

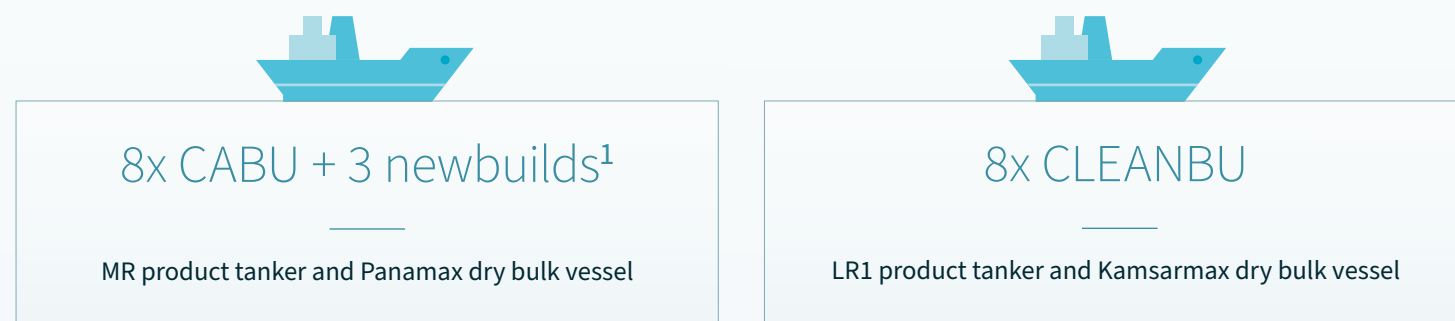
ESG Performance Report 2023

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Value creation through flexibility, efficiency and diversification

Klaveness Combination Carriers ASA (KCC, Company) stands as the global leader in combination carriers. KCC strives to solve inefficiencies by maximizing the utilization of its fleet and by minimizing ballast between the laden voyages through consecutively switching between dry and wet cargo shipments.



The CABU (Caustic Soda-Bulk) and CLEANBU (Clean Petroleum Product-Bulk) vessels mainly transport Clean Petroleum Products (CPP) or Caustic Soda Solution (CSS) from refineries and production plants located in Middle East/India, Far East or US Gulf to end users or distributors in Australia and South

America, the world’s main export hubs of dry bulk commodities. On the return voyage the combination carriers transport dry bulk commodities including alumina, bauxite, grains, salt, iron ore and coal.



Lower carbon emissions

Fuel consumption and hence emissions are 30-40%² lower than standard tanker and dry-bulk vessels per ton-mile transported cargo.



Lower earnings volatility

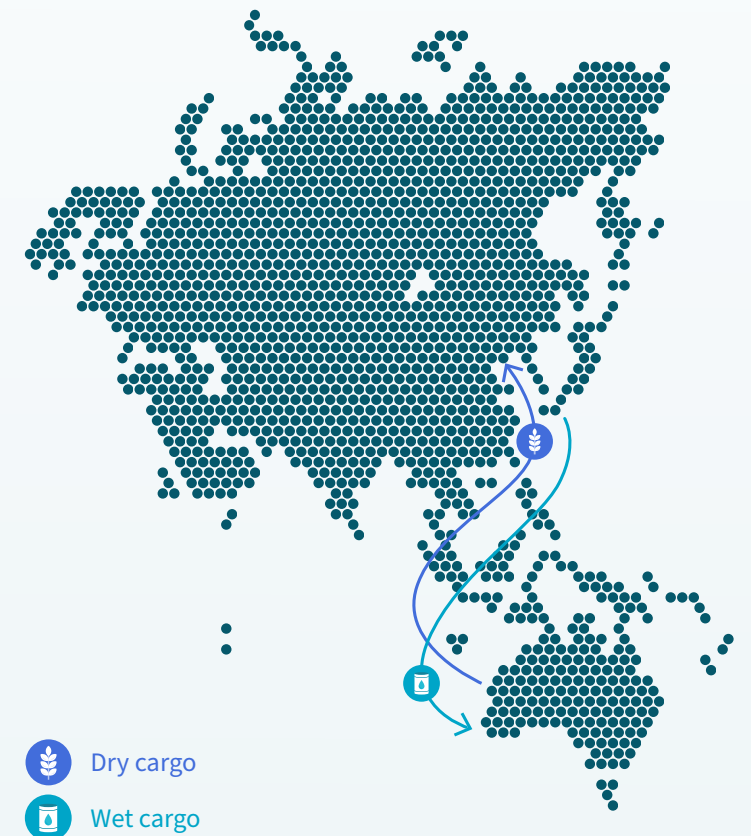
Diversified market exposure as the vessels transport both dry bulk and tanker products and a positive correlation to bunker prices.



Premium earnings

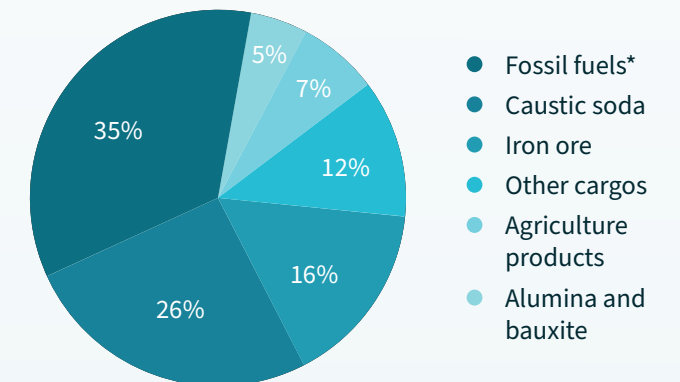
Higher asset utilization compared to standard vessels due to two laden legs, giving a higher number of revenue days.

The combination carrier concept



For the same round voyage, a standard tanker and dry bulk vessel would typically ballast for 10-20 days, while a combination carrier is around 4 days.

Split of cargo transported in 2023³



*Fossil fuels include gasoil, coal, gasoline and jet fuel and other CPP. Naphta and condensate to the petrochemical industry included in other cargo.

The aluminum/alumina industry through the transportation of CSS, bauxite and alumina accounted for 31% of KCC’s transported volumes in metric tons (mt) in 2023. KCC had 16 coal shipments in 2023 (15%), and total fossil fuel shipments including clean petroleum products and coal accounted in total for 35%*. Iron ore shipments for mining companies or steel plants accounted for 16% in 2023.

¹ Newbuilds to be delivered in 2026.

² Lower carbon emission per ton transported in combination trades compared to standard vessels.

³ Cargo transported measured in metric tons.

Maintaining focus in troubled times

Letter from the CEO

The recent years have been a reminder for all of us of the vulnerability of the world economy and the shipping business to pandemics, wars, and unrest. Just as the worst part of the COVID-pandemic was behind us, Russia brutally attacked Ukraine in February 2022. The geopolitical situation worsened further in the fourth quarter 2023 with the Hamas attack on Israel and subsequent war in Gaza followed by Houthi attacks on commercial shipping in the Red Sea from November 2023. These troubled times test the genuineness and consistency of our stated focus on Environment, Social and Governance (ESG), our strategies and the values on which we build our business.

In support of the ongoing Western economic sanctions towards Russia, KCC maintains a strict Russia trade policy where our vessels under no circumstances shall sail to or from Russian ports, transport Russian or Belarusian cargoes and no business should be done with companies controlled by Russian or Belarusian interests. To protect the safety of our seafarers, KCC has halted transits of any KCC vessel through the Red Sea until the situation in the area is substantially improved and the safety for our crew and our vessels can be assured.

In KCC we are convinced that the success of our company is completely dependent on reaching the highest safety standards. In close co-operation with Klaveness Ship Management (KSM) we make great efforts to build a strong safety culture and to continuously seek further safety improvements. Results over the recent years since KSM's safety culture program KLASS ("Klaveness Always Safe and Secure") was established in 2020 is encouraging. As of the date of this report, we have had 961 days without any major or medium accidents on KCC's vessels and we will continue to focus on and further improve our safety efforts.

Decarbonization continues to be the centerpiece of KCC's strategy, and KCC presented an updated Environmental Strategy in March 2023 reconfirming our commitment to deliver large reductions in the carbon footprint of our business over the coming years. The strategy sets ambitious but still realistic targets for the period 2023-2030 principally based on profitable efficiency improvements throughout the commercial and technical operation of our fleet. To deliver on our targets, decarbonization is necessarily an integral part at any level of our business. Decarbonization is high on the agenda in discussions with our customers and is impacting our trading decisions. We use large resources and make large investments

to improve the operational and energy efficiency of our vessels. All our long-term financing facilities concluded over the last three years are Sustainability-linked where KCC's financing costs are linked to KCC meeting its emission reduction targets. We thoroughly and transparently report on how we progress on our decarbonization journey through our quarterly reporting and this annual ESG Performance Report.

The implementation of the carbon pricing through a Carbon Adjustment Factor (CAF) mechanism into the first freight contract in early 2023 creates incentives and aligns carbon emission reductions with freight earnings under the contract. In 2023 we also included a mandatory shadow carbon pricing element in our chartering decisions to promote carbon efficient chartering decisions.

In 2023 we have continued investments and implementation of better performance and weather routing systems and improved communication systems to further improve operational efficiency. We have also continued large investments in energy efficiency measures onboard our current vessels. The first large retrofit of shaft generator and air lubrication system on a KCC vessel was completed in September 2023. Similar retrofits will be made on additional five CABU and CLEANBU vessels in 2024 and early 2025, with the intention to roll out these measures on the remaining five CLEANBU vessels within 2026. From 2021 we have invested and committed in total USD 32.9 million in energy efficiency measures on our current fleet.

The contracting of three third generation CABU vessels in June 2023 to replace the three oldest CABU vessels in 2026-2027 is also an important part of KCC's Environmental Strategy. The new vessels will have 35-40% lower carbon footprint per mt cargo transported than the older vessels they replace and will be prepared for conversion to new zero-/low-carbon fuels creating a pathway to a zero-emission future for KCC and its customers.

KCC's focus on ESG is a natural reflection of KCC's long-term vision for its business and the high standards we set to how we relate to our stakeholders. We believe long term success requires willingness to take serious action and being at the forefront when it comes to ESG challenges and opportunities.

We are future bound!



ESG Summary 2023



Environment

Material Topics

- Climate Change
- Biodiversity and Ecosystems
- Pollution of Water
- Ship Recycling

Strategic Targets

- 2023: 11% reduction in EEOI¹ compared to 2018
- By 2026: 30 % reduction in EEOI¹ compared to 2018
- By 2030: 45 % reduction in EEOI¹ compared to 2018
- By 2050: Net zero
- No spills to the environment

Performance 2023

- EEOI¹ = 6.5 (-6 % Y-o-Y)
- Average CO₂ emissions per vessel year² = 18 700 (+4% Y-o-Y)
- Improved trading efficiency³ to 85 % (+2%-points Y-o-Y)
- Ballast%³ = 14 % (+2%-points Y-o-Y)
- Invested USD 13.5 million in 2021-2023 and committed USD 19 million for 2024 and 2025 in energy efficiency technologies/solutions for the fleet
- Successful first large energy efficiency retrofit
- Contracting of three "zero-emission fuel ready" CABU vessels
- Zero spills to the environment



Social

Material Topics

- Health and Safety
- Human Rights
- Diversity and Equity
- Labor Rights
- Human Capital

Strategic Targets

- No injuries
- Lost Time Injury Frequency (LTIF) < 0.5
- Zero vessel detentions
- Average number of high risk observations per inspection for SIRE⁵ < 2
- Average number of deficiencies per port state control < 0.5
- Retention rate crew > 90 %
- Ensuring respect for human rights

Performance 2023

- No major and medium injuries⁴
- LTIF = 0.0
- Port state detentions = 2
- Average number of high risk observations per inspection for SIRE⁵ = 0
- Average number of deficiencies per port state control = 1.3
- Retention rate crew = 95 %
- Performed due diligence of three shipyards for human rights and working conditions



Governance

Material Topics

- Anti-corruption
- Whistleblowing
- Compliance and Ethics
- Cyber Security

Strategic Targets

- Zero corruption cases
- Number of reported requests and avoided facilitation payments > 8
- Anti-corruption training for crew > 75 %
- All counterparties subject for business ethics checks through established Know Your Counterparty (KYC) Procedures

Performance 2023

- No corruption cases
- Number of reported requests and avoided facilitation payments = 5
- Anti-corruption training for crew = 97 %

¹EEOI (Energy Efficiency Operational Index) is a carbon intensity metric, for definition see ESG Performance report 2023 page 17.

²Average CO₂ emissions per vessel year, for definition see ESG Performance report 2023 page 17.

³% in combination trade and % in ballast, for definition see ESG Performance report 2023 page 17.

⁴Major injuries = Fatality or permanent disability preventing return to work, medium injuries = Medical treatment and repatriation, will return to work.

⁵Ship Inspection Report Programme (SIRE).

ESG Strategy and Governance

Sustainability is an integral part of KCC’s overall strategy and all business activities from daily operations to discussions and decisions made at Board level. The Board of Directors ensures that appropriate goals and strategies are adopted, that the adopted strategies are implemented in practice, and that the results achieved are subject to measurement and follow-up. The Board of Directors considers sustainability-related issues when reviewing and guiding KCC’s strategy and business plans, action plans and major capital expenditures. Moreover, the Board of Directors considers sustainability-related issues in the monitoring, implementation, and performance review of strategic objectives.

The five-year strategy plan for 2021-2025 was resolved by the Board of Directors in November 2020 and is reviewed and adjusted on an annual basis. Several main building blocks in this strategy period are built on risks and opportunities related to decarbonization. KCC published its first Environmental Policy and Strategy for the period 2020-2050 in January 2020, including short- and long-term ambitions approved by the Board of Directors. This strategy was revised and approved by the Board of Directors in December 2022 (published in March 2023) and a summary is provided in this report under the Climate Change chapter. A full presentation of the strategy can be found on KCC’s website www.combinationcarriers.com under Investor Relations/Reports and Presentations.

Key performance indicators (KPIs) have been defined for material sustainability topics. Ambitions, performance, and action plans are reviewed and reported to the Management team and to the Board of Directors with sustainability topics assessed and monitored as part of the Company’s overall risk review. This is discussed with the Audit Committee (AC) and the Board of Directors several times each year.

The Audit Committee has increased its focus on ESG reporting through 2023 and has been involved in planning for compliance with the Corporate Sustainability Reporting Directive (CSRD) within the financial year 2025 and the double materiality assessment which is described later in the report. The Audit Committee ensures that objectives, metrics, and policies related to ESG are appropriate, reported transparently and reviewed regularly in line with statutory requirements.

Further information on corporate governance can be found in the Board of Directors’ Corporate Governance Report for 2023 included in the Annual Report and on KCC’s website. The below table is an overview of governance for climate-related risks and opportunities in line with the TCFD requirements.

Reporting standards

The ESG Performance Report for 2023 is aligned with the Global Reporting Initiative Standards (GRI), the Task Force on Climate-related Financial Disclosures (TCFD) and the Greenhouse Gas Protocol initiative (GHG Protocol), Corporate Accounting and Reporting Standard Revised edition. Reference to relevant UN Sustainable Development Goals (SDGs) is included as well. Double Materiality Assessment for 2023 is aligned with the requirements in the Corporate Sustainability Reporting Directive (CSRD).

Third party verification

KCC’s auditor EY has for 2023 provided an independent limited assurance report on the environmental key performance indicators (KPIs) and the Carbon Accounts (in line with the GHG Protocol). The auditor’s report is included at the back of this report.

Governance description	
Board of Directors (BoD)	<ul style="list-style-type: none"> Review, discusses with management, and approves the strategy and business plans including ESG topics and management of climate-related risks and opportunities Reviews, approves, and monitors specific short-term goals and ambitions and monitors implementation and performance of objectives including climate-related ambitions and targets Approves and oversees the environmental policy and strategy Approves the risk management policy
Audit Committee of the BoD	<ul style="list-style-type: none"> Monitors and oversees the risk management policy and framework Discusses with management the risk review, including climate-related risks Together with the administration plans and follow-up internal audits, including audit of environmental KPIs and other climate-related reporting
Chief Executive Officer	<ul style="list-style-type: none"> Main responsible for developing and implementing the general strategy and the environmental policy and strategy Main responsible for managing climate-related risks and opportunities and reporting these to the Board of Directors Main responsible for making sure the service providers (with focus on ship management, commercial operations, and project development) adapts relevant targets and ambitions
Chief Financial Officer	<ul style="list-style-type: none"> Main responsible for risk review framework and policy, performing risk reviews and for establishing mitigation plans, including for climate-related risks and opportunities



Sustainability Priorities

This report highlights KCC's 2023 Environmental, Social and Governance related activities and performance, and outlines future ambitions and plans. The report focuses on the most significant topics, while additional topics are covered on page 29 in the report under Additional ESG topics.

Stakeholder engagement

Priorities in this report are identified based on stakeholder expectations, significant impacts, as well as internal strategic priorities and assessments. It is important for KCC to be transparent and build trust with its stakeholders. Continuous learning and improvement are key to KCC, hence having an open dialogue with the main stakeholders is fundamental. The following stakeholder groups are prioritized when establishing our material ESG issues: customers, employees, equity investors, debt providers, regulators and suppliers.

Stakeholder expectations are mapped through a combination of inquiries and dialogues as part of daily business and the feedback received at corporate level with investors, regulators, and finance institutions. Important input also comes from news regarding future regulations and technological developments. More information about stakeholders and stakeholder engagement can be found on www.combinationcarriers.com under Sustainability. KCC's stakeholders are particularly concerned about health and safety, climate change, anti-corruption, ship recycling, labor and human rights, diversity, and business ethics.

Double materiality assessments

The starting point for sustainability reporting is the double materiality assessment (DMA). As an important step toward compliance with the Corporate Sustainability Reporting Directive (CSRD) applicable for KCC from financial year 2025, KCC has performed a double materiality assessment in line with methods and documentation requirements in ESRS 1. For the 2023 DMA, focus has been primarily on KCC's own operations, however including impacts on workers in the value chain (e.g. yard workers for dry-dock and newbuildings and visitors onboard the vessels) which is a material topic under the

social pillar. A larger part of the value chain will be assessed in 2024. The outcome of the assessment is presented as material topics in the illustration "ESG Summary 2023" on page 5. Reporting on the material sustainability impacts, risks and opportunities are further described in the relevant ESG sections.

KCC applies the principle of double materiality in determining how sustainability topics may constitute responsibilities or risks, enabling KCC to understand and report those topics where KCC has significant responsibility to mitigate potential negative impact on society or to the environment and where topics may pose significant risk to the business.

The different sustainability topics are ranked in terms of impact on the environment and people (inside-out approach) and financial materiality which is the outside world's impact on the company's value creation (outside-in approach).

Output of the DMA for 2023 is overall in line with last year's assessment, however improvement in the process and documentation including documentation of the assessment and scoring methodology in line with CSRD requirements, assessment of more topics in line with long list of ESRS data points and involvement of a wide part of the organization.

During 2023, KCC experienced increased focus on biodiversity and ecosystems within the industry following e.g. Global risk report 2023 (World Economic Forum) and EU Biodiversity Strategy for 2030. In line with this increased focus, KCC has included additional information on biodiversity and ecosystems in this year's report and will evaluate improving relevant policies and KPIs during 2024.





Environment

- Climate Change
- Pollution of Water
- Biodiversity and Ecosystems
- Ship Recycling

Climate Change




Climate-related risks

Climate-related issues are a vital part of KCC’s strategy processes and business planning, as well as in daily operations and stakeholder dialogues. Management of climate-related risks is a part of KCC’s risk management framework and follows the same governance as KCC’s general risk assessment. The risk assessment is based on an impact and probability matrix, potential mitigating actions are outlined, and responsible persons are allocated the main risks. The risks are discussed by the Management and the Board of Directors normally on a quarterly basis.

KCC’s main climate-related risks and opportunities with a potential material financial impact are summarized in the table below. KCC’s assessment is that the three main risks are transition risks related to decarbonization and that physical risks have a lower impact on KCC’s activities. There have not been major changes in what is assessed to be the main climate-related risks for KCC over the last years, primarily because these risks are not short-term risks, but have impact in the medium- to long-term time horizon.



KCC has not identified any non-compliance with environmental laws and/or regulations in 2023.

Risk type	Description	Potential financial impact	KCC impact example
 Technology	There is still high uncertainty related to future propulsion technology and which zero-emission fuels that will fully decarbonize deep-sea shipping	<ol style="list-style-type: none"> Existing vessels might be outdated prior to the expected life of the vessel resulting in early recycling and hence increased depreciations Existing vessels might become less competitive, which might impact revenue negatively Higher capital expenditures in relation to retrofit or new vessel investments Risk of investing early in technology that will not be the preferred solution long-term Lack of access to capital if existing fleet is out of favor 	<p>The risk of increased depreciations related to KCC’s remaining five first generation CABU vessels built 2001-2007 which will be recycled in the period 2026-2032 is limited as the vessel values of these vessels have been depreciated over many years. The risk of increased depreciations is mainly linked to KCC’s 11 vessels built 2016-2021 for which new propulsion technology and the emergence of zero-emission fuels might lead to a change in useful life. Useful life considerations in the financial statements is reassessed on an annual basis. The example below is given as an illustration of financial effects, rather than a likely scenario as best estimate of useful life is assessed to be 25 years for the entire KCC fleet as per 31 December 2023.</p> <p>If the 11 vessels built 2016-2021 become outdated five years prior to expected life of 25 years, the financial impact is approximately in total USD 95 million (range USD 6 – 10 million per vessel) which is 5 years of depreciation. Annual depreciation will increase by approximately USD 95 million divided on remaining lifetime vessels.</p>
 Market	Demand for fossil fuels and hence demand for transportation of fossil fuels will decrease over the next decades	<ol style="list-style-type: none"> New trade flows and changes in existing trade flows might affect the combination trading pattern and revenue Decarbonization may negatively impact supply-demand balances in both the dry bulk and product tanker markets resulting in more vessels competing for lower freight volumes, negatively impacting freight rates and revenue Vessels might be unfit for service and hence might need to be recycled early resulting in write-downs 	<p>Energy transition or lower demand for clean petroleum products to the road transportation, as well as the mining and petrochemical industry in countries served by the CLEANBU vessels will impact KCC directly.</p> <p>Loss of 50% of the transported volume of fossil fuels imply approximately 40%-points lower combination trading for the CLEANBU vessels, estimated to impact the revenue by approximately USD 24 million per annum based on 2023 earnings (approx. 1,100 days combi-trading of in average \$34,700/day substituted by TCE earnings for a standard dry vessel of in average \$12,600/day = 1,100 days x lost earnings of \$22,100/day = ≈USD 24 million).</p>
 Policy and legal	Introduction of new global and/or regional environmental regulations	<ol style="list-style-type: none"> Future regulations might give the industry the wrong incentives when it comes to improving efficiency of the operations and trading to reduce fuel consumption New regulations may require investments in retrofit/ upgrading to reach compliance Introduction of new regulations such as the EU Taxonomy, CSRD and initiatives as the Poseidon Principles might impact the access to and pricing of capital 	<p>If future carbon taxes are based on fuel consumption per deadweight (theoretical intake) and not per ton cargo transported, the regulations will not incentivize the industry to reduce fuel consumption by improving efficiency.</p> <p>AER (the carbon intensity indicator currently adopted by the IMO) uses the registered deadweight and not actual cargo, which favor ballast voyages and less transport work. Sailing in laden condition requires more energy than ballast and due to the efficiency of the KCC vessels with more time in laden condition, the AER of the KCC vessels will likely be 10% higher than the standard vessels. Given USD 84/mt CO₂ global tax (EUA price average 2023) and annual emission of 300.000 mts CO₂, 10% more energy per nm could result in USD 2.7 million in higher taxes for KCC.</p>

Strategy and climate-related opportunities

KCC published in early 2023 its updated Environmental Strategy, initially developed in January 2020. The updated Environmental Strategy is available on KCC’s website.



KCC has a strong starting point as the sole global player in combination carriers with 30-40% lower carbon emissions per transport work, when compared to standard vessels in KCC’s combination trade patterns. In its updated strategy, KCC reaffirms its ambition to be a leader in decarbonizing the shipping industry and further strengthen this competitive advantage versus standard vessels. KCC is in a strong position to deliver on the revised strategy and targets based on extensive experience and competencies built in KCC and Klaveness Ship Management (KSM) during 2020-2023. Over the first phase of the next strategy period, 2023-2026, KCC’s focus is to harvest

the still untapped potential of efficiency improvements in every part of KCC’s business (energy-, trading- and voyage efficiency) with a focus of improving the carbon intensity (EEOI) of its current fleet. This targets a 30% reduction within 2026 and 45% within 2030 compared to 2018. The three newbuilds ordered in 2023 are prepared for later conversion to burn zero-emission fuels and KCC targets to introduce the first zero-emission vessel in its operation within 2030. While KCC will start preparing for use of new fuels over the next four-year period, KCC believes that the use of new fuels in any scale will only be possible towards the end of this decade and into the 2030’s.

In co-operation with customers, KCC’s target is that sustainable biofuels shall constitute a minimum 15% of the fuel mix in 2030 and a minimum 50% of the fuel used by zero-emission vessel(s) in operation shall be zero-emission fuels.

Decarbonization of the shipping industry is both a risk and an opportunity. Building a strong competitive advantage with respect to decarbonization will likely be even more important when new emission regulations, including carbon taxes and possibly mandatory blending of low carbon fuels, are implemented. In addition customer expectations and require-

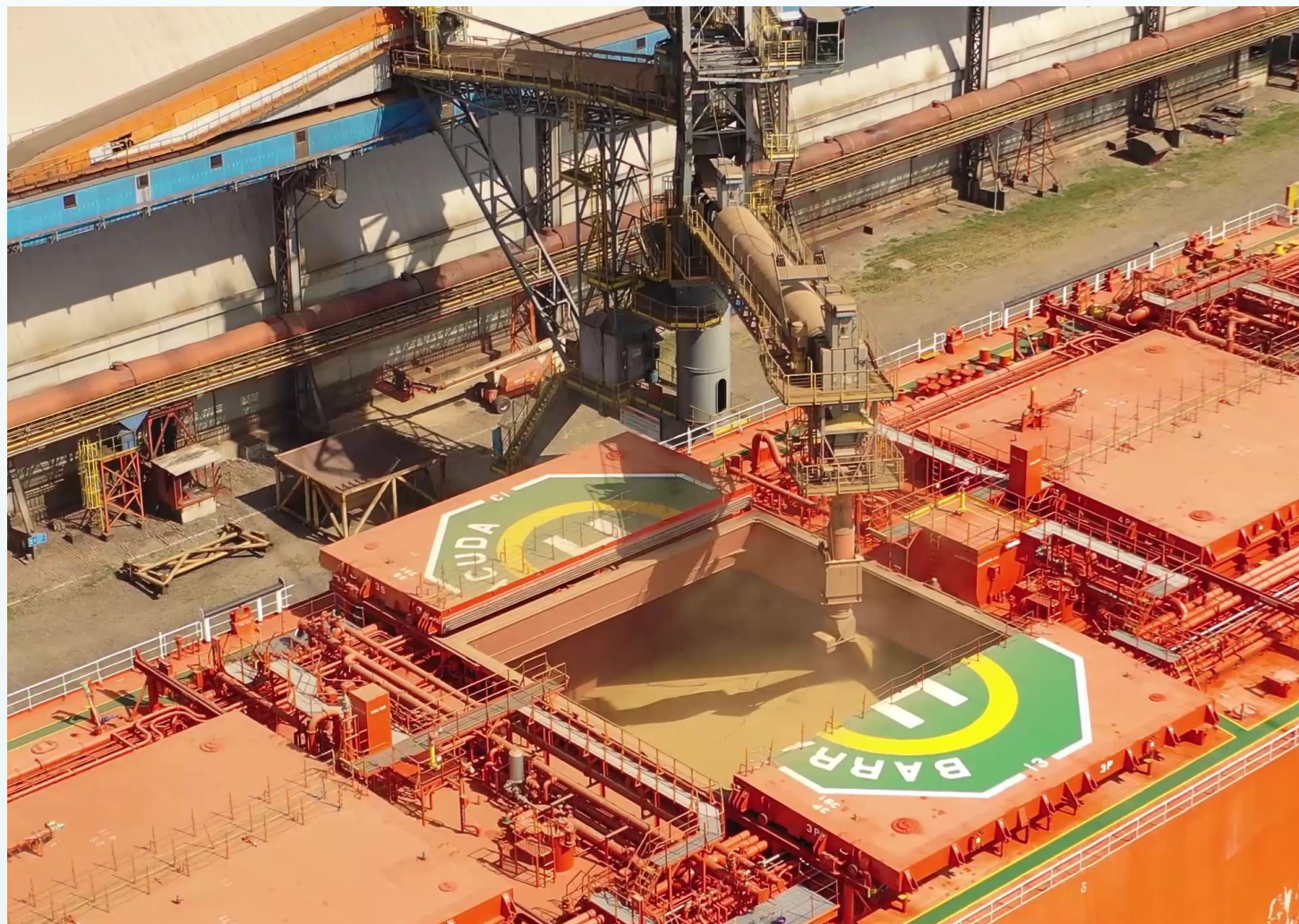
ments on this front are becoming stricter. KCC has identified the following main climate-related opportunities based on the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations (see table below). There have not been major changes in what is assessed to be the main climate-related opportunities for KCC over the last years, largely due to these opportunities being expected to materialize over the medium- to long-term time horizon.

Opportunity type	Description	Potential financial impact	KCC impact example
Resource efficiency	Efficient combination trading and voyage execution	In KCC’s opinion the starting point for any decarbonization journey is to solve the large inefficiencies in deep-sea shipping. KCC’s combination carriers have substantially higher trading efficiency and hence a lower carbon footprint than the competitors, the standard tankers and dry bulk vessels, forming an important competitive advantage for KCC. KCC’s vessels consecutively switch between dry and wet cargo shipments with minimum ballast between the laden voyages. It is an opportunity for KCC to further strengthen this competitive advantage by further improving the trading patterns and the execution of the performed voyage.	By improving the combination trading for the CABU fleet from 92% (2023 actual) to 97%, the impact on revenue in 2023 is estimated to be approximately USD 3.1 million. In 2023, KCC’s CABU fleet had 2,545 on-hire days. 5%-points increase from 92% to 97% combination trading amounts to 127 days. Given a dry bulk market in 2023 of in average 11,300 \$/d (P4TC) and average earnings in combination pattern for the CABU fleet (dry leg + wet leg) estimated at approximately 35,800 \$/d, the difference in earnings per day between trading dry and in combination is approximately 24,500 \$/day. The financial impact example is hence: (24,500 \$/d x 127 days = USD 3.1 million).
Resilience	Carbon pricing	KCC’s combination carriers have a lower exposure to carbon taxes as the vessels have substantially lower carbon emissions than competing standard vessels for the same transport work mainly due to considerably less ballast. For example, in a round voyage with naphtha from Europe to Brazil and iron ore on the return leg to Europe the CLEANBUs have around 36% lower CO ₂ emissions than standard LR1 tankers and Kamsarmax bulkers doing the same transportation work. The standard vessels either ballast into Europe or have long ballast before loading the cargo to Europe, while the KCC combination carriers are laden both in and out of Europe.	In an example with a round voyage with naphtha from Europe to Brazil and iron ore on the return leg to Europe and assuming both shipments in and out of EU are taxed in line with the EU ETS (50% for voyages in and out of EU fully implemented 2026), a KCC combination carrier would have USD 103,000 lower carbon tax relative to the total for the LR1 tanker and the Kamsarmax bulker based on a cost of €84 per metric ton (average 2023 EUA price). Measured in TCE earnings per day for the CLEANBU vessels, the carbon tax difference implies around 1,800 \$/d higher earnings on voyage basis. Based on an example where KCC employs two of eight CLEANBU vessels in trades subject to carbon taxes and assuming the same price of €84 per metric ton, the impact on revenue in 2023 would be USD 1.3 million. If carbon taxes are implemented on a global basis with payment for 100% of emissions, the effect on earnings will be 3,900 \$/d which for all 16 vessels would equate to approximately USD 22.5 million per year.
Products, services	Shift in consumer preferences	As fossil fuels are being phased out over time, there will likely be demand for transportation of new types of cargoes, one example being spodumene to produce lithium batteries. New industries like the lithium refinery industry in Australia are as well expected to increase imports of caustic soda for refining spodumene to lithium hydroxide being used in batteries, increasing demand for transportation in one of KCC’s main trades. However, increased demand for new cargo types must fit into a combination trade pattern to be valuable for KCC.	KCC is less dependent on transportation of hydrocarbons than its competitors, and KCC’s ambition is to increase transportation of non-fossil cargoes. Coal accounted for around 46% of the total cargo volume transported by Panamax/ Kamsarmax dry bulk vessels while coal accounted for around 15% of commodities transported in 2023 for KCC. LR1 tankers are employed close to 100% in transportation of clean petroleum products, while the share for KCC’s vessels was limited to 20% in 2023. Of total volumes transported by KCC in 2023, around 35% were fossil fuels. As a rough calculation, assuming that 10%-points of this in the future will be substituted with non-fossil cargoes and that these 10%-points equals 10% of revenue in 2023, the financial impact is estimated to be USD 20 million.

How to reach the ambitions

KCC has divided its decarbonization initiatives into the following three categories, utilizing various aspects from being both a fully integrated ship owner and commercial operator:

1. Optimize trading efficiency
2. Perfecting voyage efficiency
3. Improve energy efficiency



1. Optimize trading efficiency

KCC works actively to:

- Maximize cargo intake
- Maximize loaded voyages and minimize ballast through maximizing combination trading and optimizing trading patterns
- Minimize waiting time in port
- Avoid high speed voyages through better scheduling and customer co-operation

Actions and results 2023:

- Sustainability-linked freight contract: After a trial year, KCC entered a sustainability-linked freight contract from 1 January 2023 with one of its caustic soda solution customers. The contract has a carbon pricing mechanism linking freight payments to carbon emission performance. The contract also includes provisions related to joint initiatives to improve efficiency of trading and joint carbon emission targets. In 2023, KCC performed 6% below the established baseline resulting in an increased freight – this was due to efficient combination trading and improved fleet performance as a result of the various energy efficiency measures rolled out.
- Carbon shadow pricing: KCC, as a part of the updated Environmental Strategy published in March 2023, implemented in 2023 an internal shadow carbon cost to all chartering decisions involving long ballasting. The voyage alternative with the longest ballast is penalized by adding a carbon cost reflecting the additional carbon emission of the voyage in question, priced equal to EU’s traded carbon pricing (EUA). Due to the large earnings difference between the product tanker and the dry bulk market in 2023, the internal carbon pricing rule did not alter any trading decisions involving ballast instead of combination trading.
- As a part of the updated Environmental Strategy published, KCC implemented a service speed of a maximum 12.5 knots in all voyage planning, as the speed/consumption relation is exponential and in particular affects emissions for voyages with a speed above 12.5 knots. In 2022 the fleet operated at 12.5 knots or higher for approximately 58% of the time. This was reduced to approximately 48% in 2023.
- The CABU fleet traded very efficiently in 2023 with days in combination trades of 92% and a ballast of 12%, this was driven by a high number of caustic soda solution cargoes. Due to the large earnings difference between the product tanker market and the dry bulk market, the CLEANBUs were employed more in the product tanker market less in the dry bulk market, resulting in more ballasting (17%) and less combination trading (79%), impacting the two KPIs negatively in 2023, with the effect of ballast days came in below the ambition, shown in the table below.

Performance and ambition ¹	2023 actual	2023 ambition	2024 ambition	2026 ambition
% of days in combination trades	85%	>85%	>85%	>90%
Ballast days in % of total on-hire days	14%	<13.5%	<12.5 %	<10%

¹ See Emission Performance page 17 for more information.

Focus 2024 onwards:

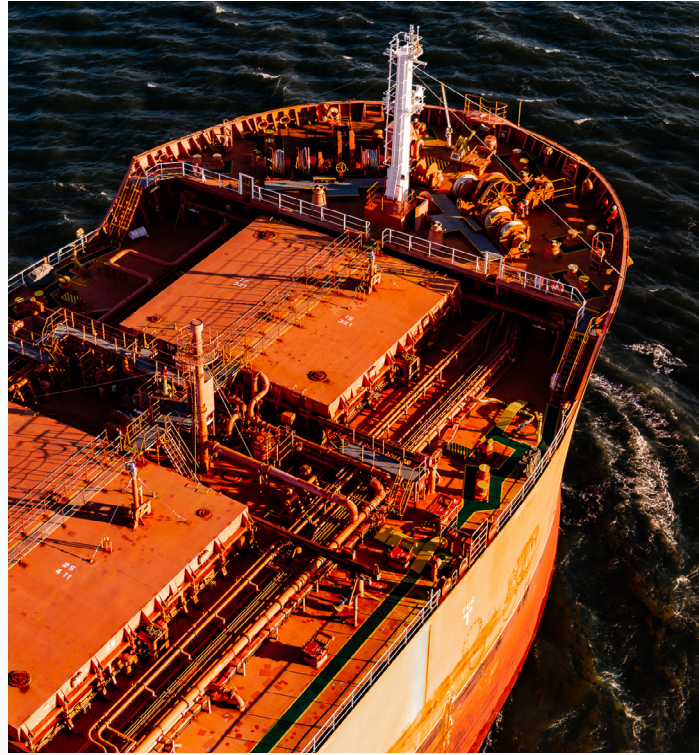
- Sustainability-linked freight contract: KCC's ambition is to expand the sustainability-linked freight framework into contracts with multiple customers over the coming years.
- Customer cooperation: Increased focus from cargo owners on their Scope 3 emissions permits closer co-operation between KCC and its customers related to trading efficiency, cargo intake, speed, waiting time, etc., and to establish a 'virtual arrival' arrangement.
- Carbon shadow pricing: KCC will continue using internal carbon pricing to make decisions related to ballasting.
- Speed: KCC will continue focusing on reducing the number of high-speed voyages above 12.5 knots.
- Fleet scheduling: KCC will continue to work on a digitalized fleet scheduling tool to improve the fleet planning.



2. Perfecting voyage efficiency

KCC works actively to:

- Improve weather routing
- Maintain optimal trim
- Sail at constant load
- Lower the use of energy consumption onboard the vessels



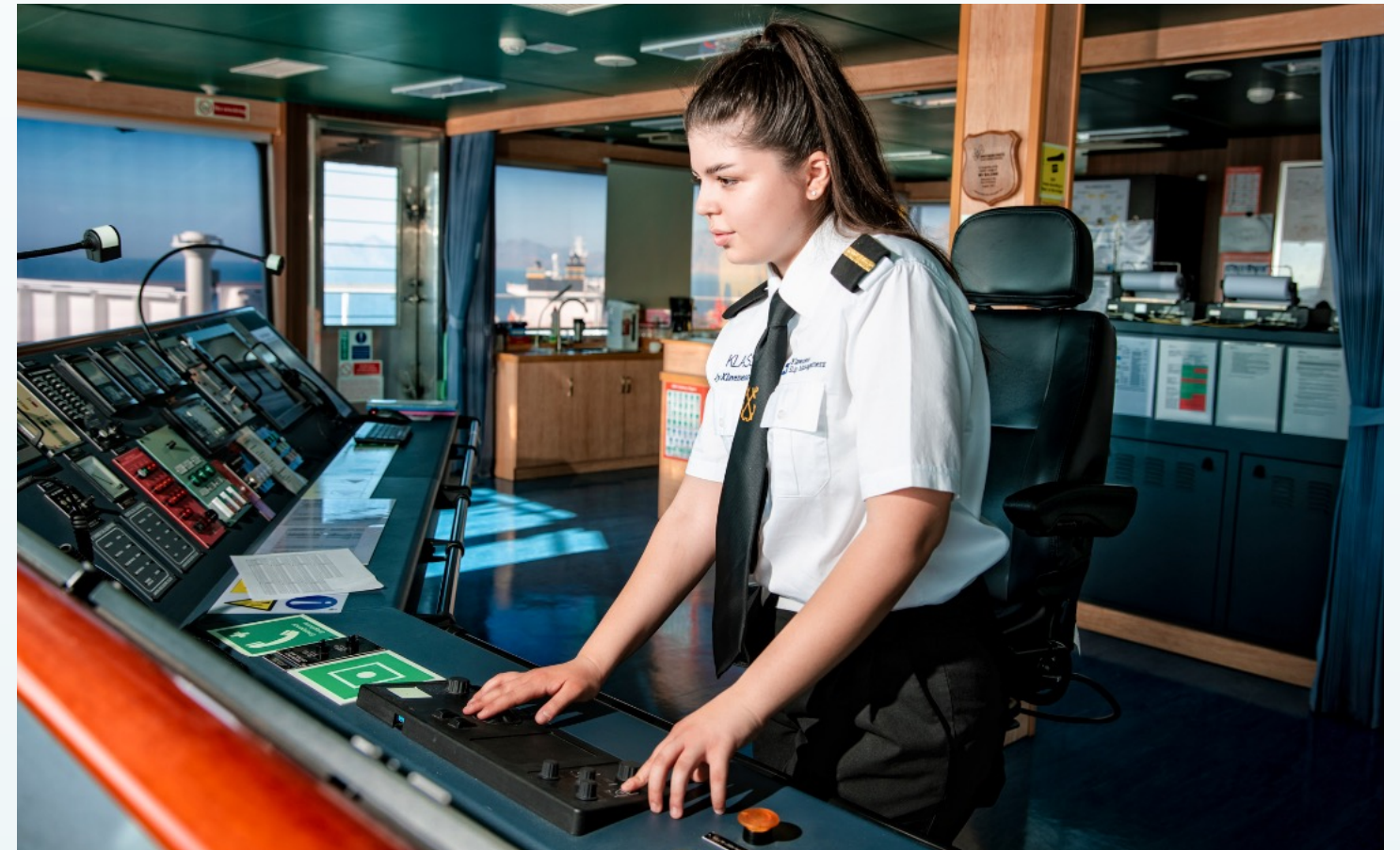
To succeed in perfecting voyage efficiency, the crew is trained in the efficient use of different systems implemented onboard, including the vessel performance system. The vessel performance system and sensors onboard supply dedicated onshore resources access to key vessel data to better assist the fleet with insight, support and actions.

Actions and results 2023:

- Culture and training: Greener KLASS was established in 2023, a leadership behavior program to build up a culture around awareness, care and to speak up on topics related to sustainability.
- Operational procedures: Further development of best practices and the improvement of operational procedures to safeguard saving potential.
- Dedicated resources: The Operational Energy Efficiency Manager role was further developed during the first year of operation.
- Systems and tools: New operational tools were developed, e.g. a prediction system for marine hull growth risks and speed distribution statistics. The roll-out of a vessel performance system onboard all CABU vessels was completed. This includes the retrofitting of high-quality mass flow meters and other sensors providing high frequency data to assist the crew to operate the vessel in the most fuel-efficient way during a voyage. The system also provides further possibilities of performance analysis from shore. Strategic Power Routing has become a standard tool. Work was initiated related to an AI vessel weather performance solution, which is expected to be in operation in 2024. The concept is to utilize the vessel specific and dynamic performance data to further enhance voyage planning.
- The Starlink satellite internet system was trialed on two vessels during 2023 providing more dependable communication and data access to the vessels. The system contributes to operational efficiency improvements through real time performance tracking, faster performance adjustments and faster problem solving.

Focus 2024 onwards:

- Improve on optimal trim for all vessels, including new trim matrices for the CABU II vessels and conduct new adjustments for CLEANBUs with air lubrication systems.
- Implement best practice to optimize the effects from introduced measures, such as in-transit hull cleaning, use of stable load systems, heat management, etc.
- Continue working on Greener KLASS to raise awareness and establish an efficiency culture across ship and shore.
- Improved communication and use of data: Based on the trialing of the Starlink system, KCC will roll out Starlink system to the whole fleet within first half 2024.



3. Improve energy efficiency

KCC works actively to:

- Improve the energy efficiency of the fleet through investing in and piloting a wide variety of technical improvements with a focus on minimizing hull friction which is estimated to represent about 70% of energy use by improving propeller and hull efficiency.

Actions and results 2023:

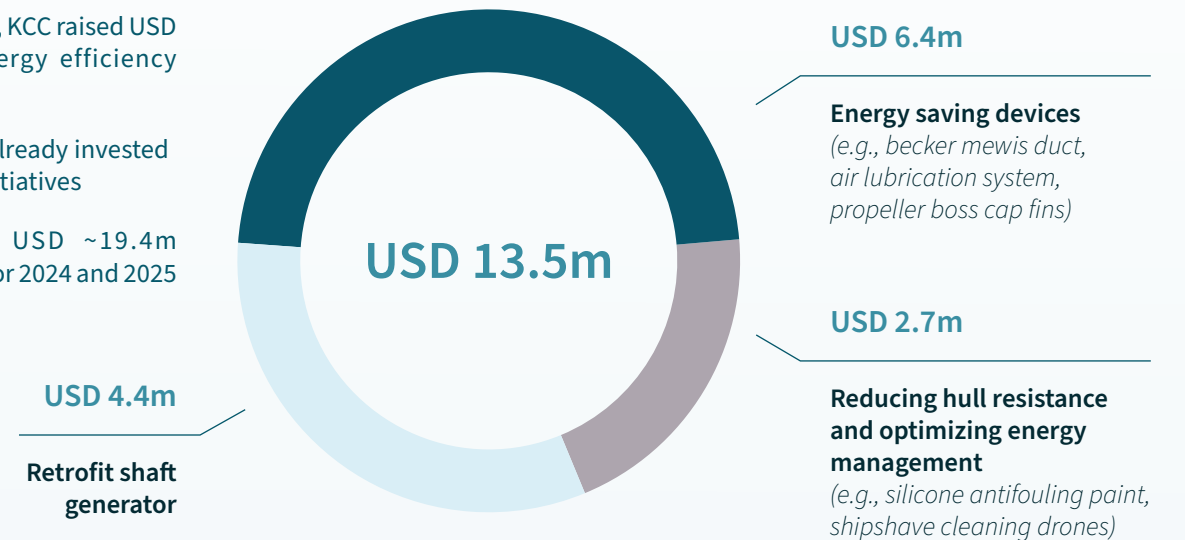
- KCC has contracted three CABU vessels for delivery in 2026. The vessel design and engine have been optimized and all known and proven energy efficiency technologies will be installed from delivery. These vessels are estimated to have a 35% improved energy efficient performance than the CABU vessels built 2001 they will replace.
- KCC has invested approximately USD 13.5 million in energy efficiency measures during 2021-2023 and committed to further investments of approximately USD 19.4 million for 2024 and 2025.
- 2023 marked a milestone in the company’s investments in energy efficiency measures, with the first pilot retrofit installation of shaft generator and air lubrication system on the CABU II vessel MV Ballard. This is the most complex and largest investment in energy efficiency measures in KCC’s fleet so far. The initial results including several other initiatives indicate an up to 15% reduction in fuel consumption and GHG emissions.

Minimizing hull friction in 2023:

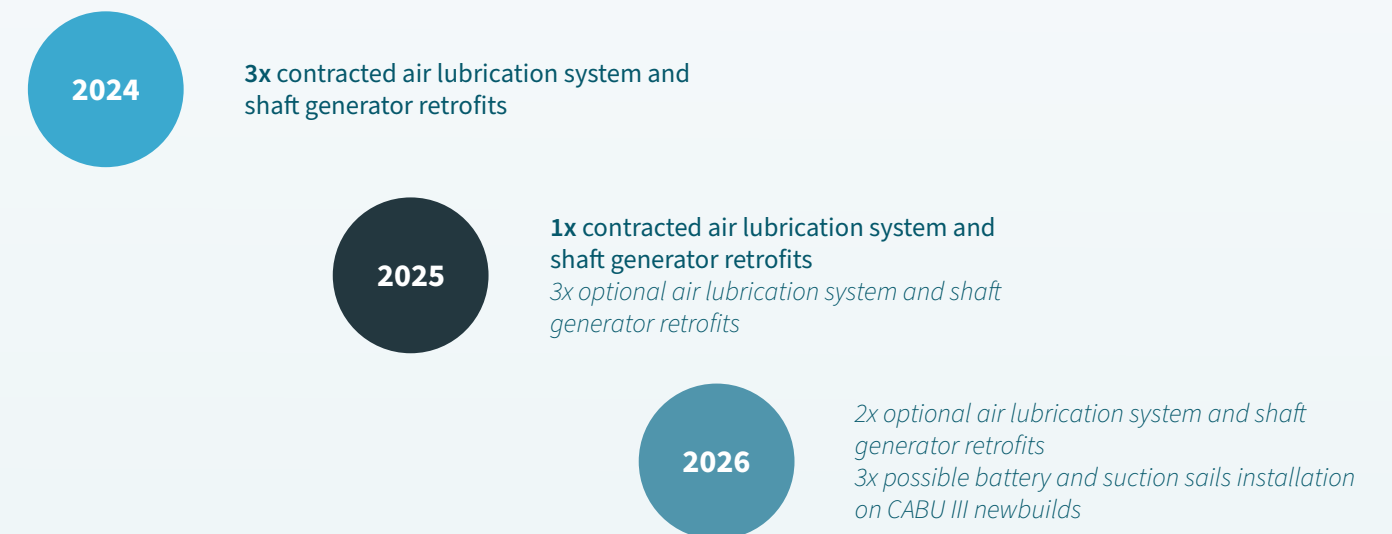
- The first air lubrication system installed on MV Ballard has delivered fuel consumption reductions in line with expectations. The system creates a carpet of air bubbles under the hull of the vessel which reduce hull friction of the vessel.
- The application of silicone antifouling hull coating was conducted on two out of three vessels due for new antifouling systems.
- Epoxy fairing of hull plate welding seams was added to two vessels during dry dock.
- Five additional in-transit hull cleaning robots were rolled out on CLEANBUs in 2023. All nine robots are now actively in use. The CLEANBU fleet is the main targeted vessels as the mechanical wear is expected to increase on their original hull coating since they are close to the five years main renewal. This increases the risk of fouling and friction, where these robots are a countermeasure.

Energy efficiency investments in 2021-2023¹ (USDm)

1. In June 2021, KCC raised USD 25m for energy efficiency investments
2. USD 13.5m already invested in various initiatives
3. Additional USD ~19.4m committed for 2024 and 2025



Additional USD 19.4m committed for 2024 and 2025



¹Including MV Baru, completed installation Q1 2024.

Actions and results 2023 continue:

Improve propeller, engine, and hull efficiency:

- The installed shaft generator on MV Ballard, utilizing the highly effective main engine to deliver power to all ship systems while at sea, is an upgrade of the energy efficiency of the vessels system.
- Continued roll out of Mewis ducts according to the vessels’ dry docking plan, with additional three installations in 2023, bringing the total number of vessels with this solution up to nine. The duct is designed to optimize the flow going into the propeller, reducing the fuel consumption between 3-6% depending on type of vessel and operation.
- Installation of propeller boss cap fin on MV Bantry completed the roll out of this technology to all the five oldest CABU vessels. This reduces propeller vortex and thus reduces drag, it is estimated to provide a 1.5% average emission saving.

Other emission reduction initiatives:

- Initiated a tender to all the potential providers of wind assisted propulsion solutions, from rotor, foils, and kites. The different solutions are currently being evaluated on a broad set of criteria including technical, operational, and financial suitability.
- KCC/KSM participation in two SINTEF led research projects, both of which received public funding from the Research Council of Norway in 2023. The “WIND – Enabling Zero-Emission shipping with wind assisted propulsion” will start in 2024 and last until 2027, with the ambition to give valuable insights on how to utilize sails onboard KCC’s type of vessels. “Air-lubrication for oceangoing vessels” will as well start in 2024 and provide further insights into the potential and optimization of air lubrication systems, including related systems such as flat bottom paint qualities, and will last until 2026.

Focus 2024 onwards:

Minimizing hull friction:

- Following the MV Ballard retrofit in 2023, an additional five vessels will be retrofitted with shaft generator and air lubrication system in 2024/2025. KCC has options for installing the same systems on the remaining five CLEANBU vessels.
- Silicone antifouling will be applied on all vessels going forward during renewal of coating systems - weather permitting.

Improve propeller, engine, and hull efficiency:

- Installation of Mewis ducts on the remaining seven vessels to be performed when the vessels are dry docking.

Other emission reduction initiatives:

- Planning for battery hybrid solutions as well as shore power for the newbuilds.
- All ships receiving shaft generators will be easy to upgrade for shore power when available in relevant ports.
- Investigating means to improve the surface condition and thus efficiency of propellers.

Picture below of MV Ballard arriving in Australia after her first laden leg with a retrofitted shaft generator and air lubrication system in operation, the latter seen by the broad wake wave.



Performance and ambition	2023 actual	2023 ambition	2024 ambition	2026 ambition
Technical performance: Reduced fuel consumption corrected for draft, weather, and speed compared to KCC’s 2018 performance	11.2% reduction	12% reduction	14% reduction	18% reduction

For 2023 the actual technical performance of the fleet of 11.2% reduction compared to 2018 was close to the target of 12% reduction. The technical performance is an estimation on how much fuel a vessel consumes given the weather adjusted performance speed, corrected for draft.

The 2024 ambition is expected to be a challenge as the CLEANBU fleet is aging with wear on the hull coating resulting in higher friction resistance. Also, three of the large retrofit projects in 2024 are scheduled for second half of 2024 and will therefore not provide contribution to the full 2024 figures as they are reintroduced into trade late in the year.

Total greenhouse gas emissions

The GHG footprint has been reported based on the Greenhouse Gas Protocol (GHG). The full GHG accounts have been made available on www.combinationcarriers.com.

Scope 1
KCC's operations
Direct emissions from financially controlled operations

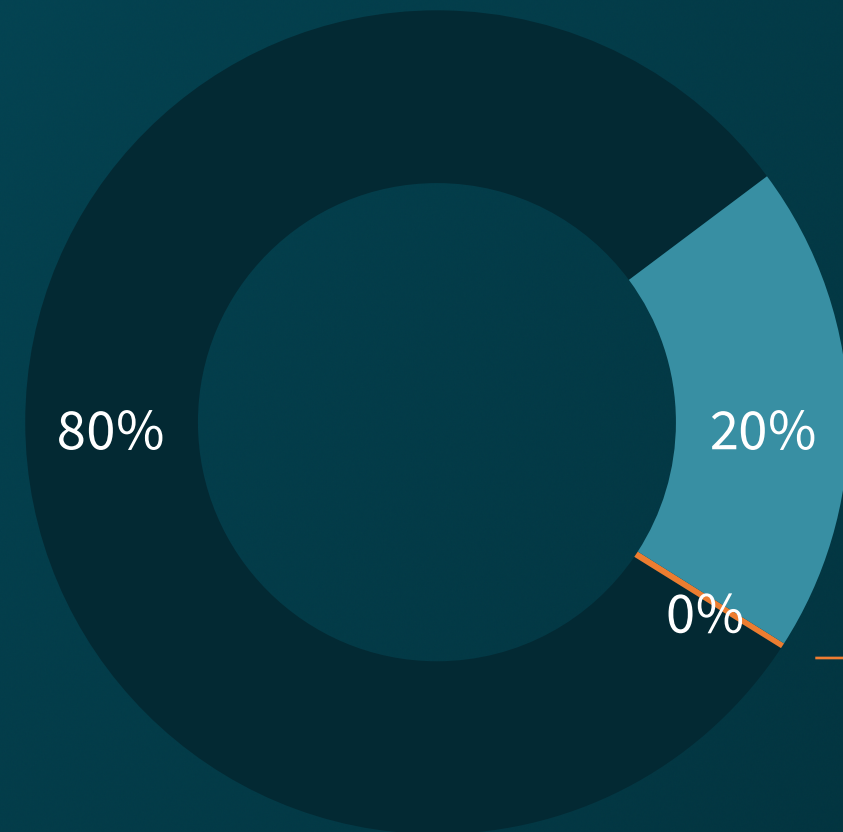
Nearly 100% of Scope 1 emissions come from combustion of fossil fuels on KCC's vessels

296,600 tons CO₂e
(2022: 282,800 CO₂e)

Scope 1 emissions, measured in metric tons CO₂e, increased by almost 5% in 2023. This increase is mainly due to the more active fleet operation with more time spent carrying cargo, less days spent idling and thus a higher utilization of the fleet. There were no changes in the fleet or in the scope 1 emission definition from 2022 to 2023.

Scope 2 emissions related to electricity consumed in office buildings tripled in 2023 compared to 2022 due to the increased geographical scope, including the electricity consumed in KCC's Singapore office, which has a CO₂ intensity 13 times higher than in Norway. Scope 2 emissions are still negligible compared to Scope 1 emissions.

Scope 3 emissions, or indirect GHG emissions, from the five categories deemed relevant for KCC's operations increased by 7 % in 2023 compared to 2022. The main source of indirect GHG emissions in 2023 were the well-to-tank (WTT) emissions of fossil fuels consumed onboard the vessels in the fleet, accounting for almost 92% of total Scope 3 emissions. The remaining emissions came mainly from purchased goods and services (7.8%), while 0.4% came from upstream transportation and distribution, and 0.2% from waste generated in operation.



Scope 3
Indirect emissions related to KCC's operations

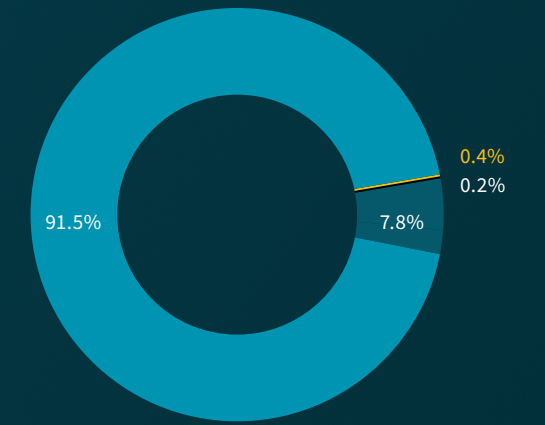
Emissions created in the value chain as a result of KCC's activities

72,800 tons CO₂e
(2022: 67,800)

Scope 2
Purchased electricity
Location based

Emissions from the generation of purchased electricity to the offices in Oslo and Singapore, based on Nordic and Singaporean electricity mix.

2.5 tons CO₂e
(2022: 0.8 tons CO₂e)



- Purchased goods and services
- Capital goods
- Fuel and energy related activities
- Upstream transportation and distribution
- Waste generated in operations

Purchased goods and services (category 1): Emissions related to the purchase of goods and services to KCC's fleet.
5,700 tons CO₂e
(2022: 2,600 tons CO₂e)

Capital goods (category 2): Emissions related to the steel used for building new vessels and upgrading of existing vessels during dry-docking
17 tons CO₂e
(2022: 1,300 tons CO₂e)

Fuel-and-energy-related activities (category 3): Emissions related to the production, refining and transportation of fuels that are consumed by the vessels.
66,700 tons CO₂e
(2022: 63,500 tons CO₂e)

Upstream transportation and distribution (category 4): Emissions related to the transportation and distribution services purchased by KCC.
272 tons CO₂e
(2022: 204 tons CO₂e)

Waste generated in operations (category 5): Emissions related the disposal and treatment of waste generated from KCC's fleet and office.
157 tons CO₂e
(2022: 95 tons CO₂e)

Emission performance

2023 Actual	CABU I (2001-2007)	CABU II (2016-2017)	CABU Total	CLEANBU	KCC fleet
EEOI ¹	6.8	6.4	6.6	6.4	6.5
Average CO ₂ emissions per vessel year ²	17 800	17 800	17 800	19 600	18 700
% in combination trade ³	91 %	94 %	92%	79%	85%
Ballast days in % of on-hire days ⁴	13%	9%	12%	17%	14%

Historical	2023	2022	2021	2020	2019	2018 (base line)	Benchmark 2023 ⁵	Change in % from 2022	Ambition 2023
EEOI ¹	6.5	6.9	7.4	7.4	7.9	7.6	9.6	-6%	<6.9
Average CO ₂ emissions per vessel year ²	18 700	17 900	18 800	20 700	19 900	20 800	n.a.	+4%	<17 700
% in combination trade ³	85%	83 %	68 %	77%	73%	81%	n.a.	+2%	>85%
Ballast days in % of on-hire days ⁴	14%	12%	17%	15%	13%	9%	34%	+2%	<13.75%

¹ EEOI (Energy Efficiency Operational Index) is defined by IMO and represents grams CO₂ emitted per transported cargo per nautical mile for a period of time (both fuel consumption at sea and in port included). Prior to 2020, end date of a voyage was decisive for which period EEOI for a voyage was included. From 2020 and onwards, reporting system provider was changed so that we were able to calculate EEOI on a per day basis, allocated to the corresponding quarter.

² Average CO₂ emissions per vessel year = Total CO₂ emissions in metric tons/vessel year. Vessel years = Days available – off-hire days at yard. When new vessels are delivered to the fleet, the vessel years are calculated from the date the vessel is delivered. Prior to 2020, end date for a voyage was decisive for which period emission was included. From 2020 and onwards, reporting system provider was changed so that we were able to calculate emissions on a per day basis, allocated to the corresponding quarter.

³ % of days in combination trades = number of days in combination trades as a percentage of total on-hire days. A combination trade starts with wet cargo (usually caustic soda or clean petroleum products), followed by a dry bulk cargo. A combination trade is one which a standard tanker or dry bulk vessel cannot perform. The KPI is a measure of KCC's ability to operate our combination carriers in trades with efficient and consecutive combination of wet and dry cargos versus trading as a standard tanker or dry bulk vessel. There are two exceptions to the main rule where the trade is considered to be a combination trade: Firstly, in some rare instances a tanker cargo is fixed instead of a dry bulk cargo out of the dry bulk exporting region where KCC usually transports dry bulk commodities. E.g. the vessel transports clean petroleum products to Argentina followed by a veg oil cargo instead of a grain cargo on the return leg. Secondly, triangulation trading which combines two tanker voyages followed by a dry bulk voyage with minimum ballast in between the three voyages (e.g. CPP Middle East-Far East + CPP Far East Australia + Dry bulk Australia-Middle East) is also considered combination trade. The KPI has been changed with effect from 1 January 2021 and 2020 figures have been adjusted. Previously the definition of a combination trade was based on the main trading patterns and contract of affreightment portfolio (CABU trades Far East/Middle East – Australia and US Gulf-Brazil. CLEANBU trade Middle East/India-South America). KPI for 2018 and 2019 is based on old definition. The CLEANBU segment has been established and the CABU business has developed, hence the updated definition better reflects how often KCC succeeds to combine wet and dry cargo.

⁴ Ballast in % of on-hire days = Number of days sailing in ballast divided by number of on-hire days. Ballast days when the vessel is off-hire are not included. Prior to 2020, end date of a voyage was decisive for which period ballast was included. From 2020 and onwards, reporting system provider was changed so that we were able to track ballast on a per day basis, allocated to the corresponding quarter.

⁵ Benchmark: The EEOI and % ballast for “Benchmark standard vessels” are calculated based on standard vessels (Panamax/Kamsarmax dry, MR-tankers and LR1-tankers wet) making the same transportation work in the same trades as performed by KCC's CABU and CLEANBU vessels. The EEOI for “Benchmark standard vessels” is calculated as the weighted average of EEOI for the individual trades performed. There is a degree of uncertainty related to the benchmark values as these are estimated using data from Baltic Exchange and AXS Marine.

Carbon intensity (EEOI)

The carbon intensity is measured as grams of CO₂ emitted per ton of transported cargo per nautical mile (EEOI) and includes all Scope 1 emissions from KCC's owned fleet, in actual CO₂ emissions (not CO₂ equivalents). This metric reflects the strong efficiency of KCC's combination carriers as the vessels spend

significantly less time sailing in ballast compared to standard vessels. However, as the fleet is relatively small, the reported EEOI is sensitive to periods of non-optimal trading, e.g. when trading a vessel as a standard vessel or when positioning one or more vessels to dry-docking.

Ambition 2026

Improved carbon intensity (EEOI) of 30% compared to actual 2018 performance, corresponding to 45% reduction relative to tracked performance of competing standard vessels in KCC trades in 2018.

The underlying ambitions were among others:

- Achieve 85% of on-hire days for the fleet in combination trades in 2023 and 90% over time
- Reduce ballast days of total on-hire days to below 12.5% in 2023 and 7.5% over time
- Improve absolute fuel consumption of the vessels

Performance 2023

KCC's carbon intensity (EEOI) for 2023 improved from 2022 as the fleet EEOI decreased from 6.9 in 2022 to 6.5 in 2023, a close to 6% improvement, while the improvement from the base year 2018 was approximately 14%. The result is better than the target for the year and on track with KCC's decarbonization strategy to reduce the fleet EEOI down to 5.3 in 2026.

average speed decreased by 2%. The average time spent sailing at sea increased by 7%-points, while the technical performance of the fleet continued to improve in 2023, approximately a 2% improvement from 2022. See the section “Improve energy efficiency” on page 14-15 for more information. All these above developments were positive for our 2023 EEOI.

The five major parameters for how the vessels score on EEOI are cargo weight, speed, time spent sailing at sea, time sailing in ballast, and technical performance. These parameters are dependent on trading, as well as commercial and technical operations.

The parameter working in the opposite direction, was the time sailing in ballast, which increased by 2%-points year-on-year to 14%. Vessel MV Bass, which is out on long-term time charter as a pure tanker, was the vessel with the largest negative impact on this parameter for 2023. A strong tanker market and weak dry market in 2023 led to longer ballast distances for some of the voyages.

The fleet's average cargo weight increased by 2% Y-o-Y and

Average CO₂ emissions per vessel year

The actual CO₂ emissions per vessel year of the KCC fleet are expressed as an average of all the vessels' CO₂ emissions divided by vessel-years, excluding only the time the vessels are in drydock.

Ambition for 2026

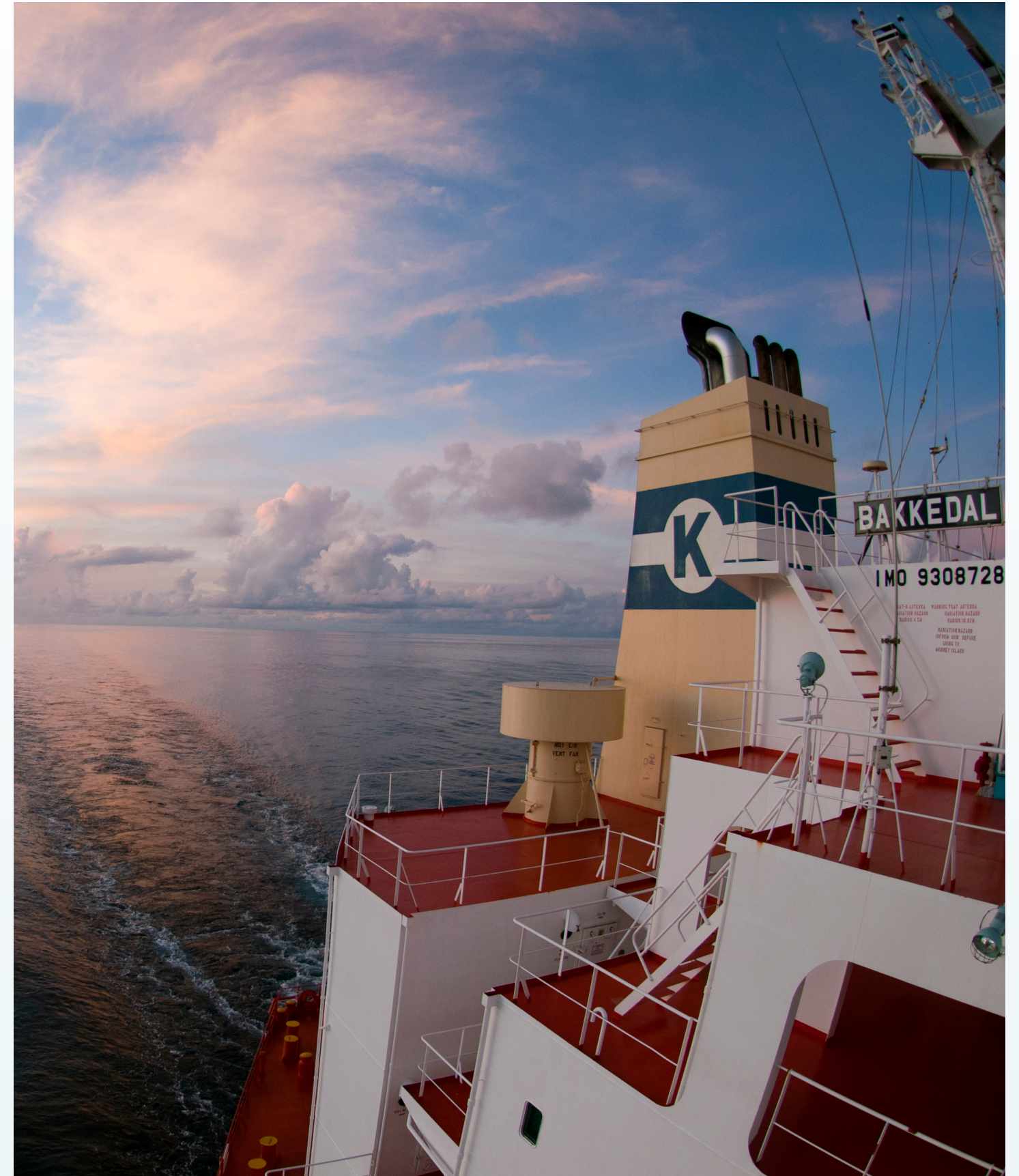
Reduce average CO₂ emissions per vessel year by 27% in 2026 to 15,100 mt vs actual 2018 of 20,800 mts.

Performance 2023

The average CO₂ emissions per vessel year for the KCC fleet increased to 18,700 tons CO₂ in 2023 from 17,900 tons CO₂ in 2022, an increase of approximately 4% Y-o-Y, and a 10% reduction from base year 2018. The main factors influencing this KPI are both related to the activity of the vessels in terms of speed, cargo weight carried and % of time in ballast condition, as well as the technical performance of the vessels, but the most important factor is how many days the vessels are sailing at sea. This factor increased considerably from 54% of time spent sailing in 2022 to 61% of time sailing in 2023. While this

high degree of efficient operation is positive for EEOI, it also contributes to higher total CO₂ emissions as more fuel is consumed.

Although the average fleet speed remained quite constant throughout the year, the amount of time the vessels spent sailing at high speeds (>12.5 kn) decreased 10%-points from 2022. Since fuel consumption and therefore CO₂ emissions increase exponentially with vessel speed this had a negative impact on CO₂ emissions per vessel year.



How KCC is impacted by new regulations

IMO regulations (EEXI and CII)

The EEXI and the Carbon Intensity Indicator (CII) came into effect on 1 January 2023 and are due for review within 1 January 2026, see fact box for definitions.

The current EEXI-scores of all eight CLEANBU vessels and the three CABU vessels built 2016-2017 are considerably below the EEXI requirements for combination carriers (-9% and -6%, respectively). With the help of approved installation of energy saving devices and engine power limitation (EPL), the five CABU vessels built 2001-2007 received an EEXI score satisfying the minimum EEXI requirements. The operational impact of the EPL, reducing the maximum power from the vessels' main engines, is limited as the fleet rarely operate at maximum load on the main engines. For the five relevant CABU vessels, the

estimated new maximum speed in normal laden operation is still above 14 knots, as the energy efficiency measures in place offset the effect from the peak power limitation. Although all 11 vessels built after 2016 satisfy the current EEXI requirements, KCC will recalculate the vessels' attained EEXI score after installation of air lubrication systems, shaft generators and Mewis ducts to ensure compliance with the likely stricter EEXI requirements expected to enter into force after 2026.

KCC's fleet received a CII-score of mainly A and B in 2023. The only exception was MV Bantry which received a C-rating. One reason was her extremely efficient operation in 2023, with only 6% of time spent in ballast condition, ironically impacting the CII-score negatively.

Fact box

EEDI = Energy Efficiency Design Index

EEXI = Energy Efficiency Existing Ship Index

EEDI/EEXI is an energy efficiency calculation (CO₂ per nm * DWT) applicable for all vessels by 1 January 2023. The required score depends on type of vessel and DWT (dead weight). Measures to improve energy efficiency, reduce installed power or a combination of both will for many vessels be required to comply. This is a one-off calculation typically based on sea trial or model tank performance.

CII = Carbon Intensity Indicator

CII is a dynamic score between A-E, based on the vessel's actual CO₂ emissions and distance sailed over a year. Factors such as speed, hull fouling, vessel utilization, weather exposure etc. will influence this score. The initial CII introduced by IMO, AER, is using the vessel's fixed DWT as proxy for transport work, and not actual cargo.

Carbon intensity: AER versus EEOI – an example

The metric, Annual Efficiency Ratio (AER) (grams CO₂/(DWT x nautical mile), is based on the vessel's fixed deadweight as proxy for transport work, and not actual cargo. Energy Efficiency Operational Index (EEOI) is based on actual cargo intake (grams CO₂/(mts cargo x nautical mile), promoting efficient transport work.

The dis-incentive nature of the AER metric can be illustrated by an example from KCC's own operations in 2023, the AER and EEOI of MV Bantry versus MV Bass. MV Bantry was in terms of combination trading and avoiding ballast days exceptionally efficient with less than 6% of her days at sea in ballast. MV Bass on the other hand was in 2023 trading as a pure tanker on TC out, not conducting any combination trades, resulting in 27% ballasting.

MV Bantry received as AER of 4.48 in 2023 (CII C-rating). MV Bass had the opposite result, with an AER of 3.56 (CII A-rating). For EEOI, the smaller and quite old CABU vessel (built 2005), MV Bantry, outperformed the modern 2021 built and larger MV Bass by 9%, with EEOI scores of 6.75 versus 7.36.

This illustrates how the CII AER fails to indicate an energy efficient operated vessel and instead works as a perverse incentive for inefficient trading.

EU Emission Trading Scheme (EU ETS)

The EU Commission has adopted a revision of the EU ETS directive that brings the shipping industry into the EU ETS scope as of 1 January 2024. For voyages in and out of EU, shipowners will need to surrender emission allowances for 50% of the reported CO₂ emissions and 100% for intra-EU voyages. There will be a three-year gradual phase-in where 40% of relevant emissions reported in 2024 will have to be accounted for in 2025, with 70% and 100% to be accounted for in 2025 and 2026, respectively.

Due to KCC's superior carbon efficiency with minimum ballast, the emissions per transported cargo are less than the alternative standard tonnage. Therefore, the EU ETS may give KCC a

competitive advantage in trades to and from European ports. However, KCC had a low exposure to European trades in 2023. With the ongoing Russia-Ukraine war, as well as the unrest in the Middle East, the exposure is expected to be limited in the immediate future. If a similar regulation as EU ETS is implemented on a global basis, as is currently under discussions towards IMO, KCC's competitive advantage may increase.

CO₂ emissions from two KCC voyages into Europe that commenced in 2023 and ended in 2024 have been calculated, and costs included in contracts with charterers as per end of January 2024.

FuelEU Maritime

The FuelEU Maritime regulation will enter into force by 1 January 2025. The regulation will set a maximum level required level of GHG intensity of the energy used onboard the vessels to incentivize the uptake of more sustainable fuels and shore power. In practice, this means that from 2025, the GHG intensity must be reduced by 2% per year compared to standard fossil fuels, and this reduction is expected to be gapped by blending in sustainable biofuels until renewable fuels are available in ports and able to be combusted onboard vessels. During 2024, KCC will finalize a plan on how to comply in a cost-effective and sustainable way. Wind assisted propulsion as mentioned under other energy efficiency projects, together with sustainable biofuel which KCC has experience with from earlier trials in the fleet, may be some of the most mature solutions as of today.

EU Taxonomy

The EU Taxonomy is a classification system identifying environmentally sustainable economic activities. The aim of the taxonomy includes directing capital flows to sustainable investments, limit market fragmentation in the classification of sustainable activities and increase transparency. The taxonomy regulation states that an activity must make a substantial contribution to at least one of the six environmental objectives set out by the EU: Climate Change Mitigation, Climate Change Adaptation, Water and Marine Resources, Circular Economy, Pollution Prevention and Biodiversity, while it does not cause significant harm towards the other five objectives and meets minimum social safeguards. The first step is to identify if the activities are eligible in the EU Taxonomy. KCC owns and operates 16 combination carriers that all fall within the category: “sea and coastal freight water transport, vessels for port operations and auxiliary activities”. 100% of KCC’s economic activity is identified as eligible based on all three performance indicators: Revenue, operating expenses and capital expenditures.

The next step for KCC is to assess if its activities are taxonomy aligned, i.e., the eligible activities meet the technical screening criteria. KCC is required to assess alignment with the EU Taxonomy for the financial year 2025 when the Company as well has to comply with the Corporate Sustainability Reporting Directive (CSRD).



Pollution of Water

Pollution of water	2023	2022	2021	2020	2019	Target
Spills to the environment	0	0	0	1	0	0

Spills

Accidental oil spills from deep-sea vessels can have devastating effects on marine environments. KCC is dedicated to avoiding oil spills and waste to sea and is resolutely committed to follow IMO regulations and guidelines. KCC had no spills to the environment in 2022 and 2023.

Other pollution to water

KCC’s vessels may contribute to water pollution through sewage, grey water, bilge water and garbage spills. Paint flakes from underwater hull cleaning and hull blasting at shipyards may pollute water. Ballast water discharge is mainly sea water discharge and is hence included in the section ‘Biodiversity and Ecosystems’ below. KCC is committed to follow the International Maritime Organization (IMO) MARPOL Convention, which sets standards for the prevention of pollution from ships.

Cleaning operations are always performed in accordance with applicable national and local laws and regulations so that viable biofouling or chemical and physical pollutants are not released into the local aquatic environment where they may cause harm. Care is also taken to prevent the erosion of the anti-fouling paint so that harmful biocides are not released into the port water. All anti-fouling paints also comply with the ‘International Convention on the Control of Harmful Antifouling Systems on Ships’ and do not contain organotin compounds acting as biocides.



Biodiversity and Ecosystems

Invasive species

KCC's vessels operate across the world which increases the risk of moving invasive species between ecosystems. Ballast water is used to provide stability and maneuverability to ships during a voyage, essential for safe and efficient shipping operations. However, it can introduce invasive aquatic species to new environment, causing ecological, economic and health issues.

Invasive aquatic species may also be transferred from one region to another through biofouling of the ship's hull. Biofouling is the growth of marine organisms on the hull and propeller, and ranges from the creation of thin layers of biofilm consisting of single celled organisms and algae to the growth of e.g. barnacles, seaweed, and mussels.

Actions taken to reduce the risk and/or prevent the spread of harmful aquatic organisms from one region to another:

- Ballast Water Treatment System (BWTS) is installed on all vessels in compliance with IMO's Ballast Water Management Convention.
- Implementation of a Biofouling Management Plan (BFMP) onboard with measures to reduce the risk of invasive species through use of high spec anti-fouling paint, frequent hull and propeller cleaning operations, avoidance of long idle periods and other operational measures.
- High quality silicone anti-fouling coating was added on two out of three vessels during dry-docking in 2023 to reduce the risk of biofouling during operation.
- KCC normally conducts 2.5-years dry-docking intervals to safeguard a high-quality anti-fouling system on all ship hulls.
- Additional five in-transit hull cleaning robots were purchased in 2023 to remove potential fouling from the vessels' vertical sides during voyages.

Protecting marine mammals

Some shipping lanes pass through areas where marine mammals feed, mate and sleep. Underwater noise may have adverse impacts on marine life, such as interfering with the ability of marine mammals to communicate, navigate and hunt and thousands of whales are killed by vessel strikes annually.

Although no global regulations have been introduced to address this issue yet, the IMO has released non-mandatory guidelines for the reduction of underwater noise from commercial shipping. KCC is evaluating various measures from these guidelines to be implemented to help reduce noise pollution. In 2024, KCC will evaluate and implement a policy to better protect marine mammals by following non-mandatory recommendations for speed and routing in key areas for marine mammals.

Several initiatives implemented also have positive impact on underwater noise. Operational measures to avoid high speed voyages reduce the risk of cavitation and noise from the ship. Installation of shaft generators removes the use of auxiliary engines at sea, reducing ship noise and the air lubrication carpet is likely to reduce the hull and engine noise due to insulating properties of the thin air carpet. The CLEANBU fleet has made modification to the air ejectors and in the engine room and a fan housing has been equipped with noise dampening plates.

Ship Recycling

KCC commits to make recycling of the vessels in full compliance with the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships (Hong Kong convention), the guidelines of the Norwegian Shipowners' Association and where relevant, the EU Ship Recycling Regulation. The last recycling of a Klaveness vessel was performed in China by Grieg Green in 2014.





Social

- Health and Safety
- Diversity and Equity
- Human Rights
- Labor Rights
- Human Capital

Health and Safety

Always safe and secure

Safety is priority number one for KCC and the ship manager, Klaveness Ship Management AS (KSM), and the goal is that no one shall be injured doing work for KCC. Shipping is a high-risk business and to maintain safe and reliable operations, KCC/

KSM work to foster a strong safety culture every day. The comprehensive safety culture program referred to as Klaveness Always Safe and Secure (KLASS) is developed and strengthened on a continuous basis along with learning and new experiences.

The safety work focused on the following actions and initiatives in 2023 to deliver by the safety mantra KLASS in all parts of operation:

- App rolled out for all personnel to carry out gamified training to better understand behaviors that are significant for safety. In fourth quarter 2023, the app's contents were replaced with gamified training to strengthen the human factors of our barriers against cyber security threats.
- High management attention and frequent interaction in meetings between vessel and shore teams to prepare for and to learn across the fleet from vettings and inspections.
- “Handling Chemicals Onboard Campaign” to ensure proper use and recording of chemicals.
- “Personal Protective Equipment Campaign” to ensure compliance with the Personal Protection Equipment Policy.
- Piloted the use of artificial intelligence (AI) to better identify trends from all improvement reports. Based on initial results, the next step will be to establish a dashboard that displays safety indicators for vessels in real-time. A long-term goal is to leverage AI technology to predict high-risk operations and situations.
- Investment in top safety equipment and where necessary, making physical modifications to enhance safety on the vessels. An example in 2023 was the introduction of cooling vest and helmet inlay to reduce the risk of heat stain in hot environment.
- Drone technology tested to reduce the need for human entry into confined spaces for inspections, with positive initial results. In 2024, KCC/KSM will participate in two different R&D projects to further develop this technology.
- Vessel of the Year Award introduced to promote health, safety, environment, and quality excellence.



Safety performance

At year-end 2023, the KCC fleet had 895 days without major accidents. In 2023, the fleet experienced no major or medium injuries and 18 minor injuries. The latter down from 24 in 2022 and 42 in 2021. Lost Time Injury Frequency (LTIF) for the KCC fleet in 2023 was zero, down from 0.3 in 2022, within the KCC target of <0.5 and within average in Intertanko’s¹ benchmarking system (0.44). The development is likely partly a result of KLASS initiatives and increased focus on safety through the management activities and that regular inspections have

resumed after disruption during the pandemic. A sustainable and strong safety performance relies on continuous improvement of the Quality Management System (QMS) and on building and strengthening a sound collaborative safety culture. Two high potential incidents were reported in 2023, compared to three in 2022. This KPI is tracked with the purpose of learning from near incidents to prevent serious accidents to take place in the future.

Health and Safety	2023	2022	2021	2020	2019	Target
Major injuries ²	0	0	1	0	0	0
Medium injuries ³	0	0	0	3	5	0
Minor injuries	18	24	42	23	20	0
Lost Time Injury (# injuries) ⁴	0.0	1.0	2.0	6.0	7.0	0
Number of hours worked	3.7 mill	3.5 mill	3.3 mill	2.4 mill	2.2 mill	n.a.
Lost Time Injury Frequency (LTIF) ⁵	0.0	0.3	0.6	2.5	3.2	<0.5 (<1 for the years prior to 2022)
High potential incidents	2	3	11	8	no data	0

¹The International Association of Independent Tanker Owners, a membership driven trade association.

²Major injuries = Fatality or permanent disability preventing return to work.

³Medium injuries = Medical treatment and repatriation, will return to work.

⁴LTIF = Injury leading to loss of productive work time.

⁵LTIF per 1 million working hour (no statistics available for 2018). Lost Time Injuries (LTIs) are the sum of fatalities, permanent total disabilities, permanent partial disabilities and lost workday cases. In line with OCIMF (Oil Companies Reporting Guidelines for Oil Companies International Marine Forum).

Vetting and port state control

The ambition is to establish a higher safety standard than pure tanker companies. The average number of high-risk observations from OCIMF⁶ SIRE vetting inspections decreased from 0.7 in 2022 to 0.6 in 2023, better than the 2023 target of maximum two. The total number of observations per inspection increased from 3.7 in 2022 to 3.8 in 2023. Average number of deficiencies per port state control increased from 0.7 in 2022 to 1.3 in 2023, above the target of 0.5.

The fleet experienced two port state control detentions in 2023 for two CABU vessels built 2001. The first detention was due to insufficient procedures to secure the freefall lifeboat release hook system and due to emergency generator failing to take load during test run. The second detection was due to a crack in the vessel’s hull at a place which is not accessible without staging or shore crane. The crack was repaired temporarily in

the port of inspection. Full repair based on thorough technical analysis were made during the vessel’s dry docking in early 2024.

Unsatisfactory result of port state inspections, particularly the two detentions, triggered comprehensive repair plans aimed to be carried out in 2024 as well as a wide range of corrective and preventive actions across the fleet. Full assessment of the condition of the oldest vessels in the fleet and corrective actions were implemented to increase crew familiarity and procedures were updated in the Quality Management System.

The Vetting & HSEQ team in KSM works diligently to learn from every observation received and works closely with the crew in identifying and eliminating potential issues and improving further the vetting performance.

Vetting and port state control	2023	2022	2021	2020	2019	Target
Vetting inspections (SIRE)	52	41	31	25	14	n.a.
Average number of observations per inspection for the Ship Inspection Report Programme (SIRE)	3.8	3.7	4.9	4.4	5.5	n.a.
Average number of high risk ⁷ observations per inspection for the Ship Inspection Report Programme (SIRE)	0.6	0.7	1.9	1.9	2.4	<2 (<3 for 2019 and 2020)
Port state controls	31	45	33	28	20	n.a.
Average number of deficiencies per port state control	1.3	0.7	0.7	1.2	1.0	<0.5
Port state control detentions	2	1	-	1	1	0

⁶The Oil Companies International Marine Forum (OCIMF) is a voluntary association of oil companies promoting safe and environmentally responsible transportation of crude oil, oil products, petrochemicals and gas.

⁷High risk observation is an internal definition of a significant legislative, safety or pollution risk.

Diversity and Equity

Crew retention and diversity¹

The crew is from the Philippines, Romania, South Africa, Poland and The Czech Republic and the retention rate in the period 2019-2023 was 92-99%, above KSM’s target of 90%, securing safe, stable, and reliable operations.

Crew recruitment, training and development are performed by partially owned KSM manning agencies in Romania and The Philippines and supported by KSM in Oslo.

Crew statistics	2023	2022	2021	2020	2019	Target
Total workforce at sea	644	680	637	890	773	n.a.
% female crew	0.9 %	0.7 %	0.6 %	0.4 %	0.4 %	n.a.
# of nationalities	5	5	5	5	5	n.a.
Retention rate crew	95 %	95 %	92%	95 %	99 %	>90 %

Equal opportunities

KCC is reliant upon talented and dedicated employees. All employment related decisions shall be based upon relevant qualifications, merit, performance, and other job-related factors. We shall ensure equal rights for all, irrespective of gender, gender identification, ethnicity, religion, sexual orientation, disability, or social status. KCC strives to lead the way in promoting equal opportunities in the shipping industry.



¹For diversity related to onshore employees, see note 7 in the Annual Report 2023.

Human Rights and Labor Rights

As stated in KCC’s Code of Conduct available on KCC’s web site:

- KCC supports and respects the protection of internationally proclaimed human rights as set out in the fundamental principles of the Universal Declaration of Human Rights and the core international human rights treaties. KCC strives to avoid causing or contributing to adverse human rights impacts through our business activities and addresses such impacts if and when they occur.
- KCC supports and respects internationally recognized labor rights as set out in the fundamental ILO conventions, including the freedom of association and the right to Collective Bargaining Agreements within national laws and regulations, and we support i) the elimination of all forms of forced and compulsory labor; ii) the effective abolition of child labor; iii) the elimination of discrimination in respect of employment and occupation.

The KCC Group expects those who do business with us to implement the principles described in the Counterparty Code of Conduct (“CoCC”) in their businesses or have at least equivalent standards adopted and conduct their business in accordance therewith. The CoCC is also available on KCC’s web site. KCC includes a clause referring to KCC’s expectations with a reference to its CoCC in contracts when relevant.

A heatmap identifying high-risk areas for human rights violations and substandard working conditions based on geographical areas and activities/value chains was implemented in KCC’s Know Your Counterparty Procedure in 2022. Based on the heatmap, additional due diligence checks are performed whenever high risks are involved.

The KCC Group did not detect severe human rights violations or substandard working conditions in our own operations in 2023. Based on issues identified through the KYC Procedures, four new potential counterparties (applicable for the KCC Group and/or other Klaveness companies) were excluded in 2023 due

to business ethics concerns related to human rights and working conditions. This was down from 15 in 2022. Several counterparties excluded in 2022, e.g., due to Klaveness policy on Russia, remain untradeable on the same grounds in 2023. More ship owners now commit to the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, resulting in fewer companies being excluded for this reason.

For more information about KCC’s work related human rights and working conditions, see the Transparency Act Report dated 7 March 2024 published on KCC’s web site.



Governance

- Anti-corruption
- Compliance and Ethics
- Whistleblowing
- Cyber Security

Governance

Anti-corruption

KCC operates in a global environment with many international interactions and port calls and is hence exposed to attempts of corruption and facilitation payments. KCC prohibits payment of bribes and kickbacks of any kind, whether in dealings with public officials or individuals in the private sector. KCC is opposed to, and will contribute to counteract, all forms of corruption, and this is clearly stated in the Code of Conduct and the Anti-Corruption and Business Ethics Guidelines. KCC's entire business activities are regularly assessed for corruption risk and the main risk areas are considered to be port calls, purchasing and yard work. KCC is together with other Torvald Klaveness entities and the ship manager (KSM) working systematically to eliminate facilitation payments.

The crew complete on-line anti-corruption training and all pre-deployment briefings, seminars and conferences have anti-corruption on the agenda. Anti-corruption issues are reported and discussed in all weekly KSM management meetings, and statistics and experience related to specific ports and issues are distributed to crew, KSM onshore employees and the ship owner, KCC.



Anti-corruption statistics	2023	2022	2021	2020	2019	Target
# calls in ports that ranked the 20 lowest on the Transparency International Corruption Perception Index	0	0	0	2	0	n.a.
# reported requests and avoided facilitation payments	5	9	13	10	26	>8, (2022>16), (2021>16.3, 2020>12.6) ¹
Anti-corruption training for crew	97%	86 %	90 %	92%	87%	>75 %

KCC encourages the vessels to report requests for facilitation payments as statistics are used to improve the anti-corruption work both in KCC/KSM and in the Maritime Anti-Corruption Network (MACN). Five requests for facilitation payments were reported in 2023, somewhat lower than the target of eight reports. The low number of reported requests is likely a result of the trading pattern, and that it has become routine to register vessels with MACN's helpdesks in corruption hotspots where such is available. This has a preventative effect, and the helpdesks can provide support to the Master if needed. All the reported requests are requests only, and not paid, i.e., avoided facilitation payment. Two out of the five reported requests for facilitation payments reported in 2023 were in China, one in

Brazil, one in Indonesia while the last was in India. Three were demands for cigarettes and two were demands for other items or presents. The requests are down compared to 2022, where nine incidents were reported in total. The reporting per ship-year is as well down from 0.6 requests in 2022 to 0.3 in 2023.

KCC did not experience any confirmed incidents of corruption or any confirmed incidents in which employees were dismissed or disciplined for corruption in 2023. No contracts with business partners were terminated or not renewed due to violations related to corruption, and no public legal cases regarding corruption were brought against the Company, its employees or service providers.

¹1 per ship-year. Target based on experience and trading patterns. Large variations between trading areas.

Compliance and Ethics

The purpose of the Compliance Program is to ensure that the organization acts within all relevant rules and regulations, and in accordance with Klaveness Code of Conduct and its related policies. Compliance is the cornerstone of KCC's business activities, and the training program has been designed to address the importance of compliance and build awareness both to the relevant legal requirements and to internal policies.

During 2023, three Compliance Program policies and guidelines were updated covering whistleblowing, acceptable use of IT, and communication and information security policy. Online training, both mandatory and voluntary, for KCC employees was conducted in 2023 in relevant themes such as payment and invoice approval, collaboration and document management and cyber security.

Know Your Counterparty Procedures (KYC Procedures) and Counterparty Code of Conduct are in place to avoid compromising KCC's ethical values and avoid entering into trades subject to sanctions. KCC's KYC Procedures include in addition to a credit risk assessment, a sanction check and a business ethics check focusing on environmental, social and governance (ESG) aspects. See section Human Rights and Labor Rights for more information.



Whistleblowing

KCC promotes a culture of openness and transparency and encourages whistleblowing regarding blameworthy activities or circumstances within its business. Employees and others who have reason to believe that there are blameworthy activities or circumstances within KCC's business have the right to, and are encouraged to, whistleblow and the whistleblower shall be protected against retaliation from doing so.

KCC has an external whistleblowing channel available on the KCC website for both employees, crew, and external parties. The receiver of whistleblowing from employees and external parties is the Chief Compliance Officer (CCO) in Torvald

Klaveness. The receiver of whistleblowing from crew is the designated person ashore (DPA) in Klaveness Ship Management AS. The Chief Compliance Officer notifies the KCC Audit Committee about whistleblowing related to KCC independent of where the whistleblowing is coming from.

The DPA received 22 whistleblowing cases in 2023, all from the crew onboard KCC's fleet. Investigations have been conducted in all cases, and interviews have been performed where the matter warranted it and/or where the whistleblower left enough information. The majority of the received cases involves alleged non-compliance with company policies. Several of the cases were also of such nature that they principally should have been dealt with through the grievance procedures set out in the Quality Management System. However, insights gained through the relevant matters have been used to implement corrective actions, coaching and improvements.

Cyber Security

Cyber-attacks continue to disrupt businesses and industries around the world. While digitalization has brought many benefits, it has also made companies more vulnerable. Protecting operational stability is vital for both KCC, the customers and other stakeholders. Therefore, KCC takes data and cyber security very seriously and invests in best practices and technologies to safeguard data assets and business operations. Based on a risk assessment, the largest threat is considered to be cyber criminals searching financial benefits from attacks. Monitoring shows that attack attempts mostly comes through phishing efforts and technical weaknesses. Information security efforts focus on these main attack vectors

and are conducted in accordance with ISO27001 (without being certified) and relevant maritime standards, including IMO's Cyber Security Regulations.

They address prevention, detection, response, and recovery from attacks. In 2023, an Information Security Management System was established, regular phishing campaigns were conducted, and a cyber security game was developed and made mandatory for all employees. These campaigns will continue in 2024. In addition, multiple tabletop exercises to further drive awareness and improvement of business continuity readiness will be performed.

Key Partnerships and Coalitions¹



¹ Klaveness and/or KCC partnerships and coalitions.

Additional ESG Topics

Environment

Other air emissions^{1,2}

Other air pollutants, such as NOX, SOX, PM, CH4, CO and N2O have harmful effects on both local air quality and water quality, as well as having a varying degree of greenhouse warming potential. The emission of these pollutants varies as a function of engine load and temperature, except for SOX which depends on the sulfur level in the fuel.

KCC has complied with the IMO 2020 sulfur regulation since it was introduced 1 January 2020 (maximum 0.5 % /0.1 % when sailing in designated sulfur emission control areas (SECA)), (MARPOL Annex VI Reg. 14 (IMO Global Sulphur Cap 2020)).

The CLEANBU vessels (50 % of the KCC fleet of 16 vessels) are equipped with selective catalytic reduction (SCR) systems for reducing the emissions of nitrous oxides (NOX), hence complying with IMO's Tier III regulations applicable for all newbuilds with keel laid after 1 January 2016. Operation of the SCR systems is mandatory whenever the vessels are in nitrogen emission control areas (NECA) currently only applicable in North American waters, the Baltic Sea as well as the southern parts of the North Sea.

In line with its Environmental Policy, KCC shall go beyond compliance of environmental regulations and has therefore decided to increase the use of the SCR system outside the NECA zones to reduce NOX air pollution in densely populated areas. Starting in 2023, KCC has used SCR systems on the CLEANBU fleet for NOx reduction whenever feasible also in Australian ports while vessels are laying alongside during loading and discharge operations and have mitigated the emission of approx. 5 mt NOx in NECA and Australian ports in 2023.

Reductions in other air emissions follow the reduction in fuel consumption. In addition to the reduced pollution to air, the reduction in emission of sulfur and nitrogen compounds will also lower the contribution to ocean acidification and eutrophication.

Other air emissions in mt	2022	2023	GWP ³
NOX (nitrogen oxides)	6 111	6 699	
SOX (sulfur oxides)	696	760	
PM10 (particulate matter < 10 µm)	350	384	
CH4 (methane)	4.6	5.0	28 CO ₂ e
CO (carbon monoxide)	242	264	
N2O (nitrous oxide)	15	16.2	265 CO ₂ e

Calculation methodology:

The mass of Nitrogen oxides (NOx) emitted is calculated by means of an emission factor depending on the engine speed and Tier as stated in the EIAPP certificate, while the mass of Sulfur oxides (SOx) emitted is calculated by means of a fuel-based emission factor. SOx emissions vary with the sulphur content in the fuel or with the use of exhaust gas cleaning systems.

The mass of particulate matter (PM10), methane (CH4), carbon monoxide (CO) and nitrous oxide (N2O) emitted is calculated by means of an energy-based emission factor depending on engine type and Tier as well as on consumed fuel type.

Source: Fourth IMO GHG Study – July 2020.

Ozone-Depleting Substances (ODS)

The use of ODS onboard ships is regulated by MARPOL Annex VI Regulation 12, and KCC follows this regulation when applicable. The use of all ODS which are not hydrochlorofluorocarbons (HCFC's) was prohibited on ships constructed on or after 19 May 2005, and the use of HCFCs is prohibited for vessels constructed on or after 1 January 2020.

Although three of KCC's vessels were built before 2005, no vessels currently have systems or equipment installed containing ODS, and in case any ODS were to be brought onboard it will be listed in the onboard ODS equipment list. The use of ODS is logged in a separate ODS record book onboard as per requirements in MARPOL Annex VI.

KCC's fleet does not have own production, nor is involved in the export and import, of any ozone-depleting substances.

Energy

Energy intensity

When calculating energy intensity in KCC, only energy from fuel used for ship propulsion and onboard heat and power generation is evaluated, as this accounts for close to 100% of the total energy consumption of KCC. The metric used to present the energy intensity is MJ/ton-mile and describes how much energy KCC uses to transport one metric ton of cargo one nautical mile, which represents the transport work of the KCC fleet. In 2023, the total transport work was 44,850,567,883 ton-miles, an 11% increase from 2022, which gives an energy intensity of 0.0857 MJ/ton-mile. This result in an energy intensity reduction of about 6% compared to 0.0907 MJ/ton-mile in 2022.

Energy consumption

The energy use of KCC closely follows the emissions of CO₂, as the share of renewable energy sources is limited to the renewable part of electricity consumed in KCC's offices, which is negligible. Conversion from fuel consumption to energy using energy conversion factors from the Third and Fourth IMO Greenhouse study from 2014 and 2020, respectively. Marine MGO/MDO is calculated to contain 11.35 MWh of energy per ton fuel, and Marine HFO is calculated to contain 12.579 MWh per ton fuel. The total energy consumption of KCC in 2023 amounted to approx. 3.84 Petajoules (PJ)⁴.

Change in energy consumption

The energy use from KCC's fleet in 2023 was approx. 3.84 PJ, compared to 3.66 PJ in 2022, which indicates an increase in energy consumption of 5%. This increase is mainly due to the increased transport work performed by the fleet and matches the increase in total GHG emissions.

As both the energy consumption intensity and total energy consumption follows CO₂ emission, more information about the Y-o-Y changes legg can be found under the section for greenhouse gas emissions (page 16) and emission performance (page 17-18).

¹ Sources: SOX and NOX emissions gathered from StormGeo's s-insight, while emissions for VOC and PM calculated using emission factors from EPA: "Emission estimate methodology for maritime navigation".

² There are also other harmful air pollutants associated with the operation of diesel engines such as persistent organic pollutants (POP) and hazardous air pollutants (HAP), but conversion factors for these emissions types could not be found and are probably not relevant to ship engines.

³ Global warming potential (GWP) as defined by Source IPCC, 2006.

⁴ W = J/s, 1 kWh = 3.6MJ.

Category	Unit	2022	2023
Scope 1 Energy use			
Stationary combustion (KCC Offices)			
Subtotal	MWh	0.16	0.4
Transportation (KCC Fleet)			
Marine diesel/gas oil	MWh	53,699	66,486
Marine fuel oil	MWh	962,867	1,000,612
Biodiesel, ME	MWh	0	0
Subtotal	MWh	1,016,567	1,067,098
Scope 1	MWh	1,016,567	1,067,098
Scope 2 Energy use			
Electricity (KCC Offices)			
Electricity Nordic mix	MWh	30.5	25.7
Electricity Singapore	MWh	N/A	4.6
Scope 2	MWh	30.5	30.3
Total	MWh	1,016,597	1,067,128
	GJ	3,659,750	3,841,662

Waste

All KCC vessels have a Garbage Management Plan onboard in accordance with the IMO guidelines published in resolution MEPC.201(62). Waste is sorted into 11 different garbage categories and recorded in an onboard garbage record book before being disposed at a waste reception facility in port or incinerated onboard, except for minor food waste which may be disposed at open sea. Ash from incineration is also delivered to the appropriate reception facility. Both ANNEX I and ANNEX II slops, including wash water, are discharged in accordance with relevant MARPOL regulations.

The total volume of waste generated per ship was approx. 661 m³ in 2023, somewhat up from 643 m³ in 2022, with the two largest contributors being plastic waste sent to recycling (40%) and domestic waste (37%), of which half was incinerated onboard the vessels and the other half disposed at port reception facilities, as well as organic waste (15%). Organic waste is either disposed overboard at open seas according to MARPOL ANNEX V regulation or delivered to port reception facility for appropriate handling, of which most will be used to produce biofuels.

In addition to waste generated onboard, KCC has in 2023 increased the reporting of waste to also include oily sludge produced onboard the fleet. This accounted to approx. 760 m³ in 2023, and is categorized as residual waste, which is incinerated, or special waste, treated. KCC policy is that KCC vessels shall endeavor to deliver oily sludge to a port reception facility for appropriate environmental handling when available. Only when no such port facility is available may the sludge be incinerated onboard according to relevant regulations.

There are hazardous materials on board the vessels that may harm health and the environment if they are released or disposed of in an uncontrolled manner. It is important to know the location and type of the hazardous materials to ensure safe and responsible repair and recycling of these materials (recycling policy for vessels described in the environment section). KCC maintains Inventory of Hazardous Material (IHM) in line with Hong Kong Convention and EU SRR regulation 1257/2013. KCC has a third-party supplier that continually maintains the IHM. IHM reports are available online for vessels and office.

Waste

In the list of waste categories from the fleet in table below, KCC has defined the following categories to be hazardous due to their potential content of heavy metals, hydrocarbons, and hazardous chemicals and cargo residues (in line with Annex I of the Hong Kong Convention and Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal): Oily sludge, operational waste, incinerator ash and EE (electric and electronic) waste. Operational waste is defined by IMO's MARPOL Annex V to be all solid wastes (including slurries) not covered by other Annexes that are collected on board during normal maintenance or operations of a ship or used for cargo stowage and handling. Operational wastes also include cleaning agents and additives contained in cargo hold and external wash water. According to these definitions, hazardous waste account for approx. 57% of all waste generated in 2023, of which the largest component is oily sludge waste (93% of all hazardous waste). Residual waste from ships is considered to be non-hazardous, as this is domestic waste and is defined by IMO's MARPOL Annex V as all types of wastes not covered by other Annexes that are generated in the accommodation spaces on board the ship.

All waste from the headquarter office in Oslo is collected, sorted into 13 different waste categories, and sent to Norsk Gjenvinning AS, which either recycles it, incinerates it for district heating or produces biogas/fertilizer from the organic waste. In 2023, 69% of this waste was recycled, an increase from 65% in 2022. Waste from offices accounted for less than 1% of total waste generated in KCC in 2023. The table below gives an overview of the mass of waste recycled, incinerated and directed to landfill, for both KCC Oslo office and KCC fleet.

Waste category	Disposal method	KCC Offices (mt)	KCC Fleet (mt)	KCC Total 2023	KCC Total 2022
Hazardous					
Hazardous	Recycled	<1		<1	<1
EE waste	Recycled	<1	15	15	7
Incinerator ashes	Treated		10	10	n/a
Operational	Treated		22	22	28
Operational	Incinerated		9	9	24
Oily sludge	Incinerated		468	468	n/a
Oily sludge	Treated		289	289	n/a
Subtotal Hazardous		<1	813	813	59
Non-hazardous					
Organic	Recycled	2	33	35	9
Organic	Disposed at sea		61	61	85
Wood	Recycled	1		1	<1
Paper	Recycled	2		2	<1
Glass	Recycled	<1		<1	<1
Metal	Recycled	<1		<1	<1
Plastic	Recycled	<1	270	270	224
Residual	Incinerated	3	106	109	131
Residual	Landfill		135	135	136
Subtotal Non-hazardous		8	605	613	585
Total		8	1418	1426	644

Social

Occupational health and safety management system

Klaveness Ship Management AS (“KSM”) as ship manager issued with Document of Compliance (“DOC”) has established a formalized occupational health and safety system (the “Quality Management System” or “QMS”) that documents processes, procedures, and responsibilities related to safety, security, IT- & cybersecurity, environmental standards, ethical standards, Corporate Social Responsibility (“CSR”), and compliance with quality policies and objectives. The QMS also serves as the tool to formally implement the Company’s values and aspirations and how the Company intends to achieve the objectives of its policies. As DOC-holder the Quality Management System is certified to comply with:

- International Safety Management (ISM) Code
- International Ship and Port Facility Security (ISPS) Code
- Maritime Labour Convention (MLC)
- ISO 9001 – Quality Management System
- ISO 14001 – Environmental Management System
- ISO 45001 – Occupational Health and Safety Management System

The DOC-holder as well complies with ISO 37001 – Anti-Bribery Management System without having maintained the certification itself.

The QMS is applicable for all KSM employees ashore and for all vessel crew. All visitors on board the vessels (e.g. service engineers, authorities, pilots or agents) are subject to the QMS when visiting the vessels. The system is subject to continuous improvement with periodical updates.

Hazard identification, risk assessment and incident investigation

The KSM Risk Matrix is the framework used to assess the likelihood and impact of operational risks and hazards during risk assessments as part of toolbox meetings (performed prior to operational procedures and situations implying risk for people, environment, and assets), issuance of work permits and management of change (MOC) processes. The framework is part of the QMS and includes a Hazard Identification and Risk Assessment Library (HIRA) which acts as a register of relevant operational risks.

The QMS also includes a reporting system of accidents, near-misses, hazardous situations, and suggestions for improvement. The reports are reviewed on a weekly basis and are an important source for cross organizational improvement initiatives.

Employees, crew and others who have reason to believe that there are blameworthy activities or circumstances within KCC’s business have the right to and are encouraged to whistleblow. Please see page 28 for more information on the Company’s whistleblowing channel.

The authority to stop unsafe work was strengthened in 2021 with a Stop Work Policy (“SWP”). The policy states that every employee is empowered with a Stop Work Authority (“SWA”). Employees and crew have a right and duty to call for a Stop Work Order (“SWO”) if there is reason to believe that personnel health, safety, security, the environment, or property may be endangered. The SWA is independent of position, seniority, or discipline. The SWA is based on a no-blame culture. There shall be no retaliation of any kind against any person(s) for invoking a SWO even if it later turns out that it might have been unnecessary. Stop Work events shall be recorded and will be used to learn and improve. 25 SWOs have been recorded since SWP was implemented, whereof two in 2023.

All incidents shall be reported. It is the responsibility of the HSE&Q Department in KSM to investigate and to oversee that appropriate corrective and preventive actions are implemented, and that experience is shared with other vessels or related departments when relevant. The purpose of carrying out systematic registration of incidents is to continuously improve safety.

Occupational health services

KSM has an agreement with International Seafarers’ Welfare and Assistance Network (“ISWAN”) to provide a mental health helpline to crew through e-mail, WhatsApp, phone, and chat. ISWAN is an international maritime charity working to improve the lives of seafarers and their families with services, resources, strategies and advocacy.

KSM has as well entered into agreements with prescription psychiatrists and psychologists in The Philippines and in Romania to support crew and their families in relation to mental health and family issues. All services are provided directly from the external service provider to the crew and their families and KCC/KSM do not have access to any information.

Worker participation, consultation and communication on occupational health and safety

The Shipboard management review is a structured process to gather feedback from the crew. The purpose of the review is to evaluate and improve the Quality Management System (“QMS”). Crew participation is encouraged, and report forms are made available in print to be submitted in dedicated collection boxes in addition to the digital management system. The safety culture assessment carried out contained an open question regarding how safety could be improved. Each of the proposals were distributed to the relevant office department for consideration and input to coming safety initiatives.

An electronic debriefing form (“EDF”) was established in 2014. When signing off, crew members are encouraged to respond to questions related to the Maritime Labor Convention (“MLC”), anti-corruption, psychosocial conditions, and safety onboard. The electronic debriefing is anonymous, and results are used to improve policies, processes, and procedures. The results are presented during officer conferences and ratings seminars every year. The EDF is regularly being reviewed and updated, adding/ deleting questions focusing on trends and developments in the fleet and society in general.

* In 2023, Jan – Aug response rate was too low, and initiatives were taken to send constant reminders resulting in a response rate of 92% in Sept – Dec.

Response rate – Electronic debriefing

2019	53%
2020	48%
2021	70%
2022	62%
2023	43 %

All vessels are manned with a Safety Officer. The main purpose of the position is to monitor and verify that safety routines are implemented and followed up, to maintain records of safety, and engage in activities related to the working environment, such as participation in the Working Environment Committee (“WEC”) and conducting monthly safety meetings onboard. The WEC works to

ensure safe and proper conditions onboard with regards to health and work environment. The committee is composed of crew from different vessel departments and meet monthly. The Fleet Management Department is responsible for following up actions from WEC.

Worker training on occupational health and safety

Trainings on occupational health and safety are as follows:

- Familiarization when signing on vessel.
- Weekly familiarizations related to safety.
- Practical onboard training in monthly emergency drills.
- Periodic campaigns and safety focus areas.
- Computer based trainings (CBT) on health and safety required by the Company. The requirements are defined for rank and vessel type and are monitored prior to embarkation ensuring compliance.
- Semiannual conferences and seminars for all ranks and a crisis management seminar.
- KLASS gamified learning to introduce, play and practice safe behaviors fostering a stronger safety culture.
- KLASS workshops with videos and group discussions involving all onboard. Specific action items are agreed and posted as reminders for all on how to behave and interact to strengthen the KLASS culture.

Governance

Promotion of worker health

All crew members, either onboard or at home, are together with their families covered by health insurance.

A health insurance scheme for our European sailors and families at home has been established with Marine Benefits, providing the same services as Cocolife does for the crew from the Philippines. Access to the Internet remains free of charge and secures connectivity with family members and friends at home. Installation of Starlink, which has been piloted onboard two vessels in 2023, significantly increased connectivity with the system being faster than VSAT. This has a positive impact on crew welfare. Based on positive trial results, KCC has decided to roll out the Starlink system to all vessels within first half 2024.

Klaveness is a member of the International Seafarers' Welfare and Assistance Network (ISWAN) which is an international maritime charity working to improve the lives of seafarers and their families with services, resources, strategies, and advocacy. Seafarers can access free health resources on ISWAN's website and the ISWAN for Seafarers app, including self-help mental health guides and guidance on topics like healthy eating, keeping fit on board and safe travel.

Prevention and mitigation of occupational health and safety impacts directly linked to business relationships

KCC's Counterparty Code of Conduct defines the core legal and ethical standards expected from subcontractors, contractual counterparties and others KCC does business with. The code is available on www.combinationcarriers.com and includes, but is not limited to, issues such as safety and working conditions, environment, recycling of vessels, anti-corruption, human and labor rights, child labor and harassment. All companies KCC does business with are subject to Know Your Counterparty procedures ("KYC") including sanctions- and business ethics checks and the latter is managed by a business ethics committee when needed. Companies can be excluded from doing business with KCC based on non-adequate business ethics in isolation, for example related to "beaching", environmental incidents, corruption or harassment.

After a contractual relationship has been established between KCC and a supplier, those not performing as per agreed terms are recorded in the Quality Management System. Major non-conformities are classified when a supplier does not meet agreed terms and the deficiency generates quality cost greater than USD 5,000, lack of quality resulting in substantial safety/environmental risk or breach of the Counterparty Code of Conduct or similar ethical non-conformance. Upon the registration of a non-conformity for a supplier, the details of the deficiency shall be brought forward to the parties involved. After one major non-conformity is registered, or three non-conformities registered within a period of six months, the supplier will be liable to be excluded as an approved supplier for a period of 12 months. For 2023 there are registered nine (2022: 5) reports from the vessels related to purchase of goods and services. None of them generated quality cost above USD 5,000 and the reports related to substandard quality for local supplies. Counterparties are reevaluated with a full KYC at least on an annual basis, including counterparties with no non-conformities registered.

In relation to the Transparency Act which came into force 1 July 2022, KCC evaluated and made some minor adjustments to its Code of Conduct and Counterparty Code of Conduct. KYC Procedures and contract clauses with counterparties and suppliers were as well amended to ensure compliance with the legislation. See page 25 for more information.

Compliance and Code of Conduct

The Code of Conduct defines the core legal and ethical standards and applies to all KCC's directors, officers and employees, both on shore and on board our vessels. Being a part of the Torvald Klaveness Group, the main internal service providers (ship management, commercial and business administration services), are bound by the same Code of Conduct. Core issues addressed in the Code of Conduct are human and labor rights, equal opportunities, zero tolerance for harassment, safety and environment, anti-corruption and what we expect of our counterparties.

Anonymous online compliance surveys with all employees and interviews with selected employees are made annually. No material risks or new issues were revealed by the survey conducted in early 2023, however, the survey indicated that additional training related to Counterparty Code of Conduct and Know Your Counterparty Procedures should be one of the compliance focus areas for 2023. The interviews were performed in March 2023. All employees receive training every year in different compliance areas. New employees must complete all online Compliance training modules.

Know your counterparty

KCC expects those who do business with us to implement the principles described in KCC's Counterparty Code of Conduct (CCoC) in their business or have at least equivalent standards adopted and conduct their business in accordance therewith. All new counterparties are evaluated, and existing counterparties are re-evaluated on a frequent basis. The procedures are a critical function to assess counterparty risk and a legal requirement to comply with e.g., sanctions, anti-corruption and anti-money laundering laws, and counterparties are also evaluated from a business ethics perspective. The Counterparty Code of Conduct and KYC Procedures were updated in 2022 as part of the implementation of the Transparency Act from 1 July 2022. See page 25 for more information.

Risk management and internal control

KCC assesses risks deemed relevant to the different business activities several times every year and the assessment is presented to and discussed by the Audit Committee and the Board of Directors.

KCC does not have an internal audit function, however, an internal audit plan has been outlined for 2024 and internal audits were made for 2023. Areas currently considered main risk areas are covered as well as review of policies and procedures. Topics covered in 2023 include human resources, salaries and internal service fees, VAT and payments, in addition to the recurring controls and items. KCC has not identified any non-compliance with laws and/or regulations in the social and economic area in 2023.



ESG Performance Data

Material Topic	Key Performance Indicators	Unit	Target 2023	Actual 2023	Actual 2022	Actual 2021	Actual 2020	Actual 2019	Comments and Reference
Climate Change	Greenhouse Gas (GHG) Emissions								
	Scope 1 emissions (Direct GHG emissions)	1,000 tonnes CO ₂ e		296 600	282 800	302 700	261 700		
	Scope 2 emissions (Indirect GHG emissions) - location based	1,000 tonnes CO ₂ e		2,5	0,8	0,6	1		ESG Performance Report 2023 page 16.
	Scope 2 emissions (Indirect GHG emissions) - market based	1,000 tonnes CO ₂ e		10,2	4,6	4,6	5,4		Climate accounts published on KCC's website under Sustainability/ESG resources.
	Scope 3 emissions (Indirect GHG emissions, created in the value chain)	1,000 tonnes CO ₂ e		72 800	67 800	203 300	114 500		
	Total GHG emissions (location based)	1,000 tonnes CO₂e		369 403	350 601	506 001	376 201		
	Environmental KPIs								
	Carbon intensity (EEOI)	Grams CO ₂ per transported cargo per nautical mile	<5.8	6.5	6.9	7.4	7.4	7.9	
	Average CO ₂ emissions per vessel year	Total CO ₂ emissions in metric tons/ vessel year	<17 700	18 700	17 900	18 800	20 700	19 900	ESG Performance Report 2023 page 17-18.
	% of days in combination trades	Share of on-hire days	85%	79%	83%	68%	77%	73%	
	Ballast days in % of total on-hire days	Share of on-hire days	14%	14%	12%	17%	15%	13%	
	Energy consumption								
	Scope 1 Energy use, stationary consumption (KCC Oslo office)	MWh		0.4	0.16	0.4			
	Scope 1 Energy use, transportation (KCC fleet):								
	- Marine diesel/gas oil	MWh		66 486	53 699	71 942			ESG Performance Report 2023 page 29-30.
	- Marine fuel oil	MWh		1 000 612	962 867	1 017 741			
	- Biodiesel	MWh		-	-	3 290			
	Subtotal Scope 1	MWh		1 067 098	1 016 566	1 092 973			

Material Topic	Key Performance Indicators	Unit	Target 2023	Actual 2023	Actual 2022	Actual 2021	Actual 2020	Actual 2019	Comments and Reference
Climate Change	Scope 2 Energy use - Electricity KCC Office:								
	Electricity Nordic mix	MWh		25,7	30,5	19,0			
	Electricity Singapore	MWh		4,6	no data	no data			
	Subtotal Scope 2 energy use	MWh		30,3	30,5	19,0			
	Total Scope 1 and scope 2	MWh		1 067 128	1 016 597	1 092 992			
	CDP score on Climate Change	Score		A-	B	B			Responses published on KCC's website under Sustainability/ ESG resources
Other air emissions	NOX (nitrogen oxides)	Mt		6 699	6 111	6 755			
	SOX (sulfur oxides)	Mt		760	696	784			
	PM10 (particular matter)	Mt		384	350	379			ESG Performance Report 2023 page 29.
	CH4 (methane)	Mt		5.0	4.6	5			
	CO (carbon monoxide)	Mt		264	242	266			
	N2O (nitrous oxide)	Mt		16.2	15.0	16			
Pollution of water	Spills to the environment	Number of incidents	0	0	0	0	1	0	ESG Performance Report 2023 page 20.
	Waste	Mt		1 426	644	446			Split on 13 categories of waste presented in ESG Performance Report 2023 page 30.
Biodiversity & Ecosystems	No metrics for 2023								
Ship recycling	Recycling of vessels	Number of vessels recycled		-	-	-	-	-	ESG Performance Report 2023 page 20.



ESG Performance Data

Material Topic	Key Performance Indicators	Unit	Target 2023	Actual 2023	Actual 2022	Actual 2021	Actual 2020	Actual 2019	Comments and Reference
Health & safety	Major injuries	Number of injuries	0	-	0	1	0	0	Definitions and comments on performance - see ESG Performance Report 2023 page 23-24.
	Medium injuries	Number of injuries	0	-	0	0	3	5	
	Minor injuries	Number of injuries	0	18	24	42	23	20	
	Lost Time Injury (#of injuries)	Number of injuries	0	0	1	2	6	7	
	Number of hours worked	Number of hours		3.7 mill	3.5 mill	3.3 mill	2.4 mill	2.2 mill	
	Lost Time Injury Frequency (LTIF)	Number of injuries per hour worked	<0.5	0.0	0.3	0.6	2.5	3.2	
	High potential incidents	Number of incidents	0	2	3	11	8		
	Vetting inspections (SIRE)	Number of inspections		52	41	31	25	14	
	Average number of observations per inspection for the Ship Inspection Report programme (SIRE)	Number of observations		3.8	3.7	4.9	4.4	5.5	
	Average number of high risk observations per inspection for the Ship Inspection Report Programme (SIRE)	Number of high risk observations	<2	0.6	0.7	1.9	1.9	2.4	
	Port state controls	Number of port state controls		31	45	33	28	20	
	Average number of deficiencies per port state control	Number of deficiencies	<0.5	1.3	0.7	0.7	1.2	1.0	
	Port state control detentions	Number of detentions		2	1	-	1	1	

Material Topic	Key Performance Indicators	Unit	Target 2023	Actual 2023	Actual 2022	Actual 2021	Actual 2020	Actual 2019	Comments and Reference
Human Capital	Total workforce at sea	Number of employees		644	680	637	890	773	ESG Performance Report 2023 page 25.
	Retention rate crew	Share of retention	>90 %	95%	95%	92%	95%	99%	
	Number of KCC employees onshore	Number of employees		10	11	9	6	Annual Report 2023, Group Note 7	
	Sick leave for KCC employees onshore	Share of days sick		0.95 %	0.25 %	0.29 %	0.08 %	no employees	
Diversity and Equity	% female crew	Share of female crew		0.9 %	0.7 %	0.6 %	0.4 %	0.4 %	ESG Performance Report 2023 page 25.
	# of nationalities at sea	Number of nationalities		5	5	5	5	5	
	% female Board members	Shares of females in the Board		40%	40%	40%	40%	40%	
	% female employees onshore	Shares of female employees		50%	27%	33%	33%	no employees	
	# of nationalites onshore	Number of nationalities		3	5	3	1	no employees	
Human Rights	No metrics for 2023								ESG Performance Report 2023 page 25 and Transparency Act Report 2023 published on KCC's website under Sustainability/ESG Resources.
Labor Rights	No metrics for 2023								



ESG Performance Data

Material Topic	Key Performance Indicators	Unit	Target 2023	Actual 2023	Actual 2022	Actual 2021	Actual 2020	Actual 2019	Comments and Reference
Anti-corruption	# calls in ports that ranked the 20 lowest on the Transparency International Corruption Perception Index		n.a.	0	0	0	2	0	ESG Performance Report 2023 page 27.
	# of reported requests and avoided facilitation payments		> 8	5	9	13	20	26	
	Anti-corruption training for crew		> 75 %	97%	86%	90%	92%	87%	
Compliance and Ethics	Deviations reported on the Norwegian Code of Practice for Corporate Governance	Number of deviations		1	1	2	2		Annual Report 2023 page 11-13.
Whistleblowing	# of whistleblowing cases	Number of reported cases		22	9	2			ESG Performance Report 2023 page 28.
Cyber Security	No metrics for 2023								ESG Performance Report 2023 page 28.



Global Reporting Initiative (GRI) Content Index 2023

Klaveness Combination Carriers ASA (KCC) has reported in accordance with the GRI Standards for the period 1 January 2023 - 31 December 2023.

GRI 1 used: GRI: Foundation 2021

GRI standard/ other source	Disclosure	Page number or link	Omissions	Reason for omission
General disclosures				
GRI 2-1	Organizational details	Klaveness Combination Carriers ASA is a public limited company listed on Oslo Stock Exchange with ticker KCC, headquarter in Oslo, Norway. Global shipping activities: Regions of operation described in note 3 to Annual Report 2023. Unless stated otherwise, the scope of the report includes the company Klaveness Combination Carriers ASA including all subsidiaries; all employees, crew, offices, and operations.		
GRI 2-2	Entities included in the organization's sustainability reporting	Klaveness Combination Carriers ASA (parent company), KCC Shipowning AS (directly/indirectly 100% owned subsidiary), KCC Chartering AS (100% owned subsidiary), KCC Bass AS (100 % owned subsidiary) and Klaveness Combination Carriers Asia Pte Ltd (100% owned subsidiary). List of companies included in financial reporting aligned with ESG performance reporting. Consolidation of information on 100% basis since all subsidiaries are owned 100%.		
GRI 2-3	Reporting period, frequency and contact point	Reporting period is from 1 January 2023 to 31 December 2023 for both the ESG Performance Report and for the Annual Report. KCC as well reports unaudited financials on a quarterly basis, including performance related to environmental KPIs and some health and safety KPIs. Publication date for the Annual Report and the ESG Performance Report is 8 March 2024. Contact person is the CFO, Liv Hege Dyrnes.		
GRI 2-4	Restatements of information	No restatement in 2023.		
GRI 2-5	External assurance	Scope of external assurance discussed with the Audit Committee. Within the CFO's responsibilities. The scope of the assurance is based on what information KCC finds most relevant for the industry and external stakeholders. Greenhouse Gas Emission reporting for 2023 and Environmental KPIs and benchmark have been externally assured by EY, see ESG Performance Report 2023 page 42-43 (limited assurance engagement). EY has confirmed its independence to the Audit Committee of KCC.		
GRI 2-6	Activities, value chain and other business relationships	KCC provides transportation for dry bulk, chemical and clean petroleum product clients, see ESG Performance Report page 3 for description of the Company's value chain and customers. The supply chain consists of e.g. shipyards, agents, bunkers suppliers, crewing offices, insurance companies and different vendors of equipment and services to the vessels. Other relevant business relationships are banks and investors (see description of stakeholder groups on KCC's website). No significant changes from last year for the Company's activities, value chain and other business relationships.		

GRI standard/ other source	Disclosure	Page number or link	Omissions	Reason for omission
General disclosures				
GRI 2-7	Employees	Information of employees is provided in note 7 in the Annual Report 2023. All the Group's employees are permanent, full-time employees.		
GRI 2-8	2-8 Workers who are not employees	The KCC crew is employed on contracts with Klaveness Ship Management AS through partially owned manning agencies in Romania and The Philippines being Maritime Labour Convention accredited, see ESG Performance Report 2023 page 25 for more information. Workforce reported is number of crew members at the end of the reporting period and the crew pool for 2023 is quite stable in number of seafarers compared to 2022.		
GRI 2-9	2-9 Governance structure and composition	The governance structure is described in the Corporate Governance report in the Annual Report 2023 page 11-13 and in the Strategy and Governance section in the ESG Performance Report 2023, page 6. Composition of the BoD is included in note 7 to Annual report 2023 and presentation of all BoD members can be found on the Company's website.		
GRI 2-10	2-10 Nomination and selection of the highest governance body	The nomination process is described in the Corporate Governance Report 2023, see Annual Report 2023 page 11-13. Criteria used is described in note 7 in the Annual Report 2023. Chair of the Board and one additional Board Member are representatives of the major shareholder (Rederiaksjeselskapet Torvald Klaveness).		
GRI 2-11	2-11 Chair of the highest governance body	Chair of the BoD, Ernst Meyer is not a senior executive in the organization. He is the CEO of the majority shareholder, Rederiaksjeselskapet Torvald Klaveness.		
GRI 2-12	2-12 Role of the highest governance body in overseeing the management of impacts	Roles of BoD and Management is described in ESG Performance Report 2023, page 6. The Know Your Counterparty Procedures (KYC procedures) was approved by the BOD in 2020 and the procedures were evaluated and updated in 2022 in relation to the implementation of the Transparency Act (see ESG Performance Report 2023 page 25) and the Transparency Act Report 2023 on the Company's website. KYC Procedures are planned for review in 2024. The procedures include screening for violations related to human rights and environmental issues. The Chair of the BoD is a member of the Business Ethics Committee that discusses general issues and issues related to specific counterparties. See GRI 308-1. Limited interaction between the BoD and stakeholders related to such issues.		
GRI 2-13	2-13 Delegation of responsibility for managing impacts	For responsibilities see page 6 in the ESG Performance Report 2023.		
GRI 2-14	2-14 Role of the highest governance body in sustainability reporting	The ESG Performance Report is approved by the Board of Directors. Prior to approval, material topics, risk assessment and other content have been reviewed and discussed with the Audit Committee and in BoD meetings through the year.		
GRI 2-15	2-15 Conflicts of interest	KCC purchases services from companies owned by the controlling shareholder, Rederiaksjeselskapet Torvald Klaveness. For more information see note 19 in the Annual Report 2023.		
GRI 2-16	2-16 Communication of critical concerns	Information about whistleblowing is provided in the ESG Performance Report 2023 page 28. Whistleblowing cases are reported to the Audit Committee on a regular basis and the BoD if of critical concerns.		
GRI 2-17	2-17 Collective knowledge of the highest governance body	During 2023, The Board of Directors have started to expand their knowledge for Corporate Sustainability Reporting Directive (CSRD). Chair of Audit Committee has participated in a course on CSRD in 2023. The administration will arrange for a course in CSRD for all BOD members in 2024. The Board of Directors was given access to the Decarbonization courses by Klaveness Academy since 2021.		
GRI 2-18	2-18 Evaluation of the performance of the highest governance body	The BoD has no formal evaluation process, but ends some BOD meetings with an evaluation of the meeting. The evaluation is not independent. No actions were considered necessary in 2023 in response to the evaluations.		

GRI standard/ other source	Disclosure	Page number or link	Omissions	Reason for omission
General disclosures				
GRI 2-19	2-19 Remuneration policies	Remuneration Guidelines for Senior Executives are available on the Company's website under General Meetings. Remuneration information related to management and the BoD can be found in the Corporate Governance Report 2023 section 11 and 12, see Annual Report 2023 page 11-13. Information related to salary and other payments for BoD and Senior Executives is provided in note 7 to the Annual Report 2023 and in the Statement on Remuneration, the latter available on the Company's website under General Meetings. Remuneration of the BoD does not relate to the Company's impacts on the economy, environment and people.		
GRI 2-20	2-20 Process to determine remuneration	Remuneration Guidelines and Statement on Remuneration for Senior Executive are available on the Company's website under General Meetings. The Guidelines and the Statement were approved by the Annual General Meeting in April 2023 and voting can be found in the minutes to the General Meeting on the web site. Statement on remuneration for 2023 and updated guidelines, if relevant, will be prepared for approval by the Company's Annual General Meeting in April 2024. Remuneration consultants have been involved for an evaluation of the remuneration program for the management updated in 2023.		
GRI 2-21	2-21 Annual total compensation ratio		2-21 Annual total compensation ratio	Calculations not made. Will be partly reported to the Annual General Meeting in April 2024
GRI 2-22	2-22 Statement on sustainable development strategy	CEO letter in ESG Performance Report 2023 page 4. Environmental strategy for 2023-2050 have been approved by BoD. Published on the Company's website.		
GRI 2-23	2-23 Policy commitments	KCC has the following policies, codes and procedures which include commitments related to responsible business conduct and/or respect of human rights: <ul style="list-style-type: none"> • Code of Conduct • Counterparty Code of Conduct • Know Your Counterparty Procedures • Anti-corruption and Business Ethics Guidelines • Competition Law Compliance Manual • Guidelines for Whistleblowing <p>All policies, codes and procedures are available for all employees on a shared website and all employees receive training.</p>	2-23 Policy commitments	Not fully answered in line with GRI requirements
GRI 2-24	2-24 Embedding policy commitments	KCC performs a due diligence on all its counterparties in line with the Know Your Counterparty Procedures. The Procedures include screening related to business ethics through adverse media report screening. Base case is that all contracts should include a reference to the Counterparty Code of Conduct stating what KCC expects of its counterparties. All employees receive compliance training in relevant topics every year.		
GRI 2-25	2-25 Processes to remediate negative impacts	KCC has a whistleblowing channel, see description in ESG Performance Report 2023 page 28 and on the Company's website. The Chief Compliance Officer (CCO) in Torvald Klaveness receives and handles notifications for shore-based personnel and external cases and a Designated Person in Klaveness Ship Management AS for crew. The Audit Committee of KCC is notified of KCC-relevant cases. The cases are handled on a case-by-case basis and the content level related to how the cases have been handled are reviewed through the annual compliance survey.		
GRI 2-26	2-26 Mechanisms for seeking advice and raising concerns	The legal department and the KYC/risk team are supporting the organization in how to implement policies and practices for responsible business conduct. The Company has guidelines for whistleblowing and a whistleblowing channel, see page 28 in the ESG Performance Report 2023 and the Code of Conduct available on the Company's website.		

GRI standard/ other source	Disclosure	Page number or link	Omissions	Reason for omission
General disclosures				
GRI 2-27	2-27 Compliance with laws and regulations	KCC has not identified any non-compliance with environmental laws in 2023. KCC has not identified any non-compliance with laws and/or regulations in the social and economic area in 2023.		
GRI 2-28	2-28 Membership associations	Memberships in associations where KCC/Klaveness plays an active role: <ul style="list-style-type: none"> • Norwegian Shipowners Association (NR): Board member in NR's Deepsea Group, member of NR's Recycling Reference Group and member of the Environment Group • Sea Cargo Charter (SCC): Member of SCC Steering Committee and SCC Technical Committee • BIMCO: Representative in BIMCO's documentary Committee • Smart Maritime: Active industry partner • Climate Change Mitigation In the Maritime Sector (CLIMMS): Industry partner <p>Other memberships: <ul style="list-style-type: none"> • Maritime Anti-Corruption Network (MACN): Klaveness was one of seven founding members in 2011 • Getting to zero 2030 coalition • Intertanko • Sustainable Shipping Initiative (SSI) </p>		
GRI 2-29	2-29 Approach to stakeholder engagement	Stakeholder engagement described in ESG Performance Report 2023 page 7 with further description of stakeholder groups, their concerns and how we engage on Company website.		
GRI 2-30	2-30 Collective bargaining agreements	No KCC employees are covered by collective bargaining agreements. From Klaveness Counterparty Code of Conduct: Klaveness expects its counterparties to support and respect internationally recognized labor rights, including the freedom of association and the right to collective bargaining within national laws and regulations.	b. Working conditions and terms of employment based on collective bargaining agreements for other employees	n.a.
Material topics				
GRI 3: Material Topics 2023	3-1 Process to determine material topics	ESG Performance Report 2023, page 6-7.		
GRI 3: Material Topics 2023	3-2 List of material topics	ESG Performance Report 2023, page 5 and 7, Company website: https://www.combinationcarriers.com/sustainability		
Environment	UN Global Compact SDGs: Principle 3 (Good Health & Wellbeing), Principle 8 (Decent Work and Economic Growth, Principle 13 (Climate Action) and Principle 14 (Life Below Water)			
Energy				
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Performance Report 2023, page 6-7.		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	ESG Performance Report 2023, section Additional ESG topics, page 29-30.	d.	d. n.a. as KCC does not sell electricity etc.
GRI 302: Energy 2016	302-2 Energy consumption outside of the organization		KCC does not have data for energy consumption outside the organization	Information unavailable/incomplete

GRI standard/ other source	Disclosure	Page number or link	Omissions	Reason for omission
Biodiversity				
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Performance Report 2023, page 6-7 and page 21.		
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		No operational sites owned adjacent to protected areas	n.a.
	304-2 Significant impacts of activities, products and services on biodiversity	ESG Performance Report 2023, section Additional ESG topics, page 21.		
	304-3 Habitats protected or restored		Biodiversity	KCC does not work on protecting or restoring a specific habitat or named area. In 2024, KCC will evaluate and implement a policy to better protect marine mammals by following non-mandatory recommendations for speed and routing in key areas for marine mammals.
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	ESG Performance Report 2023, section Additional ESG topics, page 21.	Biodiversity	KCC does not have data for IUCN Red list species and their habitats near the standard shipping lanes we operate in.
Guidelines of the Norwegian Shipowners' Association	Shipping duration in marine protected areas and areas of protected conservation status	ESG Performance Report 2023, Other ESG topics, page 21.	KCC does not currently have data related to shipping duration in marine protected areas and areas of protected conservation status.	Information unavailable/incomplete

GRI standard/ other source	Disclosure	Page number or link	Omissions	Reason for omission
Emissions				
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Performance Report 2023, page 6-7.		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions, Poseidon Principles, IMO MEPC.304(72)	ESG Performance Report 2023, page 16. The full GHG accounts have been made available on www.combinationcarriers.com .		
	305-2 Energy indirect (Scope 2) GHG emissions	ESG Performance Report 2023, page 16.		
	305-3 Other indirect (Scope 3) GHG emissions	ESG Performance Report 2023, page 16.		
	305-4 GHG emissions intensity	ESG Performance Report 2023, page 17.		
	305-5 Reduction of GHG emissions	ESG Performance Report 2023, page 17-18 and page 11-15.		
	305-6 Emissions of ozone-depleting substances (ODS)	ESG Performance Report 2023, Additional ESG topics, page 29.	KCC does not have production, imports, or exports of ODS	n.a.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions, MARPOL Annex VI Reg. 13 and 14	ESG Performance Report 2023, Additional ESG topics, page 29.	No reporting of POP, VOC, HAP, as they are not available, however emissions of CH4, BC, N2O and CO reported instead.	Information unavailable/incomplete
KCC KPIs	KCC defined KPIs for % in combination trade and % in ballast	ESG Performance Report 2023, page 17. Independent assurance report from EY; ESG Performance Report page 42-43.		

GRI standard/ other source	Disclosure	Page number or link	Omissions	Reason for omission
Waste				
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Performance Report 2023, page 6-7.		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	ESG Performance Report 2023, Other ESG topics, page 30.		
	306-2 Management of significant waste-related impacts	ESG Performance Report 2023, Other ESG topics, page 30.		
	306-3 Waste generated	ESG Performance Report 2023, Other ESG topics, page 30.		
	306-4 Waste diverted from disposal	ESG Performance Report 2023, Other ESG topics, page 30.		
	306-5 Waste directed to disposal	ESG Performance Report 2023, Other ESG topics, page 30.		
Guidelines of the Norwegian Shipowners' Association	Number and aggregate volume of spills and releases to the environment	ESG Performance Report 2023, page 20.		
Responsible ship recycling				
Hong Kong Convention, Flag state rules, Guidelines of the Norwegian Shipowners' Association	Policy for recycling of ships. Number of ships recycled during the reporting period with measures taken to ensure responsible recycling.	Policy described in ESG Performance Report 2023, page 21. No vessels have been recycled during the year.		
Social	UN Global Compact SDGs: Principle 3 (Good Health & Wellbeing), Principle 5 (Gender Equality), Principle 8 (Decent Work and Economic Growth) and Principle 10 (Reduced Inequalities)			

Occupational health and safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	Safety is priority number one for KCC. Description on how we work with safety culture and implement systems and routines are described in ESG Performance Report 2023 page 23-25 and page 31-32 (section "Other ESG topics"). KPIs for health and safety is reported to the BoD on a quarterly basis.		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	ESG Performance Report 2023, page 31 (Section Occupational health and safety management system).		
	403-2 Hazard identification, risk assessment, and incident investigation	ESG Performance Report 2023, page 31 (Section Hazard identification, risk assessment and incident investigation) and page 28 for information regarding the Company's whistleblowing channel.		
	403-3 Occupational health services	ESG Performance Report 2023, page 31 (Section Occupational health services).		

GRI standard/ other source	Disclosure	Page number or link	Omissions	Reason for omission	
Occupational health and safety					
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	ESG Performance Report 2023, page 31 (Section Worker participation, consultation and communication on occupational health and safety).			
	403-5 Worker training on occupational health and safety	ESG Performance Report 2023, page 31-32 (Section Worker training on occupational health and safety).			
	403-6 Promotion of worker health	ESG Performance Report 2023, page 32 (Section Promotion of worker health).			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	ESG Performance Report 2023, page 32 (Section Prevention and mitigation of occupational health and safety impacts directly linked by business relationships).			
	403-8 Workers covered by an occupational health and safety management system	The scope of workers is defined as all employees in the ship manager company (Klaveness Ship Management AS, 100%) and all vessel crew (100%). All visitors on board the vessels (e.g. service people, authorities, pilot or agents) are subject to the QMS when visiting the vessels.			
	403-9 Work-related injuries, IMO ISM code	ESG Performance Report 2023, page 24 (Section Safety performance, statistics presented for KCC crew)	403-9 Work-related injuries, IMO ISM code	Not fully answered in line with GRI requirements	
	Vetting and port state control				
	Guidelines of the Norwegian Shipowners' Association	Port state control: Number of deficiencies and detentions received from regional port state control (PSC) organisations.	ESG Performance Report 2023, page 24.		

Employment				
GRI 3: Material Topics 2021	3-3 Management of material topics	KCC follows established HR policy and guidelines in Torvald Klaveness Group for employees onshore. The Employment Manual complies with the mandatory provisions of the Norwegian Working Environment Act and the local rules in Singapore and has been designed to provide a comprehensive picture of the current HR policy and guidelines and aims to contribute to good HR policy, explain rights and obligations attached to employment, provide consistency and security, contribute to equal treatment of employees and explain current welfare benefits. The Employee Manual is updated regularly by the HR Department. In case of material changes the Joint Working Environment Committee (SAMU/AMU) will be informed and invited to comment.		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Two new employee hires in 2023. One employee left the Company in 2023. In addition, two employees were transferred from Singapore to Dubai and are now employed by Klaveness Asia Pte. Ltd - Dubai Branch (related party).	Age group and rate of new employees/turnover not provided	KCC does not provide such information

GRI standard/ other source	Disclosure	Page number or link	Omissions	Reason for omission
Employment				
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Benefits to full-time employees: KCC employees in Norway are covered by life insurance and defined contribution pension by Gjensidige, travel insurance by Gauda/Gjensidige and health insurance by Vertikal. Other benefits include access to training facilities, holiday resorts and subsidised canteen. Employees in parental leave receives full pay with an upper limit of 12G as a basis for yearly pay. KCC employees in Singapore are covered by medical insurance and employees in parental leave receives pay in line with current internal policy which give 4 weeks extra pay in addition to pay regulated by local rules. KCC has employees in Norway and Singapore (se note 7 to Annual Report 2023).		
	401-3 Parental leave	One KCC employee has been in parental leave during 2023.		
Training and education for employees onshore				
GRI 3: Material Topics 2021	3-3 Management of material topics	Klaveness Academy provides training within several topic to the employees. KCC strives to build a culture that embraces development and create trust, a culture where every employee can take out their full potential. The Company wants its employees to grow and develop continuously.		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	An estimated 10 hours of training were offered to every employee in 2023 (2022: 15 hours) (Compliance program, Feedback program and IT webinars).		
	404-2 Programs for upgrading employee skills and transition assistance programs	Compliance program, Feedback program, IT webinars.	b. KCC has no retirement or termination of employment in 2022 and 2023	n.a.
	404-3 Percentage of employees receiving regular performance and career development reviews	100% of all full time employees take part in the Performance, Target and development (PTD) process. Mandatory to all employees.		
Diversity and equal opportunity - employees onshore				
GRI 3: Material Topics 2021	3-3 Management of material topics	KCC is reliant upon talented and dedicated employees. All employment related decisions shall be based upon relevant qualifications, merit, performance and other job-related factors. We shall ensure equal rights for all, irrespective of gender, gender identification, ethnicity, religion, sexual orientation, disability or social status. When seeking new employees, both genders are required to be included in the process.		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Information provided in salary note 7 in Annual Report for 2023.	a. ii and b. ii age group	KCC does not provide such information


GRI standard/ other source	Disclosure	Page number or link	Omissions	Reason for omission
Governance	UN Global Compact SDGs: Principle 10 (Reduced Inequalities), Principle 16 (Peace, Justice And Strong Institutions) and Principle 17 (Partnerships For The Goals).			
Anti-corruption				
GRI 3: Material Topics 2021	3-3 Management of material topics	Description on how KCC manages anti-corruption and relevant guidelines are described in ESG Performance Report 2023, page 27 and on the Company's website.		
	205-1 Operations assessed for risks related to corruption	ESG Performance Report 2023, page 27.		
	205-2 Communication and training about anti-corruption policies and procedures	Policies, procedures and reporting on KPIs are discussed and reviewed in BoD meetings on a regularly basis. Training for onshore employees (incl Management of KCC) is managed by the Klaveness Compliance Program of which anti-corruption is part of the mandatory program (Sustainability report 2023 page 28). Crew training is described in ESG Performance Report 2023, page 31. KCC's anti-corruption policies and procedures are communicated to business partners through the Counterparty Code of Conduct (published on the Company's website).		
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	ESG Performance Report 2023, page 27. No incidents of corruption in which employees were dismissed or disciplined for corruption. No termination or not renewed contracts with business partners. No public legal cases regarding corruption.		
Supplier environmental assessment				
GRI 3: Material Topics 2021	3-3 Management of material topics	The day-to-day work related to the Know Your Counterparty Procedures is performed by a specialist department in Torvald Klaveness. The procedures are evaluated by a Compliance Committee from time to time and changes are approved by the CEO of Torvald Klaveness/Chair of KCC.		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	The following assessment is made for all suppliers and counterparties as part of the Know Your Counterparty Procedures: <ul style="list-style-type: none"> • Business screening (identifying company structure, ultimate beneficial ownership, assessment of operation and consequential risks to people and environment); • Sanction screening (US, UN, EU and UK sanctions); • Adverse media report screening (illegal activities or risk thereof, reports from NGOs of human rights violations and harming environment); • Inclusion on selected Asset Managers non-tradable list 		
	308-2 Negative environmental impacts in the supply chain and actions taken	All suppliers and other counterparties are being assessed as per 308-1 above.	b.-e. Numbers	Aggregated statistics not available

Cautionary Statement

This report contains certain forward-looking statements that involve risks and uncertainties. The forward-looking statements reflect current views about future events and are, by their nature, subject to significant risks and uncertainties since they relate to events and depend on circumstances that will occur in the future. There is a number of risks, uncertainties and other factors that may cause actual results, events and developments to differ materially from those expressed or implied by these forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot provide assurance that our future results, level of activity, performance or achievements will meet these expectations.

We, our parent or subsidiary undertakings, and any such person's officers, directors, or employees are unable to provide any assurance that the assumptions underlying such forward-looking statements are free from errors, nor do any of the aforementioned persons accept any responsibility for the future accuracy of the opinions expressed in this report or the actual occurrence of the forecasted developments described herein. Unless we are required by law to update these statements, we will not necessarily update any of these statements after the date of this report, either to make them conform to actual results or changes in our expectations. You should therefore not place undue reliance on forward-looking statements.

The CEO and Board of Directors of Klaveness Combination Carriers ASA

 Admincontrol

List of Signatures Page 1/1

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Andreassen, Gøran	BANKID	2024-03-08 01:06 GMT+01
Johansen, Winifred P Loum	BANKID	2024-03-07 21:48 GMT+01
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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, to report on Klaveness Combination Carriers ASA's selected indicators as defined and specified in table "Emission Performance" on page 17 and "ESG Performance Data" on page 33 in Klaveness Combination Carriers ASA's ESG Performance Report 2023, as of 31 December 2023 and for the period from 1 January to 31 December 2023 (the "Subject Matter") as for the year then ended. The selected indicators included in the "Subject Matter" are:

- EEOI (Energy Efficiency Operational Index)
- Average CO2 emissions per vessel
- % in combination trade
- Ballast days in % of on-hire days
- Benchmark 2023
- Total greenhouse gas emission (scope 1, scope 2 and scope 3)

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the ESG Performance Report 2023, and accordingly, we do not express a conclusion on this information.

Criteria applied by Klaveness Combination Carriers ASA

In preparing the Subject Matter, Klaveness Combination Carriers ASA applied two set of criteria (the "Criteria"). For EEOI (Energy Efficiency Operational Index), Average CO2 emissions per vessel, % in combination trade, Ballast days in % of on-hire days and Benchmark 2023, the applicable criteria is shown on page 17 of the report. For Total greenhouse gas emission reporting (scope 1, scope 2 and scope 3), the relevant criteria applied is the Greenhouse Gas Protocol that can be accessed at www.ghgprotocol.org and are available to the public. Such Criteria were specifically designed for companies and other organizations that want to report their sustainability impacts in a consistent and credible way. As a result, the Subject Matter information may not be suitable for another purpose.

Klaveness Combination Carriers ASA's responsibilities

The Board of Directors and 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 on Greenhouse Gas Statements* ('ISAE 3410'). This standard requires that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented 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 Control

We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

The Green House Gas quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, quantification of GHG's is subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

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 2023 and for the year then ended in order for it to be in accordance with the Criteria.

Oslo, 7 March 2024
ERNST & YOUNG AS

The attestation report is signed electronically

Johan Lid Nordby
State Authorised Public Accountant


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Johan Lid Nordby
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