

Bonheur ESG report 2020

 Bonheur ASA

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1 Introduction

Within the Group of companies, there is a strong commitment towards integrating sustainability into the businesses, as this forms the base of a sound long-term business model and supports the shift to a decarbonisation of society, aspiring to minimise the environmental footprint in all our activities.

The Company was a pioneer in recognising the need for renewable energy and has over the last 25 years established various renewables-oriented companies, covering the entire value chain from developing to constructing and operating onshore windfarms as well as installation and service of both onshore and offshore windfarms. This progress continues through further improvement of the existing operations, development of new technologies and new investments with strong focus on long-term sustainability with examples like moving into construction and operation of offshore wind and development of floating solar projects, as well as other new technologies.

The Group of companies aims to have high integrity and ethical standards and are committed to comply with all applicable laws, rules, and regulations. This is reflected into the respective companies' Codes of Conduct, and all employees and suppliers are obliged, at all times, to behave and conduct their business strictly in accordance with the principles of such codes. It is equally rooted within the Group of companies that an active and sound corporate governance is essential to a sustainable development of investments which in turn serves the best interests of the shareholders, employees and the society. Social awareness and active engagement with local stakeholders and communities are essential prerequisites for successful investments. Across the business segments of the Company there is a strong commitment towards engaging with local businesses, suppliers, and service providers to ascertain that the activities performed also extend to their benefit. It is part of the inherent operating philosophy to focus on training and employing people from the local communities where practically possible and to ensure good working conditions, honouring labour rights and promoting diversity.

Given the importance of ESG, and further that during 2020, several of the main operating subsidiaries of the Company have strengthened and enhanced their ESG reports, the Board of Directors have decided to report ESG for 2020 in a separate report. This report must be read in conjunction with the Board of Directors report and vice versa.

The structure of the ESG report, is firstly to describe how the Company is governed with the importance of transparency in the corporate governance, with the composition and independence of both the Shareholders' Committee and the Board of Directors and with internal Control in general. Secondly, the ESG report describes the environmental aspects showing that the Group of companies consolidated have a large positive CO₂ footprint with the direct contribution from the wind farms and the indirect contribution from the Wind Service segment who are actively involved in transport, installation and service of wind turbines. Furthermore, the report elaborates on the Green Finance Framework which was established by the Company in 2020. Thirdly, the ESG report describes the people side of the Group of companies who strives for good and safe working environment, equal opportunities without any discrimination and compliance to the code of conduct and anti-corruption policies. And, fourthly, the ESG report describes the positive local contributions in the countries of operations through employment of local people, taxes paid and the Fred. Olsen Social Engagement Group (FOSEG). Looking forward beyond 2021 the ESG report also describes positive initiatives like offshore wind and floating solar, in addition to the continuous work of reducing CO₂ emission in our operations.

Further information may also be found on the respective operating subsidiaries webpages:

[FOR-ESG-report-2020-Rev-A.pdf \(fredolsenrenewables.com\)](#)

[FOWIC-ESG-report-2020-4.pdf \(windcarrier.com\)](#)

[GWS ESG report 2020 \(globalwindservice.com\)](#)

[FOCL - ESG report 2020 \(https://www.fredolencruises.com\)](https://www.fredolencruises.com)

These subsidiary companies have selected and prioritised those ESG topics that are considered the most significant to the operations in issue through a materiality analysis involving a processes with internal interviews and market analyses, in addition to considering relevant ESG standards and the business context of the individual industry in question.

The Group of companies' sustainability reporting is inspired by the World Economic Forum's (WEF) Stakeholder Capitalism metrics which were published in September 2020. The metrics are drawn from existing voluntary standards such as the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD) and aim to provide a core set of common sustainability metrics, covering the topics of Governance, Planet, People, and Prosperity. In addition, the Group of companies has a focus on the upcoming implementation of the EU taxonomy.

1.1 Governance

1.2 About the report

This report contains disclosures in line with the World Economic Forum's¹ (WEF) efforts to develop a core set of common sustainability metrics, covering the topics of Governance, Planet, People, and Prosperity.

1.2.1 Our material ESG aspects

We have selected the ESG topics that are the most significant to Bonheur and its stakeholders. These topics have been selected and prioritised through processes including internal interviews and market analysis, in addition to considering relevant ESG standards and the business context of our industry. In accordance with the WEF Metrics referenced above we have structured this report in to four main sections:

- Governance
- Planet
- People
- Prosperity

1.3 About Bonheur

Bonheur ASA (the “Company”) is domiciled in Norway with its head office in Oslo and is listed on the Oslo Stock Exchange. The Company was established in 1848 and its stock has been listed since 1920. Today, the Company has investments in several business areas. Initially the Company’s activities were in the shipping industry. This included both cargo and passenger services before contributing to the development the offshore energy sector in Norway, e.g. through its activities in the fabrication industry and offshore drilling. The company is no longer involved in these industries and has focused its energy sector investments on renewable energy. Bonheur’s first renewable energy investment was made in 1996 and currently the Company owns a portfolio of wind farm projects in Scandinavia and the United Kingdom. Building on its experience from shipping and renewable energy, Bonheur’s activities have expanded into the offshore wind industry where it provides transportation, installation and maintenance services for offshore wind turbines. Bonheur reports its results under four segments: Renewable Energy, Wind Service, Cruise and Other Investments. Private Fred. Olsen related interests hold a total of 51.8% of the Company’s shares. The day to day management of the Company is performed by Fred. Olsen & Co., a management company, which sole proprietor is Anette Sofie Olsen.

2 Governance, Planet, People, and Prosperity

2.1 Governance

The Company remains focused on continuously developing its established principles on good corporate governance.

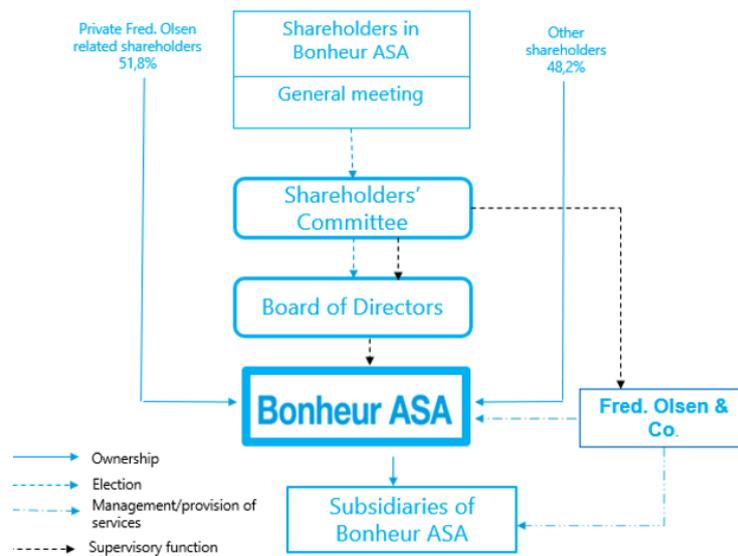
Private Fred. Olsen- related interests hold a total of 51.8 % of the Company’s shares. The day-to-day management of the Company is performed by FOCO, a management company of which Anette Sofie Olsen is the sole proprietor.

The governance structure surrounding the Company has through decades proved to be both successful and resilient. In order to ensure there can be no doubt that within this governance structure decisions are taken in the interest of all shareholders of Bonheur ASA, the Company has over time implemented various measures and systems to further safeguard equal treatment of all shareholders and equally correct handling of potential conflicts of interest, i.e.

- Four directors out of six, i.e. the majority of the Board of Directors of Bonheur ASA, are independent of both the Company’s main shareholders and of FOCO.
- The guidelines to the Board of Directors addresses i.a. questions on potential conflict of interest, and policies for reporting on and handling of potential conflict of interests are in place.
- The Shareholders’ Committee has a supervisory function relative to both conduct of the Board and that of FOCO and elects the Board Members to the Company. All members of the Shareholders’ Committee are both independent of the Company’s main shareholders and of FOCO.
- The Shareholders’ Committee has a special emphasis and guidelines regarding questions related to potential conflicts of interest.
- The Board of Directors continuously monitors and evaluates the performance of the management services provided by FOCO. In addition, the Audit Committee on a quarterly basis reviews all related party business.

- The Shareholders' Committee provide recommendations to the Board of Directors on compensation to FOCO for its managerial services, and these recommendations are subject to regular benchmarking and review.
- The Auditor of the Company, KPMG, performs special audit and reporting procedures on potential conflict of interests which are reported both to the Board of Directors and the Shareholders' Committee.

The Company's corporate governance practice is adapted to the recommendations set out in the Norwegian Code of Practice for Corporate Governance ("NUES"), as published in the latest revised version of 17 October 2018:



The Shareholder's Committee supervises the administration of the Company by the Board of Directors and FOCO. All members of the Shareholder's Committee are independent. Both the Shareholder's Committee and the Board of Directors have a special emphasis on questions related to potential conflict of interests. The Shareholder's Committee further elects the Directors to the Board of the Company.

More explicitly on Corporate Governance

The principles for good corporate governance set out in The Norwegian Code of Practice for Corporate Governance (NUES) are applied to the organisational structure that the Company is part of. The Company is focusing on a continuing development of these principles as contributors towards the Company's strive for long term added value as well as towards the responsibilities owed to society.

Significant parameters in this process are transparency, integrity and responsibility. These basic parameters also reflect the Company's value base, while they also identify the ethical guidelines governing the Company's responsibility towards society as well as the Company's conduct in general.

Transparency points to confidence in procedures and decision making and the way in which the various activities of the Company are executed. In this connection, the Company's policy on information is essential. Integrity is the resulting effect of the norms that characterize the Company, and which assist

in securing a proper conduct of the Company's affairs. Responsibility relates to clarity on consequences of acts or omissions.

The Shareholders' Committee

The supervisory function of the Shareholders' Committee constitutes an integral element of the Company's Corporate Governance. It follows from the Company's Articles of Association that the Shareholders' Committee is responsible for exercising a supervisory function relative to the administration of the Company by the Board and by FOCO. The way in which the Shareholders' Committee execute these duties is adapted to NUES and equally follows established guidelines as calibrated against the corporate structure that the Company is part of. These guidelines i.a. address questions on potential conflicts of interest. The Shareholders' Committee is attending to the Company's annual accounts and expresses its view thereon to the Annual General Meeting, hereunder on the Board's proposals on dividends. The Shareholders' Committee elect members to the Board following nomination procedures, propose appointment of the Auditor and provide recommendation to the Board on compensation and possible bonus to FOCO for its day-to-day management of the Company.

The Shareholders' Committee consists of the following persons: Christian Fredrik Michelet (Chairman), Einar Harboe (Deputy Chairman), Ole Kristian Aabø-Evensen, Bård Mikkelsen and Jørgen Heje. At the Annual General Meeting in May 2020, Christian Fredrik Michelet and Ole Kristian Aabø-Evensen were re-elected as member of the Shareholders' Committee. Nok av gjentakelser nå.

Equity and dividends

Equity

The equity of the Company is addressed in parent company note 8. The Board consider that the current equity level is satisfactory considering the Company's financial position relative to strategy and risk profile.

The Company has no current authority to increase its share capital. To the extent proposals will be made to a General Meeting on authority to increase the share capital, caution will be exercised relative to the principle of preference for existing Shareholders on subscription for new shares. In the event the Board of the Company should request a General Meeting for authority to increase the share capital or acquire treasury shares, such authority will in any event only be requested for a period of time limited to the next ordinary Annual General Meeting.

Dividend

When considering dividend payments, the Company takes into account the development of the Company's results together with the prevailing investment plans and the Company's financial position in general. Specific situations may arise where it would be in the interest of the Shareholders that dividend payments are not recommended or - otherwise, that extraordinary dividend payments are recommended. Dividend payments are considered by the Board, which then resolves on proposals to the General Meeting subsequent to the Shareholders' Committee having addressed this issue and expressed its view.

Equal treatment of Shareholders and transactions with close associates

The Company only has one class of shares and each share equals one vote. The Company emphasizes the principle of equal treatment of all Shareholders. The Company has not been engaged in transactions with its Shareholders, Board members, FOCO in its managerial capacity, or anyone related to these, except from what follows from the Group of companies' note 26 to the respective Annual

Accounts or as may otherwise have been reported in separate announcements to the Oslo Stock Exchange.

Freely negotiable shares

The Company's shares are traded freely negotiable.

Annual General Meetings

The Company's Annual General Meeting is normally held in May each year under the conduct of the Chairman of the Shareholders' Committee paying due attention to NUES.

The summons, together with the appurtenant papers, is distributed in ample time in advance of the General Meeting. Shareholders who are prevented from participating may vote by way of proxy. The Shareholders' Committee, the Board and the Company's auditor are all represented at the Annual General Meetings. The Annual General Meeting i.a. elect members to the Shareholders' Committee.

Nomination committee

The Company has no separate nomination committee. However, it follows from the Articles of Association that the Shareholders' Committee elects' members to the Board and, as also set out above, does so in accordance with its own nomination procedure.

Corporate Assembly and Board of Directors – composition and independence

The Company does not have a Corporate Assembly. A supervisory function similar to that of a Corporate Assembly, is exercised by the Shareholders' Committee.

The conduct of the Board of Directors

The ultimate administration of the Company's business, which implies securing that the Company's business conduct is in line with the basic values of the Company, rests with the Board. The Board at present consists of six Directors, who are each elected for a two-year period. In addition to exercising the authorities on decision-making and control functions, the Board focuses on development of the Company's strategy. Emphasis is placed on providing the Board with good information as a basis for the Directors to adequately discharge their duties. All matters considered of material importance to the Company are placed before the Board. This i.a. comprises considering and approving quarterly and annual accounts, significant investment issues (hereunder acquisitions and divestments) and overall strategies. The composition of the Board reflects a broad level of competence.

The Company has the following Board Members:

Thomas Fredrik Olsen, Chairman, Carol Bell, Bente Hagem (from 17. July 2020), Jannicke Hilland (from 17. July 2020), Nicholas (Nick) A. Emery and Andreas C. Mellbye.

All Board members participate regularly in the Company's board meetings. Absence is exceptional and always distinctly justified.

The Board members Carol Bell, Bente Hagem, Jannicke Hilland and Andreas Mellbye are independent FOCO and of the Company's main shareholders.

In Note 7 to the group of companies' accounts information on compensation to the Board is provided. The compensation to the Board is not depending on results and neither have the Directors been granted any options.

Audit Committee

In its capacity as a preparatory and advisory working committee for the Company's Board, the Audit Committee - consisting of the Board Members Carol Bell and Nick Emery - will review the financial reporting process, the system of internal control and management of financial risks, the auditing process and the Company's process for monitoring compliance with laws and regulations. In performing these duties, the Audit Committee will maintain effective working relationships with the Company's Board, FOCO and the Company's Auditor.

Risk management and internal control

The Group of companies' risk managements, as developed within each of the business segments, are developed to ensure that risk evaluation is a fundamental aspect of all business activities. Continuous evaluation of exposure to risk is essential to identifying and assessing risks at all levels.

The Group of companies' risk management policies work to identify, evaluate and manage risk factors that affect the performance of the various business activities in which the Company is invested. As such, continuous and systematic processes are employed to mitigate potential damages and losses and to capitalize on business opportunities. These policies contribute to the success of both long and short-term strategies.

Risk management is based on the principle that risk evaluation extends to all business activities. The individual business segments within the Group of companies have procedures for identifying, assessing, managing and monitoring primary risk exposures. As part of cash management policy, the Group of companies may individually deploy derivative instruments, such as interest rate swaps and currency contracts in order to reduce exposures.

The Group of companies' risk management and internal control procedures are reviewed by the Audit Committee in accordance with its charter. The operational risk management and internal control are carried out within each business segment in accordance with the nature of the operations and the governing legislation in the relevant jurisdictions. Financial risk management related to foreign exchange, interest rate management and short-term investments is handled in accordance with established policies and procedures.

The Company does not operate a distinct formal internal audit function as part of its internal control system, but the Company relates closely with KPMG to ensure that risks and controls are monitored. Consequent on representation at board level in subsidiaries by managerial personnel of FOCO, the Company is able to adequately follow developments within relevant operational subsidiaries, focusing on business performance, market conditions, competition situation and strategic issues. The resulting effects of these board meetings in subsidiaries thus in turn provide a solid foundation for the Company's assessment of its overall financial and operational risks.

Board remuneration

Board remuneration reflects the Board's responsibility, expertise, time spent, and the complexity of the business. The remuneration does not depend on the Company's financial performance. There are no option programs for any Board Member. The Annual General Meeting determines the remuneration to the Board Members. Additional information on remuneration paid to Board members for 2020 is presented in note 7 to the consolidated accounts.

Remuneration of executive management

As an integral part of FOCO's day-to-day management of the Company, Anette S. Olsen holds the position as Managing Director of the Company. Anette S. Olsen is the sole proprietor of FOCO, which

provides services within the areas of IT, finance, legal, accounting and general administration to the Company. The compensation to FOCO for these services follows under Group of companies' note 7. The Company has no employees. There are no stock option programs in the Company or in FOCO.

Information and communications

Emphasis is placed on conducting a policy on information which aims at providing the market with relevant and timely information in a way that supports the principle of equal treatment of all of the Company's shareholders. The Company provides presentations to shareholders and analysts in connection with announcement of the quarterly results. Annual and quarterly reports, together with the aforementioned presentations, are made available on the Company's web site, www.bonheur.no. The Company has a preparedness on information for situations of an extraordinary character.

Takeovers

Privately owned Fred. Olsen-related companies hold a total of 51.4 percent of the Company's shares. Considering the corporate structure of which the Company forms parts, the Company considers that the Code's takeover guidelines recommendation is currently not relevant.

Auditor

The Company's Auditor is annually providing an activity plan for the audit of the Company. As part of the established routines within the Company on Corporate Governance the Auditor is conducting presentations to the Audit Committee and the Shareholders' Committee on the auditing carried out and the Auditor is hereunder addressing the Company's risks, internal control and quality on reporting. The Auditor is conducting a similar presentation to the Board in connection with the Board considering the Annual Accounts.

In connection with the Auditor's report, the Auditor also provides an affirmation on independency and objectivity. The Auditor participates at the Annual General Meeting. The Board is satisfied that FOCO on behalf of the Company and at its sound discretion, when considered both generally and specifically serviceable by FOCO, may deploy the Auditor for services beyond statutory auditing. In connection with the issue on compensation to the Auditor, it must and will however always be identified how such compensation is split between statutory auditing on the one side and other services on the other.

CV for the Board members, Shareholders' Committee and the Managing Director

Board of Directors:

Thomas Fredrik Olsen (Fred. Olsen) (b. 1929), Chairman. Mr. Olsen has been chairman of the Board since 1955. He is a Doctor of the University of Heriot Watt, a Fellow of the Royal Institution of Naval Architects and further holds the titles of Industry Pioneer from the Offshore Energy Center Hall of Fame in Galveston, Texas and the Institutium Canarium's Dominik Wölfel Medal, Vienna. He was chairman of the Aker Group from 1957 to 1975 and from 1977 to 1981, chairman of Timex Corporation (USA) from 1980 to 2002 and of Harland & Wolff, Belfast from 1989 to 2001. He co- founded and was later chairman of the Norwegian Oil Consortium AS (NOCO), 1965-1983, and was a board member of SAGA Petroleum AS from 1972 to 1983. He was further chairman of Widerøe's Flyveselskap AS, 1970-1983. Mr. Olsen has pioneered within tanker developments, rig developments (Aker H3 drilling design), watch developments and he headed the transition of the Aker yards from shipbuilding into offshore. He is member of the Norwegian Shipping Association's Advisory Board. Mr. Olsen is a Norwegian citizen and resides in Oslo, Norway.

Carol Bell (b. 1958) joined the board in 2014. She holds an MA in Natural Sciences from the University of Cambridge and a PhD in Archaeology from University College London. Since 2000, after having worked within the oil and gas industry and investment banking (with JP Morgan and Chase Manhattan), she has divided her time between a range of activities, notably being non-executive director in the energy sector, conducting academic research and as a charity trustee. She currently sits on the boards of PGS ASA and Salamander Energy plc. She is also a board member of the Columbia based oil and gas company Amerisur Resources Plc., which is listed on the London Stock Exchange, AIM Market. She has also served on the boards of Hardy Oil & Gas plc., Revus Energy ASA, Det norske oljeselskap ASA and Caracal Energy Inc. She is a trustee of the Renewable Energy Foundation (a UK think tank) the National Museum of Wales, The British School at Athens, Cardiff University and the Institute for Archaeometallurgical studies. Ms. Bell is a British citizen and resides in London and Cardiff.

Bente Hagem (1953) joined the board in 2020. She holds a master's degree in Economics and Agriculture from the University of Life Sciences in Norway. In the nineties she held different positions as a vice president in Equinor. In 2001 she started working as an executive vice president in Statnett, the Norwegian system operator (TSO). She was responsible for European/Nordic market design, trading agreements for cables, customers, tariffication, and settlement of the wholesale market. She was also a CFO of Statnett for a period. From 2013-2019 she was a chair and vice chair of the board of ENTSO-E (an association for 43 TSOs in Brussels) and chair and member of the Board of Nord Pool Spot from 2008-2014. She was also a co-chair of the European Market Coupling project delivering market coupling for electricity in North West and South West Europe. She has also served on several boards mainly in the oil and gas industry and in the power industry. Bente Hagem is a Norwegian citizen and resides in Oslo.

Jannicke Hilland (1967) joined the board in 2020. She holds a PhD in Physics from the University of Bergen, a BSc Honours in Electrical and Electronic Engineering from the University of Manchester Institute of Science and Technology and a study in Strategic Leadership from the Norwegian Business School. Today she is the CEO of BKK, one of the larger renewable energy companies in Norway. In the period 2008 - 2015 she held different positions in Statoil, amongst other Head of Gullfaks operations, Vice President of Joint Operations on the Norwegian Continental Shelf and Senior Vice President for Safety, Security and Emergency Preparedness in the Corporate Executive Committee. In the last position accountable for the Statoil BoD Safety, Security, Sustainability and Ethics Committee. In the period 1998 - 2008 she held different positions in Hydro, amongst others as platform manager on the Troll Field. She is also Member of Board in Nysnø Klimainvesteringer, Hexagon Purus and Energi Norge.

Nicholas (Nick) A. Emery (b. 1961) was appointed to the board in 2014. He is a qualified Management Accountant. He has worked in various Fred. Olsen- related companies for close to 30 years and until April 2013 was the CEO of Fred. Olsen Renewables AS where he still holds a board position. As from April 2013 he holds the position of CEO of the privately owned Fred. Olsen Ltd. (UK). He is Chairman of the following Fred. Olsen Limited subsidiaries: The Natural Power Consultants Limited, SeaRoc Group Limited, Zephir Limited and Fred. Olsen Travel Limited. Mr Emery is a British Citizen and resides in Brentwood, Essex.

Andreas C. Mellbye (b. 1955) has been a member of the Board since 2001 and before that served as alternate. Mr. Mellbye is a candidate in jurisprudence from the University of Oslo in 1983 and became partner of Wiersholm, Mellbye & Bech in 1989. Before joining Wiersholm he worked for Conoco, London and Norsk Hydro in their legal departments. He was admitted to the Norwegian Supreme Court in 1995. Mr. Mellbye specializes in the areas of corporate transactions, mergers & acquisitions, securities/stock exchange law and litigation and has acted in several large cases within these areas. He holds various board and committee positions including chairman of Martina Hansens Hospital,

Lorentzens Skibs AS and Rentokil Norge AS. He is a member of the Securities Law Forum of the Oslo Stock Exchange. Mr. Mellbye is a Norwegian citizen and resides in Bærum, Norway.

Shareholders' Committee:

Christian Fredrik Michelet (1953) has been the chairman of the Shareholders' Committee since 2007. He became a candidate in jurisprudence at the University of Oslo in 1980, and holds an MBA from INSEAD, France in 1981. He has served as lieutenant in the Norwegian Army. He was partner in the law firm Arntzen de Besche from 1985-2015. In the period 1989 – 1992 Mr. Michelet was Vice President in Total Norge AS. He was partner in the law firm Michelet & Co 2015-2018, and is now partner in the law firm Schjødt law from 2019. He is specialized in the petroleum and energy sectors. Mr. Michelet is an advisor on legal and strategic matters to various corporate actors in these sectors. He is also an advisor to Norwegian petroleum and energy authorities and to petroleum authorities in countries in several parts of the world on policies, legislation and state contracts. In addition to working with transactions and acting as a litigator, he regularly serves as arbitrator in arbitral tribunals. He is admitted to the Norwegian Supreme Court. Mr. Michelet is a Norwegian resident and resides in Oslo, Norway.

Jørgen G. Heje (1953) has been a member of the Shareholder's Committee since 1988. He has a Lic. Oec. HSG degree from Hochschule St. Gallen Switzerland. Mr Heje spent several years with Chase Manhattan Bank N. A. in London and Oslo before he held different executive and non-executive positions within the shipping and finance industry. Mr. Heje served as CEO in Eidsiva Rederi ASA and Chairman of Norwegian Car Carriers ASA up until 2010. He has been Chairman, and member of boards and nomination committees in a range of companies and organizations among others: Chase Manhattan Bank (Norge AS), Orkla Finans AS, Nordisk Skibsrederforening, Grand Hotel ASA, Norwegian Ship-owners Association and a number of ship-owning partnerships. Mr. Heje is Chairman and co-owner of the Agra Group a market leading, family owned industrial company within fast moving consumer goods in the Scandinavian markets. Mr. Heje is a Norwegian citizen and resides in Oslo, Norway.

Bård Mikkelsen (1948) joined the Shareholders' Committee in 1997. He is a graduate from the Norwegian Army Military Academy, Norwegian School of Management and INSEAD Executive Programme. He has served as the CEO of Statkraft, the largest utility in Norway and the largest European renewable energy company. Mr. Mikkelsen has also served as the CEO of Oslo Energy Group, Ulstein Group and Widerøe Group. He has previously a.o. also served as a member of the Supervisory Board of E.ON as Chairman of Cermaq, Store Norske Spitsbergen Kulkompani and Vice Chairman of Saferoad. Currently he is a.o. the Chairman of Clean Energy Group, Clean Energy Invest, Multiconsult and Nettpartner. Mr. Mikkelsen is a Norwegian citizen and resides in Baerum, Norway.

Ole Kristian Aabø-Evensen (1964) has been a member of the Shareholders Committee since 2017. Mr. Aabø-Evensen was originally trained as a police officer and became later a candidate in jurisprudence from the University of Oslo in 1988. He also received a scholarship from the British Council (1992) and has studied English and International Law at King's College University of London (1992). Mr. Aabø-Evensen is founding partner of the M&A and Capital Markets boutique law firm Aabø-Evensen & Co (2002-). Before establishing Aabø-Evensen, he was partner and head of M&A and corporate legal services at KPMG in Norway (1995-2002), an associated partner with the de Besche & Co (now Arntzen de Besche), and has also worked as a trainee in Sinclair Roche Temperley, London (now part of Stephenson Harwood) and Essex Court Chambers, London. He's ranked as one of Norway's leading transaction lawyers, specializing in corporate transactions, public and private mergers & acquisitions, securities/stock exchange law. He holds various board and committee positions. Mr. Aabø-Evensen is also the author of the leading textbook on M&A in Norway in addition to numerous international publications on mergers and acquisitions. He's a member of the Norwegian Bar Association, the

American Bar Association, the International Bar Association and the International Fiscal Association. Mr. Aabø-Evensen is a Norwegian citizen and resides in Oslo, Norway.

Einar Harboe (1950) has served on the Shareholder's Committee since 1988. He passed his final law exams in 1974 at the university of Oslo. He then held positions in the Ministry of finance and also worked as assistant judge, university teacher and division head in the Tax directorate until 1983. In 1983 Mr Harboe went to the law firm of Bugge, Arentz-Hansen & Rasmussen (BAHR) where he remained for some 14 years, the last 12 years as partner. In 1997 Mr Harboe left BAHR to establish a boutique law firm (now Advokatfirmaet Harboe & Co AS) specializing in tax. Harboe & Co is among the leading firms in this field. Mr Harboe is among the most experienced tax lawyers in Norway, having handled a number of major cases in court, including. The supreme court. He is also an established author, having published a number of books about Norwegian tax. Mr. Harboe is a Norwegian citizen and resides in Bærum, Norway

Managing Director:

Anette S. Olsen (1956) is the proprietor of Fred. Olsen & Co. which is responsible for the day-to-day operation of Bonheur ASA. As part of these services she holds the position as managing director of Bonheur ASA. Anette Olsen is the Chairman of the boards of Fred. Olsen Renewables AS, Fred. Olsen Ocean Ltd., Fred. Olsen Ltd. and NHST Media Group AS. She is also a board member of Fred. Olsen Cruise Lines Ltd. and of Global Wind Service A/S. Anette S. Olsen holds a bachelor's degree in business organization and a master's degree in business administration (MBA).

2.2 Planet

It is embedded in our company culture to maintain a sustainable business model and to minimise the environmental footprint in all our activities. The Planet section will give an insight into both the positive and negative CO2 contribution from the operation in the business segments, in addition to information regarding the Company's Green Finance Framework.

The Group of companies is engaged in activities which, to a varying degree, involve a potential risk to the environment. To minimize the risk, safety and environmental protections are given high priority by the operations, and efforts are made on a continuous basis to prevent situations which might involve damage to health and environment. Important elements of this work are safe operations an active maintenance program and adequate handling of waste. Efforts are expected to continuously be made, in order to improve, and further develop the safety and environment culture at all levels.

Some of the Group of companies' operations, in particular those related to the use of fossil fuel, effluents and emissions during operations and the risk of oil spills, may influence the external environment negatively. Safe operations and active maintenance programs will contribute to avoid accidents which may lead to damage to the external environment. Currently not all of the companies have robust data for waste management, ecological impact measurements and assets recycling, and we are therefore not able to report on consolidated figures for 2020. Going forward we will continue the work of strengthen the reporting.

No incidents have occurred during the year within the aforementioned business segments causing serious damage to the external environment.

Renewable Energy

During 2020 the Renewable Energy segment produced 1.82 TWh of electricity. If assumed that wind power replaces electricity produced by i.a. coal, and a conversion rate based on the International Energy Agency's (IEA) average global emission factor for electricity production, approximately 800 000 tonnes of CO2 emissions were displaced by FORAS' wind generation.

The table below shows the number households that were covered and the comparative reduction in CO2 emissions:

Country:	Energy production: *	Covered electricity needs for number of households: **	GHG reductions (estimated): ***
United Kingdom	1 365 000 MWh	370 000 households	585 000 t CO2 eq.
Norway	235 000 MWh	15 000 households	100 000 t CO2 eq.
Sweden	262 000 MWh	50 000 households	115 000 t CO2 eq.
Total for 2020	1 862 000 MWh	ca. 435 000 households	ca. 800 000 t CO2 eq.

* For comparison, the total production in 2019 was 1.73 TWh, and in 2018 it was 1.73 TWh.

** The figures are broad estimates and based on the average household consumption of electrical power per year (UK: 3.7 MWh; Norway 17 MWh; Sweden 5 MWh).

*** Wind power replaces non-renewables power (gas, coal, and other fossil sources), leading to a direct reduction in GHG emissions. In our calculation, a factor of 0.429 for our energy production has been used. The gain is expressed in 'tonnes CO2 equivalents' (t CO2 eq.). It should be noted that the figures are broad estimates.

The objective when designing wind parks is to harmonise the layout and infrastructure with the terrain and topography. When constructing and operating the wind farms we have a risk-based approach to eliminate hazards and risks to protect the environment and personnel. Pride is taken in making effective use of the wind resources and thereby reducing the CO₂ emissions and thus contributing to battling the climate change.

Wind Service

The Wind Service segment was engaged in installation and maintenance of offshore and onshore wind turbines. During 2020 FOW installed 11 offshore wind turbines with an installed capacity of approximately 68 MW. In addition, repair and exchange work of 495 wind turbine blades and the exchange of two gearboxes and one transformer, with a total capacity of 532 MW contributing indirectly to a positive contribution to reduce CO₂ emission by displacing coal and gas energy production.

The marine transportation of the offshore wind units from assembly port to the offshore field requires use of fossil fuels. In 2020 the fleet of transport and installation vessels consumed 11 541 tonnes of marine gas oil which resulted in 36 467 tonnes of CO₂ emissions. To mitigate the CO₂ emissions the vessel specific Ship Energy Efficient Management Plans (SEEMP) were established for the FOWIC vessels. In 2020 the initiative to install variable frequency drives (VFD) on pumps to reduce the fuel consumption and hence reduced CO₂ emissions was continued for all vessels.

Other companies within the Wind Service segment also contribute positively to the transition towards more renewable energy sources. In 2020 GWS contributed directly or indirect by installing approximately 1300 MW onshore and 2000 MW offshore including preassembly activities. In addition, GWS also contributed directly or indirectly on repowering, service and maintenance and blade repair on more than 5000 MW onshore and offshore globally.

UWL provides services within marine transportation of offshore turbine components and thereby indirectly contribute to reduce the global CO₂ emission. During 2020 the company transported nacelles with an installed capacity of approximately 888 MW and consumed 1890 tonnes of marine gas oil.

Cruise

The Cruise segment has in 2020 been severely impacted by the Covid-19 with all four ships in the fleet in lay-up from mid-March 2020, and the consumption of marine gas oil and very low sulphur fuel oil in 2020 have been impacted by this. During the lay-up in 2020 the fleet remained predominately in one location relying on power supplied from the engines to ensure key onboard functions remained in place (lighting / heating etc.). As a result, the distances travelled were greatly reduced resulting in decreased CO₂ emissions.

In 2020 the total registered consumption of 16 895 tonnes of marine gas oil and 7 773 tonnes of heavy fuel oil resulted in approximately 50 800 tonnes of CO₂ emissions.

CO₂

Overall, with the positive contribution of ca. 800 000 tonnes CO₂ equivalent from the electricity production at the wind farms compared to the total emissions of ca. 115 000 tonnes CO₂ equivalent from the various operational activities, the Group of companies contributes with a significant net displacement of ca. 685 000 CO₂ equivalent emissions in 2020.

Green Finance Framework

Increasing the share of renewable energy in the global energy mix is crucial to meet the Paris Agreement, and our investments throughout the renewable energy value chain will promote the transition towards a low-carbon and climate resilient future. Therefore, in 2020 Bonheur established a Green Finance Framework (GFF) with an eligibility assessment from DNV and issued a NOK 700 million green bond loan to be used for eligible green investments as defined in the GFF. The GFF enables the Company, to issue green bonds or loans to finance what has been defined to be green projects. The framework is aligned with the ICMA Green Bond Principles and the LMA Green Loan Principles issued in 2018.

Implementing a green finance framework positions the Group of companies for the EU taxonomy, and the framework resulted in new green financing by way of a long-term bank loan for FOW, and a five-year green bond for the Company.

The GFF covers activities within our Renewable Energy and parts of our Wind Service segments as described below and will mainly apply to investments made via the holding companies for the respective abovementioned business areas, FOR and FOO. Investments made by other subsidiaries may however also be funded under the GFF when they are in line with the relevant defined criteria.

Renewable Energy

- Investments and related expenditures directed towards the development, construction, installation, improvement, operation, repair and maintenance of renewable energy projects. Currently, this includes onshore and offshore wind power and can also include related research and business development as well as dedicated infrastructure

Wind Service

- Investments and related expenditures directed towards upgrading existing turbine transport and installations vessels, such as crane and equipment upgrades and/or replacements, and potentially building new vessels, to meet estimated future market requirements of increased installation capacity

The framework also outlines the process to evaluate, select, track and report on such investments. Each Green Finance Instrument issued under this framework should in their relevant transaction documentation refer to the GFF.

As part of establishing the GFF, the Company established an internal Green Finance Committee (GFC) with participants from finance, operations/technical and HSEQ departments and relevant business units. The business units will nominate projects to the GFC, who will approve eligible green investments in the green investment portfolio.

In 2020 the GFC assessed and approved two specific projects as eligible green investments. EUR 10 million has been allocated to the upgrade of the crane on Brave Tern, one of the self-propelled jack-up vessels specially designed for transportation, installation and service of offshore wind turbines. In addition, EUR 30 million has been used to part finance the construction of Högaliden windfarm. The total green finance facility in the Company is NOK 700 million. As of 31 December 2020, a total of EUR 40 million (NOK 424 million) is allocated as eligible for green financing.

2.3 People

Subsidiaries of the Company employed on average 3 180 people during 2020 and had 2 425 employees at the end of the year, of which 589 where female. The below table show number of employees by country and gender:

Country of operation	Female	Male	Total
Norway	376	422	798
UK	132	460	592
Denmark	16	314	330
Poland	37	290	327
USA	4	114	118
Turkey	2	88	90
Romania	9	63	72
The Netherlands	7	32	39
Germany	3	35	38
Sweden	2	8	10
Australia	0	10	10
Serbia	1	0	1
Total	589	1836	2425

The Group of companies are committed to offering good working conditions. Health, Safety and Environmental (HSE) - activities are organized so as to be managed within the individual business segments and in accordance with relevant industry norms and regulations. All business segments have health and safety management system and work systematically and preventively with HSE measures. This work takes place on a continuous basis and has functioned satisfactorily throughout the year.

The various entities are recording the Loss Time Incidents (LTI) and are applying appropriate corrective actions to prevent reoccurrence. This is outlined in the respective companies' ESG reports available on the respective companies' web pages. No major incidents have been recorded in 2020 with either personal or material damages (ref regnskapsloven §3.3).

Absence due to sickness was 1.5% for the Group of companies in 2020. Further information regarding sickness and working environment in the Group of companies in 2020 is outlined in the respective companies' ESG reports and their Corporate Social Responsibility reports available on the respective companies' web pages.

Equal opportunities

At the end of 2020, 21% of the employees throughout the Group of companies were female. Three out of six (50%) Board Directors of Bonheur are female.

A governing principle throughout the Group of companies is for each business segment to promote equal opportunities, offering challenging and motivating jobs to all personnel regardless of nationality, culture, religion and gender. This includes the principle of equal pay for equal work, considering qualifications relating to knowledge, experience and performance with emphasis on the importance of a balanced work environment with a reasonable gender composition for the various position levels.

Diversity gives us access to a greater range of talent. Business innovation benefits from having employees from a wide variety of demographics and backgrounds.

The Group of companies' endeavours to meet the requirements of the Equality and Anti-Discriminations Act by ensuring that our processes for recruitment, promotion and competence development are in accordance to our policies and free of prejudice and exclusion.

GDPR

EU's General Data Protection Regulation (GDPR) came into force from 25 May 2018 (in Norway by 1 July 2018). The Group of companies has established various projects which aim to incorporate the regulations into the corresponding compliance processes.

Compliance

It is the policy of the Group of companies to conduct business in accordance with the letter and spirit of the law and within the overriding ethical standards of good business conduct, including non-discriminatory behaviour, respect for human rights, workers' rights, social aspects, environmental issues and anti-corruption. This is reflected in the respective companies' Code of Conduct, which as aforesaid is available on the relevant company's web site and to all its employees.

The Group of companies has not had any major incidents related to human rights, working rights, environmental issues or corruption during 2020 and will continue to work towards minimizing the likelihood of incidents which could be in breach of the Group of companies' Corporate Social Responsibility policies.

To ensure integrity, the Group of companies have implemented whistle-blower processes where suspected behaviour in breach with the ethical policies such as HSE rules, harassment, insider trading, fraud, bribes or other violations of ethical guidelines can be reported. There have not been reported any breach of the ethical policies or any other unwanted behaviour during 2020. As a result of this, and to avoid that the positive result is due to lack of control, the Group of companies will continue to focus on training and further implementation of these policies.

As part of the onboarding program for new employees within the Group of companies all new employees are required to participate in the established e-learning modules (which currently consist of Code of Conduct, Corporate Social Responsibility, Anti-Corruption/Anti-Bribery and GDPR). The content of these courses is regularly reviewed, and relevant updates are implemented accordingly. In 2020 85% of all employees have completed the e-learning modules by 2020, and all employees will conduct an annual refresher in the aforementioned modules. FOCO has subjected its employees to the same e-learning modules.

See the also following web-sites:

<https://bonheur.no/CSR>

[Fred. Olsen Ocean CSR report \(fredolsen-ocean.com\)](https://fredolsen-ocean.com)

<https://fredolsenrenewables.com/corporate-social-responsibility>

<https://fredolsencruises.com/legal/corporate-social-responsibility>

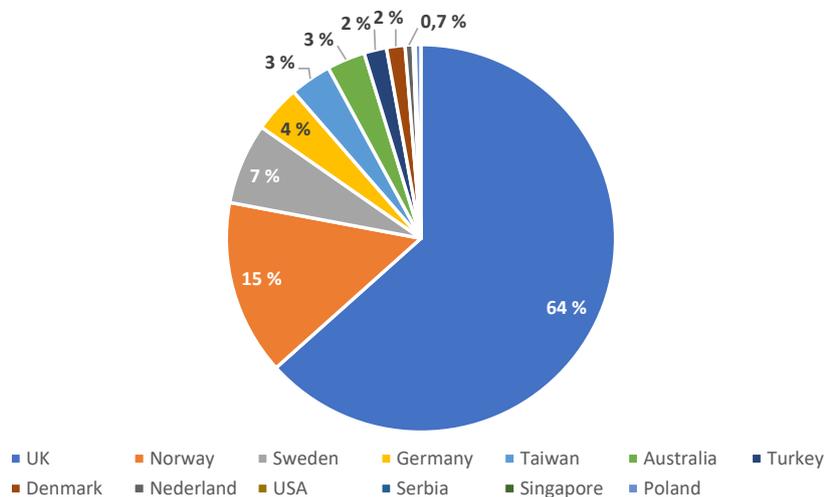
2.4 Prosperity

Prosperity relates to our role in contributing to a prosperous society. We contribute to economic growth by providing decent employment, creating societal value. Prosperity is divided into wealth creation, continuous improvement, new technologies, tax payments, and community contributions.

Profitability is a prerequisite for the wealth creation and for long term commitment to create sustainable business opportunities. To be able to maintain our strong market position and enable future growth, we are focusing strongly on continuous improvement of existing operations, development of new technologies and new investments. Contributions to the local societies are an essential component in our sustainability efforts.

Society contributions were made through tax payments to the governments, divided in social security tax, property tax and corporate tax. Note that the indirect society contribution through the employee's income tax and other taxes is not included in the calculation:

Taxes Paid in 2020 by the Bonheur group of companies



Total taxes paid in 2020 of social security tax, property tax and corporate tax by the Bonheur group of companies were NOK 327.3 million.

As an integral part of the Company's Corporate Social Responsibility, the Company annually considers financial contributions towards social and charitable purposes, in addition to projects and purposes that are considered to be close to the Company's sphere of interest. On a recurring basis, the Annual General Meeting based on corresponding recommendations from the Shareholders' Committee resolves the amount to be earmarked for such purposes.

In 2016, the FOSEG was established with a view to further strengthen the Company's effort within these areas with more direct engagement from the employees of Bonheur-related entities. The group has continued its work during 2019 and focuses on supporting qualifying sustainable projects, both globally and locally.

Globally, FOSEG have followed up on previous years' support towards the non-profit organization "Health and Human Rights Info (HHRI)". HHRI's object is to strengthen and develop health and psycho-social work towards people that have been exposed to organized (sexual) violence, war and serious

violation of human rights by establishing and operating a resource database to assist health workers working amongst such people. Support has also been provided towards specific water irrigation projects in Ethiopia with a view to improve self-sustainability as well as support to increase entrepreneurship amongst women in Tanzania with focus on renewable energy solutions. Locally, FOSEG support various charities with emphasis on stimulating self-sustainability among youth and people in general that have fallen outside the society and/or the labour market. Kirkens Bymisjon (Oslo City Mission) and Stella Kvinnesenter (Stella Red Cross Centre for women by Oslo Red Cross) represent projects that have received support in this respect. In addition, Tøyen Sportsklubb has also received support for their important activities for youth.

3 The way forward

With more than 170 years' experience, the Company has strong focus on the balance of profitability and sustainable business and investment activities. As part of this focus, the Group of companies strengthened their focus on ESG reporting and disclosure of sustainability in the entities during 2020. This work will continue and be strengthened further during 2021 and the years to come.

In addition to the improved disclosure of the Group of companies' ESG activities, these companies will continue to improve the existing operations, development of new technologies and new investments with strong focus on long-term sustainability with examples like moving into construction and operation of offshore wind and development of floating solar projects, as well as other new technologies.