



Klaveness Combination Carriers ASA

# 2025 CDP Corporate Questionnaire 2025

Word version

**Important: this export excludes unanswered questions**

This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.

[Read full terms of disclosure](#)

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## C1. Introduction

### (1.1) In which language are you submitting your response?

Select from:

English

### (1.2) Select the currency used for all financial information disclosed throughout your response.

Select from:

USD

### (1.3) Provide an overview and introduction to your organization.

#### (1.3.2) Organization type

Select from:

Publicly traded organization

#### (1.3.3) Description of organization

*Klaveness Combination Carriers ASA (KCC) is a shipping company which owns and operates combination carriers within the deep-sea product tanker and dry bulk segments. The combination carriers provide the transportation service of both a standard MR or LR1 product tanker and a standard panamax or kamsarmax dry bulk vessel. The vessels ship tanker cargoes into dry bulk export hubs such as Australia and South America and ship dry bulk cargoes on the return leg. They are employed in trades where standard dry bulk and tanker vessels sail empty (sail in ballast) over long distances due to trade imbalances. KCC strives to solve inefficiencies by consecutively switching between dry and wet cargo shipments and most of the time KCC's combination carriers combine a tanker cargo in one direction and a dry bulk cargo on the return voyage with minimum ballast in-between. Due to their superior efficiency, each of KCC's combination carriers do the transportation work and replace roughly  $\frac{3}{4}$  tanker vessel and  $\frac{3}{4}$  dry bulk vessel in KCC's combination trades, reducing emissions throughout their operational life from construction at the shipyard, through daily operation to recycling. Emissions from daily operation and fuel oil combustion of standard tanker and dry bulk vessels represent more than 90% emissions in a life cycle perspective. KCC was established in 2018 and the shares are listed on Oslo Stock Exchange. Rederiaksjeselskapet Torvald Klaveness is the main shareholder and holds approx. 53.8 % of total shares. Torvald Klaveness has been an owner and operator of combination carriers since the early 1950s. Over this period the company has developed and refined vessel design, equipment, operational procedures and crew training to provide the customers with the most efficient and environmentally friendly, high-quality shipping services. As per year end 2024, KCC had a fleet of 16 vessels in operation. KCC is the world leader in combination carriers, owning and operating eight CABU (caustic soda solution - bulk) and eight CLEANBU (clean*

petroleum product - bulk) combination carriers. The efficient trading pattern and diversified market exposure of KCC's combination carriers results in: Higher asset utilization through having two laden legs, which gives a higher number of revenue days compared to standard vessels. Substantial fuel cost advantage with 30-40% lower fuel consumption per ton-mile transported cargo compared to standard dry bulk and tanker vessels in the same trades. Reduced emissions per transported ton of cargo, minimizing the environmental footprint of the fleet. Lower freight costs to our customers compared to the best alternative mode of transportation while at the same time giving our shareholders higher earnings over time and downside protection compared to standard shipping segments. Profit for the year 2024 was USD 81.4 million, down from USD 86.9 million in 2023, driven mainly by stronger tanker markets, higher capacity in tanker trades and more on-hire days due to less dry-docking. Net revenue from operation of vessels decreased 2% from USD 196.8 million in 2023 to USD 191.9 million in 2024. Average TCE earnings of 35,368 \$/day for the fleet in 2024 increased somewhat compared to 2023 (34,983 \$/day).

[Fixed row]

**(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.**

	End date of reporting year	Alignment of this reporting period with your financial reporting period	Indicate if you are providing emissions data for past reporting years
	12/30/2024	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> No

[Fixed row]

**(1.4.1) What is your organization's annual revenue for the reporting period?**

278259000

**(1.5) Provide details on your reporting boundary.**

	<p>Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?</p>
	<p>Select from:</p> <p><input checked="" type="checkbox"/> Yes</p>

[Fixed row]

**(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?**

**ISIN code - bond**

**(1.6.1) Does your organization use this unique identifier?**

Select from:

Yes

**(1.6.2) Provide your unique identifier**

NO0013008656

**ISIN code - equity**

**(1.6.1) Does your organization use this unique identifier?**

Select from:

Yes

**(1.6.2) Provide your unique identifier**

NO0010833262

## CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:

No

## Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:

Yes

(1.6.2) Provide your unique identifier

KCC

## SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:

No

## LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:

Yes

(1.6.2) Provide your unique identifier

## D-U-N-S number

### (1.6.1) Does your organization use this unique identifier?

Select from:

No

## Other unique identifier

### (1.6.1) Does your organization use this unique identifier?

Select from:

No

[Add row]

## (1.7) Select the countries/areas in which you operate.

Select all that apply

Norway

Singapore

## (1.21) For which transport modes will you be providing data?

Select all that apply

Marine

## (1.24) Has your organization mapped its value chain?

### (1.24.1) Value chain mapped

Select from:

Yes, we have mapped or are currently in the process of mapping our value chain

## (1.24.2) Value chain stages covered in mapping

Select all that apply

- Upstream value chain
- Downstream value chain

## (1.24.3) Highest supplier tier mapped

Select from:

- Tier 1 suppliers

## (1.24.4) Highest supplier tier known but not mapped

Select from:

- Tier 2 suppliers

## (1.24.7) Description of mapping process and coverage

*Value chain mapping has been documented as part of the Company's double materiality assessment. Key business activities have been identified and discussed with participants from the organisation (e.g. CFO, Klaveness Ship Management, Chartering responsible, operators, project management). The assessment includes key business activities, business relationships and/or dependencies for the Company's own operations, upstream and downstream.*

*[Fixed row]*

## (1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

### (1.24.1.1) Plastics mapping

Select from:

- No, and we do not plan to within the next two years

### (1.24.1.5) Primary reason for not mapping plastics in your value chain

Select from:

Judged to be unimportant or not relevant

### **(1.24.1.6) Explain why your organization has not mapped plastics in your value chain**

*Use of plastics in KCC's business activities are not considered to be material. All KCC vessels have a Garbage Management Plan onboard in accordance with IMO guidelines. All waste from vessels are sorted, and plastics are recycled. Handling of waste is further described in the Sustainability Statement as part of Annual Report 2024 page 43-44.*

*[Fixed row]*

## **C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities**

**(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?**

### **Short-term**

**(2.1.1) From (years)**

0

**(2.1.3) To (years)**

2

**(2.1.4) How this time horizon is linked to strategic and/or financial planning**

*Based on the expected industry development, useful life of vessels and KCC's strategy, the short-, medium- and long-term horizons have been set as follows in this overview. Within the short-term period, KCC has to ensure it has sufficient liquidity to meet liabilities and commitments as they fall due, and have sufficient funds to withstand at least twelve months of weak markets/earnings.*

### **Medium-term**

**(2.1.1) From (years)**

3

**(2.1.3) To (years)**

9

**(2.1.4) How this time horizon is linked to strategic and/or financial planning**

*To maintain sufficient financial capacity and to accommodate the business strategy KCC must maintain sufficient financial capacity, prepare for future uncertainty and see through the cycle. An example of the importance of the medium-term horizon is impact considerations of emission regulations, zero-emission vessels and lower demand for transportation of fossil fuels which will impact earnings capacity and investment decision for KCC over next 3-9 year period.*

## Long-term

### (2.1.1) From (years)

10

### (2.1.2) Is your long-term time horizon open ended?

Select from:

No

### (2.1.3) To (years)

30

### (2.1.4) How this time horizon is linked to strategic and/or financial planning

*Approximately 80% of KCC's balance sheet consists of vessels. KCC plans to utilize the vessels over the entire lifetime which is approximately 25 years (asset play is not the strategy of our ownership for the vessels). As an example of importance of a long-term horizon, when KCC invests in newbuildings, financial planning considerations includes identification of technical, operational and commercial risks with potential impact on the earnings capacity of the vessels and/or vessel values over the vessel life. This assessment is basis for any investment decision.*

*[Fixed row]*

## (2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Dependencies and/or impacts evaluated in this process
	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> Both dependencies and impacts

[Fixed row]

**(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?**

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> Both risks and opportunities	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

**(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.**

**Row 1**

**(2.2.2.1) Environmental issue**

Select all that apply

- Climate change

### (2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

*Select all that apply*

- Dependencies
- Impacts
- Risks
- Opportunities

### (2.2.2.3) Value chain stages covered

*Select all that apply*

- Direct operations
- Upstream value chain
- Downstream value chain
- End of life management

### (2.2.2.4) Coverage

*Select from:*

- Partial

### (2.2.2.5) Supplier tiers covered

*Select all that apply*

- Tier 1 suppliers

### (2.2.2.7) Type of assessment

*Select from:*

- Qualitative and quantitative

### (2.2.2.8) Frequency of assessment

Select from:

- More than once a year

### (2.2.2.9) Time horizons covered

Select all that apply

- Short-term
- Medium-term
- Long-term

### (2.2.2.10) Integration of risk management process

Select from:

- Integrated into multi-disciplinary organization-wide risk management process

### (2.2.2.11) Location-specificity used

Select all that apply

- Site-specific
- Local

### (2.2.2.12) Tools and methods used

Enterprise Risk Management

- Internal company methods

International methodologies and standards

- ISO 14001 Environmental Management Standard
- Other international methodologies and standards, please specify :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 and the EU Ship Recycling Regulation.

Other

- Desk-based research
- External consultants

- ☑ Materiality assessment
- ☑ Scenario analysis

### (2.2.2.13) Risk types and criteria considered

#### Acute physical

- ☑ Drought
- ☑ Tornado
- ☑ Cyclones, hurricanes, typhoons
- ☑ Heavy precipitation (rain, hail, snow/ice)
- ☑ Flood (coastal, fluvial, pluvial, ground water)
- ☑ Storm (including blizzards, dust, and sandstorms)

#### Chronic physical

- ☑ Increased severity of extreme weather events

#### Policy

- ☑ Carbon pricing mechanisms
- ☑ Changes to international law and bilateral agreements

#### Market

- ☑ Availability and/or increased cost of raw materials
- ☑ Changing customer behavior

#### Reputation

- ☑ Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)

#### Technology

- ☑ Transition to lower emissions technology and products
- ☑ Unsuccessful investment in new technologies

#### Liability

- ☑ Non-compliance with regulations

### (2.2.2.14) Partners and stakeholders considered

Select all that apply

- Customers
- Employees
- Investors
- Regulators
- Suppliers

### (2.2.2.15) Has this process changed since the previous reporting year?

Select from:

- No

### (2.2.2.16) Further details of process

*KCC's process of identifying, assessing, and responding to climate related dependencies, impacts, risks and opportunities is integrated into the overall multidisciplinary risk management process. The risk assessment is performed on a quarterly basis and the value chain is assessed both upstream and downstream in addition to direct effects on KCC's business activities. The aluminum industry is a good example of where KCC is dependent on the entire value chain as we transport caustic soda to the alumina refineries and alumina from the refineries to the aluminum smelters. In this value chain we assess for example how sourcing of caustic soda changes and how demand for the final product, aluminum, develops based on different types of risks, including climate-related risks.*

[Add row]

## (2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

### (2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

- Yes

### (2.2.7.2) Description of how interconnections are assessed

*KCC has performed a double materiality assessment (DMA). The DMA has been performed in line with methods and documentation requirements in ESRS 1 (Corporate Sustainability Reporting Directive, CSRD). The assessment integrates environmental dependencies, impacts, risks and opportunities and relevant topics are scored in line with defined time horizons, impact and probability levels as described in 2.2.2. The assessment takes into account stakeholder expectations based on stakeholder dialogues, likely future regulations, trends and technological developments. A material dependency, impact, risk and opportunity could materially impact the financial results, reputation, business model or strategy. When the combination of probability and impact is higher than what is acceptable, mitigating actions are implemented either based on management decision or if relevant, after discussions with the Board of Directors. One example to illustrate the interconnections is the fact that 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 mandatory blending of low carbon fuels, are implemented. In addition, customer expectations and requirements are becoming stricter. Climate change has been identified as material impact, risk and opportunity for KCC in the double materiality assessment conducted for 2024 and continues to be the centerpiece of KCC's strategy.*

*[Fixed row]*

## **(2.3) Have you identified priority locations across your value chain?**

### **(2.3.1) Identification of priority locations**

*Select from:*

No, but we plan to within the next two years

### **(2.3.7) Primary reason for not identifying priority locations**

*Select from:*

Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

### **(2.3.8) Explain why you do not identify priority locations**

*Our vessels operate globally and main priority/focus are to reduce emissions from our fleet. We plan to conduct a more thorough value chain assessment which may identify priority locations where KCC can have an impact.*

*[Fixed row]*

## **(2.4) How does your organization define substantive effects on your organization?**

### **Risks**

## (2.4.1) Type of definition

Select all that apply

- Qualitative
- Quantitative

## (2.4.2) Indicator used to define substantive effect

Select from:

- Other, please specify :Cash or equity

## (2.4.3) Change to indicator

Select from:

- Absolute decrease

## (2.4.5) Absolute increase/ decrease figure

3000000

## (2.4.6) Metrics considered in definition

Select all that apply

- Likelihood of effect occurring

## (2.4.7) Application of definition

*When identifying and assessing climate-related risks and opportunities over the next 12 months (short-term), we have defined a substantive financial or strategic impact on our business using the set thresholds for impact on equity or cash and probability. Risk assessment for next 12 months period is conducted several times each year. Ranking of the most important risks are based on likelihood (e.g. 50 % probability for risk to occur), economic impact (e.g. effect estimated to be USD 10 million) and timeliness (may happen within next 12 months period). Thresholds for likelihood are set as 1) <3 % = Low 2) 3%-17 % = Medium 3) >17%-30% = High. Thresholds for Impact is set as 1) <3MUSD= Low, 2) 3 - 7 MUSD= Medium 3) >7-15 MUSD = High. A material dependency, impact, risk and opportunity could materially impact the financial results, reputation, business model or strategy. When the combination of probability and impact is higher than thresholds, mitigating actions are implemented either based on management decision or if relevant, after discussions with the Board of Directors. Impact and probability for the longer-term horizons are more uncertain, hence the assessment is less quantitative than the short-term assessment. An assessment for the main risks from 12 months – 10 years is included at least annually. The risk management process includes the following: i) Normally on a quarterly basis a cross-functional team (finance, commercial,*

operations, management) discusses the overall risk development with focus on main risks and new risks discovered, including assessing impact and probability for each risk and define potential mitigating actions for the main risks. ii) The management discusses main risks with the Audit Committee and the Board of Directors.

## Opportunities

### (2.4.1) Type of definition

Select all that apply

- Qualitative
- Quantitative

### (2.4.2) Indicator used to define substantive effect

Select from:

- Other, please specify :Cash or equity

### (2.4.3) Change to indicator

Select from:

- Absolute increase

### (2.4.5) Absolute increase/ decrease figure

3000000

### (2.4.6) Metrics considered in definition

Select all that apply

- Likelihood of effect occurring

### (2.4.7) Application of definition

When identifying and assessing climate-related risks and opportunities over the next 12 months (short-term), we have defined a substantive financial or strategic impact on our business using the set thresholds for impact on equity or cash and probability. Risk assessment for next 12 months period is conducted several times each year. Ranking of the most important risks are based on likelihood (e.g. 50 % probability for risk to occur), economic impact (e.g. effect estimated to be USD 10

million) and timeliness (may happen within next 12 months period). Thresholds for likelihood are set as 1) <3 % = Low 2) 3%-17 % = Medium 3) >17%-30% = High. Thresholds for Impact is set as 1) <3MUSD= Low, 2) 3 - 7 MUSD= Medium 3) >7-15 MUSD = High. A material dependency, impact, risk and opportunity could materially impact the financial results, reputation, business model or strategy. When the combination of probability and impact is higher than thresholds, mitigating actions are implemented either based on management decision or if relevant, after discussions with the Board of Directors. Impact and probability for the longer-term horizons are more uncertain, hence the assessment is less quantitative than the short-term assessment. An assessment for the main risks from 12 months – 10 years is included at least annually. The risk management process includes the following: i) Normally on a quarterly basis a cross-functional team (finance, commercial, operations, management) discusses the overall risk development with focus on main risks and new risks discovered, including assessing impact and probability for each risk and define potential mitigating actions for the main risks. ii) The management discusses main risks with the Audit Committee and the Board of Directors. [Add row]

### C3. Disclosure of risks and opportunities

**(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?**

#### Climate change

##### (3.1.1) Environmental risks identified

Select from:

Yes, both in direct operations and upstream/downstream value chain

#### Plastics

##### (3.1.1) Environmental risks identified

Select from:

No

##### (3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

Environmental risks exist, but none with the potential to have a substantive effect on our organization

##### (3.1.3) Please explain

*Impact is not considered to have substantive effect. All vessels generate waste, including plastics, however KCC is resolutely committed to follow IMO regulations and guidelines. Plastics from the vessels and office is included as one of the waste categories reported, see Sustainability Statement as part of Annual Report 2024, page 43-44 for more information.*

*[Fixed row]*

**(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.**

## Climate change

### (3.1.1.1) Risk identifier

Select from:

Risk1

### (3.1.1.3) Risk types and primary environmental risk driver

Technology

Transition to lower emissions technology and products

### (3.1.1.4) Value chain stage where the risk occurs

Select from:

Direct operations

### (3.1.1.6) Country/area where the risk occurs

Select all that apply

Norway

### (3.1.1.9) Organization-specific description of risk

*For deep sea shipping there are uncertainties related to future propulsion technology as there presently are no available alternative propulsion technologies and zero emission fuels are not available globally. Batteries are for example not possible to use for vessels sailing such large distances and ammonia and methanol is not available in large scale or in all regions. Early investment in new propulsion technology will hence be risky as chosen technology might not be the winner in the long run. However, when new propulsion technologies and fuels are available, this can potentially have substantial financial impact on KCC. As new technology matures, it can lead to decreased vessel asset value leading to write-offs of existing vessels running on fossil fuels or for new vessels if the wrong technology has been invested in. The risks related to KCC's five oldest vessels built 2001-2007 which will be recycled in the period 2026-2032 is limited as the vessel values have been depreciated over many years and lead time to building vessels with new propulsion systems are likely towards the end of their expected life. Hence the risk is to a larger extent*

linked to KCC's 11 vessels built 2016-2021 for which new propulsion technology and new fuels might lead to lower vessel values and impairment in the longer term (10 yrs+) when new fuels and technology mature (useful life 25 years). The three contracted CABU vessels for delivery in 2026 are prepared for conversion to zero-emission fuels

### **(3.1.1.11) Primary financial effect of the risk**

Select from:

- Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets

### **(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization**

Select all that apply

- Long-term

### **(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon**

Select from:

- More likely than not

### **(3.1.1.14) Magnitude**

Select from:

- High

### **(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons**

*The financial impact can materialize through for example decreasing revenue due to less competitive fleet, higher exposure to CO2 taxation, lack of access to capital if existing fleet is out of favor or lower vessel values and early recycling of vessels resulting in write-downs. The latter of these potential results will likely have the largest financial impact and is the basis for the estimated financial impact range.*

### **(3.1.1.17) Are you able to quantify the financial effect of the risk?**

Select from:

- Yes

### (3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

10000000

### (3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

80000000

### (3.1.1.25) Explanation of financial effect figure

*The CLEANBU fleet consisting of eight vessels are built 2019-2021 and are assumed to have a useful life of 25 years with an annual depreciation of approx USD 2.0 million per vessel. The financial impact range is based on one to eight of these vessels being outdated and hence recycled five years prior to expected life, when they are 20 years old, leading to write downs of approximately USD 10 million per vessel (USD 2 million per year x 5 years) and hence a financial impact range of USD 10-80 million. The financial impact is significant for the Company as profit for the year in 2024 was USD 81 million.*

### (3.1.1.26) Primary response to risk

Infrastructure, technology and spending

Increase environment-related capital expenditure

### (3.1.1.27) Cost of response to risk

78000000

### (3.1.1.28) Explanation of cost calculation

*To maintain a fleet of similar size/capacity, each existing vessel being recycled needs to be replaced by a new vessel. Cost of response of this risk is hence illustrated through the cost of a new vessel to replace an existing vessel, which is currently estimated to be around USD 78 million per CLEANBU vessel for a green ammonia fuel based vessel.*

### (3.1.1.29) Description of response

*KCC's timescale of implementation is an ambition to have its first zero-emission vessel in service within 2030. Hence, KCC ordered in June 2023 newbuilds with estimated delivery in 2026 that are prepared for a cost-effective conversion to burning zero-emission fuels when such fuels become available. KCC's combination carrier fleet, built to efficiently switch between dry bulk and tanker trades, ensure minimum days without cargo onboard (ballast) and 30-40% lower fuel consumption and carbon emission per ton cargo transported compared to standard vessels in the same trades. This will likely improve the possibility for KCC's vessels to maintain*

competitiveness for a longer time than today's standard vessels during the transition phase with introduction of new fuels and stricter environmental regulations. To mitigate this risk KCC focuses on further improving the voyage and trading efficiency of the fleet. To further mitigate this risk, KCC is rolling out a large energy efficiency program on the entire fleet to improve the fuel-efficiency performance of existing vessels. This will further improve the competitiveness of the fleet. Investment in energy efficiency measures can potentially further extend the current fleets life expectancy and ease transition to more costly low/zero emission fuels. We also see several potential zero-emission fuels that can be used on KCC's existing vessels without the need of a large modification of the engine and tank systems (e-diesel, green methanol, biofuels etc) and KCC is testing out alternative fuels such as sustainable bio-fuel and has made two biofuel bunkerings in 2020 and 2021. No bio-fuel bunkerings was made in 2022-2024 due to availability and price. Phasing in zero emission vessels and fuels are also crucial for the Company to deliver a 45 % improvement in carbon intensity (EEOI) compared to 2018 in line with KCC's ambition, and contributing to the progress of UN SDG #13. We are also members of the GMF (GtZC), SSI and SCC.

[Add row]

### **(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.**

#### **Climate change**

##### **(3.1.2.1) Financial metric**

Select from:

Assets

##### **(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)**

612216000

##### **(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue**

Select from:

71-80%

##### **(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)**

### (3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

Less than 1%

### (3.1.2.7) Explanation of financial figures

*KCC has identified that 11 out of 16 vessels are vulnerable to transition risk for climate change (see risk 1 under 3.1.1). Book value of these 11 vessels were USD 455 million as per 31.12.2024. These vessel values equal approximately 74% of total assets per year-end 2024. KCC's assessment is that the three main environmental risks are transition risks related to decarbonization and that physical risks have a lower impact on KCC's activities. Amount of financial metric vulnerable to physical risks is hence set to zero.*

[Add row]

### (3.5) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Select from:

Yes

#### (3.5.1) Select the carbon pricing regulation(s) which impact your operations.

Select all that apply

EU ETS

#### (3.5.2) Provide details of each Emissions Trading Scheme (ETS) your organization is regulated by.

##### EU ETS

#### (3.5.2.1) % of Scope 1 emissions covered by the ETS

1.5

#### (3.5.2.2) % of Scope 2 emissions covered by the ETS

0

### (3.5.2.3) Period start date

12/31/2023

### (3.5.2.4) Period end date

12/30/2024

### (3.5.2.5) Allowances allocated

4390

### (3.5.2.6) Allowances purchased

4000

### (3.5.2.7) Verified Scope 1 emissions in metric tons CO2e

4390

### (3.5.2.8) Verified Scope 2 emissions in metric tons CO2e

0

### (3.5.2.9) Details of ownership

Select from:

Other, please specify :80% of EU ETS emissions were from vessels owned and operated by KCC. The remaining 20% was emitted by the vessel Bass which is owned by KCC but was chartered out for the whole of 2024 and thus not under KCC commercial control.

### (3.5.2.10) Comment

*Additional EUAs were sourced from commercial operators of the vessel that was chartered out. The Group has a limited exposure to the EU ETS regulations as KCC's vessels have a limited part of their trading in and out of EU and the cost will in most cases be covered by the customers.*

### **(3.5.4) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?**

*Situation: environmental regulations are strengthening across the shipping industry, with shipping emissions included in the EU ETS as of 2024, the FuelEU Maritime regulation requiring alternative fuel uptake as of 2025, and the IMO now agreeing on a global regulation on GHG emissions to enter into force in 2028 that will, we hope, be adopted in October 2025 and will require vessels to increase their uptake of alternative fuels or pay a penalty cost. Task: In the short and medium term, such regulations in shipping are mainly an opportunity for KCC with its solutions having 30-40% lower CO2 emissions per ton transported compared to standard vessels in its main trades mainly due to substantially lower ballast. Hence, KCC's combination carriers have a lower exposure to new carbon taxes or alternative fuel mandates than its competitors, the standard vessels. Action: KCC's strategy sets decarbonization targets which requires improvements in trading efficiency, technical performance and voyage execution including further reductions in time in ballast (trading empty). KCC believes that these initiatives will further strengthen KCC's competitive advantage in relation to carbon taxes and trading schemes. KCC works closely with other stakeholders to promote strong and fair regulations that incentivize the industry to decarbonize. Result: Over a longer time-horizon, the financial implications for KCC of such regulations are uncertain and might impact revenue, cost and asset values, both positively through for example carbon pricing and negatively through for example investments in new vessels or retrofit of existing vessels. Notably: the FuelEU Maritime regulation effective 2025 requires vessels to blend a share of low-emission fuel into the annual fuel mix. There are three ways to comply: carrying out a physical bunkering of alternative fuels, pooling with other vessels which have done so, or paying a penalty fee per tonne of CO2e emitted over the threshold (effectively). With current good availability of biofuels and not prohibitively high cost, we are preparing to comply by preferring a strategy of physically bunkering alternative fuels and selling overcompliance to other vessels. This will have the effect of reducing our scope 1 emissions significantly, on trades where this applies (EU). The potential new IMO regulation effective 2028 is structured similarly to the FuelEU Maritime regulation, with several compliance strategies possible, and again it may be possible for KCC to significantly reduce our scope 1 emissions by using alternative fuels while selling overcompliance to other vessels that are less prepared to do so. We are closely following regulatory developments by, for example, sending a delegate to IMO MEPC 83 workshop in April 2025 with the dual aims of understanding more about the regulatory process and advocating a strong regulation that can reduce shipping emissions in line with the strong goals of the Paris Agreement. Finally, in terms of technical compliance, KCC works with its ship manager to ensure all monitoring plans and data submissions are verified by class society well in advance of deadlines. This includes IMO SEEMP, EU MRV and FuelEU Monitoring Plans, and for data submission IMO DCS, EU MRV, EU ETS and coming this year FuelEU. Although KCC vessels have not yet traded in Europe in 2025 (as of September), data recording systems on board have been upgraded and procedures updated to handle additional requirements from the FuelEU regulation.*

### **(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?**

	Environmental opportunities identified
Climate change	<i>Select from:</i> <input checked="" type="checkbox"/> Yes, we have identified opportunities, and some/all are being realized

*[Fixed row]*

**(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.**

## Climate change

### (3.6.1.1) Opportunity identifier

*Select from:*

Opp1

### (3.6.1.3) Opportunity type and primary environmental opportunity driver

Resource efficiency

Use of more efficient modes of transport

### (3.6.1.4) Value chain stage where the opportunity occurs

*Select from:*

Direct operations

### (3.6.1.5) Country/area where the opportunity occurs

*Select all that apply*

- Norway

### **(3.6.1.8) Organization specific description**

*There are large inefficiencies in deep-sea shipping. Standard dry bulk vessels sail empty 40-45% of the time and standard product tanker vessels trade empty 30-40% of the time. KCC combines wet and dry cargoes and hence only ballast 10-20% of the time. Based on efficient combination trading, the KCC fleet emits up to 40% less greenhouse gases than standard dry bulk and tanker vessels for same transport work, a competitive advantage for KCC. Carbon emissions are high on the agenda for many of KCC's customers. KCC evaluates this as an opportunity and targets to further improve its trading patterns and hence improve its trading efficiency to minimize ballasting and waiting time. Through these initiatives KCC will further strengthen its carbon efficiency advantage and its competitive advantage targeting to establish KCC as the preferred carrier for its customers in all its main trades. If successful, KCC expects this to be a "virtuous cycle" for the Company as it would increase demand for KCC's services which would increase number of days spent in efficient combi trading and again lead to reduced emissions and increased number of earning days and result in KCC's service becoming even more competitive and attractive. If customers in the future in addition are willing to pay for the reduced emissions, the earnings improve further. KCC had in 2024 82% combination trading, 14% ballast and 30% lower emissions per transport work compared to standard vessels in the same trades.*

### **(3.6.1.9) Primary financial effect of the opportunity**

Select from:

- Increased revenues resulting from increased demand for products and services

### **(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization**

Select all that apply

- Short-term

### **(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon**

Select from:

- Likely (66-100%)

### **(3.6.1.12) Magnitude**

Select from:

- Medium

### **(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons**

*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. The opportunity may generate higher revenue and cash flows to the company, without any additional investments needed for the assets/vessels in the balance sheet.*

### **(3.6.1.15) Are you able to quantify the financial effects of the opportunity?**

Select from:

Yes

### **(3.6.1.17) Anticipated financial effect figure in the short-term - minimum (currency)**

1700000

### **(3.6.1.18) Anticipated financial effect figure in the short-term – maximum (currency)**

1700000

### **(3.6.1.23) Explanation of financial effect figures**

*By improving the combination trading for the CABU fleet from 94% (2024 actual) to 97%, the impact on revenue in 2024 is estimated to be approximately USD 1.7 million. In 2024, KCC's CABU fleet had 2,779 on-hire days. 3%-points increase from 94% to 97% combination trading amounts to 83 days. Given a dry bulk market in 2024 of in average 13,400 /d (P4TC) and average earnings in combination pattern for the CABU fleet (dry leg wet leg) estimated at approximately 34,000 /d, the difference in earnings per day between trading dry and in combination is approximately 20,600 /day. The financial impact example is hence: (20,600 /d x 83 days; USD 1.7 million).*

### **(3.6.1.24) Cost to realize opportunity**

200000

### **(3.6.1.25) Explanation of cost calculation**

The main cost of realizing this opportunity is to expand the number of CLEANBU trading patterns and customers and to optimize trading for the CABU vessels. The cost is limited as it is mainly based on work performed by existing employees and already an important scope of the work they perform. The estimated cost is based on internal work/allocation of 30% x 3 employees (USD 200k) per annum.

### (3.6.1.26) Strategy to realize opportunity

*Situation: There are large inefficiencies in deep-sea shipping. Standard dry bulk/tanker vessels sail empty 40-45%/30-40% of the time. KCC combines wet and dry cargoes and hence only ballast 10-20% of the time. Based on the efficient combination trading, the KCC fleet emits up to 40 % less greenhouse gases than standard dry bulk and tanker vessels for the same transport work, a competitive advantage for KCC. Task: KCC evaluates this as an opportunity and targets to further improve its trading patterns and hence improve its trading efficiency to minimize ballasting and waiting time. By 2026, KCC aims at delivering a 30 % improvement in carbon intensity (EEOI) compared to 2018 through voyage, trading and energy efficiencies. Action: KCC is taking several active steps to realize this opportunity. From May 2022, trading of the CABU fleet has been concentrated in trades to/from Australia after terminating its service between Brazil and US Gulf. The Australian CABU trades offer a more efficient trading pattern with ballast limited to around 10%. Furthermore, 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. In connection with the updated Environmental Strategy published in March 2023, KCC 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 and 2024, the internal carbon pricing rule did not alter any trading decisions involving ballast instead of combination trading. Result: The main cost of realizing this opportunity is to expand the number of CLEANBU trading patterns and customers and to optimize trading for the CABU vessels.*

## Climate change

### (3.6.1.1) Opportunity identifier

Select from:

Opp2

### (3.6.1.3) Opportunity type and primary environmental opportunity driver

Resilience

Improved resilience to future regulatory changes

### (3.6.1.4) Value chain stage where the opportunity occurs

Select from:

- Direct operations

### (3.6.1.5) Country/area where the opportunity occurs

Select all that apply

- Norway

### (3.6.1.8) Organization specific description

*The inherent lower carbon footprint of combination carriers over standard vessels, and on top of this KCC's continued focus to reduce emissions further, will be rewarded by upcoming regulations that tax GHG emissions or mandate alternative fuel uptake. The IMO Net Zero Framework, if adopted in October 2025, will take effect from 2028 and gradually ramp up the share of alternative fuel vessels must use. Although there are technical details around its implementation and potential for vessels to either pay the IMO for "Remedial Units" per tonne of CO2 to avoid using alternative fuels or pay overcompliant vessels for "Surplus Units" per tonne of CO2, in any case the regulation will increase effective fuel prices. If adopted as written, the regulation will almost double today's fuel prices by 2035. This will have the effect of increasing costs for operators proportional to the amount of CO2 emitted. Since KCC emits less CO2 per tonne of cargo transported than other carriers, the regulation will increase KCC net earnings/TCE earnings.*

### (3.6.1.9) Primary financial effect of the opportunity

Select from:

- Increased revenue resulting from price premiums

### (3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- Medium-term
- Long-term

### (3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

- Likely (66–100%)

### (3.6.1.12) Magnitude

Select from:

High

### (3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*From the regulation's entry into force in 2028 there will be a steady increase to freight rates across the shipping industry, including in our trades, where KCC will be uniquely-positioned to mitigate the additional cost. This will impact KCC's financial performance through increased revenue and cash flow from operations. For simplicity we may assume that other vessels (competing with KCC for the same cargos) must raise their freight rates to cover the additional cost of compliance, and that KCC may raise freight rates by the same amount but with a lower cost of compliance needing to be covered yield the difference as additional earnings. With this assumption, and knowing that KCC is 30-40% more carbon-efficient than standard vessels, the regulation will increase earnings by 6mUSD in 2028, ramping quickly up to 25mUSD in 2035. In practice, it is hard to predict the exact impact, since market effects will be dynamic and the value added by KCC may also be shared with customers.*

### (3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

Yes

### (3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

11000000

### (3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

22000000

### (3.6.1.21) Anticipated financial effect figure in the long-term - minimum (currency)

46000000

### (3.6.1.22) Anticipated financial effect figure in the long-term – maximum (currency)

92000000

### (3.6.1.23) Explanation of financial effect figures

*We assume that: \* KCC is 30-40% more carbon-efficient than standard vessels \* the default strategy to comply with the IMO NZF is purchase of remedial units, and that VLSFO has a baseline emissions intensity of 94 gCO<sub>2</sub>e/MJ \* standard vessels increase their freight pricing to cover their compliance costs \* KCC increases freight pricing by the same amount as standard vessels would for the same cargo Then, with an annual fuel bill around 50 mUSD, the regulation will increase KCC costs by 12 mUSD in 2028 due to required purchase of Remedial Units costing 380 USD/tCO<sub>2</sub>e for the top 4% of emissions and Remedial Units costing 100 USD/tCO<sub>2</sub>e for the next 13% of emissions. However, standard vessels will see their similar costs increased by 18 mUSD on the same transport work due to their higher emissions intensity, leading to increased revenue for KCC of 18 mUSD if KCC increases freight costs by the same amount as competitors. Thus the impact for KCC is a net earnings increase of 6mUSD in 2028, with the same logic ramping quickly up to 25mUSD in 2035. This is stated as the maximum anticipated financial effect, and halved to give the minimum anticipated effect, because in practice competitors will be able to abate some of their emissions by e.g. installing energy saving measures on board. It is also hard to predict the exact impact as market effects will be dynamic and the value added by KCC may also be shared with customers. The medium-term is the sum of the impact over 2028-2030. The long-term is the sum of the impact over 2031-2035.*

### **(3.6.1.24) Cost to realize opportunity**

0

### **(3.6.1.25) Explanation of cost calculation**

*KCC's emissions advantage is well-established and the vast majority comes from efficient combination trading of wet and dry products which standard vessels are unable to do by design. Implementation of new regulations will be handled by existing employees, hence cost is set to zero.*

### **(3.6.1.26) Strategy to realize opportunity**

*Continue focus on building and using combination carrier vessels, specifically aimed at trades where the alternative is long ballast sailing.  
[Add row]*

**(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.**

## **Climate change**

### **(3.6.2.1) Financial metric**

Select from:

Revenue

### (3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

278259000

### (3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

100%

### (3.6.2.4) Explanation of financial figures

*100% of KCC's revenue is aligned with opportunities relating to having a lower environmental footprint/ less exposure to future regulatory changes for global emissions (opp 2 described in 3.6.1). 100 % of KCC's revenue is generated based on operation of 16 vessels. The new proposed IMO regulations are global and will apply for all of KCC's 16 vessels.*

*[Add row]*

## C4. Governance

### (4.1) Does your organization have a board of directors or an equivalent governing body?

#### (4.1.1) Board of directors or equivalent governing body

Select from:

Yes

#### (4.1.2) Frequency with which the board or equivalent meets

Select from:

More frequently than quarterly

#### (4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

Non-executive directors or equivalent

Independent non-executive directors or equivalent

#### (4.1.4) Board diversity and inclusion policy

Select from:

Yes, but it is not publicly available

#### (4.1.5) Briefly describe what the policy covers

*Requirements for Board diversity and inclusion policy is included in Instructions to the Nomination Committee. The Nomination Committee's recommendations shall at all times satisfy the requirements relating to the composition of the Board laid down in applicable legislation and in the regulations of any regulated markets on which the Company's shares are listed. The Nomination Committee shall take into account the recommendations relating to the composition of the Board that follow from the Norwegian Code of Practice on Corporate Governance and any other relevant recommendations relating to corporate governance, as well as the principles laid down in the Company's Corporate Governance Policy. The Nomination Committee shall also strive to achieve an adequate representation of both genders on the Board. An introduction to the members of the Board of Directors and their expertise can be found on [www.combinationcarriers.com](http://www.combinationcarriers.com).*

[Fixed row]

**(4.1.1) Is there board-level oversight of environmental issues within your organization?**

	Board-level oversight of this environmental issue
Climate change	Select from: <input checked="" type="checkbox"/> Yes
Biodiversity	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

**(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.**

**Climate change**

**(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue**

Select all that apply

- Board chair
- Director on board
- Chief Executive Officer (CEO)
- Chief Financial Officer (CFO)
- Board-level committee

**(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board**

Select from:

- Yes

#### **(4.1.2.3) Policies which outline the positions' accountability for this environmental issue**

Select all that apply

- Board Terms of Reference
- Board mandate

#### **(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item**

Select from:

- Scheduled agenda item in every board meeting (standing agenda item)

#### **(4.1.2.5) Governance mechanisms into which this environmental issue is integrated**

Select all that apply

- Reviewing and guiding annual budgets
- Overseeing and guiding scenario analysis
- Overseeing the setting of corporate targets
- Monitoring progress towards corporate targets
- Approving corporate policies and/or commitments
- Overseeing reporting, audit, and verification processes
- Monitoring the implementation of a climate transition plan
- Overseeing and guiding the development of a business strategy
- Overseeing and guiding acquisitions, mergers, and divestitures
- Monitoring compliance with corporate policies and/or commitments
- Overseeing and guiding the development of a climate transition plan
- Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- Overseeing and guiding public policy engagement
- Reviewing and guiding innovation/R&D priorities
- Approving and/or overseeing employee incentives
- Overseeing and guiding major capital expenditures
- Monitoring the implementation of the business strategy

#### **(4.1.2.7) Please explain**

*The Board of Directors: The CEO briefs the Board of Directors through "status report from the CEO" and "Financial Performance, Strategy updates" which are recurring items on the agenda for every BOD meeting. Examples of climate-related matters briefed by the CEO are: - Reviews, discusses and approves the strategy and business plans including ESG topics and management of climate-related risks and opportunities - Reviews and oversees status on the environmental KPIs on a quarterly basis - Status on investments in energy efficiency measures with reference to mandate - Reviews, approves and monitors specific short-term and long-term goals and ambitions and monitors implementation and performance of objectives including climate-related ambitions and targets - Approves and oversees major capital expenditures e.g. with respect to investment in energy efficiency measures and major plans of action - Approves and oversees the environmental policy and strategy - Approves the risk management policy. An example of a climate-related decision made by the Board of Directors is the updated environmental strategy for the period 2023-2050 that was approved by the Board in December 2022. When the Board make decisions for investments in e.g. new technology the Board consider trade-offs presented in a business case which includes investment cost, base case return requirements (IRR), payback period together with potential opportunities like commercial benefits, communications and learnings. The Board decides the salary and compensation to the CEO, and the Board of Directors has prepared guidelines regarding remuneration to the Senior Executives which were approved by the Company's Annual General Meeting in April 2022 and April 2023. As an example, to deliver on the decarbonization targets is one of the performance criteria for the discretionary part of the annual variable cash salary of the CEO and CFO. The Audit Committee of the Board: The CFO briefs the Audit Committee through recurring agenda items like financial status report and internal control matters on an at least a quarterly basis. Examples of matters discussed in the Audit Committee are: - Monitors and oversees the risk management policy and framework - Discusses the risk review, including climate-related risks - Together with the administration plan and follow up internal audits, including audit of environmental KPIs and other climate-related reporting. As an example, in 2024, compliance with EU ETS as from 1 January 2024 and CSRD from FY2025 have been focus areas and included as a recurring topic in every Audit Committee meeting. In the scheduled Audit Committee meeting in December 2024, the Administration presented the double materiality assessment conducted for 2024 and the identified risks, opportunities, impacts and dependencies were discussed with the audit committee.*

## **Biodiversity**

### **(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue**

*Select all that apply*

- Chief Executive Officer (CEO)
- Chief Operating Officer (COO)

### **(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board**

*Select from:*

- Yes

### **(4.1.2.3) Policies which outline the positions' accountability for this environmental issue**

*Select all that apply*

- Other policy applicable to the board, please specify :Regulated by IMO through MARPOL

#### (4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- Sporadic – agenda item as important matters arise

#### (4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- Monitoring compliance with corporate policies and/or commitments
- Overseeing the setting of corporate targets
- Monitoring progress towards corporate targets

#### (4.1.2.7) Please explain

*The Board of Directors is mainly involved in bio-diversity issues: 1) Directly through specific measures, such as early implementation of ballast water treatment systems which ensure no spread of potentially invasive species from one geographical region to another, as well as the focus on choosing anti-fouling hull coating paint with minimal biocides. 2) Indirectly through the company's ambitious decarbonization strategy, as climate change is accelerating the rate of biodiversity loss through extreme temperatures, changing weather patterns and ocean warming and acidification. Other implemented measures intended to increase the vessel performance and thus reduce GHG emissions have positive direct impacts on biodiversity as well, such as using hull cleaning robots capable of removing and capturing biofouling in port, and utilizing semi-autonomous cleaning brushes while the vessels are sailing on deep ocean, where biological residue cleaned from the hull sinks to the ocean floor and adds to deep-water marine snow.*

[Fixed row]

#### (4.2) Does your organization's board have competency on environmental issues?

##### Climate change

#### (4.2.1) Board-level competency on this environmental issue

Select from:

- Yes

#### (4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- Consulting regularly with an internal, permanent, subject-expert working group
- Engaging regularly with external stakeholders and experts on environmental issues
- Integrating knowledge of environmental issues into board nominating process
- Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
- Having at least one board member with expertise on this environmental issue

### (4.2.3) Environmental expertise of the board member

Experience

- Executive-level experience in a role focused on environmental issues
- Management-level experience in a role focused on environmental issues

[Fixed row]

### (4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	Select from: <input checked="" type="checkbox"/> Yes
Biodiversity	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

#### (4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

## Climate change

### (4.3.1.1) Position of individual or committee with responsibility

Executive level

- Chief Executive Officer (CEO)

### (4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

Engagement

- Managing engagement in landscapes and/or jurisdictions
- Managing public policy engagement related to environmental issues
- Managing value chain engagement related to environmental issues

Policies, commitments, and targets

- Monitoring compliance with corporate environmental policies and/or commitments
- Measuring progress towards environmental corporate targets
- Setting corporate environmental policies and/or commitments
- Setting corporate environmental targets

Strategy and financial planning

- Developing a climate transition plan
- Conducting environmental scenario analysis
- Managing annual budgets related to environmental issues
- Implementing the business strategy related to environmental issues
- Developing a business strategy which considers environmental issues
- Managing acquisitions, mergers, and divestitures related to environmental issues

- Managing major capital and/or operational expenditures relating to environmental issues
- Managing priorities related to innovation/low-environmental impact products or services (including R&D)

#### (4.3.1.4) Reporting line

Select from:

- Reports to the board directly

#### (4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- Quarterly

#### (4.3.1.6) Please explain

*The management level responsibility for assessing and managing environmental dependencies, impacts, risks and opportunities lies with the CEO. The CEO is responsible for developing the strategy and sets targets for the Company, ensuring the strategy is anchored in the organization, including with the main service providers, and with the Board of Directors. As an example, the updated Environmental Strategy published in 2023 and approved by the Board of Directors in December 2022, and the five-year business strategy for 2021-2025 are both developed by and within the responsibility of the CEO. In addition, the responsibility of the CEO is to make sure that climate-related issues are considered in all decision-making processes, both when interacting with customers, suppliers, and other stakeholders. For example, the CEO together with the chartering team and the commercial operations team plan how to improve the trading efficiency of the fleet and he co-operates closely with the technical and project teams to optimize voyage efficiency and decide on which technical solutions and prototypes to test and install to improve the fuel efficiency of the vessels. During 2020-2024, the CEO of KCC has as well initiated workshops with key customers to understand how they handle climate-related issues with focus on decarbonization, which again will impact KCC's business activities. The discussions with customers also include how KCC in co-operation with customers can improve carbon efficiency of KCC's services e.g. by reducing speed, increasing cargo intake and decreasing waiting time in ports. The CEO is kept informed about climate-related risks and opportunities through the quarterly risk review assessment, status on KPIs like EEOI and % of days in ballast (empty vessel) through quarterly KPI reporting and review meetings. The project team in KCC involves the CEO on a daily basis of status and development of emission reducing initiatives for the vessels.*

## Biodiversity

#### (4.3.1.1) Position of individual or committee with responsibility

Executive level

- Chief Operating Officer (COO)

#### (4.3.1.2) Environmental responsibilities of this position

Policies, commitments, and targets

- Monitoring compliance with corporate environmental policies and/or commitments
- Measuring progress towards environmental corporate targets
- Setting corporate environmental targets

#### (4.3.1.4) Reporting line

Select from:

- Reports to the Chief Executive Officer (CEO)

#### (4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- As important matters arise

#### (4.3.1.6) Please explain

*Directly through specific measures, such as early implementation of ballast water treatment systems which ensure no spread of potentially invasive species from one geographical region to another, as well as the focus on choosing anti-fouling hull coating paint with minimal biocides. Indirectly through the company's ambitious decarbonization strategy, as climate change is accelerating the rate of biodiversity loss through extreme temperatures, changing weather patterns and ocean warming and acidification. Other implemented measures intended to increase the vessel performance and thus reduce GHG emissions have positive direct impacts on biodiversity as well, such as using hull cleaning robots capable of removing and capturing biofouling in port, and utilizing semi-autonomous cleaning brushes while the vessels are sailing on deep ocean, where biological residue cleaned from the hull sinks to the ocean floor and adds to deep-water marine snow.*

### Climate change

#### (4.3.1.1) Position of individual or committee with responsibility

Executive level

- Chief Financial Officer (CFO)

### (4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

- Monitoring compliance with corporate environmental policies and/or commitments
- Measuring progress towards environmental corporate targets
- Setting corporate environmental policies and/or commitments

Strategy and financial planning

- Conducting environmental scenario analysis
- Managing environmental reporting, audit, and verification processes

### (4.3.1.4) Reporting line

Select from:

- Reports to the Chief Executive Officer (CEO)

### (4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- Quarterly

### (4.3.1.6) Please explain

*The CFO is responsible for managing the Company's financial strategy and operations. Main responsibilities include risk review frameworks, policies, and establishing mitigation plans, including for climate-related risks. Further the CFO has the responsibility for monitoring and assessing climate-related risks and opportunities. The CFO is responsible for the company-wide risk management assessment performed by management together with a broad range of employees and discussed with the Audit Committee and the Board of Directors several times every year. Environmental risks are incorporated in this risk management process. The*

CFO is as well responsible for external ESG reporting. On a quarterly basis, Head of Decarbonization presents the environmental KPIs for the quarter (e.g EEOI) and analysis of underlying drivers (e.g transport work, cargo weight, distances sailed). The CFO takes part in internal discussions to understand development against set decarbonization targets on short-term and long-term basis.

[Add row]

#### **(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?**

##### **Climate change**

##### **(4.5.1) Provision of monetary incentives related to this environmental issue**

Select from:

Yes

##### **(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue**

0

##### **(4.5.3) Please explain**

The Board has prepared Remuneration Guidelines which are published on the Company's homepage. The discretionary part of the bonus for the CEO and the CFO includes Company performance related to KCC's decarbonization targets, but it is not stated how much these targets should impact the bonus. Bonus is distributed on an annual basis and is divided into two: i) Formula bonus based on return on equity of KCC on a consolidated basis for the relevant year, and ii) Discretionary element. The cap payment (formula discretionary) is set at 12 months fixed annual cash salary for the CEO and 9 months for the CFO. Full pay out under the cap is reached at 20% return on equity. For 2024 the cap was reached under the formula and hence the criteria for the discretionary element was not relevant, ref 0% in prior column.

[Fixed row]

#### **(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).**

##### **Climate change**

### (4.5.1.1) Position entitled to monetary incentive

Board or executive level

- Chief Executive Officer (CEO)

### (4.5.1.2) Incentives

Select all that apply

- Bonus - % of salary

### (4.5.1.3) Performance metrics

Targets

- Progress towards environmental targets
- Achievement of environmental targets

Emission reduction

- Reduction in emissions intensity
- Reduction in absolute emissions

### (4.5.1.4) Incentive plan the incentives are linked to

Select from:

- Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

### (4.5.1.5) Further details of incentives

*The Board determines the salary and other compensation to the CEO. The CEO's salary, long-term incentive program and bonus shall be determined on the basis of an evaluation with emphasis on the following factors: Progress towards and achievement of strategic business goals; overall profitability and sustainability of the Company; growth in shareholder value; and adherence to the Company's values and ethical standards. Bonus is distributed on an annual basis and is divided into two: i) formula bonus based on return on equity of KCC on a consolidated basis for the relevant year ii) Discretionary element. Principles for annual variable cash salary is based on goal achievements for the relevant financial year as this is an annual assessment. Profitability goals relates to identified return targets for return on equity (ROE) and sustainability goals are set to deliver on the decarbonization targets (EEOI) on an annual basis. The bonus cap is reached at 20 % return on equity.*

## (4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

*The discretionary element is based on goal achievement and individual performance during the financial year (e.g financial year 2024). One of the short-term key performance criterias is to deliver on the decarbonization targets. The main decarbonization KPI, carbon intensity (EEOI) was 6.6 grams CO2 emitted per transported cargo per nautical mile for FY2024, 1 % up from FY 2023. Significant progress will be needed in 2025 and beyond to achieve the 5-10% yearly reductions in EEOI required by the 2025-2030 targets in line with KCC's Environmental Strategy. As stated in the Company's remuneration guideline approved by the Annual General Meeting in April 2023 (published on the Companys homepage), the Company's remuneration principles shall be designed to ensure responsible and sustainable remuneration decisions that support the Company's business strategy and progress towards and achievement of goals, long-term interests, profitability and sustainability and long-term growth in share-holder value.*

## Climate change

### (4.5.1.1) Position entitled to monetary incentive

Board or executive level

Chief Financial Officer (CFO)

### (4.5.1.2) Incentives

*Select all that apply*

Bonus - % of salary

### (4.5.1.3) Performance metrics

Targets

Progress towards environmental targets

Achievement of environmental targets

Emission reduction

Reduction in emissions intensity

Reduction in absolute emissions

#### (4.5.1.4) Incentive plan the incentives are linked to

Select from:

- Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

#### (4.5.1.5) Further details of incentives

*The CEO determines the remuneration of executive employees including the CFO. The remuneration is based on a base salary, bonus and a long-term incentive program. However, the Board of Directors are involved in the grants under the long term incentive program and as well is responsible for the Remuneration Guidelines for senior executives approved by the General Meeting. Bonus is distributed on an annual basis and is dividend into two: i) formula bonus based on return on equity of KCC on a consolidated basis for the relevant year ii) Discretionary element. Principles for annual variable cash salary is based on goal achievements for the relevant financial year as this is an annual assessment. Profitability goals relates to identified return targets for return on equity (ROE) and sustainability goals are set to deliver on the decarbonization targets (EEOI). The bonus cap is reached at 20 % return on equity.*

#### (4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

*The discretionary element is based on goal achievement and individual performance. One of the short-term key performance criterias is to deliver on the decarbonization targets. The main decarbonization KPI, carbon intensity (EEOI) was 6.6 grams CO2 emitted per transported cargo per nautical mile for FY2024, 1 % up from FY 2023. Significant progress will be needed in 2025 and beyond to achieve the 5-10 % yearly reductions in EEOI required by the 2025-2030 targets in line with KCC's Environmental Strategy. As stated in the Company's remuneration guideline approved by the Annual General Meeting in April 2023 (published on the Companys homepage), the Company's remuneration principles shall be designed to ensure responsible and sustainable remuneration decisions that support the Company's business strategy and progress towards and achievement of goals, long-term interests, profitability and sustainability and long-term growth in shareholder value.*

[Add row]

#### (4.6) Does your organization have an environmental policy that addresses environmental issues?

	<b>Does your organization have any environmental policies?</b>
	Select from:

	Does your organization have any environmental policies?
	<input checked="" type="checkbox"/> Yes

[Fixed row]

### (4.6.1) Provide details of your environmental policies.

#### Row 1

#### (4.6.1.1) Environmental issues covered

Select all that apply

Climate change

#### (4.6.1.2) Level of coverage

Select from:

Organization-wide

#### (4.6.1.3) Value chain stages covered

Select all that apply

Direct operations

#### (4.6.1.4) Explain the coverage

KCC published in early 2023 its updated Environmental Strategy whereof KCC reaffirms its ambition to be a leader in decarbonizing the deep-sea shipping industry and further strengthen this competitive advantage versus standard dry-bulk and product tanker 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 during 2020-2024. 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 3 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. The decarb targets set out in the Environmental Strategy 2023-2050 includes the entire fleet of combination carriers (2024: 16 vessels). The vessels trade all over the world, main routes are Far East, Australia, Middle East, India, Europe, USA, South-America. Limitations to KCC's policy is that fuel transition is dependent on new regulations and customer support. Furthermore, it requires substantial expansion of low and zero emission fuel production capacity and port bunkering facilities.

#### (4.6.1.5) Environmental policy content

##### Environmental commitments

- Commitment to comply with regulations and mandatory standards
- Commitment to take environmental action beyond regulatory compliance
- Commitment to stakeholder engagement and capacity building on environmental issues

##### Climate-specific commitments

- Commitment to net-zero emissions
- Commitment to not funding climate-denial or lobbying against climate regulations

##### Social commitments

- Commitment to promote gender equality and women's empowerment
- Commitment to respect internationally recognized human rights

##### Additional references/Descriptions

- Reference to timebound environmental milestones and targets

#### (4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

*Select all that apply*

- Yes, in line with another global environmental treaty or policy goal, please specify :IMO's regulations

#### (4.6.1.7) Public availability

*Select from:*

- Publicly available

#### (4.6.1.8) Attach the policy

*Klaveness Combination Carriers (KCC) Environmental Strategy 2023-2050.pdf*

[Add row]

#### (4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

##### (4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:

Yes

##### (4.10.2) Collaborative framework or initiative

Select all that apply

Other, please specify :Sea Cargo Charter and through the main shareholder Torvald Klaveness, Getting to Zero Coalition

##### (4.10.3) Describe your organization's role within each framework or initiative

*KCC is a signatory to the Sea Cargo Charter (SCC), where we openly disclose the cargo volumes and related transport work performed, together with our emissions. We are also working with customers and other industry partners to become members and openly disclose their emissions from deep sea transport. The CEO in KCC is Vice Chair of the Steering Committee and the Head of Decarbonization is member of the Technical Committee of SCC.*

[Fixed row]

#### (4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

##### (4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply

Yes, we engaged directly with policy makers

Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

#### **(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals**

Select from:

Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

#### **(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement**

Select all that apply

Paris Agreement

Another global environmental treaty or policy goal, please specify :KCC as part of the Torvald Klavness group has signed the "Call to action for shipping decarbonization" by the Getting to zero coalition.

#### **(4.11.4) Attach commitment or position statement**

*Report-on-Climate-Commitments-by-Signatories-to-the-Call-to-Action-for-Shipping-Decarbonization.pdf*

#### **(4.11.5) Indicate whether your organization is registered on a transparency register**

Select from:

No

#### **(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan**

*KCC is a member of the Sustainable Shipping Initiative (SSI) (focus on sustainability across six area; Oceans, Communities, People, Transparency, Finance, Energy) and engages with the Getting to Zero Coalition which are aligned with KCC's ambitions. The Company is also engaged in CLIMMS (aiming to develop a robust understanding of the actual and complete climate impacts associated with different mitigation options for the global maritime fleet) and Smart Maritime (aiming to find out how we can improve energy efficiency and reduce emissions from the maritime sector) to support the zero-emission ambition of KCC. KCC's external engagement activities are informed by the company's assessment of environmental dependencies, impacts, risks and opportunities. KCC is also disclosing its emissions intensity as a voluntary member of the Sea Cargo Charter, a transparency initiative comparing emissions to the IMO's decarbonization trajectory. The engagement activities are subject to CEO approval. To ensure consistency across geographies and business divisions, KCC's external engagement process includes*

regular cross-regional and cross-functional reviews. The KCC transition plan is updated at least yearly (minor updates like refreshing actuals are quarterly); each cut of the plan may redetermine our views on policy & regulation. A committee including the CEO, CFO, Head of Financial & ESG Reporting, and Head of Decarbonization review the impact of major transition plan changes. In the event that an update changes KCC's outlook on regulatory needs, any employees engaging with external initiatives are brought into the review session to be consulted and informed.

[Fixed row]

#### **(4.11.1) On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year?**

##### **Row 1**

##### **(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers**

*The IMO's Net Zero Framework, set for adoption in October 2025 and entry into force in 2028, will require vessels to bunker alternative fuels and impose a fee per tonne CO2e on vessels that do not do so.*

##### **(4.11.1.2) Environmental issues the policy, law, or regulation relates to**

*Select all that apply*

Climate change

##### **(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment**

Environmental impacts and pressures

Emissions – CO2

Emissions – methane

Emissions – other GHGs

##### **(4.11.1.4) Geographic coverage of policy, law, or regulation**

*Select from:*

Global

#### **(4.11.1.6) Your organization's position on the policy, law, or regulation**

Select from:

- Support with minor exceptions

#### **(4.11.1.7) Details of any exceptions and your organization's proposed alternative approach to the policy, law, or regulation**

*The IMO has proposed a fuel standard with a penalty on an initially small share of emissions, instead of a significant carbon tax. Although we support a fuel standard over nothing at all, we believe that it should also be combined with a meaningful carbon tax in order to create better incentives for efficiency improvements and to have a larger and quicker impact on emissions. Furthermore, the format of this regulation means that for vessels burning alternative fuels, inefficiency will be rewarded per unit of energy used through the generation of Surplus Units and ZNZ Rewards. We believe that this may lead to waste, as it weakens the case for improvements to be made on vessels that expect to burn alternative fuels, and risks bifurcating the industry into a "clean" fleet focused on alternative energy but with limited investment in efficiencies, and a "dirty" fleet with no alternative fuel capability but focused solely on efficiencies.*

#### **(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation**

Select all that apply

- Ad-hoc meetings
- Discussion in public forums
- Participation in working groups organized by policy makers
- Responding to consultations
- Submitting written proposals/inquiries

#### **(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)**

0

#### **(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement**

*The implementation of a meaningful global carbon tax and fuel standard for shipping applying to the early 2030s would greatly support KCC's transition plan by allowing us to carry out more expensive carbon reductions (operational efficiencies, vessel energy-saving, or alternative fuel) than are currently economically viable. For example, rolling out the installation of wind-assisted propulsion including retrofits on the existing fleet and on newbuildings. KCC would like the IMO to understand that vessel owners need a clear pathway in place to warrant the large investments needed to meet the goals of the Paris Agreement. KCC meet regularly with*

regulators and lobbyists - including sending a delegate to the workshop at the IMO in advance of April's MEPC83 - to explain our desired outcome and the limitations of proposed regulation. We discuss with other shipowners and with our customers in private and in public. We are outspoken on this in the media, on our podcast, and in public conferences.

#### (4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

Yes, we have evaluated, and it is aligned

#### (4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

Paris Agreement

[Add row]

**(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.**

#### Row 1

##### (4.11.2.1) Type of indirect engagement

Select from:

Indirect engagement via a trade association

##### (4.11.2.4) Trade association

Global

Other global trade association, please specify :Sea Cargo Charter

#### (4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

Climate change

#### (4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

Consistent

#### (4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

Yes, we publicly promoted their current position

#### (4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

*We are well-aligned with the SCC's general principles on transparent decarbonization: to publicly disclose emissions intensity alignment against the IMO's trajectories, and (previously) to support EEOI rather than AER as the short-term efficiency metric (CII).*

#### (4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

8500

#### (4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

*Membership fee only. The SCC may have influenced the IMO into adopting improved metrics (EEOI over CII), and support ambitious carbon tax / fuel standard regulations, by demonstrating willingness from charterers and shipowners to disclose emissions performance against the IMO trajectory. The SCC's published figures, by showing that the industry is significantly over-emitting compared to the IMO trajectory, have highlighted that the scope of regulations needed is massive in order to affect actual change. Other than the SCC, there is no public disclosure of emissions intensity that the IMO may use determine the level of carbon tax / fuel*

standard needed. The goal is for the IMO to adopt its proposed Net Zero Framework in October 2025 that will take the form of a significant carbon tax and/or fuel standard that will bridge the gap between conventional fossil fuels and zero-emission fuels. Although the IMO is slow to introduce firm decarbonization trajectories for shipowners and charterers, the Sea Cargo Charter's activities in establishing a system for calculating emissions intensity vs. an interpretation of the IMO strategy are well-aligned with KCC's goals for carbon reduction.

#### **(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals**

Select from:

Yes, we have evaluated, and it is aligned

#### **(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation**

Select all that apply

Paris Agreement

[Add row]

#### **(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?**

Select from:

Yes

**(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.**

#### **Row 1**

##### **(4.12.1.1) Publication**

Select from:

In mainstream reports, in line with environmental disclosure standards or frameworks

#### (4.12.1.2) Standard or framework the report is in line with

Select all that apply

- ESRS

#### (4.12.1.3) Environmental issues covered in publication

Select all that apply

- Climate change
- Biodiversity

#### (4.12.1.4) Status of the publication

Select from:

- Complete

#### (4.12.1.5) Content elements

Select all that apply

- Strategy
- Governance
- Emission targets
- Emissions figures
- Risks & Opportunities
- Value chain engagement
- Dependencies & Impacts
- Content of environmental policies

#### (4.12.1.6) Page/section reference

*Annual Report 2024: Environment section (page 28 -44) covers Climate Change, Pollution, Biodiversity and Ecosystems, and Resource Use and Circular Economy. Governance section is page 57-60.*

#### (4.12.1.7) Attach the relevant publication

*Klaveness Combination Carriers Annual Report 2024.pdf*

## (4.12.1.8) Comment

NA

*[Add row]*

## C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

### Climate change

#### (5.1.1) Use of scenario analysis

Select from:

Yes

#### (5.1.2) Frequency of analysis

Select from:

Not defined

[Fixed row]

(5.1.1) Provide details of the scenarios used in your organization's scenario analysis.

### Climate change

#### (5.1.1.1) Scenario used

Climate transition scenarios

IEA APS

#### (5.1.1.3) Approach to scenario

Select from:

Qualitative and quantitative

#### (5.1.1.4) Scenario coverage

Select from:

- Organization-wide

#### (5.1.1.5) Risk types considered in scenario

Select all that apply

- Policy
- Market
- Reputation
- Technology

#### (5.1.1.6) Temperature alignment of scenario

Select from:

- 1.6°C - 1.9°C

#### (5.1.1.7) Reference year

2024

#### (5.1.1.8) Timeframes covered

Select all that apply

- 2030
- 2040
- 2050

#### (5.1.1.9) Driving forces in scenario

Regulators, legal and policy regimes

- Global regulation

### (5.1.1.10) Assumptions, uncertainties and constraints in scenario

*The main driving force affecting various aspects of KCC's business and the shipping industry in general associated with the APS is the IMO's pledge to cut shipping emissions by 20-30% by 2030 and 70-80% by 2040, aiming for net zero emissions around 2050. Significant uncertainties remain around alternative fuel availability and pricing. For the IMO's strategic goals are to be achieved it would require an unprecedented ramp-up of e-fuels, bioenergy extraction, novel technologies like onboard carbon capture, or a combination of the above. Even within these categories there is significant uncertainty around e.g. which e-fuels may become prevalent or which biomass residue group has best potential to supply energy for shipping. KCC will be constrained by existing vessels (8 CLEANBUs and 3 CABUs built after 2010) being costly to retrofit for alternative fuel propulsion, and thus potentially reliant on drop-in biofuels, whereas all of our newbuild vessels built 2026 onwards are from the point of design ready to be fitted with alternative fuel propulsion, with space (and associated strengthening of the hull) intended for later addition of tanks, fuel lines, and treatment room. They are also fitted with modern engines more able to be modified for any fuel.*

### (5.1.1.11) Rationale for choice of scenario

*We consider this scenario the most likely (and, within the constraints of realpolitik, the most desirable) outcome of global regulation on shipping emissions, although it is possible that the IMO will fail to come to agreement on sufficiently strong regulatory measures to support these ambitions. The organization is closely monitoring regulatory developments at the IMO and, pending indications of progress, planning to include its implications on fuel price and alternative fuel support in our investment decisions for emissions reduction technology and alternative fuel propulsion choices for both newbuilds and existing vessels as retrofit. The IMO's 2023 strategy can be found here: <https://www.imo.org/en/ourwork/environment/pages/2023-imo-strategy-on-reduction-of-ghg-emissions-from-ships.aspx> with its draft regulation process described here: <https://www.imo.org/en/mediacentre/pressbriefings/pages/imo-approves-netzero-regulations.aspx> and the regulation itself here: <https://wwwcdn.imo.org/localresources/en/MediaCentre/HotTopics/Documents/Circular%20Letter%20No.5005%20-%20Draft%20Revised%20Marpol%20Annex%20Vi%20%28Secretariat%29.pdf>*

[Add row]

## (5.1.2) Provide details of the outcomes of your organization's scenario analysis.

### Climate change

#### (5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

- Risk and opportunities identification, assessment and management
- Strategy and financial planning
- Resilience of business model and strategy
- Capacity building
- Target setting and transition planning

### (5.1.2.2) Coverage of analysis

Select from:

Organization-wide

### (5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

*KCC has identified that the main risks are transition risks and that physical risks likely will have more temporary impact as the vessels operate globally and can be transferred to new trading areas if needed. 1. In the short term, the likely major impact will be from regulations. Both global regulators (IMO) and regional regulator (e.g. EU) are developing and implementing regulations related to vessel emissions which will likely impact vessel operations (IMO EEXI), costs (EU ETS/FuelEU Maritime/potential new IMO regulations coming up for decision in October 2025) and potentially access to and/or pricing of funding (EU Taxonomy). The IMO EEXI regulations are to a limited degree impacting KCC's vessels. Shipping was included in the EU ETS from 2024 and FuelEU Maritime was implemented in 2025. KCC currently has limited trade to/from EU, but would have a competitive advantage as this system is based on actual emissions and KCC has compared to standard vessels lower emissions per transport work. If adopted in October 2025, the IMO framework regulating the GHG intensity of the fuel used will likely have the same positive effect due to KCC's lower fuel consumption compared to standard vessels per transport work. KCC has not experienced reduced willingness to invest in or provide capital to the company due to the EU Taxonomy. 2. In the medium term, KCC has identified transition to lower emissions technology to be the main risk. The vessels are the revenue-generating items in the group and if demand for existing vessels decrease due to customer preferences for zero-emitting vessels, revenue will decrease and vessel values might deteriorate. The risk also relates to investment in new technology to replace existing vessels or to upgrade existing vessels. 3. In the longer run, KCC has identified reduced demand for fossil fuels and hence transportation of fossil fuels as the main risk. While the CLEANBU vessels can trade in the same trades as the CABU vessels, the CLEANBU vessels are currently dependent on CPP to achieve an efficient combination trading pattern outside the transportation of caustic soda. New trades for shipment of low carbon fuels, e.g. renewable diesel (HVO), may partly substitute current trades for shipment of CPP, but in the foreseeable future lower CPP volumes will likely impact revenue negatively and might result in lower vessel values and write-downs. The environmental strategy published in March 2023 is based on the risks and opportunities identified and three key levers have been identified: 1) Improve the energy efficiency of the existing vessels with more than 15 ongoing initiatives in the period 2021-2024, 2) Optimize trading efficiency through among other things implementing a shadow carbon pricing in some chartering decisions and maximum speed targets with effect from 2023. A freight contract linking freight pricing to emissions was as well implemented in January 2023 with an ambition to include the mechanism in other freight contracts over the next years, 3) Perfect voyage efficiency. The strategy as well includes aiming at having the first zero-emission vessel in operation within end of 2030.*

[Fixed row]

## (5.2) Does your organization's strategy include a climate transition plan?

### (5.2.1) Transition plan

Select from:

- No, but we are developing a climate transition plan within the next two years

### (5.2.15) Primary reason for not having a climate transition plan that aligns with a 1.5°C world

Select from:

- Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

### (5.2.16) Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world

*KCC has limited human and financial resources and has hence until now concentrated on establishing targets and actions for the short- to medium term period. This includes setting carbon intensity and emission per vessel-year targets for KCC's fleet and to implement levers and actions to delivery on these targets. These levers and actions include i) energy efficiency measures, 2) trading efficiency measures and 3) voyage efficiency measures. KCC has as well ordered three new vessels for delivery in 2026 that will reduce emissions from KCC's operations as they are intended to replace older vessels that have higher emissions. KCC is currently developing a transition plan for adoption in 2025 using, as reference, trajectories derived from the SBT'i guidance for maritime transport. Key considerations of building KCC's transition plan throughout 2025 will be to assess potential emission reductions from further operational and technical efficiencies, to develop our approach in implementing zero- or near zero- emission technologies (and novel technologies in general), to evaluate international and regional regulations on shipping emissions, and to understand the degree of customer support that can be expected, in order to build a robust transition plan through 2050.*

[Fixed row]

## (5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

### (5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

- Yes, both strategy and financial planning

### (5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

- Products and services
- Investment in R&D
- Operations

[Fixed row]

## (5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

### Products and services

#### (5.3.1.1) Effect type

Select all that apply

- Risks
- Opportunities

#### (5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change

#### (5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

*Situation: Risks and opportunities related to potential increased demand from customers for low carbon transportation, stricter regulations and transition to lower emission technology have impacted KCC's product and service strategy. Environmental targets and ambitions, both adaptation and mitigation, are duly incorporated in the overall strategy of the Company and are one of the main building blocks of the strategy. Task: To maintain and strengthen KCC's competitive advantage in relation to emission footprint, KCC has established trajectories for reduction in the fleet's carbon intensity (EEOI) and average CO2/vessel-year for the period including 2030. Action: To reach this strategic ambition, KCC has initiated a broad range of activities related to trading and voyage efficiency and implemented a large range of energy efficiency measures, the latter partly funded by an equity raise of USD 25 million in November 2021 specifically to fund these investments. KCC's ambition is to maintain the lead as the lowest carbon-emitting shipping service provider in dry bulk/ tanker shipping and provide the most cost-effective decarbonization. As part of this strategy, KCC signed contracts for three CABU newbuilds with expected delivery in 2026 and a total delivered cost of around USD 190 million. The vessels are prepared for later conversion to zero-emission fuels in line with KCC's strategy of having the first zero-emission vessel in operation within the end of 2030 and the vessels have an approx. 35% reduction in carbon footprint compared to the CABU vessel built 2001-2002 that they will replace. Result: The trajectories for EEOI and CO2 emissions per vessel-year for the period including 2030 were latest updated in the environmental strategy published in March 2023, and is under review in 2025. The EEOI ambition is a reduction of 30% in 2026 compared to 2018 and 45% in 2030. KCC's targets based on 2018 figures are substantially lower (more ambitious) than IMO's 2030 targets which are based on 2008 figures.*

### Investment in R&D

#### (5.3.1.1) Effect type

Select all that apply

- Risks
- Opportunities

### (5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change

### (5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

*Situation: There is no available zero-emission technology or fuel available for deep-sea shipping and hence it is uncertain how KCC can reach its zero-emission operations ambition and reach its decarbonization targets both short-term and long-term. Task: To optimize current vessels and activities to reduce emissions for our fleet i.e. mitigating activities, KCC seeks broadly for new solutions and technologies, pilots and tests new features and invests in R&D. Action: KCC contracted in 2023 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 24 million in energy efficiency measures during 2021-2024 and expect another USD 12 million to be invested in 2025-2026. One of the milestones in 2024, was the decision to invest in two suction sails on one of the CABU newbuild vessels with delivery in 2026. Result: One of KCC's ambitions related to investments in R&D is to reduce the fuel consumption corrected for draft, weather and speed by 18% in 2026 compared to 2018. By the end of 2024, KCC had reduced fuel consumption based on the same parameters by 9% compared to 2018.*

## Operations

### (5.3.1.1) Effect type

Select all that apply

- Risks
- Opportunities

### (5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change

### (5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

*Situation: As for the other categories, products and services and investment in R&D, KCC's operational strategy, both short-term and long-term, is as well impacted by the path to a low-, zero-emission future. Task: KCC has established several ambitions covering this area such as increasing time spent in combination trade, reduce ballasting, maximize cargo intake, reduce time in port and avoid high-speed voyages. Action: As a part of the updated Environmental Strategy published in March 2023, KCC 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 2024, the internal carbon pricing rule did not alter any trading decisions involving ballast instead of combination trading. KCC as well 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 2023 the fleet operated at 12.5 knots or higher for approximately 47% of the time. This increased to 52% in 2024 as decisions were taken to increase speeds and capture value in a historically strong product tanker market, particularly affecting the CLEANBU fleet, which spent 65% of the time at or above 12.5 knots. The figure stood at 40% for the CABU fleet in 2024. Result: KCC ambitions for 2026 is % of days in combination trades above 90% and ballast days in % of total days on-hire below 10%. In 2024, the two metrics were 82% and 14% respectively. The CABU fleet traded very efficiently in 2024 with the share of days in combination trades at 94% and a ballast of 11%, down from 12% in 2023. This was driven by a high number of caustic soda solutions 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 and less in the dry bulk market, resulting in more ballasting (17%) and less combination trading (70%).*

[Add row]

### **(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.**

#### **Row 1**

##### **(5.3.2.1) Financial planning elements that have been affected**

*Select all that apply*

- Revenues
- Capital expenditures
- Acquisitions and divestments
- Access to capital
- Assets

##### **(5.3.2.2) Effect type**

*Select all that apply*

- Risks
- Opportunities

### (5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

- Climate change

### (5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

*Situation: KCC has in the Environmental strategy short- and long-term ambitions to further reduce the carbon footprint of KCC's business and to play an active role in the transition to a low carbon shipping industry. The effect of decarbonization on cargoes carried, customers served and vessel technology and how to position the Company to benefit from the changes that are coming are some of the main building blocks. Task: Financial planning related to several elements is influenced by climate-related risks and opportunities including i) Capex: investments in energy efficiency investments, ii) Acquisitions: newbuilds ordered, iii) Revenues: sustainability-linked freight contracts, iv) Access to capital: sustainability-linked financing and v) Assets: potential for stranded assets. Action and result: KCC continued to invest in the newbuilds ordered in 2023 and with delivery in 2026. The vessels are expected to have 35% lower emissions than the vessels they replace. In 2024, KCC as well decided to equip on of the three newbuilds with two sails. The three new vessels will replace the oldest vessels in the fleet which will turn 25 years in 2026. Decision has not yet been made whether these two vessels will be recycled in 2026 or whether used in alternative trades or sold in the second hand market. A sustainability-linked freight contract was introduced in 2023 and KCC continued to lift volumes under this contract. All bank and bond debt is sustainability-linked and KCC has continued to invest in energy efficiency measures through the year.*

[Add row]

### (5.4) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Methodology or framework used to assess alignment with your organization's climate transition
	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Other methodology or framework

[Fixed row]

**(5.4.1) Quantify the amount and percentage share of your spending/revenue that is aligned with your organization's climate transition.**

**Row 1**

**(5.4.1.1) Methodology or framework used to assess alignment**

Select from:

Other, please specify :KCC reports CAPEX related to energy efficiency investments in the vessel note (Financial statements in line with IFRS) on an annual and quarterly basis.

**(5.4.1.5) Financial metric**

Select from:

CAPEX

**(5.4.1.6) Amount of selected financial metric that is aligned in the reporting year (currency)**

11420000

**(5.4.1.7) Percentage share of selected financial metric aligned in the reporting year (%)**

40

**(5.4.1.8) Percentage share of selected financial metric planned to align in 2025 (%)**

15

**(5.4.1.9) Percentage share of selected financial metric planned to align in 2030 (%)**

0

**(5.4.1.12) Details of the methodology or framework used to assess alignment with your organization's climate transition**

*KCC reports on how much of CAPEX that have been invested to improve the fuel consumption and hence emissions. In 2024, this was USD 11.4 million (total CAPEX USD 28.3 million). In 2025, the estimate is approx. USD 12 million (total CAPEX estimated to be USD 93 million) due to higher dry-docking costs and newbuild yard instalments. Hence the % of CAPEX decreases from approx. 40% to approx 15%. KCC does not have a specific target for 2030.*  
[Add row]

## **(5.5) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?**

### **(5.5.1) Investment in low-carbon R&D**

Select from:

Yes

### **(5.5.2) Comment**

*KCC invests in energy efficiency measure and is sometimes an early mover within such investments in the industry. The identification, the testing and implementation of such measures require personnel resources. Normally the investments are not considered R&D accounting wise.*  
[Fixed row]

## **(5.5.8) Provide details of your organization's investments in low-carbon R&D for transport-related activities over the last three years.**

### **Row 1**

#### **(5.5.8.1) Activity**

Select all that apply

Marine

#### **(5.5.8.2) Technology area**

Select from:

Other, please specify :Air lubrication systems

### (5.5.8.3) Stage of development in the reporting year

Select from:

Full/commercial-scale demonstration

### (5.5.8.4) Average % of total R&D investment over the last 3 years

47

### (5.5.8.5) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

5170000

### (5.5.8.6) Average % of total R&D investment planned over the next 5 years

20

### (5.5.8.7) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

*KCC is determined to substantially improve further our carbon efficiency advantage by delivering large reductions in our carbon footprint over the coming years. When the industry has to switch to low-, zero-emission fuels, the total fuel cost will increase, either through cost of carbon emissions or due to purchasing more expensive fuels. KCC has hence for now focused on reducing our fuel consumption and emissions. KCC targets to reduce the fuel consumption (corrected for draft, weather and speed) in 2026 by 18% compared to 2018 performance. KCC invest in its vessels to reduce hull resistance, improve propeller and hull effectiveness and optimize the vessels' energy utilization and evaluate alternative energy generation. In 2021-2024, KCC invested in total USD 24 million in energy efficiency measures in its fleet, of which USD 11 million was invested in 2024, the majority of which related to the continued installation of air lubrication systems and retrofit shaft generator on a total of six vessels. The air lubrication system reduces the frictional resistance by creating a carpet of bubbles coating the full flat bottom of the vessels. KCC expect another USD 12 million to be invested in 2025-26 from currently committed projects on the existing fleet, including the final two of the total six vessels to be retrofit with the current round of shaft generator and air lubrication systems. In 2024 KCC also decided to invest in bound4blue suction sails on one of the CABU III newbuild vessels. KCC's intention is to learn from the installation and operation of sails on a single vessel, and use this information to assess the potential of wind-assisted propulsion in any further newbuildings or as retrofits on the modern CABU II, CLEANBU, or CABU III vessels in later years. To fund this energy efficiency program, KCC successfully raised USD 25 million in equity in November 2021. In parallel with costly and complex measures as the installation of the air lubrication system and shaft generator approved by the Board of Directors for two vessels in March 2022, the Board has given management a mandate to invest up to USD 2.5 million per year in*

energy efficiency improvement initiatives. Investments in energy efficiency measures will likely be considerable larger and raised equity will likely be supplemented by debt funding to fund a likely total investment for the existing fleet and the newbuilds of USD 40-50 million in the period including 2026. KCC has also

## Row 2

### (5.5.8.1) Activity

Select all that apply

Marine

### (5.5.8.2) Technology area

Select from:

Other, please specify :Shaft generator

### (5.5.8.3) Stage of development in the reporting year

Select from:

Full/commercial-scale demonstration

### (5.5.8.4) Average % of total R&D investment over the last 3 years

52.5

### (5.5.8.5) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

5510000

### (5.5.8.6) Average % of total R&D investment planned over the next 5 years

20

### (5.5.8.7) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

*Installing a shaft generator means that the vessel can use power from the efficient main engine while sailing, instead of the smaller auxiliary engines. Shaft generator technology will play an important role in the decarbonization of shipping, possibly in combination with battery/fuel cell technology, since the most efficient use of alternative fuels will be in large, dedicated engines rather than the smaller auxiliary engines.*

### Row 3

#### (5.5.8.1) Activity

*Select all that apply*

Marine

#### (5.5.8.2) Technology area

*Select from:*

Other, please specify :Rotor sails or suction sails

#### (5.5.8.3) Stage of development in the reporting year

*Select from:*

Full/commercial-scale demonstration

#### (5.5.8.4) Average % of total R&D investment over the last 3 years

0.5

#### (5.5.8.5) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

20000

#### (5.5.8.6) Average % of total R&D investment planned over the next 5 years

40

#### (5.5.8.7) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

Wind-assisted propulsion systems are an even more efficient and sustainable way to generate ship propulsion than alternatives such as e-fuels generated from renewable electricity coming from onshore or offshore wind power. Although the technology is still being tested, wind-assisted propulsion has potential to play a large role in the decarbonization of shipping.

[Add row]

**(5.10) Does your organization use an internal price on environmental externalities?**

	Use of internal pricing of environmental externalities	Environmental externality priced
	<i>Select from:</i> <input checked="" type="checkbox"/> Yes	<i>Select all that apply</i> <input checked="" type="checkbox"/> Carbon

[Fixed row]

**(5.10.1) Provide details of your organization’s internal price on carbon.**

**Row 1**

**(5.10.1.1) Type of pricing scheme**

*Select from:*

- Shadow price

**(5.10.1.2) Objectives for implementing internal price**

*Select all that apply*

- Conduct cost-benefit analysis
- Drive energy efficiency
- Incentivize consideration of climate-related issues in decision making

### (5.10.1.3) Factors considered when determining the price

Select all that apply

- Alignment with the price of allowances under an Emissions Trading Scheme

### (5.10.1.4) Calculation methodology and assumptions made in determining the price

*As a part of the updated Environmental Strategy published in March 2023, KCC 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 2024, the internal carbon pricing rule did not alter any trading decisions involving ballast instead of combination trading.*

### (5.10.1.5) Scopes covered

Select all that apply

- Scope 1

### (5.10.1.6) Pricing approach used – spatial variance

Select from:

- Uniform

### (5.10.1.8) Pricing approach used – temporal variance

Select from:

- Evolutionary

### (5.10.1.9) Indicate how you expect the price to change over time

*The EUA price is expected to increase over time as regulatory decisions aim to meet climate objectives through gradual reductions in EUA supply, ensuring sustained price appreciation.*

### (5.10.1.10) Minimum actual price used (currency per metric ton CO2e)

### (5.10.1.11) Maximum actual price used (currency per metric ton CO2e)

88

### (5.10.1.12) Business decision-making processes the internal price is applied to

Select all that apply

Operations

### (5.10.1.13) Internal price is mandatory within business decision-making processes

Select from:

Yes, for some decision-making processes, please specify :Mandatory for chartering decisions involving long ballasting.

### (5.10.1.14) % total emissions in the reporting year in selected scopes this internal price covers

17

### (5.10.1.15) Pricing approach is monitored and evaluated to achieve objectives

Select from:

Yes

### (5.10.1.16) Details of how the pricing approach is monitored and evaluated to achieve your objectives

*EUA prices are extracted from Bloomberg and shared with the team on a weekly basis. The latest price is used when making a ballasting decision. As mentioned, due to the large earnings difference between the product tanker and the dry bulk market in 2024, the internal carbon pricing rule did not alter any trading decisions involving ballast instead of combination trading. In these market circumstances, certain decisions would have needed a carbon price approaching 1000 USD/tCO2 to justify taking a less well-paying cargo rather than ballasting.*

[Add row]

### (5.11) Do you engage with your value chain on environmental issues?

	Engaging with this stakeholder on environmental issues	Environmental issues covered
Suppliers	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Climate change
Customers	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Climate change
Investors and shareholders	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Climate change
Other value chain stakeholders	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Climate change

[Fixed row]

**(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?**

	Assessment of supplier dependencies and/or impacts on the environment
Climate change	Select from: <input checked="" type="checkbox"/> No, we do not currently assess the dependencies and/or impacts of our suppliers, but we plan to do so within the next two years

[Fixed row]

**(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?**

## Climate change

### (5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

- No, we do not prioritize which suppliers to engage with on this environmental issue

### (5.11.2.3) Primary reason for no supplier prioritization on this environmental issue

Select from:

- Lack of internal resources, capabilities or expertise (e.g., due to organization size)

### (5.11.2.4) Please explain

*KCC, through the KYC Procedures, conducts an adverse media check to uncover potential ESG-issues, but do not have a more thorough evaluation of suppliers environmental issues. As we have concentrated on our own operations and impact we can have on our customers we have not had the resources yet to assess suppliers.*

*[Fixed row]*

## (5.11.5) Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?

## Climate change

### (5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

- No, but we plan to introduce environmental requirements related to this environmental issue within the next two years

### (5.11.5.3) Comment

*As part of the KYC Procedures, KCC performs a business ethics check. This control includes an adverse media check related to, among other things, ESG-issues such as spills to the environment and for ship owners, their practice related to scrapping of vessels/beaching. Non-compliance is addressed in the Counterparty Code of Conduct.*

[Fixed row]

## **(5.11.7) Provide further details of your organization's supplier engagement on environmental issues.**

### **Climate change**

#### **(5.11.7.2) Action driven by supplier engagement**

Select from:

- Other, please specify :Innovation & collaboration

#### **(5.11.7.3) Type and details of engagement**

Innovation and collaboration

- Other innovation and collaboration activity, please specify :Work/collaboration with suppliers of energy efficiency measures to improve the solution to better fit with dry bulk/tanker vessels

#### **(5.11.7.4) Upstream value chain coverage**

Select all that apply

- Tier 1 suppliers

#### **(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement**

Select from:

- Unknown

#### **(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement**

Select from:

- Unknown

#### **(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action**

*KCC has an ambition of being an innovator and early adaptor of energy efficiency measures. KCC has been outspoken on its willingness to try out new solutions and work closely with suppliers of energy efficiency solutions to improve the practical application and efficiency of these solutions. This position has attracted interest from start-ups and other companies with new solutions and ideas. KCC has worked closely with several suppliers of energy efficiency measures to improve the solution to better fit with dry bulk/tanker vessels. The effect of this collaboration is that the systems becomes more efficient and emission reductions higher for KCC's systems as well as for other customers of the supplier. Success is measured through the improved design and efficiency of the solution and that this solution hopefully can be replicated on other dry bulk/tanker vessels in the global fleet of standard vessels.*

#### **(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action**

Select from:

Unknown

[Add row]

#### **(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.**

##### **Climate change**

#### **(5.11.9.1) Type of stakeholder**

Select from:

Customers

#### **(5.11.9.2) Type and details of engagement**

Education/Information sharing

Educate and work with stakeholders on understanding and measuring exposure to environmental risks

Share information on environmental initiatives, progress and achievements

Innovation and collaboration

Collaborate with stakeholders on innovations to reduce environmental impacts in products and services

#### **(5.11.9.3) % of stakeholder type engaged**

Select from:

76-99%

#### (5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

Unknown

#### (5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

*KCC performs workshops with customers informing about the development and likely impact of concluded and possible new environmental regulations in shipping and to understand how these customers handle climate-related issues with focus on decarbonization, which again will impact KCC's business activities. The discussions with customers also include how KCC in co-operation with customers can improve carbon efficiency of KCC's services and the customer's scope 3 emissions e.g., by further reducing ballast, reducing speed, increasing cargo intake and decrease waiting time in ports. The customers have been selected due to their focus on scope 3 emissions and/or being companies KCC has worked closely with or intend to work closely with over time. The intention over time is to include mechanisms into more freight contracts to strengthen co-operation and to incentivize KCC to further reduce emissions from its fleet contributing to reach our decarbonization ambitions. The first freight contract where freight cost is linked to KCC's emissions were introduced in 2023.*

#### (5.11.9.6) Effect of engagement and measures of success

*Situation: Intended impact of the engagement is reduced emissions from the KCC fleet and hence the customer's scope 3 emissions. Task: Threshold of success is 1) 100% of customers reporting their scope 3 emissions and the most important success factor is 2) Over time the implementation of the sustainability-linked contract of affreightment (COA) solution into all contracts where freight paid is linked to carbon emissions from KCC's fleet. Action: In early 2023 a customer and KCC agreed to include a carbon pricing mechanism in their existing contract of affreightment with effect from 1 January 2023. Freight paid under the COA is dependent on KCC's emission performance relative to an agreed baseline and additional freight paid by the customer through this agreement will be dedicated to investments in energy efficiency measures in KCC's fleet. KCC lifted cargoes under this contract also in 2024. Result: KCC measures each customer agreeing to a sustainability-linked freight contract to be a success as this is early phase and no other similar contracts existing in deep-sea tank and dry bulk shipping as far as we know. Over the next years, KCC's ambition is to implement sustainability-linked freight pricing into all contracts of affreightment. In 2024, KCC's performance under the contract has in total been better than the trajectory agreed with the customer, having a small positive effect on revenue.*

## Climate change

#### (5.11.9.1) Type of stakeholder

Select from:

Investors and shareholders

### (5.11.9.2) Type and details of engagement

Education/Information sharing

- Educate and work with stakeholders on understanding and measuring exposure to environmental risks
- Share information on environmental initiatives, progress and achievements

### (5.11.9.3) % of stakeholder type engaged

Select from:

- 76-99%

### (5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

- Unknown

### (5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

*To have an open dialogue with investors is fundamental to KCC. Since decarbonization a very important part of KCC's strategy and business model, it is critical that we use time to inform and educate investors on KCC's value drivers, including climate related risks and opportunities with a potential financial impact. Dialogue with investors often include examples of how KCC will be impacted by introduction of future carbon taxes. Such dialogue can impact the long-term attractiveness of KCC as an investment, improve the share price and hence access and price of future funding that again can be used to reach our decarbonization ambitions.*

### (5.11.9.6) Effect of engagement and measures of success

*To educate and share information to KCC's investors is of importance so that investors can understand KCC's business model, competitive advantage and impact/exposure related to emission regulations, development of low-emission fuels and technology etc. This is of importance so that the share is correctly priced in the market (Oslo Stock Exchange) and is a continuous process. One measure of success is the share price.*

## Climate change

### (5.11.9.1) Type of stakeholder

Select from:

- Other value chain stakeholder, please specify :Banks and other debt providers

### (5.11.9.2) Type and details of engagement

Innovation and collaboration

- Other innovation and collaboration, please specify :Sustainability linked financing agreements

### (5.11.9.3) % of stakeholder type engaged

Select from:

- 76-99%

### (5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

- Unknown

### (5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

*Decarbonization is high on the agenda in discussions with our financing institutions. KCC's entire mortgage debt portfolio is sustainability-linked, further cementing KCC's position and ability to reach our decarbonization ambitions. The Sustainability-linked financing framework is developed in accordance with the Sustainability-Linked Bond Principles established by the International CapitalMarkets Association, and the Sustainability Linked Loan Principles established by the Loan Market Association. DNV has provided a second party opinion of the Framework.*

### (5.11.9.6) Effect of engagement and measures of success

*Situation: Access to and pricing of capital going forward will be impacted by how sustainable our assets and our business model is in the future. Task: It is hence important to actively engage with banks, shareholders, bond investors and financial regulators. Action: KCC reports on the Poseidon Principles to the banks, through one-to-one meetings educate the financial stakeholders on KCC's sustainability issues and opportunities and discuss alternative incentive structures. KCC's sustainability performance/KPIs are disclosed on a quarterly basis and main KPIs are subject to an annual external limited audit. Result: All bank facilities are sustainability-linked in which the credit margin is adjusted, up or down, based on KCC's sustainability performance, as defined by the company's ability to meet its goal of reducing CO2 emissions per ton of transported cargo per nautical mile (EEOI). Success is continuously measured and is reflected in the price of funding and the access to funding.*

[Add row]

## C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

### Climate change

#### (6.1.1) Consolidation approach used

Select from:

Financial control

#### (6.1.2) Provide the rationale for the choice of consolidation approach

*KCC has used the financial control approach, which includes emissions from KCC's owned fleet of vessels. Emission figures are reported based on consolidated data from the parent company, Klaveness Combination Carriers ASA, and subsidiaries controlled by KCC. This approach is in line with reporting of financial figures.*

### Plastics

#### (6.1.1) Consolidation approach used

Select from:

Financial control

#### (6.1.2) Provide the rationale for the choice of consolidation approach

*This approach is in line with reporting of financial financial accounting. Same rationale as for Climate change.*

### Biodiversity

#### (6.1.1) Consolidation approach used

Select from:

Financial control

## (6.1.2) Provide the rationale for the choice of consolidation approach

*This approach is in line with reporting of financial financial accounting. Same rationale as for Climate change.  
[Fixed row]*

## C7. Environmental performance - Climate Change

### (7.1) Is this your first year of reporting emissions data to CDP?

Select from:

No

#### (7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

	Has there been a structural change?
	Select all that apply <input checked="" type="checkbox"/> No

[Fixed row]

#### (7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?
	Select all that apply <input checked="" type="checkbox"/> No

[Fixed row]

## **(7.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

Select all that apply

- Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019
- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- Other, please specify :Fourth IMO Greenhouse Gas Study 2020, page 83

## **(7.3) Describe your organization's approach to reporting Scope 2 emissions.**

### **(7.3.1) Scope 2, location-based**

Select from:

- We are reporting a Scope 2, location-based figure

### **(7.3.2) Scope 2, market-based**

Select from:

- We are reporting a Scope 2, market-based figure

### **(7.3.3) Comment**

*Scope 2 emissions for KCC include electricity purchased in leased office buildings where land-based/office employees in KCC work. This includes both offices: in Oslo and Singapore. KCC's scope 2 emissions are immaterial when comparing with Scope 1 emissions. Both location-based and market-based scope 2 emissions are calculated.*

[Fixed row]

## **(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?**

Select from:

No

## **(7.5) Provide your base year and base year emissions.**

### **Scope 1**

#### **(7.5.1) Base year end**

12/31/2018

#### **(7.5.2) Base year emissions (metric tons CO2e)**

183578.0

#### **(7.5.3) Methodological details**

*Gross scope 1 includes all direct GHG emission sources. More than 99.99% of Scope 1 emissions come from the combustion of fossil fuels on KCC's vessels. Fuel consumption data (ton fuel) is from vessel fuel consumption records and emission factors from IMO 2020 have been used to convert to CO2e. Less than 0.01% of Scope 1 emissions is from heating oil, propane gas and diesel trucks consumed by the Oslo office, which has been converted to CO2e using emission factors from DEFRA based on fuel use reported by the landlord. New vessels delivered in 2019, 2020 and 2021 and one vessel sold in 2021. Fleet expansion in the period resulting in increased Scope 1 emissions in the period 2019-2024 compared to 2018.*

### **Scope 2 (location-based)**

#### **(7.5.1) Base year end**

12/31/2018

#### **(7.5.2) Base year emissions (metric tons CO2e)**

0.7

#### **(7.5.3) Methodological details**

Scope 2 emissions for KCC include electricity purchased in leased office buildings where land-based/office employees in KCC work. This includes both offices: in Oslo and Singapore. KCC's scope 2 emissions are immaterial when comparing with Scope 1 emissions. Gross scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling. For KCC, only electricity purchased in leased office building where KCC has organizational control is relevant (office building for employees in Oslo and Singapore). Although Scope 2 emissions physically occur at the facility where the electricity is generated, they are accounted for in KCC's GHG accounting inventory because they are a result of KCC's energy use. Scope 2 emissions are immaterial when comparing with Scope 1 emissions. The location-based method reflects the average emission intensity of the grids on which energy consumption occurs, while the market-based method reflects emissions from electricity that companies have purposefully chosen (or not chosen). Location-based energy emission factors used are from IEA 2024. Market-based energy emission factors used are from AIB 2024 for Oslo and EMA 2023 for Singapore. Factors are not based on Guarantees of Origin.

## Scope 2 (market-based)

### (7.5.1) Base year end

12/31/2020

### (7.5.2) Base year emissions (metric tons CO2e)

5.4

### (7.5.3) Methodological details

See comments included for scope 2 location-based. Market-based energy emission factors used are from AIB 2024 for Oslo and EMA 2023 for Singapore. Factors are not based on Guarantees of Origin.

## Scope 3 category 1: Purchased goods and services

### (7.5.1) Base year end

12/31/2021

### (7.5.2) Base year emissions (metric tons CO2e)

1193.0

### (7.5.3) Methodological details

Scope 3 category 1 includes all upstream (i.e. well-to-wake) GHG emissions from the production of products purchased or acquired by the reporting company in the reporting year. Products include both goods (tangible products) and services (intangible products). The CO2 emissions from category 1 have been calculated using the spend-based method which estimates emissions for goods and services by collecting data on the economic value of goods and services purchased and multiplying it by relevant secondary emission factors (source: US EPA (2024) and USD spending from the purchase system). This category relates closely to KCC's dry-docking activity, which increased and intensified in 2024 with a total of six dry-dockings of which two were large-scale retrofit installations and another two with significant steel renewal. This compares with 2023 which included four dry-dockings: one large-scale retrofit installation, and no steel renewal.

## Scope 3 category 2: Capital goods

### (7.5.1) Base year end

12/31/2021

### (7.5.2) Base year emissions (metric tons CO2e)

135200.0

### (7.5.3) Methodological details

Capital goods (Category 2) includes CO2 emissions relating to the production of the steel used for building of new vessels and for upgrading and repairing existing vessels during dry-docking. Conversion factors from kg steel to CO2e provided by CEMAsys and sourced from Ecoinvent 3.8/3.10 (2021, base year figures/2024 actual figures for reporting period).

## Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

### (7.5.1) Base year end

12/31/2021

### (7.5.2) Base year emissions (metric tons CO2e)

68000.0

### (7.5.3) Methodological details

Fuel-and-energy-related activities (Category 3) includes upstream emissions from fuel consumed with its direct emissions accounted in scope 1 (more than 99.99% of this category) and electricity consumed with its direct emissions accounted in scope 2 (less than 0.01% of this category) and includes emissions related to the

production, refining and transportation of fuels that are consumed by the vessels (well to-tank) and emissions associated with grid loss where relevant. Conversion factors from metric ton fuel to Well-to-tank CO2e provided by CEMAsys and sourced from DEFRA 2021/2024 (2021, base year figures/2024 actual figures for reporting period) and IEA 2023-2024.

## Scope 3 category 4: Upstream transportation and distribution

### (7.5.1) Base year end

12/31/2021

### (7.5.2) Base year emissions (metric tons CO2e)

520.0

### (7.5.3) Methodological details

Upstream transportation and distribution (category 4) includes emissions from the transportation and distribution of goods purchased. For the base year 2021 it was calculated using distance-based emission factors. The weight of all shipments and deliveries was mapped, as well as the distance transported, and emission factors were collected from US EPA Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2019, April 1st 2021. For the reporting year, the CO2e emissions from upstream transportation and distribution have been calculated and reported by KCC's transport service provider MarineTrans (source: MarineTrans Carbon report 2024 for KCC).

## Scope 3 category 5: Waste generated in operations

### (7.5.1) Base year end

12/31/2021

### (7.5.2) Base year emissions (metric tons CO2e)

53.0

### (7.5.3) Methodological details

Waste generated in operations (category 5) includes emissions related to the disposal, recycling and incineration of various types of garbage onboard ships and in office. Actual data on total waste volume were collected from vessels. Emission factors converting different categories of waste to equivalent CO2 emissions were collected from Ecoinvent 3.8/3.11 and DEFRA 2021/2024 (base year/reporting year).

## Scope 3 category 6: Business travel

### (7.5.1) Base year end

12/31/2021

### (7.5.2) Base year emissions (metric tons CO2e)

2.2

### (7.5.3) Methodological details

*Although the CO2 emissions from business travel for the 10 (2021) KCC employees are considered immaterial and hence not relevant, it is still reported. In the base year 2021, KCC had 2 domestic flights, 2 continental flights and 3 intercontinental flights. This amounts to 2.2 mt CO2e, well below the threshold for relevancy at 0.1% of total GHG emissions. Emission numbers provided by travel agency Berg-Hansen's web portal "Business Insight", calculated using a distance-based method.*

## Scope 3 category 7: Employee commuting

### (7.5.1) Base year end

12/31/2021

### (7.5.2) Base year emissions (metric tons CO2e)

0.8

### (7.5.3) Methodological details

*Although the CO2 emissions from employee commuting for the 10 (2021) KCC employees are considered immaterial and hence not relevant, it is still reported. GHG-emissions related to commuting have been calculated by estimation of commuting methods and distance per employee, converted to CO2e using factors provided by CEMAsys and sourced from Ecoinvent 3.8 and DEFRA 2021.*

## Scope 3 category 8: Upstream leased assets

### (7.5.1) Base year end

12/30/2021

### (7.5.2) Base year emissions (metric tons CO2e)

0.0

### (7.5.3) Methodological details

*KCC does not operate leased assets, and this category has been evaluated to be not relevant.*

## Scope 3 category 9: Downstream transportation and distribution

### (7.5.1) Base year end

12/30/2021

### (7.5.2) Base year emissions (metric tons CO2e)

0.0

### (7.5.3) Methodological details

*KCC does not sell products, only transportation services. CO2 emissions related to the transportation of goods are reported in Scope 1, and this category has been evaluated to be not relevant.*

## Scope 3 category 10: Processing of sold products

### (7.5.1) Base year end

12/30/2021

### (7.5.2) Base year emissions (metric tons CO2e)

0.0

### (7.5.3) Methodological details

*KCC does not sell products, only transportation services, and this category has been evaluated to be not relevant.*

### **Scope 3 category 11: Use of sold products**

#### **(7.5.1) Base year end**

12/30/2021

#### **(7.5.2) Base year emissions (metric tons CO2e)**

0.0

#### **(7.5.3) Methodological details**

*KCC does not sell products, only transportation services, and this category has been evaluated to be not relevant.*

### **Scope 3 category 12: End of life treatment of sold products**

#### **(7.5.1) Base year end**

12/30/2021

#### **(7.5.2) Base year emissions (metric tons CO2e)**

0.0

#### **(7.5.3) Methodological details**

*KCC does not sell products, only transportation services, and this category has been evaluated to be not relevant.*

### **Scope 3 category 13: Downstream leased assets**

#### **(7.5.1) Base year end**

12/30/2021

### **(7.5.2) Base year emissions (metric tons CO2e)**

0.0

### **(7.5.3) Methodological details**

*KCC does not operate leased assets, and this category has been evaluated to be not relevant.*

## **Scope 3 category 14: Franchises**

### **(7.5.1) Base year end**

12/30/2021

### **(7.5.2) Base year emissions (metric tons CO2e)**

0.0

### **(7.5.3) Methodological details**

*KCC does not have franchises or have operations in a franchise model, and this category has been evaluated to be not relevant.*

## **Scope 3 category 15: Investments**

### **(7.5.1) Base year end**

12/30/2021

### **(7.5.2) Base year emissions (metric tons CO2e)**

0.0

### **(7.5.3) Methodological details**

*KCC owns no interests in other companies than subsidiaries already included on 100 % basis as part of the consolidation approach since Greenhouse Gas Accounting Report 2021, therefore KCC does not consider this category as relevant.*

### Scope 3: Other (upstream)

#### (7.5.1) Base year end

12/30/2021

#### (7.5.2) Base year emissions (metric tons CO2e)

0.0

#### (7.5.3) Methodological details

*KCC does not consider any other upstream category, except those already disclosed above, as relevant.*

### Scope 3: Other (downstream)

#### (7.5.1) Base year end

12/30/2021

#### (7.5.2) Base year emissions (metric tons CO2e)

0.0

#### (7.5.3) Methodological details

*KCC does not consider any other downstream category as relevant.  
[Fixed row]*

### (7.6) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

#### Reporting year

#### (7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

### (7.6.3) Methodological details

*Scope 1 includes all direct GHG emission sources. Nearly 100 % of Scope 1 emissions come from the combustion of fossil fuels on KCC's vessels. In 2024, like 2022+2023, no new vessels were added to or removed from the fleet. Emission factors for CO<sub>2</sub> were sourced from the Third IMO Greenhouse Gas Study 2014 and for CO<sub>2</sub>e were sourced from the Fourth IMO Greenhouse Gas Study 2020, and then multiplied with fuel consumption as measured based on vessel tank soundings and bunker pipe readings. This same fuel consumption data is the basis of both commercial payments for fuel quantities, and regulatory data submitted to shipping authorities such as the IMO Data Collection System and EU Monitoring, Reporting & Verification System.*

*[Fixed row]*

## (7.7) What were your organization's gross global Scope 2 emissions in metric tons CO<sub>2</sub>e?

### Reporting year

#### (7.7.1) Gross global Scope 2, location-based emissions (metric tons CO<sub>2</sub>e)

2

#### (7.7.2) Gross global Scope 2, market-based emissions (metric tons CO<sub>2</sub>e)

12

### (7.7.4) Methodological details

*Scope 2 emissions related to electricity consumed in office buildings remained at similar levels in 2024 compared to 2023 with no change in geographical scope or size / number of employees per location. Scope 2 emissions are still negligible compared to Scope 1 emissions. Emission factors were sourced from the IEA 2023 (Norway) and 2024 (Singapore). Scope 2 is based on activity/consumption data (kWh). KCC has no any Renewable Energy Certificates (REC) or Guarantees of Origin (GOOs).*

*[Fixed row]*

## (7.8) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

### Purchased goods and services

### (7.8.1) Evaluation status

Select from:

Relevant, calculated

### (7.8.2) Emissions in reporting year (metric tons CO2e)

8118

### (7.8.3) Emissions calculation methodology

Select all that apply

Spend-based method

### (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### (7.8.5) Please explain

*Purchased goods and services (Category 1) includes all upstream (i.e. well-to-wake) GHG emissions from the production of products purchased or acquired by the reporting company in the reporting year. Products include both goods (tangible products) and services (intangible products). The CO2 emissions from category 1 have been calculated using the spend-based method which estimates emissions for goods and services by collecting data on the economic value of goods and services purchased and multiplying it by relevant secondary emission factors (source: US EPA (2024) and USD spending from the purchase system). This category relates closely to KCC's dry-docking activity, which increased and intensified in 2024 with a total of six dry-dockings of which two were large-scale retrofit installations and another two with significant steel renewal. This compares with 2023 which included four dry-dockings: one large-scale retrofit installation, and no steel renewal. The sum in USD for 6 different purchasing categories were mapped with category-specific spend-based emission factors. KCC's auditor EY has for 2024 provided an independent limited assurance report on the Carbon Accounts (in line with the GHG Protocol).*

## Capital goods

### (7.8.1) Evaluation status

Select from:

Relevant, calculated

## (7.8.2) Emissions in reporting year (metric tons CO2e)

308

## (7.8.3) Emissions calculation methodology

Select all that apply

Average product method

## (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

## (7.8.5) Please explain

*Capital goods (Category 2) includes CO2 emissions relating to the production of the steel used for building of new vessels and for upgrading and repairing existing vessels during dry-docking. Two vessels required significant steel renewal in 2024. KCC had no new vessels delivered in 2024; the Group has 3 newbuildings on order with delivery in 2026, but no steel from newbuildings have been included in 2024. Mass of steel (mt) to CO2 emission factors used are from EcoInvent 3.10. KCC's auditor EY has for 2024 provided an independent limited assurance report on the Carbon Accounts (in line with the GHG Protocol).*

## Fuel-and-energy-related activities (not included in Scope 1 or 2)

### (7.8.1) Evaluation status

Select from:

Relevant, calculated

## (7.8.2) Emissions in reporting year (metric tons CO2e)

67293

## (7.8.3) Emissions calculation methodology

Select all that apply

Fuel-based method

#### (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

#### (7.8.5) Please explain

*Fuel-and-energy-related activities (Category 3) includes upstream emissions from fuel consumed with its direct emissions accounted in scope 1 (more than 99.99% of this category) and electricity consumed with its direct emissions accounted in scope 2 (less than 0.01% of this category) and includes emissions related to the production, refining and transportation of fuels that are consumed by the vessels (well- to-tank) and emissions associated with grid loss where relevant. Fuel and energy emission factors used are from DEFRA 2024 and IEA 2023-2024. KCC's auditor EY has for 2024 provided an independent limited assurance report on the Carbon Accounts (in line with the GHG Protocol).*

### Upstream transportation and distribution

#### (7.8.1) Evaluation status

Select from:

Relevant, calculated

#### (7.8.2) Emissions in reporting year (metric tons CO<sub>2</sub>e)

345

#### (7.8.3) Emissions calculation methodology

Select all that apply

Supplier-specific method

Distance-based method

#### (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

#### (7.8.5) Please explain

*Upstream transportation and distribution (Category 4) includes emissions from the transportation and distribution of products purchased from the vessels in the reporting year. The CO<sub>2</sub>e emissions from upstream transportation and distribution have been calculated and reported by KCC's transport service provider MarineTrans (source: MarineTrans Carbon report 2024 for KCC). KCC's auditor EY has for 2024 provided an independent limited assurance report on the Carbon Accounts (in line with the GHG Protocol).*

## Waste generated in operations

### (7.8.1) Evaluation status

Select from:

Relevant, calculated

### (7.8.2) Emissions in reporting year (metric tons CO<sub>2</sub>e)

336

### (7.8.3) Emissions calculation methodology

Select all that apply

Waste-type-specific method

### (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### (7.8.5) Please explain

*Waste generated in operations (Category 5) includes GHG emissions related to the disposal, recycling, and incineration of various types of waste onboard vessels and in the Oslo office. The activity data is provided by the KCC fleet through the Garbage Record Book onboard every vessel and by the waste management supplier in Oslo. All waste has been reported in different garbage categories with different conversion factors. Volume or mass of waste is converted to emissions using conversion factors from DEFRA 2024 and EcolInvent 3.11. KCC's auditor EY has for 2024 provided an independent limited assurance report on the Carbon Accounts (in line with the GHG Protocol).*

## Business travel

### (7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

### **(7.8.5) Please explain**

*GHG emissions from business travel have previously been calculated at 6 tonne CO<sub>2</sub>e for 2023, thus immaterial and considered not relevant.*

## **Employee commuting**

### **(7.8.1) Evaluation status**

Select from:

Not relevant, explanation provided

### **(7.8.5) Please explain**

*GHG emissions from employee commuting have previously been calculated at 1 tonne CO<sub>2</sub>e for 2022, thus immaterial and considered not relevant.*

## **Upstream leased assets**

### **(7.8.1) Evaluation status**

Select from:

Not relevant, explanation provided

### **(7.8.5) Please explain**

*KCC does not operate leased assets, and this category has been evaluated to be not relevant.*

## **Downstream transportation and distribution**

### **(7.8.1) Evaluation status**

Select from:

Not relevant, explanation provided

### **(7.8.5) Please explain**

*KCC does not sell products, only transportation services, and this category has been evaluated to be not relevant.*

### **Processing of sold products**

#### **(7.8.1) Evaluation status**

*Select from:*

Not relevant, explanation provided

### **(7.8.5) Please explain**

*KCC does not sell products, only transportation services, and this category has been evaluated to be not relevant.*

### **Use of sold products**

#### **(7.8.1) Evaluation status**

*Select from:*

Not relevant, explanation provided

### **(7.8.5) Please explain**

*KCC does not sell products, only transportation services, and this category has been evaluated to be not relevant*

### **End of life treatment of sold products**

#### **(7.8.1) Evaluation status**

*Select from:*

Not relevant, explanation provided

### **(7.8.5) Please explain**

*KCC does not sell products, only transportation services, and this category has been evaluated to be not relevant*

## **Downstream leased assets**

### **(7.8.1) Evaluation status**

*Select from:*

Not relevant, explanation provided

### **(7.8.5) Please explain**

*KCC does operate leased assets, and this category has been evaluated to be not relevant*

## **Franchises**

### **(7.8.1) Evaluation status**

*Select from:*

Not relevant, explanation provided

### **(7.8.5) Please explain**

*KCC does not have franchises or have operations in a franchise model, and this category has been evaluated to be not relevant*

## **Investments**

### **(7.8.1) Evaluation status**

*Select from:*

Not relevant, explanation provided

### **(7.8.5) Please explain**

*KCC has not made investments in other companies other than subsidiaries already included on 100 % basis as part of the consolidation approach in Greenhouse Gas Accounting Report 2024, therefore KCC does not consider this category as relevant*

## Other (upstream)

### (7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

### (7.8.5) Please explain

*KCC does not consider any other upstream category as relevant*

## Other (downstream)

### (7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

### (7.8.5) Please explain

*KCC does not consider any other downstream category as relevant*

*[Fixed row]*

## (7.9) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Select from: <input checked="" type="checkbox"/> Third-party verification or assurance process in place

	Verification/assurance status
Scope 2 (location-based or market-based)	<i>Select from:</i> <input checked="" type="checkbox"/> Third-party verification or assurance process in place
Scope 3	<i>Select from:</i> <input checked="" type="checkbox"/> Third-party verification or assurance process in place

[Fixed row]

**(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.**

## Row 1

### (7.9.1.1) Verification or assurance cycle in place

*Select from:*

Annual process

### (7.9.1.2) Status in the current reporting year

*Select from:*

Complete

### (7.9.1.3) Type of verification or assurance

*Select from:*

Limited assurance

### (7.9.1.4) Attach the statement

### (7.9.1.5) Page/section reference

1-4

### (7.9.1.6) Relevant standard

Select from:

ISAE3000

### (7.9.1.7) Proportion of reported emissions verified (%)

100

[Add row]

**(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.**

#### Row 1

### (7.9.2.1) Scope 2 approach

Select from:

Scope 2 location-based

### (7.9.2.2) Verification or assurance cycle in place

Select from:

Annual process

### (7.9.2.3) Status in the current reporting year

Select from:

Complete

#### (7.9.2.4) Type of verification or assurance

Select from:

Limited assurance

#### (7.9.2.5) Attach the statement

*KCC Letter to CDP signed 040925.pdf*

#### (7.9.2.6) Page/ section reference

1-4

#### (7.9.2.7) Relevant standard

Select from:

ISAE3000

#### (7.9.2.8) Proportion of reported emissions verified (%)

100

[Add row]

**(7.9.3) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.**

**Row 1**

#### (7.9.3.1) Scope 3 category

Select all that apply

Scope 3: Purchased goods and services

- Scope 3: Capital goods
- Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
- Scope 3: Upstream transportation and distribution
- Scope 3: Waste generated in operations

#### **(7.9.3.2) Verification or assurance cycle in place**

Select from:

- Annual process

#### **(7.9.3.3) Status in the current reporting year**

Select from:

- Complete

#### **(7.9.3.4) Type of verification or assurance**

Select from:

- Limited assurance

#### **(7.9.3.5) Attach the statement**

*KCC Letter to CDP signed 040925.pdf*

#### **(7.9.3.6) Page/section reference**

1-4

#### **(7.9.3.7) Relevant standard**

Select from:

- ISAE3000

#### **(7.9.3.8) Proportion of reported emissions verified (%)**

**(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Select from:

Increased

**(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

**Change in renewable energy consumption**

**(7.10.1.1) Change in emissions (metric tons CO<sub>2</sub>e)**

0

**(7.10.1.2) Direction of change in emissions**

Select from:

No change

**(7.10.1.3) Emissions value (percentage)**

0

**(7.10.1.4) Please explain calculation**

*No renewable energy consumed in either year. All fuel bunkered was conventional shipping fossil fuel: heavy fuel oil and marine diesel oil.*

**Other emissions reduction activities**

**(7.10.1.1) Change in emissions (metric tons CO<sub>2</sub>e)**

**(7.10.1.2) Direction of change in emissions**

Select from:

 Decreased**(7.10.1.3) Emissions value (percentage)**

2

**(7.10.1.4) Please explain calculation**

*Energy efficiency measures. In 2024 KCC carried out a total of 17 installations of 10 different initiatives. The most effective of which are propeller ducts which improve hydrodynamic flow around the propeller thus its efficiency, silicone coatings which reduce hull friction, shaft generators which enable the use of power from the efficient main engine instead of smaller auxiliary engines, and air lubrication systems which produce a layer of microbubbles on the flat bottom surface of the hull to reduce friction. These measures in particular must be installed during drydock, limiting the speed of rollout across the KCC fleet. Measures not needing to be installed during drydock include improved routing systems, performance management software systems on board, and the deployment of in-transit cleaning drones. For more detail, see section 7.55.1 and 7.55.2.*

**Divestment****(7.10.1.1) Change in emissions (metric tons CO2e)**

0

**(7.10.1.2) Direction of change in emissions**

Select from:

 No change**(7.10.1.3) Emissions value (percentage)**

0

**(7.10.1.4) Please explain calculation**

*No business activity relating to divestment in the reporting year or the previous year.*

## **Acquisitions**

### **(7.10.1.1) Change in emissions (metric tons CO2e)**

0

### **(7.10.1.2) Direction of change in emissions**

*Select from:*

No change

### **(7.10.1.3) Emissions value (percentage)**

0

### **(7.10.1.4) Please explain calculation**

*No business activity relating to acquisitions in the reporting year or the previous year.*

## **Mergers**

### **(7.10.1.1) Change in emissions (metric tons CO2e)**

0

### **(7.10.1.2) Direction of change in emissions**

*Select from:*

No change

### **(7.10.1.3) Emissions value (percentage)**

0

#### (7.10.1.4) Please explain calculation

*No business activity relating to mergers in the reporting year or the previous year.*

### Change in output

#### (7.10.1.1) Change in emissions (metric tons CO2e)

2258

#### (7.10.1.2) Direction of change in emissions

Select from:

Decreased

#### (7.10.1.3) Emissions value (percentage)

0.8

#### (7.10.1.4) Please explain calculation

*Transport work (tonne-miles) decreased slightly year-on-year from 44.79 in 2023 to 44.45 in 2024 billion tonne miles, as vessels spent slightly more time spent in drydock in 2024.*

### Change in methodology

#### (7.10.1.1) Change in emissions (metric tons CO2e)

0

#### (7.10.1.2) Direction of change in emissions

Select from:

No change

### (7.10.1.3) Emissions value (percentage)

0

### (7.10.1.4) Please explain calculation

*No methodological differences in the reporting year or the previous year.*

### Change in boundary

### (7.10.1.1) Change in emissions (metric tons CO2e)

0

### (7.10.1.2) Direction of change in emissions

Select from:

No change

### (7.10.1.3) Emissions value (percentage)

0

### (7.10.1.4) Please explain calculation

*No boundary differences in the reporting year or the previous year.*

### Change in physical operating conditions

### (7.10.1.1) Change in emissions (metric tons CO2e)

8378

### (7.10.1.2) Direction of change in emissions

Select from:

Increased

### (7.10.1.3) Emissions value (percentage)

2.8

### (7.10.1.4) Please explain calculation

*The main factor increasing emissions in 2024 increased frictional resistance due to wear on the ageing hull coatings, especially on the CLEANBU fleet, which as newbuildings were not delivered with silicone antifouling. Some CLEANBU dry-dockings and retrofit projects were postponed to 2025 or later, partly in order to take advantage of the high product tanker market in 2024, but also giving more time to optimize the systems and to reduce time and cost of the energy efficiency installations. There was also a general speed increase in 2024 compared to 2023. In 2023 the fleet operated at 12.5 knots or higher for approximately 47% of the time. This increased to 52% in 2024 as decisions were taken to increase speeds and capture value in a historically strong product tanker market, particularly affecting the CLEANBU fleet, which spent 65% of the time at or above 12.5 knots. The figure stood at 40% for the CABU fleet in 2024.*

## Unidentified

### (7.10.1.1) Change in emissions (metric tons CO2e)

1291

### (7.10.1.2) Direction of change in emissions

Select from:

Increased

### (7.10.1.3) Emissions value (percentage)

0.4

### (7.10.1.4) Please explain calculation

*Estimating the effect of all energy efficiency measures is a complex exercise which requires many assumptions that are difficult to validate using the current data formats with inherent uncertainty. Fuel savings for energy efficiency measures is analysed closely and well understood but with a notable margin of error. Other factors with analytical margin of error related to vessel performance include the frequency of hull and propeller cleaning, and minor changes in a wide range of*

operational parameters not accounted for under "Change in physical operating conditions" may influence the CO2 emissions in both directions, but is too complex and not useful to calculate exactly.

## Other

### (7.10.1.1) Change in emissions (metric tons CO2e)

0

### (7.10.1.2) Direction of change in emissions

Select from:

No change

### (7.10.1.3) Emissions value (percentage)

0

### (7.10.1.4) Please explain calculation

*Attempted to account for all causes in existing categories*

*[Fixed row]*

## (7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Select from:

Location-based

## (7.12) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Select from:

No

**(7.15) Does your organization break down its Scope 1 emissions by greenhouse gas type?**

Select from:

Yes

**(7.15.1) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used global warming potential (GWP).**

**Row 1**

**(7.15.1.1) Greenhouse gas**

Select from:

CO2

**(7.15.1.2) Scope 1 emissions (metric tons of CO2e)**

293671

**(7.15.1.3) GWP Reference**

Select from:

IPCC Fourth Assessment Report (AR4 - 100 year)

**Row 2**

**(7.15.1.1) Greenhouse gas**

Select from:

CH4

**(7.15.1.2) Scope 1 emissions (metric tons of CO2e)**

141

### (7.15.1.3) GWP Reference

Select from:

IPCC Fourth Assessment Report (AR4 - 100 year)

### Row 3

### (7.15.1.1) Greenhouse gas

Select from:

N2O

### (7.15.1.2) Scope 1 emissions (metric tons of CO2e)

4315

### (7.15.1.3) GWP Reference

Select from:

IPCC Fourth Assessment Report (AR4 - 100 year)

[Add row]

### (7.16) Break down your total gross global Scope 1 and 2 emissions by country/area.

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Norway	298127	1	10
Singapore	0	2	2

[Fixed row]

**(7.17) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

Select all that apply

By business division

**(7.17.1) Break down your total gross global Scope 1 emissions by business division.**

	Business division	Scope 1 emissions (metric ton CO2e)
Row 1	Headquarters	1
Row 2	CLEANBU fleet (8 vessels built 2019-2021)	155245
Row 3	CABU II fleet (3 vessels built 2016-2017)	50813
Row 4	CABU I fleet (5 vessels built 2001-2007 )	92068

[Add row]

**(7.19) Break down your organization’s total gross global Scope 1 emissions by sector production activity in metric tons CO2e.**

	Gross Scope 1 emissions, metric tons CO2e	Comment
Transport services activities	298126	Nearly 100% of Scope 1 emissions come from combustion of fossil fuels on KCC’s vessels.

[Fixed row]

**(7.20) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.**

Select all that apply

By facility

**(7.20.2) Break down your total gross global Scope 2 emissions by business facility.**

	Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Row 1	Headquarter Oslo, Norway	1	10
Row 2	Office Singapore	2	2

[Add row]

**(7.21) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO2e.**

	Scope 2, location-based, metric tons CO2e	Scope 2, market-based (if applicable), metric tons CO2e	Comment
Transport services activities	0	0	No electricity purchased for transport services activities. In the future this might become an option as shore power in ports becomes commercialized.

[Fixed row]

**(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.**

**Consolidated accounting group**

**(7.22.1) Scope 1 emissions (metric tons CO2e)**

298127

**(7.22.2) Scope 2, location-based emissions (metric tons CO2e)**

2

**(7.22.3) Scope 2, market-based emissions (metric tons CO2e)**

12

**(7.22.4) Please explain**

*KCC owns no interests in other companies than subsidiaries already included on 100 % basis as part of the consolidation approach in Greenhouse Gas Accounting Report 2021, 2022, 2023 and 2024. All emissions are therefore counted under the consolidated accounting group.*

**All other entities**

**(7.22.1) Scope 1 emissions (metric tons CO2e)**

0

**(7.22.2) Scope 2, location-based emissions (metric tons CO2e)**

0

**(7.22.3) Scope 2, market-based emissions (metric tons CO2e)**

0

**(7.22.4) Please explain**

*There are no other relevant entities.*

*[Fixed row]*

**(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?**

Select from:

No

**(7.29) What percentage of your total operational spend in the reporting year was on energy?**

Select from:

More than 25% but less than or equal to 30%

**(7.30) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Select from: <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired electricity	Select from: <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired heat	Select from: <input checked="" type="checkbox"/> No
Consumption of purchased or acquired steam	Select from: <input checked="" type="checkbox"/> No
Consumption of purchased or acquired cooling	Select from: <input checked="" type="checkbox"/> No
Generation of electricity, heat, steam, or cooling	Select from: <input checked="" type="checkbox"/> No

[Fixed row]

**(7.30.1) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

**Consumption of fuel (excluding feedstock)**

**(7.30.1.1) Heating value**

Select from:

LHV (lower heating value)

**(7.30.1.2) MWh from renewable sources**

0

**(7.30.1.3) MWh from non-renewable sources**

1071955

**(7.30.1.4) Total (renewable + non-renewable) MWh**

1071955.00

**Consumption of purchased or acquired electricity**

**(7.30.1.1) Heating value**

Select from:

Unable to confirm heating value

**(7.30.1.2) MWh from renewable sources**

27

**(7.30.1.3) MWh from non-renewable sources**

**(7.30.1.4) Total (renewable + non-renewable) MWh**

31.00

**Total energy consumption****(7.30.1.1) Heating value***Select from:* LHV (lower heating value)**(7.30.1.2) MWh from renewable sources**

27

**(7.30.1.3) MWh from non-renewable sources**

1072599

**(7.30.1.4) Total (renewable + non-renewable) MWh**

1072626.00

*[Fixed row]***(7.30.6) Select the applications of your organization's consumption of fuel.**

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Select from: <input checked="" type="checkbox"/> Yes
Consumption of fuel for the generation of heat	Select from: <input checked="" type="checkbox"/> Yes
Consumption of fuel for the generation of steam	Select from: <input checked="" type="checkbox"/> No
Consumption of fuel for the generation of cooling	Select from: <input checked="" type="checkbox"/> No
Consumption of fuel for co-generation or tri-generation	Select from: <input checked="" type="checkbox"/> No

[Fixed row]

**(7.30.7) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

### Sustainable biomass

#### (7.30.7.1) Heating value

Select from:

Unable to confirm heating value

#### (7.30.7.2) Total fuel MWh consumed by the organization

0

#### (7.30.7.3) MWh fuel consumed for self-generation of electricity

0

**(7.30.7.4) MWh fuel consumed for self-generation of heat**

0

**(7.30.7.8) Comment**

*No usage in reporting year.*

**Other biomass**

**(7.30.7.1) Heating value**

*Select from:*

Unable to confirm heating value

**(7.30.7.2) Total fuel MWh consumed by the organization**

0

**(7.30.7.3) MWh fuel consumed for self-generation of electricity**

0

**(7.30.7.4) MWh fuel consumed for self-generation of heat**

0

**(7.30.7.8) Comment**

*No usage in reporting year.*

**Other renewable fuels (e.g. renewable hydrogen)**

**(7.30.7.1) Heating value**

Select from:

Unable to confirm heating value

**(7.30.7.2) Total fuel MWh consumed by the organization**

0

**(7.30.7.3) MWh fuel consumed for self-generation of electricity**

0

**(7.30.7.4) MWh fuel consumed for self-generation of heat**

0

**(7.30.7.8) Comment**

*No usage in reporting year.*

**Coal**

**(7.30.7.1) Heating value**

Select from:

Unable to confirm heating value

**(7.30.7.2) Total fuel MWh consumed by the organization**

0

**(7.30.7.3) MWh fuel consumed for self-generation of electricity**

0

**(7.30.7.4) MWh fuel consumed for self-generation of heat**

0

### (7.30.7.8) Comment

*No usage in reporting year.*

## Oil

### (7.30.7.1) Heating value

Select from:

LHV

### (7.30.7.2) Total fuel MWh consumed by the organization

1071955

### (7.30.7.3) MWh fuel consumed for self-generation of electricity

188491

### (7.30.7.4) MWh fuel consumed for self-generation of heat

46146

### (7.30.7.8) Comment

*99.999% of fuel used in 2024 comprised oil in vessel engines: either heavy fuel oil or marine diesel oil.*

## Gas

### (7.30.7.1) Heating value

Select from:

Unable to confirm heating value

**(7.30.7.2) Total fuel MWh consumed by the organization**

0

**(7.30.7.3) MWh fuel consumed for self-generation of electricity**

0

**(7.30.7.4) MWh fuel consumed for self-generation of heat**

0

**(7.30.7.8) Comment**

*No usage in reporting year.*

**Other non-renewable fuels (e.g. non-renewable hydrogen)**

**(7.30.7.1) Heating value**

*Select from:*

Unable to confirm heating value

**(7.30.7.2) Total fuel MWh consumed by the organization**

0

**(7.30.7.3) MWh fuel consumed for self-generation of electricity**

0

**(7.30.7.4) MWh fuel consumed for self-generation of heat**

0

**(7.30.7.8) Comment**

No usage in reporting year.

## Total fuel

### (7.30.7.1) Heating value

Select from:

LHV

### (7.30.7.2) Total fuel MWh consumed by the organization

1071955

### (7.30.7.3) MWh fuel consumed for self-generation of electricity

188491

### (7.30.7.4) MWh fuel consumed for self-generation of heat

46146

### (7.30.7.8) Comment

100% of fuel used in 2024 was oil.

[Fixed row]

**(7.30.14) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in 7.7.**

## Row 1

### (7.30.14.1) Country/area

Select from:

Norway

#### (7.30.14.2) Sourcing method

Select from:

Default delivered electricity from the grid (e.g. standard product offering by an energy supplier), supported by energy attribute certificates

#### (7.30.14.3) Energy carrier

Select from:

Electricity

#### (7.30.14.4) Low-carbon technology type

Select from:

Hydropower (capacity unknown)

#### (7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

27

#### (7.30.14.6) Tracking instrument used

Select from:

Contract

#### (7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

Norway

#### (7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

No

### **(7.30.14.10) Comment**

*Electricity consumed by leased office building for KCC employees in Oslo office.*

*[Add row]*

**(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.**

### **Norway**

#### **(7.30.16.1) Consumption of purchased electricity (MWh)**

27

#### **(7.30.16.2) Consumption of self-generated electricity (MWh)**

0

#### **(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)**

0

#### **(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)**

0

#### **(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)**

27.00

### **Singapore**

#### **(7.30.16.1) Consumption of purchased electricity (MWh)**

4

**(7.30.16.2) Consumption of self-generated electricity (MWh)**

0

**(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)**

0

**(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)**

0

**(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)**

4.00

[Fixed row]

**(7.36) Provide any efficiency metrics that are appropriate for your organization's transport products and/or services.**

**Row 1**

**(7.36.1) Activity**

Select from:

Marine

**(7.36.2) Metric figure**

6.6

**(7.36.3) Metric numerator**

Select from:

Other, please specify :grammes CO2e

#### (7.36.4) Metric denominator

Select from:

t.nautical mile

#### (7.36.5) Metric numerator: Unit total

292987000000

#### (7.36.6) Metric denominator: Unit total

44499000000

#### (7.36.7) % change from last year

1

#### (7.36.8) Please explain

*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.*

### Row 2

#### (7.36.1) Activity

Select from:

Marine

#### (7.36.2) Metric figure

3.9

#### (7.36.3) Metric numerator

Select from:

Other, please specify :grammes CO2e

#### (7.36.4) Metric denominator

Select from:

Other, please specify :DWT.nautical mile

#### (7.36.5) Metric numerator: Unit total

292987000000

#### (7.36.6) Metric denominator: Unit total

75124000000

#### (7.36.7) % change from last year

0

#### (7.36.8) Please explain

*"CII": emissions (grammes CO2e) divided by DWT\*NM. Similar to EEOI, but the denominator uses the vessel full DWT as capacity rather than the actual cargo weight carried. CII score also derives a rating from A-E. One KCC vessel achieved a C, five vessels achieved B-ratings, and the remaining ten achieved A-ratings.*

### Row 3

#### (7.36.1) Activity

Select from:

Marine

#### (7.36.2) Metric figure

1

### (7.36.3) Metric numerator

Select from:

Other, please specify :Number of ships achieved minimum EEDI

### (7.36.4) Metric denominator

Select from:

Other, please specify :Total number of ships in the fleet

### (7.36.5) Metric numerator: Unit total

16

### (7.36.6) Metric denominator: Unit total

16

### (7.36.7) % change from last year

0

### (7.36.8) Please explain

*All ships (16 out of 16) achieved required EEDI+EEXI. This is a metric introduced by the IMO to ensure vessels meet a minimum energy efficiency requirement (Energy Efficiency Design Index for newbuildings and Energy Efficiency eXisting Index for existing vessels). The IMO has determined the required EEXI values based on ship type and DWT. There is a maximum acceptable attained EEXI value, and all KCC vessels are below their respective maximum EEXI level.*

## Row 4

### (7.36.1) Activity

Select from:

Marine

### (7.36.2) Metric figure

14

### (7.36.3) Metric numerator

Select from:

Other, please specify :Days in ballast sailing

### (7.36.4) Metric denominator

Select from:

Other, please specify :Total days on hire for the fleet

### (7.36.5) Metric numerator: Unit total

758

### (7.36.6) Metric denominator: Unit total

5426

### (7.36.7) % change from last year

0

### (7.36.8) Please explain

*Share of time spent in ballast sailing mode across the whole fleet. Compared to 2023, this decreased by 0.3 percentage points with still high CLEANBU ballasting in a high tanker market. Ballast in % of on-hire days calculated as 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/year.*

## Row 5

### (7.36.1) Activity

Select from:

Marine

### (7.36.2) Metric figure

82

### (7.36.3) Metric numerator

Select from:

Other, please specify :Number of days in combination trades

### (7.36.4) Metric denominator

Select from:

Other, please specify :Total days on hire

### (7.36.5) Metric numerator: Unit total

4449

### (7.36.6) Metric denominator: Unit total

5426

### (7.36.7) % change from last year

-4

### (7.36.8) Please explain

*Days in combination trading increased by 2 percentage points. % 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 and 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.

## Row 6

### (7.36.1) Activity

Select from:

Marine

### (7.36.2) Metric figure

19551

### (7.36.3) Metric numerator

Select from:

Other, please specify :tCO2

### (7.36.4) Metric denominator

Select from:

Other, please specify :Vessel year

### (7.36.5) Metric numerator: Unit total

292987

### (7.36.6) Metric denominator: Unit total

14.99

### (7.36.7) % change from last year

5

### (7.36.8) Please explain

*The target is to reduce average CO<sub>2</sub> emissions per vessel year to 17,400 in 2024 and 16,900 by 2026. The total KCC fleet stood at 19,600 tCO<sub>2</sub> per vessel year for 2024, outside of the target for 2024. The CABU II fleet met this target, standing at 17,200 tCO<sub>2</sub> per vessel year on average in 2024, due largely to investments in energy efficiency measures on MV Ballard: shaft generator, air lubrication system, and propeller duct. The CABU I and CLEANBU fleets stood at 18,900 and 20,900 tCO<sub>2</sub> per vessel year respectively, driven by an increase in consumption rate mainly due to ageing hull coatings. Long-term alignment with this target requires significant improvement in vessel and voyage efficiencies, because trading efficiencies that result in more laden sailing time and more cargo carried will increase emissions per vessel year.*

*[Add row]*

**(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO<sub>2</sub>e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

#### Row 1

### (7.45.1) Intensity figure

0.00107

### (7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO<sub>2</sub>e)

298129

### (7.45.3) Metric denominator

Select from:

unit total revenue

### (7.45.4) Metric denominator: Unit total

278259000

### (7.45.5) Scope 2 figure used

Select from:

- Location-based

### (7.45.6) % change from previous year

4

### (7.45.7) Direction of change

Select from:

- Increased

### (7.45.8) Reasons for change

Select all that apply

- Change in revenue

### (7.45.9) Please explain

Revenue decreased 3% YoY as the historically high tanker market softened during 2024. (KCC revenues are largely derived from market rates.)

[Add row]

## (7.51) What are your primary intensity (activity-based) metrics that are appropriate to your emissions from transport activities in Scope 1, 2, and 3?

### Marine

### (7.51.1) Scopes used for calculation of intensities

Select from:

- Report just Scope 1

## (7.51.2) Intensity figure

6.6

## (7.51.3) Metric numerator: emissions in metric tons CO<sub>2</sub>e

298126

## (7.51.4) Metric denominator: unit

Select from:

t.mile

## (7.51.5) Metric denominator: unit total

44499

## (7.51.6) % change from previous year

2

## (7.51.7) Please explain any exclusions in your coverage of transport emissions in selected category, and reasons for change in emissions intensity.

2024 saw an increase in EEOI of around 1% compared to 2023. Analysing the three decarbonization action groups separately, we would have expected the following Y-o-Y impacts: • Trading efficiency improvements to reduce overall EEOI by around 1%, as a slight speed increase was more than offset by an increase in average cargo intake and a reduction in the share of time spent in port. • Voyage efficiency improvements to reduce EEOI by a small amount, as weather routing and stable load projects advanced towards the end of 2024, thus not having significant effect until 2025. • Energy efficiency deterioration to increase EEOI by around 2%, as the Ballard's significant improvement after its installation of a shaft generator and air lubrication system was more than offset by general ageing of hull coatings across the CLEANBU and CABU I fleet. There is a margin of error with such calculations but KCC interprets that 2024 ended at a similar level to 2023, with progress in some areas offset by headwinds in others: a general theme that led to increased emissions being the strong product tanker market causing decisions made to increase earnings where a significant price on CO<sub>2</sub> (upwards of 1000 USD/t) would have been required to incentivize less emissions-intensive decisions. This includes decisions made to ballast more and run at higher speeds, but also to shorten or skip optional CLEANBU dry-docking intervals. Industry standard practice (e.g. IMO data reporting, CII, EEOI) is only now beginning to include scope 3, but for completeness, benchmarking, both with and without scope 3 are shown. But with the IMO's declaration in MEPC81 to adopt lifecycle emission factors, and the Sea Cargo Charter's calculation of baseline trajectories in its annual report 2024, it will become easier for KCC to include upstream emissions.

**ALL**

**(7.51.1) Scopes used for calculation of intensities**

Select from:

Report just Scope 1

**(7.51.2) Intensity figure**

6.6

**(7.51.3) Metric numerator: emissions in metric tons CO2e**

298126

**(7.51.4) Metric denominator: unit**

Select from:

t.mile

**(7.51.5) Metric denominator: unit total**

44499

**(7.51.6) % change from previous year**

2

**(7.51.7) Please explain any exclusions in your coverage of transport emissions in selected category, and reasons for change in emissions intensity.**

See Marine comment.

[Fixed row]

**(7.52) Provide any additional climate-related metrics relevant to your business.**

**Row 1**

**(7.52.1) Description**

Select from:

Other, please specify :Spills to the environment

**(7.52.2) Metric value**

0

**(7.52.3) Metric numerator**

*Number of incidents*

**(7.52.4) Metric denominator (intensity metric only)**

*Not applicable (not an intensity metric)*

**(7.52.5) % change from previous year**

0

**(7.52.6) Direction of change**

Select from:

No change

**(7.52.7) Please explain**

*No spills in 2024.*

*[Add row]*

## (7.53) Did you have an emissions target that was active in the reporting year?

Select all that apply

Intensity target

### (7.53.2) Provide details of your emissions intensity targets and progress made against those targets.

#### Row 1

##### (7.53.2.1) Target reference number

Select from:

Int 1

##### (7.53.2.2) Is this a science-based target?

Select from:

Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

##### (7.53.2.4) Target ambition

Select from:

Well-below 2°C aligned

##### (7.53.2.5) Date target was set

06/28/2022

##### (7.53.2.6) Target coverage

Select from:

Organization-wide

##### (7.53.2.7) Greenhouse gases covered by target

Select all that apply

- Carbon dioxide (CO2)
- Methane (CH4)
- Nitrous oxide (N2O)

### (7.53.2.8) Scopes

Select all that apply

- Scope 1
- Scope 2

### (7.53.2.9) Scope 2 accounting method

Select from:

- Market-based

### (7.53.2.11) Intensity metric

Select from:

- Other, please specify :Metric grams of CO2e per tonne mile (nautical)

### (7.53.2.12) End date of base year

12/30/2018

### (7.53.2.13) Intensity figure in base year for Scope 1

7.6

### (7.53.2.14) Intensity figure in base year for Scope 2

0

### (7.53.2.33) Intensity figure in base year for all selected Scopes

7.6000000000

**(7.53.2.34) % of total base year emissions in Scope 1 covered by this Scope 1 intensity figure**

100

**(7.53.2.35) % of total base year emissions in Scope 2 covered by this Scope 2 intensity figure**

100

**(7.53.2.54) % of total base year emissions in all selected Scopes covered by this intensity figure**

100

**(7.53.2.55) End date of target**

12/30/2030

**(7.53.2.56) Targeted reduction from base year (%)**

45

**(7.53.2.57) Intensity figure at end date of target for all selected Scopes**

4.1800000000

**(7.53.2.58) % change anticipated in absolute Scope 1+2 emissions**

-30

**(7.53.2.60) Intensity figure in reporting year for Scope 1**

6.6

**(7.53.2.61) Intensity figure in reporting year for Scope 2**

**(7.53.2.80) Intensity figure in reporting year for all selected Scopes**

6.6000000000

**(7.53.2.81) Land-related emissions covered by target***Select from:* Yes, it covers land-related and non-land related emissions (e.g. SBT approved before the release of FLAG target-setting guidance)**(7.53.2.82) % of target achieved relative to base year**

29.24

**(7.53.2.83) Target status in reporting year***Select from:* Underway**(7.53.2.85) Explain target coverage and identify any exclusions**

*Target covers all GHG emissions from vessels (scope 1) plus market-based scope 2 emissions, which are currently immaterial compared to scope 1 emissions. The target is a key part of our wider net-zero 2050 goal and can be linearly extended, with the same gradient, down to 0 emissions in/around 2050. It also minimizes our compliance costs with emissions regulations from the IMO and EU.*

**(7.53.2.86) Target objective**

*Target is close to the IMO "striving" trajectory linked to a 30% absolute reduction by 2030. Target is between the SBTi "well below 2°C" and "1.5°C" trajectories for maritime.*

**(7.53.2.87) Plan for achieving target, and progress made to the end of the reporting year**

*Three main factors are required: energy-saving devices on vessels, operational and trading efficiencies, and alternative fuels. These three factors are of approximately equal importance in the transition plan. 2024 saw progress installing energy-saving devices such as Becker Mewis ducts and Hempel silicone antifouling paint, as well as the continued rollout of Silverstream Air Lubrication System in combination with a WeTech Shaft Generator on three more vessels. There*

was also success in operational efficiency with a reduction in port time and improved speed management. No alternative fuels were bunkered in 2030. By 2030, a significant share (15%) of KCC's fuel mix is currently intended to come from low- or zero-emission sources. Progress within 2020-2024 is slower than required, with intensified efforts needed to reach 2030 targets; the company is current undergoing a strategy review process to re-assess possible measures.

### (7.53.2.88) Target derived using a sectoral decarbonization approach

Select from:

Yes

## Row 2

### (7.53.2.1) Target reference number

Select from:

Int 3

### (7.53.2.2) Is this a science-based target?

Select from:

No, but we are reporting another target that is science-based

### (7.53.2.5) Date target was set

06/27/2022

### (7.53.2.6) Target coverage

Select from:

Business activity

### (7.53.2.7) Greenhouse gases covered by target

Select all that apply

Carbon dioxide (CO2)

Methane (CH4)

Nitrous oxide (N2O)

### (7.53.2.8) Scopes

Select all that apply

Scope 1

### (7.53.2.11) Intensity metric

Select from:

Other, please specify :Average CO2 emissions per vessel-year

### (7.53.2.12) End date of base year

12/30/2018

### (7.53.2.13) Intensity figure in base year for Scope 1

20800.0

### (7.53.2.33) Intensity figure in base year for all selected Scopes

20800.0000000000

### (7.53.2.34) % of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

100.0

### (7.53.2.54) % of total base year emissions in all selected Scopes covered by this intensity figure

100.0

### (7.53.2.55) End date of target

12/30/2030

**(7.53.2.56) Targeted reduction from base year (%)**

40

**(7.53.2.57) Intensity figure at end date of target for all selected Scopes**

12480.0000000000

**(7.53.2.58) % change anticipated in absolute Scope 1+2 emissions**

-30

**(7.53.2.60) Intensity figure in reporting year for Scope 1**

19600

**(7.53.2.80) Intensity figure in reporting year for all selected Scopes**

19600.0000000000

**(7.53.2.81) Land-related emissions covered by target**

Select from:

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

**(7.53.2.82) % of target achieved relative to base year**

14.42

**(7.53.2.83) Target status in reporting year**

Select from:

Underway

**(7.53.2.85) Explain target coverage and identify any exclusions**

Target covers all GHG emissions from vessels, which makes up >99.99% of all scope 1 and 2 emissions and (since most scope 3 emissions come from upstream fuel production) directly impacted >99% of scope 1, 2 and 3 emissions in 2023. The target is closely linked with target Int 1: from a bottom-up analysis of possible measures, it was judged that both targets Int 1 & Int 3 should be achievable. As such, it is a key part of our wider net-zero 2050 goal and minimizes our compliance costs with emissions regulations from the IMO and EU.

#### **(7.53.2.86) Target objective**

Target is complementary to the EEOI reduction target, but based on the same long-term plan. This target ensures that EEOI cannot be reduced simply by increasing transport work, e.g. by trading in different areas with longer routes, such as Brazil to Far East — if this was done, emissions per vessel year would increase significantly.

#### **(7.53.2.87) Plan for achieving target, and progress made to the end of the reporting year**

As for the row above above, three main factors are required: energy-saving devices on vessels, operational and trading efficiencies, and alternative fuels. The key difference for this metric is that certain operational and trading efficiencies may in fact increase emissions per vessel year which largely scales with the number of sailing days in a year. For example, reducing time in port where vessels are sitting idle at anchorage/berth will reduce the number of days per year where vessels consume 3-5 tonnes of fuel per day, and increase the number of days where vessels are sailing and consuming 20 tonnes of fuel per day. Reducing this 'waste' time will therefore reduce emissions per unit transport work (row above) but actually increase emissions per vessel year. Reductions come from the same planned initiatives as mentioned in the row above, and are managed the same way, but the total reduction is therefore lower, because some transport work efficiencies (e.g. reduced port time) actually worsen emissions per vessel year.

#### **(7.53.2.88) Target derived using a sectoral decarbonization approach**

Select from:

No

[Add row]

#### **(7.54) Did you have any other climate-related targets that were active in the reporting year?**

Select all that apply

Targets to increase or maintain low-carbon energy consumption or production

Net-zero targets

#### **(7.54.1) Provide details of your targets to increase or maintain low-carbon energy consumption or production.**

**Row 1**

### (7.54.1.1) Target reference number

Select from:

Low 1

### (7.54.1.2) Date target was set

12/30/2022

### (7.54.1.3) Target coverage

Select from:

Organization-wide

### (7.54.1.4) Target type: energy carrier

Select from:

Other, please specify :Ship fuel

### (7.54.1.5) Target type: activity

Select from:

Consumption

### (7.54.1.6) Target type: energy source

Select from:

Renewable energy source(s) only

### (7.54.1.7) End date of base year

12/30/2020

### (7.54.1.8) Consumption or production of selected energy carrier in base year (MWh)

64300

**(7.54.1.9) % share of low-carbon or renewable energy in base year**

0.12

**(7.54.1.10) End date of target**

12/30/2030

**(7.54.1.11) % share of low-carbon or renewable energy at end date of target**

15

**(7.54.1.12) % share of low-carbon or renewable energy in reporting year**

0

**(7.54.1.13) % of target achieved relative to base year**

-0.81

**(7.54.1.14) Target status in reporting year**

Select from:

Underway

**(7.54.1.16) Is this target part of an emissions target?**

*Yes: the target to reduce emissions intensity by 45% from 2018 onto 2030 relies on a sizeable share of alternative fuels.*

**(7.54.1.17) Is this target part of an overarching initiative?**

Select all that apply

No, it's not part of an overarching initiative

### **(7.54.1.19) Explain target coverage and identify any exclusions**

*As part of 2030 ambition we target to start using biofuels and zero emission fuels in daily operation. For the full fleet, KCC's ambition is that sustainable biofuels shall constitute a minimum 15 % of the fuel mix in 2030 and for zero-emission vessels in operation the ambition is that 50% of the fuel used shall be zero-emission fuels in 2030.*

### **(7.54.1.20) Target objective**

*A significant share of alternative fuels will be needed to achieve KCC's main ambition of reducing EEOI by 45% from 2018 onto 2030.*

### **(7.54.1.21) Plan for achieving target, and progress made to the end of the reporting year**

*Fuel transition is dependent on new regulations and customer support. Large investments to enable newbuilds to burn new zero emission fuels and using substantially more expensive low or zero emission fuels require support from customers and stricter regulations. Furthermore, it requires substantial expansion of low and zero emission fuel production capacity and port bunkering facilities. Without regulatory and customer support, what KCC can achieve on its own will mainly be limited to effects of continued efficiency improvements in addition to fleet renewal. Without such support KCC will continue to burn mainly current carbon fuels on both existing vessels and newbuilds. This will reduce achievable emission reductions by 2030. However, efficiency improvements themselves are a mitigation effort: reducing EEOI by (e.g.) 30% through energy-saving measures and operational efficiencies will directly reduce the amount of alternative fuels needed by 30%. So far, significant improvement has been made on these factors, particularly through hull condition management which improved significantly from 2018 onto 2021. We will review this target on a yearly basis and in particular discuss internally and with customers after the IMO's Net Zero Framework is, we hope, adopted during Oct 2025.*  
[Add row]

### **(7.54.3) Provide details of your net-zero target(s).**

#### **Row 1**

#### **(7.54.3.1) Target reference number**

Select from:

NZ1

#### **(7.54.3.2) Date target was set**

12/30/2022

### (7.54.3.3) Target Coverage

Select from:

- Organization-wide

### (7.54.3.4) Targets linked to this net zero target

Select all that apply

- Int1
- Int2
- Int3
- Low1

### (7.54.3.5) End date of target for achieving net zero

12/30/2050

### (7.54.3.6) Is this a science-based target?

Select from:

- Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

### (7.54.3.8) Scopes

Select all that apply

- Scope 1
- Scope 2
- Scope 3

### (7.54.3.9) Greenhouse gases covered by target

Select all that apply

- Carbon dioxide (CO2)

- Methane (CH4)
- Nitrous oxide (N2O)

### (7.54.3.10) Explain target coverage and identify any exclusions

*KCC shall meet the IMO ambition of net-zero emissions by 2050, aligned with the Paris Agreement's long term goals.*

### (7.54.3.11) Target objective

*The trajectory of KCC's target to reduce emissions by 45% from 2018 onto 2030 can be further extended linearly to reach net-zero around 2045. This can only be enabled by long-term replacement of the current fleet with zero-emission vessels. We have evaluated this combination of targets as science-based by comparing with IMO decarbonization trajectories. Our targets are roughly in line with the IMO's "striving" trajectory, which is in turn comfortably below the SBTi's "well-below 2°C" trajectory calculated for our vessels using its maritime guidance tool.*

### (7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

- Unsure

### (7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

- No, and we do not plan to within the next two years

### (7.54.3.17) Target status in reporting year

Select from:

- Underway

### (7.54.3.19) Process for reviewing target

*On at least an annual basis the target is assessed as part of a transition plan refresh: updating inputs, ESD rollout plan, operational profile assumptions and alternative fuel costs. In the event that a gap develops between the target and KCC's modelled EEOI, the target will be reviewed and potentially adjusted if a pathway to reach it cannot be found.*

*[Add row]*

**(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Select from:

Yes

**(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e
Under investigation	9	<i>Numeric input</i>
To be implemented	2	1470
Implementation commenced	9	6300
Implemented	8	4000
Not to be implemented	0	<i>Numeric input</i>

[Fixed row]

**(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.**

**Row 1**

**(7.55.2.1) Initiative category & Initiative type**

Energy efficiency in production processes

Other, please specify :Improved hydrodynamics for ships propulsion - Mewis Duct

### (7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

1000

### (7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

Scope 1

### (7.55.2.4) Voluntary/Mandatory

Select from:

Voluntary

### (7.55.2.5) Annual monetary savings (unit currency – as specified in 1.2)

380000

### (7.55.2.6) Investment required (unit currency – as specified in 1.2)

800000

### (7.55.2.7) Payback period

Select from:

1-3 years

### (7.55.2.8) Estimated lifetime of the initiative

Select from:

11-15 years

### (7.55.2.9) Comment

We installed Becker Mewis duct on 4 additional vessels during dry dockings in 2024. They have been tested in model tank tests and undergoing CFD estimations prior to installations, where estimated efficiency gains for the vessels propeller and overall performance is in the order of about 3-5% depending on drafts and speeds and type of vessels. This installation program continues and we are committed to install this technology on all of our suitable candidates, expecting to complete the scope within H1 2026.

## Row 2

### (7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

Other, please specify :Advanced silicone antifouling system for the underwater hull

### (7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

800

### (7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

Scope 1

### (7.55.2.4) Voluntary/Mandatory

Select from:

Voluntary

### (7.55.2.5) Annual monetary savings (unit currency – as specified in 1.2)

300000

### (7.55.2.6) Investment required (unit currency – as specified in 1.2)

700000

### (7.55.2.7) Payback period

Select from:

1-3 years

### (7.55.2.8) Estimated lifetime of the initiative

Select from:

3-5 years

### (7.55.2.9) Comment

*We upgradet the exisisting antifouling with high end silicone based anti fouling on 4 vessels undergoing dry dock in 2024. This product is expected to have an overall lower friction thus CO2 emission during the lifetime of the system. It also contains less biocides than traditional and the replaced hull coating system. It is also expected to release less microplastics into the environment during its lifecycle in operation compared to the self polishing anti fouling products.*

## Row 3

### (7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

Other, please specify :In transit hull cleaning robot

### (7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

600

### (7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

Scope 1

### (7.55.2.4) Voluntary/Mandatory

Select from:

Voluntary

### (7.55.2.5) Annual monetary savings (unit currency – as specified in 1.2)

240000

### (7.55.2.6) Investment required (unit currency – as specified in 1.2)

200000

### (7.55.2.7) Payback period

Select from:

<1 year

### (7.55.2.8) Estimated lifetime of the initiative

Select from:

3-5 years

### (7.55.2.9) Comment

*We continued to develop and make us of a in transit hull cleaning robot during 2024. This is a novel technology that has been introduced to the fleet, and for 2024 was brought onboard half of the fleet, targeting the vessels with a higher risk of hull fouling as a result of the age of the coating system. We also tested and piloted different sort of brushes and usage of the robots. We have also in 2024 had the first full year with a dedicated resource for operational energy efficiency, named Operational Energy Efficiency Manager. His role is to safeguard best practice and use of such tools and initiatives such as the In Transit Hull Cleaning Robot, which is operated by the vessels crew and continuously developed by the maker.*

## Row 4

### (7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

Other, please specify :Trial of graphene propeller paint

### (7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

**(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur**

Select all that apply

Scope 1

**(7.55.2.4) Voluntary/Mandatory**

Select from:

Voluntary

**(7.55.2.5) Annual monetary savings (unit currency – as specified in 1.2)**

6000

**(7.55.2.6) Investment required (unit currency – as specified in 1.2)**

5000

**(7.55.2.7) Payback period**

Select from:

<1 year

**(7.55.2.8) Estimated lifetime of the initiative**

Select from:

<1 year

**(7.55.2.9) Comment**

*We applied a special particularly hard silane-siloxane coating on one of our vessels propeller during dry dock, as a test in order to reduce the risk of fouling on the propeller, which results in far less efficiency. Unfortunately the product had issues on the adhesiveness on the propeller surface and was found during the first diving inspection to be mostly lost. We are still considering to apply a new test of propeller coating, as the propellers are subject to fouling even with ultra sonic propeller protection installed which may reduce the risk but not fully solve it.*

## Row 5

### (7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

Process optimization

### (7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

300

### (7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

*Select all that apply*

Scope 1

### (7.55.2.4) Voluntary/Mandatory

*Select from:*

Voluntary

### (7.55.2.5) Annual monetary savings (unit currency – as specified in 1.2)

120000

### (7.55.2.6) Investment required (unit currency – as specified in 1.2)

100000

### (7.55.2.7) Payback period

*Select from:*

<1 year

### (7.55.2.8) Estimated lifetime of the initiative

Select from:

- 1-2 years

### (7.55.2.9) Comment

*Using advanced weather routing companies for voyage optimization and stable load advice. This has required roll out of new vessel performance and sensor platforms on the vessels, follow up from IT and follow up on the AI routing companies from the Project department. It also requires quite some attention for the vessels to consider and follow the proposed advice as they may lack important navigational constraints and follow up efforts onboard. This is still being piloted and the actual net improvements made are difficult to measure as the utilization is questionable as well as the effects if not using these advices.*

## Row 6

### (7.55.2.1) Initiative category & Initiative type

Company policy or behavioral change

- Other, please specify :Onboard Vessel Performance system on the ships for trend engagement and control for the crew of consumers.

### (7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

125

### (7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

- Scope 1

### (7.55.2.4) Voluntary/Mandatory

Select from:

- Voluntary

### (7.55.2.5) Annual monetary savings (unit currency – as specified in 1.2)

50000

### (7.55.2.6) Investment required (unit currency – as specified in 1.2)

30000

### (7.55.2.7) Payback period

Select from:

<1 year

### (7.55.2.8) Estimated lifetime of the initiative

Select from:

<1 year

### (7.55.2.9) Comment

*Onboard Vessel Performance system on the ships for trend engagement and control for the crew of consumers. This is to be used to help the crew with awareness and presentation of the data in order to improve on the topics of Optimal trim initiative, reduced boiler initiative and running of diesel generators. This is also followed up and reminded from shore side through project resources*

## Row 7

### (7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

Motors and drives

### (7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

500

### (7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

Scope 1

#### (7.55.2.4) Voluntary/Mandatory

Select from:

Voluntary

#### (7.55.2.5) Annual monetary savings (unit currency – as specified in 1.2)

200000

#### (7.55.2.6) Investment required (unit currency – as specified in 1.2)

4000000

#### (7.55.2.7) Payback period

Select from:

11-15 years

#### (7.55.2.8) Estimated lifetime of the initiative

Select from:

16-20 years

#### (7.55.2.9) Comment

*Retrofit of propeller shaft generator for two more vessels in 2024. This is used when the vessel is sailing at sea, utilizing the highly efficient main engine for accommodation and ship system power production instead of using the less efficient diesel generators onboard.*

### Row 8

#### (7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

Other, please specify :Air lubrication of vessels flat bottom

#### (7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

375

#### (7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

Scope 1

#### (7.55.2.4) Voluntary/Mandatory

Select from:

Voluntary

#### (7.55.2.5) Annual monetary savings (unit currency – as specified in 1.2)

1300000

#### (7.55.2.6) Investment required (unit currency – as specified in 1.2)

4000000

#### (7.55.2.7) Payback period

Select from:

16-20 years

#### (7.55.2.8) Estimated lifetime of the initiative

Select from:

16-20 years

### (7.55.2.9) Comment

*We retrofitted air lubrication system on two more vessel in 2024 together with shaft generator. This system is intended to develop a thin air layer below the flat bottom of the hull to reduce friction resistance. Its still being calibrated and studied in order to get the savings promised by the technology supplier.*

### Row 9

#### (7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

Other, please specify :Ultrasonic propeller fouling protection

#### (7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

200

#### (7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

*Select all that apply*

Scope 1

#### (7.55.2.4) Voluntary/Mandatory

*Select from:*

Voluntary

#### (7.55.2.5) Annual monetary savings (unit currency – as specified in 1.2)

80000

#### (7.55.2.6) Investment required (unit currency – as specified in 1.2)

100000

### (7.55.2.7) Payback period

Select from:

1-3 years

### (7.55.2.8) Estimated lifetime of the initiative

Select from:

3-5 years

### (7.55.2.9) Comment

*We have in 2024 upgradet and corrected the originally installed ultra sonic propeller protection system which we rolled out on the full fleet around 2022. More vessels have now a more powerfull system and made rearrangements of the transmitters which will hopefully improve the effects of the technology. The concept is to try to avoid micro cells from forming on the surface.*

## Row 10

### (7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

Motors and drives

### (7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

15

### (7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

Scope 1

### (7.55.2.4) Voluntary/Mandatory

Select from:

Voluntary

### (7.55.2.5) Annual monetary savings (unit currency – as specified in 1.2)

6000

### (7.55.2.6) Investment required (unit currency – as specified in 1.2)

30000

### (7.55.2.7) Payback period

Select from:

4-10 years

### (7.55.2.8) Estimated lifetime of the initiative

Select from:

11-15 years

### (7.55.2.9) Comment

*Retrofit of variable frequency drive on one vessels steering gear system, finalizing the full CABU II fleet roll out*  
[Add row]

## (7.55.3) What methods do you use to drive investment in emissions reduction activities?

### Row 1

### (7.55.3.1) Method

Select from:

Internal price on carbon

### (7.55.3.2) Comment

*KCC is using an internal price on carbon when calculating payback time for decarbonization measures and energy efficiency technologies and when taking some chartering decisions.*

### Row 2

### (7.55.3.1) Method

Select from:

Dedicated budget for energy efficiency

### (7.55.3.2) Comment

*The Board of Directors have given the Administration a general mandate of USD 2.5 million per annum for the years 2020-2023 for emission reduction initiatives. Initiatives exceeding this limit shall be presented to the Board for approval. In addition, in total USD 18 mill was approved in 2023 for implementation of four large projects on four ships in 2024. In June 2021, the Company raised USD 25 million in equity dedicated to decarbonization efforts on the existing fleet.*

### Row 3

### (7.55.3.1) Method

Select from:

Compliance with regulatory requirements/standards

### (7.55.3.2) Comment

*IMO introduced in 2023 new regulations related to both energy efficiency design as well as operational energy efficiency, and the measures implemented will help to further lower KCC's ratings and scores beyond the required scores to be in compliance. In 2024 all vessels achieved at least a C-rating in the CII metric, with the majority (13 of 16 vessels) achieving an A- or B-rating. All vessels also achieved the required EEXI.*  
[Add row]

### (7.74) Do you classify any of your existing goods and/or services as low-carbon products?

Select from:

No

**(7.75) Provide tracking metrics for the implementation of low-carbon transport technology over the reporting year.**

**Row 1**

### **(7.75.1) Activity**

Select from:

Marine

### **(7.75.2) Metric**

Select from:

Fleet adoption

### **(7.75.3) Technology**

Select from:

Other, please specify :Delivery of new vessels

### **(7.75.4) Metric figure**

6.6

### **(7.75.5) Metric unit**

Select from:

Other, please specify :EEOI

### **(7.75.6) Explanation**

*EEOI (Energy Efficiency Operational Index) is defined by IMO and represents CO2 emitted per transported cargo per nautical mile for a period of time (both fuel consumption at sea and in port included) was 6.6 in 2024, down from 7.6 in 2018 (base year). KCC took delivery of three CLEANBU newbuilds in 2021, two CLEANBU newbuilds in 2020 and three in 2019. These vessels are more fuel efficient than the existing fleet and will contribute positively towards reaching KCC's*

2026 and 2030 emission targets. In June 2023, KCC signed a newbuilding contract for purchase of three CABU III newbuildings. The CABU III vessels which will through optimized design and energy efficiency measures achieve 35 % lower carbon footprint than CABU I (KCC's 5 vessels built in 2001-2007) hat they will replace and 50-60 % lower carbon footprint than average standard dry bulk and product tanker vessels. The three CABU III vessels are scheduled for delivery in 2026 and will contribute to KCC's 2030 targets of a 45 % decrease in the fleet's carbon intensity (EEOI) compared to 2018 performance.

## Row 2

### (7.75.1) Activity

Select from:

Marine

### (7.75.2) Metric

Select from:

Other, please specify

### (7.75.3) Technology

Select from:

Other, please specify :Vessel performance - technical initiatives for increased energy efficiency

### (7.75.4) Metric figure

19600

### (7.75.5) Metric unit

Select from:

Other, please specify :Average Co2 emissions per vessel

### (7.75.6) Explanation

The actual CO2 emissions of the KCC fleet are expressed as an average of all the vessels' emissions divided by vessel-years, excluding only the time the vessel is laying still in dry-dock. The average CO2 emissions per vessel-year for the KCC fleet increased to 19,600 tons CO2 in 2024 from 18,700 tons CO2 in 2023, an increase of approximately 5%, but 5% lower than the base year (2018). The main factors influencing this KPI are both related to the activity of the vessels in terms of

*sailed distance, speed, cargo weight carried and % time in ballast condition, as well as the technical performance of the vessels. The increase in average emissions per vessel year from 2023 to 2024 are mainly driven by an increase in consumption rate mainly due to ageing hull coatings for parts of the fleet.*  
*[Add row]*

**(7.79) Has your organization retired any project-based carbon credits within the reporting year?**

Select from:

No

## C11. Environmental performance - Biodiversity

### (11.2) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

#### (11.2.1) Actions taken in the reporting period to progress your biodiversity-related commitments

Select from:

- Yes, we are taking actions to progress our biodiversity-related commitments

#### (11.2.2) Type of action taken to progress biodiversity- related commitments

Select all that apply

- Land/water protection  
 Species management  
 Education & awareness

[Fixed row]

### (11.3) Does your organization use biodiversity indicators to monitor performance across its activities?

	<b>Does your organization use indicators to monitor biodiversity performance?</b>
	Select from: <input checked="" type="checkbox"/> No, we do not use indicators, but plan to within the next two years

[Fixed row]

### (11.4) Does your organization have activities located in or near to areas important for biodiversity in the reporting year?

## Legally protected areas

**(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity**

Select from:

Data not available

**(11.4.2) Comment**

*KCC does not currently have data related to shipping duration in marine protected areas and areas of protected conservation status.*

## UNESCO World Heritage sites

**(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity**

Select from:

Data not available

**(11.4.2) Comment**

*KCC does not currently have data related to shipping duration in areas listed on the Word Heritage List.*

## UNESCO Man and the Biosphere Reserves

**(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity**

Select from:

No

**(11.4.2) Comment**

KCC does not engage in the Man and the Biosphere Programme.

## Ramsar sites

### (11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

No

### (11.4.2) Comment

KCC does not have any operation in Ramsar site.

## Key Biodiversity Areas

### (11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

Yes

### (11.4.2) Comment

*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. To reduce the risk of transfer of invasive aquatic species all KCC vessels have a Biofouling Management Plan (BFMP) onboard. This plan serves as a practical guidance to both ship manager (KSM) and the Master and crew of the ship on different measures that can be used such as anti-fouling paint, frequent hull and propeller cleaning operations, speed-cleaning instructions, avoidance of long idle periods and other operational measures. KCC use high quality or silicone anti-fouling coating on the vessels to reduce the risk of biofouling during operation. KCC has also a policy of conducting 2.5-year dry-docking intervals in order to safeguard high-quality anti-fouling system on all ship hulls. KCC use semi-autonomous cleaning robots designed to be used in-transit at sea which prevents biofouling by removing the initial layer of biofilm while the vessel is sailing, thus preventing the growth of macrofouling.*

## Other areas important for biodiversity

### (11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

Yes

### (11.4.2) Comment

*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.*

*[Fixed row]*

### (11.4.1) Provide details of your organization's activities in the reporting year located in or near to areas important for biodiversity.

#### Row 1

#### (11.4.1.2) Types of area important for biodiversity

Select all that apply

Other areas important for biodiversity

#### (11.4.1.4) Country/area

Select from:

Spain

#### (11.4.1.5) Name of the area important for biodiversity

*Spain and Gibraltar, north-western Mediterranean Sea (particularly Sensitive Sea Area)*

#### (11.4.1.6) Proximity

Select from:

- Data not available

#### (11.4.1.8) Briefly describe your organization's activities in the reporting year located in or near to the selected area

*The KCC fleet sometimes operate in sensitive and protected marine areas. Vessels of any size and type can strike and kill or injure marine life like marine mammals and sea turtles. The irreparable effects of biodiversity loss, one of the critical planetary boundaries defined by the Stockholm Resilience Centre, are beginning to be recognised as serious as the effects of climate change, and their impacts will be felt for generations to come.*

#### (11.4.1.9) Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Select from:

- Yes, but mitigation measures have been implemented

#### (11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply

- Other, please specify :Navigation with particular caution and reduce speed of the vessel

#### (11.4.1.11) Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

*The company has implemented a risk assessment for the fleet aimed at reducing risk of vessel striking marine mammals. This is an environmental focus area of the ship manager, and competency and awareness building has taken place on senior officer conferences in both 2024 and 2025. Instructions have been given to vessels approaching sensitive areas for navigation with particular caution and to reduce speed of the vessel. Example: When a CLEANBU vessel passed Gibraltar and called the port of Cartagena (Spain) in early 2024, Head of HSEQ in KSM instructed operations to give instructions to the vessel to follow both mandatory and voluntary recommendations for speed and navigation, and asked for feedback and to share experiences afterwards. Also when CLEANBU vessels have traded in North-West Mediterranean and North America mandatory and voluntary recommendations have been followed.*

[Add row]

## C13. Further information & sign off

**(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?**

### **(13.1.1) Other environmental information included in your CDP response is verified and/or assured by a third party**

Select from:

No, and we do not plan to obtain third-party verification/assurance of other environmental information in our CDP response within the next two years

### **(13.1.2) Primary reason why other environmental information included in your CDP response is not verified and/or assured by a third party**

Select from:

Not an immediate strategic priority

### **(13.1.3) Explain why other environmental information included in your CDP response is not verified and/or assured by a third party**

*We will focus and prioritize CSRD compliance going forward and as part of this journey, our auditors will verify a wider area of our environmental information. Part of this information will most likely be included in our CDP response.*

*[Fixed row]*

**(13.3) Provide the following information for the person that has signed off (approved) your CDP response.**

#### **(13.3.1) Job title**

CFO

#### **(13.3.2) Corresponding job category**

Select from:

Chief Financial Officer (CFO)

[Fixed row]

