

Nature Group PLC CSR Review 2012

Wastewater reception and environmental treatment solutions for the shipping and oil industries



Our Mission.

Nature's mission is to be the world's leading maritime and offshore waste oil service provider.

We have a proud tradition of collecting and treating maritime and offshore waste in a safe, environmentally sound and socially responsible manner, and we aim to keep building on that tradition, offering innovative treatment methods and solutions to our customers worldwide.

We aim to lead the market not only in terms of our revolutionary technologies, customer-focused products and global services, but also through our key corporate principles of People, Planet and Performance. As the world's population continues to expand, waste will remain an important part of the overall value and supply chain. At the same time, today's focus on climate change is driving an ever-increasing demand for renewable, sustainable and environmentally friendly working methods and industry standards.

At Nature, we put safety and environmental protection at the core of our business strategy. Our mission is to work towards clean, pollution-free seas, not only to fulfil regulatory compliance, but also for the overall health of our natural environment.

Clean seas. Your choice. Our mission.

Nature Group Corporate Strategy



To supplement our Report and Accounts 2012 and as an update to our Integrated Report 2011, we present *Thinking Responsibly* – Nature Group's CSR review 2012. This review considers all Nature subsidiaries that were operational for more than one full month in 2012. Thus, our operations in Portugal have been incorporated for the first time in a report such as this.

OUR VALUES

Corporate social responsibility (CSR) is a concept firmly embedded in our culture. At Nature, we put quality, safety and environmental protection at the core of our business strategy. We believe in having a positive impact on everything associated with our business: our employees, clients, suppliers, investors, shareholders, communities, the environment and society at large.

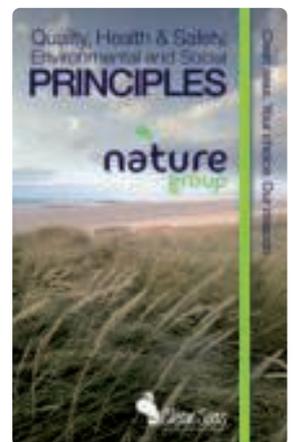
We have done our utmost to produce an annual CSR review that covers all of your concerns and areas of interest. However, if you have any questions or comments, please contact your local Nature office or our Chief Support Officer, Arjan Donatz, by sending an email to cleanseas@ngrp.com.

Principles & Policy

Nature's principles and policies echo our commitment to compliance, each other and our communities. Our principles and policies are published in a Principles Booklet, which is distributed to all employees and is available through our website: www.ngrp.com.

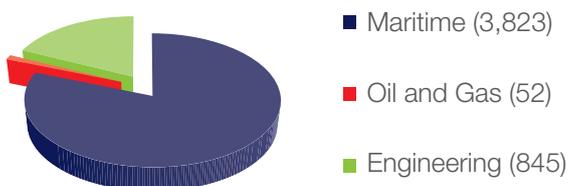
Established in our principles (binding for all Nature employees) is our commitment to:

- Health and safety
- Quality assurance, customer relations and customer confidence
- Compliance and transparency
- Innovation and sustainable solutions
- Stakeholder engagement and communication
- Leadership, personal responsibility and development
- Society and the environment



Nature is committed to providing healthy workplaces and strives for zero accidents and incidents. Nature also aims to reduce the use of natural resources and minimise environmental pollution in all its forms.

Carbon Footprint



Carbon footprint by division (ton CO₂e)

- Total waste volume in Rotterdam grew from 138,000 m³ to 167,000 m³.
- Market share in Rotterdam remained at 60% despite margin competition.
- Total collected and cargo waste volume in Gibraltar grew by 27% from 46,000 m³ to 58,000m³.
- Established our footprint in Portugal for port reception facilities and a JV for the treatment of waste oil.

OUR RESPONSIBILITIES

Our responsibilities are focused on the maintenance of the highest standards for quality, health and safety and environmental protection.

Business Assurance

Nature ensures continuous and consistent business assurance through its Group management system, which is adopted by all Nature entities. The system is defined by strong legal compliance, risk management policies and guidelines, which enable a disciplined approach to improving the effectiveness and efficiency of operations and services to achieve and maintain sustainable business growth and deliver optimal performance.

Legal & Other Requirements

Nature complies with local and international law plus other applicable legal regulations, customer requirements and recognised social guidelines (e.g. with regard to equality of human rights as stated in the ILO Conventions etc.) Where possible we actively support and endorse better regulations and anticipate future regulations, locally and globally to improve our standards, procedures and performance.

Management Systems

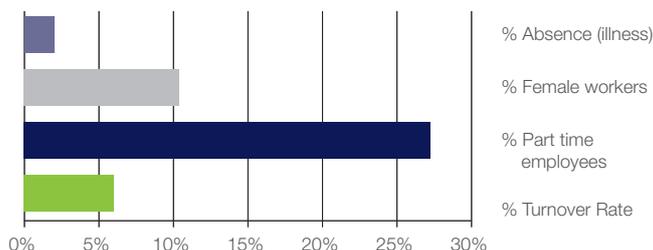
Throughout 2012 Nature Group's management systems and local entity management systems were reviewed, updated and implemented in line with the requirements of ISO 9001:2008 and ISO 14001:2004. In October 2012, DNV (Nature's chosen certification body), commenced the Group certification process with an initial visit and document review, followed by local certification audits of all Nature entities. The audit schedule continued into the first quarter of 2013 and resulted in successful certification both for Nature Group as a whole and for all Nature operational entities to ISO 9001:2008 and ISO 14001:2004.



SCC Certificate (Safety Checklist Contractors)

The SCC certificate verifies that companies implement a safety management system. SCC is suitable for manufacturers and service providers in all sectors of industry. The petrochemical industry was one of the first industrial sectors requiring a certificate from its sub-contractors as proof of an effective SHE (safety, health and environmental) management system. Today the SCC system has expanded to become an internationally recognised safety management system for manufacturers and services in all sectors of industry. [source: <http://english.vca.nl>] Note: In March 2013, DNV Business Assurance recommended Nature's EcoScrub Solutions (ESS) for SCC certification.

Personnel Statistics



- Hired Norwegian managing director to lead Oil and Gas Division.
- Set-up Oil and Gas locations in Aberdeen (JV), Middle East (agent) and Brazil (agent).
- EcoScrub unit on long-term contract to Dupont and successful test completed in Sohar-Oman.
- Awarded a major contract to build a waste treatment facility on behalf of the MOD on one of the overseas territories.



Stakeholder Engagement

Nature Group plc has many (local and international) stakeholders, each with distinct types and levels of involvement, and often with diverse and sometimes conflicting interests and concerns. To ensure communication with relevant partners, they must first be identified and acknowledged by top management. In 2012 each entity completed the identification and classification of their local stakeholders.

In accordance with the Group stakeholder management procedure, periodic stakeholder meetings take place to discuss their and our interests and to manage their expectations. Based on last year's experiences, top management invited Gibraltar stakeholders to discuss their concerns and interests in depth and also to exchange knowledge. Involving representatives of the Gibraltar Government, Nature managers and Gibraltar staff, the meeting took place over two days and covered a wide range of topics including mutual concerns and solutions along with future developments.

ALLIANCES

Alliances are made in order to establish partnerships and improve education and research surrounding our technology. Alliances also encourage cooperation from NGO's with a common goal.

EBIS

EBIS, the European Barge Inspection Scheme, commenced operations on 1st July 1998. The scheme was developed by oil and chemical companies as part of their commitment to improving the safety of tanker barging operations. The main aim of EBIS is to exchange objective safety and quality data on tank barges, of which an EBIS member company may consider the use or the reception of at its terminal. [source: www.ebis.nl]

Six of the eleven barges of Nature International Slop Disposal (NISD) have been inspected and meet the requirements laid down by EBIS. This is the result of periodical internal pre-inspections, along with official and documented annual inspections, executed by independent EBIS inspectors.

Achilles

In continuation from 2011, our subsidiary based in Norway, Nature Oil and Gas AS, was a registered supplier in the Achilles database during 2012, demonstrating the effective implementation of policies and procedures which create business opportunities and reduce risks in the supply chain. Achilles works to identify, qualify, evaluate, and monitor suppliers on behalf of major organisations worldwide. They build and support buyer-supplier communities in many industry sectors, creating unique and powerful global networks. Their services for sustainable procurement help create opportunities for business and reduce risk in the supply chain.

Achilles Joint Qualification System (JQS) is a unique collaboration between Norwegian and Danish oil and gas operators and management contractors. The participating organisations use the system to provide information and to select suppliers and contractors when buying goods and services. Those buyers not subject to the EC procurement directives are actively using the system as a joint vendor database.

Euroshore

In June 2012, Darren Laguea (Nature Group's COO) was elected Chairman of Euroshore. Euroshore is an international trade association of port reception facility providers. Founded in 1998, Euroshore has members across Europe and Africa. The main objectives of the association are to promote and further the interests of companies that are active in the provision of ship waste management by:

- Promoting the use of its members' port reception facilities.
- Promoting the efficient and environmentally sound disposal of ship-generated waste.
- Promoting healthy and fair competition.
- Promoting relevant international policy, procedures and standards of competence for the collection and processing of ship-generated waste.



Past activity has seen the association closely involved in the development and implementation of the European Directive on port reception facilities for ship-generated waste and cargo-residues. Through Euroshore membership, members remain appropriately informed and capable of providing the shipping industry with adequate and environmentally sound waste management services.

Green Award

As a reflection of our sustainability ambitions, in 2012 we joined the Green Award programme. Green Award certified ships are "extra clean and extra safe". To date, NISD's Hydrovac 11 and Hydrovac 12 are Green Awarded.

In addition to the recognition of high safety and environmental standards, Green Award ships are entitled to various financial and non-financial benefits. By rewarding high safety and environmental standards in shipping, the programme makes above-standard ship operation more attractive economically. The Green Award certification scheme is open to oil tankers, chemical tankers and dry bulk carriers from 20,000 DWT and upwards, as well as LNG carriers and inland navigation vessels. [source: www.greenaward.org]



GIVING

Nature actively supports various charities and initiatives, which are involved with environmental concerns, human health issues, community support, education and technological developments.

Earth Hour

In continuation of 2011's support, Nature's subsidiaries International Slop Disposal (ISD) and EcoScrub Solutions (ESS) showed their continued commitment to the environment by again teaming up with WWF to promote Earth Hour in the Port of Rotterdam. The entire inland navigation fleet together with our landlords' tank storage facility (Burando's Service Terminal Rotterdam) and Nature's offices switched off all non-essential lighting. The initiative to reduce the impact of global warming is in full accordance with Nature's sustainability policy.

Community Involvement

Nature recognises that it has an influence on, and a responsibility towards, the communities in which it operates. As a consequence, we make it a key element of our mission to be actively and positively involved in these communities. In 2012, Nature donated to numerous local initiatives, and actively participated in local football and city swim events to support our communities.

On September 9th 2012, the Amsterdam City Swim took place for the first time. Over 1100 swimmers took the plunge for ALS (amyotrophic lateral sclerosis also known as motor neurone disease) and defied the Amsterdam Amstel River and the canals. Two teams, each of four swimmers from Nature's ISD swam to support and promote the work and necessity of the Dutch ALS foundation. ALS is an incurable nerve and muscle disease. An average patient lives only three years after diagnosis.



We are also actively committed to broader social initiatives. In 2012, for example, we sponsored the Florentina Foundation in their bid to support an education centre for local Masai children in Kolila Village, Tanzania. Nature personnel actively participated in building a new multi-functional community house in Tanzania. [www.florentinafoundation.org]

Thinking Green



Nature financially supported and participated actively at the Thinking Green Conference & Exhibition in Gibraltar, which took place in October 2012. The conference aim was to promote the concept of a green economy, which sustains and advances economic, environmental and social well-being. The audience was encouraged to look beyond simple gross domestic product as the sole measure of progress and consider broader issues – environmental, social and political – when setting business strategies.

Nature Scholarship in Marine Biodiversity & Conservation

To support our core mission of protecting the environment, Nature has agreed to sponsor two students embarking on the International Master in Marine Biodiversity and Conservation at Ghent University, Belgium (enrolling in the academic year 2013-2014). As part of their studies, the students will be undertaking research investigating the direct and indirect impacts of oil and shipping waste on the natural environment. It is by supporting research such as this that we hope to improve our knowledge of human impacts on marine ecosystems and can work towards improved awareness, practices and technologies to protect marine life. For further information about the course see www.ugent.be

MONITORING & REPORTING

Monitoring & Measurement

In order to monitor performance across the Group, Nature has implemented a “performance sheet” as part of our management system. This sheet covers a range of KPIs as agreed by the Board and is completed by each of Nature’s entities on a monthly basis. This performance sheet enables Nature’s Directors to monitor all key aspects of Nature’s entities and the Group as a whole. As part of the Group management system, procedures require that appropriate risk assessments are carried out as required and that reviews of legal compliance are conducted at least bi-annually.

Internal reviews and audits along with independent audits by external certification and regulatory bodies ensure adherence to appropriate legislation and regulation and that an effective management system is implemented and maintained.

Reporting Process & Transparency

Together with our Report and Accounts 2012, this review provides a full insight into the Group’s performance for 2012. All data has been gathered using our Group performance sheet and subsequently analysed. The following guidelines and standards have been considered/utilised during this CSR review:

- The Global Reporting Initiative Sustainability Reporting Guidelines G3.1.
- A selection of environmental, labour and social reporting indicators.
- The Greenhouse Gas Protocol.

Our financial, operational and environmental performances, together with business assurance (incidents, accidents, claims etc.) and human resource figures are monitored and reported on an on-going basis using our performance sheet. There are however some indicators which cannot be directly measured. The following performance indicators are calculated using conversion factors:

- CO₂ emissions attributed to all types of travel and transport, energy, water and paper use.
- CO₂ emissions attributed to Nature projects.

EcoChain, an online carbon footprint tool, was used for calculating our carbon footprint. EcoChain's calculations are based on Defra/DECC's guidelines and greenhouse gas conversion factors for company reporting. [www.ecochain.com]

When making the carbon footprint calculation, it was not always possible to work with figures measured directly. Due to our Portugal offices being in shared premises, their electricity, water and paper consumption, and waste generation were calculated using a comparison method with other Nature offices.

Non-executive Director's travel to quarterly board meetings has been included in the 2012 Group carbon footprint calculation for the first time.

Operational performance indicators are monitored throughout the use of our rented Ecoscrub units and containerised treatment units, however, the reporting of energy consumption is the responsibility of the customer/client.

OUR PERFORMANCE

Objectives

2012 has been the first year Nature has set objectives and targets based not only on financial performance, but on quality, health, safety and environmental performances also. Based on the 2012 performance it's clear we have met the majority of the overall objectives we set, however 2012 performance has enabled us to set challenging, but realistic objectives and targets for 2013. We have set renewed goals in relation to all aspects of our business, not only regarding financial and operational performance. For example, we have specific goals relating to: legal compliance, risk management, environmental spills and safety incidents.

Carbon Footprint

It is clear from the calculated carbon footprint figures that our carbon emissions have increased from 2011 to 2012 (please refer to the 2012 reporting indicators table on the next page of this review). On analysis, this increase can be largely attributed to the operation of the M/V Crystalwater (operational since early 2012) and the associated fuel consumption. Nature strives to keep carbon emissions minimal in all areas. By tracking energy and resource use, travel, transport and waste generation we are able to focus our efforts in emission reduction appropriately.

CSR Reporting Figures 2012

	Nature Group plc	Divisions			
		Maritime	Oil and Gas	Engineering	
Operational					
Collected/treated from seagoing and inland vessels and rigs (total).	ton	230,584	224,528	6,056	-
Water discharged	m ³	5,637	-	5,637	-
Oil recycled	m ³	9,951	9,903	48	-
Environmental					
Gas oil for vessels	litres	945,586	945,586	-	-
Gas oil for transportation vehicles	litres	10,730	9,979	751	-
Electricity	kWh	337,835	267,030	55,580	15,225
Gas	m ³	5,379	4,823	-	556
Water	m ³	127,776	127,666	100	10
Gas oil (process)	m ³	4	4	-	-
Paper consumption	kg	601	450	130	21
Business flights	km	1,116,931	989,918	93,971	33,042
Travelled by car	km	365,192	318,854	29,742	16,596
Public transportation (*only measured by NETL)	km	8,533	8,533	-	-
CO² Emissions					
Process related emissions	ton CO ² e	3,678	3,632	35	11
Mobility related emissions	ton CO ² e	215	191	17	7
Project related emissions	ton CO ² e	827	-	-	827
Waste					
Waste produced by own activities	kg	166,443	162,895	3,120	428
Incidents/Fines					
Environmental Incidents/spills	#	5	5	-	-
Fines and sanctions (e.g. suspensions, non-compliances)	#	-	-	-	-
Safety incidents	#	14	12	2	-
Injured due to operations	#	3	2	1	-
Died due to operations	#	-	-	-	-
Employees					
Number of employees (as at 31/12/2012)	#	76	61	12	3
New staff	#	16	11	4	1
Turnover rate	%	6%	5%	17%	-
Part time	%	27%	24%	17%	100%
Female workers	%	10%	11%	8%	-
Absence through illness	%	2%	2%	1%	1%
Employees trained	%	34%	30%	42%	-
Training hours	#	918	768	150	-
Employees covered by collective agreements					
Pension	%	73%	66%	100%	100%
Medical insurance	%	5%	2%	25%	0%
Society					
Memberships/partnership	#	6	4	2	-
Initiatives / sponsoring	#	13	11	2	-

Carbon footprint by division	2012	2011
Maritime	3,823	2,925
Oil and Gas	52	89
Engineering	845	1,063
Director's Travel	1	N/A
Nature Group	4,721	4,077



Nature's 12ft Compact Treatment Unit

Our Compact Treatment Units (CTUs) are able to treat drilling waste and produced water anywhere, whether on or offshore. This means we can treat waste at the location where it was generated, keeping platforms in production, and reducing costs and risk.



A look inside Nature's Compact Treatment Unit

2013 OUTLOOK

Oil & Gas Partnership in Aberdeen

Together with InPro Systems Ltd, an Aberdeen company active in waste management solutions, Nature has established a joint venture to support the operation of its CTUs. The expectations are that this new offshore approach to mud slops processing will have a promising future in the UK sector. Nature recently announced the initiation of offshore slops processing operations for DONG Energy and North Atlantic Drilling AS (owned by Seadrill Ltd.)

Support of Statoil Operations in Tanzania

Nature Oil and Gas have signed a contract to support Statoil AS drilling operations in Tanzania. Nature's CTU will initially treat a substantial volume of offshore drilling waste that is currently being stored onshore. Once this has been completed the CTU will be available to be sent offshore to support Statoil's drilling operations. This will be the first operation on the African continent for Nature's CTU.

Two further CTU Orders

Nature has been contracted for one year by North Atlantic Drilling AS to support the processing of liquid waste generated on its West-Hercules drilling rig in the Barents Sea, and by Ocean Rig in Brazil to support the processing of liquid waste generated on its Corcovado drillship, drilling for Petrobras. The initial contract is for treating the current 1,000m³ (approx.) of collected waste on the Corcovado, with an option for Ocean Rig to enter into a further contract for up to three years dependent on success.

Company Values

The word that best describes the culture we aim for within Nature is "CARE" to reflect the way we see ourselves fulfilling our future responsibilities and protecting the environment.

C	Compliance with all relevant legislation. Consideration for all that can be affected by our actions.
A	Accountability for our actions and to all our stakeholders. Achievement of objectives and goals, set to improve our performance in all aspects.
R	Respect for our colleagues, customers, stakeholders and the company's assets. Responsibility to maintain the highest standards for quality, safety, health and environmental protection.
E	Ethical standards of conduct and ensuring fulfillment of our duty of care. Enjoyment of all those who work for and with Nature.



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