

2ND PARTY OPINION



KLAVENESS COMBINATION CARRIERS SUSTAINABILITY-LINKED FINANCE FRAMEWORK DATED JUNE 2023

Prepared by: DNV Business Assurance Norway AS

Location: Oslo, Norway

Date: 09. June 2023

Relevant standard: Sustainability Linked Bond Principles 2020 (ICMA), Sustainability Linked Loan Principles 2023 (LMA)

CONTENTS

| | |
|--|----|
| KLAVENESS COMBINATION CARRIER'S SUSTAINABILITY-LINKED FINANCE FRAMEWORK | 3 |
| PRE-ISSUANCE 2 ND PARTY OPINION | 3 |
| Scope and objectives | 3 |
| Basis of DNV's opinion | 4 |
| Work undertaken | 5 |
| DNV's 2 nd Party Opinion | 6 |
| SCHEDULE 1: DESCRIPTION OF KLAVENESS COMBINATION CARRIER'S KEY PERFORMANCE INDICATOR (KPI) AND SUSTAINABILITY PERFORMANCE TARGET (SPT) | 9 |
| SCHEDULE 2: SUSTAINABILITY-LINKED BOND ELIGIBILITY ASSESSMENT PROTOCOL | 11 |
| 1. Selection of Key Performance Indicators (KPIs) | 11 |
| 2. Calibration of Sustainability Performance Targets (SPTs) | 14 |
| 3. Finance Characteristics | 17 |
| 4. Reporting | 20 |
| 5. Verification | 21 |
| SCHEDULE 3: SUSTAINABILITY-LINKED LOAN ELIGIBILITY ASSESSMENT PROTOCOL | |
| 1. Relationship to Borrower's Overall Sustainability Strategy | 22 |
| 2. Target Setting – Measuring the Sustainability of the Borrower | |
| 3. Reporting | 26 |
| 4. Review | 27 |
| Statement of Competence and Independence | 29 |

Ref. Nr.: 2023-0906

KLAVENESS COMBINATION CARRIERS' SUSTAINABILITY-LINKED FINANCE FRAMEWORK

PRE-ISSUANCE 2ND PARTY OPINION

Scope and objectives

DNV Business Assurance Norway AS (henceforth referred to as "DNV") has been commissioned by Klaveness Combination Carriers (henceforth referred to as "KCC" or "ISSUER") to provide an eligibility assessment on KCC's Sustainability-Linked Finance Framework dated June 2023 (the "Framework") and whether the Sustainability-Linked Finance Instrument to be issued under the Framework meets the established criteria on the basis set out below. The scope of this DNV opinion is limited to the Sustainability-Linked Bond Principles June 2020 (SLBP) set out by the International Capital Market Association (ICMA) and Sustainability-Linked Loan Principles February 2023 (SLLP) set out by the Loan Market Association (LMA), the APLMA and the LSTA.

KCC operates maritime vessels for the purposes of freight transport, currently KCC operates 8 combination caustic/bulk (CABU) vessels and 8 clean petroleum product-bulk (CLEANBU) vessels ranging from approximately 72 500 DWT to 82 500 DWT. KCC's CABU and CLEANBU vessels mainly transport Clean Petroleum Products (CPP) or Caustic Soda Solution (CSS) from refineries and production plants located in the Middle East/India, Far East or US Gulf to end users or distributors in Australia and South America, the world's main export hubs of dry bulk commodities. On the return voyage the combination carriers transport dry bulk commodities including alumina, bauxite, grains, salt, iron ore and coal.

DNV notes that KCC's fossil fuel shipments accounted for 25% in 2022, an increase of 8% from 2021 (17%). The reason is due to delivery of newbuilds. KCC has an ambition to increase transportation of non-fossil cargos, however the company has not set a predefined timeline which shows the business transformation away from transport of fossil fuels.

Split of Cargo transported

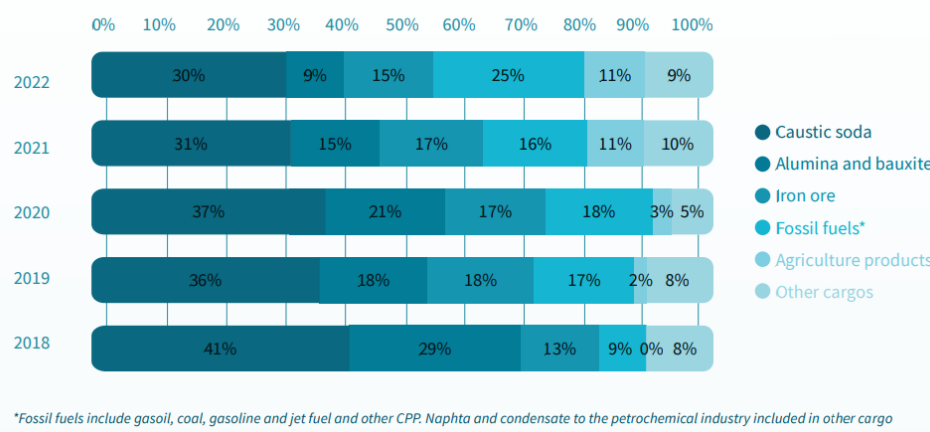


Illustration on KCC's split of cargo transportation from 2022 (Klaveness Combination Carriers Sustainability-Linked Financing Framework)

Page 4 of 29

The Framework enables KCC to issue Sustainability-Linked Bonds and Sustainability-Linked Loans to finance general purposes in KCC, where KCC commits to future sustainability improvements within a predefined timeline.

KCC will assess its sustainability performance against annual Sustainability Performance Targets (SPTs) for the period **2023 to 2030**, providing a trajectory towards:

- Reduce Energy Efficiency Operational Indicator (EEOI) to 4.1 by 2030

KCC has chosen to measure performance against the SPTs through one Key Performance Indicator (KPI)

- Energy Efficiency Operational Indicator (EEOI) of KCCs shipping activities

Basis of DNV's opinion

We have adapted our Sustainability-Linked Bond and Sustainability-Linked Loan Principles methodology, which incorporates the requirements of the SLBP and SLLP, to create a KCC-specific Sustainability-Linked Finance Eligibility Assessment Protocol (henceforth referred to as "Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion. The overarching principle behind the criteria is that a Sustainability-Linked Bond or Loan should "provide an investment opportunity with transparent sustainability credentials". As per our Protocol, the criteria against which the Framework has been reviewed are grouped under the five Principles:

- **Principle One: Selection of Key Performance Indicators (KPIs).** The ISSUER of a sustainability-linked finance instrument should clearly communicate its overall sustainability objectives, as set out in its sustainability strategy, and how these relate to its proposed KPI. The KPI should be reliable, material to the ISSUER's core sustainability and business strategy, address relevant ESG challenges of the industry sector and be under management control.
- **Principle Two: Calibration of Sustainability Performance Targets (SPTs).** The SPTs should be ambitious, realistic and in relation to a predetermined performance target benchmark. The target setting should be done in good faith and based on a sustainability improvement beyond a business-as-usual trajectory and beyond regulatory required targets.
- **Principle Three: Finance Characteristics.** The instrument will need to include a financial and/or structural impact depending on whether the selected KPI reach (or not) the predefined SPT. The finance documentation needs to require the definitions of the KPI and SPT and the potential variation of the instruments financial and/or structural characteristics. Any fallback mechanisms in case the SPT cannot be calculated or observed in a satisfactory manner, should be explained.
- **Principle Four: Reporting.** ISSUERS should publish and keep readily available and easily accessible up to date information on the performance of the selected KPI, as well as a verification assurance report (see Principle 5) outlining the performance against the SPT and the related impact and timing of such impact on the instrument's financial and/or structural characteristics, with such information to be provided to those investors participating in the instrument at least once per annum.
- **Principle Five: Verification (Post-issuance).** The ISSUER should have its performance against its SPT independently verified by a qualified external reviewer with relevant expertise, at least once per annum. The verification of the instrument performance against the SPT should be made publicly available.

Work undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by KCC in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. We have used DNV's experts working with the maritime sector. The work undertaken to form our opinion included:

- Creation of a KCC-specific Protocol, adapted to the purpose of the Sustainability-Linked FINANCE, as described above, in Schedule 2 and Schedule 3 to this Assessment;
- Assessment of documentary evidence provided by KCC on the Sustainability-Linked FINANCE and supplemented by a high-level desktop research. The checks refer to current assessment practices and standards methodology;
- Discussions with KCC management, and review of relevant documentation and evidence related to the criteria of the Protocol, including the Annual reports, Sustainability reports and "Information Needs KCC" questionnaire and GAP-analysis;
- Discussions with KCC

Documentation of findings against each element of the criteria. Our opinion as detailed below is a summary of these findings.

DNV's 2nd Party Opinion

DNV conducted the external review engagement in accordance with the Sustainability-Linked Bond Principles (SLBP) and Sustainability-Linked Loan Principles (SLLP). The review included i) checking whether the provisions of the SLBP and SLLP were consistently and appropriately applied and ii) the collection of evidence supporting the review. DNV's findings are listed below:

1. Principle One: Selection of Key Performance Indicators (KPIs).

DNV confirms that KCC's sustainability KPIs are material to the company's overarching sustainability strategy. The rationale and process for KPI selection, as well as its definition, measurability and verifiability, are deemed to be robust, reliable and in accordance with the SLBP and SLLP. The overarching challenge for industries is to reduce GHG emissions to mitigate climate change. To structure a credible SLB or SLL, issuers are encouraged to select at least one core KPI. The KPI addresses the carbon intensity of their shipping activities, calculated as the total carbon emissions in a given time period per unit of transported cargo per nautical mile; the KPI is considered "core" widely used in the maritime shipping industry to monitor and report on carbon intensity of shipping activities (ICMA).

2. Principle Two: Calibration of Sustainability Performance Targets (SPTs). DNV concludes that the SPT is meaningful and relevant in the context of KCC's broader sustainability and business strategy and represent a material improvement over a predefined timeline. DNV has reviewed the SPT Trajectory and concludes that KCC's target of 46% reduction of the fleet's carbon intensity by year-end 2030 compared to baseline year 2018, is ambitious. Where eligible, the Sea Cargo Charter can be used as external reference to benchmark KCC's level of ambition, as it measures climate alignment to which a vessel's carbon intensity is in line with a carbon trajectory that meets the IMO ambition of an annual reduction in total GHG emissions by 50% in 2050 based on 2008 levels. The Sea Cargo Charter also rely specifically on the Energy Efficiency Operational Indicator (EEOI) as the carbon intensity metric, which harmonizes KCC's chosen KPI. The combination carriers have as per May 2023 no established Sea Cargo Charter trajectory but instead included in the Bulk Carrier trajectory used in the Framework.

3. Principle Three: Finance Characteristics. DNV confirms that the financial characteristics of any instrument issued under the framework is impacted based on KPI performance under the SPT, in line with SLBP and SLLP. This impact can include, but is not limited to, margin adjustment, coupon adjustment or re-payment amount adjustment. The specific finance documentation for an instrument issued under the framework will determine relevant target observation dates for specified trigger events. Investors are encouraged to review the term sheets at time of a specific issuance to ensure the requirements under the Framework are met.

4. Principle Four: Reporting. DNV concludes that the framework will ensure that the required information, as outlined in SLBP and SLLP, will be published at an appropriate interval and kept publicly available.

5. Principle Five: Verification. DNV confirms that KCC will have its performance against the SPT independently verified annually – and at a more frequent interval if required by the specific terms of an issued finance instrument under the framework.

SUSTAINABILITY LINKED BOND PRINCIPLES and SUSTAINABILITY LINKED LOAN PRINCIPLES

Based on this review, this Framework is found in alignment with the SLB Principles and the SLL Principles and meets the criteria in the Protocol (Schedule 2 and Schedule 3).

for DNV Business Assurance Norway AS

Oslo, 9th of June 2023



Ingebjørg Nueva Finnebråten
Reviewer
DNV – Supply Chain and Product
Assurance



Sam Dresner Barnes
Reviewer
DNV – Supply Chain and Product
Assurance



Cathrine Kabbe
Reviewer
DNV – Maritime Advisory

About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight.

With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 12,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

SCHEDULE 1: DESCRIPTION OF KCC'S KEY PERFORMANCE INDICATORS (KPI) AND SUSTAINABILITY PERFORMANCE TARGETS (SPT)

KPI1

ENERGY EFFICIENCY OPERATIONAL INDICATOR (EEOI)

KCC has chosen to measure performance through the KPI average annual "EEOI". The EEOI is calculated as the total carbon emissions for vessels owned and managed by KCC in a given time period per unit of transported cargo per nautical mile. Variations in the index are mainly due to three factors; (1) the technical efficiency of the ship, (2) the amount of cargo transported per unit of time, and (3) variations of speed. The KPI is a metric developed by the International Maritime Organization ("IMO") to allow stakeholders to monitor the carbon intensity of their shipping activities. The EEOI is widely recognized as a carbon intensity metric as it takes into consideration both fuel consumption, actual cargo transported and fleet utilization.

The KPI addresses actual CO₂-emissions and is considered "**core**" widely used in the shipping industry to monitor and report on the annual performance efficiency of vessels (ICMA). KCC has conducted a materiality analysis that indicates that emission reductions are the main environmental issues impacting stakeholders and the environment, and enterprise value. DNV notes that the KPI is reaching the 46,1% carbon intensity reduction by year-end 2030 compared to the baseline year 2018. The Framework does not capture all the possible KPIs that are material to KCC, however their broader sustainability performance is addressed in the Framework.

$$\text{Average EEOI} = \frac{\sum_i \sum_j (FC_{ij} \times C_{Fj})}{\sum_i (m_{cargo,i} \times D_i)}$$

Where:

- j is the fuel type
- i is the voyage number
- FC_{ij} is the mass of consumed fuel j on voyage i
- C_{Fj} is the fuel mass to CO₂ mass conversion factor for fuel j
- $m_{cargo,i}$ is cargo carried on voyage i (metric tons)
- D_i is the distance in nautical miles corresponding to the cargo carried on voyage i

SPT

EEOI REDUCTION TARGET MEASURED AT YEAR-END 2026, AND YEAR-END 2030, COMPARED TO 2018

KCC has chosen to assess its decarbonization objective for its fleet against a predefined trajectory of annual EEOI levels to year-end 2030.

The annual EEOI levels outline the SPTs and represent the carbon intensity of KCC's Fleet, consisting of 16 operated vessels. KCC's SPTs are presented below and are as follows: The SPT entails reducing the KPI from a 2018 baseline of +3.9% to -46.1% by year end 2030.

KCC indicates that 2018 is an appropriate baseline year as this was the first year with a fully delivered CABU fleet. This year was also selected due to its data quality, and it was a representative year in terms of fleet utilization and trades. Furthermore, 2018 serves as the base year for KCC's environmental KPI's, which are reported quarterly and annually in KCC's ESG Performance.

| SPT Trajectory* | | Financial year: | | | | | | | | | | | |
|-----------------------------|---------------|-----------------|-------|--------|-------|-------|--------|--------|--------|--------|--------|--------|--------|
| | Baseline 2018 | 2019 | 2020 | 2021 | 2020 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| gCO ₂ /tonne-nm | 7.6 | 7.9 | 7.4 | 7.4 | 6.9 | 6.9 | 6.4 | 5.8 | 5.3 | 5.0 | 4.7 | 4.4 | 4.1 |
| SPT: reduction in % vs 2018 | | +3.9% | -2.6% | - 2.6% | -9.2% | -9.2% | -16.2% | -23.2% | -30.3% | -34.2% | -38.2% | -42.1% | -46.1% |

SCHEDULE 2: SUSTAINABILITY-LINKED BOND ELIGIBILITY ASSESSMENT PROTOCOL

1. Selection of Key Performance Indicators (KPIs)

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|--|--|---|---|
| 1a | KPI – material to core sustainability and business strategy | <p>The issuer’s sustainability performance is measured using sustainability KPIs that can be external or internal.</p> <p>The KPIs should be material to the issuer’s core sustainability and business strategy and address relevant environmental, social and/or governance challenges of the industry sector and be under management’s control.</p> <p>The KPI should be of high strategic significance to the issuer’s current and/or future operations;</p> <p>It is recommended that issuers communicate clearly to investors the rationale and process according to which the KPI(s) have been selected and how the KPI(s) fit into their sustainability strategy.</p> | <p>Review of:</p> <ul style="list-style-type: none"> • Klaveness Combination Carriers – Sustainability-Linked Financing Framework (June 2023) • Klaveness Combination Carriers environmental strategy 2023 – 2050 • Klaveness Annual Report 2022 • Klaveness ESG Performance Report 2022 • Klaveness Code of Conduct 2022 • Study of the documentation providing basis for the SPT performance: KCC EEOI trajectory <p>Discussion with KCC’s management</p> | <p>DNV has reviewed KCC’s sustainability KPIs and can confirm that the KPIs are material and relevant to the company’s core sustainability and business strategy.</p> <p>Core business of the ISSUER is maritime freight transport. Climate change (decarbonization) is the most material item of the sector.</p> <p>The ISSUER intends to address the Climate change topic by one KPI, that being Energy Efficiency Operational Indicator (EEOI), which was developed by the IMO and described by the Sea Cargo Charter as the annual average carbon intensity of a ship in its real operating condition</p> <p>The chosen KPI is outlined in SCHEDULE 1: Description of KCC’s key performance indicators (KPI) and Sustainability Performance Targets (SPT), and entails:</p> <ul style="list-style-type: none"> • Reduce EEOI to 4.1 by year-end of 2030 compared to a 2018 baseline (a 46.1% reduction) <p>DNV opines, that the KPI are of high strategic importance of the KCC’s current and future operations, and the rational of selection is clear, ref. SCHEDULE 1: Description of KCC’s key performance indicators (KPI) and Sustainability Performance Targets (SPT)</p> |

| | | | | |
|------------------|-----------------------------------|---|---|---|
| <p>1b</p> | <p>KPI - Measurability</p> | <p>KPIs should be measurable or quantifiable on a consistent methodological basis; externally verifiable; and able to be benchmarked, i.e. as much as possible using an external reference or definitions to facilitate the assessment of the SPT’s level of ambition.</p> <p>Issuers are encouraged, when possible, to select KPI(s) that they have already included in their previous annual reports, sustainability reports or other non-financial reporting disclosures to allow investors to evaluate historical performance of the KPIs selected.</p> <p>In situations where the KPIs have not been previously disclosed, issuers should, to the extent possible, provide historical externally verified KPI values covering at least the previous 3 years.</p> | <p>Review of:</p> <ul style="list-style-type: none"> • Klaveness Combination Carriers – Sustainability-Linked Financing Framework (June 2023) • Klaveness Combination Carriers environmental strategy 2023 – 2050 • Klaveness Annual Report 2022 • Klaveness ESG Performance Report 2022 • Klaveness Code of Conduct 2022 • Study of the documentation providing basis for the SPT performance: KCC EEOI trajectory <p>Discussion with KCC’s management</p> | <p>The ISSUER has provided the KPI statistics and methodology for calculation. The historic performance has been provided for the period of 5 years.</p> <p>The KPI is measurable on a consistent methodological basis and externally verifiable.</p> <p>Due to the limited availability of peer EEOI data, KCC has focused on historical performance and recognised methodologies to demonstrate ambitiousness. For the KPI KCC provides historical EEOI performance, with the target equating to a 46.1% decrease compared to the baseline. KCC also compare decarbonization target trajectory to that similar vessel types given by Sea Cargo Charter, which uses a recognised IMO methodology that allows to conclude on the level of ambitiousness ref. 2b and 2c.</p> |
|------------------|-----------------------------------|---|---|---|

| | | | | |
|------------------|--------------------------------------|---|---|---|
| <p>1c</p> | <p>KPI – Clear definition</p> | <p>A clear definition of the KPI(s) should be provided and include the applicable scope or perimeter as well as the calculation methodology</p> | <p>Review of:</p> <ul style="list-style-type: none"> • Klaveness Combination Carriers – Sustainability-Linked Financing Framework (June 2023) • Klaveness Combination Carriers environmental strategy 2023 – 2050 • Klaveness Annual Report 2022 • Klaveness ESG Performance Report 2022 • Klaveness Code of Conduct 2022 • Study of the documentation providing basis for the SPT performance: KCC EEOI trajectory <p>Discussion with KCC's management</p> | <p>DNV confirms that the KPI chosen by KCC has a clear scope and calculation methodology.</p> <p>The KPI EEOI is calculated following the equation on Page 9 , calculated annually as the total carbon emissions on a LTM basis, per unit of tonne-miles.</p> |
|------------------|--------------------------------------|---|---|---|

2. Calibration of Sustainability Performance Targets (SPTs)

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|------------------------------------|--|--|--|
| 2a | Target Setting - Meaningful | The SPTs should be ambitious, realistic and meaningful to the issuer's business and be consistent with the issuers' overall strategic sustainability/ESG strategy | Review of: <ul style="list-style-type: none"> • Klaveness Combination Carriers – Sustainability-Linked Financing Framework (June 2023) • Klaveness Combination Carriers environmental strategy 2023 – 2050 • Klaveness Annual Report 2022 • Klaveness ESG Performance Report 2022 • Klaveness Code of Conduct 2022 • Study of the documentation providing basis for the SPT performance: KCC EEOI trajectory Discussion with KCC's management | DNV considers the SPT "Reduce EEOI to 4.1 by end-of-year 2030" to be ambitious; the SPT is based on the benchmark data provided by KCC and the Sea Cargo Charter Decarbonization Trajectory as recognised by the IMO. DNV confirms that SPT is consistent with the KCC's overall sustainability and environmental strategy and are aligned with one of KCC's material and strategic focus points. The IMO has set a target to reduce the total maritime shipping GHG emissions by at least 50% by 2050 compared to 2008, and EEOI is a key mechanism to track a vessel's operational efficiency. The SPT is meaningful to the ISSUER's business, as it addresses Climate Change (decarbonization). |
| 2b | Target Setting - Meaningful | SPTs should represent a material improvement in the respective KPIs and be beyond a "Business as Usual" trajectory; where possible be compared to a benchmark or an external reference and be determined on a predefined | Review of: <ul style="list-style-type: none"> • Klaveness Combination Carriers – Sustainability-Linked Financing Framework (June 2023) | DNV confirms that SPT represents a material improvement of the KPI, being year-on-year reductions culminating in a -46.1% reduction in year-end 2030 vs. 2018 baseline. KCC's target of -46.1% reduction in carbon intensity compared to its 2018 baseline is more ambitious than the "business as usual" scenario, compared to the Sea Cargo Charter trajectory |

| | | | | |
|------------------|---|---|--|---|
| | | <p>timeline, set before (or concurrently with) the issuance of the bond and/or loan.</p> | <ul style="list-style-type: none"> • Klaveness Combination Carriers environmental strategy 2023 – 2050 • Klaveness Annual Report 2022 • Klaveness ESG Performance Report 2022 • Klaveness Code of Conduct 2022 • Study of the documentation providing basis for the SPT performance: KCC EEOI trajectory <p>Discussion with KCC's management Discussion with SEB</p> | <p>of -27% from 2018 by year-end 2030. This highlights that improvements beyond what is considered the industry standard will have to occur and can thus be deemed to go beyond what is considered 'business-as-usual' as of today.</p> <p>DNV acknowledges that due to the absence of industry peers operating CLEANBU and CABU vessels, KCC has elected to use a benchmark methodology, defined by the Sea Cargo Charter rather than comparing against specific peers. KCC outlines that there is currently no dedicated trajectory for combination carriers in Sea Cargo Charter, but the trajectories for product tankers and bulk carriers have similar reductions and are thus comparable in terms of reduction percentages.</p> <p>Using historic performance and when comparing to the benchmark methodology, DNV concludes that the proposed SPT of a 46.1% reduction in carbon intensity compared to its 2018 baseline by end-of-year 2030 represents a material improvement beyond a business-as-usual case.</p> |
| <p>2c</p> | <p>Target Setting – benchmarks</p> | <p>The target setting exercise should be based on a combination of benchmarking approaches:</p> <ol style="list-style-type: none"> 1. The issuer's own performance over time for which a minimum of 3 years, where feasible, of measurement track record on the selected KPI(s) is recommended and when possible forward-looking guidance on the KPI 2. The SPTs relative positioning versus the issuer's peers where comparable or available, or versus industry or sector standards | <p>Review of:</p> <ul style="list-style-type: none"> • Klaveness Combination Carriers – Sustainability-Linked Financing Framework (June 2023) • Klaveness Combination Carriers environmental strategy 2023 – 2050 • Klaveness Annual Report 2022 • Klaveness ESG Performance Report 2022 • Klaveness Code of Conduct 2022 • Study of the documentation providing basis for the SPT | <p>DNV finds that the SPT target is commonly used among the peers in the market.</p> <ol style="list-style-type: none"> 1. DNV confirms that the framework provides a KPI performance track-record going back to 2018/19 and provides forward year-on-year guidance leading up to end-of-year 2030 – in accordance with the ICMA and LMA principles for the SPT. The Issuer has justified the KPI decline observed since 2019, and outlines measures to be implemented to reach the SPT. <p>From 2018 to 2022 the EEOI has fallen from 7.6 to 6.9. The main source of improvement has been as mentioned the delivery of new and more fuel-efficient vessels with greater carrying capacity, the installation of energy saving devices, higher drydocking frequency and voyage efficiency measures. KCC has developed ambitious environmental targets to reduce the carbon intensity from 7.6 in 2018 to 5.3 by year-end 2026</p> |

| | | | | |
|-----------|-------------------------------------|--|---|---|
| | | <p>3. Systematic reference to science-based scenarios, or absolute levels (e.g. carbon budgets) or official country/regional/international targets or to recognised Best-Available-Technologies or other proxies</p> | <p>performance: KCC EEOI trajectory</p> <p>Discussion with KCC's management</p> | <p>and further to 4.1 by year-end of 2030, which implies a 46% reduction by year-end 2030 compared to 2018.</p> <p>2. DNV concludes that the SPT outlined go beyond that of the industry standard as highlighted in the benchmark methodology in Ref 2b.</p> <p>3. DNV concludes that the SPTs are put in an appropriate context and can be referenced to international industry targets as described in 2a and 2b.</p> |
| 2d | Target setting – disclosures | <p>Disclosures on target setting should make clear reference to:</p> <ol style="list-style-type: none"> 1. The timelines of target achievement, the trigger event(s), and the frequency of SPTs 2. Where relevant, the verified baseline or reference point selected for improvement of KPIs as well as the rationale for that baseline or reference point to be used 3. Where relevant, in what situations recalculations or pro-forma adjustments of baselines will take place 4. Where possible and taking into account competition and confidentiality considerations, how the issuers intend to reach such SPTs | <p>Review of:</p> <ul style="list-style-type: none"> • Klaveness Combination Carriers – Sustainability-Linked Financing Framework (June 2023) • Klaveness Combination Carriers environmental strategy 2023 – 2050 • Klaveness Annual Report 2022 • Klaveness ESG Performance Report 2022 • Klaveness Code of Conduct 2022 • Study of the documentation providing basis for the SPT performance: KCC EEOI trajectory <p>Discussion with KCC's management</p> | <p>As of the DNV's opinion, the relevant disclosures on target setting are appropriately referenced:</p> <ol style="list-style-type: none"> 1. The timelines of SPT target achievement are clearly referred to, at an annual frequency leading up to year-end 2030. Financial Instruments issued under the framework will need to deliver on the applicable SPT – in accordance with corresponding target observation dates for specified trigger events described in the Framework. 2. The baseline, reference points and selection rationale are clearly described as highlighted in Ref 2b. 3. The framework describes the situations that could lead to a recalculation of the KPI baseline/trajectory with provided thresholds – namely following a verification report relative to the KPI performance outlining the performance against the SPT(s) and the related impact, and timing of such impact, on the securities characteristics and any updates to KCC's sustainability strategy and/or governance with an impact on the KPI and SPT(s). 4. Operational improvements as optimize trading efficiency and perfecting voyage efficiency, technical improvements |

| | | | | |
|--|--|--|--|---|
| | | | | <p>for energy efficiency and fleet renewal are the key elements to achieve the SPTs. KCC intends to contribute by using cleaner fuels, investing in new types of fuel, and reducing energy consumption in the operations.</p> <p>DNV concludes that the SPTs are realistic and that the plan is viable and possible to meeting the SPT targets outlined in the framework.</p> |
|--|--|--|--|---|

3 Finance Characteristics

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|---|---|--|---|
| 3a | Bond Characteristics – SPT Financial/structural impact | The SLB will need to include a financial and/or structural impact involving trigger event(s) based on whether the KPI(s) reach the predefined SPT(s). | <p>Review of:</p> <ul style="list-style-type: none"> • Klaveness Combination Carriers – Sustainability-Linked Financing Framework (June 2023) • Klaveness Combination Carriers environmental strategy 2023 – 2050 • Klaveness Annual Report 2022 • Klaveness ESG Performance Report 2022 • Klaveness Code of Conduct 2022 <p>Discussion with KCC’s management</p> | <p>DNV can confirm that the inclusion of trigger event(s) for achieving the SPTs by the applicable Target Observation Date under the framework is in line with the requirements outlined by ICMA’s SLBP and the LMA’s SLLP.</p> <p>DNV has reviewed the financial characteristics of KCC’s Sustainability-Linked Finance Framework. KCC list three events which may trigger a change to the financial and/or structural characteristics of the financial instrument issued under the KCC Sustainability-Linked Financing framework, these are:</p> <ul style="list-style-type: none"> • KCC’s KPI performance does not meet the applicable SPT(s) for the relevant Target Observation Date(s), as reported on or before the Reporting End Date(s) following the applicable Reference Period or • KCC’s reporting does not meet the requirements as set out in the Reporting section of the Framework (ref page 20 of this document) for each year up until and including the last Target Observation Date, or • The verification (as per the Verification section of this Framework) of the KPI performance has not been provided and made public by the time of the Reporting |

| | | | | |
|-----------|--|---|---|---|
| | | | | <p>End Date each year up until and including the last Target Observation Date</p> <p>Financial characteristics will be determined separately for each sustainability linked security issued under the framework. Each security will feature target observations dates, on which KCC's performance on the KPI will be assessed in relation to the SPT trajectory.</p> <p>In the Framework KCC states the financial and/or structural instrument characteristics "may" change following a trigger event, KCC have justified this specific wording as under exceptional circumstances a structural change may not occur. For example, if KCC are already subject to a higher margin premium territory for missing a previous year's target, missing the target in the following year would thus lead to the margin remaining unchanged and KCC would remain the same premium territory.</p> <p>The LMA Sustainability-Linked Loan Principles (2023) state "where a strong rationale is provided, the ratchet may include a neutral bracket in which no margin adjustment applies". DNV has not reviewed to what extent described characteristics of instruments issued under the framework is commensurate and meaningful, hence DNV encourages all investors to review the relevant instrument term sheets and conduct their own assessment of the financial characteristics of instruments issued under the framework.</p> |
| 3b | Bond Characteristics – Fallback mechanism | <p>Any fallback mechanisms in case the SPTs cannot be calculated or observed in a satisfactory manner should be explained.</p> <p>Issuers may also consider including, where needed, language in the bond</p> | <p>Review of:</p> <ul style="list-style-type: none"> • Klaveness Combination Carriers – Sustainability-Linked Financing Framework (June 2023) • Klaveness Combination Carriers environmental strategy 2023 – 2050 | <p>The framework does not have fallback mechanisms for cases where the SPTs cannot be calculated. KCC does not envisage any factors or events which could require them to amend the definition of the KPI or the SPT.</p> <p>In the Framework, KCC outline that the KPI and SPT set will remain applicable throughout the tenor of any instrument issued under the Framework regardless of any changes to KCC's sustainability strategy and ambitions. This includes any changes</p> |

| | | | | |
|--|--|---|---|--|
| | | documentation to take into consideration potential exceptional events | <ul style="list-style-type: none"> • Klaveness Annual Report 2022 • Klaveness ESG Performance Report 2022 • Klaveness Code of Conduct 2022 <p>Discussion with KCC's management</p> | <p>relating to the company's general sustainability targets and ambitions or changes in applicable benchmarks or industry standards. However, any changes to the underlying input variables in the EEOI calculation (e.g international or national regulations) will change the baseline year and the subsequent yearly EEOI measurement on a pro-forma basis¹.</p> <p>DNV has not reviewed to what extent these events will include. Investors are encouraged to review the term sheets of instruments issued under this Framework in detail and conduct their own assessment of the financial characteristics of the instruments issued under this Framework.</p> |
|--|--|---|---|--|

¹ The SPT, measured in percentage, will remain the same even though the input variables in the EEOI changes.

4 Reporting

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|------------------|---|--|--|
| 4a | Reporting | <p>Issuers of SLBs should publish, and keep readily available and easily accessible:</p> <ol style="list-style-type: none"> 1. Up-to-date information on the performance of the selected KPI(s), including baselines where relevant 2. A verification assurance report relative to the SPT outlining the performance against the SPTs and the related impact, and timing of such impact, on the bond's financial and/or structural characteristics 3. Any information enabling investors to monitor the level of ambition of the SPTs <p>This reporting should be published regularly, at least annually, and in any case for any date/period relevant for assessing the SPT performance leading to a potential adjustment of the SLB's financial and/or structural characteristics.</p> | <p>Review of:</p> <ul style="list-style-type: none"> • Klaveness Combination Carriers – Sustainability-Linked Financing Framework (June 2023) • Klaveness Combination Carriers environmental strategy 2023 – 2050 • Klaveness Annual Report 2022 • Klaveness ESG Performance Report 2022 • Klaveness Code of Conduct 2022 <p>Discussion with KCC's management</p> | <p>DNV concludes that the framework will ensure that required information ('Progress Report'), as required by the SLBP will be published in a timely manner and kept publicly available.</p> <ol style="list-style-type: none"> 1. Up-to-date information on KCC's performance related to the selected KPI and SPT, compared to the baseline and information about any recalculations will be communicated annually. 2. Progress report will be published on KCC's website as soon as they become available and no later than by the Reporting End Date. 3. Relevant information for investors will be communicated annually through website including any relevant updates to KCC's environmental strategy, ambitions or plans carrying relevance for the KPI and/or SPT Trajectory. <p>Failure to provide an annual Progress Report will automatically result in an automatic adjustment in the financial characteristics as outlined in the instrument specific documentation.</p> <p>In addition to the public reporting, KCC may also report non-publicly directly to lenders and counterparts when necessary.</p> |

5. Verification

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|------------------------------|---|--|--|
| 5a | External Verification | Issuers should have its performance against each SPT for each KPI independently verified by a qualified external reviewer with relevant expertise, at least once a year and for each SPT trigger event. | <p>Review of:</p> <ul style="list-style-type: none"> • Klaveness Combination Carriers – Sustainability-Linked Financing Framework (June 2023) • Klaveness Combination Carriers environmental strategy 2023 – 2050 • Klaveness Annual Report 2022 • Klaveness Annual Report 2022 • Klaveness ESG Performance Report 2022 • Klaveness Code of Conduct 2022 <p>Discussion with KCC's management</p> | <p>DNV confirms that the Issuer has committed in their Sustainability-Linked Finance Framework to obtain external and independent verification of its annual KPI performance relative to the SPT until the Target Observation Date specified in the instrument-specific documentation.</p> <p>The verification will be made publicly together with the Progress report. Failure to provide a verification report before the Reporting End Date shall result in an automatic adjustment in the financial characteristics as outlined in the instrument specific documentation.</p> <p>DNV concludes that this is in line with the SLB and SLL principles.</p> |

SCHEDULE 3: SUSTAINABILITY-LINKED LOAN ELIGIBILITY ASSESSMENT PROTOCOL

1. Relationship to Borrower’s Overall Sustainability Strategy

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|-------------------------------|--|--|---|
| 1a | Overall Strategy - Objectives | The borrower of a sustainability-linked loan should clearly communicate to its lenders its sustainability objectives, as set out in its sustainability strategy, and how these align with its proposed SPTs. | <p>Review of:</p> <ul style="list-style-type: none"> • Klaveness Combination Carriers – Sustainability-Linked Financing Framework (June 2023) • Klaveness Combination Carriers environmental strategy 2023 – 2050 • Klaveness Annual Report 2022 • Klaveness ESG Performance Report 2022 • Klaveness Code of Conduct 2022 <p>Discussion with KCC’s management</p> | <p>DNV has reviewed KCC’s corporate policies and sustainability objectives in KCC’s environmental strategy, ESG performance report and annual report. Based on UNs Sustainability Development Goals, KCC defines the following six goals it strives to achieve. More specifically, these are SDG 3 – Good Health and Well-being, SDG 8 – Decent work and Economic growth, SDG 10 – Reduced inequalities, SDG 13 Climate Action, SDG 14 – Life below water and SDG 16 – Peace, justice, and strong institutions.</p> <p>The SPT and corresponding KPI in this framework are exclusively focused on the environment component of KCC’s strategy found in the Annual report and ESG Performance report, notably reducing emissions from their own vessels. Emission reductions has been defined as the most material topic in KCC’s materiality assessment 2022.</p> <p>This approach is deemed appropriate with reference to the rationale in Ref. 1a in schedule 2. As highlighted in schedule 2 – Ref 2a and Ref 2b, the SPTs outlined in the framework underbuilds KCC’s overarching decarbonization aims by year-end 2030 by providing a year-on-year trajectory to achieving carbon intensity (EEOI) reductions beyond business-as-usual and industry standard rates.</p> <p>KCC’s framework is confirmed to be aligned and consistent with the company’s overarching</p> |

| | | | | |
|-----------|------------------------------|---|--|---|
| | | | | sustainability strategy through its environmental focus. |
| 1b | Overall Strategy - Context | Borrowers are encouraged to position this information within the context of their overarching objectives, strategy, policy and/or processes relating to sustainability. | <p>Review of:</p> <ul style="list-style-type: none"> • Klaveness Combination Carriers – Sustainability-Linked Financing Framework (June 2023) • Klaveness Combination Carriers environmental strategy 2023 – 2050 • Klaveness Annual Report 2022 • Klaveness ESG Performance Report 2022 • Klaveness Code of Conduct 2022 <p>Discussion with KCC’s management</p> | As per the analysis in Ref 1a in schedule 3, DNV has confirmed that the context of the Sustainability-Linked Finance Framework has been positioned in context with KCC’s values, strategy and objectives as set out in their Annual report, ESG performance report and environmental strategy. |
| 1c | Overall Strategy - Standards | Borrowers are also encouraged to disclose any sustainability standards or certifications to which they are seeking to conform. | <p>Review of:</p> <ul style="list-style-type: none"> • Klaveness Combination Carriers – Sustainability-Linked Financing Framework (June 2023) | <p>KCC is committed to the UN SDGs, ref 1a schedule 3. KCC’s ship manager – Klaveness Ship Management AS - is also certified to comply with:</p> <ul style="list-style-type: none"> • International Safety Management (ISM) Code • ISO 9001 – Quality Management System |

| | | | | |
|--|--|--|--|---|
| | | | <ul style="list-style-type: none"> • Klaveness Combination Carriers environmental strategy 2023 – 2050 • Klaveness Annual Report 2022 • Klaveness ESG Performance Report 2022 • Klaveness Code of Conduct 2022 <p>Discussion with KCC's management</p> | <ul style="list-style-type: none"> • ISO 14001 – Environmental Management System |
|--|--|--|--|---|

2. Target Setting – Measuring the Sustainability of the Borrower

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|-----------------------------|--|--|---|
| 2a | Target Setting - Meaningful | <p>The SPTs should be ambitious and meaningful to the borrower's business and should be tied to a sustainability improvement in relation to a predetermined performance target benchmark.</p> <p>The SPTs should be set both "beyond a business as usual trajectory" and beyond regulatory required targets.</p> | <p>Review of:</p> <ul style="list-style-type: none"> • Klaveness Combination Carriers – Sustainability-Linked Financing Framework (June 2023) • Klaveness Combination Carriers environmental strategy 2023 – 2050 • Klaveness Annual Report 2022 • Klaveness Annual Report 2022 • Klaveness ESG Performance Report 2022 • Klaveness Code of Conduct 2022 | Confirmed as meaningful by DNV and appropriately tied to a predetermined performance target benchmark. Refer to 2c in schedule 2 for elaboration. |

| | | | | |
|-----------|-----------------------------|--|--|---|
| | | | Discussion with KCC's management | |
| 2b | Target Setting - Meaningful | Market participants recognise that any targets should be based on recent performance levels. | <p>Review of:</p> <ul style="list-style-type: none"> • Klaveness Combination Carriers – Sustainability-Linked Financing Framework (June 2023) • Klaveness Combination Carriers environmental strategy 2023 – 2050 • Klaveness Annual Report 2022 • Klaveness Annual Report 2022 • Klaveness ESG Performance Report 2022 • Klaveness Code of Conduct 2022 <p>Discussion with KCC's management</p> | Confirmed as appropriate by DNV, given the provision of an EEOI track-record and forward guidance. Refer to 2d in schedule 2 for elaboration. |
| 2c | Target Setting - Meaningful | Interaction of the KPIs with the interest rate or equivalent. | <p>Review of:</p> <ul style="list-style-type: none"> • Klaveness Combination Carriers – Sustainability-Linked Financing Framework (June 2023) • Klaveness Combination Carriers environmental strategy 2023 – 2050 • Klaveness Annual Report 2022 • Klaveness Annual Report 2022 | Confirmed by DNV as appropriate under the SLLP. Refer to 3a in schedule 2 for elaboration. |

| | | | | |
|--|--|--|---|--|
| | | | <ul style="list-style-type: none"> • Klaveness ESG Performance Report 2022 • Klaveness Code of Conduct 2022 <p>Discussion with KCC's management</p> | |
|--|--|--|---|--|

3. Reporting

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|-----------|---|---|---|
| 3a | Reporting | Borrowers should, where possible, make and keep readily available up to date information relating to their SPTs, with such information to be provided to those institutions participating in the loan at least once per annum. Borrowers should be encouraged to publicly report information relating to their SPTs and this information will often be included in a borrower's annual report or its sustainability report. | Review of: <ul style="list-style-type: none"> • Klaveness Combination Carriers – Sustainability-Linked Financing Framework (June 2023) • Klaveness Combination Carriers environmental strategy 2023 – 2050 • Klaveness Annual Report 2022 • Klaveness Annual Report 2022 • Klaveness ESG Performance Report 2022 • Klaveness Code of Conduct 2022 | DNV concludes that the framework meets the reporting requirements outlined under the SLLP. Refer to 4a in schedule 2 for elaboration. |

| | | | | |
|--|--|--|----------------------------------|--|
| | | | Discussion with KCC's management | |
|--|--|--|----------------------------------|--|

4. Review

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|-----------------|--|--|--|
| 4a | External Review | The borrower should have its performance against its SPTs independently verified by a qualified external reviewer, such as an auditor, environmental consultant and/or independent ratings agency, at least once a year. | Review of: <ul style="list-style-type: none"> • Klaveness Combination Carriers – Sustainability-Linked Financing Framework (June 2023) • Klaveness Combination Carriers environmental strategy 2023 – 2050 • Klaveness Annual Report 2022 • Klaveness Annual Report 2022 • Klaveness ESG Performance Report 2022 • Klaveness Code of Conduct 2022 Discussion with KCC's management | DNV concludes that the framework meets the review requirements outlined under SLLP. Refer to 5a in schedule 2 for elaboration. |

Statement of Competence and Independence

The management of Klaveness Combination Carriers ('KCC') has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform Klaveness Combination Carriers management and other interested stakeholders in the Bond or Loan as to whether the established criteria have been met, based on the information provided to us. In our work we have relied on the information and the facts presented to us by Klaveness Combination Carriers. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by Klaveness Combination Carrier's management and used as a basis for this assessment were not correct or complete.

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2011 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct¹ during the assessment and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of statements or data included in the Framework except for this Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assessment process.

Page 29 of 29

Our assessment relies on the premise that the data and information provided by Klaveness Combination Carriers to us as part of our review procedures have been provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.