

SUSTAINABILITY & ESG REPORT 2022

# DECARBONISING OFFSHORE SUPPORT



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### ABOUT THIS REPORT

The sustainability report presents the Environmental, Social, and Governance (ESG) performance of ESVAGT, along with its management approach to material sustainability topics for the 2022 calendar year. Critical or material events occurring on or after January 1, 2023, and up until the publication date are also covered in this report.

The sustainability report supplements ESVAGT's 2022 annual report and has been prepared in compliance with sections 99a, 99b and 107d of the Danish Financial Statements Act.

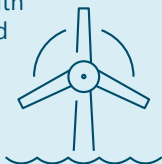
The report has been restructured and new disclosures have been added this year in preparation for the Corporate Sustainability Reporting Directive (CSRD) and the drafts of the European Sustainability Reporting Standards (ESRS).



# SUSTAINABILITY HIGHLIGHTS

## 1st US major offshore wind project

CREST, ESVAGT's JV with Crowley, signed a 15-year agreement with Siemens Gamesa to deliver and operate a new-build Service Operation Vessel (SOV) for North America's largest offshore wind farm.



## 50% green EBITDA

Offshore wind now represents 50% of ESVAGT's EBITDA as we transition towards offshore wind.



## World's 1st green fuel SOV

Signed an agreement with Ørsted to build the world's first green fuel Service Operation Vessel (SOV) for offshore wind operations.



## Strong operational performance

0.55% unplanned breakdown against KPI of 0.90%.



## Improved safety performance

0.0 LTIF, measured as injuries per million hours worked, reflecting no lost time incidents in 2022 - a significant achievement.



## High customer satisfaction

5.5 overall customer satisfaction level on a scale from 1 (lowest) to 6 (highest).



## High employee satisfaction

4.1 overall employee satisfaction level on a scale from 1 (lowest) to 5 (highest).



## GHG emissions

In 2022, we mapped ESVAGT's Scope 1, 2 and 3 emissions, a key step towards setting company-wide emissions reduction targets.



## Preparing for ESG regulations

Completed a double materiality assessment in line with the draft European Sustainability Reporting Standards.



## 2,015 courses completed

814 people participated in training and development, successfully completing 2,015 courses.



## CEO STATEMENT

# SUSTAINABILITY AT OUR CORE

The global energy crisis triggered by Russia's invasion of Ukraine in February 2022 has seen governments sharpen their focus on energy security and affordability, and on accelerating the green transition to help achieve this and meet climate targets.



## 1.25

**DKK. 1.25 billion**  
Investment in new  
SOVs by 2027

As a result, offshore wind is set to play a key role in the European Commission's REPowerEU plan which aims to achieve independence from Russian fossil fuels well before 2030. The UK government has raised its offshore wind target and the Biden administration in the US has set out new regulations to streamline offshore wind development in support of its ambitious targets.

### Accelerating the growth of offshore wind

As the market leader and largest operator of Service Operation Vessels (SOVs) in Europe, ESVAGT is well positioned to support the acceleration of offshore wind capacity. Through CREST Wind, our Jones Act compliant joint venture established with Crowley in 2022, we are also supporting North America's largest offshore wind farm through a 15-year agreement with Siemens Gamesa to deliver and operate a new-build SOV.



**Peter Lytzen**  
CEO, ESVAGT A/S

Offshore wind now contributes 50% of ESVAGT's EBITDA and our target is to reach 80% by 2026. To achieve this, we expect to invest more than DKK 1.25 billion in new SOVs for the offshore wind industry by 2027 and create 200 new jobs.

Sustainability is therefore at the core of ESVAGT's business strategy.

### **Decarbonising offshore support**

During the year, we re-calculated our greenhouse gas emissions using improved methodology that included a full accounting of our Scope 1, 2 and 3 emissions. As 59% of ESVAGT's emissions are generated from fuel combustion on board our vessels during operations, focusing our emissions reduction efforts on Scope 1 is where we can have the biggest impact.

In line with this, we aim to be the leading provider of low or zero-emissions SOVs and have set a target to achieve net-zero operational emissions in our SOV fleet by 2035, and across our entire fleet by 2050. In doing so, we are helping to decarbonise the offshore wind sector as it scales up and we are supporting our customers to reduce emissions in their supply chains.

The unprecedented volatility in energy markets during 2022 also reinforced the need for security of supply in oil and gas to ensure an orderly energy transition. By reducing emissions within our Emergency Response Rescue Vessels (ERRVs), we are helping our oil and gas customers to decarbonise their operations.

During the year, we launched ESVAGT HEIDI and ESVAGT LEAH, two rebuilt PX121 multifunctional vessels that can operate on batteries and generator, which will reduce emissions and provide more efficient logistics for TotalEnergies' North Sea activities.

### **Improved safety and operational performance**

ESVAGT's mission is making the sea a safe place to work. In 2022, we concluded the year with no Lost-Time-Incidents (LTIs), thereby achieving our KPI of zero LTIs. This strong performance is the result of a continued effort to improve our safety work across the organisation and will continue at same pace in the future.

We also continued our strong operational performance and maintained a high satisfaction level among our customers, with a score of 5.5 out of a possible 6 points.

### **Investing in our people**

Developing our people is essential to maintaining our strong operating and safety performance and to realising ESVAGT's decarbonisation strategy, which relies on introducing new vessels and technologies that personnel must be trained on to operate. During the year, 814 people participated in training and development, successfully completing 2,015 courses.

In 2022, we added 201 new offshore employees, bringing our workforce to 1,240 offshore employees and 90 onshore. Each year we monitor our progress and the wellbeing of our employees through an annual Employee Engagement Survey. For the 2022 survey, overall employee satisfaction was 4.1 on a scale from 1 (lowest) to 5 (highest) – a strong result and in line with previous years.

### **Preparing for ESG regulations**

For this year's sustainability report, we commissioned an independent consultancy to conduct a double materiality assessment in accordance with the EU's draft European Sustainability Reporting Standards (ESRS). The assessment helps us understand which sustainability topics we should prioritise and invest in. We aim to be well prepared for forthcoming ESG

regulations in the EU, UK and US and will set targets for our material sustainability topics in 2023.

2022 marks continued progress on ESVAGT's strategic ambitions and our sustainability performance. This is a credit to the entire team at ESVAGT – our crews working offshore and our onshore employees. I thank them for their continued commitment to ESVAGT's performance and our customers and other stakeholders for their ongoing support.

### **Peter Lytzen**

CEO, ESVAGT A/S

**“**  
*We aim to be the leading provider of low or zero-emissions SOVs and have set a target to achieve net-zero operational emissions in our SOV fleet by 2035.*

# OUR BUSINESS

ESVAGT was established in 1981 and today is a leading provider of safety and support at sea for the offshore wind and oil & gas industries.

ESVAGT's fleet comprises of 43 modern offshore support vessels built to the best standards and operated by more than 1,200 professional crew members all trained for safe and efficient operations in harsh weather conditions.

The services ESVAGT offers comprise of Service Operation Vessels (SOVs) supporting offshore wind farm operators, and Emergency Response and Rescue Vessels (ERRVs) working as stand by and service vessels for offshore oil & gas companies.



Offshore Wind  
**50%**



Offshore Oil & Gas  
**50%**

Revenue growth 2022

**+26%**

LTI's 2022

**0**

SOV / Total Fleet

**9/43**

Offshore Employees

**+1,200**

Walk-to-Work gangway transfers

**337,975**

Onshore Employees

**+90**

Boat transfers

**247,271**

Rescued people

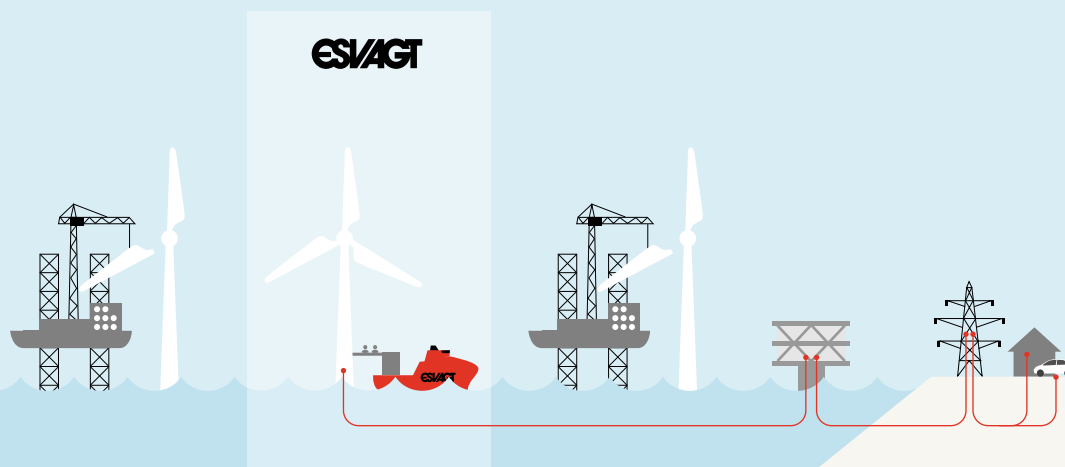
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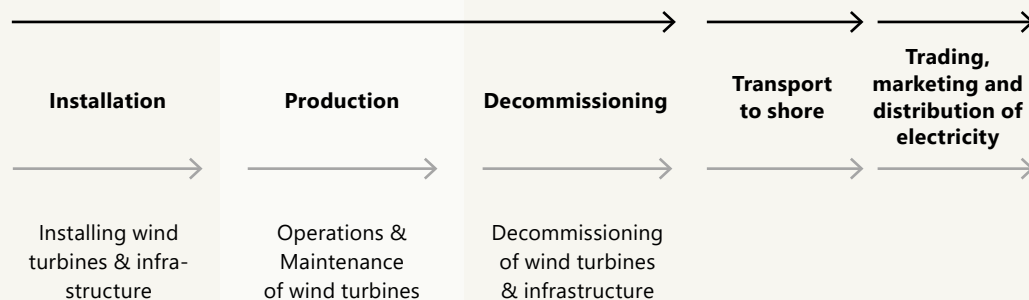
## OUR BUSINESS MODEL

# ESVAGT'S SERVICES

## OFFSHORE WIND

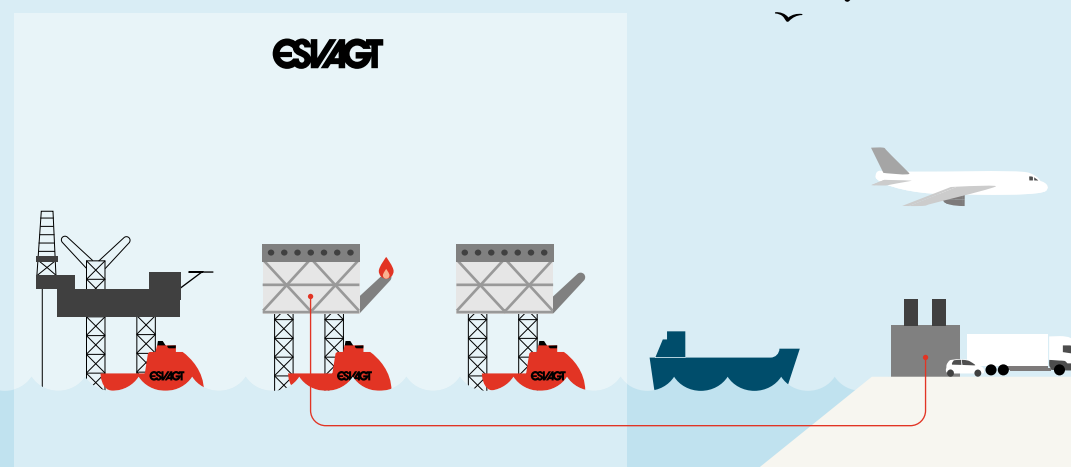


### LIFESPAN OF AN OFFSHORE WIND FARM



ESVAGT's Service Operations Vessels (SOVs) provide support to offshore wind farm owners or to Operations & Maintenance providers

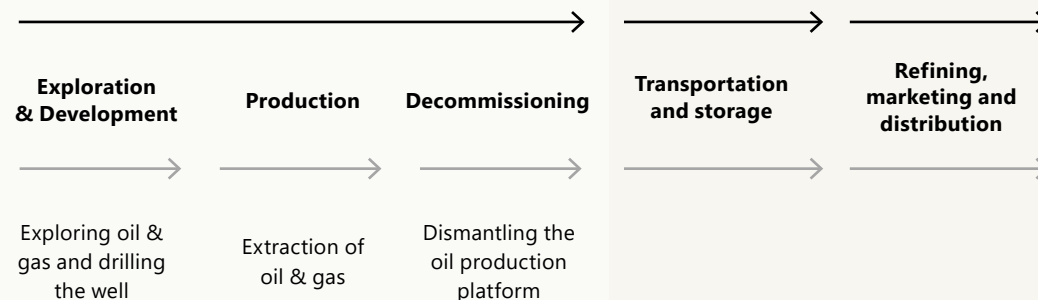
## OIL & GAS



### UPSTREAM

### MIDSTREAM

### DOWNSTREAM



ESVAGT's Emergency Response and Rescue Vessels (ERRVs) work as stand by and service vessels for offshore oil & gas companies.

# SUSTAINABILITY COMMITMENTS

ESVAGT is committed to behaving as a responsible global citizen and acting where possible in support of the United Nations 17 Sustainable Development Goals (SDGs). In order to ensure that we are applying our efforts to where we can have the most impact, we focus on five SDGs:



## Gender equality

Achieve gender equality and empower all women and girls.

ESVAGT has signed Danish Shipping's "Charter for More Women in Shipping" to increase the number of women working in the industry.



## Decent work and economic growth

Protect labour rights and promote safe working environments.

ESVAGT's mission is making the sea a safe place to work.



## Climate action

Take urgent action to combat climate change and its impacts.

ESVAGT is decarbonising its fleet in line with its commitments to emissions reductions.



## Life below water

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

ESVAGT is dedicated to preserving marine resources by protecting biodiversity and avoiding oil spills and waste to sea.



## Peace, justice and strong institutions

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

ESVAGT is committed to acting as a responsible citizen by having strong and sound governance systems in place.

**ESVAGT participates in the following organisations working on ESG issues:**

**Operation Zero:** An industry coalition convened during COP26 to accelerate the decarbonisation of operations and maintenance vessels in the North Sea offshore wind sector.

**ORE Catapult:** A UK technology innovation and research centre for offshore renewable energy.

**Energy Cluster Denmark:** A member-driven organisation with the aim of making Denmark a leading green nation in the development and demonstration of innovative and global energy solutions.

**Charter for More Women in Shipping:** ESVAGT is a signatory to Danish Shipping's (Danske Rederiers) industry initiative.

**Project Greensands:** A project aiming to store up to 1.5 million tons of CO<sub>2</sub> per year safely and permanently in depleted offshore oil and gas reservoirs.

**GRESB:** ESVAGT completes the annual assessment for GRESB's Infrastructure Asset Benchmark.

# SUSTAINABILITY STRATEGY

Sustainability is at the core of our strategy.

ESVAGT's strategic ambition is to transition from oil & gas towards offshore wind, which now represents 50% of our EBITDA with a target to achieve 80% by 2026. We aim to fully complete the transition by 2050.

At the same time, we are addressing other environmental, social and governance (ESG) risks and opportunities in our operations. These include maintaining safe operations for our own workforce and for our customers' employees, minimising our negative environmental impacts, providing a diverse workplace and ensuring business integrity across our value chain.

We see significant growth potential in offshore wind in Europe and the US. The North Sea is a regional hub for energy production and is forecast to grow sixteen-fold from 25 GW today to 400 GW by 2050<sup>1</sup>. In the US, the Biden administration has set a target of 30 GW by 2030 and a path to 110 GW by 2050<sup>2</sup>.

Sustainability is therefore at the core of ESVAGT's business strategy.

<sup>1</sup> Decarbonising Maritime Operations in North Sea O&M: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1000153/decarbonising-maritime-operations-in-north-sea-offshore-wind-o-and-m.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1000153/decarbonising-maritime-operations-in-north-sea-offshore-wind-o-and-m.pdf)

<sup>2</sup> FACT SHEET: Biden Administration Jumpstarts Offshore Wind Energy Projects to Create Jobs <https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/29/fact-sheet-biden-administration-jumpstarts-offshore-wind-energy-projects-to-create-jobs/>



# MATERIALITY ASSESSMENT

For the 2022 sustainability report, we commissioned an independent consultancy to conduct a materiality assessment in accordance with the EU's Corporate Sustainability Reporting Directive (CSRD) and the draft European Sustainability Reporting Standards (ESRS) published in November 2022.

The assessment applied the principle of double materiality which comprises of:

- 1. Impact materiality** – the company's impact on people or the environment; and
- 2. Financial materiality** – sustainability matters that trigger effects on the company's cash flows, development, performance, position, cost of capital or access to finance.

The ESRS provides that a sustainability matter meets the criteria of double materiality if it is material from either the impact perspective or the financial perspective or both perspectives.

The assessment helps us understand which sustainability topics we should prioritise and invest in. This in turn enables us to create value in the long term.

## Topic identification

The assessment began with the identification of sustainability topics, using the topic list provided in the draft ESRS 1 General Requirements and industry topics

through the SASB Marine Transportation standard. This produced a gross list of 75 sustainability topics, from which 16 topics were deselected as they were deemed not relevant to ESVAGT's business model and value chain.

## Stakeholder analysis

For the purpose of the materiality assessment, six stakeholder groups were identified based on criteria in the draft ESRS 1 General Requirements as to whether they could affect or be affected by ESVAGT or were users of the sustainability report.

ESVAGT's six stakeholder groups are: customers, employees, industry bodies and regulators, investors, suppliers and customers.

The views of each stakeholder group on the sustainability topics were assessed via desktop research and through interviews with stakeholder representatives.



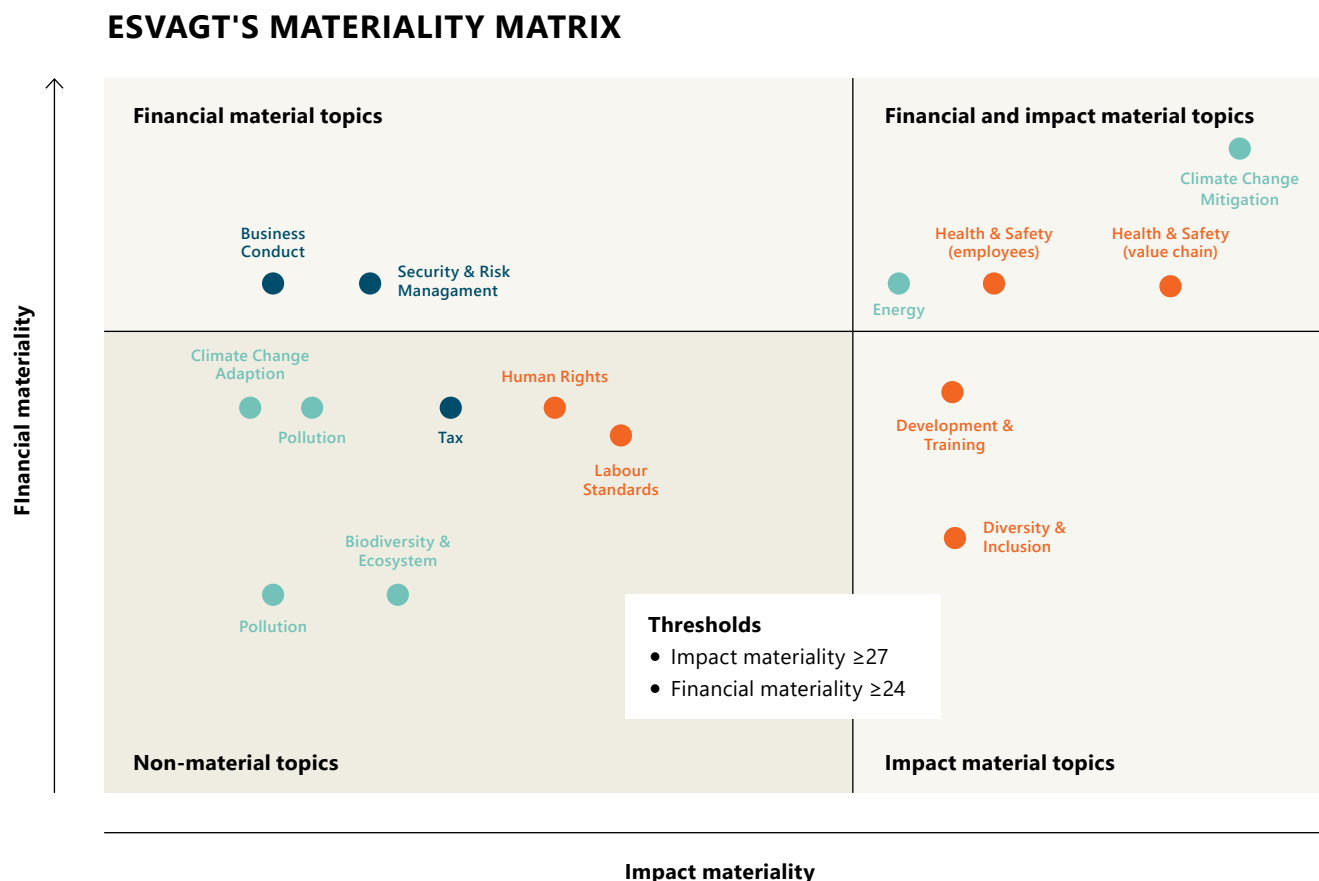
As a result of the stakeholder analysis, six sustainability topics specific to ESVAGT were added and 26 topics were screened out.

### Assessment

The remaining sustainability topics were then scored according to the criteria in the ESRS 1 General Requirements for assessing impact materiality and financial materiality. Appropriate thresholds were established for both impact and financial materiality based on those in ESVAGT's risk management approach and discussion with ESVAGT's Senior Management Team.

The preliminary results were then validated with the ESVAGT management team and stakeholder representatives, and final adjustments were made. Eight material topics were identified and positioned in the materiality matrix based on their scoring (see diagram). Details on these topics can be found in the Environment, Social and Governance sections of this report. This report also includes topics that are not material for ESVAGT but are relevant to our customers or required by Danish Financial Statements Act.

Having completed the materiality assessment, we will set targets and metrics for each of the topics in 2023.



### EIGHT MATERIAL TOPICS



#### Environment

- Climate Change Mitigation
- Energy



#### Social

- Health & Safety (employees)
- Health & Safety (value chain)
- Diversity & Inclusion
- Development & Training



#### Governance

- Business Conduct
- Security & Risk Management

# OVERVIEW OF ESVAGT'S APPROACH TO SUSTAINABILITY

## SDGS

## ESVAGT'S PRIORITIES

## SUSTAINABILITY TOPICS IN THIS REPORT

(WITH ESRS LINK)

### ENVIRONMENT



- ✓ Transition from O&G towards renewables
- ✓ Decarbonise our own operations
- ✓ Help decarbonise our customers' supply chains
- ✓ Minimise our negative environmental impacts

- Climate change mitigation (E1)
- Energy (E1)
- Pollution (E2)
- Biodiversity & ecosystems (E4)
- Responsible ship recycling

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### SOCIAL



- ✓ Provide healthy, safe and secure working conditions for our own workforce
- ✓ Deliver highest quality services that support the safety of our customers' employees

- ✓ Build a strong and engaged organisation
- ✓ Provide a diverse workplace where our employees can thrive
- ✓ Focus on training and development

- Health & Safety of own workforce & value chain workers (S1) (S2)

- Talent retention & attraction
- Training & development (S1)
- Diversity & inclusion (S1)
- Employee wellbeing
- Labour standards (S1)

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### GOVERNANCE



- ✓ Conduct business with integrity
- ✓ Comply with all laws applicable to our business and countries of operation

- Business conduct (G1)
- Political and industry engagement (G1)
- Responsible tax
- Security and risk management

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# SUSTAINABILITY GOVERNANCE

The CEO attends every meeting of the Board of Directors and has overall responsibility for sustainability and climate-related risk and opportunities, objectives, initiatives and reporting at ESVAGT.

The QA & Sustainability Manager is responsible for driving ESVAGT's overall sustainability programme, managing day-to-day sustainability topics and monitoring performance and reporting. This includes communicating the sustainability agenda and educating personnel in sustainability. Other business areas and functions are responsible for implementing specific sustainability programmes.

The Senior Management Team reviews ESVAGT's sustainability approach and performance twice each year through the QA & Sustainability review, and annually as part of the management review.

The Board of Directors considers ESVAGT's sustainability approach and performance each year through its review and approval of the annual sustainability report.

ESG risks and opportunities, including climate-related risks and opportunities are registered in ESVAGT's risk register and are integrated into business plans. These risks are reviewed regularly as part of ESVAGT's overall.

## BOARD OF DIRECTORS

- Provides oversight for sustainability
- Approves the annual sustainability report

**Chair: Jakob Thomasen**

## SENIOR MANAGEMENT TEAM

- CEO has overall responsibility for sustainability
- The Senior Management Team reviews sustainability approach and performance

**CEO: Peter Lytzen**

## BUSINESS AREAS AND FUNCTIONS

- QA & Sustainability Manager has day-to-day responsibility for sustainability
- Other business areas and functions implement sustainability programmes.

**QA & Sustainability Manager: Lissi Franzen**



# QUALITY

Delivering the highest quality services to our customers.

ESVAGT is committed to delivering the highest quality services in whatever we do. Our quality management system is based on recognised international standards, and we prioritise customer feedback as an important tool to gauge satisfaction and make improvements.

The ESVAGT quality system has ISO 9001 certification for onshore management of services related to safety and support at sea, ISO 14001 certification for technical management of ships for the onshore organisation and selected vessels, and ISO 45001 certification for onshore & offshore management of services related to safety and support at sea for onshore organisation and selected vessels. All vessels and the onshore office are certified in accordance with the ISM code.

We monitor quality in our operations through our maintenance systems, where all equipment breakdowns are registered. Percentage uptime for each vessel is registered and used to benchmark the quality of operations and secure insights in order to make continuous improvements in our operations.

Compliance against the quality system by ESVAGT and its sub-suppliers is verified frequently through internal audits and through independent audits carried out externally by customers and certifying agencies. For all reviews, verification and audit reports are prepared, and major deviations and observations are registered for

follow-up action. Each year, ESVAGT's quality assurance function prepares an assessment of opportunities for improvement for senior management and the Board of Directors.

For ESVAGT, satisfied customers are the ultimate measure of quality in our business. We conduct an annual customer satisfaction survey from which customer feedback is reviewed and analysed, and an overall score is established for the company's performance. The results and action plans from the customer satisfaction survey are presented to senior management and the Board of Directors.

In 2022, the overall customer satisfaction score was 5.5 on a scale of 1 (lowest) to 6 (highest) – a strong result.

As in previous years, our dedication to safety remains the top priority and this year was ranked equally high with the pride that ESVAGT employees take in what they do. Our reputation for being an expert in our field of work was also highly scored by customers.

## ENVIRONMENT



# CLIMATE CHANGE MITIGATION

Decarbonising offshore support.

### Ambition and approach

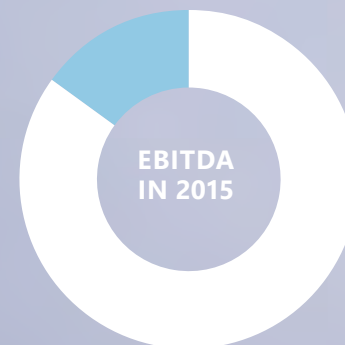
The transition to renewable energy is crucial to the world's efforts to limit global warming. Offshore wind has an important role to play in this but to achieve its global growth ambitions, it must be reliable, affordable, and sustainable.

At ESVAGT, supporting our customers in accelerating the global expansion of offshore wind is where we can have the most impact, and we have put this at the heart of our business strategy.

Our strategic ambition is therefore to:

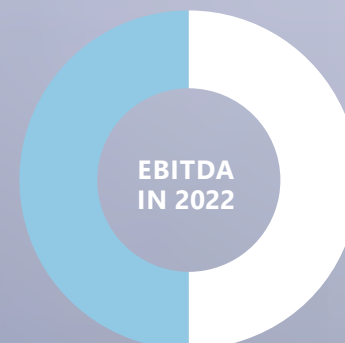
1. Transition to offshore wind
2. Decarbonise offshore support by becoming the leading provider of low or zero-emissions SOVs
3. Minimise our negative environmental impacts and comply with all relevant rules and regulations in the countries that we operate in

15%  
Wind



85%  
Oil & Gas

50%  
Offshore Wind



50%  
Offshore Oil & Gas

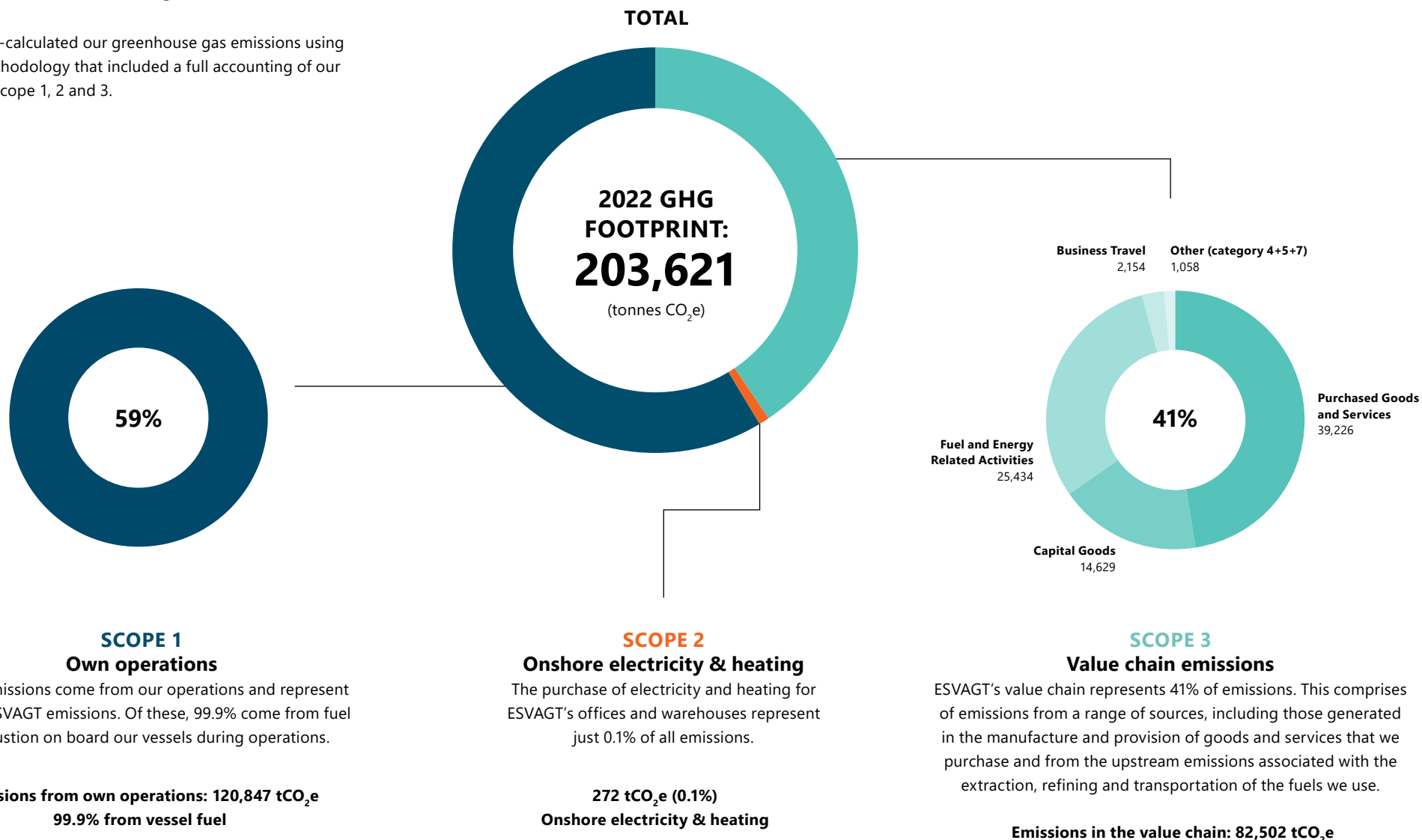
80%  
Wind



20%  
Oil & Gas

## ESVAGT'S GHG EMISSIONS FOOTPRINT IN 2022

In 2022, we re-calculated our greenhouse gas emissions using improved methodology that included a full accounting of our emissions in Scope 1, 2 and 3.



## 1. TRANSITIONING TO OFFSHORE WIND

**The global energy crisis triggered by Russia's invasion of Ukraine in February 2022 has seen governments sharpen their focus on energy security and affordability, and on accelerating the green transition to help achieve this and meet climate targets.**

Offshore wind will play a key role in the European Commission's REPowerEU plan which aims to achieve independence from Russian fossil fuels well before 2030 and grow offshore wind to 300 GW by 2050<sup>3</sup>.

This is supported by the Esbjerg Declaration signed between Denmark, the Netherlands, Belgium and Germany, which sets out a new target of 65GW of offshore wind in the North Sea by 2030, and 150 GW by 2050<sup>4</sup>.

The UK Government has raised its offshore wind target by another 10 GW, to 50GW by 2030, and the Biden administration in the US has set out new regulations to streamline offshore wind development in support of its ambitious target of 30 GW by 2030.

As the market leader and largest operator of Service Operation Vessels (SOVs) in Europe, ESVAGT is well positioned to support the acceleration of offshore wind capacity. Through CREST Wind, our Jones Act compliant joint venture established with Crowley in 2022, we are also supporting North America's largest offshore wind farm through a 15-year agreement with Siemens

Gamesa to deliver and operate a new-build SOV (see article page 24).

Offshore wind now contributes 50% of ESVAGT's EBITDA and we have a target to achieve 80% by 2026 and 100% by 2050, at which point ESVAGT will fully transfer out of oil & gas. To achieve this, we are focussing our investments on SOV newbuilds which deliver services to our offshore wind customers and will continually phase-out all vessel classes utilised in oil & gas (ERRVs).

By 2027 we expect to invest more than DKK 1.25 billion in new SOVs for the offshore wind industry and create 200 new jobs.



# 50%

### Green EBITDA

Offshore wind now represents 50% of ESVAGT's EBITDA as we transition towards offshore wind.



<sup>3</sup> REPowerEU: affordable, secure and sustainable energy for Europe: [https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/repowerEU-affordable-secure-and-sustainable-energy-europe\\_en](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/repowerEU-affordable-secure-and-sustainable-energy-europe_en)

<sup>4</sup> The Esbjerg Declaration <https://windeurope.org/wp-content/uploads/files/policy/position-papers/the-esbjerg-declaration-north-sea-as-green-power-plant-of-europe.pdf>

## 2. DECARBONISING OFFSHORE SUPPORT

**While offshore wind turbines generate their energy from fossil-free wind, greenhouse gas emissions are produced in the manufacture, installation and operations and maintenance (O&M) of an offshore wind park.**

In particular, the offshore wind sector relies on extensive marine logistics to ensure the continued operational performance of turbines during the 20–25-year lifespan of an offshore wind farm.

As the sector scales up, there is an urgent need to address these emissions and many offshore wind developers are setting targets to decarbonise their supply chains by 2050 or sooner.

To support this, ESVAGT aims to be the leading provider of low or zero-emissions SOVs.

### Decarbonising our fleet

As 59% of ESVAGT's emissions are generated from fuel combustion on board our vessels during operations, focusing our emissions reduction efforts on Scope 1 is where we can have the biggest impact.

Our goal is to reach net-zero for operational emissions from our SOV fleet by 2035. Residual emissions from our remaining fleet will be offset through natural climate solutions which means that we also commit to becoming carbon-neutral by 2035.

Beyond 2035, we are committed to reaching net-zero emissions within operations for our entire fleet by 2050.

Achieving these targets will enable us to help our customers meet their own targets for decarbonising their supply chains.

### Our decarbonisation levers

We focus on a number of levers to achieve our decarbonisation goals. By optimising fuel consumption across all vessel classes, we increase energy efficiency and thereby reduce emissions. We have already made good progress on implementing more modern power systems on our vessels and replaced older and less fuel-efficient vessels with more modern vessels with energy-efficient designs.

We are driving further decarbonisation through the following levers: 1. Human behaviour, 2. Vessel design, 3. Life-cycle assessments, 4. Fuel concepts and 5. Digitalisation.

#### 1. Human behaviour

We provide training to our offshore crews to help them reduce emissions by optimising vessel operations.

#### 2. Vessel design

Our vessels are purpose-built and meet the highest design standards which enable fuel savings. In particular, our SOVs are more efficient than comparable vessels in the industry due to their efficient hull design, energy and heat efficient engines, waste heat utilisation and highly efficient power system.

#### 3. Life-cycle assessments

We assess total emissions from vessel construction and operations through to decommissioning. The assessment helps us to optimise these three phases by selecting efficient processes, materials, operational parameters and scrapping methodologies.

## ESVAGT'S FLEET DECARBONISATION TARGETS



# 2035

Net-zero operational emissions from our SOV fleet



# 2050

Net-zero operational emissions from entire fleet

#### 4. Fuel concepts

We develop low or zero-emissions fuel concepts for our different vessel types such as battery, bio- and e-fuel.

For our support vessels (Fast Rescue Boats - FRBs, and Safe Transfer Boats - STBs), we have a concept in place for standard operations to convert existing vessels to full electric propulsion systems which can be charged at the mother vessel. At the same time, we are testing the use of biofuel, e-methanol on existing vessels.

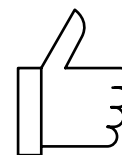
#### 5. Digitalisation

We use data to obtain insights to further optimise fuel consumption. As an example, we have embarked on a test project where information on board our SOVs is gathered to establish correlations between weather conditions, transfer of people and goods and fuel

consumption, which can be used to optimise operations and reduce overall fuel consumption.

The test project has been implemented on our SOV ESVAGT ALBERT BETZ and will be expanded to the rest of the SOV fleet.

In addition, we are developing solutions and testing technologies in close collaboration with our customers and industry partners, as well as through memberships in associations focusing on decarbonisation. These collaborations help to mitigate the risk of investing in the wrong technology and ending up with stranded assets.



# 0.55%

#### Strong operational performance

0.55% unplanned breakdown against KPI of 0.90%.

#### Progress in 2022

In 2022, we continued working with the Port of Esbjerg on a solution for electric shore power from containerised hydrogen fuel cells for vessels calling to port. This will provide greener energy to approximately 3-5 vessels calling to port every week typically for two days. We expect the first fuel cells to be available from mid-2023.

In general, we are prioritising our efforts towards SOVs, supporting our focus on transitioning towards offshore wind, but we also have ongoing collaborations with oil & gas customers such as TotalEnergies and Equinor to decarbonise their current operations.

In 2022, this work included the launch of ESVAGT HEIDI and ESVAGT LEAH, two rebuilt PX121 multifunctional vessels that can operate on batteries and generator, which will reduce emissions and provide more efficient logistics for TotalEnergies' North Sea activities.

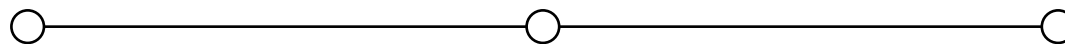
With Equinor, we are examining options to reduce emissions by retro-fitting existing diesel engines with new e-methanol engines and install on-shore chargeable batteries in combination with the existing diesel engines.





## DECARBONISATION ROADMAP FOR SOVs

ESVAGT's SOVs are the key driver for our decarbonisation efforts until 2035 when we aim to reach net-zero emissions from operations for our SOV fleet.



### Today

- We have implemented the Diesel Electric Propulsion System with "Blue Drive" on 44% of our SOVs. This delivers annual fuel savings of approximately 12-15% by using variable versus fixed speed power generation.
- All ESVAGT SOVs are equipped with waste heat recovery systems which recover the thermal energy from the exhaust gas and convert it into electric energy. This reduces emissions from operations by approximately 5%.
- We have tested biofuel (HVO – Hydrotreated Vegetable Oil) as an alternative to diesel on our existing SOVs with success.
- We have agreed to build an SOV which uses e-methanol as fuel for Ørsted's Horn Sea Wind Park.
- We have designed a fully battery-driven SOV with Havyard Marine Engineering, Corvus and Siemens that can be charged on shore and in the wind park directly from the wind turbines. The concept is being actively marketed to potential customers.
- We are participating in pilot tests (with Wartsila) using ammonia as an alternative fuel.
- We are working with harbour authorities providing shore power to our vessels using mobile hydrogen fuel cell skids.

### Roadmap to 2035

- By 2035, we aim to have all ESVAGT's existing diesel electric SOVs retrofitted with battery packages and/or e-methanol combustion engines.

### From 2035 to 2050

- All newbuilt SOVs will be equipped with battery packages and/or non-fossil fuels combustion engines.

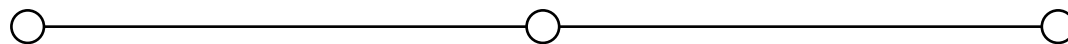




## DECARBONISATION ROADMAP FOR ERRVs

ESVAGT's ERRV fleet will undergo various upgrades until 2050 to reduce CO<sub>2</sub> emissions through optimised speed and fuel consumption.

Residual CO<sub>2</sub> emissions of approximately 35,000 tons/year will be offset by planting trees (approximately 12,000 trees per year). In line with our ambition to transition to offshore wind, we will phase out older vessels on an ongoing basis. We aim to phase out all remaining ERRVs by 2050.



### Today

- 73% of our ERRVs are already designed with high-efficiency diesel-electric propulsion systems which minimise diesel consumption.
- Remaining ERRVs are currently assessed for potential upgrades to further reduce diesel consumption.
- Biofuel (HVO – Hydrotreated Vegetable Oil) has successfully been tested as an alternative to using diesel on the ERRVs.
- With TotalEnergies and Equinor, we are developing new low-emissions solutions on our vessels.
- We are working with harbour authorities providing shore power to our vessels using mobile hydrogen fuel cell skids.

### Roadmap to 2035

- Existing ERRVs will be upgraded on an ongoing basis, focused on installing more and smaller diesel generators including batteries to optimise fuel consumption.
- We are prepared to use biofuel as an alternative to diesel.
- Ongoing phase out of older vessels.

### From 2035 to 2050

- Ongoing upgrades or conversion to biofuel until all remaining ERRVs are phased out by 2050.



### 3. MINIMISING OUR NEGATIVE ENVIRONMENTAL IMPACTS

**We will always comply with all relevant rules and regulations in the countries that we operate and seek all options to minimise our environmental negative impact.**

ESVAGT aims to avoid pollution through spills of hydrocarbons and chemicals, to minimise SOx and NOx emissions, manage waste materials and ballast water and recycle our vessels responsibly. Our approach is anchored in policies, procedures and robust training programmes in these areas.

#### Pollution

Within the shipping industry, marine pollution constitutes the largest single environmental risk. Our ambition is to achieve zero spills of hydrocarbons and chemi-

cals. Our crews are well trained on the prevention and management of spills. During 2022, there were no spills of hydrocarbons or chemicals to water.

#### Air emissions

Apart from greenhouse gases, we manage SOx and NOx emissions which are both present in the exhaust from the main engines on our vessels.

We limit the impact from our vessels through performance improvement technologies and strategies, such as optimising vessel designs, use of low sulphur fuels throughout, equipment to remove SOx and NOx emissions and training of officers and crews on minimising fuel consumption and optimising routing plans.

#### Waste

ESVAGT's environmental policy stipulates that waste materials are sorted and where practically possible, recycled in line with the IMO Ship Recycling Convention. During 2022, ESVAGT continued to perform Inventory of Hazardous Materials (IHM) inspections on all docked vessels to ensure waste materials were recycled safely.

#### Biodiversity & ecosystems

Avoiding negative impacts to the environment and protecting biodiversity are important priorities for our customers and other stakeholders within offshore wind and oil & gas and we are committed to working with them to achieve their goals.

In line with the Ballast Water Management Convention, we are in the process of installing ballast water treatment systems (BWTS) on all of our vessels, which we aim to complete by 2024. These systems will ensure that all ballast water is treated prior to discharge.



#### GHG emissions

In 2022, we mapped ESVAGT's Scope 1, 2 and 3 emissions, a key step towards setting company-wide emissions reduction targets.

#### Responsible ship recycling

As per our recycling policy, ESVAGT's priority is to ensure that recycling of obsolete vessels is performed in the most environmentally friendly way and in accordance with relevant legislation.

Prior to scrapping a vessel, we always investigate its sale to another responsible shipping company to continue operation of the vessel. Where this is not possible, we contract with well-known European experts in ship demolition only. ESVAGT has scrapped fewer than ten vessels since it was established in 1981, and all of them through accredited Danish or German ship recycling companies. No vessels were scrapped during 2022.



## PERFORMANCE IN 2022

ENVIRONMENT	2022	2021	2020	2019
Revenue (TDDK)	1,364	1,081	977	1,028
Number of vessels in operation	43	44	42	43
<b>SCOPE 1</b>				
<b>Emissions directly from operations</b>				
Marine gas oil (m³)	41,955	30,957	30,476	31,267
Company cars (litres)	7,172	-	-	-
Total Scope 1 CO <sub>2</sub> (ton)	120,847	99,248	97,707	100,241
<b>SCOPE 2</b>				
<b>Emissions indirectly from purchased heating/power</b>				
Heating and power (kWh)	758,160	942,078	1,189,105	887,421
Total Scope 2 CO <sub>2</sub> (ton)	272	315	458	332
<b>SCOPE 3</b>				
<b>Emissions from value chain</b>				
Purchased Goods and Services	39,226	-	-	-
Capital Goods	14,629	-	-	-
Fuel and Energy Related Activities	25,434	-	-	-
Business Travel	2,154	763	665	1,518
Other (category 4+5+7)	1,058	-	-	-
Total Scope 3 CO <sub>2</sub> (ton)	82,502	763	665	1,518
<b>Total CO<sub>2</sub> (ton)</b>	<b>203,621</b>	<b>100,326</b>	<b>98,830</b>	<b>102,091</b>

### Notes:

ESVAGT's GHG emissions were recalculated in 2022 using improved methodology. Due to the improved methodology, the 2022 results are not comparable with prior years. Going forward, 2022 will be the base year for future calculations.

### Scope 1

The emission factors have been sourced from GLEC 2019 (fuel) and DEFRA 2022 (company cars)

### Scope 2

The emission factors have been sourced from AIB Residual Mixes 2021 (electricity) and DEFRA 2022 (heating)

### Scope 3

Accounting for ESVAGT's Scope 3 emissions followed the prescriptions of the GHG Protocol, starting with a spend-based screening of all 15 categories to identify the relevant categories to report on.

The chosen time period for data collection is January to December 2022 which will be the base year for future calculations. This is in line with the recommendation from the GHG Protocol for collecting data from the most recent year as it provides the most accurate picture of the business.

Operational control was set as the organisational boundary, which means that areas where the company has the authority to introduce and implement operating policies are captured under Scope 1.

When available, specific quantity data was used to replace spend data in combination with either supplier-specific emission factors or a hybrid approach with average industry / country emission factors.

Improvement areas have been assessed and ESVAGT will continue its efforts to collect supplier-specific information in order to further improve data quality.

## ARTICLE

# FIRST MAJOR OFFSHORE WIND CONTRACT IN US

ESVAGT's US joint venture, CREST, co-owned with Crowley, has signed its first contract in the North American offshore wind market.

Under the terms of the 15-year agreement with Siemens Gamesa, CREST will deliver and operate a new-build Service Operation Vessel (SOV) in support of North America's largest offshore wind farm, Coastal Virginia Offshore Wind, situated off the coast of Virginia.

Crowley will manage and crew the SOV, while ESVAGT will support Crowley with design, construction, crew training, and operation services.

The 289-foot vessel will be constructed by Fincantieri Marine Group, with commissioning taking place in 2026.

The SOV will be equipped with a highly fuel-efficient low emission diesel electric propulsion system with "Blue Drive". The SOV It will also feature state-of-the-art technologies to augment safety, workability and comfort to support the O&M activities of the wind farm project,. It and will have modern accommodation for 80 crew and technicians.



*This first contract in the US. is a landmark event for ESVAGT in our quest to help drive the green transition as a global leader of SOV services," said Chief Strategy and Commercial Officer Soren Karas of ESVAGT.*

*We are excited to bring our decades of offshore wind experience to bear in a new market through our CREST JV with the premier Jones Act operator, Crowley. Together, we can offer an unparalleled solution to the wind industry and are delighted that Siemens Gamesa have recognised this.*

At Coastal Virginia Offshore Wind, Dominion Energy plans to construct 176 14.7 MW Siemens Gamesa wind turbines and three offshore substations, generating enough clean, renewable energy to power up to 660,000 homes. This will avoid 5 million tons per year of carbon emissions compared with fossil fuel usage for power.



## SOV FACTS

Servicing an offshore wind farm is handled by a highly specialised team of service technicians who are often offshore for weeks. During their stay offshore, the technicians live on a service operation vessel (SOV), which also hosts an onboard workshop and much of the equipment and spare parts needed to service an offshore wind farm.

The state-of-the-art SOV will incorporate the newest technologies with a highly trained crew aided by digital tools that leverage their efficiency, safety and productivity. The SOV is designed for comfort and high workability, providing a highly efficient workspace and safe transfer of technicians at the windfarm via a motion-compensated gangway and transfer boats. It will also offer recreational activities for the onboard crew and technicians, including fitness facilities, a game room, a cinema and individual accommodation.

Length overall:	88.0 m (288.7 ft)
Breadth:	17.6 m (57.7 ft)
Maximum draught:	6.2 m (20.3 ft)
Accommodations:	80 personnel

## SOCIAL



## SAFETY

Our mission is making the sea a safe place to work.

**Ambition and approach**

Safety is core to what ESVAGT does. Through our Service Operation Vessels (SOVs), we provide support to offshore wind farm operators, and with our Emergency Response and Rescue Vessels (ERRVs), we serve as standby and service vessels for offshore oil and gas companies.

Therefore, our focus is not only on ensuring the safety of our own employees, but also delivering operations that support the safety of our customers' employees who service offshore wind installations and work on offshore oil and gas platforms and drilling rigs.

Nothing is more important than ensuring that everyone – our own employees and those of our customers – comes home safely from work.

Our safety performance underpins the delivery of our operations to customers and our vision is to be the leading provider of safety and support at sea within the wind and oil & gas industries.

Approximately 95% of ESVAGT's employees work at sea. Therefore, providing healthy, safe and secure working conditions is a critical part of ESVAGT's business and essential for having a committed and engaged organisation.

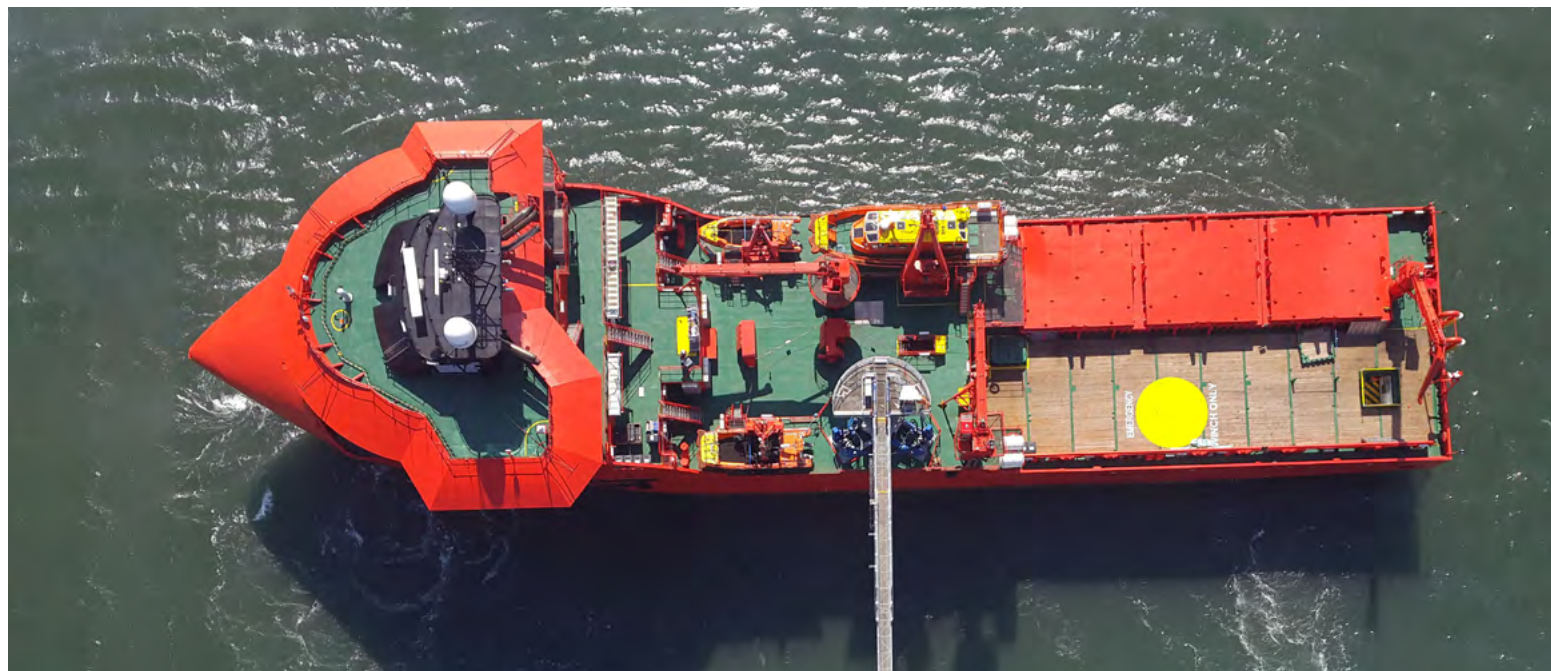
Safety is also key to supporting our growth strategy in offshore wind where our contribution to industry safety will grow as it attracts more people to work offshore. ESVAGT is well positioned to support the industry and the many people working offshore through the vast experience we have gained since 1981 as an operator of ERRVs and transferring close to half a million people safely to and from offshore installations with the company's Safe Transfer boats (STBs) and motion compensated gangways.

Our ambition is to continually improve our safety performance and avoid any accident and harm to our people.

### Managing risk

To keep everyone safe at all times will always be a key objective for ESVAGT, and we strive to conduct our activities in a manner that protects the health and safety of the individual.

Risk of incidents using Fast Rescue Boats (FRBs) or transferring people to wind turbines by STBs are inherent



risks for ESVAGT. Therefore, we have a particular focus on these operations through ongoing training for crews and by using the best equipment the market can offer.

### Learning from incidents

ESVAGT sees every incident as a learning opportunity. Each lost time incident is carefully investigated by investigation teams, and root causes for the incidents found. Corrective measures are taken, and lessons learned from the investigations are shared across operations in ESVAGT to avoid similar incidents from occurring.

### Improving ESVAGT's safety record

Following increases in the number of ESVAGT's Total Recordable Cases (TRC) in 2019 and the beginning of

2020, several initiatives were put in place in 2020 and 2021 to bring down TRCs. These included a revised risk management procedure, mandatory risk assessments and ToolBox Talks for all work tasks on board ESVAGT vessels, and the employment of two additional HSE Officers to work as safety coaches.

Particular focus was placed on lifting operations and boat operations, where ESVAGT has had Lost Time Incidents (LTIs). Annual safety leader seminars are now held for masters and chief engineers to reinforce safety leadership and to ensure an increased shared focus on safety culture on board our vessels.

A new Stop-the-Job Authority procedure was introduced to reinforce the responsibility and obligation of every employee to stop work when they see an unsafe condition, behaviour, or hazard that could cause injury.

During 2022, further campaigns were introduced based on learning experiences across the fleet. Together, these initiatives have contributed to an improvement in the number of TRCs which has fallen significantly.

### Safety performance in 2022

In 2022, we improved safety performance with zero LTIs, corresponding to a Lost Time Incident Frequency (LTIF) of 0.0 (measured as injuries per million hours worked) and a Total Recordable Case Frequency (TRCF) of 1.55.

### Focus in 2023

ESVAGT has a number of initiatives planned in 2023 to maintain the focus on a strong safety culture. This includes a risk management e-learning course, a focus on lead indicators through the development of a system to analyse the proactive side of safety performance, and a complete review of our onboard chemical handling systems.

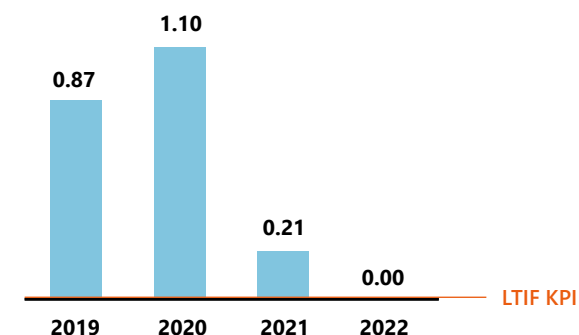
### ISO 45001

ESVAGT has achieved the ISO 45001 certification, in addition to our existing ISO 9001 (quality), ISO 14001 (environment), and ISM Code certification. ISO 45001 concerns Occupational Health and Safety, which is already a cornerstone within ESVAGT and an integrated part of our ESVAGT Standard

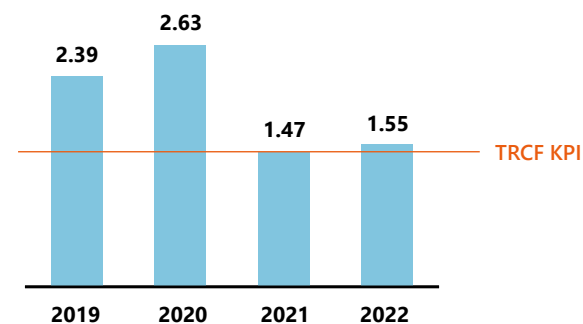
## PERFORMANCE IN 2022

SAFETY	2022	2021	2020	2019
<b>Safety level – key performance indicators</b>				
Total Lost Time Incident Frequency (LTIF) – KPI	0	0	0	0
Total Lost Time Case Frequency (TRCF) – KPI	1.50	1.50	1.50	1.50
<b>Safety level – results</b>				
Total Lost Time Incident Frequency (LTIF) – Result	0.0	0.21	1.10	0.87
Total Recordable Case Frequency (TRCF) – Result	1.55	1.47	2.63	2.39
<b>Number of incidents</b>				
Fatalities	0	0	0	0
Lost Time Incidents	0	1	5	4
Restricted Work Case	5	4	2	5
Medical Treatment Case	3	2	5	2
First Aid Case	52	45	33	25
Near Miss	124	125	116	86

## LTIF FREQUENCY



## TRC FREQUENCY



Safety figures are based on data registered in ESVAGT internal systems. The number and type of incidents as well as working hours are all extracted from our internal system, where they are registered manually.

Lost Time Incidents are incidents that have caused at least one workday of absence after the day of the injury.

Lost Time Incident Frequency (LTIF) represents Lost Time Injuries reported in the internal system per million working hours.

Total Recordable Incidents are representing all incidents (Fatalities, Lost Time Incidents, Restricted Work Case, Medical Treatment Case) reported in the internal systems.

Total Recordable Frequency (TRCF) represents all incidents reported in the internal system per million working hours.

## SOCIAL



# PEOPLE: OWN WORKFORCE

Investing in our people to underpin performance and growth.

**Ambition and approach**

Our people are essential to delivering our strong operational and safety performance and to achieving our growth ambitions. The offshore wind industry offers significant growth opportunities in an environment where we have competitive advantages and can offer job opportunities to seafarers who are attracted to working in a sustainable industry.

To underpin these ambitions, we are building a strong and engaged organisation built on core values through our ESVAGT Standards.





1,350

Employees



82%

Retention rate

We seek to provide a diverse workplace where all our employees can thrive and are motivated to help create a sustainable business. In particular, we focus on training and development and addressing female under-representation in shipping.

#### Talent attraction and retention

In 2022, we added 201 new offshore employees, bringing our workforce to 1,240 offshore employees and 90 onshore. The overall retention rate (onshore and offshore) was 82%

#### Employee engagement

Each year we monitor our progress and the wellbeing of our employees through an annual Employee Engagement Survey. Results from the survey are shared at executive level and with teams for follow up.

For the 2022 survey, overall employee satisfaction was 4.1 on a scale from 1 (lowest) to 5 (highest) – the same as the result in 2021. The rating for manager effectiveness improved to 94% (2021: 90%) and the overall response rate for the survey rose to 99% (2021: 93%).

In 2022 we ran a successful six-month long initiative to support the psychological safety of ESVAGT employees, helping our people to feel comfortable voicing their opinions without fear of being judged.

#### Training & development

Developing our people is essential to maintaining our strong operating and safety performance and to realising ESVAGT's decarbonisation strategy, which relies on introducing new vessels and technologies that personnel must be trained on to operate.

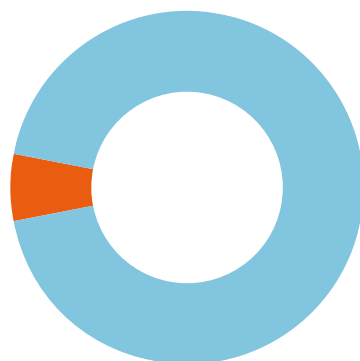
Education and training are a regular part of everyday life on board our ships. New employees are equipped with courses before they embark on their first offshore rotation. We continually train our people in relation to the type of ship and job to be performed. Personal development and training for the next natural position is an ongoing process at ESVAGT and entails special skills, courses, and training for new vessels and technologies entering our fleet.

During the year, 814 people participated in training and development, successfully completing 2,015 courses.

With 125 trainees on our 43 vessels, ESVAGT is the largest recipient of ordinary ships assistants in Denmark. Our internships include structured training and a minimum of 12 months effective sailing time. We

## ONSHORE & OFFSHORE EMPLOYEES

6%  
Onshore



94%  
Offshore





encourage ordinary ships assistants to make a career subsequently as either navigators, able ships assistants or engineers at the end of their sailing time.

#### Diversity and inclusion

ESVAGT's Social Policy and our Code of Conduct underpin our approach to diversity and inclusion. These policies set out a broad definition of diversity which encompasses gender, nationality, ethnicity, religious belief, sexual orientation and other personal characteristics, and play an active role in securing diversity.

ESVAGT is a signatory to Danish Shipping's "Charter for More Women in Shipping" and is taking concrete actions to increase the number of women working in our business. Doing so provides access to a wider talent pool that shipping has traditionally missed out on and supports our commitments to SDG 5: Gender equality.

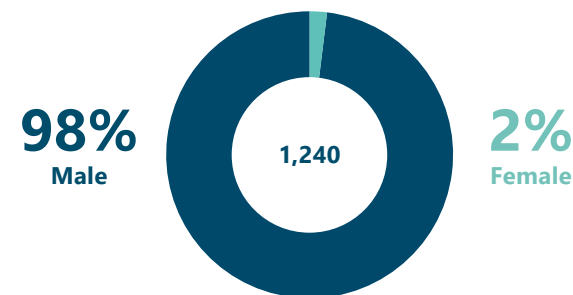
This includes recruiting female employees from maritime education and training institutions and setting a target of equal representation of men and women over time throughout the organisation in all positions, including senior management and the Executive Board. In 2022, 24 women were recruited to offshore positions.

In 2022, diversity from a gender perspective increased in ESVAGT's onshore organisation with 40% female employees (2021: 32%) and remained steady in the offshore organisation at 2% (2021: 2.3%), albeit still at a very low level. Female representation in senior management positions also remained steady at 20% (2021: 20%), and at executive management level, which was 0% in 2022 (2021: 0%)

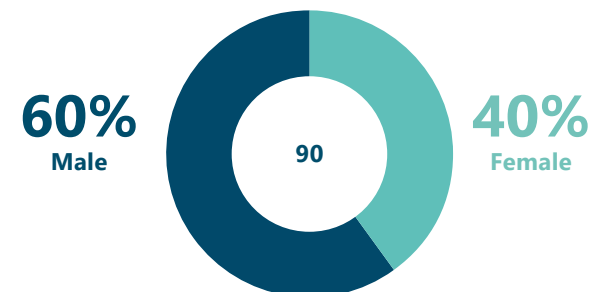
#### Board diversity

ESVAGT's board of directors today consists of six positions currently held by male directors, four of whom

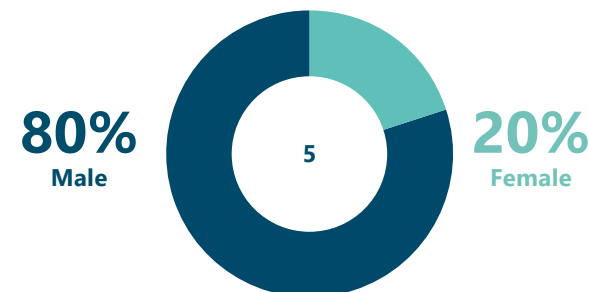
#### OFFSHORE CREW



#### ONSHORE CREW



#### SENIOR MANAGEMENT



have Danish nationality, one from Sweden and one from Australia. Two of the members from Denmark are employee representatives.

ESVAGT has a target to appoint two female directors to the board by the end of 2025. These appointments were not made in 2022, and therefore the target has not been achieved in 2022.

### Employee wellbeing

A major finding from the 2022 employee engagement survey was a general dissatisfaction amongst our offshore crew with lack of internet access on board the vessels,

driven mainly by limitations to the bandwidth on the VSAT system. The Starlink system can provide a significant improvement in bandwidth and in 2023 we are planning to invest heavily in installing Starlink on all vessels, thereby improving the general wellbeing onboard.

We take a proactive approach to employee wellbeing that includes mental and physical health. In co-operation with the 857 MW Triton Knoll offshore wind farm which lies 33 kilometres off the coast of Lincolnshire in the North Sea, and the University of Southern Denmark's Centre of Maritime Health and Society, ESVAGT conducted a research programme in 2021

called SEEDS, which provided workshops, coaching and workbooks to achieve individual wellbeing targets for offshore crew members. The project delivered positive gains in stress and mental health, teamwork, exercise, diet, and smoking.

### Labour standards

ESVAGT is committed to respecting fundamental labour rights and constructive employee relations through strict adherence to international frameworks and conventions from the UN, OECD and ILO including the Marine Labour Convention, and with local legislation where we have operations.

## PERFORMANCE IN 2022

<b>SOCIAL</b>	<b>2022</b>	2021	2020	2019
<b>Employees</b>				
Number of employees - onshore	90	82	80	77
Number of employees - offshore	1,240	1,100	1,000	837
<b>Gender diversity</b>				
Onshore (number of women / total employees)	35 / 90	26 / 82	30 / 80	27 / 77
Onshore (number of women / total employees)	25 / 1,240	25 / 1,100	19 / 1,000	12 / 837
Senior management (number of women / total number)	1 / 5	1 / 5	1 / 5	1 / 5
Executive Board (number of women / total number)	0 / 7	1 / 7	1 / 7	1 / 7
<b>Retention rate</b>				
Overall (onshore/offshore)	82%	83%	89%	85%

Social figures are calculated on all full-time employees and based on headcounts at the end of the reporting period.

The figures are registered in our internal HR systems, with specifications of gender and management level.

Retention rate is calculated on an annual basis, dividing the total number of employees within one year, by the number of employees registered previous year.



## GOVERNANCE



# BUSINESS CONDUCT

Conducting business with integrity.

### Ambition and approach

We conduct our business with integrity and comply with all laws applicable to our business in the countries where we operate.

Our approach to business conduct is anchored in ESVAGT's Governance Framework which sets the standard for how ESVAGT and its employees conduct business and outlines our expectations for suppliers and business partners. These expectations are supported by due diligence assessments and supplier audits.

While ESVAGT does not operate in countries with elevated risks related to corruption or human rights



## PERFORMANCE IN 2022

GOVERNANCE	2022	2021	2020	2019
<b>Governance and compliance e-learning programme</b>				
Onshore Personnel incl. offshore inspectors/superintendents	18	51	0	0
Offshore Personnel all Captains, Chief Officers, Chief Engineers	201	1,002	0	0
<b>Supplier audits completed</b>	<b>8</b>	<b>7</b>	<b>5</b>	<b>5</b>
<b>Registration of hospitality payment</b>				
Hospitality provided (valued more than USD 150 pr. recipient)	2	0	0	1
Hospitality received (valued more than USD 150 pr. recipient)	0	0	0	3
<b>Registered violations of ESVAGT Code of Conduct</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Registered whistleblowing cases</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Data losses or breaches</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>

Governance figures are extracted from our internal governance system, where they are registered manually.

Whistleblower reports are registered in our external whistleblower system, and number of registered cases are informed by external legal advisor.

Data losses and breaches are registered manually in ESVAGT internal system and notified to the Danish Data Protection Authority.

abuses, we are potentially exposed to these risks through our supply chain. Any breaches to ESVAGT's Governance Framework would have the potential to put our license-to-operate at risk and cause significant financial impact.

We actively foster a culture of integrity, and our ambition is to achieve zero incidences of breaches to our Governance Framework.

### Governance Framework

ESVAGT's Governance Framework comprises of a comprehensive set of internal policies and procedures covering safety, quality, and environmental, social and governance (ESG).

The Governance Framework is certified against ISO 9001 for onshore management of services related to safety and support at sea, ISO 14001 for technical management of ships for the onshore organisation and selected vessels, ISO 45001 for onshore & offshore management of services related to safety and support at sea for the onshore organisation and selected vessels. Furthermore, all vessels and the onshore office, are certified in accordance with the ISM code.

All risks related to business integrity and compliance are considered as part of ESVAGT's Enterprise Risk Management (ERM) process and registered in the ERM system.

The Senior Management Team sets the tone from the top and is responsible for the ongoing development of the Governance Framework and its implementation. The Audit Committee of the Board of Directors has oversight of enterprise risks and monitoring of ESVAGT's compliance culture.

ESVAGT encourages an open and honest reporting culture. To ensure adherence to ESVAGT's policies and procedures, the company has established key performance indicators (KPIs) and set targets for its compliance. Performance is monitored on a regular basis, and the results are reported to the Senior Management Team and the Board of Directors. Where performance does not meet expectations, corrective actions are addressed on a company-wide basis.

### Training & Awareness

ESVAGT takes a structured approach to training and awareness to ensure a common understanding of the policies and procedures within our Governance Framework and to foster a culture of business integrity.

Following the introduction of our Governance & Compliance Awareness Training e-learning course in 2020, over one thousand employees completed the course during 2021. The course is now mandatory for all new ESVAGT employees as part of their induction. In 2022, 219 new employees completed the Governance & Compliance Awareness Training programme.

### Prevention of Corruption and Bribery

ESVAGT will not accept any corruption or bribery and has a zero-tolerance approach to any breaches of the policy. Additionally, ESVAGT has strict policies for accepting and registering hospitality payments.

### Responsible Procurement

The Code of Conduct describes ESVAGT's minimum requirements for its suppliers and business partners with regards to legal compliance, working conditions and employment conditions. This encompasses suppliers and sub-suppliers and includes expectations of responsible business behaviour and anti-corruption measures, freedom of association and collective bargaining, equal opportunity rights and respectful treatment, and the avoidance of child labour.

The Code of Conduct and ESVAGT's purchasing conditions are available on the company website.

Adherence to the Code of Conduct forms an important part of ESVAGT's selection criteria of its suppliers and ESVAGT conducts a due diligence assessment through a qualification and evaluation process for each supplier. If relevant, this includes an audit at the supplier's premises prior to qualifying the company as a supplier to ESVAGT.

Risks related to ESG are monitored on an individual basis for each supplier and ESVAGT undertakes an annual internal evaluation of the top 100 suppliers measured by spend. ESVAGT conducted eight supplier audits during 2022.

### Protection of Whistle-Blowers

ESVAGT has implemented a fully compliant whistle-blower system which can be used by employees, customers, suppliers and other business associates to raise concerns.



# 2,015

### Courses completed

814 people participated in training and development, successfully completing 2,015 courses.

The system is administered by an independent law firm via an online portal that can be accessed from a link on ESVAGT's website. All reports submitted via the whistle-blower system remain confidential and, if desired, anonymous, and are investigated promptly and objectively.

Whistle-blowers are protected from any kind of retaliation or discriminatory or disciplinary action as a result of submitting a report, including termination of employment, demotion, suspension, threats or any other kind of harassment.

In 2022, one report was made to the whistle-blower system which was investigated and found not to be within the scope of the Whistle-Blower Policy. The report was closed, and the claimant informed.

#### Political and industry engagement

ESVAGT is a member of a number of industry trade associations (see full list in the General section) and actively engages on matters related to ESG issues that include renewable energy, decarbonising offshore support and increasing the representation of women in shipping.

ESVAGT may engage in lobbying activities that are intended to provide information about matters of interest, as defined in our anti-corruption procedures. However, political donations to candidates or political parties are prohibited and ESVAGT does not make payments to public officials.

#### Responsible tax

ESVAGT's Tax Compliance Policy recognises that good corporate citizenship requires compliance with applicable regulations, being upright towards public authorities and paying taxes as required by law. We only adopt tax positions that are defensible under full disclosure in the appropriate tribunals or courts.

#### Security & risk management

Data plays an increasingly important role for ESVAGT in monitoring, delivering and improving our services for customers, employees and other stakeholders. As data is an important asset, we treat it as such.

ESVAGT's approach to data security and ethics is included within its Governance Framework, Data Ethics Policy and an Information Security Handbook. During 2022, we undertook a number of initiatives to raise awareness on data security and provided a cyber security training programme to all employees.

ESVAGT will continue to work with the Data Ethics Policy and handle all data in accordance with ESVAGT's internal standards and policies to be compliant with all applicable laws and regulations. The Data Ethics Policy is accessible on our website and is reviewed annually.

Our approach to GDPR consists of several procedures and guidelines to cover all areas of the business, governed by an overall GDPR policy for ESVAGT. This is reviewed annually by internal and third-party resources.

There were no incidents concerning breaches of customer or ESVAGT privacy, or losses of data during 2022.



ESVAGT's mission is making the sea a safe place to work for both our customers and our crew. Safety always comes first and as the saying goes at ESVAGT: Do it safely or not at all.



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