



FSUBSEA

FSubsea AS
UN Global Compact
Communication on Progress
June 2022

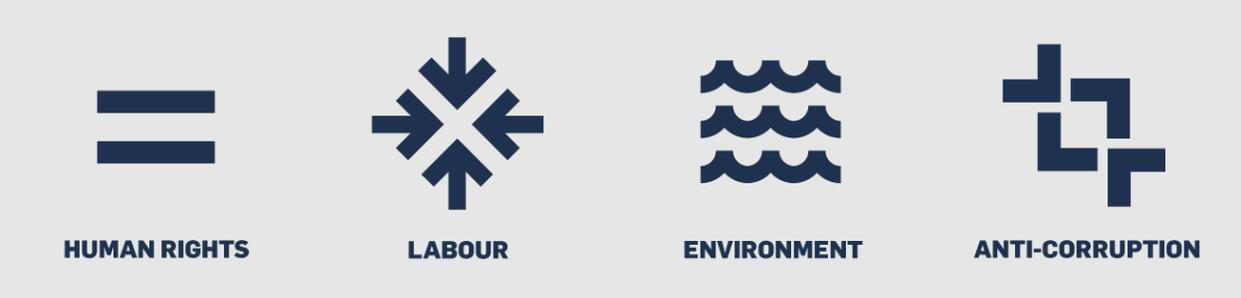


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1. Statement of continued support by the Chief Executive Officer

I am pleased to confirm that FSubsea AS reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

In our second annual Communication on Progress, we shed light on our specific activities the past 12 months targeted at achieving a more sustainable future.

Furthermore, we highlight our continued integration of the Global Compact and its principles into our business strategy, culture, and daily operation. We also commit to sharing this information with our stakeholders using our primary channels of communication.

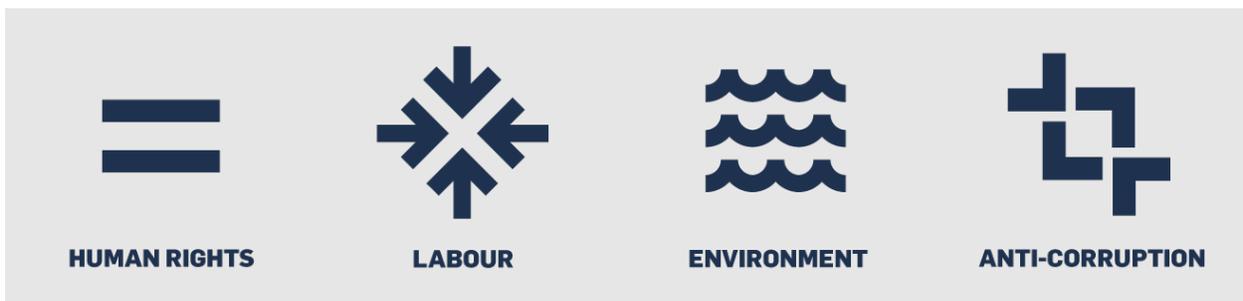
FSubsea continue to ensure that our strategy and activities are in line with UNs Sustainable Development Goals (SDGs).

Sincerely yours,



Alexander Fuglesang

CEO



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2. Description of Actions

FSubsea is working according to international standards for Occupational Health and Safety (ISO45001), Environment (ISO14001) and Quality (ISO9001). FSubsea is also obliged to follow the EU's General Data Protection Regulations (GDPR). We have a written Code of Conduct which is in line with and confirms our commitment to follow the UN Global Compacts principles. By following the Code of Conduct we want to ensure that our business is conducted in a responsible and sustainable way. The Code of Conduct is reviewed with all employees and is available on the company's website. We have a pre-qualification process for all our suppliers. This ensure that we can transfer our requirements to the next level in the supply chain and help our suppliers to improve their performance within Environmental, Social and Governance (ESG).

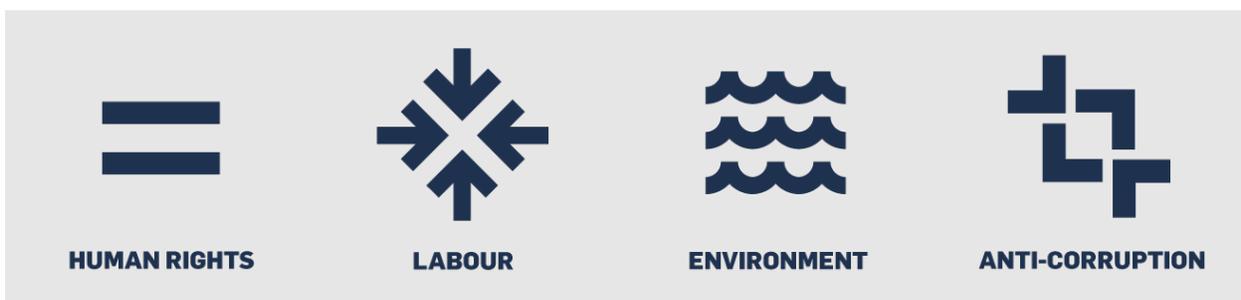
Human Rights

FSubsea has a written Code of Conduct which is in line with and confirms our commitment to follow the UN Global Compacts principles.

Fundamental to FSubsea's workplaces is that all employees shall be treated with respect and dignity. Furthermore, the safety of our employees is an uncompromised condition and a mutual and shared responsibility for all.

New hires are trained and informed about their rights and obligations in terms of vacation, working hours, overtime, parental leave, and similar rights.

Our management system includes procedures to ensure active use of our Code of Conduct and policies. A separate pre-qualification process for our sub-suppliers is implemented, with requirements to respect and support Human Rights. Introduction to the Code of Conduct is a part of our introduction for all employees.



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Labour Rights

FSubsea provides equal opportunities to people without regard to race, color, gender, sexual orientation, nationality, religion, ethnic affiliation, or any other characteristic protected by local law, as applicable. FSubsea's Personnel Handbook and Code of Conduct describes this and have a reference to United Nations Global Compact principles. All employees are included in pension plans and insurance coverage.

We have a dedicated resource that monitors both labor risk, working hours and general work satisfaction. All employees receive necessary training related to their tasks and responsibilities. A staff representative is involved in all major changes within the company, during safety inspections and other mandatory task according for the employee representative.

During this reporting period the Covid-19 pandemic has changed our working conditions. The company has facilitated safe working conditions for all our employees, both for those working from home and those at the office. After the pandemic restrictions was withdrawn, we have continued to offer home office to increase the flexibility and "work & life" balance for our employees.

Environment

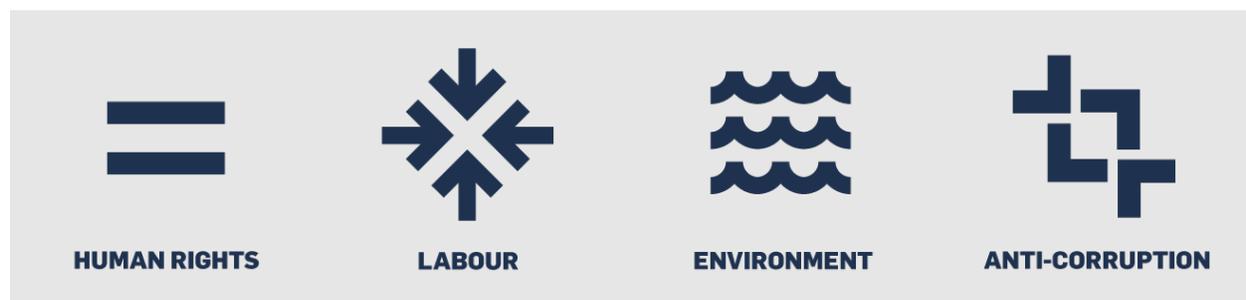
Our main activity is to develop sustainable pump systems which in operation does not leak toxic barrier-fluid chemicals to the environment and reduce CO₂ emissions for the user.

Our HydroMag and Mag technologies substantially reduces Lifecycle CO₂ emissions compared to conventional subsea pumps (Environmentally extended input-output tables, and the EU Exiobase dataset).

Our business strategy is to work actively with product development that will support the UN Sustainable Development Goals.

Waste management system is operative. We have limited use of chemicals; all chemicals are stored in a secure cabinet with Material Safety Data Sheets available.

Waste handling is handled by Fuglesangs AS, a sister-company using most of the facilities.



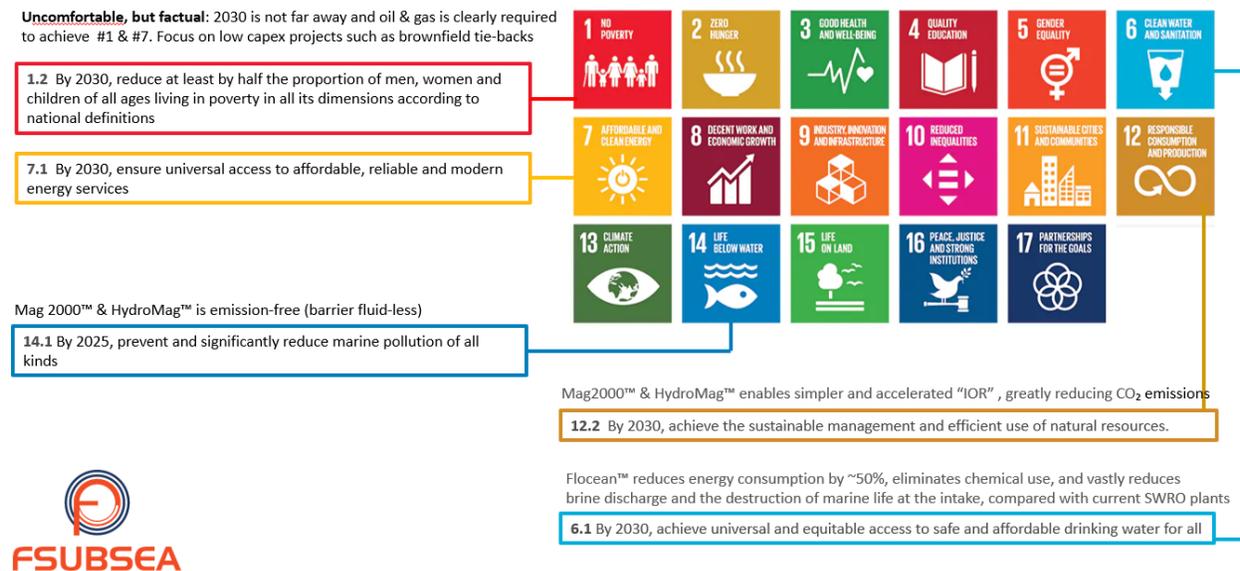
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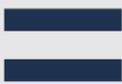
Anti-Corruption

Our Code of Conduct includes a chapter for business ethics which clearly describes our zero-tolerance policy for any kind of corruption, bribery, and extortion. This also includes a commitment to act in compliance with all relevant laws, including anti-corruption laws.

UN Sustainable Development Goals (SDG)

The figure below describes how FSubsea’s activities and solutions is helping to achieve the UN Sustainable Development Goals.





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3. Measurements of Outcomes

The company has a system in place for reporting any kind of deviations, incidents, near misses, suggestions for improvement and similar. This system is named “Better”. We have annual targets connected to follow our performance in handling any reports from this system, as well as Key Results within Human Resource Management, Sales and R&D activities.

Human rights

FSubsea operates in areas where there is a political and legal climate that ensure compliance with human rights. We supported the local community by buying products made by the users in a shelter for homeless people and people who need job training to get back into the society.

Our reporting system “Better” has not received any reports of violation of Human rights this reporting period.

Labour rights

As a part of our personnel administration, we have several measurements on our labor force. Some key figures per May 2021:



16 Number of permanent employees in end of reporting period

5 Average years of employment (YTD 31.12.2021)





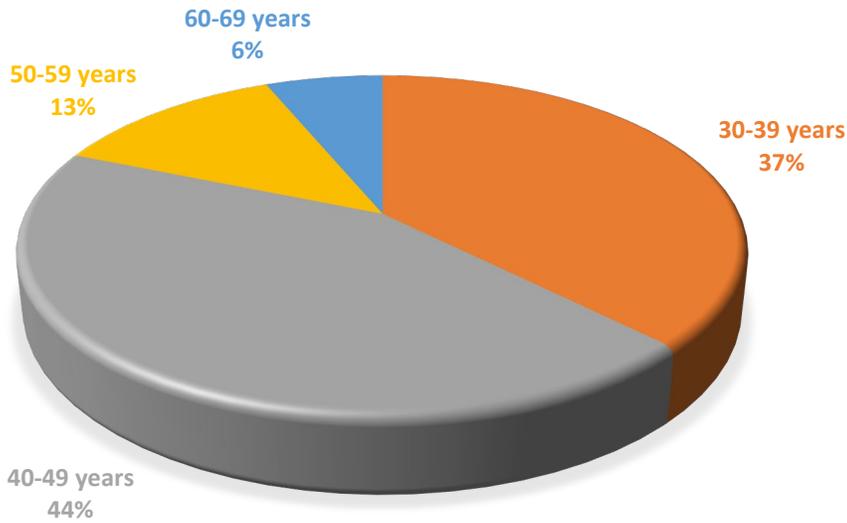
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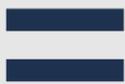
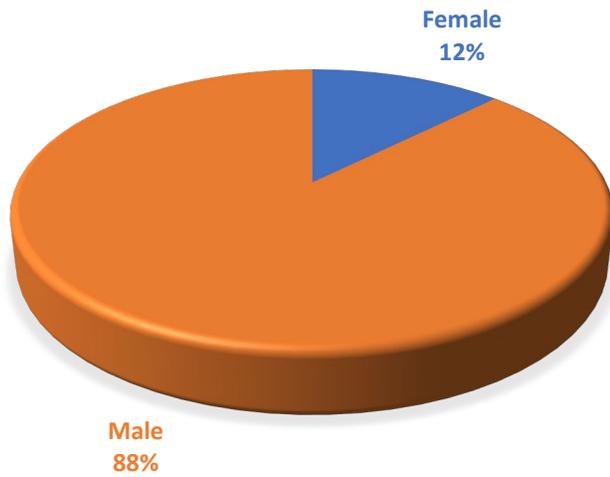
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AGE DISTRIBUTION



GENDER DISTRIBUTION



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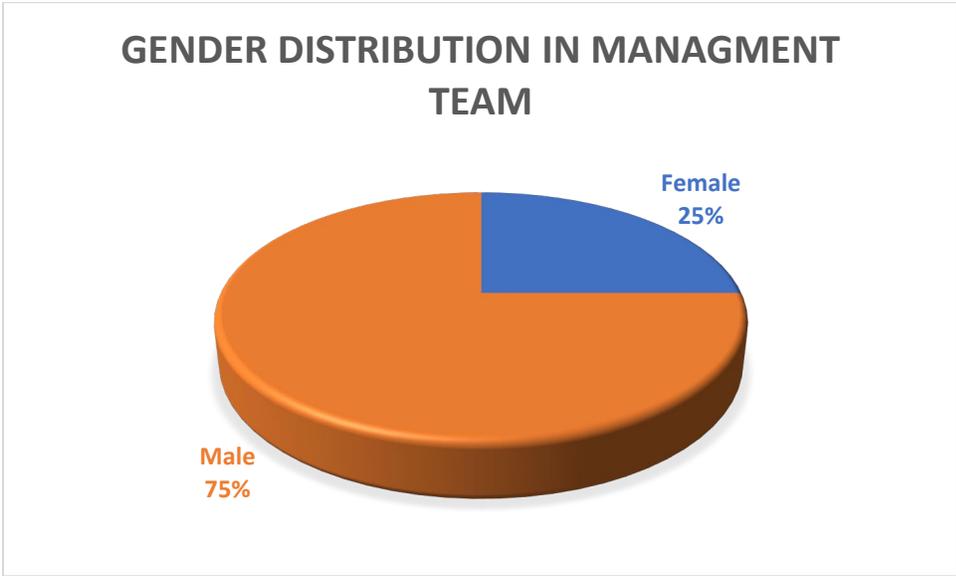


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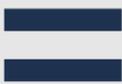
0 Lost time incidents (2021)

2 Incident without lost time/near miss (2020)

1,44 % Sick leave (2021)

All employees have bi-monthly progress and evaluation meetings. The feedback from these meetings is discussed both in weekly management meetings and in an annual QHSE management review meeting.

Our reporting system “Better” has not received any reports of violation of Labour rights this reporting period



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Environment

FSubsea’s environmental policy is to minimize negative environmental impact by protecting the environment, prevent pollution and develop more sustainable products.

We work according to ISO 14001.

Both company cars are electric driven.

The charging facilities for electric driven cars was upgraded in this reporting period to facilitate for the increased number of private electric cars.

The heating system of our office building is based on electricity from hydropower and a water heated by biofuel. It is the owner of the building who decides type of heating of the facility, and we will continue to request they move to a more environmentally friendly energy source.

Business travel increased compared to last period as some pandemic restrictions was removed.

Majority of the travels was in connection with product testing at supplier last 4 months of the reporting period. Project meetings and customer meetings was in general done via digital platforms.

No of flights in reporting period:

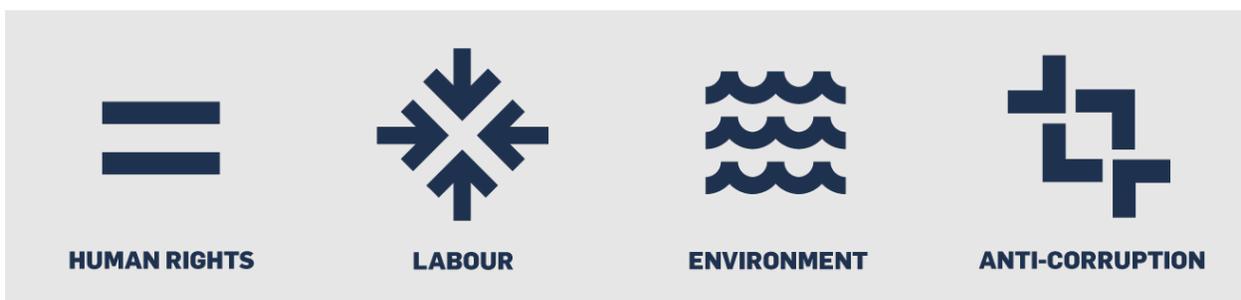
- European round trip: 8
- Inland round trip: 4
- Long distance flights: 1

The annual control of chemicals MSDS has been performed as scheduled.

Our reporting system “Better” has not received any environmental violation reports last reporting period.

Anti-Corruption

Our reporting system “Better” has not received any Anti-Corruption violation reports last reporting period.

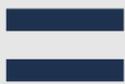


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4. Moving forward

This year we have included UN sustainable Development Goals (SDG) into our annual Objectives and Key Results. This ensures high focus, regular measurement on progress and increased knowledge about the SDG from all our employees. We want to continue to develop our products and work with our clients to supply the most sustainable, robust, and autonomous subsea pump for the global renewables, oil & gas and green infrastructure markets. Our Purpose is to generate value from our oceans in a sustainable way. We believe our vast oceans are underexplored and hold the key to several of the environmental and social challenges the world is facing today, including climate change and lack of clean, potable water for a population of more than one billion.

- Product development
 - Our product development goals and procedures are built and maintained to support our purpose
- Customers and market
 - Continue to introduce our products to markets and applications in need for a subsea pump solution with reduced CO2 emissions and “Zero-leak” philosophy, such as
 - Tail-end production, plug & abandonment of oil & gas wells
 - Efficient seabed trenching and burial of power and communications cables
 - Provision of clean, cold seawater for onshore aquaculture and cooling applications
 - Provision of potable water with 30-50% energy reduction compared with conventional technology and zero chemical discharge (Flocean(tm))
 - Subsea mechanical energy storage for renewable energy sources
 - Continue to improve our communications to clients to inform of measurable positive environmental impact of using our technology
- Reduce Carbon Emissions (compared to 2021 level)
 - We expect business travelling (both air travel & car travel) to slightly increase in the next reporting period since pandemic restrictions are removed and there is a need to participate in production inspections and FATs on-site
 - We will continue to facilitate for our employees working from home 1-3 days per week



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- We will continue to improve facilities for car charging and bike shelter encouraging employees to choose electric cars and bike when traveling to work.
- FSubsea will in the next reporting period start a process to establish our current CO2 level and establish a strategy on how (and when) FSubsea shall become Net Zero. We will strive to use Science Based Targets to define and verify our goals.
- Procurement strategy
 - We will update our procurement strategy to increase focus on UN SDG in our supply chain.
 - Choose local suppliers whenever possible to reduce need for transportation and air travel to follow up production etc.

