

MAKE

SUSTAINABLE DELIVERY

POSSIBLE

Sustainability Report 2022



MAKE

SUSTAINABLE DELIVERY

POSSIBLE

Contents

Our vision, values and strategy	2
Chief Executive Officer's letter	3
Q&A with EVP Strategy and Sustainability	4

Our approach

Sustainability governance	5
Materiality and stakeholders	6
Our sustainability priorities	7
Our targets and performance	8

Our priorities and focus areas

Health, safety and wellbeing	9
Energy transition	11
Labour practices and human rights	13
Business ethics	15
Operational eco-efficiency	17
Ecological impacts	19
Diversity and inclusion	21
Human capital development	22
Responsible supply chain management	23
Community impact and relationships	24

Collaboration and partnerships	25
Task Force on Climate-related Financial Disclosures (TCFD)	26

Appendices

ESG performance data and ratings	32
Standards and frameworks	38
Glossary	39

 **Find more sustainability information online www.subsea7.com**

Progress on our sustainability journey in 2022

LTIF of 0.01

Strong safety performance

10.5GW

of cumulative renewable power capacity supported

Largest construction vessel

Seven Arctic to be hybridised

83%

Relevant employees trained on human rights

Matured our approach to

climate-related disclosures

91%

of medium and high-risk suppliers assessed for corruption risk

Became a founding member of

'Powering Net Zero Pact'

85%

Waste recycled onshore



Our vision and values framework

Our vision

To make possible the global delivery of offshore energy for today and tomorrow.

Our strategy

We create sustainable value by delivering the offshore energy transition solutions the world needs.

Our Values



Safety



Performance



Integrity



Collaboration



Sustainability



Innovation

How we make possible

- Early engagement and system innovation
- Collaboration and partnerships
- Integrated services
- Sustainable delivery
- Digital solutions
- Enabling products



Creating sustainable value

John Evans Chief Executive Officer

As the world continues to face significant and complex global changes, the ability to balance the supply of secure, affordable, and lower-carbon sources of energy remains important.

Whilst the world confronts short-term energy demand volatility, the long-term direction of travel continues to be towards a Net Zero pathway. Our industry will work towards better and cleaner ways to produce energy and few will see a higher percentage of capital investment focused on decarbonising the energy sector. This is the opportunity we are all facing: delivering commercial solutions to meet energy demand whilst working towards a Net Zero world.

Sustainability at Subsea7 is a core Value and the business risks and opportunities related to the transition towards lower-carbon sources of energy are in focus. Subsea7 is well-positioned to help the world meet this challenge and make energy transition possible. We have a strong position across the offshore energy landscape to support the delivery of offshore energy for today and tomorrow. Through the continuous evolution of lower-carbon oil and gas and enabling change for renewables and emerging energy, Subsea7 will create sustainable value.

Strong leadership is essential as we transition to a lower-carbon future and we established a new role on our Executive Management Team, with our Executive Vice President for Strategy and Sustainability. Integrating both aspects ensures sustainability is incorporated into long-term planning.

Achieving the balance of creating a more sustainable future whilst ensuring we safeguard the present, requires proactive yet measured action. Driving towards a Net Zero future is a challenge for us all and needs collaboration across the industry to truly enable change. I'm really pleased that 2022 has been a busy year for collaborations and partnerships. We became founding members of the Powering Net Zero Pact earlier in the year alongside other companies from the power sector who are committed to a fair and just transition by collaborating on five common ambitions. You can read about our collaborations and partnerships enabling change on page 25.

We understand the need for enhanced transparency and more consistent sustainability reporting to support better decision-making. Advancements in sustainability and ESG disclosures such as the EU Taxonomy and Corporate Sustainability Reporting Directive will provide an anchor for action. Identifying and managing climate-related risks and opportunities has been a key focus for us throughout 2022. We continued to address the recommendations of the Task Force on Climate-related Financial Disclosures and whilst we expect this to continue to evolve and mature, we welcome you to read our approach on page 26.

UN Global Compact



We remain committed to the UN Global Compact and the 10 key principles of that compact. Our approach to respecting and protecting human rights, providing safe and fair labour practices, safeguarding the environment, and working against corruption in all forms is central to our ways of working and our sustainability efforts. By operating from these strong principles, we ensure we uphold the commitment to supporting these global challenges and driving towards a more sustainable future. We are pleased with the progress we are making in support of these principles.

Last year we highlighted the importance of setting clear direction and targets to be transparent and hold ourselves accountable. We are pleased to share with you the progress and performance against these targets, and forward plans across our priority areas.

Whilst we made excellent progress across many of our priority areas, our scope 1 emissions increased in 2022. This was a result of both an increase in operational activity and the addition of six heavy transportation vessels as part of the combination with OHT ASA in the fourth quarter of 2021. Work continues to address the carbon impact from our operations and we continued to invest in our fleet by successfully trialling lower-carbon fuel and committing to convert our largest construction vessel *Seven Arctic* to hybrid power.

Further progress was made across our other priorities by supporting the growth of renewable capacity, training our people on the risks related to corruption and human rights, enhancing our approach to assurance within our supply chain, and demonstrating a solid safety performance. Longer-term challenges require a commitment to continued effort, and we will do that while remaining true to our core Values.

John Evans
Chief Executive Officer



Managing the most material impacts for long-term resilience

Marcelo Xavier Executive Vice President Strategy and Sustainability

Subsea7 makes offshore energy transition possible through the continuous evolution of lower-carbon oil and gas and by enabling the growth of renewables and emerging energy.

Q How are sustainability issues impacting your strategy?

It's important to recognise that the world is seeking to balance energy security, energy affordability and sustainability as we navigate a path to Net Zero. To remain relevant and competitive as a business, Subsea7 needs to integrate sustainability risks and opportunities into our strategy. Our strategy is shaped by the impacts of climate change and the need to support the supply of lower-carbon sources of energy. Being a global company with operations across the world means we are responsible for many livelihoods and impact many communities in which we work. With that responsibility, comes the need to operate and deliver in a responsible, safe and sustainable way.

Q How is sustainability integrated within your business and operations?

Firstly, it is important we integrate sustainability into our business decisions and actions. Each of our sustainability priorities, has a core group consisting of leaders from across our business all working on delivering plans in those areas. In 2022 each of our regions developed sustainability plans in support of our global agenda. This was a powerful signal from our leaders across the business to really take ownership and accountability. Having engaged teams with engaged people driving towards the same direction is what will really deliver sustainable impact, and I'm excited to see this develop.

Q In what way are you seeing progress and creating sustainable impact?

Creating sustainable impact takes time if we are to see credible change. Some of our greatest challenges will require collaboration with others to find commercially viable solutions, and we are already engaged and committed in that respect. When I look at the progress we are making across all our sustainability priorities, it is clear that through incremental steps, we are generating positive change. We are maturing our approach to the way we integrate sustainability, set targets and measure our impact. The pages in this report demonstrate the progress we are making with each of our priority areas.

Q Your supply chain is fundamental to what you do, how is it integrated into the agenda?

Yes, our supply chain is important in helping us deliver our work commercially, safely and timely. We already have a solid foundation with our Code of Conduct for Suppliers in terms of how we work with our supply chain. We see engagement continuing to evolve as we have conversations around areas such as human rights, carbon emissions and other ways of minimising the impact on the planet.

Q Do you think emerging sustainability reporting requirements will support change?

Today, sustainability reporting and ESG (environmental, social and governance) disclosures do appear to be complex and inconsistent. Having more clarity and consistency around what companies should disclose will support greater transparency, accountability and decision-making for everyone. I see this as an opportunity to raise the bar in performance across the industry.



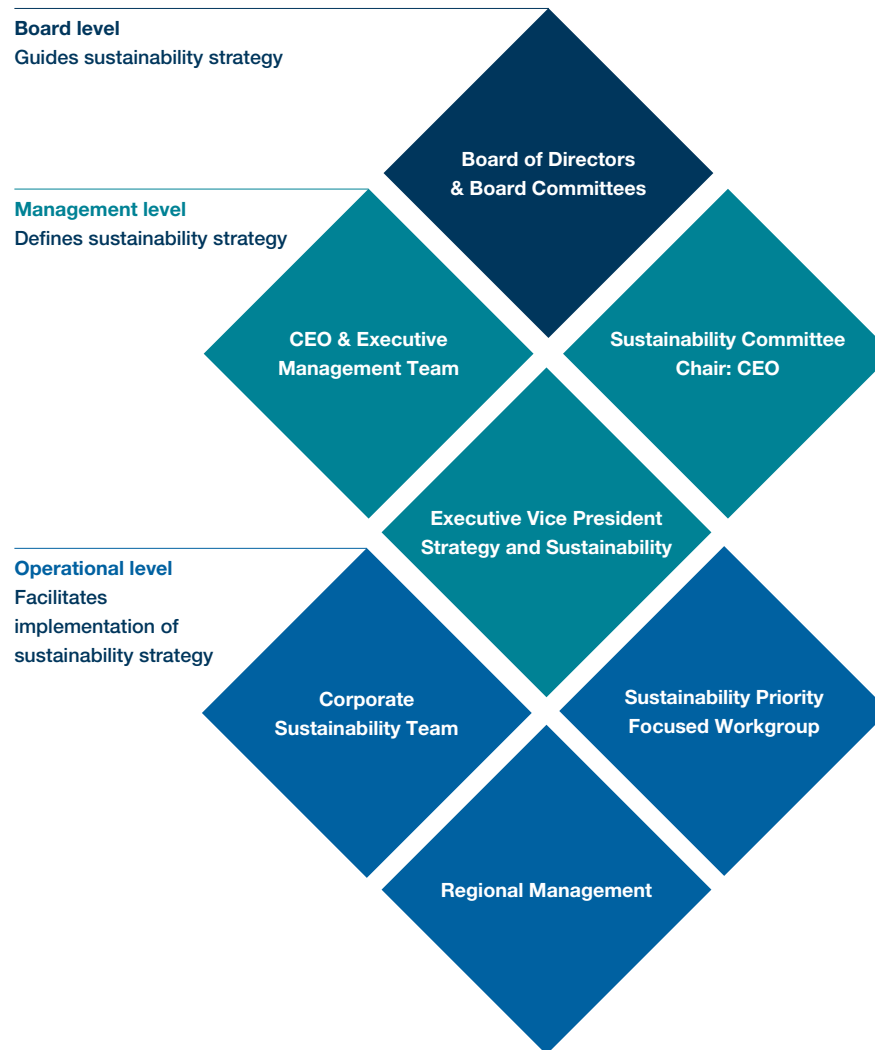
Sustainability governance

Subsea7 recognises the importance of embedding solid governance around sustainability to ensure our agenda is supported through effective leadership.

The Board of Directors of Subsea 7 S.A. (the 'Board') is responsible for guiding the Company's strategy in relation to sustainability and climate-related matters, and when defining the objectives, strategies, and risk profiles for the Company's business activities, sustainability risks and opportunities are considered. Sustainability represents a permanent feature on every Board agenda, and this is in line with the Board's aim to carry out business in a manner that is sustainable for the Company's shareholders, having regard to financial, social and environmental considerations. In 2022 the Board appointed a Sustainability Expert from amongst its members.

At the management level, our Sustainability Committee, composed of the Executive Management Team, ensures oversight of all sustainability matters pertinent to the business and reviews our sustainability strategy. This committee enables a clear communication channel to the Board. Reporting to our CEO, our newly appointed Executive Vice President Strategy and Sustainability has the responsibility to drive our sustainability agenda and further embed the integrated link between strategy and sustainability within the business.

Each sustainability priority, defined through a materiality assessment (page 6), is sponsored by a member of the Executive Management Team and is supported by a focused workgroup of senior managers and key business function leaders. The sponsor ensures the alignment of sustainability strategy with business priorities and the long-term direction of Subsea7. The focused workgroups are responsible for implementing the sustainability ambitions and for managing relevant risks and performance across the organisation. A Corporate Sustainability Team, led by a Director of Sustainability, facilitates the Company's sustainability efforts, communicates our sustainability agenda, reports on performance, and supports the focused workgroups to develop their action plans. Our regional management support the Company's efforts by integrating sustainability ambitions and actions into their operations.





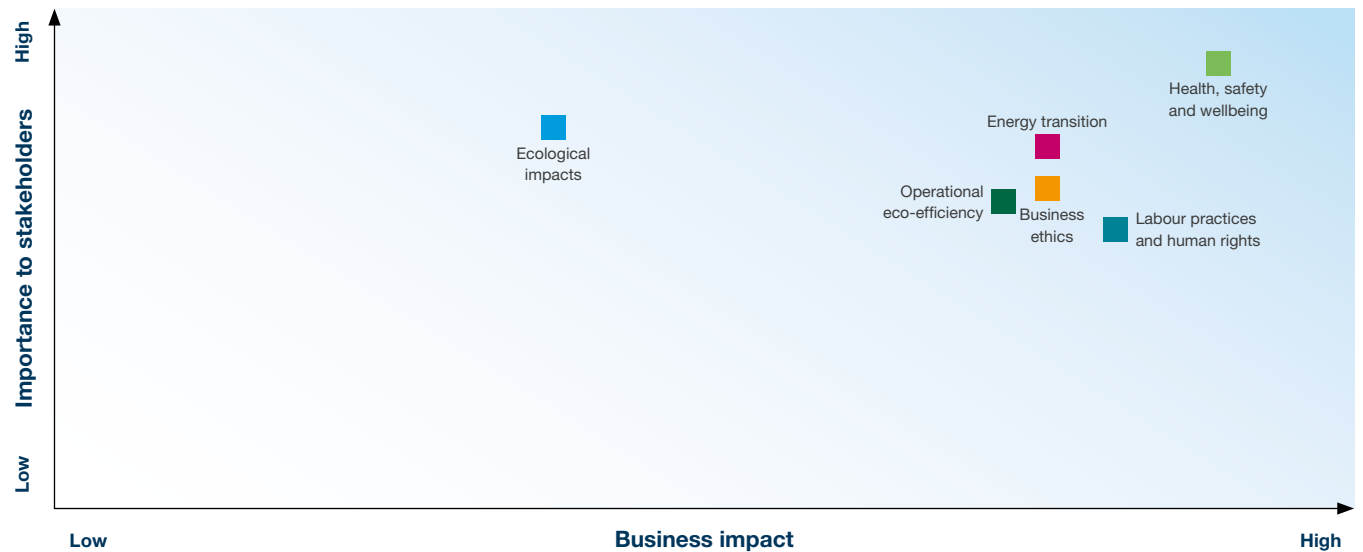
Materiality and stakeholders

Subsea7's sustainability strategy is guided by a materiality assessment to ensure we prioritise the risks and opportunities that are of greatest importance to our stakeholders, as well as those that have a material impact on our business.

In 2019, we undertook a review of Company, sector and societal factors to determine which of these should take priority for us. We gathered broad stakeholder feedback from our clients, our shareholders and our people and we observed the wider industry and scientific reports. This information was then analysed in detail to create a longlist of key topics for Subsea7's business and our stakeholders. All the topics we discussed are important to us, but the longlist focused on those that apply to a wide range of stakeholders and have the greatest long-term impact on our future.

In collaboration with a specialist sustainability consultant, this assessment enabled us to define six Sustainability Priorities (page 7) that represent Subsea7's most important sustainability areas of focus and where we can maximise our opportunity for impact.

In 2023, we will carry out a review of our materiality assessment to ensure relevance with industry advancements and changes in stakeholder interest.



Stakeholders

Our stakeholders are important to us and we are aligning with their expectations on sustainability.

Society

Defines what is acceptable and what is expected in terms of corporate behaviour. We have a duty to respect the communities where we operate and the environments we work in.

Our clients

Expect us to operate safely, cleanly and with integrity.

Our people

Expect us to keep them safe, treat them with respect and be a good employer.

Our shareholders

Expect us to be fair, balanced and transparent in our interactions with the market around our approach to environmental, social and governance-related risks and opportunities.



Our sustainability priorities

Our priorities are mapped against the most relevant UN Sustainable Development Goals allowing Subsea7 to demonstrate where we create sustainable value.

Health, safety and wellbeing

Creating, maintaining and promoting a safe, secure and healthy work environment.

Read more on page 9



Business ethics

Ensuring ethical business conduct and compliance by those working in and for the Company.

Read more on page 15



Operational eco-efficiency

Improving the environmental efficiency of our operations and our solutions in terms of greenhouse gas emissions and energy use.

Read more on page 17



Labour practices and human rights

Providing working conditions aligned with international standards with respect to labour practices and human rights.

Read more on page 13



Energy transition

Being the partner of choice for the transition of offshore energy towards a sustainable future.

Read more on page 11



Ecological impacts

Minimising the impact of our operational activities on marine and land-based ecosystems and biodiversity.

Read more on page 19



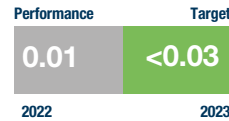


Our targets and performance

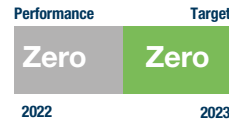
Setting targets aligned to our priorities helps guide our efforts and drive performance.

Health, safety and wellbeing

Lost-time injury frequency per 200,000 hours worked (rate)

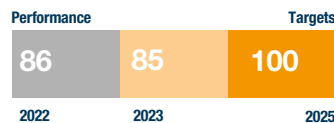


Serious injury frequency per 200,000 hours worked¹ (rate)

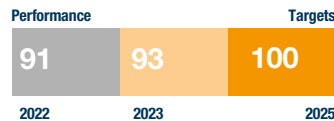


Business ethics

Proportion of the business covered by an independent anti-corruption compliance programme assessment (%)



Medium and high-risk suppliers assessed for corruption risk (%)



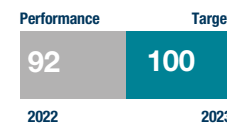
Operational eco-efficiency

Reduction in scope 1 and 2 emissions²

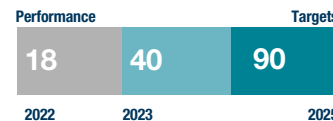


Labour practices and human rights

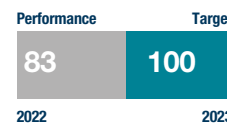
Proportion of our workforce covered by a human rights risk assessment within the last three years (%)



High-risk suppliers undergoing enhanced human rights risk assessment (%)

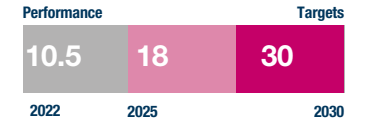


Relevant employees trained on human rights (%)



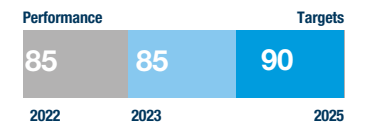
Energy transition

Cumulative power capacity of renewables projects supported³ (GW)

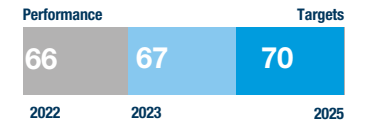


Ecological impacts

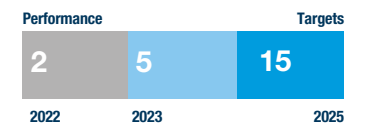
Waste recycled onshore (%)



Waste segregated offshore for recycling (%)



BORAbOX[®] sensors deployed subsea (number)



1. New target introduced in 2022

2. Reduction in scope 1 & 2 emissions compared to a 2018 baseline

3. Targets revised from previous year

Health, safety and wellbeing

Creating, maintaining and promoting a safe, secure and healthy work environment.

Our targets and performance

Lost-time injury frequency rate

0.01 ACTUAL 2022	<0.05 TARGET FOR 2022	<0.03 TARGET FOR 2023
---------------------	--------------------------	--------------------------

Serious injury frequency rate

Zero ACTUAL 2022	Zero TARGET FOR 2022	Zero TARGET FOR 2023
---------------------	-------------------------	-------------------------

7.6/10

Employee satisfaction score on health and wellbeing at Subsea7 (2021: 7.4/10)

SDG Contribution: UN SDG Target 3.8 and 8.8

Our ambitions

- Promoting safe and healthy workplaces across our value chain where employees feel welcome and secure
- Providing a workplace that encourages, supports and enables health and wellbeing choices and lifestyles
- Providing a workplace that is incident- and injury-free at all times, everywhere

Why it is important

Our workplaces are potentially hazardous, particularly when we are working offshore in harsh and remote environments. The safety of our people is our first priority. We aim for an incident-free workplace every day, everywhere and our ways of working are continually reviewed to seek to improve our safety performance. We believe that all people working on our sites anywhere in the world are entitled to the same level of protection.

Subsea7's Business Management System underpins the way in which we conduct safety training, reporting, procedures and assessments. Subsea7's line managers are responsible for implementation and compliance with the system and ensuring that all employees and contractors are aware of their responsibilities. We record all incidents and near misses in detail and investigate every event. Subsea7 checks activities against our internal standards and processes as well as regulatory and legislative requirements.

Supporting the wellbeing of our people both for their own health as well as for the Company as a whole is very important. All our employees have access to a confidential Employee Assistance Programme that provides support for coping with life's challenges including health and wellbeing, financial problems, stress or anxiety and family issues.



Human and organisational performance (HOP)

The fundamental aim of HOP is to allow a better understanding of the context and conditions of work in order to build more resilient organisations. Subsea7 is expanding its existing Safety programme by increasing its operational learning and understanding of the work performed.

We have been focusing on

- Delivering next phase of safety leadership programme
- Predictable outcomes through quality assurance
- Wellbeing activities based around employee insights
- Human and organisational performance

We will be focusing on

- Delivering refreshed safety leadership training
- Adopting a human and organisational performance approach to learning
- Managing risk in routine tasks
- Increasing assessment and focus on third-party incidents
- Delivering global and local wellbeing activity with a specific focus on mental health awareness

Our commitments



The UN Global Compact recognises the importance of health, safety and wellbeing through a number of its Sustainable Development Goals. We strongly support this value and ensure we create, maintain and promote a safe, secure and healthy work environment.



Our progress in 2022

In 2022 we saw significant improvement in our safety performance with only one lost-time injury case being recorded in the year. The improvement was supported by a return to normal working patterns for our crews and project teams after the disruption of COVID-19 and a re-emphasis on the fundamentals of safety.

Health and safety: Throughout 2022 we delivered high-quality, interactive safety training to key leaders in the business, focused on developing and inspiring leaders to use core skills to manage and lead their teams in safety.

A further important focus for the year revolved around strengthening relationships. The number of face-to-face visits to onshore and offshore work locations doubled compared to last year and we continued with our sponsor programme across 100% of our vessels and worksites. This enables an appropriate level of support through two-way communication between operations and senior management to support vessels and worksites in their delivery of projects and operations.



Our colleagues in Suresnes, France performed an interactive programme of events and workshops focused on safety. Scenarios were created where actors performed unsafe acts and the reactions and interventions of our staff were filmed and then played back to the staff as a learning opportunity. Additionally other areas covered were hazard perception, use of defibrillators and cycling safety.

Assurance and verification: We believe that by concentrating on our quality assurance process we will be able to be predictable in our outcomes and reduce unexpected events leading to incidents. This better supports our operations, clients and other stakeholders in meeting their expectations from both a performance and incident free perspective.

Throughout 2022, we applied significant focus to predictable performance, creating greater visibility and understanding of the areas where our quality barriers had not been effective, and implemented remedial actions and plans.

Our HSEQ assurance and verification activities were extended to major suppliers and subcontractors on Seaway7's Seagreen project. The process led to a significant reduction in incidents and process disturbances and a better understanding of risks and safety topics by the major suppliers and subcontractors.

Wellbeing: Supporting the wellbeing of our people is fundamentally important for both personal health as well as for our Company as a whole. Our comprehensive framework developed last year has been adopted across our business and supported through global communications throughout the year which included learning bulletins so that our people had access to year-round support and materials. During the year our offshore management teams and medics were provided with access to training in mental health awareness to support greater understanding of this topic.

Human and organisational performance (HOP): In 2022 we worked with a broad spectrum of industries (airlines, utility and services, oil and gas) to develop our programme for 2023. We began the training of our leaders in HOP philosophy to support business improvement culture and continued focus on safety. We plan to roll out the programme in 2023.

In 2022, our Gulf of Mexico region launched a mental wellness platform providing access to resources, services and tools to support people's individual unique mental health journey. Through the platform, our people can access digital resources, specialised coaching, community sessions and clinical therapy.

Our plans for 2023

We are committed to continuing our positive safety performance by remaining focused on what we believe are the key fundamentals. We will deliver refreshed safety leadership training to all onshore and offshore supervisors to further support them. Our sponsor programme covering all our vessels and sites will continue in 2023, building on the close relationships developed and supporting high-priority issues.

We have already made great progress in establishing the foundations of predictable outcomes within the business and hence have eliminated many events that could have led to unwanted incidents. The focus in 2023 will be to create alignment across all our regions and business units to support greater consistency and thus be able to underpin our performance with best use of our Quality Assurance Systems.

We will adopt the philosophy of human and organisational performance to help us improve our approach to best utilise our leading and lagging indicators. This will help us deliver a positive change in how we learn from all work performed.

Building on the progress we have made with our wellbeing framework and the availability of mental health training offshore, we will continue to develop the offering of a blend of global and local wellbeing activity, with a specific focus on mental health awareness.

[Read more about Health, safety and wellbeing](#)

Energy transition

Being the partner of choice for the transition of offshore energy towards a sustainable future.

Our targets and performance

Cumulative power capacity of renewables projects supported



56%

Total R&D budget associated with energy transition in 2023 (44% in 2022)

SDG Contribution: UN SDG Target 7.3, 9.1, 13.1

Our ambitions

- Expanding our capabilities in the design, construction and installation of cost-effective fixed and floating wind farms and other offshore energy transition projects
- Being a leading supplier of solutions to the growing offshore energy transition sector
- Supporting our clients in their drive for lower-carbon and renewable energy solutions with our assets and our technology



Seagreen offshore wind farm project

As a main contractor to Seagreen, Seaway7 is responsible for the engineering, procurement, fabrication and installation of 114 wind turbine generator foundations. Each jacket foundation weighs almost 2,000 tonnes, the equivalent of 10 Boeing 747 aircrafts.

Why it is important

As global demand for energy continues to grow so too does the drive to address climate change and deliver lower-carbon sources of energy. Operators are seeking innovative, creative, and reliable solutions to overcome the complexities facing today's industry in order to better serve the needs of tomorrow. Subsea7 plays a leading role in the delivery of sustainable offshore energy developments around the world and our renewables business generated 22% of Subsea7's revenue in 2022.

Floating wind offers the possibility to further support the energy transition by allowing greater quantities of offshore wind to be developed by using areas where the water is too deep to allow the construction of fixed offshore wind farms. Floating wind farms are expected to become a significant contributor to the energy transition in the next decade. Subsea7 has invested in floating wind technology and continues to grow our technical capability and expertise in this area to develop cost-effective, innovative solutions.

Lower-carbon oil and gas have an important role in the offshore energy transition. Our proprietary technology and engineering capability support our clients in developing these fields cost-effectively and efficiently. Subsea7 has extensive expertise and experience in large offshore gas field developments.

We have been focusing on

- Capitalising on formation of Seaway 7 ASA
- Identifying opportunities within emerging new markets
- Working with clients to identify carbon reduction solutions
- Embedding advocacy plan within our regions

We will be focusing on

- Taking delivery of two new build vessels for offshore fixed wind
- Advancing opportunities within offshore floating wind
- Working with our Subsea Integration Alliance to develop strategies to maximise CCUS
- Collaborating with industry peers on lower-carbon solutions

Our commitments



As part of the UN Global Compact's goal to ensure access to affordable, reliable, sustainable and modern energy for all, we are committed to progressing and supporting the transition towards lower-carbon sources of energy (Principles 7, 8 and 9).



Our progress in 2022

We have made significant progress in advancing the energy transition.

Growth of renewables – offshore wind: Within fixed offshore wind, our Seaway7 business delivered significant progress to support the continued growth of renewable power. Throughout 2022, our ongoing projects, representing a broad geographical coverage, contributed significant volume by successfully installing 210 inner-array cables, 130 monopile and 107 jacket foundations. Combined, these projects will support approximately 2.9GW of renewable power capacity. A key highlight for Seaway7 was the completion of the fabrication activities and substantial progress with offshore installation on the Seagreen project, a milestone development as the world's deepest fixed offshore wind farm.



Efficient monopile installation method

Following a multi-year innovation programme to validate the method and technology, the *Seaway Strashnov* successfully installed the world's first monopile on DP (Dynamic Positioning) on the RWE Kaskasi project in Germany, followed by the installation of over 100 monopiles on the Vattenfall Holland Kust Zuid wind farm project in the Netherlands, cementing the method as the new reference for faster installation of monopile foundation.

Floating wind: In 2022 Subsea7 successfully supported Equinor to generate first power on the world's largest floating wind farm, Hywind Tampen. Our scope involved the installation of inner-array cables to support seven wind turbines which represents the completion of the first campaign. Moreover, we have been working with our floating wind technology developer, Nautilus Floating Solutions, to develop their floating wind technology and will continue to mature the concept throughout 2023. Further progress in 2022 was the award to Subsea7 in consortium with Technip Energies of the Front-End Engineering Design (FEED) for the 504MW Grey Whale floating wind project in South Korea by Corio Generation and TotalEnergies. This is one of the first commercial-scale projects to move into engineering and design development. We also made significant progress on the Salamander project, with Ørsted joining as strategic investor and lead developer, designed to provide the Scottish supply chain with an early capacity development opportunity.

Emerging energy – new markets and opportunities: In carbon capture, utilisation and storage (CCUS) there has been continued progress to build our knowledge and experience, having moved into offshore execution on the Northern Lights carbon capture and storage project for Equinor which will continue into 2023.

In hydrogen, our in-house Field Development Group completed the first Field Development Study at Hollandse Kust West, for Vattenfall, and signed a Memorandum of Understanding with OneSea Energy to collaborate in the field of offshore floating green hydrogen.

Transition to lower-carbon solutions: Our clients are seeking lower-carbon solutions and our autonomous subsidiaries, Xodus and 4Subsea, are helping us to deliver engineering solutions that reduce the carbon footprint of our clients' developments.

Advocacy of energy transition: In 2022 Subsea7 joined the 'Alliance for Industry Decarbonization', a global forum co-founded by the International Renewable Energy Agency (IRENA) and Siemens Energy. The group will focus on six pillars and enablers to generate pace in the energy transition.

Xodus inspiring change

Xodus is a client-led engineering consultancy that provides engineering and advisory services to clients in the energy industry to enable progress and deliver the energy transition. Through Xodus, we are providing consulting services for hydrogen projects in a number of regions and currently supporting in the evaluation of carbon capture projects in the UK, Europe, and Australia.

Our plans for 2023

Our focus for 2023 will be on delivering significant volume to support renewable capacity whilst ensuring a balanced approach to the financial and risk profile within fixed offshore wind. In addition, two state-of-the-art installation vessels, *Seaway Alfa Lift* and *Seaway Ventus* are expected to join the fleet by early 2024 which will enable larger turbines to be installed more efficiently. We will maintain our focus on floating wind through our involvement in Salamander and our early engagement in key markets such as South Korea, France, Norway and the UK.

In emerging energy we will continue the delivery of the Northern Lights carbon capture and storage project, and build our engagement on study and FEED activity together with our Subsea Integration Alliance to promote our integrated offering in a number of active markets. In hydrogen we will further progress our studies of storage solutions and continue our early engagement activities.

We have committed to increasing our investments towards renewable and emerging energy and have budgeted 56% of our research and development (R&D) spend in 2023, compared to 44% in 2022.

Our ability to work in partnerships and alliances is essential to the industry's commitment to a lower-carbon future. We will capitalise on our involvement in key forums, including IRENA and the Hydrogen Council. Read about our other collaborations and partnerships on page 25.

→ [Read more about Energy transition](#)

Labour practices and human rights

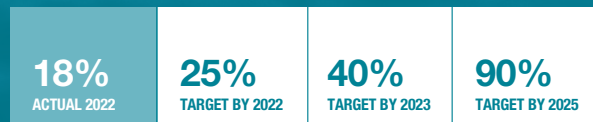
Providing working conditions aligned with international standards with respect to labour practices and human rights.

Our targets and performance

Proportion of our workforce covered by a human rights risk assessment within the last three years



High-risk suppliers undergoing enhanced human rights risk assessment



Relevant employees trained on human rights



SDG Contribution: UN SDG Target 8.7, 8.8, 12.6, 16.3

Our ambitions

- Applying the principles of Building Responsibly and the UN Global Compact within Subsea7 and actively monitoring compliance
- Ensuring broad understanding of Subsea7 expectations and commitments to the principles of Building Responsibly and the UN Global Compact
- Working with our suppliers and partners to see the principles of Building Responsibly and the UN Global Compact applied across the value chain



Human rights programme

Our human rights programme is designed to ensure we identify and manage human rights risks in accordance with emerging regulatory and stakeholder requirements and expectations, including in relation to supply chain 'diligence' and transparency.

Why it is important

Our sector can present significant human rights risks, due to the type of work our people and many of our suppliers perform and the countries from which they come or in which they operate. So, we want to ensure that we have assessed the risks correctly and have taken the right steps to mitigate or guard against them. These measures serve to strengthen our management approach in accordance with the UN Guiding Principles on Business and Human Rights to prevent, address and remedy any risk of adverse human rights impact related to our activities. Our approach to anti-corruption, safety and security, and the environment also reflects our recognition of our human rights obligations.

Respecting human rights and adopting good labour practices is how we fundamentally do business. We aim to ensure fair and lawful employment practices and to provide a working environment free from discrimination, bullying and harassment, and in which no-one is mistreated, abused, or exploited by us or anyone we work with. Maintaining good employee and supply chain relations also makes us a stronger and more reliable company capable of attracting and retaining talented people, and with which our suppliers want to partner, around the world.

[→ Read Subsea7 Human Rights Policy Statement](#)

We have been focusing on

- Human rights risks within our own operations
- Enhanced human rights risk assessment of high-risk suppliers
- Raising awareness of our human rights commitments and training key people

We will be focusing on

- Adopting a dashboard to measure effective implementation of our human rights programme
- Continuing to enhance and embed supplier human rights risk assessment and due diligence procedures
- Developing our human rights monitoring and assurance capability

Our commitments



We are a signatory to the UN Global Compact and aligned with its commitment to respect and protect human rights (Principles 1 and 2) and to fair and lawful employment practices across the Company and throughout our supply chain (Principles 3, 4, 5 and 6). We also support the International Labour Organization's standards regarding child labour and minimum working age.



Our progress in 2022

We continued to enhance our programme to assess and mitigate or guard against human rights risks across the organisation and our supply chain.

Human rights risks within our own operations: During 2022 we implemented a new process for assessing human rights risks at or on our offices, sites and vessels across all our regions, in relation to both our own staff and on-site suppliers' staff. Our goal was to identify the highest risks, with a particular, risk-based focus on child labour, slavery, trafficking and other forms of forced or involuntary labour. The resulting mapping was used to define policy and procedure enhancements and action plans to implement them.

Human rights risks within our supply chain: In 2022 we introduced an enhanced human rights risk-tiering matrix, which takes into account the country risk (based on proprietary country risk data to which we subscribe) and whether the type of material or services supplied falls into a category which we deem potentially higher risk. Whilst our existing process already screens suppliers for human rights risks, we also developed an enhanced human rights assessment and due diligence questionnaire for high-risk suppliers. By the end of 2022, 18% of our high-risk suppliers that had been through the process and over 150 suppliers took part in a pilot implementation of our new due diligence questionnaire. Although we did not achieve our target of 25%, this was largely because we wanted our new risk assessment and due diligence process to be as fit-for-purpose as possible, rather than rolling them out prematurely, even though that would have given us more time to get more suppliers through the pilot.

Supporting transparency

To help standardise our responses to anticipated requests of Subsea7 management to explain how we comply with the Norwegian Transparency Act, our Norway region created a brochure which supports greater understanding of our policies, commitments and initiatives for identifying and managing human rights risks and impacts.

Our assessment of supplier risk is primarily based on the presence of underage or low-skilled migrant workers, as these are the biggest risk factors for the risk areas we are prioritising. By prioritising these risk areas, we aim to be able to progress further down our supply chain faster.

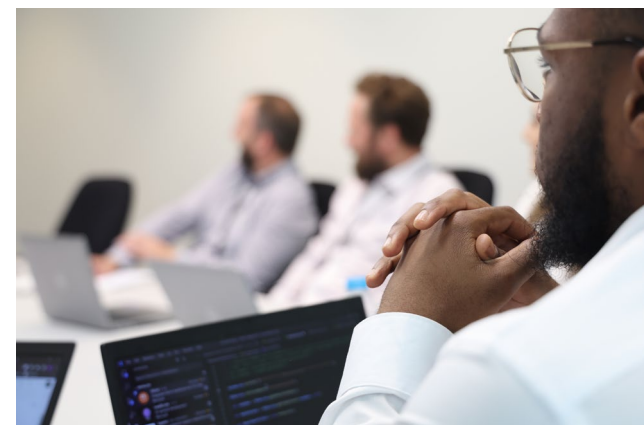
Training and awareness: We continued to raise awareness of our human rights commitments and what they mean for Subsea7 and our suppliers. In 2022 we focused on training all members of our regional management teams, and those relevant employees who need to have a good level of understanding, because their roles (including Supply Chain Management, Human Resources, Legal and Contracts) mean they can and should help identify and manage human rights risks. We conducted human rights training workshops and 83% of our relevant employees attended. We also invited everyone involved in one, potentially high-risk project to attend a workshop. In addition, we added human rights to the agenda for our Supplier Integrity events.

Our plans for 2023

We aim to continue enhancing and embedding our human rights programme to ensure we manage human rights risks effectively and can demonstrate that we are doing so. We will continue to work to ensure our programme aligns with international standards and stay abreast of evolving legal and stakeholder expectations and requirements, such as the Norwegian Transparency Act and any regulations under the forthcoming EU directive on corporate sustainability due diligence. We will also start to develop assurance methodologies, so we can assess whether appropriate, effective human rights risk management procedures are in place in our operations and in our supply chain.

We will continue to enhance and embed our supplier risk assessment procedures and to work towards our aim of putting 40% of our high-risk suppliers through those procedures by the end of the year. The results and lessons learned will be used to fine-tune our questionnaire before we integrate it into our procedures. We plan to roll out the questionnaire across all high-risk suppliers identified via our enhanced risk assessment process over the next three years.

Further human rights training will likely take the form of equipping part or all of the same audience who completed the training in 2022 with more practical tools for identifying human rights issues among our staff and on-site suppliers' staff, or whilst visiting our supplier and project locations, and knowing what action should be taken.



Supplier Integrity events

We want to involve suppliers in the conversation about human rights, just as we have done with Business Ethics. For example, our Aberdeen office held a Supplier Integrity Day virtually and had over 110 suppliers in attendance, represented by more than 200 individuals. One of our key clients also participated in the event, discussing why it was important to have a Speak Up culture.



Subsea7 is a Board member of the Building Responsibly organisation launched in 2017, a global business-led coalition committed to promoting the rights and welfare of workers in the engineering and construction industry. It is based on the belief that collaboration is required to deliver better practices across the sector.

We will also continue to raise awareness across our supply chain, including by continuing to include human rights on the agenda at our Supplier Integrity events.

[→ Read more about Labour practices and human rights](#)

Business ethics

Ensuring ethical business conduct and compliance by those working in and for the Company.

Our targets and performance

Proportion of the business covered by an independent anti-corruption compliance programme assessment

86%	85%	85%	100%
ACTUAL 2022	TARGET BY 2022	TARGET BY 2023	TARGET BY 2025

Medium and high-risk suppliers assessed for corruption risk

91%	90%	93%	100%
ACTUAL 2022	TARGET BY 2022	TARGET BY 2023	TARGET BY 2025

3.50

Rate of Speak Up and other compliance and ethics cases per 1,000 employees (2022: 2.62)

SDG Contribution: UN SDG Target 12.6, 16.3, 16.5

Our ambitions

- Embedding a culture of ethics, compliance and integrity
- Ensuring only those who uphold our commitments to ethical business conduct can work with or for us
- Ensuring we make a positive impact on business ethics in our sector, including the supply chain



Speak Up

Subsea7 tracks all potential breaches of our Code of Conduct that are raised via our Speak Up channels or reported locally, and we have a Group procedure for cases to be investigated conscientiously and without bias. More information about the Subsea7 Speak Up policy can be found on our website.

Why it is important

Integrity is one of our core Values, and Subsea7 is committed to acting honestly, fairly and with integrity at all times, to comply with the law, and to treat people with respect. By so acting, we believe we can earn the trust of our clients, employees, business partners, suppliers and other stakeholders.

Our sector can present significant corruption risks, as can many of the countries in which we operate. As with safety, we take a management system approach to embedding a culture of ethics and integrity and managing legal and reputational risks. In recent years, regulatory, stakeholder and societal focus on, and expectations in relation to, anti-bribery/anti-corruption have remained strong, as does our focus on that topic too. During 2022, international sanctions also became an even more prominent compliance risk area.

The Subsea7 compliance and ethics programme is designed to embed our Code of Conduct and help manage compliance and ethics risks. To help manage risks in our supply chain, our programme also includes our Code of Conduct for Suppliers, which sets out the key principles of ethical conduct that our suppliers are required to uphold, and a range of supply chain risk assessment and due diligence procedures.

[Read more on Subsea7 compliance and ethics programme](#)

We have been focusing on

- Further encouraging our Speak Up culture
- Increasing independent assessments of our business
- Continuing to enhance our supply chain risk assessment process
- Working collaboratively to develop common standards

We will be focusing on

- Continuing to raise awareness of our Speak Up policy
- Embedding refinements to our supply chain risk assessment process
- Promoting the adoption of common standards and approaches to assurance

Our commitments



Principle 10 of the UN Global Compact identifies the importance of businesses working against corruption in all of its forms. Through a range of initiatives, and policy and process enhancements we have continued to strengthen our approach to maintaining ethical business conduct.



Our progress in 2022

Subsea7 has a well-established compliance and ethics programme which we have continued to embed and strengthen.

Embedding a culture of ethics, compliance and integrity:

This year we held our fifth Global Integrity Day event, which we have found to be a most impactful initiative for encouraging, empowering, and embedding a culture of integrity. We showed a montage video with highlights from our last four Global Integrity Day events; and we held two panel discussions, at which our Regional Vice Presidents discussed what integrity and anti-corruption compliance mean to them in their regions and answered live questions.

A healthy Speak Up culture is essential to an effective compliance and ethics programme. Continuing our approach to making compliance and ethics training more engaging and thus more effective, this year we launched a new e-learning module, which focused on encouraging our people to Speak Up if they witness any dishonest, unethical, or illegal conduct.



Assurance on our programme

GoodCorporation™ performed an independent assessment of our compliance and ethics programme in Seaway7. This assessment comprised policy and procedure review, interviews with management and other employees, and transaction sampling. It was undertaken in the Aberdeen and Zoetermeer offices, as well as through online interviews.

Anti-bribery/anti-corruption self-assessment

Subsea7 supported GoodCorporation™ in the development of an anti-bribery/anti-corruption self-assessment digital portal, and piloted the assessment with 25 suppliers. We selected a range of suppliers representing different categories, countries, size, maturity and levels of potential corruption risk. Our goal was to see what we and the participating suppliers could learn from the self-assessment and help the case for common approaches to assurance such as this.

Ensuring all who work for us uphold our commitment to

business ethics: Over the past year, our focus has continued to be on implementing our approach to assurance across Subsea7 and third parties. We continued to engage an external expert firm (GoodCorporation™) to perform independent assessments of our anti-bribery/anti-corruption programme across the Group. This year Seaway7 was assessed, which brings to 86% of the business covered by such independent assessments. We are on track to meet our target of having the whole of the Subsea7 Group independently assessed.

This year we also strengthened our procedure for managing suppliers that are appointed without a purchase order, to ensure they are appropriately assessed for compliance and ethics risks. This procedure allows more efficient and cost-effective processing for purchasing certain types of services that are administrative in nature, non-operational, and/or the cost of which is impractical to estimate. At the same time, we will be able to ensure that if any such suppliers are medium or high-risk, they go through our risk assessment and due diligence process.

Making a positive impact on business ethics in our sector,

including the supply chain: Throughout the year, we continued our efforts to encourage our sector to coalesce around a common anti-bribery standard and a common approach to providing assurance, via a number of initiatives:

- Working with industry groups, such as the International Marine Contractors Association and the Energy Sector Integrity Forum

- Supporting an independent expert assurance provider to develop a digital anti-bribery/anti-corruption self-assessment portal
- Undergoing a pilot certification audit with Det Norske Veritas (DNV) for the Subsea7's UK business against ISO 37001-2016, the International Anti-Bribery Management System Standard

We also underwent a successful compliance audit by one of our major clients.

ISO 37001 certification audit by DNV

Subsea 7 (UK Service Company) Limited was certified as conforming to the requirements of ISO 37001-2016. The audit involved a review of policies and procedures, and interviews with key managers and functional heads. Our goal is to continue to support the standard to gain traction and to encourage other companies to get themselves certified.

We continued to support and oversee business-led integrity initiatives, including Global Integrity Day, UN International Anti-Corruption Day and supplier integrity events across our regions and business units.

Our plans for 2023

The number of Speak Up cases in 2022 points to some modest success in fostering a culture of Speaking Up. We will continue to do more to promote Safecall and other Speak Up channels.

In 2023, we will continue our efforts to encourage our sector to coalesce around a common anti-bribery standard and a common approach to providing assurance to their clients and other stakeholders. Our goal is to optimise assurance-gathering efforts and reduce the duplication associated with multiple compliance audits.

Within our supply chain, we will continue to embed our supplier risk assessment processes, with a particular emphasis on those engaged without a purchase order, to ensure any compliance and ethics risks are identified and mitigated. We also aim to refine those processes, with a view to ensuring they are consistently applied and as practical and effective as possible.

➔ [Read more about Business ethics](#)

Operational eco-efficiency

Improving the environmental efficiency of our operations and our solutions in terms of greenhouse gas emissions and energy use.

Our targets and performance

Reduction in scope 1 and 2 emissions*



* Baseline year 2018

73%

Onshore sites' consumption comes from renewable energy tariffs (2021: 66%)

SDG Contribution: UN SDG Target 9.4, 13.1 and 13.3

Our ambitions

- Reducing emissions from our fleet
- Reducing our scope 3 emissions to support our clients' targets
- Working with our supply chain to offer lower-carbon alternatives to our clients

Why it is important

Subsea7 recognises the risks and opportunities of climate change and its potential effect on our business and stakeholders. Identifying and managing the impacts of climate change, including our approach to emissions, is important as we shape our strategy and reach a lower-carbon future economy. To address the subject, we applied the recommendations of the Task Force on Climate-related Financial Disclosures which can be read on page 26. We seek to be more efficient in the way that we work and invest in solutions that lower our greenhouse gas emissions within our own operations and throughout our supply chain.

Over 90% of our scope 1 emissions come from our vessels such that our CO₂ emissions correlate strongly with our offshore activity levels and we must seek to reduce these in line with our targets. In addition the reduction in scope 3 emissions arising from our supply chain is fundamental to delivering a lower-carbon industry. We continue to work with our clients to deliver lower-carbon solutions.

To be able to effectively manage our performance, it is important we measure key environmental data against internal targets including fuel and energy consumption and carbon emissions reduction. We have a comprehensive risk management system with procedures and tools that identify, analyse, report and manage business risks that are related to environmental exposure and the effects of climate change.



Hybridisation of Seven Arctic

Subsea7 has committed to hybridising our largest construction vessel of the fleet, *Seven Arctic*. The vessel will be equipped with an energy saving and storage system designed to maximise autonomy and allow for integration with different existing power and vessel management systems on board.

We have been focusing on

- Rolling out digital dashboards across our fleet and trialling clean fuels
- Extending use of our Carbon Estimator tool to projects
- Establishing an estimation of scope 3 emissions

We will be focusing on

- Using digital tools to improve efficiencies
- Evolving the application of the Carbon Estimator tool
- Formulating plans with key suppliers to support our common scope 3 ambitions

Our commitments



We recognise the importance of being actively engaged in tackling the challenges facing our environment. We support the UN Global Compact's principles on the environment and we are undertaking initiatives to promote greater environmental responsibility throughout our Company (Principle 8).



Our progress in 2022

Our emissions in 2022 increased compared to 2021. This was a result of an increase in fleet size from the addition of the OHT ASA heavy transportation fleet and increased utilisation of our fleet with the upturn in business activity. The business combination with OHT ASA in the fourth quarter of 2021 resulted in the addition of six heavy transport vessels to the active fleet.

However, lowering the carbon impact from our operations remains a key focus and in 2022 we continued to invest in our fleet to reduce emissions and discuss with suppliers and the marine industry the challenges towards the transformation of clean fuels. In support of our Net Zero target, our efforts continued around the following areas.

Improving the environmental performance of our fleet:

Clean fuels: In 2022 we successfully completed our first clean fuel trial on *Seven Oceanic*. Being able to demonstrate the capability and operability is vital in promoting this as a viable lower-carbon alternative. Clean fuels remain instrumental in our ability to meet our Net Zero target and our focus for 2023 will be to understand how the supply chain can develop over the next few years to make clean fuels commercially available in the quantities and pricing that are affordable.

Hybridisation: In an important step forward towards our target to Net Zero, we awarded a contract for the hybridisation of the *Seven Arctic*. A new containerised battery room will provide up to 3.75MW of extra power and 1.25MW of energy, with a connection to receive power from shore. Upon completion, we expect to reduce emissions by up to 5,000 tonnes per annum.

Supplier sustainability forum

Our colleagues in Houston held a forum involving over 10 key suppliers to discuss and engage on the importance of our supply chain in supporting sustainable delivery. The suppliers shared their own initiatives with a particular focus on how they are addressing emissions and the greatest challenges they are facing in decarbonising their operations.



Clean fuel trial

In 2022 we successfully completed our first trial using fuel with a lower-carbon footprint on our construction vessel, *Seven Oceanic*, a key step in our plans to deploy clean fuels more widely as part of our target to achieve Net Zero.

Digital efficiency: We successfully launched and installed a digital data analytic system across our fleet of vessels. The system roll-out has enabled Subsea7 to establish and define robust operating baselines from which efficiencies can be implemented and measured. In addition, we have installed digital fuel flowmeters across much of our fleet which will enable automated tracking and reporting of fuel use and scope 1 emissions.

Engaging with clients to reduce the environmental impact of our services: We have continued to utilise our Carbon Estimator tool in every study and in tenders to build up greater knowledge to support our clients as they begin to review options. In 2022 we extended the use of the tool to our projects, with the launch of pilot projects to track our actual emissions during project delivery.

Collaborating with our supply chain to reduce environmental impact: A significant step forward this year has been our ability to establish an estimation of our scope 3 emissions – the emissions coming from our supply chain. This confirmed that our supply chain represents an estimated 70% of our overall greenhouse gas emissions with significant contributions coming from steel line pipes and steel

Renewable source of electricity

To support our continued drive to reduce our scope 2 emissions in line with our target, an additional three onshore sites switched to renewable sources of power. By the end of 2022, 73% of our onshore electricity consumption was generated from renewable energy tariffs.

structures. We developed a questionnaire for our suppliers to complete which supports greater understanding of the topic and helps determine where we can engage and create impact within the areas that are contributing most significantly to our scope 3 emissions.

Our plans for 2023

We intend to harness the knowledge and baseline data gathered from our digital data analytic system to provide us with benchmarks. This will support an environment from which we can challenge operating modes and seek improvements to operational performance. We have a Company-wide ambition to improve our predictable performance and are working towards streamlined ways of working and better decision-making. By having this level of focus, we expect to see greater efficiencies in delivering our projects which should result in lower carbon intensities.

Along with the conversion of the *Seven Arctic* to hybrid battery power in 2024, the new *Seaway7* vessels, *Seaway Alfa Lift* and *Seaway Ventus*, can be fitted with hybrid battery systems.

We will take insights from using the Carbon Estimator tool on pilot projects to better understand our project emissions tracking and further mature our capabilities to monitor and act on our project carbon emissions.

Our plans to address scope 3 emissions will continue in 2023 and we will focus our engagement with key suppliers who have significantly larger impacts in overall greenhouse gas emissions, to better understand and develop common scope 3 ambitions and a road map to achieving those ambitions.

➔ [Read more about Operational eco-efficiency](#)

Ecological impacts

Minimising the impact of our operational activities on marine and land-based ecosystems and biodiversity.

Our targets and performance

Waste recycled onshore

85%	82%	85%	90%
ACTUAL 2022	TARGET BY 2022	TARGET BY 2023	TARGET BY 2025

Waste segregated offshore for recycling

66%	65%	67%	70%
ACTUAL 2022	TARGET BY 2022	TARGET BY 2023	TARGET BY 2025

BORAbOX® sensors deployed subsea

2	2	5	15
ACTUAL 2022	TARGET BY 2022	TARGET BY 2023	TARGET BY 2025

* BORAbOX® is a suite of sensors fitted to our ROVs or other offshore infrastructure to collect ocean data.

SDG Contribution: UN SDG Target 12.5, 13.3, 14.3 and 14.A

Our ambitions

- Recycling all of our waste
- Zero single-use plastics* onshore and offshore
- Making a positive global impact on marine life in each country where we operate



Circular economy

Subsea7 uses an internal database to assist new projects in finding existing owned equipment in Subsea7's yards and bases around the world for re-use. Large buoyancy modules (pictured) are an example of installation aids being reused across different projects.

Why it is important

Looking after the environment is key to keeping our planet Earth healthy for people and nature to thrive. Awareness of the impact that our activities may have on the environment and the management of measures to control such impacts is an important element in the way we do business. Subsea7's fabrication and construction activities around the world, offshore and onshore, can have an impact on the environment that surrounds them. Some ecological disruption is unavoidable, for example when putting in place new subsea infrastructure or when our vessels transit from one ocean to another in the course of the year. We recognise the impacts our operations may have on marine biodiversity above the water, below the water and on the seabed, and are focused on minimising and mitigating the potential impact through focused efforts.

Our HSEQ policy focuses on ensuring regulatory compliance and improving our environmental performance through careful selection of consumables and working practices designed to reduce waste, energy consumption and emissions. Our projects are complex and are sometimes performed in unfamiliar environments in varied conditions, so we use planning, design and environmental risk assessment to avoid and reduce environmental risks as well as ensure compliance with relevant laws and regulations.

We have been focusing on

- Enhancing our waste management protocols
- Supporting BORA Blue Ocean Research Alliance® initiatives through our projects
- Phasing out single-use plastic items

We will be focusing on

- Promote a culture of circular economy for used equipment
- Develop specific BORA Blue Ocean Research Alliance® projects
- Working with suppliers on reducing plastic use in packaging

* non-essential single-use plastic

Our commitments



The UN Global Compact's Environmental principles recognise the need for businesses to encourage the development of environmentally friendly technologies. We are aware of the impact our activities may have on the environment and we are striving for ways to improve through a range of initiatives (Principles 7, 8 and 9).



Our progress in 2022

We continued to deliver meaningful ecological value this year.

Recycling our waste: In 2022 we recycled 85% of total onshore waste generated and segregated 66% of total offshore waste generated for recycling. Throughout the year we conducted waste contractor health checks across four of our regions to identify how our waste is handled at our contractors' facilities. In Aberdeen, for example, our contractor carried out waste health checks and the results showed positive segregation of waste from source and overall environmental compliance.



BORA Blue Ocean Research Alliance®

“Having increased global reach, BORA Blue Ocean Research Alliance® presents a fantastic opportunity to develop science-based, impactful innovations. The alliance enables us to foster closer working relationships, not least between ourselves and Subsea7, but also between research, industry and government to achieve shared goals. The alliance has already produced ground-breaking firsts such as the newly developed BORAbbox®. Our future ambitions represent exciting opportunities that will benefit society and be integral to a sustainable future.”

Huw Gullick Associate Director NOC Innovations

Supporting BORA initiatives through our projects: Since the BORA Blue Ocean Research Alliance® launch in 2021, the alliance initiatives have been well supported by our regions, with dedicated champions focused on seeking client support to get science elements in our projects. The alliance with the National Oceanography Centre (NOC) exists to advance scientific knowledge of the ocean through integrating science into routine offshore operations and using our vessels and other infrastructure to collect data. Between November 2021 and September 2022, we deployed a BORAbbox® prototype (a sensor to collect ocean data) on our vessel, *Normand Subsea*, while operating west of Shetland. Over 700 hours of accumulated deployment time were recorded and the collected data are reviewed and analysed by NOC scientists. Following this successful test and validation from the scientists, we fitted a further two BORAbbox® sensors on the *Seven Falcon* and the *Seven Pacific*, to collect data through projects in Brazil and Norway.

We also advanced on our second focus area around capturing marine life photos and videos in remote locations and water depths where we work through the existing SERPENT project. The photography and videos collected during our operations are shared with NOC scientists to review and identify new locations of interest.

Zero single-use plastics: Throughout 2022 we utilised our Company-wide single-use plastic dashboard to provide real-time visibility across our business, to discover where we need to reduce our consumption. Further to last year's four single-use plastic items, we continued to phase out a further two categories. A small number of sites and vessels are in the process of phasing out existing final supplies of single-use stock, but we are ensuring no future purchases going forward for these single-use plastic

Rainwater harvesting

In Brazil, the Ubu Spoolbase has the capability to capture 20,000L of rainwater into storage tanks and re-used for watering down the road dust instead of bringing in water trucks to do this operation. Rainwater is also harvested in our office in Sutton, UK for re-use as grey water for domestic sanitary flushing and watering crops grown on site.

Noise mitigation

Seaway7 is actively involved in various joint industry projects aimed at reducing or mitigating the noise from piling operations. In 2022, in an industry's first, Seaway7 deployed vibro-tool monopile installation methodology on full scale in an offshore wind farm development project.

categories. In addition, we are working on decreasing unnecessary plastic use for packaging from our supply chains or ensuring the plastic is at least recyclable.

Our plans for 2023

Our efforts to recycle our waste will continue throughout 2023 to meet our targets. We will continue to raise awareness on waste including opportunities to re-use equipment by promoting a culture of circular economy within our projects. We will further utilise our internal database with access to over 46,000 items of equipment that exist in our yards and bases around the world to be re-used across projects. By maintaining our existing equipment and ensuring its longevity, we are reducing unnecessary expenditure and the environmental impact associated with manufacturing new equipment.

In support of the BORA Blue Ocean Research Alliance®, we will continue to engage with our clients to support BORA initiatives. We will work with NOC to develop specific research projects, of high scientific or environmental value, and maximise marine technology co-operation to bring new information that can help set the standards for co-management of our oceans. This will support the growth of marine research and technology development initiatives.

We will continue to drive zero single-use plastic guidelines and look at ways to reduce our dependence on non-essential single-use plastics on our sites and vessels and within our supply chain. This includes engagement with our people and our suppliers to raise awareness and re-state our intention to remove single-use plastics from our operations, onshore and offshore.

[Read more about Ecological impacts](#)



Diversity and inclusion

Why it is important

We employ onshore and offshore employees from more than 80 nationalities and view individual differences as a strength. Embracing cultural diversity in the workplace helps maintain access to and supports a diverse pipeline of talent. An inclusive and diverse environment not only fosters creativity and innovation but also improves decision-making through new ways of thinking.

As the energy industry continues to evolve, we need to build new skills and develop global perspectives to make the energy transition possible and help us remain competitive on an international scale. Creating, maintaining and promoting an inclusive work environment where all our differences are embraced, and everyone is treated equitably is vital for our employees to thrive and be motivated to support the sustainable delivery of offshore energy transition solutions the world needs.

Our initiatives in 2022

In 2022, we launched a Company-wide Diversity & Inclusion (D&I) framework that is focused on four pillars:

- Inclusive culture
- Gender balance
- Nationality balance
- Recruitment pipeline

Women in Business

Our Africa, Middle East and Caspian region launched a pilot 'Women in Business' programme, with 22 female talents attending from 11 countries and nine functions within the region. The programme was designed to focus on four main goals: Networking, Community, Development, and Self-Awareness.

Our framework includes the following ambitions:

- To create, maintain and promote an inclusive work environment allowing diversity of thought to thrive
- To increase female representation in our leadership onshore and offshore
- To support society to increase gender balance in our sector
- To increase the under-represented nationalities in our leadership onshore and offshore

The launch of the D&I framework clearly sets out our ambitions and will focus our activity and ongoing conversations with our people.

Through 2022 we continued to build diversity awareness through our Festival of Learning events and worldwide celebrations, including International Women's Day and World Day for Cultural Diversity.

We have continued targeted support of female development across the Group, with some of our regions running formal 'Women in Business' programmes, whilst others as an example have run informal networking sessions. We also held a series of career conversations with our onshore top female and underrepresented nationality talent, with the aim of increasing their visibility internally. Through these discussions we improved our understanding of their career aspirations and work-life challenges.

Furthermore, we have an ambition to ensure our recruitment approach supports our other D&I ambitions on inclusion, gender balance and nationality balance. Current improvement activities as examples are de-biasing job descriptions in our advertisements both onshore and offshore, increasing our women STEM role models in schools and universities, and modern advertising campaigns showcasing the diversity of our people.



POWERful Women annual conference

Subsea7 sponsored the 2022 POWERful Women – Energy Leaders' Coalition UK conference focused on the topic 'How the energy sector can build inclusive cultures and deliver on diversity goals'. A delegation from Subsea7 attended the event, which offered an opportunity to share and explore learning that can help drive greater diversity and inclusion in the UK energy sector.

Our plans for 2023

Moving forward to 2023 we will use the outcomes of offshore focused research projects completed in 2022 to set focused offshore D&I actions to support the plans onshore.



Human capital development

Why it is important

As society continues to drive the transition of energy, our focus is to support our people to have the relevant skills to deliver our strategy, in parallel to empowering and motivating our people to engage with the learning offering.

Our people are the foundation of our business. Our people are at the heart of everything we do and supporting all individuals to achieve their full potential is key to Subsea7's success.

Subsea7 has a well-established range of learning and development tools and programmes to help our people grow their knowledge and abilities in different areas of the business, including business and functional skills capability frameworks, development programmes, and a variety of learning content, designed to promote inclusive and equal learning opportunities amongst our employees.

Our progress in 2022

In 2022 we continued to promote a culture of learning through regular communications and our annual Festival of Learning event. This year's annual learning event was themed 'Make Possible', with the offerings consisting of webinars, panel discussions and interactive workshops on topics that are enabling the energy transition and supporting our people. In 2022 we had a calendar of activities targeted at our onshore and offshore people, with nearly 5,000 taking part in 59 sessions offered globally, an increase of 2,000 people from the 2021 festival.

During the year, we launched Subsea7's Business Skills Framework, to provide clarity to our people on the skills needed to achieve Subsea7's strategy, the energy transition and thrive in a modern working environment.

We continued to develop our global suite of programmes, which links back to the relevant skills within the Business Skills Framework:

- Continued our two year Graduate Programme to provide a baseline of technical, commercial and interpersonal skills and on-the-job learning, whilst helping the graduates to build a strong foundation to add real business value. In 2022, we recruited 100 graduates from 19 nationalities around the world
- Continued our Safety Leadership Programme which is targeted at our offshore management teams and supervisors, to upskill them with fundamental leadership skills applied in the context of safety offshore. A total of 125 people attended.
- Continued our Onshore Line Manager Programme focused on upskilling on the 'People Manager' skills in the framework. A total of 100 onshore line managers attended
- Launched a new Career Development Programme in response to our 2021 survey feedback which highlighted that our people were not clear on how to manage their careers. Over 300 people attended the three module programme. The programme provides clarity on tools, processes and career pathways available and provides guidance on the attitudes that are important to have a successful career in Subsea7
- Launched a new Project Manager Diploma Programme with 40 project managers attending. This programme provides technical and professional skills to enhance project management knowledge and builds a network of project managers
- Launched a two year Leadership Programme, 'Leading 7' with 30 senior talents upskilling on the 'Leader' skills in the framework, whilst building a network of future leaders

[→ See our website to explore our current vacancies](#)



Business Skills Framework

The Business Skills Framework is designed to help our people achieve a career they can be proud of. The framework summarises three sets of skills: 'Core' for all employees, 'People Manager' for those who manage people and 'Leader' for those leading the business. Topics include diversity and inclusion, wellbeing, digitalisation, authenticity and ambiguity.

Our plans for 2023

Moving into 2023, we will continue to embed and expand our offerings continually linking back to the Business Skills Framework. We will launch a Company-wide Women in Business programme, a new Commercial Awareness Programme and a new talent programme targeting those earlier in their careers.

Responsible supply chain management

Why it is important

A significant part of our work is executed by our supply chain. In our EPIC projects, we spend a significant proportion of our revenues on procuring goods and services from our supply chain partners, making them central to our business activities.

Subsea7 has an established local presence in many countries, with over 8,000 suppliers, all playing an important part in our strategy to be a strong, safe and socially and environmentally responsible business. This means we need to find ways to manage the associated risks within our supply chain and leverage opportunities to create long-term value creation through sustainable supply chain management.

Our initiatives in 2022

We measure sustainability risks in our supply chain on an ongoing basis. We continued to use Exiger, the cloud-based portal, to perform due diligence and risk assessment on our suppliers and other third parties. This year we have reviewed our due diligence and risk assessment processes and have proposed refinements to simplify as well as reinforce the robustness of this critical part of our process for procurement.

Our Code of Conduct for Suppliers sets out the key principles of ethical conduct that our suppliers are required to uphold. This includes business ethics, labour practices and human rights. In 2022 we took further action to address human rights impacts by introducing enhanced human rights risk assessment and due diligence questionnaires for medium- and high-risk suppliers. We also provided training for relevant employees on our human rights commitments.

Alongside the focus on lowering the carbon impact from our operations, we continued to work with our key strategic suppliers on their carbon footprint and to discuss opportunities to reduce. In 2022, we looked at how we will track emissions from our supply chain to provide a better understanding of our scope 3 emissions.

Throughout 2022, we engaged with our key suppliers through Supplier Integrity events as an opportunity to raise awareness around material sustainability issues and highlight the opportunities across our supplier network. We aim to co-operate closely with our suppliers to achieve a longstanding working relationship and deliver sustainable business that benefits both parties.

Our plans for 2023

Going forward, we will work on refining our sustainability focus within our supply chain, focusing on high-risk suppliers from a business ethics and human rights perspective as well as suppliers representing highest impact in terms of greenhouse gas emissions.

We will also continue to engage proactively with our clients and key suppliers on developing industry accepted sustainable procurement strategies.



Supplier climate engagement

More than 25 suppliers took part in a pilot implementation of our greenhouse gas emissions questionnaire. The results and feedback from suppliers will be used to assist us in developing an action plan for sustainable procurement strategy and supplier selection criteria.

Community impact and relationships

Why it is important

Subsea7 operates on a global basis and a core principle of our operating approach is to optimise local content and engage closely with local communities on all levels.

Our initiatives

In 2022 employees across Subsea7 offices proactively engaged with our communities through charitable events and business activities.

INSPIRING PEOPLE The Subsea7 Story



Strengthening relationship: To celebrate the 20th anniversary of Subsea7, we published a book entitled 'Inspiring People – The Subsea7 Story'. Proceeds from the book sale and a £10,000 donation was made to the Royal National Lifeboat Institution and The Mission of Seafarers, a welfare charity serving merchant crews around the world. Read our book 'Inspiring People'.

Food sharing: Subsea7 Sutton provided weekly surplus prepared food to Olio, a non-profit platform for food sharing, to help feed local families in need.



Angola

Supporting local community: Sonamet, our joint venture partner operating the fabrication yard in Angola provided emergency support to the local community by rescuing the only boat in the area. Sonamet helped firefighters to remove the boat from water and subsequently repaired it in its entirety.

A circular economy for used coveralls: Subsea7 Australia supported a local company LOOP Upcycling, by repurposing used coveralls into bucket hats, preventing waste from landfill and creating work for those experiencing barriers to employment.

Hazard awareness initiative: Seaway7 launched a partnership with the Global Energy Group and Seagreen Wind Energy Limited to launch a Monthly Hazard Observation Card Award, helping to promote a 'safety first' and 'open culture' within the energy sector whilst benefiting local charities through donations.

STEM Program: Subsea7 Aberdeen organised an office open day event facilitated by TechFest, an innovative charity, to provide over 150 primary-age children the opportunity to learn more about the energy industry and STEM subjects.



Brazil

Porto Do Saber Social Project: Subsea7 Brazil partnered with FIRJAN to develop a project to promote development of skills and competencies of young people in a situation of social vulnerability by providing audiovisual classes to close the technology education gap in Rio De Janeiro.

Promote learning opportunities: Subsea7 Senegal helped drive education efforts through donations of stationery kits to over 3,000 pupils in neighbouring schools and local villages.

Flood relief: Subsea7 Kuala Lumpur donated cash aids for essential items to MERCY Malaysia, an NGO to assist flood relief efforts to local communities after severe flooding struck the area.

Innovative design: Subsea7 Canada sponsored a group of students taking part in the Marine Advanced Technology Education (MATE) ROV World Championship, with the mission to design and develop innovative ROVs to offer solutions.

Lifesaving equipment: Subsea7 UK & Global IRM donated a defibrillator equipment to K5 Freeport & Oil Centre near our Malabo office to support the wellbeing of residents living in the remote area.

Collaboration and partnerships

Building partnerships to create sustainable value and impact.



Subsea7 joined the 'Alliance for Industry Decarbonization' launched by the International Renewable Energy Agency (IRENA) and co-founders, to deliver the offshore energy transition solutions the world needs. The group is focusing on six pillars and enablers: renewables, green hydrogen, bioenergy with carbon capture, utilisation and storage, heat process optimisation, human capital, and finance.



AquaVentus

Subsea7 joined the AquaVentus initiative consortium, made up of more than 60 leading international companies, organisations and research institutions. AquaVentus intends to make a substantial contribution to the implementation of the German and European hydrogen strategy.



BORA Blue Ocean Research Alliance® is a partnership between Subsea7 and the National Oceanography Centre to build knowledge and understanding of the world's oceans to create a sustainable marine future. The collaboration exists to improve access to the ocean for scientific research on a global scale, to locations and depths not easily accessible, using Subsea7 vessels and other infrastructure.



Subsea7 joined the CCSA to contribute to the developing global carbon capture and storage business. Subsea7 brings significant capability and experience in carbon capture project development and execution, including the pipeline engineering, fabrication and installation for the world's first open-source CO₂ transport and storage infrastructure, the Northern Lights Project for Equinor, offshore Norway.

Hydrogen Council

Subsea7 is a member of the Hydrogen Council, a CEO-led initiative of leading companies with a united vision and long-term ambition: for hydrogen to foster the clean energy transition for a better, more resilient future. Subsea7 supports the development of hydrogen as a decarbonisation enabler in the energy transition.



Subsea7 is a proud participant and a board member of the International Marine Contractors Association (IMCA), a leading trade association representing the vast majority of contractors and the associated supply chain in the offshore marine construction industry worldwide supporting the energy transition and a lower-carbon future.



The Mærsk Mc-Kinney Møller Centre for Zero Carbon Shipping looks to accelerate the transition towards a Net Zero future for the maritime industry. This network will give Subsea7 access to research, development and implementation of new technologies to reduce the carbon footprint of our fleet and get to Net Zero.



Subsea7 joined POWERful Women's Energy Leaders Coalition in 2020 with a public commitment to create a gender balanced, diverse and inclusive UK energy sector.



Subsea7 became a founding member in 2022 alongside other companies from across the power sector who are committed to a fair and just transition to Net Zero carbon emissions. Together, signatories of the Powering Net Zero Pact operate across more than 100 countries, had a combined annual turnover of more than £55bn, are responsible for the livelihoods of over 240,000 employees and work with more than 120,000 suppliers globally. The Pact includes five areas of ambition, five shared commitments and five topics for collaboration.

Task Force on Climate-related Financial Disclosures

Subsea7 supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) which aims to improve the reporting of climate-related risks and opportunities. The following is Subsea7's response to the TCFD.

Governance

TCFD Recommendations: Disclose the organisation's governance around climate-related issues and opportunities

a) Describe the Board's oversight of climate-related risks and opportunities

Subsea7 recognises the impacts of climate change and the potential effect it may have on its business, customers, markets, and society. The Board is responsible for guiding the Group's strategy in relation to sustainability and climate-related matters, and when defining the objectives, strategies, and risk profiles for the Group's business activities, climate-related risks and opportunities are considered.

In accordance with its charter, the Board has a duty to integrate environmental improvement into its business plans and strategies, and will seek to embed sustainability and climate-related matters into the Group's business processes. The Board will monitor the Group's performance in these areas, and will report to shareholders on progress made. Climate-related issues are directly or indirectly an agenda item at all Board meetings. These meetings take place a minimum of once per quarter and are attended by the Executive Management Team. The Board is responsible for ensuring that environmental risks, which include climate-related matters, are reviewed and incorporated into the Group's strategy. The Board has responsibility for the oversight of progress against goals and targets set for addressing climate-related issues and is responsible for approving the Annual Report which includes climate-related targets and performance data.

In 2022, in recognition of both the risks and the opportunities of the energy transition for Subsea7, the Board appointed a Risk Expert and a Sustainability Expert from amongst its members. Read more about our Board appointments on page 43 of the Subsea7 2022 Annual Report.

b) Describe management's role in assessing and managing climate-related risks and opportunities

Subsea7's Sustainability Committee is composed of the Chief Executive Officer and the Executive Management Team and provides leadership to enable the Group to develop and implement its commitment towards sustainability, including the impacts of climate change. In accordance with the Sustainability Committee Charter, climate-related risks are required to be reviewed annually. The Sustainability Committee, provides a platform for all sustainability and climate-related matters pertinent to the business to be discussed and makes recommendations to the Board. The Sustainability Committee meets as often as it determines necessary in order to fulfil its responsibilities and at least once per quarter.

Reporting to the CEO, the Executive Vice President for Strategy and Sustainability oversees the Group's sustainability activities and is responsible for incorporating sustainability into business strategy. Through a materiality assessment, Subsea7 has identified the sustainability priorities that are of greatest importance to its stakeholders, as well as those that have a material impact on Subsea7's business. The achievement of each priority is led by the Executive Management Team with support from Sustainability Priority Work Groups comprised of senior managers, who ensure focused and effective efforts are taken towards achieving its ambitions. This is monitored against targets and key performance indicators. Performance is monitored on a regular basis and, as a minimum, the performance metrics are reviewed twice per year.



Strategy

TCFD Recommendations: Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.

a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

Subsea7 has identified climate-related risks and opportunities that may have a strategic or financial impact and these are referenced in the tables on page 28.

b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

Subsea7's core markets have entered a period of change shaped by the need to address climate change and move to a lower-carbon economy, while continuing to deliver secure and affordable energy.

Subsea7 recognises the need to assess how the landscape within the energy sector may change to ensure the viability, resilience and profitability of its business. To support our preparedness for potential climate-related impacts and maintain effective management, we consider short- (1-2 years), medium- (5 years) and long-term (beyond 5 years) risks and opportunities in our corporate strategy and financial planning. The impacts of climate-related risks and opportunities are referenced in the tables on page 28.

c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

Subsea7's global business plan is developed based on input from each region's assessment of short- and medium-term prospects and the associated risks and opportunities. As part of this assessment, Subsea7's regions refer to third-party data to support its interpretation of the market forecasts and market drivers to assess its business strategy within the offshore energy market evolution.

For long-term planning, Subsea7's regions refer to a range of hypothetical energy transition pathways, supported by third-party climate data from public and trading bodies, commercial analysts and clients to inform internal assumptions and considerations in the development of regional scenarios. The regional scenario analyses are further supported by a set of focal questions to provide Subsea7 with the information to i) successfully characterise future regional markets, ii) anticipate and satisfy future energy market requirements, and iii) adapt to new clients and meet changing expectations to guide strategic decisions going forward.

Subsea7 identified the potential effects of climate change on business and financial performance, how the related risks and opportunities may evolve, and the resulting implications. Given Subsea7's presence in both traditional and renewable energy, it was concluded that regardless of which scenario/pathway dominates, our strategic focus areas remain appropriate and relevant and we can expect significant business opportunities within lower-carbon oil and gas and the renewable markets within the next decade.

Work is underway to further align with the TCFD recommendations.

Climate-related transition risk

Risks	Evaluation	Financial impact	Measures to mitigate risk
<p>Emerging regulation</p> <p>Increased costs due to changes in greenhouse gas emissions legislation including carbon taxes</p>	<p>Time horizon Medium-term</p> <p>Likelihood Likely</p> <p>Magnitude of impact Low</p>	Increased direct costs	<ul style="list-style-type: none"> Continue to monitor emerging regulations with respect to carbon emissions which may have a financial impact on Subsea7 Continue to improve our operational eco-efficiency as part of our decarbonisation plans and reduce the possible impact and cost implications
<p>Emerging regulation</p> <p>Regulation and supervision of climate-related risk in the financial sector could lead to challenges in accessing financial capital</p>	<p>Time horizon Long-term</p> <p>Likelihood Likely</p> <p>Magnitude of impact Medium</p>	Decreased access to financial capital	<ul style="list-style-type: none"> The ability to adjust our portfolio of business towards our lower-carbon oil and gas and renewables markets in support of the energy transition is part of our core strategy Maintain close communication and relationships with the financial sector to monitor emerging regulations and support transparency around Subsea7's future plans within the energy transition as an enabler towards a lower-carbon future
<p>Reputation</p> <p>Increased stakeholder concern or negative stakeholder feedback leading to challenges in attracting human capital</p>	<p>Time horizon Long-term</p> <p>Likelihood Likely</p> <p>Magnitude of impact Medium</p>	Increased direct costs to retain valuable skills	<ul style="list-style-type: none"> Maintain close communication and relationships with current and potential employees to support transparency around future plans and the importance of oil and gas within the energy transition as an enabler towards a lower-carbon future
<p>Technology</p> <p>Risk of transitioning to a lower-carbon future at a pace faster than expected</p>	<p>Time horizon Long-term</p> <p>Likelihood About as likely as not</p> <p>Magnitude of impact Medium-low</p>	Increased direct costs	<ul style="list-style-type: none"> Continue to regularly review the overall risks and opportunities that may impact our long-term resilience including market, technology, legislative, political, geographical and societal drivers Continue to monitor and integrate these aspects in our analyses and strategic decision-making

Climate-related physical risk

Risks	Evaluation	Financial impact	Measures to mitigate risk
<p>Acute physical</p> <p>Risk of significant impact to assets and facilities due to extreme weather including floods</p>	<p>Time horizon Long-term</p> <p>Likelihood About as likely as not</p> <p>Magnitude of impact Medium</p>	Decreased revenues due to reduced production capacity	<ul style="list-style-type: none"> Continued assessment of weather patterns and physical risks of climate change to be monitored with an assessment of the potential impact on our key operational assets Assessment includes mitigating measures and contingency planning should these events take place including flood prevention and hurricane procedures

Climate-related opportunities

Opportunities	Evaluation	Financial impact	Strategy to realise opportunity
Building on our significant well-established position in the offshore renewables market and growing our geographic and service offering within offshore wind	<p>Time horizon Medium-term</p> <p>Likelihood Very likely</p> <p>Magnitude of impact Medium-high</p>	Increased revenues through access to new and emerging markets	<p>Enabling the change and innovation to deliver growth of offshore wind (fixed and floating)</p> <p>Our focus is on:</p> <ul style="list-style-type: none"> Supporting the growth of Seaway 7 ASA Securing pilot projects for floating wind at the right risk and reward balance Building on our early engagement capabilities in offshore wind
Increasing revenue associated with growth in emerging energies and access to new markets	<p>Time horizon Long-term</p> <p>Likelihood Likely</p> <p>Magnitude of impact Medium-high</p>	Increased revenues through access to new and emerging markets	<p>Enabling the change and innovation to deliver growth of emerging energies</p> <p>Our focus is on:</p> <ul style="list-style-type: none"> Building on our early engagement capabilities in emerging energies Securing further carbon capture awards at the right risk and reward balance Actively forming collaborations and being part of the development of emerging energy ecosystems
Development of new products or services through R&D and innovation to support lower-carbon oil and gas solutions, and growth of offshore wind and emerging energy	<p>Time horizon Medium-term</p> <p>Likelihood Likely</p> <p>Magnitude of impact Medium-high</p>	Increased revenues resulting from increased demand for products and services	<p>Advancing innovative products and technologies to support lower-carbon oil and gas, and renewable energy</p> <p>Our focus is on:</p> <ul style="list-style-type: none"> Continuing to monitor trends and developments that support Group strategy Continuing to invest in technical and innovative solutions to support the energy transition

Risk management

TCFD Recommendations: Disclose how the organisation identifies, assesses, and manages climate-related risks.

a) Describe the organisation's processes for identifying and assessing climate-related risks

The Group has processes in place to identify, monitor, and manage its principal operational and business risks and the resulting financial impacts. Principal risks are those risks that, given the Group's current position, could materially threaten its business model, future performance, prospects, solvency, liquidity, and reputation, or prevent the Group from delivering its strategic objectives.

The potential exposure to and associated impact of climate-related risks are considered in the long-term strategy of the business. The process for identifying and assessing climate-related risks is considered at a local and global level. At a global level, it is led by a group of subject matter experts and reviewed by the Sustainability Committee. Through a materiality assessment, we identify, assess, and prioritise the sustainability risks and opportunities that are of the greatest importance to our stakeholders as well as those that have a material impact on our business. Further qualitative analysis considers climate-related risk types including current regulation, emerging regulation, technology, legal, market, reputation, and physical risks that may have the potential to impact the business financially or strategically. These risks are considered part of the long-term scenario analysis and planning of the business, which takes into consideration local-level risks.

Subsea7 evaluates short-term risks regularly, particularly project-based risks which are linked to budget management. For example, the operational procedures for our fleet and project execution factor in climate-related risks including sea states and weather windows as part of project scheduling.

Subsea7 identifies medium-term risks, opportunities, and business evolution through a five-year strategic plan. This includes the identification and assessment of climate-related risks at a regional level. This review enables budget allocation, strategic decisions, and regulatory compliance reviews to be performed as well as discussing new and emerging risks and opportunities for which there may be a necessary impact and/or response within the next five years.

Risks identified beyond the five-year horizon are assessed on a qualitative basis. This would include the potential impacts of longer-term climate change on both our strategic direction and financial performance. Long-term risks and opportunities are reviewed beyond five years and include renewal of government policies, market trends and consumer demands.

b) Describe the organisation's processes for managing climate-related risks

The Board has ultimate responsibility for setting the strategy of the Group and for ensuring that appropriate risk management and governance are in place. Processes exist to ensure these matters are an area of focus and that the Board has adequate reporting to fulfil its obligations.

Subsea7's Sustainability Committee, comprising members of the Executive Management Team, manages the Group's sustainability-related risks. The Sustainability Committee meets regularly to discuss pertinent issues relating to our material topics including those that relate to the impacts of climate. Working closely with the Group's Risk Committee, these risks are integrated as part of the Group's overall risk management. The Risk Committee, comprising members of the Executive Management Team and chaired by the Executive Vice President Project and Operations, oversees the Group's overall risk management programme. Both committees are chaired by members of the Executive Management Team and report to the CEO who then has the responsibility to report to the Board.

Reference is made to targets and metrics to assess our performance and our potential exposure to the impacts. Subsea7 is developing its assessment of climate-related transitional and physical risks utilising the TCFD framework as a guide to challenge our norms and consider the longer-term impact.

c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management

Subsea7, by virtue of its operational activities, has risk management processes embedded throughout each function and discipline, all of which report functionally up to a member of the Executive Management Team, who in turn are Sustainability and/or Risk Committee members. Each area of the business enhances the Group's business management system and risk management processes with regional and business activity specific assessments and mitigation. The reporting lines on operational and regional risks are through the business and ultimately up to the Executive Management Team. Climate-related risks are identified and assessed by a group of subject matter experts, led by the Sustainability Committee as set out in the Committee Charter. Following oversight and verification of the Risk Committee, these risks are integrated as part of the Group's overall risk management.

Metrics and targets

TCFD Recommendations: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process

Subsea7 uses Group-wide metrics and targets to assess and manage climate-related risks and opportunities.

Metrics include:

- Scope 1, 2, and 3 GHG emissions
- Percentage of our onshore sites with electricity from renewable energy tariffs
- Carbon emissions and energy saving initiatives
- Revenue, capital expenditure, and operational expenditure aligned to the EU Taxonomy on climate-change mitigation and adaptation
- Revenue associated with Renewables business
- Order backlog and new awards associated with Renewables business
- Gigawatt (GW) of cumulative power capacity of renewables projects supported
- Value and percentage of investment in research and development associated with energy transition
- Number of studies associated with energy transition

In order to meet the global energy demand while reducing the impact of climate change, our industry must seek better and cleaner ways to produce energy and focus capital investment on decarbonising the energy sector. To help achieve our strategy and decarbonisation plans, Subsea7 is developing a Carbon Management System to measure and report our full carbon footprint in greater detail. This will support further engagement within the value chain and enable opportunities to seek alternative options.

b) Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions and the related risks

The Subsea7 2022 Sustainability Report (page 33) details the scope 1, 2 and 3 emissions and boundary of the data. The risks related to greenhouse gas emissions are integrated into our climate-related considerations.

c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

It is Subsea7's target to reduce scope 1 and 2 emissions by 50% by 2035 (compared to a 2018 baseline) and to be Net Zero by 2050.

Renewable energy has become an important part of our business and we aim to support our clients to accelerate the energy transition and to provide their consumers with increasing volumes of affordable wind power. Subsea7 is committed to translating our renewable capabilities into benefits for clients within the fixed offshore wind industry and has set a target of supporting 18GW of cumulative power capacity installed by 2025 and 30GW by 2030.

While we have identified the main areas of focus to support our long-term target, we are currently working to add more detail to our energy transition plan in order to further integrate our strategic direction and carbon-reduction targets with our financial planning, investments, and operations.

ESG performance data and ratings

We report on a range of key performance indicators associated with our sustainability priorities and focus areas as a measure of progress. The performance data has been reviewed and approved prior to publication by our Sustainability Committee.

Our reporting covers the period from 1 January to 31 December 2022¹.

ESG ratings and rankings

Rating agencies	Score ranges	2022 Score	Industry group, ranking ²
S&P Global ESG	1 to 100 (best)	52	Energy Equipment & Services, 5 th
Sustainalytics	100 to 0 (best)	19.9	Energy Services, 9 th
ISS ESG Corporate	D- to A+ (best)	C	Oil & Gas Equipment/Services
MSCI	CCC to AAA (best)	AA	
CDP (Climate change)	D- to A (best)	C	

1. The consolidation of data from 2022 covers Subsea7 and Seaway7. However, the data for the years 2020 and 2021 covers Subsea7 and the Group's Renewables business unit before the combination with OHT ASA.

2. Industry group ranking is defined by rating agency. Ranking by S&P Global based on score date of 15 December 2022 out of 92 companies. Ranking by Sustainalytics out of 107 companies.





Climate and greenhouse gas emissions

Performance indicator	Unit	Measurement		
		2020	2021	2022
Greenhouse gas (GHG) emissions				
Scope 1 GHG emissions ^{1,2}	CO ₂ -e tonnes	420,564	*483,987	617,309
Scope 2 GHG emissions ^{1,3}	CO ₂ -e tonnes	2,974	2,168	1,794
Scope 3 GHG emissions ⁴ (GHG Protocol scope 3 Category 6 – business air travel emissions)	CO ₂ -e tonnes	27,579	29,469	47,886
Carbon dioxide (CO₂) emissions				
CO ₂ emissions ²	CO ₂ tonnes	410,446	*477,386	608,824
Energy consumption				
Fuel consumption ^{2,5}	tonnes	111,476	*148,920	185,008
Purchased onshore electricity from renewable energy tariffs	%	45	66	73
CO₂ emissions and energy saving initiatives⁶				
CO ₂ emissions reduced from energy efficiency initiatives	CO ₂ tonnes	30,909	*77,317	98,744
Fuel saved from energy efficiency initiatives	m ³	10,759	*29,080	37,536
Operational cost savings from energy efficiency initiatives	million USD	4.7	*16.4	31.0
Renewable capacity				
Cumulative offshore wind farm monopile foundations installed	number	605	639	769
Cumulative offshore wind farm jacket foundations installed	number	142	152	259
Cumulative offshore wind turbine generator foundations installed	number	747	791	1,028
Cumulative renewable cables installed	number	548	726	944
Cumulative length of renewable cables installed	km	816	1,281	1,968
Cumulative offshore substations installed	number	35	35	35
Cumulative power capacity of renewable projects supported	GW	6.0	7.5	10.5
EU Taxonomy key performance indicators⁷				
Total revenue	million USD	3,466	5,010	5,136
Renewables business unit revenue	million USD	631	1,260	1,117
EU Taxonomy-eligible revenue	million USD	**	1,239	1,106
EU Taxonomy-eligible OPEX	million USD	**	31	18
EU Taxonomy-eligible CAPEX	million USD	**	403	122
EU Taxonomy-aligned revenue	million USD	**	**	1,061
EU Taxonomy-aligned OPEX	million USD	**	**	17
EU Taxonomy-aligned CAPEX	million USD	**	**	122
Other				
Total R&D budget associated with energy transition (share of total)	%	**	44	56

* Following a review of our data tracking, figures restated for the indicated year.

** Data not available

Comments on 2022 Performance

Scope 1 emissions increased as a result of both an increase in operational activity and an increase in fuel consumption from the addition of six heavy transportation vessels as part of the business combination with OHT ASA, completed in fourth quarter of 2021.

Notes

- Our reporting on GHG emissions is based on carbon dioxide-equivalent (CO₂-e), a standard unit for measuring carbon footprints. The conversion factors to calculate CO₂-equivalent (CO₂-e) are IEA for electricity and Defra for fuel/gas.
- Scope 1 reporting covers direct GHG emissions, CO₂ emissions and fuel consumption from owned vessels and leased-in vessel that Subsea7 uses for a period of 12 months or over.
- Scope 2 reporting covers indirect emissions from purchased electricity (non-renewable sources) for our onshore facilities.
- Scope 3 reporting covers only emissions associated to business travel – air miles travelled by our people for work. Emission data are pre-calculated and provided by external provider.
- Fuel consumption data does not include power from shore while vessels are in port.
- CO₂ emissions reduced from using hybrid vessels (read more on page 18) and through energy saving measures.
- Financial data taken from audited 2022 Subsea 7 S.A. Annual Report.



Environmental

Performance indicator	Unit	Measurement		
		2020	2021	2022
Emissions to air¹				
Nitrogen oxides (NOx) emissions	tonnes	4,808	7,088	9,450
Sulphur oxides (SOx) emissions	tonnes	379	381	575
Environmental incidents²				
Environmental incident frequency per 200,000 hours worked	rate	0.86	1.18	1.06
Spills				
Number of environmental spills ³	number	94	106	101
Volume of environmental spills ³	litres	**	1,752	2,041
Environmental spills ³ frequency in litres per 200,000 hours worked	rate	36	16	16
Number of significant spills ⁴ >10m ³ (hydrocarbon)	number	n/r	n/r	0
Volume of significant spills ⁴ >10m ³ (hydrocarbon)	m ³	n/r	n/r	0
Waste generation and disposal				
Hazardous waste generated from:	tonnes			
Offshore ¹		1,523	2,938	3,202
Onshore ⁵		150	108	251
Non-hazardous waste generated from:	tonnes			
Offshore ¹		2,883	3,057	4,265
Onshore ⁵		3,451	3,194	3,852
Total hazardous and non-hazardous waste directed to disposal from onshore ⁵ sites	tonnes	849	761	618
Total hazardous and non-hazardous waste recycled from onshore ⁵ sites	tonnes	2,752	2,541	3,485
	%	76	77	85
Non-hazardous waste generated from offshore segregated ⁶ for recycling	%	61	69	66
Environmental fees				
Significant fines or non-monetary sanctions in excess of \$100K USD for non-compliance with environmental laws/regulations	USD	0	0	0

** Data not available.

n/r Data not reported. The indicator was introduced in our sustainability reporting in 2022.

Comments on 2022 performance

Emissions to air – In line with scope 1 emissions, the increase in NOx and SOx emissions relates to the increased fuel consumption from Subsea7's fleet.

Notes

1. We report emissions (NOx and SOx), waste and spills generated from Subsea7 owned vessels and leased-in vessels that Subsea7 uses for a period of 12 months or over.
2. An environmental incident is defined as an actual unplanned, uncontrolled or unauthorised release to the environment causing pollution to land, air, water or the seabed.
3. An environmental spill is reported as spill reaching gravel, soil, water, sewer systems or absorbing floors, even if only a small portion of the spill is not contained. Spills fully contained by drip trays, overflow tanks etc. are not considered environmental spills.
4. For Subsea7, significant spill is defined as the number of uncontained hydrocarbon liquids spills greater than 10 m³.
5. Onshore waste data is limited to owned worksites. We are working on consolidation of data to cover both owned and leased worksites.
6. Excludes an element of non-hazardous waste which cannot be recycled.



Social

Performance indicator	Unit	Measurement		
		2020	2021	2022
Safety^{1, *}				
Total recordable injury	number	32	39	28
Lost-time injury	number	8	14	1
Fatality	number	0	0	0
Total recordable injury frequency per 200,000 hours worked	rate	0.29	0.33	0.21
Lost-time injury frequency (LTIF) per 200,000 hours worked	rate	0.07	0.12	0.01
Serious injury frequency ² per 200,000 hours worked	rate	n/r	n/r	0
Total near miss reports ³	number	273	248	265
Training on health, safety, and wellbeing[†]				
Total days of health, safety and wellbeing training	days	2,738	4,022	4,699
Safety courses taken per person by employee category:	average number			
Offshore		2.17	2.66	3.30
Onshore		0.63	1.45	1.52
Health and wellbeing courses taken per person ⁴	average number	0.55	0.28	0.16
Emergency Response exercises conducted onshore ⁵	number	119	137	128
Human rights programme				
Proportion of our workforce ⁶ covered by a human rights risk assessment within the last three years	%	n/r	n/r	92
Relevant employees trained on human rights ⁷	%	n/r	n/r	83
High-risk suppliers undergoing enhanced human rights risk assessment	%	n/r	n/r	18
Suppliers with a contract that included human rights clauses	number	6,660	6,164	6,521
	%	82	86	81
Employee training and education[†]				
Courses taken per person by employee category:	average number			
Offshore		3.88	3.02	4.05
Onshore		6.00	7.81	11.12
Hours of training undertaken per person by employee category:	average hours			
Offshore		4.44	3.34	4.64
Onshore		7.42	8.51	8.44
Employee survey results				
Satisfaction score for following statement:	score out of 10			
“At Subsea7, people of all backgrounds are accepted for who they are”		**	8.3	8.4
“Employee health and wellbeing is a priority at Subsea7”		**	7.4	7.6

* Excludes Xodus, 4Subsea and consolidated joint ventures.

** Data not available.

n/r Data not reported. The indicator was introduced in our sustainability reporting in 2022.

Notes

1. Safety data includes employees (permanent and non-permanent), subcontractor or supplier employees working on behalf of Subsea7.
2. For Subsea7, serious injury frequency is actual injuries that result in the injured person having a permanent impairment per 200,000 hours worked.
3. A near miss is an incident that has no actual consequences but does have potential negative consequences.
4. Health and wellbeing courses apply only to those with access to our Human Resource training platform.
5. Emergency Response exercises are based on simulated scenarios developed to reflect potential offshore or onshore operational issues and conducted by onshore support team.
6. The proportion of the Group's permanent and non-permanent workforce headcount who work across all our offices, sites and vessels.
7. Relevant employees refer to those employees who need to have good level of understanding of human rights because their roles mean they can and should help identify and manage human rights risks.



Social continued

Performance indicator	Unit	Measurement		
		2020	2021	2022
Employment, new hires and turnover (as per 31 December 2022)¹:				
Total number of employees (headcount):	%	10,870	12,502	13,437
Onshore		5,747	6,592	7,885
Offshore		5,123	5,910	5,552
Employee by gender mix of male or female:	%	M/F	M/F	M/F
Onshore		39/14	39/14	43/16
Offshore		46/1	46/1	40/1
Employee by nationality mix:	%			
Europe		57	53	52
Asia Pacific		22	20	21
Americas		17	19	20
Africa		4	8	7
Employee by age group of onshore population:	%			
under 30		14	12	15
30-50		67	69	67
over 50		19	19	18
Employee by age group of offshore population:	%			
under 30		8	8	8
30-50		68	67	67
over 50		24	25	25
Permanent employee by employment type (full time and part time) ²	%	FT/PT	FT/PT	FT/PT
		97/3	97/3	97/3
New permanent employee hires by gender mix of male or female ³	%	M/F	M/F	M/F
		72/28	75/25	69/31
New permanent employee hires by age group ³ :	%			
under 30		27	31	31
30-50		67	62	62
over 50		6	7	7
Permanent employee voluntary turnover rate ⁴	%	4.0	7.0	8.2
Leadership diversity				
Onshore leadership by gender mix of male or female ² :	%	M/F	M/F	M/F
Leadership group		87/13	87/13	85/15
Executive Management Team of Subsea 7 S.A.		75/25	67/33	71/29
Board of Directors of Subsea 7 S.A.		86/14	86/14	86/14

Notes

1. Data includes all types of employees (permanent and non-permanent), unless otherwise stated.
2. Permanent onshore population only. Excludes 4Subsea, Xodus, and consolidated joint ventures.
3. Permanent onshore population only. Excludes consolidated joint ventures.
4. Annual turnover is calculated by number of permanent employee voluntary leavers (rolling 12-month total) per number of permanent headcount (rolling 12-month average).



Governance

Performance indicator	Unit	Measurement		
		2020	2021	2022
Compliance and ethics programme				
Proportion of the business covered by an independent anti-corruption compliance programme assessment [†]	%	**	80	86
Speak Up channel and culture				
Speak Up and other compliance and ethics cases ¹	number	32	31	47
Speak Up and other compliance and ethics cases ¹ frequency per 1,000 employees	rate	2.94	2.62	3.50
Compliance and ethics cases ¹ relating to:				
Human rights	number	0	1	2
Labour practice (including grievance)	number	15	13	18
Discrimination	number	0	2	0
Human rights impact on local communities	number	0	0	0
Communication, education and training				
Governance body members ² that have received compliance and ethics training ³	number	122	156	141
	%	64	81	95
Employees that have received compliance and ethics training ³	number	5,153	5,067	6,691
Proportion of our people required to complete compliance and ethics training ³	%	47	46	55
Categories that have had Subsea7 anti-corruption policies communicated to them:				
Governance body members ²	number	122	156	141
	%	64	81	95
Incorporated joint venture partners ⁴	number	18	22	21
	%	100	100	100
Unincorporated joint venture, consortium, and alliance partners ^{4,5}	number	**	**	**
	%	100	100	100
Suppliers	number	6,660	6,164	6,521
	%	82	86	81
Employees	number	5,153	5,067	6,691
	%	47	46	55
Suppliers attending a compliance, ethics and integrity session	number	481	527	319
Supply chain management				
Medium and high-risk suppliers assessed for corruption risk ⁶	%	**	40	91
Other				
Monetary value of financial/in-kind political contributions made by Subsea7	USD	0	0	0

* Excludes Xodus, 4Subsea and consolidated joint ventures.

** Data not available

Notes

1. Compliance and ethics cases include all alleged or suspected breaches of the Code of Conduct, whether raised via Safecall or reported via other channels, and excluding any duplicate concerns.
2. Governance body members include directors of Subsea 7 S.A., Seaway 7 ASA and every wholly owned subsidiary in the Group.
3. Training on compliance and ethics including anti-corruption. Training is conducted through e-learning, general and targeted workshops.
4. An unincorporated joint venture is a contractual arrangement between the partners, whereas in an incorporated joint venture, the partners hold shares in a company.
5. As part of Subsea7 standard anti-corruption compliance process, all unincorporated joint venture, consortium and alliance partners would have had Subsea7 anti-corruption policies communicated to them however the total number of this category is not known.
6. Subsea7 considers any supplier in a high risk country as medium risk or, if it interacts with public officials on our behalf, high risk.



Standards and frameworks

EU Non-Financial Reporting Directive

We include non-financial statements about our business models, outcomes, risks and risk management and key performance indicators as an integral part of our annual corporate reporting. In line with the Directive, we set out below where the relevant information and key performance indicators can be found.

	Annual Report	Sustainability Report
Business Model	Pages 6-7, 10-17, 43	Page 5-6
Anti-Corruption	Pages 18, 20, 25, 34, 42, 55	Pages 8, 15-16, 23, 37
Diversity	Pages 21, 33, 43, 49	Pages 21, 36
Environment	Pages 18, 20, 24-25, 32, 39, 42	Pages 8, 19-20, 33-34
Human Rights	Pages 18-19, 25, 33, 38	Pages 8, 13-14, 23, 35, 37
Social	Pages 18, 21, 33, 38-39, 42	Pages 8-10, 21-24, 35-36

EU Taxonomy

We disclose our taxonomy-eligible and aligned economic activities (revenue, OPEX, and CAPEX), in line with the EU Taxonomy Regulation requirements in the Subsea7 2022 Annual Report.

United Nations Global Compact



As part of our ongoing commitment to the United Nations Global Compact (UNGC), we report our annual disclosure to stakeholders on progress made in implementing the Ten Principles of the UN Global Compact in relation to human rights, labour, environment and anti-corruption. View our letter of commitment to the UNGC.

Task Force on Climate-related Financial Disclosures

We refer to recommendations from the Task Force on Climate-related Financial Disclosures to improve our reporting of climate-related matters. Our climate-related disclosure can be found on pages 26 to 31 of this report.

➔ **Find more information on our performance and reporting online www.subsea7.com**





Glossary

Abbreviation	Description
CAPEX	Capital expenditure
CCUS	Carbon capture, utilisation and storage
CCSA	Carbon Capture & Storage Association
CO ₂	Carbon dioxide
CO ₂ -e	Carbon dioxide equivalent
D&I	Diversity & Inclusion
Defra	Department for Environment, Food and Rural Affairs
DNV	Det Norske Veritas
EPIC	Engineering, procurement, installation and commissioning
ESG	Environmental, social and governance
EU	European Union
FEED	Front-end engineering design
GHG	Greenhouse gases
GW	Gigawatts
HOP	Human and organisational performance
HSEQ	Health, safety, environment and quality
IEA	International Energy Agency

Term	Description
Company	Subsea 7 S.A.
Group or Subsea7	Subsea 7 S.A. and its subsidiaries
Seaway7	Subsea7's Renewables business unit mainly comprises Seaway 7 ASA, a subsidiary of Subsea 7 S.A.
Subsea Integration Alliance	A non-incorporated strategic global alliance between Subsea7 and OneSubsea®, the subsea technologies, production, and processing systems division of SLB (formerly Schlumberger).

Abbreviation	Description
IRENA	International Renewable Energy Agency
IRM	Inspection, repair, and maintenance of subsea infrastructure
ISO	International Organization for Standardization
km	Kilometres
LTI (F)	Lost-time injury (frequency)
MW	Megawatts
NOC	National Oceanography Centre
NOx	Nitrogen oxides
OPEX	Operational expenditure
R&D	Research and development
ROV	Remotely operated vehicle
SERPENT	Scientific and Environmental ROV Partnership using Existing Industrial Technology
SDGs	The United Nations' Sustainable Development Goals
SOx	Sulphur oxides
STEM	Science, Technology, Engineering and Mathematics
TCFD	Task Force on Climate-related Financial Disclosures
UN	United Nations

Subsea7 is a global leader in the delivery of offshore projects and services for the energy industry. Subsea7 makes offshore energy transition possible through the continuous evolution of lower-carbon oil and gas and by enabling the growth of renewables and emerging energy.

Subsea7 is listed on the Oslo Børs (SUBC),
ISIN LU0075646355, LEI 222100AIF0CBCY80AH62.
Registered office: 412F Route d'Esch, L-1471 Luxembourg



www.subsea7.com

© 2023