

2019

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

Sustainability is tied up to our business as a whole and our Management System is the company's framework for creating and sustaining value, trust and predictability. It describes how we govern, execute and improve, as well as how we empower people to perform through fast decision making at the right level, efficiency and continuous learning. We emphasize continuous improvement of all operations. This is accomplished through internal quality improvement processes, experience transfers and through active research and development.

The concern for our employees is at the center of all our operations and as the company's chief executive, my highest priority is to ensure that all personnel return home from their workplace safe and healthy every day.

We have worked hard to maintain a high standard safety culture and through our ReachED program, we have been able to create a united safety culture. The program is continuous, with new training programs and E-learning modules, ensuring that we maintain a common safety culture and behave according to our values. The training of all personnel also focuses on the ability to look out for oneself as at the end of the day everybody must be very much aware of their own safety as well. Every individual contributes to the overall achievement of our goal, which of course is to have zero accidents.

Our employees receive training on how we conduct business and how employees should behave. By working as a team, acting with respect and integrity in line with our Code of Conduct,

we deliver a safe working environment for all in compliance with international human rights and fundamental labour standards.

Defining and measuring environmental sustainability aspects and risks associated with our activities is important. We are committed to ongoing operational improvements that enhance efficiency and reduce our environmental impact, also in alignment with the Sustainability Development Goals (SDG's) developed by the United Nations.

In short, our targets are; No accidents, no waste to the sea, lead the way to zero CO2 emission. Balancing environmental, social and economical performance is the Company's responsibilities to its shareholders and to society and the environment.

The Board approves the organization's purpose, values and strategy and the Executive Management Team makes the daily decisions. More information on Corporate Governance in Reach Subsea can be found in the Annual Report.

We continue our journey as a focused offshore service company to always safe, high value, zero emission and we hope you will support us in this journey.

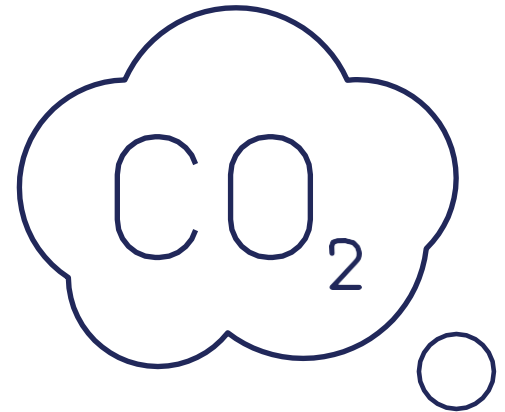
A handwritten signature in black ink, appearing to read 'J. Alendal', positioned above a horizontal line.

Jostein Alendal

CEO, Reach Subsea ASA

Highlights

We strive to be an industry-leading operator within sustainability and our goal is to have zero harm to personnel, environment and equipment.



30.60 total tonnes

CO₂ emissions per available vessel day

34,203 total tonnes

CO₂ emissions



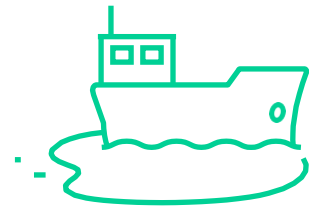
94.6 FTE employees

Of which 10 % are women



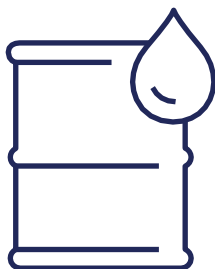
3.3 LTI per million hours

Lost-time frequency was 3.3 per million work hours with 1 LTI during 2019

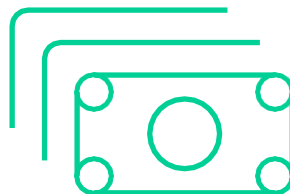


818 vessel days sold

From a total of 1,138 available

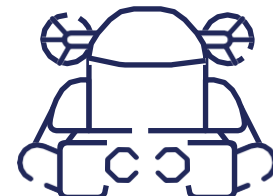


0 major spills



509 mNOK

Revenue for 2019



1,790 ROV days sold

From a total of 3,638 available

We are **Reliable**
Effective
Adaptable
Committed
Honest

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

Our business is based on modern, high spec Work ROVs operated by highly qualified offshore personnel and supported by our competent onshore project management and engineering resources. As a platform for performing subsea services, we utilize modern high spec subsea vessels chartered in from various ship owners.

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 2019

Reach Subsea AS – Norway

- Norwegian limited liability company
- Offices in Haugesund, Norway
- Independent provider of subsea services
- 84,6 full-time equivalent employees in 2019
- 5 vessel spreads – Topaz Tiamat, Olympic Challenger, Havila Subsea, Viking Neptun, Stril Explorer

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
- 0 employees in 2019, 3 hired-in onshore
- 2 vessel spreads – Havila Harmony and Havila Subsea (as of October 2019)

Connect Offshore AS

- Norwegian limited liability company
- Office in Haugesund, Norway
- Offshore personnel contracting
- 6,3 full-time equivalent employees in 2019

Reach Subsea Inc

- US Incorporated company
- No activity in 2019

Reach International AS

- Norwegian limited liability company
- No activity in 2019
- 100% ownership in subsidiary Reach Subsea Inc

Global operations

Reach Subsea headquarters are located in Haugesund. We also have onshore personnel working in Trinidad & Tobago and Houston.

This map shows the areas we have operated during 2019 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 clients expectations.

Examples of areas of operation: Norway, UK, Ireland, Scotland, Sweden, Denmark, Finland, Russia, Germany, Trinidad and Tobago, Bulgaria (Black Sea), Holland and Turkey (Black Sea).





About the report

The sustainability report aims to reflect the impacts our operations have on economic, environmental and social factors and how Reach Subsea work toward mitigating risks and reducing any negative implications of our operations.

This 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 36-37.

*GRI Standards. 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

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 and profitability, balancing the elements to meet the increased demand for sustainable solutions by our stakeholders.

We strive to be an industry-leading operator within sustainability and our goal is to have zero harm to personnel, environment and equipment. This is embedded in our values: Reliable, Effective, Adaptable, Committed and Honest. Our values provide guidance on how we interact with each other and our environment, and we believe that our values will make us more competitive in a long-term perspective.

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.



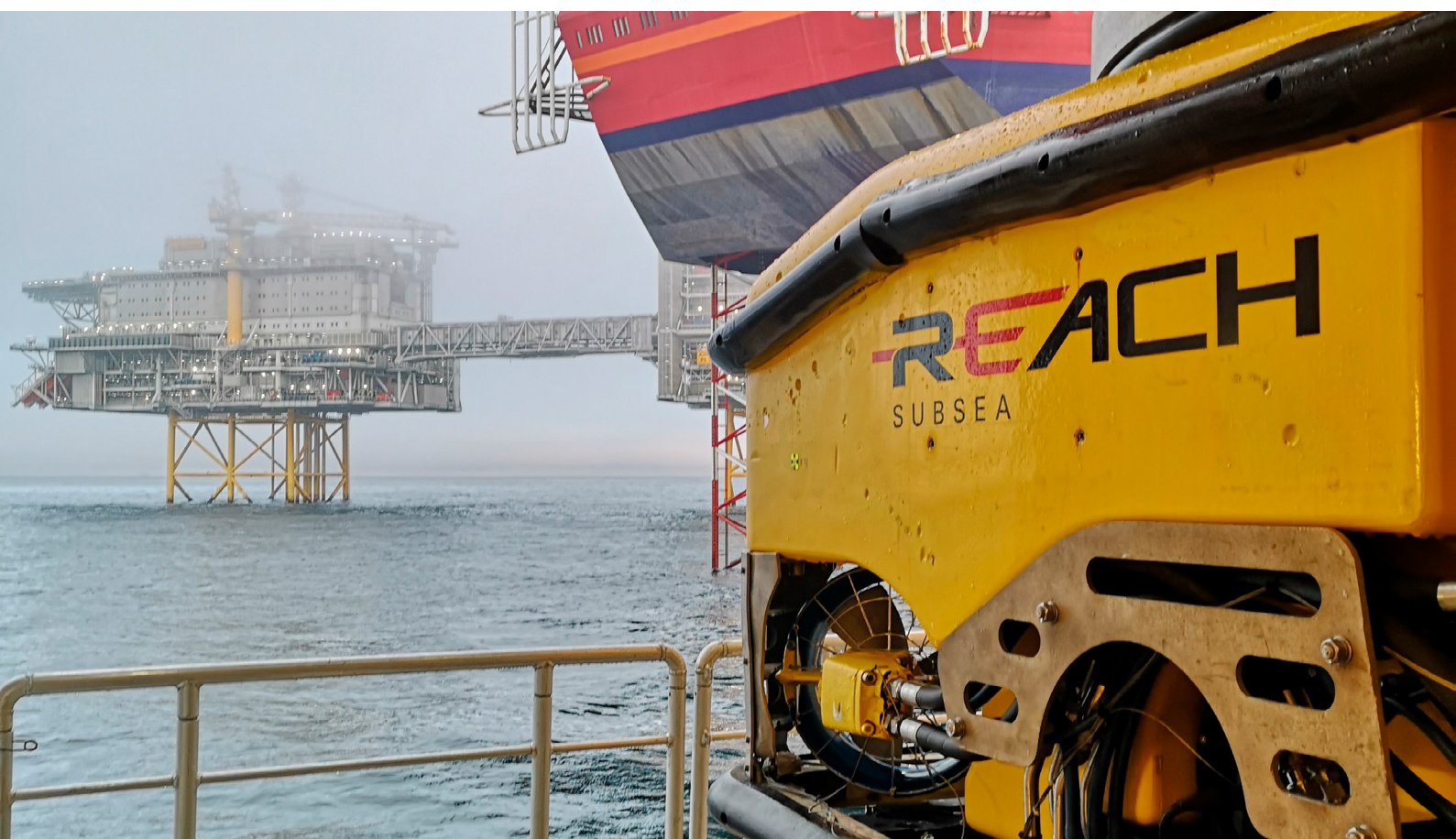
Adaptable: Reach Subsea intends to leave a green footprint from our operations. In order to achieve this, we are adaptable to new solutions and focus on minimizing adverse impacts on human health and the environment.



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 have the overall responsibility for sustainability. The work of the Board of Directors is governed by the Norwegian Companies act, the Code of Conduct as well as the Norwegian Code of Practice for Corporate Governance. 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 in order 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 Group Management. The Group Management team performs quarterly management reviews, and the Board reviews HSEQ results monthly.

Sustainability within Reach

Stakeholder dialogue and material topics

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 regular Board meetings.

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, and discussions with customers on existing and future contractual requirements. We also have an ongoing dialogue with clients during project planning and execution.

Employees (current and future)

Our employees are the cornerstone in our business. Reach Subsea had 94,6 full-time equivalent employees in 2019. Dialogue with employees are 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.

Suppliers (current and future)

Reach Subsea performed over 3500 purchases in 2019, from over 450 suppliers. The large number of suppliers makes it difficult to perform an in-depth dialogue with the supplier group as a whole. As basis for the stakeholder dialogue we therefore focused on the most critical suppliers, being suppliers of hired in vessels, ROVs, subsea equipment and ROV crew. 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. 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 and tender boards for joint projects, as well as through monthly management meetings and yearly seminars.

Society at large

Reach Subsea operates within the global offshore market, but also have 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. 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

Suppliers

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

Customers

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

Business partners

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

Employees

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

Society at large

- Environmental strategies; water and waste management, air pollution, chemical handling, spill avoidance
- Contribution to local communities
- Anti-Corruption
- Sustainability in supply chain
- Cooperation with educational programmes

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:

Employees

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



Environment

- Transition to renewable energy segments
- Preparing for climate change
- Reducing our emissions
- Reducing our impact on the sea



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 in order 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.



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 represent 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 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, 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.

Sustainability within Reach

UN Sustainability Goals



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 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.



Environment

The world is facing a global energy revolution. Achieving the ambitions in the Paris Agreement requires a 45 % reduction of greenhouse gas emissions within 2030. At the same time, the world population and demand for energy is growing each year.

Reducing emissions and maintaining growing and reliable energy production levels is a global challenge and will require transition to renewable energy sources.

We already see signs of the green shift with increased demand for sustainable and environmental-friendly solutions in the market. In order to maintain our position as an attractive business partner, we need to meet stakeholder's expectations when it comes to our environmental impacts.

Our goal is to have zero impact to the environment.

The Board of Directors and Group Management frequently discuss climate-related issues, such as risks and opportunities that may arise from climate change and our strategic response to these. Risks and opportunities are identified by assessing changes in regulations, technological advances as well as trends in market and customer demands.

Environment

Transition to renewable energy production

The expected energy transition poses both risks and opportunities for Reach Subsea. In 2019 most of our activities stemmed from the Oil & Gas sector, with 93 % of our revenue derived from the Oil & Gas segment.

Our business concept as subsea operator is not dependent on or specifically linked to any specific segment and we believe our services will still be relevant in the future.

Our aim is to increase our share within the renewables segment in line with growth in the segment, to 50 % of our revenues within 2030. We see opportunities within offshore wind, but also within other areas, such as subsea power cabling, tidal turbines 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 in order to be ready for the transition and the necessary technological advances to come. The Board of Directors and Group Management continuously monitor the competence within the organization and work to secure the right mix of capabilities.

On a longer term, a transition away from Oil & Gas production will induce a larger demand for decommission work, and there is a large amount of Oil & Gas installations on the seabed at present that will require subsea operations in order to be removed.

Climate change

Reach Subsea performs offshore subsea operations that are dependent on weather conditions. As such, we are exposed to the expected changes in weather conditions, with increased wind and rain resulting in more challenging working conditions offshore. In turn, this may impact the project cycle, shortening the seasons where subsea services can be performed, resulting in possible adverse financial impact.

Environment

Reducing our emissions

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

Reach Subsea charters all vessels from various shipowners on various agreement terms, varying from fulltime charter, to time charters with firm days 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 on only having vessel spreads consisting of zero-emission vessels.** We will thus contribute to driving investments towards newer, cleaner vessels and technological advances to reduce fuel consumption and emissions.

We continuously cooperate with the vessel owners on fuel reduction measures in line with 'the Precautionary principle'. **In 2020, battery packs will be installed on two of our available vessel spreads (Topaz Tiamat and Viking Neptun) and will enable reduction of fuel consumption and CO₂ emissions.** It will also enable us in using renewable onshore energy sources when at quayside.

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 in order to secure the most efficient fuel consumption.

Over 99,9% of our energy consumption in 2019 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)	2019
Non-renewable fuel consumed (fuel oil)	342 410
Renewable fuel consumed	-
Electricity, heating, cooling and steam purchased for consumption	351
Self-generated electricity, heating, cooling and steam	-
Electricity, heating, cooling and steam sold	-
Total energy consumption within the organization	342 761

Electricity consumption per region (in kWh)	2019
Norway	88 147
Americas	9 444

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

CO ₂ emissions	Unit of measure	2018	2019
Scope 1*	Tonnes CO ₂ equivalent	39 992	34 203

*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	2018	2019	Change
Tonnes CO ₂ emission per available vessel day	25,47	30,06	18 %

Environment

Reducing our emissions

In 2019 our total CO₂ emissions (Scope 1) were 34 203 tonnes CO₂ equivalents, compared to 39 992 in 2018. The reduction is mainly due to fewer vessel days and lower activity during the year. CO₂ emission per available vessel day was 30,06 tonnes CO₂ equivalents in 2019, compared to 25,47 in 2018.

The increase is explained by use of more complex vessels as a result of more complex projects. As Reach Subsea strives to perform offshore operations as time efficient as possible, the relative CO₂ emission per vessel day may increase, but overall emission is lower.

We aim to reduce our CO₂ emissions per vessel day by chartering fuel efficient vessels and continue focus on transit speeds. The instalment of battery packs on two of our vessel spreads is expected to give a fuel reduction of 11 % per vessel.

We focus on selecting environmentally friendly ways of transport on crew changes, extended use of video conferencing to reduce travels and we encourage our suppliers to do the same. 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.

Reducing our impact on the sea

Reach Subsea intends to leave a green footprint from our operations. This includes our impact on the sea. We perform subsea operations with modern, high spec ROVs. All our ROVs are operated 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 2019, Reach Subsea had zero significant spills. There were recorded 10 incidents of minor spills (less than 2 litre) during 2019 consisting of spills from our ROVs hydraulic oil.

Leaving a green footprint on the seabed also means not leaving behind any non-degradable waste, such as plastic items. During 2019 we've implemented use of degradable strips rather than plastic strips and will continue to explore degradable options for subsea equipment.

All our vessels are ISO 14001 certified and we cooperate with ship owners on waste management. No non-compliance with environmental laws and regulations were noted in 2019. Our suppliers are encouraged to also be in compliance with ISO 14001.

Environment

Key targets

Key targets 2019

Reduce emission of CO₂ per available vessel day.

Not achieved

Not achieved target due to chartering of more complex vessels during the year to meet requirements from our clients. The negative impact was partly offset by replacing 1 vessel spread with the very fuel-efficient vessel Topaz Tiamat.

Improve environmental profile of chemicals list.

Achieved

The chemicals list has been reviewed and the HSEQ department continuously screen the market for upgraded chemicals with lower environmental impact

Zero major spills of hazardous materials to the sea.

Achieved

0 major spills

Key targets 2020

Increase activity within renewables to 25% of revenue.

Reduce fuel emissions of CO₂ per available vessel day.

Zero major spills of hazardous materials to the sea.



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 Quality Management System, including a set of rules and procedures to secure the safety of the people who work for us.

We operate within industry HSEQ standards and are certified according to ISO 9001:2015*. The Work Environmental Manual describes the Work Environmental Management System within the framework of our Quality 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 or safety. The CEO is responsible for ensuring implementation of the overall HSE policy.

Employees

The safety of our people

Our aim is to be an incident-free workplace, regardless of where we work.

Our offshore workers have a workplace that is potentially hazardous. The safe delivery of subsea services starts with the active involvement of the offshore workforce in the planning process.

The competence of those approved to work for us, represents integrity we need in order 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 shall 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.

In 2019 we implemented ReachED, an internal portal with e-learning programs for our employees. In 2020 we aim on further implementing e-learnings in ReachED to include hired-in personnel.

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 2019, HSE campaigns have focused on use of knives and sharp objects, employee health and life-saving rules. Reach Subsea has fully endorsed the IOGP 9 Life Saving rules, which are made to provide workers with the actions they can take to protect themselves and their colleagues from fatalities. The rules are intended as support to the existing Quality Management System, and include rules on safety controls, working in confined space, work permits, driving, hot work, working at height, fire handling and lifting procedures.

Reach Subsea has implemented 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

We believe a good HSEQ culture arises from a respectful and positive dialogue between people. In order to safeguard our people, we give them the necessary support in their search for the safest and most optimal solutions.

A ‘Stop the Job’ policy has been implemented, giving 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.

Reach Subsea works systematically and follow the PDCA (plan, do, check and act) method to ensure that we continuously improve our performance. HSEQ performance is benchmarked against ISO 9001, ISO 45001, ISO 31000 and ISO 14001. HSEQ results are monitored on an ongoing basis, and incidents are recorded in our Improvement reporting system and addressed by project 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. In 2019, an HSE Campaign addressing workers physical and mental health was released, giving tips on how to stay healthy.



All employees have access to non-occupational medical and healthcare services through agreements with health insurance companies. Further, all employees have access to healthy food and exercise facilities on all vessels and the office. We also conducted several team-building sessions during 2019 to promote interpersonal relationships throughout the organization.

Employees

Development of employee skills and competences

The competence and capabilities within our workforce are key in ensuring our future sustainability. We work constantly to secure Reach Subsea as an attractive workplace to be able to attract and retain the right people.

In order 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 2019 we have carried out local trainee programs in Haugesund, Norway and Port of Spain, Trinidad & Tobago. All trainees have been assigned a dedicated experienced senior colleague to support them in their training programme. In total the trainee programme covered 12 trainees in 2019.

Trainees	Norway	Americas
Onshore / Office	1	-
ROV	7	2
Inspection	2	-

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, and 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 and American. The age range is 19-73 with education levels from trainee to master'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 and work continuously to recruit women through our trainee programme. In 2019 we had one female ROV Apprentice.



Employment and workforce diversity

Employment type	2018	2019
Permanent employees FTE	78,6	88,6
Whereof male %	90,3	88,6
Whereof female %	9,7	11,4
Temporary employees FTE	11	6
Whereof male %	100	100
Whereof female %	0	0
Full-time employees FTE	88,6	94,6
Whereof male %	89,1	88,6
Whereof female %	10,9	11,4
Part-time employees FTE	1	0
Whereof male %	100	0
Whereof female %	0	0

Employees

Equal opportunities

All employees in the Group are employed in Haugesund, Norway. In addition to employees, Reach Subsea also hire in a significant portion of workers from subcontractors, such as marine- and subsea crew.

Percentage of employees* by gender and age

Employee Category	Male	Female	< 30 years	30-50 years	50 years >
Board of directors	60%	40%	0%	40%	60%
Group Management	75%	25%	0%	75%	25%
Administration (HR, Finance, Sales)	25%	75%	0%	75%	25%
Project Management	75%	25%	0%	100%	0%
Engineering/technical	79%	21%	7%	79%	14%
Offshore Managers	100%	0%	0%	80%	20%
ROV Supervisors	100%	0%	12%	76%	12%
ROV Pilots	100%	0%	43%	52%	5%
ROV Apprentices	88%	12%	88%	12%	0%
Deck Foremen/Riggers	100%	0%	18%	36%	46%

* 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)	72%
Engineering/technical/project management	94%
Offshore Managers*	-
ROV Supervisors*	-
ROV Pilots*	-
ROV Apprentices	100%
Deck Foremen/Riggers*	-

Employees

Equal opportunities

As there are no female employees in the categories Offshore Manager, ROV Supervisors, ROV Pilots or Deck Foremen/Riggers, no female:male salary ratios have been calculated. **The salary of offshore personnel is fully 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 25 employees, 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 labour or any other forced labour practices. As our operations expand geographically and in volume, we are increasingly exposed to risk of incidents in our supply chain. As part of our supplier audit process in 2019, we have identified one incident related to a supplier of personnel abroad.

In that specific case, it was identified that a person hired in for offshore operation was not given a fair pay from his employer. Reach Subsea gave warning to the employer at once, demanding that the hired in personnel was paid in line with market terms. We continue to monitor the social impact we have through our supply chain.

Our results

HSEQ Trends	2018	2019
Man-hours	361 405	303 680
Improvement reporting	280	231
Recordable incidents	2	1
Sick leave (%)	2,2	1,2

Reportable incidents	2018	2019
Fatalities	0	0
Lost-Time Injuries	0	1
Medical Treatment Injuries	2	0
Restricted Work Injuries	0	0

The HSEQ results for 2019 had a negative trend in 2019, with 1 reported Lost-Time Injury, but a decrease in Medical Treatment Injuries. No major incidents or accidents occurred during the year. Sick leave remained relatively stable compared to recent years, at 1,2 % in 2019.

Employees

Key targets

Key targets 2019

Zero reportable incidents.

Not achieved

During 2019 we recorded one Lost-Time Injury. The incident was followed up with HSEQ department and measures were set in place to reduce risk of re-occurrence.

Maintain sick leave at low level (less than 2,5 %).

Achieved

Sick leave was 1,2% during the year, an improvement from 2,2 % in 2018.

Implement online training portal with online courses.

Achieved

The HSEQ department released their online training portal during the year with mandatory e-learning courses for all employees.

Key targets 2020

Maintain sick leave at low level (less than 2,5 %).

Implement internal safety delegate training course.

Zero work related injuries.

Implement e-learning course on Code of Conduct for all employees.

Increase percentage of female employees in offshore employment categories.



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, 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

(in NOK 1000)	2018	2019
Revenues	675 265	508 531
Operating costs	580 833	434 301
Employee wages and benefits	98 417	90 552
Payments to providers of capital	3 227	2 406
Payments to Trinidad and Tobago government	500	23
Payments to Norwegian government	-	-

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

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

Quality indicator	2018	2019
Technical uptime	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 whistleblower function in our 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 2019.

We require our leaders to take responsibility for preventing, detecting and responding to issues relating to unethical behaviour and corruption risk. In 2019, we updated our Anti-Corruption training programme for Management to increase awareness and understanding on the topic. All management personnel were required to complete an IMCA based e-learning training programme related to anti-corruption. In 2020 we plan on implementing a mandatory e-learning programme on our Code of Conduct to all employees and hired in contractors to build awareness throughout the organization.

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 provide value to the local communities where we operate. In 2019, we've established a trainee programme in Trinidad which contributes in building the competences of the local workforce. We've also implemented a local content plan for Trinidad operations, focusing on using local personnel and suppliers wherever possible and developing local vendor partners through audits and continual improvement feedback. In 2019, 61 % of procurement in our Trinidad branch was from locally registered suppliers.

Responsible business

Key targets

Key targets 2019

Implement routines for supplier declarations.

Achieved

The HSEQ department implemented formal routines on supplier declarations in 2019. All suppliers must have a signed supplier declaration in order to be an approved supplier at Reach Subsea.

Implement training programme in Trinidad.

Achieved

Reach Subsea has recruited two ROV trainees in Trinidad & Tobago during the year.

Implement mandatory anti-bribery training for management.

Achieved

Group and project management, as well as all department leaders completed IMCA anti-bribery training during the year.

Key targets 2020

Perform 10 supplier audits.

Implement mandatory anti-bribery training for all employees.

Maintain technical uptime above 95 %.

Our UN Sustainability Goals



Promote use of local suppliers and employees where possible with focus on sustainability in supply chain
Transparent reporting to the government in all locations we operate



Provide our employees with decent salary to ensure means to secure food security



Health and safety measures for all personnel involved in our operations.
HSEQ campaigns with focus on health and well-being



Online training portal with courses for employees
Local training programmes in Norway and Trinidad & Tobago
Contributions to engineering studies



Equal opportunities for all
Board of Directors consists of 40 % women
Group Management consist of 25 % women



Focus on water reduction measurements both at the office and on vessels



Focus on future transition to renewable segments
Reducing emissions by hiring vessels with lower emissions
Installation of battery packs



Provide quality in everything we do
Focus on health and safety measures
Trainee programs in several locations
Good working conditions



Contributions to engineering studies
Sustainability is a key factor in innovation
Encourage innovation by hiring in emission friendly vessels



Equal opportunities for all personnel
Promote use of local suppliers and employees where possible with focus on sustainability in supply chain



Sustainability in the supply chain



Future transition to renewable segments
Focus on CO2 emissions by hired in vessels
Focus on degradable hydraulic oils in ROV systems
Adjust chemicals use to be environment friendly



Future transition to renewable segments
Focus on CO2 emissions by hired in vessels
Focus on degradable hydraulic oils in ROV systems
Adjusting list of approved chemicals



0 major spills in 2019
Focus on degradable hydraulic oils in ROV systems
Focus on degradable options for subsea equipment
Marine mammal preservation programmes



Sustainability in supply chain
No print culture to reduce use of paper
Waste management



CSR Policy
Anti bribery Policy



Contribute to making an industry standard for reporting

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 organisation	5-6	
102-2	Activities, brands, products and services	5-6	
102-3	Location of headquarters	6-7	
102-4	Location of operations	6-7	
102-5	Ownership and legal form	6	
102-6	Markets served	6-7	
102-7	Scale of organisation	5-7	
102-8	Information on employees and other workers	22-28	
102-9	Supply chain	33	
102-10	Significant changes to the organisation and its supply chain	No changes	
102-11	Precautionary principle	18	
102-12	External initiatives	23	
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	11-12	
102-41	Collective bargaining agreements	26	
102-42	Identifying and selecting stakeholders	11-12	
102-43	Approach to stakeholder engagement	11-12	
102-44	Key topics and concerns raised	13	
Reporting practice			
102-45	Entities included in the consolidated financial statements	6	
102-46	Defining reporting content and topic Boundaries	12-13	
102-47	List of material topics	13	
102-48	Restatement of information	None	
102-49	Changes in reporting	None	
102-50	Reporting period	01.01.19-31.12.2019	
102-51	Date of most recent report	Issued april 2020	
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	11-13	
103-2	The management approach and its components	11-13	
103-2	Evaluation of management approach	11-13	
Energy (GRI 302)			No
302-1	Energy consumption within the organization	19	
Emissions (GRI 305)			No
305-1	Scope 1 emissions	19	
Effluents and waste (GRI 306)			No
306-3	Significant spills	20	
Supplier environmental assessment (GRI 308)			No
308-1	Supplier environmental screening	20	
Employees			
Management approach (GRI 103)			No
103-1	Explanation of the material topic and its boundaries	22-29	
103-2	The management approach and its components	22-29	
103-2	Evaluation of management approach	22-29	
Occupational health and safety (GRI 403)			No
403-1	Occupational health and safety management system	22-24	
403-2	Hazard identification, risk assessment and incident investigation	23-24	
403-3	Occupational health services	24	
403-4	Worker participation, consultation and communication on occupational health and safety	23-24	
403-5	Worker training on occupational health and safety	23-25	
403-6	Promotion of worker health	24	
403-8	Workers covered by occupational health and safety system	23-24	
403-9	Work related injuries	28	
Training and education (GRI 404)			No
404-2	Programs for upgrading employee skills	25	
404-3	Career and performance reviews	25	
Supplier social assessment (GRI 414)			No
414-1	Supplier social screening	28, 33	
414-2	Social impacts in supply chain and actions taken	28, 33	
Economical / responsible business			
Management approach (GRI 103)			No
103-1	Explanation of the material topic and its boundaries	30-34	
103-2	The management approach and its components	30-34	
103-2	Evaluation of management approach	30-34	
Economic performance (GRI 201)			No
201-1	Economic value generated and distributed	31	
201-2	Financial implications of climate change	17	
Procurement practices (GRI 204)			No
204-1	Local content	33	
Anti-Corruption (GRI 205)			No
205-1	Operations assessed for risk related to corruption	32	
205-2	Communications and training on anti-corruption	32	

Contact

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