



ULSTEIN®



ESG REPORT 2023

ULSTEIN GROUP



TOWARDS A SUSTAINABLE MARITIME FUTURE

Our vision is to create tomorrow's solutions for sustainable marine operations. We care for the natural environment and the society we are a part of, and sustainable growth is at the core of what we do. We have been around for more than 100 years, and we aim to keep going for generations to come.

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ABOUT THE REPORT

The ESG report is Ulstein’s annual Communication on Progress (COP) report to the UN Global Compact and covers the period from 1 January to 31 December 2023.

In addition, a shorter version is integrated into our financial report, and the full version of our ESG report is also accessible on our website.

While Ulstein’s Board of Directors has reviewed and approved the report, it remains unaudited by a third party.

EXECUTIVE SUMMARY

This ESG (Environmental, Social and Governance) report provides a comprehensive overview of our company’s commitment to environmental guardianship, social responsibility, and strong governance.

Environmental guardianship:

We are working hard to lessen our impact on the environment. For instance, we are cutting down on emissions, using resources wisely, and reducing our effect on wildlife and natural habitats. Sustainability is at the heart of our design processes. Sustainability for Ulstein is to create products and services reducing our impact on the environment and at the same time meeting the needs of our customers.

Social responsibility:

Being a responsible company is important to us. We take care of our employees by providing training and development opportunities. We engage with our local community and uphold human rights and fair work practices.

Strong governance:

Our company is run in a way that promotes accountability, ethical business conduct, and effective risk management. We believe that strong governance is key to our long-term success.

Transparency:

We are committed to being transparent and have included detailed metrics in this report. These metrics give insights into our impact on the environment, our efforts to be a responsible business and our governance practices.

Progress and plan:

We are making steady progress towards our sustainability goals. This report highlights our achievements so far and outlines our plans.

In conclusion, our commitment to these principles is not only the right thing to do, but we believe it also makes us more competitive and contributes to our long-term success. By putting sustainability at the heart of our business, we are creating a better world for everyone.

We look forward to continuing our journey towards a sustainable society and sharing our progress with you.

INTRODUCTION

Ulstein Group (hereafter referred to as Ulstein) established 1917, is a family-owned company comprising several marine enterprises within ship design & solutions, shipbuilding and aftermarket services, global sales, and shipping. Ulstein is headquartered in Ulsteinvik, Norway, and is present in four countries. At the end of 2023, Ulstein had 413 employees. Our vision is to create tomorrow’s solutions for sustainable marine operations. We care for the natural environment and the society we are a part of, and sustainable growth is at the core of what we do. We have been around for more than 100 years, and we aim to keep going for generations to come.

We have annually been reporting to UN Global Compact since 2013, and our Communication on Progress report demonstrates our commitment. Ulstein supports all the 17 Sustainability Development Goals (SDGs), but we have identified 4 goals where we believe we can make the largest impact through the business we conduct.


The selected SDG target areas guide us in our decision-making, overall business strategy and operational practices.

Through our ESG report we will structure our efforts to support this work around our environmental impact, social responsibility, and governance.




2023 HIGHLIGHTS

ENVIRONMENT



22 %


reduction in energy consumption / work hour



167 %


increase in sorted waste

SOCIAL




ZERO

worker fatalities




15 %

workforce growth



22 %


female workforce



8


apprentices started

GOVERNANCE







ZERO

violations of human rights



ZERO

cases of corruption

UN SDG	SELECTED TARGETS
	SDG 5: GENDER EQUALITY Target 5.1. End all forms of discrimination against all women and girls everywhere. Target 5.5. Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.
	SDG 9: INDUSTRY,INNOVATION AND INFRASTRUCTURE Target 9.4. By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities. Target 9.5. Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.
	SDG 14: LIFE BELOW WATER Target 14.1. By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution. Target 14.3. Minimise and address the impacts of ocean acidification, including through enhanced scientific cooperation at all levels.
	SDG 17: PARTNERSHIPS FOR THE GOALS Target 17.1. Strengthen domestic resource mobilisation, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection. Target 17.7. Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed. Target 17.19. By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries.



LETTER FROM THE CEO

Ulstein is dedicated to creating tomorrow's solutions for sustainable marine operations that will benefit future generations. Our dedication to sustainability is evident in our ESG report for 2023 which is also our 11th Communication on Progress (COP).

We believe in the power of diversity and equality, and we actively welcome individuals from diverse backgrounds to join our team. We have set challenging objectives to increase the number of women in Ulstein, and we are actively engaging with schools and universities to inspire more women to choose a maritime career path. We also guarantee equal career opportunities and encourage our female employees to aspire to management positions. Engaging with our stakeholders, including employees, customers, and shareholders, is a crucial part of our sustainability strategy.

The environmental impact of the vessels we have designed and/or built is significant. Nonetheless, we are committed to reducing this impact in both existing and future vessels through innovations in hull design, system integration, energy carriers, and operational improvements. Innovation and technology are at the heart of our sustainability efforts, and we are at the forefront of developing innovative solutions for sustainable marine operations. Looking ahead, we have set ambitious sustainability goals.


We acknowledge the challenges faced by the company and the industry, such as climate change, use of scarce resources, emissions, waste and uphold safe working conditions for our workers and throughout the supply chain. However, we are dedicated to overcoming these challenges through innovation, collaboration, and a relentless focus on sustainability. Partnerships and collaborations are critical to our sustainability efforts.

As the world's fifth-largest shipping nation, Norway's maritime cluster plays a crucial role in facilitating the green transition. And to maintain this important position, we need



the support of politicians who understand and back our industry.

We know that there is still much work to be done, and we are committed to continuing our efforts to drive sustainable growth.



Gunvor Ulstein
CEO

MATERIALITY AND STRATEGY

In 2022, we carried out a revised materiality assessment process to identify where we can make the largest impact.

PRIORITY 1 – EMISSION REDUCTION IN OPERATING VESSELS AND NEW DESIGNS	PRIORITY 2 – REDUCING LOCAL AIR POLLUTION CAUSED BY SHIPBUILDING ACTIVITIES	PRIORITY 3 - REDUCE AND REUSE OF RESOURCES
The environmental footprint from vessels in operation designed and/or built by Ulstein exceeds our daily activities. We can reduce this impact through our hull designs, power and control solutions, and yard services.	Our shipbuilding activities have an impact on local air pollution. One of the most effective strategies to mitigate this is the establishment of shore power facilities.	Building a ship involves the use of energy and water resources and produces much waste. We have procedures for the responsible handling of waste, including hazardous waste and various metals, oils and residues from sandblasting and painting. To track our progress in reducing the use of resources and minimising waste, we have established a set of Key Performance Indicators (KPIs).

Our vision

We create tomorrow's solutions for sustainable marine operations.

Business concept

Ulstein provides ship designs, shipbuilding, system solutions and services that make efficient, proper and reliable marine operations possible.

Adapting to new directives

Marine operations are increasingly complex and international. Standards and demands for efficiency, safety and green responsibility are getting stricter. What was once acceptable – right up to recent times – will not be acceptable moving forward. Ulstein is in the business for the long run, and we will continue

our effort to stay compliant with changing rules and regulations.

In 2026, Ulstein needs to report on ESG topics for the fiscal year 2025 in accordance with the new EU directive CSRD (Corporate Sustainability Reporting Directive). This directive builds upon a new framework, ESRS (European Sustainability Reporting Standards), covering several ESG topics and subtopics material for all businesses.

Ulstein is already in the process of adapting to this new reporting standard and one of the requirements is performing a double materiality analysis. The analysis will help us to identify all the material impacts we have as a company on the society and environment, and how new regulations and climate changes pose threats and opportunities to our business.



ENVIRONMENTAL IMPACT

Ulstein has an impact on the environment through our shipyard activities, as a ship designer and as a supplier of power and automation solutions. Both directly through the production of ships and indirectly through energy usage, our supply chain, and the use of our products.

In some areas we have established routines and are able to measure our impact, in others there is still work to be done. For our 2025 report we need to comply with the new EU directive (CSRD) and the supporting ESRS framework. These changes will enforce new software solutions and provide us with more data, particularly regarding CO2 emissions in relation to scope 1, 2 and 3.

The 2023 report is also a work in progress related to covering all areas of the activities in Ulstein. When reporting on the energy usage, emissions, and effluents we are primarily reporting on the activities in our companies at our HQ in Ulsteinvik, Norway. These activities represent 93.1 % (2023 numbers) of the turnover in Ulstein and are a natural starting point for establishing routines in monitoring our environmental impact. When the methods are in place and data is available, we will broaden our scope and include more of the companies in Ulstein.

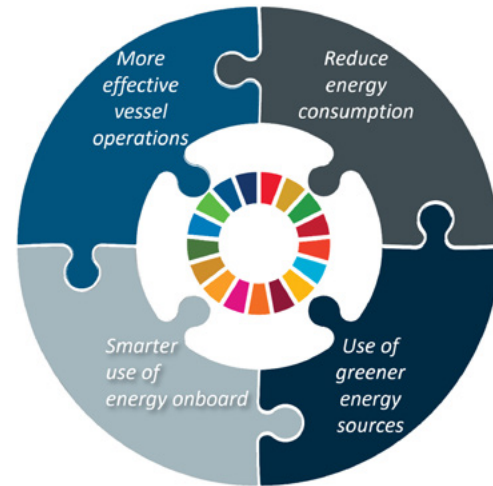
SUSTAINABILITY IN DESIGN

We are committed to consider the operational profile of our ship designs and or built vessels.

When designing or redesigning a ship or developing a product, we keep in mind their life-cycle environmental impact. Any product will have an impact when manufactured, when in use and when taken out of use. We keep updated on all new environmental standards and safety regulations and constantly work to implement these in new developments to reduce our overall impact.

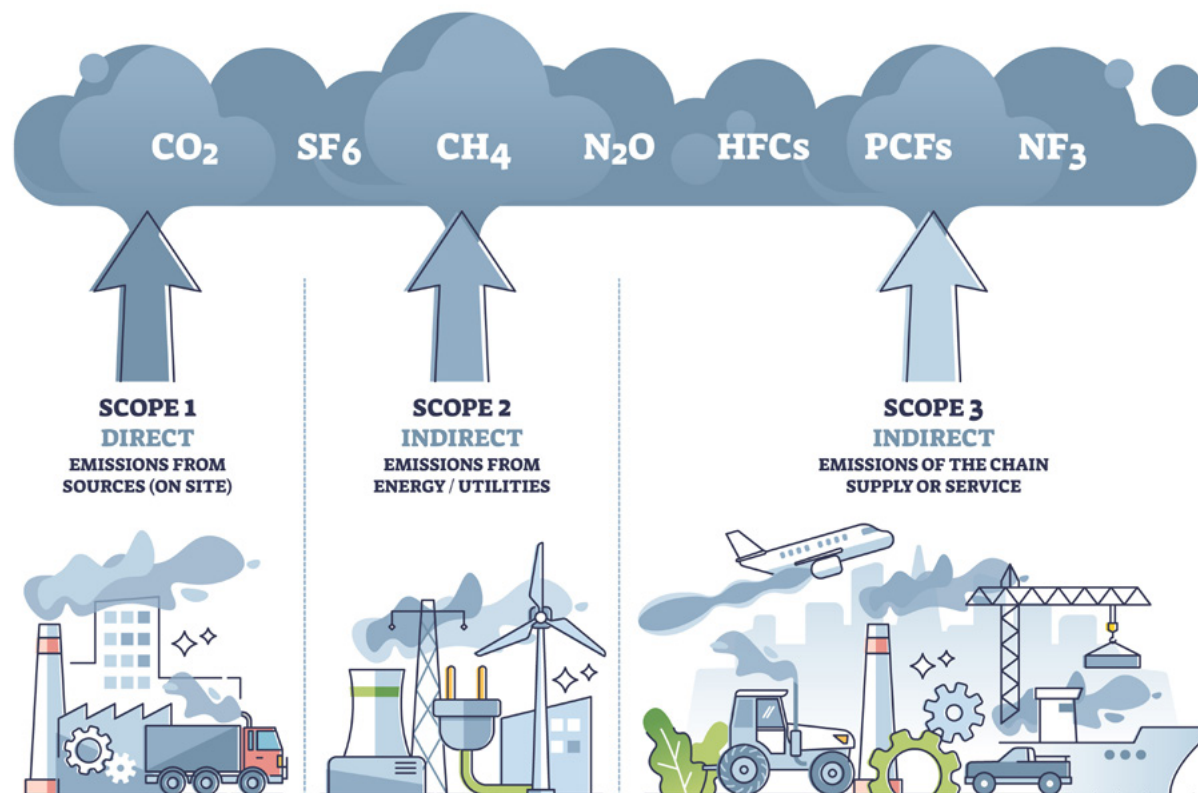
Reaching the national and international decarbonisation goals will require a holistic approach. Ulstein is promoting the decarbonisation of the fleet by optimising our designs according to the following four approaches:

1. more effective vessel operations
2. reduce energy consumption
3. smarter use of energy onboard
4. use of greener energy sources



Our holistic design approach, including analysis of actual vessel operations, generates more innovative ideas when combining considerations regarding hull designs with smart energy solutions. We implement and or prepare for alternative fuel solutions in most of the vessel designs we develop. Our ship designs also include energy-saving technologies such as battery energy storage systems for peak shaving and spinning reserve purposes and heat regeneration (waste heat recovery).

SCOPES OF EMISSIONS



Less carbon-intensive fuels are increasingly crucial in the industry, and Ulstein is positioning itself in this transition. Several of our newbuilds are prepared for the use of methanol, and four of them will have a hybrid solution with green methanol as the main source of energy. Additionally, Ulstein is working actively with newbuilds, retrofits and solutions involving both methanol and hydrogen solutions. Full-electric vessels are also an essential part of our portfolio, which also includes hybrid solutions.

ULSTEIN THOR is reflecting our exploration to implementing Thorium in the shipping industry in the long run.

Further, we actively monitor data from vessels in operation to support shipping companies in pursuing more sustainable vessel operations.

We believe Ulstein can realise the next-generation low-emission vessels by combining:

- A proper understanding of the intended operations of the vessel.
- Identifying the optimal hull, machinery, and propulsion systems for those operations.
- Identifying viable alternative fuel(s) for those operations.
- Integrating energy-saving systems onboard.

This process leads to a vessel design optimised for its purpose, or what we like to identify as right-sizing. To answer the future need for more innovative and greener supply tonnage, we have applied our holistic design mindset to find the sweet spots between necessary capacities and reduced emissions.

APPLYING SUSTAINABLE DESIGN PRINCIPLES

In 2022, we launched ULSTEIN THOR, a 149m 3R (Replenishment, Research and Rescue) design which will feature a Thorium Molten Salt Reactor (MSR). This is a vessel concept capable of making the vision of zero-emission operations a reality.

The announcement of a Thorium-powered ship created massive interest in the market, and in 2023 we were awarded Concept Vessel Design of the Year by The Electric & Hybrid Marine Awards.

Through 2023 we have been invited by numerous players in the market to discuss the future realisation of ULSTEIN THOR, and of ULSTEIN SIF, a solid-state battery-powered cruise vessel which can be reloaded by ULSTEIN THOR.

In 2023, we developed the concept further and introduced it to a new segment. ULSTEIN THOR for fisheries explores the possibility of a Thorium-powered fishing vessel supporting other vessels with clean energy and can work as a delivery point for the catch. The concept will redefine infrastructure in the seafood industry and use of green energy sources.

ULSTEIN THOR for fisheries was first presented at The Next Wave conference in May 2023 and then at Nor-Shipping the same year.

Ulstein is also involved in the design of trawlers. At the



Nor-Shipping exhibition in 2023, Ulstein Design & Solutions AS, in cooperation with the shipowner Bluewild and the shipyard Westcon, received the 'Ship of the Year' award from the ECOFIVE trawler. This vessel will provide at least 25% reduction in fuel consumption and emissions compared to a corresponding modern vessel of this type.

Further, the shipowner and ship designer have used the technology from fish carriers and land-based facilities and merged this into a complete design package for onboard production, resulting in a more resource-friendly and sustainable harvesting. Ulstein offers a patented solution where the catch is gently moved to water tanks for restitution before slaughtering. This process increases the quality of the catch, and all residual raw material is recovered for use.

The approach of right-sizing has materialized in a fully electric platform supply vessel design (PSV), which enables zero-emission supply operations for the offshore energy market.

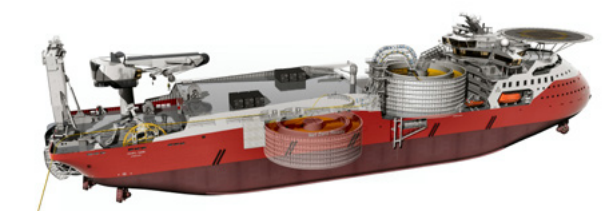
Right-sizing is a holistic approach to assess main parameters, such as hull design, deck area, cargo capacity, deadweight, and accommodation.

When applying this design principle we managed, in combination with the latest development in battery systems and offshore charging solutions, to enable the vessel to operate on battery power for 3+3 hours of transit, 3 hours on DP (dynamic positioning) and 3 hours of standby. When we include offshore charging solutions, the operational range can increase.

The iconic X-BOW from Ulstein is a clear environmental contribution and has been implemented systematically in most of our vessel designs. Later developments include the X-STERN and TWIN X-STERN. A study on the X-BOW effect in expedition cruise vessels shows that this hull shape alone is responsible for more than 5% fuel reduction. An X-BOW PSV requires 7-8% lower propulsion power than conventional bulbous bow vessels in transit, reducing fuel consumption and emissions.

For the aft end of the ship, Ulstein has invented the X-STERN. Operating the X-STERN towards the weather requires 60 per cent less propulsion power than a conventional, transom-stern arranged vessel.

Since its debut, the TWIN X-STERN design has been chosen for ten offshore wind vessels (CSOVs) that were contracted in 2022 and 2023. Four vessels will primarily use green methanol for power, while the other six are hybrid battery propulsion systems and prepared for green methanol fuel. The TWIN X-STERN design enhances a vessel's ability to manoeuvre, maintain its position, and move smoothly through the water. This is thanks to its innovative structure, which includes two sterns and main propellers at both ends. These features are particularly beneficial for operations within wind farms.



Additionally, the design contributes to a quieter, more comfortable environment on board and offers the potential for considerable fuel and energy savings during operations.

We have introduced the TWIN X-STERN also in cable laying vessels. The ULSTEIN SX225 has increased operability for power cable laying operations and is net-zero ready, prepared for dual fuel, methanol & MGO with a battery package installed.

Circularity is an essential part of becoming more sustainable. If we can reduce, reuse, refurbish and recycle we make a smaller negative impact. We are also redesigning vessels for

new segments.

In 2023, we had 25 projects which involved service, repairs, or upgrades, and two projects stand out. The upgrade of the offshore wind vessel Windea Leibniz and the redesign of Fugro Resilience. On the Windea Leibniz we increased the number of cabins and installed one extra pedestal on the stern. The upgrade gave the vessel more flexibility for deployment in different wind farm markets. As for the Fugro Resilience, originally a PSV built in 2015, she was redesigned and converted into a geotechnical vessel.

RESOURCE USE AND MANAGEMENT

Our main activity at Ulstein Verft for the last decades has been in the newbuild segment, but for the past three years we have taken a stronger position in service, repairs and conversions - also referred to as aftermarket services. By widening the business area, Ulstein can be more resilient to market changes. Increased diversified activity makes it easier to keep the workforce and provide predictability.

From an environmental perspective it is also highly favourable to prolong the life and use of a ship by general maintenance and upgrades when needed. Resources invested in the ships can keep their value over longer time.

We have calculated the amount of CO2 emissions that can be reduced by converting a PSV to an SOV (service operation vessels). Conversion, in comparison to a newbuild, results in more than 15,000 tonnes of reduced emissions, equivalent to typical emissions from a PSV during three years of work. The converted vessel will consequently have a lower life-cycle footprint even if it is used for 30 years compared to a purpose-built newbuild.

In addition, we have explored many alternative market uses that conversions, upgrades, and retrofits can open for existing PSVs, and are actively offering these solutions to the market.

In 2023, Ulstein Verft has prolonged the use of 22 ships by general maintenance or upgrade and conversion projects.

Resource use and waste management

Our shipyard is our single largest company. Due to the type of activities carried out, it has a great demand for resources.

In our own operations we concentrate on energy management, waste reduction, improved waste handling and recycling of materials at the yard.

All vessels built by Ulstein Verft include an inventory of hazardous materials and Marine Equipment Directive (MED) documentation, ensuring compliance with the EU's MED. Our vessels include certificates for asbestos-free production. The shipbuilding area has strict procedures for the responsible handling of waste, including hazardous waste and various metals, oil and residues from sandblasting and painting.



In 2023, Ulstein Verft received the ISO 14001 Environmental certification, in addition to previously being certified for ISO 9001. The ISO 14001 certification provides Ulstein with a framework to enhance environmental performance, monitor progress, and reduce pollution, waste, and unintended discharges.

From 2023, new national waste sorting requirements came into force. All Norwegian public and private enterprises and institutions that produce household-like waste are affected. At Ulstein HQ, new sorting bins for plastic, paper, and food waste as well as residues, have been placed out in the office facilities. By increasing the material recycling we can achieve higher resource utilization of waste, protect the environment, and reduce greenhouse gas emissions.

At Ulstein Verft there is also a dedicated location, the 'Environmental Tent', to sort waste from shipyard activities. The tent contains machines to compress plastic and paper/cardboard, respectively, and emergency preparedness for spills. There is also a storage for spill oil. We have sorted waste in containers for several years, but by dedicating a specific location for waste sorting we increase the awareness and efficiency. By handling the waste indoors, we also reduce the risk of waste being scattered by the wind and in worst case eaten by birds and other animals.

The changes in numbers from 2022 to 2023 is related to different activity levels at the yard and that we are sorting in more fractions. We also carried out a major cleanup of scrap metal which we delivered to material recycling. The 167 % increase in sorted waste is mainly a consequence of the cleanup.

When vessels visit Ulstein Verft for service and maintenance work, they can deliver emulsions/slop water for recycling. In 2023 we recovered 38 600 litres to be sent to recycling compared to 17 000 litres in 2022.

Chemical handling is performed according to regulations and our procedures have been evaluated by external consultants. All sea water from the yard's dry dock is cleaned using sludge separation (oil and debris) before it is returned to the sea.

Energy management

The use of energy in our production facilities and offices is an indirect cause of CO2 emissions in the production of electricity.

We used slightly less energy at the HQ in 2023, but variations here are affected by the level of activity. What is more valuable to monitor is the energy efficiency. When comparing work hours to energy consumption we used 18 % less energy in 2023 than 2022.

In Norway, 97 % of the energy comes from renewable sources. By using less energy, we do our part in reducing the need to scale up powerplants and other sources for energy which can cause harm to biodiversity, ecosystems, and societies. It also helps exporting and distributing clean energy to areas which are relying more on electricity produced from coal, oil and gas.

Ulstein Verft has been focusing on energy use for many years, through energy management and investments. In 2023, a project was completed that utilises waste heat from an air compressor to heat the administration building, service building, and warehouse/welfare building.

At the time of this report, we are identifying other areas for improvements. Some of the things we will investigate further are:

- A district heating system that distributes available heat to all buildings between our Expo building and our dock hall
- Waste heat from four air compressors in the ring line
- Shipbuilding - can district heating replace oil-fired building heaters?
- Bioheat from woodwaste. Can woodwaste go from cost to resource?

EMISSIONS AND EFFLUENTS

Sustainability is both a responsibility and an opportunity. As a company we need to be responsible and take care of our own negative external effects. This means we need to address the effects by being in business and the consequences it inflicts on the society and environment we are a part of.

On the other hand, we can use our business to help others deal with their negative effects. For Ulstein this is an opportunity to build a sustainable business model.

In 2023 Ulstein Power & Control installed shore power equipment on two vessels for Aurora Offshore in cooperation with external yards. This way, the shipowner can reduce emissions when in port and save fuel.

We strive to reduce the environmental impact of our products as outlined earlier in the section of Sustainability in design.

Our air emissions during 2023 in numbers:

- 4 100 tonnes of CO2 (approximately 11,2 tonnes per day) from the 22 vessels visiting Ulstein Verft for aftermarket services, scope 1.
- 5 565 tonnes of CO2 primarily through electricity consumption at our operations in Ulsteinvik, scope 2*

**Referring to the Norwegian Water Resources and Energy Directorate's (NVE) annual calculation of the product declaration. The product declaration for 2023 was not ready at the time of the report, so the 2022 declaration of 0,502 Kg/kWh is used for the consumption of 11 086 362 kWh.*

Vessels visiting Ulstein Verft for aftermarket assignments fall under scope 1 activities and are often berthed at the service quays before docking. If the vessels are connected to shore power, it can help reducing the overall CO2 emissions. If they are not connected to shore power, they need to keep the engines running to keep the electricity and systems going onboard. In 2024 Ulstein Verft will look at solutions to increase the capacity for shore power connections.

Extending the life of a vessel and secure reuse is a vital piece of the puzzle towards circularity and more sustainable practices.

Energy produced and used through our operations in Ulsteinvik is our third source of CO2 emissions and connected to scope 2 activities. It is easy to claim that the energy production in Norway is mostly built upon renewable energy, still, reducing

use of energy is important in a world where the demand for energy is growing.

How we take steps to indirectly lower the CO2 emissions for energy production are described earlier in the section for resource use and management.

According to the UN's Sustainability Development Goal number 6, Clean Water and Sanitation, we must strike a balance between water needs and environmental considerations for the well-being of future generations.

At our HQ, we measure the use of freshwater. Monitoring the use of freshwater helps us to stay aware of our consumption and set targets. In 2023 we used 58 089 m3 compared to 75 377 m3 in 2022, a reduction of close to 23%. The changes between 2022 and 2023 are mostly related to different activity levels and water needs in the two reporting years.

Going forward, we will explore these numbers more in detail and see how taking steps in our activity can lead to lower emissions and effluents. Further, measuring our discharges to air or water needs to be performed in a more coherent and transparent way. Reporting in accordance with the new ESRS framework from 2025 will push us in the right direction.

BIODIVERSITY AND ECOSYSTEM IMPACT

The impact from Ulstein's activities on biodiversity and ecosystem is in this report limited to our Scope 1 activities. As of now we do not have the methodologies or systems to help providing us with insights to fully elaborate on this topic in scope 2 and 3.

Our vessel designs need to comply with current regulations, and they are certified by classification societies as part of the approval process when finalising a ship. Underwater noise and impact on marine life are tested according to IMO standards.

Historical pollution has been found in the sediments outside Ulstein Verft. In 2022, biological samples were taken of mussels, beach snails and crabs. The samples so far show a low level of toxins. The scheduled samples for 2023 have been postponed to Q2 2024 due to a lack of available geologists and laboratory resources. At the time of publishing the ESG report, we only have the preliminary results, but they show a positive development compared to the study from 2022.





SOCIAL RESPONSIBILITY

WORKFORCE WELL-BEING

At Ulstein, our people are our most valuable asset. We prioritize Quality, Health, Safety, and Environment (QHSE) as integral parts of our daily operations.

Our commitment to safe working conditions extends to our hired and contracted personnel, collaborating yards and suppliers. We actively raise awareness about performance improvement.

Key safety practices include:

- **Precautionary measures**
We take a proactive approach to prevent injuries, accidents, and strains. Our focus remains on shipyard activities involving tanks, heights, scaffolding, vehicle and crane operations, welding, cutting, and lifting.
- **Regular inspections**
Our permanent HSE staff conducts routine and surprise security inspections. These cover fire safety, gas leakage, hazardous areas, and adherence to safe work routines.
- **Safety gear**
Strict rules apply to workers and visitors within the industrial area. Safety gear, including shoes, hard hats, and safety glasses, is mandatory.
- **HSE training**
All operators conduct HSE training online where they learn about safety equipment, regulations, preventive routines, reporting, emergency procedures, and high-risk situations. This applies to both own workforce and hired personnel. The training is available in six languages.
- **Quality policy**
The policy outlines our commitment to producing high-quality products and services that meet the requirements in the contracts. It includes procedures for monitoring and improving quality and a system for identifying and correcting quality issues.

Upon course completion, attendees receive a mark confirming their HSE training.

Even when working on missions at yards worldwide, our employees maintain the same safety standards.

TRAINING AND DEVELOPMENT

The diversity of skills, personalities, experience, and background creates a global team who combines innovation, quality and expertise. It is our people who stand behind the innovation processes, starting with an idea and ending up with a new solution or product.

Courses and training programmes in 2023:

- **Improve management skills**
A comprehensive course built around several workshops and practical exercises that will continue throughout 2024. An effective management can foster better working conditions and enhance productivity.
- **Information Security Awareness Training**
All employees with administrative roles were invited to participate in an Information Security Awareness Training, a STAR online course (Stop, Think, Ask, React). The training started up in May 2023 with a new online course every second week. 60 % of the employees completed the training, and we aim to increase this percentage. The purpose of the training is to create more awareness and knowledge about the risks in a digital and technological era.
- **Develop young talents**
Talent Sunnmøre (TS) is a 1-year competence program run by the business association in Ålesund. Ulstein secured two places in 2023 and will continue with two new places in 2024. This programme is available for all employees under 35 years who are motivated and willing to increase their knowledge and build relationships within the industry.

- **Courses and certificates at Ulstein Verft**
There are several training programmes to improve overall working conditions. It is important for our employees to be able to grow in their role and build qualified teams. The list below highlights some of the programmes available:
- Supervisor programme
Incident Commander Course for Industrial Safety/ Brigades
- Regulations on safety during work in and operation of electrical installations (FSE)
- Hot work course (Nordic specification, 5 years)
- Forklift course
- Gas measurement course
- Defibrillator and First Aid course

COMMUNITY ENGAGEMENT

Our sponsorship activities are designed with a clear purpose: to help building the communities we are part of, and to promote equality and non-discrimination.

We have committed to allocating 10-15 % of our sponsorship funds towards education and health initiatives in underprivileged areas. This portion is annually directed to a family village, supervised by the non-profit organisation, SOS Children's Villages.

A significant majority of our support, over 80 %, is devoted to fostering equality and inclusion. We are proud to endorse recreational sports and activities aimed at children and young people. Our commitment to these causes underscores our dedication to creating a more equitable and inclusive society.

HUMAN RIGHTS AND LABOUR PRACTICES

At Ulstein, we're committed to upholding internationally recognised labour rights and ensuring fair working conditions. Whether within our own operations or throughout our value chain, our focus remains unwavering.

Our goal is zero violations.

This is how we are making a difference:

We rigorously adhere to the Norwegian Working Environment Act, fostering a workplace characterised by respect and diversity.

We believe diversity fuels our competitiveness and we are actively reshaping our organisation. With a clear vision, we aim for at least 40 % female representation across all levels—from middle management to apprentices.

To achieve our goals, we have implemented these strategic initiatives:

- **Company visits**
We engage with potential talents through company visits, showcasing our vibrant culture.
- **Education partnerships**
We are collaborating with local schools and municipalities to inspire future professionals.
- **Vocational fairs**
Ulstein actively participates, connecting with aspiring candidates.
- **Maritime Forum at NTNU**
Our representative promotes technical and maritime careers, with a special focus on women.

Through academic collaboration we maintain strong ties with universities and research institutions. Collaborating with students on BSc, MSc, and PhD theses, we're shaping the next generation of industry leaders.

Anti-corruption and responsible procurement

At Ulstein, we actively combat corruption. Our strict policy prohibits any form of bribery, whether direct or through third parties. We aim for zero corruption incidents and provide ongoing anti-corruption training to employees. By adhering to ethical practices, we contribute to long-term value creation.

Our commitment extends to fighting corruption, inequality, and discrimination. In 2022, we diligently implemented requirements from the Norwegian Transparency Act.





GOVERNANCE

CORPORATE GOVERNANCE STRUCTURE

Ulstein's Board of Directors is responsible for ensuring that our sustainability work is incorporated into governance and strategy, aligned with our Environmental Policy and in compliance with applicable laws and regulations in the areas where we operate. The CEO, through the Group Management, has overall responsibility for carrying out our day-to-day sustainability work. The operating unit is a work group representing different business units and roles administrated by one employee part-time.



These can be found on ulstein.com. Our Code of Conduct is also our key governing document in handling ethical dilemmas.

As a part of the implementation of the Norwegian Transparency Act in Ulstein, which we reported on for the first time in 2023 for 2022, we have developed a due diligence process that has the following main targets:

- Ensure that our business or operations do not have a negative impact on basic human rights or decent working conditions.
- Inform the public through a report on an annual basis.
- Provide information upon request.

RISK MANAGEMENT

The UN Global Compact provides a plan for incorporating sustainability into business operations.

This helps to minimise risk, enhance productivity, foster growth, and generate shared value. For sustainability initiatives to be effective, they must be integrated at a strategic, operational, and cultural level. At Ulstein, we have undertaken several initiatives that address ESG risks and promote sustainable practices.

Comprehensive risk assessment

We conduct a thorough risk assessment to identify potential ESG risks. This includes financial risks, health risks, safety risks, environmental risks, and other types of business risks.

ETHICS AND COMPLIANCE

Ulstein's Board of Directors has adopted a Code of Conduct setting out the principles and standards for ethical conduct across all our companies. The management reports annually to the Board of Directors on the status of compliance in Ulstein. Our corporate framework for governance and control includes the following Group Management policies:

- Code of Conduct for Ulstein
- Code of Conduct for Ulstein's business partners
- Due diligence policy
- HSE Policy
- Quality policy
- Personnel policy
- Environmental policy
- Guidelines for information security
- Guidelines for whistleblowing

These policies are implemented in our business processes which are available through our internal collaboration system.

Our Code of Conduct sets out our principles for ethical conduct, including those principles and standards ensuring that Ulstein respects and protects human rights and decent workconditions.

Regulatory compliance

The Norwegian Working Environment Act, Transparency Act and Activity and Reporting Obligation (Norwegian: ARP), provide a solid framework and expected practices for own workforce and workers in the supply chain. And our Code of Conduct also guides us and help us stay compliant.

Safety for crew and passengers and environmental considerations in the products we provide are upheld by following the regulations from IMO (International Maritime Organisation) and class societies. The European Union (EU) have set standards to guide decarbonisation efforts.

Ulstein Verft and Ulstein Marine Equipment are ISO9001:2015 certified. In 2023, Ulstein Verft attained an ISO:4001:2015 certification. This shows a commitment to build a workplace around quality, good working conditions and framework to enhance environmental performance, monitor progress, and reduce pollution, waste, and unintended discharges.

By adhering to these laws, standards, and practices we strive to manage ESG risks effectively.

Continuous monitoring and reporting

At Ulstein we have been reporting our Communication on Progress (COP) to UN Global Compact since 2013. This helps us in identifying areas of improvement and safeguarding ESG data relevance and integrity. Further, it creates an awareness and commitment of what we need to address to reduce negative impacts and improve positive impacts.

Work towards diversification

A traditionally male-dominated industry needs to diversify. Attracting more women into the industry is essential to bring in the skills needed to develop further and move the

industry forward.

Social capital management

We address issues related to workplace harassment and human rights abuse, and inadequate health and safety standards are essential. Failing to do so can lead to reputational and legal repercussions.

Investments in sustainable technology

By pinpointing areas that need enhancement, we can implement beneficial changes. For instance, transitioning to LED lights and incorporating activity sensors can lead to energy conservation and cost savings.

The use of sensor technology, both in the vessels we construct and within our production facilities, generates valuable data. This information is crucial in guiding us towards more informed decisions.

In the foreseeable future, Life Cycle Assessment and overall CO2 emissions will become a critical consideration for most products. Staying ahead in this development could offer Ulstein a competitive edge and mitigate potential risks.

ESG-driven culture

Ulstein places emphasis on fostering an ESG-driven culture. Employees engage with ESG requirements during client interactions, product development, and compliance with production practices and policies. The company's role in ESG projects is coordinated with the CEO and group management, who oversee ESG reporting.

When everyone is informed and aware, adjusting to new ESG requirements becomes a more seamless process for all involved.



PERFORMANCE AND METRICS

ENVIRONMENTAL IMPACT

KPI	UNIT	2023	2022
Vessels visiting Ulstein Verft for aftermarket services (Scope 1)	Tonnes	4 100	4 600
Production of electricity consumption at HQ	Tonnes	5 565*	123**
Use of fresh water at HQ	m3	58 089	75 377
Total energy consumption at HQ	kWh	11 086 362	11 225 630
Energy consumption / work hour at HQ	kWh/ work hours	27	33
Total waste	Tonnes	1 302	947
Sorted waste	Tonnes	1 225	469
Material recycled	Per cent	64	25
Hazardous waste	Litres	97 114	52 433
Hazardous waste	Tonnes	22 094	37 990

* Calculations based on the Norwegian Water Resources and Energy Directorate's (NVE) annual calculation of the product declaration. Product declaration for 2023 was not ready at the time of the report, so the 2022 declaration of 0,502 Kg/kWh is used for the consumption of 11 086,362 kWh.

** Reported using a different calculation method compered to 2023. Based on calculation method used in 2023 the emissions would have been 5 635 tonnes.

SOCIAL RESPONSIBILITY

KPI	UNIT	TARGET	2023	2022
Employees	Total number	-	413	358
Female employees	Per cent	>40	22,0	20,7
Female leaders	Per cent	>40	34	25
Female representatives in the Group board	Per cent	>40	40	40
Lost time injuries	Total number	<5	4	6
LTI rate	Per cent	5	9,7	16,7
Sick leave total	Per cent	4	4,3	5,6
Turnover rate	Per cent	7	11,1	10,4

GOVERNANCE

KPI	UNIT	TARGET	2023	2022
Cases of corruption	Cases	-	-	-
Violations of human rights	Cases	-	-	-



PROGRESS ON GOALS

Our aim is to provide a transparent account of our ESG journey. We have identified key areas to monitor and improve. However, we lack methodologies and systems for climate accounting. We are adjusting our reporting standards to meet CSRD requirements and will conduct a materiality analysis in 2024. Adhering to CSRD and ESRS will enhance our ESG performance insights. Transparency and consistency are crucial in this new framework. We believe that what we can measure, we can manage, and we look forward to sharing our role in building a better world through sustainable business practices.



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