

Sustainability Report 2023



Letter from the CEO

We are excited to present our third annual sustainability report in a row. Significant efforts have been used to ensure that our Sperre brand and spirit are embedded in this reports content and format. Strong progress has been made on our ESG-journey. I hope readers – customers, partners and other readers – with this report, will get a good understanding and insight in our targets and achievements for 2023 and plans for the coming year.

In 2023 we celebrated our 85 anniversary as a provider of air power solutions. The legacy of our brand is strong, and we work relentlessly every day to maintain our commitment to applying 30 years of spare parts availability, and shipment of parts within 48 hours, to our global customer base.

Dependable air power is our mission. At its core is a responsible culture with empowered people with the right competent, enabled by a robust and consistent governance and compliance structure. Our aim is to maintain a leading position in air power solutions in the transition to greener maritime shipping.

We take pride in evolving the company through our people. Every second year we involve our colleagues in our strategi process through storyboard sessions. In small groups all employees are engaged to discuss our present and future state and elaborate on the next steps in our journey ahead. I see this as one of the key activities to nurture each individual personal dedication to deliver dependable air power to our customers. The 2023 storyboard stated that *ESG* and *digital* are core pillars in our future strategy, from which new or enhanced customer values will be derived.

The green transition of international maritime business depends on the adoption of new technologies and solutions. For Sperre this means enhanced focus on technology and system capabilities, both from a people and product perspective. We continue to be highly involved in technology meeting arenas and last year we started to transfer company knowledge into the *Sperre Academy*. With this library we offer our employees access to a comprehensive level of topics and lectures.

New digital tools and workflows creates opportunities, but also increased vulnerability to digital threats, which is our main motivation for our 2023 project to be ISO 27001 certified (information security).

The establishment of global logistical hubs has now proven to reduce our CO2 transportation footprint as well as reducing delivery lead time. Underway is also a structured approach to our internal energy footprint – compliance to the ISO 50001 standard for energy management.

For the second time in a row, Sperre received an award for the ESG focus from our owners Norvestor, this time for becoming 100% electric in our Norwegian production facilities. A silver ESG rating from Ecovadis is also a good formal confirmation on our ESG path.

We want to be recognized as a dedicated partner towards a sustainable future.



Ole Nustad
CEO

Your life cycle partner in Dependable air power

- › Sperre is a global maritime tech company based in Ålesund, Norway. The company develops, produces, delivers, and services compressed air systems.
- › We have been in operation since 1938, and today our company solutions are found on every 5th ship sailing the World's Oceans.
- › Our compressors are perfected for more than 80 years and designed to last. By offering preventive maintenance, spare part kits, and innovative digital solutions Sperre Air Power can deliver dependable air power for the lifetime of your vessel or plant.

85+

Years experience

20

Locations globally

104

FTEs

36k

Compressors in operation globally

2000+

Compressors delivered annually

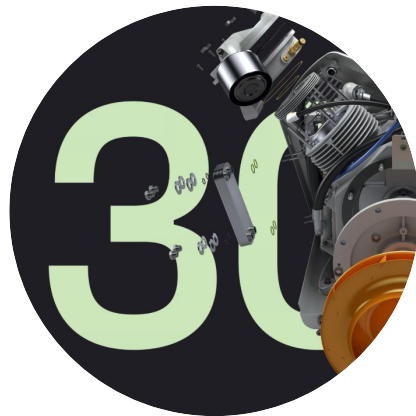
Locations

- Sperre Air Power (HQ - Norway)

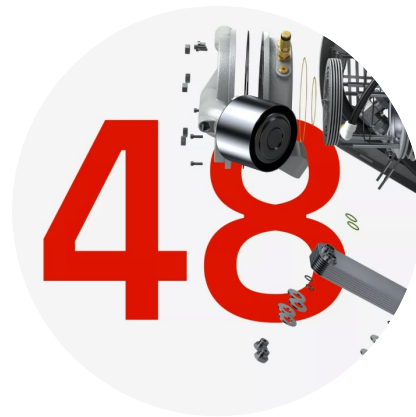
Sales & Services:

- Sperre Asia (Singapore)
- Sperre China (Shanghai)
- Sperre Rotterdam
- Sperre Korea (Busan)

Our promise:



30 years spare part availability for piston compressors

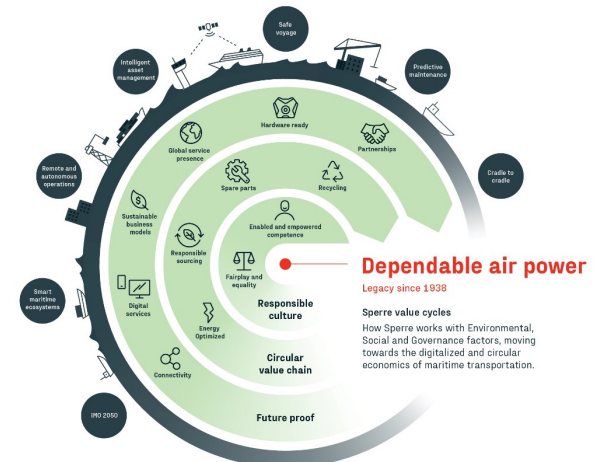


Any part to any place within 48 hours

Our response:

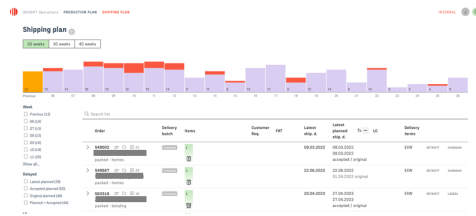


Digital solutions



Sperre value cycles

Here are our 2023 sustainability highlights



We developed new digital planning tools and delivery processes that provides unified view on system deliveries from our logistical hubs to our customers around the world.



We completed the the project for ISO 27001 compliance in 2023 and got the final approval March 1st 2024.

15
Flagships

99.8%
Electric energy usage

82%
Recycled waste

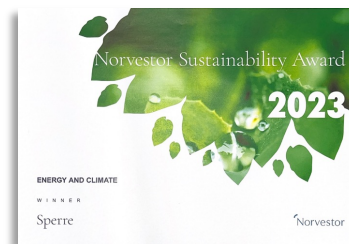
25%
Females in company

1
Accident with leave

3,0%
Absenteeism rate



We were awarded Ecovadis silver medal, rated as one of top 4% sustainable companies in our industry segment.



2023 Energy and Climate Sustainability award from our owners Norvestor for the transition to electric energy.

Since 2020, Sperre has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labor, environment, and anti-corruption



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Sperre Lifecycle Strategy

Sperre's Product Lifecycle Strategy

- › Ensuring a long life span of our compressors is in the best interest of both Sperre, our customers, and the environment. Therefore we have developed service intervals and spare part kits with detailed instructions to ensure a long and economically sustainable product life for your compressors.
- › Sperre offers a 'life-cycle concept' featuring 24/7 service, 30 years of spare part availability, and additional value offerings for lifecycle support.
- › The average lifespan of Sperre's piston air compressors is 30 years. For screw compressors, we estimate a lifespan of at least 20 years. If our clients comply with the procedures set out in our service manual, an even longer life span can be expected.
- › Sperre is taking steps to add waste information and end-of-life procedures to the service manual provided to all clients.



30 years of spare parts at your hands. Our fully automated warehouse contains spare parts ready to be shipped anywhere within 48 hours.



94.4%

Delivery precision spares



At Sperre we process more than 10 000 spare part orders annually and most orders are received, processed and executed the same day.

Sperre Air Power Products and Applications



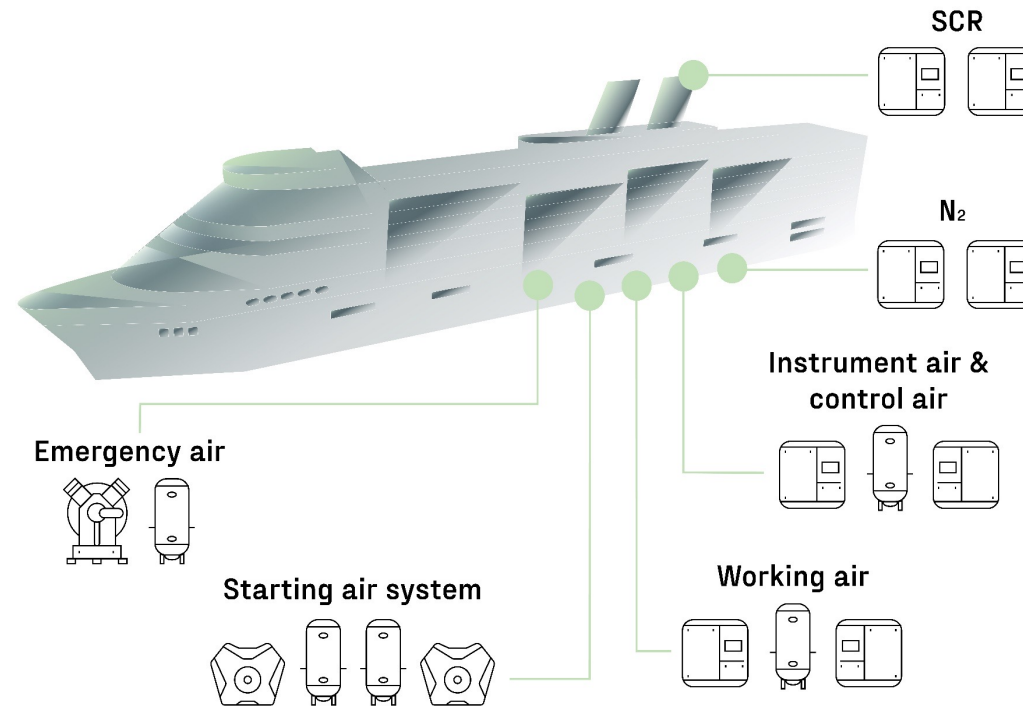
Air Power Applications

Sperre Air Power provides air systems for a wide range of applications on modern vessels, and our product range continues to expand.

In the maritime industry, there is an increasing demand for compressed air for applications supporting onboard technologies. Exhaust cleaning such as selective catalyst reduction systems (SCR), removing NO_x, is already well established. Also, there is increased need for dry and clean nitrogen systems used for padding or preventing vapor from cargo mixing with air – or for dual fuel vessels to flush the piping when changing fuel source. Both depend on our N₂ feed compressors to prevent undesirable reactions and ensure a safe operation. Additionally, N₂ systems are utilized to prevent an explosion hazardous atmosphere in tanks and fuel pipes filled with low-flashpoint fuels.

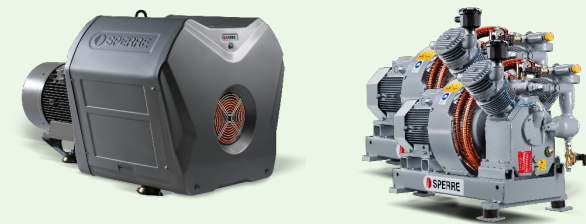
Our compressors are run by electrical motors. Hence, the carbon footprint of the products in operation depends on the GHG emission level of the energy sources powering the vessels - most often the emissions of the auxiliary engine(s).

Sperre is actively seeking new compressor applications where we can use our long experience and expertise to develop new products and solutions in our commitment to staying ahead in the industry.



Every Sperre product is approved by all the major classification societies such as ABS, ClassNK, BV, DNV, KR, LR, RINA, CCS, RMRS among others.

High Pressure Compressors



Our high-pressure piston compressors are used as starting air for the main engine on vessels and are critical equipment approved by class rules. We have two series of starting air, The Classic range covering the lower air capacity needed, while the X-range compressors are the latest and most modern member of the Sperre high pressure family and covering the complete range of capacity needed on vessels.

Low Pressure Compressors



Our screw air compressors have few moving parts and are designed with everything in one complete cabinet. This ensures a safe work environment, reduces the risk of oil leakage, and makes maintenance easy. Sperre screw compressors are the natural choice for installations where a large volume of low-pressure compressed air is needed.

Customer Satisfaction



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In 2022 we won the Incentra Supplier of the Year for the third time in the last five years. We are proud to see that our score for 2023 has improved even more, increasing to 4,62 of 5,0!

– Ole Kristian Aarsund, SVP Sales & Marketing

”

0

Recalls

+ 0

From 2022

0.8 %

Warranty cost of total
revenue▼ - 0.2 pp
From 2022

5,23

Global survey
(6-point scale)-0,02
From 2021

Customer Satisfaction

We are dedicated to build strong personal relations to safeguard continuity in maritime operations. This is also visualized in our values. We perform frequent customer satisfaction surveys to ensure we still operate “world class” towards all of our customers:

- › Domestic surveys are conducted annually by Incentra, reviewing ca 40 shipowners and managers. Ten criteria are evaluated. In 2023, we were rewarded with an average score of 4,62/5,0.
- › Global surveys are conducted biannually, where the questionnaire is based on the data from the domestic survey to facilitate comparison between the two surveys. Surveys are sent out to all customers with transactions within the last 12 months, no matter the size of the order. In 2023, we were rewarded with an average score of 5,23/6
- › Tracking the product quality helps us to ensure a more responsible production. At end-users, products are operated and maintained according to our high standards and procedures.



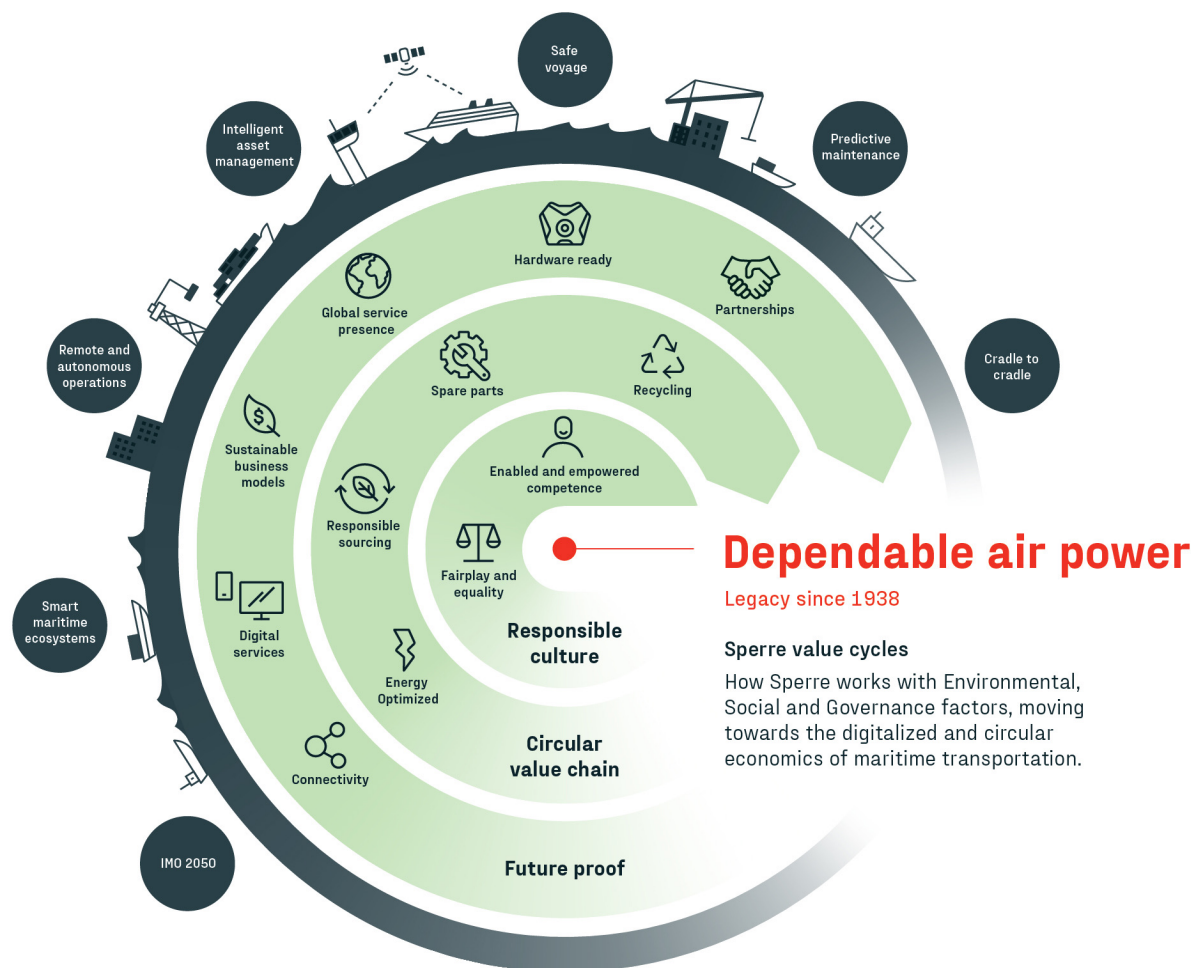
Hardware ready



Partnerships

Global service
presence

Our response: Sperre Value Cycles



Sperre Value Cycles

At Sperre, we aim to have sustainability at the core of our strategy, risk assessment and reporting structure. The Sperre sustainability strategy is captured in one figure with key topics, our value cycles, and the external industry factors surrounding it. As 90% of our business today is within the maritime segment, this market is naturally our primary focus when it comes to sustainability. Each of our value cycles will be covered in the following pages.

Future-proof

Key activities identified to maintain and strengthen our lead position as the customer's first choice.

Circular value chain

We support the transition to a low-carbon economy and take action throughout the complete value chain to reduce the carbon footprint

Responsible culture

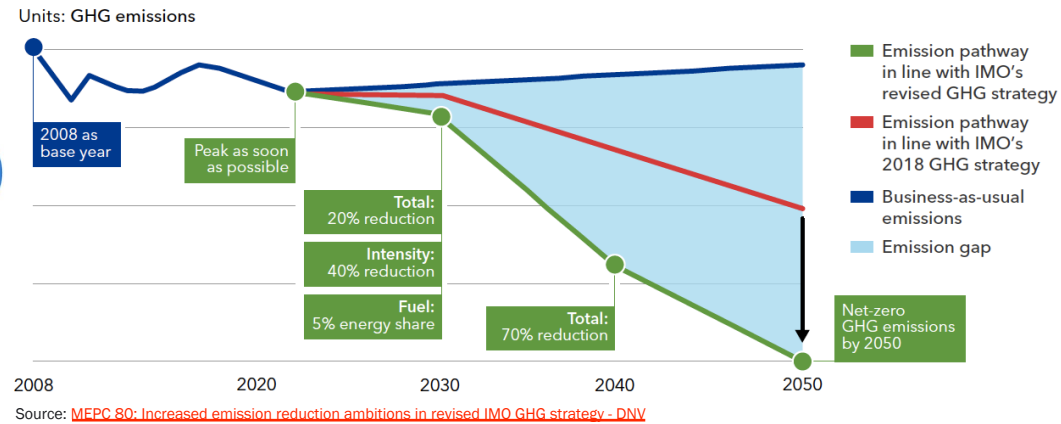
The people working at Sperre are the most important asset and make up the core in our business model.

Key Battles

We run several internal and external development and improvement projects yearly, and make sure to link them to our ESG strategy. We have identified three key ESG topics, or key battles, that are labelled to our projects when relevant:

- › CO2: Reduce the carbon footprint of our total operation (scope 1, 2, 3)
- › Competence: Enable employees to further develop their competence using individual development plans, ensuring certificates are in place and increasing the product portfolio competence – all realized through "Sperre Academy".
- › Trust: Ensure we are working in compliance with all laws and regulations. Ensure we are transparent in reporting and keeping risks low.

Industry Challenges



Decarbonization of Shipping

The regulatory frameworks and standards are evolving. New and updated ambitions are released from EU, IMO and other stakeholders like China and the US driving the force of the green transition at a higher pace. To follow this development, new and enhanced onboard environmental technologies are also evolving from concepts to piloting and implementation.

As reported in 2022, a revised IMO GHG Strategy was expected in 2023. In this updated strategy, adopted at the Marine Environment Protection Committee (MEPC 80), there is a heightened common ambition to achieve net-zero greenhouse gas (GHG) emissions from international shipping by or around 2050. This commitment includes a 20% reduction of emissions by 2030, 70% by 2040 and net zero by or around 2050.

Earlier, the European Commission launched its Fit for 55 package of proposals with a plan of reducing GHG emissions by 2030 to at least 55% compared to 1990 levels. The EU has now adopted a revision of the Emission Trade System, the EU ETS, which includes shipping from 2024. This is valid for ships above 5000 gross tons transporting passengers or cargo in the EU. Later, offshore and general cargo ships will be included. The allowances includes reporting on greenhouse gases like carbon dioxide (CO₂), whereas methane (CH₄) and nitrous oxide (N₂O) will be added later.

The EU ETS is a cap-and-trade system with limited emissions allowances on the market and is expected to have a substantial financial impact.

Alternative fuels

We have earlier reported how the GHG emission targets can partially be met by operational efficiency measures (optimized routing, speed reduction etc.) and onboard environmental technologies. At the same time there is still uncertainty about which technology will become predominant.

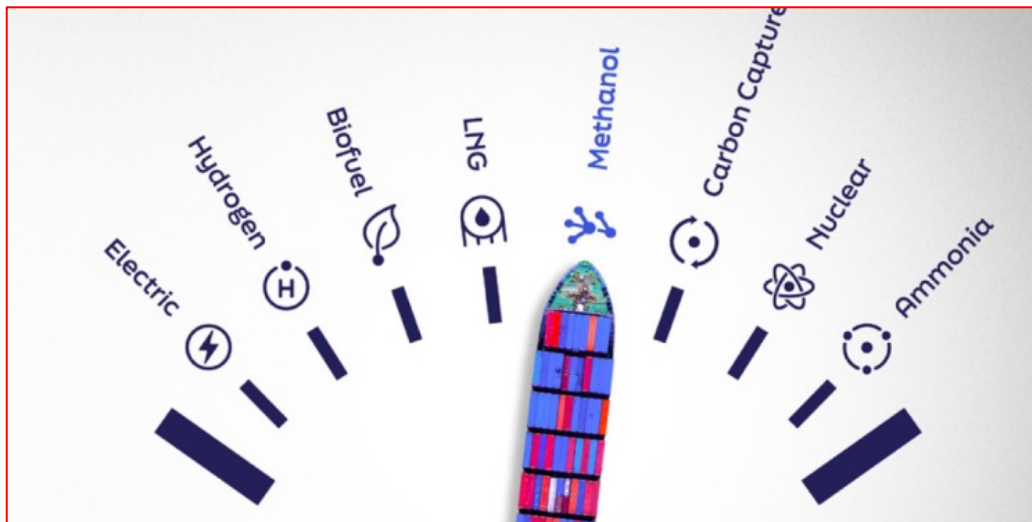
Ship owners nowadays place orders at the shipyards that are ready for various alternative fuel types and green technologies. This includes the growing trend of opting for so-called "fuel-ready vessels."

According to the DNV Energy Transition Outlook 2023 – Maritime Forecast to 2050, with data from IHSMarkit and DNV's alternative fuel insight, the uptake of ships on order with alternative fuel (as per July 2023), has increased from last year's 21% to now 26%, measured in numbers of ships.

Sperre Air Power

Technology and applications onboard ships requires dependable air power to support the green transition, which means that future-oriented vessels have even more air power systems installed that yesterday's designs.

The Sperre compressors are driven by electric motors. Hence, the carbon footprint of our products in operation depends on the GHG emission level of the energy sources powering the vessels.



Source: [Fuel for Thought – Methanol I LR](#)

Our response: Future-proof



15

Flagships

+ 3

From 2022

Flagships

Winning air power system orders to vessels designed for the future, so-called *flagships*, has been a key focus to us and reported indicator since 2020. Our Flagships projects are ships ordered from technology frontrunner owners, focused on new energy solutions, such as ammonia, hydrogen, or zero carbon ready vessels.

- In 2023 we won 15 such orders.

Our air products are designed to support various maintenance services, business models and future digital solutions enabling us to deliver dependable air power for decades to come.

- › In addition to winning new flagship orders, we have established a reporting system monitoring number of sailing vessels and uptake of new builds, using or ordered with alternative fuels.
 - › Share of sailing vessels with alternative fuels with Sperre compressors is 36%
- › Continued engagement in future-proofing our product portfolio of dependable air power.
 - › Sperre compressors are in operation onboard the autonomous/seadrone battery ro-ro vessels “Marit” and “Therese”. Owned by ASKO, operated by Massterly, these 2 vessels will sail between Horten and Moss replacing 1 million kilometer of road transport.
 - › Connectivity, monitoring and maintenance planning are two integral topics to be further explored in such autonomous environment.
- › Our commitment to strategic partnerships with clusters like NCE Maritime CleanTech and GCE Blue Maritime Cluster have been a strong contribution in exploring new projects and partners for developing solutions for the future needs for our customers.
- › One of our new technology partnerships are with Crowley in the US. We are jointly exploring how the future of customer support can be enhanced using connectivity and remote support technology.



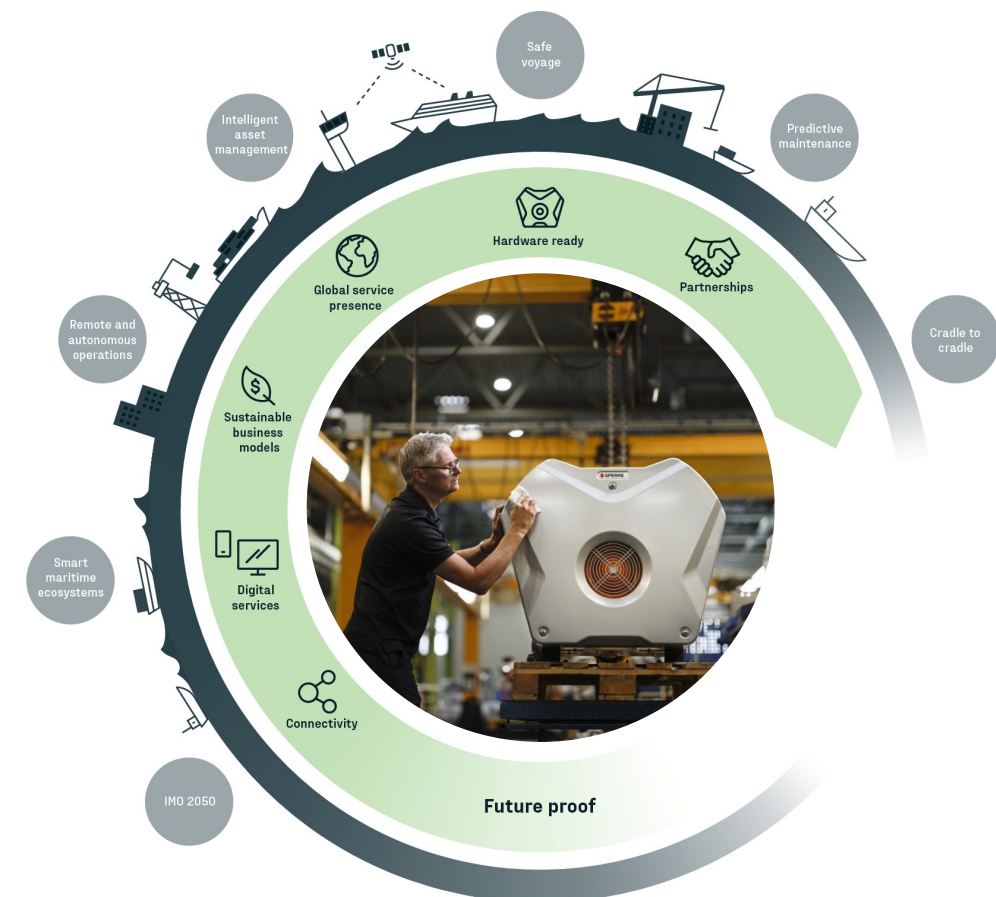
Partnerships

Sustainable
business
modelsDigital
services

Connectivity

Global service
presence

Hardware ready



Circular value chain



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In 2023 we even more realized the strong connection between our digital strategy and our sustainability ambitions. Whenever we are designing new and more efficient digital work processes and tools, we also take the ESG perspectives into account.

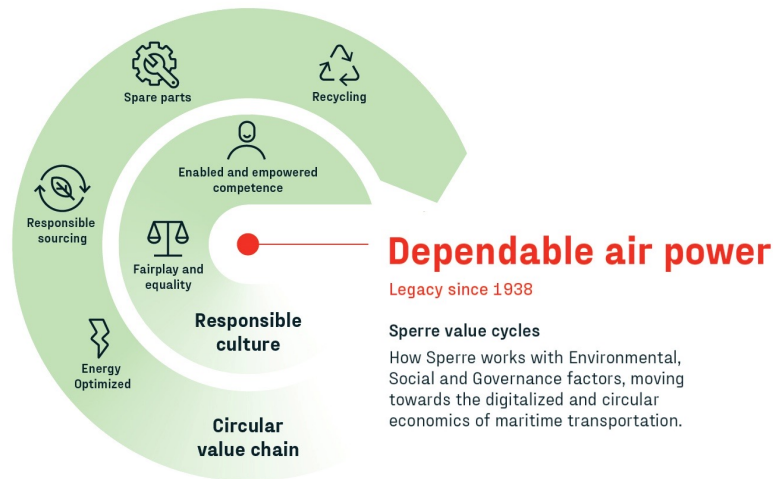
– Jann Peter Strand, COO

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67%

suppliers audited
on ESG criteria



Energy
Optimized

Spare parts

Recycling

Responsible
sourcing

Hardware ready

- › The HQ and production site in Norway has been operation on 100% electric energy through 2023, and we have started towards a path to be ISO 50001 certified (Energy Management).
- › We have continuously been improving our digital planning and delivery tools introduced in 2022, by enabling more flexibility in the delivery logistics. By exploiting our new logistical hubs in Shanghai and Rotterdam, delivery times and transport emissions are significantly reduced.
- › A dedicated team is working on upgrading our product management tools and delivery process by introducing new product life-cycle tools and processes. When launched, this will be a key enabler to get even better insights in the sustainability aspects of our products and manufacturing at all stages of the life-cycle.
- › Circularity is fundamental for us and is ensured through materials that can be either repaired, reused, refurbished or recycled. The main material used in our compressors is cast iron, which is recyclable. Some hazardous materials, including paint, cooling fluid and cleaning chemicals, are used in operations. 97% of input materials are recyclable.
- › We continuously work to improve our aftermarket process so we can support our customers with spares throughout the life-span of our products.
- › We have started an initiative within our supply chain to gain more understanding on supplier ESG related activities. A new digital platform was introduced in late 2023, to manage both ESG activities and understanding of compliance to Norwegian Transparency Act

Circular value chain



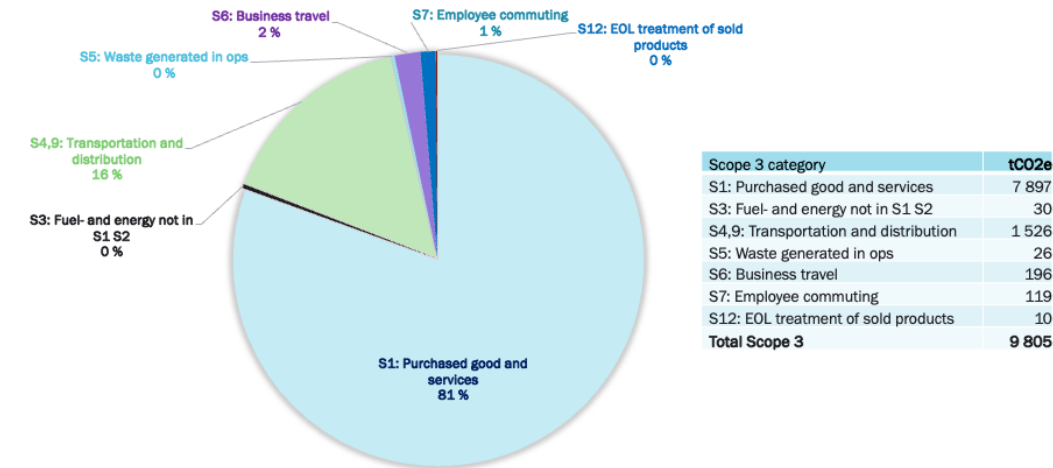
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An important milestone in Sperre sustainability activities 2023 has been to increase our understanding of our total Scope I, II & III CO₂e emissions. As for most other companies, Scope III emissions has the highest fraction of emissions related to our company. We aim to improve day by day, to take conscious decisions to contribute to a more sustainable world.

- Anna Söderlind, Sustainability & HSEQ Manager

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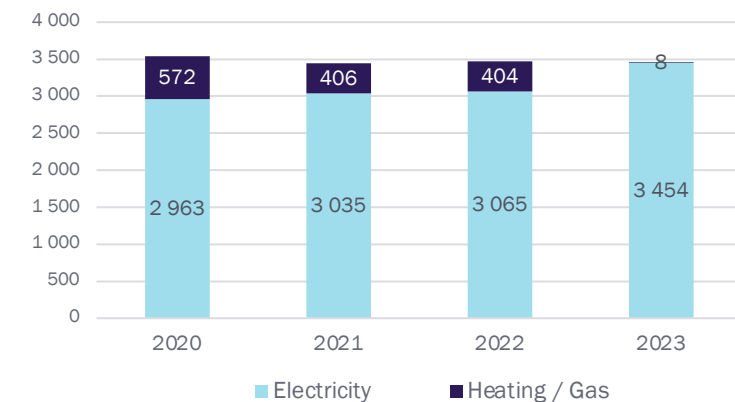
2023 Scope 3 Overview



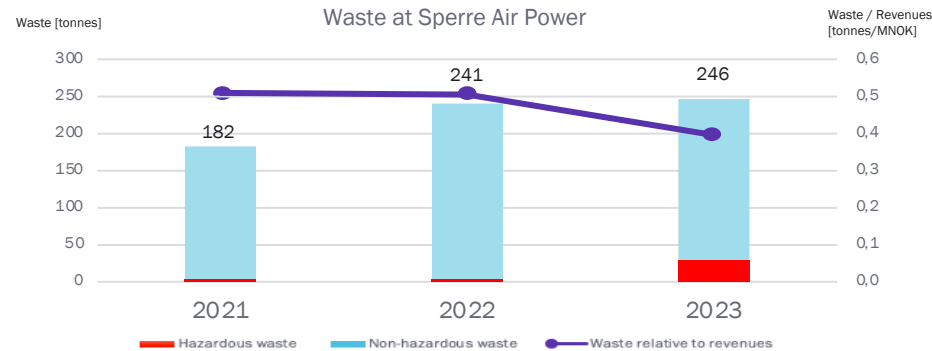
Energy
Optimized

- › In September 2023 we celebrated 1 year of 100% Electric (zero scope 1 emissions) at Sperre Air Power in Norway, with the result of 99.8% of energy consumption from electric energy for the fiscal year 2023!
 - › An internal *Energy group* is established to focus on continuous improvements to reduce our energy consumption. An opportunity mapping for energy reductions is conducted in cooperation with external partners. Required energy data points are collected and analyzed on a monthly basis. The process to compliance to ISO 50001 will be conducted during 2024.
- › During 2023 we have expanded our competence within emission footprint and Scope I, II and III reporting in general. Correct data and data categorization from consistent data sources are essential for future reporting processes, as we prepare for new and more stringent reporting requirements. Some comments on the 2023 Scope 3 numbers:
 - › Purchased components and products, and associated logistics, has a big impact on our overall scope 3 GHG footprint, and increased from 2022 with increased business volume. CO₂ numbers were calculated using value-based methods.
 - › We signed an agreement with one of our logistics supplier to use more of Sustainable Air Fuel (SAF) on our shipments worldwide, and by this we have reduced WtW emissions by 2% for 2023

Annual energy usage in company [MWh]



Circular value chain



0,4

Tonnes / MNOK revenue
waste intensity-21%
From 2022

82%

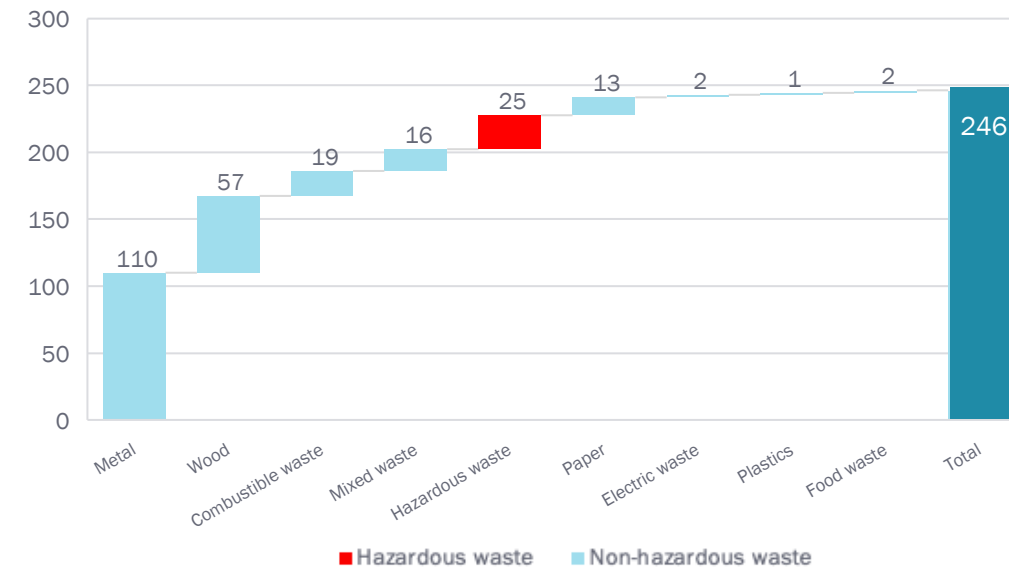
Recycled waste

-12 pp
From 2021

Recycling

- › We have a structured waste management system which enables us to keep track on the separate streams to allow monitoring and performance assessments (e.g., paper, plastic, metal, food, wood, batteries, and electrical waste). Waste is an internal KPI that is reviewed on a monthly basis, and data is now available in a digital waste KPI dashboard. Several improvements were implemented in 2023, such as
 - › More packaging material (cardboard) we receive from inbound shipments is reused as packaging fill in outbound aftermarket shipments.
 - › Wood waste is reduced by improved packaging specifications to our suppliers and taking advantage of our improved logistics flexibility
 - › By standardization and conscious focus on waste we have managed to reduce the electronics waste in our manufacturing process
 - › Increase in hazardous waste due to a complete change of cooling liquid in the CNC machining department
- › Significant reduction in water consumption was achieved making some repairs and restricting water availability for external users.

2023 Waste from production Sperre Air Power (tonnes)



Responsible culture



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Our company is dedicated to both regulatory compliance and the promotion of our organizational values, cultivating an environment that encourages the growth of skilled and responsible organization and individuals. We achieve this through various initiatives, including the Sperre Academy and Universities partnership, as well as social programs like Sperre Social. These efforts ensure the continuous development of skills and the cultivation of a world-class team dedicated to excellence

”

- Eva Brox, SVP HR

Our values

Agile

Our team and customers rely on our ability to respond.

Observant

We observe and foresee team and customer need.

Approachable

We are down to earth and always available.

Responsible

We all have a key role to ensure the highest customer satisfaction.



Dependable air power

Legacy since 1938

Sperre value cycles

How Sperre works with Environmental, Social and Governance factors, moving towards the digitalized and circular economics of maritime transportation.



- › All employees were invited to the bi-annual “Storyboard”, a review of the company’s strategy and focus areas for the next two years. To achieve the goals set for the upcoming years, it is crucial that everyone understands the objectives, focus areas, and their role as significant contributors. The sessions were organized in groups of 8-10 employees.
- › As part of the ongoing digital transformation in HR, the HRM system plays an important role. Key modules have been implemented in 2023 such as digital onboarding and offboarding processes, competence mapping linked to specific functions and roles. Additionally, individual competence mapping, completed with gap analyses and development plans, is in place. The HRM system includes a library containing publications such as digital personal handbooks linked to relevant laws and regulations, templates and forms.
- › HR digital transformation is about evolving HR practices, enhancing efficiency, and ensuring that the organization’s capabilities align with business requirements. By embracing technology and data, we have experienced and expect further improvement of both the quality of HR processes and how we handle HR data.
- › New employees in relevant departments commit to read and agree to the Sperre Air Power code of conduct, and other policies and procedures. Annual reviews with all sales offices and agents are in place.
- › Due to the changes in the global political climate, we focused even more on awareness and training related to compliance within the organization.

Responsible culture – enabled and empowered competence



We are dedicated to building strong personal relationships to stake holders in the value chain to safeguard continuity in maritime operations. By developing a high-performance culture within the organization, we achieve a highly skilled workforce providing high-quality products and world class support.



Fairplay and
equality

- › The principles of fair-play and equality are integral in our recruitment policies, conducted without regards to age or gender. The primary criteria are mastery of required competencies, mindset and a willingness to learn new skills. However, there is focus to attract and increase the number of female candidates in new-hiring processes for all functions and levels as well as for management positions.
- › The ongoing process to become certified in ISO27001 Information Security Management System has taken a lot of effort in 2023. Risk assessment, new processes and roles are implemented. From the DNV audits it is expected to receive certificate Q1 2024. ISO27001 certification will prove our dependability.
- › We introduced a digital tool for collecting improvement proposals from employees in the production. The engagement have been impressive, resulting numerous ideas for improvement that we are adopting in our daily work.
- › Sperre "University Partnership" program has been established, coordinating all company activities related to providing valuable inputs to academia and selecting outstanding candidates. The aim is a collaboration with both domestic and international education institutions, spanning from secondary school to university levels. This includes students completing apprenticeships and bachelor/master thesis within our company, presentations and guided tour on site, internships as well as our employees engaging as part-time lecturers at universities and attending courses for continuous development. One student completed credit-bearing internship (ECTS) in our company with internal supervisors.



Enabled and empowered
competence

- › For 2023 total five Ms/Bc thesis have been completed at Sperre both by internal employees and university students, hereof two bachelor thesis with relevant sustainability topics related to Sperre. The Strategy meeting NTNU FUI (Academic Committee for Engineering) in collaboration with Sperre aimed to strengthen the collaboration between academia and the industry. Sperre Academy is a platform provided to organize all internal training courses and grant access to necessary reading materials, aiding employees in learning new aspects that enhance comprehension within product and business related activities.

104

FTEs

No change
From 2022

25%

Female FTEs

+2pp
From 2022

3

Apprentices

2
From 2022

5

Ms/Bc thesis

5
From 2022

7

Internships

1
From 2022

129

Improvement
proposals
registered

1

Internal msc

1
From 2022

1

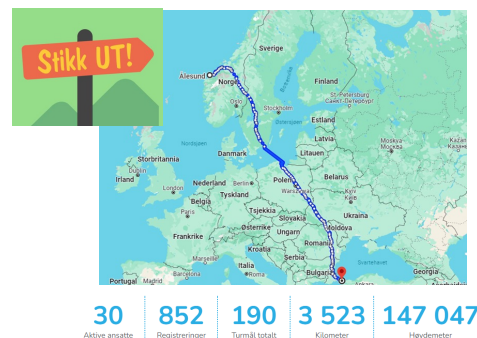
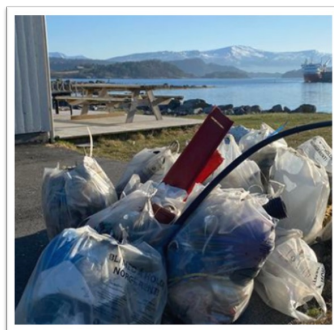
ECTS

-1
From 2022

“It’s personal”

Dependable air power is our personal mission

Responsible culture - the wellbeing of our employees



17

H&S NC's

▼ - 4

From 2022

1

Accident with leave

▲ + 1

From 2022

3.0%

Sick leave

▼ -1.0pp

From 2022

The safety and well-being of our employees, hired personnel, customers and business partners are crucial to us. We have a dedicated team working with HSE activities to minimize the risks related to accidents and sick leave.

- › Safety representatives are key resources to ensure the health and safety of our employees. During working environment committee reviews (4 times per year), concerns are discussed, and solutions are found. Together with the occupational health service, we are supporting the employees with risk assessments and occupational health assessments when feasible.
- › During 2023, we successfully completed an important project related to the replacement of liquid gaskets and thread lockers chemicals in use in our operations, with focus on reducing health and environmental risks. Our aim is to have as few chemicals as possible with a red framed pictogram.
- › New requirements or prohibits on chemicals in use in our operations or in our products are monitored. We are following closely the discussions related to prohibition of PFAS in EU and Norway.
- › Health and safety conditions are well monitored; long-term/short-term sick leave, 'unwanted situations', and 'incidents' are reported and evaluated, and necessary actions are taken to prevent this in the future.
- › Our internal "Sperre social" team continues to deliver activities to motivate employees to a healthy, active and well-balanced lifestyle. See pictures on this page displaying some of the activities we facilitated during 2023



Enabled and empowered
competence



Responsible culture - Governance



Sustainability policies, certificates and targets

- › Sperre has ESG KPIs and targets in place related to carbon emissions, competence development, flagship initiatives, etc.
- › Key ESG-related policies and procedures have been established and are embedded into its operations.
- › Sperre is ISO 14001 and ISO 45001 certified.
- › In 2023 Sperre was awarded the silver medal by Ecovadis. This makes Sperre one of the top 25% sustainable companies rated by Ecovadis worldwide in 2023 and one of the top 4 % companies within the industry (Manufacture of general-purpose machinery).
- › Annual compliance review according to laws and regulations, including specific focus areas.
- › Sperre is operating in line with OECD guidelines.
- › The company is compliant with all relevant local, environmental and social laws and regulations.

Quality of monitoring systems

- › ISO 27001 certified Information Security Management System, certificate received in February 2024.
- › The production facility in Norway is ISO 9001 certified. Sperre has a quality assurance department and procedures in place for quality assurance and testing.
- › Quality assurance checks are performed, including measurement controls, testing and performance documentation.

Compliance management system

- › A robust compliance management system is in place to ensure awareness and that responsibilities are carried out and regulations are met.
- › Annual agent compliance reviews and risk assessments. In addition, annual risk assessments for sales and supply chain.
- › Sanctions and export control are continuously monitored and assessed by the compliance function.
- › The compliance function has focused on Russian sanctions and Ukraine war including other geopolitical disruptions.
- › There is a good awareness and understanding of importance of following the policies, and good cooperation with the compliance function in the organization globally.

Ensuring supplier compliance

- › The Sperre Code of Conduct is provided to all suppliers and must be signed.
- › A separate Purchasing policy is available and communicated to suppliers.
- › Supplier business reviews are conducted on an annual basis.
- › Where required, additional supplier audits are performed.
- › The Transparency Act applies to Sperre. OECD's guidelines tools are implemented. The annual report from the due diligence assessment is available on the website.

Risk management


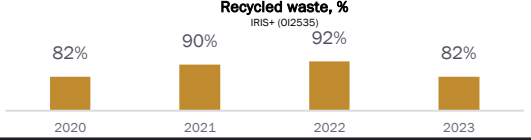

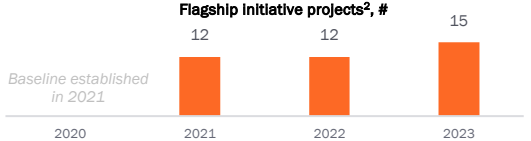

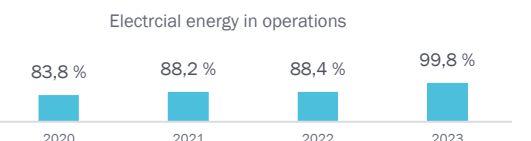

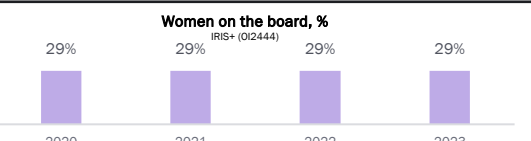
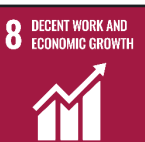
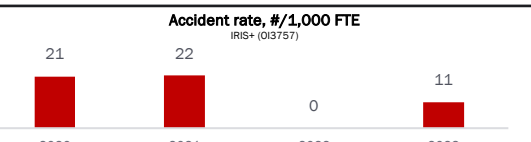
- › Based on stakeholder analysis and internal and external factors, an overall risk assessment manages potential risks and opportunities in the company.
- › In addition, risk assessments are carried out periodically in all departments; follow-up action is taken when required. Sperre is continuously working to reduce hazard exposure on-site.
- › All major HSE risks are defined and available in the health & safety handbook (part of the ISO 45001 certified management system).
- › Formal risk process for information management introduced as part of the ISO 27001 standard.

Transparency and reporting

- › The sustainability report outlines Sperre's main initiatives concerning ESG and is issued on an annual basis. The report is available on the website.
- › Sperre is committed to supporting the Ten Principles of the United Nations Global Compact on human rights, labor, environment, and anti-corruption. Communication of Progress is reported annually.
- › In addition, Sperre is a signatory to the UN Global Compact Sustainable Ocean Principles.
- › The Sperre website has an extensive ESG statement and discloses the company's life cycle concept and sustainability ambitions.





Targeted UN SDGs* for Sperre

Company activity	SDG	SDG target	SDG indicator	Company KPIs
Potentially impactful activities				
Promote sustainable consumption and production patterns		12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle. 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	12.5.1: Recycling rate.	
Partnerships with customers and peers to develop more sustainable applications		9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.	9.4.1: CO ₂ emission per unit of value added. ¹	
Sustainable activities				
Minimise carbon emissions of operations		13.2: Integrate climate change measures into (national) policies, strategies and planning.	13.2.1: Number of countries that have communicated an integrated plan for adaptability and resilience to climate change; - For companies: GHG contribution to national emissions.	
Empower women throughout all levels in the organisation		5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.	5.5.2: Proportion of women in managerial positions.	
Create safe working environment		8.8: Protect labour rights and promote safe and secure working environments for all workers.	8.8.1: frequency rates of fatal and non-fatal occupational injuries, by sex and migrant status.	

*United Nations Sustainable Development Goals

¹Goal is to establish baseline with life cycle assessment of (key) products and monitor progress accordingly; ² Include flagships in the category "Flagship promotion" which is projects with new green technology, such as full electric, etc. In addition, but not reported, there is a separate category called "Flagship value", which is vessels with dual fuel, biofuel, LNG, etc. In this category, Sperre has delivered a significant higher number of compressors. ³ Following Sperre internal carbon footprint calculations.






Potentially impactful SDG activities

Company activity	SDG	What	How much	Who	Contribution	Risk
Promote sustainable consumption and production patterns <i>Providing compressor spare parts</i>	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Sperre has developed service intervals and spare part kits with instructions to ensure a long and economically sustainable product life for compressors.	Sperre promotes sustainable consumption and production by preventing waste generation and recycling the materials within the value chain. The baseline for how much to be established, potentially with LCA data.	Customers benefit from the extended durability of their compressors. In turn, reducing waste downstream. Simultaneously, the environment benefits from Sperre as the focus on circularity avoids further extraction of raw materials to create compressors.	Sperre's compressors are designed to last. Follow the preventative maintenance routines and its client receives dependable air power for the lifetime of their vessel or plant in return. As part of their life cycle support, 30 years of spare parts availability is guaranteed.	Use of energy-intensive transport solutions to ship spare parts to customers globally.
Partnerships with customers and peers to develop more sustainable applications	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Engaging in Flagship projects help promote a sustainable blue economy through maritime cooperation.	Sperre currently has 15 Flagship promotion projects, focused on green technology (ammonia, hydrogen etc.) and is looking to expand the number of Flagship projects.	Positive impacts are experienced by the global community through the reduction of carbon emissions in the maritime sector.	Sperre are a preferred partner which provide future-proof applications to support the decarbonisation of the maritime industry.	Uncertainty in the industry about if future fuels is the long term solution, to meet IMO2050, This is pushing asset life of vessels.

The Sustainable Development Goals (SDG) assessment highlighted impactful activities. Using the Impact Frontier's five dimensions of impact framework, the scope and potential of impact of Sperre's company activities is assessed.

A selection of projects has been defined that contribute to fulfilling our sustainability ambition(s).

Sustainability projects 2023

Value cycles	Project overview and achievements	Status
 Enabled and empowered competence	Competence management system <ul style="list-style-type: none"> Human resource management system was implemented to improve people management functions at Sperre Air Power with a dedicated digital platform On-/offboarding with digital workflow for consistent people management Competence mapping and growth in a systematic way 	Completed
 Digital services	ISO 27001 – Information security management system <ul style="list-style-type: none"> Main audit completed with DNV in 2023 according to plan ISO 27001 certificate received in February 2024 	Completed
 Responsible sourcing	Simplified logistics by using bonded zones <ul style="list-style-type: none"> Establishment of new logistical hubs in Shanghai and Rotterdam Flexible logistics implemented for air system deliveries, resulting in reduced transportation of product deliveries from factories to end customers 	Completed
 Responsible sourcing	Vendor Insight / Vendor compliance <ul style="list-style-type: none"> Digital platform introduced for supplier compliance data review, ongoing implementation to use for ESG related topics in the supply chain 	Completed
 Energy Optimized	ISO 50001 – Energy Management Sperre Air Power <ul style="list-style-type: none"> Energy management group established with frequent team meetings Energy usage data collected from all vital consumers and prepared for data analytics Energy savings opportunity mapping established 	Ongoing



Position Green



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