

2022

Everything within Reach

Sustainability Report

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



Publication: March 2023

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CEO Foreword



Dear Stakeholder

After 10 successful years in the subsea business, Reach Subsea is stronger and more vital than ever. I am also happy to say that the growth outlook is more positive than ever.

At the same time, being a company working on and below our beautiful oceans and with significant oil & gas related activity across the globe, a climate friendly and safe business is a prerequisite for the success of Reach Subsea in the next 10 years. A credible and ambitious strategy is essential to be able to attract talent, customers and capital.

This is why we for many years have had a strategic goal of continuously developing a competitive, profitable and sustainable way of doing business. Hereunder, our ambition is to increase business from non-oil & gas sectors and clients. The overarching goal is broken down to strategies and concrete initiatives:

Environment: Our ambition is zero impact on the environment, and climate emission is our most significant topic. Every day we work diligently in cooperation with vessel owners with reducing fuel consumption from our vessels. However, this will not be enough in the long run, and Reach Subsea will be on the forefront of developing new technology. Our unmanned vessels will reduce emissions with 90-100 percent while at the same time reducing cost for clients significantly. The project and the construction of the first two vessels is fully funded, and we expect the first one to be launched in 2023, ready for the 2024 high season. Reach Remote represents the future of this industry and will help us develop towards our zero emission goal. We also see enormous opportunities related to the energy transition, with our contribution to the growth of the offshore wind industry as an example. Another example is our recent acquisition of Octio, which means that we can offer environmentally friendly and efficient solutions for monitoring of carbon storage reservoirs below the ocean floor.

Social: Our colleagues are our most valuable asset, and their safety and well-being are our top priority. Further, we acknowledge our role as employer and the responsibility we have towards our suppliers, including consultants, and the society in general. We strive for zero incidents on the workplace, which is possible to achieve only through structured and thorough work on competence building. We release HSE campaigns for employees quarterly and e-learning programs. Another essential organizational aspect is equal opportunities. We already have a diversified base of employees with regards to nationality and culture. However, we can't deny that we operate in a male dominated industry. In Reach we see a lot of value in building a more gender balanced workforce, and we are happy to see that we are able to recruit young women to offshore positions and once again increase the female rate in 2022.

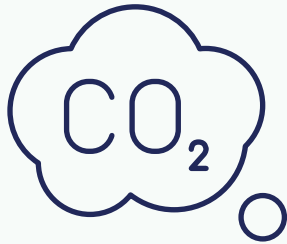
Governance: To constantly move towards our long-term goals, we measure our progress for Environmental-, Social- and Governance issues through annual targets with quarterly external reporting. The sustainability work is firmly anchored in our business strategy, monitored by our Board, and the targets are developed on the basis of significant stakeholder dialogue. Credible and systematic reporting is important to us, and the report has been prepared in accordance with the GRI Standards 2021.

Looking back at 2022, we achieved 14 of our 16 ambitious sustainability goals. This is satisfactory, but still leaves room for improvement. 2023 will be a year of high activity for Reach and many important development projects. Setting the stage for the year, we have updated our targets, and raised the bar another notch. I feel confident that we are well equipped to deliver well, and are looking forward to providing quarterly status reports.

Jostein Alendal

CEO, Reach Subsea ASA

Highlights



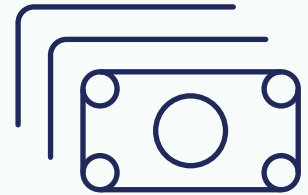
18 % renewables/other

82 % oil & gas (percent of turnover)



270 permanent employees

Of which 12.96 % were females



1,162 mNOK turnover

9.1 % EBIT margin

42,493 total tons

CO₂ emissions

3,204 ROV days sold

73 % utilization

1,246 vessel days sold

88 % utilization

Zero major spills

Limit our footprint

2.06 % sick leave

Where of 1.27 % short term

6.6 % turnover

Focus on retention of own staff

99 % technical uptime

1 work related injury

Ambitions



Environment

By 2030 we aim to have a fleet consisting of zero-emission vessels.

Social

We are committed to performing safe operations, with the health and safety of our people as our utmost priority.

Governance

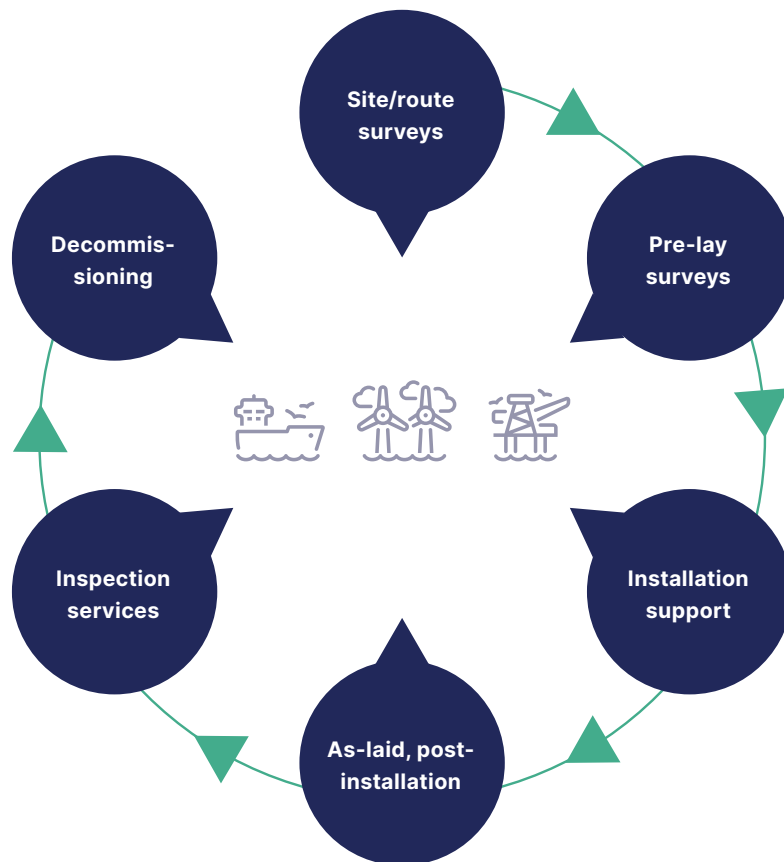
Through focus on sustainable solutions we minimize risk, increase transparency, and facilitate more efficient use of our resources – increasing our value and competitiveness.

About Reach Subsea

Reach Subsea Group (“Reach Subsea”, “Reach” or “the Group”)’s core business is to offer high quality solutions and technology to clients in need of ocean data and services.

Through targeted acquisitions and technology development Reach broadens its offering into surveying and collecting seabed data, as well as analysing such data.

As a platform for performing the subsea services, Reach aims to utilize modern high specification subsea vessels, which is reflected in the vessels chartered in from various ship owners or owned directly. The Group’s objective is to be a preferred subsea partner and full-service provider of subsea operations for clients, among others by having high focus on safety, environment, financial solidity, and profitability. Contracts in the oil & gas, renewables, and utilities sectors are being targeted, securing cash flow, and laying the foundation for prudently growing the fleet, asset base and organization in a sustainable manner.



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 is listed on Oslo Stock Exchange (Euronext). The Company had per 31.12.2022 issued 225,725,928 shares, of which the majority is owned by Norwegian shareholders. During 2022 Reach acquired and integrated Octio/Monviro and iSurvey Group. As from 2023 the legal corporate structure in the Group was restructured and simplified. This report presents the corporate structure in 2022. Further corporate and share details can be found in the Annual Report.

With more than ten years of spotless execution and an established global network of customers, Reach Subsea has developed into an integrated provider of IMR and ROV services, surveys, decommissioning and construction support below the ocean surface. Based on a platform of the market's most modern, technologically specified ROVs, operating from a fleet of modern, specialized offshore vessels, operated by highly qualified and experienced personnel onshore and offshore, we are a comprehensive partner for clients within subsea operations, installations or surveys.

The Reach Group

Offices and areas of operations

This map shows the areas we have operated during the last couple of years 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 in 2022: North Sea, Baltic, Atlantic Ocean, Arctic area, Mediterranean, US Gulf of Mexico and Caribbean.



The Reach Group

Headquarters and subsea division

Below is a description of all the legal entities in the Reach Subsea Group including location, the number of employees and area of operation.

Reach Subsea ASA

- Norwegian public limited liability company
- Headquarters in Haugesund, Norway
- Group Management activities
- 4 full-time equivalent employees in 2022

Reach Subsea AS

- Norwegian limited liability company
- Office in Haugesund, Norway
- Independent provider of subsea services
- 117,6 full- time equivalent in 2022
- 6 vessel spreads – Olympic Challenger, Havila Subsea, Viking Neptun, Stril Explorer, Olympic Delta and Olympic Artemis

Reach Subsea TT – Trinidad & Tobago branch

- Local branch of Reach Subsea AS
- Independent provider of subsea services in Trinidad & Tobago
- No employees in 2022

Reach International AS

- Norwegian limited liability company
- No operational activity in 2022
- 100 % ownership in subsidiary Reach Subsea Inc and Reach Subsea UK Ltd

Connect Offshore AS

- Norwegian limited liability company
- Office in Haugesund, Norway
- Offshore personnel contracting
- 4 full-time equivalent employees in 2022

Reach Subsea Inc

- US Incorporated company
- 1 vessel spread part of the year 2022
- 0 employees in 2022

Reach Subsea UK Ltd

- UK private limited liability company
- Providing consultancy services to group
- 1 employee in 2022

The Reach Group

Monitoring division

Below is a description of all the legal entities in the Reach Subsea Group including location, the number of employees and area of operation.

OCTIO's goals are aligned with Reach, 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, society, and other stakeholders.

Octio AS

- Norwegian limited liability company
- Office in Bergen, Norway
- Independent provider of geophysical monitoring
- 27.5 full time equivalent employees in 2022

Monviro AS

- Norwegian limited liability company
- Office in Bergen, Norway
- Independent environmental monitoring services
- 3.4 full time equivalent employees in 2022

The Reach Group

Survey division

Below is a description of all the legal entities in the Reach Subsea Group including location, the number of employees and area of operation.

iSURVEY delivers geophysical, geotechnical and environmental survey solutions for site survey, pipeline/cable route survey, ROV, seabed mapping and pipeline inspection. iSURVEY also delivers positioning services for marine construction and rig & mooring work.

iSurvey Group

- Norwegian limited liability company
- Headquarters in Asker, Norway
- Parent company for iSurvey
- 4 full time equivalent employees in 2022

iSurvey AS

- Norwegian limited liability company
- Survey operations in North Sea and Europe
- 52 full time equivalent employees in 2022

iSurvey Assets AS

- Norwegian limited liability company
- Asset owning entity
- 0 full time equivalent employees in 2022

iSurvey Ltd

- Cyprus limited liability company
- Consultancy services to the Group
- 6 full time equivalent employees in 2022

iSurvey PTE Ltd

- Singapore limited liability company
- Survey projects in Asia
- 23 full time equivalent employees in 2022

iSurvey Offshore Ltd

- UK limited liability company
- Survey projects in UK and Europe
- 33 full time equivalent employees in 2022

Sustainability

WITHIN
REACH



Our vision “Sustainable access to ocean space” underpins our commitment to take part in the creation of a sustainable future. Our values support and enable team members of our group to take actions in our reach for sustainability.

We have a high 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. Please see the following pages to see how we interpret our values in a sustainability perspective.

Sustainability within Reach

Our values



Sustainability within Reach

Our values

Learn



We are in constant search for new and relevant insight making us agile and difficult to keep up with.

- We question and challenge established ways of performance.
- We acquire and develop technology to constantly improve data acquisition, analysis and operations.
- We evaluate and improve methods to put our ever increasing knowledge into action.

Teach



We share our knowledge to grow as a team and to improve industry standards.

- We continuously strive to find solutions beyond current paradigms to work out and implement best practice in our field.
- We share knowledge in-house, to grow as a team.
- We use our knowledge to succeed in alignment with our clients and enable industry improvements.

Reach



We have ambitions and we believe that everything is within reach.

- We constantly reach for improvements as our knowledge and capabilities now, are not the endpoint.
- We have great ambitions. By investing in R&D, driving technological leaps and methodological improvements, we reach for new heights.
- We continuously seek for better solutions, because no matter how good we get, there is always something better ahead of us – so we reach for it.

Sustainability governance

The Board of Directors (“the Board”) has the overall responsibility for sustainability reporting in REACH as well as the Group’s strategy and risk profile.

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 (“NUES”).

The Board holds meetings regularly throughout the year, discussing business and market challenges and opportunities, as well as any sustainability-related topics of material significance. The CEO and Group Management constitutes the day-to-day management.

The nomination and selection process for the Board is described in the Corporate Governance chapter of the company’s Annual Report and is based on the recommendation in “NUES”. Diversity, independence and competencies are examples of the evaluations done by the nomination committee for Board members.

As part of the annual report and corporate governance work any related party transaction, incapacities, cross-board memberships or shareholdings are identified. Should a conflict of interest arise in a Board meeting, the Board member will be identified as incompetent from discussing and voting on the relevant matter. Employees are not permitted to do purchases or negotiations with any related party.

The Board of Directors consists of three women and four men. The age range is 42 to 64. They are all Norwegian citizens with international experience from finance, subsea and/or maritime companies. All Board members are non-executive. A broad presentation of the Board of Directors, including diversity, background, experience and education can be found on www.reachsubsea.no/investors/board-of-directors/

The Board has Sustainability on the agenda, hereunder formal regulation updates and demands and expectations from stakeholders such as employees, clients, suppliers and Governmental bodies. These updates include presentations from external parties, such as a GAP analysis on the Sustainability Reporting GRI standard performed by PwC in 2022/23. Another example of professional update is a course for Board members of listed companies focusing on formal requirements and expectations.

Sustainability governance (cont.)

The Board does not involve directly with the Company's external stakeholders, but reviews and analyses thoroughly on a regular basis client satisfaction, employee surveys, HSEQ statistics etc.

The Board has high attention to the Company's impact on the environment and society in general. The Board performs a survey each year, lead by the secretary of the Board, who is independent of any major shareholder, Board member or employees of the Group.

The survey includes a self-evaluation and an evaluation of the Management, reporting, independence and quality of meetings and documentation. The survey is anonymous, and actions are taken whenever needed to improve quality and the work for the Board.

The Board has established an audit committee consisting of three Board members, one man and two women. The audit committee meets 5-6 times each year with financial reporting and sustainability reporting as main topics. The audit committee reviews the report and evaluates on any need for additional information or changes before the report is processed and approved by the Board.

A sustainability project team has been established, consisting of the Chief Financial Officer and members from the HR, HSEQ and operations team on a Group level. The team follows up sustainability projects and reporting throughout the year. The project team has a balanced gender and age diversification.

Reach has a Health, Safety, Environment and Quality Assurance department ("HSEQ") consisting of 6-8 employees from all Group locations. HSEQ ensures high quality in operations and corporate matters.

The HSEQ Vice President reports to the CEO. The Subsea division performs quarterly management reviews, and the Monitoring and Survey division performs management reviews twice a year. The Group management holds a joint summary meeting once a year. The Board reviews the HSEQ results monthly.

Sustainability within Reach

Sustainability governance (cont.)

Sustainability has been incorporated in the quality 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.

The sustainability report aims to reflect the impacts our operations have on Environmental, Social and Governmental factors and how Reach works toward mitigating risks and reducing any negative implications of our operations. The report has been prepared in accordance with GRI standards 2021. It is an updated version from the previous sustainability reports, as they have been prepared in accordance with GRI Standards 2016.

A GRI Index can be found as an appendix to this report. 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.

The report contains consolidated information for all entities in the Group, where all locations, departments and legal entities have the same standard measure. No adjustments have been made for minorities. Input from companies acquired during the year are included from the date of the merger. Unless otherwise specified, figures are presented on a year end, and full-time equivalent basis. Consultants are not included in employment figures unless they have been part of the Reach payroll. Total man-hour figures in a HSEQ perspective, though, includes contractors and consultants.

Stakeholder dialogue

Reach's priorities, tangible and intangible, within sustainability are defined, based on an assessment of stakeholders' expectations and interests, topics that have or may have impact on the stakeholders and the HSEQ management system.

Stakeholders are defined as entities or individuals that can be reasonably expected to be affected by our activities and services. Stakeholders that Reach gives particular attention to:

Shareholders

Reach Subsea ASA is a publicly listed company with several shareholders, and the largest owners represented in the Board of Directors. The Board of Directors are elected by the Annual General meeting and represents our shareholders.

There is close communication between the Board members and Group Management through monthly reports, Board meetings, audit committee tender board meetings and general dialogue. To ensure high quality corporate governance, Reach 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

Reach operates within a global market with corporate 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 have continuous 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 Group had 270 full-time equivalent employees in 2022. The dialogue with employees is performed through operational- and department meetings, yearly seminars, as well as through input to our work environment committee and safety delegates, management inspections and visits on offshore sites. Personal employee appraisals and anonymous employee surveys are performed yearly. Frequent meetings with employee unions are held throughout the year.

Sustainability within Reach

Stakeholder dialogue

Suppliers

Reach performed over 4,000 purchases in 2022, 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 focus 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. Most of our purchases are covered by the Norwegian Transparency Act.

Business partners

Reach has close cooperation with commercial partners. Transactions with these partners are conducted on an “arm’s length” principle. Reach has a cooperation agreement with Ocean Infinity (“OI”) for project management, joint sales and marketing processes for defined vessels and equipment. Other business partners in 2022 are agents, brokers, ship owners with profit share agreements and the bank, with whom we have a close dialogue.

Society at large

Reach operates within the global subsea 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 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 as well as using social media platforms. The fact that Reach holds ISO-certifications 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. Our perception of global expectations and interests is based on information presented by international media, political discussions and regulatory bodies. Likewise, we assess the interests of the local community based on local media, regulatory bodies and other sources.

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

Customers

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

Business partners

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

Employees

- Reliable working conditions
- Safe and health-promoting working environment
- Development of skills and competences
- Market based compensation.
- Corporate Social Responsibility
- Equal opportunities
- Safe Home

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 has identified the following material topics for sustainability reporting:

Environment

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



Social

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



Governance

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



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 strive to meet stakeholders' expectations when it comes to our environmental profile. As such, Reach has a strong commitment in contributing to 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. In 2022 our activity split between Renewables and the Oil & Gas- segment was strongly influenced by the demand in the Oil & Gas - market, which represented 82 % of our turnover.

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, about 70 % of our activity (project days) 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 2022 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

UN Sustainability Goals

Reach Subsea will contribute to the environment by focusing on climate action and life below water. These are points 13 and 14 of the UN sustainability goals listed below.



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.**

Environment

Reach Remote

Reach has been developing a new and future-proof, sustainable solution for ocean services, Reach Remote. Further, a remote operation control center for survey projects is operative in our office at Billingstad.



Reach has taken the next step towards realization of the Reach Remote project. Two USVs with eROV have been ordered from Kongsberg and Kystdesign respectively. These vessels will be operated from an onshore location, significantly reducing HSE risk and emissions.

Environment

Remote control centre

The Remote Operations Control Centre (iROCC) at Reach in Oslo has been operational a few years and used successfully on many projects.

The design of iROCC enables a future proof setup that can be used for multiple types of operations, from monitoring of simple online positioning to full control of an Unmanned Surface Vehicle.

Operating survey projects from the iROCC reduces the number of personnel going offshore and corresponding travel and offshore emissions and hazards.

Dependent on operation and client requirements, the iROCC can be utilized for a fully remotely operation, a hybrid operation with mix of onshore and offshore personnel or offshore operated operation with remote support and reporting from shore.



For all these modes, the availability of iROCC allows Reach personnel to attend different operations regardless of geographical location. This ensures that our clients get a safe and cost-effective solution adapted to their specific needs, without sacrificing control. To maintain security the iROCC uses a secure communication link (iCONTROL), as well as allowing client access via VPN.

Typical scenarios for the iROCC are:

- Remote Vessel Online Operation
- Remote Data Acquisition
- Remote Data Processing and Reporting
- Remote USV Solution

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

Physical risks

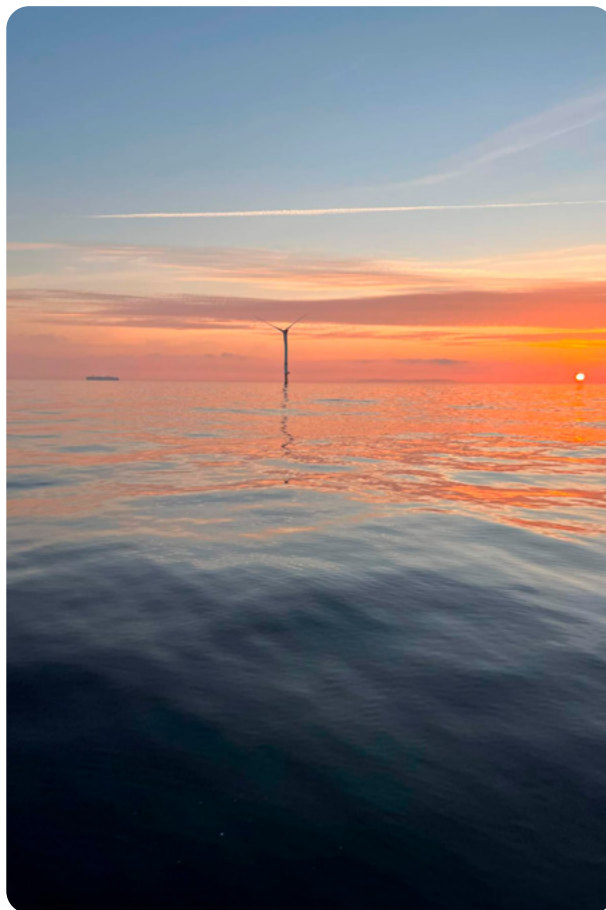
Reach Subsea is exposed to the expected changes in weather conditions. More extreme weather could result in challenging offshore working conditions. In turn, this may impact the project cycle, shortening the seasons where subsea services can be performed, resulting in possible adverse financial impact.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

Regulatory risks

In the effort to drive society towards lower emissions, there is a risk of regulatory changes that may have financial impacts for Reach. Such changes may include scenarios with increased fees and taxes related to CO₂ - emissions or other changes in frame- work 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 and our HSE-policy requires us to have a zero philosophy to environmental damage and accidents. As with most companies within the offshore industry, CO₂ - emissions from fuel oil consumption is our most significant environmental impact.

Reach Subsea both part-owns and charters vessels from shipowners on various charter party terms, on a project by project or long term basis. 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. Hence we consolidate all CO₂ emissions from our entire fleet in our reporting and ambitions.

By 2030 we aim to have a fleet consisting of zero-emission vessels.

We will thus contribute in driving investments towards newer, cleaner vessels and technological advances to reduce fuel consumption and emissions. By introducing the Reach Remote units we will also disrupt the entire carbon footprint of our operations by lowering the total energy consumption required from our operations.

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. Maintaining a technical uptime of 99-100 % ensures efficient operations, which contributes to reducing emissions and lower the risk.

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 2022 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.



Environment

Reducing our emissions

Energy Consumption (in GJ)	2022	2021	2020
Non-renewable fuel consumed (fuel oil)	425 403	295 639	355 909
Electricity, heating, cooling and steam purchased for consumption	350	335	375
Total energy consumption within the organization	425 753	295 974	356 284

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

CO ₂ emissions	Unit of measure	2022	2021	2020	2019
Scope 1*	Tons CO ₂ equivalent	42 493	29 530	35 551	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	2022	2021	2020
Tons CO ₂ emission per available vessel day	30.21	31.88	34.19



Environment

Reducing our emissions

In 2022 our total CO₂ emissions (Scope 1) were 42 492 tons CO₂ - equivalents compared to 29 531 in 2021. CO₂ - emission per available vessel day was 30,21 tons CO₂ - equivalents in 2022 compared to 31,88 in 2021.

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 in emissions per available vessel days from 2021 to 2022 shows our commitment and focus on continuously optimizing the operational profile of our operations. The total increase in emissions from 2021 to 2022 is mainly explained by increased activity levels with a higher number of project days.

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 efficient 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 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. Reach Subsea has already implemented tools and procedures for measuring and following up on environmental performance, and the ISO 14001 - certification requires us to carry out this work on a daily basis and focus on continuous improvement.



Environment

Reducing our impact on the sea

Performing subsea work will in one way or another cause impact to the sea, marine life, seabed and/or surroundings. Such impacts may be discharge of environmental hazardous chemicals stored onboard the vessels to the sea, hydraulic oil leakage from ROVs under operation, noise and vibrations from ROV disturbing marine life, physical disturbance of seabed during construction and inspection etc. To mitigate these impacts, we operate our ROVs with degradable hydraulic oil and we continuously screen the market to improve the environmental profile of our chemical list. Furthermore, the ROV operators have competence in controlling the ROV to reduce impacts and Reach Subsea participates in Marine mammal preservation programs in connection with projects.

Our HSE-policy includes a zero-philosophy for environmental damage and accidents.

Significant spills are defined as spills over 10 litres. In 2022, 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.



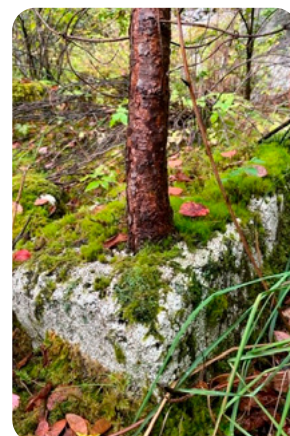
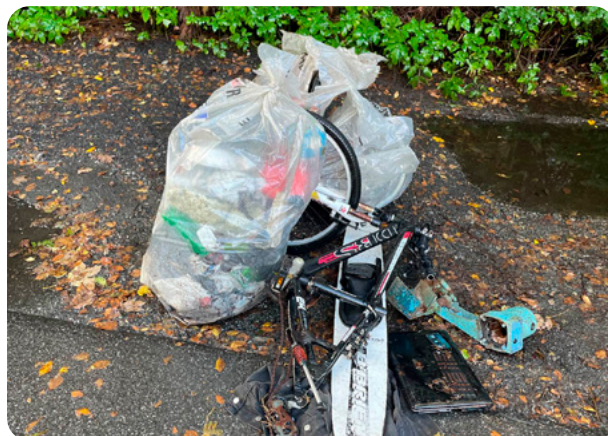
We cooperate with vessel owners on waste management. No deviations on environmental laws and regulations were noted in 2022. Our critical suppliers are encouraged to be certified according to the ISO 14001- standard, or have an environment management system according to such.

In 2022 we participated in an Ocean Cleanup campaign, an annual event.



Environment

Ocean Clean-up campaign



Reach Subsea wants to contribute to a clean coast line. In 2022, the ocean clean-up campaign was set for the same week as a national beach clean-up week and the international coastal clean up month (September).

Since it is desirable that all employees take part in the project, time was booked for beach cleaning in the calendars for the Haugesund, Bergen and Oslo offices. Employees onboard vessels and in other locations were also encouraged to participate. Many also chose to be involved in a private context. Over 30 large bags were filled with plastic and waste, and in addition scooters, water skis and a trolley were removed for proper disposal or reuse.



Environment

Key targets 2022

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

✗ **Not achieved**

Activity is measured through performed project days. Activity within non-Oil & Gas segment represents 20 % of total activity year to date 2022. The 50 % target was not achieved due to higher activity under our existing oil and gas frame agreements.

Reduce fuel emission of CO2 compared to activity levels

✓ **Achieved**

Our total CO2 emissions per sold vessel day was 27.86 ton of CO2 equivalents, year to date compared to 31.88 in 2021 and 37.19 in 2020. The reduction is partly due to less project activity.

Zero major spills of hazardous materials to the sea

✓ **Achieved**

0 major spills year to date in 2022. Reach continues to focus on use of environmentally friendly high degradable hydraulic oils in our ROVs.

Increase use of remote operations

✓ **Achieved**

Reach has increased the use of remote operation units in survey projects.

Participate in Ocean Cleanup campaign

✓ **Achieved**

Reach participated in an Ocean Cleanup campaign in the third quarter 2022.

Invest in Unmanned Surface Vessels

✓ **Achieved**

Reach has ordered two unmanned surface vessels equipped with eROVs. These assets will substantially reduce our carbon footprint and HSE risk.

Key targets 2023

Successfully bring two USVs to market in 2023/24

Increase use of autonomous and/or remote operations

Zero major spills of hazardous materials to the sea

Includes oils, plastics, garbage etc

Increase activity within non-O&G segment

Market activities towards the renewables and other sector

Maintain technical uptime above 99 %

Ensure efficient operations

Reduce fuel emission of CO2 compared to activity levels

Establish system to measure and report scope 2 and scope 3 CO2 emissions

Social



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 well-being of the people who work for us and the society around us. We acknowledge our role as employer, client and being a medium/large size company.

We are ambitious when it comes to quality, both internally and externally. 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. Our adherence to the Norwegian Transparency Act means that we require full transparency in our supply chain, whether it concerns consultants or goods and services. The CEO is responsible for ensuring implementation of the overall HSEQ policy in the organization.



Social

The safety of our people

There are potential hazards and risks when working offshore. Our goal 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 the 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.

Reporting of undesirable conditions from employees helps the business to improve.

The Working Environment Act requires all businesses to have routines to detect, correct and protect deviations from health, environmental and safety legislation.

In Reach, all personnel are encouraged to report dangerous conditions, near misses, deviations and conditions for improvement in the company's reporting system Landax. By these reporting routines we prevent a potential injury or accident to happen and get the opportunity to learn from our mistakes and to take measures that prevent it from happening again.

Reach 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 2022, we implemented new e-learning for hired-in personnel.

Reach 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 the ISO 31000 Risk Management standard. The risk assessment is communicated to the offshore team through 'Toolbox Talks'.



Social

The safety of our people

Our 'Stop the Job' policy gives all members of the workforce 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. HSEQ - results are monitored on an ongoing basis and dangerous 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 the HSEQ results are monitored by the 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 2023 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.



Social

Development of employee skills and competences

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

Reach Subsea's HSE policy and Quality policy provide guidelines and principles to achieve and exchange competence within the company, and the HSE training and competence procedure provide instructions on how training should be carried out.

To mitigate the 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 2022 our turnover was 6.6 %. 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 are keys 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 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 2022 continued our 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 19 apprentices and trainees in 2022.



Social

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 19-68 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.

During the period between 2021 to 2022 there have been significant fluctuations in the number of employees due to the acquisition of new companies.

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.



Employment & workforce diversity

Employment type	2022	2021
Permanent employees FTE	270	128.6
Where of male %	87.8	86.3
Where of female %	12.2	13.7
Temporary employees FTE	5	4.86
Where of male %	100	100
Where of female %	0	0
Full-time employees FTE	267	128
Where of male %	88.02	92.2
Where of female %	11.98	7.8
Part-time employees FTE	2.94	0.6
Where of male %	40	0
Where of female %	60	100



Social

Equal opportunities

In 2022, all employees in the Group were employed in Norway (Haugesund, Bergen, Stavanger, Harstad, Asker), Cyprus, UK and Singapore. In addition to employees, Reach Subsea also hires 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	57.1 %	42.9 %	0 %	28.6 %	71.4 %
Group Management	75 %	25 %	0 %	75 %	25 %
Administration (HR, Finance, Sales)	57.7 %	42.3 %	11.5 %	61.5 %	26.9 %
Project Management	84.6 %	15.4 %	0 %	76.9 %	23.1 %
Engineering/technical	71.4 %	28.6 %	21.4 %	64.3 %	14.3 %
HSEQ	75 %	25 %	0 %	25 %	75 %
ICT	100 %	0 %	66.7 %	33.3 %	0 %
G&G	80 %	20 %	30 %	70 %	0 %
Offshore Managers	100 %	0 %	0 %	66.7 %	33.3 %
Shift Supervisors	100 %	0 %	0 %	33.3 %	66.7 %
ROV Supervisors	100 %	0 %	10.7 %	67.9 %	21.4 %
ROV Pilots	95.7 %	4.3 %	20.8 %	58.3 %	20.8 %
ROV Apprentices	88.9 %	11.1 %	88.9 %	11.1 %	0 %
Deck Foremen/Riggers	100 %	0 %	0 %	0 %	100 %
Survey	83.9 %	16.1 %	48.4	45.2	6.4
Reporting Group	75	25	0 %	100 %	0 %
Shift Supervisors	100 %	0 %	0 %	100 %	0 %

*The table above only includes employees in Reach Subsea AS, Reach Subsea ASA, OCTIO, Monviro and iSurvey Norway.

Ratio of basic salary of women to men

Employee Category	Female:male salary ratio
Group Management	99.9 %
Administration (HR, Finance, Sales)	74 %
Engineering/technical/project management	92 %



Social

Equal opportunities

Reach Subsea has established a remuneration policy defined by the Board. Salary reviews are done yearly, through the Union or individually. Statistics, inflation, education, experience and social considerations lay basis for the salary development. Gender, diversity, ethnicity, sick leave or sexual orientation have no impact in these evaluations.

Reach Subsea issues a Remuneration policy report yearly, with remuneration statistics in general, and details for the Board and executive management. This report is considered on the Company's annual general meeting and published on the Company's web pages. Minutes from the annual general meeting contains voting information. In 2022 all shareholders present at the general meeting voted in favour of the report.

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 privacy reasons, no salary ratio is shown for these 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 table 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.

Operational changes are described in our Management of change procedure. For labour related consequences of operational changes Reach follows local legislation for notice routines and notice periods as a minimum. In some regions we offer more employee-friendly routines than the minimum requirement. In such cases this is described in the agreement between the employer and employee and/or the Union Agreement.



Social

Equal opportunities

All key suppliers are evaluated based on social criteria and all suppliers perform a self-evaluation and sign a supplier 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. Consequently, we monitor the social impact we have through our supply chain.

Our results

HSEQ Trends	2022	2021
Man-hours	639 407	384 834
Improvement reportings	34	181
Recordable incidents	2	0
Sick leave (%)	3.8	5

Reportable incidents	2022	2021
Fatalities	0	0
Lossed-Time Injuries	1	0
Medical Treatment Injuries	2	1
Restricted Work Injuries	0	0

Two incidents or accidents have occurred in 2022. Sick leave was reduced in 2022 to 3.8 % from 5 % in 2021. Covid-related absence has not been measured for large parts of 2022 and is not included in the measurements.

Sick leave	2022	2021
Long-term	0.48 %	3.31 %
Short-term offshore	1.07 %	1.52 %
Short-term onshore	0.64 %	0.95 %
Covid 19 related	-	0.18 %

iSurvey joined the Reach group in March 2022 and have been included in the calculations since then.



Social

UN Sustainability Goals

When it comes to UN sustainability goals within social, Reach Subsea will focus on the fourth goal: Quality Education.



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.



Social

Key targets 2022

Maintain turnover below 8 %

✓ **Achieved**

There has been no material turnover year to date in 2022.

Further develop REACHed with new e-learning for employees

✓ **Achieved**

In 2022 we intend to update our REACH-ED portal with new e-learning for employees.

Zero work related injuries

✗ **Not achieved**

One work-related injury occurred in the second quarter 2022. The employee is at good health after the injury and back at work.

Increase percentage of female employees in offshore employment categories

✓ **Achieved**

Reach has increased the number of females offshore during 2022.

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

✓ **Achieved**

There has been limited work-related sick leave year to date in 2022.

Implement campaign with focus on mental and physical health

✓ **Achieved**

A HSEQ campaign covering well-being & mental health was implemented in 3Q 2022.

Key targets 2023

Conduct 15 supplier audits with focus on Social Responsibility and the Transparency act

Value chain awareness

Establish program for employee development

Employee survey, training, organization charts and clear position descriptions

Work related sick leave less than 1 %

Safety first!

Maintain turnover below 8 %

Retain talents

Zero work related injuries

Focus on HSEQ

Governance



Reach aims to be an attractive and professional subsea operator by maintaining high ethical standards defined by our Code of Conduct which refers to the UN's Sustainable Development Goals and applies to the precautionary principle.

The Code of Conduct applies to all Reach Subsea activities and business relationships, and is available to download from www.reachsubsea.no/sustainability.

Reach reviews and issues a Corporate Governance report yearly, based on the Norwegian Code of Practice for Corporate Governance ("NUES").



Governance

Governance (cont.)

All Reach employees must read and agree to adhere to the policy commitment in the Code of conduct. All Reach suppliers must read, accept and sign a Supplier declaration, where our company policies are included, before they can deliver any services or goods to our administration or projects.

The Quality Policy and the Code of Conduct provide guidelines and requirements for meeting relevant laws and regulations, and compliance to these is followed up in annual compliance assessments and regular management reviews.

There have not been any reports of non-compliance with laws and regulations that resulted in fines or sanctions during the reporting period.

We promote transparency by following international legislations and requirements and contribute to anti-corruption and fraud-prevention by the implemented routines for selecting suppliers.





Governance

Profitability and financial solidity



(in NOKm)	2022	2021
Revenues	1163	687
EBIT	105	79
Pre-tax profit	98	73
Cash and cash equivalents	192	149
Net working capital	71	58
Net interest bearing debt, excl IFRS 16 leases	(164)	(119)
Equity	579	287

Refer to the Annual report for further comments on our economic performance during the year. Reach follows an annual reporting cycle, 01.01- 31.12 for both its sustainability reporting and financial reporting.



Governance

Quality services

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

The subsea industry is competitive 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 give 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 2022 our average customer satisfaction score was 4,7. Our aim is to maintain a 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. We also subscribe to IMCA safety flashes, which help us keeping track on general improvement indicators in the industry.

Year	Technical uptime
2019	100 %
2020	99 %
2021	100 %
2022	99 %



Governance

Anti-corruption and business ethics

We strive to act with honesty and to carry out our business in an ethical manner and in compliance with international and local 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 shall conduct all business in an honest and ethical manner and we have a zero- tolerance policy for bribery and corruption, which includes Reach 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 Anti-Corruption and Anti-Bribery measures are regularly evaluated by Management and Board of Directors.

Reach 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 need for advice on implementing the organization's policies and practices for responsible business conduct can be raised to the Reach HSEQ department. Any concerns should be raised to the CEO in first instance and will be treated confidentially. Reach 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 significant instances of non-compliance with laws and regulations that resulted in fines or sanctions during the reporting period.

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. 47.9 % have finished the e-learning in 2022.



Governance

Sustainability in our supply chain

We continuously work with our suppliers to reduce risk of unethical business, such as corruption or violation of human rights, in our supply chain.

Our supply chain is centred around offshore operations and subsea services, and includes:

VESSEL CHARTER

ROV SERVICES

BUNKERING

CREW SERVICES

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 Code of Conduct, Anti-Corruption and Anti-Bribery, Transparency 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 and improve our ReachED courses.



Governance

The Transparency Act

The Transparency Act has been passed by the Norwegian Parliament “Stortinget” and entered 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 a duty to, among other things, carry out diligence assessments.

Reach Subsea has implemented the law’s requirements in the organization’s conformity assessment system, the supplier declarations and various supplier evaluation controls, and assigns responsibility for carrying out tasks in accordance with the law and supervises execution. The commitments and measures to provide for / cooperate in the remediation of negative impacts that Reach Subsea identifies it has caused or contributed to, will follow the requirements in the Reach Subsea procedure “Safeguarding the Transparency Act”.

Foreign businesses that are liable to tax in Norway, offer goods and services in Norway and are larger businesses will be covered by the Transparency Act. Norwegian businesses domiciled in Norway, offer goods and services in or outside Norway and are larger businesses are covered by the Transparency Act.

Norwegian businesses that fall outside the scope of the Transparency Act must still comply with the law being a supplier to Reach Subsea, which is covered by the Transparency Act.

In addition, an e-learning course is established in ReachED to familiarize relevant employees with the requirements of the law.



Governance

Cyber Security



The European Union Agency for cybersecurity (ENSIA) was established in 2004 and contributes to the EU's cyber policy.

It is a collaboration between member states and EU bodies to prepare for tomorrow's cyber challenges. ENSIA has dedicated October to an Awareness month. Every day in October, ENSIA promotes cyber security by disseminating information, holding campaigns and making EU citizens aware of digital security.

Reach Subsea wants to have a safe digital everyday life for its employees and wants to be involved in raising awareness of digital security. In October 2023, Reach Subsea will therefore have a campaign on cyber security. The aim of the campaign is to increase awareness of digital security among employees, while also increasing knowledge about phishing, extortion and other attacks that can have negative consequences for the employee and the company.



Governance

UN Sustainability Goals

The eighth of the UN's sustainability goals emphasizes the importance of decent work and economic growth. Reach Subsea has committed to prioritizing these objectives in the coming years.



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.



Governance

Key targets 2022

Maintain customer satisfaction score at 4 and higher

✓ **Achieved**

Year to date in 2022 our registered customer satisfaction score is 4.7 on a 1-5 scale.

Develop REACH-ED with new e-learning for suppliers

✓ **Achieved**

ReachED includes e-training for suppliers. All suppliers working on Reach offshore projects have to perform the e-learning on our platform, that was further developed in 2022.

Develop and implement audit plan for suppliers

✓ **Achieved**

To ensure quality in our supply chain, Reach has developed and implemented an audit plan meeting the transparency act.

Maintain technical uptime

✓ **Achieved**

Technical uptime year to date in 2022 was nearly 100 %, the same level as in 2021.

Key targets 2023

Establish renewed sustainability governance structure

Clear long term goals and KPIs

80 % completion of Cyber security awareness training courses

Cyber security campaign

80 % completion of Code of Conduct and Anti Bribery course

Zero reported corruption cases

Implement Taxonomy Reporting System

Meet relevant maritime requirements

Appendix

Statement of use

Reach Subsea AS has reported in accordance with the GRI Standards for the period 01.01.2022 – 31.12.2022.

GRI 1 used

GRI 1: Foundation 2021

Applicable GRI Sector Standard(s)

GRI 11: Oil and Gas Sector 2021

Appendix (GRI Index)

GRI standard / Other source	Disclosure	Location	Omission			GRI sector standard Ref. No
			Requirement(s) omitted	Reason	Explanation	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	6-11	A green cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	2-2 Entities included in the organization's sustainability reporting	9-11				
	2-3 Reporting period, frequency and contact point	47,55, 62				
	2-4 Restatements of information	17				
	2-5 External assurance	Reach's sustainability reporting has not been externally assured beyond the board.				
	2-6 Activities, value chain and other business relationships	6,9-11, 13-14, 45 and in Code of conduct p. 10				
	2-7 Employees	39-40				
	2-8 Workers who are not employees	39				
	2-9 Governance structure and composition	7, 15 -17, 54 and in annual report p. 34-42				
	2-10 Nomination and selection of the highest governance body	In annual report p. 34-42				
	2-11 Chair of the highest governance body	38 and in annual report p.34-42				
	2-12 Role of the highest governance body in overseeing the management of impacts	15-17				
	2-13 Delegation of responsibility for managing impacts	15-17				
	2-14 Role of the highest governance body in sustainability reporting	15-17 + annual report p. 34-42				
	2-15 Conflicts of interest	Annual report				
	2-16 Communication of critical concerns	Code of conduct p. 8				
	2-17 Collective knowledge of the highest governance body	15-17				
	2-18 Evaluation of the performance of the highest governance body	15-17				
	2-19 Remuneration policies	Annual report 34-42 (Corporate Governance & Management chapter).				
	2-20 Process to determine remuneration	Annual report 34-42 (Corporate Governance & Management chapter).				
	2-21 Annual total compensation ratio	41				
	2-22 Statement on sustainable development strategy	3				
	2-23 Policy commitments	29,32,37-38,41,46,49				
	2-24 Embedding policy commitments	38, 49				
	2-25 Processes to remediate negative impacts	32, 51				
	2-26 Mechanisms for seeking advice and raising concerns	49				

Appendix (GRI Index)

GRI standard / Other source	Disclosure	Location	Omission			GRI sector standard Ref. No
			Requirement(s) omitted	Reason	Explanation	
General disclosures						
GRI 2: General Disclosures 2021	2-27 Compliance with laws and regulations	46, 49				
	2-28 Membership associations	Reach Subsea has memberships in IMCA and Rederiforbundet				
	2-29 Approach to stakeholder engagement	18-20				
	2-30 Collective bargaining agreements	39				
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	18 – 20	A green cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2 List of material topics	21				
Transition to renewable energy production						
GRI 3: Material Topics 2021	3-3 Management of material topics	23				
Risk related to climate change						
GRI 3: Material Topics 2021	3-3 Management of material topics	28				11.2.1
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	28				11.2.2
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	22-23				11.2.3
Reducing our emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	29-31				11.1.1
GRI 302: Energy 2016	302-1 Energy consumption within the organization	30-31				11.1.2
	302-2 Energy consumption outside of the organization	29				11.1.3
	302-3 Energy intensity			Information incomplete	Working with it towards the report for 2023	11.1.4
	302-4 Reduction of energy consumption	22, 31				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	30				11.1.5
	305-2 Energy indirect (Scope 2) GHG emissions	34		Information incomplete	Working with it towards the report for 2023	11.1.6
	305-3 Other indirect (Scope 3) GHG emissions	34		Information incomplete	Working with it towards the report for 2023	11.1.7
	305-4 GHG emissions intensity	22				11.1.8
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions					11.3.2

Appendix (GRI Index)

GRI standard / Other source	Disclosure	Location	Omission			GRI sector standard Ref. No
			Requirement(s) omitted	Reason	Explanation	
Material topics						
Reducing our impact on the sea						
GRI 3: Material Topics 2021	3-3 Management of material topics	32				11.4.1, 11.5.1, 11.6.1
GRI 306: Waste 2020	3-3 Management of material topics	32				11.5.2
	306-1 Waste generation and significant waste-related impacts	32				11.5.3
	306-2 Management of significant waste-related impacts	32				11.5.4
	306-3 Waste generated	32				11.5.5
	306-4 Waste diverted from disposal	33		Information incomplete	Working with it towards the report for 2023	11.5.6
GRI 306: Effluents and Waste 2016	306-3 Significant spills	32				11.8.2
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	31-32, 42, 46				
	308-2 Negative environmental impacts in the supply chain and actions taken	42, 50				
The safety of our people						
GRI 3: Material Topics 2021	3-3 Management of material topics	36-37				11.9.1
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	16, 35-36				11.9.2
	403-2 Hazard identification, risk assessment, and incident investigation	36				11.9.3
	403-3 Occupational health services	16, 36				11.9.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	38				11.9.5
	403-5 Worker training on occupational health and safety	36				11.9.6
	403-6 Promotion of work-er health	36-37				11.9.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	45 and in code of conduct p. 11				11.9.8
	403-8 Workers covered by an occupational health and safety management system	31-33				11.9.9
	403-9 Work-related injuries	38, 40				11.9.10
	403-10 Work-related ill health	38				11.9.11
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures			Information incomplete	Not documented in 2022	11.18.2

Appendix (GRI Index)

GRI standard / Other source	Disclosure	Location	Omission			GRI sector standard Ref. No
			Requirement(s) omitted	Reason	Explanation	
Development of skills and competences						
GRI 3: Material Topics 2021	3-3 Management of material topics	38				11.10.1
GRI 401: Employment 2016	401-1 New employee hires and employee turn-over	4, 38				11.10.2
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	39				11.10.3
	401-3 Parental leave	42				11.10.4 (11.11.3)
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	41				11.10.5
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	38				11.10.6 (11.11.4)
	404-2 Programs for up-grading employee skills and transition assistance programs	38				11.10.7
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	38				11.10.8
	414-2 Negative social impacts in the supply chain and actions taken	51				11.10.9
Equal opportunities						
GRI 3: Material Topics 2021	3-3 Management of material topics	39-42				11.11.1
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	40				
	202-2 Proportion of senior management hired from the local community			Information incomplete	The proportion of top management employed from the local community has not been calculated in 2022	11.11.2
GRI 401: Employment 2016	401-3 Parental leave	41				11.11.3 (11.10.4)
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee			Information unavailable	We do not have the exact number of hours of training per employee in 2022	11.11.4 (11.10.6)
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	41				11.11.5
	405-2 Ratio of basic salary and remuneration of women to men	40				11.11.6
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	39				11.11.7

Appendix (GRI Index)

GRI standard / Other source	Disclosure	Location	Omission			GRI sector standard Ref. No
			Requirement(s) omitted	Reason	Explanation	
Profitability and financial solidity						
GRI 3: Material Topics 2021	3-3 Management of material topics	47				11.14.1
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	38				11.14.2
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure in-vestments and services supported	Annual report p. 27				11.14.4
	203-2 Significant indirect economic impacts	Annual report p. 25				11.14.5
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	41				11.14.6
Quality services						
GRI 3: Material Topics 2021	3-3 Management of material topics	48				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	48				11.3.3
Anti-corruption and business ethics						
GRI 3: Material Topics 2021	3-3 Management of material topics	49				11.20.1
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	49				11.20.2
	205-2 Communication and training about anti-corruption policies and procedures	49				11.20.3
	205-3 Confirmed incidents of corruption and actions taken	Code of conduct p. 8				11.20.4
Sustainability in the value chain						
GRI 3: Material Topics 2021	3-3 Management of material topics	50				11.12.1
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	50				11.12.2
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	38				11.12.3 (11.10.8)
	414-2 Negative social impacts in the supply chain and actions taken	51				(11.10.9)

Appendix (GRI Index)

Topics in the applicable GRI Sector Standards determined as not material	
Topic	Explanation
GRI 11: Oil and Gas Sector 2021	
Topic 11.4: Biodiversity 2016	Determined as not material for reporting based on the materiality assessment
Topic 11.6: GRI 303: Water and Effluents 2018	Determined as not material for reporting based on the materiality assessment
Topic 11.7 Closure and rehabilitation	Determined as not material for reporting based on the materiality assessment
Topic 11.13 Freedom of association and collective bargaining	Determined as not material for reporting based on the materiality assessment
Topic 11.15 Local communities	Determined as not material for reporting based on the materiality assessment
Topic 11.16 Land and resource rights	Determined as not material for reporting based on the materiality assessment
Topic 11.17: Rights of indigenous peoples	Determined as not material for reporting based on the materiality assessment
Topic 11.19 Anti-competitive behaviour	Determined as not material for reporting based on Reach are following the Norwegians laws
Topic 11.21 Payments to governments	Determined as not material for reporting based on Reach are following the Norwegians laws
Topic 11.22 Public policy	Determined as not material for reporting based on the materiality assessment

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