



SUSTAINABILITY REPORT

2022





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1. INTRODUCTION

At Vroon Offshore Services (VOS), we operate in accordance with the United Nations' (UN) 2030 Agenda for Sustainable Development and its <u>17 Sustainable Development Goals (SDG)</u>. The International Maritime Organization (IMO) is <u>actively working</u> towards this Agenda and the associated SDGs, which depend on a sustainable transport sector supporting world trade and facilitating global economy.

These SDGs provide a blueprint for the transition to a healthier planet and a more just world – for present and future generations. With concrete targets, the SDGs aim to end poverty and hunger, expand access to health, education, justice and jobs, promote inclusive and sustained economic growth, while protecting our planet from environmental degradation.

We acknowledge these principles of <u>stewardship</u>, and conduct our business based on high standards of ethics, as embedded in our <u>Code of Conduct</u>.

Adhering to these important principles, we have specified the three main pillars that warrant and support a sustainable future: **ENVIRONMENT**, **STAKEHOLDERS** and **PEOPLE**. This Report is structured to these three pillars.

The Vroon Offshore Services Sustainability Report details our non-financial performance, and the main sustainable initiatives taken across VOS during 2022. Per chapter, it details the link to related SDGs.



Figure 1:The 17 UN Sustainable Development Goals – <u>https://sdgs.un.org/</u>

2. MESSAGE FROM THE CEO

Dear colleagues and friends,

Our operations take place in countries around the globe, more often than not in complex environments. In this context, our Core Values form the cornerstones that will help us achieve our collective Vision - to be a premier shipping company, dedicated to a sustainable future.

Environmental sustainability is a key element in our Vision and Mission and forms an integral part of our Core Values. It includes, but goes beyond, compliance-driven decision making and is connected to the Sustainability Development Goals of the United Nation's environment programme.

Our initiatives, actions and targets to protect the environment include proactive efforts to reduce energy consumption and reduce emissions, by focussing on behaviour, operational efficiency and implementation of innovative systems. We strive to reduce production of waste and eliminate spills and implement policy and guidelines to the highest industry standards.

Beyond environmental initiatives, sustainability includes other elements that are close to our hearts, such as taking care of our people, and working closely with stakeholders towards a better future.

In this context, the Report in front of you lists our efforts and achievements on sustainability over the year 2022.

I hope you will find this an interesting read.



Herman Marks, Vroon Group CEO

Picture 1: Management Team at the Winter Management Event – Texel (NL)

3. PILLAR 1: PEOPLE



3.1 Taking care of our people

Vroon is an equal-opportunity employer and adheres strictly to internal standards (Code of Conduct), and the standards laid down in the ILO Maritime Labour Convention (MLC 2006), to which each vessel is audited and certified by the Flag state or Recognised Organization (Classification Society).

In addition, VOS is certified to the ISM Code and ISO 45001:2018, affirming the high Company standards, ensuring workers' health & safety, as well as workers' consultation and participation. See also par. 4.4.

3.2 Employer of choice

3.2.1 Introduction

At Vroon, we seek to be an employer of choice, promoting teamwork and personal development. We want to recruit, develop and retain the most talented people, irrespective of background, culture or gender. We offer and contribute to a secure place of work for all colleagues, ashore and at sea. We provide a working environment where all employees are treated as individuals, fairly and in a consistent way.

3.2.2 Diversity and gender equality

We encourage the principles of diversity and inclusion in everyday activities, roles and functions and actively challenge any kind of



Picture 2: Classification and Statutory Surveys Course, provided by Lloyd's Register

discrimination or harassment, should it arise. We value loyalty, honesty and integrity and we treat each other with respect. We each do our best, give our best and expect the best from each other.

3.2.3 Code of Conduct

In 2022, new initiatives were taken to ensure implementation of the Company <u>Code of Conduct</u>, safeguarding above principles. In support, the role of the internal and an external confidant was formalized.

3.2.4 Training

At Vroon, we highly value training and personal development. Regular staff training is offered to ensure relevant knowledge is kept up to date, and new knowledge is obtained. Examples from 2022 are a Classification and Statutory Survey Course (picture 2), DP Familiarisation course, Handling Stressful Situations, etc. Additionally, a personal training budget is available for all employees, to develop competence as deemed valuable.

3.2.5 Unlimited shipboard internet access

Internet access is a very important element for crew members to stay in contact with their loved ones while serving on board. For over ten years, free internet access has been provided to crew on board, albeit with restrictions. Since October 2022, all crew members benefit from unlimited free internet use, 24/7.

3.3 Leaders in Safety - Programme

3.3.1 Introduction

Every accident is one too many. In Vroon we truly believe that if we work together, it is possible to create an incident-free working environment, where we all return home after duty, safe and healthy, to the ones we care for most. We strive to make our vessels and workplaces a safe place to be. This in an industry that is inherently dangerous, where we are all constantly surrounded by hazards, on a day-to-day basis.



Leaders in Safety

After every accident, we investigate what happened and what we should do in order to prevent future reoccurrence of these kinds of accidents. We believe by learning collectively we can prevent all significant incidents. In order to continue our journey toward a safer working place we have to apply our safe systems of work, and actively target behaviour. Our work in this field is never finished, as we need constantly to improve our safety performance. As our environment constantly changes, we need to adapt and change our awareness. We motivate each person to contribute toward the growth of a culture where working safely is a constant; working unsafely is simply unacceptable!

In Vroon we believe in this long-term cultural change process, and we all expect all, management and employees alike, to fully support this programme.

The Leaders in Safety (LiS) programme, which calls for the organisation to unite and work together, has been running since 2013. Through active participation and improved safety awareness, incidents are prevented and we have seen a significant reduction of incidents over the years.



Picture 3: First group of participants of the Leaders in Safety Master Course, held in Genoa

In 2022, the following two LiS minipacks were rolled out. A minipack is followed by a shipboard session, supported by video and training guide, aimed at presenting, sharing and discussing the contents.

3.3.2 Minipack 20 - Taking decisive action

When situations happen, it is important to take decisive action. This can protect yourself, your team and the vessel, and prevent or limit damage. Some situations are complicated, and it can be hard to decide what to do and which actions to take. This module provides a technique 'Identifying Blockers' to identify what is stopping you from making the decision, to plan and take action when situations occur.

3.3.3 Minipack 21 – How resilient are you?

We are all born with the capacity to deal with and bounce back from problems and challenging situations – this is known as Resilience. This ability, just like one's ability to play a particular sport or instrument, can be improved and strengthened with practice and by learning new techniques. Increasing and strengthening our capacity to deal with life's ups and downs helps us to be the best we can be, as individuals and in teams, and has an important link to safety.

Developing Resilience gives us the skills to improve our response to difficult or stressful situations. The Resilience techniques help us train our brains to see stress in a different way and allow us to use our brains to the best of our abilities during challenging times and while working in safety-critical environments.

3.4 Vroon 24 – Annual Safety Celebration

In Vroon, we actively celebrate safety annually, during what is known as our **Vroon24** event. It is an opportunity to get in touch with all vessels and offices for a chat about safety.

The 2022 <u>Vroon24 Safety Event</u> took place on 9 and 10 November, with VOS actively participating.

We can often forget how important it is to take time to be proud of what we have achieved. Doing so helps



us stay positive and build new successes as we go forward. For our 2022 Vroon24 event, colleagues were encouraged to share the successes they, their teams and families had accomplished over the previous year. Whether they were big or small, we wanted you to **Celebrate your successes!**

In 2022, Vroon24 included some additional events, organised from Monday to Friday in all offices. These aimed to get our office staff away from their desks and involved in safety-related activities, raising awareness and brushing up on some basic skills.



Picture 4: Crew of VOS Apollo during Vroon24

4. PILLAR 2: STAKEHOLDERS



4.1 Introduction

VOS operates in a high-hazard, complex and heavily regulated industry, serving many of the largest (oil, gas and renewable) energy companies in the world on a daily basis.

To ensure continued compliance and meet (future) Client requirements, we place trust on our own highly skilled and experience staff, as we do also rely on our business partners, subcontractors and Picture 5: Master and Officers on board VOS Stone vendors.



Through close cooperation with maritime research centres and industry bodies, we explore and innovate opportunities to improve safety, reliability and reduce our impact on the environment.

We have seen, and continue to see, new technologies coming to market, which allow us to improve our energy efficiency by, for example, installing battery packs, making use of shore power supply and switching to alternative fuels, such as methanol, HVO, hydrogen and ammonia. These developments will have a significant impact on reducing our carbon footprint. We will continue to monitor, trial and adopt new technology, offering high-quality innovations to our clients without compromising on safety and reliability.

4.2 Industry memberships

4.1.1 IMCA

Vroon Offshore Services is a proud contractor member of IMCA, the International Marine Contractors Association, in order to share best practices, for access to industry standards, and to assess/benchmark its own performance on health, safety and environmental performance.



4.1.2 Marine Safety Forum

Vroon Offshore Services is an active member of the Marine Safety Forum, to actively promote good practices and initiatives that enhance safety within the marine sector of the offshore energy industry. This way, we



reduce the likelihood of personal injury incidents, and environmental incidents alike. Safety Flashes are shared cross-industry, and actively discussed on board vessels to prevent similar incidents.

4.1.3 The Maritime Anti-Corruption Network (MACN)

Vroon has been a proud member of the <u>Maritime Anti-Corruption</u> Network (MACN) since 2015. MACN is a global business network working

towards the vision of a maritime industry free of corruption that enables fair trade to the benefit of society at large.

Corruption is a major obstacle to sustainable development, as it affects all five pillars of sustainable development – people, planet, prosperity, peace and partnerships. Corruption leads to weak institutions, creates injustice and insecurity, destroys justice and fairness, and deprives people of basic needs such as health care, education, clean water, sanitation and housing. It also hinders economic growth, threatens environmental resources, destroys innovation and makes our world even more turbulent. Established in 2011, MACN has grown to include over 180 companies globally, and has become one of the pre-eminent examples of collective action to tackle corruption.

MACN and its members work towards the elimination of all forms of maritime corruption by: raising awareness of the challenges faced; implementing the MACN Anti-Corruption Principles and codeveloping and sharing best practices; collaborating with governments, non-governmental organisations and civil society to identify and mitigate the root causes of corruption; and creating a culture of integrity within the maritime community.

4.1.4 Royal Netherlands Shipowners Association (KVNR)

The Royal Association of Netherlands Shipowners (KVNR) represents its member ship owners based in the Netherlands. The KVNR focuses on politics, government, the maritime cluster and society. The KVNR strives to ensure that Dutch shipowners can operate globally while navigating safely with clean ships operated by skilled crews.

Vroon is an active member of the KVNR and participates through various working groups, aiming to share knowledge and provide feedback where possible.

4.3 Industry recognition and awards

In 2022 Vroon Offshore Services was awarded the <u>Four-Star CEO SSHE Contractor Award</u> by charterers <u>PTTEP</u> (PTT Exploration and Production Public Company Limited). PTTEP is one of our long-term partners in the offshore oil & gas exploration and production in the Gulf of Thailand. The Award recognised four consecutive years of excellent Security, Safety, Health and Environment (SSHE) performance by the VOS Singapore teams, on board and in the office.

The 2022 PTTEP SSHE Forum took place in March 2022. VOS Singapore contributed, with a talk on our in-house Leaders in Safety and Vroon24 safety programme (see par. 3.3).







4.4 Company certification

4.1.5 ISO certification

Following a successful tendering process for five-year Marine Management Services, Vroon Offshore Services was fully recertified by <u>LRQA</u> during 2022, to the international standards of ISO 9001, <u>Quality Management</u>, <u>ISO 14001</u> <u>Environmental Management</u> and <u>ISO 45001 Occupational Health and Safety</u> <u>Management.</u> Additionally, LR re-issued two ISM-DOCs (see par.0) as result.





Picture 6: Signing ceremony – Five-year contract for Marine Management Certification awarded to Lloyd's Register / LRQA

4.1.6 ISM-DOC certification

ISM-DOC certification is the certification of an organisation to the standards of the <u>IMO ISM Code</u>, ensuring safe management and operation of ships and pollution prevention.

As a result of the successful ISM-DOC initial audit at VOS Aberdeen in October 2022, "Project Harmonia" implementation was completed, finalising a project that was initiated in 2021. This project aims to structurally improve efficiency and collaboration between the VOS branch offices, reducing bureaucracy through a joint management system and revised organisational structure.

In less than 15 months, all required steps were completed and full-term ISM-DOC re-certification for a total of six different Flag States was realised.

5. PILLAR 3: ENVIRONMENT



5.1 Fuel consumption and air-emission reductions

Consistent with the <u>Paris Agreement</u> temperature goals, the <u>IMO</u> (International Maritime Organization) <u>Initial GHG Strategy</u> is to cut annual greenhouse gas emissions from international shipping by at least half by 2050, compared with their level in 2008, and work towards phasing out GHG emissions from shipping entirely as soon as possible. The GHG Strategy envisages a reduction in carbon intensity by at least 40% average by 2030 and pursuing efforts towards 70% by 2050, compared to 2008.

VOS supports these efforts and in response has developed its own projected 'Path to Zero', which requires substantial further investment in the later part of the plan period as well as the implementation of technology which is still under development. The VOS 'Path to Zero' is visualised below:

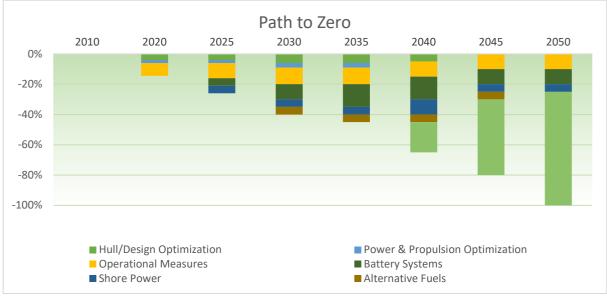


Figure 2: VOS 'Path to Zero'

5.2 Optimised ship design

In 2011, during the design stage of newbuild series of the PX-121 Platform Supply Vessels (PSV), the engine configuration and hull design were optimised using Computational Fluid Dynamics (CFD) methodology. As a result, these vessels were built with two small and two large main engines, which reduced fuel consumption by 4%, making these vessels "Best in Class" on environmental performance.

Similarly, in 2013 the ship design of the KCM 80 PSV series was also optimised. Working closely with an expert naval architect team, the standard hull design was analysed and optimised using Computational Fluid Dynamics. The results were used to make various changes to the standard design, giving an approximate 12% fuel reduction across a vessel's lifespan.

5.3 Energy Efficiency Programme achievements

An overview of achievements over the years is provided below, with estimated savings (in %):

2010-2015

• 2010 Operational Efficiency Programme - 10-15%

2015-2020

- 2018 VOS Partner Main Engine Optimiser (Caterpillar automation) 1%
- 2018 Phasing-in of 'Best in Class' Antifouling 2%
- 2020 Environmental Class Notations awarded 2%

2020-2025

- 2021 Engineering for hybrid power (battery) on PSV and SSV 15%
- 2021 2023 Alternative fuel pilot project HVO, methanol, hydrogen
- 2022 Renewed Ship Energy Efficiency Management Plan Project 10-15%
- 2022 Office renewable-energy and energy-saving project
- 2022 2023 LED light replacement LED lights 0.5%
- 2022 2023 Shore-power project in collaboration with Port of Den Helder
- 2023 Implementation of Group-wide performance-monitoring system



Figure 3: Rollout of reduction measures, as per 'Path to Zero'. See also par. 5.1

5.4 Sustainable ship recycling

All VOS vessels are certified in accordance with IHM regulations, and an accurate inventory of hazardous materials (IHM) is kept up to date throughout a vessel's lifetime. This process ensures that, at the end of its lifetime, a vessel can be recycled to the highest environmental standards.

At the end of their lifetimes, all our vessels are recycled in a safe and environmentally sound manner at shipyards that comply with the highest requirements, according to the applicable laws, and that have been through a strict due-diligence process prior to being awarded a recycling contract.

VOS fully supports the ratification of the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships (the Hong Kong Convention (HKC)). Vroon acts in accordance with the EU Ship Recycling Regulation (SRR) and the Basel Convention. Practically, this implies a ban on the export of hazardous waste, including end-of-life vessels, from countries in the Organisation for Economic Co-operation and Development (OECD) to non-OECD countries.

5.5 Ballast-water management

Uncontrolled ballast water may contain aquatic organisms or pathogens which, if introduced into the sea, including estuaries, or into freshwater courses, may create hazards to the environment, human health, property or resources and impair biological diversity.

In response, the <u>IMO Ballast Water Management Convention</u> was implemented. All our vessels have approved ballast-water management plans in place, in accordance with the IMO's Ballast Water Management Convention, which meets the strict D-2 discharge standard.

For several vessels, engineering was conducted to show vessels can operate safely without conducting any ballast-water discharges, eliminating the environmental risks altogether. These vessels were successfully re-certified accordingly.

5.6 Hazardous material handling

Our offshore-support vessels are fully certified to the highest standards (IMDG, MARPOL Annex II, OSV Chemical Code, LHNS guidelines, as applicable) to safely carry hazardous products, both in packed and liquid bulk quantities. These are products used in the offshore production process.

Additionally, all vessels carry small quantities of lubricants, paints and chemicals for on-board use. All our crew members are fully trained and qualified to handle such products, in compliance with the highest regulatory and industry standards. Our crews are also trained in emergency preparation and response, to ensure the highest level of safety and minimise any potential effects should an incident occur.

5.7 Spill prevention

Accidental spills of oil and other substances may cause significant ecological harm. Harmful spills may not only require extensive recovery efforts, but could also lead to reputational damage, as well as economic penalties. Through preventive maintenance and inspections, and regular drills & exercises, the Company ensures the likelihood and impact of any spill is minimised.

5.8 Responsible waste disposal – 'War on Plastic' campaign

All shipboard waste is regulated by MARPOL's Annex V, ensuring proper waste-management practices on board. However, our ambition reaches higher and at Vroon Offshore Services we are striving to drastically reduce the amount of single-use plastics before 2025, in line with the <u>IMPA SAVE pledge "Getting to Zero"</u> initiative. To give an indication of the waste produced, an industry survey in 2021 showed that each vessel uses more than 7,500 plastic bottles annually.



In 2022, new systems were trialled using filtered water from *Picture 7: Water-filter system installed* potable water tanks. The crew of VOS Patriot, one of the test *on bridge VOS Patriot* vessels, are very positive about this change. They state the water of

the new system tastes great, and the re-usable flasks provided are of excellent quality, keeping water fresh and well cooled.

5.9 Sustainable ship Class notation

Vroon Offshore Services' commitment to sustainability has been endorsed by our Classification Societies, with the award of a voluntary Environmental Ship Class notation. As such, the VOS Den Helder fleet enrolled into Lloyd's Register ECO notation, which includes <u>"Ship Emergency Response Service (SERS)"</u>, enhancing the organisational emergency response capabilities.

In 2022, VOS Genoa was the first Italian company to be awarded the prestigious RINA "Sustainable Ship" Class notation for their platform-supply vessels and two anchor-handling tug supply vessels. In order to be classified as "Sustainable ship" by RINA, compliance with the following Class Rules must be demonstrated:

- 1) <u>Green-Plus notation;</u>
- 2) Biosafe-Ship notation;
- 3) MLC-Design notation;
- 4) Efficient-Ship notation

For more information on the details of Class notations, see the Classification Society websites listed below:

- Lloyd's Register <u>SERS</u> and <u>ECO notation</u>
- RINA Green Plus, BioSafe, MLC Design and Efficient Ship notation



Picture 8: Crew of VOS Stone

6. VROON OFFSHORE SERVICES – IN NUMBERS

6.1 Health and Safety statistics

6	5.1.1	Personal injury / accidents			
	#	Item	2022	2021	+/-
	1	LTI-FR (Lost Time Injury Frequency Rate, 200.000 EX.H)	0.09	0.05	+0.04
	2	TRIR (Recordable Accident Frequency Rate, 200.000 EX.H)	0.21	0.12	+0.09

6.1.2 Safety actions

#	Item	2022	2021	+/-
1	Safety Observations reported	9081	9312	-231
		μ ¹ 119	μ 111	μ+8
2	Interventions applied	2076	2320	-244
		μ 27	μ 28	μ-1

6.2 Environmental statistics

#	Item	2022	2021	+/-
1	Category C spills (5-100 litres)	2	1	+1
2	Tons CO2 emissions	248.640 μ 3272	229.880 μ 2737	+18.760 +535
3	Vessels with Environmental Ship Class notations	27	25	+2
4	Nr. of vessels not using single-use water bottles	29	8	+21
5	Nr. of vessels converted to LED lighting	20	0	+20

6.3 Operational statistics

#	Item	2022	2021	+/-
1	Vessels	76	84	- 8
2	Operating days	25.555 μ 336	28.136 μ 335	-2581 +1
3	Reliability rate (operational)	98,9%	98.8%	+0.1

μ = Average per vessel

6.4 Human Resources and Crewing

#	Item	2022	2021	+/-
1	Vessel crewing pool (average)	1.045	963	+ 82
2	Retention rate (vessel crew)	78%	79%	-1%
3	Number of office staff (FTE)	90	95	-5
4	Retention rate (office staff)	75%	95%	- 20%
5	Diversity of office staff (managers)	M: 86% F: 14%	M: 87% F: 13%	M: -1% F: +1%
6	Training expenses per FTE (office staff)	€1030	€ 442	+€588



7. LEARN MORE ABOUT VROON OFFSHORE SERVICES

Find more information about our Company, our fleet and our sustainable initiatives, visit:

WWW.VROONOFFSHORE.COM



