ABOUT THIS REPORT

This Sustainability Report uses the ESG framework to assess the company’s sustainability performance. ESG stands for Environmental, Social and Governance, known as the three central factors in measuring the sustainability and ethical impact of a company. ESG factors, though non-financial, have a material impact on the long-term risk and financial performance of a company. Principally, companies that use ESG standards are more conscientious, less risky and are more likely to succeed in the long run.

This Sustainability Report describes the relevance of ESG in the industry that Presserv is operating in, highlights the key material ESG themes, assesses Presserv’s performance on those themes, and provides an action plan that aims both at reducing or mitigating risks and identifying value creation opportunities (see approach on the right side of this page). The report is updated annually, to monitor progress and keep the company focused on achieving its goal to become a more sustainable and future-proof company over time.

The report is the result of an independent review by the international consulting firm MJ Hudson Spring, commissioned and approved by the board and management of Presserv. Conclusions are based on public as well as proprietary information and analyses, gathered and provided by Presserv staff, and several discussions between company management and MJ Hudson Spring.

Note: All judgements are, where possible, based on or backed by analyses and data. In cases involving across-category comparisons or result classification, judgements are not always based on objective analyses or data. These judgements are intersubjective in the sense that they are agreed between MJ Hudson Spring and management, and in line with the thinking of industry experts and leading NGOs.

OUR APPROACH

First, the relevance of ESG is assessed for the industry that the company is operating in, and a long-term vision for a sustainable industry is defined.

Using Norvestor’s ESG framework, key material themes are highlighted, taking a perspective on the full value chain that the company is operating in.

The company’s performance on the identified key material themes is assessed, ranging from ‘regulatory driven’ to ‘future proof’ performance.

Finally, opportunities are identified where ESG and value creation coincide, formulated in an action plan with short-term, mid-term and long-term objectives.

JUDGEMENT

OPPORTUNITY

Opportunity(s) to use ESG as a value lever in the industry, and for the company

RISK

Industry risk exposure within operations and the extended value chain

PERFORMANCE

Management of ESG risks and prioritisation of the key material issues

PROGRESS

Progress overview on short-term targets defined in the previous scan
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### ANNEX I: ESG DATA AND INFORMATION

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<td>Governance topics</td>
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<tr>
<td>Certifications and memberships</td>
<td>23</td>
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</tbody>
</table>
EXECUTIVE SUMMARY

INDUSTRY EXPOSURE

• The primary function of preservation and corrosion protection solutions sold by distributors, is to protect and extend the life span of assets
• Key ESG issues relate to the distribution, use and discharge of chemical solutions which carry environmental and health & safety risks, and supply chain management and monitoring
• In addition, the fossil fuel market is exposed to growing public concern. Yet, the North Sea shelf’s, which is the company’s main market, relative (vis a vis other fossil fuel sources) sustainability performance is strong, both in terms of carbon efficiency as well as in terms of health and safety
• Companies can contribute to a more sustainable future by offering solutions that fulfill the same product function, but that have a lower impact on the ecosystem

COMPANY PERFORMANCE

• Overall company management of ESG related issues is ‘committed’.
• The purchase of environmentally friendly anti-corrosion solutions are actively encouraged by the company. The company is improving its transparency on social metrics including accidents and absenteeism group-wide. The company aims to set KPIs and targets to monitor and reduce emissions related to travel and freight logistics.
• Governance has improved with relevant ESG policies in place and ESG is discussed as an agenda item by Management and the Board. Efforts have been made to enrol new and existing employees into anti-corruption training.

MANAGEMENT OF KEY MATERIAL THEMES

<table>
<thead>
<tr>
<th>RISKS</th>
<th>PERFORMANCE</th>
<th>PROGRESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>MEDIUM</td>
<td>COMMITTED</td>
<td>MEDIUM</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPPORTUNITY</th>
<th>MEDIUM</th>
</tr>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>MEDIUM</th>
<th></th>
</tr>
</thead>
</table>

(Hazardous) materials
The company encourages the sale of environmentally friendly anti-corrosion solutions as well as Cortec’s own developed products

Fleet & fuel
The use of videoconferencing is used to reduce the necessity to travel for board and management meetings. The company has insights into air travel

Employee H&S
Zero accidents have occurred group-wide, and the absenteeism rate has reduced to 0.3% from 2017-19

Supply chain management
Suppliers are checked for QMS, the company plans to implement more extensive supplier auditing system

Integration of sust. principles
The company has enrols new staff and management in anti-corruption training. ESG is an agenda item for board and management meetings

2020 GOALS

• Monitor the share of hazardous products sold
• Continue to encourage the sale of environmentally friendly product solutions
• Set KPIs and targets for travel and freight logistics
• Offset all carbon emissions
• Implement Motivati satisfaction monitoring company-wide
• Conduct supplier inspections in accordance with drafted procedures
• Implement sanctions policy

Source: Company data, MJ Hudson Spring assessment
COMPANY AT A GLANCE

- Presserv specializes in preservation and corrosion protection within the oil, gas, shipping and storage tank industries.
- The company distributes products (incl. machinery, coating, packaging material and chemicals).
- Presserv can have an indirect positive impact on the environment as the applied products and anti-corrosion technologies can prolong the life-time of client assets.
- The North Sea shelf is the company’s main market, managed from its HQ in Stavanger (Norway). Additional subsidiaries are located in the USA, UK, Brazil, and Singapore.
- The US subsidiary (Cortec global services) was acquired in end of 2018, adding 22 FTE. New opportunities are being explored in South Korea.

1 Singapore office is excluded from the scope of this report
Source: Company data, MJ Hudson Spring assessment
ESG IN OUR INDUSTRY

ESG IN TODAY’S INDUSTRY

- The primary function of preservation and corrosion protection solutions sold by distributors to customers in the oil & gas and marine sectors, is to protect and extend the life span of customer’s assets.
- The main environmental impact of this industry relates to the downstream use and discharge of chemicals.
- Social issues relate to occupational health & safety risks during surface treatment and application of products, especially in industries with risk sensitive operations.
- More environmentally friendly products are entering the market as replacements of oil/solvent-based coatings. Advances in organic zinc primers are reducing the application time of coatings on offshore oil platforms compared to conventional inorganic zinc systems, without compromising performance.
- The corrosion protection market has several international players such as Z rust, Corroless and Hempel. Local (Norwegian) market competitors are also becoming ISO 14001 certified for environmental management systems.

LONG-TERM VISION FOR A SUSTAINABLE INDUSTRY

- Companies providing corrosion prevention products can contribute to a more sustainable future by offering environmental friendly preservation and corrosion protection solutions that can safely be applied to extend the life span of assets without harming the ecosystem.
- There is potential for sustainable growth in the industry. To enable the transition to a renewable energy-based market, fossil fuels will continue to be relied upon for short/medium term.
- The use of anti-corrosion products will enable assets to remain functional and extend their operational life-time. As the off-shore industry transitions to more sustainable sources of energy, anti-corrosion products will remain relevant to the preservation of alternative assets, and the anti-corrosion industry may transition to sustainable energy markets.

1 According to various organizations such as the IEA, and even the more stringent NGOs such as Greenpeace, fossil fuels will constitute a substantial portion of the energy mix on the short to medium term. They are relied upon to enable the transition to a renewable energy-based market as there are currently no alternatives that can replace the current volume generated by fossil fuels (estimate at 85% in 2017 in the BP Statistical Review of World Energy 2017 report).

Source: Company data, MJ Hudson Spring research, Vision2050 - WBCSD, Roadmap2050 - European Climate Foundation.
# Overview of Material Themes

## Environmental

<table>
<thead>
<tr>
<th>Upstream</th>
<th>Operations</th>
<th>Downstream</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inputs</td>
<td>Logistics</td>
<td>Operations</td>
</tr>
</tbody>
</table>

- **Impact of Materials**: E1 (Hazardous) materials
- **Energy & Carbon Efficiency**: E2 Fleet & fuel
- **Ecosystem Quality**: E1

## Social

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fairness</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Health &amp; Safety</strong></td>
<td>S1</td>
</tr>
<tr>
<td><strong>Community &amp; Society</strong></td>
<td></td>
</tr>
</tbody>
</table>

- **Employee Health & Safety**: S1

## Governance

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Business Integrity</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Transparency</strong></td>
<td>G1</td>
</tr>
<tr>
<td><strong>Supply Chain Control</strong></td>
<td>G2</td>
</tr>
</tbody>
</table>

- **Supply Chain Management**: G1
- **Integration of Sustainability Principles**: G2

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1. The industry heatmap highlights the material ESG themes that are relevant to the company’s industry across the industries value chain.
2. Good governance and ESG management is considered to be a basis requirement and therefore included in each company ESG scan.

Source: SASB, MJ Hudson Spring assessment
## Targeted UN Sustainable Development Goals for Presserv

<table>
<thead>
<tr>
<th>Key Material Themes</th>
<th>Sustainable Development Goal</th>
<th>Selected Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>E1 (Hazardous) materials</td>
<td>Build resilient infrastructure and promote inclusive and sustainable industrialization and innovation</td>
<td><strong>9.4:</strong> By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean environmentally sound technologies and industrial processes</td>
</tr>
<tr>
<td>E2 Fleet &amp; fuel</td>
<td>Ensure sustainable consumption and production patterns</td>
<td><strong>12.4:</strong> By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle</td>
</tr>
<tr>
<td>S1 Employee health &amp; safety</td>
<td>Take urgent action to combat climate change and its impacts</td>
<td><strong>13.2:</strong> Integrate climate change measures into (national) policies, strategies and planning</td>
</tr>
<tr>
<td>S2 Integration of sustainability principles</td>
<td>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</td>
<td><strong>8.8:</strong> Protect labour rights and promote safe and secure working environments for all workers</td>
</tr>
<tr>
<td>G2 UN Global Compact's sustainable ocean principles</td>
<td>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</td>
<td><strong>16.6:</strong> Develop effective, accountable &amp; transparent institutions at all levels <strong>16.7:</strong> Ensure responsive, inclusive, participatory and representative decision-making at all levels</td>
</tr>
<tr>
<td></td>
<td>The ocean principles provides businesses a framework for responsible business practices focused on maintaining the health of the ocean and environmental protection</td>
<td></td>
</tr>
</tbody>
</table>

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See methodology on next page

Source: UN Sustainable Development Goals, MJ Hudson Spring Assessment
In 2015 the United Nations adopted 17 Sustainable Development Goals with 169 targets which is intended to be achieved by 2030.

The goals provides a shared blueprint for peace and prosperity for people and the planet.

These SDGs recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.

The SDGs are increasingly being used by governments and organisation, both in marketing their sustainability efforts, as well as in demanding other organisation to show how they contribute to the goals.

### Linking relevant Goals and targets to the company’s key material themes

The company’s key material themes are taken as a starting point.

If positive performance on the key material theme contributes to one of the SDGs, that specific SDG will be shown next to the theme.

Accompanying the 17 SDGs are 169 targets – and targets that are most relevant for the company are displayed.

### Assessing the relevance of the SDGs to the countries of operation

The UN publish an annual Report (link), indicating countries’ distance to the SDG targets. This information is used to assess the extent to which a company can contribute to the selected SDGs in its countries of operations.

### Aligning Performance Scale & SDG: ‘Future Proof’ with SDG targets for 2030

The SDGs pose targets for 2030, therefore, the future proof level in the performance scale has been aligned with the SDG targets.

By establishing an action plan for improving performance on the selected key material themes, and working towards a future proof performance over years to come, the company contributes positively achieving the goals.

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**Source:** UN Sustainable Development Goals, MJ Hudson Spring Assessment

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**Major challenges**

**Significant challenges**

**Challenges**

**Achieved**

**Not available**
The company aims to distribute environmentally friendly alternatives to conventional anti-corrosion products and technologies. The company has reduced the sales of goods considered hazardous by 23% compared to 2018. Cortec – the largest supplier of chemical products to Presserv - has developed VpCI technology which allows for creation of a corrosive layer without use of hazardous chemicals. Toxicological test results indicate a 100% bio-degradability, low toxicity and no bioaccumulation potential. Other environmentally friendly alternatives distributed such as water-based coatings, low-VOC products, sandblasting alternatives and recycled/biodegradable plastic films. 11 products identified from other suppliers in database carry health hazards.

The company has detailed insight into air travel and related carbon emissions and the Norway office has offset 40 tCO2e of travel-related emissions. Group-wide, the company has five company owned vehicles. Company employees have extensive usage of electric vehicles (EVs) with 70% of the work stock in Norway driving EVs. The logistics of products is outsourced. Presserv has increased use of video conferencing by a minimum of 50% for board meetings and have indicated a future goal of 75% of meetings to be conducted via videoconferencing.

Supplier audits are conducted to the extent required to maintain and comply with requirements of the ISO 9001 certification. Cortec (USA) is ISO 9001 (quality management), ISO 14001 (environmental management) & ISO 17025 (testing and calibration certified)

Employee health & safety

Surface treatment activities are limited. Occupational health & safety (“H&S”) is top priority in the organization with inspections conducted annually. Absenteeism for Norway HQ decreased significantly since 2017 from 6.3% to 0.3% in 2019. No accidents have occurred from 2017-19. H&S issues are reported and discussed by the board on a quarterly basis. An online handbook gives employees access to H&S policies and regulations. H&S regulation differs significantly between regions, alignment is included in Presserv's current HSE plan.

G1
Supply chain management

Supplier audits are conducted to the extent required to maintain and comply with requirements of the ISO 9001 certification. Cortec (USA) is ISO 9001 (quality management), ISO 14001 (environmental management) & ISO 17025 (testing and calibration certified)

G2
Integration of sustainability principles

An ESG policy and core governance policies are in place. Presserv is ISO 9001 certified. The Board is responsible for ESG issues. Management is engaged and HSE topics are discussed quarterly. A compliance review is established which describes corruption issues and prioritizes them accordingly; no risk assessment is made regarding environmental or social issues. Senior management has completed anti-corruption training, yet no formal training for the remaining team.

Source: Company data, MJ Hudson Spring assessment
### PERFORMANCE SCALE OF KEY MATERIAL THEMES

<table>
<thead>
<tr>
<th>REGULATORY DRIVEN</th>
<th>INVOLVED</th>
<th>COMMITTED</th>
<th>INTEGRATED</th>
<th>FUTURE PROOF</th>
</tr>
</thead>
</table>
| **E1** (Hazardous) materials | • Insight in the classification of hazardous materials sourced for operations including upstream impact of production of these materials  
• Monitoring of hazardous (incl. SVHC) material use in operations | • Transparent and publicly available reporting on the use of hazardous materials and safety measures  
• Continuous research and market monitoring for alternative products to replace hazardous materials without comprising quality  
• Hazardous materials are sourced from suppliers that score well on ESG metrics  
• Strategy/ action plan in place to reduce the amount of hazardous materials used incl. clear targets | • Innovative projects to eliminate use of hazardous materials, e.g. alternative products  
• Hazardous materials are phased out from distribution, unless no environmentally friendly alternatives available and material is vital in processes | |
| **E2** Fleet & fuel | • Insight in air travel  
• Insight in CO₂ emissions and carbon footprint | • Monitoring of air travel  
• Project-based initiatives to reduce environmental impact of business travel  
• Action plan to reduce air travel impact, e.g. direct route flights | • Air travel occurring only in the cases of requirements of administrative level personnel  
• All travel is net carbon neutral | • All business travel and logistics are net carbon neutral |
| **S1** Employee health & safety | • Absenteeism rate registration  
• Accident rate registration, monitoring and identification of causes  
• Sites comply to fire and emergency response and chemical safety regulations | • H&S management system (e.g. ISO 45001) and safety audit in place (e.g. VCA)  
• Action plan to reduce absenteeism and accident rate and targets are set with innovative strategies implemented  
• Visible improvement due to implementation of action plan on absenteeism and accident rates  
• H&S management system fully lived up to, targets reached, safety is discussed at management level  
• Action plan to reduce haz. exposure | • Best in class management system for hazard exposure  
• Absenteeism rate below national and industrial averages  
• Accident rate 50% below national and industrial averages | • Absenteeism rate 50% below national and industrial averages  
• Maintaining a zero accident rate annually  
• Industry example regarding H&S management |
| **G1** Supply chain management | • Process in place to ensure that supplier adhere to a standard of compliance  
• Process in place to ensure that supplier adhere to relevant ESG regulation  
• Annual monitoring and updating of Purchasing policy and code of conduct  
• Regular supplier audits; social responsibility defined throughout supply chain  
• Purchasing policy and code of conduct actively communicated to stakeholders  
• Auditing system in place to ensure full compliance to ESG criteria (incl. regular visits) | • Purchasing policy and supplier code of conduct in place  
• Process in place to ensure that supplier adhere to relevant ESG regulation  
• Annual monitoring and updating of Purchasing policy and code of conduct  
• Regular supplier audits; social responsibility defined throughout supply chain | • Active role in community development in extended supply chain | |
| **G2** Integration of sustainability principles | • ESG statement on website  
• Market conform membership and standard ESG issues covered (e.g. safety)  
• ESG policy in place  
• Exploring relevant ESG-related memberships  
• Annual monitoring and updating of ESG policy  
• ESG action plan in place  
• ESG-related membership  
• ESG policy actively communicated to stakeholders  
• Tangible progress is made and reported to management and board level  
• The company's ESG measures are leading amongst industry and peers | • ESG policy in place  
• Exploring relevant ESG-related memberships  
• Annual monitoring and updating of ESG policy  
• ESG action plan in place  
• ESG-related membership | • Initiator/frontrunner of sustainability initiatives, push ESG standards in industry | |
## PROGRESS ON TARGETS SET FOR 2019

<table>
<thead>
<tr>
<th>E1</th>
<th>(Hazardous) materials</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Adhere to prespecified targets for chemical use and hazardous waste</td>
</tr>
</tbody>
</table>

- The company continues to work and promote the use of environmentally friendly solutions

<table>
<thead>
<tr>
<th>E2</th>
<th>Fleet &amp; fuel</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Innovative (internal) projects to minimize air travel</td>
</tr>
</tbody>
</table>

- The company have increased use of videoconferencing solutions. A minimum 50% of the Board meetings, and 75% of management meetings are conducted using videoconferencing

<table>
<thead>
<tr>
<th>S1</th>
<th>Employee health &amp; safety</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Comply to all relevant local H&amp;S standards where Presserv is operating</td>
</tr>
<tr>
<td></td>
<td>Report on absenteeism figures for other locations</td>
</tr>
</tbody>
</table>

- Completed

<table>
<thead>
<tr>
<th>G1</th>
<th>Supply chain management</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actively manage and monitor all (chemical) suppliers and ensure adherence to supplier standards</td>
</tr>
</tbody>
</table>

- Completed

<table>
<thead>
<tr>
<th>G2</th>
<th>Integration of sustainability principles</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Provide anti-corruption training to relevant employees</td>
</tr>
<tr>
<td></td>
<td>Align company governance with PRI standards and draft and implement a sanctions policy</td>
</tr>
<tr>
<td></td>
<td>Draft and implement anti-trust policy</td>
</tr>
</tbody>
</table>

- Training completed for all management personnel and new employees. It is planned to be conducted for sales staff with larger customer contracts in 2020
- Governance policies in place. Aim to draft a sanctions policy in 2020
- Completed

Source: Company data, MJ Hudson Spring assessment
## ACTION PLAN

<table>
<thead>
<tr>
<th>Action Plan</th>
<th>2020 SHORT-TERM</th>
<th>2025 MID-TERM</th>
<th>2030 LONG-TERM</th>
</tr>
</thead>
</table>
| **E1** (Hazardous) materials | • Monitor the share of hazardous products sold  
• Continue efforts to encourage the sale of environmentally friendly product solutions | • Increase environmentally friendly activity in own operations and awareness of environmental hazards in product use | • Hazardous materials are phased out from distribution, unless no environmentally friendly alternatives available and material is vital in processes |
| **E2** Fleet & fuel | • Set KPIs and targets for travel and freight logistics  
• Offset all carbon emissions | • Active management and tangible progress to reduce impact due to business travel  
• Air travel occurring only in the cases of requirements of administrative level personnel | • All business travel and logistics are net carbon neutral |
| **S1** Employee health & safety | • Implement Motivati satisfaction monitoring company-wide  
• Maintaining a zero-accident rate annually | • Safe working processes are established and aligned across all countries of operations  
• Absenteeism rate 50% below national and industrial averages | • Industry example regarding H&S management |
| **G1** Supply chain management | • Conduct supplier inspections in accordance with drafted procedures | • Process in place to ensure that supplier adhere to relevant ESG regulation | • Auditing system in place to ensure full compliance to ESG criteria (incl. regular visits) |
| **G2** Integration of sustainability principles | • Implement sanctions policy | • Updated ESG policy in place  
• Exploring relevant ESG-related memberships  
• Measures from ESG action plan are initiated | • The company’s ESG measures are leading amongst industry and peers  
• ESG policy actively communicated to stakeholders |

Source: Company data, MJ Hudson Spring assessment
# KPI OVERVIEW

<table>
<thead>
<tr>
<th>METRIC</th>
<th>2019</th>
<th>∆ ‘18-’19</th>
<th>TARGET</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity consumption</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MWh</td>
<td>291</td>
<td>151</td>
<td></td>
<td>Norway HQ (250), UK (35) and Brazil (6.4) – 2018 data excludes UK and Brazil</td>
</tr>
<tr>
<td>MWh / NOK m rev.</td>
<td>1.6</td>
<td>(0.0)</td>
<td></td>
<td>Revenue data for whole company used in analysis</td>
</tr>
<tr>
<td>Gas consumption</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MWh</td>
<td>−</td>
<td>−</td>
<td></td>
<td>No gas use</td>
</tr>
<tr>
<td>MWh / NOK m rev.</td>
<td>−</td>
<td>−</td>
<td></td>
<td>No gas use</td>
</tr>
<tr>
<td>Energy consumption</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MWh</td>
<td>291</td>
<td>151</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MWh / NOK m rev.</td>
<td>1.6</td>
<td>(0.0)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Renewables share</td>
<td>99%</td>
<td>(0.5%)</td>
<td></td>
<td>Norway HQ uses hydropower, Brazil ~77% renewable, UK 100% local renewable</td>
</tr>
<tr>
<td>CO₂ footprint (scope I &amp; II)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>tCO₂e</td>
<td>13</td>
<td>11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>tCO₂e / NOK m rev.</td>
<td>0.07</td>
<td>0.05</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company average absenteeism</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average rate</td>
<td>0.3%</td>
<td>(3.1%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term rate</td>
<td>0.3%</td>
<td>0.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term rate</td>
<td>−</td>
<td>(0.8%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accident rate</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td># Accidents / 1000 FTE²</td>
<td>−</td>
<td>−</td>
<td>0</td>
<td>0 accidents reported</td>
</tr>
<tr>
<td>Hazardous chemicals sold</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of total sold volumes</td>
<td>26%</td>
<td>(23%)</td>
<td></td>
<td>Reduced 23% compared to 2018</td>
</tr>
</tbody>
</table>

Source: Company data, MJ Hudson Spring assessment
ANNEX I: ESG DATA AND INFORMATION
THE UN SUSTAINABLE OCEAN PRINCIPLES

Presserv are committed to reducing the impact of industries on the health of the oceans. To achieve this and signify their commitment, they aim to become a signatory and align their operations to positively contribute to the UN Global Compact Sustainable Ocean Principles.

RELEVANT PRINCIPLES

- Assess the short- and long-term impact of their activities on ocean health and incorporate such impacts into their strategy and policies.
- Consider sustainable business opportunities that promote or contribute to restoring, protecting or maintaining ocean health and productivity and livelihoods dependent on the ocean.
- Take action to prevent pollution affecting the ocean, reduce greenhouse gas emissions in their operations\ to prevent ocean warming and acidification, and work towards a circular economy.
- Plan and manage their use of and impact on marine resources and space in a manner that ensures long-term sustainability and take precautionary measures where their activities may impact vulnerable marine and coastal areas and the communities that are dependent upon them.
- Engage responsibly with relevant regulatory or enforcement bodies on ocean-related laws, regulations and other frameworks.
- Follow and support the development of standards and best practices that are recognized in the relevant sector or market contributing to a healthy and productive ocean and secure livelihoods.
- Respect human-, labour- and indigenous peoples’ rights in the company’s ocean-related activities, including exercise appropriate due diligence in their supply-chain, consult and engage with relevant stakeholders and communities in a timely, transparent and inclusive manner, and address identified impacts.
- Be transparent about their ocean-related activities, impacts and dependencies in line with relevant reporting frameworks.

PRESSERV’S COMMITMENT

- Continually investigates freight & supply procedures in order to identify efficiency gains that would minimise environmental impacts.
- Continue to recommend our environmentally products to clients and to the market.
- Reduce emissions by introducing a restriction on business travel and increasing the use of video conferencing. We are working to reduce our carbon footprint of everyday operations and offsetting CO₂ emissions from air travel. A target for 2021 is to increase offsetting to include freight logistics.
- Continue to work closely with customers to offer an environmentally friendly versions of our products. With a goal of zero emissions, Presserv is advising customers in which environmentally friendly products can be applicable to use cases and work environments.
- Report annually on the usage of thier products to the authority in “Altinn”
- Presserv confirms that they maintain the use of standards and best practice guidelines within their industry and markets
- Continue to work according to the Working Environment Act to secure all the human-, labour- and indigenous peoples’ rights both for their own employees but also for their suppliers.
- Maintain transparency in reporting while aligning to frameworks to disclose impacts, dependencies and ocean related activities.

Source: UN Global Company Sustainable Ocean Principles, Company data, MJ Hudson Spring assessment
SUSTAINABLE MATERIALS SOLD

VpCI
- Cortec Vapour phase Corrosion Inhibitor (VpCI) products offer a wide range of USDA Certified Biobased products for use in cleaning and surface preparation, construction, bio-fuels, lubrication, metalworking, rust prevention, and water treatment. The product is non-hazardous and dissolves in water.
- These products are part of the USDA BioPreferred Program Mandatory Federal Purchasing Initiative.
- VpCI-609 powder is mostly sold, which is a HOCNF (Harmonized Offshore Chemical Notification Format) approved product. M-531 is a lubricant and a VpCI additive which is non-hazardous.

PLASTICS
- Presserv sells many types of plastics, most plastics are recyclable.
- Currently, no environmentally friendly alternative products are available in the market that suits this need.
- Customer using these products have recycling procedures in place to manage waste handling and disposal.
- 99.8% of all plastics sold is Non-Hazardous

Sponge
- Sponge-Jet has engineered a line of composite abrasives, which is a more environmentally friendly compared to grit blasting. It incorporates the abrasives or micro-abrasive particles within high-performance synthetic sponge.
- The synthetic sponge captures up to 95% of the contaminants, reducing fugitive emissions through its Micro Containment feature.
- The sponge also contains a micro portion of polyurethane. Sponge can be reused 7-8x, after use it is collected and responsibly disposed by waste handlers.

Source: Company data, MJ Hudson Spring assessment
HAZARDOUS MATERIALS SOLD

<table>
<thead>
<tr>
<th>CHEMICALS (TONNES)</th>
<th>PLASTICS (TONNES)</th>
<th>COATINGS (LISTED IN 1000 LITERS)</th>
<th>THINNER (LISTED IN 1000 LITERS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018: 256.6 44.0%</td>
<td>2018: 82.6 97.0%</td>
<td>2018: 87.2 98.0%</td>
<td>2018: 12.1</td>
</tr>
<tr>
<td>2019: 175.7 56.0%</td>
<td>2019: 65.5 99.8%</td>
<td>2019: 71.5 97.9%</td>
<td>2019: 11.8</td>
</tr>
</tbody>
</table>

OBSERVATIONS

- Presserv have reduced the sales of goods considered hazardous by approximately 23% in 2019 compared to 2018.
- Products are categorised into 4 groups: Chemicals, Plastic, Coating and Thinner. Some products can fit into several categories (e.g. some products listed as chemicals are also a coating, but coatings refers now only the Jotun line of products).
- A product is considered hazardous according to the required waste treatment method (solving the issue that dangerous goods are not necessarily hazardous material for use, and products that can be hazardous materials in usage do not necessarily fall into hazardous waste).

Source: Company data, MJ Hudson Spring assessment
CARBON FOOTPRINT

OFFSETTED EMISSIONS (CHOOSE BUSINESS TRAVEL NORWAY)
- Scope I (Company vehicles)
- Scope II (Purchased electricity)
- Scope III (Business travel)

CARBON INTENSITY

OBSERVATIONS
- Carbon footprint is majority scope III emissions resulting from flights, 2019 includes group-wide data for air travel (compared to 2018 data for Norway HQ only)
- Norway HQ have purchased 3.3 tCO2 carbon credits from Chooose to compensate emissions from business travels
- Scope I is based on limited diesel fuel consumption for company vehicles
- Scope II is based on electricity data provided for Norway HQ (sourced from hydropower) and Brazil (77% renewable)

1 As defined by the internationally accepted corporate accounting and reporting standard: The Greenhouse Gas Protocol; The carbon footprint includes the GHG emissions CO₂, and is expressed in equivalent tonnes of carbon dioxide (tCO₂e);
2 Carbon intensity is expressed as Scope I + II emissions (tCO₂e) / Revenue (NOK m)
Source: Greenhouse Gas Protocol, CO₂emissiefactoren.nl, Carbonfootprint.com, Company data, MJ Hudson Spring assessment
SOCIAL PARAMETERS (1/2)

HEALTH, SAFETY & WELLBEING

- Norway HQ, UK and Brazil conduct annual fire and safety inspections, by and external auditors and local authorities.
- HSE manual is in place, describing routines regarding fires and emergency procedures.
- Absenteeism figures decreased significantly in 2019. High rate in 2017 was caused by a few long-term absenteeism cases who are now back at work or have left the company.
- 2019 absenteeism rate also includes rates from USA, UK and Brazil office.
- No accidents have been reported in from 2017-19 for the Group.
- Presserv stimulates the physical activity of employees and offers exercising schemes.
- Employee satisfaction qualitatively monitored in Norway and UK, USA and Brazil plan to implement the same satisfaction monitoring system.

FAIRNESS

- Employees are free to join a union.
- Senior management has participated in anti-corruption training after publication of the due diligence report by Norvestor.
- An electronic QA handbook (incl. relevant policies, guidelines on confidentiality, sponsorship, gifts, insurance/pensions, health & sickness, working conditions, etc.) is available to employees.

ROLE IN SOCIETY

- Norway HQ aims to purchase some employee gifts from charitable organizations.
- They arrange social events for employees, customers and suppliers locally, aims to contribute to the local society.
- Cortec Global Services (USA) sponsors local non-profit organizations.

DEVELOPMENT

- New employees in Norway HQ, UK and Brazil are enrolled within the company’s internal training / introduction program. Focus internally in 2019 for current employees has been training and development within ERP, CRM and a computer awareness program. The frequency of ongoing training varies between locations.

Source: Company data, MJ Hudson Spring assessment
SOCIAL PARAMETERS (2/2)

Source: Company data, MJ Hudson Spring assessment
## GOVERNANCE TOPICS

### ESG policies, certificates and targets
- The company has all ESG related polices in place, (CoC, ABC, whistleblowing, purchasing, H&S, GDPR) and aims to implement an anti-trust policy in 2020
- Norway HQ, UK, and Brazil provide anti corruption training for there employees.
- Targets are due to be set in 2020, and will include to measure CO₂ from travel and freight logistics

### ESG engagement & responsibility of mgmt. board
- ESG is regularly discussed at board meetings
- Management is engaged with ESG and HSE topics are reported and discussed on a monthly basis
- The company’s chief of staff is the dedicated position responsible for ESG

### Risk inventory and evaluation (RI&E) aimed at ESG
- A compliance review is present which describes corruption issues and prioritizes them accordingly; no risk assessment is made regarding environmental or social issues
- Risk assessment guidelines are given in the H&S handbook

### Quality of management systems
- Presserv is ISO 9001 certified
- Norway HQ, UK and Brazil ensures quality through its QMS, internal audits and has dedicated staff to monitor quality.

### Process that ensures supplier ESG compliance
- Supplier audits are conducted to the extent required to maintain and comply with requirements of the ISO 9001:2015 certification.
- The company have stated there have been no issues regarding the ESG performance of suppliers

### Transparency and reporting
- The website lists all of their products including the environmental impacts of products
- No further external reporting on ESG related matters

Source: Company data, MJ Hudson Spring assessment
## CERTIFICATIONS AND MEMBERSHIPS

<table>
<thead>
<tr>
<th>PRESSERV</th>
<th>CORTEC</th>
<th>TOPIC</th>
<th>SCOPE</th>
<th>COMMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISO 9001:2015</td>
<td>✔️</td>
<td>Quality management</td>
<td>Social</td>
<td>• Acquired by Presserv, certificate for sales and storage of products and services within corrosion protection/surface treatment; expires in 2021</td>
</tr>
<tr>
<td>ISO 14001:2015</td>
<td>✔️</td>
<td>Environmental management</td>
<td>Environmental</td>
<td>• Cortec's design and manufacturing of products protect materials from environmental degradation</td>
</tr>
<tr>
<td>ISO /IEC 17025</td>
<td>✔️</td>
<td>Technical specification</td>
<td>Research</td>
<td>• Cortec is a certified independent laboratory</td>
</tr>
<tr>
<td>ISO 45001</td>
<td></td>
<td>H&amp;S management</td>
<td>Social</td>
<td>• Not yet acquired. Enables an organization to proactively improve OH&amp;S performance and reduce accidents and absenteeism rates</td>
</tr>
<tr>
<td>OHSAS 18001:2007</td>
<td></td>
<td>H&amp;S management</td>
<td>Social</td>
<td>• Not yet acquired. Adds value through verification of the presence of a risk assessment framework in an organization</td>
</tr>
<tr>
<td>Sustainable Ocean Principles</td>
<td></td>
<td>UN Global compact</td>
<td>Environmental</td>
<td>• The company aims to implement the sustainable ocean principles and become a signatory in 2020</td>
</tr>
</tbody>
</table>

Source: Company data, MJ Hudson Spring assessment