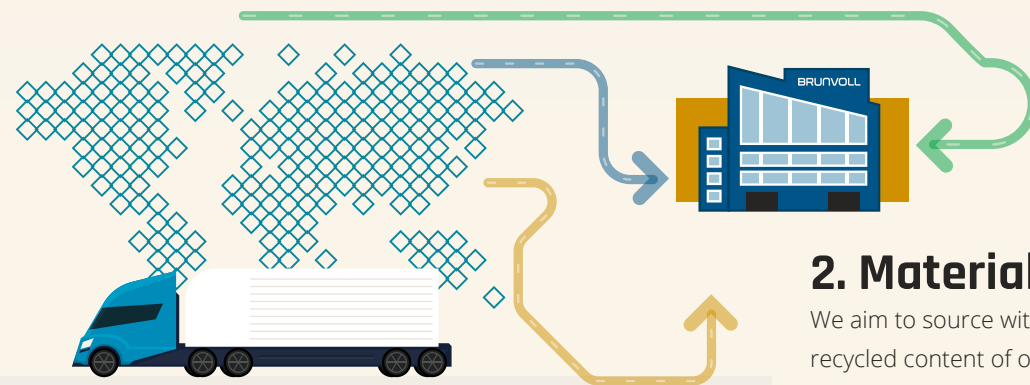


# Brunvoll

## Value Chain

### 1. Customer collaboration

We listen to our customers and collaborate to offer energy efficient and durable solutions for current and future needs.

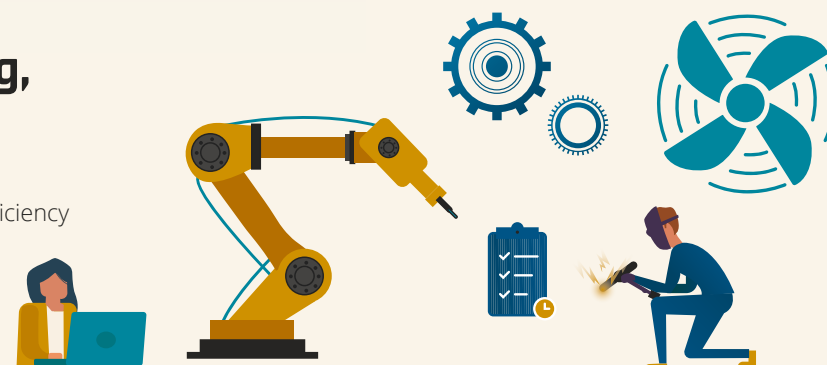


### 2. Materials and resources

We aim to source with minimal impact and increase recycled content of our input materials.

### 3. Manufacturing, assembly and testing

We aim to maximise resource efficiency and reduce waste.



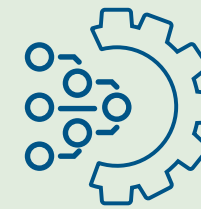
### 4. Ship to customer

We aim to limit the use of trucks and rather use waterways if possible.



### 5. User phase

We believe in close interaction with customers after delivery to ensure long lifetime and optimised operation.



#### Service and maintenance

Our products are built for a long lifetime, enabled by proper service and maintenance. Our ambition is predictive maintenance and remote diagnostics in all new systems.



#### Upgrade

We seek product upgrades rather than replacement to meet new requirements.

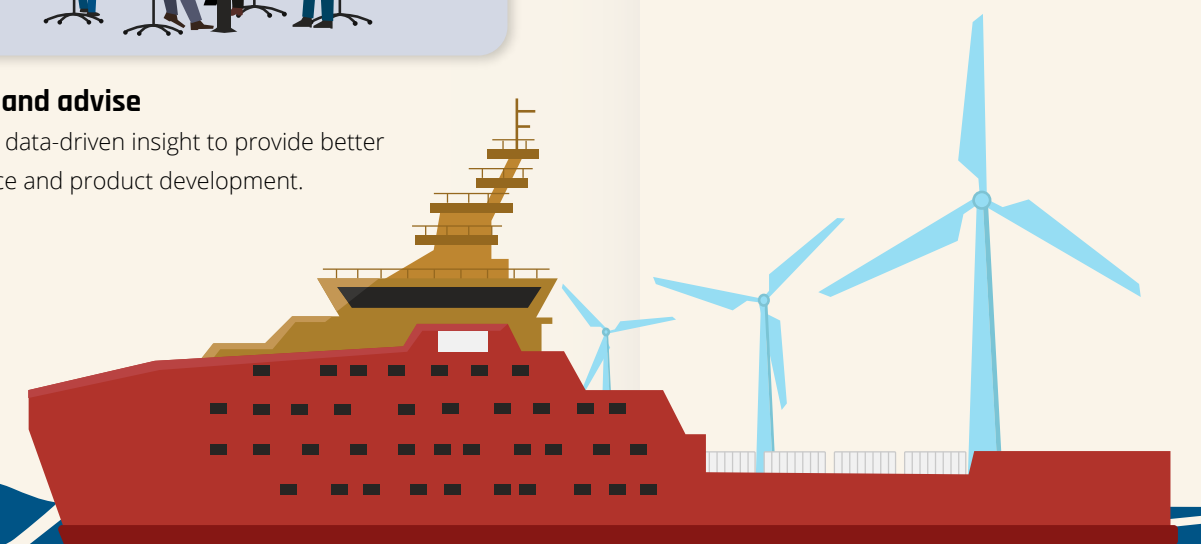
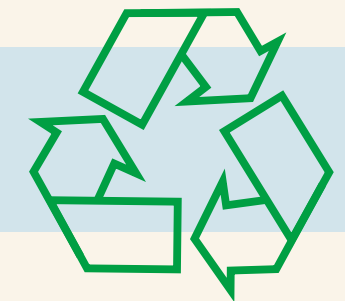


#### Learn and advise

We use data-driven insight to provide better guidance and product development.

### 6. End of life

Our products are designed to outlive the vessel, and the potential for refurbishment and reuse is high. At end of life, the products can be recycled.



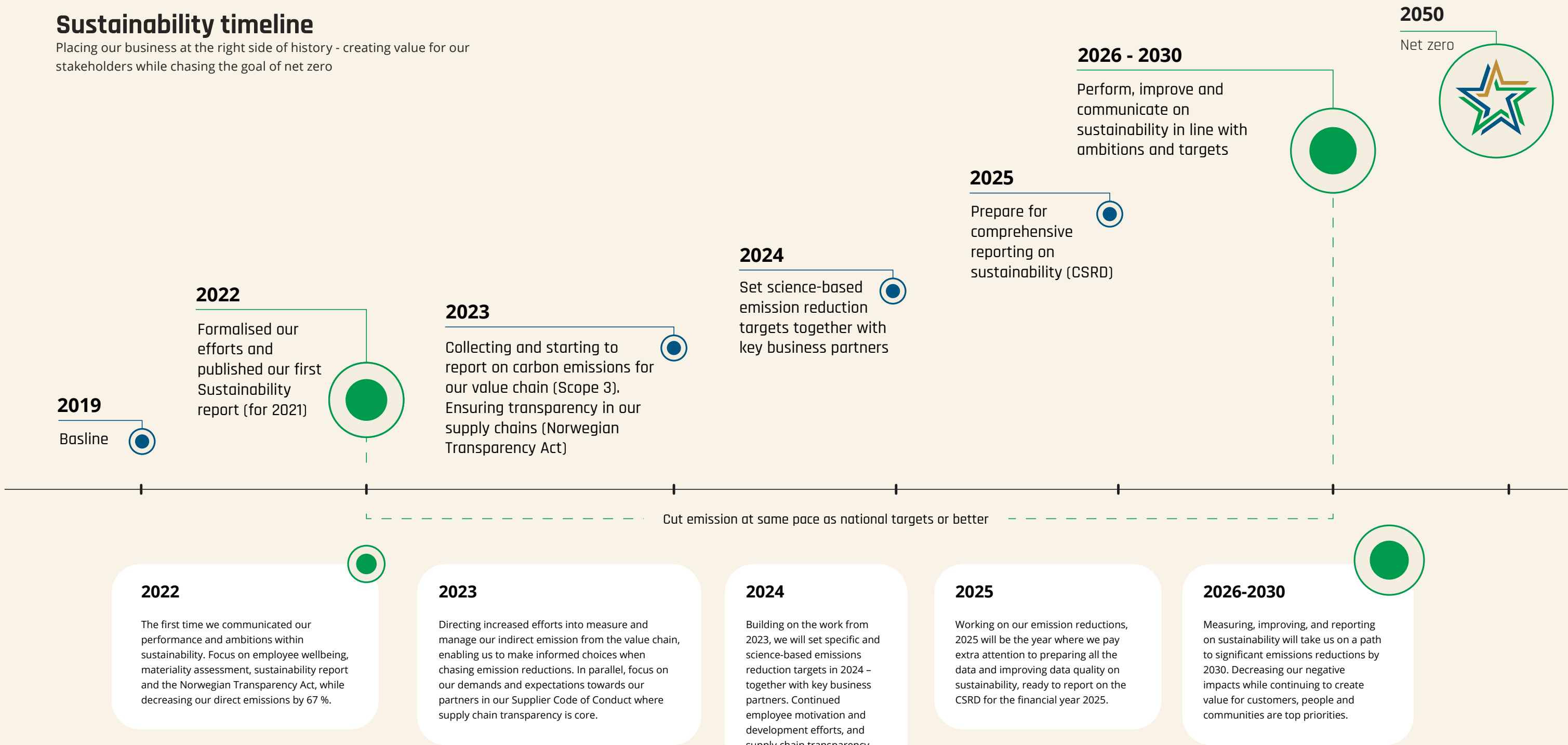


# Our sustainability roadmap

In the next few years, we will see a change in sustainability reporting requirements. The Corporate Sustainability Reporting Directive (CSRD) will apply to us from January 1st 2025, with the first reporting to be done in 2026. We welcome all initiatives that aim to improve the quality and credibility of sustainability disclosure. To prepare for the new requirements, we have made a roadmap to visualise our plans for preparing and delivering both on reporting requirements and sustainability performance.

## Sustainability timeline

Placing our business at the right side of history - creating value for our stakeholders while chasing the goal of net zero





# Brunvoll materiality assessment

We conducted our first materiality assessment in the first quarter of 2022, based on the GRI-3 (2021) Materiality Standard. The assessment was carried out in cooperation with an independent third party, through benchmarking against peers, SWOT analysis and interviews with several stakeholders. By engaging with stakeholders to identify where we have actual and potential impacts, positive or negative, we ensure a balanced understanding of our ESG context. We have applied the principle of double materiality, ensuring that our ESG strategy covers our own impact on society and the environment, as well as financial materiality of ESG on our company.

## Important

- Treatment of waste generated from operations
- GHG emissions from our facilities (scope 1 and 2)
- Equality, diversity and inclusion
- Anti-corruption and bribery

## More important

- Material consumption and circularity
- Product pollution
- GHG emissions from value chain (scope 3)
- Well-being at work
- Education and development of expertise
- Occupational health and safety
- Responsible supply chain

## Most important

- Energy efficient products and services
- Attraction and retention
- Community
- Integrated value chain and production
- Quality and long-term perspective
- Cyber Security

Environment

Social

Governance

From our materiality assessment, we group our material topics into four focus areas:



Operational reliability



Low-impact production



Well-being at work



Local community presence



# Operational reliability



**Our ambitions:** Brunvoll will ensure the highest quality, energy efficiency, security and environmental reliability in our products and services. We will be known for delivering products that secure little to no risk of environmental pollution or cyber security breach.

### Our achievements in 2022

- ISO27001 certification – Cyber Security
- Two new energy efficient propulsion units launched (PU-93 & PU-115)

### Quality and long-term perspectives

We have designed and manufactured maritime equipment since 1912. Our products are designed with durable and reliable operation as one of the main objectives. With proper use, service and maintenance, our thrusters and propulsion equipment will outlive the lifetime of the vessel. Utilising well-built equipment for the complete lifetime of a vessel

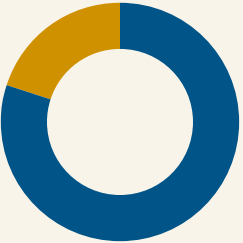
will have a lower impact on the environment and the overall operational cost as opposed to a strategy for maintenance by replacement. Since 1965, we have built and installed around 12 200 high quality thruster and propulsion systems in some 6 100 vessels of which the vast majority are still in daily operation.

### Energy-efficient products and services

We continuously invest considerable time and resources in developing new and more energy-efficient products. This includes novel propeller and thruster solutions, control and monitoring systems, drive systems and autonomous systems. Our R&D departments accumulated 70 015 hours in 2022, and a large proportion of our new-sales revenue is realised through the offering of products and services developed during the last five years. Many thrusters and propulsion systems already in operation are also upgraded with state-of-the-art technology which extends the lifetime of the vessels and contributes positively to energy savings and reduction in GHG emissions.

All Brunvoll thrusters and propulsion systems are delivered with the Brunvoll control system, BruCon. In-house production of both the thrusters and propulsion systems along with the control system has helped us develop robust, smart and energy efficient ways of operating a vessel with today's technology.

Part of our business model is the aftermarket, where service and maintenance is offered on-site at yards across the globe, requiring us to travel. To reduce the carbon footprint of travel, we rely on digital tools and a global presence through local service stations in strategic areas. Today, we are represented with local service stations in 40 countries, and we have developed a Condition Monitoring System (CMS) enabling remote diagnostics and support. The CMS also allows for further condition-based maintenance as opposed to the traditional preventive maintenance model. A total of 167 of our units were equipped with CMS at the end of 2022, and several matters were resolved without the need for physical travel. As the normalisation of the pandemic has made travelling easier, we see a rise in our business and service travels from 2021 to 2022. Comparing to our pre-Covid baseline year of 2019, we see a 19% reduction in emissions from business and service travels.



Emissions from airtravel (tCO<sub>2</sub>e)

■ Service travel:	443 tCO <sub>2</sub> e
■ Business travel:	109 tCO <sub>2</sub> e

### Product pollution

Today, all thrusters and propulsion systems from Brunvoll are prepared to operate on environmentally acceptable lubricants (EALs). Conversion into EAL operation is also available on systems in service,

allowing the vessels to be VGP (Vessel General Permit) compliant without replacing their thrusters and propulsion systems. In 2022, 137 of our units were upgraded to run with EAL's.

### Cyber security

As various products and functions in a vessel are more and more interconnected, cyber security is one of our top concerns. We follow the recommendations from Center of Internet Security (CIS) and National Cyber

Security Center (NSM), and will be certified according to ISO 27001 from 2023. No cyber security breaches was reported in 2022.

*"All thruster and propulsion systems fail from time to time. However, Brunvoll's systems just fail more rarely than other systems. If there is a failure, Brunvoll is immediately there to remedy the issue with relevant spare parts and correct expertise."*

– Vessel superintendent, Norway



## Performance indicators 2022

Share of turnover on developing new products and services: 4,6 %

Cyber security breaches : 0

No. of countries with local service representations: 40

Existing units upgraded to EAL: 137

Share of new sales for products and services developed the last 5 years: 21,2 %



# Low-impact production



**Our ambitions:** Brunvoll will ensure minimal environmental impact in both our facilities and value chain, from material procurement to end of life. We will continuously work to reduce our GHG-emissions and material footprint.

## Our achievements in 2022

- We increased capacity in our own production by investing in modern production technology.
- We met the requirements of the Norwegian Transparency Act.
- We invested and installed energy solutions that reduced our direct emission by 67%.

## Modern production and integrated value chain

We focus on in-house production in our facilities located in Molde, Volda and Dalen, avoiding outsourcing of important skills and knowledge. Investments in modern production technology and lean principles help us continuously improve our productivity, which is essential when producing in a high-cost country.

Our philosophy is that an integrated value chain provides us with a competitive benefit granting us control, flexibility and capabilities both in daily operations and for the purpose of innovation.

## Responsible supply chain

Brunvoll's suppliers are subject to our environmental criteria in addition to screening on quality, price and delivery precision. Through our purchasing policy, we favour long-term partnerships and the use of local suppliers when they can offer competitive conditions. Our suppliers are made familiar with our ethical guidelines, and it is a prerequisite that they comply with international law on wages, working conditions and health & safety. Our supplier mapping shows that a large portion (>80 %) of our Tier 1 suppliers are situated in the Nordics and northern Europe. From 2022 we have a separate Supplier Code of Conduct to further communicate our expectations

and requirements towards our suppliers and business partners.

Logistics and transportation of goods is an important part of our supply chain, and we have an ambition to collect data on our impact from this activity and reduce this impact over time. We have a high ratio of upstream goods transported by truck, and a high ratio of downstream goods being transported by sea freight. We will report on emissions from transportation of goods from 2023.

## Material consumption and circularity

A large proportion of our scope 3 emissions is found in the life cycle of purchased goods, noticeable in our consumption of metals such as steel, cast iron and bronze-alloys. Our goal is to measure and increase the fraction of recycled content in our input materials, in

order to support the development of a more circular economy and lower the footprint of our products. A parallel goal is to use less materials by increasing resource efficiency. We will report on emissions from purchased goods from 2023.

## Suppliers mapping

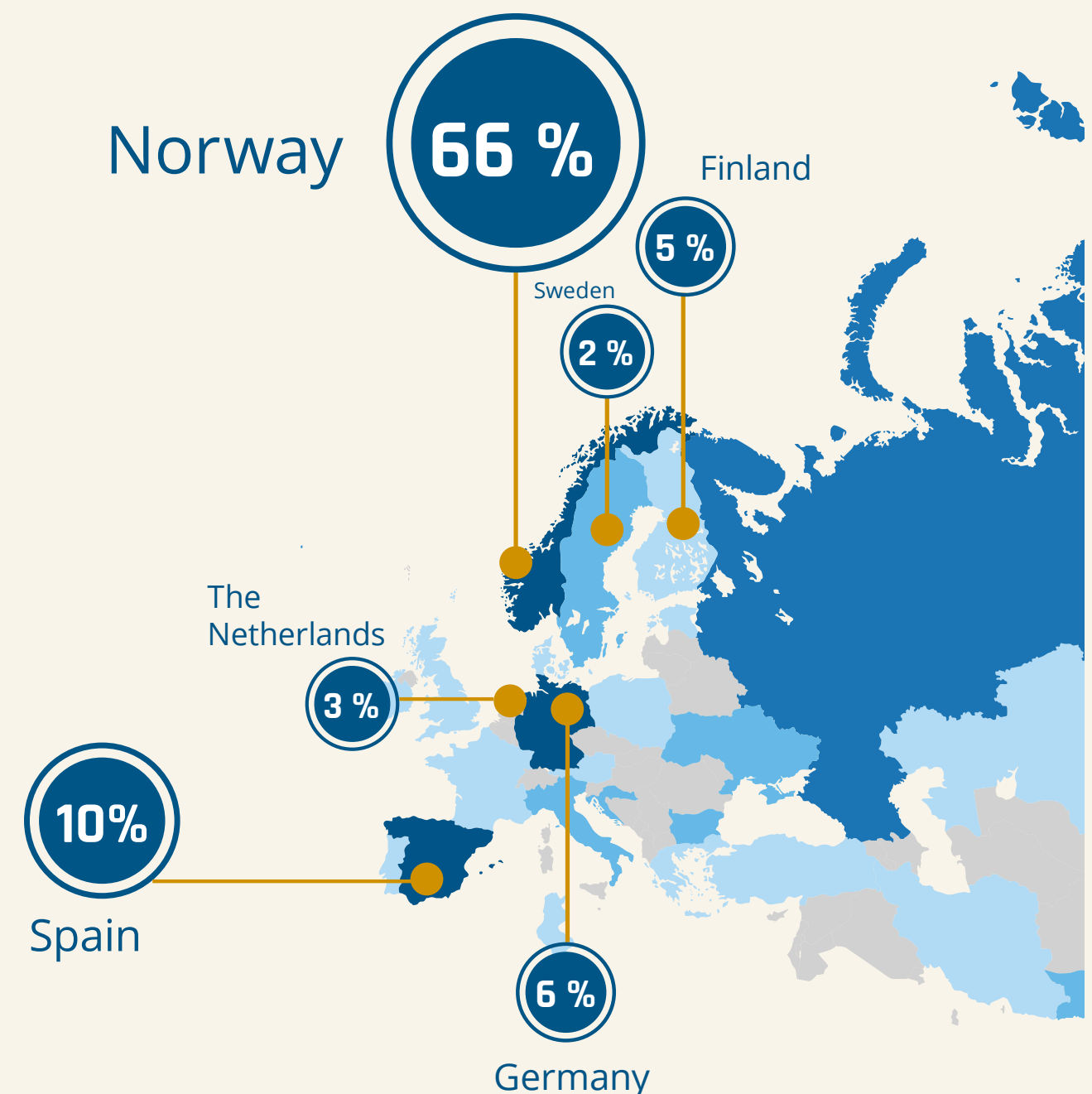
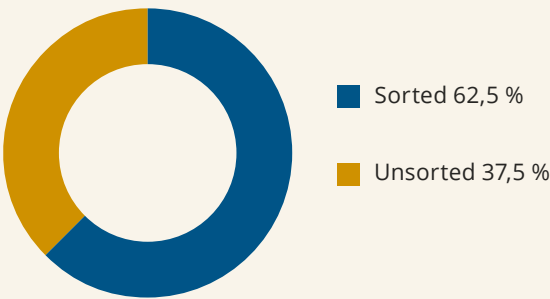


Figure based on share of invoiced amount and supplier billing address. Countries with < 2 % share are omitted (9 %).

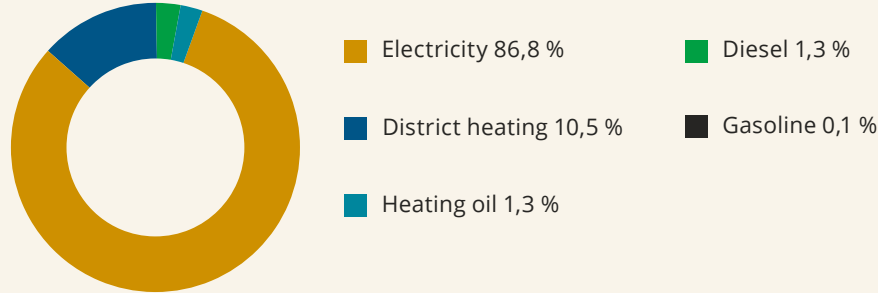
Waste

We have a well-functioning waste management system in place. We sort and deliver multiple fractions of excess material to proper waste management companies. In 2022, we sent 818 tons of waste to recycling, while 182 tons were sent to further processing. From these 182 tons, 62.5 % was sorted and 37.5 % unsorted. Our ambition is to continuously decrease the total amount of waste generated and increase the amount of sorted waste sent to further processing to 80 %.

Waste sent to further processing (%)



Energy consumption by source (%)



Energy consumption and carbon footprint from operations

The energy consumption at our facilities is largely covered by purchased electricity and district heating (> 96 %). In 2022, we made investments both to reduce our direct emissions and increase energy efficiency, and the activity at our sites was somewhat lower in 2022 than in 2021. The result is a reduction in direct emissions (scope 1) by 67 % from 2021 and a reduction in energy consumption (scope 1 and 2) by 9 %. Norway is close to self-sufficient with hydroelectric power, allowing industry such as ours to create value with low scope 1 and 2 emission. Energy is nonetheless a resource that we must use with care, and we continue to invest in solutions and technology that help us become more energy efficient and completely mitigate

direct emissions. By 2025, our ambition is to reduce our scope 1 emissions by 90 % and decrease our overall energy intensity with 5 %. From 2022 we report Greenhouse Gas emissions per Value Added (GEVA), which is a measure of emissions (tCO2e) divided by Value Added (Revenue + payroll) in MNOK. An annual 5% reduction in GEVA is accepted as a guideline for corporate alignment with the goals in the Paris agreement (Randers 2012 and OECD 2012). From 2021 to 2022, we had a reduction in GEVA by 41.2 %, mainly due to a large drop in scope 1 emissions.

Emissions (tCO <sub>2</sub> e)	2022		Reduction from 2021	Reduction from 2019
Scope 1	56,7	tCO <sub>2</sub> e	67 %	76 %
Scope 2	97,7	tCO <sub>2</sub> e	10 %	14 %
Total Scope 1 and 2	154,4	tCO <sub>2</sub> e	45 %	54 %

Energy	2022		Reduction from 2021	Reduction from 2019
Total energy consumption scope 1 and 2	9 256 797	kWh	9 %	4 %
Energy intensity	8,33	kWh/kNOK	-2 %	-21 %

End of life

Our products are built to last, and often outlive the ships they are installed into. Our products have long lifecycles and are designed for maintenance and technical upgrade. At end of life of a ship, our products are recycled or sold on a second-hand market. We are following the markets trends and possibilities within

future business models where an even higher degree of circularity may be achieved. We are curious about the business case of leasing our products and the potential for capturing value that previously have been lost at end-of-life through refurbishment rather than recycling.





# Well-being at work



**Our ambitions:** Brunvoll aims to attract, develop and retain the best people. We strive to ensure continuous opportunities for our people to develop high levels of expertise and a great working environment. Brunvoll wants to be a healthy, safe and inclusive place to work.

## Our achievements in 2022

- 55 new employees
- 28 internal job transfers
- 29 apprentices
- 20 apprentices completed their training
- Employee pulse survey introduction

## Attraction and retention

In 2022, after a long covid break, Brunvoll attended a number of student career events. For the first time since 2019, the Molde site could host the traditional career fair for the region's 10th grade pupils.

Brunvoll practices an "open door policy" when it comes to company visits, welcoming a great number of pupils and students from relevant educational institutions every year.

In 2022, we welcomed 55 new employees, and 28 Brunvoll employees had internal job transfers. 786

candidates applied for vacancies or sent us a general application in 2022. The turnover rate of 8,5 % includes the departure of employees for any reason, including resignation, termination, death or retirement. Providing internal job opportunities is an important part of our retention strategy. Our employees are our most important ambassadors. Celebrating loyal employees is part of our culture. In 2022, we could celebrate 29 anniversaries for employees with 20, 25, 30 or 40 years of employment with Brunvoll.

## Education and development of expertise

To compete with low-cost countries, Brunvoll must be at the forefront in terms of efficiency in the organisation, professional competence, production equipment and novel technology. This is achieved through investment in intellectual capital. Putting people first enables competitive designs, increased knowledge about the products and services we offer and the markets in which Brunvoll competes. This has been, and still is, a strategic advantage to Brunvoll. Employee feedback sessions and the development of competency development plans, both on individual

and at department levels, are parts of Brunvoll's HR processes.

In 2022, our 29 apprentices inspired and challenged us. 20 apprentices completed their 2-4 years of training, obtaining their professional certificates. A trainee programme for young graduates (Trainee i Molderegionen) was re-initiated by Molde Næringsforum in the same year, and Brunvoll employed two trainees.

Management training is considered an important tool in the development of the workplace. In October 2022, all managers and group employee representatives were invited to a two-day training session.

We aim at achieving a great work environment characterised by well-being and development. Frequent dialogue and close cooperation with employee representatives ensures two-way communication, bringing various perspectives into discussions and decision-making processes. In 2022, Brunvoll introduced a new employee survey tool to follow up on the promise of being a great place

to work. Employee pulse surveys allow real-time measurement powered by AI. The survey platform enables managers to visualise employee development and gain insights that enhance engagement and mental well-being while minimising stress and staff turnover.

Every Brunvoll employee is responsible for collaborating and working towards the achievement of the best result possible. Everyone is expected to contribute when creating, developing and preserving a great working environment.

Temperature per December 2022

7,1

Index: 7,5

Temperature per March 2023

7,5

Index: 7,6

Response Participation

87 %

The response participation has been good throughout the first year with 87 % of the employees participating in the survey.

*eNPS is short for Employee Net Promotor Score, which measures whether the employees would recommend the company they work for or not. The eNPS measures if employees would recommend the company they work for to their friends and acquaintances. In Winningtemp, the employees receive an eNPS question along with the survey once a month.*

The question "How likely are you to recommend working at Brunvoll to a friend or an acquaintance?" The question is answered on a scale from 0 to 10 where the answers are divided into three categories:

0-6 = "Critics". They do not recommend working at this company.

7-8 = "Passives". They do not have an opinion on this matter.

9-10 = "Ambassadors". They recommend this company as an employer.

*The percentual number of Ambassadors minus the percentual number of Critics equals the eNPS score, which can vary between -100 and +100. This means 0 is neutral and is usually seen as a positive score. 20 is considered a good score, and 50 is very good. Brunvoll has chosen to compare the score to the general Winningtemp index rather than the industry index.*

#### eNPS per December 2022

total:

**-4**

Index: 14

#### eNPS per March 2023

total:

**14**

Index: 15

The eNPS was increasing throughout 2022, and in December it had mounted to -4. Systemic work pays off, and by March 2023 the eNPS had reached +14.





Occupational Health and Safety

We aim for a safe working environment, both physically and psychologically. Ensuring that our employees have the competencies and resources that

they need for creating a healthy and safe working environment adapted to their work situation is crucial to us.

Planning

We create a safer and more predictable working environment through planning and keeping our surroundings tidy. We focus on people and their surroundings when evaluating risk. We aim to avoid

accidents and work injuries. We strive to obtain safety for our employees with regards to physical and psychological hazards. We plan and act on safety issues in cooperation with our employees.

Continuous improvement

We put safety first, both internally and externally. We take pride in establishing good routines for following up our employees, and to the greatest extent possible, offering our employees freedom and responsibility.

implemented to prevent incidents and ensure a safe and secure working environment.

We invest in health and employee wellness through health and insurance plans. Brunvoll offers an expanded health service scheme with additional occupational health services granting access to a doctor, health advice, health insurance, preventive health checks and individual follow-up when needed. All Brunvoll employees have access to sponsored memberships at local fitness centres, as well as access to activities organised by the corporate sports teams.

A systematic and integrated approach, focusing on continuous improvements, is taken when addressing well-being at work. In 2022 we have worked to increase reporting and ensuring efficient processing of HSE-related cases. We achieved our target of total number of reported cases. Through good cooperation with employees targeted measures have been

Equal opportunities, ethical guidelines and whistleblowing:

To Brunvoll it is important to provide equal opportunities. We appreciate diversity and value human rights. We never tolerate discrimination or bullying, neither in-house nor externally.

Any notifications about violations of Brunvoll's ethical guidelines and code of conduct will be followed up through Brunvoll's whistleblowing routines.

What to report: Incidents, breaches or suspected breaches of:

- Brunvoll's Code of Conduct, or laws and regulations
  - Corruption, including bribes and facilitation payments
  - Human and labour rights violations
  - Discrimination or harassment
- Threats to life or health
  - Misuse of insider information
  - Fraud, theft and/or embezzlement



Performance indicators 2022

New employees in period:	55	Average number of years employed:	13,7
Turnover in period <sup>1</sup> :	8,5 %	Temperature:	7,1
Share of women:	12,4 %	eNPS:	-4
Sick leave:	5,2 %		

<sup>1</sup>Includes the departure of employees for any reason, including resignation, termination, death or retirement

# Local community presence



**Our ambition:** Since 1912, Brunvoll has been valued and enriched by well-functioning local communities. More than ever before, this is essential to sustainability and our future development. Brunvoll aims to continue to be an active contributor in our local communities, through employment and development opportunities. We promote education and provide donations to partnerships and sponsorships in order to support social, economic and community development.

We are proud to produce in Norway. Brunvoll wishes to be a visible and positive contributor to society, creating and maintaining jobs, offering training opportunities, well-being and pride through various activities and events – also outside our own organisation.

## 110 years in 2022

In 2022, Brunvoll could celebrate 110 years in business.



## Local ownership – the shareholder agreement

In 1912, the three Brunvoll brothers Andreas, Arthur and Anders, like many other local entrepreneurs, decided to establish their own business to manufacture ship engines for the Norwegian fishing fleet. However, only a few of these companies have survived challenges such as the two world wars, several periods of economic crisis and most recently a worldwide pandemic. The company is still family-owned, and the owners are determined to further develop the company for the future so that Brunvoll continues to be a competitive and attractive workplace.

In a family business it is important to have a strategy for ownership at the transition between generations, and to keep focusing on long-term perspectives. Ottar Brunvoll (26.05.1931-01.11.2020) was far-sighted in the shareholder agreement process. The agreement ensures commitment and local ownership to the

benefit of shareholders, employees, clients and the local community. The agreement demonstrates a high level of social responsibility. This attitude to local ownership and building industry has been fundamental for the Brunvoll family ownership and has been passed on to the third and fourth generations.

Today's owners see themselves as long-term owners. The importance of securing local jobs is reflected in the investments that have been and are still being made. An essential part of the secret behind Brunvoll's growth and success is the investment in employees, development and production technology.

Training in the group's processes and daily operations was on the agenda when a large part of our owners spent a training event with Brunvoll's management team on October 28th, 2022.



- Good cooperation between owners, management and employees is the key to development and success. In the same way that Brunvoll as an organisation evolves, we as owners must ensure the transfer of knowledge and competence to new generations. We want to involve more people in the family more actively in the boardroom. For the owners, it has been - and is - important to contribute to predictability and long-term strategies. Local ownership and production in Norway has been a success factor and is still central to today's generations of owners, says chairman Tone Brunvoll of Brunvoll Holding AS.





Quality education

We define competence as the sum of attitudes, knowledge and skills. All these elements are important to our success.

A significant contribution to Brunvoll's people development strategy is the apprenticeship model, used when recruiting skilled workers for the future. Since the company was established in 1912, Brunvoll has invited young talents to join the company. Including the next generations is inspiring. Young professionals are being given opportunities to build their careers at Brunvoll. We believe that mixing competencies and generations, in challenging and developing each other daily, contributes positively to our organisational development. Since 1968, Brunvoll AS has offered more than 290 apprenticeships. 104 of these apprentices are still employed in 2023. Currently, we aim at an apprentice share of 7,5 %.

Together with Molde University College, Molde Business Forum and others, Brunvoll has hosted the

annual career days for about 1000 10th grade pupils in the Molde region anually for 14 years. The career days inspire and help students in their choice of education and profession, as well as promote vocational subjects. The career days aim at providing pupils first-hand information about the business world and giving them an opportunity to broaden their career choices.

Brunvoll is an active contributor to educational institutions in our local communities. We host numerous student meetings and events. We offer job training such as internships, summer internships and job placements, encouraging people to contribute to society and prohibiting exclusion from the work force.

Since 2002, Brunvoll has taken an active role in the creation and maintenance of an industry network, Romsdal Forum for Teknologiske Fag, cooperating with local vocational high schools. The network's main purpose is to increase the interest for and recruitment to technical and vocational professions.

Active contributor in local communities

We support our local communities with safe and decent work, local value creation and economic activity. We support several local initiatives that focus on creating positive meeting arenas for children and young adults.

In February 2022, a 9,5 MNOK bonus was distributed to Brunvoll's employees. A part of the bonus consisted of a gift card to support local businesses.

Some of the organisations supported by Brunvoll are:

JoinUs, Gossen IL, MFK, MOI, Træff, Rival, Molde Olymp, Molde Turnforening, Molde Taekwon-Do klubb, Molde Atletklubb, Midsund IL, Eide og omegn fotballklubb, Romsdal kystlag, Poppeloppetret, Volda Handball, Volda Volleyball, VTI Fotball, Ørsta IL Fotball, Ørsta Skisenter, Volda Skisenter, VTI Langrenn & Skiskyting, Sunnmøre Klatreklubb Ungdomsgruppe, Bratt Sykkelklubb, Volda LAN, Volda & Ørsta Trial-klubb, Volda & Ørsta Ballettskule, Volda Skulekorps, Volda Symjegruppe, Ørsta IL Turn, Åmdal IL, Folkestad IL, Hovdebygda IL, Austefjord IL, Ørsta IL Alpin, Dalsmarken, Åmdal Tokke fotballklubb, Team TeVe, Høydalsmo IL.

JoinUs

Since 2021, Brunvoll has supported the The JoinUs foundation. JoinUs offers meeting places for activity. The foundation's purpose is to help people strengthen their knowledge of language, their environments and social conditions through organised physical and creative activities.

The JoinUs foundation offers many different activities that are held at fixed times during the day and evening. JoinUs also holds activities during various holiday weeks specifically aimed at children and young people. All activities are open for everyone - regardless of skill levels. The activities are free and the foundation provides equipment for the activities.

"The JoinUs Foundation is proud and happy to collaborate with Brunvoll", says Knut Olav Rindarøy in the JoinUs Foundation. This foundation is a driving force and facilitator of meeting arenas for the community, creating interaction and building relations between people, municipalities and the business community.

MFK

Brunvoll has been a "gold partner" for Molde Football Club since 2012.







## Performance indicators 2022

Total number of apprentices : 29

Percentage of apprentices: 5,6 %

Percentage of own employees: 99 %

DNB  
Molde

## Brunvoll Group

creates fantastic ripple effects

and contributes with **224,9 MNOK** to the society over one year. This is equal to

**621**

football fields  
maintained

**137**

teachers

**274**

child care spots

**93**

police mobilizations

**177 jobs** with other companies

**281,3 MNOK** in purchasing power to their local communities



**Statement of use:** Brunvoll has Reported in accordance with the GRI Standards (GRI 1: Foundation 2021) for the period 01.01.2022-31.12.2022. For a complete description of the individual disclosures, please see GRI's website ([www.globalreporting.org](http://www.globalreporting.org))

GRI Standard	Disclosure	Reference and/or response 2022
<b>GRI 2: General Disclosures 2022</b>	<b>2-1 Organisational details</b>	
	2-2 Entities included in the organisation's Sustainability Reporting	Brunvoll AS, Brunvoll Volda AS and Brunvoll Mar-EI AS (all operational companies within Brunvoll Holding AS Group)
	2-3 Reporting period, frequency and contact point	2022, annual, contact point: <a href="mailto:hedda.nordby.krogstad@brunvoll.no">hedda.nordby.krogstad@brunvoll.no</a>
	2-4 Restatements of information	Updated targets on emission reduction scope 1 from 50 to 90% by 2025 Changes in calculation method of Total Recordable Injuries Frequency. Numbers updated from 2019.
	2-5 External assurance	NA
	2-6 Activities, value chain and other business relationships	Sustainability Report 2022, p.6-13
	2-7 Employees	Sustainability Report 2022, p.4 and p.24-29
	2-8 Workers who are not employees	Sustainability Report 2022, p.4
	2-9 Governance structure and composition	Sustainability Report 2022, p.8-9. Shareholders of Brunvoll are the Brunvoll family, 100% since the founding of the company in 1912. They represent the highest governing body of the company. The General Meeting selects the Board Members based on input from the Nomination Committee where diversity is one important criteria. The Board of Directors of the operational companies in the group consist of six members from the shareholders and four members from the employees. The Board of Directors oversees the Group CEO and the Management Team through a corporate framework for governance and control.
	2-10 Nomination and selection of the highest governance body	The General Meeting selects the Board Members based on a recommendation from the Nomination Committee where diversity is one important criteria. The Nomination Committee work is described in a instruction approved by the General Meeting on a yearly basis. The committee is to provide a recommendation where the Board of Directors has the necessary experience, competence and capacity to perform its duties. In addition, the committee shall put emphasis on diversity including that both genders are represented.
	2-11 Chair of the highest governance body	The chair of the Board of Directors is not a senior executive in the organisation
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Report 2022, p.8

GRI Standard	Disclosure	Reference and/or response 2022
	2-13 Delegation of responsibility for managing impacts	Sustainability Report 2022, p.8
	2-14 Role of the highest governance body in Sustainability Reporting	Sustainability Report 2022, p.8
	2-15 Conflicts of interest	The Group have a Corporate Governance document put in place for the shareholders approved at the General Meeting annually. This document is based on the "The Norwegian Code of Practice for Corporate Governance" (NUES) and regulates all known potential conflict of interest. This includes cross-board membership and owners impact on the daily operation of the group.
	2-16 Communication of critical concerns	The Group have a whistle-blowing policy which outlines communication of critical concerns. The Group Management is responsible for communicating other critical concerns to the Board Of Directors. None such critical concerns were communicated or took place in the current reporting year.
	2-17 Collective knowledge of the highest governance body	ESG presentation in the annual general meeting April 2022.
	2-18 Evaluation of the performance of the highest governance body	The Board of Directors each year carry out an individual evaluation of the Board of Directors work and the cooperation with Group CEO. The result of this evaluation is an item on the agenda in a Board Meeting, where targets are set out to improve performance.
	2-19 Remuneration policies	<p>Remuneration for the Board of Directors is set annually by the General Assembly and consists of a fixed amount stated in the Group's Annual Report.</p> <p>Remuneration for the Board of Directors is set annually by the General Assembly and consists of a fixed amount stated in the Group's Annual Report.</p> <p>The Group CEO's remuneration is set by the Board of Directors annually. The compensation consist of the following elements:</p> <ul style="list-style-type: none"> <li>- Fixed Salary</li> <li>- Variable pay (Short and Long Term incentives) capped at 30% of the Fixed salary based on financial performance of the Group</li> <li>- Misc. other</li> </ul> <p>Further information regarding the compensation can be found in Brunvoll AS's Annual Report.</p>



GRI Standard	Disclosure	Reference and/or response 2022
	2-20 Process to determine remuneration	Remuneration policies are established to ensure that the remuneration arrangements help recruit, motivate, and retain the senior executives and other employees. Remuneration policies further support the organization's strategy and contribution to sustainable development and align with stakeholders' interests.
	2-21 Annual total compensation ratio	In its Annual Report each company in the Group with employees give a statement on equality according to Norwegian Law. This includes a analysis and statement on salary between male and female employees in the Group.
	2-22 Statement on sustainable development strategy	Sustainability Report 2022, Letter from the CEO p.2
	2-23 Policy commitments	Sustainability Report 2022, p.8
	2-24 Embedding policy commitments	Supplier Code of Conduct is shared with all our business partners. New employees are made familiar with policies and Ethical Guidelines in our on-boarding.
	2-25 Processes to remediate negative impacts	Sustainability Report 2022, p.29
	2-26 Mechanisms for seeking advice and raising concerns	Sustainability Report 2022, p.29
	2-27 Compliance with laws and regulations	No non-compliance registered in 2022
	2-28 Membership associations	iKuben, GCE Blue Maritime, Norsk Industri, Næringslivets Hovedorganisasjon, Maritimt Forum , Norsk Forening for Elektro og Automatisering (NFEA), Norsk Forum for Autonome Skip (NFAS), Norwegian Maritimer Exportes (NME), Molde Næringsforum, Volda næringsforum, NCE Maritime CleanTech, Vest Telemark Næringsforum, Hurtigbåforbundet
	2-29 Approach to stakeholder engagement	Stakeholder: Engagement Owners: yearly General Assembly Board of Directors: quarterly board meetings Employees: quarterly all meeting, meetings with union representatives, pulse employee surveys, yearly appraisal interviews Business partners: physical and digital meetings, fairs and events, communication, customer surveys Industry association and Norwegian innovation clusters: physical and digital meetings, conferences, participation, dialogue and communication Research and education institutions: R&D projects with public funding, lecturers and courses, dialogue
	2-30 Collective bargaining agreements	Workers in Norway have the legal right to unionise

GRI Standard	Disclosure	Reference and/or response 2022
<b>Material topics</b>		
GRI 3: Material Topics 2022	3-1 Process to determine material topics	Sustainability Report 2022, p.16
	3-2 List of material topics	Sustainability Report 2022, p.16
<b>Anti-corruption</b>		
GRI 3: Material Topics 2022	3-3 Management of material topics	Sustainability Report 2022, p.16
	205-3 Confirmed incidents of corruption and actions taken	None reported in 2022
<b>Materials</b>		
GRI 3: Material Topics 2022	3-3 Management of material topics	Sustainability Report 2022, p.8 and p.20
GRI 301: Materials 2016	301-1 Materials used by weight or volume	To be reported in 2023
	301-2 Recycled input materials used	
<b>Energy</b>		
GRI 3: Material Topics 2022	3-3 Management of material topics	Sustainability Report 2022, p.8 and p.22-23
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Sustainability Report 2022, p.22-23
	302-3 Energy intensity	Sustainability Report 2022, p.22
	302-4 Reduction of energy consumption	Reduction since baseline year 2019: 4 %
	302-5 Reductions in energy requirements of products and services	Amount of R&D hours to develop more energy- and resource efficient products: 70 015h
<b>Emissions</b>		
GRI 3: Material Topics 2022	3-3 Management of material topics	Sustainability Report 2022, p.8 and p.22-23
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Own emission factors, based on input from DEFRA and Norwegian laws on minimum content of biofuel in fossil fuels
	305-2 Energy indirect (Scope 2) GHG emissions	District heating: 31.82 tCO <sub>2</sub> e Electricity, location based: 65.9 tCO <sub>2</sub> e (NVE reference, 0,008 gCO <sub>2</sub> e/kWh) Electricity, market based: 3 312 tCO <sub>2</sub> e (NVE reference, 0,402 gCO <sub>2</sub> e/kWh)
	305-3 Other indirect (Scope 3) GHG emissions	Air travel 2022: 552 tCO <sub>2</sub> e
	305-4 GHG emissions intensity	8.33 tCO <sub>2</sub> e/MNOK turnover (GHG emissions from scope 1 and 2 only)
	305-5 Reduction of GHG emissions	Reduction since baseline year 2019 scope 1: 76 %
		Reduction since baseline year 2019 scope 2: 14 % Reduction in scope 1 and 2 since baseline year 2019: 56 %



GRI Standard	Disclosure	Reference and/or response 2022
<b>Waste</b>		
GRI 3: Material Topics 2022	3-3 Management of material topics	Sustainability Report 2022, p.8 and p.22
GRI 306: Waste 2016	306-3 Waste generated	Sustainability Report 2022, p.5 and p.22
	306-4 Waste diverted from disposal	Sustainability Report 2022, p.5 and p.22
	306-5 Waste directed to disposal	Sustainability Report 2022, p.5 and p.22
<b>Supplier environmental assessment</b>		
GRI 3: Material Topics 2022	3-3 Management of material topics	Sustainability Report 2022, p.8 and p.20
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	All new suppliers are screened with environmental criteria (ISO 14001)
<b>Employment</b>		
GRI 3: Material Topics 2022	3-3 Management of material topics	Sustainability Report 2022, p.8 and p.24-29
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Sustainability Report 2022, p.4 and p.24
<b>Occupational health and safety</b>		
GRI 3: Material Topics 2022	3-3 Management of material topics	Sustainability Report 2022, p.8 and p.24-29
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Sustainability Report 2022, p.4 and p.28
	403-3 Occupational health services	Sustainability Report 2022, p.4 and p.28
	403-5 Worker training on occupational health and safety	Sustainability Report 2022, p.4 and p.28
	403-6 Promotion of worker health	Sustainability Report 2022, p.4 and p.28
	403-8 Workers covered by an occupational health and safety management system	All workers
	403-9 Work-related injuries	Sustainability Report 2022, p.4
<b>Training and education</b>		
GRI 3: Material Topics 2022	3-3 Management of material topics	Sustainability Report 2022, p.24-29
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Not collected data for 2022.
	404-3 Percentage of employees receiving regular performance and career development reviews	All workers receive annual appraisal interviews

GRI Standard	Disclosure	Reference and/or response 2022
<b>Diversity and equal opportunity</b>		
GRI 3: Material Topics 2022	3-3 Management of material topics	Sustainability Report 2022, p.8 and p.29
<b>Customer privacy</b>		
GRI 3: Material Topics 2022	3-3 Management of material topics	Sustainability Report 2022, p.8 and p.19
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	None reported in 2022



