



Utkilen

Sustainability Report 2023



A leading, preferred, and reliable transporter of bulk liquids

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CEO message

In the midst of turbulent seas, where uncertainty, conflict, and shifting tides prevail, our commitment to sustainability stands resolute. As we navigate through these challenging times, marked by geopolitical tensions, economic instability, and environmental crises, we recognize the profound responsibility entrusted upon us by all our stakeholders.

While we have been facing an increasing impact of external factors since the Covid crisis in 2020, we need to remind ourselves that our industry has been through difficult times before. However – and, maybe even more important than earlier – we need to be prepared for many different eventualities. But let us distinguish between where we can make a difference or not.

Within the scope of sustainability, we can definitely make a difference. As sustainability pressure and compliance requirements on our company and how we operate increase, so does the sustainability awareness of each and every one of us. With the implementation of the EU ETS scheme, the bars are raised with an increased pressure to improve our carbon footprint. Every day our chartering department works hard to schedule our fleet as efficiently as possible while catering to our customers' needs. Our operations department makes sure all of our voyages are optimized in regard to speed, consumption, and port operations. Our ship management together with our

project department are currently planning over EUR 10 million in investments in various energy saving devices, which will reduce the CO2 emissions by 5 to 20 percent from the various ships in our fleet. We have just started a EUR 18 million LNG conversion on our four newest ships, which together with a Mewis Duct installation will reduce their CO2 by around 20 percent. Within a year, we will get delivered the first of four state of the art newbuilds with dual fuel LNG, a hybrid battery solution, and shore power connection. We can proudly present our decarbonization plan for the next five years while already working on the next phase.

We do not only take responsibility for our own assets and our own daily operation but strive to influence and make accountable other parts of our value chain. We want our partners and suppliers to have the same ethical and sustainable standards as ourselves. We stand firm in our dedication to promote transparency, accountability, and ethical conduct in all facets of our business.

Our era is marked by digitalization and technological advancement, and we recognize that this advancement can be of great value for our daily operation as well in our sustainability work. Implementing Star Link onboard our ships and digital sky solutions will not only facilitate the daily work and information transfer, but also enhance the security of the way we work. Likewise, our energy efficiency work

is helped by advanced simulation models. However, any digital tool or technology is only as efficient as the person using it. In the name of sustainability, we often put more pressure and workload on our staff, especially on board our ships. In an increasingly demanding reporting and information era, we are also dedicated to finding good and efficient solutions for how we work.

As we chart our course forward, we remain committed to taking one step at a time. Our journey towards sustainability is not a sprint but a marathon, where each day presents new opportunities to innovate, optimize, and evolve. Through sound investments and a focus on energy efficiencies, we are laying the groundwork for a more sustainable future – not just for our company but for generations to come. We understand that amidst the complexity of modern shipping, the timeless principles of seamanship and responsible stewardship must always guide our actions. Finally, let us remind ourselves that sustainability is not merely a goal to be achieved but a journey to be embraced. By embracing the long view and committing ourselves to continuous improvement, we can navigate through even the most challenging of waters.

Best regards
Siri-Anne Mjåtvedt
CEO

Our mission statement:

Utkilen shall be a leading, preferred, and reliable transporter of bulk liquids.

SAFE

Safety begins with me

CARING

For people, environment, and customers

SUSTAINABLE

Responsible operations for future generations

2023 operational highlights



2044

PORT CALLS

853 623_{NM}

SAILED DISTANCE

4 520 053_{MT}

CARGO CARRIED

233

BUNKERING OPERATIONS

189

CANAL TRANSITS

0

LOST TIME INJURY

0

OIL SPILLS

Utkilen's ESG framework

Business Integrity and Ethics

Utkilen shall be regarded by our stakeholders as a company with high ethical standards and integrity. The company's reputation and the trust of our business partners is a vital part of our business.

No compromise shall be made to our corporate values or fundamental human and labor rights.

Utkilen is firmly opposed to all forms of corruption. Our objective is to compete in the marketplace on the basis of competitive services and prices.

All employees shall comply with both the letter and the spirit of all national and foreign antitrust and competition laws.

Sustainability

We have declared an ambition of becoming climate neutral by 2050. To achieve this, we will use our position to shape industry standards and build more sustainable ships. We believe sustainability and value creation go hand in hand, and consequently Utkilen will innovate with the purpose to become part of the solution.

Corporate Social Responsibility (CSR)

Sustainability is the continuous commitment to act responsibly by integrating social and environmental concerns into business operations.

Sustainability goes beyond regulatory compliance to focus on how companies manage their economic, social, and environmental impacts as well as their relationships with stakeholders (e.g. employees, trading partners, government).

Utkilen uses the EcoVadis sustainability rating for an independent and leading solution for monitoring sustainability in global supply chains.

EcoVadis is a leading, independent global provider of business sustainability ratings, with more than 100,000 rated companies. The EcoVadis rating is based on a sustainability score in four main areas: environment, labor & human rights, ethics, and sustainable procurement. Each area is assessed, which results in a total score.

Utkilen's percentile rank is 83rd, which means it's higher than or equal to 83% of all EcoVadis rated companies.



Utkilen is certified in accordance with the ISO 14001 EMS standard.

The standard provides a clear administrative framework to reduce Utkilen's environmental impact and ensure that statutory requirements are met as well as building stakeholder trust.



Responsible supply chain management

Utkilen is a member of IMPA ACT, an initiative of the International Marine Purchasing Association that encourages ship owners, ship operators, and ship suppliers to demonstrate a tangible commitment to responsible supply chain management and corporate social responsibility.

At the core of the IMPA ACT initiative is the Supplier Code of Conduct, a set of social, environmental, and economic principles that are based on internationally endorsed UN minimum expectations for businesses and represent current best practice. Those participating in the IMPA ACT initiative commit to working towards alignment with the Supplier Code of Conduct over time, both internally and within their supply chain.



Utkilen is a member of the Maritime Anti-Corruption Network (MACN).

MACN and its members work towards the elimination of all forms of maritime corruption by raising awareness of the challenges faced; implementing the MACN Anti-Corruption Principles and co-developing and sharing best practices; collaborating with governments, non-governmental organizations, and civil society to identify and mitigate the root causes of corruption; and creating a culture of integrity within the maritime community.



The Poseidon Principles are a global framework for assessing and disclosing the climate alignment of financial institutions' shipping portfolios. They establish a common, global baseline to quantitatively assess and disclose whether financial institutions' lending portfolios are in line with adopted climate goals. The Poseidon Principles contributes to more openness and transparency on environmental issues in the finance sector and will as such have a positive impact.

 ENVIRONMENT OPERATIONS Energy consumption & GHGs Water Biodiversity Local & accidental pollution materials, chemicals & waste PRODUCTS Product use Product end-of-life Customer health & safety Environmental services & advocacy	 LABOR & HUMAN RIGHTS HUMAN RESOURCES Employee health & safety Working conditions Social dialogue Career management & training HUMAN RIGHTS Child labor, forced labor & human trafficking Diversity, discrimination & harassment External stakeholders human rights	 ETHICS Corruption Anticompetitive practices Responsible information Management	 SUSTAINABLE PROCUREMENT Supplier environmental practices Supplier social practices
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Utkilen is a member of – and supports – the United Nations Global Compact. The UN Global Compact is the world's largest corporate sustainability initiative. The aim is to mobilise a global movement of sustainable companies and stakeholders to create a better world.

To make this happen, the UN Global Compact supports companies to:

1. Do business responsibly by aligning their strategies and operations with 10 Principles on human rights, labor, environment, and anti-corruption.
2. Take strategic actions to advance broader social goals, such as the UN Sustainable Development Goals, with an emphasis on collaboration and innovation.

The Sustainable Development Goals (SDGs) are a collection of 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all". The SDGs were set in 2015 by the United Nations General Assembly and are intended to be achieved by the year 2030.

To succeed, we must turn these global goals into local business. In Utkilen, we have identified several SDGs where we can contribute to achieving the goals.

Environment



Energy consumption / Emission to air

Newbuildings with LNG
LNG conversion of existing vessels

Hardware and software systems for monitoring and reducing consumption

Shore power capabilities

Spills to sea

Strong HSEQ standards

Recycling

Policy to sell obsolete vessels instead of recycling ships to ensure further use of the vessels

Social



Community engagement

Supporting local communities through corporate social responsibility projects

Health and safety

Strong HSEQ standards

Employee relations and diversity

Providing safe and healthy work conditions with competitive salaries

Employee insurance programs

Encouraging diversity and tolerance

Governance



Anti-bribery and anti-corruption

Zero tolerance for corruption and bribery

Compliance

Member of the Maritime Anti-Corruption Network (MACN)

Compliance training of employees

IMPA ACT – responsible supply chain management

Environment

Utkilen is certified in accordance with the ISO 14001 Environmental Management System (EMS) standard.

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The EMS shall ensure that Utkilen's environmental policy, including the objectives, activities, and targets described in the HSE program, are met. Utkilen's Significant Environmental Aspects have been identified, including the control elements, and are continuously improved and monitored through Utkilen's HSE Program.

The program consists of selected HSE aspects with objectives, activities, targets, and responsibilities. The program is consistent with Utkilen's HSE policy. It shall also consider local legal requirements, customer requirements and guidelines, industry standards, and own experience.

Environmental Policy

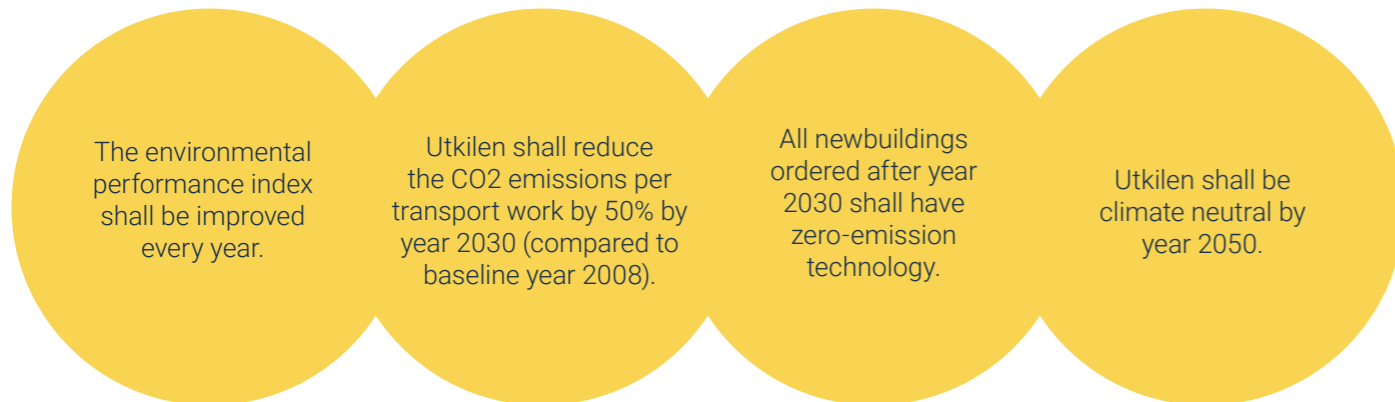
We shall establish and maintain an Environmental Management System in accordance with the ISO 14001 standard.

- Establish and maintain the overall environmental objectives
- Develop, monitor, and maintain an environmental program with defined goals, responsibilities, and KPI's
- Optimize the vessels' energy consumption through operations, design, and industry best practices
- Maintain effective pollution prevention measures, including reduction and recycling of waste
- Compliance with applicable laws, regulations, and requirements
- Zero environmental incidents or spills
- Openly communicate environmental performance with customers and industry bodies

Utkilen assumes full responsibility for the proper recycling of our vessels. This also applies to vessels sold to third parties prior to recycling. All such recycling shall be in accordance with the Hong Kong Convention and EU regulations.

Overall environmental objectives

Utkilen shall continuously strive to reduce our impact on the environment.

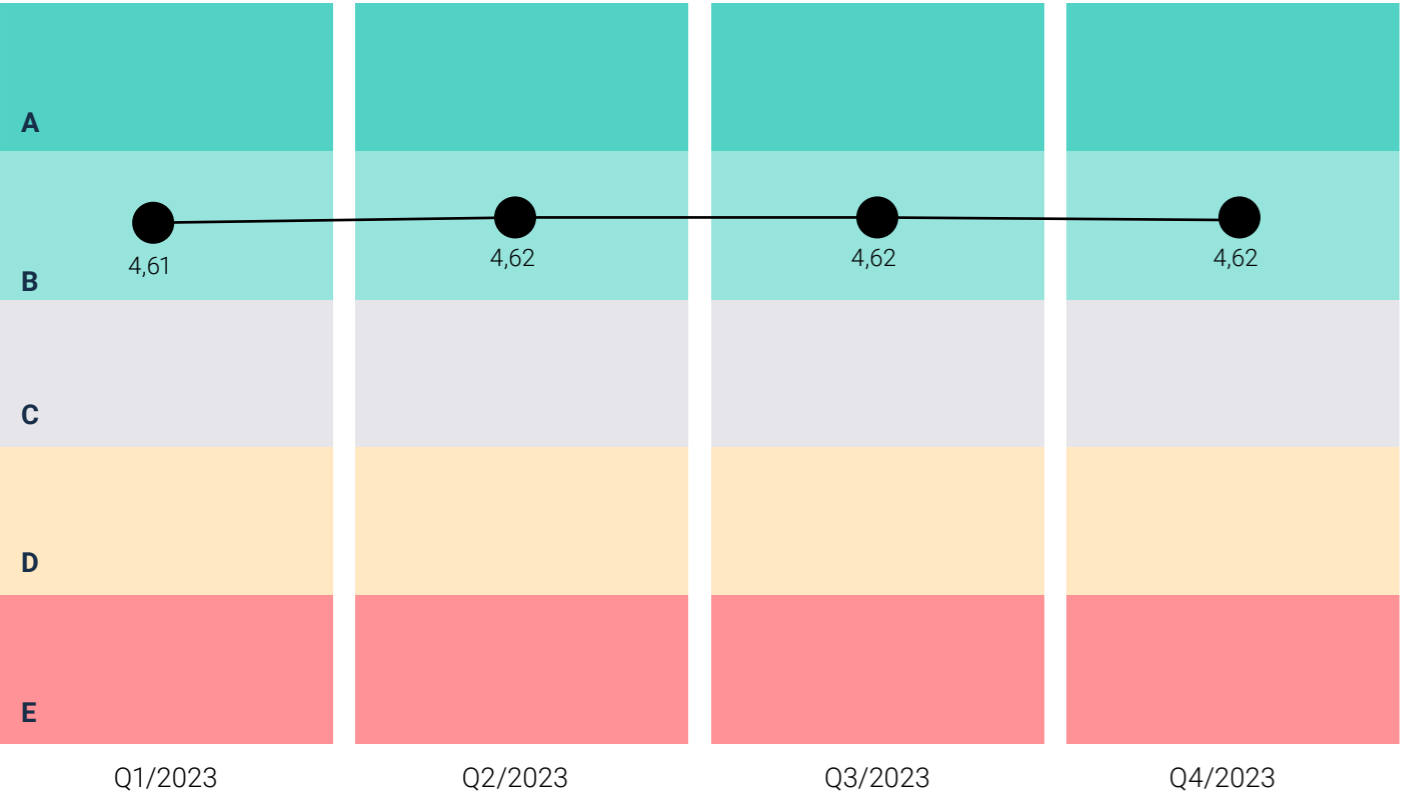


Environmental activities 2023–2024

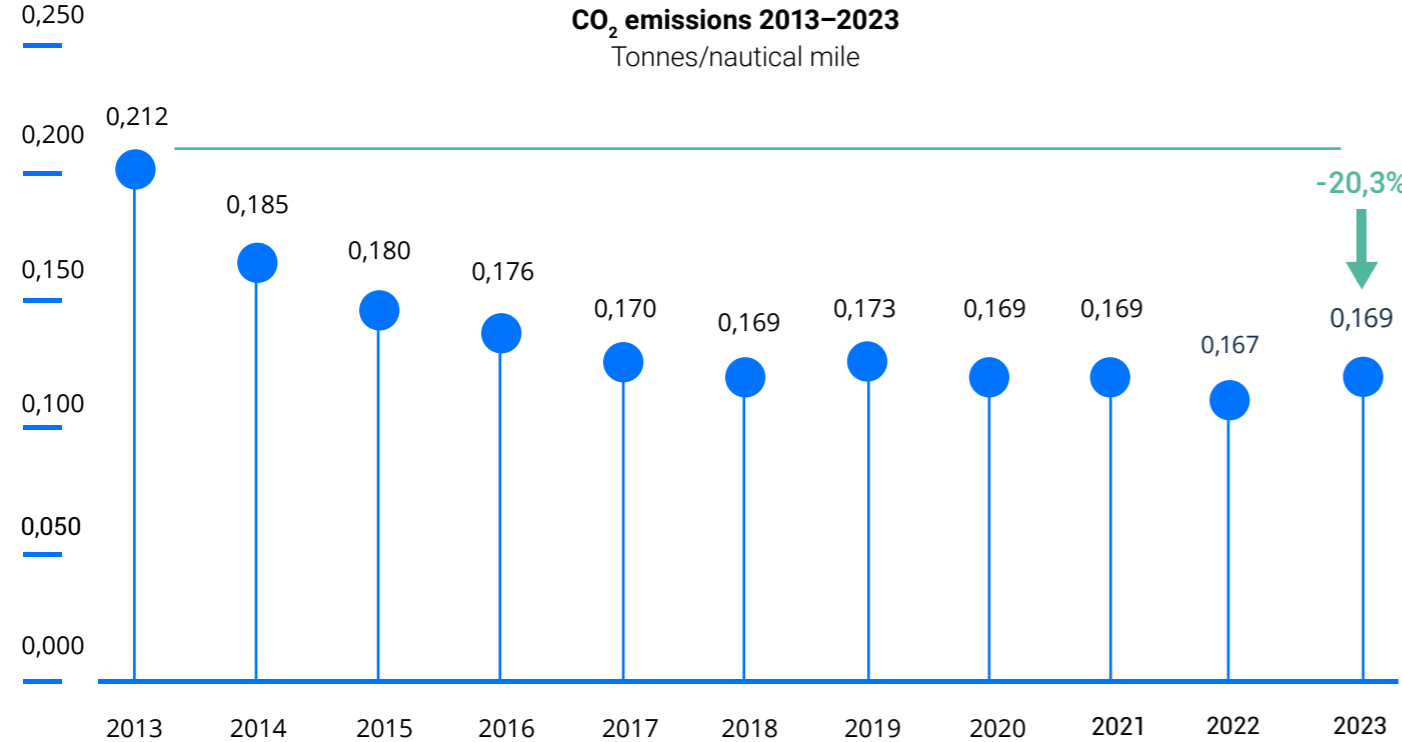
TECHNICAL	QUALITY & SUSTAINABILITY	OPERATIONS
<ul style="list-style-type: none"> • Optimize engines and utilization of equipment • Install Mewis Ducts • Replace old light fixtures with LED lights • Blast hull and utilize high performance antifouling paints • Reduce paint and thinner consumption by improved maintenance routines • Replace evaporators with reverse osmosis systems • Tier III retrofit 	<ul style="list-style-type: none"> • Improve energy management by updating procedures • Revise SEEMP and verify during onboard audits • Garbage management plans • ISO 14001 Environmental Management System • Avoid spills and pollution 	<ul style="list-style-type: none"> • Optimize speed & performance in voyage planning • Trim optimization • Test biofuels • Reduce cleaning chemicals
NEWBUILDING & PROJECTS	CREWING	PURCHASING
<ul style="list-style-type: none"> • LNG systems • Battery power • Electrical shore connections • Replace separators with filters 	<ul style="list-style-type: none"> • Provide energy saving training to crew • Include energy saving in Officer Seminars • Consolidate crew change 	<ul style="list-style-type: none"> • Continue to reduce plastic waste • Consolidate shipments • IMPA ACT —responsible supply chain management

Environmental impact

Carbon Intensity Indicator (CII)
Utkilen's vessels average each quarter 2023



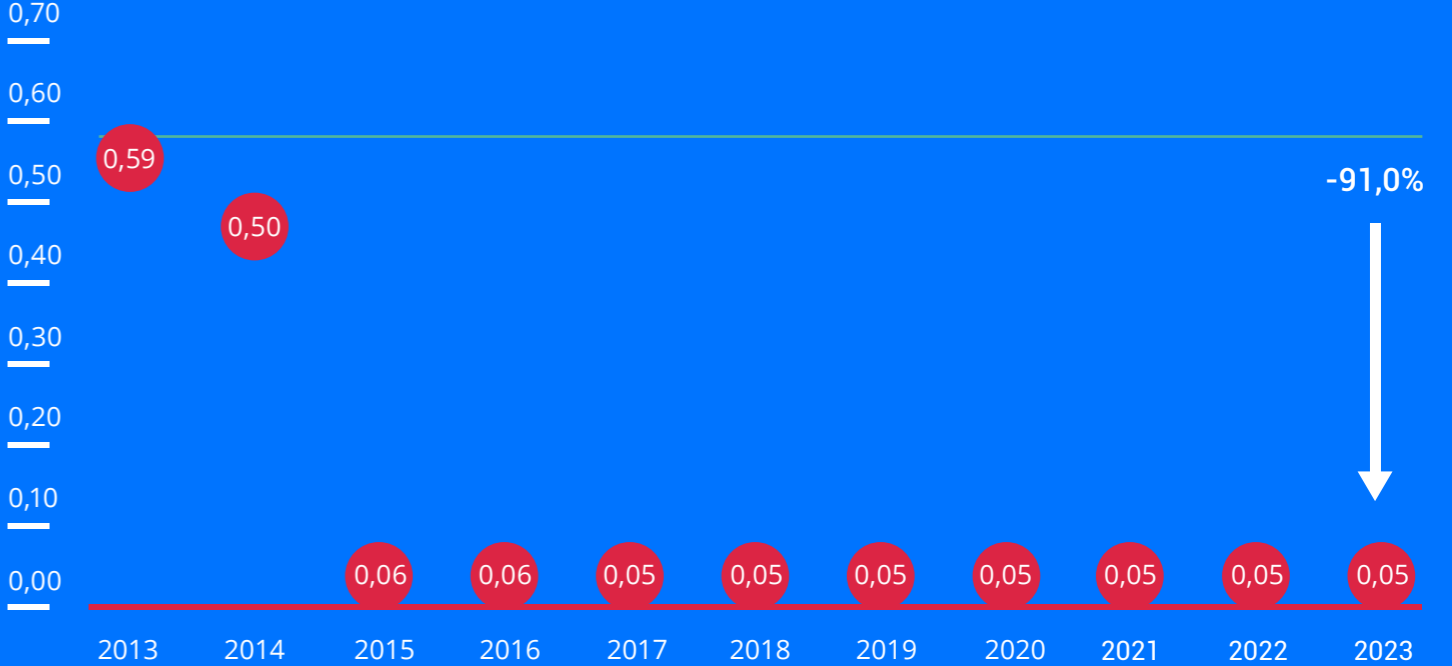
Carbon Intensity Indicator Rating A=5, B=4, C=3, D=2, E=1



NOx emissions 2013–2023
10⁻³ tonnes/nm



SOx emissions 2013–2023
10⁻³ tonnes/nm



Decarbonization

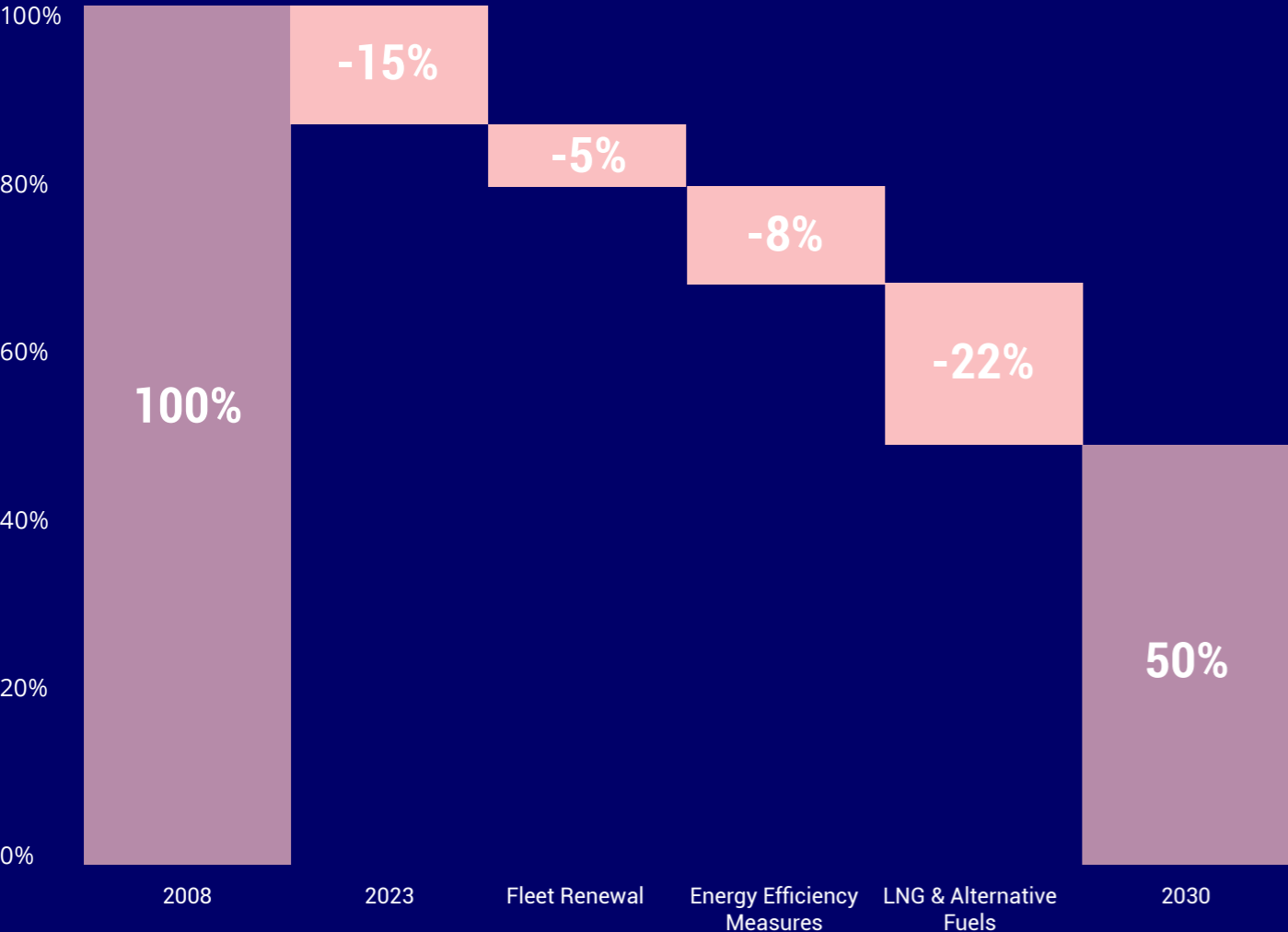
In 2023, Utkilen has launched several initiatives to ensure our fleet will comply with the increasingly stringent emission regulations established by the International Maritime Organization (IMO) and the EU. Recognizing the urgency to act on climate change, we have continued to advance our commitment to sustainability by enhancing our fleet's energy efficiency and reducing our environmental footprint. Our approach is comprehensive, recognizing the importance of both immediate action and long-term planning. As the maritime industry prepares for the broad adoption of alternative fuels like green ammonia and hydrogen, Utkilen is focused on adopting intermediate solutions that are effective and economically sensible. While we understand that energy efficiency measures alone will not address all environmental challenges, reducing our current fuel consumption is crucial. It not only mitigates our immediate impact but also lessens future reliance on energy-intensive green fuels. We are well aware of the significant challenges involved

in transitioning to green fuels, including the need for scalable production, appropriate infrastructure, consistent regulatory frameworks, and ongoing technological advancements. These uncertain factors drive our commitment to pragmatic and viable solutions in the interim.

This year, we have developed detailed decarbonization plans for each vessel in our fleet. The plans document our achievements to date in reducing emissions, largely attributed to increased performance monitoring and operational efficiency and to sailing at reduced speeds. Furthermore, the plans outline all currently planned initiatives aimed at reducing emissions going forward. Aggregated at the fleet level, the plans form the outline of our overall strategy to achieve our target of a 50% reduction in carbon intensity by 2030, relative to the IMO 2008 baseline year.

On a fleet basis, we divide our initiatives into three main categories: Energy Efficiency Measures, Fleet Renewal, and LNG & Alternative Fuels.

These initiatives reflect our commitment to both immediate and long-term environmental benefits.



Energy Efficiency Measures

Energy Saving Devices (ESDs): In 2023, we installed a Mewis duct on one of our vessels to improve its hydrodynamic efficiency. We have seen notable success with this installation, which demonstrated fuel savings of 4-5%. The positive impact of this duct on the vessel's operational efficiency has encouraged us to install them on the majority of our fleet.



Hull Maintenance and Antifouling: Through rigorous hull blasting and the application of advanced antifouling paints, we have achieved a 5-6% reduction in fuel consumption on the vessels docked in 2023. This process not only enhances the hydrodynamics of our vessels but also contributes to our overall sustainability targets.

Propeller and Gear Redesigns: We are in the preliminary stages of significant retrofit projects, including modifications to propellers and gears, as well as exploring potential bulb redesigns. As our older vessels were originally designed for higher speeds than those commonly used today, these adjustments are being implemented to optimize the hydrodynamic efficiency of our vessels for current operational speeds, which are expected to substantially reduce the specific vessels' energy consumption.

Fleet Renewal

Over the next few years, we aim to modernize our fleet by replacing some of our older vessels with newer, more energy-efficient designs that align with current operational speeds and environmental standards. While these new designs offer substantial energy efficiency improvements, the scope of the planned fleet renewal is limited to a small segment of our fleet. Consequently, this renewal is projected to give around 5% reduction in our total fleet emissions through enhanced energy efficiency. Additionally, these new vessels will be equipped to operate on LNG and other environmentally friendlier fuels, thereby amplifying the overall environmental benefits.

LNG & Alternative Fuels

LNG Transition: Our first vessel retrofit to run on LNG is scheduled for completion by the end of summer 2023 and is expected to reduce its CO2 emissions by approximately 20-25% compared to traditional marine fuels. While methane slip remains a concern with LNG combustion, we still expect a net reduction in GHG emissions of over 10% thanks to advancements in engine technology. This transition is an important immediate step in reducing emissions and prepares us for switching to even lower-carbon fuels like ammonia when they become available. Over the next few years, eight of our vessels will be equipped to operate on LNG.

Biogas and Biodiesel: We are planning to integrate biogas and biodiesel into our fuel mix. These alternative fuels will serve as transitional options that allow for significant emissions reductions with existing technologies.

Ammonia Flexibility: The engines in some of our vessels are currently being tested for compatibility with ammonia fuel. These tests are showing promising results, suggesting we could have the flexibility to modify these vessels to run on ammonia in the future, offering a completely carbon-free fuel option.

Further Measures Down the Line

We remain committed to identifying and implementing new methods to reduce carbon emissions across our fleet. While these initiatives are not currently included in our decarbonization plans, they may be incorporated in the future. Here are some notable considerations:

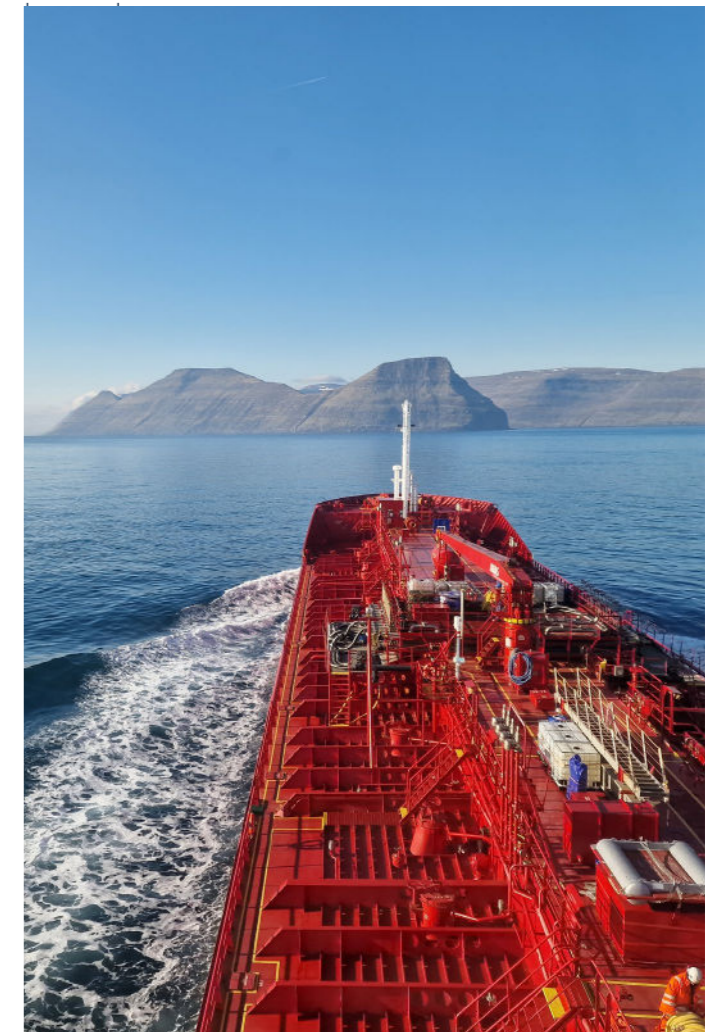
Innovative Marine Technologies: We are evaluating wind technology options such as rotor sails and suction sails to assess their suitability for our operations. We have also incorporated battery packs into our newbuild vessels, primarily serving as backup power during critical maneuvers in ports and canals. This approach significantly reduces our reliance on auxiliary engines when maneuvering, thus reducing fuel consumption and running hours of the auxiliary engines. As we gain experience with these battery systems on our newbuilds, there may be opportunities to expand their use across more vessels. Additionally, we are exploring air lubrication systems, which improve fuel efficiency by creating a layer of air bubbles along the hull. This layer reduces water resistance — since air offers less friction than water — resulting in a smoother and more efficient vessel operation. We are also following developments in fuel cell technology, which could further revolutionize power generation on board by converting chemical energy from sustainable fuels into clean electricity.

Shore Power Frustrations: A notable area of concern has been the slow development of shore power facilities in Northern European ports. We have equipped four of our vessels with shore power capabilities, and we plan to install these capabilities in the four newbuilds currently under construction in Turkey. However, the availability of shore power infrastructure at the ports we visit is nearly nonexistent. Given the uncertainty surrounding the timeline for their implementation, we have currently not included this initiative in our decarbonization plans. Installing shore power on the remainder of our fleet would be a relatively straightforward process should the necessary infrastructure become available. If we could utilize shore power across our entire fleet, we could achieve an additional 8-10% reduction in our total fleet emissions, equivalent to about 15,000 tons of CO2 annually. To put this into perspective, this reduction is comparable to removing over 3,200 cars from the road each year.

Monitoring Alternative Fuels: We are closely following the developments in alternative fuels such as methanol, hydrogen, and ammonia. These fuels represent the next frontier in maritime energy solutions, offering the potential for drastically reduced environmental impact. Staying abreast of these technologies enables us to prepare for future adaptations of our fleet to utilize these cleaner energy sources, aligning with our long-term sustainability goals.

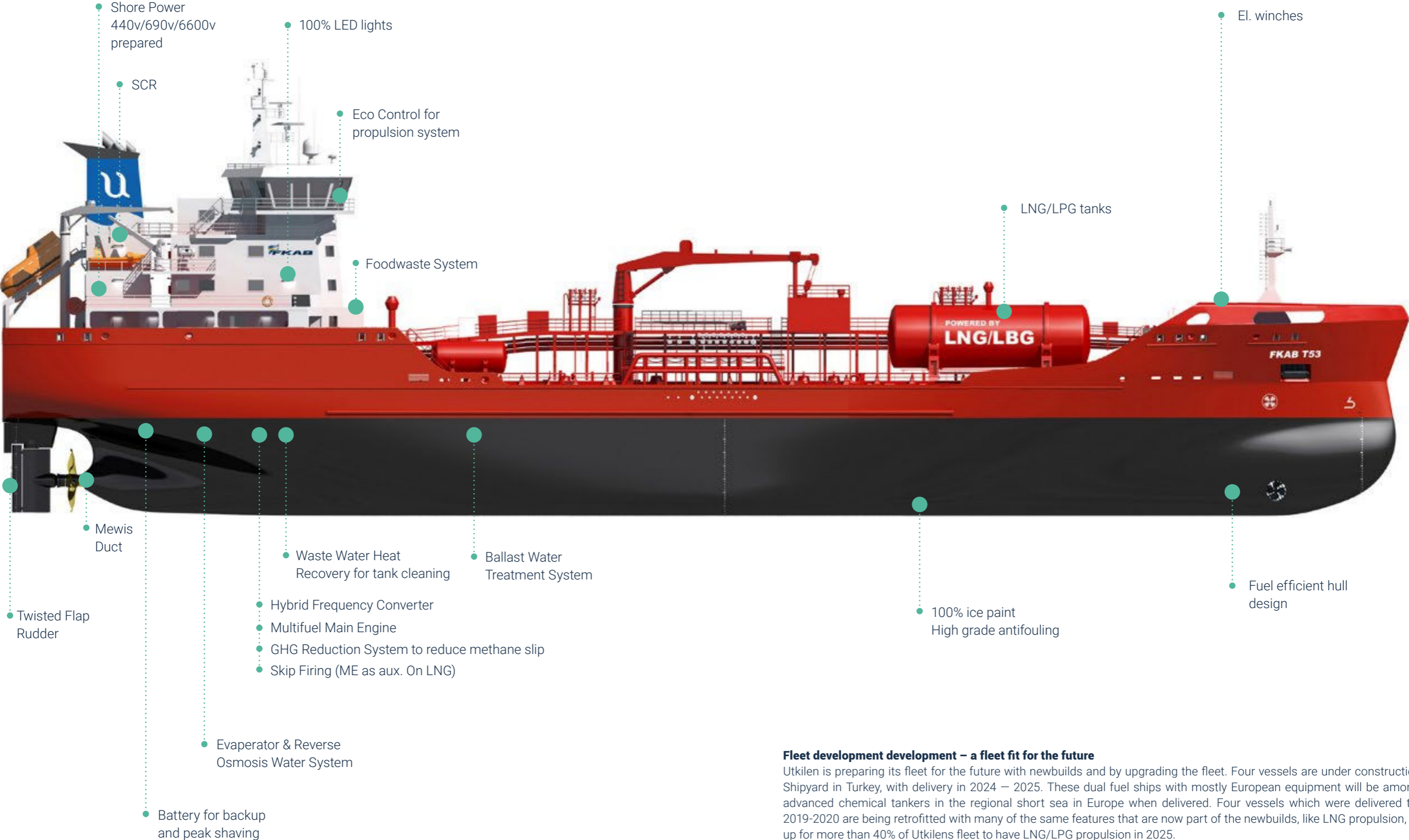
A Sustainable Path Forward

Reflecting on our sustainability initiatives from 2023, our efforts demonstrate a strong commitment to responsible environmental practices. We have actively worked to reduce emissions and enhance energy efficiency across our fleet, delivering significant environmental benefits. Our strategy integrates innovative technologies, including both proven and emerging solutions to boost operational efficiency. This comprehensive approach includes technological upgrades, fleet renewal, and the exploration of alternative fuels, ensuring we meet our environmental responsibilities and continue to add value for our customers, shareholders, and suppliers. Through these efforts, Utkilen is helping to shape the future of sustainable maritime operations, steadfast in our dedication to environmental responsibility. Additionally, by adopting these initiatives, we hope to inspire other companies in the industry to take similar actions. Working together is crucial for significantly reducing the maritime industry's environmental footprint and moving towards a more sustainable and environmentally friendly future in maritime



Fleet Development

Newbuild sustainable features



Fleet development development – a fleet fit for the future

Utkilen is preparing its fleet for the future with newbuilds and by upgrading the fleet. Four vessels are under construction at ICDAS Shipyard in Turkey, with delivery in 2024 – 2025. These dual fuel ships with mostly European equipment will be among the most advanced chemical tankers in the regional short sea in Europe when delivered. Four vessels which were delivered to Utkilen in 2019-2020 are being retrofitted with many of the same features that are now part of the newbuilds, like LNG propulsion, thus setting up for more than 40% of Utkilens fleet to have LNG/LPG propulsion in 2025.

Ship recycling

Utkilen's overall policy is to sell obsolete vessels instead of recycling ships to ensure further use of the vessels. In accordance with the existing Policy for Recycling of Ships, any sale agreement of

ships from Utkilen will contain clauses to ensure that the relevant ship is recycled responsibly in accordance with the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships by the end user.

Any ships recycled by Utkilen will be done so responsibly in accordance with the Utkilen Policy for Recycling of Ships.

Number of ships recycled/sold to 3rd party 2014–2023



Route Pilot Artificial intelligence

Since autumn 2023, we have tested Route Pilot AI from Manta Marine on one of our vessels. Manta Marine is the provider of Fleet Analytics, our fleet performance monitoring system. Route Pilot AI is a cloud-based AI-powered ship operation support system to calculate operational parameters for achieving the most energy-efficient sea voyages while carrying out the same transport work.

In Route Pilot AI, a vessel's unique digital twin model created from high frequency performance data is used to predict the performance of a vessel in changing conditions. An upcoming voyage can be planned in the most energy efficient way within the operational requirements and constraints in predicted weather and sea conditions.

Advantages with Route Pilot AI:

Optimized voyage power settings for an upcoming voyage, same transport work, same time spent, less fuel consumed. With route pilot AI we can reoptimize several times during the voyage to have the latest updated weather forecasts to see how this is affecting the vessel's speed and performance. On that basis, we can decide to increase or reduce consumption so that we sail in the most energy effective way and/or reach our destination within certain time required.

We will continue to test this functionality on some vessels.





Environmental Key Performance Indicators

Environment	2018	2019	2020	2021	2022	2023
Emission CO2 (metric tonnes)	191 062	187 302	175 718	160 000	152 547 (1) 7,37 (2) 2 383 (3)	149 574 (1) 7,45 (2) 2 166 (3)
Emission NOx (metric tonnes)	3 398	3 159	2 812	2 149	2 303	2 080
Emission SOx (metric tonnes)	59,6	58,5	53,4	50,0	47,7	46,7
Emission CO2 (per nautical mile)	0,16863	0,17315	0,16948	0,16880	0,16710	0,16948
Emission NOx (per nautical mile)	0,00300	0,00292	0,00271	0,00227	0,00253	0,00236
Emission SOx (per nautical mile)	0,00005	0,00005	0,00005	0,00005	0,00005	0,00005
Environmental Performance Index (4)	NA	NA	0,0465	0,0352	0,0358	4,6175
Total energy consumption (Gigajoules) (5)	2 504 843	2 418 357	2 428 879	2 346 670	2 277 869	2 036 956

- 1. Scope 1 CO2 emissions from the vessels
- 2. Scope 2 CO2 electricity used in the offices (Bergen, Manila, Riga).
- 3. Scope 3 CO2 emission from traveling to/from the vessels, commuting to/from the offices (Bergen, Manila, Riga)
- 4. Carbon Intensity Indicator Rating A=5, B=4, C=3, D=2, E=1
- 5. MGO energy 42,7 Megajoules/kg / VLSFO energy 41,6 Megajoules/kg

	2023 Target	2023 Result
Hydraulic oil spills:		
Overboard	0	0
On deck	< 5	0
Cargo/bunker spill:		
Overboard	0	0
On deck	0	1

Social

The human capital is essential to sustainable operations in Utkilen.

513 employees from different countries and cultures ashore and at sea make sure that all our vessels are run in a safe and efficient way.

Communication and cooperation especially between shore and sea-based personnel are key words for smooth and seamless operations. The development within digital communication tools has provided better opportunities to improve the relationship between ship and shore as well as various office locations.

Our industry is in constant change and is regularly faced with new technologies, rules, and regulations. Continuous training and making sure the necessary

skills are in place are high on our agenda. It is equally important to be able to offer good support to our seafarers regarding the various challenges that may occur in our daily operations.

A good working environment is Utkilen's responsibility and priority. Our employee's high retention rate and the number of years with the company are proof that we have succeeded. We take great pride in the physical and mental wellbeing of everyone working for us.



Foto: Sølvrev

Health, safety, and working environment policy

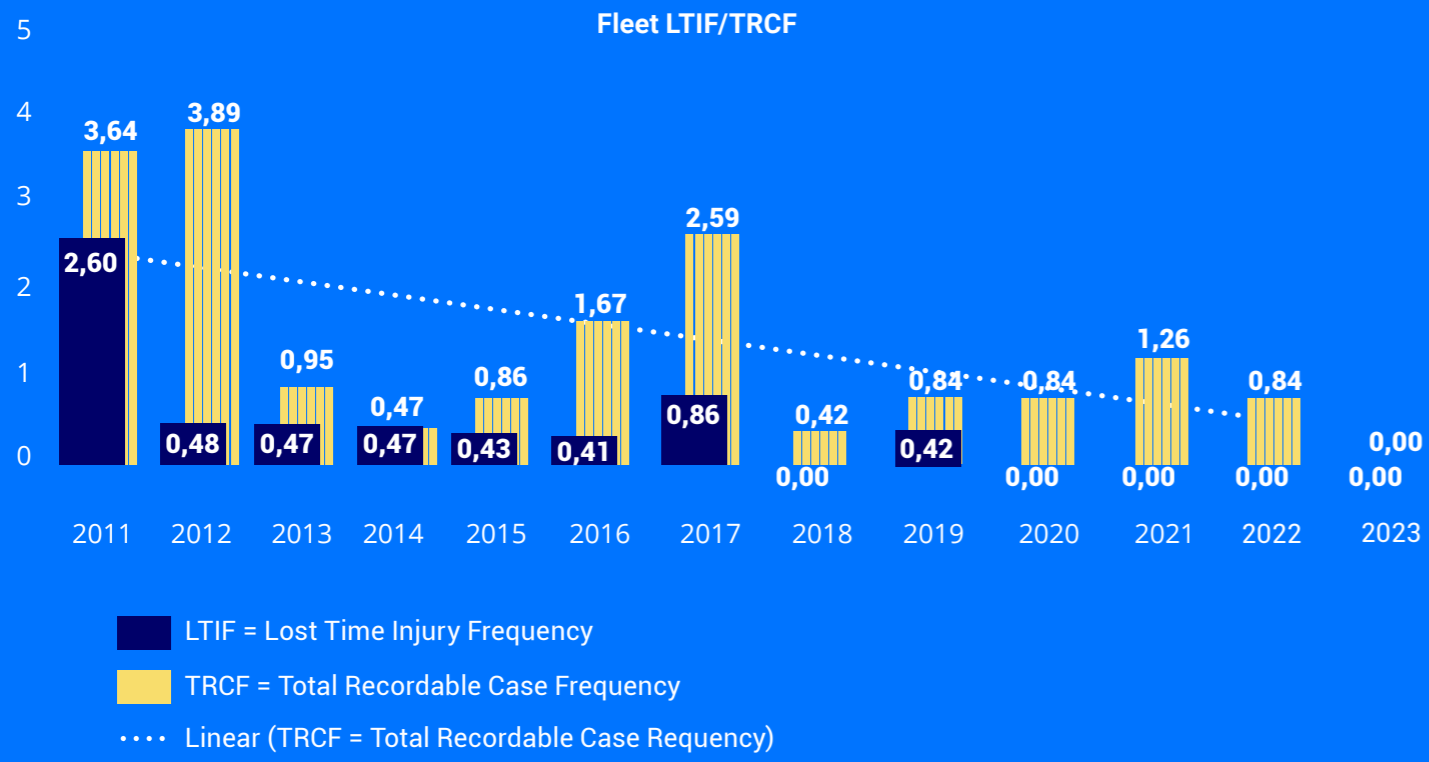
Utkilen shall be a safe and healthy work place for all our employees. Any personnel injury is unacceptable, and our goal is zero harm to personnel.

- Promote and maintain a strong safety culture on board and ashore.
- Enhance a proactive approach to the management of health, safety, and working environment on board our vessels and ashore.
- Run a risk management program where identification of risks in the fleet is constantly reviewed and assessed.
- Openly communicate health, safety, and working environment performance to customers and industry bodies.
- Comply with all applicable laws, regulations, and requirements.
- Develop, monitor, and maintain a health, safety, and working environment program with defined goals, responsibilities, and KPIs.
- Train and develop our personnel to ensure that health, safety, and working environment is continually improved.

Human and labor rights policy

Utkilen shall conduct its business in a manner that respects the right and dignity of all people.

- All people shall be treated with respect regardless of their background, gender, race, class, sexual orientation, political beliefs, age, or any other aspect that falls under human rights.
- All employees have the right to join trade unions or to have recognized employee representation in accordance with local law.
- All employment with Utkilen is voluntary, and all employees have work contracts complying with applicable laws and regulations. The minimum age of employment is eighteen.
- Diversity is encouraged. Different backgrounds, skills, and experience are recognized as a competitive advantage for the company.



RETENTION RATE FOR UTKILEN EMPLOYEES

* 24 months rolling

TOP 4 OFFICERS

96,4%

ALL CREW

92,8%

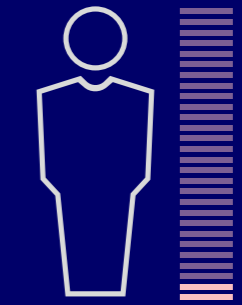
OFFICE PERSONNEL

92,0%



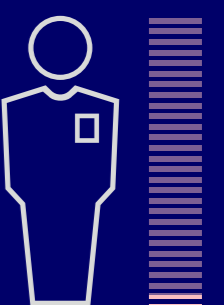
SICK LEAVE 2023

Office personnel



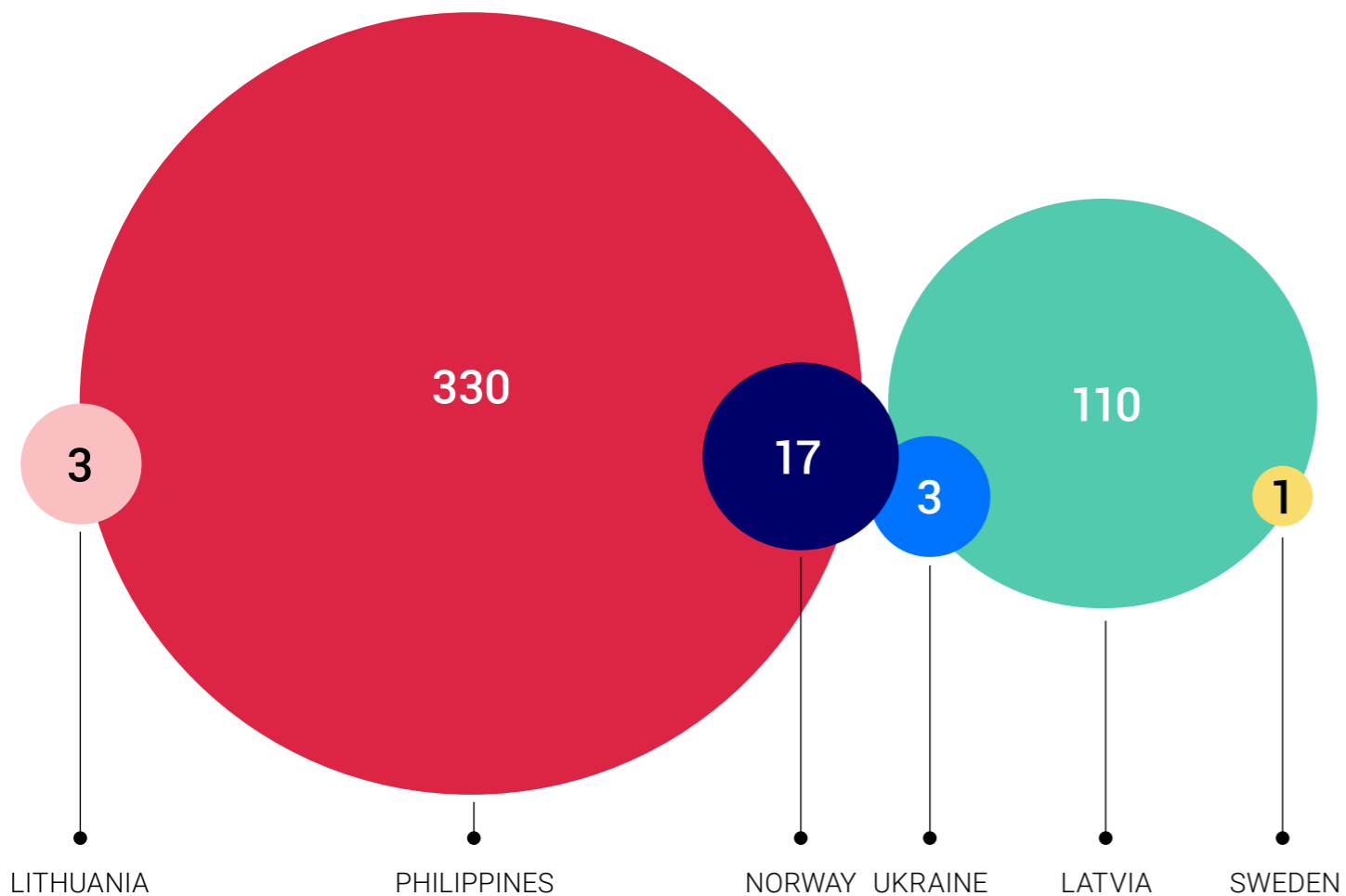
2,0%

Seafarers



1,8%

Nationalities



CURRENT GENDER DISTRIBUTION AND FUTURE TARGETS:

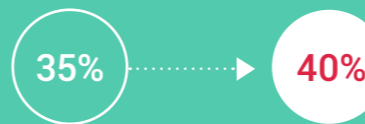
SEAFARERS:

PERCENTAGE FEMALE: TARGET 2030:



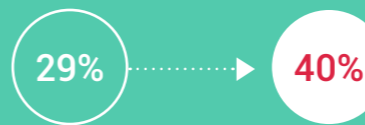
OFFICE PERSONNEL:

PERCENTAGE FEMALE: TARGET 2030:



LEADERSHIP POSITIONS:

PERCENTAGE FEMALE: TARGET 2030:



AVERAGE YEARS IN UTKILEN:

MASTERS

18,4

CHIEF ENGINEERS

16,6

AVERAGE YEARS IN POSITION:

MASTERS

11,4

CHIEF ENGINEERS

7,2



NUMBER OF SEAFARERS

464

TRAINING DAYS (SHORE BASED)

2 207

Utkilen future program

Utkilen's most important asset is our seafarers. They are our foremost representatives who you meet on board our vessels, at sea, or in port, every day of the year. They provide the competence and experience which we heavily rely on to deliver our services in a safe and efficient way. It is therefore of utmost importance that they are all well trained and motivated and that they feel at home in Utkilen. Our high retention rate would indicate that we have succeeded in this.

However, recruiting new candidates to this important occupation is becoming increasingly difficult, and well qualified seafarers are becoming a limited resource around the world. Utkilen has therefore decided to strengthen our focus on future recruitment and competence. We call it Utkilen Future! This project is meant to ensure sufficient and good recruitment into the future by attracting the right candidates – not only for the onboard positions, but also for shore-based positions, which are also key to make our operations go around. As part of this project, we gather junior officers, cadets, and trainees for a two-day welcome familiarization at the head office in Bergen, with the intention to create closer ties to our company, for everyone to get to know each other, and to make our freshest colleagues feel at home in Utkilen.

In 2023, six of our future sailors and officers attended the «UTKILEN FUTURE» program. Two well spent days at the head office of Utkilen in Bergen, accompanied by a trip to mount Fløyen, dinner, and a few shuffleboard sessions.



Connecting sea and shore - the fleet marine superintendents

We are two Fleet Marine Superintendents (FMS) in the company. We visit approximately 10 ships every month. During our ship visits we always focus on the crew's wellbeing and the working environment onboard. These parameters are some of the outmost keys to safe and successful performance on board, and therefore a high focus area from our side.

We haven't noticed anything negative concerning this topic over the last year. Our crewmembers are returning, and that's a good acknowledgement that they are feeling safe and comfortable and experience wellbeing on board the ships and under the employment of Utkilen.

One of our key roles as FMS is as a link between ships and shore, and nothing is too small to be brought forward. We are there for everyone for whatever reason.

We see that the company slogan "Safety Begins With Me" is well implemented all over the fleet. Look after your fellow crew member the same way as you look after yourself.

FMS has during the last years conducted SEEMP audits on all ships in the fleet. The purpose of these audits has been to raise awareness and knowledge of energy conservation among all crew. All ranks on board have been included in the audits, as we are all part of Utkilen's sustainable goals moving forward. Even small efforts from all crew members will generate a big difference in the end.

We have also seen a big change and a large focus on sustainability and environmental topics from 3rd party inspectors. It is important for the industry to receive acknowledgement of our commitment and priority to being sustainable. By doing our everyday tasks as good as we can on board, to make sure we reduce the environmental impact and have a safe working environment on board, we will move forward in a safe and sound direction.



Internet connectivity on board

In January 2023, Utkilen embarked on a pioneering initiative to test Starlink technology aboard Sydstraum. This strategic move marks the commencement of a comprehensive rollout of Starlink across our entire fleet. Offering download speeds ranging from 50 to 250 Mbps and upload speeds of 10 to 20 Mbps, Starlink provides a significant upgrade over traditional broadband solutions. While it does not match the speed of fiber-optic connections, it vastly surpasses the capabilities of conventional VSAT technology, upon which we have previously relied.

Starlink has empowered Utkilen to enhance our vessels' IT network, facilitating the adoption of cloud-based services and providing our crew with fast and reliable internet access. We are currently assessing the optimal data allowances for crew members to ensure sufficient capacity for both personal and operational needs. Combined with existing 4G capabilities, Utkilen is at the forefront of adopting modern communication technologies that enable the use of cloud solutions, secure communications, and a reduction in email distribution.



Social projects

Status MaMa Children Center of Norway

Utkilen has a sponsor agreement with MaMa Children Center of Norway, located about an hour's drive south from the city center of Manila. Donations of funds have been made by Utkilen and its employees.

Utkilen invited the children from MaMa Children of Norway (MCN) on 17 Nov 2023 during the conference and annual Christmas party celebration of Utkilen

Manila. It was held in Adventure Zone of Shangri La, The Fort. Adventure Zone is an interactive indoor playground, where 15 children from MCN together with children of Utkilen employees and seafarers came to play together. They enjoyed some engaging activities at a children's party and were presented with Christmas gifts.



Online wellbeing program

In spring 2023, we provided our seafarers with access to the "Re:mind – Online Wellbeing (LifeKeys)", which provides proactive mental wellbeing for seafarers, offering a comprehensive platform equipped with low-threshold tools such as courses for developing crucial soft-skills, self-tests, and online psychologists.

Crew engagement survey

In 2023, maritime consultancy company Green Jakobsen conducted a crew engagement survey during two of our crew conferences to provide us with a real-time picture of the crew's perception of the work culture on board. The aim for the surveys was to gain insights that enable us to identify areas that are important for us to address to maintain or further enhance the general engagement and wellbeing of our crew members.

The survey concluded that our crew in general have a high overall engagement rating. They are primarily motivated by work-life balance, a good salary, and good opportunities for promotion. All these factors were viewed to be above industry standards in Utkilen.



Foto: Sølvrev

Governance

Corporate governance

Utkilen shall be regarded by our stakeholders as a company with high ethical standards and integrity.

The company's reputation and the trust of our business partners is a vital part of our business.

No compromise shall be made to our corporate values or fundamental human and labor rights.

Utkilen is firmly opposed to all forms of corruption. Our objective is to compete in the marketplace on the basis of competitive services and prices.

All employees shall comply with both the letter and the spirit of all national and foreign antitrust and competition laws.

Success can only be celebrated when it is achieved in the right way. Our manner of conducting business defines who we are as a company. Utkilen has a history going back to 1916 and operates more than 20 chemical tankers.



U
Utkilen

Internal stakeholders

- Shore staff
- Crew
- Owners
- Board of Directors

External stakeholders

- Customers
- Banks
- Suppliers and contractors
- Government
- Regulatory bodies
- The general public

Compliance and internal control

Utkilen shall employ necessary means of internal control to monitor that the Code of Conduct is being fully complied with. Senior managers within the management group shall on an annual basis report compliance with the Code to the CEO. Internal control is the responsibility of the management.

If in doubt concerning how to understand and practice the Code, the employee is urged to discuss this with their superior. Similarly, should the employee be aware of any violations of the Code, they shall report this directly to the compliance officer or designated person ashore (DPA).

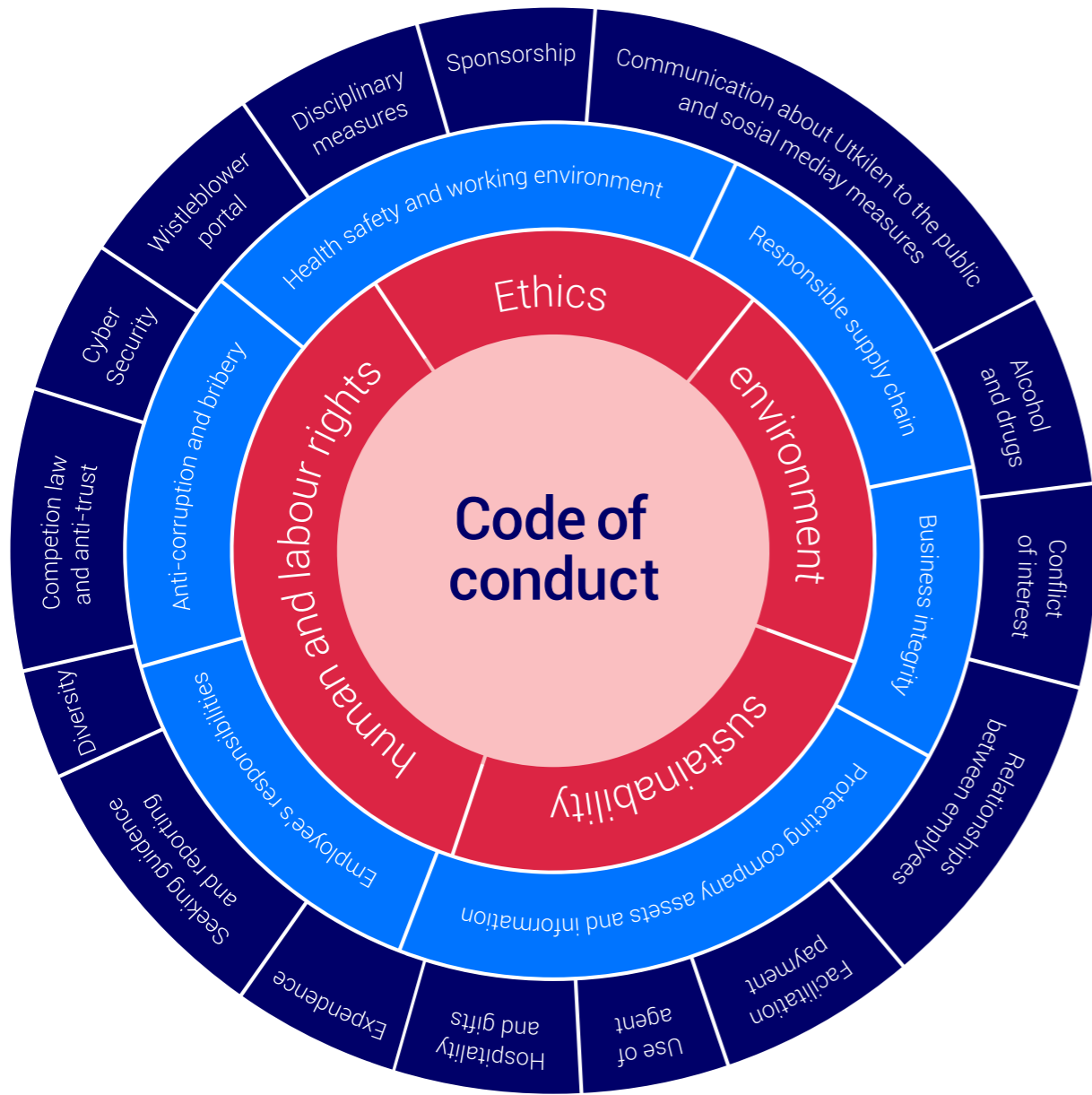
As part of the National Work Environment Laws, any employee who reports violations is protected from sanctions as in accordance with the whistle-blower mandate. Utkilen will not tolerate retaliation against anyone who has reported an actual or suspected violation. We will protect those who report in good faith. Our notification reporting system tool is found at the whistle-blower site "MittVarsel".

Code of conduct

Employees shall comply with all of Utkilen's policies and procedures as well as local laws and regulations. They are responsible to read and abide by the Code of Conduct and integrate the principles it sets forth in their personal conduct and in the way they conduct business on behalf of Utkilen.

All employees shall know that they have the right and responsibility to seek guidance if in doubt about a business decision. They have an obligation to report what is in good faith considered to be violations or possible violations of the Code of Conduct and laws and regulations and material breach of Utkilen's policies and procedures as quickly as possible.

Managers in Utkilen have additional responsibilities that go beyond the basic requirements of all employees. They shall always lead by example and uphold the highest standards set forth in the Code of Conduct.



Hospitality and gifts

At Utkilen, we prefer not to give or receive gifts. Hospitality, gifts, and expenses that could affect or be perceived to affect the outcome of business transactions are prohibited as they can be used as a cover for bribery. You must always base your business decisions on objectivity and loyalty to Utkilen and not on personal loyalty or preferences

Use of agents and/or brokers

The use of agents and/or brokers may, in some locations, enable Utkilen to pursue its business more easily and cost effectively. An agent and/or broker must never be used to carry out activities that contravene Utkilen's Code of Conduct.

Facilitation payment

Payments in cash or in kind, made for the timely completion of a routine action, are often referred to as facilitation payments or "grease payments". Such routine actions are ones the recipient is obliged to perform and may include processing papers and issuing permits. The payments could be of nominal value. You shall never make facilitation payments on behalf of Utkilen. This applies regardless of whether the payments is made directly or indirectly through a business partner or the payment is made in cash or in kind.

Cyber security

The landscape of cybersecurity is evolving rapidly, with the integration of artificial intelligence technologies, such as ChatGPT, presenting new challenges. Recognizing the importance of cybersecurity, Utkilen has launched a Cyber Security Awareness Program. This annual campaign is designed to broaden the understanding and awareness of contemporary and emerging cyber threats among our employees. Our goal is to enhance the knowledge of relevant cybersecurity issues and keep our team informed about the latest technological advancements. This initiative underscores Utkilen's commitment to maintaining a secure digital environment, safeguarding our operations and information against cyber threats.

Norwegian transparency act/ responsible supply chain management



The Transparency Act was enacted by the Norwegian Parliament on 10 June 2021 and establishes legal requirements for larger enterprises' duty to report on the work they do to ensure compliance with fundamental human rights and decent working conditions in the enterprises themselves, in their supply chains, and with their business partners.

The Transparency Act's aim is to promote enterprises' respect for fundamental human rights and decent working conditions and ensuring that consumers, organizations, trade unions, journalists, and the public have access to information. The Transparency Act is a Norwegian initiative, but we see similar initiatives in other European countries as well as at EU level.

An annual report on «Human rights due diligence in Utkilen» is published on Utkilen's website.

Utkilen is a member of IMPA ACT, an initiative of the International Marine Purchasing Association that encourages ship owners, ship operators, and ship suppliers to demonstrate a tangible commitment to responsible supply chain management and corporate social responsibility. At the core of the IMPA ACT initiative is the Supplier Code of Conduct, a set of social, environmental, and economic principles that are based on internationally endorsed UN minimum expectations for businesses and represent current best practice.

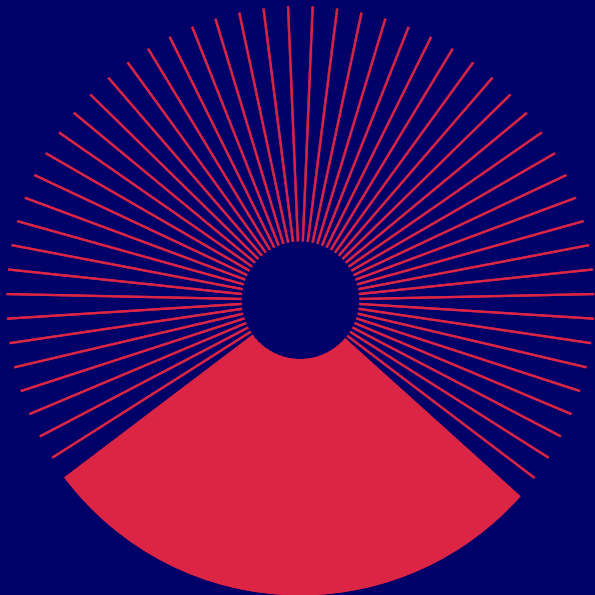
Those participating in the IMPA ACT initiative commit to working towards alignment with the Supplier Code of Conduct over time, both internally and within their supply chain.

Multiple inspections were carried out during 2023 by Port State Control, customers, authorities, and flag states. Utkilen has demonstrated a high level of performance reflected in these inspections over several years.

Third party inspections

INSPECTIONS 2023	NUMBER OF INSPECTIONS	TARGET*	ACTUAL RESULT*
OCIMF	42	< 3	2,26
CDI	18	< 3	2,29
Port State Control	7	< 0,50	0,29

(*) Findings per inspection



72%
Of Utkilen's main suppliers
have signed the IMPA|ACT
Supplier code of conduct





Regulatory changes in the EU

With Europe as our main area of operation, our fleet is subject to the changes in EU regulations which follow the Fit for 55 package containing several initiatives intended to reduce the EU's total GHG emissions. From 2024, shipping is included in the EU's Emission Trading System (EU ETS), requiring us to purchase emission allowances based on how much we emit. Specifically, we must cover 100% of emissions for voyages within the EU, and 50% for voyages that start in the EU and end outside or vice versa. In 2024, we are required to purchase allowances for 40% of the covered emissions.

In 2025, the FuelEU Maritime regulation will come into effect, imposing life cycle GHG footprint requirements on the energy used on board ships. It will apply to the same ships that are covered by the EU MRV regulation and will, in addition to CO₂, cover methane and nitrous oxide, all in a well-to-wake perspective. FuelEU Maritime sets requirements on annual average GHG intensity of energy used by ships trading in the EU or European Economic Area (EEA), measured as GHG emissions per energy unit (gCO₂e/MJ).

Calculations will be set relative to the average well-to-wake fuel GHG intensity of the fleet in 2020 of 91.16 gCO₂e per megajoule (MJ). This will start at a 2% reduction in 2025, increase to 6% in 2030, and accelerate from 2035 to reach an 80% reduction by 2050. The GHG intensity requirements apply to 100% of energy used on voyages and port calls within the EU or EEA, and 50% of energy used in voyages into or out of the EU and EEA.

For Utkilen, the use of energy sources of lower well-to-wake GHG intensity such as LNG, LBG, sustainable biofuels, and utilization of shore power will ensure compliance when FuelEU Maritime comes into force. To help facilitate this, another initiative from the Fit for 55 package includes a revision of the Alternative Fuels Infrastructure Regulation, requiring EU member states to ramp up the availability of LNG by 2025 and onshore electrical power supply by 2030 in core EU ports.

2025

EU MRV

From 1 January 2025, the amended EU MRV regulations will extend to general cargo vessels with a gross tonnage (GT) of 400 to 5000, thus covering 100% of the Utkilen fleet.

EU ETS

70% of CO₂ emissions must be covered through purchased allowances. Submission of a verified company emissions report by 31 March.

Fuel EU Maritime

Reporting of key data related to FuelEU Maritime from 1 January.

Alternative Fuels Infrastructure Regulation

Improved LNG availability in core EU ports.

2024

EU MRV

Scope expands to include methane (CH₄) and nitrous oxide (N₂O).

EU ETS

40% of the CO₂ emissions must be covered through purchased allowances.

Fuel EU Maritime

FuelEU Monitoring Plan verified by 1 September.

2026

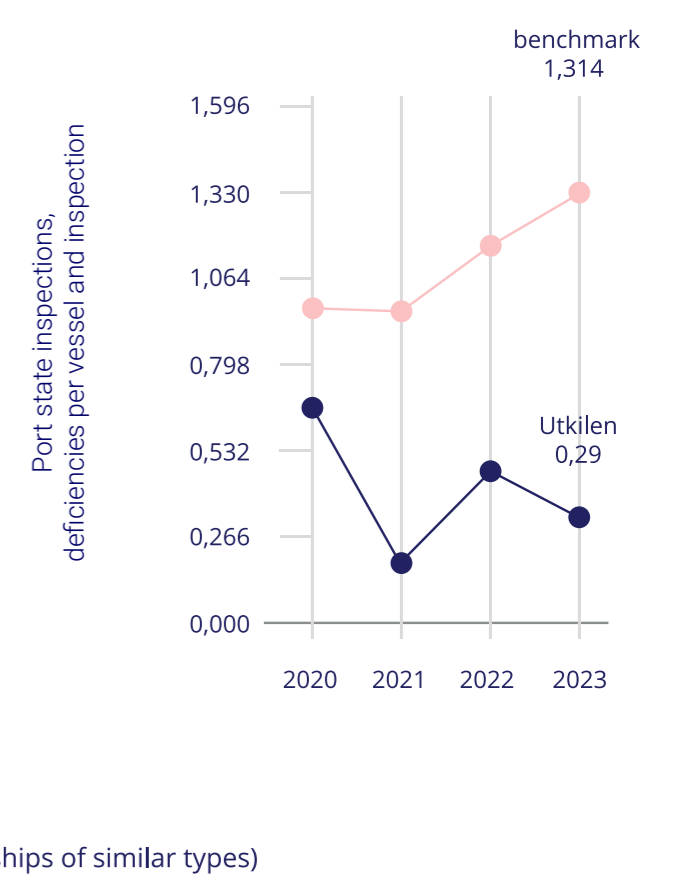
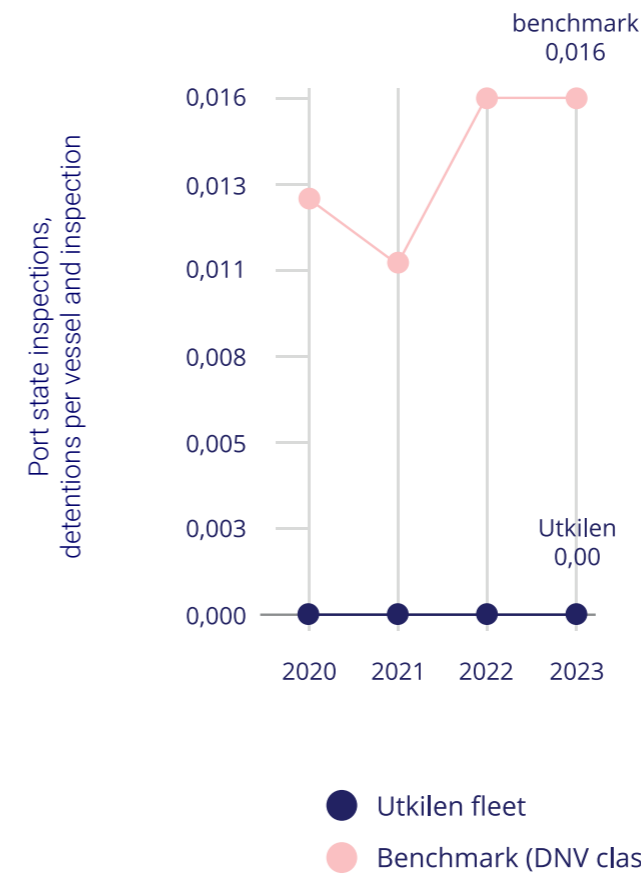
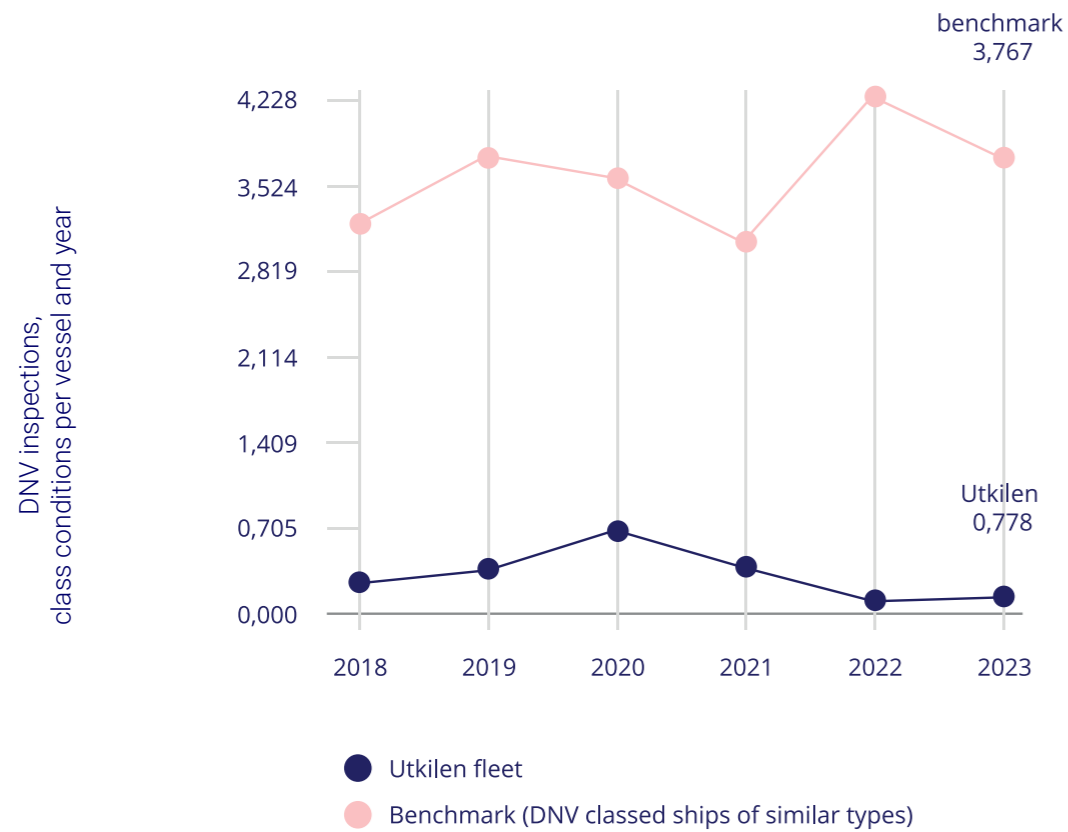
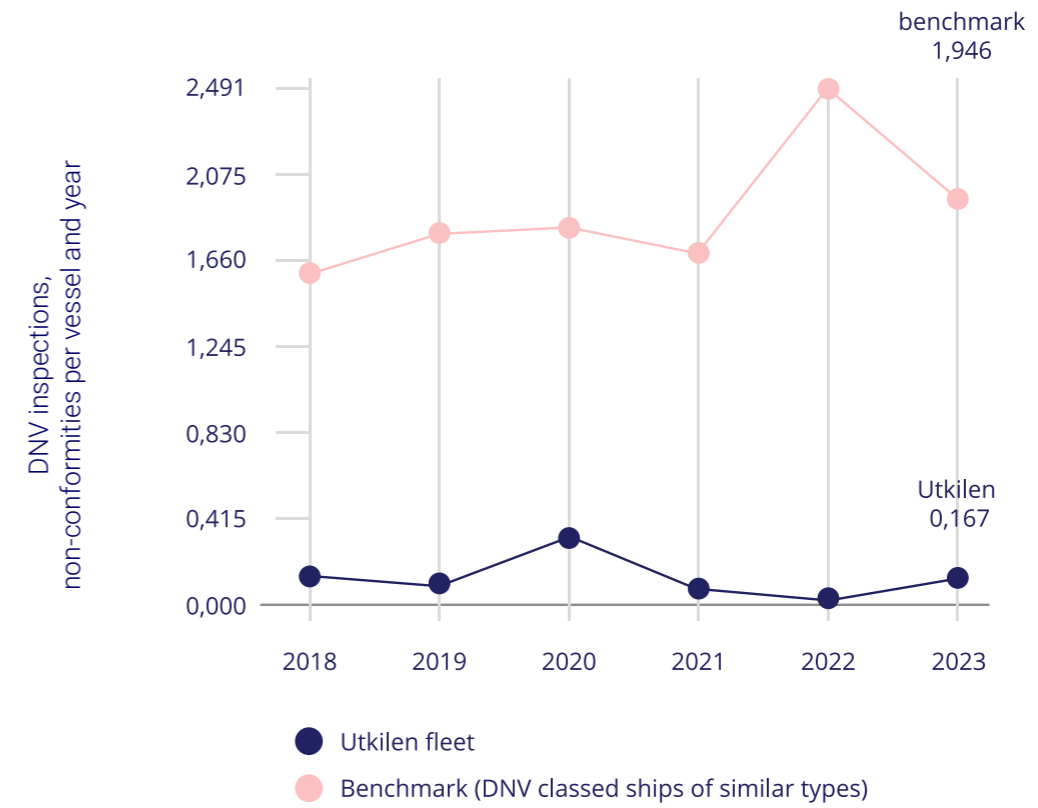
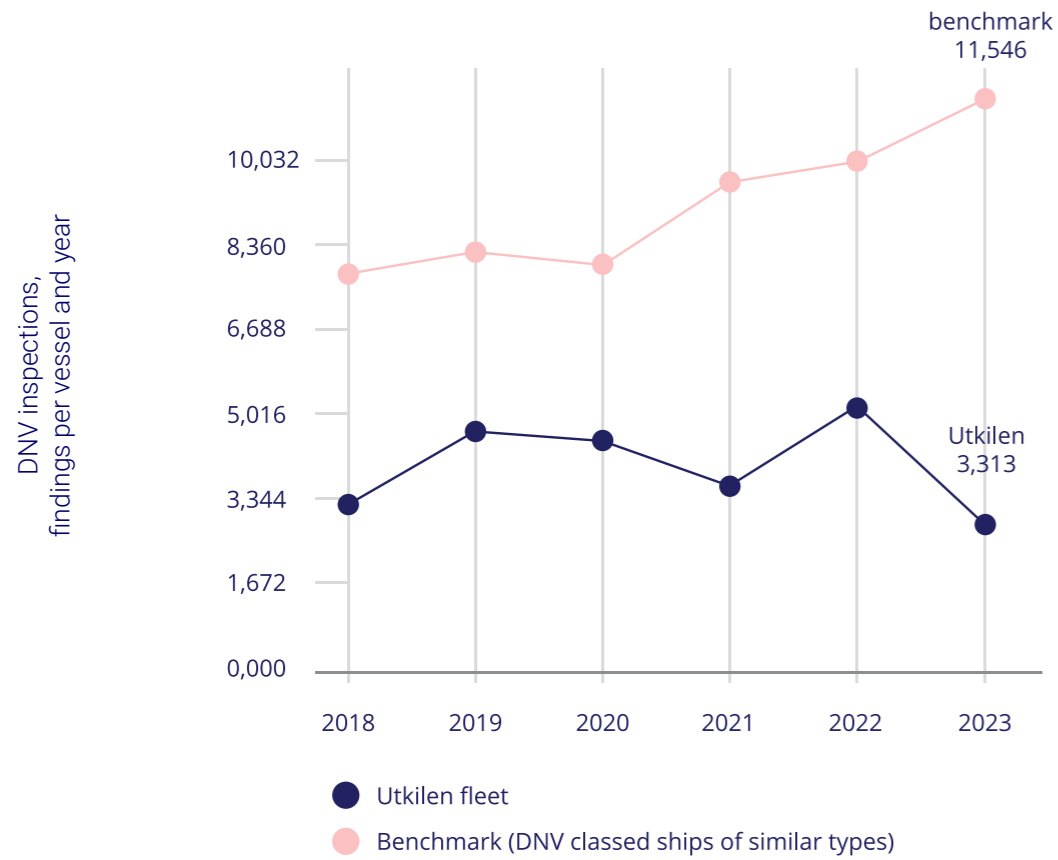
EU ETS

100% of emissions must be covered through purchased allowances. Extended to cover methane (CH₄) and Nitrous oxides (N₂O).

FuelEU Maritime

Submission of ships FuelEU report.

Utkilen is a top performer compared to industry peers according to DNV industry benchmark.



Governance key performance indicators 2023

0
 Number of fines (total amount of monetary losses as a result of legal proceedings associated with bribery or corruption)

0
 Number of facilitation payment cases

1
 Whistle blower case registered and closed

100%
 COMPLETED
 Anti-corruption and bribery training top four officers

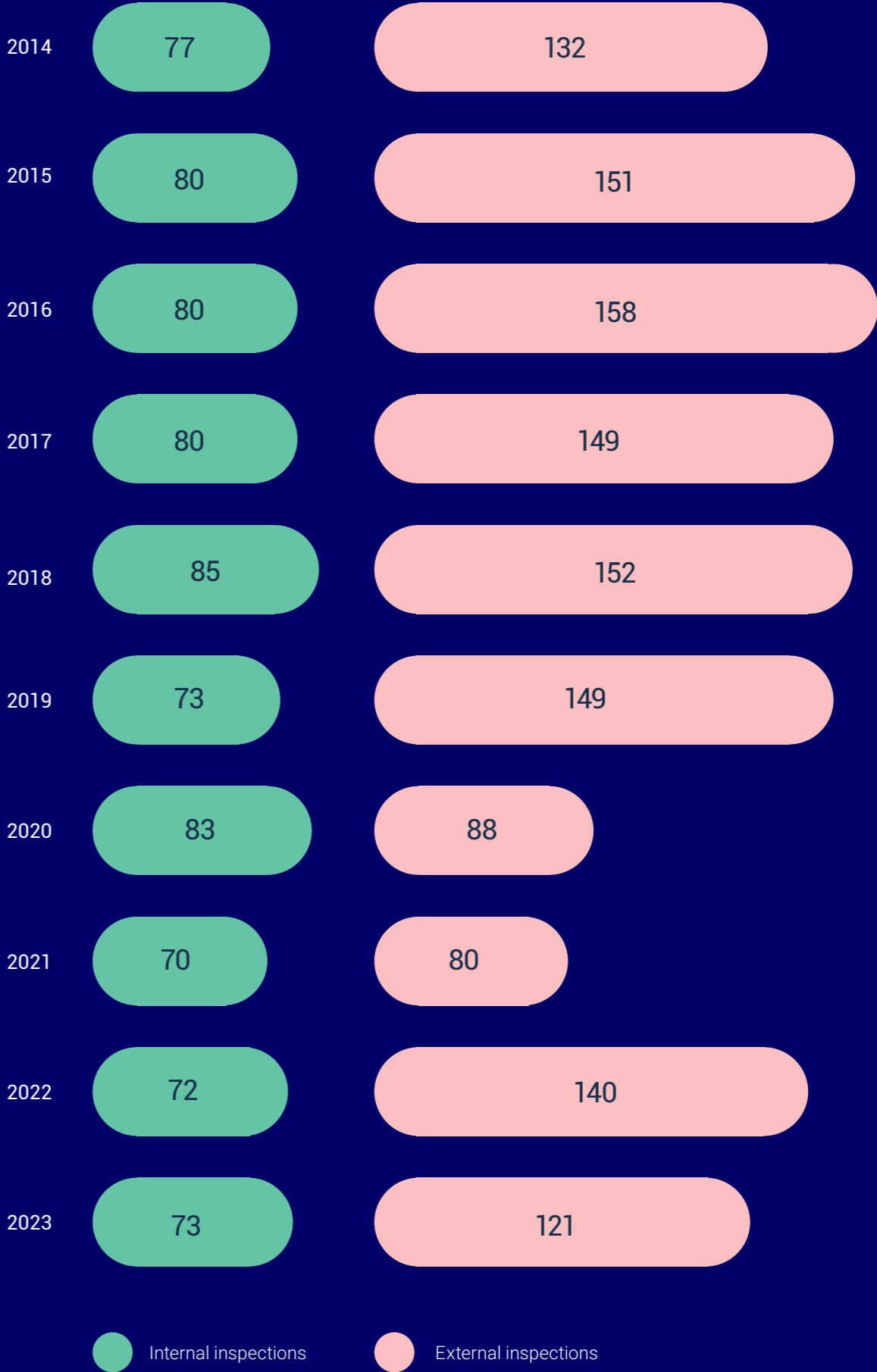
100%
 COMPLETED
 Code of conduct familiarization office personnel

100%
 COMPLETED
 Competition compliance training management

ZERO
 Number of ships recycled

6
 Number of ships sold

Number of inspections and audits on board the vessels



Key Performance Indicators

KPI	2023 target	2023 actual result
Personnel injuries:		
Fatalities	0	0
Lost time injuries	0	0
Restricted work case	0	0
Medical treatment case	0	0
First aid case	< 10	4
Lost time injury frequency	0	0
Total recordable case frequency	0	0
Hydraulic oil spill:		
Overboard	0	0
On deck	< 5	0
Cargo/bunker spill:		
Overboard	0	0
On deck	0	1
Inspections: (*)		
OCIMF	< 3	2,26
CDI	< 3	2,29
Port state control	< 0,5	0,29

(*) Findings per inspection

Key Figures

People	2018	2019	2020	2021	2022	2023
Number of seafarers	493	491	492	491	476	464
Number of office staff	46	47	46	46	46	49
Lost Time Injury Frequency (LTIF)	0,00	0,42	0,00	0,00	0,00	0,00
Total Recordable Case Frequency (TRCF)	0,42	0,84	0,84	1,26	0,84	0,00
Fatalities	0	0	0	0	0	0
Lost time injury	0	1	0	0	0	0
Training days (shore based)	2 175	2 953	1 729*	1090*	2638	2207

*Restriction caused by Covid-19

Environment	2018	2019	2020	2021	2022	2023
Emission CO2 (metric tonnes)	191 062	187 302	175 718	160 000	152 547 (1) 7,37 (2) 2 383 (3)	149 574 (1) 7,45 (2) 2 166 (3)
Emission NOx (metric tonnes)	3 398	3 159	2 812	2 149	2 303	2 080
Emission SOx (metric tonnes)	59,6	58,5	53,4	50,0	47,7	46,7
Emission CO2 (per nautical mile)	0,16863	0,17315	0,16948	0,16880	0,16710	0,16948
Emission NOx (per nautical mile)	0,00300	0,00292	0,00271	0,00227	0,00253	0,00236
Emission SOx (per nautical mile)	0,00005	0,00005	0,00005	0,00005	0,00005	0,00005
Environmental Performance Index (4)	NA	NA	0,0465	0,0352	0,0358	4,6175
Total energy consumption (Gigajoules) (5)	2 504 843	2 418 357	2 428 879	2 346 670	2 277 869	2 036 956

1. Scope 1 CO2 emissions from the vessels

2. Scope 2 CO2 electricity used in the offices (Bergen, Manila, Riga)

3. Scope 3 CO2 emissions from traveling to/from the vessels, commuting to/from the offices (Bergen, Manila, Riga)

4. Carbon Intensity Indicator Rating A=5, B=4, C=3, D=2, E=1

5. MGO energy 42,7 Megajoules/kg / VLSFO energy 41,6 Megajoules/kg



Q

SWL 43 TONS

20 PERSON



About Utkilen

Utkilen AS is a fully integrated shipping company with headquarters in Bergen, Norway. The company, with a history going back to 1916, was founded in 1967 and owns and operates 16 chemical tankers ranging from around 6,000 to 17,000 dwt. in size. Utkilen is one of the major seaway transporting companies of chemicals and other bulk liquid cargoes in Northern Europe.

Vessel	IMO no.	Built	Grt.	Dwt.	Class	Ice class
MOSTRAUM	9829796	2019	7 231	10 543	DNV	1A
VIKSTRAUM	9829784	2019	7 231	10 543	DNV	1A
SALTSTRAUM	9854466	2020	7 231	10 543	DNV	1A
SYDSTRAUM	9854478	2020	7 231	10 543	DNV	1A
NORDSTRAUM	9523548	2012	6 768	9 616	DNV	1A
GOLFSTRAUM	9390991	2011	7 100	9 500	DNV	1A Super
RYSTRAUM	9391000	2012	7 100	9 500	DNV	1A Super
DORIS	9172210	1998	9 956	16 028	DNV	1A
FINNSTRAUM	9172222	1999	9 956	16 028	DNV	1A
LATANA	9186352	2000	9 960	15 990	DNV	1A
XANTHIA	9246152	2003	10 578	16 698	DNV	1A Super
KILSTRAUM	9164732	1999	4 667	6 008	DNV	1C
BERGSTRAUM	9108740	1996	6 045	9 494	DNV	1A
CHRISTINA	9118496	1996	6 045	9 494	DNV	1A
FJELLSTRAUM	9140815	1997	3 726	5 846	DNV	E3
FJORDSTRAUM	9114763	1996	3 726	5 846	DNV	E3

For further information or enquiries regarding Utkilen's sustainability initiatives and results, please contact Bendik Fotland, Quality and Sustainability Coordinator. Email: bendik.fotland@utkilen.no

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