



MORELD

ESG Report 2020

Embracing the Energy Transition – Securing the future

CEO introduction

2020 concludes our first full year of operations as a group. Despite the Covid-19 pandemic we have managed to show resilience and stay on track with our consolidation process. During the year we have developed a focused and ESG-oriented growth strategy, aimed at leveraging current competencies in growing market segments. Entering the new year, our diversified offering and experience from several decades in the onshore and offshore service sectors will be leveraged to provide know-how in the transition to a sustainable energy services sector.



Moreld's commitment to sustainability is integral in our mission as a key enabler of the energy transition. We will continue to develop through further investment and expansion in new markets, focus on sustainable practices in our operations, and heightened transparency in reporting. We believe that by integrating our ESG approach into our core business processes, we will improve our resilience while being better positioned to leverage the opportunities following from the sustainability agenda. We firmly believe that when ESG factors are integrated into investment analysis, decision making, ownership policies and practices, it will provide potential long-term performance advantages.

Geir Austigard

Chief Executive Officer

Contents

- 1 CEO introduction and highlights
- 2 Sustainability at Moreld
- 3 Doing business with integrity
- 4 Our environmental impact
- 5 Safeguarding people and assets
- 7 Developing sustainable low carbon solutions
- 8 Appendix

Moreld at a glance

Companies:

17

Employees*:

3,255

Revenue 2020:

~7 NOKb

EBITDA 2020:

~350 NOKm

ESG main priorities:



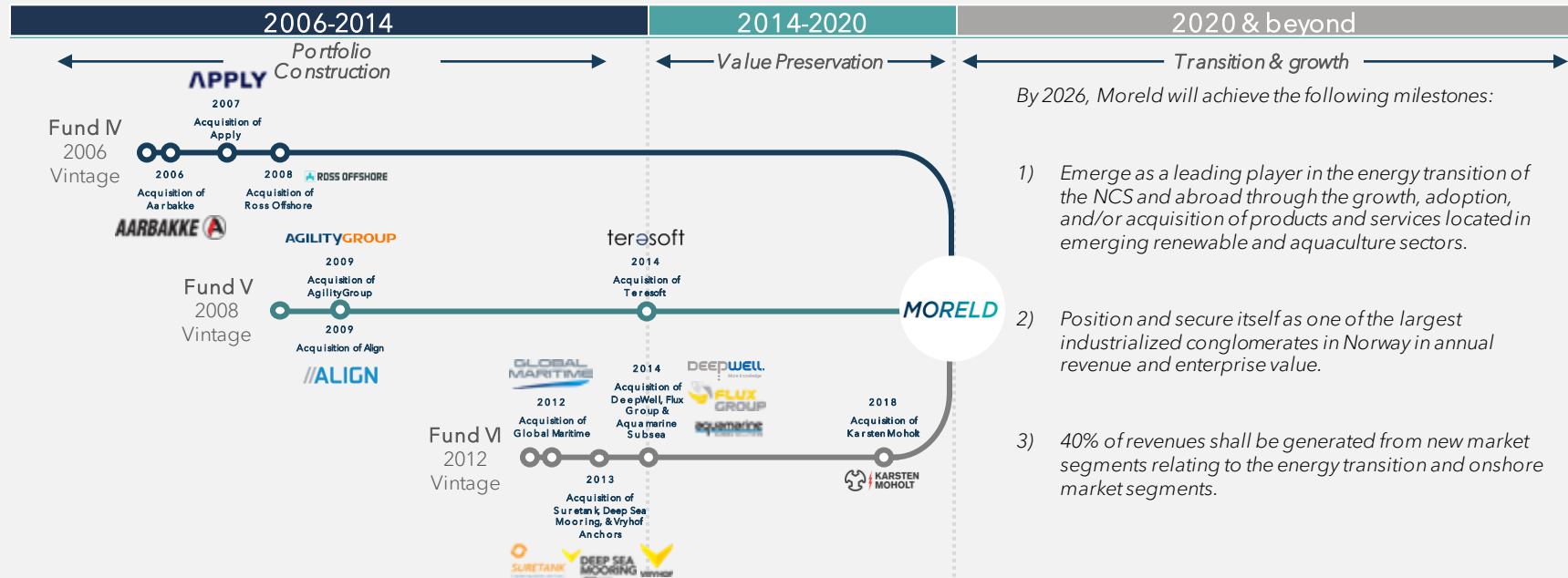
* Not including external contractors.

Our history - Industrial group with nearly 15 years in the making

Established in December 2019 by HitecVision, a Norwegian private equity investor, Moreld is the result of nearly 15 years of investing in, refining, and growing over 20 standalone companies, many of which are niche players and market leaders within their respective sectors. Today, Moreld offers comprehensive services to the offshore energy, renewable, marine, aquaculture, and onshore markets.

Most of the companies that make up Moreld were founded on the Norwegian Continental Shelf (NCS) and continue to have strong roots there. At the same time, they are also expanding their operations globally. Five Moreld companies are headquartered internationally; in the UK, Ireland, Sweden, the Netherlands, and Singapore, providing the group with a platform for international growth that will be utilized for expansion in the years to come.

Moreld's consolidation allows commercial and operational synergies by leveraging each group company's unique resources and competencies to increase the speed at which Moreld enters new market segments. At the same time, the group shares common, predetermined ambitions to launch Moreld into a new era of offshore services, where the group focuses on sustainability and supporting our clients in the energy transition.



Moreld - an industrial group with recognised brands

| | |
|---|--|
|  Drilling & Well |      |
|  Engineering & MMO |    |
|  Product & Solutions |     |
|  Engineering & Construction |      |
|  Marine |   |
|  Life Cycle Services |     |
|  Offshore Floating Wind and Aquaculture |   |

ESG highlights - 2020

100%

Code of Conduct and Anti-corruption guidelines in place in all group companies

87%

Waste recovery ratio*

23%

Female Leaders

0

Serious incidents in 2020

80%

of all employees have completed Anti-corruption e-learning

100%

Share of companies with ISO 9001 certification

About Moreld's ESG report:

We publish this ESG report to provide all our stakeholders with easy access to information on the group ESG activities. This report will be published on an annual basis going forward. To allow us to identify, manage and report on material ESG topics we have prepared the report in accordance with the Global reporting initiative (GRI) standard.

The main focus of this report are ESG topics for companies under the operational control of Moreld AS. However, we will also provide information on some aspects where we have the potential to influence, but no direct control.

*Recycling ratio % + energy recovery ratio %

2. Sustainability at Moreld

Our view on sustainability

Moreld's objective is to create value by supporting our customers in the transition towards a sustainable future and on this basis further develop a profitable industrial group. We believe that a strong focus on environmental, social and governance factors and issues is critical to our long-term success as an industrial group.

We are convinced that in this respect, the interests of Moreld's owners, align with those of our management, employees, customers, and the communities in which we operate. On this basis Moreld has adopted this ESG policy as an integral part of our operations.

Overall principles

Moreld seeks to ensure that we operate in an environmentally sound manner, as well as ethically, responsibly, and profitably in everything we do.

In the assessment and selection of new and existing business lines, Moreld integrates consideration of environmental, social, and ethical issues, including climate issues. Moreld aims to be transparent on all issues covered by these principles.

Environmental

Moreld's operating entities strive to operate in an environmentally responsible manner and aim to follow best industry practice. By ensuring our own environmentally sustainable operations and by providing services and products that allow our customers to be sustainable, Moreld is an industrial group that is part of the solution to the climate challenge.

Social

Moreld seeks to offer equal opportunities to all employees, respect fundamental human rights, labour rights and union engagement, and provide our employees with good, healthy, and safe working conditions. Furthermore, Moreld seeks to ensure that our operating entities contribute positively to the communities in which they operate by developing businesses, encouraging innovation, and enhancing international competitiveness.

Our vision & values are built around 3 core factors

What we believe in:

Vision:

"We will be the preferred partner for our customers in the transition towards a sustainable future".

Mission:

Industrial.
Sustainable.
Customer-focused.
Profitable.

What we mean by sustainability:

We define sustainable as any act or initiative that **minimizes waste** and **reduces** greenhouse gas (GHG) emissions.

We will use the **UN guidelines and the EU Taxonomy for sustainable investments** to guide our ESG efforts.

Moreld will strive to be sustainable in all operations.

What we adhere to:



Our values and rules for corporate behavior.



Stakeholders



Stakeholder engagement is central in Moreld's value creation process and we commit to ongoing engagement to listen to their concerns.

We interact with a broad universe of stakeholders from customers, suppliers, employees, owners, governments and national authorities, NGO's and other collaborative parties through various channels.

Our engagement with stakeholders ensures that we are better positioned to address relevant issues, risks and opportunities. Moreld will also seek to engage stakeholders to better understand our role in the energy transition.

Who are Moreld's key stakeholders?



Level of influence:

Low

Medium

High

ESG governance in Moreld

Moreld's commitment to sustainability is integral in our mission as a key enabler of the energy transition. Moreld strives to professionalize the governance models of our industrial group through our board work and aims to follow Invest Europe's Corporate Governance Guidelines.

The consolidation of 20 companies to create Moreld took the greater part of 2020. In the process, the organisation was restructured and made leaner and currently comprises 17 companies. COO of Moreld, Jan Erik Rugland, comments that "The formation of Moreld has allowed us to make fundamental changes to our organisational structure and strategy to ensure we're positioned to reach our targets, with ESG and sustainability as key elements. As a group, we have a clear plan for which companies to position for each target area of growth. Our approach has been systematic as well as dynamic through interaction with the owners, board and group companies, and that has been key to its success."

Moreld has since its inception implemented a comprehensive governance system, modelled on that of HitecVision. This includes a strong corporate and organisational focus on compliance, HSE and other key risk areas. Each board meeting begins with ESG and HSE, complemented by a quarterly detailed review of targets and status. Moreld management maintains open dialogue with the group companies to harmonise ESG KPIs and targets across the group, and develop an ESG governance structure in which the group pulls together towards shared targets, with individual companies maintaining their sector- and activity-specific focus areas. This process will continue into 2021 and will be a contributing factor to how Moreld will reach its ESG and growth targets.

Moreld ESG practices are reviewed and updated regularly and reported quarterly. Each Moreld company tracks and reports the amount of waste they produce and how much of it is recycled. Furthermore, each company tracks and reports greenhouse gas emissions, broken down into scope 1, 2 and 3, as defined by the Greenhouse Gas Protocol. In addition, each company follows a strict set of ethical guidelines built on anti-corruption, whistleblowing procedures and customer feedback.

Moreld's ESG policy outlines the principles through which the group seeks to operate in an environmentally and socially sound manner. Moreld's board of directors has played an active role in defining the ESG policy and mapping its contribution to the UN's sustainable development goals (SDGs). Guided by the ESG policy, Moreld has integrated environmental, social and ethical issues into the assessment and selection of new and existing business lines. The company is driven by its values: sustainable, industrial, customer oriented and profitable.

UN sustainable development goals – our commitment

Moreld is committed to support the UN Sustainable Development Goals (SDGs) and are applying these to guide our course of action.

The SDGs are a set of 17 global goals set out by the UN, which governments all over the world have accepted. They include objectives to reduce inequality, improve standards of living and protect lives and the planet. Governments have agreed on the most pressing issues of today and committed strong political will to ensure that development and human well-being continues to advance within the planetary boundaries.

We have prioritized four SDGs where we believe we can have the most impact. These **four goals** are aligned with the KPIs, targets and focus areas of our business and we seek to contribute positively to these goals.



MORELD

Moreld’s main ESG priorities:



The EU taxonomy for sustainable finance

Moreld will set out to use the EU Taxonomy for sustainable investments to guide our ESG efforts. While the Oil and Gas sector is currently not covered by the framework, we will strive to meet taxonomy criteria for relevant activities in other sectors.

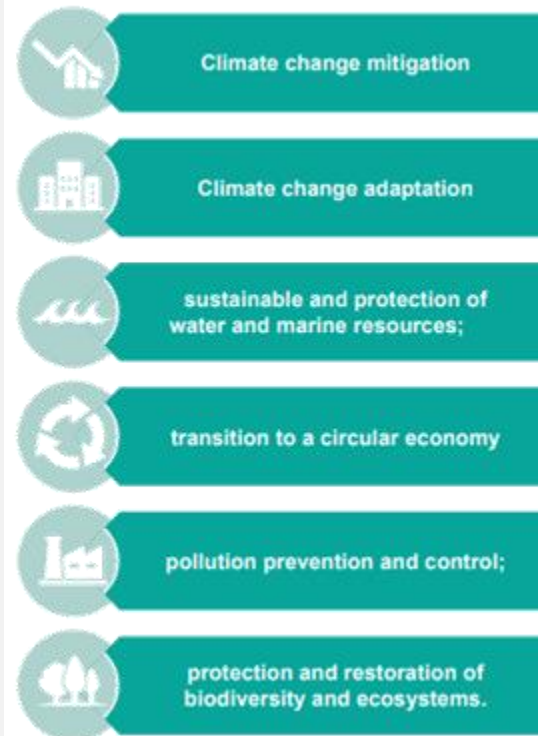
The EU Taxonomy is a tool to help navigate the transition to a low-carbon, resilient and resource-efficient economy. The taxonomy is an important enabler to scale up sustainable investment and to implement the European Green Deal. Notably, by providing appropriate definitions to companies, investors and policymakers on which economic activities can be considered environmentally sustainable. It is expected to create security for investors by avoiding greenwashing, helping companies plan the energy transition, mitigate market fragmentation, and eventually help shift investments where they are most needed.

The Taxonomy sets performance thresholds (referred to as 'technical screening criteria') for economic activities which:

- Make a substantive contribution to one of six environmental objectives (listed to the right)
- Do no significant harm (DNSH) to the other five, where relevant
- Meet minimum safeguards (e.g., OECD Guidelines on Multinational Enterprises and the UN Guiding Principles on Business and Human Rights).

The performance thresholds will help companies, project promoters and issuers access green financing to improve their environmental performance, as well as helping to identify which activities are already environmentally friendly. In doing so, it will help to grow low-carbon sectors and decarbonise high-carbon ones.

The six environmental objectives



Three key considerations







Substantially contribute
to at least one of the six environmental objectives as defined in the Regulation

Do no + significant harm
to any of the other five environmental objectives as defined in the proposed Regulation

+ Comply with minimum safeguards

Moreld group ESG KPIs and targets

Based on our prioritized Sustainability development goals (SDG's) we have defined 5 focus areas for our ESG work. KPIs are reported on a quarterly basis.

| Focus area | Goal | KPI 2021 | 2030 Target | SDG |
|-----------------------------------|--|--|--|---|
| Carbon neutrality | We will seek to be carbon neutral in Moreld's operations. | <ul style="list-style-type: none"> 20% reduction in emission by 2021* | <ul style="list-style-type: none"> Carbon neutral by 2030 (scope 1 + scope 2) |   |
| Waste reduction | We will reduce our waste ratio. | <ul style="list-style-type: none"> Waste recovery ratio at > 90% | <ul style="list-style-type: none"> Waste recovery ratio at 98% |  |
| GHG emissions | We aim to reduce the net greenhouse gas emissions from Moreld companies. | <ul style="list-style-type: none"> 10% reduction from 2019 - 2020 20% reduction from 2019 - 2021 | <ul style="list-style-type: none"> Reduce net GHG emission by 80% vs 2019 levels |  |
| Gender balance | We aim to have a sound gender balance. | <ul style="list-style-type: none"> 18% women in workforce 25% women in leading positions | <ul style="list-style-type: none"> 35% women in workforce 50% women in leading positions |  |
| Good health and well being | Provide a healthy, safe and secure working environment. | <ul style="list-style-type: none"> Zero serious incidents Zero LTIs Total sick leave under 3% Zero accidental spills/emissions | <ul style="list-style-type: none"> Zero Incidents vision |  |

*Compared to 2019 level

Climate related Risks and opportunities

Moreld conducted a climate risk and opportunity assessment in 2020 based on the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) recommendations. The TCFD recommended disclosures and our responses can be found in the independent Climate Risk Review in the appendix of this report.



Physical Risks

Extreme weather events such as floods, storms and drought. Increased volatility in weather, sea-level rise and wave height

Potential impact:

- Damage to physical assets
- Offshore operations and supply chains disrupted
- Increased insurance, maintenance and capex costs.



Market Risks

Increased scrutiny from financial sector on oil and gas industry globally

Potential impact:

- Investors exclude oil and gas from investment portfolio.
- Banks increase cost of debt for oil and gas companies



Technology Risks

Reduced oil demand due to technological advancements.

Potential impact:

- Technological advancements could reduce levelized cost of renewable energy and in turn affect oil demand.
- Write offs for obsolete technologies and stranded assets



Regulatory Risks

Increased tariffs on greenhouse gas emission. Increased governmental intervention

Potential impact:

- EU ETS prices increase to reach EU's 2030 climate goal
- Norwegian CO2 taxes increases to reach Norway's climate goal



Reputational Risks

Decreased public support for oil and gas.

Potential impact:

- Damage to brand value
- Challenges recruiting talent and attracting investors and lenders

TCFD results

The financial impacts of climate change for Moreld has been modelled with input data from IEA's Sustainable Development Scenario and IEA's Stated Policies Scenario. Moreld has a higher valuation in the SDS scenario driven by a faster transition into non oil and gas revenue streams and lower costs of capital.

The results of the climate risk and opportunity assessment have been evaluated by Moreld management and is part of our strategic planning.

3. Doing business with integrity

Moreld's ethical guidelines

We are committed to operate with highest standards of integrity in our operations. To ensure this we are guided by our code of conduct that describes the rules and ethical standards we have to follow in our company. Our code of conduct is based on leading international standards for responsible business conduct, including the UN Global Compact and the UN Guiding Principles on Business and Human Rights.

We have prepared ten core principles that describe our expectations regarding our business conduct. Our Code of Conduct applies to all our employees, board members, owner representatives, independent contractors and consultants.

Moreld's management recognises that most employees will face ethical dilemmas during their employment. We encourage to address these dilemmas openly. Open and honest discussions are necessary to ensure that we are all on the same track. Our overall ambition is to make ethical, responsible and profitable decisions.

Every time we engage someone to perform services on our behalf, we will request the service provider, agent or consultant to comply with our Code of Conduct. Alternatively, they should demonstrate that they are bound by other ethical guidelines demonstrating similar expectations regarding ethical, responsible and profitable decisions.

The ten principles in Moreld's Code of Conduct:

1. We comply with laws
2. We respect our colleagues
3. We ensure healthy and safe working conditions
4. We protect our assets and confidential information
5. We respect fundamental human rights
6. We never make unlawful payments
7. We choose our business partners carefully
8. We avoid conflicts of interest
9. We compete fairly
10. We operate in an environmentally responsible manner



Anti-corruption in Moreld

Corruption is a threat to fair competition and undermines legitimate business activities. Moreld is committed to doing business in accordance with the highest ethical standards and is firmly opposed to corruption in all its forms.

Moreld's zero tolerance for corruption and our ethical standards are set out in our **code of conduct** and **our anti-corruption policy**. Governing documents are implemented in all subsidiaries directly or indirectly controlled by Moreld.

We expect everyone within our business to understand what type of payments, transfers and business activities that may expose the company to corruption risk. The anti-corruption policy describes Moreld's standards and expectations in respect of anti-corruption. Our goal is to use it as a practical tool to ensure compliance with the law. As part of the work on anti-corruption we have implemented an e-learning training program that is completed as part of the onboarding process for new employees and is repeated on an annual basis for all employees.

Social issues in supply chain and third party relations

Suppliers and business partners are expected to meet and respect our values. To mitigate risk in the supply chain Moreld's group companies regularly perform supplier audits that include audit of social issues (e.g. human rights, labour rights).

Most of Moreld's suppliers are registered in EPIM JQS and Achilles. EPIM JQS is a joint qualification system used by all of the operators on the Norwegian continental shelf (NCS). To register in the qualification system companies need to perform a detailed capability assessment that covers compliance to various ESG topics, including anti-corruption and HSE. The platform enables efficient purchasing in accordance with EU regulations, covering most procurement needs. Moreld companies use the platform to monitor suppliers compliance and control if they have the right certifications in place for their HMS and quality control systems.



4. Our environmental impact



Environmental approach

Work on improving the environmental footprint of Moreld has in 2020 focused on reducing waste and carbon emissions. Moreld has defined a target of reducing Scope 1 and 2 CO₂ emissions by 20 percent from 2019 to 2021, moving towards carbon neutrality in Scope 1 and 2 by 2030. The group also has targets of 65 percent recycling and 25 percent energy recovery of waste by 2021, moving towards 75 percent and 23 percent respectively by 2030.

Moreld is proud to see how group companies are already succeeding in reapplying existing expertise and innovating new solutions to significantly reduce CO₂ emissions for customers. One example of this is Vryhof group, whose mooring solutions increasingly are applied for offshore floating wind- and wave energy projects.

Recycling and reuse are also important focus areas in the group, with, amongst others, Karsten Moholt and Aquamarine contributing to reducing resource use through refurbishment of heavy-duty electric equipment such as e.g., motors.

To reduce emissions and the environmental footprint of its supply chains, all procurement units in the Moreld group have integrated ESG into their procurement strategies. Group initiatives on sourcing and specification of ESG criteria have contributed to knowledge sharing and standardisation across the group. The set of ESG criteria forwarded to suppliers is constantly under revision, with specific KPIs on CO₂ emissions and waste recycling increasingly being included.

In accordance with the Task force on Climate related Financial Disclosures (TCFD), Moreld has completed a climate risk assessment, which is published in a dedicated report.

Targets for 2030:

Carbon neutral operations

80%

Reduction in GHG emissions from 2019 levels
(2019: 8056 tonnes)

98%

Waste recovery ratio
(recycling + energy recovery)

Environmental KPI's and performance



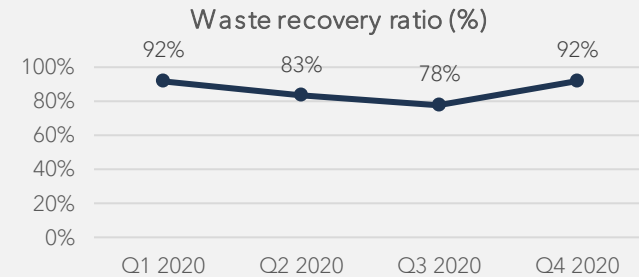
We will minimise waste disposal, recovery ratio target is 98% by 2030

KPI 2021: Waste recovery ratio at >90%

Recovery ratio of 87% for 2020

| KPI | Q1-2020 | Q2-2020 | Q3-2020 | Q4-2020 | Tot 2020 | Tot 2019 |
|-----------------------|---------|---------|---------|---------|----------|----------|
| Waste recovery ratio* | 92% | 83% | 78% | 92% | 87% | 88% |

*Recycling ratio % + energy recovery ratio %



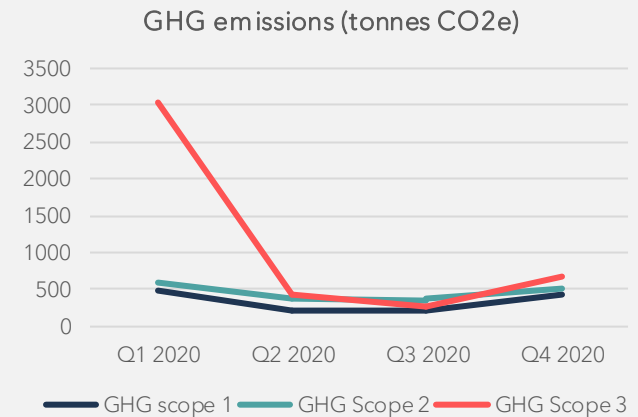
We aim to be carbon neutral

KPI 2021: 20% reduction in GHG emissions from 2019-21

~5% reduction in reported emissions in 2020

| KPI | Q1-2020 | Q2-2020 | Q3-2020 | Q4-2020 | TOT 2020 | TOT 2019 |
|--|---------|---------|---------|---------|----------|----------|
| Reported Emissions GHG Scope 1 (tonnes) | 491 | 291 | 201 | 424 | 1407 | 1787 |
| Reported Emissions GHG Scope 2 (tonnes) | 596 | 373 | 362 | 513 | 1844 | 1840 |
| Reported Emissions GHG Scope 3 (tonnes)* | 3038 | 440 | 270 | 659 | 4407 | 4429 |
| Total | 4125 | 1104 | 833 | 1596 | 7658 | 8056 |

*Scope 3 reporting is optional and therefore only representational



Helping our customers reduce their carbon footprints

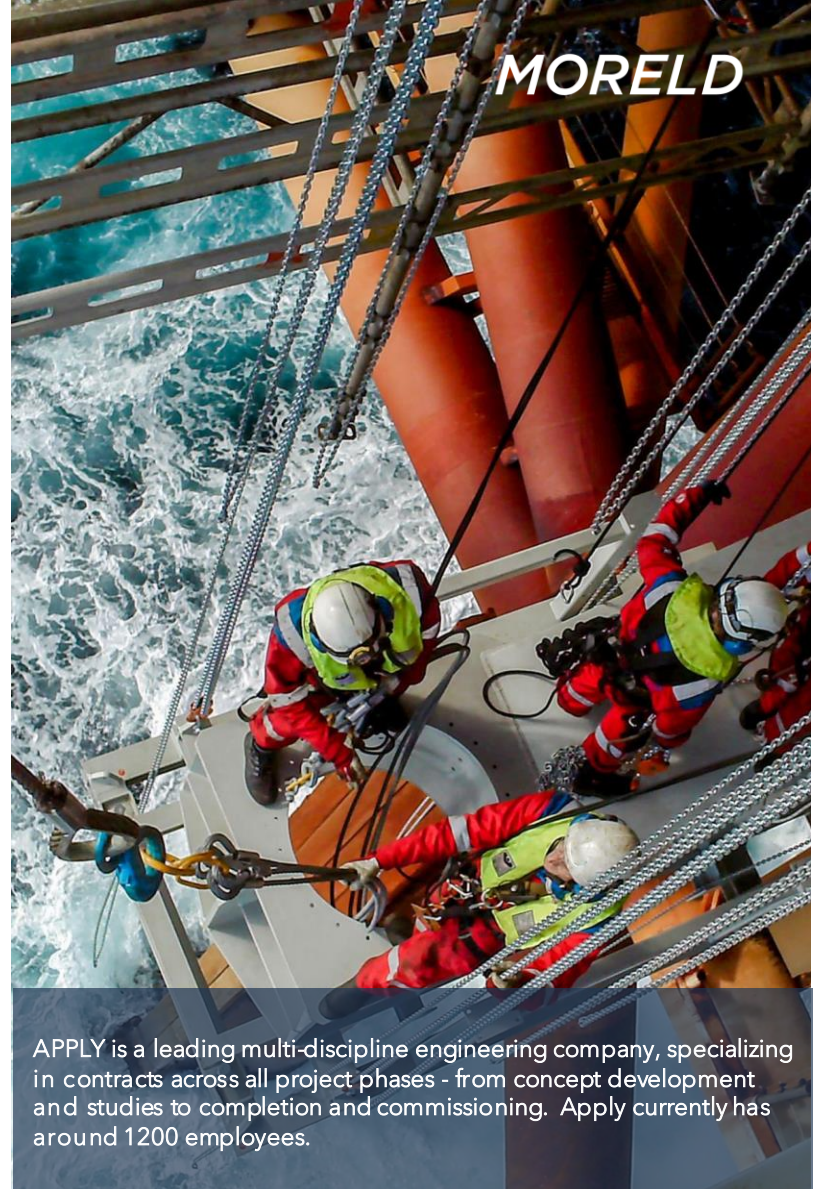
Case example:

As a critical service and equipment provider to the energy industry, Moreld is helping energy providers reduce their carbon footprints. Several of our group companies have introduced new services, tools and process improvements to make the Oil and Gas industry greener.

One example is Apply, a multidisciplinary engineering company that has established a front-end and green solutions business area to support their clients in these efforts. For a North Sea platform, Apply was challenged by the customer to come up with a cost-effective solution for extracting heat energy from the exhaust system. This would improve energy efficiency in the operation and reduce CO2 emissions. In Q4 2020, a cost-efficient solution including a waste heat recovery unit, new exhaust ducts and necessary modifications was presented to the client.

As a leading engineering design contractor for the industry, Apply can quickly design and deliver cost-effective energy efficiency solutions to their clients. With recent technological improvements it is possible to challenge solutions with insufficient financing and offer economically attractive alternatives for our clients.

APPLY[®]



APPLY is a leading multi-discipline engineering company, specializing in contracts across all project phases - from concept development and studies to completion and commissioning. Apply currently has around 1200 employees.

5. Safeguarding people and assets



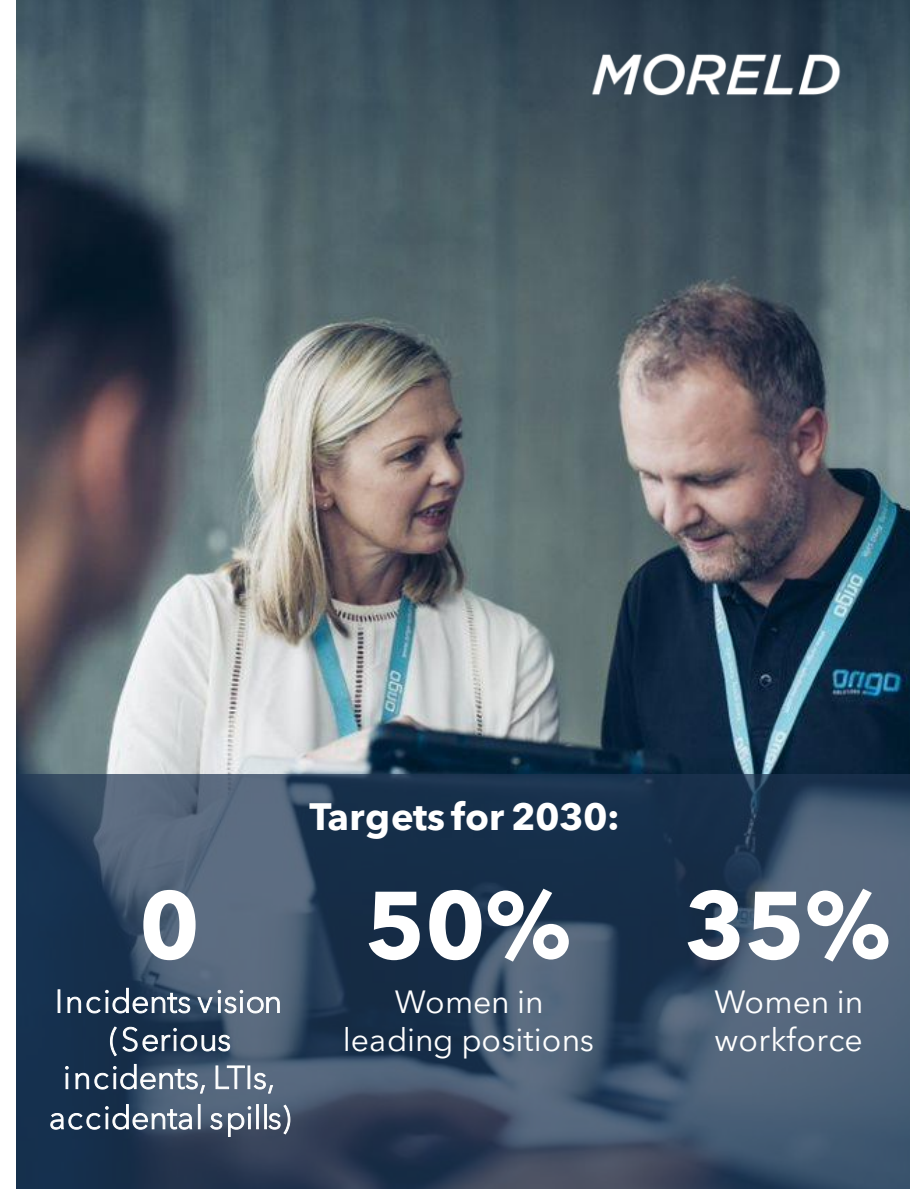
Social approach

HSE and improving gender diversity have been prioritised areas in 2020. Moreld has a strong focus on its stakeholders, internal as well as external. The company aims to build internal pride around the group's contribution to sustainable development, and the knowledge and innovation that lies behind these achievements. Creating engagement and excitement around contributing to the energy transition is a success factor for Moreld to reach its growth targets, and it is therefore a key focus in the management team's leadership approach.

Building on the Moreld companies' strong HSE track record and culture, Moreld has established a zero ambition on serious incidents, LTI, and accidental spills/emissions. Monthly review by Moreld's top management and board of directors on key HSE KPIs has been introduced to further strengthen the HSE culture. The result is strong performance on HSE, as evidenced in the KPIs for 2020.

In working towards its gender diversity target, Moreld has introduced a rule that no job application from a female applicant can be rejected without a clear justification, to decrease unconscious bias in hiring processes. All Moreld companies have moved this issue up their agendas and set targets in alignment with those of Moreld.

To minimise the impact of the Covid-19 pandemic on people and operations, Moreld has emphasised regular contact with all employees and facilitated productive working conditions, within government guidelines. Moreld also offers an online Mental health program for all employees.



Social and HSE KPIs and performance

5 GENDER EQUALITY

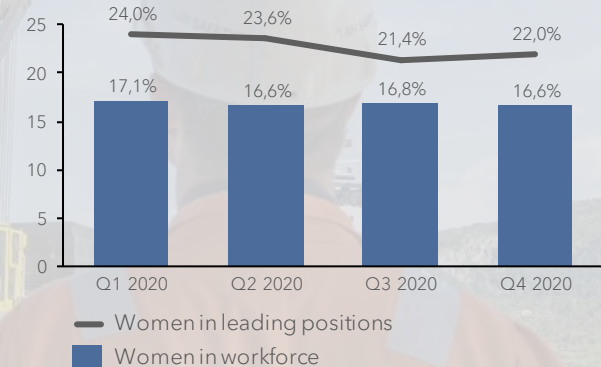


We will provide equal opportunities and a sound gender balance

KPI 2021: 18 % women in workforce and 25% women in leading positions.

Average 16.8% women in workforce and 22.8% in leading positions for 2020

| KPI | Q1-2020 | Q2-2020 | Q3-2020 | Q4-2020 | 2020 | 2019 |
|----------------------------|---------|---------|---------|---------|-------|------|
| Women in workforce | 17.1% | 16.6% | 16.8% | 16.6% | 16.8% | - |
| Women in leading positions | 24.0% | 23.6% | 21.4% | 22.0% | 22.8% | - |



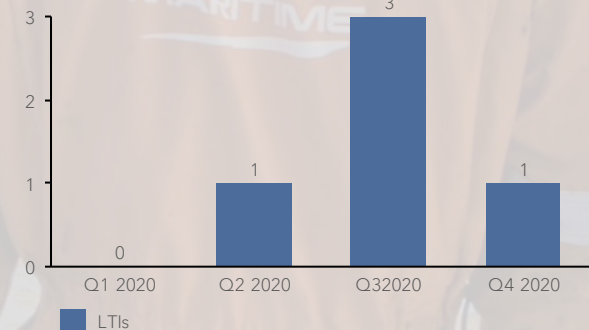
3 GOOD HEALTH AND WELL-BEING



We will provide a healthy, safe and secure working environment

KPI 2021: Zero Serious incidents, Zero LTI, Zero Accidental spills/emissions, Short term sick leave under 2 %

| KPI | Q1-2020 | Q2-2020 | Q3-2020 | Q4-2020 | 2020 | 2019 |
|-----------------------------|---------|---------|---------|---------|------|------|
| Serious Incidents | 0 | 0 | 0 | 0 | 0 | - |
| LTIs | 0 | 1 | 3 | 1 | 5 | - |
| Accidental spills/emissions | 0 | 0 | 0 | 0 | 0 | - |
| Short term sick leave: | 4.0% | 3.2% | 3.0% | 3.4% | 3.4% | - |



Corporate social responsibility in Moreld

Selected initiatives

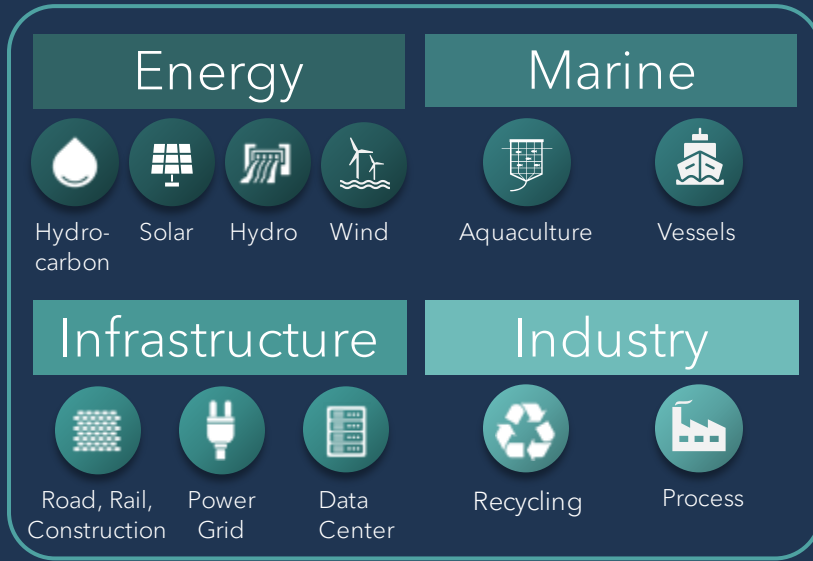
Moreld companies are engaged in various charities and social enterprises. These initiatives are not driven by commercial success, but rather by the social and community-oriented impact they generate. In 2020 Moreld supported WWF's work to reduce plastic waste in the ocean. Selected additional CSR activities that our group companies have been engaged in during 2020 are:

- **The Ocean Cleanup:** The Ocean Cleanup develops advanced technologies to rid the world's oceans of plastic. The project's passive systems is estimated to remove half the Great Pacific Garbage Patch in five years from full-scale deployment. Moreld company Global Maritime have cooperated with the Ocean Cleanup by providing expertise within engineering, naval architecture, risk and HSEQ and Hydrodynamic analysis since 2018.
- **GOAL:** GOAL is an international humanitarian response agency established in Ireland over 40 years ago. Working in 13 countries, GOAL reaches the most vulnerable communities with emergency response, food and nutrition security, resilient health and sustainable livelihoods. Moreld company Suretank have over several years supported the organization and participated in their annual Jersey day where communities across Ireland come together and wear their favourite jerseys to support GOAL's work with vulnerable communities.
- **Kirkens Bymisjon (The church city mission of Norway):** Moreld company Karsten Moholt donated their 2020 Christmas gift to Kirkens Bymisjon which is a national non-profit organization, which works in towns and cities across Norway, helping people who face challenges in life for various reasons. Through initiatives for people of all ages and social backgrounds the organization wishes to realize their goal, which is that everybody experiences respect, justice and care.
- **Norwegian society for sea rescue (RS):** Moreld company Apply donates to various organizations each year. In 2020 they have among others donated to the Norwegian society for sea rescue. RS a nationwide humanitarian association whose purpose is to save lives, salvage assets and protect the coastal environment of Norwegian waters, as well as undertaking outreach and accident prevention initiatives to improve the safety of those at sea in Norway and abroad.



7. Energy transition

Moreld's key markets



Ambition for 2026:

40%

Revenue share from non-Oil
and gas industries
(2020: ~ 15%)

The Energy transition – our ambition

Moreld aims to establish itself as a leader in providing end-to-end sustainable solutions to all energy industries, seizing opportunities to increase its foothold in sectors such as aquaculture, offshore wind, infrastructure and other relevant renewable energy sectors, whilst continuing to nurture existing energy service operations.

The group's diversified offering and experience from several decades in the oil service sector will be leveraged to provide know-how in the transition to a sustainable energy services sector. In order to future-proof its business strategy at the point of consolidation, the group has in 2020 completed a comprehensive mapping of its core competencies. Complemented by a scenario analysis of the market segments in which growth is expected over the next decade, Moreld has developed a focused and ESG-oriented growth strategy, aimed at leveraging current competencies in growing market segments.

Moreld is targeting 40 percent of revenues from non-oil and gas industries by 2026. "We are very focused on several specific opportunities in the new market segments as these represent our main growth areas. We've set a high growth ambition for the company, and we can't reach that target in oil and gas alone," CEO Geir Austigard explains. Some group members are already far ahead of this target, like Suretank which has already shifted its revenues from being dependent on the oil and gas industry for 90 percent of its revenues, to currently deriving 80 percent of its business from other sectors.

To drive development and innovation, the group has established cross-company organisational clusters to target markets such as recycling, smart grid, hybridisation/electrification, hydropower, aquaculture, and offshore floating wind. Moreld has also established two new companies, Moreld Ocean Wind and Moreld Aqua, to further explore and focus its business development in these areas.

A detailed case study of the transition process in Moreld company Global Maritime is available on the following page.

Global Maritime: Applying existing skills to new business segments

Case example:

As the oil price went into a cyclical downturn in 2014, Jonny Logan and Ekkehard Stade, then managers of Global Maritime's offices in Scotland and Germany respectively, realized the company would need to be creative in looking for business opportunities in new sectors to maintain their project pipeline. Analyses of the offshore wind market in the UK and Germany looked promising, and they saw a clear application of Global Maritime's marine warranty and engineering services, previously primarily in demand from the oil and gas industry. There was also a potential need for Global Maritime's extensive marine operations experience, as most of the engineers in the growing offshore wind sector primarily had onshore project experience.

Global Maritime has since been involved in the installation and/or development of more than 5000 bottom-fixed offshore wind turbines, across 11 countries, with a total installed capacity of 34 GW.

Global Maritime is involved with virtually all current floating wind projects in Northern Europe. It has been working on the Kincardine project since 2018, where the first 9.5 MW floating offshore wind turbine has recently been installed. The company also won the marine warranty contract for Equinor's recently commenced Hywind Tampen project, and has been involved in four other floating offshore developments in the UK and Europe, providing general marine engineering consultancy and verification services, in addition to marine warranty survey.

Global Maritime has also entered a new phase of transition: The company has expanded from applying its traditional oil and gas services to new business segments, towards building up new expertise in a broader range of markets. On the design side, Global Maritime has, for example, designed offshore fish farms, including the world's first, and installed wave power devices.

The company has been involved in several early phase concepts to mature concepts for tidal energy and wave energy and optimise the technology involved. Within the engineering division, the company has, amongst other

things, developed a new zoning system for offshore wind farms, which significantly reduces the number of site assessments needed to operate jack-up installation vessels in a wind park and helps drive down installation costs.

Global Maritime is currently in the market as part of a consortium providing EPCI (engineering, procurement, construction and installation) services for floating wind, expanding its scope of work in offshore wind from marine warranty to cover the whole process from engineering through to installation. The company is also working on floating solar, having assisted in the design and mooring of two floating solar plants, as well as with the verification of existing market designs and technology, to identify the optimal design solution.

Jonny Logan, now CEO of the company, believes that Global Maritime's multidisciplinary expertise has given the company a competitive advantage: "Our ability to offer both design, installation and marine warranty has enabled us to develop new integrated concepts, and we're now assessing the opportunity of becoming an EPCI (engineering, procurement, construction and installation) provider of hybrid solutions." One of the exciting new business opportunities in this area is the development of integrated utilities solutions for remote communities. Global Maritime is currently designing facilities that integrate osmosis-based freshwater generation, waste treatment (including power generation from waste incineration), and power generation from solar and wind. The floating facilities are planned to solve multiple infrastructure needs for remote island communities, construction projects in remote locations, or areas struck by natural disasters that have compromised their infrastructure.

In 2020, 17 percent of the company's earnings came from renewables, with an additional 10 percent from other non-oil and gas segments. Global Maritime estimates that within a few years, around half of its revenues will come from non-oil and gas projects, as the company positions itself for growth in offshore renewables, floating solar, aquaculture and utilities provision.



Global Maritime is a specialist marine, offshore and engineering consultancy, and is a part of the Moreld group of companies. The company has about 250 employees and offices in 15 countries.

8. Appendix

Appendix: Global reporting initiative (GRI) index

Our report has been prepared in accordance with the GRI Standards 'core' option. We have sought to report fully on all relevant dimensions of the disclosures, but where this has not been possible, we have reported as comprehensively as possible, based on the data we have. The table refers to where information is available in this report, our annual report and our website.

| General disclosures | | | |
|------------------------|--|--|-----------------------------|
| Disclosure # | Disclosure name | Answer to disclosure or location in 2020 ESG report | 2020 ESG report page number |
| Organizational Profile | | | |
| 102-01 | Name of the organization | Moreld AS | |
| 102-02 | Activities, brands, products, and services | Main chapter: CEO introduction and highlights | 3-5 |
| 102-03 | Location of headquarter | Moreld's headquarter is located in Stavanger, Norway | |
| 102-04 | Location of operations | Main chapter: CEO introduction and highlights | 3 |
| 102-05 | Ownership and legal form | Moreld is 100% owned by three funds managed by HitecVision | |
| 102-06 | Markets served | Main chapter: CEO introduction and highlights | 3 |
| 102-07 | Scale of the organization | Main chapter: CEO introduction and highlights | 3 |
| 102-08 | Information on employees and other workers | Main chapter: CEO introduction and highlights | 3 |
| 102-09 | Supply chain | Main chapter: Doing business with integrity | 16 |
| 102-10 | Significant changes to the organization and its supply chain | Main chapter: CEO introduction and highlights | 4 |
| 102-11 | Precautionary Principle or approach | Main chapters: Sustainability at Moreld, Doing business with integrity | 9 and 16 |
| 102-12 | External initiatives | Main chapters: Sustainability at Moreld | 10-11 |
| 102-13 | Membership of associations | N/A for corporate group | |

Appendix: Global reporting initiative (GRI) index

| Disclosure # | Disclosure name | Answer to disclosure or location in 2020 ESG report | 2020 ESG report page number |
|-----------------------------|--|--|-----------------------------|
| Strategy | | | |
| 102-14 | Statement from senior decision-maker | Main chapter: CEO introduction and highlights | 2 |
| Ethics and integrity – 2016 | | | |
| 102-16 | Values, principles, standards and norms of behaviour | Main chapter: Sustainability at Moreld Main chapter: Doing business with integrity | 8,-9, 15-16 |
| Governance | | | |
| 102-18 | Governance structure | Main chapter: Sustainability at Moreld | 9 |
| Stakeholder engagement | | | |
| 102-40 | List of stakeholder groups | Main chapter: Sustainability at Moreld | 9 |
| 102-42 | Identifying and selecting stakeholders | Main chapter: Sustainability at Moreld | 9 |
| 102-43 | Approach to stakeholder engagement | Main chapter: Sustainability at Moreld | 9 |
| 102-44 | Key topics and concerns raised | Main chapter: Sustainability at Moreld | 9-13 |
| Reporting practice | | | |
| 102-45 | Entities included in consolidated financial stats. | Main chapter: CEO introduction and highlights | 5 |
| 102-46 | Defining report content and topic boundaries | Main chapter: CEO introduction and highlights | 6 |
| 102-47 | List of material topics | Anti-corruption, Energy, Emissions, Effluence and Waste, Environmental compliance, Occupational health and safety, Diversity and Equal opportunity, Responsible supply chain, Climate risk | |
| 102-48 | Restatements of information | No | |
| 102-49 | Changes in reporting | No changes, first report | |
| 102-50 | Reporting period | Calendar year 2020 | |

Appendix: Global reporting initiative (GRI) index

| Disclosure # | Disclosure name | Answer to disclosure or location in 2020 ESG report | 2020 ESG report page number |
|---------------------------------------|---|---|-----------------------------|
| Reporting practice | | | |
| 102-51 | Date of most recent report | 2020 is Moreld's first annual ESG report | |
| 102-52 | Reporting cycle | Annual | 6 |
| 102-53 | Contact point for questions regarding the report | Contact@Moreld.com | |
| 102-54 | Claims of reporting in accordance with the GRI Standards | This report has been prepared in accordance with the GRI Standards: Core option. | |
| 102-55 | GRI content index | Appendix, GRI Index table | 29-33 |
| 102-56 | External assurance | This report is not externally assured | |
| Management approach - material topics | | | |
| 103 1-3 | Material topics: Anti-corruption, human rights, responsible supply chain Management approach | Main chapter: Doing business with integrity | 15-16 |
| 103 1-3 | Material topic: Energy Management approach | Main chapter: Our environmental impact | 18 |
| 103 1-3 | Material topic: Effluence and waste Management approach | Main chapter: Our environmental impact | 18 |
| 103 1-3 | Material topic: Environmental compliance Management approach | Main chapter: Our environmental impact | 18 |
| 103 1-3 | Material topic: Occupational health and safety Management approach | Main chapter: Safeguarding people and assets | 22 |
| 103 1-3 | Material topic: Training and education Management approach | Main chapter: Safeguarding people and assets | 22 |
| 103 1-3 | Material topic: Diversity and equal opportunity Management approach | Main chapter: Safeguarding people and assets | 22 |
| TCFD | Material topic: Climate risk Management approach | Main chapter: CEO introduction and highlights Our climate risk disclosures, found in separate report on our webpage. | 13 |

Appendix: Global reporting initiative (GRI) index

| Disclosure # | Disclosure name | Answer to disclosure or location in 2020 ESG report | 2020 ESG report page number |
|---|--|---|-----------------------------|
| GRI standard: 205 – Anti-corruption | | | |
| 205-1 | Operations assessed for risks related to corruption | Main chapter: Conducting business with integrity | 15 |
| 205-2 | Communication and training about anti-corruption policies and procedures | Main chapter: Conducting business with integrity Main chapter: CEO introduction and highlights | 15, 6 |
| 205-3 | Confirmed incidents of corruption and actions taken | In 2020, neither Moreld nor any employee faced criminal action related to corruption | |
| GRI Standard: 302 - Energy | | | |
| 302-1 | Energy consumption within the organization | Reported energy consumption of 35.708 MWH in 2020 compared to 38.462 MWH in 2019 | |
| GRI Standard: 305 - Emissions | | | |
| 305-1 | Direct (Scope 1) GHG emissions | Main chapter: Our environmental impact | 19 |
| 305-2 | Energy indirect (Scope 2) GHG emissions | Main chapter: Our environmental impact | 19 |
| 305-3 | Other indirect (Scope 3) GHG emissions | Main chapter: Our environmental impact | 19 |
| 305-5 | Reduction of GHG emissions | Main chapter: Our environmental impact | 19 |
| GRI Standard: 306 - Effluents and Waste - 2016 | | | |
| 306-2 | Waste by type and disposal method | Main chapter: Our environmental impact Appendix: Environmental figures, waste overview by type | 19, 34 |
| 306-3 | Significant spills | Main chapter: Safeguarding people and assets | 23 |
| GRI Standard 307 – Environmental compliance | | | |
| 307-1 | Non-compliance with environmental laws and regulations | Not identified any non-compliance with environmental laws and/or regulations | |
| GRI Standard: 308 - Supplier Environmental Assessment | | | |
| 308-1 | New suppliers screened using environmental criteria | Main chapter: Conducting business with integrity | 16 |

Appendix: Global reporting initiative (GRI) index

| Disclosure # | Disclosure name | Answer to disclosure or location in 2020 ESG report | 2020 ESG report page number |
|---|---|--|-----------------------------|
| GRI Standard: 405 - Occupational Health and Safety | | | |
| 403-1 | Occupational health and safety management system Main chapter: Safeguarding People and Assets | Main chapter: Safeguarding People and Assets | 21 |
| 403-6 | Promotion of worker health | Main chapter: Safeguarding People and Assets | 21 |
| 403-8 | Workers covered by an occupational health and safety management system | HSSE Management System covers all workers on our sites, no exclusions. | |
| GRI Standard: 405 - Diversity and Equal Opportunity | | | |
| 405-1 | Diversity of governance bodies and employees | Main chapter: Safeguarding people and assets | 23 |

Appendix: Environmental figures, waste overview by type

| Waste type | Unit | Category | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2021 | Total |
|---------------------------------|------|-----------------|---------|---------|---------|---------|-----------|
| Special waste | kg | Disposal | 25 093 | 61 419 | 65 157 | 18 161 | 169 830 |
| Hazardous waste, recycled | kg | Disposal | 5 828 | 3 486 | 5 602 | 4 352 | 19 268 |
| Residual waste, landfill | kg | Disposal | 94 | 94 | 120 | 165 | 474 |
| Hazardous waste, treated | kg | Disposal | 3 387 | 4 370 | 4 200 | 3 696 | 15 653 |
| Residual waste, incinerated | kg | Energy recovery | 115 469 | 102 617 | 69 604 | 94 941 | 382 631 |
| Residual waste, incinerated | kg | Energy recovery | 930 | 930 | 930 | 930 | 3 720 |
| Residual waste, incinerated | kg | Energy recovery | 45 | 45 | 45 | 45 | 180 |
| Solvents mix waste, incinerated | kg | Energy recovery | - | - | 581 | 13 | 594 |
| Mineral oil waste, incinerated | kg | Energy recovery | - | 7 052 | 1 367 | 1 578 | 9 997 |
| Hazardous waste, incinerated | kg | Energy recovery | 5 430 | 3 521 | 6 160 | 628 | 15 739 |
| Wood waste, incinerated | kg | Energy recovery | - | 500 | - | 1 040 | 1 540 |
| Paper waste, recycled | kg | Recycling | 8 945 | 3 845 | 4 085 | 4 275 | 21 150 |
| Glass waste, recycled | kg | Recycling | - | - | - | - | - |
| Metal waste, recycled | kg | Recycling | 28 223 | 150 917 | 93 166 | 2 020 | 274 326 |
| Organic waste, recycled | kg | Recycling | 590 | 430 | 400 | 510 | 1 930 |
| Plastic waste, recycled | kg | Recycling | 710 | 100 | 3 120 | 930 | 4 860 |
| EE waste, recycled | kg | Recycling | 4 500 | 12 551 | 5 380 | 8 340 | 30 771 |
| Wood waste, recycled | kg | Recycling | 22 600 | 22 260 | 24 600 | 11 480 | 80 940 |
| Waste water treatment | kg | Recycling | - | - | 1 000 | - | 1 000 |
| Residual waste, recycled | kg | Recycling | 13 676 | 999 | 4 286 | 4 620 | 23 581 |
| General office waste recycled | kg | Recycling | 51 | 51 | 79 | 92 | 273 |
| Sorted waste, recycled | kg | Recycling | 214 079 | 36 133 | 53 131 | 180 475 | 483 817 |
| Cardboard waste, recycled | kg | Recycling | 350 | 190 | 210 | 290 | 1 040 |
| SUM | | | 450 000 | 411 510 | 343 222 | 338 581 | 1 543 313 |