

Sustainability-Linked Financing Framework Progress Report 2025

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Executive summary

Klaveness Combination Carriers ("KCC") published its Sustainability-Linked Financing Framework ("the Framework") in June 2023. Since then, KCC has issued USD 265 million in sustainability-linked bank and bond debt under the framework: NOK 800 million in bond loan and USD 190 million in bank debt, including undrawn commitments (see Appendix I). This report provides an update on the key performance indicator ("KPI") and Sustainability Performance Target ("SPT") for the calendar year 2025. For a comprehensive update on KCC's sustainability strategy and performance, please refer to the Sustainability Statement in the Annual Report for 2025 and the company website.

When the Framework was established, DNV provided a Second Party Opinion related to the EEOI performance and attested the viability of KCC's plan to achieve a 46% reduction in EEOI from 2018 levels by 2030. The levers are implementing energy efficiency solutions, perfecting voyage efficiency, and optimizing trading efficiency through close cooperation with customers, suppliers, regulators, and other stakeholders. The DNV Second Party Opinion can be found on KCC's website.

As of 31 December 2025, KCC did not meet its Sustainability Performance Target ("SPT"). The controlled fleet's Energy Efficiency Operating Indicator ("EEOI") was 6.1, compared to a target of 5.8. Table 1 provides an overview of KCC's SPT and EEOI trajectory as per the Framework.

In 2025 KCC achieved an EEOI of 6.1, outside the 5.8 target. Both the CABU and CLEANBU fleets separately exceeded their targets. For the CABU fleet this was caused by a small but impactful number of ballast legs due to scheduling constraints and ageing coatings on some of the CABU I vessels which were refreshed on three of five vessels in 2025 (taking full effect by 2026).

The most important single reason for not meeting the 2025 target overall was a relatively high share of time in ballast for the CLEANBU fleet.

Table 1: KCC's SPT and EEOI Trajectory

Trajectory	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
SPT: reduction in % vs. 2018*		4%	-3%	-3%	-9%	-9%	-16%	-23%	-30%	-34%	-38%	-42%	-46%
Annual KPI levels	7.6	7.9	7.4	7.4	6.9	6.9	6.4	5.8	5.3	5.0	4.7	4.4	4.1
SCC** 2022 trajectory (standard vessels)		-2%	-5%	-7%	-9%	-11%	-14%	-16%	-18%	-20%	-23%	-25%	-27%
SCC trajectory as of 2023+		-2%	-4%	-7%	-10%	-13%	-17%	-20%	-24%	-28%	-32%	-36%	-40%

* Each annual target reduction in % vs 2018 could be designated as SPTs in the security documentation of a financial instrument.

** SCC = Sea Cargo Charter. Trajectory included for comparison reasons in KCC's Framework. The SCC trajectory was later updated, here shown as SCC trajectory as of 2023+.

One contributing factor was the decision to avoid trading in the United States for part of the year in order to mitigate the risk of potential punitive USTR port fees on Chinese-built vessels. These fees were later suspended until at least October 2026, and the CLEANBU fleet subsequently obtained an exemption. There were also occasions during 2025 where KCC elected to trade CLEANBU vessels out of combination, to take advantage of a high tanker market compared to dry bulk, or to develop business with strategically important customers. Such deviations from combination trading are expected to occur less frequently over the long term as market conditions normalize and customer acceptance becomes universal.

Despite the full-year shortfall versus the target of 5.8, KCC achieved a reduction in EEOI of 7.4% from 2024 to 2025.

The SPTs for 2026–30 are ambitious and were based on assumptions regarding regulatory developments and customer support that have not yet fully materialized. KCC's updated environmental strategy and EEOI trajectory presented in December 2025¹ therefore sets more realistic yet still ambitious targets through 2030, requiring continued focused efforts from the organization. See page 5 for more information about the updated EEOI targets. KCC will consider establishing a new sustainability-linked financing framework based on the update environmental strategy and targets.

KPI performance and alignment with the SPT trajectory

EY has verified the performance of KCC's controlled fleet for the calendar year 2025, confirming its alignment with the targets outlined in the Framework. The verification report can be found on KCC's website.

EEOI for the controlled fleet per 31 December 2025

Period:	1 January – 31 December 2025
No. of vessels included in the Controlled Fleet:	16
Total tonnes CO₂ emissions¹:	287 476
Total transport work (cargo, mt x distance, nm):	47 159 312 932
Actual Key Performance Indicator (EEOI) 2025:	6.1
Target Key Performance Indicator (EEOI) 2025:	5.8
Actual reduction in EEOI 2025 versus 2018:	-19.7%
Sustainability Performance Target (SPT) 2025:	-23.2%
Trajectory Adjustments:	None
Alignment with the SPT trajectory:	No

1. Calculated based on carbon factors ranging from 3.114 to 3.206 for various fuel types.



Composition for the controlled fleet

As of 31 December 2025, 16 vessels were included in the controlled fleet. There were no changes to the controlled fleet in the period 1 January 2025-31 December 2025, hence the controlled fleet remained unchanged from when the Framework was established.

Please see Appendix II for a complete list of the controlled fleet.



KCC's updated environmental strategy and EEOI trajectory

During 2025 KCC conducted a full review of its environmental strategy and underlying assumptions. While multiple factors influence KCC's long-term emissions intensity trajectory, it became clear that progress on customer and regulatory support for decarbonization has not materialized as previously expected. In particular, the IMO's failure to approve its Net Zero Framework in October 2025 makes it unrealistic, at this stage, to plan for a significant share of alternative fuels across KCC's global operations by 2030.

As a result, KCC has updated its long-term emissions intensity targets in its updated environmental strategy. The strategy now defines a base case, reflecting emissions reductions driven by further improvements in trading and operational efficiency, and a stretch case, representing outcomes in a scenario where alternative fuels and significant vessel investments become viable through effective carbon pricing by customers and/or regulators.

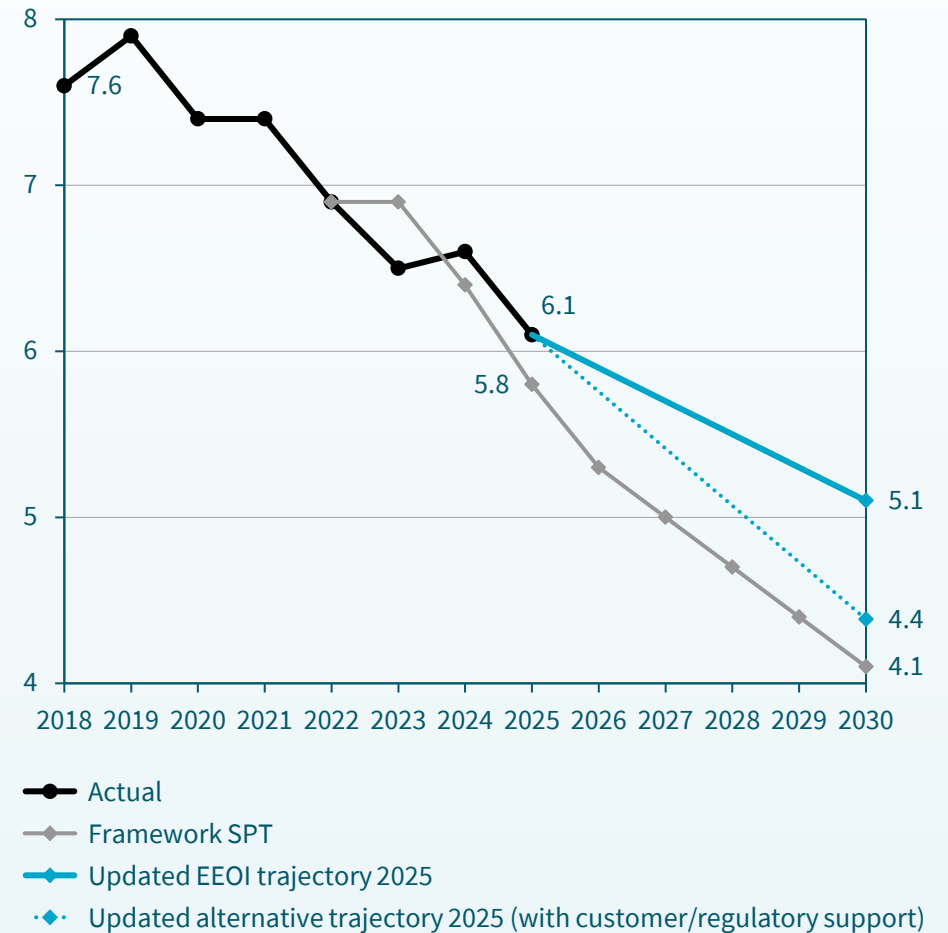
The updated environmental strategy sets a new 2030 target reduction of 33-42% versus 2018, compared to 46% in the existing trajectory included in the Framework. However, KCC will continue to report against the existing Sustainability Performance Targets (SPTs) established in 2022 for the purpose of complying with the Framework.

Looking ahead, KCC will continue to target ambitious emission reductions and work intensively on measures across three main areas during 2026-30:

- **Trading efficiency**, with initiatives to ramp up activity in target trades, improve scheduling, and further efforts to collaborate with customers on mutually beneficial initiatives.
- **Voyage and operational efficiency**, testing advanced routing software that uses detailed physical vessel models and big data techniques on high-frequency sensor data.
- **Energy efficiency**, with dedicated focus on engine, hull, and propeller performance, and large investments in shaft generators and air lubrication systems that will have been retrofit on six vessels and installed on all newbuildings by the end of 2026, and wind-assisted propulsion on the third newbuilding scheduled for delivery summer 2026.

Alternative fuels will also play a role in KCC's long-term decarbonization roadmap, beginning with wind-assisted propulsion and operation with drop-in biofuels, both to be considered for expanded use in 2026-30. Building the capability to burn other alternative fuels on newbuildings, including a potential future retrofit for the CABU vessels delivered 2026, will be assessed on a case-by-case basis.

KCC EEOI, gCO₂/tNM



Appendix I: Financial instruments and loans under the framework

Instrument: Sustainability-Linked Bond (NO0013008656)

Volume: NOK 800 million

Issued: September 2023 (Tap issued: May 2024)

Maturing: September 2028

Target Observation Date: 31 December 2027

KPI (EEOI): 5.0

SPT (reduction in EEOI compared to 2018): -34.2%

Instrument: Sustainability-Linked Bank Loan

Volume: NOK 190 million

Issued: June 2023

Maturing: June 2028

Target Observation Date: 31 December 2023, and annually thereafter

KPI (EEOI): 6.9 (2023), 6.4 (2024), 5.8 (2025), 5.3 (2026), 5.0 (2027)

SPT (reduction in EEOI compared to 2018): -9.2% (2023), -16.2% (2024), -23.2% (2025), -30.3% (2026), -34.2% (2027)

Appendix II: Controlled fleet as per 31 December 2025

Vessel	Type	Built year	DWT
MV Barcarena	CABU	2001	72 562
MV Banastar	CABU	2001	72 562
MV Bangor	CABU	2002	72 562
MV Bantry	CABU	2005	72 562
MV Bakkedal	CABU	2007	72 562
MV Balboa	CABU	2016	80 345
MV Baffin	CABU	2016	80 235
MV Ballard	CABU	2017	80 500
MV Baru	CLEANBU	2019	79 995
MV Barracuda	CLEANBU	2019	82 396
MV Barramundi	CLEANBU	2019	82 447
MV Baleen	CLEANBU	2020	82 374
MV Bangus	CLEANBU	2020	82 389
MV Baiacu	CLEANBU	2021	82 397
MV Bass	CLEANBU	2021	82 383
MV Balzani	CLEANBU	2021	82 393

Independent assurance report from EY



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INDEPENDENT ACCOUNTANT'S ASSURANCE REPORT

To the board of directors in Klaveness Combination Carriers ASA

Scope

We have been engaged by Klaveness Combination Carriers ASA to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on Klaveness Combination Carriers ASA's actual KPI performance relative to the targets (including the relevant SBT(s)) in the SPT Trajectory as defined and specified in table "EEOI for the controlled fleet per 31 December 2025" on page 3 in Klaveness Combination Carriers ASA's Sustainability-Linked Financing Framework Progress Report 2025, as of 31 December 2025 and for the period from 1 January to 31 December 2025 (the "Subject Matter") as for the year then ended.

Criteria applied by Klaveness Combination Carriers ASA

In preparing the Subject Matter, Klaveness Combination Carriers ASA applied own defined published criteria in Klaveness Combination Carriers ASA's Sustainability-Linked Financing Framework of June 2023 (the "Criteria"). The Criteria can be accessed at [Bonds, Financing and Registrar — Klaveness Combination Carriers](#) and are available to the public.

Klaveness Combination Carriers ASA's responsibilities

The Board of Directors and Group Chief Executive Officer (management) are responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000 (Revised)') and the terms of reference for this engagement as agreed with Klaveness Combination Carriers ASA on 27 January 2026. These standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our Independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) and have the required competencies and experience to conduct this assurance engagement.

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EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained if a reasonable assurance engagement had been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Interviews with key personnel to understand the business and the reporting process.
- Interviews with key personnel to understand the process for collecting, collating and reporting the Subject Matter during the reporting period.
- Test on a sample basis the calculation Criteria against the methodologies outlined in the Criteria.
- Analytical review procedures of the data
- Test of assumptions supporting the calculations
- Comparison, on a sample basis, the underlying source information

We believe that our procedures provide us with an adequate basis for our conclusion. We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter as of 31 December 2025 and for the year then ended in order for it to be in accordance with the Criteria.

Oslo, 12 February 2026
ERNST & YOUNG AS

The attestation report is signed electronically

Johan Lid Nordby

State Authorised Public Accountant

Independent accountant's attestation report - Klaveness Combination Carriers ASA 2025

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Med min signatur bekrefter jeg alle dataer og innholdet i dette dokument.

Johan Lid Nordby

Oppdragsansvarlig partner

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