

Siem Offshore ESG REPORT 2020



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INTRODUCTION FROM CEO

Through this report, we want to give you an insight of Siem Offshore’s focus areas on Environmental, Social and Governance issues.

Siem Offshore operate 32 vessels, we employ 1 100 Seafarers and 115 Office Staff. Our Headquarter is located in Norway and we have offices in Brazil, Canada, Australia, Ghana and the United States.

We operate a modern fleet with environmental friendly ships. All our Anchor handlers (AHTS) and Platform Support Vessels (PSV) have clean design class. Our PSVs operating in the North Sea and Australia are dual fuelled. Our Construction vessels and Well Intervention Vessels are all Clean design class. To reduce fuel consumption and our carbon footprint we have installed, and will continue to install, shore power connection on our vessels, including battery systems. In addition, we have over the last decade participated in various Energy Efficiency studies hosted by class societies and others. When the time comes for building new vessels, we will strive to find the most energy efficient solutions, subsequent reduced emissions. It is also a clear strategy to phase out old non-core vessels, to keep a modern and environmental friendly fleet at all times.

As a member of the Norwegian Shipowner’s Association, we share their goal and work towards zero emissions in 2050. We have a long way to go, but believe that if we all contribute, we will succeed.

We care about the environment, but even more about our people! Through the challenging 2020, we believe that we have managed to navigate as safely as possible and through various actions mitigated the risk for our Employees. We believe in having an open dialogue and close connection between sea and shore - we find solutions.

Siem Offshore is an international Company, which operates in almost every corner of the world. Through our polices, communication and daily work, we encourage and expect all our Employees and Stakeholders to act openly, honestly and transparently.

For the period of 2020/2021, our organization has chosen to concentrate on four of the UN Sustainable goals:

- 3 Good health and well-being
- 8 Decent work and economic growth
- 13 Climate action
- 16 Peace, justice and strong institutions

Through communication with our Stakeholders and commitment in the organization, we believe that we can have a positive impact. It is the Company’s intention to develop and mature the ESG report as we move forward. In the current report, already established KPI’s and accounting metrics given in guidelines from the Norwegian Shipowner’s Association have been used for reporting.

The Management Team in Siem Offshore fully supports the Organization’s effort and contribution towards a more sustainable business.

Bernt Omdal/CEO




SIEM Offshore
Caring – Committed – Competitive

E – ENVIRONMENTAL



SDG Goal 13: CLIMATE ACTION

Take urgent action to combat climate change and its impacts

How does Siem Offshore contribute?

We actively search ways to optimize the energy efficiency and reduce emissions. In 2020/2021, we focus on areas where we are able to become more environmental friendly, such as:

We have installed Høglund Ship Performance Monitor in connection with Yxney/Maress. This is a real-time system, which enable crew to see immediate effect on energy efficiency measures, subsequently reduced emissions. At the beginning of 2020, the system was installed on 11 of our vessels. Systems were installed on five more vessels during 2020.

To highlight and encourage continuous focus, we run a fuel efficiency campaign every year. Results are good, emissions are reduced and it seems to strengthen the team spirit on board, not to mention the competition between sister vessels. This year’s campaign took place 1 – 30 June, with the following results:

Siem Offshore 2020 FO-campaign facts



We have entered into an agreement with DNV on digitalization and big data between Høglund SPM and the DNV platform Veracity, which will give further reduction in emission related to propulsion modus analysis.

As a member of the NCE Maritime Cleantech, we are part of a cluster organization which goal is to strengthen the cluster partner’s competiveness by developing and launching innovative solutions for energy-efficient and clean maritime activities.

We are in compliance with MARPOL Annex VI, reg. 14 and IMO Global Sulphur Cap 2020 by using low sulphur marine gas oil only, with the limit of 0.1 % sulphur.

We are members of the Norwegian initiative NOx Fund (NOx Fondet) and all vessels trading in Norwegian waters have catalysators installed on board for cleaning NOx from exhaust.

We have a high focus on reducing plastic waste on board our vessels and have taken several initiatives, such as:

- Replace plastic water bottles with thermo bottles
- Eliminate the use of disposable cutlery, cups and plates
- Use biodegradable products instead of plastic, when possible
- Encourage our suppliers to use less plastic on wrapping and promote environmental friendly products



Environmental figures:

Emissions

Our largest direct emission comes from the use of fuel. In 2020 GHG emissions from 23 vessels amounts to 205 145 metric Tons CO2 equivalents. Total distance sailed was 27 0622 nautical miles. Due to the scope of operation for offshore vessels, the GHG emission intensity metric is not suitable. We are awaiting clarification from IMO/IMCA. We have chosen to report GHG emission intensity as CO2 equivalents/nautical miles.

Accounting metric	2019	2020
Gross global scope 1 emissions CO2 equivalents (Ref. SASB, TR-MT-110a.1)	274 719 CO2 eq.	205 145 CO2 eq.
GHG emission intensity GHG emissions (Scope 1) divided by transport work (nautical miles)	0,85	0,76
Energy mix Total amount of energy consumed as an aggregate figure (in gigajoules/GJ)	3 968 300 GJ	2 970 090 GJ
Energy consumed from heavy fuel oil in %	0	0
Energy consumed from marine gas oil in %	94,70	94,46
Energy consumed from LNG in %	4,83	4,84
Energy consumed from renewable/low- carbon energy in %	0,48	0,70

Oil spill to sea

- Discharge to sea includes all accidental spills of bunker, diesel, hydraulic and lube oil in addition to chemicals and bulk cargoes.

Accounting metric	2019	2020
No. of oil spills	2	2
Spill in m3 to sea	0,09	0,15

Reduction of plastic waste

- Company KPI = 55 % implementation of Company initiatives.
- Monitor whether the plastic reduction process is heading in the right direction.

Accounting metric in %	Q3 2020	Q4 2020
Reduction of plastic waste	47	57

Ship recycling

We are fully aware of the hazardous impact ship recycling has on the environment, but mitigated the impact as much as practical possible. The ships were recycled at Isiksan Yard in Turkey, an approved Ship Yard, included in the European List of ship recycling facilities. The Company ensured all regulations in the Hong Kong International Convention, The Basel Convention, EU Ship Recycling Regulation and EU Waste Shipment Regulation were followed.

Accounting metric	2019	2020
Ship recycling No. of ships recycled	0	2



S – SOCIAL



SDG Goal 3: GOOD HEALTH AND WELL-BEING

Ensure healthy lives and promote wellbeing for all at all ages



SDG Goal 8: DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

How does Siem Offshore contribute?

We ensure that all our Seafarers have good working conditions according to International regulations, conventions and industry standards. The various regulations covers conditions of employment, medical care, social security protection as well as standards for accommodation, recreational facilities, food and catering on board. In addition to this, the majority our Seafarers are members of a trade union, which the Company supports. The climate between the unions and Company has always been fruitful and based on mutual respect.

We take necessary action to protect our Employees. In 2019/2020, the world was hit by the Covid -19 pandemic, and affected all of us in many ways. For Siem Offshore, our seafarers are the most valuable asset and the safety of our people comes first. In mid-March -2020, the Company established a Task Force Group and created a stand-alone Covid -19 Management Plan. By having high attention at all levels, we mitigate the possibilities for our crew to be infected. Without doubt, it is our Seafarers who have suffered most during the pandemic, through extended on board periods and quarantine both prior and after embarkation. We truly appreciate the contribution!

We put healthy minds on the agenda. During 2020, there has been, and still are, many challenges connected to crew changes and additional cost, due to the pandemic. Another important factor we are aware of is the mental health challenges our Employees can face. It has been important from the Management side to highlight the importance of openness regarding mental health issues. As physical visits on board has been very challenging and limited in Q3 and Q4 2020, the Management team has had regular phone calls with the Management on board the vessels, and mental health has been one of the topics discussed. In Q4 2020, a mental health campaign was rolled out in the entire fleet.

We give young people an opportunity. Siem Offshore has always found it important and valuable to recruit young Seafarers. Young apprentices are given the opportunity to serve their sea time on board (mainly two years), in order to receive their Certificate of Proficiency. Since 2010, the Company has given 74 young people a possibility to stay on board as Apprentices. Many of them are still in our fleet. Some as Able Seamen or Motormen, but some have also continued their education and have become Officers. In 2019, 12 apprentices started their sea service on board and 13 started in 2020.



Social figures:

Exposure hours: Represent the total number of work based on 24 hours / day for marine crew.

Lost Time Incident Frequency (LTIF)

- An LTI is a Lost Time Injury and means any work related injury leading to the injured person not being able to return to work the next shift.

Total Recordable Incident Rate (TRIR)

- TRI means Total Recordable Injuries and include Lost Time Injury (LTI), Medical Treatment Injury (MTI) and Restricted Work Case (RWC)

Accounting metric	2019	2020
Exposure hours 24 hrs/day	5 255 092	4 325 183
LTI Rate No. of LTIs x 1.000.000/exposure hours (based on 24 hrs/day)	0,38	0
TRI Rate (LTIs+MTIs+RWCs) x 1.000.000/exposure hours (based on 24 hrs/day)	0,95	1,16

Port State detention and deficiencies

- Port State detentions and deficiencies are justified observations from a Port State control.

Accounting metric	2019	2020
No. of detentions	0	0
No. of deficiencies	12	5

G – GOVERNANCE



SDG Goal 16: PEACE, JUSTICE AND STRONG INSTITUTIONS

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

How does Siem Offshore contribute?

We have taken several actions to work towards a transparent, ethical and corruption free business. Our Corporate Code of Conduct is applicable to all Employees, partners and suppliers and describes our initiatives towards whistleblowing, fair and equal treatment, conflict of interest, anti-bribery, anti-corruption, antitrust and competition, trade restrictions, export controls and boycott regulations and insider trading. Introduction to the Code of Conduct and other relevant polices is part of the Employees Introduction programme.

In the following areas, we have more thorough polices to highlight the importance of the subject:

- Anti-Bribery
- Modern Anti-slavery
- Anti-Money Laundering
- Conflicts of Interest
- Competition Compliance
- Dealing
- Whistleblowing
- Sanctions



As we operate internationally, the Company keeps high attention towards third parties. To ensure that our business partners meet all our expectation and operate within the law, a dedicated Compliance Advisor conduct due diligence before new contracts are entered into. The online system Dun & Bradstreet is used to access information about a company’s credit and risk, as well as family tree. Refinitiv World Check One is used for due diligence in order to screen counterparts regarding sanctions and other penalties.

We have several procedures in place to ensure that our Suppliers and Major Contractors fulfil our requirements.

During 2020, the Company started to implement mandatory anti-bribery training for all Seafarers. The training will be repeated once a year, to maintain focus and awareness.



Governance figures:

Accounting metric	2019	2020
Corruption risk Number of calls at port in countries that have the 20 lowest ranking in Transparency International's Corruption Perception Index	1	0
Facilitation payments Number of incidents where bribes have been requested	0	0
Fines Total monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and/or regulations	0	0

OUTLOOK

Siem Offshore will continue to search for solutions to further reduce emissions. In 2021, we will install a battery power system on our dual fuel Platform Support Vessel "Siem Symphony" and a project is ongoing related to same for on one of our Subsea Construction Vessels.

We will continue to evaluate future alternative energy sources for our vessels, such as e.g. hydrogen based fuels, and the applicability the various alternatives have from a technical and environmental perspective.

We will continue to improve vessel monitoring and environmental performance through exploitation of digitalized solutions, allowing increased efficiency and subsequent reduced emissions.

We will strive to install shore power connection on further vessels in the fleet. Presently seven vessels have the ability to use shore power when in port. In addition to zero GHG emissions and local particle emissions, noise is considerably reduced for the benefit of crew and the local community.

In 2021, the intention is to implement mandatory training on sanctions and anti-bribery for all Office personnel. The training will be repeated once a year. In addition, anti-bribery training will be included for Seafarer's operating out from Canada and Brazil.

DISCLAIMER AND REFERENCES

This report covers the period 01 January 2020. – 31 December 2020. Information provided in the report is based on best available data at the time the report was issued and to the best of our knowledge.

The environmental figures and numbers contains data from the vessels operated by Siem Offshore AS, except ship recycling, where all regions are included. The other figures include Siem Offshore AS, Norway, Siem Offshore do Brazil and Secunda Canada LP.

References:

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<https://ec.europa.eu/environment/waste/ships/list.htm>

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