

# Sustainability Report 2023

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# Setting Sail Towards Sustainability



Anders Egehus  
CEO

## Dear reader

At G&O Maritime Group, we have been at the forefront of developing sustainable solutions for the maritime industry across generations and our commitment to innovation remains steadfast in addressing the industry challenges.

Our vision is to make vessels a greener and safer place to work. To achieve this, we continuously design products and offer solutions, enhancing crew health and safety while simultaneously reducing emissions and minimizing the impact from our products on marine ecosystems.

Our reporting addresses sustainability across various domains, including human rights (including labor rights), the environment, and the economy. We prioritize transparency and the delivery of reliable data in our sustainability reporting.

Our initiatives are closely aligned with internationally recognized principles and developed in collaboration with experts. We maintain alignment with the UN Guiding Principles and the OECD Guidelines for Multinational Enterprises.

By mapping our organization against these benchmarks, we proactively identify potential adverse effects and take corrective actions as needed.

In 2023, we built upon the milestones set in 2022, further future-proofing our products and offerings.

In 2023, significant simplifications were made to our ECO66 valve, facilitating modularity and, most importantly, ensuring compatibility with dual fuel ship engines. In 2024, we will introduce the first type approved Methanol valve, guaranteeing safe tank handling on dual fuel ships.

Our 5S journey persists, with the Sustaining phase applied in certain areas and the Set in Order phase expanding into others as we extend our reach.

Our focus remains on life cycle management and sustainability baselines, ensuring that sustainability is seamlessly integrated into our daily work processes. Our initiatives evolve and expand as we progress.

We look forward to the ongoing journey ahead as a responsible subsystem provider to the maritime industry.

As an organization, we remain persistent in our commitment to continual improvement. Our dedication to openness and trustworthiness is genuinely embedded in our core values as we take ownership of our actions and foster effective collaborations to drive progress toward our goals.

Yours faithfully,  
Anders Egehus

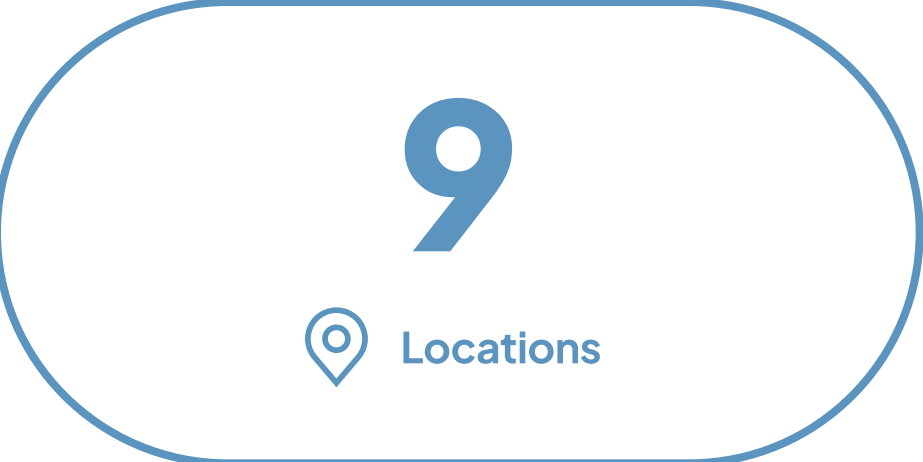
A handwritten signature in black ink, appearing to be 'AE', written in a cursive style.



# Business model & Key figures

G&O Holding 2021 A/S (GOMG) is owned by a diverse group of investors, with Polaris as the majority shareholder. GOMG represents a group of niche sub-system providers within the maritime industry, each boasting market-leading products.

Established in 2014 following Gertsen & Olufsen's acquisition of Atlas Incinerators, the six brands operate across propulsion management, tank management, and water & waste treatment systems. The Group employs about 300 employees across nine locations in three countries, strategically positioned near major shipyards and engine builders. In 2023, the Group, including Hans Jensen Lubricators (HJL) and HECO China realised revenue exceeding DKK 400 million.





# Our sustainability statement

As a sub-system provider within the global maritime industry, our vision at G&O Maritime Group is to enhance the environmental and operational aspects of vessels. We tirelessly pursue this vision by improving the contributions of our products, focusing on the following areas:

#### Enhancing vessel efficiency by:

- Promoting reduced fuel and oil consumption, minimizing emissions from cargo, and decreasing power usage during operations.
- Extending the lifespan of vessels, engines, and equipment, thereby delaying repairs and replacements to reduce embodied emissions and waste.
- Actively supporting the maritime industry's transition to new, sustainable fuel types by offering adaptations to accommodate these fuels.
- Mitigating harmful impacts on marine ecosystems and safeguarding life below water through biological wastewater treatment, minimizing vibrations, and providing effective waste handling to combat ocean pollution.

#### Ensuring vessel safety by:

Assisting our customers, including ship owners and managers, in minimizing health risks and accidents, establishing higher standards for workforce well-being through reduced explosion risks, vibrations, noise levels, and vapours on board.

#### We acknowledge that becoming a sustainable sub-system provider is an ongoing journey, and we commit to:

- Maintaining transparency and measuring our sustainability impacts and contributions through annual calculations of our scope 1–3 GHG emissions, documenting the inherent sustainability contributions of our products.
- Advocating for the green transition of the maritime industry through memberships in various industry organizations.
- Collaborating with customers to promote awareness of the importance of timely maintenance and service, offering programs such as product exchange and reuse, and expanding our take-back services.
- Continuously work with reducing our own GHG emissions, both from our operations and suppliers, and improving the inherent sustainability of our products.
- Striving for a zero-accident workplace by measuring health and safety performance, optimizing processes, and providing a safe, inclusive, and supportive work environment for our employees.



## SUSTAINABILITY STATEMENT

- Adhering to internationally agreed principles of sustainable development, including human rights, environmental sustainability, and economic sustainability through the UN Guiding Principles and the OECD Guidelines for Multinational Enterprises.

### We do this by

- Adopting a sustainability Policy Commitment, vetted by external experts.
- Establishing and maintaining a Due Diligence Process, aligned with UNGP/OECD guidelines.
- Provide access to remedy through grievance mechanisms/whistle-blower system.

The most significant CSR related risks for G&O Maritime Group are related to the areas within social and employee relations, environment, and climate. Our business model is based on developing and producing sub-systems within the Maritime industry and the environmental and climate footprint of G&O Maritime Group is overall related to the use of energy and proper waste handling from our production processes.

Our production is mainly located in Denmark and must follow Danish rules and legislation. Based on this the risks related to climate and environment are limited for G&O Maritime Group. Regarding social and employee relations, most employees are employed in Denmark, a country known for its low incidence of human rights violations. In addition, we strive to adhere the same standards in our foreign sites.





# Our sustainability KPIs



We are actively working towards establishing ourselves as a genuinely sustainable sub-system provider for the maritime industry. Our progress is assessed through a set of six key performance indicators (KPIs) and three initiatives categorized into three groups:

- As a component of the Polaris company portfolio, we evaluate our performance based on three predetermined KPIs that are openly disclosed for all portfolio companies.
- Additionally, we have identified three KPIs inspired by the Sustainability Accounting Standards Board (SASB), which offers industry-specific standards for companies to disclose financially material sustainability information to investors and other financial stakeholders.
- Lastly, we are placing particular emphasis on three specific initiatives already integrated into our standard practices. These initiatives possess the potential for increased impact through more focused implementation and tracking.

### KPIs across Polaris portfolio companies

-  CLIMATE ACTION
-  GENDER EQUALITY
-  EMPLOYEE TURNOVER

### SASB KPIs in G&O Maritime Group

-  WORKFORCE HEALTH & SAFETY
-  ENERGY MANAGEMENT
-  EMISSIONS IN USE-PHASE

### Other initiatives in G&O Maritime Group

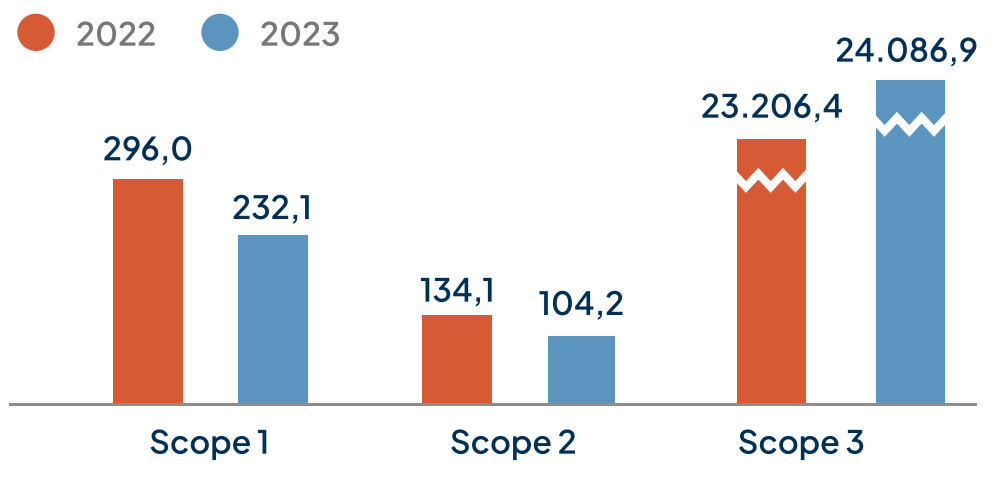
-  ENERGY REDUCTION
-  5S SAFETY PRINCIPLES
-   ENHANCE PRODUCT OFFERING





### CLIMATE ACTION

170,8 tCO2e intensity (171,0 tCO2e in 2022)



2023

Reduction predominantly driven by a significant decrease in gas consumption as well as lower energy consumption. Increase in Scope 3 driven by volume.

G&O Maritime Group discloses CO2 emissions according to the GHG Protocol and work actively to reduce emissions from our own operations as well as emissions from upstream and downstream activities.

#### Tracking

Scope 1 & 2: Calculations based on activity-based data. Scope 3: All relevant categories included - combination of spend-based calculations and activity-based estimates

#### Strategy & targets

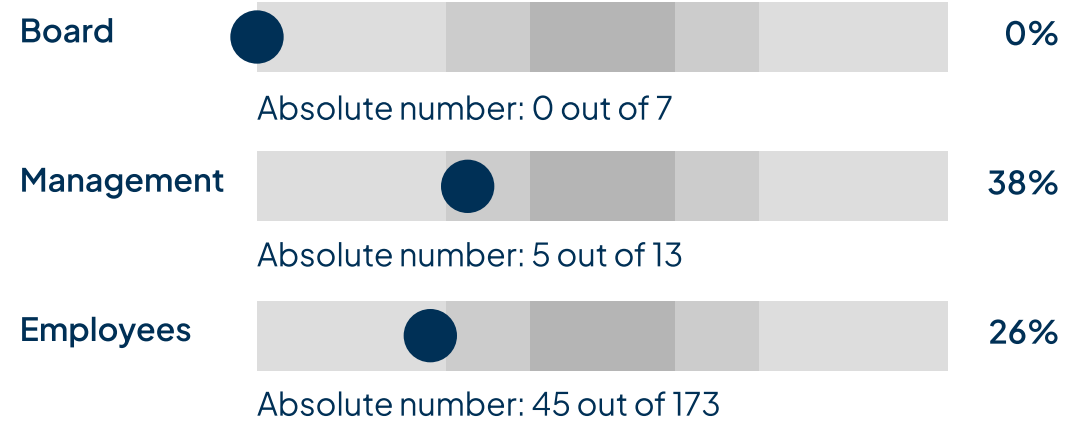
Work with sustainability across our value chain, including tracking emissions from our suppliers and collaborating with partners to improve transparency

#### Initiatives & next steps

Unfortunately, we have not yet been in a position to include Hans Jensen Lubricators and HECO China in our baseline however, it remains our goal.



### GENDER EQUALITY



2023

We want to ensure a fair share of women represented in different organisational levels.

#### Tracking

Tracking of gender distribution across the organisation, expressed as a percentage and tracked on a yearly basis.

#### Strategy & targets

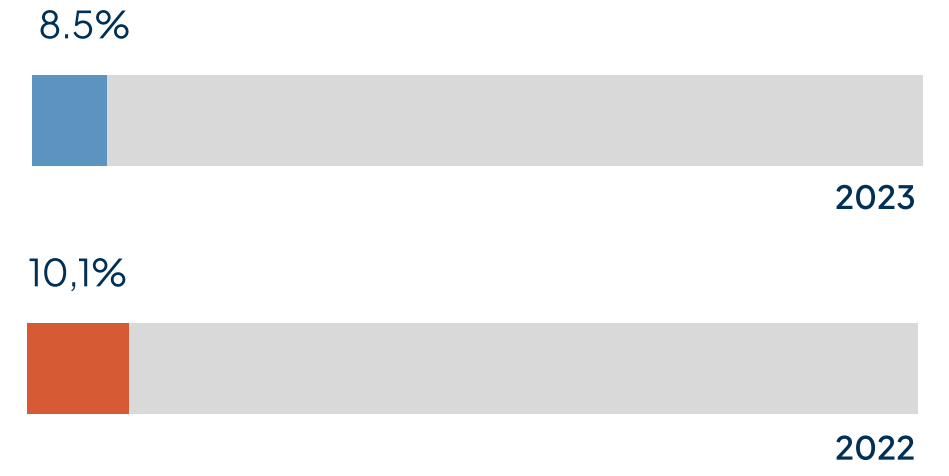
Our long term objective is to reach a minimum representation of each gender of 40%.

#### Initiatives & next steps

Emphasise existing policies in support of work-life balance. Encourage and support careers for women in male-dominated fields. Ensure equal pay for equal work, and conduct regular pay equity audits.



### EMPLOYEE TURNOVER



2023 Total workforce is exclusive of student assistants and part-time workers.

We protect labour rights and promote a safe and healthy work environment where our employees can thrive.

#### Tracking

Tracking of voluntary employee turnover in place across the organisation, expressed as percentage of total workforce

#### Strategy & targets

Our aim is to achieve employee-initiated turnover below 10%. Employee retention is a key responsibility for all managers.

#### Initiatives & next steps

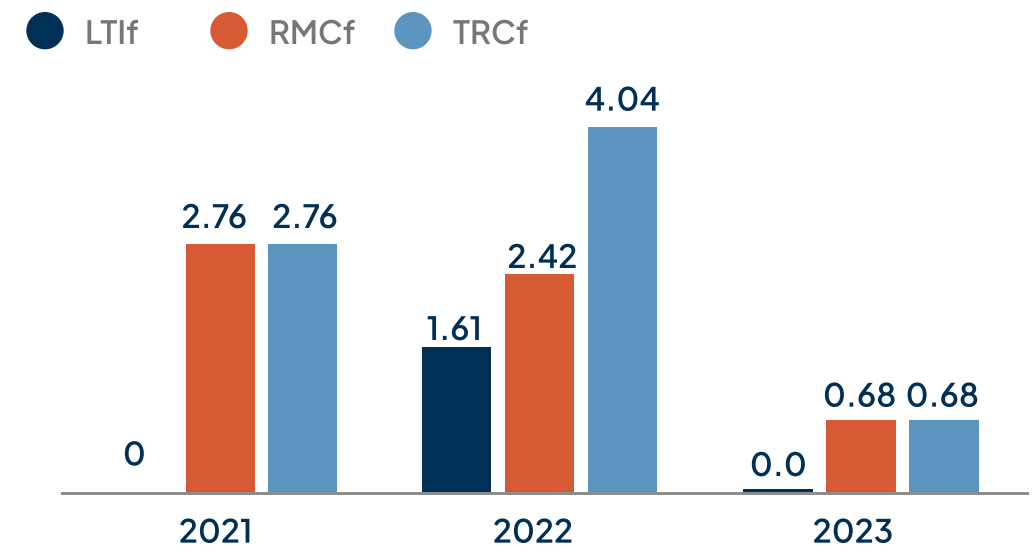
Initial steps will be to establish root causes for employee-initiated turnover based on:

- Employee Engagement Survey that identify areas of improvement
- Recruitment & Onboarding
- Exit interviews
- Encourage employee feedback and act on it





**WORKFORCE HEALTH & SAFETY**



Minimising accidents and enhancing safety measures across our facilities

We are committed to providing a healthy, safe and inclusive work environment where all our personnel can thrive.

**Tracking**<sup>1</sup>

KPIs are calculated based on industry standards  
 LTI – Lost Time Incidents  
 RMC – Recorded Medical Cases (no sick days)  
 TRC – Total Recorded Cases

**Strategy & targets**

Our target is to be a zero-accident workplace. Progress is reported continuously.

**Initiatives & next steps**

Regular safety training for all employees in production sites. Implementation of 5S safety principles in our production, aiming to prevent incidents.

1) Safety Performance Indicators:

A) Lost Workday Cases (LWC) ; B) Medical Treatment Cases (MTC) ; C) Restricted Workday Cases (RWC) ; D) Permanent Disabilities (PD) ; E) Fatalities (FAT) ; F) Work Site Exposure Hours ('000)

Frequency Rate (FR):

LTI (A+D+E)x200.000/F ; RMC (B+C)x200.000/F ; TRC (A+B+C+D+E)x200.000/F

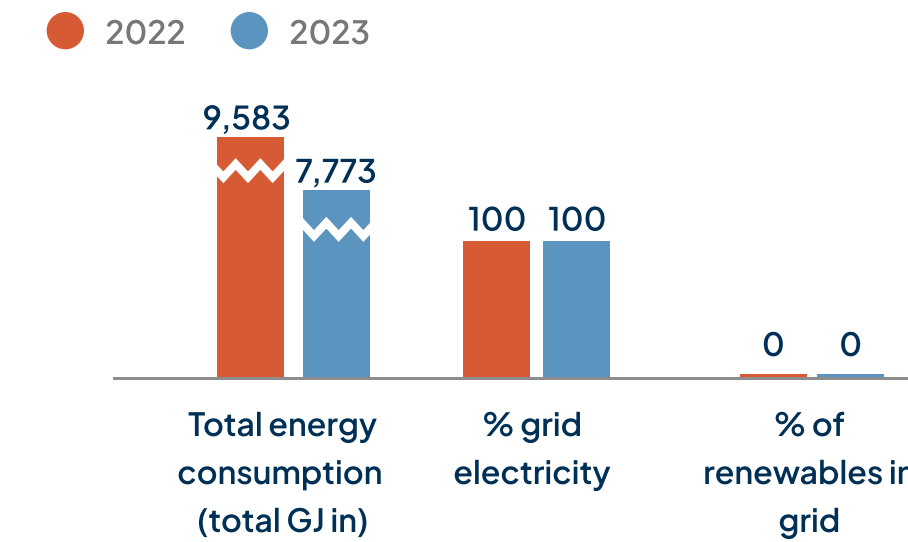
2) Total energy consumption includes electricity, gas and oil all converted to gigajoules;

3) Only relevant for products consuming electricity or fuel in use-phase

4) KPI adapted from SASB using electricity instead of fuel



**ENERGY MANAGEMENT**



Measuring total energy consumed in own operations annually<sup>2</sup>

Significant reduction is full year effect of new ways of working following the energy crisis in 2022.

We will actively work on energy management through behavioral changes and investments for further improvements.

**Tracking**

Total energy consumed in reporting year (electricity, oil and gas).  
 Percentage of electricity coming from grid.  
 Percentage of renewables in the grid (Denmark).

**Strategy & targets**

Our target is to reduce our total energy consumption with 10% during 2024.

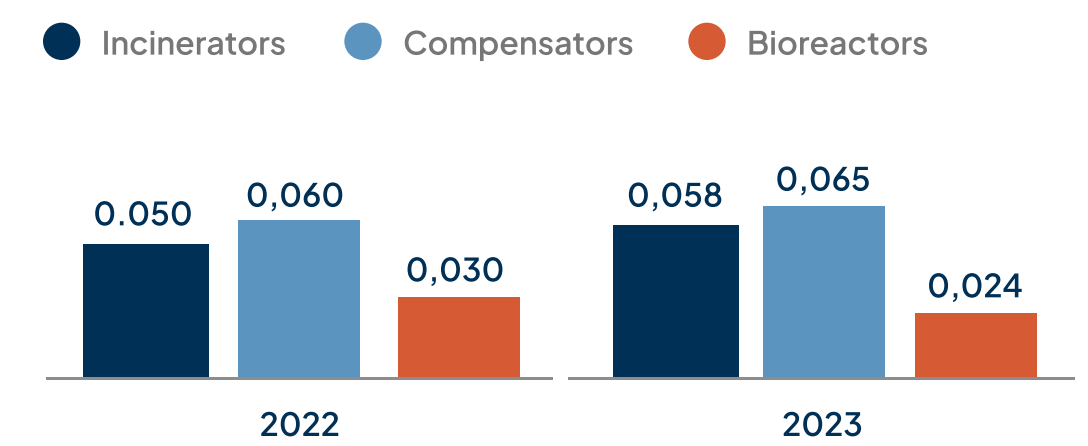
**Initiatives & next steps**

Separate energy saving initiative is established as part of ongoing focus on sustainability. More actively communicate savings to encourage continued progress.

Prioritise and execute on reduction efforts outlined in an energy saving analysis developed in conjunction with a 3rd party consultancy.



**EMISSIONS IN USE-PHASE<sup>3,4</sup>**



Disclosing sales-weighted energy efficiency of products requiring energy in use-phase

We are focused on providing products with lowest possible use-phase power consumption.

**Tracking**

Number of electricity-consuming products sold.  
 Sales revenue per product.  
 kWh electricity used annually in use-phase per product.

**Strategy & targets**

A key part of our R&D framework is to reduce energy consumption and emissions during the use-phase of our products, hereunder establishing product life time consumption.

**Initiatives & next steps**

Separate energy saving initiatives are established for select products as part of our ongoing focus on sustainability. Establish individual baselines for main products. Establish areas of improvement for main products. Create analysis of market and competition for comparison.





### ENERGY REDUCTION

# 19%

Energy consumption reduction in Q4 2023 compared to Q4 2022, thereby continuing the positive trend recorded post energy crisis in mid 2022.

#### Tracking

Document and reduce annual consumption of electricity and heating across sites.

#### Next steps

More actively communicate savings to encourage continued progress.

Prioritise and execute on reduction efforts outlined in an energy saving analysis developed in conjunction with a 3rd party consultancy.



### ENHANCE PRODUCT OFFERING

#### Initiative:

*“Documenting and quantifying sustainability contributions of our product offerings, and further extending product contributions through research and development of new products”*

#### Tracking

Document and quantify external sustainability contributions. Calculate product carbon footprint and reductions.

#### Next steps

We are simplifying our product offering in Pres-Vac to ensure scalability and effective utilization of production capacity.



### 5S SAFETY PRINCIPLES

#### Initiative:

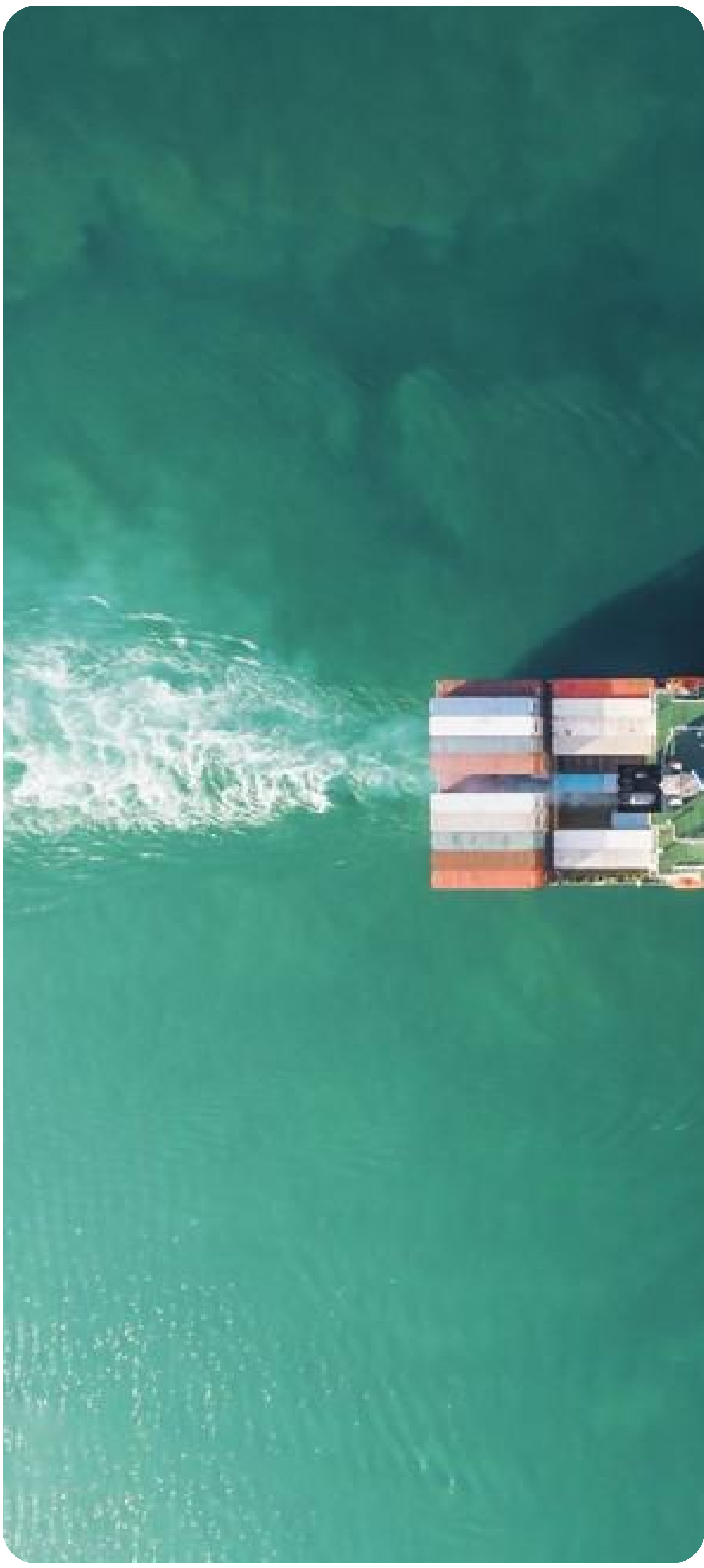
*“Ensuring smooth and safe operations by implementing 5S initiative based on lean management principles aiming to prevent and limit workplace accidents”*

#### Tracking

Measure and document progress on the 5S principles: Sort, Set in order, Shine, Standardise and Sustain

#### Next steps

We continue the 5S work on new selected areas, and simultaneously ensure our sustain effort on areas where 5S is implemented.





# Our Commitment to the UN's Sustainable Development Goals

We are dedicated to promoting sustainability throughout our value chain, which involves tracking emissions from our suppliers and collaborating with partners to enhance transparency. As a responsible employer, we take proactive measures to ensure the safety, inclusion, and motivation of our employees. Through our product offerings, we assist customers in reducing fuel and energy consumption, thereby minimizing harmful effects on marine ecosystems.

Our alignment with the UN's Sustainable Development Goals (SDGs) is systematically traced across our value chain, extending from suppliers to customers. We classify our impact into two distinct areas:

- Strengthening positive impact – This includes initiatives and products that contribute to an already positive curve of development.
- Mitigating Negative Impact – This involves initiatives and products that minimize the negative effects an operation may have.

The SDGs that we contribute towards in G&O Maritime Group are the following:





INCREASING POSITIVE IMPACTS

MINIMISING NEGATIVE IMPACTS

Tracking



**13.1 DISCLOSE & REDUCE ANNUAL GHG EMISSIONS**  
Increasing supplier emissions transparency and engaging and working alongside suppliers to reduce their emissions - Group



**3.4 & 8.8 FOSTERING A POSITIVE WORK ENVIRONMENT**  
Committed to being an inclusive workplace, promoting human rights, diversity, equality, safety and career development - Group

Operations & Employees



**13.1 DISCLOSE & REDUCE ANNUAL GHG EMISSIONS**  
Reporting on and minimising emissions from own operations - Group



**13.1 SUPPORTING THE GREEN TRANSITION**  
Positively contribute to the green transition of the maritime industry by enabling new, green fuel types - Heco

Product offering



**13.1 AVOIDED CUSTOMER GHG EMISSIONS**  
Through reducing fuel, oil, and power consumption and prolonging engine lifetime - Heco & G&O



**12.4 MINIMISE WASTE**  
Through prolonging lifetime of engine and other equipment - Heco & G&O



**3.4 MINIMISING HEALTH RELATED RISKS**  
Through reduced explosion risks, vibrations, noise levels, and vapours - G&O & Pres-Vac



**14.2 PROTECT MARINE BIODIVERSITY**  
Through biological treatment of waste water and reduced disturbances from vessel vibrations - Atlas & G&O



**13.3 IMPROVING EDUCATION AND AWARENESS ON CLIMATE CHANGE AND THE GREEN TRANSITION**  
Advocate for change in the maritime industry through memberships organisations - Group

Customers


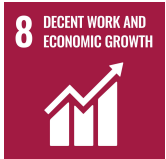



**13.1 & 12.4 MINIMISING WASTE GENERATION & INDIRECTLY REDUCING EMBEDDED EMISSIONS**  
Offer timely and proper maintenance and service, extending overall vessel and individual product lifetime - Group  
Offer refurbishment and exchange services of products to extend product lifetime - G&O





## Increasing positive impact

SDGs	Initiatives	Progress	
	<b>Operations &amp; Employees</b>	Improve KPI's on near-misses, accidents and lost-time injuries ensuring that these are communicated regularly at production facilities in appropriate language for all levels of workers	Ongoing
		Roll-out the 5S safety principle initiative to ensure safety in operations, limit workplace accidents and foster smooth operations across G&O Maritime Group Brands	Ongoing
		Regular Workplace Assessment in compliance with requirements to encourage physical, mental, emotional and social wellbeing. <ul style="list-style-type: none"> <li>Tracking results and formulating action plans for future improvements</li> <li>Review and integration of potential updates to employee handbook</li> </ul>	Implemented
	<b>Operations &amp; Employees</b>	Ensuring a just and fair workplace by further strengthening advocacy for anti-corruption practices, fair labour rights and overall business ethics compliance	Ongoing
		Formalise career development path for employees through employee training and apprentice program development and inclusive onboarding processes	Future
		Strengthen knowledge sharing and innovation through collaborations with technical universities in Denmark	Ongoing
	<b>Operations &amp; Employees</b>	Supporting the green transition through products compatible with future green fuels (Heco engine piston rods and stuffing boxes)	Ongoing
	<b>Customers</b>	Advocate for the green transition of the maritime industry through our memberships in various organisations e.g. Danske Maritime, DEA & Dansk Standard among others	Ongoing



# Minimising negative impact

SDGs	Initiatives	Progress	
	<b>Suppliers</b>	Increase emissions transparency by requesting CO2e data directly from select “strategical” suppliers	Future
		Actively work alongside suppliers to identify emission hotspots (upstream scope 3) and reducing emissions	Future
	<b>Operations &amp; Employees</b>	Optimise and reduce emissions from scope 1 and 2 (e.g. using greener energy and optimising energy usage)	Future
	<b>Customers</b>	Actively engage with customers to create emission transparency and work on reducing downstream scope 3 emissions	Future
	<b>Product Offering</b>	Create transparency on product carbon footprints and work to reduce this through R&D	Future
	<b>Customers</b>	Offer exchange service for G&O Compensators and actively working to extend this service to other product offerings	Ongoing
	<b>Product Offering</b>	Document and quantify products’ external sustainability contributions	Future
		Further enhance product development and service offering through R&D to minimize negative environmental impact	Future
		Continue to offer products to help customers improve safety and minimise health risks in operation while reduce negative externalities e.g. vibrations, noise pollution	Ongoing



# Compliance



### Human Rights

At G&O Maritime Group, we uphold human rights across all our operations. We proactively implement initiatives to mitigate the risk of human rights violations. Overall, we consider the risk of such violations in our daily operations to be minimal. Our primary production facilities and offices are located in Denmark, a country known for its low incidence of human rights violations. For our foreign sites, we maintain the same rigorous standards regarding human rights.

Additionally, G&O Maritime Group has established a whistleblower scheme, allowing employees to anonymously report any existing or potential violations of laws and regulations. Notably, in 2023, we recorded no incidents related to human rights violations. As we move into 2024, G&O Maritime Group remains committed to maintaining a clean record.

We will continue to ensure that all supplier agreements align with applicable laws and regulations, covering areas such as child labor, slavery, human trafficking, environmental protection, anti-corruption measures, and anti-money laundering.

### Anti-Corruption and Fraud

G&O Maritime Group has not recorded any incidents of corruption or bribery in 2023 or prior periods. In general, we deem the risk of corruption and bribery to be low. Regarding our supply chain, the sourcing of raw materials and components is primarily through suppliers in Denmark. On the commercial side, our business is built on strong long-term relationships. We have an ambition to be close to our customers and maintain a local presence near our large customers and agents.

G&O Maritime Group has implemented two distinct Codes of Conduct—one for employees and another for business relations—specifically addressing corruption and fraud. These codes describe and interpret the Group’s policies. G&O Maritime Group maintains a zero-tolerance stance toward corruption and bribery, expecting all employees to refrain from engaging in such activities.

Regarding suppliers and business relationships, we exclusively engage with partners who adhere to our Code of Conduct for Business Relations. We conduct ongoing supplier screenings and visits, a practice that continued throughout 2023. In 2024, our objective is to provide comprehensive training for all employees, offering insights into our code of conduct. This initiative extends to both current and future employees, emphasizing our commitment to ethical practices in collaboration with suppliers.





# Moving Forward

We are dedicated to continually improving and progressing in our efforts to foster a more sustainable maritime sector. Yet, genuine transformation arises when the entire value chain collaborates towards common goals. We acknowledge that opportunities and risks are present across all facets of the sustainability agenda. By advocating for transparency within our supply network, our aim is to improve our outcomes and motivate others to do the same.

We have laid the foundation for our future activities, establishing a standard and clear expectations to which we and our partners will adhere. We look forward to continuing the cooperation with our suppliers, customers, and fellow business associates.



# A range of strong brands

G&O Maritime Group brings together a range of strong brands – each one a pioneer and market-leader in their field. By joining forces, we share resources and expertise and drive a greater range of products and competitive solutions.

Today, we employ passionate people with deep knowledge about the maritime industry. Our experience is vast, our products have delivered innovations to the industry over and over again, and we maintain a loyal environmental focus.

We deliver advanced solutions to the maritime industry's challenges while supporting customers through the green transition.



Incineration of waste and oil sludge, to achieve lower operational costs and reduced environmental impact, while experiencing a 15% higher burning capacity compared to similar marine incinerators.



Piston rod stuffing boxes for two-stroke engines continuously improved to live up to new fuel types entering the market. A trusted partner who delivers quality on time and has a sustainable profile.



Biologically cleaning of grey and black wastewater before it is discharged. To achieve a reduced impact on marine eco systems and a lower cost of ownership.



Compensators that ensure a vibration-free main engine, enabling full utilisation of RPM range, improving crew health, and reducing cost of fuel and maintenance.



Valves and venting equipment reducing emissions from cargo ensuring cost savings due to reduction of cargo vapour loss during voyage, safety for the crew and the environment.



Leading global provider of cylinder lubrication systems for two-stroke marine engines, ensuring up to 65% lube oil savings, improved engine reliability and reduced emissions.