

SUSTAINABILITY REPORT 20/21

NORTHERN OFFSHORE GROUP



**NORTHERN
OFFSHORE
GROUP.**

Northern Offshore Group is an expansive group of privately owned companies mainly providing services to the shipping industry.



SUSTAINABILITY THROUGH EFFICIENCY, DEVELOPMENT AND COMMUNITY

As a company, we are responsible for our operations, our employees, and our environmental footprint. How do we create a company with a sustainable business, which is sustainable for its employees, and sustainable for the environment?

Within Northern Offshore Group, we work in a broad range of ways to maintain sustainability. Sustainability should permeate our entire business. It is something that everyone must acknowledge and participate in. Our organisation is flat, which means that our decision-making paths are short. This approach creates the opportunity for quick decisions that constantly drive our business forward.

Environmental work is now a number-one hygiene factor if we are to build a long-term and sustainable business, and a company that will be around in the future. We have developed a roadmap for our work to become carbon neutral, in which we have set our goals for the years to come.

The area where we have the greatest impact today is our vessels and their direct emissions. We will make the most of our fleet of about 65 vessels. We focus a lot on asset management and efficiency and we want to grow. There are fun and exciting times ahead with many innovative development projects. We are investing in both hybrid and all-electric solutions. The newly built M/V Energizer, our first hybrid vessel with our Green Technology stamp on it, will be delivered in Q4 2021, and we will finally be able to show what we're best at.

Our goal is to be carbon neutral. Although this is a tough commitment, we see it as an opportunity. Now we have the chance to really demonstrate what we stand for. If anyone can manage it, we can. We are a strong team and we really are a team. We want to create development opportunities for our team. Education is important, and many have taken the opportunity to deepen their knowledge in their field. We want to have skilled people within our team, and we have

achieved that. But no matter how good we are, we must also have fun and feel good for this to be sustainable. There is a strong sense of community within the walls of our offices. A good community of shared values creates cohesion, and tight cohesion means that we will also deliver good results. We will manage that only if we work together within our team.

A good internal community also spreads outside one's own organisation. Our customers, suppliers, and partners are incredibly important for the survival of our business. We want to create long-term relationships because we believe this enables us to create sustainable companies, together.

/David Kristensson Group CEO







LONG-LASTING RELATIONSHIPS AND GOOD COLLABORATION

We strive for long-lasting relationships and good collaboration with our stakeholders, whose opinions help guide our business.

The stakeholder analysis identifies our most important stakeholders, as shown in the table below. The result shows that several internal and external stakeholders focus heavily on sustainability issues and greenhouse gas emissions. This has contributed to us updating our environmental targets to show that we are on the same page. We collaborate with our stakeholders through, for example, trade fairs, customer surveys, supplier visits, customer visits, and the sustainability report.

STAKEHOLDER:	EMPLOYEE	CUSTOMERS	INVESTORS	BUSINESS PARTNERS	SOCIETY
DESCRIPTION:	We strive to have motivated employees and a healthy working environment that can attract new talents.	Many of our customers are energy producers that build wind farms for the production of green electricity. Dialogue and collaboration generate mutual success.	For N-O-G, having the trust of the capital market is essential. We provide our investors and lenders with information about the business and its financial development.	We wish to strengthen our market position. This can be achieved through continuous dialogue with business partners and industry organisations, which helps us identify trends and act on them.	Our business affects many people at present and will continue to do so in the future. To us, it is important to invest in the next generation and build trust to give young people faith in a positive future.
EXAMPLES OF ISSUES IN FOCUS:	Working environment, safety, and skills development. Committed managers and secure terms of employment.	Setting sustainability targets that are in line with those of our customers. Meeting quality and safety requirements.	Strategy, financial development, global changes, and innovations.	Innovation trends and global green energy development.	New job opportunities and collaboration between schools and industry.



WORKING WITH THE 2030 AGENDA AND THE GLOBAL SUSTAINABLE DEVELOPMENT GOALS

The 2030 Agenda for sustainable development, which was adopted by all UN member states in 2015, provides a common plan for peace and prosperity for people and the planet, now and in the future.

At its heart are the 17 Sustainable Development Goals (SDGs), which present an acute challenge for all nations. In order to produce relevant environmental goals, we have taken into account the company's significant environmental considerations in relation to the 2030 Agenda. The goals that Northern Offshore Group is best able to influence are SDGs 8, 12, 13, and 14.





SDG 8: DECENT WORK AND ECONOMIC GROWTH

The Human Development Index (HDI) is an index in the UN's global sustainability goals which measures the prosperity of the world annually in terms of a long and healthy life, being knowledgeable, and having a decent standard of living. The health dimensions are assessed based on life expectancy at birth. Knowledge is measured through mean years of schooling for adults aged 25 years and older, as well as expected years of schooling for children of school age. Standard of living is measured as gross national income per capita. Decent working conditions promote sustainable economic growth globally. Good conditions for innovation and entrepreneurship and safe, decent working conditions support sustainable economic growth.



SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

Many of the world's natural resources are finite. We are currently using up more natural resources than the Earth can replenish, for example in the form of fresh water and forests. Non-renewable raw materials such as metals and chemical elements such as phosphorus are in danger of running out. Goods and services affect the environment throughout their entire lifecycle, including manufacture, use, reuse, material recycling, treatment of waste, and all stages of transport. Purchasing goods and services is a significant environmental consideration for us, for which we have created environmental targets.



SDG 13: CLIMATE ACTION

The combustion of fossil fuels generates carbon dioxide, sulphur dioxide, and nitrogen oxide emissions. The release of emissions results in the formation of ground-level ozone, which prevents photosynthesis, which in turn can result in smaller harvests. It also has a negative impact on human respiratory organs. Emissions of greenhouse gases such as carbon dioxide and dinitrogen monoxide drive the greenhouse effect. The greenhouse effect is a natural phenomenon whereby greenhouse gases can absorb certain wavelengths of thermal radiation as they leave the Earth's surface. When the concentration of greenhouse gases increases in the atmosphere, the greenhouse effect is amplified, resulting in a temperature increase referred to as "global warming". Emissions from the combustion of fossil fuels are one of our most significant environmental considerations, for which we have created environmental targets.



SDG 14: LIFE BELOW WATER

Since we operate in a marine environment, we have a strong focus on ensuring that SDG 14 (Life below water) is met. Ocean acidification can be caused by the uptake of atmospheric carbon dioxide. A third of the carbon dioxide emissions in the air are absorbed by the oceans. The carbon dioxide reacts with the water and is converted into carbonic acid, which lowers the pH level. Acidification affects sensitive biotopes such as coral reefs, which support almost a fourth of all species of fish. Because this is a significant environmental consideration for us, we have created environmental targets to reduce our emissions.

DECARBONIZING ROADMAP

The journey towards a greener future without carbon dioxide emissions starts right here, with us. Through our choices and actions, we can contribute. Every day we work to reduce the CO2 emissions in our own operations, organisation and where we operate (scopes 1-2). The end goal is to achieve a carbon-neutral company (scopes 1-3).

SCOPE 1-2

OWN OPERATIONS

Research and development are part of our DNA. We continuously work with improving all parts of our own operations. Our R&D department work closely with suppliers in newbuilding and rebuilding projects to come up with the best solutions and most energy efficient vessel designs. We build the next generation crew transfer vessels.

Vessels

- 2025 7 Newbuilt hybrid vessels
90% Equipment installed to measure emissions
Educate all crew in Eco driving
Offer low carbon dioxide fuel 50%
- 2030 5 newbuilt electric vessels
Rebuilt 50% of the fleet to hybrid vessels
- 2035 Rebuilt 100% of the fleet to hybrid vessels
offer low carbon dioxide fuel 100%
- 2040 25 newbuilt electric vessels
- 2050 100% newbuilt electric vessels

ADMINISTRATION

In 2020 we installed 7 charging stations to charge cars at our parking. We have switched all cars to electrical vehicles.

Company Cars

- 2021 Electric office car
- 2025 Electric company cars
- 2030 Electric ambulance car
50% electric pool cars
- 2035 100% electric pool cars

Electricity

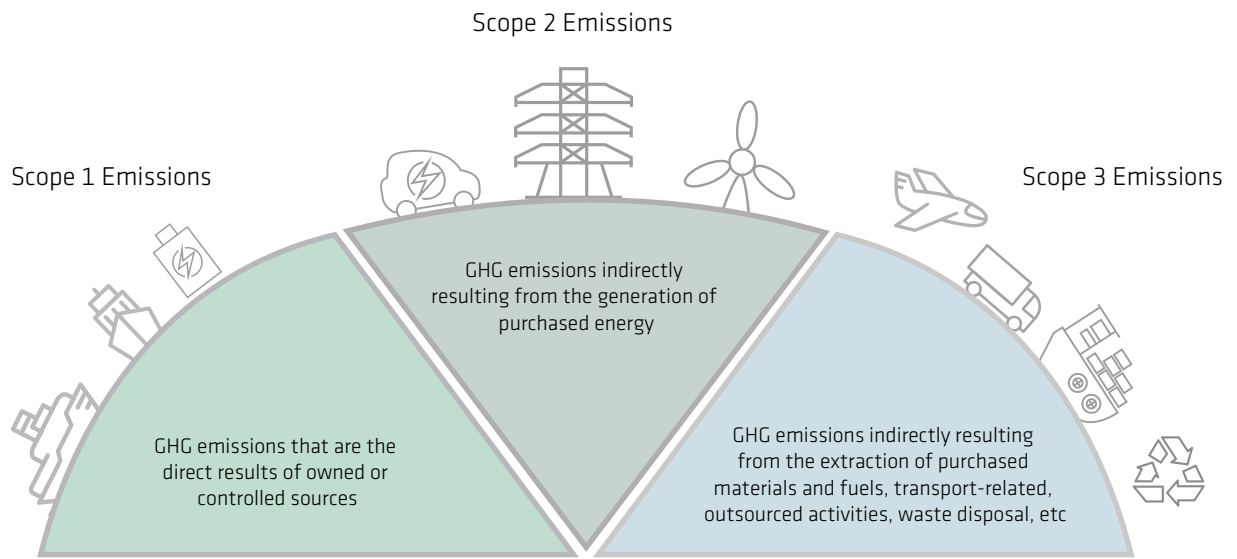
- 2021 Green electricity offices
- 2025 Green electricity for vessels in port

Scope 1

Direct GHG emissions from sources owned or controlled by N-O-S. These emissions come from N-O-S vessel operations and from N-O-S company cars. N-O-S emissions according to scope 1 accounted for 97% of the total carbon dioxide emissions for FY21. Through new building of electrical vessels and conversion of existing fleet to electrical and hybrid propulsion we can influence our own emissions and our environmental footprint. Our goal is to produce 100% fully electrical vessels in year 2050.

Scope 2

Indirect GHG emissions from consumption of purchased electricity. N-O-S emissions according to scope 2 accounted for 2% of the total emissions for FY21. In 2021, we will only use green electricity. All our vessels will have access to green electricity in port.



SCOPE 3

ons at our headquarters making it possible to started to replace office, company and pool

Business Travels

- 2021 Compensate business travels by air 100%
Employees can charge their cars at the office
- 2025 Compensate business travels by train/bus/taxi 100%
Compensate for hotels

SUPPLY CHAIN

Internal policies and checklists help us asses all purchases throughout the organisation. Our purchase department continuously work to find the most environmentally effective way of transport, working close with our suppliers.

Purchase Goods and Services

- 2025 Increase recycling
Optimize transport to vessels
- 2050 Minimize waste zero

Fuel and Energy

- 2030 Green Electricity at yards

n of purchased electricity, heat or steam by N-O-S. counted for 0,008% of the total carbon dioxide use green electricity for our offices and in 2025, ricity when they are at the quay.

Scope 3

Other indirect GHG emissions in the supply chain according to N-O-S activities. N-O-S emissions according to scope 3 accounted for 2,99% of the total carbon dioxide emissions for FY21. We cooperate with our suppliers to minimize the carbon dioxide emissions from our supply chain. Our emissions are determined by the choice of e.g. transport, how we handle our waste and how we compensate for our business trips. In 2025, all our business trips will be compensated 100%. In 2030, the electricity consumed during shipyard visits will be green.



ENVIRONMENT



SCR SYSTEMS REDUCES NOX EMISSIONS WITH UP TO 90%



UPGRADE OF EXISTING TONNAGE

Supporter and Voyager are among the first N-O-S vessels ordered from Southboats on the Isle of Wight. The vessels have been much appreciated by our customers ever since delivery. Voyager is equipped with water jets and Volvo Penta machines, and Supporter, like Voyager, is equipped with Volvo Penta machines but has a Volvo Penta IPS propulsion system.

In 2021 it was time to replace the machines as the old machines had reached the end of their working life. N-O-S chose to continue with Volvo Penta D13 as the main machines; however, for these, N-O-S chose to install SCR (Selective Catalytic Reduction) systems. Therefore both vessels are now equipped with their own catalysers, which use UREA to neutralise NOx emissions.

With the SCR system onboard, we are reducing NOx emissions from vessels by approximately 90%. With this system onboard, Voyager and Supporter's propulsion is in accordance with IMO TIER III.



NEW VESSEL CONCEPT

In the past year, N-O-S vessel developers have worked to produce the next generation of crew transfer vessels. The focus has been on future-proofing future vessels with preparations for alternative fuels and battery conversion.

Future vessels must be emissions-free. The hull is a refinement of the D and E class hulls, designed with greater width and a higher tunnel to generate as little water resistance as possible. This enables easier travel in higher wave heights.

The G class will be prepared for future battery packs from Volvo Penta, which are designed to fit their IPS propulsion system. The vessel class is designed with diesel-electric propulsion with the option of replacing the conventional diesel machines with additional electric motors and battery packs.

Battery power is in a relatively new phase, and because we are preparing the vessel class to operate on both conventional diesel and batteries, we therefore have the opportunity to follow battery development in the meantime. The vessel is therefore designed to start with diesel-electric and then for the battery capacity to be increased accordingly.

N-O-S is also following the development of the maritime use of hydrogen as an alternative fuel. The vessel will also be prepared to accommodate the possibility of hydrogen power.



OUR OWN ENVIRONMENTAL SYMBOL

The symbol indicates that the environmental impact of the vessel has been taken into account, through its entire lifecycle, from manufacture to operation.



UPDATED ENVIRONMENTAL TARGETS

The transition to fossil-free energy aimed at tackling global warming represents a major opportunity for us, as part of our business involves contributing to the more rapid expansion of the offshore wind power industry. In order to reduce our emissions, we map them in accordance with the Greenhouse Gas Protocol (GHG Protocol). We have also updated our short- and long-term environmental targets.



NEW BUY UPGRADE

During the year, Northern Offshore Services received a new vessel, Producer. Producer underwent an extensive upgrade during the year. The upgrade consisted of a new driveline, new fender, re-flagging with the Dannebrog and a new renovation of the interior. When N-O-S received the vessel, Producer was equipped with water jets; we replaced the existing machines with two Volvo Penta D13s and replaced the water jets with Volvo Penta's IPS system. During the installation of the new propulsion system, we also equipped Producer with an SCR (Selective Catalytic Reduction System). As described previously, the vessel's NOx emissions will be reduced. With the new propulsion system, we have a brand-new performance to offer our customers. With this upgrade we have both extended the service life of the vessel and enabled N-O-S to have a positive experience of vessels with IPS propulsion systems.

During the past year, we have installed charging posts for hybrids and electric vehicles in our car park.



99%

PARTICULATE FILTERS HELP CUT EMISSIONS BY 99%

PARTICULATE FILTERS AND HVO100

N-O-S can install particulate filters on the exhaust systems of its vessels, thereby reducing particulate emissions by up to 99%. The easiest way of reducing exhaust emissions is to use HVO100, a fossil-free renewable diesel that can help us cut our carbon dioxide emissions by as much as 90%. Our first vessel run on HVO100 is Provider at the offshore wind park Kårehamn in Sweden.

THE I CLASS EU VESSEL CONCEPT

Unlike the G class, which is to some extent powered by batteries, the I class will be fully electric, equipped with electric motors and batteries for 100% electric operation. The hull design is the same for the I and G classes, but what distinguishes them is the superstructure and driveline. There is a major difference in displacement between the G and I classes in order for the I class to be as light as possible.





ELECTRIC CARS

During the past year, N-O-S has started to replace its vehicle fleet in an even more sustainable direction. The number of electric cars doubled during the year and the development is being followed carefully in order to switch to a 100% electric fleet in the long term for those business areas where this is possible. During the past year, new acquisitions of company cars have consisted only of electric and hybrid cars, and now 40% of all company cars are fully electric, 20% are hybrids and the remaining 40% run on fossil fuels. The remaining 40% are due to be replaced within two years.



CHARGING POSTS AT OUR OFFICES

N-O-S's environmental goal for FY21 was to install eight charging posts at the main office on Saltholmsgatan. N-E-S's environmental goal for FY21 was to install eight charging posts at the office in Fiskebäck. The charging posts were installed during the year and have helped staff and visitors to charge their private and company cars. Both the offices and the charging posts have "green electricity" from wind power.



M/V ENERGIZER

Northern Offshore Group's fleet consists of some 60 vessels, most of which are Crew Transfer Vessels (CTVs). We believe that hybrid vessels have major potential as they represent a cost-effective solution with many advantages. Our hybrid solution can be installed on all vessels built by us or installed in connection with the remodelling of existing vessels. Soon, our first self-designed hybrid vessel, forming part of the new E-class series, will enter into operation.

Last year N-O-S launched a new vessel concept, the E CLASS series. In the past year some updates have been made to the vessel series. Energizer, which is currently being constructed at the shipyard in Norway, will be delivered with six Volvo Penta D16s (instead of four MTUs). The vessel has also been extended to 39 instead of 34 metres. The vessel will be equipped with 271 kW battery capacity.

The main engines and generators of the E-class vessels are combined with batteries to ensure optimum propulsion. The propulsion system can operate at four different modes of operations. In the eco-mode, the vessel is run at low speed, just like a diesel-electric vessel run on generators in combination with the batteries. When the batteries are fully charged, the vessel will automatically switch to battery mode. The mode of operation results in very low noise levels, less vibration, major fuel savings, and minimal carbon dioxide emissions.

During stand-by operations at sea, the E-class vessels can be run on batteries for up to 90% of the day with low loads. The batteries can be charged from land and the vessels have also been designed to enable charging directly from the wind turbines where possible.

CDP REPORTING

N-O-S will be climate neutral from a lifecycle perspective by 2050. This means that our services must not result in any excess carbon dioxide.

In order to find improvement measures and take the next step in our climate work, we are reporting our emissions in CDP, which operates a global environmental information system. CDP is an independent and non-profit organisation which supports organisations, towns and cities, and states and regions to measure and manage their risks and opportunities regarding climate change, water security and deforestation. Organisations that report their climate work in CDP receive an assessment which creates transparency.

The areas that are reported, apart from the actual emissions in carbon dioxide equivalents, include:

1. The management of the organisation's climate work and ongoing initiatives;
2. Impact on direct and indirect climate change, such as emissions and resource use; and
3. How climate change affects the individual business, i.e. climate risk analyses.

FY21 was N-O-S's first full year of reporting.

Our climate work was approved and received a score of D.

The goal for FY22 is to achieve at least a score of C.

D

IS OUR CDP GRADE IN FY21.
OUR GOAL FOR FY22 IS
GRADE C.



RESPONSIBLE MANAGEMENT OF CHEMICALS AND WASTE

We take care not to use chemicals that could harm the environment or our employees. In 2020, our aim was to phase out chemicals listed as dangerous on the Candidate List and the Substitute It Now! (SIN) list. The Candidate List includes just over 200 particularly dangerous substances and forms part of the European chemicals regulation, REACH.

The SIN list has been developed by ChemSec in collaboration with leading scientists, among others. This list serves as a tool for phasing out dangerous chemicals and also gives us an idea of what chemicals might end up on the Candidate List and be covered by stricter legislation on their use in the future.

BUNKER AND FUEL

New environmentally friendly product catalogue

N-E-S's environmental goal for FY21 was to investigate at least one new environmentally friendly product from a lifecycle perspective. The product that was included in FY21 was HVO100, which can be produced by organic biomass as vegetable oil and various types of waste and residual products. HVO results in significantly lower carbon dioxide emissions. Emissions of nitrogen oxides, carbon monoxide and fine particles are also reduced.

N-E-S's environmental goal for FY21 was for 10% of lubricating oils to be environmentally friendly. The goal for FY21 was achieved.

The N-E-S range includes: The Mobil SHC™ and Mobil Aware™ HS series. These are high-performance hydraulic oils that satisfy the Vessel General Permit (VGP) requirements for environmentally acceptable lubricants and EU environmental labelling requirements, while at the same time offering excellent protection in hydraulic systems. These hydraulic oils are biodegradable, minimally toxic and non-bioaccumulative. They can be used in hydraulic systems where spills or leaks can lead to a negative environmental impact.

CHEMICALS IN TABLET FORM

Along with one of our suppliers, N-O-S is evaluating a new concept for biodegradable household chemicals. Household chemicals in tablet form that dissolve in warm water can reduce carbon dioxide emissions. Using tablets and then dissolving them onboard our ships reduces the transport of unnecessary water and thereby reduces our carbon dioxide emissions.



THE EMPLOYEE

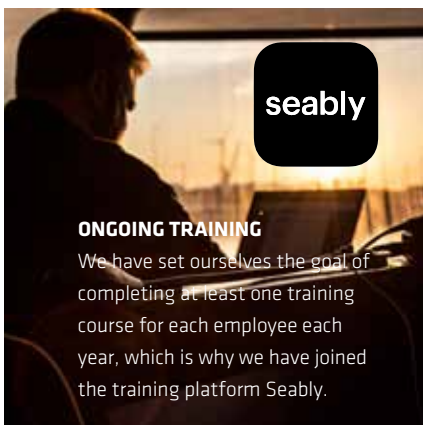


15 DAYS CHALLENGE

All forms of movement have a positive effect on the body. Apart from the obvious fact that muscles and joints feel good from exercise, mental health is also affected. The brain is the organ that is strengthened most of all by physical activity. According to research, creativity increases significantly after a workout and physical activity improves tolerance to stress. We care about the health of our employees and therefore took the initiative to start a challenge for all employees which they could do at home and at work, on land or at sea. The challenge involved exercising for 20 minutes for 15 days. In order for employees to also inspire each other to take part and get started, they were encouraged to post pictures of themselves on our intranet performing the challenge. There was a prize for best picture, which also unleashed the creativity in all of us.

THE BEST365 FAMILY DAY

Doing things together is one of the ways in which we build our corporate culture. The BEST365 family day is an annual event where our employees and their families are invited to the Gothenburg head office. Here, we review what has happened within the company over the past twelve months and look forward on what's to come. An award is given to an employee who has shown particular commitment during the year based on our values and our vision: BEST365. Lunch is served on the pier and there are activities such as a jet-ski safari and standup paddle boarding, with a bouncy castle and ice cream and popcorn for all.



ONGOING TRAINING

We have set ourselves the goal of completing at least one training course for each employee each year, which is why we have joined the training platform Seably.

ONLINE TRAINING

We believe that skills development helps create more committed employees. We develop internal training programmes and in 2021 we have continued and improved our already implemented concept whereby we train N-O-S ambassadors who can, in turn, relay the knowledge to their colleagues based on a specific training programme. This year the focus has been on safe crane management and load coupling. We consider online training a very useful concept and we plan to reach our employees in a pedagogical and company-specific way in order to continue to boost skills at all levels of our company.



FROM SKIPPER TO FLEET MANAGER

Johannes Ahlström explains: I started working for Northern Offshore Services in January 2012 and my first role was as a skipper aboard the M/V Deliverer in Ramsgate/UK. Just a few months later, I signed on to N-O-S's new build no. 3, M/V Accomplisher in Grenå/Denmark, which was an adventure. Aboard the Accomplisher, I worked a couple of months until I received the honour of retrieving new build no. 4 in Northern Norway – M/V Attender. I sailed as a skipper on Attender until mid-2013, when I signed on as a skipper on N-O-S's first D class, Developer, in Liverpool/UK.

I left Developer to revise for my maritime proficiency training at the Skipper School in Skagen. After the exams, I signed up as a skipper on Achiever in Barhöft/Germany. In 2016 I signed up on Rescuer as a skipper at the start of the Ambulance project in the Gothenburg archipelago.

In March 2018, I got a job as MSI following internal recruitment from Chartering. This was a whole new world behind the scenes of shipping, where I quickly learnt to master the customers' tough requirements. After just over a year, I was asked to move to the technical department as VSI. It is a challenge that taught me nothing is impossible except the impossible. The move into the technical department has given me technical, logistical and financial knowledge. After another 15 months as VSI, I received an offer to become manager of the Technical Department.

There are excellent opportunities to develop and change roles within Northern Offshore Group if you are able to demonstrate commitment and a willingness to solve problems and do your best every day.



COMMUNAL OUTDOOR LUNCHES

During the summer we organised communal lunches once a week and a couple of staff were responsible each time. We have noticed a need to socialise, and since we have the opportunity to be outdoors at our head office, it has also been possible to gradually start meeting again in a socially distanced manner. This has been fantastic and has helped us to create a good team spirit before the autumn.

WE ALLOW OUR TALENTS TO GROW

We invest in retaining and training our talent internally by giving our employees the opportunity to work in various roles within the company. We can see that this benefits both the individual and the company, as knowledge is retained and broadened within our organisation and employees get the chance to use their experience in various fields. For example, sailors have gone on to work as vessel superintendents or HSSE-Q officers. This increases the level of contact between those who work aboard our vessels and those who are office-based. In turn, this has resulted in improving our knowledge and understanding of one another's tasks and, not least, in employees getting to know more people within the company, which is always helpful when an issue needs to be resolved.



RÖDBY BUILDING PURCHASE

During the year we bought two properties in order to secure access to good accommodation on land at a reasonable cost for our crews on the Fehmarn Belt project. By providing accommodation ourselves, we can guarantee the level of accommodation and create a feeling of “home away from home”, as it will be the same accommodation that the crews return to trip after trip.



PHOTO COMPETITION 1

Two new buildings were bought in Rödbý for the crews, and to include them in the task of furnishing the buildings, the Crewing department organised a competition among the crews. They were encouraged to send in photos and the 10 winning entries were turned into pictures that now hang in the buildings. The winner of the competition also won a Playstation 5 games console.



VISION AND VALUES

It is important that all Northern Offshore Group employees are familiar with the company's vision, BEST 365, and the values on which it is based. We strive to ensure that everyone understands that personal commitment contributes to making the vision a reality and how it does so. This is something that is included early on during the hiring process, and onboarding days are also organised for all new employees. During these days, the CEO provides a historical overview of the company and clarifies our vision and values. Department presentations by the respective department managers are followed by a communal lunch. To us, it is important that company leadership is exercised in line with the vision, and our managers have therefore undergone joint leadership training in the past year. We will continue to invest in training our leaders in line with our vision.

PHOTO COMPETITION 2

Maintaining and cleaning the deck on the vessels challenge. The crews were encouraged to send in photos of freshly painted or newly cleaned decks, and the prize was an electric scooter, electric barbecue or coffee.



OUR RISK ANALYSES UNDERGO BOTH INTERNAL AND EXTERNAL REVIEW

We actively manage the opportunities and risks associated with new projects and the work operations we perform. In order to be able to assess the potential impact of the risks identified, a risk analysis is carried out where each individual risk is assessed based on probability and consequence. Our risk analyses are reviewed regularly, both internally and externally, for example by our customers and externally contracted auditors. We base our decisions on these assessments and measures.

When it comes to identified risks, we work actively to reduce probability and consequences pursuant to the prioritisation outlined below.

RISK PRIORITISATION

More effective

- 1 Eliminate – remove the risk entirely
- 2 Substitute – replace the risk with a safer alternative
- 3 Apply technical control measures to lower the risk
- 4 Apply administrative control measures to lower the risk
- 5 Use personal protective equipment to lower the risk

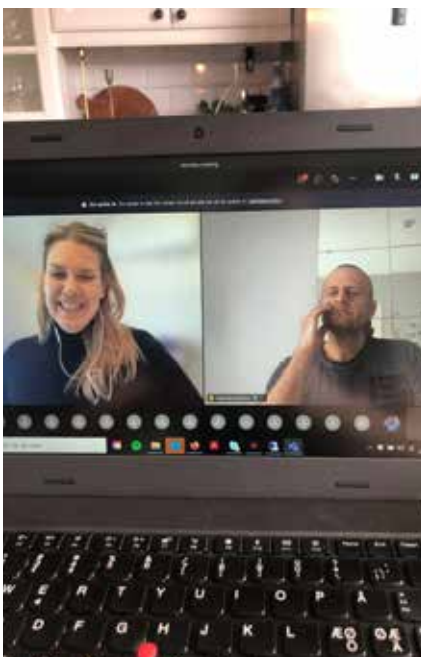
Less effective

A PERSISTENT POSITIVE TREND WITH REGARD TO ACCIDENT STATISTICS

Policies, management systems, follow-up, and control are some of the tools that facilitate initiatives for better health and increased safety. We are constantly developing and improving our systems based on experience and feedback from our employees and customers.

One initiative introduced by Northern Offshore Services in 2020 was the Safe Navigation and Pier Routines campaign. The campaign saw us visit all our vessels to verify that our routines are effective and implemented on board, in order to ensure that we maintain the highest possible standards when it comes to operating the vessels safely in all situations. We use a number of KPIs to follow up on our statistics. The most important of these are LTIF and TRIF. LTIF measures personal injuries resulting in absence per million hours worked, while TRIF measures all types of personal injuries per million hours worked. Northern Offshore Services has seen a persistent positive trend when it comes to accident statistics.

Northern Offshore Services, Northern Energy & Supply, and Mareel are certified under ISO 45001 and carry out systematic working environment activities through working environment committees. Consultation and participation are standing items on the agendas of all department and management group meetings.



DIGITAL MEETINGS

2020/2021 has affected us all in different ways, but it cannot be denied that it has affected us. When restrictions and recommendations told us to work from home, we had to adjust. Just as we were unable to travel and meet customers, neither could we meet our closest colleagues, the people we spend the majority of our weekdays with. For many this has been a major adjustment.

We had already made the digital switch to video conferencing and meetings beforehand, and now it was our primary tool for work and communication. What we didn't do before was socialise digitally outside work. Each department has held daily digital meetings to check on statuses, and we have also had a digital Friday coffee break every week with a quiz. This has been a simple but appreciated event where we can meet those we don't work closely with and socialise digitally.



RESPONSIBLE BUSINESS



COVID-19

During FY21, the Covid 19 pandemic has had a major impact on society as well as globally, regionally and locally. Since the outbreak of the pandemic, N-O-S's main priority has been the safety and health of staff and stakeholders. Many of our customers operate socially key businesses with electricity production from wind farms where passenger transport with N-O-S vessels is an important link in the supply chain. N-O-S has had to make many adjustments for both the staff at the offices and the crew.

Throughout the pandemic, N-O-S has followed its development and adhered to the restrictions of primarily the WHO (World Health Organization), the individual countries' health authorities and customers. At the start of the pandemic, a team at N-O-S was put together and tasked with collecting information on restrictions, updating processes, informing the staff and managing any outbreaks on the vessels or at offices.

Adjustments were made to ensure that as many of the office staff could work from home as possible. Staff were offered the opportunity to borrow screens and a structure was put in place to work in Teams with frequent reviews to drive the work forwards and promote the working environment during the pandemic. The office staff have worked fully or partly from home whenever possible.

When the infection was at its peak, we chartered flights in order to ensure that the crew could be transported to and from the vessels safely by minimising any changes at airports.

CLOSE COLLABORATION CREATES CONSTANT IMPROVEMENT

Responsible business is integrated into N-O-G's corporate governance. Based on our business idea and vision, our business provides social benefit for our employees, our customers, and other stakeholders. We work closely with both our suppliers and our customers. In 2020 we developed a new supplier assessment system focusing on six key areas:

Company conditions - Assessment of the conditions offered to us and whether the supplier has approved and signed our Code of Conduct

Finance - assessment of the financial stability of the supplier

Quality - assessment of whether the supplier is quality-certified and the degree to which it is able to adapt its products to our business

Environment - assessment of whether the supplier is environment-certified and whether it is able to provide information about, for example, the carbon dioxide emissions associated with its products

Product - assessment based on warranties and returns

Logistics - assessment based on flexibility and delivery accuracy

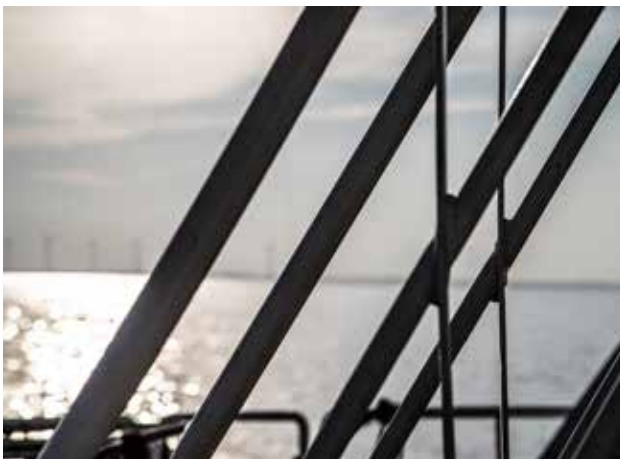
MEASURES AND RESPONSIBILITIES IN CONNECTION WITH THE COVID-19 PANDEMIC

The past year has been unique in terms of the ongoing COVID-19 pandemic. As a company we have introduced measures to curb the spread of coronavirus infection together with our employees. As our vessels operate in various European countries, getting our employees in position has represented a major challenge. We have complied with all rules and guidelines applicable in the countries where we operate. On some occasions we have chartered planes to transport employees as safely and efficiently as possible. A decontamination routine has been created for our vessels to be used in the event of a coronavirus outbreak. We have complied with the Public Health Agency of Sweden's advice for office work and have informed all our employees of restrictions on an ongoing basis. We have also adapted our offices to enable social distancing and good hand hygiene. We were quick to limit visitor numbers and increase office cleaning. To prevent social isolation among onshore staff, we begin each working day with a morning start-up meeting.

HOW CAN WE ENSURE THAT OUR CUSTOMERS REMAIN SATISFIED?

N-O-S has developed a new type of customer survey where the marine superintendent keeps in close contact with the customers throughout the duration of the projects. We ask three questions relating to customer satisfaction and continually follow up on the results in order to make constant improvements. The scale used in the survey is as below and the annual target is an average of at least 3.5.

1. Unacceptable
2. Lower than expected
3. Meets expectations
4. Better than expected
5. Exceeds expectations



COOPERATION WITH CUSTOMERS FOR CARBON DIOXIDE EMISSIONS

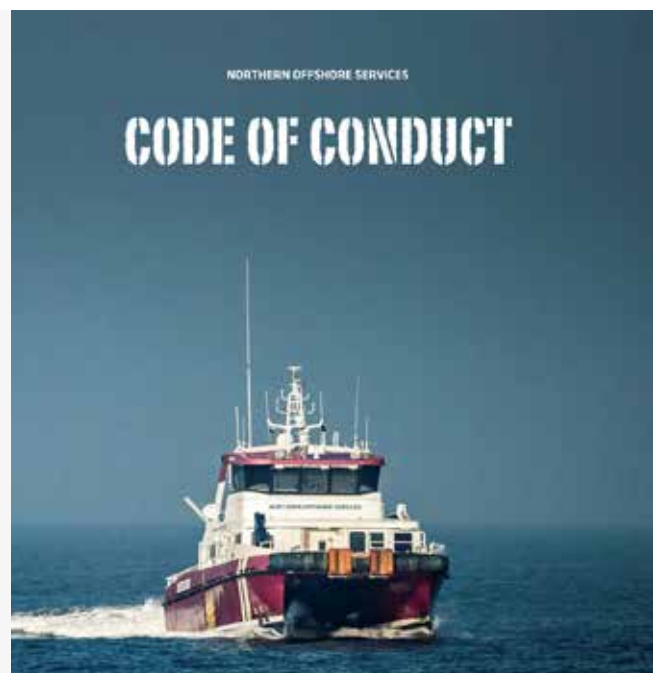
N-O-S is working with customers, providing regular reviews to report on how we are doing in terms of achieving our goals and how we can cooperate to achieve the common goal of becoming carbon dioxide neutral.

CODE OF CONDUCT

During Fy21, N-O-S's code of conduct was updated. The code of conduct covers all employees at N-O-S and sub-contractors as we work with sustainability throughout our supply chain. All land-based staff have undergone training in N-O-S's code of conduct.

Northern Offshore Services Code of Conduct is based on:

- The Universal Declaration of Human Rights
- UN Guiding Principles on Business and Human Rights
- UN Sustainable Development Goals
- UN Convention on the Rights of the Child
- UN Convention against Corruption
- The Ten Principles of the UN Global Compact
- International Labour Convention and Agenda 2030





**NORTHERN
OFFSHORE
GROUP.**

WWW.N-O-G.EU