

Sustainability Report 2020 - THREE60 ENERGY NORWAY

### THREE60 ENERGY NORWAY

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### Introduction

### BETTER ENERGY TOGETHER

First, thank you for your interest in our work by reading this report.

2020 was a challenging year, where we as a company had to put our resilience to the test, and we are proud to state that we succeeded.

Avoiding 'red numbers', adapting to new ways of working and establishing new routines and procedures to ensure that we did what we could to keep our employees safe.

Experiencing a worldwide pandemic makes you realise how vulnerable we are as humans and as a company, and how we are affected by events outside our control. This is one of the reasons why we realized that it is time to step up as a company and to make an impact, ensuring that we contribute to a more sustainable world. Sharing what we do, how we intend to improve and to make a difference one step at a time.

### **INSPIRED - SEARCHING - OBJECTIVE**

When Ridge AS joined THREE60 Energy Group Ltd. in 2018, we had a lot of expectations related to what it would mean for us as a company and our people. Going from being a small business founded by two dedicated people, to becoming a significant part of a large network of brilliant minds, was an important step to make us resilient, grow as a company, make an even greater impact and to accelerate our company's energy transition.

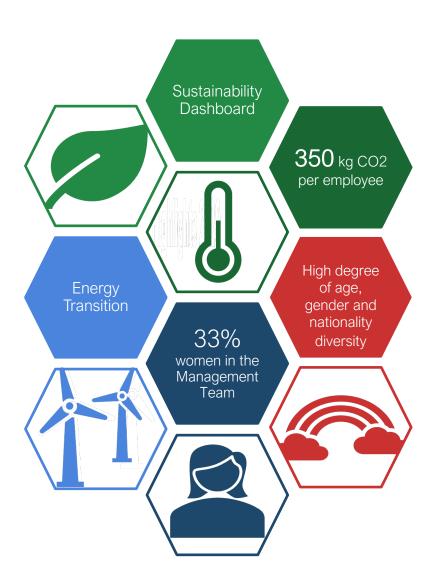
Please follow our progress on this journey in next year's report.

- Our journey as a company has just begun -



Lasse Hermansen
Managing Director
THREE60 Energy Norway





## **Highlights 2020**

In 2020 THREE60 Energy Norway decided to report on sustainability for the first time. We put the UN Sustainability Goals on the agenda and started to measure the company's impact on sustainability aspects related to Environmental, Social and Governance (ESG). We strive to continuously improve our performance, and this report will help us track our process. We always seek to make a difference.

The journey towards Energy Transition has started, both within our own company, and in the industry. This provide us with unique opportunities to engage in exciting projects together with our clients and partners in 2020, and also in years to come.

Our employees delivered above expectations in a challenging time during a global pandemic, while still ensuring that our strategy was put into action and managing to keep focus on high quality, securing work placements and revenue.

As a company that delivers consultancy, projects and services to the energy industry, we provide knowledge and inspiration to our clients, and we do this by being *positively different*.

## **About This Report**

This report will introduce you to THREE60 Energy Norway, and how the company manage and measure its performance within Environmental, Social and Governance (ESG) aspects, our impact our ambitions.

We strive openly and transparently to report our progress towards a more sustainable future.

The scope of this report is limited to THREE60 Energy Norway AS and references will either be "THREE60 Energy Norway", "us", "we" or "our".



This report is guided by the principles of ISO 14001:2015 Environmental Management standard, as well as ISO 45001 Health and Safety, ISO 9001 Quality Management and UN Guiding Principles on Business and Human Rights.

Greenhouse gases are reported in accordance with the GHG protocol. In the future we aim to be aligned with GRI and CDP standards, and to obtain an ESG-rating, in order to gain better insight on areas where we can improve our ESG performance.

Data coverage is of the essence to track our progress and to give a valid status. We have a goal of 100% data coverage, meaning any limitations will be commented. The use of intensities (consumption/emissions per employee) will account for changes in the organisation, enabling us to monitor trends over time.

This report will be published on our webpage, but any additional requirements for information can be provided.

Please, do not hesitate to contact us. Contact details are listed in the Attachments.



# Company Profile THREE60 Energy Norway AS

Established in 2011 and private owned joint stock company and part of: THREE60 Energy Group Ltd.

Office Locations:
Bergen, Stavanger, [Oslo]

In 2020 we had:

Employees: 180

Revenue: 340 MNOK

EBITDA: 17.3 MNOK





**Inspired** 



**Searching** 



**Objective** 



We are delivering fully integrated asset life cycle services across the entire **energy** industry.

## Better

### Energy

We combine our technical competency with our clients to deliver **better** solutions.

## Together

We do this **together** as a team, a partner or a collaborator.

"We are a company that prides itself in safely and passionately delivering, where challenge is not only welcomed but thrived upon, and our reward is based on delivering aligned customer value."

## **Company Profile**

THREE60 Energy Group Ltd.

"A leading independent energy service company offering complete asset life cycle expertise."

Worldwide footprint!



A total of 350+ technical experts accessible across all functional disciplines

#### THROUGHOUT THE E&P LIFECYCLE

EXPLORE DEVELOP OPERATE ABANDON

### Our Key Differentiators:

### PEOPLE



Highly experienced, industry experts. Flat organisation which allows for quick & quality decisions which adds value to our customers.

### LEAN SOLUTIONS



Processes, procedures and workflows based on lean principles to allow low cost and accelerated schedules. Nimble and flexible.

### TECHNOLOGY

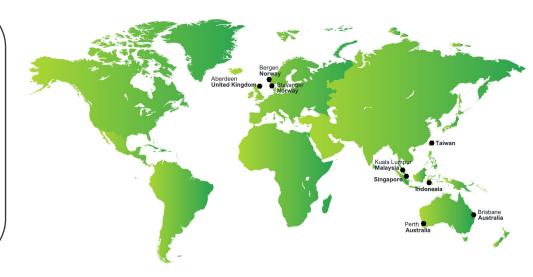


Technology led to bring accurate and efficient solutions which provide exceptional cost performance and add value.

#### CUSTOMER FIRST



Proactive, first class customer service with attention from all directors. Outwardly focussed with little bureaucracy.





## **Commitment**

social responsible, and sustainable operations.



- Protect the environment
- Actively striving to reduce our own and our Customers' environmental impact
- Optimise resource utilisation

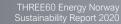


- Act as a responsible employer
- Contribute to improved social progress within the geographies the . company operates in
- Contribute to learning and distribution of knowledge



- Strive for a stable and profitable progress over time
- Apply good business practice and integrity
- Comply with all applicable regulatory requirements and Customer requirements.

Our strategic priorities also clearly state our ambitions in regards to ESG.



## **Sustainability**

in THREE60 Energy Norway

THREE60 Energy Norway supports both the UN Sustainable Development Goals (SDG) and the Paris Climate Agreement, and recognises the urgent call for action and will contribute to a sustainable future.

We acknowledge the responsibility companies play in the achievement of these goals and we want to do our part. As a company we believe our positive contributions will be focused on four of the SDGs and we use them as a foundation for our strategies and policies.

Additionally, we value trust in our relationships and supports the SDG 17 Partnership for the Goals.

**PARTNERSHIPS** FOR THE GOALS



- > We work with our partners and customers using shared values to achieve common goals.
- > We apply effective and efficient contract mechanisms to achieve shared success.
- We collaborate for mutual benefit and to realise supply chain efficiencies.
- We believe in teamwork and building long term relationships.

### For our Customers, we want to be:

- > Enabler of change and improvement of sustainability, based on multidisciplinary understanding and life cycle approach
- > Contributor to securing work placements, knowledge and industrial integrity even when oil and gas no longer considered a main energy source
- > A leader of operationalisation of sustainability strategies







THREE60 Energy Norway's main priorities:

5 GENDER FOUALITY



- There's a recognized unequal distribution between men and women in the energy industry in general and in leading positions.
- Discrimination and harassment is not tolerated in THREE60 Energy
- THREE60 Energy Norway strives to have a diverse Management Team and Board of Directors.









THREE60 Energy Norway supports sustainable management and efficient use through «better energy together», i.e. planning and executing of explorations drilling in fewer days reduces the consumption of fuel. Sustainability can also be included in «Ridge

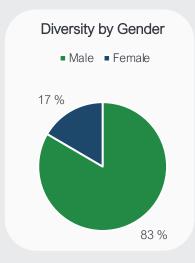


# Monitoring and Performance

We continuously monitor our ESG Key Performance Indicators (KPIs) through our Sustainability Dashboard. The results are presented monthly to the Management Team and bi-monthly to the Board of Directors. Annually, the status per the 31 of December, is summarized in this Sustainability Report. We aim to participate in ESG ratings in the future, to benchmark our performance.

KPI	TARGET	REF. TO POLICY	2020
Employee Satisfaction	> 75%	Quality Policy, HSSE Policy, IT and Information Security Policy, Sustainability Policy	Planned in 2021
Compliance	ZERO Non-conformances (open at year end)	Quality Policy, HSSE Policy, IT and Information Security Policy, Anti-Slavery and Human Trafficking Policy, Travel Policy, Drug, Alcohol and Substance Policy, Anti-bribery and Corruption Policy,	0
HSSE	ZERO incidents/accidents	HSSE Policy, Sustainability Policy	0
Sick leave	< 2 %	HSSE Policy, Sustainability Policy	< 1,8 %
Carbon footprint	<ul> <li>5 % yearly reduction in carbon intensity per employee</li> </ul>	HSSE Policy, Sustainability Policy	350 kg/employee

HSSE STATISTICS	2020	2019	2018
Total number of employee hours worked	227 762	218 682	133 677
Lost Time Injury	0	0	0
First Aid Case	0	0	0
Restricted Work Case	0	0	0
Dangerous Occurrence	0	0	0
Near Miss	0	0	0
Environmental Damage	0	0	0
Sick-leave	1,8 %	0,8 %	0,2 %

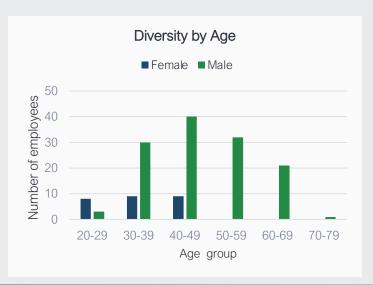


# Diversity by Nationality

21 nationalities from 5 continents

## Diversity by Gender

The Management
Team consisting of
33% women and 67%
men





# **Environmental Performance**



THREE60 Energy Norway's ambition within environmental responsibility is to protect the environment by actively working towards reducing our own and our customers' environmental impact, as well as to reduce resource utilization.

Environmental sustainability in THREE60 Energy Norway is based on the following principles:

- Work continuously to improve environmental performance by actively reducing THREE60 Energy Norway's environmental impact in accordance with ISO 14001 Environmental Management, through i.e. energy usage, waste management, and carbon emissions from transports, and resource efficiency.
- Provide solutions, assistance, and advisory with regard to the reduction of environmental impact.

### > Greenhouse Gas Accounting and Carbon Offsetting

By committing to reduce our environmental impact, we conduct greenhouse gas accounting yearly to follow up our targets and goals. We continuously work on reducing our carbon footprint, as well as offsetting our CO2e emissions. For 2020, our offset supports renewable energy projects in some of the least developed and developing countries, that replaces carbon-intensive fossil fuel, reduce energy shortage and provide jobs in the green economy.

### > Environmental Aspect and Impact Register

An overview of environmental aspects that are directly affected by THREE60 Energy Norway's operations. Environmental aspects for work performed on behalf of Customer shall not be included in THREE60 Energy Norway's Environmental Aspect and Impact Register. However, we will exercise our knowledge and expertise where possible to collaborative influence our customers on how best to reduce scope 2 and 3 emission aspects

### > Recycling cans and bottles

All of our offices have a collection point where empty cans and bottle are collected for recycling. We do this to utilise waste as a resource and contribute to reduce pollution and energy consumption.

### > BREEAM certified office building

Our Bergen office is located in a BREEAM In-Use certified office building with a rating as *Excellent*. This documents the proven environmental sustainability and contribution to reducing carbon footprint.

Emissions 2020:



Even though our organisation has a low carbon footprint, relatively to our Customers within the energy industry, we can still make an impact. We can improve our carbon footprint by choosing, better options when it comes to deciding which building to have our offices or evaluate if a flight is necessary before booking. The biggest impact we can make, is together with our Customers. We can advise on more environmentally friendly techniques or more efficient operations. Together, we make the biggest impact.

Regarding tracking our own progress, we annually complete a GHG accounting. This accounting includes the activity of staff and project employees of THREE60 Energy Norway and addresses actual emissions and disregards our suppliers carbon offsets. We report according to the market-based GHG Protocol method.

We strive to have a complete data coverage of all relevant areas of our business in our GHG reporting, but where this has not been possible to obtain, we have reported as comprehensively as possible, based on the data we have available.

A summary of the method and factors used can be found in the Attachments.



# Social Performance



The overall ambition within social sustainability is to strive for a better society by acting as a responsible and respectful employer, as well as contributing to improved social progress within the geographies THREE60 Energy is operating. Social sustainability in THREE60 Energy Norway is based on the following principles:

- Treat all people equally with regards to both value and rights
- Ensure a diverse, healthy, safe, fair and non-discriminatory work environment for all members of the Organisation.
- Promote and encourage employee development and knowledge sharing
- Contribute to social progress by local community involvement.

### > Management Diversity

Diversity in the management will result in an integrated diversity throughout the business and we believe that diversity drives innovation. Our goal is a 50/50 ratio between men and women in our Management Team.

### > Sexual Harassment

We are aware that sexual harassment is common in the industry through inappropriate behaviour and comments. This is unacceptable in our company, and we have measures in place to detect any inappropriate behaviour and it will be monitored continually.

#### > COVID-19

When the pandemic hit, THREE60 Energy Norway responded quickly by setting measures in action to prevent our employees from catching the virus. Our focus was to maintain business as usual while keeping our employees safe.

### > Contributions to Child Cancer Association (Barnekreftforeningen)

Every year our company donates to a charity of our choice. The entire business is involved in the process and this year the final decision was made by a company poll.

#### > Contribute to local initiatives

As local chapters in Society of Petroleum Engineers (SPE) and Bergen Chamber of Commerce and Industry, we contribute with our involvement and give presentations at local events. We are also a part of Trainee West, where we took on a trainee in 2019 that finished the program in 2020.

### A THREE60 Energy Expert is never alone

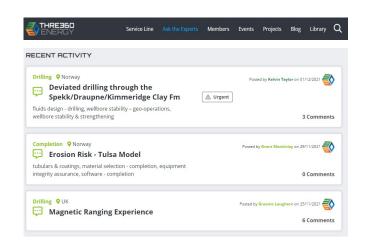
We are proud of our Studies & Projects group within the company.

In 2020, we established a digital platform to share this knowledge between employees, and to exchange technical expertise, called the **THREE60 Energy Network**.

The THREE60 Energy Network portal was developed with the objective of encouraging collaboration and knowledge transfer, not just between THREE60 Energy Norway, but also with those working across the THREE60 Energy Group. The Network is a common ground for many activities within the company:

- Ask the Experts for technical questions
- Employee's overview
- Internal and external events page
- Overview of completed studies and projects

This Network innovates the way we work, bridging geographies, research, individual competence and cooperation across disciplines.





# Governance Performance

Environmental, Social and Governance issues are represented through multiple policies.

We are committed to conduct our business with integrity and our Anti-Corruption Policy is implemented to ensure that our business operations are conducted in an ethical manner and in compliance with applicable laws and regulations.

Our Whistleblower System is used to report concerns regarding compliance with legislation and/or ethical standards.

THREE60 Energy Norway has a strong corporate and organisational focus on Health, Safety, Security, Environment and Quality (HSEQ), compliance and key risk areas.

### > High focus on compliance

In 2020, we decided that THREE60 Energy Norway would become ISO 9001 Quality Management certified, as well as making our business compliant with UN Guiding Principles on Business and Human Right, ISO 14001 Environmental Management and ISO 45001 Health and Safety. This process was planned and kicked off.

#### > Growth

Our strategy within growth is to sustain our reputation as a high-quality consultant provider and a key strategic deliverable is to double the number of people by 2024. This is rooted in our Sustainability Policy. There will in 2021 be hired a People Manager to ensure excellent performance within Human Resources.

### > Newly established HSEQ & Sustainability Department

As a part fulfilling one of our key strategic deliverables to emerge as a company with a focus on sustainability, we newly established HSEQ & Sustainability Department.

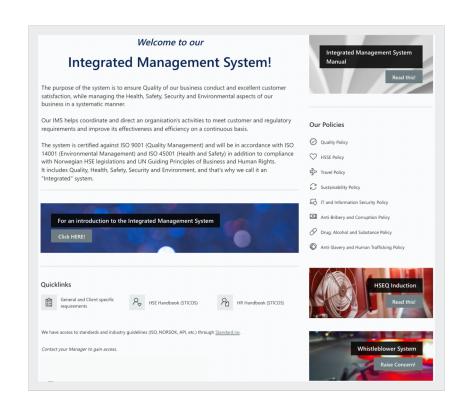
### > Customer and employee satisfaction

This will be performed in 2021, and onwards, to ensure that we are aligned with Customer and employees expectations and can implement mitigating measures as required.

### > Leading provider within Energy Transition

Our goal is to become a leading provider of solutions to support the wider Energy Transition. We want to contribute to reaching national and international targets to reduce carbon footprint by using our skill set. As a part of this process, we are planning workshops to figure out how our conventional oil and gas skill set can contribute and be transferred to support the Energy Transition.





## **Impact**

Being a company with historical steady and organic growth throughout the years, never having 'red numbers' in your annual books and maintaining a good reputation in the industry, we are confident that our joint efforts, inhouse and with our Customers and cooperation partners, are very powerful across all sustainability aspects.

As our business' main activity today is within the oil and gas industry, others may see us as a part of the problem in relation to climate change.

We believe we are a part of the solution for the Energy Transition.

We possess knowledge that can easily be transferred to other industries, and we can provide both insight and solutions to make our current activities within oil and gas more sustainable.



### **Better Energy Together**

THREE60 Energy Norway understands the importance of the Energy Transition and supports the move from fossil fuels to a zero carbon intensive energy.

In 2020 we assigned the HSEQ & Sustainability Manager to focus on developing and engaging THREE60 Energy with regards to ESG issues and pushing towards our strategic goals, while ensuring compliance with our policies.

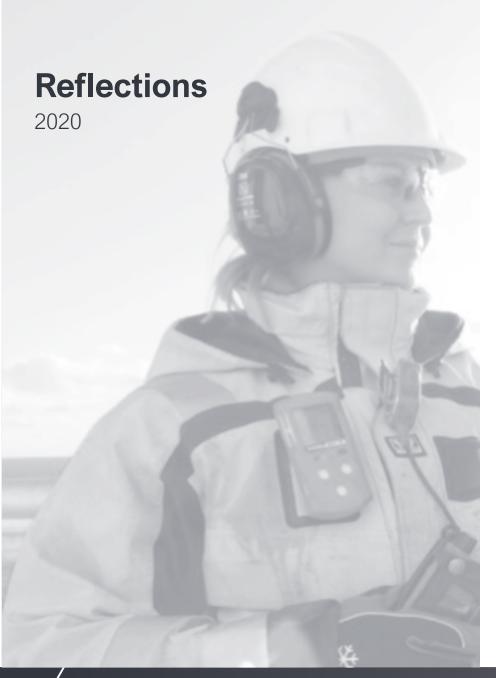
As part of the Group, THREE60 Energy Norway has supported the Energy Transition through a number of scopes delivered to clients in 2020, examples include:

- Reducing emissions through alternative power generation
- Reducing emissions through equipment rationalisation
- · Reducing emissions by converting an asset to being unmanned
- Performing a full-scale business feasibility study of a CCS project on NCS
- Supporting offshore wind projects in Taiwan
- Deployment of digital solutions for repair orders
- Methane leak prevention support
- Re-use of infrastructure for renewable energy

The Group is aiming to be accepted to join the *Fit 4 Offshore Renewables* programme which is designed to support the development of the UK offshore renewable energy supply chain. We have also been working with decommissioning and strive to explore any opportunities for a better outlook related to 2<sup>nd</sup> life operations and circular economy.

We have been focusing on the areas where our strengths lie, while evolving our knowledge and competency, and collaborating with our cooperation partners. Looking into the crystal ball, we believe our company will contribute to the Energy Transition through numerous disciplines in several industrial sectors:





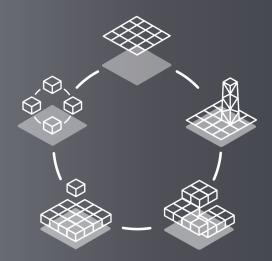
Our results, presented in this Sustainability Report, speaks for themselves, and reflect the dedication of our people, our Customers trust in us and our resilience as a company to maintain our culture, delivering quality and adapting to a changing market. As this is our first Sustainability Report, we will not compare our performance to previous years. Having 'becoming a leading providing of sustainable solutions and advisory to the industry' as a strategic goal will ensure that we become a more diverse company with a broader Customer portfolio within different industries in the years to come.

Experiencing COVID-19 put the company's resilience to the test and brought forth a continuous change process to adapt to government restrictions and changes in market. Luckily, home office were an option for many, and flexible clients also made it manageable. We established internal COVID instructions and procedures, which guided us through the pandemic. We followed up every single individual in our business, making sure that they had the equipment that they needed, and checking in on their well being . Our people are our most important asset.

Through our new Integrated Management System and processes for Risk and Opportunity Management, we are always aware of our strengths and weaknesses and have a Business Contingency Plan in place, just in case. Learnings through the pandemic and from our growing business, has been permanently implemented in our daily work and making us able to continuously improve and become more Sustainable.

2020 is now in the past and we are looking ahead towards a busy 2021. The market for oil and gas field development has been significantly incentivised by the Norwegian government during COVID-19, which means high activity the next 4-5 years though with an increased focus on Sustainability. We will follow our clients along these lines of business, while expanding our horizon and services to support the Energy Transition.



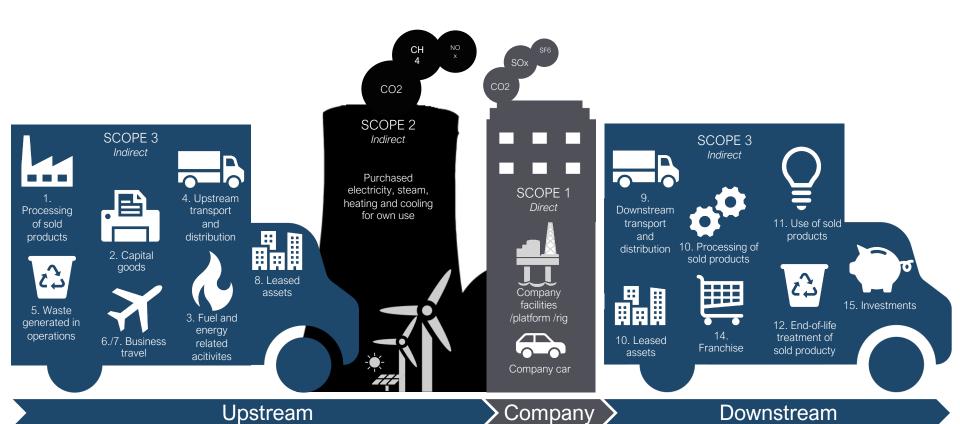


Attachments



The method for GHG reporting is in accordance with the GHG- protocol, where emissions are presented according to the illustration below, accounting for:

- scope 1 direct emissions
- scope 2 indirect emissions
- scope 3 upstream/downstream emissions





The factors used to calculate the emissions are included in the tables below:

Scope 1	Factor	Link to source

Scope 2	Factor	Link to source
Electricity	8 g/kWh	<u>NVE</u>
District Heating Stavanger Bergen	0 and 11 g/kWh 0, 4 and 8 g/kWh	Norsk Energi: Klimaregnskap for fjernvarme 2020 - Felles utslippsfaktorer for den norske fjernvarmebransjen – Oppdatering 2020
District Cooling	8 g/kWh	<u>NVE</u>

Scope 3	Factor	Link to source
Travels Air Train Bus Taxi/Car	5,8 g/pkm 59 g/pkm 66 g/pkm	SAS - Emission Calculator SSB SSB SSB
Waste - Residual	549,7 kg/tonn	



Detailed GHG scope 2 - accounting below, showing of each contribution to the total carbon footprint for the company:

Scope 2	Usage (kWh)	CO2e Emissions (tonnes)	CO2e Emissions (kg)
District Heating Stavanger	28 300	0,009	9
District Heating Bergen	9 300	0,003	3
District Cooling Stavanger	9 300	0,060	60
Electricity	24 900	0,200	200
Total	71 800	0,270	270

Comment: Our Stavanger office has installed own meters but our energy consumption in Bergen are estimates given by our landlord

kWh pr year per employee	kWh pr work day per employee	Kg CO2e pr year in total	Kg CO2e pr employee pr year
750	3,3	270	3



Detailed GHG scope 3 - accounting below, showing of each contribution to the total carbon footprint for the company:

### Waste

Kg pr year per employee	Kg pr work day per employee	Kg CO2 pr year in total	Kg CO2 pr employee pr year
25	0,11	4	0,05

### Comments:

- We do not have overview of our total amount of waste, since most of our employees are stationed at customer offices. We therefor choose to estimate our waste based on our number of employees, and try to identify what our waste is, in order to make better decisions in regards to purchases, daily decisions and to identify recycling opportunities
- Waste can be generated at: our office locations, home office, customer offices, business travels
- We don't have waste segregation in our offices, and we don't have an overview of waste segregation at our customers offices and at home offices. All waste is therefor regarded as residual waste in the calculation. Soda cans in the office, is collected and returned, and will therefor not be included in our estimate.



Detailed GHG scope 3 - accounting below, showing each contribution to the total carbon footprint for the company:

### Travels

Scope 3	Distance (km)	CO2e Emissions (tonnes)	CO2e Emissions (kg)
Air	960 621	30,70	30 650
Train	5 926	0,03	34
Bus	3 018	0,20	180
Taxi/Car	27 111	1,80	1 780
Ferry	1 323	0,60	560
Total	998 000	33	33 200

Comment: We assume we have a complete register of all travels but it is possible that not all travels are registered

Km pr year per employee	Km pr work day per employee	Kg CO2 pr year in total	Kg CO2 pr employee pr year
10 400	45	33 700	350

## **Abbreviations**



Α

**ALARP-** As Low As Reasonable Possible

В

**BOD-** biodegradation BREEAM - Building Research Establishment's **Environmental Assessment Method** 

**CCS-** Carbon Capture & Storage **CDP-** Carbon Disclosure Project CO2- Carbon dioxide

CoP- Cease of production

E

**EOR** – Enhanced Oil Recovery EPC & C- Engineering, Procurement, Construction & Commissioning ESG - Environmental, Social and Governance

F

FEED- Front End Engineering Design

G

**GDP-** Gross Domestic Product, value added created through production of goods and services

**GHG**- Green House Gas Protocol **GRI-** Global Reporting Initiative **GT**- Grand Total

Н

**H2-** Hydrogen **HPHT** – High Pressure High Temperature HSEQ- Health, Safety, Environment, Quality

**IMS-** Integrated Management System ISO-International Organization for Standardization IT – Information Technology

K

**KPI-** Key Performance Indicators

I.td - Limited

Ν

NCS- Norwegian Continental Shelf **NES-** Norwegian Energy Solutions NORSOK- the Norwegian shelf's competitive position

O & G- Oil and Gas

PESTEL- Political, Economic, Social, Technological, Environmental and Legal

S

**SDG-** Sustainable Development Goals **SPE-** Society of Petroleum Engineers SWOT- Strengths, Weaknesses, Opportunities, Threats

**ULL-** Ultra Late Life **UN-** United Nations

## **Reporting Limitations & Disclaimer**



This report contains forward-looking statements. These forward-looking statements are based on beliefs, estimates, and assumptions. THREE60 Energy Norway assumes no responsibility for the accuracy and completeness of any of the forward-looking statements contained in this report and disclaim any obligations in this regard.

The information in this report is obtained and shared with the intention of being open and transparent, but accuracy of calculations is limited by data coverage and data quality.

This report has not been reviewed by a third party, but quality assured internally.

If you have any questions, feel free to contact us on:
+47 4838 4000
post.norway@three60energy.com

Follow our progress and activities on our

http://www.three60energy-norway.com/

http://www.three60energy.com/

webpages:

THREE60 Energy Norway (@three60energy\_norway) • Instagram

https://www.linkedin.com/three60energy

