



**Sustainability Report 2022**  
**SIMON MØKSTER SHIPPING AS**

*- Your best partner*



## Sustainability Report 2022

Simon Møkster Shipping AS  
Stavanger, March 2023

## Cover Photo

Equinor  
Stril Server at Hywind Tampen

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## Distribution

This report will be distributed digitally  
via Simon Møkster Shipping's webpages,  
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## Table of Content

### Our Priorities

#### 1 Introduction

1.1 Materiality Assessment	03
1.2 Summary of ESG Indicators	04
1.3 Management Letter	05
1.4 Board of Directors' Statement	06
1.5 Møkster Fleet	07
1.6 Important Milestones in 2022	07

#### 2 Environmental Performance

2.1 Scope 1 Emissions	08
2.2 Scope 2 Emissions	10
2.3 Scope 3 Emissions	10
2.4 Local Emissions	11
2.5 Ecological Impact	11
2.6 Climate Risk	12

#### 3 Social Performance

3.1 Health and Safety	13
3.2 Recruitment and Competency Development	15
3.3 Diversity Practices	16
3.4 Human Rights	16
3.5 Supply Chain Management	16

#### 4 Governance

4.1 Corporate Governance	17
4.2 Transparency and Disclosure Practices	17
4.3 Anti-corruption and Bribery Policies	18
4.4 Sustainable Business Development	18
4.5 ESG Investments 2022	19

#### Attachments

TCFD Reference Index	20
Account of Due Diligence	21
Abbreviations	22
References	22



Photo: Rasmus Christoffersen



# Our Priorities



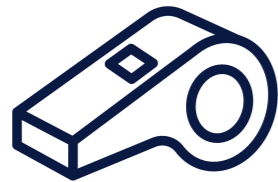
## Environment

- 40 % reduction in GHG emissions by 2030
- 70 % reduction of CO2 intensity by 2030
- Net-zero emissions in 2050
- 50 % reduction in food waste by 2030



## Social

- Adherence to human rights
- Zero injuries to personnel
- Zero non-planned emissions
- Proactive safety culture



## Governance

- Zero tolerance for bribery or corruption
- Zero tolerance for unethical or illegal behaviour
- Ensuring accountability and transparency



## Sustainable Development

- Commitment to the UN Sustainable Development Goals
- 50 % of total revenue from non-oil and gas activities in 2030

# 1 Introduction

### About Simon Møkster Shipping AS

Simon Møkster Shipping AS ("Simon Møkster Shipping" or "the Company") is a provider of maritime services and modern high-spec support vessels for the offshore energy sector, primarily operating in Northern Europe. The Company was established in 1968. Per 31.12.2022 the Møkster Group owns and manages a fleet of 16 vessels, in addition to providing manning services for three vessels owned by external owners.

The main market segments are Platform Supply Vessels (PSV) and Emergency Response and Rescue Vessels (ERRV) for the offshore oil and gas industry and Service Operation Vessels (SOV) in the subsea and renewables segments.

Per 31.12.2022, the Møkster Group employed 481 persons, 451 seafarers and 30 ashore.

Vision: **Your best partner**

Values: **Courageous, responsible, long term**

### About the Report

This sustainability report is the third in line and is covering Simon Møkster Shipping's environmental, social and governance (ESG) performance for the reporting year 2022. The report is set up according to the disclosure requirements of the Sustainability Accounting Standards Board (SASB) Marine Transportation standard (2018) by the IFRS Foundation, and the Norwegian Shipowners' Association's Guidelines for ESG reporting in the shipping and offshore industries (2021).

The Company has also disclosed additional ESG performance indicators based on a materiality assessment of sustainability topics. Furthermore, the report follows the recommended disclosures of the Taskforce on Climate-related Financial Disclosures (TCFD). Simon Møkster Shipping's ESG process is led by an interdisciplinary team, the "ESG Committee", that has prepared this report.





## 1.1 Materiality Assessment

Simon Møkster Shipping's primary objective is to provide maritime services with zero injuries to personnel, compliance with human rights, zero unplanned discharges or spills, minimal environmental impact and as little material damage as possible. Meanwhile limiting emissions with a clear ambition of reducing GHG emissions by 40 % in 2030 and working towards net-zero in 2050.

The Company has conducted a materiality assessment to identify and evaluated which sustainability topics were most significant in 2022 for Simon Møkster Shipping's business and operations and/or stakeholders. The Company is committed to ongoing engagement with its stakeholders, including clients, suppliers and employees, to identify their expectations and concerns.

The UN Sustainable Development Goals (UN SDGs) are actively used, and Simon Møkster Shipping has selected and committed to eight goals which align with the Company's operations and processes. The materiality assessment is based on the SASB Standard and also forms the foundation for the disclosure topics of the ESG indicators.

Dimension	Materiality Topic	Impact	Related SDG
Environment	GHG Emissions	High impact	13
	Air Quality	Medium impact	3
	Energy Management	Medium impact	12, 13
	Water and Wastewater Management	Medium impact	12, 14
	Waste and Hazardous Materials Management	Medium impact	12, 14
	Ecological Impact	Medium impact	14
Social Capital	Human Rights and Community Relations	Medium impact	4, 8
	Data Security	Medium impact	9
	Access and Affordability	Medium impact	
	Product Quality and Safety	Medium impact	
	Customer Welfare	Medium impact	
	Selling Practices and Product Labeling	Medium impact	
Human Capital	Labour Practices	High impact	8
	Employee Health and Safety	High impact	3, 8
	Employee Engagement, Diversity and Inclusion	Medium impact	4, 8
Business Model and Innovation	Product Design and Lifecycle Management	Medium impact	9, 12
	Business Model Resilience	Medium impact	7, 9
	Supply Chain Management	Medium impact	12
Leadership and Governance	Business Ethics	Medium impact	8
	Competitive Behaviour	Medium impact	9
	Management of the Legal and Regulatory Environment	Medium impact	8
	Critical Incident Risk Management	High impact	3
	Systematic Risk Management	High impact	3

High impact Medium impact Low impact

### SASB Activity Metrics 2022

Activity Metric	Category	Data 2022	SASB Code
Number of shipboard employees	Quantitative	728	TR-MT-000.A
Total distance travelled by vessels	Quantitative	247 224 nm	TR-MT-000.A
Operating days	Quantitative	5 394	TR-MT-000.A
Deadweight tonnage	Quantitative	61 361 t	TR-MT-000.A
Number of vessels in total shipping fleet	Quantitative	16	TR-MT-000.A
Number of vessel port calls	Quantitative	1 194	TR-MT-000.A
Twenty-foot equivalent unit (TEU) capacity	Quantitative	NA	TR-MT-000.A



Photo: Stril Polar

## 1.2 Summary of ESG Indicators

### Environmental

Topic	Accounting Metric	Data 2022	Data 2021	Targets	SASB Code
Greenhouse gas emissions	<b>Scope 1</b>				
	Fleet CO2-e emissions	81 841 t	78 671 t	40 % reduction by 2030 Net-zero in 2050	Additional
	Company vehicles CO2-e emissions	1 t			Additional
	Gross global scope 1 emissions	81 842 t			TR-MT-110a.1
	Fleet CO2 intensity	82 gCO2/DWTnm	78 gCO2/DWTnm	70 % reduction by 2030	Additional
	EEDI for new vessels <sup>1</sup>	NA	NA		TR-MT-110a.4
	Total energy consumed	1 427 230 GJ			TR-MT-110a.3
	Energy mix				
	- HFO	0.0 %	0.0 %		
	- MGO	96.6 %	90.9 %		TR-MT-110a.3
	- LNG	2.8 %	8.3 %		
	- Shore power <sup>2</sup>	0.3 %	0.8 %		
	- Renewable <sup>3</sup>	0.3 %	0.0 %		
<b>Scope 2</b>					
Shore power usage	2 107 MWh	2 536 MWh			
CO2-e emissions <sup>4</sup>	11.6 t	20.3 t		Additional	
Shore facilities power consumption	164 MWh	68 MWh			
CO2-e emissions <sup>4</sup>	1.8 t	0.5 t		Additional	
<b>Scope 3</b>					
Air travel CO2-e emissions	461 t	372 t		Additional	
<b>Air Pollution</b>					
NOx emissions	716 t	597 t		TR-MT-120a.1	
NOx intensity	5.69 kg/GWh	4.95 kg/GWh	< 5 kg/GWh	Additional	
SOx emissions	34 t	27 t		TR-MT-120a.1	
PM10 emissions	25 t	23 t		TR-MT-120a.1	
<b>Ecological Impact</b>					
Shipping duration in marine protected areas	4 322 days			TR-MT-160a.1	
Percentage of fleet implementing ballast water exchange and treatment	56 % / 44 %			TR-MT-160a.2	
Number of spill incidents	2	2	Zero	TR-MT-160a.3	
Volume to the environment	0.007 m3	0.041 m3	Zero	TR-MT-160a.3	
Waste generated	132 t	126 t		Additional	
Food waste	11.3 t	7.7 t	50 % reduction by 2030	Additional	
Vessels recycled	0	0		Additional	

### Social

Topic	Accounting Metric	Data 2022	Data 2021	Targets	SASB Code
Employee health and safety	<b>Health and Safety</b>				
	TRIF 24 h / 1 000 000 man-hours	3.26	2.25	1.25	Additional
	LTIF 24 h / 1 000 000 man-hours	1.63	0.56	Zero	TR-MT-320a.1
	Marine casualties	0	0	Zero	TR-MT-540a.1
Diversity and training positions	Monthly HSE reports	8.9	9.2	7 reports per vessel	Additional
	Gender diversity M/F <sup>5</sup>	92 % / 8 %	94 % / 6 %		Additional
Accident and safety management	<b>Port State Controls</b>				
	Deficiencies	9	8	Zero	TR-MT-540a.2
	Detentions	0	0	Zero	TR-MT-540a.2
	<b>Condition of Class</b>				
	Conditions of class or recommendations	21	23		TR-MT-540a.2

### Governance

Topic	Accounting Metric	Data 2022	Data 2021	Targets	SASB Code
Business ethics	<b>Business Ethics</b>				
	Corruption or bribery cases	0	0	Zero	TR-MT-510a.2
	Facilitation payments	0	0	Zero	TR-MT-510a.2
	Fines or non-monetary sanctions	0	1	Zero	TR-MT-510a.2
	Port calls in 20 lowest ranked countries on Transparency International's Corruption Perception Index	0	0		TR-MT-510a.1
<b>Sustainable Growth</b>					
	Revenue from non-oil and gas related activities	9 %	16 %	25 % by 2025 50 % by 2030	Additional
	Fleet utilisation	84 %	85 %		Additional

- 1) No new vessels added to the fleet during the reporting year.
- 2) Shore power from ports that don't hold a Renewable Energy Certificate or Guarantee of Origin.
- 3) Shore power from ports that hold a Renewable Energy Certificate or Guarantee of Origin.
- 4) CO2-e emissions calculated based on CO2-e factors for electricity in Norway from NVE.
- 5) All employees per 31.12.2022.



### 1.3 Management Letter



Anne Jorunn Møkster  
Chief Executive Officer

Photo: Tore Stensvold/TU

2022 has been a year of stark contrasts. Russia’s aggression war towards Ukraine is the worst conflict on the European continent since the second world war, affecting millions of Ukrainians in devastating ways. At the time of the invasion in February 2022, 11 Ukrainian nationals were sailing on board the Company’s vessels, far from home, family and friends. For us the war was not just a news story but were personified by these close colleagues. We are grateful for solid collaboration with a wide stakeholder group in navigating through the crisis, in particular the Norwegian Seamen’s Church in Aberdeen.

The war has also sparked a discussion on energy security in Europe. The importance of Norway as a democratic, safe and reliable provider of energy to the continent has become even more apparent this last year. Norway has surpassed Russia to become the largest provider of natural gas to the EU accounting for approximately 25 % of EU gas imports. Climate gas emissions per unit of oil and gas produced on the Norwegian Continental Shelf is also less than half of the global average. Kjetil Hove, Director for Exploration and Production in Norway in Equinor said that the vital importance of providing reliable energy to Europe with low emissions from production lays the foundation for Norway to be the world’s last producer of oil and gas, a statement I strongly support.

In November of 2022, the world’s population surpassed 8 billion people according to the UN’s estimates, doubling since 1974. The demand for energy will continue to increase and the energy mix will need to include oil, gas, hydropower, wind, solar and nuclear also well into the future. Meanwhile, we need lower emissions if we are to meet the 1.5 °C target. It is therefore very positive that the Norwegian government in December announced the ambitions to allocate areas for developing 30 GW of offshore wind by 2040. Norway has enormous potential for offshore wind and decades of experience in offshore industry building. Simon Møkster Shipping has been involved in the offshore renewables segment for almost 10 years and has also gathered unique experiences with the Stril Server providing walk-to-work services to Hywind Tampen in 2022, the world’s largest floating offshore wind farm. Rooted in our vision of being **your best partner**, we will continue to find our place in this market.

Simon Møkster Shipping’s values are **courageous, responsible** and **long term**. The courage to speak up and the responsibility to look after our co-workers is paramount if we are to ensure our primary goal that everyone shall return home as healthy as they were when they went on board. It is also vital that we continue to promote a culture for learning and experience transfer to build a strong organisational safety culture which shall form the foundation of our long-term mission of being a Norwegian shipping company with an infinite perspective.

In addition to a strong safety culture, conducting maritime operations with high efficiency and low emissions is also an essential part of our license to operate. To manage the climate risks related to the transition to a low-carbon society is at the top of our priorities. On 18 December 2022, EU institutions reached political agreement to reform the EU ETS to also include maritime transport. This also entails the inclusion of offshore service vessels over 5000 GT to the EU MRV from 2025 and EU ETS from 2027. Furthermore, the adoption of the Global Biodiversity Framework in December 2022 which set a target of conserving 30 % of sea areas by 2030 and the expected revision of the IMO GHG strategy at MEPC 80 in July 2023 could also have substantial impact on our business.

**“Everyone shall return home as healthy as they were when they went on board.”**

Simon Møkster Shipping’s ambitions are to reduce the total GHG emissions with 40 % by 2030, further working towards net-zero in 2050 and to reduce the carbon intensity with 70 % by 2030 compared to the 2008 baseline. 2022 saw a 4 % increase in the total fleet CO2-e emissions compared to 2021. This increase in emissions can primarily be attributed to increased fleet activity; however, it is important that we continue to focus on improving vessel efficiency and reducing emissions despite increased activity.

Strong collaboration between all actors is fundamental to reach the industry’s and the Company’s goals. However, innovation also requires access to risk capital and predictable terms. Even though the charter rates for offshore service vessels are nearing more stable sustainable levels, there are still a way to go before the entire maritime cluster, which we are deeply dependent upon, have sustainable earnings. Contracts for difference have been suggested as a mean to incentivise charterers and shipowners to invest in new low-carbon and zero-emission technologies, which I will warmly welcome.

In July 2022, the Norwegian Transparency Act entered into force to safeguard human rights and decent work environment and the need for transparency at all levels of the organisation. This report is an important part of this process, and the Company will continue to have high focus on these areas both internally and throughout our supply chain. Simon Møkster Shipping joined the IMPA Act in September 2022. Moving forward we will continue the due diligence process of all suppliers based on the IMPA Act Code of Conduct. Human and workers’ rights are also vital in building an inclusive and robust work environment. During 2022, we have seen abnormally high sick leave rates in the fleet. We all share a responsibility to create a work environment where everyone feels welcome and that promotes mental and physical health and wellbeing.

People continues to be our most important key to success. In an ever-tighter labour market with record high employment rates we need to stay relevant and attractive as an employer and as an industry to recruit the right people both on board and ashore to face future challenges. Our industry stands at a crossroad, but there is no doubt in my mind that the offshore energy sector and maritime services will continue to be a primary driver towards a more sustainable society.

Stavanger, 21 March 2023

Anne Jorunn Møkster  
Chief Executive Officer



## 1.4 Board of Directors' Statement

Simon Møkster Shipping's goals of zero injuries to personnel and zero environmental or material damages are at the foundation of all Company activities. They form the basis for the continuous work to raise the awareness of all employees and the processes of continuous improvement. The Company and the safety management system are accredited in accordance with the ISM Code, ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, MLC 2006, IHM and the ISPS Code governing security by DNV. All the Company's vessels are managed and operated according to the prevailing national and international rules and regulations. The vessels are manned by highly competent personnel working to achieve the best operation profile and reduce fuel consumption and emissions. The operation of the vessels holds a high standard with few operational disruptions.

The Company recognises that maritime transport represents a significant share of global emissions and appreciates the need to reduce the greenhouse gas emissions of the industry. Simon Møkster Shipping supports the ambitions of the Norwegian Shipowners' Association to reduce the emissions of Norwegian vessels. A system for measuring and reporting of fuel consumption and emissions is implemented. Through 2022, the Company has continued to use the digital data collection and visualisation tool Maress to improve this process. In 2022, the fleet's total CO<sub>2</sub>-e emissions increased by 4.0 % compared to 2021. This can however be attributed to increased vessel activity. The activity mode-adjusted CO<sub>2</sub> emissions decreased by 3.9 % compared to the historic baseline. The Company's ambitions are to reduce CO<sub>2</sub>-e emissions with 40 % and achieve a 70 % reduction in CO<sub>2</sub> intensity by 2030, further working towards net-zero in 2050.

Furthermore, the Company recognises the physical risks related to climate change and the risks associated with the transition to a low-carbon society. Through 2022, the Company has continued the work to assess and categorise these climate-related risks to best be able to manage them. The Company utilises the TCFD framework and follows the SASB standard and the Guidelines for ESG reporting in the shipping and offshore industries set out by the Norwegian Shipowners' Association.

The Company follows a high standard for occupational health and safety set by industry guidelines, flag state requirements and international and national law. 2022 saw three lost time injuries (LTI) as a result of incidents on board the Company's vessels. This underlines the importance of the continuous strong focus on health and safety in all operations.

The Company has a high priority on recruitment and competency development. In 2022, 32 apprentices and cadets served on board the Company's vessels. The Company has a strong tradition for having training positions on board and recognises the responsibility to facilitate for quality training positions to ensure recruitment to the industry. The Company works to front equality and ensure equal possibilities and rights for all employees, regardless of ethnicity, gender or physical abilities. The Company also recognises the importance of gender equality and the responsibility to ensure equal pay for equal work.

Simon Møkster Holding AS has an independent chairman and the board has 60 % independent directors. The board has 40 % female and 60 % male directors. During 2022, the board held five meetings with 100 % attendance. The Company operates in areas with low risk of corruption. The geopolitical situation in 2022 has been tense. The security situation is continuously monitored, including cyber security.

Stavanger, 29 March 2023

Arne Larsen Økland

*Chairman*

Simon Møkster Holding AS



Board of Directors presented from the left. Director Rune Magnus Lundetræ, Director Astrid Simone Møkster, Director Ingvild Mæland, Chairman Arne Larsen Økland, Director Alf Møkster, CEO Anne Jorunn Møkster



## 1.5 Møkster Fleet

### PSV

- Stril Barents
- Stril Luna
- Stril Mar
- Stril Mermaid
- Stril Odin
- Stril Orion
- Stril Pioner
- Stril Polar
- Strilmøy

### ERRV

- Stril Herkules
- Stril Mariner
- Stril Merkur
- Stril Poseidon
- Strilborg

### SOV

- Stril Explorer
- Stril Server

### Vessels with manning services<sup>1</sup>

- Elektron
- Elektron II
- Siddis Mariner

1) In addition to the company operated fleet, Scope 3 emissions from manning services for the vessels Elektron and Elektron II is included in this report.

## 1.6 Important Milestones in 2022

### First Quarter

- Battery installation and hybridisation of Stril Polar

### Second Quarter

- Stril Pioner commenced its first contract within offshore renewables for DEMA on the Saint-Nazaire Offshore Wind Farm
- Stril Server on charter for Equinor at the Hywind Tampen floating offshore wind farm

### Third Quarter

- Summer Emission Reduction Campaign using Maress digital management system

### Fourth Quarter

- Simon Møkster Shipping became a member of IMPA ACT
- Investment decision on hybridisation of additional two vessels in the fleet

### Subsequent Events in 2023

- Simon Møkster Shipping signed WISTA's 40by30 pledge
- The Maritime Battery Forum welcomed Simon Møkster Shipping as its new member

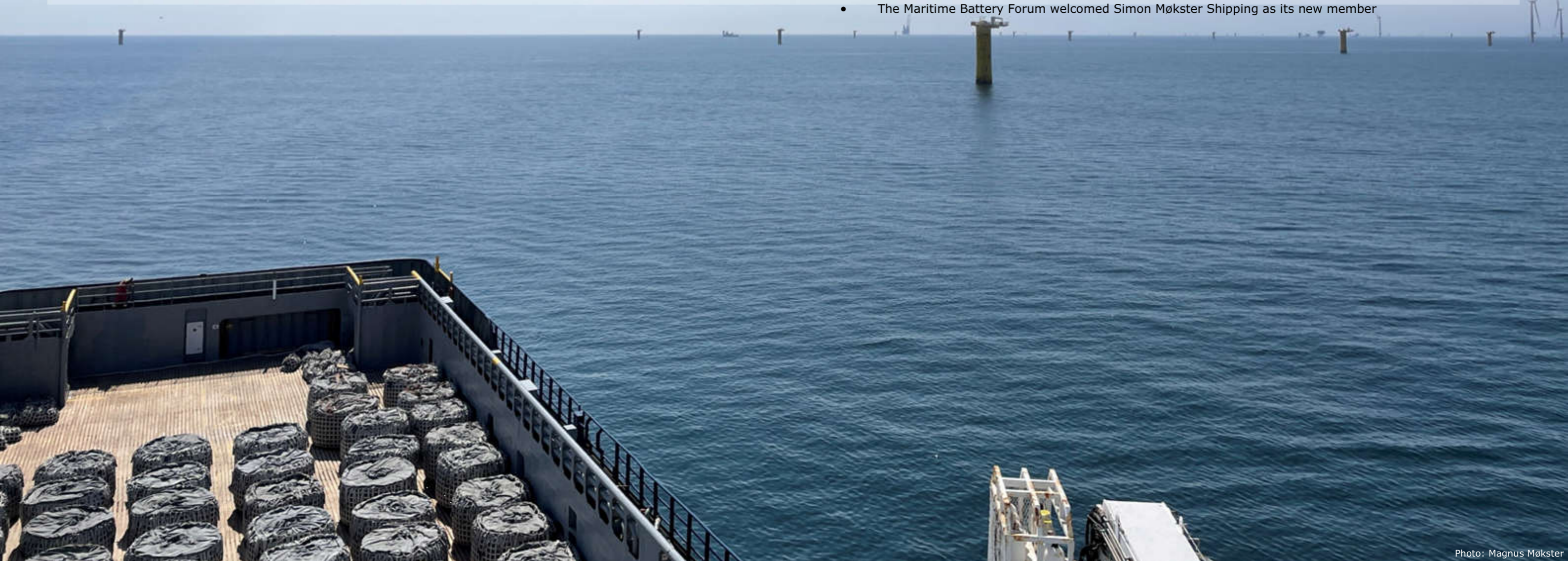


Photo: Magnus Møkster





# 2 Environmental Performance

## Performance Indicators

The environmental impact of the Company's activities is divided into two general categories, emission to air and ecological impact, including spills.

### Emission to Air

Emission to air can be further divided into local air pollutants such as NOx, SOx and PM and global GHG emissions, e.g. CO2 and other carbon-based emissions measured in CO2-equivalents (CO2-e). The Company's GHG emissions are operational control approached and classified into three scopes and calculated as defined by the GHG Protocol Corporate Accounting and Reporting Standard.

### Scope 1

Scope 1 emissions are direct emissions from operations that are owned or controlled by the reporting company. For Simon Møkster Shipping, scope 1 emissions are from its fleet of vessels, company vehicles and other own or controlled GHG emissions.

### Scope 2

Scope 2 emissions are generated from the purchased or acquired energy by the reporting company. Simon Møkster Shipping's scope 2 emissions are from the use of electricity at the Company's head office and shore facilities and from vessels with shore power connections.

### Scope 3

Scope 3 emissions are all indirect emissions not owned by the Company but that occur in the value chain as part of the Company's operations. The process of mapping GHG emissions under this category is ongoing. In this report category 6, business travel is included.

### Ecological Impact

The ecological impact refers to the impact that the Company's activities have on the natural environment, including ecosystems, species and resources. This includes the total amount of spills and other releases to the environment, the total waste handled and the Company's focus area on total food waste.

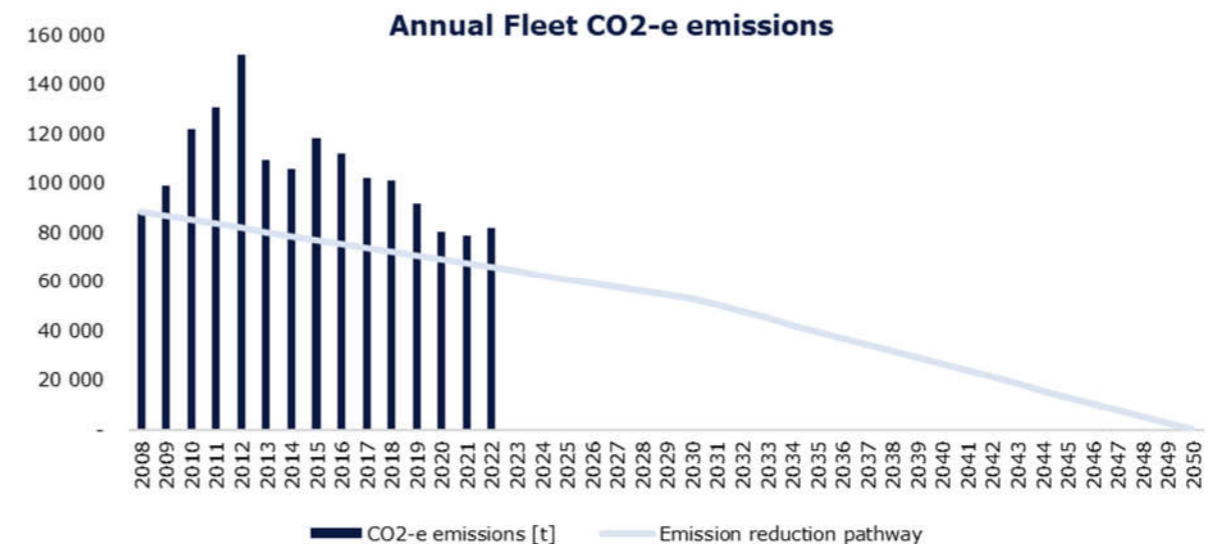
## 2.1 Scope 1 Emissions

Simon Møkster Shipping recognises the responsibility to contribute to reduce the global GHG emissions to keep the global temperature increase below 2°C – and preferably to 1.5°C, in line with targets set out in the UN Paris Agreement of 2015, the IMO's GHG Strategy and the Norwegian Government's action plan for green shipping.

In the short-term (towards 2025), Simon Møkster Shipping's main focus is to reduce CO2-e emissions through increased fuel and energy efficiency of the vessels. The Company has set a key performance indicator (KPI) target of 5 % improved mode-adjusted fuel efficiency annually. To achieve this, the primary tools are reducing transit speed, smart route planning, efficient energy use on board related to pumps, heating, cooling and lights, routine washing of propeller and hull, optimal ballast conditions when sailing, use of battery hybridisation and use of electric shore power when vessels are in port.

In the medium term (towards 2030), Simon Møkster Shipping's ambitions are to cut the total CO2-e emissions from the fleet with 40 % and reducing the carbon intensity by 70 %, compared to the 2008 baseline. In the long term (within 2050), the Company's ambition is to work towards net-zero emissions. To meet these ambitions, the Company is determined to go forward with zero-emission technology projects in close cooperation with charterers and vessel designers.

The Company's gross global scope 1 CO2-e emissions was 81 842 t for 2022. This include scope 1 emissions from company vehicles of 1 t and 81 841 t from the fleet. Compared to the 2008 baseline of 88 254 t CO2-e, the total fleet annual GHG emissions for the reporting year have decreased by 6 413 t CO2-e, representing a 7 % reduction. Since 2008, the total reduction in carbon intensity, expressed as g CO2 emitted per unit of transport work performed has been 49 %.

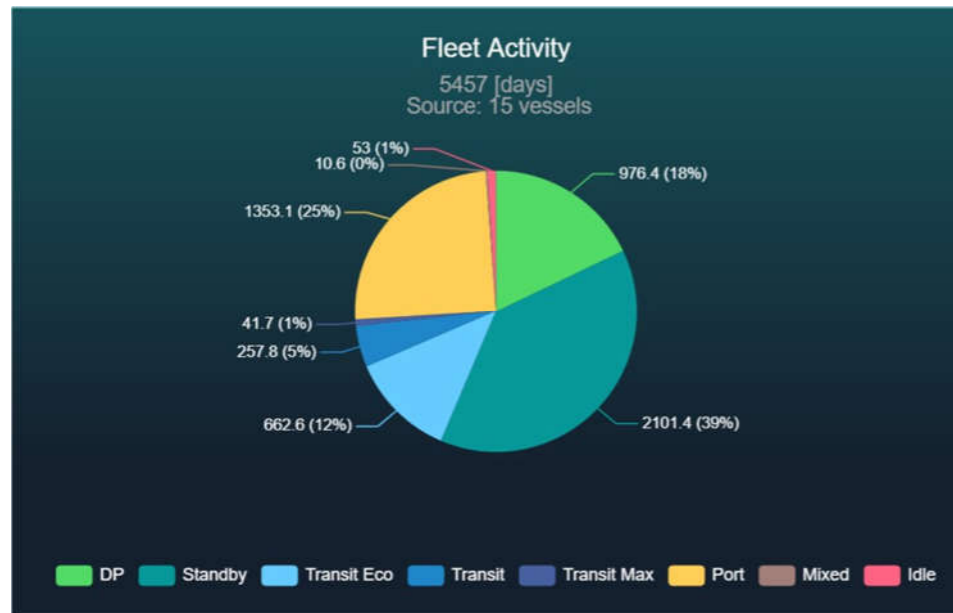




## Vessels Scope 1 Emissions

The 2022 total fleet CO<sub>2</sub>-e emissions was 81 841 t, an increase of 4 % from 2021. This can predominantly be attributed to an increase in vessel activity with 200 more vessel-days in 2022 compared to 2021. The total distance sailed was 247 224 nm, a slight decrease from 2021. This contributed to the fleet CO<sub>2</sub> intensity increasing from 78 gCO<sub>2</sub>/DWTnm to 82 gCO<sub>2</sub>/DWTnm. There were no new vessels added to the fleet in 2022.

Marine gas oil (MGO) was the primary energy source of the fleet accounting for 96.6 % of the total energy consumed. Liquefied natural gas (LNG) accounted for 2.8 %, with one of the Company's vessels running on LNG. Shore power accounted for 0.6 % with approximately half of this being supplied from ports with renewable energy certificates (RECs).



As described in the chart, standby mode is the largest fleet activity mode. This encompasses both standby duty performed by the ERRVs and vessels waiting to perform work at the field outside of the safety zone. Simon Møkster Shipping continues to challenge the charterers to optimise sailing schedules to reduce transit speed and to limit waiting time offshore.

## Company Vehicles Scope 1 Emissions

The Company owns and operates two company vehicles, of which one is fully electric, and one is diesel powered. These vehicles are utilised by employees for vessel visits in nearby ports, meetings, conferences, etc. The Company has also increased the use of virtual meetings to reduce business travel and associated emissions by the use of company cars.

The total scope 1 CO<sub>2</sub>-e emission from company vehicles was 1 tonnes in 2022.



Photo: Robin Hjertvik

## FuelRACE Campaign

In 2014, Simon Møkster Shipping started FuelRACE (Reduce fuel And Cut Emission), a campaign to set focus on reducing fuel consumption and emissions. The campaign has contributed a lot to increase the awareness in the fleet regarding fuel consumption and the importance of good voyage planning and efficient sailing.

The 2022 KPI target for the fleet was a 5 % improved fuel efficiency, compared to the mode-adjusted historic baseline. The fleet's overall fuel efficiency improvement for 2022 was 3.9 %. Several fuel efficiency measures have been implemented in 2022, such as:

- Battery installation and hybridisation of Stril Polar in January 2022
- Annual FuelRACE competition to reduce fuel and emissions
- Summer Emission Reduction Campaign in the fleet running from June to September, focusing on different operational modes

- Feedback and distribution of vessels' "best practice"
- Propeller and hull cleaning

The "Top performers" of the Summer Emission Reduction Campaign was the Stril Mar with a 34 % improved efficiency in transit mode and the Stril Poseidon with a 36 % improved efficiency in standby mode for the campaign period.

The winner of the 2022 annual FuelRACE campaign was also the Stril Mar, which accomplished a 23.5 % improved efficiency for the reporting year, compared to their historical baseline.



Photo: Morten Vika



## 2.2 Scope 2 Emissions

Simon Møkster Shipping's scope 2 emissions are related to the purchased electricity for use on board vessels equipped with shore power connections and for the Company's onshore activities. Estimated CO<sub>2</sub>-e emissions are calculated based on values from the Norwegian Water Resources and Energy Directorate (NVE) given for 2021, as this are the latest data given.

### Fleet Shore Power Connections

Seven vessels in the Company's fleet have installed shore power connection systems. Simon Møkster Shipping, together with charterers and other stakeholders, have a high focus on increasing shore power utilisation. The total power consumption in 2022 was 2107 MWh, a slight reduction down from 2 536 MWh in 2021.

During the reporting year, Simon Møkster Shipping started to map which ports hold a Guarantee of Origin (GO) or REC for the electricity they supply. For 2022 this included Stavanger regionen havn, Bergen havn, CCB Mongstadbase and Norsea Kristiansund Vestbase. Approximately half of the total shore power consumption in 2022 was from these ports, representing 0.3 % of the fleet's total energy consumption. Simon Møkster Shipping will continue to push other ports to also commit to providing renewable shore power.

The footprint from the use of shore power was 11.6 t CO<sub>2</sub>-e. This is significantly less than 2021, mainly due to accounting for the green certificates for 2022. Compared to burning MGO, this reduced the Company's net CO<sub>2</sub>-e emissions by 1 520 t.



### Company Shore Facility

During the reporting year the total power consumption at the Company's offices and other shore facilities was 164 MWh. This includes offices, cafeteria, storage areas, electric vehicle charging station for employees and office, and shore power connection at Simon Møkster Shipping quay.

The total CO<sub>2</sub>-e footprint was 1.8 t, compared to 0.5 t in 2021. This increase is due to an increased reporting scope. In close collaboration with the building manager, various efforts are ongoing to improve energy efficiency.

## 2.3 Scope 3 Emissions

### Business Travels

For the third consecutive year, Simon Møkster Shipping reports on scope 3 indicator 6 emissions related to air travels. The main contributors are travels to and from crew changes for seafarers and business travel for shore personnel.

The Company's CO<sub>2</sub>-e footprint from air travels in 2022 was 460.7 t. This is an increase of almost 25 % from the previous year and can primarily be seen as a result of increased vessel activity, especially outside of Northern Europe where also most of the Company's seafarers are based. The Company has a strategy of prioritising local content where practicable for vessels with long contracts to reduce costs and emissions associated with traveling.

### Additional Scope 3 Indicators

During 2022, the Company initiated the process of mapping other scope 3 indicators in the Company's value chain, both upstream and downstream activities, such as purchased goods and services, capital goods, upstream transportation and distribution and waste generated in operations. The Company has prioritised to start emission data collection from the Company's A-suppliers, as defined in the management system, and to establish a process to obtain quality-assured figures to be able to disclose this going forward.

Simon Møkster Shipping views mapping and disclosing scope 3 GHG emissions as an important component in the Company's transition risk management.

Area	km 2022	km 2021	CO <sub>2</sub> -e 2022 [t]	CO <sub>2</sub> -e 2021 [t]
<b>Domestic</b>	1 844 809	1 783 911	282.0	265.8
<b>Nordics</b>	874 456	710 981	109.6	87.0
<b>Europe</b>	384 659	127 978	46.4	16.0
<b>Intercontinental</b>	557 179	69 920	22.7	3.1
<b>Total</b>	3 661 103	2 692 790	460.7	371.9



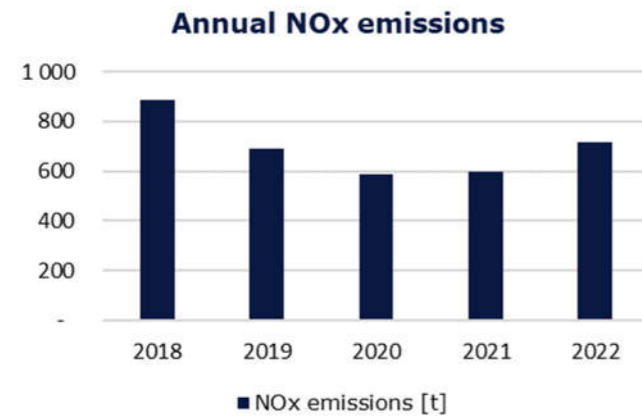


## 2.4 Local Emissions

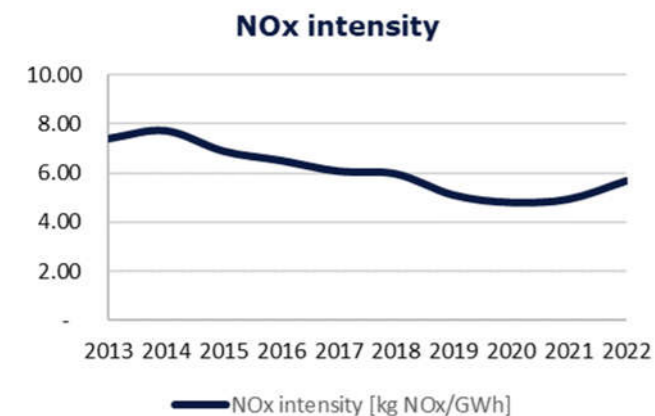
Local emissions include NO<sub>x</sub>, SO<sub>x</sub> and PM emissions. These differ from CO<sub>2</sub> and other GHG emissions as they do not contribute to global warming, however they may be harmful for the local environment and eco systems.

### NO<sub>x</sub> Emissions

The fleet total NO<sub>x</sub> emissions for 2022 were 716 t, compared to 597 t in 2021. The main contributing factor to this increase is less use of LNG and more use of MGO in the energy mix. There was also a reduction in urea consumption. NO<sub>x</sub> emissions are not directly related to the fuel consumption, such as CO<sub>2</sub> emissions, but dependent on other additional factors. Engine construction, use of SCR systems and alternative fuels such as LNG contributes to lower NO<sub>x</sub> emissions.

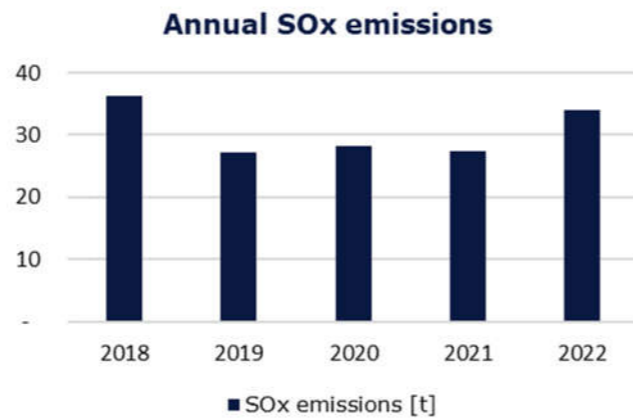


The NO<sub>x</sub> intensity for 2022, expressed as NO<sub>x</sub> emissions per GWh of power produced by the fleet was 5.69 kg/GWh. This is up from 4.95 kg/GWh in 2021, and slightly above the maximum 5 kg/GWh KPI target. The increase can be attributed to the same factors as described in the previous paragraph.



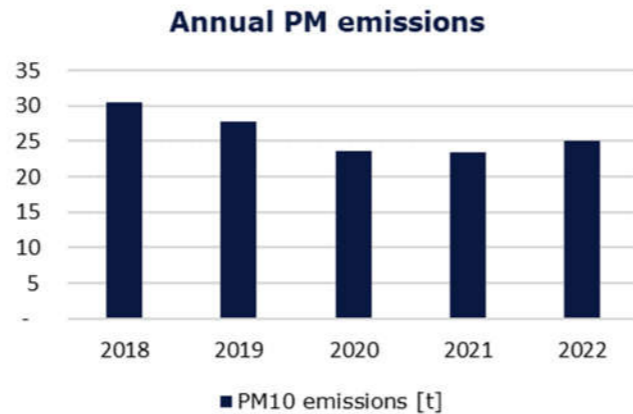
### SO<sub>x</sub> Emissions

SO<sub>x</sub> emissions in 2022 were 34 t, an increase of 7 t compared to 2021. SO<sub>x</sub> emissions are highly dependent on the sulphur content of the bunker oil. All vessels managed by Simon Møkster Shipping use low-sulphur marine gas oil (MGO) or LNG which both give very low SO<sub>x</sub> emissions.



### PM Emissions

PM emissions are calculated from the vessels fuel consumption and hence follows the same trajectory as the total fleet fuel consumption. The 2022 PM emissions were 25 t, an increase of 2 t from 2021.



## 2.5 Ecological Impact

Simon Møkster Shipping have clear goals of zero non-planned emissions, spills and minimal burden to the environment. As a tool in this work, the Company is certified according to ISO 14001:2015 to manage its environmental responsibilities in a systematic manner. For the Company's operations, this standard provides value for the environment, the organisation itself and stakeholders.



### Spill

The Company goal is zero spills. All reporting of spill incidents are done through the HSE system, which ensures a register of high-quality data related to this subject.

As part of the effort in reaching the zero-spills goal, the Company will continue with measures and focus campaigns for all employees, in line with industry regulations and best practices. In addition to this, the fleet is prioritising maintenance of technical equipment such as lube gaskets and hoses on a regular basis as required by the manufacturer, to keep incidents to a minimum.

In 2022, the Company had two separate incidents with minor spills to the environment. In total, 6.8 l were reported as spilled to the environment in the HSE reporting system.

### Waste

All vessels in the fleet are obliged to report all waste handled on board as part of the requirements in MARPOL Annex V. This is done using the vessels garbage record book. The majority of the waste, including all hazardous waste is delivered to shore based facilities.

The total waste registered and handled in 2022 was 132 t, an increase of 4.3 % from the year before. The increase can be attributed to higher vessel activity during the reporting year compared to 2021.

### Food Waste

In Q3 2020, Simon Møkster Shipping started "The Food Waste Campaign". The ambition is to cut the volume of food waste in the fleet with 50 % by 2030, in line with UN SDG sub-goal 12.3.

Due to higher activities and more operations, the amount of food waste in 2022 has increased by 3.6 t compared to 2021. Compared to the 2020 baseline (Food waste campaign start), the total reduction in food waste has been 22 %, well on the way to reach the 50 % reduction by 2030.

### Operation in Marine Protected Areas

The Company registered 4322 vessel-days of operation within marine protected areas (MPAs). MPA is a collective term for special areas defined by the IUCN, MARPOL, the IMO and national regulations. The majority of the disclosed time is from vessel operation within the North Sea and Baltic Sea Emission Control Areas (ECAs) and the Baltic Sea and the Western European Waters PSSAs, which all fall under the Company's primary trading area. Simon Møkster Shipping is committed to follow all relevant regulations to minimise the environmental and ecological impact from vessel operations, hence the Company does not associate operation within these MPAs with an increased environmental or ecological risk.

### Ship Recycling

Simon Møkster Shipping manages a modern fleet with an average age of 13 years. During 2022, no vessels were sent to recycling. The Company supports and follows the recommendations of the Norwegian Shipowners' Association, the IMO and the EU. The Company recognises that unlicensed ship recycling may be associated with high risks to health, safety and the environment and has taken measures to ensure future recycling efforts are conducted in a responsible manner.

All vessels managed by the Company is certified according to the Inventory of Hazardous Materials (IHM) regulations, in line with the EU Ship Recycling Regulations and the Hong Kong Convention (HKC). The Company is taking measures to contribute to the compliance with the HKC requirements and to ensure that only yards satisfying the HKC or EU Statement of Compliance will be considered for future recycling.



### 1.3 Climate Risk

As the world continues to grapple with the challenges posed by climate change, businesses across various industries, including shipping companies, are increasingly becoming aware of the risks and opportunities associated with the changing climate.

On an annual basis the Climate risk assessment for company management is revised based on the latest scientific, regulatory and technological changes that is given. This is handled and processed through the companies Sustainability committee, also called ESG committee. During monthly meetings the management of climate risk is reviewed, and new risks/possibilities is identified and added. The climate risk assessment follows the guidelines outlined by the TCFD recommended disclosures and the Company have identified risks and opportunities in the short, middle, and long term.

#### Physical Risk

The significant climate risks that Simon Møkster Shipping considers on the short-term (annually and forward to year 2025), is the physical risk, such as the impact of extreme weather events, severe storms, hurricanes, and other weather events that can disrupt our shipping operations. This risk may cause delays, damage to vessels and cargo, or personnel injuries. To mitigate this risk, the company have a robust contingency plan, risk assessment and voyage procedure that take into account the likelihood of bad/extreme weather events for our voyages, and the potential impacts on their operations.

For the short-term period the company have high ambitions when it comes to improving efficiency in the fleet, reducing CO2 emissions and to find better environmental solutions in the daily work on board and onshore.

- Continue with the successful FuelRACE campaign and perform a summer campaign for increased efficiency utilising the VPS Maress software system.
- Continue the process of being ISO 50001 Energy management certified.
- Improve the utilisation of shore power connections on vessels in the fleet in cooperation with customers and ports.

For the middle (towards 2030) and long (towards 2050) term physical risks the company consider the rising sea level, changing ocean current and that it may occur more frequent extreme weather situations. The company will implement measures in the form of investments on board the vessels fleet, change and revise procedures and change sailing patterns to accommodate this. To allow us as a company to achieve our targets for middle and long term we are dependent on proceeding.

#### Transitional Risk

Simon Møkster Shipping also considers the transition risks associated with climate change. Increasing regulatory pressures to reduce greenhouse gas emissions may lead to higher operating costs for shipping companies that rely on fossil fuels. Additionally, as investors and consumers become more concerned about climate change, shipping companies that fail to demonstrate their commitment to reducing their environmental impact may find it challenging to secure financing and customers.

To address these risks on the short term the company have adopted a proactive approach to climate risk management. This approach includes strategies and goals to reduce greenhouse gas emissions as mentioned in chapter 2.1 in this report, investing in technology to improve energy efficiency, and engaging with stakeholders to demonstrate a commitment to sustainability. By taking these steps, Simon Møkster Shipping not only reducing our exposure to climate risk but also seize the opportunities presented by the transition to a low-carbon economy.

The company is striving to find the best climate friendly fuel systems allowing us to meet our targets. As an example of the opportunities the transition to a low carbon economy gives us, is the ongoing projects with Ammonia fuel and Carbon Capture Storage on board our vessels. These projects are only in the initial phase, but we are working towards their realization and thereby meeting our goals.

#### Climate-related Risk Management

Simon Møkster Shipping has conducted a comprehensive assessment of the Company's exposure to climate-related risks, including a 2°C or lower scenario. The resilience strategy is focused on managing climate-related risks and capturing opportunities by transitioning to a low-carbon and climate-resilient business model. The Company's strategy is based on the following key pillars:

- Fleet optimisation based on energy efficiency in the fleet.
- Alternative fuels and new technology. Exploring the alternatives such as ammonia and CCS.
- Knowledge and learning. Keep up to date with new knowledge and share with stakeholders.
- Supply chain resilience. Ensure the resilience of our supply chain related to climate risk.

Global warming is likely to reach 1.5°C between 2030 and 2052 if it continues to increase at the current rate. If the global warming level exceeds 2°C, the climate scenario will have severe consequences for the company. Beyond 2045, will a sea level rise of 0.5 to 1 meter have major negative consequences for coastal agricultural areas, urban areas, and infrastructure. Directly will this affect the Company fleet port calls in a negative way.

Coastal areas in North Europe may also have very costly storms in combination with extreme rainfall. This will affect the vessels' operations, as this is the main area of operation. To compensate for these scenarios, it is important that the Company stick to its strategy plans, procedures and budget to prepare for weather situations affecting the company assets.





# 3 Social Performance

Simon Møkster Shipping's primary goal is zero injuries to personnel. Additionally within the social pillar, compliance with human rights, including labour rights, as stated in the International Bill of Human Rights and ILO's Declaration on Fundamental Principles and Rights at Work are also essential parts of the Company's licence to operate. The work to achieve these goals are anchored in the Company's health, safety, environmental and quality (HSEQ) policy, which among others states:

- Develop a safe and environment-friendly practise, and a healthy work environment within vessel operations.
- Arrange such that employees thrive in a safe and secure work environment. The policy includes a prohibition of bullying and harassment of co-workers.
- Identify work operations that require risk assessments and implement corrective measures and evaluation.
- Ensure that our goals and commitments are communicated and understood throughout the organization.

## 3.1 Health and Safety

The Company is certified within ISO 45001:2018, MLC and ISM which oblige the organisation to establish, implement and maintain an occupational health and safety management system, eliminate hazards and minimise risks. This standard is closely linked to the Company's focus on UN SDG 8, Decent work and economic growth. Furthermore, the Company is ISO 9001:2015 certified, which demonstrates the importance of quality in the safety management system.



The reporting of incidents, near-misses non-conformities and safety observations is a vital part in continuing to build a robust safety culture and learning from past mistakes.

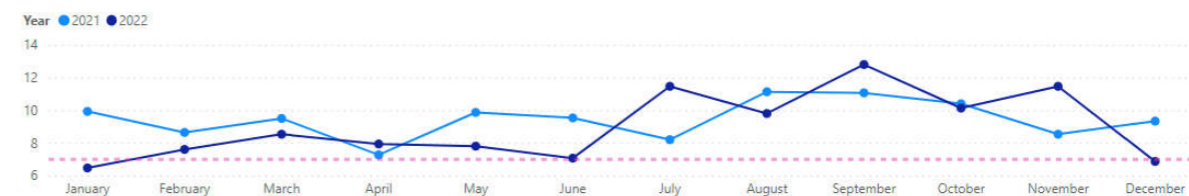
The Company's KPI target for 2022 was 7 reports per vessel per month. On average every vessel prepared 8.9 reports which is well above KPI. Through the reporting year, there has been a trend of more equalisation of the number of reports, and the average is more aligned per month than previous comparisons. The quality and contents of the reports has also improved following a reporting campaign that was sent out to all vessels and the company office.

Simon Møkster Shipping has a KPI target for the annual rolling total recordable incident frequency (TRIF) of 1.25 per 1 000 000 man-hours. For 2022 the TRIF was 3.26 which is regrettably above the KPI target and an increase from last year. All incidents are reported and handled through the web-based safety management system, and appropriate actions are taken.

There were three lost time incidents (LTI) as a result of incidents on board the Company's vessels in 2022, resulting in and annual rolling LTIF of 1.63.



Reports Pr Vessel





## Health and Safety Campaigns

The Company conducted seven campaigns within the social aspect of ESG last year. These were distributed and reviewed by both onshore and offshore personnel in the company.

Campaigns in 2022:

- Always Safe Q1
- Always Safe Q2
- Use of Risk Assessments
- Human Rights and Due Diligence
- Always Safe Q3
- Always Safe Q4
- Reporting Process

### Use of Risk Assessments

The purpose of the campaign was to align the use of risk assessment in the fleet and ensure a common understanding and a structured setup regarding risk management in the fleet and in the office.

### Human Rights and Due Diligence

Due to the introduction of the Transparency act in 2022 the company needed to prepare and adjust a number of processes to comply with the new Act. A part of this process was to start a campaign for all the employees in the company regarding the content about human rights and decent working conditions.

### Reporting Process

The purpose of this campaign was to improve the quality of all reporting to and from vessels to the office and external parties. As well as the processing of reports and audits in our management system.

### Always Safe

Always Safe is a web-based platform and is a collaboration by Equinor, Aker BP, Vår Energi and ConocoPhillips with support from BehaviorLab.

The content on the web platform is open for all operators and suppliers. The purpose of the initiative is to strengthen the industry's safety culture and work together towards zero major accidents and avoid injuries and undesirable incidents in our daily work.

Simon Møkster Shipping is a strong believer in collaboration between industry actors when it comes to enhancing safety and joined the initiative in 2021 as the first offshore shipping company.

The Always Safe web platform provides quarterly learning packages focusing on various aspects of health and safety in the offshore industry, and in 2022 all the four campaigns were utilised.



### Companies that use Always Safe





### 3.2 Recruitment and Competency Development

Simon Møkster Shipping has a goal to be a Norwegian shipping company with an infinite perspective. To realise this, the Company relies on a sustainable economic growth, investment in our employees and technological innovation. UN SDG 8 Decent Work and Economic Growth aims to create fair economic growth and new jobs to combat inequality and eradicate poverty. Ensuring young people are included in the labour market, ensuring a stable and secure working life, facilitate for more women in work and reducing informal and undeclared work are vital in achieving this.

Simon Møkster Shipping has for years worked closely with other shipping companies in the region through the SURF (Skipsfartens Utdanning- og Rekrutteringsforum) initiative to strengthen the recruitment to, and the quality of, the local maritime education institutions. Through this cooperation, Simon Møkster Shipping is now one of a handful of shipping companies participating in the trial of a new system for the training of future navigators. In close cooperation with local institutions for maritime education we are now testing a 4-year education program that includes cadet time and therefore an education all the way to first navigator certificate.



32 apprentices and cadets

Simon Møkster Shipping believes every company has a responsibility for providing apprenticeships and trainee position in order to secure continuous access to qualified personnel for the maritime industry. At the end of the reporting year, Simon Møkster Shipping had registered 32 apprentices and cadets in the fleet.

#### Photo Contest

Since 2019, Simon Møkster Shipping has been organizing an internal photo contest as a part of its recruitment and marketing strategy. Each month, participants capture incredible photos showcasing various weather conditions and work situations across the Møkster fleet and in office ashore. The contest provides opportunity to appreciate the creativity and skills of our team members, and we are always thrilled to receive an array of amazing and cool photos every year.

The monthly winner photos are shared across all Simon Møkster Shipping's social platforms including Facebook, Instagram, LinkedIn and the Company's webpage.



Photo: Jakob Snørteland



Photo: Roger Lille

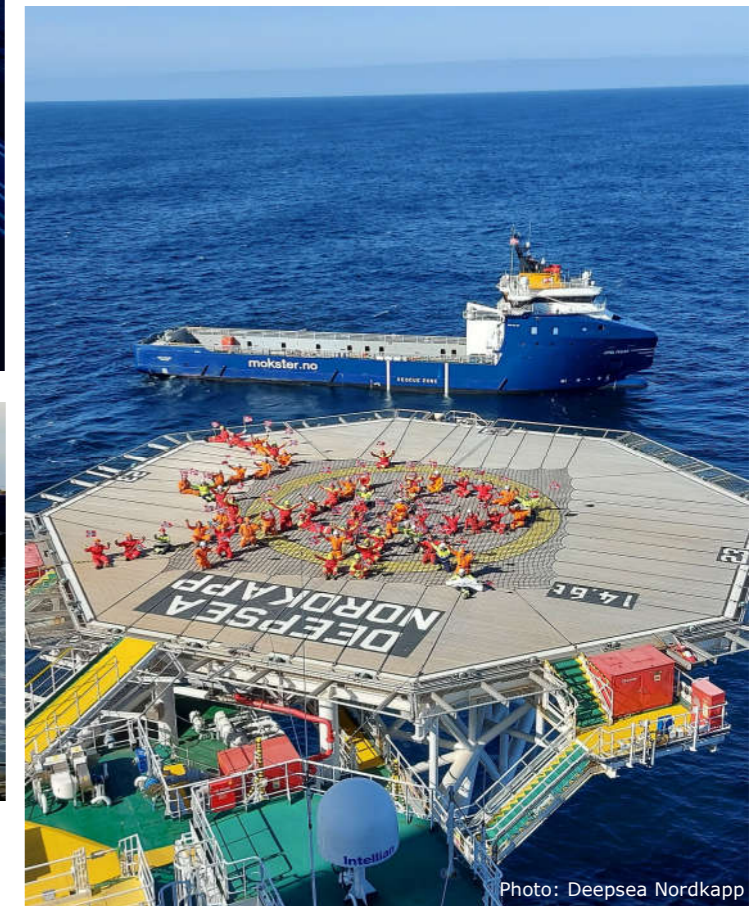


Photo: Deepsea Nordkapp



Photo: Kristian B Olsen



Photo: Stig Morten Ask



Photo: Rasmus Christoffersen



Photo: Kai-Roger Brox



Photo: Liv Handegård





### 3.3 Diversity Practices

Diversity of gender, cultural background and age is important in any organisation. Shipping has traditionally been a male-dominated industry. In line with UN SDG 5 on gender equality, Simon Møkster Shipping wishes to promote gender equality and empower women both on board and ashore. The gender distribution in the company is 92 % men and 8 % women respectively. The percentage for women has increased compared to previous year, which is welcomed. Women are represented in most positions on board including Master, deck officers, engine officers, electricians, stewards, ABs, apprentices, and cadets.

The Company is also getting involved in the international organisation (WISTA Norway) promoting the roll and presence of female workers in the maritime industry, (40 by 30) and will through this cooperation and future membership systematic work to improve the participation and influence of female workers in our business and vessels.

The Company also has a strict anti-discrimination policy and zero tolerance for harassment.

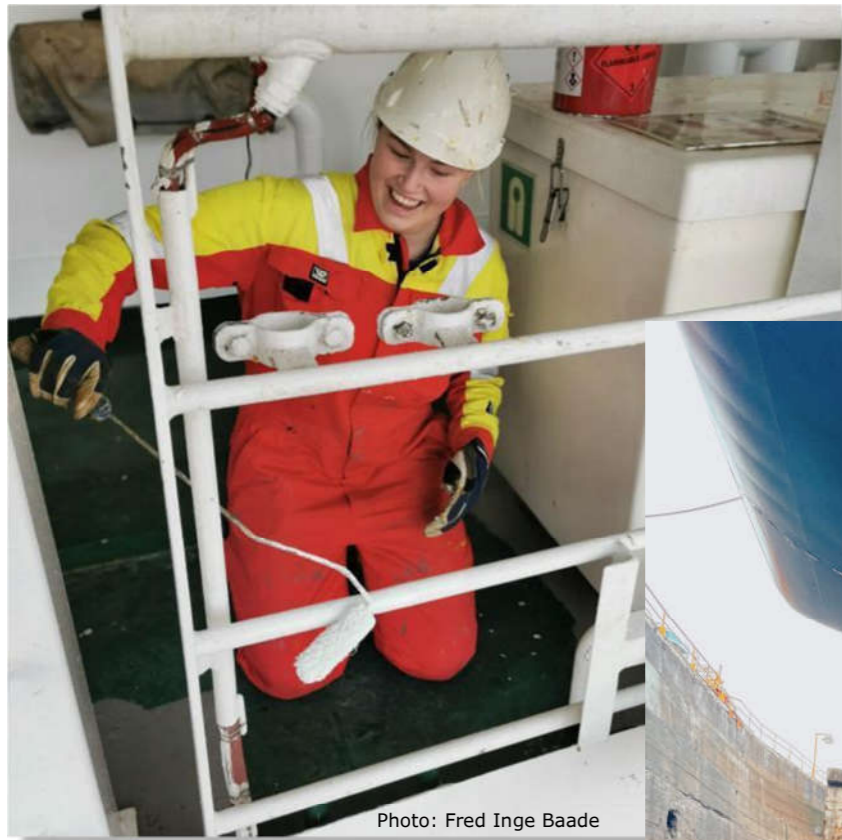


Photo: Fred Inge Baade

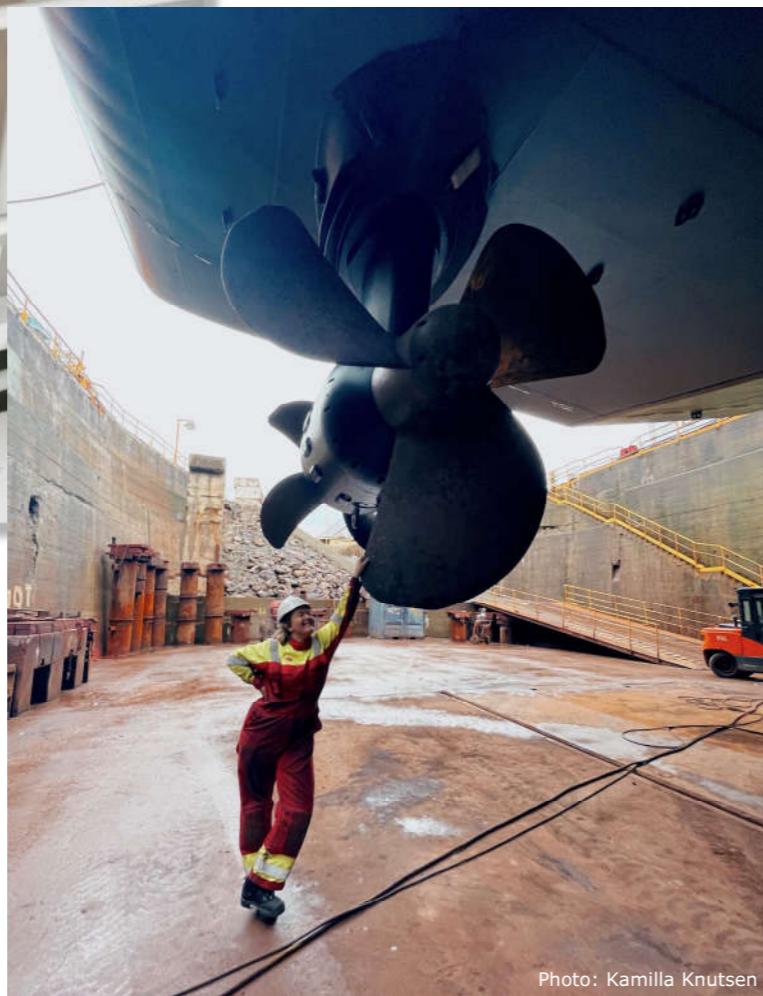


Photo: Kamilla Knutsen

### 3.4 Human Rights

Simon Møkster Shipping is responsible for complying with human rights and performing due diligence in a lawful manner, as referenced in the International Bill of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. These principles are listed by the UN Global Compact and made operational by the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises (OECD).

As a company we are dependent on good cooperation with our suppliers, partners and customers in the work to respect the human (labours) rights and all individuals. This includes ensuring safe working conditions, be non-discriminatory and to be in compliance with applicable labour laws. This relates to all our operations, including the supply chain upstream and downstream. Our company is in compliance with MLC 2006 and a member of the IMPA Act Code of Conduct Business relationships.

### 3.5 Supply Chain Management

The Company is dedicated to utilise suppliers which provide products and services that have the least possible negative impact on the environmental, social and economical development. This is done by classifying its suppliers into three categories: A-, B- and C-suppliers. The A- category suppliers provide critical components for the Company's operations are required to be certified according to ISO 9001 and ISO 14001 or equivalent standards with regards to quality and environmental management.

In 2022, the Company became member of the IMPA Act, who assists the Company with implementing a Responsible Business Conduct standards covering all operations and to extend these requirements to and collaborate with suppliers through responsible supply chain management. This set of social, environmental and economic principles and standards are based on internationally endorsed UN minimum expectations

It is our expectations to manage adverse impacts on the human rights. This is done by continuously identify, prevent, mitigate, remediate, and account for our potential and actual adverse impacts in processes on a regular basis.



for businesses and represent current best practice. For the reporting year the Company started the process of committing internally to this set of principles and the process of providing information regarding the IMPA Act to all suppliers.

Simon Møkster Shipping is also a member of the Incentra purchasing association. All Incentra approved suppliers must comply with Incentra's standards within HSEQ, including meeting the supplier code of conduct.

In addition to the Incentra audited suppliers, the Company perform three supplier audits annually with especial emphasis on HSEQ performance and environmental management systems. All company A-suppliers are also audited every 3-years.



# 4 Governance

Simon Møkster Shipping is committed to conduct all company activities in such a way that authorities, customers, suppliers and employees have confidence in the Company and behave upright and reliable in all instances. The Company's policy on human rights, ethics and corporate social responsibility is based on the recommendations made by the Norwegian Shipowners' Association and the UN Convention against Corruption, OECD Guidelines and principles 10 of the UN Global Compact.

The Company is committed not to utilise suppliers which use or are suspected of using labour that is not covered by wage agreements, or do not have internationally agreed workers' rights, nor utilise suppliers that benefit from child labour. All activities conducted in the service of the Company, including social media behaviour, is subject to the three-questions ethics test. In case the answer to any of these is negative, said activity should not be carried out.

- 1) Is it legal?
- 2) Is it right?
- 3) Can it be justified?

## 4.1 Corporate Governance

The Møkster Group is organised with Simon Møkster Holding AS as the holding company and Simon Møkster Shipping as the operating arm of the group. Simon Møkster Holding AS is organised as a limited liability company and is 100 % privately owned. Simon Møkster Holding AS's board of directors consists of five peoples, two women and three men with three external non-family directors including an external chairperson.

All companies in the Møkster Group are registered in Norway or other European countries (Spain and Faroe Islands). All companies are subject to a financial statement audit by an independent registered certified public accountant. For the reporting year 2022, Deloitte acted as

the Group's independent public accountant. Furthermore, Simon Møkster Holding AS is subject to the Norwegian Companies Act and the Accounting Act and adheres to the Norwegian Code of Practice for Corporate Governance.

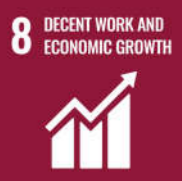
All vessels managed by Simon Møkster Shipping fly either NOR or NIS flag, which both are on the Paris MoU White List. All seafarers sailing on board vessels managed by the Company, either employed by Simon Møkster Shipping or Mercator Crewing are covered by collective bargaining agreements. All shore-based personnel are also covered by individual agreements and the Norwegian Working Environment Act.

## 4.2 Transparency and Disclosure Practices

Throughout the year the company has adjusted existing policies, and introduced new policies with regards to sustainability and transparency. To support these policies, documentation in the management system has been updated and a new procedure that describes the process of sustainability has been made PM01-07 Compliance with human rights and due diligence.

From fall 2022, the Company's ESG committee which consists of one member from each of the Company's departments performing monthly meetings to improve both handling and registering of the company's ESG process and transparency.

The company also has updated the various prequalifying platforms with the descriptions of the Company's practices, such as Magnet JQS. For the coming year an improving in supplier assessments and scope 3 emission registering is planned through the ESG committee, by the use of Impa act and Incentra memberships, including own processes.





### 4.3 Anti-corruption and Bribery Policies

Through the Company's policy for due diligence, Simon Møkster Shipping has committed to conduct all business in accordance with UN Global Compact Principle 10 and other recognised international guidelines for ethical and moral business performance.

The Company shall not make excessive payments in order to obtain commercial benefits and is committed to work against corruptions at all levels of the supply chain. No person in the Company's service is allowed to give or receive remuneration in any form that may be interpreted as an attempt to influence decisions. No instances of corruptions or bribery attempts were reported in 2022.



### 4.4 Sustainable Business Development

Simon Møkster Shipping has a strong tradition for long-term relationships with our customers and other business partners. These solid relations have been and will be crucial, for the necessary close collaboration to help us solve the challenges related to continued sustainable growth.

The Company's philosophy is to trade its vessels on longer contracts with limited exposure to the spot market. This contributes to both economic stability and give the predictability to engage in new ventures in collaboration with customers. Fleet utilisation continues to be strong in 2022 at 84 %.

#### Renewables Segment

Part of Simon Møkster Shipping's strategy is to continue to diversify and reduce dependence on the oil and gas industry by increasing the income from projects outside this sector. The Company's targets are to have 25 % of revenue from non-oil and gas related activities by 2025, increasing this to 50 % by 2030.

9 % of the overall revenue in 2022 came from non-oil and gas related activities, which is down from 16 % in 2021. This is primarily due to higher charter rates for the vessels trading in the oil and gas segment and higher vessel demand from the subsea market where many SOVs also can be utilised.

Offshore wind and other areas of the renewables segment are important markets where Simon Møkster Shipping has been involved since 2014. During 2022, the Company worked with new and returning customers in this segment in both Europe and the Americas. 2022 also saw the first contract in this segment for one of the Company's PSVs with the Stril Pioner doing work on the St. Nazaire Offshore Windfarm in France and the first contract in Norwegian waters with the Stril Server providing accommodation, walk-to-work, lifting and bunkering services on the Hywind Tampen windfarm. Hywind Tampen is the world's largest floating offshore windfarm and has provided the Company and vessel crew with unique experiences on this field.





## 4.5 ESG Investments in 2022

### Environmental

Continuous improvement and innovation are paramount to ensure sustainable growth and development and to meet future challenges. Simon Møkster Shipping has a long track record as an industry leader in developing and implementing new and exciting concepts. The use of LNG and NOx abatement systems such as SCR, have been installed and in use since 2003.

The last few years the Company has increased its focus on GHG reductions, driven by the FuelRACE campaign, and huge improvements have already been achieved. In 2022, the Company invested NOK 36 millions in environmental improvements, including:

- Battery hybridization of Stril Polar
- New ballast water treatment systems on board the Stril Barents, Stril Mar, Stril Server and Stril Explorer.

The Company has received grants from ENOVA on approximately 27 % of the investments in battery hybridisation. Together with the NOx fund, these actors are essential in realising environmentally friendly projects. A close cooperation with both suppliers and especially the charterers is also crucial to achieve good results. Simon Møkster Shipping has dedicated frame agreements in place both with relevant suppliers and with charterers.

### Social

Investing in training and continuous professional development of employees is also crucial in the sustainable development of the organisation and to continue to build maritime competence.

In 2022, the Company increased the investment to NOK 2.8 millions in training and continuous professional development for our employees. An 7% increase compared to 2021. This gives an average of approximately NOK 5 500 per employee. The majority of this is related to first-time issuance and renewal of maritime certificates.



Photo: Roger Lille



**Mission Statement:**  
*Norwegian shipping company with an infinite perspective*



## TCFD Reference Index

TCFD recommendation	Reference to Simon Møkster Shipping disclosure
<b>Governance: Disclose the organisation's governance around climate-related risks and opportunities</b>	
a) Describe the boards oversight of climate-related risks and opportunities.	1.4 Board of Directors' Statement
b) Describe management's role in assessing and managing climate-related risks and opportunities.	1.3 Management Letter
<b>Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material</b>	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	2.6 Climate Risk
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	4.4 Sustainable Business Development 4.5 ESG Investments in 2022
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	2.6 Climate Risk
<b>Risk Management: Disclose how the organisation identifies, assesses, and manages climate-related risks.</b>	
a) Describe the organisation's processes for identifying and assessing climate-related risks.	2.6 Climate Risk
b) Describe the organisation's processes for managing climate-related risks.	2.6 Climate Risk 3.5 Supply Chain Management
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	2.6 Climate Risk
<b>Metrics and targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</b>	
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	2.6 Climate Risk
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and related risks.	2.1 Scope 1 Emissions 2.2 Scope 2 Emissions 2.3 Scope 3 Emission
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	1.2 Summary of ESG Indicators 2.1 Scope 1 Emissions



## Account of Due Diligence

This account of due diligence on human rights is prepared by Simon Møkster Holding AS, in accordance with Section 4 of the Norwegian Transparency Act. Simon Møkster Holding AS is responsible for carrying out due diligence in accordance with the OECD Guidelines for Multinational Enterprises. The purpose of this account is to demonstrate Simon Møkster Holding AS' compliance with the requirements of the Transparency Act and commitment to responsible business practices.

### Description of the Company

Simon Møkster Holding AS is the ultimate parent company of the Møkster Group. The Group is organised with ship-owning companies and Simon Møkster Shipping AS as vessel manager and ISM DOC holder. Simon Møkster Holding AS is organised as a limited liability company registered in Norway and is 100 % privately owned. All companies in the Group are registered in either Norway or other European countries. The main process is the operation of vessels own by the Group itself or other external shipowners, as well as following up new builds and other projects. The vessels primarily trade in the offshore oil and gas and offshore renewables industries in Northern Europe.

Procedure for handling potential adverse impacts on fundamental human rights and decent working conditions shall be anonymously reported as NC in the safety management system. Any complaints in addition to this are reported in writing outside the management system.

The CEO has the lead responsibility for human rights. The operational responsibility for human rights, due diligence, training and plans lay with the HSEQ Department. The Board of Directors is responsible for oversight on human rights throughout all company activities.

Simon Møkster Shipping AS has implemented policies covering the processes for human rights and due diligence. Simon Møkster Shipping AS is certified in accordance with ILO's Maritime Labour Convention, ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and recognises and promotes the UN SDGs and the UN Global Compact's Ten Principles.

### Risk Assessment Process

We have conducted a thorough risk assessment of our operations and supply chain, taking into account a range of factors such as the regions we operate in, the nature of our business and potential labour rights, environmental and anti-corruption risks associated with our operations. Based on our risk assessment with reference to our compliance to ISO 9001:2015 quality management system, we have identified the following areas as high-risk:

- Human rights, including labour rights and working conditions in our supply chain
- Environmental impacts of our operations and services
- Anti-corruption and zero bribery in our operations and supply chain

### Due Diligence Measures

With reference to ISO 9001:2015 and our Incentra membership, the high-risk areas in our risk assessment is identified and the company have implemented a range of due diligence measures, including:

- Conducting regular audits of our suppliers and subcontractors to assess their compliance with labour rights and environmental standards

- Providing training and capacity-building support to our suppliers and subcontractors to help them improve their performance on labour rights and environmental issues
- Committed to reduce GHG emissions, air pollutants and spill to the environment.

Our due diligence measures have resulted in a number of positive outcomes, including:

- Reductions in environmental impacts associated with our operations and services
- Increased awareness and understanding among our suppliers and subcontractors regarding their responsibilities and our expectations.

We believe that our due diligence measures demonstrate our commitment to responsible business practices and our compliance with the requirements of the Transparency Act. We will continue to monitor and improve our performance on human and labour rights, environmental issues and anti-corruption and we will provide regular updates on our progress in future accounts of due diligence.

  
 Arne Larsen Økland  
 Chairman

  
 Rune Magnus Lundetræ  
 Director

  
 Ingvild Meland  
 Director

  
 Alf Møkster  
 Director

  
 Astrid Simone Møkster  
 Director

  
 Anne Jorunn Møkster  
 Chief Executive Officer



## Abbreviations

CCS	Carbon Capture and Storage
CO2	Carbon dioxide
CSR	Corporate Social Responsibility
DP	Dynamic Positioning
ECA	Emission Control Area
ERRV	Emergency Response and Rescue Vessel
ESG	Environmental, Social and Governance
ESS	Energy Storage System
GHG	Greenhouse gas
GOs	Guarantees of Origin
HSEQ	Health, Safety, Environment and Quality
HR	Human Resource
ICT	Information and Communications Technology
ILO	International Labour Organization
IMO	International Maritime Organization
IPCC	The Intergovernmental Panel on Climate change
ISM	International Safety Management Code
ISO	International Organization for Standardization
ISPS	International Ship and Port Facility Security Code
IUCN	International Union for Conservation of Nature
JRCC	Joint Rescue Coordination Centres
KPI	Key Performance Indicator
LNG	Liquefied Natural Gas
LTIF	Lost Time Incident Frequency
MGO	Marine Gas Oil
MLC	Maritime Labour Convention
MPA	Marine Protected Area
NCS	Norwegian Continental Shelf
NOFO	Norwegian Clean Seas Association for Operating Companies
NOx	Nitrogen oxides
PM	Particulate Matter
PSSA	Particularly Sensitive Sea Area
PSV	Platform Supply Vessel
RECs	Renewable energy certificates
SAR	Search and Rescue
SASB	Sustainable Accounting Standards Board
SCR	Selective Catalytic Reduction
SEEMP	Ship Energy Efficiency Management Plan
SOV	Service Operation Vessel
SOx	Sulphur oxides
SURF	Skipsfartens Utdannings- og Rekruteringsforum
TCFD	Task Force on Climate-related Financial Disclosure
TRIF	Total Recordable Incident Frequency
UNCTAD	United Nations Conference on Trade and Development
UN SDGs	United Nations Sustainable Development Goals

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