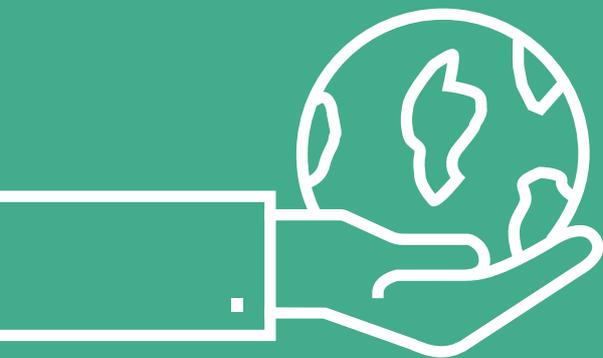


2021

Everything is within Reach

Sustainability Report

Reflecting the impacts our operations have on economic, environmental and social factors.

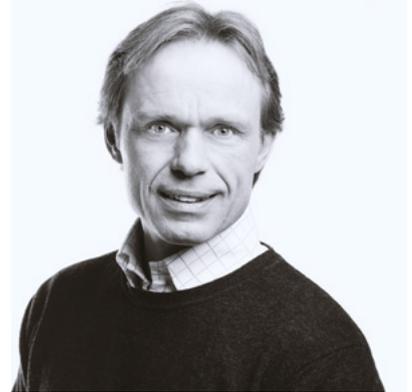


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CEO Foreword

Dear Stakeholder



When reflecting on 2021, the word extraordinary once again comes to mind. The continuation of the Covid-19 pandemic continued to cause severe challenges to which we can finally see the end. We have also been reminded of the effects of the climate change all over the world.

When it comes to Covid-19, Reach Subsea's primary focus has been the safety and health of our employees, and we are happy to say that we despite the challenging situation have managed to combine this with the ability to maintain excellent deliveries to our customers.

In a longer perspective, climate change is on top of our sustainability agenda. Our strategic goal going forward is to continue developing a competitive, profitable and sustainable way of doing business, and to increase business from non-oil & gas sectors and clients. During 2021 we increased the share of non-oil & gas operations, and we reduced our CO₂ emissions when adjusting for activity level.

Going forward, low emissions will be an important competitive advantage for Reach Subsea. During 2021 we made significant progress in the development of our remotely operated subsea vehicle Reach Remote, and early in 2022 we secured further financing for the project through a partnership with Wilhelmsen New Energy. The Reach Remote concept will be a game changer for the subsea service industry, reducing cost for clients with 20-30 percent and emissions with 90-100 percent. We are looking forward to launching the first vessels in 2023.

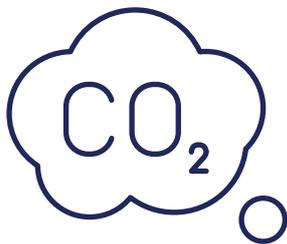
Continued progress on sustainability parameters is of high priority for all our stakeholders. Wrapping up 2021 it is satisfying to say that we reached 13 of our 15 ambitious sustainability targets. Moving into 2022, we are well equipped to continue to perform well both financially and in terms of sustainability, and deliver well on our enhanced targets for 2022. We look forward to reporting on this quarterly.

A handwritten signature in black ink, which appears to read 'J. Alendal'.

Jostein Alendal

CEO, Reach Subsea ASA

Highlights



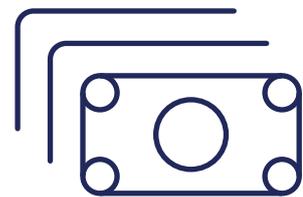
29,530 total tons

CO₂ emissions. Emissions have been reduced in 2021 compared to 2020 when adjusting for activity level.



129 permanent employees

of which there 86% male and 14 % female. KPI target achieved with an increase of number of female offshore employees during the year.



687 mNOK

Revenue for 2021. Revenue is driven by high utilization and successful project execution as well as a one-off effect from the purchase of Octio.

30 % of revenue

from non-Oil & Gas clients and sectors. Driven by major survey projects in the offshore wind sector.

0 work related injuries

5 % sick leave

whereof 1.33 % short term.

1,098 vessel days sold

From a total of 1,193 available.

0 major spills

of hazardous materials to the sea. KPI target achieved.

6 % turnover

2,667 ROV days sold

From a total of 3,830 available.

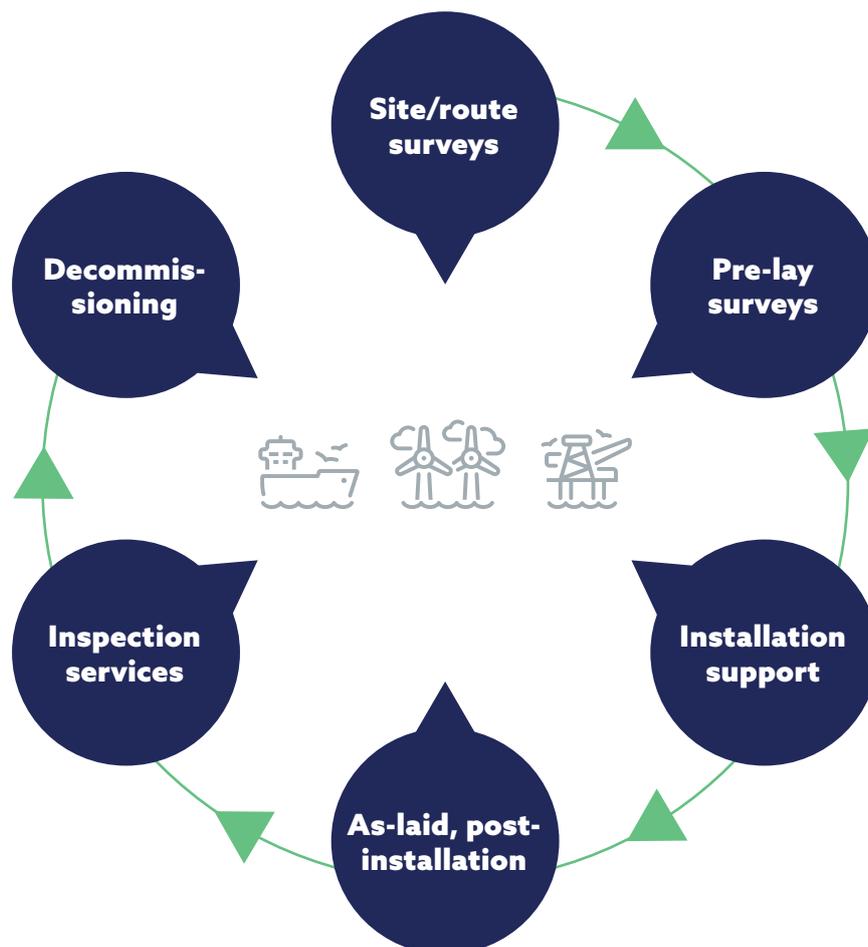
100 % technical uptime

KPI target achieved.

About Reach Subsea

Reach Subsea Group (“Reach Subsea”, “REACH” or “the Group”)’s core business concept is to offer high quality subsea services and solutions to clients in need of installing, inspecting, maintaining, or removing assets and equipment from the seabed by utilizing remote subsea technology.

The core business of the Group is based on modern, high spec Work ROVs operated by highly qualified offshore personnel and supported by our competent onshore engineering resources. Reach Subsea have since the inception of the Company embraced new technology and innovative solutions to raise the bar for sustainable and competitive solutions in the Subsea industry. Our strategic goal going forward is to continue developing a competitive, profitable, and sustainable way of doing business. The goal is to increase business from non-Oil&Gas sectors and clients, while also providing sustainable support and solutions to clients within the Oil&Gas segment.



The Reach Group

Reach Subsea ASA is the parent entity within the REACH group and offers Group Management services to its subsidiaries.

Reach Subsea ASA

- Norwegian public limited liability company
- Headquarters in Haugesund, Norway
- Group Management activities
- 4 full-time equivalent employees in 2021

Reach Subsea AS – Trinidad & Tobago

- Local branch of Reach Subsea AS
- Office in Port of Spain, Trinidad & Tobago
- Independent provider of subsea services in Trinidad & Tobago
- 1 vessel spread – Stril Explorer 2021

Connect Offshore AS

- Norwegian limited liability company
- Office in Haugesund, Norway
- Offshore personnel contracting
- 6,8 full-time equivalent employees in 2021

Reach Subsea AS – Norway

- Norwegian limited liability company
- Office in Haugesund, Norway
- Independent provider of subsea services
- 93,6 full-time equivalent in 2021
- 6 vessel spreads – Olympic Challenger, Havila Subsea, Viking Neptun, Stril Explorer, Olympic Delta and Olympic Artemis.

Reach International AS

- Norwegian limited liability company
- No activity in 2021
- 100% ownership in subsidiary Reach Subsea Inc and Reach Subsea UK Ltd.

Reach Subsea Inc

- US Incorporated company
- 1 vessel spread part of the year 2021
- 0 employees in 2021

Reach Subsea UK Ltd

- UK private limited liability company
- Activity in 2021
- 2 employees in 2021

The Reach Group cont.

During December 2021, Reach Subsea acquired Bergen based company OCTIO AS (established in 2006), as well as the associated company Monviro AS, which was owned by OCTIO employees.

OCTIO's goals are aligned with Reach Subsea, including a move to unmanned operations and increased work in the renewable sector, with particular focus on CCS. OCTIO's business is conducted so that all risk to people, property and the environment are reduced to an absolute minimum. OCTIO aims to have an HSE performance that will earn the confidence of staff, customers, stakeholders and society.

Octio AS

- Norwegian limited liability company
- Headquarters in Bergen, Norway
- Independent provider of geophysical monitoring and group management services
- 100% ownership in subsidiaries Gravitude AS and OCTIO Inc.
- 24.4 full time equivalent employees in 2021

Gravitude AS

- Norwegian limited liability company
- Office in Bergen, Norway
- Independent provider of geophysical monitoring services
- 0 employees in 2021

OCTIO Inc

- US incorporated company
- No activity in 2021
- 0 employees in 2021

Monviro AS

- Norwegian limited liability company
- Headquarters in Bergen, Norway
- Independent provider of environmental monitoring services
- 100% ownership in subsidiary Monviro CCS AS
- 4.4 full time equivalent employees in 2021

Monviro CCS AS

- Norwegian limited liability company
- No activity in 2021
- 0 employees in 2021

Global operations

Reach Subsea headquarters are located in Haugesund. In addition, we have offices in Bergen, Stavanger, Harstad, Trinidad & Tobago, UK and Houston. We are performing operations worldwide with support from these offices.

This map shows the areas we have operated during 2021 along with our current office locations. This illustrates that we reach further and are recognized in other markets than the home market, firstly by being invited to tender for work in other areas of the world, but also by performing at a level that met or exceeded our client's expectations.



Sustainability within Reach

Our vision is to be the preferred operator by those who need the best possible subsea partner, one that will always perform above expectations. Reach Subsea continuously focus on health and safety, environment, financial solidity, profitability and quality. We are constantly balancing these elements to meet the increased demand for sustainable solutions by our stakeholders.

How we interpret our values in a sustainability perspective:



Reliable: We aim to be a reliable employer by maintaining an organization with high ethical standards and values set into practice. All employees shall have the same rights and possibilities regardless of gender, background, religion, nationality or disability.



Effective: Effectiveness is about doing the right thing at the right time. We have a strong belief in the systematical implementation of HSEQ measures throughout the organization and work actively to ensure that we always follow international rules and regulations.



Adaptable: Reach Subsea intends to leave a green footprint from our operations. To achieve this, we are adaptable to new solutions and focus on minimizing adverse impacts on human health and the environment.



Committed: We believe our employees are the cornerstone of our business. We are committed to performing safe operations, with the health and safety of our people as our utmost priority.



Honest: We aim to be an attractive and professional subsea operator by maintaining high ethical standards, defined by our Code of Conduct. We promote transparency by following international legislations and requirements and contribute to anti-corruption and fraud-prevention by implementation of routines for selecting suppliers.

Sustainability governance

The Board of Directors (“the Board”) has the overall responsibility for sustainability. The work of the Board is governed by the Norwegian Companies act, the Code of Conduct as well as the Norwegian Code of Practice for Corporate Governance. The Board is responsible for approving the Group’s strategy and risk profile. The Board holds meetings regularly throughout the year, discussing business and market items, as well as any sustainability-related topics of material significance. The Board has delegated responsibility for day-to-day management to the CEO.

Sustainability has been incorporated in the management system, and the Group Management team continuously collaborate with the organization to identify needs and issues and implement improvements to achieve our overall vision. To ensure compliance Reach Subsea has established a Health, Safety, Environment and Quality Assurance department.



The HSEQ Manager reports to the CEO. The Group Management team performs quarterly management reviews and the Board reviews HSEQ results monthly.

The sustainability report aims to reflect the impacts our operations have on economic, environmental, and social factors and how Reach Subsea works toward mitigating risks and reducing any negative implications of our operations. The report has been prepared in accordance with the GRI Standards*: Core options and include all companies within the Group. A GRI Index can be found as an appendix to this report on pages 44-45. The GRI Standards are the first global standards for sustainability reporting. They feature a modular, interrelated structure, and represent the global best practice for reporting on a range of economic, environmental, and social impacts.

Sustainability within Reach

Stakeholder dialogue

Reach Subsea's priorities (material topics) within sustainability are defined, based on an assessment of stakeholders' expectations and interests, as those topics that have or may have significant impact on the stakeholders. Stakeholders are defined as entities or individuals that can reasonably be expected to be significantly affected by our activities and services.

Shareholders (current and future)

Reach Subsea is a publicly listed company with several shareholders, with the largest owners represented in the Board of Directors. The Board of Directors represent our shareholders. Communication is held between the Board members and Group Management through monthly reports and Board meetings. Reach Subsea adheres to the Norwegian Code of Practice for Corporate Governance (the "Code", in Norwegian "NUES"). A full Corporate Governance report is available in our Annual Report.

Customers (current and future)

Reach Subsea operates within a global market with customers worldwide, and our customers range from smaller local entities to global corporations, and as such the customer interests and issues may vary. Key customer interests and issues are based on received customer reviews and lessons learned meetings after project completion as well as discussions with customers on existing and future contractual requirements. We also have an ongoing dialogue with clients during project planning and execution. A common feature for all customers is the interest in sustainability.

Employees (current and future)

Our employees are the cornerstone in our business. Reach Subsea had 129 full-time equivalent employees in 2021, this includes ASA, UK, Octio and Monviro which became a part of the Reach group in December 2021. Dialogue with employees is performed through yearly seminars, as well as through input to our work environment committee and safety delegates, management inspections and visits on offshore sites. Employee appraisals are performed yearly. Frequent meetings with employee unions are held throughout the year.

Sustainability within Reach

Stakeholder dialogue

Suppliers (current and future)

Reach Subsea performed over 5,000 purchases in 2021, from over 500 suppliers. The large number of suppliers makes it difficult to perform an in-depth dialogue with the supplier group. As basis for the stakeholder dialogue, we therefore focused on the most critical suppliers, being suppliers of hired in vessels, ROVs and subsea equipment. Assurance processes and performance reviews are performed for our most critical suppliers. We also have continuous dialogue with suppliers through our procurement process.

Business partners

Reach Subsea is part of a joint venture between Reach Subsea and cooperation partner MMT Sweden AB ("MMT"). Dialogue with MMT is performed as part of the day-to-day operation of projects within the joint venture such as project management, joint sales and marketing processes, tender boards for joint projects as well as through monthly management meetings and yearly seminars. Other business partners in 2021 are agents, brokers and the bank.

Society at large

Reach Subsea operates within the global offshore market, but also has a local presence with offices in local communities. As such, we face expectations both on a global and local scale. We communicate with society periodically through social media. We also follow the Continuous Obligations for Stock Exchange listed companies, releasing mandatory information such as news on contract awards and financial figures through Oslo Stock Exchange. The fact that Reach Subsea holds ISO certification for the quality standard ISO 9001, the environmental standard ISO 14001 and the work environmental standard ISO 45001, proves that we work actively every day to meet the requirements of the relevant standards. Maintaining a dialogue around the society's expectations is not easily executable. Reasonable global interests are therefore based on information presented by international media, political discussions, and regulatory bodies. Likewise, local community interests are considered based on requirements from local regulatory bodies.

Sustainability within Reach

Stakeholder groups and their key interests and issues

Shareholders

- Profitability and financial solidity
- Responsible and safe operations
- Environmental strategies
- Corporate Social Responsibility

Customers

- Price
- Quality of services
- Responsible and safe operations
- HSEQ routines and correct certifications
- Emergency management
- Anti-Corruption
- Environmental strategies

Employees

- Reliable working conditions
- Work environment
- Development of skills and competences
- Market based compensation
- Health and safety measures
- Corporate Social Responsibility
- Equal opportunities
- Safe Home

Suppliers

- Financial solidity
- Quality-, Health- and safety measures
- Safe operations
- Emergency management
- Environmental strategies
- Anti-Corruption
- Sustainability in supply chain

Business partners

- Profitability and financial solidity
- Responsible and safe operations
- Anti-corruption

Society at large

- Authorities
- Environmental strategies; water and waste management, air pollution, chemical handling, spill avoidance
- External environment organizations
- Certification body
- Competitors/ market
- Media/ public
- Contribution to local communities
- Anti-Corruption
- Sustainability in supply chain
- Cooperation with educational programs

Sustainability within Reach

Material topics for sustainability

Based on the dialogue with stakeholder groups Reach Subsea has identified the following material topics for sustainability reporting:

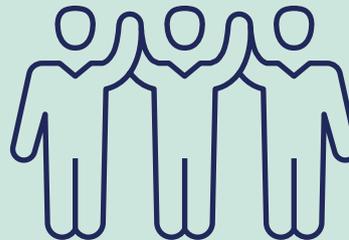
Environment

- Transition to renewable energy production
- Risk related to climate change
- Reducing our emissions
- Reducing our impact on the sea



Employees

- The safety and well-being of our people
- Development of skills and competences
- Equal opportunities



Responsible business

- Profitability and financial solidity
- Quality services
- Anti-corruption and business ethics
- Sustainability in the supply chain



Sustainability within Reach

UN Sustainability Goals

In 2015, the UN General Assembly adopted the 2030 Agenda for Sustainable Development, which includes 17 Sustainable Development Goals (SDGs).

The 17 SDGs provide a blueprint to achieve a better and more sustainable future for all. These are equally important in meeting the broad range of targets set by the UN. The most material SDGs for Reach Subsea are selected based on the global challenges the world is facing and how we can provide impact on these. The four selected SDGs are closely linked to our vision and values.



Climate action

Climate change is a global challenge that affects everyone, everywhere

Our goal is zero harm to the environment. We work toward reducing emissions and climate impact by chartering fuel-efficient vessels, promoting environmentally friendly ways of travel, extending use of video conferencing and waste management on both onshore and offshore sites. Any impact on the environment is reported and followed up to prevent re-occurrence. [Our critical suppliers are encouraged to reduce their environmental footprint and achieve energy efficiency.](#)



Life below water

Careful management of this essential global resource is a key feature for a sustainable future

The sea is our workplace, and we understand the importance of preserving the sea as a shared resource. We aim to minimize our environmental impact by using environmental-friendly degradable hydraulic oil in our subsea operations and strive to leave the seabed unharmed in the same condition as we found it. [We cooperate closely with vessel owners on waste management and water discharge plans.](#)

Sustainability within Reach

UN Sustainability Goals



Quality education

Obtaining a quality education is the foundation to improving people's lives and sustainable development

The competence of each individual working for us represents the backbone for performing safe subsea operations and providing quality in everything we do. We have implemented training procedures for our employees as well as local training programs in communities where we have a long-term local presence.



Decent work and economic growth

Sustainable economic growth will require societies to create the conditions that allow people to have quality jobs

We believe that sustainability and long-term profitability go hand in hand. By continuing to focus on sustainable solutions we increase our value and competitiveness, by minimizing risk, increasing transparency, and facilitating more efficient use of our resources. In turn, profitability and financial strength helps to secure Reach Subsea as a reliable employer by providing workers with a secure and meaningful place to work. Reach Subsea contributes to this by having a strong focus on HSEQ and risk management, ensuring the safety of the people who work for us. We believe that a good HSEQ culture arises from a respectful and positive dialogue between people and by giving support to our people in search for the safest and most optimal solutions.



Environment

Achieving the ambitions in the Paris Agreement will require a 40 % reduction in greenhouse gas emissions in EU within 2030 compared to 1990 levels. The transition to a low-emission society requires a reduction in use of hydrocarbon related energy sources. At the same time, the world population and demand for energy is growing. The transition to a low-emission society is a priority on the political agendas.

The capital markets have made strong turns toward a green economy and there is a general concern about the world's environmental development. To maintain our position as an attractive business partner we need to meet stakeholders' expectations when it comes to our environmental profile.

As such, Reach Subsea has a strong commitment in fulfilling the goals set in the Paris Agreement. Climate related issues, such as risk and opportunities are hot topics on the Group's agenda. The Management team reports sustainability KPI's to the Board monthly.

Our goal is to have zero impact to the environment.

Environment

Transition to renewable energy production

The expected energy transition poses both risks and opportunities for Reach Subsea. In 2021 we achieved an all-time high activity within the non-Oil&Gas segment, in total 30 % of our revenue, driven by major survey projects in the offshore wind sector.

One of our long-term strategic goals is to increase our business from non-Oil&Gas sectors and clients. We see opportunities within offshore wind, subsea power cabling, tidal turbines, subsea mining and offshore aquaculture.

We recognize the risk of employees transitioning to other emerging industries and lower access to competent employees, and the importance of investing in and developing the competence within our organization to be positioned for the transition and the necessary technological advances to come. The risk is that our competence and assets will become stranded and outdated. The Board of Directors and Group Management continuously monitor the competence within the organization and work to secure the right mix of capabilities.

The Board has already taken steps to secure our competitiveness in the future by launching our new and innovative Reach Remote project. At present, 70 % of our activity is within the Oil&Gas segment. On a medium to longer term, we expect to see a clearer reduction in investment levels within this segment. During 2021 we increased our experience within Offshore wind projects and combined with our Reach Remote project we are well positioned for the expected increase in this segment. Our efforts within technological innovation will also help to secure long term access competent employees.

Environment

Reach Remote

Reach Subsea has been developing a new and future-proof, sustainable solution for subsea services, Reach Remote.



In 2021, Reach Subsea took the next step towards realization of the Reach Remote project. Through the strategic partnership with Kongsberg Maritime and Massterly, a comprehensive FEED study was performed. The basis of the FEED study has been to design USV's with reduced emissions, energy consumption and personnel risk exposure. Engineers and system designers have studied various technical concepts, to make sure these are a perfect fit with our sustainability targets. We aim to present our low-emission solution to the market by 2023.

Environment

Reach Remote

The low-emission, cost-effective subsea services which will be offered by Reach Remote are viewed with great interest from both offshore wind farm operators and oil and gas asset owners. Reach Remote will be a great enabler, building on framework agreements already in place to position Reach as a preferred supplier of survey, inspection, and light repair services to the fast-growing offshore wind industry. It will also be key to providing services to other markets, such as aquaculture, subsea mining, and environmental surveillance.

A typical Reach project today will involve some 30-50 personnel onboard a subsea vessel operating under strict HSEQ regimes. With Reach Remote, the same project can be executed with a much smaller, more fuel-efficient vessel and one third of the personnel, who will be located onshore without exposure to offshore operational risks. This is revolutionary in terms of cost efficiency and enhanced safety and will drastically reduce the CO₂ footprint of this type of operation.

The key benefits of Reach Remote, compared to equivalent solutions using a full-scale subsea vessel, are:

**Virtual
elimination of
the personnel
risk associated
with offshore
operations**

**More than
90 % reduction
in CO₂ and NOx
emissions**

**Significant
reductions
in the cost of
subsea survey
and inspection
services**

Environment

Risks related to climate change



Photo: Åge Nakken

Physical risks

Reach Subsea is exposed to the expected changes in weather conditions. More extreme weather could result in challenging offshore working conditions. In turn, this may impact the project cycle, shortening the seasons where subsea services can be performed, resulting in possible adverse financial impact. An increase in sea level may also have adverse impacts, such as less availability of docking locations and may make crew changes and vessel and project mobilizations more difficult to perform.

Regulatory risks

In the effort to drive society toward lower emissions there is a risk of regulatory changes that may have financial impacts for Reach Subsea. Such changes may include scenarios with increased fees and taxes related to CO₂ emissions or other changes in framework that may have negative economic impacts on the industry.

Changes in demand

Targeted implementation of regulatory frameworks to reduce CO₂ emission may create shifts in demand for hydrocarbons, which in turn may affect future investment levels for the petroleum sector and increase competition between subsea suppliers.

Environment

Reducing our emissions

Our goal is to have zero impact to the environment. As with most companies within the offshore industry, CO₂ emissions from fuel oil consumption is our most significant environmental impact.

Reach Subsea charters vessels from shipowners on various charter party terms, ranging from long term, periodical time charters and pay-as-you-go agreements. We also provide ROV services on vessels operated by other parties.

We acknowledge that the environmental impacts caused by vessels are not only the shipowner's responsibility but also that of the vessel charterers. **By 2030 we aim to have a fleet consisting only of zero-emission vessels.** We will thus contribute to driving investments towards newer, cleaner vessels and technological advances to reduce fuel consumption and emissions. During 2022 we intend to invest further in Reach Remote, by ordering Unmanned Surface Vessels. Viking Neptun is an example of a vessel that has installed a battery pack for reduced emissions.

In 2021 we extended the agreement with Olympic Artemis. We also secured a modern fit-for-purpose vessel, Olympic Delta (built in 2015) to our fleet in 2021.

We continuously cooperate with the vessel owners on fuel reduction measures in line with 'the Precautionary principle'.

We also focus on performing offshore activities as effective and efficient as possible to minimize fuel consumption. The less time spent in completing offshore projects the less fuel is consumed.

We also encourage our customers to reduce fuel consumption in the projects by monitoring transit speeds to secure the most efficient fuel consumption.

Over 99,9 % of our energy consumption in 2021 came from non-renewable fuel oil consumption by our hired-in vessels. The table on the next page shows the total energy consumption within the organization.

Sustainability within Reach

Reducing our emissions

Energy Consumption (in GJ)	2021	2020	2019
Non-renewable fuel consumed (fuel oil)	295 639	355 909	342 410
Renewable fuel consumed	-	-	-
Electricity, heating, cooling and steam purchased for consumption	335	375	351
Self-generated electricity, heating, cooling and steam	-	-	-
Electricity, heating, cooling and steam sold	-	-	-
Total energy consumption within the organization	295 639	356 284	342 761

Electricity consumption per region (in kWh)	2021	2020	2019
Norway	89 503	94 643	88 147
Americas	3 580	9 464	9 444

Conversion factors: Marine fuel oil = 3 596 kg CO₂/m³

CO ₂ emissions	Unit of measure	2021	2020	2019	2018
Scope 1*	Tons CO ₂ equivalent	29 530	35 551	34 203	39 992

*Scope 1 is based on fuel consumption on vessels hired in by Reach Subsea. There is an inherent uncertainty to the scope 1 emissions due to minor inaccuracies in the way fuel consumption is recorded onboard the vessels and subsequently converted from m³ to CO₂.

CO ₂ emission per vessel day	2021	2020	2019	Change
Tons CO ₂ emission per available vessel day	31,88	34,19	30,06	-14 %

Environment

Reducing our emissions

In 2021 our total CO₂ emissions (Scope 1) were 29 530 tons CO₂ equivalents compared to 35 551 in 2020. CO₂ emission per available vessel day was 31,88 tons CO₂ equivalents in 2021 compared to 34,19 in 2020.

CO₂ emission per available vessel day functions as a good measuring tool for our emissions. However, the bigger picture holds more nuance as activity levels on each vessel may vary from year to year. Available vessel days are defined as all vessel days that flow through our P&L, irrespective of whether they are quayside or working offshore. In periods where activity increases, CO₂ emission per available vessel day will increase given an unchanged number of available vessel days. The reduction from 2020 to 2021 is mainly explained by operational optimisation and continuous focus on reducing fuel consumption where possible. A 14% reduction per available vessel day is a significant reduction

We always plan to perform offshore work as time efficient as possible and we aim to be more efficient than our competitors. This may mean working at higher speeds and result in higher CO₂ emission per day, but time saved may reduce overall emission.

We have performed several survey scopes with our two “Surveyor Interceptor” survey ROVs and operational data show that we can perform survey more efficiently using SROV rather than WROV.

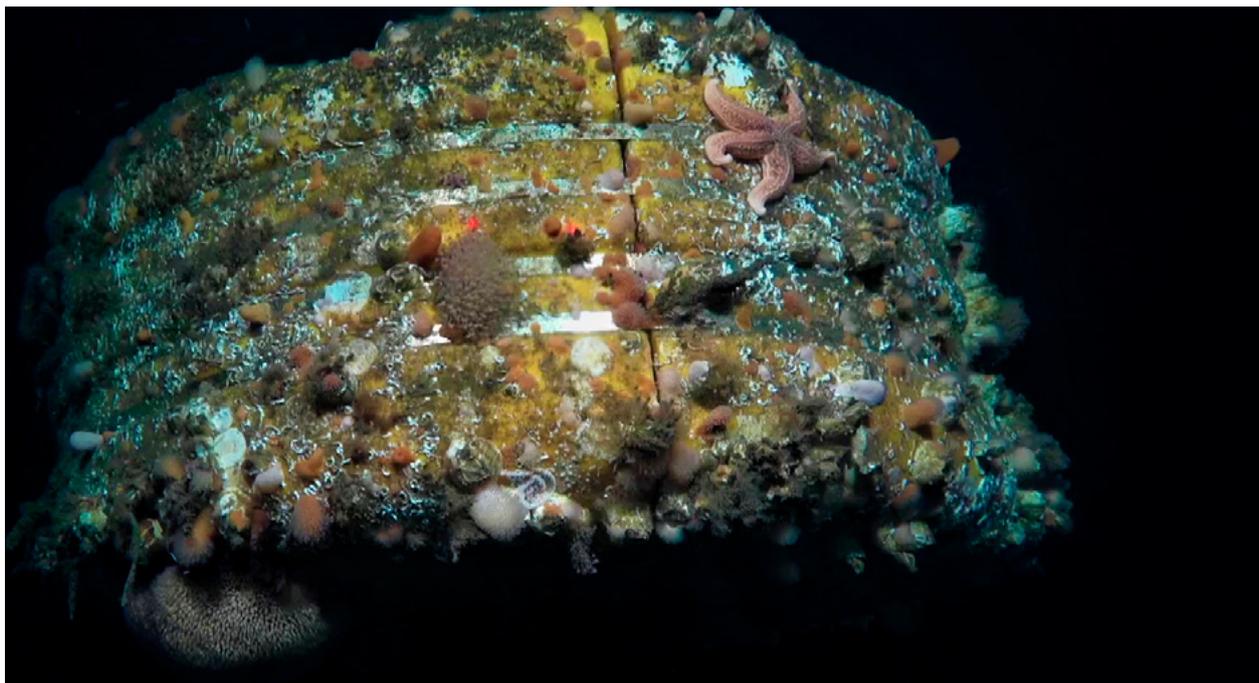
The average production rate for SROV survey is up to 150 km/day, which is three times more efficient than survey with WROV, averaging a production rate of 50 km/day. When comparing SROV vs. WROV survey, our calculations show a reduction in emission up to 40 % for any given scope.

All key suppliers are evaluated based on environmental criteria and all suppliers perform a self-evaluation on their compliance with laws and regulations, hereunder also environmental compliance. We focus on selecting environmentally friendly transport on crew changes, extended use of video conferencing to reduce travels and we encourage our suppliers to do the same. 2021 has certainly been an extraordinary year when it comes to travel and has enabled us to improve our routines regarding video conferencing and working together from afar, which we will continue to do when the Covid 19 pandemic is over.

Reach Subsea has already implemented tools and procedures for measuring and following up on environmental performance, and in 2021 we achieved certification for ISO 14001 Environmental management. The certification will improve our formal routines regarding Environmental management.

Environment

Reducing our impact on the sea



Performing subsea work will in one way or another cause impact to the sea. To reduce this impact, we operate our ROV's with degradable hydraulic oil and we continuously screen the market to improve the environmental profile of our chemicals list.

The aim is to have zero spills of any hazardous materials to the external environment.

Significant spills are defined as spills over 10 litres. In 2021, Reach Subsea had zero significant spills.

Plastic pollution is the most widespread problem affecting the marine environment.

Leaving a green footprint on the seabed also means not leaving behind any non-degradable waste, such as plastic items. All our vessel owners are ISO 14001- certified and hence the vessels must comply with the requirements of the standard. We cooperate with vessel owners on waste management. No non-compliance with environmental laws and regulations were noted in 2021. Our critical suppliers are encouraged to be certified according to the ISO 14001- standard, or if not have an environment management system according to such.

In 2021 we participated in an Ocean Cleanup campaign and plan to take part in another one in 2022.

Environment

Ocean Clean-up campaign



Photo: Oddvar Engedal

23 Reach Subsea employees from the head office participated in the annual national “Beach clean-up week” 2021 on the coastal path near Killingøy in Haugesund. We collected 12 bags of plastic and rubbish.

Environment

Key targets

Key targets 2021

Increase activity within non-Oil&Gas segment to 50%

🔄 Ongoing

Activity is measured through performed project days. Activity within non-Oil & Gas segment was 45% of total activity in 2021. The 50% target was not achieved due to higher activity under our existing oil and gas frame agreements.

Reduce CO₂ emissions compared to activity levels

✅ Achieved

Our total CO₂ emissions per sold vessel day was 31.88 ton of CO₂ equivalents in 2021, compared to 37.19 in 2020. The reduction is partly due to less transit activity.

Zero major spills of hazardous materials to the sea

✅ Achieved

0 major spills in 2021. Reach continues to focus on use of environmentally friendly high degradable hydraulic oils in our ROVs.

Participate in Ocean Cleanup campaign

✅ Achieved

Reach participated in an Ocean Cleanup campaign in 2021.

Invest in Unmanned Surface Vessels

🔄 Ongoing

Reach is currently performing a study related to Reach Remote. A final investment decision is expected early 2022.

Increase use of remote operations

✅ Achieved

Reach performed two remote operations projects in 2021, with good results.

Key targets 2022

Increase activity within non-O&G segment to 50% (project days).

Reduce CO₂ emissions compared to activity levels.

Zero major spills of hazardous materials to the sea.

Invest in Unmanned Surface Vessels.

Participate in Ocean Cleanup campaign.

Increase use of remote operations.



Employees

We believe our employees are the cornerstone of our business. We are committed to performing safe operations, with the health and safety of our people as our utmost priority. Reach Subsea has implemented a HSEQ - Management System including a set of rules and procedures to secure the safety and wellbeing of the people who work for us.

We operate within industry HSEQ standards and are certified according to the work environment standard ISO 45001:2018. The HSEQ-manual describes the Work Environmental Management System within the framework of our HSEQ-Management System. Everyone involved in our operations is responsible for carrying out their work in accordance with the Manual in a manner that will not harm health, safety or environment. The CEO is responsible for ensuring implementation of the overall HSEQ policy.

Employees

The safety of our people

There are potential hazards and risks when working offshore. Our aim is to be an incident-free workplace. Mitigating offshore risks requires active involvement of the offshore workforce in the planning process.

The competence of those approved to work for us, represents integrity we need to operate safely.

We use a competence matrix to ensure that all personnel have the competence required for their job. To increase competence, employees are involved in risk assessments, HSEQ meetings, audits, inspections and represented in the Working Environment Committee meetings. All employees are provided with HSEQ training adjusted to their respective work tasks and adjacent risk exposure. All personnel involved in Reach Subsea offshore operations have completed a safety training course. All new personnel onboard a vessel shall be introduced to the vessel's safety equipment, fire-fighting equipment and all routines and regulations applicable onboard.

Reach Subsea provides Personal Protective Equipment to all offshore personnel.

To mitigate safety risk the HSEQ department quarterly releases HSE campaigns focusing on important aspects of employee health and safety.

In 2021, we implemented new e-learnings for hired-in personnel.

Reach Subsea has well integrated procedures to ensure that risks and hazards are identified, assessed and mitigated. All projects require an initial risk evaluation of both operational and HSE risks, and a risk assessment of likelihood, potential consequence and existing controls set in place to mitigate the risk. Associated risk reducing actions are monitored by the HSEQ Department in alignment with ISO 31000 Risk Management. The risk assessment is communicated to the offshore team through 'Toolbox Talks'.

Employees

Our 'Stop the Job' policy gives all members of the workforce the right to stop work that they believe may represent an unsafe working condition.

The policy applies to employees, contractors, visitors and clients. Work that has been stopped shall not be resumed until a 'Time Out for Safety' has been held and all issues and concerns have been addressed in accordance with procedures.

HSEQ performance is benchmarked against ISO 9001, ISO 45001, ISO 31000 and ISO 14001. In 2021 we achieved a certification for ISO 45001 Occupational Health and Safety Management..

HSEQ results are monitored on an ongoing basis and hazardous conditions, near misses and incidents are recorded in our Non -Conformance and Improvement reporting system and addressed by the management. Incidents that have or could have potential for compromising health and safety of personnel, safety of operations, security of personnel or assets are investigated by an appointed investigation team and reported to the CEO. We work continuously to improve our HSEQ procedures and HSEQ results are monitored by Group Management and Board of Directors on a monthly and quarterly basis.

The well-being of our people

We acknowledge the importance of a healthy working environment to promote the health of our employees and to increase performance and secure safe and efficient operations.



We will perform a campaign directed at health and well-being during 2022 to further promote focus on this topic both on the job and at home. We also plan to perform at least one competition among our employees on activity levels.

Environment

The well-being of our people



2021 has in large been affected by the Covid 19 virus outbreak. The outbreak has posed both risks and opportunities for Reach Subsea during the year.

With continuous changes in regulations and rules regarding testing regimes, border controls and quarantines, our crewing department has focused on mitigating risks related to Covid 19 virus. This includes updating routines related to travel, quarantine and testing regimes during crew changes. Reach Subsea has not seen any breakouts of Covid 19 onshore or offshore on our sites and vessels during 2021.

We commend the effort to stay healthy put in by all those who have worked for us during this challenging year! Due to travel restrictions and limited global mobility of personnel we've experienced an increased willingness amongst our customers to test new, innovative remote solutions. In 2021, we successfully performed inspection and survey projects where functions that traditionally have been defined as offshore functions were relocated onshore. We'll build on the valuable experience we've gained during the year and work further to develop innovative and sustainable remote solutions as part of Reach Remote.

Employees

Development of employee skills and competences

The competence and capabilities within our workforce are key in ensuring our future sustainability.

To mitigate risk of becoming outdated, we work constantly to secure Reach Subsea as an attractive workplace to be able to attract and retain the right people. Our aim is to always keep turnover at an acceptable level. In 2021 our turnover was 6%. The target is still to keep turnover below 8% going forward.

To retain and develop employee skills, we focus on giving employees opportunities to grow both professionally and personally. All employees are provided with training to improve their skills within risk management, HSEQ and performing safe offshore operations.

We believe that well-managed and diverse teams is key in providing good solutions for our customers and solving complex problems, and we focus on having a work environment that promotes participation and collaboration between team members. We also believe in trusting our employees and providing them with the experience and learning curve they need to reach their potential and to advance within the organization.



All employees receive regular performance reviews from their manager through an annual personnel appraisal meeting.

We strive to develop competence in our local community and offer trainee programs in communities where we have long-term presence. In 2021 we have carried out local trainee programs in Haugesund. All trainees have been assigned a dedicated experienced senior colleague to support them in their training program. In total the trainee program covered 9 apprentices and trainees in 2021.

Employees

Equal opportunities

We are committed to treating our employees with respect and have a zero tolerance for all forms of discrimination.

All employees are given the same rights and possibilities regardless of gender, background, religion, nationality or disability. Recruitment processes do not exclude any applicant based on these factors. Reach Subsea is proud to have employees with different backgrounds. The nationality of our employees includes Norwegian, British, Danish, Polish, Algerian, Trinidadian, American, Russian, Spanish and Indian. The age range is 19-74 with education levels from trainee to doctor's degree. We have employees with different disabilities and religions and intend to facilitate to avoid any challenges. All offshore employees are covered by a collective bargaining agreement.

The offshore industry has historically been dominated by male workers. We aim for a more gender-balanced offshore workforce, i.e. by recruiting women through our trainee program.



Photo: Håkon Nordvik

Employment and workforce diversity

Employment type	2021	2020
Permanent employees FTE	128.6	96.7
Where of male %	86.3	88.8
Where of female %	13.7	11.2
Temporary employees FTE	4.86	7.8
Where of male %	100	97.4
Where of female %	0	2.6
Full-time employees FTE	128	103.2
Where of male %	92.2	89.9
Where of female %	7.8	10.1
Part-time employees FTE	0,6	1.4
Where of male %	0	57.1
Where of female %	100	42.9

Employees

Equal opportunities

In 2021, all employees in the Group were employed in Haugesund, Bergen, Stavanger, Harstad, Norway and UK. In addition to employees, Reach Subsea also hires in contractors and consultants in different parts of the world, providing good terms and conditions.

Percentage of employees* by gender and age

Employee Category	Male	Female	< 30 years	30-50 years	50 years >
Board of directors	62.5 %	37.5 %	0 %	12.5 %	87.5 %
Group Management	75 %	25 %	0 %	75 %	25 %
Administration (HR, Finance, Sales)	37.5 %	62.5 %	0 %	75 %	25 %
Project Management	75 %	25 %	0 %	100 %	0 %
Engineering/technical	80 %	20 %	20 %	60 %	20 %
HSEQ	100 %	0 %	0 %	100 %	0 %
Offshore Managers	100 %	0 %	0 %	71.4 %	28.6 %
Shift Supervisors	100 %	0 %	0 %	100 %	0 %
ROV Supervisors	100 %	0 %	0 %	100 %	0 %
ROV Pilots	97.1 %	2.9 %	17.6	67.6 %	14.7 %
ROV Apprentices	88.9 %	11.1 %	88.9 %	11.1 %	0 %
Deck Foremen/Riggers	100 %	0 %	0 %	33 %	67 %

* The table above only includes Reach Subsea's own employees.

Ratio of basic salary of women to men

Employee Category	Female: male salary ratio
Group Management	95 %
Administration (HR, Finance, Sales)	55 %
Engineering/technical/project management	94 %

Employees

Equal opportunities

As there are no female employees in the categories Offshore Manager, ROV Supervisors or Deck Foremen/Riggers, no female:male salary ratios have been calculated. We have only one female ROV pilot and one female ROV apprentice in our work force and due to private reasons, no salary ratio is shown for this categories.

The salary of offshore personnel is based on an agreed matrix with the trade union SAFE, taking into account seniority and employment category. As such, all offshore workers have equal salary terms regardless of gender.

The female:male ratio in the tables above is calculated based on average basic salary in each employee category, not adjusted for differences in positions, education, experience, etc. As Reach Subsea's onshore organization is relatively small, only consisting of 30 man-years, the average salary in each category will be greatly impacted by any variances. Reach Subsea has performed an in- depth review of salary differences by employment categories and found that when adjusting for seniority, education levels and level of responsibility there are no major difference in female to male salaries.

All key suppliers are evaluated based on social criteria and all suppliers perform a self-evaluation and sign a declaration on their compliance with laws and regulations, hereunder also social compliance. This includes giving employees equal opportunities, fair pay and not promoting any unlawful human rights practices, such as human trafficking, child labor or any other forced labor practices.

As our operations expand geographically and in volume, we are increasingly exposed to risk of incidents in our supply chain and we monitor the social impact we have through our supply chain.

Our results

HSEQ Trends	2021	2020
Man-hours	384 834	428 646
Improvement reportings	181	213
Recordable incidents	0	0
Sick leave (%)	5	5

Reportable incidents	2021	2020
Fatalities	0	0
Lossed-Time Injuries	0	0
Medical Treatment Injuries	1	0
Restricted Work Injuries	0	0

No major incidents or accidents have occurred in 2021. Sick leave was the same as in 2020 (5 %). Increase in short-term sick leave is partly due to Covid 19 related absence. The increased sick leave is mainly due to non-work related, long term sick leave.

Sick leave	2021	2020
Long-term	3.31 %	2.20 %
Short-term offshore	1.52 %	1.90 %
Short-term onshore	0.95 %	0.53 %
Covid 19 related	0.18 %	0.36 %

Octio and Monviro joined the Reach group in December 2021 and has not been included in these calculations.

Employees

Key targets

Key targets 2021

Maintain turnover below 8 %

✔ **Achieved**

There has been no material turnover in 2021.

Further develop ReachED with new e-learning

✔ **Achieved**

Our ReachED portal was updated with new e-learning for employees in 2021.

Zero work related injuries

✔ **Achieved**

No work-related injuries occurred in 2021.

Work related sick leave at low level (less than 1.0%)

✔ **Achieved**

There has been no work-related sick leave in 2021.

Increase percentage of female employees in offshore employment categories

✔ **Achieved**

Reach has hired new offshore trainees in 2021, whereof one is female.

Implement campaign with focus on mental and physical health

✔ **Achieved**

The HSEQ campaign 'Well-being & Mental Health' was implemented in Q2.

Key targets 2022

Maintain turnover below 8 %.

Zero work related injuries.

Work related sick leave at low level (less than 1.0 %).

Further develop ReachED with new e-learning for employees.

Implement campaign with focus on mental health and physical health.

Increase percentage of female employees in offshore employment categories.

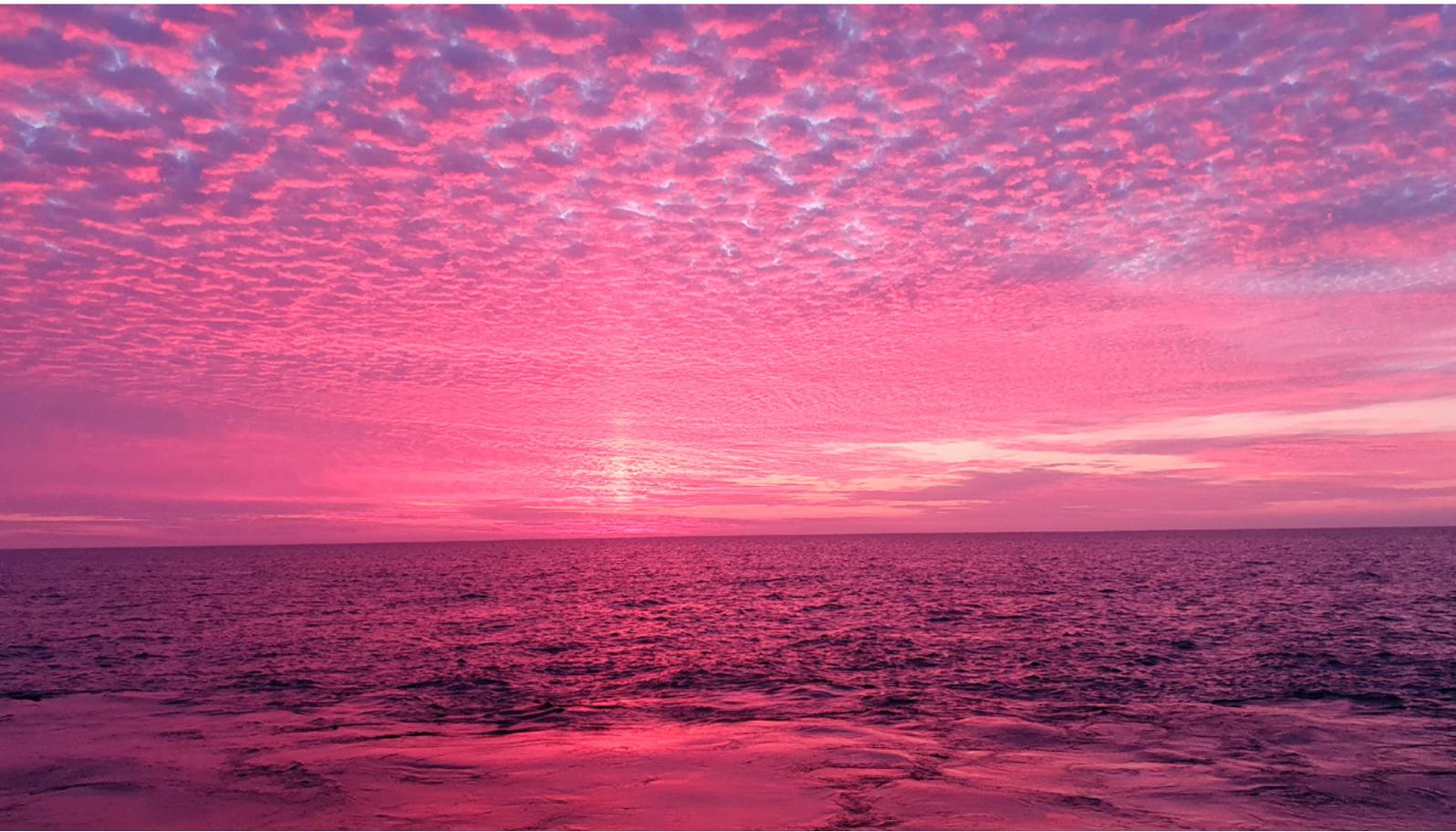


Photo: Ivar Møkster

Responsible business

We believe that sustainability and long-term profitability go hand in hand. By continuing to focus on sustainable solutions we minimize risk, increase transparency, and facilitate more efficient use of our resources – increasing our value and competitiveness.

In turn, profitability and financial strength helps to secure Reach Subsea as a reliable employer by providing workers with a secure and meaningful place to work.

We aim to be an attractive and professional subsea operator by maintaining high ethical standards defined by our Code of Conduct. We promote transparency by following international legislations and requirements and contribute to anti-corruption and fraud-prevention by implementation of routines for selecting suppliers.

Responsible business

Profitability and financial solidity

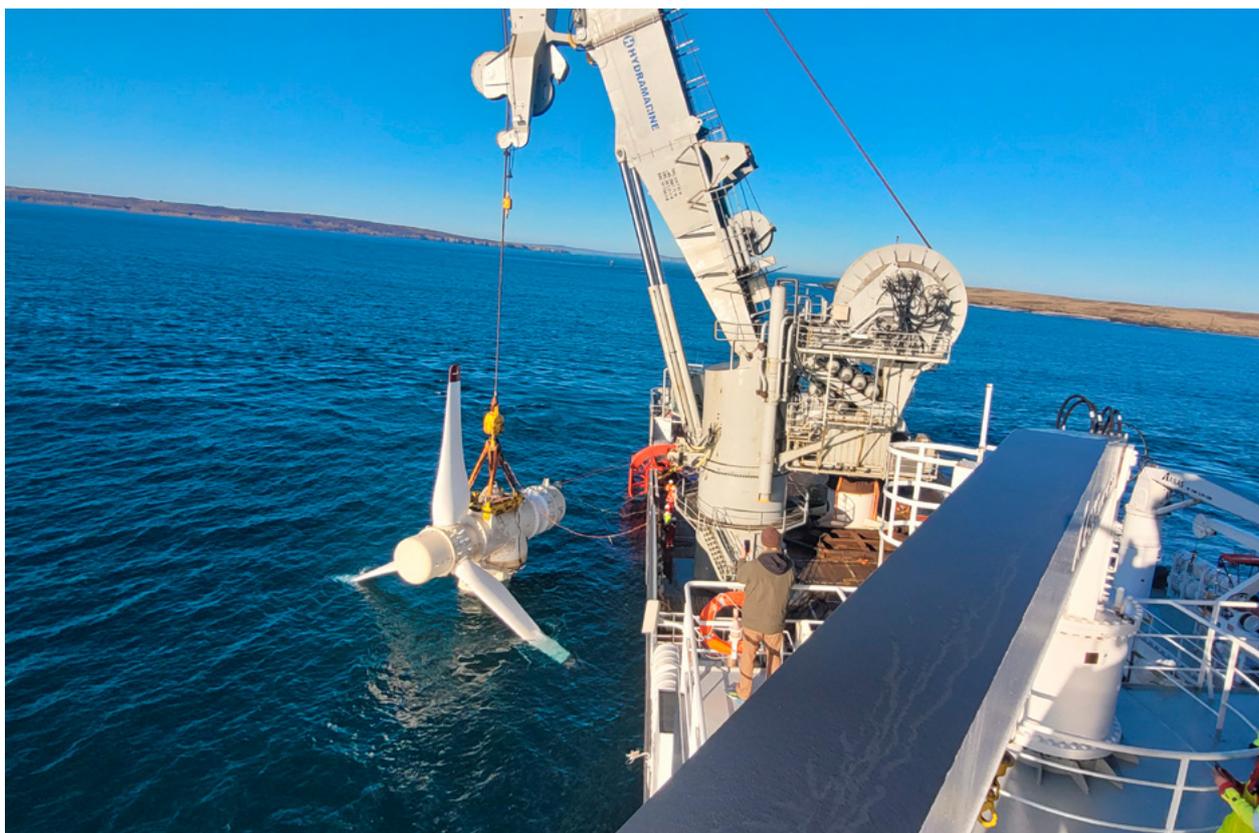


Photo: Ivar Møkster

(in NOKm)	2021	2020
Revenues	687	628
EBIT	79	51
Pre-tax profit	73	43
Cash and cash equivalents	149	105
Net working capital	58	25
Net interest bearing debt, excl IFRS 16 leases	-118	-80
Equity	287	210

Refer to the Annual report for further comments on our economic performance during the year.

Responsible business

Quality services

We acknowledge the importance of providing quality in all that we do. Providing quality services helps us to build our reputation as a trustworthy and preferred subsea partner and build grounds for long-term sustainability.

The subsea industry is a competitive industry and quality is an important factor when being assessed by clients for current and future projects. We believe that our values, combined with our competent and highly motivated workforce gives us an excellent starting point in securing quality in all that we do. We strive to carry out lessons learned meetings between project teams and clients and encourage all clients to provide feedback on completed projects.

The quality of our services is measured through customer satisfaction rating provided by our customers. We are measured on our quality, understanding of scope, ability to inform, technical ability, response and HSEQ performance. The rating is from 0-5, and in 2021 our average customer satisfaction score was 4,7. Our aim to maintain high level of customer satisfaction in the future.

Lessons learned and feedbacks are assessed internally for improvement indicators and any indicators are discussed with the project team to find the best possible way to perform the activity in the future. Our Non-conformance and improvement reporting system is continuously followed up by our HSEQ department and management, and a newsletter containing highlights from the system is distributed to the organization monthly. We also subscribe to IMCA safety flashes, which helps us to keep track on general improvement indicators in the industry.

Quality indicator	2021	2020	2019
Technical uptime	100 %	99 %	100 %

Responsible business

Anti-corruption and business ethics

One of our values is **Honest** and we strive to act with honesty and to carry out our business in an ethical manner and in compliance with laws and regulations. By doing so, we earn the trust of our stakeholders.

As our operations expand geographically and in volume we are increasingly exposed to risk of corruption and bribery. Reach Subsea shall conduct all business in an honest and ethical manner and we have a zero-tolerance policy for bribery and corruption, which includes Reach Subsea officers, employees, temporary workers and all third parties acting on our behalf.

The Anti-bribery policy is a part of our Code of Conduct and summarizes the procedures implemented to comply with applicable laws and regulations. The Code of Conduct is available to all employees through our intranet. Whoever we may deal with and wherever we may operate, we are committed to doing so lawfully, ethically and with integrity. The Anti-Corruption and Anti-Bribery measures are regularly evaluated by Management and Board of Directors.

Reach Subsea is committed to ensuring that anyone who works for us can speak up in confidence if they have any concerns relating to corruption or bribery. Any concerns should be raised to the CEO in first instance and will be treated confidentially. We also have a whistle-blower function in our Non-conformance and improvement reporting system, which allows employees to anonymously register any concerns. Reach Subsea will not tolerate retaliation in any form against anyone raising concerns or reporting what they genuinely believe to be improper, unethical or inappropriate behaviour. There have not been any incidents of corruption noted in 2021.

We require our leaders to take responsibility for preventing, detecting and responding to issues relating to unethical behaviours and corruption risk. All management personnel have completed an IMCA based e-learning training program related to anti-corruption. In 2020 we implemented an e-learning for all employees related to anti-bribery. 40,5% have finished the e-learning in 2021.

Responsible business

Sustainability in our supply chain

We continuously work with our suppliers to reduce risk of corruption in our supply chain and to ensure ethical business relationships. Our supply chain is centered around offshore operations and subsea services, and includes:

VESSEL CHARTER

ROV SERVICES

CREW SERVICES

BUNKERING

SUBSEA EQUIPMENT HIRES

To be accepted to provide services to Reach Subsea, all suppliers must perform a mandatory self-declaration, which also includes compliance with our policies relating to Anti-Corruption and Anti-Bribery as well as social compliance. Reach Subsea continuously reviews the supplier list to identify critical vendors. We also perform supplier audits to ensure compliance. We aim to maintain focus on business ethics in our supply chain by continuing to perform supplier audits and reviewing self-declarations and supplier questionnaires. We are constantly working to develop our ReachED program.

The Transparency Act

The Transparency Act has been passed by the Norwegian Parliament “Stortinget” and will enter into force on the 1st of July 2022. The Norwegian Consumer Agency has been given the task of supervising and monitoring the Transparency Act.

The Transparency Act shall promote companies’ respect for basic human rights and decent working conditions and ensure the public access to information. The law imposes on companies a duty to provide information and at duty to, among other things, carry out diligence assessments.

Reach Subsea has implemented the law’s requirements in the organization’s conformity assessment system and will assign responsibility for carrying out tasks in accordance with the law and supervise execution.

In addition, we will implement e-learning course in ReachED to familiarize employees with the requirements of the law.

Responsible business

Key targets

Key targets 2021

Maintain customer satisfaction score at 4 and higher.

✔ **Achieved**

In 2021 our registered customer satisfaction score is 4.7 on a 1-5 scale.

Develop ReachED to include e-training for suppliers.

✔ **Achieved**

ReachED now includes e-training for suppliers. All suppliers working on Reach offshore projects have to perform the e-learning 'Working on a Reach Subsea Vessel'.

Maintain technical uptime.

✔ **Achieved**

Technical uptime in 2021 was nearly 100%, the same level as in 2020.

Key targets 2022

Further develop ReachED with new e-learning for suppliers.

Maintain technical uptime above 99%.

Maintain customer satisfaction score at 4 and higher.

Develop and implement audit plan meeting the transparency act.

Appendix (GRI Index)

Disclosure No.	Disclosure description	Page	Omissions
Foundation (GRI 101)			No
General disclosures (GRI 102)			No
Organisation profile			
102-1	Name of the organization	5-7	
102-2	Activities, brands, products and services	5-7	
102-3	Location of headquarters	6-8	
102-4	Location of operations	6-8	
102-5	Ownership and legal form	6-7	
102-6	Markets served	6-8	
102-7	Scale of organization	5-8	
102-8	Information on employees and other workers	28-36	
102-9	Supply chain	41	
102-10	Significant changes to the organization and its supply chain	No changes	
102-11	Precautionary principle	22	
102-12	External initiatives	29	
102-13	Membership of association	Reach Subsea has memberships in IMCA and Rederiforbundet.	
Strategy			
102-14	Statement from senior decision maker	3	
Ethics and integrity			
102-16	Values, principles, standards and norms of behaviour	9	
Governance			
102-18	Governance structure	10	
Stakeholder engagement			
102-40	List of stakeholder groups	10-12	
102-41	Collective bargaining agreements	33	
102-42	Identifying and selecting stakeholders	10-12	
102-43	Approach to stakeholder engagement	10-12	
102-44	Key topics and concerns raised	13	
Reporting practice			
102-45	Entities included in the consolidated financial statements	6-7	
102-46	Defining reporting content and topic Boundaries	13-14	
102-47	List of material topics	14	
102-48	Restatement of information	None	
102-49	Changes in reporting	None	
102-50	Reporting period	01.01.21-31.12.2021	
102-51	Date of most recent report	Issued March 2022	
102-52	Reporting cycle	Annual	
102-53	Contact point for questions regarding the report	Jostein Alendal, CEO	
102-54	Claims of reporting in accordance with the GRI Standards	Core	
102-55	GRI Content Index	Appendix	
102-56	External assurance	No external assurance	

Appendix (GRI Index)

Disclosure No.	Disclosure description	Page	Omissions
Environment			
Management approach (GRI 103)			No
103-1	Explanation of the material topic and its boundaries	12-14	
103-2	The management approach and its components	17-27	
103-2	Evaluation of management approach	17-27	
Energy (GRI 302)			No
302-1	Energy consumption within the organisation	23	
Emissions (GRI 305)			No
305-1	Scope 1 emissions	23	
Effluents and waste (GRI 306)			No
306-3	Significant spills	25	
Supplier environmental assessment (GRI 308)			No
308-1	Supplier environmental screening	25	
Employees			
Management approach (GRI 103)			No
103-1	Explanation of the material topic and its boundaries	28-36	
103-2	The management approach and its components	28-36	
103-2	Evaluation of management approach	28-36	
Occupational health and safety (GRI 403)			No
403-1	Occupational health and safety management system	29-30	
403-2	Hazard identification, risk assessment and incident investigation	29-30	
403-3	Occupational health services	30	
403-4	Worker participation, consultation and communication on occupational health and safety	29-30	
403-5	Worker training on occupational health and safety	29-30	
403-6	Promotion of worker health	30-31	
403-8	Workers covered by occupational health and safety system	29-30	
403-9	Work related injuries	35	
Training and education (GRI 404)			No
404-2	Programs for upgrading employee skills	32	
404-3	Career and performance reviews	32	
Supplier social assessment (GRI 414)			No
414-1	Supplier social screening	32, 37	
414-2	Social impacts in supply chain and actions taken	32, 37	
Economical / responsible business			
Management approach (GRI 103)			No
103-1	Explanation of the material topic and its boundaries	37-39	
103-2	The management approach and its components	37-39	
103-2	Evaluation of management approach	37-39	
Economic performance (GRI 201)			No
201-1	Economic value generated and distributed	38	
201-2	Financial implications of climate change	21-22	
Procurement practices (GRI 204)			No
204-1	Local content	41	
Anti-Corruption (GRI 205)			No
205-1	Operations assessed for risk related to corruption	40	
205-2	Communications and training on anti-corruption	40	

Contact

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