



# INTERIM ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT


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2021 mid-year report

**ACTEON**

[www.acteon.com](http://www.acteon.com)





“Acteon has a major role to play in driving the sustainability agenda and enabling the energy transition. Our services and capabilities support the application of renewable energy and help to decommission and remediate redundant oil and gas infrastructure.”

Carl Trowell, Group Chief Executive

## OUR PROMISE, OUR COMMITMENT

The world of business is changing. Companies across all industrial sectors are being challenged to innovate and create greater value while strengthening their environmental and social performance to build a sustainable future.

Acteon Group Ltd (Acteon) has a major role to play in driving the sustainability agenda and enabling the energy transition. Our services and capabilities support the application of renewable energy and help to decommission and remediate redundant oil and gas infrastructure. We help customers across the marine infrastructure industries to operate safely, efficiently and in an environmentally responsible manner. Our business activities focus on two key areas:

- solving customer challenges by applying value engineering methods to support the energy transition
- developing innovative, safe and dependable services and technology solutions that create commercial advantages and carbon efficiencies for our customers.

The health and safety of our people, customers, contractors and the communities where we operate have always been top priorities. The COVID-19 pandemic has brought this into even sharper focus. Throughout this difficult time, we have looked after our people and empowered them to continue delivering safe and effective services to customers worldwide. Going forward, working in collaboration with our customers and suppliers, we will continually increase our efforts to make a difference.

We understand that the long-term success of our business depends on our ability to improve the quality of our services and products while protecting people and the environment. Therefore, we have expanded our safety committee to cover the environment, our compliance committee to include governance and formed a new committee to cover societal issues. These committees comprise executive team members and senior leaders and are tasked with delivering our sustainability agenda and identifying emerging opportunities.

We recognise our impact on the United Nations Sustainable Development Goals, in particular goals 3, 7, 13 and 14, which cover good health and well-being, affordable and clean energy, climate action and life below water. Our strategic intent, wherever practical, is to contribute to these goals by adopting sustainable and socially responsible business policies and reporting on their implementation.

Our promise to stakeholders includes commitments to

- **enable and support the energy transition** by making offshore renewable energy more cost-efficient and minimising pollution associated with the decommissioning of redundant oil and gas infrastructure
- **protect the environment** by developing and adopting tools and strategies that support decarbonisation; we anticipate that by 2025 at least 50% of our business will be from renewable energy projects
- **act as an equal opportunity employer** that promotes diversity, inclusion, equality and a positive and safe culture for our people, with robust policies and codes of conduct in place to govern all aspects of our operations
- **engage with and invest in the communities** where we operate because caring for people and communities helps to drive performance improvement and benefits our stakeholders
- **ensure exemplary governance and compliance** at all times, including respecting human rights and promoting socially responsible behaviours.

We are embarking on a journey that will transform how we report environmental, social and governance (ESG) performance. We have a wealth of information and effective reporting structures across our eight business segments, and we are bringing this together to publish it in annual ESG reports. This first interim report represents a starting point to formalize our sustainability ambition and approach to ESG. Our intention is to provide a comprehensive account of our actions, aims and progress towards best-practice goals in future reports.

I am extremely proud of our work and of the way Acteon conducts operations. However, I acknowledge that there is always room to learn and to improve. The ESG reports will help focus our minds on that goal.

Carl Trowell, Group Chief Executive



# ACTEON'S APPROACH TO ESG

Acteon is committed to establishing a sustainable and effective ESG strategy that delivers positive impacts for the environment, its employees and wider society. This comprehensive and fully transparent approach cannot be delivered in a single policy or initiative; it will develop and evolve over time as we adapt our business activities to align with and track ESG best practice.

The Acteon group comprises eight business segments and 20 brands operating from 104 locations in 21 countries. In 2021, we started a transition from discrete, standalone approaches to managing ESG topics to a single, integrated strategy underpinned by common standards of operation and a streamlined, standardised and professionalised business management system. The metrics that we use to track and report our performance may evolve over time as this new common approach to ESG gains maturity. However, this report represents a starting point on which we can build.

Our strategy is founded on five key principles:

1. understanding and minimising our impact on the environment
2. making a positive contribution to the communities where we operate
3. ensuring zero harm to the people who work for or with us and giving them the opportunity to perform to the best of their ability
4. operating within a business framework that ensures that all decisions are made with integrity and ethical rigour
5. reporting and communicating with our key stakeholders transparently and honestly.

## ENVIRONMENT AND SAFETY

Our business strategy and service offerings are designed to support and enable the energy transition and reduce the effects of global climate change. This includes supporting the development of offshore renewable energy projects and helping our customers to reduce their emissions and minimise their environmental impact. We provide measurable environmental benefits through technologies such as our hammer noise mitigation and spoil-handling systems.

We believe that a well-governed company that acts with care and responsibility towards its employees and wider society is more sustainable and of greater value to its stakeholders.

The safety of its employees, contractors and customers is, and always has been, of paramount importance to Acteon. We conduct all our operations in-line with strict and clearly defined procedures and our goal is zero harm across our business activities.

## GOVERNANCE

Acteon is overseen by a strong governance structure. The direction is set by the Board of Directors and the group's Supervisory Board. We establish and maintain committees that oversee and report to the board on the management of our key risks, in-line with our values and ethical code of conduct. At the heart of our strategy, is an ongoing commitment to human rights and safeguarding the dignity of individuals. We have zero tolerance towards modern slavery, bribery and corruption.









## SOCIAL RESPONSIBILITY

We endeavour to treat all employees, suppliers, partners and communities with respect, and we promote equality. This is achieved through a strong health, safety and environmental (HSE) culture and an active and documented commitment to diversity, inclusivity and equality in our recruitment, employment and management processes.

## GOALS AND TARGETS

- We will publish an ESG report each year, commencing in 2021.
- We will establish an ESG committee structure, reporting to the board of directors by end Q2 2021.
- We will determine and publish GHG and other environmentally damaging emissions data and where relevant, set targets for improvement.
- We will set targets for safety, recycling, diversity and compliance.
- We will engage external bodies to independently validate our process and data.

# KEY HIGHLIGHTS

<div>SAFETY PERFORMANCE</div> <div>0.07</div> <div>lost-time incident frequency rate per 200,000 hours worked</div> <div></div>	<div>WORKPLACE INTERVENTIONS</div> <div>2,098</div> <div>preventing injury and harm</div> <div></div>	<div>AUDITS AND INSPECTIONS</div> <div>251</div> <div>completed to assess plant and equipment before use</div> <div></div>
<div>GREENHOUSE GAS EMISSIONS</div> <div>40%</div> <div>reduction per employee</div> <div></div>	<div>OCCUPATIONAL EXPOSURE</div> <div>760,208</div> <div>hours across the Acteon group</div> <div></div>	<div>COVID-19</div> <div>1,200</div> <div>employees working remotely because of the COVID-19 pandemic</div> <div></div>
<div>MENTAL HEALTH AND WELL-BEING</div> <div>611</div> <div>visitors to the mental health and well-being intranet zone</div> <div></div>	<div>GLOBAL CARBON INTENSITY RATIO</div> <div>2.3</div> <div>tCO<sub>2</sub>e per employee</div> <div></div>	



# APPLYING OUR SKILLS TO THE ENERGY TRANSITION

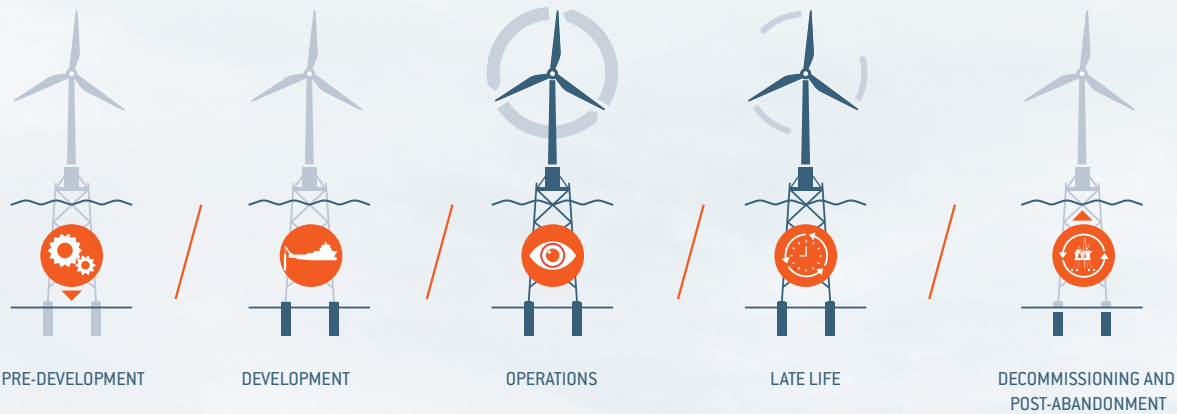
We believe that we have an important role to play in enabling and supporting the energy transition and the reduction in global carbon emissions. Indeed, although we have a long history of working to make the offshore energy industry more efficient and assisting in the removal and remediation of redundant oil and gas infrastructure, we have been undertaking a measured and purposeful transformation into the renewable energy space. In-line with this vision, our service offerings facilitate the safe and efficient development of offshore renewable energy, and we aim to become the seabed-to-surface contractor covering the entire renewables life cycle.

## BRIDGING THE GAP BETWEEN OIL AND GAS AND RENEWABLES

Acteon companies are already using their traditional oil and gas experience to help accelerate the energy transition. Over the past decade, Acteon has installed more than 2500 foundations for offshore wind farms all over the world and is well positioned to support clients as they develop renewable energy projects in deeper waters and with larger turbines.

Our predictive modelling experience, remote data access and process capabilities have been repurposed to the renewable energy revolution. More recently, we have built on this experience with our expansion into providing geo-services (geotechnical, geospatial and geophysical) to access more opportunities in the renewables space. By 2025, we anticipate that at least 50% of our business will be from renewable energy projects.

### We work across all phases of the life cycle



## CASE STUDY – ACCELERATING THE KRIEGERS FLAK OFFSHORE WIND FARM DEVELOPMENT

### The challenge

Van Oord wanted to install the 72 monopiles that make up Vattenfall’s Kriegers Flak offshore wind farm as quickly as practicable.

### The solution

We provided a MENCK MHU3500S hammer, including power packs, an ancillary hose spread and a pile sleeve modified to drive the coated monopiles. Our services included project management, engineering, equipment modification, logistics, commissioning and offshore hammer operation by expert technicians. These technicians optimised the installation frequency through pre- and post-equipment inspections backed by onshore expertise.

### The result

The partnership with Van Oord resulted in the installation of the 72 monopiles in record time and without notable hammer downtime. Van Oord and Vattenfall were very satisfied, as the swift installation meant significant reductions in cost and organisational effort.

“I wish to thank you for the reliable and solid hammer services for Kriegers Flak. A very smooth operation – excellent work.”

**Thijs Dijkers, project manager, Van Oord**



## ENVIRONMENT

We are committed to measuring and reducing the environmental impact of our global operations, specifically with respect to emissions to the environment. Acteon has voluntarily submitted environmental data covering UK operations through the Energy Savings Opportunity Scheme during phases 1 and 2 of this UK government initiative and is an active participant in the Streamlined Energy and Carbon Reporting programme, a new UK government carbon reporting scheme. All our operational facilities and office buildings around the world have conducted a Phase 1 environmental due diligence survey to identify any potential environmental issues generated from the facilities we operate; have an environmental strategy in place; and constantly strive to identify and implement energy-efficiency measures.

### ENVIRONMENTAL MANAGEMENT SYSTEMS

Responsibility for environmental performance lies with the group head of quality, health, safety and environment (QHSE) with the support of eight segment heads for QHSE. Environmental procedures and actions are recorded and monitored in our central environmental management system to identify areas of future improvements in the spirit of the ISO 14001 standard to which most of our facilities are certified.

### CLIMATE CHANGE

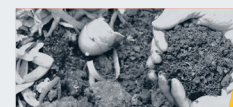
Tackling climate change is one of the priorities of our environmental strategy and we have made a commitment to track greenhouse gas emissions from our own operations and seek to reduce those emissions in a targeted manner.

To ensure that the journey towards net carbon neutrality is measurable and aligned with government strategy, we have established a range of environmental metrics that all Acteon operations are required to report monthly. This information will be used to establish a baseline from which to set meaningful greenhouse gas reduction targets.

During the first three months of 2021, Acteon's UK operations produced a total of 1632 tCO<sub>2</sub>e (tonnes of carbon dioxide equivalent) compared with 2937 tCO<sub>2</sub>e during the same period in 2020, which represents nearly a 40% reduction in emissions per employee. This reduction was influenced by the COVID-19 pandemic and its effect on the amount of international travel undertaken as part of corporate activities. However, with our pivot to a flexible working policy and the increased use of virtual meetings, we anticipate that some of these reductions will be sustained in the long term.



**In 2021, we have taken steps to standardise our environmental strategy to ensure that the same professional approach to managing our impacts is adopted across the Acteon group.**



### CASE STUDY – ELIMINATING WASTE FROM OUR PREMISES

#### The challenge

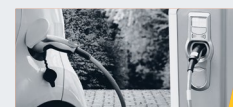
We wanted to improve the environmental footprint of our facilities by reducing the amount of waste sent to landfill.

#### The solution

Our Aberdeen, UK, facility at Tern Place House has introduced centralised recycling points across each of the three floors to segregate paper, cans, plastics and food.

#### The result

Our recycling initiatives have reduced waste to landfill by over 50% in five years. We recycle 100% of our waste wood, 100% of our steel equipment, 100% of electrical items and 100% of our printer cartridges; all our unwanted furniture goes to a local charity for fixing and reuse; and all food waste is collected and reused to produce fertiliser for the local farming, crofting and gardening community.



### CASE STUDY – SHARING E-MOBILITY INFRASTRUCTURE

#### The challenge

We wanted to encourage the uptake of green modes of transport among our employees and the local industrial community by providing access to e-charging while at work.


#### The solution

InterMoor Ltd worked with local authorities to install two electrical charging points at the Tern Place House facility. These were free to use during the first 12 months and remain open to general public use.

#### The result

Encouraged by the ability to charge their mode of transport while at work, several employees chose electric vehicles as their replacement family cars. A communications group was set up to enable employees to coordinate the charging of their vehicles.





We minimise the environmental footprints of the projects on which we work by optimising the efficiency of logistics, reducing vessel mileage and cutting the volume of equipment and number of people needed offshore.

## MINIMISING THE ENVIRONMENTAL IMPACTS OF OUR PROJECTS

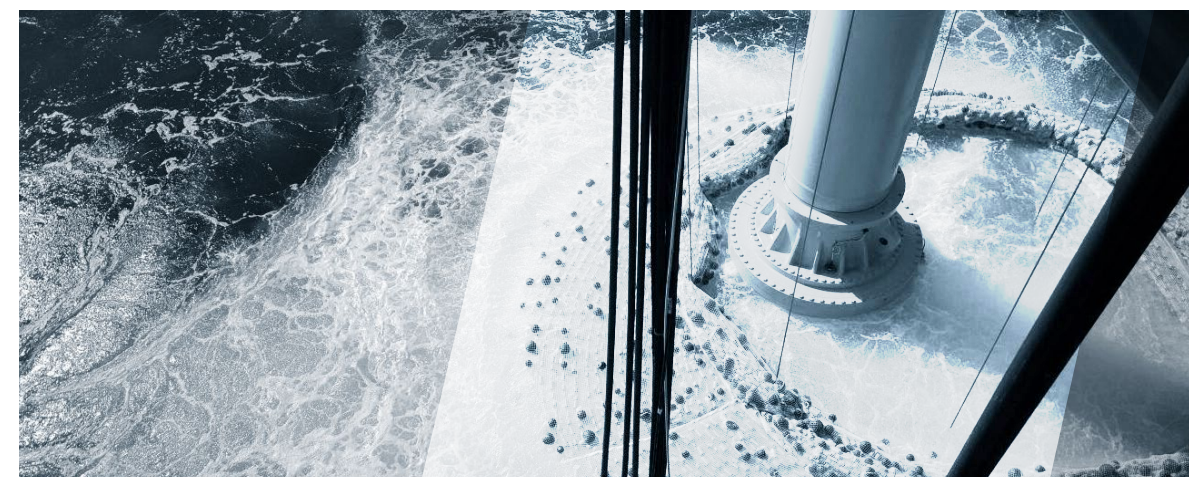
Acteon specialised services enable our customers to accelerate the energy transition and move towards net carbon neutrality; manage their projects and infrastructure more efficiently and safely; reduce emissions; and minimise environmental impacts. From virtual asset management technologies and portable systems for geotechnical surveys to noise mitigation technologies to protect marine life during piling, we have the solutions for reducing a project's ecological footprint.

### OUR METHODS

We accompany our customers throughout the lives of their assets and can decommission and remove redundant oil and gas structures, from risers and mooring systems to large platforms, while upholding high standards in safety and environmental stewardship.

Our full decommissioning package includes base port services, engineering, project management and offshore execution. In the process, we endeavour to restore a site to a clean, post-industrial condition and support artificial reefing to foster marine life.

Our integrated and innovative offshore installation methods, coupled with being vessel-independent, enable us to optimise vessel selection and maximise vessel back-deck utilisation for reduced fuel consumption and emissions.



### TECHNOLOGY HIGHLIGHT

#### Addressing the ongoing challenges of offshore underwater acoustic pollution

Using modern technology and old-school ingenuity, Acteon is leading the industry in piledriving noise reduction research and developing topside and underwater noise-reduction systems.

Our patented topside noise-reduction skirt can reduce the sound energy emission around a pile by up to 65% – which is important for those projects close to noise-sensitive areas.

Our team of engineers has developed a solution to address the challenges of environmental noise by designing a primary noise-mitigation system that is integrated into a MENCK hammer and that changes its force characteristics to reduce the noise before it is transferred to the water. This system works in addition to secondary systems that actively reduce the noise by absorbing the energy in the water during pile installations.



SAFETY

At Acteon, we create an environment in which we protect and improve the health, safety and security of our employees, contractors and customers. We take a zero-tolerance approach to unsafe actions and are committed to measuring our success by recording and monitoring compliance data, investigating incidents to develop and implement best practice across our organisation, and undertaking regular auditing of our internal processes.

SEAMLESS SAFETY

Our Seamless Safety strategy is the route map for achieving zero harm and protecting our people, customers and business partners, and the environment. This strategy is integrated into all our operations and covers physical safety, health, mental health,

well-being, security and environmental safety. It ensures an effective, consistent, seamless and transparent approach to safety. As part of this programme, all our facilities are regularly audited to ISO 45001 standards.

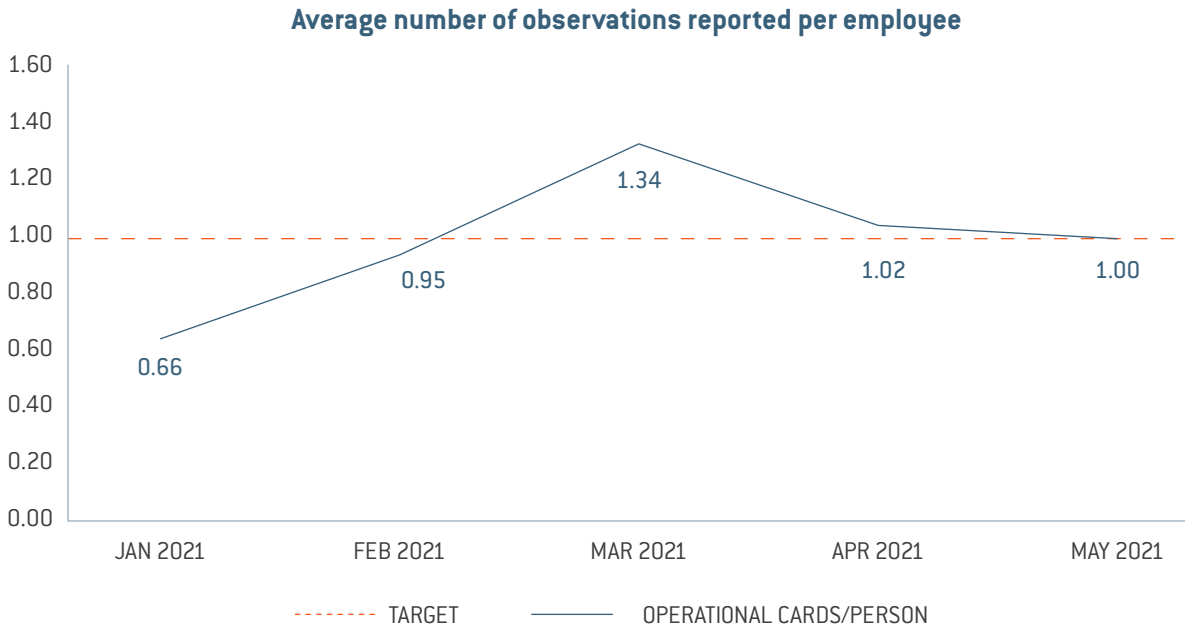
In 2021, some key steps were taken to deliver on our vision of zero harm. We restructured our QHSE team across the group to implement our Seamless Safety programme, established formal peer reviews of all personal injury and high potential (HiPo), near-miss incidents, and defined a pathway towards a single QHSE management system.

SEAMLESS SAFETY  
OUR VISION IS ZERO HARM



We empower our leaders to operate according to four guiding principles and lead by example. Acteon’s HSE guiding principles are risk assessment, mitigation controls, a trained and competent workforce, and effective supervision.

TRANSPARENT REPORTING



Our global Intellex reporting system for all safety-related incidents ensures total transparency and provides an unprecedented level of visibility of the nature of risk across our organisation. Incidents are reported at source using mobile technology or paper-based systems and are analysed by competent safety professionals. We are actively encouraging our employees to raise awareness of potential unsafe actions and to log these into our central information system. Our goal for 2021 is to double the number of observations reported to help identify areas where safety improvements are required and mitigation controls fall below the standard expected for our operations.

EMBEDDING A CULTURE OF SAFETY

Acteon requires active commitment to and accountability for QHSE compliance from all employees and contractors with the aim of elevating employee awareness and embedding a positive safety culture across the group. Every employee’s journey with Acteon has safety seamlessly integrated, from induction through to everyday operations, and measured through performance development assessments. Safety is not a separate topic: it is central to how we do things, and it is fully integrated at all levels of Acteon.

All sites have Acteon site safety standards, and site inductions emphasise the safety message. Employee inductions include a personal safety message from our group chief executive, safety moments before leadership presentations are the norm and toolbox talks focus on safety.

OUR PERFORMANCE

Near-miss incidents	25	HiPo incidents	1
Property-damage incidents	18	Vehicle incidents	4
Quality non-conformance reports	351	Environmental incidents	4
Workplace hazards reported	549	Safe behaviours observed	966
Lost-time incidents	0	Unsafe behaviours observed	835

# QUALITY

We believe that the safety and environmental stewardship of our products and services come hand in hand with abiding by the best quality standards.

## EXTERNAL AUDITING

We work closely with industry members to obtain third-party approvals and ensure that our practices remain aligned with internationally recognised standards. In 2021, we are establishing a master service agreement with DNV to support the external audit of our QHSE management systems to ISO standards (ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018).

## LEAN TRANSFORMATION

We follow lean and six sigma principles to eradicate waste, reduce variation and resolve complex problems. These are not one-size-fits-all solutions; each operating environment needs to assess its own level of operational performance and maturity to identify what fits best and what will generate the most value. Operating companies and individuals across Acteon are leading the way in both lean and six sigma methods. These principles have been applied to Acteon House in Aberdeen to improve the quality of the work environment. The site is shared by several Acteon operating companies working together in an optimised fashion and it is now an example of best practice for the Acteon group.



Acteon has established robust systems to ensure that the quality of its products and services meets the expectations of its clients.

# GOVERNANCE

## STRONG GOVERNANCE STRUCTURE

Acteon is a private limited company registered in England and with headquarters in Norwich, UK, and significant operations across Europe, the Americas, Asia Pacific and Africa. The group is overseen by a strong governance structure and its direction is set by the Board of Directors and the group's Supervisory Board. In 2016, the governance and compliance, and safety and environment committees were established. These two committees as well as the societal committee established this year comprise executive team members and business leaders who deliver our sustainability agenda across the group. We insist on independent third-party representation on both the governance and compliance, and environment and safety committees. Our policies are in effect across the group to guarantee compliance with the highest level of ethical conduct.

## FINANCIAL ACCOUNTING AND TRANSPARENCY

Acteon operates its businesses around the globe with a strong emphasis on robust financial controls supported by effective planning and reporting disciplines led by an experienced group finance function at the corporate centre. We ensure that financial processes are undertaken diligently and in compliance with relevant local laws and group policy. We conduct our tax affairs and our dialogue with the fiscal authorities in all the territories where we operate openly and honestly, and take professional advice to help us with this.

## ETHICAL STANDARDS

Acteon is committed to embedding a culture of compliance and operating within a business framework that ensures all decisions are made to the highest ethical standards. Our whistleblowing system enables anyone to anonymously report incidents, breaches or suspected breaches of the principles outlined in our *Compliance Handbook* or of any law or regulation.

During 2021, we also introduced mandatory anti-bribery and anti-corruption awareness training for all our employees to ensure that all are aware of the dangers that bribery can present and the need to remain vigilant in our daily working practices.

Further, Acteon is committed to ensuring that there is no modern slavery or human trafficking in its supply chains or any part of the group's business. To ensure we are acting in line with current international sanction regimes, we proactively monitor more than 28,000 third parties to ensure that we are always up to date with any developments in this area.



As part of its commitment to managing bribery and corruption risks, Acteon carefully selects companies to partner with and will only approve work when comprehensive due diligence has taken place.



## SOCIAL RESPONSIBILITY

Acteon is a socially responsible organisation and employer that strives to make a positive contribution to the lives of its people and the communities in which it operates. Guided by robust policies and codes of conduct, we endeavour to treat all employees, suppliers, partners and communities equally and with respect, and are committed to operating in a fair, honest and ethical manner.

### DIVERSITY AND INCLUSION

Acteon is an equal opportunity employer and is committed to promoting a culture of respect and tolerance and creating a positive working environment free from discrimination. We support diversity and equality in recruitment, employment and management processes, the guiding principles of which are laid out in our code of conduct.

Although we are still at the beginning of our diversity and inclusion journey, we increased the representation of women on the executive management team from 0% in 2019 to 12% in 2020 and increased female representation in the operational leadership levels from 14% in 2019 to 21% in 2020. Furthermore, we have improved our baseline tracking of gender diversity and implemented a talent review process that identified 35 high-potential women for targeted development and mentoring opportunities.

### MENTAL HEALTH AND WELL-BEING

We take the mental health and well-being of our colleagues as seriously as their physical health, so we have dedicated, trained mental health first-aiders across our business as well as regional external assistance programmes to provide our people with third-party, confidential support in this area. In April 2021, after the results of a group wide well-being pulse survey, we rolled out a programme of mental health awareness training for all line managers across our business and, in June 2021, we launched our flexible working policy and procedures.

### EMPLOYEE DEVELOPMENT AND RECOGNITION

As part of its talent management process, Acteon operates a training and development programme to support staff with their continuing professional development. In June 2021, we launched the Acteon Yellow Belt Lean Accreditation programme as part of our commitment to continuous improvement across all our facilities and will continue to provide recognised learning and development opportunities for our people. Our central programme is supplemented by localised initiatives run at both segment and subsegment levels. These include sponsoring employees in gaining professional qualifications and charterships, providing educational leave and offering language training.

We also operate a biannual awards programme, the Acteon Achievers Awards, offering opportunities for individuals and teams to get peer and leader recognition across seven different categories, including being a role model for Acteon group values and culture, delivering excellence in HSE, and providing outstanding customer care and experience. In 2020, Acteon was able to recognise the contributions of 250 employees through the Acteon Achievers Awards.

### LABOUR RIGHTS AND FAIR COMPENSATION

Acteon's commitment to equality and fairness is outlined in our code of conduct, and we are committed to supporting meaningful livelihoods wherever we operate. We regularly review local market data to ensure that our total remuneration package is competitive and fair, and that we are positioned to attract and retain the talent necessary for our success. In 2021, we are undertaking a review to ensure that our compensation is free from any unintended discrimination. Employee grievances are received via the whistle-blower hotline and are dealt with in a time-sensitive and confidential manner.



We believe that a well-governed company that acts with care and responsibility towards its employees and wider society is more sustainable and of greater value to its stakeholders.



# SOCIAL RESPONSIBILITY



## LOCAL EMPLOYMENT

We are committed to maximising employment opportunities at our local operations including by offering local apprenticeship programmes. Several of our segments have developed strong working relationships with local schools, colleges and universities, and now regularly recruit summer employees, interns, graduates and apprentices from these institutions.



## COMMUNITY ENGAGEMENT

We encourage and support our people to be actively involved in community projects. Staff at all levels of our business are engaged with sponsorship, charity and volunteering projects, thereby making a difference to their local communities while gaining valuable skills. Examples include helping to decorate a local care home, volunteering at food banks and organising collections of festive season gift boxes.



## CASE STUDY – RECRUITING LOCAL APPRENTICES IN KALTENKIRCHEN

### The challenge

We wanted to bring new talent into the organisation and provide employment opportunities for local young people by recruiting school leavers.

### The solution

In Kaltenkirchen, Germany, Menck hires two school leaver apprentices each year, alternating between two commercial apprentices, for example, industrial clerks, and two technical apprentices, for example, mechanical and electrical technicians. The business supports these apprentices in splitting their time between attending college and learning on the job. The apprentice programmes last for three years, at the end of which each apprentice is offered an initial six-month full contract with Menck.

### The result

This scheme provides employment opportunities for young people in our local community and gives the business access to a pipeline of new talent each year: young people who can develop within the business as they gain their qualifications.



## CASE STUDY – SUPPORTING THE COMMUNITIES IN WHICH WE OPERATE

### The challenge

Employees at our Houston, USA, office wanted to give back to the community and support the families that had been affected by Hurricane Harvey.

### The solution

A team building volunteering day was organised at the Houston Food Bank. Most of the team assembled disaster boxes of food in the warehouse for sending to families staying in shelters or displaced from their homes.

### The result

Our employees helped to make up 2640 boxes, the equivalent of 13,200 meals.





# ACTEON

## INSIGHT



## INFRASTRUCTURE

