

Sustainability Report 2022



G&O MARITIME GROUP 

03 Letter from the CEO

05 Sustainability statement

07 Sustainability KPIs

10 Selected initiatives

11 Sustainable Development Goals

15 This is only the beginning

16 G&O Maritime Group & brands



Supporting our customers through the green transition

Dear reader

We are in times of sustainable change and action across industries. In the maritime industry, this shift towards sustainability is already underway. At G&O Maritime Group, we are committed to supporting our customers through this important transition.

Our first formal sustainability report marks an important milestone for us. Even though this report is our first, we have worked with sustainable solutions for the maritime industry through generations. All together the companies in our group have 368 years of experience within the maritime industry. Our products deliver solutions to our customers' challenges while improving crew health and safety, reducing emissions, and lowering the impact on marine ecosystems.

We acknowledge that we are not perfect, but we are committed to keep improving. We also know that no single company can bring about the necessary change on their own. But as a sub-system provider, we recognise our important role in supporting our customers by offering the highest quality products with best-in-class social and environmental attributes.

A responsible employer

While we work towards supporting the industry transition, it is essential for us to do what we can to support a sustainable development within our internal organisation as well.

In 2022, G&O Maritime Group has taken a big step towards a more structured approach to our work with sustainability. We have implemented initiatives to further improve as a responsible employer and transparent business partner.

Our sustainability work is aligned with the UN Guiding Principles and the OECD Guidelines for Multinational Enterprises, which covers 54 human rights, 20 environmental factors and 16 areas of governance. We have conducted our first impact assessment and mapped our organisation according to these standards. This allows us to identify potential adverse impacts and take action. We are currently in the process of implementing a grievance mechanism that will enable us to identify any potential adverse impacts, so that we can address them swiftly and effectively.

We've updated our Code of Conduct for Employees based on our impact assessment and conducted a Workplace Assessment to identify areas where we can improve as an employer. Our priority is to provide an inclusive work environment where all our personnel can thrive, while protecting their health and safety. To achieve this, we have established a dedicated Work Environment Committee and implemented new safety initiatives at our production sites.



Anders Egehus
CEO

Value chain and climate action

We understand that improving sustainability is not limited to our internal organisation. As part of a larger eco-system, we have a responsibility to communicate and ensure that our supply chain is also accountable for climate action. To achieve this, we have developed sustainability policies and a Code of Conduct for Business Relations, which we have shared with all our suppliers and partners.

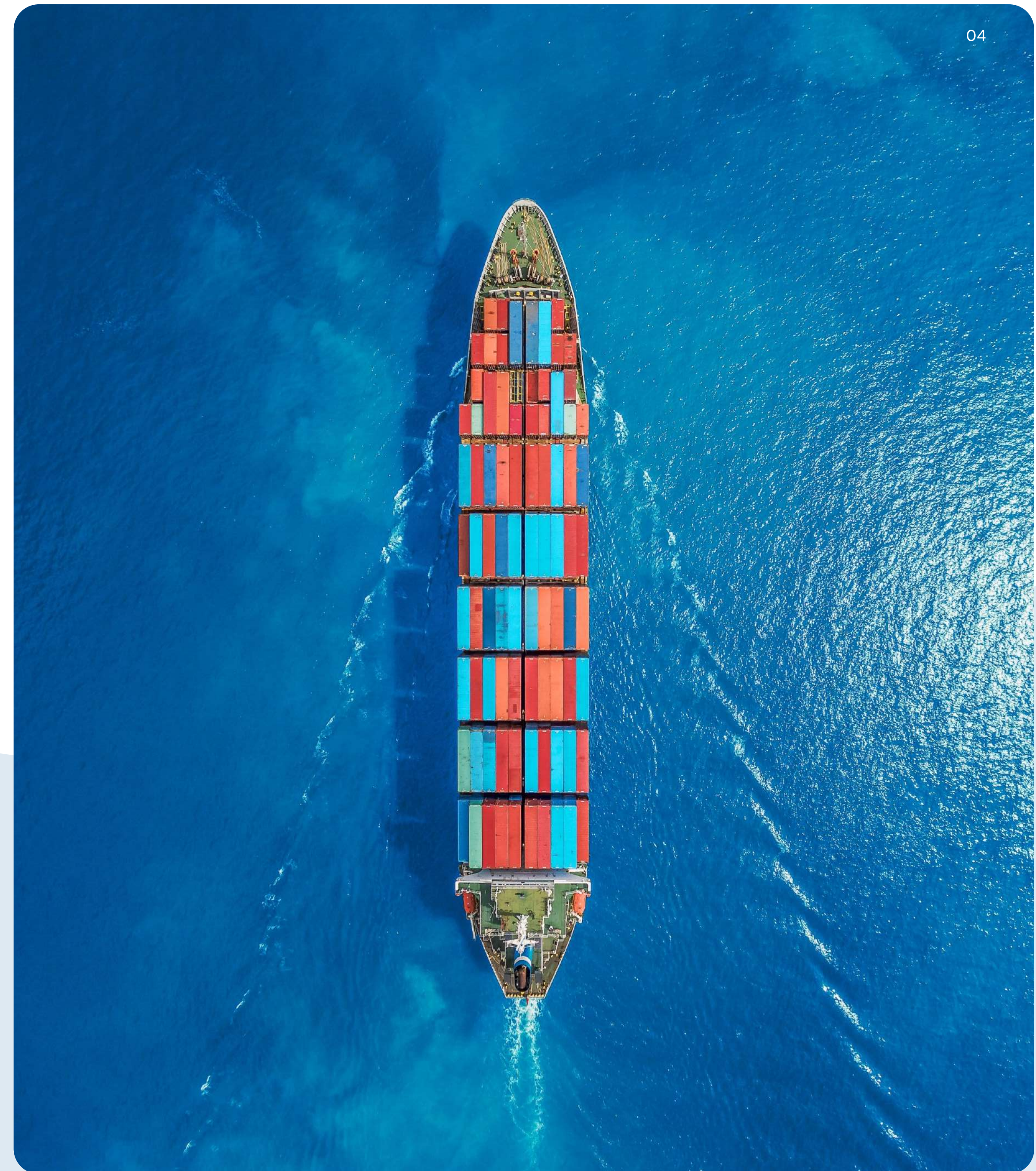
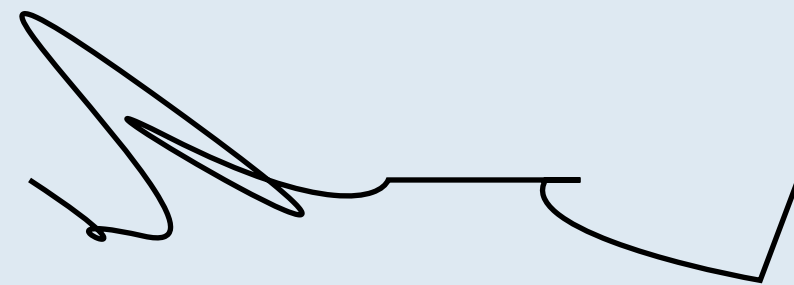
To increase transparency and drive improvements, we invested in establishing a baseline for our CO2 emissions within scope 1, 2, and 3 in 2022. This has helped us identify where our largest CO2 emissions come from, particularly in our value chain. With this knowledge, we are in the process of prioritising and launching initiatives to reduce our emissions, both within our own production and in collaboration with our suppliers.

A growing business

Our business strategy is to grow via mergers and acquisitions, alongside organic growth. The acquisition of Hans Jensen Lubricators halfway in 2022 is not included in this report, but it will be incorporated in our 2023 report along with an adjusted 2022 baseline. Future reports will also include our sites in China and Singapore, as well as any newly acquired companies.

Our reporting covers all areas of sustainability within human rights (including labour rights), environment, and economy. Our work aligns with internationally agreed principles and has been carried out in cooperations with experts.

We are looking forward to continuing our journey in the coming years as a sustainable sub system provider to the maritime industry. We strive to continuously improve as an organisation, and we will do so in close collaboration with our customers, suppliers, and other business partners.



Our sustainability statement



As a quality, niche sub-system provider to the global maritime industry, our vision at G&O Maritime Group is to make vessels a greener and safer place to work. We work determinedly towards our vision through furthering the inherent sustainability contributions of our products. These are:

Making vessels greener by:

- Facilitating reduced fuel consumption and oil consumption; reduced emissions from vessel cargo; reduced power consumption during operation.
- Increasing the lifetime of vessels, vessel engines and other equipment, thus postponing repairs and replacement and in turn reducing embodied emissions and waste.
- Actively supporting the needed transition of the maritime industry to new, green fuel types through offering adaptations to support the use of these fuels.
- Minimising adverse impact on marine ecosystems and protecting life below water by ensuring biological treatment of wastewater, reducing disturbances from vessel vibrations and providing an efficient waste handling solution to reduce ocean waste pollution.

Making vessels safer by:

- Helping our customers (ship owners & ship managers) minimise health risks and accidents in their operations, creating higher standards for workforce well-being through reduced explosion risks and reduced vibrations. We also aid reduced noise levels and vapours on board.

We acknowledge that becoming a sustainable sub-system provider to the industry is not something done overnight, but is a continuous journey. In turn, we:

- Are committed to being transparent and measure our sustainability impacts and contributions. To this end, we do yearly calculations of our scope 1–3 GHG-emissions and are working to document the inherent sustainability contributions of our products.
- Advocate for the green transition of the maritime industry through our memberships in various industry organisations.

- Engage with our customers to raise awareness about how timely and proper maintenance and service of our products extends product lifetime and reduce the environmental footprint. We also offer programmes to facilitate this e.g., exchange and reuse of our compensators, and are working to extend our take-back services to other products.
- Work continuously with reducing our own GHG-emissions – both from our own operations (e.g., through energy saving programs) and well as from our suppliers (e.g., through supplier audits and dialogues) – and with improving the inherent sustainability contributions of our products.
- Strive to being a zero-accident workplace by ongoingly measuring our health & safety performance and working consistently with optimising our processes.
- Are committed to providing our employees with a work environment that is safe, comfortable, and encouraging to work in which also underpins career development. This means an inclusive, human rights promoting, diverse, and equal environment, that emboldens physical, mental, emotional, and social wellbeing.

At G&O Maritime Group, we apply internationally agreed principles to define sustainable development: Human Rights (including labour rights), environmental, and economic sustainability through the UN Guiding Principles (UNGPs) and the OECD Guidelines for Multinational Enterprises (OECD).

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.



Our sustainability KPIs



We are determinedly working towards becoming a truly sustainable sub-system provider to the maritime industry. We measure our progress based on a total of 6 KPIs and 3 initiatives divided into 3 categories:

- In 2021, G&O Maritime Group was acquired by the private equity fund, Polaris. As a part of Polaris' company portfolio, we measure our progress on 3 set KPIs that are disclosed for all portfolio companies.
- We have additionally defined 3 KPIs that are inspired by the Sustainability Accounting Standards Board (SASB). These are industry-specific standards for disclosing of financially material sustainability information by companies to investors and other financial stakeholders.
- Lastly, we are putting special emphasis on three specific initiatives that are already part of our standard practices but have the potential of increased impact through a 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

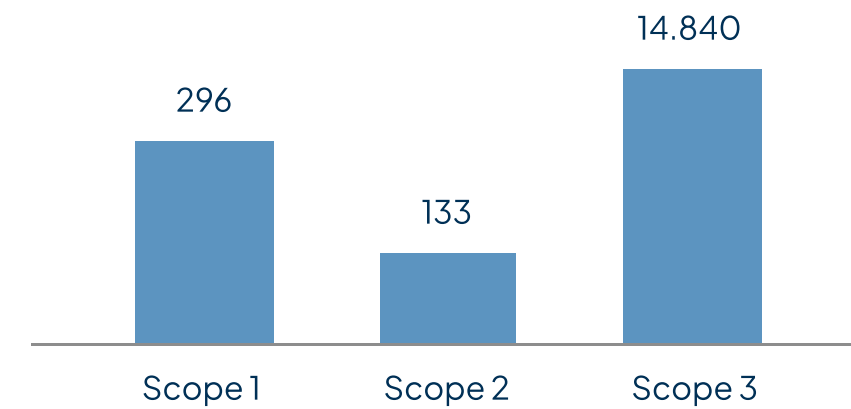
Other initiatives in G&O Maritime Group

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



CLIMATE ACTION

109.9 tCO₂e CO₂e intensity



2022

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

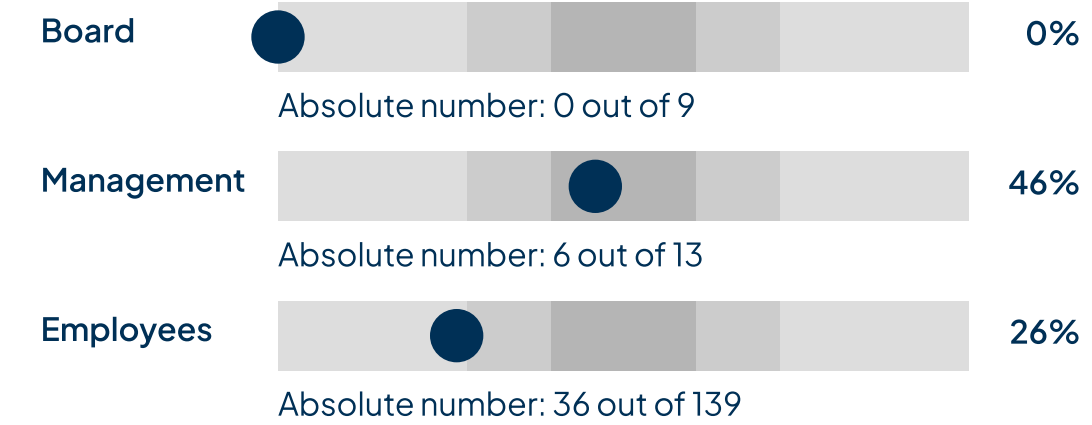
Work with sustainability across our value chain, including tracking emissions from our suppliers and collaborating with partners to improve transparency

Initiatives & next steps

Establish 2022 baseline for Hans Jensen Lubricators (HJL). Include HJL and overseas offices in future reporting. Establish Science Based Targets for the part of business that is baselined already (2023). Define a decarbonisation strategy (will be part of 2024–2026 Strategy).



GENDER EQUALITY



2022

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



2022

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.

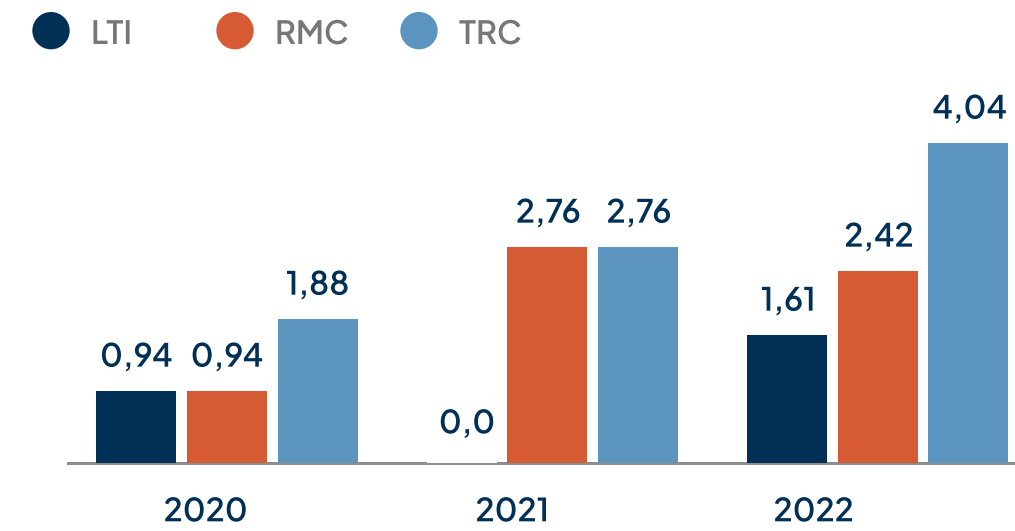
Initiatives & next steps

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

- Employee Engagement Survey to identify areas of improvement,
- 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

LTI – Lost Time Incidents
 RMS – Rapid Medical Treatment (no sick days)
 TRC – Total Recorded Cases

Strategy & targets

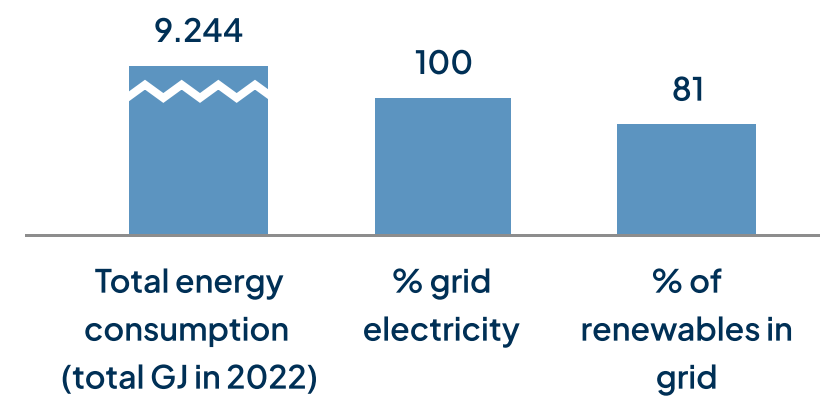
Our target is to be a zero-accident workplace. Progress is reported continuously.

Initiatives & next steps

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



ENERGY MANAGEMENT



Measuring total energy consumed in own operations annually ¹

We will actively work on energy management through behavioral changes and investments for further improvements.²

Tracking

Total energy consumed in reporting year (electricity, oil & 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 2023.

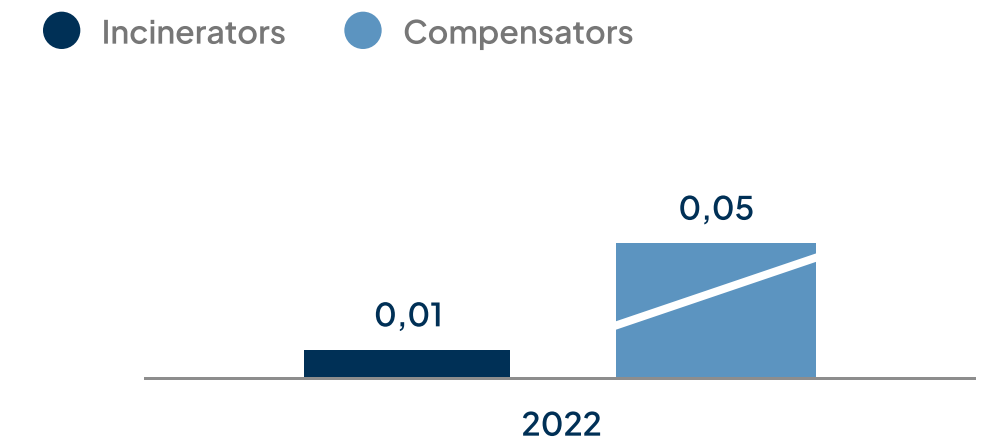
Initiatives & next steps

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 ^{2,3}



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 initiative is established as part of 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.

1) Total energy consumption includes electricity, gas and oil all converted to gigajoules;
 2) Only relevant for products consuming electricity or fuel in use-phase
 3) KPI adapted from SASB using electricity instead of fuel



ENERGY REDUCTION

13%

Energy consumption reduction in Q4 2022 compared to Q4 2021

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 want to commercialise sustainability through enhanced product value propositions.



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 will test the 5S impact on safety in the pilot project. Based on learnings, we want to improve the project and roll it out our other production sites.

Our contribution to UN's Sustainable Development Goals

We work with sustainability across our value chain, including tracking emissions from our suppliers and collaborating with partners to improve transparency. As a responsible employer, we take initiatives to ensure the safety, inclusion, and motivation of all employees. Through our products, we help customers reduce fuel and energy consumption and minimize negative impacts on marine ecosystems.

We map our contribution to the UN's Sustainable Development Goals (SDGs) through our value chain from suppliers to customers. We categorise our impact into two areas:

- Increasing positive impact – Initiatives and products that contribute to an already positive development.
- Minimising negative impact – Initiatives and products that minimise the negative effects an operation may have.

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



INCREASING POSITIVE IMPACTS


MINIMISING NEGATIVE IMPACTS

Tracking


Operations & employees


Product offering

Customers


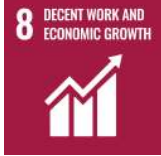
 13.1 DISCLOSE & REDUCE ANNUAL GHG EMISSIONS
Increasing supplier emissions transparency and engaging and working alongside suppliers to reduce their emissions - Group

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


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


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



 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


 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

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

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




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


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

Increasing positive impact

SDGs	Initiatives	Progress	
	Operations & Employees	Develop/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 beyond compliance requirements to encourage physical, mental, emotional and social wellbeing. <ul style="list-style-type: none"> Tracking results and formulating action plans for future improvements Review and integration of potential updates to employee handbook 	Fully implemented
	Operations & Employees	Ensuring a just 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
	Operations & Employees	Supporting the green transition through products compatible with future green fuels (Heco engine piston rods and stuffing boxes)	Ongoing
	Customers	Advocate for the green transition of the maritime industry through our memberships in various organisations e.g. Dansk Maritime, DEA & Dansk Standard among others	Ongoing

Minimising negative impact

SDGs	Initiatives	Progress	
	Suppliers	Increase emissions transparency by requesting CO2e data directly from select “strategical” suppliers	Pending decarbonisation strategy
		Actively work alongside suppliers to identify emission hotspots (upstream scope 3) and reducing emissions	Future
	Operations & Employees	Optimise and reduce emissions from scope 1 and 2 (e.g. using greener energy and optimising energy usage)	Future
	Customers	Actively engage with customers to create emission transparency and work on reducing downstream scope 3 emissions	Future
	Product Offering	Create transparency on product carbon footprints and work to reduce this through R&D	Future
	Customers	Offer exchange service for G&O Compensators and actively working to extend this service to other product offerings	Ongoing
	Product Offering	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



This is only the beginning

We are determined to keep increasing and improving our efforts towards a more sustainable maritime industry. Despite this, the real change comes when the entire value chain work together towards the same goals. We acknowledge that there are opportunities as well as risks in all aspects of the sustainability agenda. We hope that by advocating for transparency in our own supply chain, we can improve our results and inspire others to do the same.

Even though working with sustainable solutions is not new to us, this is our first formal sustainability report. We have now created a foundation for ourselves to build on in the future. We have set a benchmark and defined the standards to which we will hold ourselves and our partners accountable.

We look forward to our continued collaboration with our suppliers, customers, and other business partners.

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 are able to share resources and expertise and drive a greater range of products and competitive solutions.

Today we employ passionate people across the world 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 powerful environmental focus.

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



Incineration of waste and oil sludge, eliminating the need for discharging to shore while reducing emissions from incineration.



Piston rod stuffing boxes for two-stroke engines continuously improved to live up to new fuel types entering the market.



Biologically cleaning of grey and black waste water before it is discharged.



Compensators that eliminate vibrations at the source, reducing cost, improving comfort, and cutting fuel spend.



Valves and venting equipment reducing emissions from cargo while keeping vessels, equipment and crews safe every day.



Leading global provider of cylinder lubrication systems for two-stroke marine engines.