



SUSTAINABILITY REPORT 2021

EIDESVIK OFFSHORE ASA

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BOARD STATEMENT

For Eidesvik sustainability is a strategic imperative for generating long-term value. It is an integrated part of our culture, our strategy and all our operations. The Board of Directors (BoD) have the overall responsibility for ESG matters, and we oversee the management of material ESG factors. This includes reviewing regular updates from management on the Company's sustainability performance, policy updates and targets.

The BoD also recognize that the impacts of climate change will affect all sectors and future investment patterns. In 2021, we were involved in the Company's climate risk analysis. The goal is to ensure that the company is resilient to physical climate risk, changing market demands and regulatory changes.

We would like to highlight that Eidesvik has established ambitious goals to reduce emissions. Eidesvik aims to reduce emission by 50% by 2030, and to have a climate neutral fleet by 2050. Through the Company's ambitious projects, we are positioning ourselves to reach these goals. We, the members of Eidesvik's Board of Directors, will continue to support and challenge the management to ensure sustainable development of the Company's operations and investment considerations.



Arne Austreid

ABOUT THE REPORT

This report is our first comprehensive and stand-alone ESG-report. The report has been prepared in accordance with the Norwegian Shipowners' Association Guidelines for ESG reporting in the shipping and offshore industries. The report presents our material environmental, social, and governance (ESG) performance, along with how we manage material sustainability topics, for the financial year ended December 31, 2021. Critical or material events occurring after December 31, 2021, and up until the publication date are also covered in this report.

Determination of sustainability impacts and material ESG topics for reporting was undertaken by an independent expert ESG advisor, in consultation with our staff and stakeholders, and was approved by the Board of Directors (BoD). The materiality determination method followed the GRI Materiality Standard, GRI 3 (2021).

ACTIVITY METRICS 2021

As of 31st December 2021

NUMBER OF SHIPBOARD PERSONNEL

401

OPERATING DAYS

3 253

TIME AT DP (PERCENTAGE OF OPERATION)

28

DISTANCE TRAVELLED BY VESSELS (NM)

289 785

NUMBER OF ASSETS IN FLEET

16

12 IN OPERATION

MESSAGE FROM THE CEO

Eidesvik's operations are anchored by a clear commitment to sustainability throughout our business. We have a vision of being a powerhouse for future-oriented shipping and marine operational solutions and aim to position the Company at the front end of the development of zero-emission shipping solutions.

Covid-19 and a challenging market continued to impact our operations throughout most of 2021. We focused on keeping our employees safe, whilst providing reliable services to our clients. At Eidesvik, we are proud to have continued our operations with no Covid-related downtime in 2021. We were also able to reach our goals of zero lost time incidents, which is a result of our seafarers' strong focus on safety, and the Company's continuous efforts to reduce the risk exposure for our employees and third parties.

While the pandemic and changing market demands have kept us busy during 2021, we maintained our focus on green innovation. For decades Eidesvik has had a vision of using as little fossil fuel as possible to minimise our emissions – resulting in a strong reputation as a pioneer in implementing new climate and environmentally friendly technologies, in both newbuilds and in our existing fleet. We strongly believe that cooperation across the entire value chain is imperative for the green transition, and the groundbreaking technology projects "Apollo" and "Retrofit" we have launched this year are examples of this.

We have continued to focus on upgrading our fleet with the newest available technology. In 2021, we upgraded two vessels, Viking Avant and Viking Neptun, with battery hybrid systems. Installation of shore power systems and improved route planning are other examples of our emission reduction initiatives.

In 2021, we updated our sustainability priorities by conducting an extensive materiality assessment to further integrate sustainability into our business strategy, and to set concrete targets within our priority areas. Our technology and development department was strengthened by the establishment of three new positions dedicated to green technologies – a Director of Sustainability, a Commercial Environmental Manager

and a Technology Development Manager. The team will be further strengthened with additional resources in 2022.

We recognize that our industry is changing considerably as the focus on mitigating climate change increases. Therefore, a key part of our strategy is to actively seek new complementary transition markets where we can utilize our competence, technology, and assets. Offshore wind is one example, and we currently have one vessel operating as a service operation vessel for Siemens Gamesa Renewable Energy in the Offshore Wind sector. We will continue to closely monitor business opportunities in this growing market.

Authorities and lawmakers are moving fast on regulations related to sustainability, including the EU, IMO and Norwegian authorities. This includes not only climate-related issues, but also transparency and human rights in the supply chain. To our operations, sustainability is increasingly becoming a commercial and strategic imperative, as we aim to meet the demands from our customers, investors, regulators, and civil society.

This is our first stand-alone ESG-report, and we aim to share valuable information on our approach to sustainability and how we are progressing on a regular basis. We welcome your feedback.



Gitte Gard Talmo
Gitte Gard Talmo

ABOUT EIDESVIK OFFSHORE

Eidesvik Offshore ASA ('Eidesvik' or 'the Company') owns and operates a world-wide fleet of purpose-built vessels, providing services to the offshore supply, subsea, offshore wind, and seismic markets. Eidesvik's headquarter is located at Bømlo, between the cities of Haugesund and Bergen on the Norwegian west coast.

MAIN ACTIVITIES

OFFSHORE SUPPLY

Our fleet of platform support vessels (PSVs) provide cargo supply and transportation of pipes between onshore bases and offshore oilfields. Several vessels also meet the requirements for standby/rescue vessels and oil recovery, in accordance with the rules of The Norwegian Clean Seas Association for Operating Companies (NOFO).

SUBSEA/OFFSHORE WIND

Eidesvik owns and operates a fleet of subsea construction vessels, with full capabilities for ROV (remotely operated underwater vehicle) operations, construction and module handling, inspections, and maintenance and repair of subsea installations. Some of these vessels are operating in the offshore wind market and have served both the commissioning and operation and maintenance phases of offshore wind farms.

SEISMIC

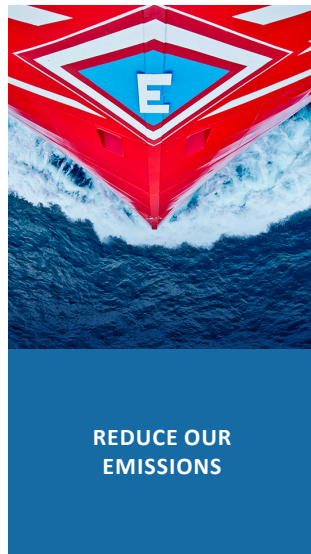
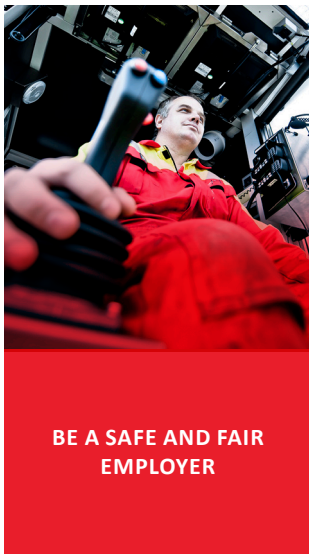
The Company owns and operates several vessels which are specially equipped for seismic surveys, focusing on ocean bottom node (OBN) seismic operations.



OUR STRATEGY

Our vision is to be a powerhouse for future-oriented shipping and marine operational solutions, and to position the Company at the front end of the development of zero-emission shipping solutions. Our principal objective is to secure and increase Eidesvik's long-term financial and sustainable value creation, thus laying the foundation for further growth and for securing long-term employment.

OUR PRIORITIES



KEY HIGHLIGHTS 2021

In 2021, we made good progress on our sustainability agenda. Key highlights from 2021 include:

ENVIRONMENT

- 12.5% reduction in CO₂ emissions per nautical mile travelled
- 14.2% reduction in CO₂ emission per operational day
- 2 additional vessels have been fitted with battery hybrid systems, and 75% of the operational fleet now have hybrid technology.
- Launched 3 new groundbreaking technology projects for low and zero emission technologies.

SOCIAL

- Zero lost time incidents
- No Covid-related vessel delays or down-time

GOVERNANCE

- Conducted our first materiality analysis to determine our sustainability priorities.
- Strengthened our capacity within green technology with the establishment of new positions: Director of Sustainability, Commercial Environmental Manager and Technology Development Manager

OUR ESG COMMITMENTS



ENVIRONMENTAL

TARGET	2021	2020
50% reduction in CO ₂ emissions by 2030, climate neutral fleet by 2050 (baseline 2008)	21.7% (PSV) 13.7% (Subsea)	18.2% (PSV) 13.7% (Subsea)
Yearly reduction in tonnes CO ₂ emissions per nautical mile (year-on-year)	12.5%	1.7%
Yearly reduction in tonnes CO ₂ emissions per operational day (year-on-year)	14.2%	15.6%
Zero spills to sea (number)	4.3 m³¹(19)	1m ³ ³ (16)
100% of fleet running on battery hybrid solutions	75%	60%

¹ The largest spill of 4m³ was spillage of water-based mud. This incident was related to a broken mudhouse during discharging to rig. The other spills were caused by leaking hydraulic oil during ROV operations (couplings).

SOCIAL

TARGET	2021	2020
Employee satisfaction (eNPS score >30)	37	34
Trainee rate 7% of workforce	9.3	7
Performance appraisal reviews (100%)	70%	70%
Zero Lost Time Incidents	0	0.50
<2 Total recordable case frequency (TRCF1) ²	0.46	2.52

² The number of Total Reportable Cases per million Exposure Hours worked during the period (excluding first aid)

GOVERNANCE

TARGET	2021	2020
All suppliers representing 25 MNOK+ or defined as critical for our operations will be audited within a three-year period	1	-



SUSTAINABILITY GOVERNANCE

SUSTAINABILITY GOVERNANCE AT EIDESVIK

Eidesvik's sustainability performance is managed by the Board of Directors (BoD) and the Executive Management Team. The CEO has the overall responsibility for the integration of sustainability into Eidesvik's operations, setting priorities and driving implementation, and for including sustainability in core processes related to strategy, planning and risk management. Our Executive Management Team reviews all KPIs and targets annually.

In 2021, a key achievement was the establishment of three new positions dedicated to our work with green innovations: A Director of Sustainability, who has the responsibility for defining new emission reduction measures for the fleet; a Commercial Environmental Manager, who will oversee the overall sustainability work at Eidesvik and drive the commercialization process of new innovations; and a Technology Development Manager, who has a central role

in the development and follow-up of the Company's initiatives related to new climate and environmental technology.

We have established policies and procedures which set out how we manage ESG issues. Implementing these policies and procedures mitigates our risks and negative ESG impacts. ESG relevant policies include our:

- Environmental Policy
- Environmental Aspects Procedure
- EEEP Quarterly Management Meeting Procedure
- Ship Energy Efficiency Management Plan
- Company Energy Efficiency Management Plan
- Energy Efficiency Best Practice Procedure
- Energy Efficiency Measures & blue:E Observations¹
- Code of Conduct
- Health, Safety & Quality Policy
- Human Resource Policy

¹Eidesvik Energy Efficiency Programme

All policies and procedures are available for all employees and can be found in the Unisea Eidesvik Management System (EMS). Our policies are reviewed and updated as necessary by the Executive Management Team in the annual management reviews.

At Eidesvik, we recognize that cooperation across the value chain is essential in solving the sustainability challenges facing our industry, therefore we participate actively in various research and development initiatives that will drive the industry in the right direction. These include:

- Maritime CleanTech
- International Marine Purchasing Association
- Norwegian Shipowners' Association
- Incentra
- Hugesund Shipowners' Association
- International Marine Contractors Association

MATERIALITY ASSESSMENT

By prioritising areas which Eidesvik has an impact on and which may influence our business, we are able to manage material opportunities and risks, while also communicating relevant disclosures to our stakeholders.

In 2021, we conducted a materiality assessment to identify our most significant impacts on ESG factors and to identify key strategic and financial priorities. Our review of material topics followed the GRI Materiality Standard (GRI 3, 2021) and considered the severity and likelihood of our impacts. Our identified priorities also take into consideration the perspective of double materiality, in which those topics that are financially material and could impact business value are identified.

Based on research, stakeholder dialogue and prioritisation by key personnel in Eidesvik, we have determined the most significant impacts of Eidesvik's business activities, as well as strategic and financial priorities.

The assessment included external and internal stakeholder engagement to help evaluate the significance of our impacts and our strategic and financial priorities. In addition to involving employees, the BoD and the Executive Management Team, we involved financial institutions, customers, suppliers and industry associations in the stakeholder dialogue.

Following the materiality assessment, we conducted a process involving all parts of the organization to set additional KPIs related to our material topics. We have started to report on these from 2021.

OUR MATERIAL TOPICS



CO₂ EMISSIONS AND AIR POLLUTION



CONTRIBUTIONS TO THE ENERGY TRANSITION



ECOLOGICAL IMPACT – WASTE AND DISCHARGE TO SEA



EMPLOYEE DEVELOPMENT



DIVERSITY AND EQUALITY



HEALTH AND SAFETY



INFLUENCE ON BUSINESS PARTNERS

THE SUSTAINABLE DEVELOPMENT GOALS

Eidesvik supports the UN Sustainable Development Goals (SDGs), a collection of 17 global goals established by the United Nations in 2015. We have prioritized five SDGs which we aim to contribute to:

- SDG 8 – Decent work and economic growth
- SDG 9 – Industry, Innovation, and Infrastructure
- SDG 13 – Climate Action
- SDG 14 – Life below water
- SDG 17 – Partnership for the goals

ANTI-CORRUPTION AND BUSINESS ETHICS

Eidesvik is committed to operating with the highest ethical standards in all its operations. Our Code of Conduct is our main governing document outlining our principles, rules and expectations regarding ethical business practices. All department managers are required to go through all policies, including the Code of Conduct, with new employees during the familiarization process. We conduct our business in compliance with all anti-bribery, anti-corruption and anti-money laundering laws, rules and regulations including, but not limited to, the UK Bribery Act 2010, the US Foreign Corrupt Practices Act 1977, the Norwegian Penalty code section 276 a – 276 c and other legislation applicable to our industry. In 2021, Eidesvik did not conduct operations in countries with a high risk of corruption, according to the Transparency International's Corruption Perception Index. However, when this has been done in the past, we have conducted risk assessments for those specific countries, in line with our procedures. We will continue to do so going forward when operating in countries with a high risk of corruption.

Our procedure regarding reporting of complaints or breaches of our Code of Conduct and other policies is followed up by the Designated Person Ashore (DPA) function and our complaints procedure. Employees can report incidents or suspicious cases through the EMS, which is our whistleblowing facility. No cases were reported in 2021.

Eidesvik has not been involved in any legal proceedings associated with bribery, corruption or anti-competition in 2021.

RESPONSIBLE PROCUREMENT

Through our operations and purchasing decisions we have an impact on social, environmental and economic conditions in our supply chain. Monitoring and addressing potential ESG risks in our supply chain strengthens trust in our business and increases our readiness for increasing regulations on due diligence in supply chains.

Eidesvik purchases goods and services from a range of suppliers across the world. We aim to source locally whenever possible and to select and develop suppliers with a strong focus on sustainability. Eidesvik is a member of procurement organization Incentra³, which annually evaluates suppliers in the shipping and offshore sector, in accordance with international standards for human rights, environmental principles and anti-corruption. The majority of our key suppliers are members of Incentra.

During 2022, we will develop a Supplier Code of Conduct which will incorporate topics such as anti-corruption,



human rights, and environmental issues. This will be attached to all purchasing orders, which all suppliers are required to sign. By 2025, all suppliers representing >25MNOK or defined as critical for our operations will be audited. In 2021, we conducted one audit of a key supplier. Due to Covid-19 travel restrictions, we were unable to do further audits. In 2022, we will focus on identifying key suppliers and to implement measures to ensure compliance with the Norwegian Transparency Law that comes into force in July this year.

CYBER SECURITY

Rapid digital transformation means an increase in potential threats related to cybercrime. As a result, the topic is becoming increasingly important for Eidesvik and the offshore industry. The 1st of January 2021 was the deadline for compliance with the necessary cyber security measures required by the IMO. In line with this, we have implemented cyber security risk management and established a Cyber Security Policy to provide security rules and regulations to ensure integrity and confidentiality in our operations. The cyber risk management is integrated into existing management systems. Our cyber security procedure outlines our approach to risk management, training and awareness, procedures to prevent security breaches and emergency response requirements in cases of security breaches.

SHIP RECYCLING

Ships contain hazardous materials, and ship recycling must therefore be performed according to strict standards to protect human health, safety and the environment. All of Eidesvik's vessels hold a valid and certified Inventory Hazardous Materials (IHM) on board. Our vessels thereby achieve compliance with both the EU Ship Recycling Regulation (EU SRR) and the Hong Kong Convention (HKC) for the Safe and Environmentally Sound Recycling of Ships. At Eidesvik we will recycle all future vessels in accordance with globally accepted standards for ship recycling to ensure no harm to workers or the environment. In 2021, no vessels were sent to recycling. We sold one vessel that are now used in an alternative market. This prolongs the lifetime of the vessel in tune with a circular economy.

³ <https://incentra.no/>



OUR ENVIRONMENTAL IMPACT

CO₂ EMISSIONS

Minimizing our emissions is a strategic priority for Eidesvik. Eidesvik has a strong track record in emission reduction dating back to 2003 when we were the first offshore vessel owner to introduce the use of LNG as fuel, followed by fuel cells and battery hybrid systems. We are actively engaged in both reducing CO₂ emissions from our fleet, and in contributing to the development of new technology that will reduce emissions across the industry.

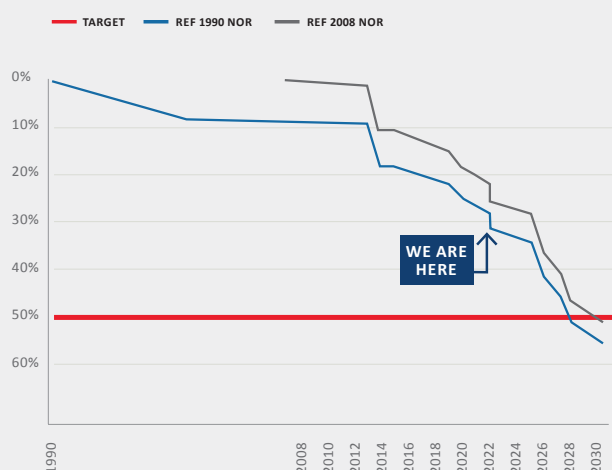
Our ambition is to have a climate neutral fleet by 2050. Our mid-term goal is to reduce emissions by 50% in 2030, compared to a 2008 baseline. By the end of 2021, we had achieved a 13.7% reduction in emissions from our subsea fleet and 21.7% for the PSV fleet compared to 2008. In 2021, Eidesvik's emissions totalled 97 284 metric tonnes CO₂. This is a slight increase from 2020, due to more vessels being in operation and more operational days.

Overall, CO₂ emissions per nautical mile has decreased from 0.128 tonnes in 2020 to 0.112 in 2021. CO₂ emissions per

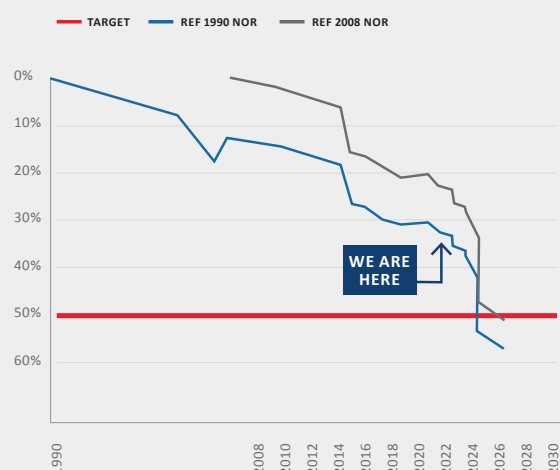
operational day has decreased from 34.78 tonnes in 2020 to 29.83 in 2021. Our goal is to have yearly reductions in these two performance indicators. Due to the scope of operations for offshore vessels, the GHG emissions intensity indicators used by the IMO, such as the AER, are not suitable for our operations. AER is calculated on the basis of a ship's carbon emissions per actual capacity-distance, however offshore vessels spend much of their operational time in DP. A process is ongoing in IMO/IMCA to define suitable GHG emission intensity metrics for offshore vessels. While awaiting clarification, Eidesvik has chosen to monitor CO₂ emissions per nautical mile and operational days as this is a better reflection of our development.



SUBSEA/WIND - CO₂ REDUCTION



PSV - CO₂ REDUCTION



GHG SCOPE 1, 2 AND 3 EMISSIONS FROM EIDESVIK OPERATIONS IN METRIC TONNES CO₂

	2021	2020	2019
Scope 1⁵			
Fleet emissions	97 063	86 251	107 832
Company Cars	15	17	17
Scope 2			
Purchased electricity			
Market-based ⁶	205	153	153
Location-based ⁷	4	6	6
Shore-based power supply			
Market-based	0.4	0.6	0.1
Location-based	0.007	0.02	0.004
Scope 3^{8,9}	0.4	0.6	0.7
Scope 1,2 (market-based) and 3	97 284	86 422	107 856

⁴ Calculated in accordance with the GHG Protocol (Operational control approach)
⁵ Scope 1 emissions factors from the Fourth IMO GHG Study – July 2020 – Table 45
⁶ Reference for market-based emissions factors: Calculated using emissions factors from AIB and NVE.
⁷ Reference for location-based emission factors: – Norwegian Residual Mix, AIB
⁸ Scope 3 – category 5 (residual waste, paper waste). Calculated as CO₂ using emissions factors from DEFRA.
⁹ Scope 3 – category 1 (paper consumption). Calculated as CO₂ using emissions factors from DEFRA.

In 2021, we have continued to focus on emission reductions in our fleet, in collaboration with our clients and suppliers. We have a well-established program for optimizing operations to reduce the consumption of fuel and energy, the Eidesvik Energy Efficiency Programme blue:E (EEEP). For each vessel, a set of measures to reduce energy consumption and CO₂ emissions have been defined and implemented. Reports for each vessel are prepared quarterly. All fuel saving activities have been thoroughly logged for the past eight years, giving us datasets to support further improvements both on daily operations and technology.

A key part of the program is employee awareness of energy efficiency and its impacts on both the environment and cost savings. This has become an important part of day-to-day operations. In addition to this, employee reporting is an essential part of the program. This allows employees to report negative and positive observations related to energy efficiency on board the vessels. In 2021, 702 blue:E-reports were submitted. All reports are reviewed at the end of each year, and the Ship Energy Efficiency Management Plan and Company Energy Efficiency Management Plan are adjusted accordingly. The blue:E-program has led to wide-spread engagement on board vessels, and we celebrate the best Blue:E observation with awards.

In 2021, we continued to upgrade our vessels with new technology, fitting two vessels with battery hybrid systems and one vessel with a shore power system. In addition, since 2020 Eidesvik has had a ship management agreement with Aker BP for two PSVs with hybrid battery systems and shore power.



64%

OF VESSELS IN OPERATION HAVE SHORE-BASED POWER



75%

OF VESSELS IN OPERATION HAVE BATTERY HYBRID SOLUTION

Per 31 December, 2021 eight of our vessels have the DNV class notation "Battery power".

Battery hybrid systems and shore power systems contribute to substantial reductions in emissions from our vessels. We are also seeing considerable reductions in maintenance costs as we reduce both the engine running hours and also the wear and tear on parts in the engine since the batteries allow us to operate the engines at more optimal load.

EIDESVIK'S CONTRIBUTION TO THE ENERGY TRANSITION



At Eidesvik we aim to be a powerhouse for green innovation. Decarbonising our fleet is a strategic imperative for Eidesvik.

Eidesvik's continuous work to develop feasible approaches for

large-scale CO2 emission reductions in our fleet commenced at full speed in 2021. In the shipping industry, hydrogen and ammonia are considered two of the main zero emission fuel candidates for future shipping. We recognize the challenges associated with these fuels, including infrastructure at ports, safety and toxicity challenges. We are monitoring the landscape for new developments, while doing our part to contribute to research and development.

During the year, we launched several new technology projects within the use of new green fuels (see boxes).

STEPS TOWARDS A CLIMATE NEUTRAL FLEET



CONTINUED FOCUS ON ENERGY EFFICIENCY AND REDUCING EMISSIONS

By end of 2021, we had achieved 19.9% reduction compared to 2008, with 2.4% achieved in 2021.



FUTURE FUELS AND NEW TECHNOLOGY

Focus on research and development of new technologies and the use of new green fuels to reduce emissions.



COLLABORATION

Work with charterers, industry partners and regulators to drive innovation, develop infrastructure and policy to support climate neutral shipping.

SHIP FC: EQUINOR & EIDESVIK

Today, many believe that ammonia represents the best green fuel option for longer voyages, such as the North Sea supply routes, where ships need to carry large amounts of fuel.

In 2020 Eidesvik entered into the 5-year European joint development project ShipFC where Viking Energy will be retrofitted with a 2 MW fuel cell running on green ammonia in the start of 2024. The ammonia fuel system will allow the vessel to sail solely on the clean fuel for up to 3,000 hours annually. Thus, Viking Energy will become the world's first supply vessel to sail long distances without emissions of greenhouse gases. Testing will take place while the vessel is on contract for Equinor. The project encompasses 14 European partners, and is coordinated by NCE Maritime CleanTech.

The ShipFC project has received funding from the Fuel Cells and Hydrogen 2 Joint Undertaking under grant agreement No 875156. This Joint Undertaking receives support from the European Union's Horizon 2020 research and innovation programme, Hydrogen Europe and Hydrogen Europe research.

AMMONIA FUEL CELL PROJECT

As part of the Retrofit project, Eidesvik entered into a MoU with Aker BP and Alma in November 2021 to explore opportunities for utilizing Alma's fuel cell technology to accelerate the move to zero emissions shipping.

Specifically, the companies will explore retrofit installation of Alma's ammonia fuel cell technology on two offshore support vessels: Eidesvik-owned Viking Lady and Aker BP-owned NS Frayja currently under Eidesvik's management, with the option to include further vessels in the scope of the project as well. Preliminary timeline set for implementation is 2025, depending on the outcome of the FEED study.

THE APOLLO PROJECT

In autumn 2021, Eidesvik and the technology group Wärtsilä signed a landmark cooperation agreement aimed at converting an offshore supply vessel to operate with ammonia-fueled combustion engines including fuel supply and safety systems. The "Apollo" project will be the first of its kind ever in the world and has a provisional completion target of 2024.

The supply vessel considered for the retrofit currently has Wärtsilä dual-fuel engines operating primarily with LNG fuel. The conversion will allow the vessel to operate with a 70 percent ammonia blend, cutting its CO₂ emissions by 70%.

THE RETROFIT PROJECT: AKER BP & EIDESVIK

Newbuilds are often presented as the only solution to making the shipping industry greener and more sustainable. However, at Eidesvik we are equally focused on the great potential for significantly reducing emissions from the existing fleet. From a climate and sustainability perspective, recycling old ships and building new ones requires a lot of energy that could otherwise be saved, not to mention the huge investment needed for newbuildings. As a shipowner we believe we can achieve increasingly large emissions reductions as well as save capex by prolonging the lifetime of existing vessels with new green technologies.

Based on this belief, Eidesvik and E&P company Aker BP launched the ambitious joint technology project "Retrofit" in mid-2021. Retrofit's mission is to capture emission reductions of 70 percent or more on selected vessels. The work to map available new technologies from a cost-benefit perspective is now well under way.



POLLUTION TO AIR AND SEA

Pollution caused by the shipping industry has a negative impact on both humans and ecosystem health. We take this seriously at Eidesvik, and we support all regulations related to reducing pollution from our vessels, such as the cap on the sulphur content of fuel oil.

Our overall goal is to continue to be an industry leader in reducing air pollutants such as NO_x, SO_x and particulate matter (PM). Eidesvik's fleet runs entirely on low sulphur marine gasoil (LS-MGO) or LNG or a combination of these two and does not rely on any heavy fuel oil. As we are not using heavy fuel oil, we are in compliance with IMO regulations on sulphur – and we are not dependent on scrubbers.

Eleven of Eidesvik's vessels are registered in the Environmental Ship Index (ESI). The ESI identifies vessels that have better emissions reduction performance than what is required by the current emissions standards of the IMO. The ESI evaluates the amount of NO_x and SO_x that is released by a vessel and also includes a reporting scheme for GHG emissions of the ship. The ESI is recognised by the Norwegian Coastal Administration and many ports as a basis for environmental differentiation of fees/rates. Per December 31, 2021 all registered Eidesvik vessels are positioned amongst the top 8% (score >50 of 100) of the 6933 vessels with valid scores in the index. Nine of our vessels score above 80.

OCEAN HEALTH

Ocean health is important to Eidesvik, and we recognize that our operation has the potential to cause damage to the surrounding environment, particularly the marine environment, through discharges, noise and potential spills. Our ability to manage these risks and to mitigate our negative environmental impact is critical not only for

the environment, but for our business. Our ambition is to comply with all rules and regulations regarding marine pollution and have zero spills.

Eidesvik's fleet had 19 spills during 2021, totalling 4.3m³ in volume. The largest spill of 4m³ was spillage of water-based mud. This incident was related to a broken mudhouse during discharging to rig. The other spills were caused by leaking hydraulic oil during ROV operations (couplings). All incidents were reviewed by the Executive Management Team and lessons learned have been recorded.

We recognize that proper waste management is important to keep our oceans healthy. In 2021, we generated a total of 49 metric tonnes of waste on board our vessels. All waste is either delivered onshore (89.4% in 2021) or incinerated.¹⁰ Ashes from incineration are delivered ashore and logged as required. Waste generated in accordance with Annexes I, II and III are handled in accordance with requirements.

Our entire fleet is classed with DNV, and International Oil Pollution Prevention (IOPP) certificate with supplement are in full compliance with MARPOL's latest amendments and annexes.

¹⁰ Our waste management follows MARPOL Annex V – Prevention of Pollution by Garbage from Ships. We follow any amendments to the Annex and revise our waste management approach accordingly.

OVERVIEW OF ENVIRONMENTAL IMPACT FROM OUR OPERATIONS

ACTIVITY	ENVIRONMENTAL IMPACT	EIDESVIK MITIGATING ACTIONS
Exhaust gas	Air pollution	<ul style="list-style-type: none"> ▪ Install dual fuel engines ▪ Install exhaust catalyst ▪ Rebuild engines ▪ Adaptive autopilot ▪ Polishing of propellers ▪ Logistics optimization ▪ Optimise use of engines ▪ Optimise trimming of vessels ▪ Install battery hybrid systems ▪ Install shore power connection ▪ Reduced speed
Incinerator	Air pollution	<ul style="list-style-type: none"> ▪ Increase delivery to shore ▪ Improve design
Boiler	Air pollution	<ul style="list-style-type: none"> ▪ Upgrades
Oil and chemicals	Pollution to sea	<ul style="list-style-type: none"> ▪ Improve maintenance/routines ▪ Latest generation of equipment for processing bilge water ▪ Practices in cleaning oil spills
Ballast water	Pollution to sea	<ul style="list-style-type: none"> ▪ Install cleaning system for ballast water in vessels according to IMO requirement

CLIMATE RISK

Eidesvik follows the disclosure recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The climate risk review was conducted in the second half of 2021.

As a starting point, Eidesvik based the analysis on a 2°C scenario acknowledging that action is needed on economic, political, and technological levels to combat climate change. As shown in the International Energy Agency's (IEA) World Energy Outlook 2021 there is huge uncertainty over the trajectory for future demand of oil and gas. For the first time, each of the scenarios examined in the World Energy Outlook show an eventual decline in global oil demand to 2050, although the timing and sharpness of the drop vary widely. Natural gas demand increases in each scenario over the next five years, but there are sharp divergences afterwards. Though the range of possible outcomes for future demand of oil and natural gas is considerable, a decline in the demand from the late 2020s has been the main element when assessing economic impacts of climate-related risks for Eidesvik.

GOVERNANCE

The Eidesvik BoD holds the responsibility to assess and manage climate-related risks and opportunities. Minimizing potential climate risks and identifying opportunities is on the agenda of Board meetings and is also recognized by the Executive Management Team to be a crucial part of Eidesvik's strategy. The team is leading the strategy process, as well as risk management, and discusses risks and opportunities with the technical department and more generally in the ESG context with other teams. Both parties are responsible for reviewing present and future climate-risks for the shipping industry and the Company. Going forward, Eidesvik will continue to carefully monitor climate risk, especially regarding regulatory and market changes.

STRATEGY

Eidesvik has identified several climate related risks with potential impact and incorporated mitigation and management efforts into its overall business strategy. This includes developing adaptive capacity to respond to climate change through maintaining the position of the clear market leader within green offshore support vessels. Early adoption of new technology and strengthening the organization with additional green tech resources makes Eidesvik more competitive in the future market, paving the way for increased revenue and improved reputational risk management. Furthermore, new services capitalizing on Eidesvik technology competence and experience may lead to a strengthened position within other markets such as offshore wind, and to help offset other climate-related risks.

Investments in new projects within the oil and gas sector, or areas tightly connected to oil and gas, must take into account the global change where the investment horizon carries more risk and uncertainty than historically.

RISK MANAGEMENT

Risk management is an integrated part of Eidesvik's daily operations and management processes. Climate risk is integrated within the risk management system and will as such be effectively assessed and handled. Key risks, including regulatory changes or emissions associated with fuel consumption, are periodically reported to the Board and relevant teams within the Company. The established innovation culture and 20 years of experience among onshore and offshore personnel in implementation of new environmentally friendly technology promotes further climate risk mitigation.

METRICS AND TARGETS

Eidesvik aims to reduce emissions by 50% by 2030, and to have a climate neutral fleet by 2050, compared to baseline year 2008. We also aim for yearly reductions in CO₂ emissions per operational day and per nautical mile. We use Scope 1 and 2 emissions to monitor our emissions reductions, as well as reduction per nautical mile and per operational day and share of fleet operating with battery hybrid systems.

A SUMMARY OF OUR MAIN RISKS AND THEIR FINANCIAL IMPACTS:

	RISKS	FINANCIAL IMPACTS
Physical	<ul style="list-style-type: none"> More frequent/severe storms Rising sea levels and temperatures 	<ul style="list-style-type: none"> Increased predictability and higher costs related to crew changes or vessel damages. Costs related to increased off-hire risk and modification to air conditioning systems.
Regulatory	<ul style="list-style-type: none"> CO₂ efficiency requirements, stricter emission regulations, zero-emission regulations. The EU taxonomy and jurisdictional regulations associated liabilities. 	<ul style="list-style-type: none"> Lower valuation of assets, existing vessels might be outdated. Refinancing debt. Higher capital expenditure in relation to retrofit or new vessel investments.
Technological	<ul style="list-style-type: none"> Radical technology change – new low and zero emission technologies. Unsuccessful investments or lack of infrastructure for new fuels and technology. 	<ul style="list-style-type: none"> Increased capital requirements to stay competitive. Decreased revenue if unsuccessful. Write-offs on stranded assets
Market	<ul style="list-style-type: none"> Falling demand for oil & gas leading to lower vessel demand. Changes in customer requirements or financial conditions, refinancing processes, etc. 	<ul style="list-style-type: none"> Deteriorating rates, negative impact on access to and pricing of capital, lower valuation. Reduction in client base and/or increased competition – leading to decrease in revenues.
Reputational	<ul style="list-style-type: none"> Shifts in employee preferences, expectations of shareholders, environmental organizations. Stigmatization of the sector, lack of political support and increased stakeholder concern. 	<ul style="list-style-type: none"> Increase in recruitment costs. More difficult to attract investors, negative impacts on access to and pricing of capital. Less state funding opportunities.



SOCIAL

HEALTH AND SAFETY

Safety is a key concern at Eidesvik. Our offshore operations are advanced, and often carried out under challenging conditions. This requires that we have the right policies and procedures in place to enable our personnel to work safely.

We want to protect our people, the environment and our business and eliminate any risk of fatalities and severe injuries. To achieve our objective, we continuously implement measures to reduce risk exposure for our employees and third parties, to minimize risk of environmental pollution, and to secure company reputation and assets. All vessels conduct risk analysis regularly, any hazards are highlighted, and actions are implemented to reduce and/or remove the hazards. In 2021, 669 new and/or revised risk analyses were conducted.

Our quality and safety system “Eidesvik Management System” (EMS) is certified by DNV and meets the requirements of the ISM code, ISO standards: 9001-2015, 14001-2015, MLC 2006 and ISPS Code. The EMS is continuously improved based on experience and feedback. Our Health, Safety and Quality Policy sets out our general approach to health and safety.

The Executive Management team is continuously carrying out awareness work within health and safety, with a particular focus on sharing key lessons across the fleet to facilitate improvement. An important aspect of this is the ‘Time out for Safety’ (TOFS) initiative. TOFS is used to safely stop activities that could be unsafe or a planned TOFS can be incorporated during the planning of a task. The total number of TOFS in 2021 was 302. The ‘Tool Box Talks’ (TBTs) are meetings with seafarers to review specific aspects related to health and safety. In addition, work on board is performed according to a “Permit to Work” system, which requires all employees to obtain permission from the vessel’s management before performing jobs that could cause a risk to personnel, the environment or the vessel.

All accidents, incidents and near misses are to be reported, and proactive measures are taken to ensure that that all employees report these without hesitation. We have a particular focus on the safety observations (SO) reporting method, especially proactive reports. This focus has led to a well-established reporting culture in the organization. Reports are reviewed at safety meetings on board the vessel. In 2021, 4 343 SOs were

reported; whereof 45% were proactive. This constitutes a large percentage of the total number of reports in the HSEQ field. All reports are evaluated, and all recommendations and complaints are treated as valuable information for improvement. We undertake safety audits on all activities on board the vessels, and we ensure the systematic follow up of any findings. In 2021, 285 safety inspections and audits were carried out whereof:

- 12 Internal ISM/MLC/ISPS
- 21 Statutory ISM/MLC/ISPS by DNV
- 2 Port State Control
- 151 Protection & Environmental Committee (PEC) safety inspections
- 120 Charter/Client safety inspection

Our Lost Time Incident Rate (LTIR) was 0 in 2021, compared to 0.50 in 2020. Our TCFR1 was 0.46 in 2021, a decrease from 2.52 in 2020. Our target is to have 0 LTIs and a TCFR1 of less than 2. Slips, trips and falls and manual handling were the most frequent causes of injury in 2021. Fingers, eyes related to chemical use, legs and backs were the main body parts injured.

Absence due to illness in 2021 was 8.1%. This represents a slight increase from 2020 (6.6%). This was mostly related to Covid-19 and seafarers being stopped from boarding the vessel if symptoms of Covid-19 were present. Our target is to have an absence due to illness below 5%.

Eidesvik is focused on preventive actions, both related to the physical and psychosocial working environment, and closer follow-up from the Company and management to increase attendance at work. Employees have also been able to subscribe to private health services, as well as cover for physiotherapy. Eidesvik is the only ship owner in Norway with its own occupational health service (OHS), which is free to all employees and their families.

OUR RESPONSE TO THE COVID-19 PANDEMIC

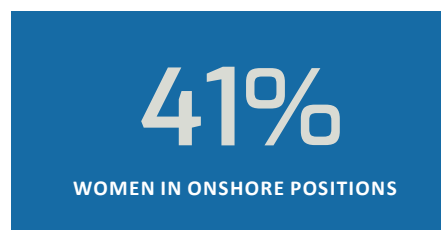
Ensuring the health and safety of our employees during the pandemic, while still maintaining successful operations, has been a continued priority for Eidesvik throughout 2021. On 12th of March 2020, we set up the Company's Emergency Response Organisation (ERO) to deal with the impacts of the pandemic. The ERO continued to be operative with weekly meetings throughout 2021.

Eidesvik's Company Health Service (CHS) was extensively used throughout the pandemic to ensure the health and safety of all employees. Seafarers have been in regular contact with the CHS prior to crew changes to ensure that no persons with symptoms of Covid-19 were allowed to board the vessels. A total of 7,300 phone calls

were made during the pandemic to facilitate safe crew exchanges and approximately 260 seafarers were stopped from boarding ships due to the suspicion of Covid-19 in 2021. This prevented outbreaks of Covid-19 on board our vessels. Onshore, we have continued with our work-from-home policy and restricted business travel. We have also helped our employees to access vaccines.

OUR PEOPLE

Eidesvik believes that creating a diverse and inclusive working environment where all employees feel valued and have equal career opportunities is not only the right thing to do but is financially beneficial for our business. Eidesvik's ambition is to have highly qualified employees that are able to execute our strategy and deliver high quality services.



Our priorities in this area include:

- High focus on retaining and developing employees.
- Ensure high quality leadership in all levels of the organization.
- Securing an inclusive and safe working environment for all.
- Maintaining a dynamic apprentice program through the availability of a wide range of trainee and cadet positions.
- Supporting competence development through a combination of formal training, on the job training and own initiative.

We use the Employee Net Promoter Score as a measure for employee wellbeing. We aim to have a score above 30. In 2021, our score was 37, a slight increase from 34 in 2020. Eidesvik aims to give all employees the opportunity to participate in annual performance and career development reviews. In 2021, 70% of employees completed such reviews. We are focused on career development and aim to recruit from within whenever possible. In Q1/Q2 2022, we will establish a new leadership development program in cooperation with Norway's largest leadership and organizational development consultancy AFF and NHH – Norwegian School of Economics. The program will focus on development of personal leadership, team development and relationship competence.

Throughout 2021, we have focused on improving our internal communication channels as we believe this is an important part of employee engagement. We have established a captains meeting every two weeks, a quarterly information meeting for all employees and a new channel for internal communication. We have a range of initiatives to promote employee welfare, including the occupational health services, a physical exercise campaign, access to physical therapy, employee agreements giving beneficial terms at a bank and regular social events throughout the year.

Eidesvik recognizes that a good work-life balance is important. For personnel working onshore we offer opportunities for flexible hours and use of home office. Our employee satisfaction survey shows that our employees feel they have a good balance between work and leisure with a score of 4.1 out of 5 in 2021 (4.2 in 2020).

We consider it a competitive advantage to have a diverse team. We do not discriminate in hiring, compensation, access to training, promotion, termination, or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation. Eidesvik does not condone discrimination of worker representatives and ensures that they have sufficient access to carry out their representative functions in the workplace. In 2021, we had zero breaches of our Human Resources Policy on gender, age and ethnicity. For 2022, we will include Diversity as a topic in our new leadership development program and in our employee satisfaction survey.

The majority of our workforce is Norwegian, but we also have employees from Sweden, the United Kingdom, Denmark, the Faroe Islands, Finland, Germany, Latvia and Lithuania. We have an agreement with ship management provider OSM Maritime, who we rely on for temporary crewing services from the Philippines.

A key part of our strategy to ensure the future success of our business and the maritime industry is to attract young people to the industry. Therefore, we have set a goal that a minimum of 7% of the entire workforce should be trainees. In 2021, the rate was 9.3%. We are actively involved in ensuring quality education in the maritime subject at high

schools in the local community. We offer students the opportunity to spend time on board our vessels to get an impression of working as a seafarer.

Men have typically dominated the shipping industry, particularly offshore. This is also reflected in our organization where only 13% of employees are women. However, onshore we have 41% female representation. While we do aim to attract more women to the industry, we recognize that this is a challenge. Recruiting more women to the industry is often on the agenda at leadership meetings. We are also heavily involved in Maritim Oppl ring¹¹ where we are actively working on mapping how to recruit more women to the industry. We also support initiatives through the Norwegian Shipowners' Association that aim to recruit women.

	MALE	FEMALE	<30	30-50	>50	TOTAL
Seafarers	374	25	155	157	87	399
Onshore	34	24	2	29	58	58
Executive Management	5	1	-	3	3	6
Board of Directors	5	3	-	1	7	8

Eidesvik analyses the gender pay gaps of its employees. A salary comparison of employees at all levels shows that women's income was 79% to that of men's in 2021. More information on gender pay gap can be found in our annual report. Eidesvik has guidelines in place for salary placement and salary adjustment which is outlined in the Company's Employee Handbook, which is based on our HR policy and Code of Conduct. Eidesvik determines each employee's salary individually after a fair judgement of the persons qualifications, including competence, performance, results and responsibility.

All seafarers are covered by collective bargaining agreements between the Norwegian Shipowners' Association and the seafarer's unions, who set wage agreements that a company cannot deviate from. These agreements ensure equal treatment in relation to wages and working conditions.

1 female and 2 men have taken parental leave in 2021. The average number of weeks for females was 52 weeks, while for men this figure was 9.5 weeks.

LABOUR CONDITIONS AND HUMAN RIGHTS

We aim to carry out our business in a way that supports and respects the protection of international proclaimed human rights. We do not engage in or support the use of child labour and support the elimination of all forms of forced labour, as outlined in our Code of Conduct. We ensure that all our employees, onshore and offshore, are working under conditions that meet the requirements set out in the International Labour Conventions and the Maritime Labour Conventions. Freedom of association and right to collective bargaining is respected and outlined in our Code of Conduct. In 2021, we did not conduct operations in countries with heightened risk of human rights violations.

¹¹ <https://maropp.no/>

DATA SUMMARY

Accounting metric ▼

Unit of measure ▼

Data 2021 ▼

Data 2020 ▼

Data 2019 ▼

CLIMATE FOOTPRINT

CO ₂ emissions				
Gross global Scope 1 emissions	Metric tons (t)CO ₂	97 284	86 422	107 849
Gross global Scope 2 emissions	Metric tons (t)CO ₂	Market-based: 212 Location-based: 4	Market-based: 205 Location-based: 5.7	Market-based: 153 Location-based: 6
Gross global Scope 3 emissions	Metric tons (t)CO ₂	0.36	0.62	0.71
CO ₂ intensity	tCO ₂ /nm	0.112	0.128	0.130
	tCO ₂ /operational day	29.83	34.78	41.19

Energy mix				
(1) total energy consumed	Gigajoules (GJ)	1 368 321	1 117 972	1 094 295
(2) heavy fuel oil	Percentage	0	0	0
(3) renewable	Percentage	0.003	0.004	0.0001

Energy transition				
Share of fleet operating with battery hybrid systems	Percentage	75	60	38
Fleet, reduction t CO ₂ per nm	Percentage (year-on-year)	12.5	1.7	Not reported
Fleet, reduction t CO ₂ /operational days	Percentage (year-on-year)	14.2	15.6	Not reported

¹² Includes paper consumption, paper waste, residual garbage

Accounting metric ▼

Unit of measure ▼

Data 2021 ▼

Data 2020 ▼

Data 2019 ▼

AIR QUALITY

Air emissions of pollutants				
NO _x emissions (excluding N ₂ O)	Metric tons (t)	909	799	1576
SO _x emissions	Metric tons (t)	40	35	52
Particulate matter (PM10)	Metric tons (t)	43	31	38

ECOLOGICAL IMPACTS

Ecological impacts				
Shipping duration in marine protected areas and areas of protected conservation status	Number of travel days	0	0	0
Spills and releases to the environment	Number	19	16	10
	Cubic meters (m ³)	4.3	1	0.08
Waste generated	Percentage of waste to onshore waste handling	89.4	91.3	91.1
	Number, metric tonnes	49	392	504

ACCIDENTS, SAFETY AND LABOUR RIGHTS

Employee health and safety				
Lost time incident rate (LTIR)	Rate	0	0.50	0.37
Total Reportable Case Frequency (TRCF1)	Number	0.45	2.52	Not reported
Sick leave	Ratio	6.93	5.75	5.47

Accidents and safety management				
Marine casualties	Number	0	0	0
	Percentage	0	0	0
Port state control	Deficiencies	0	0	2
	Detentions	0	0	0

Accounting metric ▼

Unit of measure ▼

Data 2021 ▼

Data 2020 ▼

Data 2019 ▼

HUMAN RESOURCES

Diversity				
Shipboard personel	Under 30 years	155	107	87
	30-50 years	157	152	138
	Over 50 years	87	99	105
	Male/Female	374/25	374/19	313/17
	Total	399	358	330
Board of Directors	Under 30 years	0	Not reported	Not reported
	30-50 years	1		
	Over 50 years	7		
	Male/Female	5/3		
	Total	8		
Executive Management	Under 30 years	0	0	0
	30-50 years	3	3	3
	Over 50 years	3	3	3
	Male/Female	5/1	5/1	5/1
	Total	6	6	6
Onshore	Under 30 years	2	0	0
	30-50 years	29	29	36
	Over 50 years	27	27	64
	Male/Female	34/24	32/24	35/29
	Total	58	56	64
Part-time employees	Number (male/female)	0	0	0
Temporary employees ¹⁴	Number (male/female)	0/0	0/0	0/0
Parental leave	Average weeks (male/female)	9.5/52 ¹⁵	5/39	2/10
Ratio of basic salary of women to men	Ratio	Management: 89% Other employees 65 %	Not reported	Not reported

¹⁴ Excluding employees contracted through OSM

¹⁵ 1 female and 2 males took our parental leave in 2021

Accounting metric ▼ | Unit of measure ▼ | Data 2021 ▼ | Data 2020 ▼ | Data 2019 ▼

Nationality mix in workforce	Percentage	Norway: 89 Sweden: 3.7 Latvia: 0.4 Lithuania: 0.8 Germany: 0.8 Finland: 0.25 The Faroe Islands: 1.5 Danish: 1.5 UK: 0.4	Norway: 89.3 Sweden: 3.8 Latvia: 0.2 Germany: 1.2 Finland: 0.9 The Faroe Islands: 1.4 Danish: 2.4 UK: 0.4	Norway: 90.6 Sweden: 3.8 Germany: 1.1 Finland: 1.1 The Faroe Islands: 0.7 Danish: 0.7 UK: 0.5 Portuguese: 0.2
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Employee development & welfare				
eNPS score	Number	37	34	NA
Trainee rate	Percentage	9.3	7	5.3
Performance appraisal	Percentage	70	70	70

BUSINESS ETHICS

Business ethics				
Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Number ¹⁶	NA	NA	NA
Facilitation payments	Number	0	0	0
Fines	Value in reporting currency			0
	Number	0	0	0

SHIP RECYCLING

Ship recycling				
Number of ships recycled	Number	0	0	0

¹⁶ The company did not operate in any of the 20 countries with the lowest rankings as rated in Transparency International's Corruption Perception Index in the period 2019-2021



Eidesvik