



**ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE REPORT**

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## ABOUT THIS REPORT

In this Environmental, Social and Governance (ESG) Report, Prosafe will communicate to its stakeholders how the Company integrates environmental, social and governance factors into its business strategy, decisions and operations in order to ensure long-term sustainable development and profitability.

The Company will describe Prosafe's ESG focus areas and results, focusing on how we respond to climate change, treat our people, and ensure responsible business conduct.

Prosafe complies with governmental laws and rules and regulations applicable to its business.

The Company adheres to international recognised principles and guidelines such as the Universal Declaration of Human Rights, the key conventions of the International Labour Organisation, the OECD Guidelines for Multinational Enterprises and the principles of the United Nations Global Compact.

This report has been prepared based on the Corporate Social Responsibility (CSR) requirements of the Norwegian Accounting Act section 3-3c, the Norwegian Shipowners' Association's guidelines for ESG reporting in Maritime Industries, UN Global Compact's requirements for communication on progress, and the Norwegian Code of Practice for Corporate Governance.

### ESG GOVERNANCE

ESG is embedded in Prosafe's Core Values, Code of Conduct, principles for Corporate Governance and CSR Policy.

In 2019, the Board of Directors and Executive Management decided to further increase the Company's efforts on ESG. In light of this, "Improve ESG offering and profile" was included as one of the Company's key goals for 2020, and ESG now is an integral part of the Company's strategy.

Furthermore, a number of quantitative environmental, social and governmental KPI targets have been set to drive development. The 2020 targets have been included in the results tables in the different sections of this report. Prosafe will prepare action plans and report progress on these targets in future reports.

As from 2020, the Ethics Committee will be named Safety, Sustainability and Ethics Committee, and will assist the Board of Directors in its supervision of the Company's ESG performance. This includes regular reviews of ESG issues, including climate-related business risks and opportunities, anti-corruption, personnel safety, human rights, cyber security and ESG performance. When necessary, the Committee will consult with internal and external expert resources.

### UN GLOBAL COMPACT'S GLOBAL GOALS FOR SUSTAINABLE DEVELOPMENT

Prosafe has been a participant of the UN Global Compact since 2008. We are committed to integrating the UN Global Compact's ten principles in the areas of human rights, labour, environment and anti-corruption into our strategy, policies, culture and operations.

Prosafe supports UN's Sustainable Development Goals (SDGs) and shares the view that its business has a key role to play in the implementation of the goals. We aim to align our own responsibility goals with the following SDGs that can be influenced by Prosafe: SDG 3: Good health and wellbeing; SDG 8: Decent work and economic growth; SDG 13: Climate action; SDG 14: Life below water

<b>Selected SDGs</b>	<b>2019 milestones</b>	<b>Potential impacts and risks (examples)</b>
SDG 3: Health and wellbeing	Lost time incident frequency of zero  No fatalities	+ Providing good work places, with safety as our first priority  - Potential safety incidents
SDG 8: Decent work and economic growth	Mandatory human rights training and anti-corruption training	+ Increased awareness  - Exposure to human rights risks related to our activities and supply chain
SDG 13: Climate action	Kicked of an "Emissions reduction project"  "Improve ESG offering and profile" was included as one of the Company's key goals for 2020	+ Exploring emissions reductions  - Emissions from operations and , supply chain
SDG 14: Life below water	No accidental emissions to sea  No non-regulatory release of ballast water	+ Managing environmental impacts  - Risk of potential spills

The Company recognizes that its business activities may have both positive and negative impacts on the SDGs. However, Prosafe seeks to minimize negative impacts and contribute positively to the goals, and to be transparent about its impacts.

### **COMMITMENT TO STAKEHOLDERS**

Prosafe's ESG focus is based on transparency, stakeholder dialogue and integrity in the conduct of our business.

The Company's main stakeholders in this perspective are its employees, customers, suppliers, investors and the communities where the Company operates. Prosafe will ensure that its stakeholders at all times are in possession of correct, clear and timely information about the Company's operations and status.

Dialogue with stakeholders is essential for identifying risks, opportunities and trends, creating realistic expectations and securing confidence in the Company. Prosafe interacts with its key stakeholders amongst others through the annual general meeting, customer surveys, employee surveys, town halls and investor presentations.

## GOVERNANCE

Prosafe is committed to complying with all applicable laws, including fair competition and antitrust, anti-corruption and anti-bribery, and insider trading.

### CODE OF CONDUCT

Prosafe's Code of Conduct provides the framework for what Prosafe considers to be responsible conduct, but is not exhaustive. In the event that laws and regulations in a particular country are more stringent than Prosafe's Code of Conduct, local rules shall apply.

Prosafe's Code of Conduct imposes an obligation to report possible violations of the Code or other unethical conduct. Managers are required to take their control responsibilities seriously to prevent, detect and respond to ethical issues. Employees are encouraged to discuss concerns with their immediate supervisor or other Manager. Concerns may also be raised with the Safety, Sustainability and Ethics Committee.

### Promoting integrity and transparency

Prosafe's Whistleblowing Policy encourages a culture of openness within Prosafe and describes the internal process for whistleblowing aiming at detecting, preventing and combating corrupt and/or unethical behaviour in Prosafe and to set out the relevant guidelines as to how to report concerns and how such matters are handled.

All such reporting will be handled with discretion and in a professional manner, with no retaliation imposed on those who report suspected or unethical behaviour, and the individual may remain anonymous.

The Company's Grievance Management Procedure shall ensure that an employee's grievance is treated in a fair, consistent and responsive manner, together with providing a channel for the hearing of the grievance and a fair resolution. All grievances raised under this procedure shall be treated confidentially and in line with the Company's Equal Opportunities Policy.

Prosafe's Safety, Sustainability and Ethics Committee is responsible for:

- Maintaining and further developing Prosafe's Code of Conduct;
- Ensuring that disclosures are dealt with as quickly as possible and as near to the point of origin as possible;
- Where appropriate, give recommendations and advice on dealing with ethical dilemmas;
- Ensuring that alleged breaches are investigated thoroughly and fairly;
- Reporting at least annually and otherwise when needed, to Prosafe's Audit Committee / Board of directors.

### ANTI-CORRUPTION AND FACILITATION PAYMENTS

Prosafe's principles regarding bribery and corruption are crystal clear – we have zero tolerance. This is also described in the Company's Code of Conduct and in the Anti-bribery and Anti-corruption procedure.

Prosafe is against all forms of corruption, including facilitation payments, and make best efforts to ensure that it does not occur in the company's business activities. Prosafe will not offer customers, potential customers, governments, agencies, or any representatives of such entities, or any other third party any rewards or benefits in violation of either applicable law or reasonable and generally accepted business practices.

It is Prosafe's policy that no contributions to political parties, political committees and to individual politicians can be given.

Any breaches or suspicion or breaches of the Code of Conduct must be flagged. If in doubt, employees must consult their manager or the Sustainability, Safety and Ethics Committee.

### **SUPPLIER FOLLOW-UP**

Prosafe encourages suppliers, consultants and other business partners within its sphere of influence to observe the company's Core Values, Code of Conduct and its standards for corporate social responsibility, health and safety, the environment, quality assurance and training and competence.

ESG is focused upon throughout the procurement process, from the pre-qualification of vendors, to entering into contracts, and in supplier audits. The main tool for ensuring ESG implementation in the supply chain is the Prosafe Approved Supplier Verification Questionnaire, which requests suppliers to sign and commit themselves to following Prosafe's ESG principles

Suppliers are subject to the same standards as used by Prosafe within its Integrated Management System. Through planned, scheduled and follow-up efficacy monitoring and audit activities, Prosafe will review and verify that defined standards and requirements are met.

Suppliers are expected to:

- respect all individuals and basic human rights standards
- comply with applicable laws and regulations
- conduct their business without bribery or corruption
- engage in fair competition
- uphold labour standards and prevailing trade union agreements (if applicable)
- uphold and support Prosafe's Core Values and Code of Conduct



Prosafe conducted three supplier audits in 2019. These audits included focus on Environment, Social and Governance, including self assessment status, measures in place, objectives, ambitions and targets.

The Company's supplier audits during 2020 will increase focus on ESG including self assessment status, measures in place, objectives, ambitions and targets

### **PERSONAL DATA (GDPR)**

Prosafe takes its responsibilities seriously with regards to management of personal data. The EU General Data Protection Regulation (GDPR) came into effect in May 2018. A GDPR workgroup consisting of representatives from HR, Legal, PSCM and IT was established well in advance to review all administration and management of personal data, processes and systems to ensure that the personal data and privacy of our people and stakeholders was safeguarded in accordance with the requirements in the regulation.

Prosafe developed the following critical procedures, Data Protection – EU/EEA and Data Protection – Global to ensure the highest standards of protection of personal data and compliance any applicable legislation relating to personal data, including GDPR. GDPR awareness sessions were undertaken and GDPR compliance training was provided to individuals who hold positions that are involved in the management and processing of personal and sensitive personal information.

### **OUR ACTIONS**

Ensuring integrity is a continuous project. New employees are given a thorough introduction of Prosafe's history, operations, vision, core values and Code of Conduct. They are also offered the necessary training in the company's policies and procedures.

In 2019, Prosafe introduced a number of e-learning programs that are mandatory for employees, consultants and agency personnel.

At year-end, the rate of completion for these e-learning programs was as follows:

- UN – the fight against corruption: 78 per cent
- Cyber security awareness: 59 per cent

Management has set clear targets to have 100% of the employees complete the programs as these courses are considered important for the company. Management will remind and encourage employees to complete the courses in order to ensure compliance.

## RESULTS IN 2019

Parameters	2019	2018	Comment	2020 KPI target
Anti-corruption training: Completed Training Ratio	78%	N/A		100%
Cyber attacks or similar incidents resulting in loss of data, loss of integrity or other loss	0	0	As part of our Security Framework we have implemented a set of procedural and organisational controls in addition to several protective measures. In close co-operation with our global IT service partner we utilize a centralized service desk based on ITIL where all incidents are registered.	Zero
Cyber attacks or similar incidents resulting in down-time of critical IT systems	0	0	As above	Zero
Investigations or lawsuits in relation to ESG issues	0	0		Zero
Number of whistleblowing cases	2	0		
No. of supplier audits that include auditing of governance issues	2	0		> 3
No. of supplier audits that include governance auditing	2	0		100% of new suppliers
No. of Integrity Due Diligence processes related to other business partners	2	0		100% of new business connections



## SOSIAL

### OUR PEOPLE

Prosafe's success depends upon the combined capabilities and contributions of its employees. Their motivation, knowledge and competence are fundamental to the company's further sustainable development.

The Company is committed to offering its employees a safe and stimulating working environment where everyone is treated fairly and with respect.

#### KEY STAFF NUMBERS

Prosafe had 150 employees at the end of 2019 (average 313), compared with 417 in the previous year (average 401). This reduction in the number of employees reflects the adjustment of the organisation in response to a weaker market outlook and reduced demand for Prosafe's services that was initiated in 2019. A number of employees accepted voluntary redundancy packages in the end of 2019. As a result, the overall voluntary employee turnover in the group was 19.2 per cent in 2019, compared with 8.5 per cent in 2018. A number of employees will not leave the company before early 2020, so this number is expected to be relatively high in 2020 as well.

The Company's global presence was reflected in the fact that our employees came from 24 countries around the world.

Due to the nature of the company's business, characterized by short contracts and vessels moving from one country to another when starting a new contract, Prosafe employs an increased number of agency personnel offshore, often only engaged for a short time. Adherence to Prosafe's Code of Conduct, policies and procedures is amongst others ensured through an introduction program for new employees, continuous management focus and e-learning programs.



## DIVERSITY AND EQUALITY

The Company believes that strength lies in differences and complementary traits, not in similarities. Attracting, developing and retaining the best employees, regardless of gender, age, nationality, cultural background or religion, gives the Company access to new ideas, promotes better decision making, and creates a workforce that mirrors our clients and the world at large.

Prosafe operates an equal opportunity policy including gender equality. Men have, however, traditionally made up a greater proportion of the recruitment base for offshore operations, and this is reflected in Prosafe's gender breakdown. As of 31 December 2019, women accounted for 26.0 per cent of all employees, compared with 11.3 per cent in 2018. Onshore the proportion of women was 36.6 per cent, as opposed to 40.6 per cent in 2018.

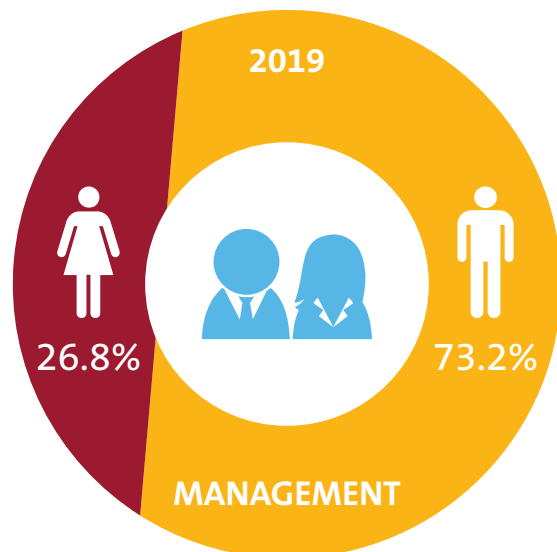
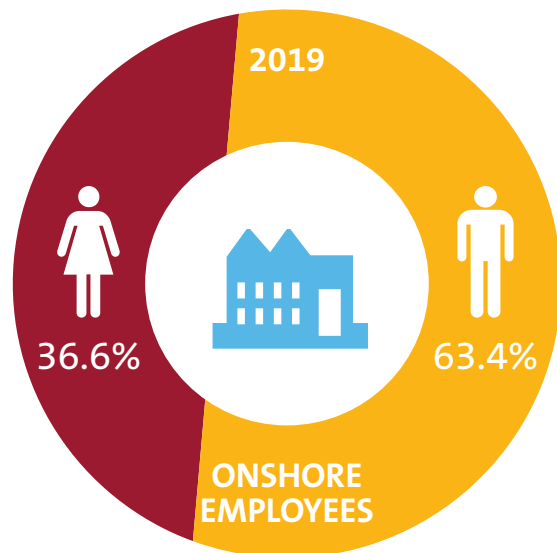
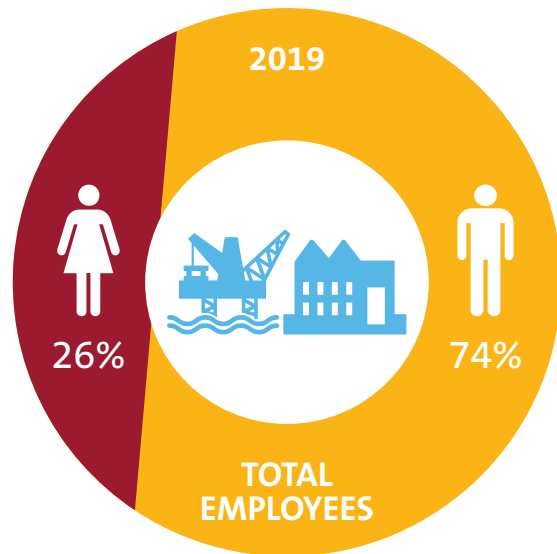
Women constituted 26.8 per cent of the managers as at 31 December 2019, compared with 25.0 per cent at the end of 2018.

Prosafe aims to offer the same opportunities to all and does not accept discrimination with respect to recruitment, remuneration or promotion due to age, disability, gender, marriage and civil partnership, pregnancy and maternity, nationality, religion or belief, sex and sexual orientation

## RECRUITMENT AND COMPENSATION

Prosafe wants to be a preferred employer, and aims to attract and retain employees by offering them challenging and motivating tasks, and by providing attractive working conditions and possibilities for personal development and career growth.

All employees shall have a salary that is seen as fair, competitive and in accordance with industry standards. Only relevant qualifications such as education, experience, performance and other professional criteria shall be taken into account when appointing, settling remuneration and awarding promotion.



## **WHISTLEBLOWING**

Prosafe encourages its employees to report any breaches of its Code of Conduct through the established whistleblowing channels. This will ensure that the company when necessary can rectify, learn and prevent re-occurrence.

The Company's Grievance Management Procedure shall ensure that an employee's grievance is treated in a fair, consistent and responsive manner, together with providing a channel for the hearing of the grievance and a fair resolution. All grievances raised under this procedure shall be treated confidentially and in line with the Company's Equal Opportunities Policy.

## **RESPECTING HUMAN RIGHTS**

Prosafe supports the principles set out in the Universal Declaration of Human Rights. The Company endeavours to ensure that its operations and those of its suppliers are conducted in accordance with basic human rights standards. This statement of support can also be found in Prosafe's CSR Policy. Furthermore, the obligation to respect human rights is addressed in Prosafe's Code of Conduct.

### **Human Rights related risks**

Prosafe operates in the international oil and gas industry, which is a strictly regulated industry within which there is a strong presence of trade unions.

Prosafe requires that human rights are respected within its own operations and those of its suppliers.

Prosafe's approach to respecting human rights starts with the company's commitment to its workforce. This includes ensuring that staff are treated fairly and without discrimination and has a healthy, safe and secure working environment, and respecting their right to freedom of association and rights to negotiate and cooperate through relevant representative bodies.

Prosafe does not accept any breaches of human rights or labour standards when recycling older vessels. In all cases, Prosafe will adhere to relevant conventions (2009 Hong Kong Convention, 1989 Basel Convention), always adopt best practise, provide financial guarantees and appoint independent recycling yard representation where necessary, until the asset is completely recycled, and conduct extensive diligence when recycling of any asset.

### **Response to Human Rights violations**

No legal claims have been received from any employee in respect of any violation of human rights, and no breaches of the Code of Conduct in relation to human rights in 2019.

## **RESPECTING LABOUR STANDARDS**

Prosafe respects and promotes the four fundamental principles and rights at work as described in the International Labour Organisation Core Conventions:

- freedom of association and the effective recognition of the right to collective bargaining
- elimination of all forms of forced or compulsory labour
- effective abolition of child labour
- elimination of discrimination in respect of employment and occupation

These principles are also described in the Company's Code of Conduct and in the Corporate Social Responsibility Policy.

### **Labour rights related risks**

Prosafe operates in the international oil and gas industry, which is a strongly regulated industry with a strong presence of trade unions. The knowledge and training required in order to be allowed to work offshore and the application of national tariff agreements largely eliminate the possibility for using child labour.

Prosafe aims to ensure compliance with labour laws, rules and regulations in all the geographical areas and jurisdictions it operates in. It is Prosafe's understanding that the International Labour Organisation Core Conventions are respected within its own operations, and within the operations of its suppliers, consultants and other business partners.

### **Employee Representation and Engagement**

Employees in all geographical locations have the right to be heard and represented, and to form and join trade unions of their own choice. This is part of Prosafe's commitment to human and labour rights.

Prosafe encourages employee involvement and keeps its employees updated through emails, regular intranet updates and town hall meetings with Q&A sessions.

For organisational changes that affect the company's employees, Prosafe observes national legislation on the minimum requirements of notification period in the countries where the company operates.

Prosafe conducted two global surveys in 2019 to gauge employee engagement. Based on the feedback received, management evaluates which improvement areas to focus on in the following year.

### **Collective bargaining**

The following Collective Bargaining Agreements were in force during 2019:

- Norwegian Maritime Unions
- Norwegian Ship Owners Association (NSA)
- Industri Energi (IE)

These agreements have been renewed and will continue to operate during 2020.

### **Response to Labour Standards violations**

There have not been any reported possible breaches of labour standards since Prosafe became a member of the UN Global Compact in October 2008.

There were not made any legal claims against the company by any employee regarding a breach of labour standards in 2019.

### **OUR ACTIONS**

In September 2019, Prosafe introduced a mandatory e-learning program for human rights and labour standards, to be completed by all employees, consultants and agency personnel. At year-end, the rate of completion was 44 per cent.

Management has set clear targets to have 100% of the employees complete this program as it is considered important for the company. Management will remind and encourage employees to complete the courses in order to ensure compliance.

## RESULTS IN 2019

Parameter	2019	2018	Comment	2020 KPI target
Number of employees at year-end	150	417	In order to adjust the size of the organisation to the weaker market outlook and reduced demand for Prosafe's services; a number of employees were offered voluntary redundancy packages in the end of 2019.	-
Employee turnover ratio	19.2%	8.5%	As above	< 10%
Share of women in the workforce - overall	26.0%	11.3%	This is a result of the voluntary redundancy, where a larger number of male employees left the organisation	-
Share of women in the workforce - onshore	36.6%	40.6%	As above	Strive to increase the share over and above current levels
Share of women in management	26.8%	25%		KPI to be set in 2020
Human rights and labour standards training	44%	Not started yet		100%
No. of supplier audits that include social issues auditing (human rights, labour rights, etc.)	2	0	There were zero non-compliances or findings in these audits	2

## HEALTH AND SAFETY

Prosafe endeavours to offer its employees a good and safe working environment in physical and psychosocial terms. It is our objective that nobody should suffer work-related illnesses or strain injuries as a consequence of working for Prosafe.

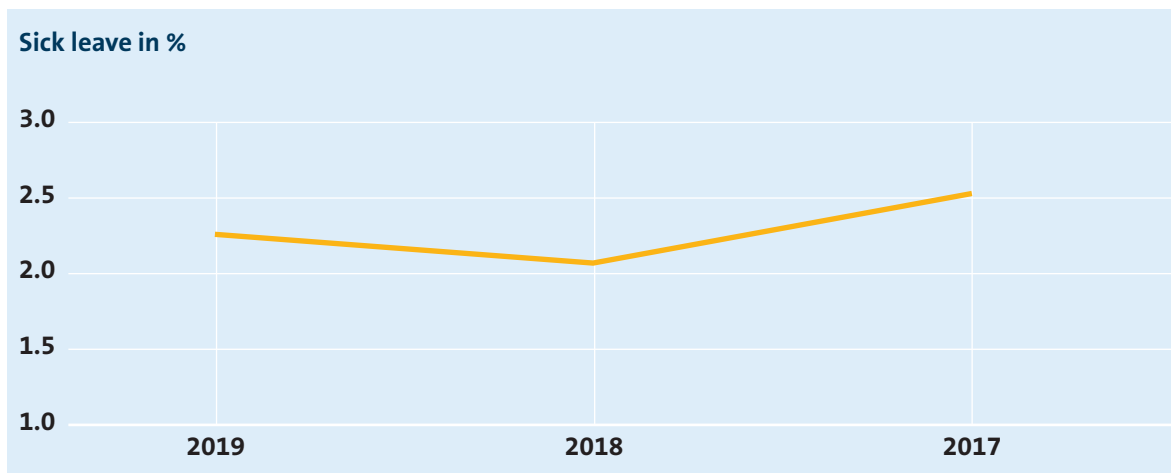
All employees should have a good balance between work requirements, individual opportunity for control and participation, and support from colleagues and managers.

Sick leave was 2.26 per cent in 2019, an increase from 2.07 per cent in 2018. We believe that a good working environment and a close follow-up of employees on sick leave are prerequisites for achieving the lowest possible sickness absence rate.

We monitor and manage all areas of absence (actual and potential) closely, and take the appropriate actions. We also take steps to enable employees to return to work on light duties, either in the office or on shorter vessel trips to re-assimilate the employee's return to work.

Special attention is paid to employees exposed to certain hazards such as high noise environments, exposure to chemicals and other conditions that may be harmful to health. We carry out regular occupational health assessments for these risks.

Reducing sick leave is significant to the well-being of the individual employee, and also has a positive financial effect on the company and society as a whole.



	2019	2018	2017
Sick leave in %	2.26%	2.07%	2.53%

**SAFETY CULTURE – ZERO MINDSET**

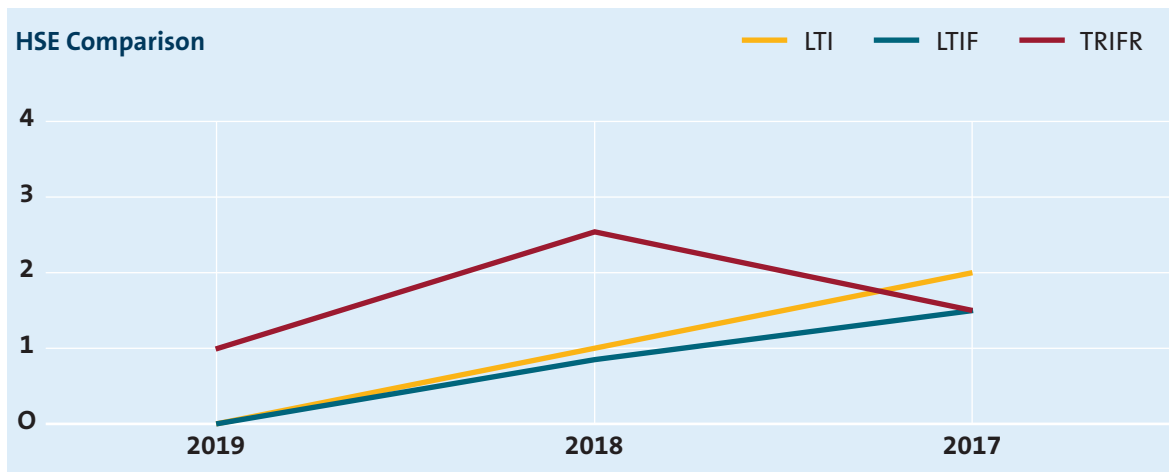
Safety is a core value in Prosafe. We look upon the objective of zero incidents as a goal to work towards and a way of thinking. We are committed to working actively to avoid injuries and accidents.

Systematic preventive health, safety and environment work is a line management responsibility in Prosafe. Involvement by management and SBM, strong leadership and commitment, and close cooperation with the organisation onshore and offshore, including employee representatives and safety delegates, are key factors in achieving our goal of operating without accidents. It is about visibility, walking the talk and caring about each other and the values we manage on behalf of our owners and clients.

We continually look ahead and focus on the implementation of preventive measures and initiatives to further strengthen our safety culture. We encourage our employees to identify and assist in the development of new systems and procedures which deliver improved safety results.

In 2019, Prosafe recorded zero incidents classified as a Lost Time Injury (LTI), which means the employee was absent from the next work shift because of the injury. This is a good performance in direct comparison to 2018 and a reflection of the effectiveness of the robust induction and vessel familiarisation of agency crew undertaken by Shipboard Management.

The LTI frequency is calculated by multiplying the number of LTIs by 1 million and dividing this by the total number of man-hours worked. In 2019, the LTI frequency was 0 as compared to 0.85 in 2018. All injuries and serious incidents are unacceptable to Prosafe. Where such events occur, we ensure



	2019	2018	2017
LTI (Lost Time Injuries)	0	1	2
LTIF (Lost Time Injury Frequency)	0	0.85	1.5
TRIFR (Total Recordable Injury Frequency)	0.99	2.54	1.5

that suitably resourced investigations are undertaken to identify root causes and introduce risk-reducing measures aimed at preventing recurrence. The findings of these investigations are conveyed to the rest of the organisation to ensure a transfer of experience. These are important measures for reaching the company's goal of zero injuries and incidents.

#### **Continuously supporting safety awareness**

Prosafe continues to promote and support a zero mindset with our employees and sub-contractors. In order to achieve this, a number of activities and management tools are facilitated. These are described in more detail on Prosafe's website at <https://www.prosafe.com/fleet/hsseq/safety/> where you can also find a description of the continuous preventive work and improvement efforts.

#### **Contingency plans**

Prosafe has established contingency plans to limit harm to people, the environment and material assets. These plans will ensure that correct, relevant and timely information is provided to the outside world if and when required.

We carry out regular emergency response training and exercises in cooperation with our customers and third parties to ensure that we are as well prepared as possible to deal with a potential crisis.





## RESULTS IN 2019

Parameters	2019	2018	Comment	2020 KPI target
Sick leave	2.26%	2.07%		< 3%
Lost time injuries (LTI)	0	2		Zero
Fatalities	0	0		Zero
TRIF (Total Recordable Injury Frequency)	0.99 Target <4	2.85 Target <4		New 2020 - within 10% range of industry body benchmarks (IMCA & RNNP)
LTIF (Lost Time Injury Frequency)	0	0.85		Zero
MTC (Number of Medial Treatment Case)	6	3		New 2020 - within 10% range of industry body benchmarks (IMCA & RNNP)
RWC (Number of Restricted Work Case) -	0	5		As above
FAC (Number of First Aid Cases)	27	49		As above
HOC (Number of Hazard Observation Card)	14,690	11,947		6 per day per vessel on contract. 4 per day per vessel in yard
Emergency drills performed	307	434		-

## ENVIRONMENT

Care for the environment is one of Prosafe's core values and forms an integral part of the Company's business planning. Prosafe's goal is zero accidental discharges to the sea and zero accidental emissions to the air, which is in line with its principles for sustainable development.

Prosafe owns and operates a fleet of accommodation vessels that supports installations in the offshore oil and gas industry. The oil and gas industry is an industry with a strong focus on protecting the natural environment.

National authorities require companies operating in their waters to demonstrate compliance with strict rules and regulations. In addition to complying with national laws, Prosafe has internal policies and guidelines for risk management based on international standards.

### ENVIRONMENTAL MANAGEMENT

Prosafe's goal is zero accidental discharges to the sea and zero accidental emissions to the air, which is in line with our principles for sustainable development. Prosafe actively pursues and commit to reducing direct emissions from our vessel operations in collaboration with our clients and respective industry body organisations.

Prosafe produces Environmental Impact Assessments for each of the vessels the Company manages or operates. The assessments take into account the mode of operation of the vessel together with generic geographical considerations. Local assessments are typically performed with the clients who will usually be operating under the terms of an operator's permit.

Moreover, the Company cooperates actively with customers and suppliers to set in-house goals, make continuous improvements to its own routines and shape attitudes towards protecting the natural environment from pollution by its operations. All accidental discharges and emissions are reported and followed up in the same way as injuries and material damage.

### GREENHOUSE GAS (GHG) EMISSIONS

Prosafe calculates the emissions of CO<sub>2</sub>, CO, NO<sub>x</sub>, SO<sub>2</sub>, CH<sub>4</sub> and VOC for the fleet based on the fleet's diesel consumption. Prosafe's fleet carries low sulphur marine diesel with a maximum sulphur content of 0.1%, thereby exceeding the requirement within MARPOL Annex VI Regulation 14.1 prohibiting the carriage of fuel oil with sulphur content exceeding 0.5%.



It is important to note that the amount of diesel consumed, and thereby also the amount of emissions, will vary largely depending on:

- the number of vessels being operated throughout the year
- the fleet utilisation (i.e. the amount of time that the vessels have been operating)
- the vessels' operation mode - dynamic positioned (DP) vessels maintain their position by means of thrusters and will therefore use far more diesel and thereby also have substantial higher emissions, than vessels that maintain station by moorings

The number of vessels that uses DP and the number of days that these vessels keep their position by using DP will vary from year to year. This implies that the amounts of emissions per year are not directly comparable. As from 2020, Prosafe will provide more comparable data based on individual vessel contract days.

Prosafe calculates its GHG emissions according to the GHG protocol. The calculated emission data for vessels operated by Prosafe were as follows for the years 2015 - 2019:

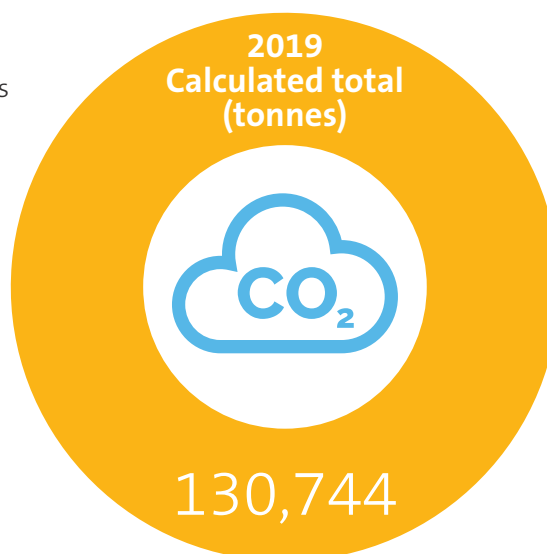
	Calculated 2019 total (tonnes)	Calculated 2018 total (tonnes)	Calculated 2017 total (tonnes)	Calculated 2016 total (tonnes)	Calculated 2015 total (tonnes)
Consumed diesel	40,858	35,486	32,078	43,460	28,788
CO <sub>2</sub>	130,744	113,558	102,650	139,073	92,121
CO	641	674	609	826	547
NO <sub>x</sub>	2,427	692	722	1,133	1,814
SO <sub>2</sub>	163	213	192	261	172
CH <sub>4</sub>	7	5	4.5	6.1	4
VOC	82	67	61	83	55

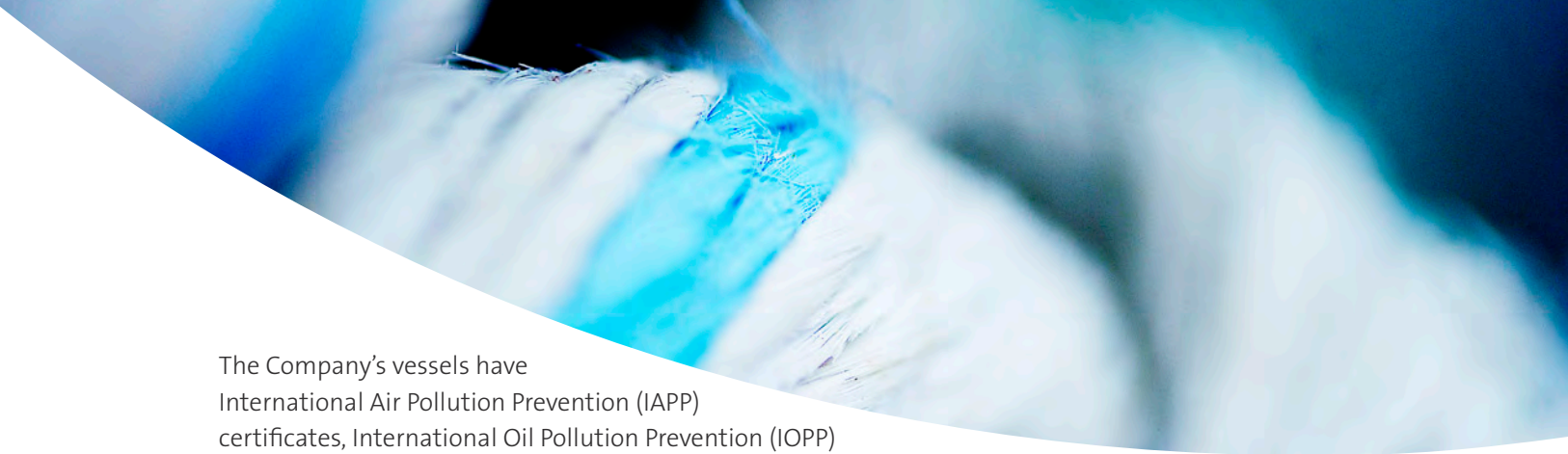
The Company actively monitors and manages staff travel, reporting on CO<sub>2</sub> emissions globally. Prosafe's employees are encouraged to limit travelling to the extent possible, and rather utilise telephone or video conference when possible.

#### REDUCING OUR ECOLOGICAL FOOTPRINT

The Company is seeking solutions to reduce emissions in order to reduce its impact upon the environment. Environmental considerations are an important aspect when planning vessel refurbishments and upgrades, e.g. when shifting to more fuel efficient equipment and by continuous improvement in operating procedures.

Prosafe cooperates with clients and authorities to reduce the impact of its operations on the natural environment. An example of this is a contract where Prosafe receives incentives when the daily diesel consumption is reduced.





The Company's vessels have International Air Pollution Prevention (IAPP) certificates, International Oil Pollution Prevention (IOPP) certificates and International Sewage Pollution Prevention (ISPP) certificates. These certificates are all issued under the International Convention for the Prevention of Pollution from Ships (MARPOL) and are subject to periodic survey.

#### **FACILITATING IMPROVEMENT OVER TIME**

In 2009, Prosafe joined the Confederation of Norwegian Enterprise's (NHO's) Environmental Agreement on NOx. By signing the Agreement, Prosafe committed itself to prevent and reduce environmental problems caused by emissions of nitrogen oxides in its offshore operations.

Refurbishment projects of vessels have included the replacement of older engines with low NOx engines resulting in a reduction of diesel and lub oil consumption, thereby contributing to a reduced environmental impact. The replacement of old tonnage has resulted in six older vessels being replaced with four new built vessels throughout 2016-2019 with more efficient diesel engines, producing less NOx emissions.

It is noted, however, that 2019 resulted in higher NOx emissions despite lower operational activity. The increase from 2018 to 2019 is a direct consequence of a larger number of operations in DP mode. As a direct consequence of the increased utilisation of the vessels in DP mode rather than moored, the total fuel consumption for the fleet has increased.

During 2020, Prosafe will provide more comparable data based on individual vessel contract days which will provide a more accurate reflection of vessel performance and their respective mode of operation i.e. DP or moored and their own Scope 3 emissions associated with anchor handlers and tug vessels

Going forward, the Company will continue to gradually implement new technology and refurbish equipment in order to further reduce emissions.

#### **SPILLS**

Prosafe had no reportable discharges to the natural environment in 2019. The Company's vessels take proactive measures to mitigate the potential for any spills and regularly conduct exercises to test its Oil Prevention Emergency Response & Spill contingency plans.

#### **RESPONSIBLE RECYCLING**

Prosafe continues to high-grade its fleet by selling the oldest and most inefficient vessels for recycling at certified ship recycling yards. Seven old vessels have been sold for recycling since mid-2016.

In all cases, Prosafe will adhere to relevant conventions (2009 Hong Kong Convention, 1989 Basel Convention), always adopt best practise, provide financial guarantees and appoint independent recycling yard representation where necessary, until the asset is completely recycled, and conduct extensive diligence when recycling of any asset.

## **USE OF CHEMICALS AND HAZARDOUS SUBSTANCES**

Prosafe has an approved Chemicals list that is based on a risk assessment matrix and hierarchy of controls. All chemical and hazardous substances are subject to an evaluation which identifies a 'Hazard Categorisation' to the substance.

The categorisation of the product takes consideration of the impact and effect the substance may have on health and the natural environment. Substances are assigned either a High, Medium or Low category for the representative hazard to health and the environment. The Hazard categorisations are maintained and updated within the Company's online chemical management system (CMS – SYPOL).

Where High Hazard chemicals are identified, it is general practice for Prosafe to seek to substitute these chemicals with lower Hazard chemicals.

The Company continues to conduct further evaluations to identify safer/greener substitutes in for current high/ medium risk substances.

## **WASTE MANAGEMENT**

When a Prosafe vessel operates alongside an offshore installation, it will come under the umbrella of the host installation's operating permits. Prosafe and its client's management systems are cross-referenced within interface documents, and responsibilities are clearly defined.

All Prosafe vessels are subject to MARPOL requirements and have implemented a waste management system that is documented in the Garbage Management Manual. The plan includes assessments of all potential waste products originating on board together with the requirements for waste segregation for transportation ashore.

Prosafe manages waste produced locally whilst monitoring third party's waste disposal performance.

## **BALLAST WATER**

Ballast water management for the Company's vessels is controlled within the confines of the International Maritime Organisation (IMO) regulation.

Prosafe's vessels have International Ballast Water Management (IBWM) certificates. These certificates are all issued under the International Convention for the Control and Management of Ship' Ballast Water and Sediments and are subject to periodic survey. There has not been any accidental or non-regulatory release of ballast water.

## **DISCHARGE OF SEWAGE**

The discharge of sewage is controlled within the confines of IMO regulation. All vessels within the fleet have been subject to International Sewage Pollution Prevention (ISPP) surveys and have been issued certification in accordance with MARPOL Annex IV by the relevant Flag.



## RESULTS IN 2019

Parameters	2019	2018	Comment	2020 KPI target
Direct GHG emissions (GHG Protocol Corporate Standard Scope 1) (per contract day in CO2 tonnes)	71.43	58.92	Based on fuel consumption of the fleet in total. As a direct consequence of the increased utilisation of the vessels in DP mode rather than moored, the total fuel consumption for the fleet has increased, resulting in an increase in the GHG emissions	CO2e for each vessel per contract day (5% reduction from 2014-to-2018 average)
Energy indirect GHG emissions (GHG PCS Scope 2)	156.5	162.8	Data collated from total energy consumption for onshore site offices located in UK, Norway Brazil and Singapore	No target set, but should see a visible reduction from energy consumption targets (onshore only)
Other indirect GHG emissions (GHG PCS Scope 3)	3,193	2,657	Data collated from all air travel booked through the company's travel agent for on and offshore personnel including agency personnel in UK, Norway, Brazil and Singapore	No target set, need to understand better our supplier/ sub contractor supply chain emissions data
NOX	1.07	1.02		NOXe for each vessel per contract day (5% reduction from 2014-to-2018 average)
Energy Consumption (kWh) Onshore	541,063	641,881	Energy consumed by global offices in UK, Norway, Brazil and Singapore	5% Reduction based on previous year
Energy Consumption Reduction Rate Onshore (percentage)	15.7	12.91		5% Reduction based on previous year
Fuel Used (1,000 litres)	40,858	42,246	As a direct consequence of the increased utilisation of the vessels in DP mode rather than moored, the total fuel consumption for the fleet has increased	New metric m <sup>3</sup> per vessel per contract day (5% reduction from 2014-to-18 average)
Fuel Consumption Reduction Rate (percentage)	-15.13	-9.7		New metric m <sup>3</sup> per vessel per contract day (5% reduction from 2014-to-18 average)

Parameters	2019	2018	Comment	2020 KPI target
Unplanned spills / emissions to ground / sea / air	0	0		Zero
Total waste Onshore/ Offshore (tonnes)	7.81 / 1,228	13.5/ 1,086	Improved reporting requirements were implemented in 2019. The level of activity and generation of waste on board the vessels has increased due to the preparation of a number of vessels for lay-up and the SPS of Safe Concordia	N/A
Recycling Ratio (percentage)	51 / 61	49 / 56		50% onshore / 30% Offshore. To be reviewed during 2020
Hazardous waste	387	N/A	Tracking introduced in Q4 2019	Target to be evaluated during 2020. Possible xx kg waste per person during contract
Waste Reduction Rate (percentage)	57 / -11.5	N/A	Tracking introduced in Q4 2019.	Target to be evaluated during 2020. Possible xx kg waste per person during contract
Total Water Use offshore (1,000 litres)	123,245	119,691		All water consumed offshore plus onshore where data available.
No. of supplier audits that include environmental auditing	2	0		2 onshore / 2 offshore per year



**Prosafe**

Accommodating  
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*Photo: Tom Haga & iStock*