

COMMUNICATION ON PROGRESS 2022



STATEMENT FROM THE DIRECTOR



To our Stakeholders:

EPConsult Energies (EP) is a proud member of the United Nations Global Compact (UNGC), the world's largest corporate sustainability initiative. We align our strategies and operations with universal principles on human rights, labour environment and anti-corruption, and take actions that advance societal goals.

Like many similar companies and people, EP had a challenging year dealing with COVID-19. However, we adopted creative ways to maintain direction and adopted intelligent planning, which created an even more prosperous environment for all employees, partners and clients.

I am pleased to confirm that EP has reaffirmed its support for the UNGC's 10 Principles, including Human Rights, Labour, Environment and Anti-Corruption.

In this Annual Communication on Progress, we will detail how these principles are integrated into our core values and management strategies, as well as what steps were taken to make sure they inform decisions at every level of our organisation. We will also commit to sharing this communication with all stakeholders who care about what we do through a variety of channels, such as quarterly newsletters and periodic updates posted on our website.

Sincerely

Martin H. Larsen





CONTENT

Director's statement	02
Principles 01-02	04
Description of Actions - Human Rights	
Description of Actions - Employment Policy	06
Description of Actions - Safety and Protection	06
Description of Actions - Working with Human Rights	07
Principles 03-04-05-06	08
Description of Actions - Labour Rights	02
Description of Actions - Anti-Slavery policy	.10-11
Description of Actions - Diversity	12
Principles 07-08-09	13
Description of Actions - Environment	14
Description of Actions - Sustainable Working Practices	15
Description of Actions - Driving the green transition	.16-17
Principles 10	18
Description of Actions - Anti-corruption	19
Description of Actions - Transparency	20
Measurement of outcomes	.21-24
Our shared vision	25



Principles of the UN Global Compact:



Businesses should make sure that they are not complicit in human rights abuses.



Human Rights

EPConsult Energies has an established commitment to sustainable development—integrating human rights into its operations in all dimensions. To this end, social aspects are always considered during each project's planning.

EP educates employees about social justice issues and regularly assesses risks related to these matters before beginning to work with a client or a partner.

Employees are continually reminded of how important it is for EP to avoid infringing upon people's fundamental rights through our activities externally (e.g., while working on behalf of clients) or internally (e.g., when undertaking procurement).

EP's internal policies exist to protect workers' fundamental welfare—including their right to live and work without fear or harm—with health and safety being the guiding principle at all times.



EP's Employment Policy

EPConsult Energies is a multicultural company that treats its employees with respect and dignity. All staff members are hired exclusively on the merits of their qualifications and abilities, without any regard to gender, race, religion, age, disability status or sexual orientation. This ensures equal opportunity in all areas of from employmentrecruitment remuneration and benefits to career opportunities growth to termination decisions.

To be harassed physically, verbally or psychologically anywhere within the physical or virtual workplace is never tolerated at EPConsult Energies - not by other employees nor by third parties such as our clients, partners and subcontractors. Physical harassment, offensive language or jokes, insulting nicknames, teasing, or ridicule are never tolerated at EPConsult Energies. EP will always choose to take decisive actions for the safety of all involved with the company.



Safety and Protection in the Workplace

Through its various policies and procedures, including the Business Ethics and Conduct Policy, EPConsult Energies ensures the provision of safe, suitable and sanitary work environments for all its employees by eliminating ingredients that could harm or threaten human life and health during manufacturing, usage or disposal. We are guided by our clients' HSE plans when visiting facilities.

Working with Human Rights

To make sure that EP doe not violate people's rights in any way, whether it's deliberate or accidental, we make sure to abide by three principles: **Due Diligence, Supervision and Obligation.**

All employees are made aware of these principles during the internal training sessions. Employee conditions and compliance with human rights are essential to EPConsult Energies. To ensure that we detect any violations, we operate the following way:

All employees at EP have an obligation to act if they see a violation of worker's rights; this means you can speak up for someone else who might need support or share what you've seen without fear of retaliation from anyone within or outside the company-regardless of your position or title within the organisation.



EP regularly audits its own health and safety conditions, which allows the team to keep an eye on international guidelines for workers' protections set out by global institutions such as the International Labour Organization (ILO). The company also established a regular weekly meeting dedicated to collectively and individually monitoring team members' morale levels.

To ensure commitment from our subcontractors to our Human Rights Policy, EP's team always conducts Due Diligence on them. As a result, all subcontractors are required to have a set of guidelines in place for Business Ethics and Conduct, covering, as a minimum, all the sections covered in EP's policy that regulates employee responsibility. In the event of the subcontractor or partner not having such guidelines in place (i.e., because they haven't yet had time or resources to develop one), each individual will be expected to sign an agreement verifying their acknowledgement of EP's policies.

Principles of the UN Global Compact:

03

Businesses should uphold the freedom of association and effective recognition of the right to collective bargaining.



Businesses should uphold the effective abolition of **child labour.**

05

Businesses should uphold the elimination of all forms of forced and compulsory labour.



Businesses should uphold the elimination of **discrimination** in respect of employment and occupation.

LABOUR



Labour Rights

All the employees of EPConsult Energies LTD. work under comfortable working conditions that align with the highest standards of the United Kingdom's employment law and regulations, and international labour rights. Employees enjoy the right to organise themselves and negotiate wages without fear of repercussions. Each employee has an opportunity to grow and develop their skills and is paid a fair wage.



Anti-Slavery Policy

EPConsult Energies strictly prohibits modern slavery and human trafficking in its operations and supply chain, as stated in the company's Anti-Slavery Policy.

EP has and will continue to be committed to implementing systems and controls to ensure that modern slavery is not taking place anywhere within the organisation or at any point of the supply chain.

We expect that all those we work with (clients, partners, suppliers, contractors) also uphold these high standards, including measures safeguarding against modern slavery - which encompasses slavery, servitude, forced labour and child labour.



EPConsult Energies is a company that expects everyone working with or on its behalf to support and uphold the following measures to safeguard against modern slavery:

- Prevention, detection and reporting of modern slavery in any part of the organisation or supply chain is the responsibility of all those working for EP or on its behalf.
- EP employees must not engage in, facilitate or fail to report any activity that might lead to, or suggest a breach of this policy.
- EP complies with the National Minimum Wage and the National Living Wage and always ensures it is the case with all stakeholders, subcontractors and suppliers.
- EP takes a risk-based approach to its contracting processes and keeps them under review.
- EP assesses whether the circumstances warrant the inclusion of specific prohibitions against the use of modern slavery and trafficked labour in its contracts with third parties.
- With its risked based approach, EP will assess the merits of writing to suppliers requiring them to comply with its Code of Conduct, which sets out the minimum standards required to combat modern slavery and trafficking.
- Considered consistent with EP's risk-based approach, may require:
 - -Employment and recruitment agencies and other third parties supplying workers to EP to confirm their compliance with the appropriate Code of Conduct.
 - -Suppliers engaging workers through a third party to obtain that third party's agreement to adhere to the Code of Conduct.
- As part of EP's ongoing risk assessment and due diligence processes, EP will consider whether circumstances warrant the case of carrying out audits of suppliers for their compliance with its Code of Conduct.
- If EP finds that other individuals or organisations working on its behalf have breached this policy, EP will ensure that it takes appropriate action.



Diversity

As a diverse company, EPConsult Energies is committed to providing the best work environment for everyone. Our team speaks 16 languages, and we always make sure everyone has equal opportunities within the company.

Discrimination will never be tolerated at our organisation - this includes hiring, salary, benefits, discipline and termination, rates based on gender, gender reassignment, disability, age, race, religion or belief, ethnicity, pregnancy or maternity, sex and sexual orientation.

EP's team collaborates with people from different cultures and nationalities, each bringing something new to the table.

We are constantly learning from one another and accepting each individual for whom they are, building an environment where we can all grow together as equals.

Principles of the UN Global Compact:



Businesses should support a precautionary approach to environmental challenges.



Businesses should undertake initiatives to promote greater environmental responsibility.



Businesses should encourage the development and diffusion of environmentally friendly technologies.



Making a difference

The United Nations' environmental-focused principle is the very sector where EPConsult Energies is making a real difference.

Whether by achieving sustainability within or providing sustainable practices for our clients - we are changing how people around us live and think about their environment.

EP is committed to identifying new ways to play an integral part in the world of green energy. Over these last few years, we have grown significantly in this area, and now more than 40% of our work is related to renewable energy projects.



ENVIRONMENT

Sustainable Working Practices

This year has been particularly challenging for the world and EP, which is still processing the consequences of COVID-19. However, through concerted effort and creative planning, EP was able to find ways to work around the pandemic.

Since we adjusted our work practices to primarily remote work - making it the norm - we have considerably reduced our environmental impact. With less travelling done each day, this has significantly reduced the employee's and the company's carbon footprint.

Due to the rapid innovation of new technologies like reliable video conferencing, more international meetings took place in 2022 than in previous years. This new digital strategy allowed us to increase efficiency by holding more virtual meetings with our clients, which resulted in a lowered transportation footprint



Driving the green transition

As a company that has been providing engineering intelligence to the oil and gas industry for 20+ years, we have gained deep insight into what our customers need. With so much experience under our belt, it only seemed natural that we move in the direction of green energy production.

Understanding what needs to be done at first glance, EPConsult Energies created a plan to transition over to renewable energies, all while keeping in mind what would be best for our current clients and those already operating within this growing sector.

"EP's exceptional understanding of the energy industry and its key players has given a great insight into how the company can increase customer demand for its products while leading its clients' transitions towards using and producing green energy."

EPConsult Energies is committed to achieving carbon neutrality by 2050.

To do so, we plan on taking three significant steps.

- 1. First, EP will regularly calculate its own carbon footprint, following the ISO 14064 Standard, and will produce a report outlining the findings from the calculations.
- 2. The second step includes an assessment of the company's carbon footprint and finding methods of reducing it.





Businesses should work against corruption in all its forms, including extortion and bribery.

CORRUPTION



Anti-corruption

EPConsult Energies works against corruption in all its forms and has developed an anti-bribery and corruption clause as part of the Business Ethics and Conduct Policy.

At EP, we recognise that adopting good governance, transparency and accountability in everyday business is the best way to corruption. Our prevent established whistleblowing reporting system makes it easy for employees and external stakeholders to report any potential violations of our business integrity principles anonymously.

As part of our risk management process, we regularly review our internal list of countries where risks associated with personal security or the economy might prohibit us from conducting operations.

It is essential for everyone involved with our organisation to understand our Business Ethics and Conduct Policyand what recourse they face in case of breaching it--as well as how the whistleblowing reporting system can help protect both their position and the company in the future.



Transparency

EP has been built on a culture of transparency and integrity.

We don't take bribes or solicit kickbacks (even when they are offered) in order to do business. This commitment also extends internationally; all employees and subcontractors are required to follow the laws against bribery and corruption governing our specific country.

EPConsult Energies will not authorise or condone any payment by an employee deemed as 'undisclosed commission' aka a kickback or bribe for procuring contracts or jobs. Employees are prohibited from accepting, offering, making or seeking a personal payment in return for preferential treatment or gaining an unfair advantage of the company. Employees must not allow anyone else to do so on their behalf; if an employee makes a payment because they genuinely believe their life, safety or liberty is at risk, this is not a facilitation payment but must be reported as if it were.

EP is committed to ensuring all subcontractors also meet Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery. This is achieved by assessing all subcontractors thoroughly through the subcontractor assessment forms.

EP^{*}

Increased diversity

Following EPConsult Energies' employment policies and diverse principles, EP has increased the percentage of different groups being represented in its workforce.

Our team collectively speaks sixteen different languages and cherishes diversity at every turn. The company's ratio of men and women increased from last year's measure of 10:7 to the current 9:8 balance. Also, people are openly supported to add preferred pronouns to their company email signatures. EP also welcomes and supports our team members' religions and beliefs. Where possible, we will join in celebrating any special events or authorise time off for our employees to devote to their religion or belief.

Work-life balance

EP has delivered on its commitment to providing an outstanding work-life balance that ensures every team member knows their contributions are appreciated, and they are in control of their own life. Because of this newfound sense of fulfilment, we are experiencing greater efficiency throughout the company, almost non-existent absence rates, and no injuries or occupational illnesses.





Boosted health resilience

When it came to regulating COVID-19 exposure, it was vital for EP to keep the team's well-being in mind. There have been no reported cases of contracting or transmitting the disease since strict regulations have been established. EPConsult Energies strives to provide a safe and healthy environment for all its employees so that they are satisfied both at work and at home.

Reduced carbon footprint

The company's digital transformation drastically altered EP's day-to-day operations. From using less paper to travelling abroad less frequently. By cutting down local and international transport, EP significantly reduced its carbon footprint.





Stronger due diligence.

In 2022, EP's Business Ethics and Conduct Policy continued to develop third-party due diligence practices of customers and collaboration partners. Our global business integrity training program was also a great success with mandatory e-learning for all employees in EP.





EPConsultEnergies



Our shared vision

In alignment with society's efforts to achieve netzero agreements on global warming established by United Nations resolutions, EP has stepped up its game for a greener, brighter, more sustainable future.

EPConsult Energies is immensely proud to be the company that takes the UNGC's principles to its heart and shares the vision of a thriving society, where human rights, the environment and honest business practices are respected and universally accepted as the global norm.

Martin Helmuth Larsen

Director of EPConsult Energies Limited





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Riverside House 27-29 Vauxhall Grove London, UK, SW81SY +44 (0)20 7582 5555