

ESG REPORT



OCEAN YIELD



*Ocean Yield is a facilitator
for the green energy transition.*



CONTENT

INTRODUCTION FROM THE CEO	4
OCEAN YIELD ESG FRAMEWORK	6
ENVIRONMENT	8
Climate related risks in shipping	9
Facilitator for the green energy transition	12
Climate related risk management	14
Fleet climate alignment	14
SOCIAL	20
GOVERNANCE	24
The transparency act	27
ABOUT THIS REPORT	30



INTRODUCTION FROM THE CEO

It is with great pleasure and a sense of responsibility that I present Ocean Yield's 2023 Environmental, Social and Governance (ESG) Report. In a world that increasingly demands sustainable business practices and responsible corporate citizenship, Ocean Yield recognises the role it plays in shaping a more sustainable and equitable future.

In the maritime industry, environmental sustainability is not merely an option; it is a fundamental obligation. Ocean Yield welcomes and supports the IMO 2050 strategy to reduce the CO₂ emissions from the shipping sector in line with the Paris Agreement, and we will do our part to support these global efforts.

Ocean Yield's strategy has from the outset, been to be a facilitator and enabler for environmental sustainability through investing in modern tonnage with future proof propulsion technology. As almost all our charter contracts are bareboat charters, where the counterparty is responsible for the operation of the vessels, our partner selection process is paramount. This report demonstrates how Ocean Yield strives to support its clients in their energy transition journey, through investments in modern fuel-efficient vessels with a high focus on vessels with future-proof fuel solutions such as ammonia, methanol, and LNG.

Through 2023, Ocean Yield has also taken significant steps in developing its product offering to reflect the challenges and opportunities imposed by the energy transition. The sustainability-linked leases for four LR1 vessels on bareboat charters to guaranteed subsidiaries of Braskem S.A, announced on 1st August 2023 was, to the Company's knowledge, the first sustainability-linked transaction in the maritime leasing market. The transaction is structured to give the charterer a clear financial incentive to minimise emissions and is therefore an effective way to align interest between Ocean Yield and our partners to reduce emissions.

As of year-end 2023, Ocean Yield has a young and diverse fleet consisting of 68 vessels, with an average age of 5.1 years. The low relative environmental footprint of our fleet is reflected through the fleet's portfolio climate alignment score being 14% below the Poseidon Principles trajectory line.

Ocean Yield's employees are our most important resource and the drivers of the Company's success. Our key activities demand a wide range of skills, and the Company relies on the competence and talent of our people to deliver on our strategic ambitions. Ocean Yield's priorities are to ensure collaboration, continuous learning and productivity. We actively engage and support various social initiatives, both in Norway and in Malta, and we share KKR's view that sustainable investment approach is a key lever of value creation.

Solid governance forms the cornerstone of ethical and enduring business practices. As one of the leading asset managers in the world, KKR brings extensive experience and governance best practices to Ocean Yield. Ocean Yield's principles of governance are built on our values and define a framework of rules and procedures by which we govern and control our business. The governance principles are incorporated into our performance culture through the Board of Directors, Executive management, and our employees. Jointly we strive to conduct ourselves with integrity in everything we do to earn and maintain the trust of our clients and other stakeholders.

In conclusion, this ESG Report serves as a lens through which we assess and communicate our commitment to environmental, social, and governance issues. By fostering transparency and accountability, our ongoing dedication to sustainable business practices remains steadfast.

Thank you for your continued support

Andreas Røde
CEO

OCEAN YIELD ESG FRAMEWORK



The material issues for Ocean Yield’s ESG activities are outlined in our ESG framework. Given the nature of our business, the Company has since inception had a continuous focus on performance across all three main ESG areas, as they are considered both as a license to operate as well as a business opportunity related to the market disruption stemming from the green energy transition within the shipping industry.

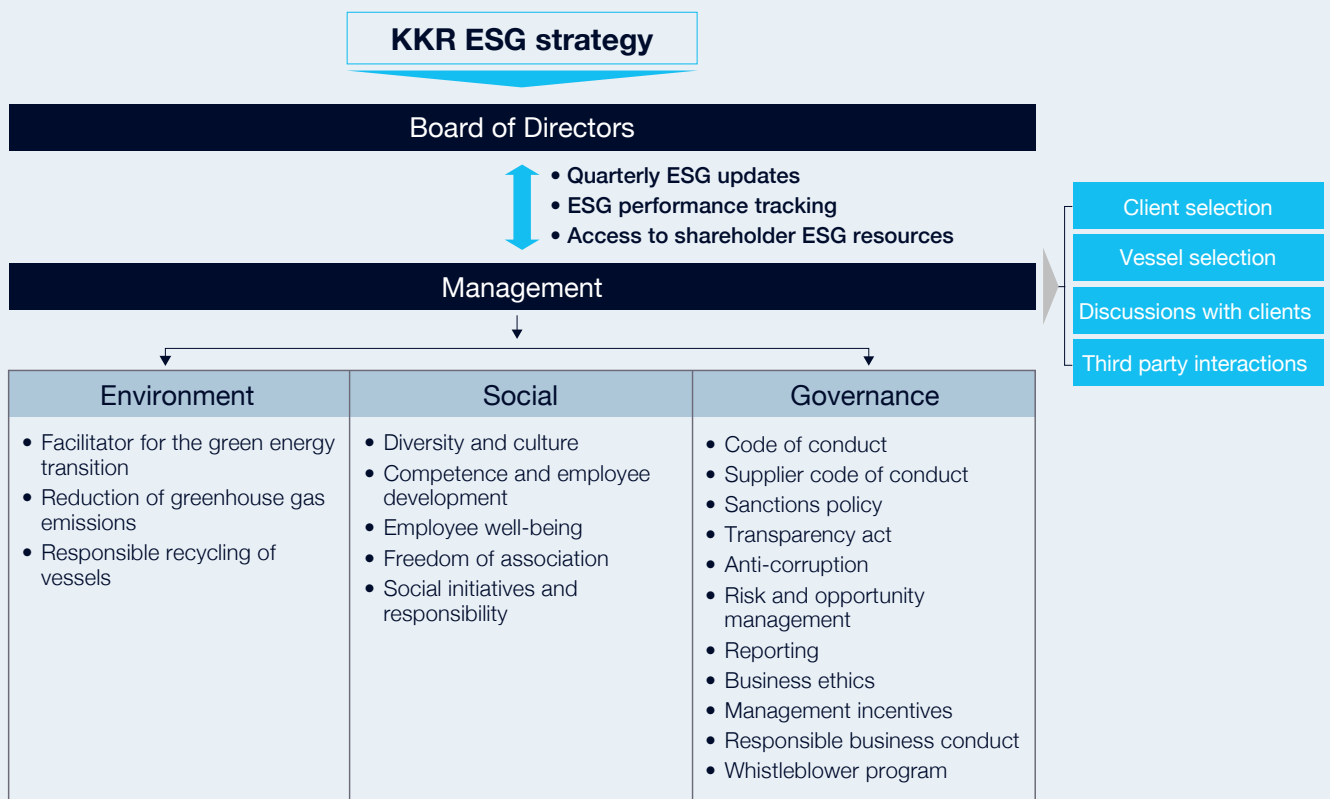
We have selected the ESG topics that we consider most significant for us and our stakeholders. These topics have been selected and prioritised through internal interviews, market analysis, relevant ESG standards, the business context of the shipping industry, and financial stakeholder outreach. Ocean Yield has identified the following material ESG aspects:

- Principles of Governance
- Responsible business conduct
- Climate-Change and Environment
- People and Communities

Further, Ocean Yield has identified the following three United Nations Sustainable Development Goals, as areas of special importance for the company’s ESG initiatives.



OCEAN YIELD'S ESG FRAMWORK



ENVIRONMENT



Seaborne transportation remains the most cost- and energy-efficient method to transport large volumes of commodities and finished goods around the world.

CLIMATE CHANGE

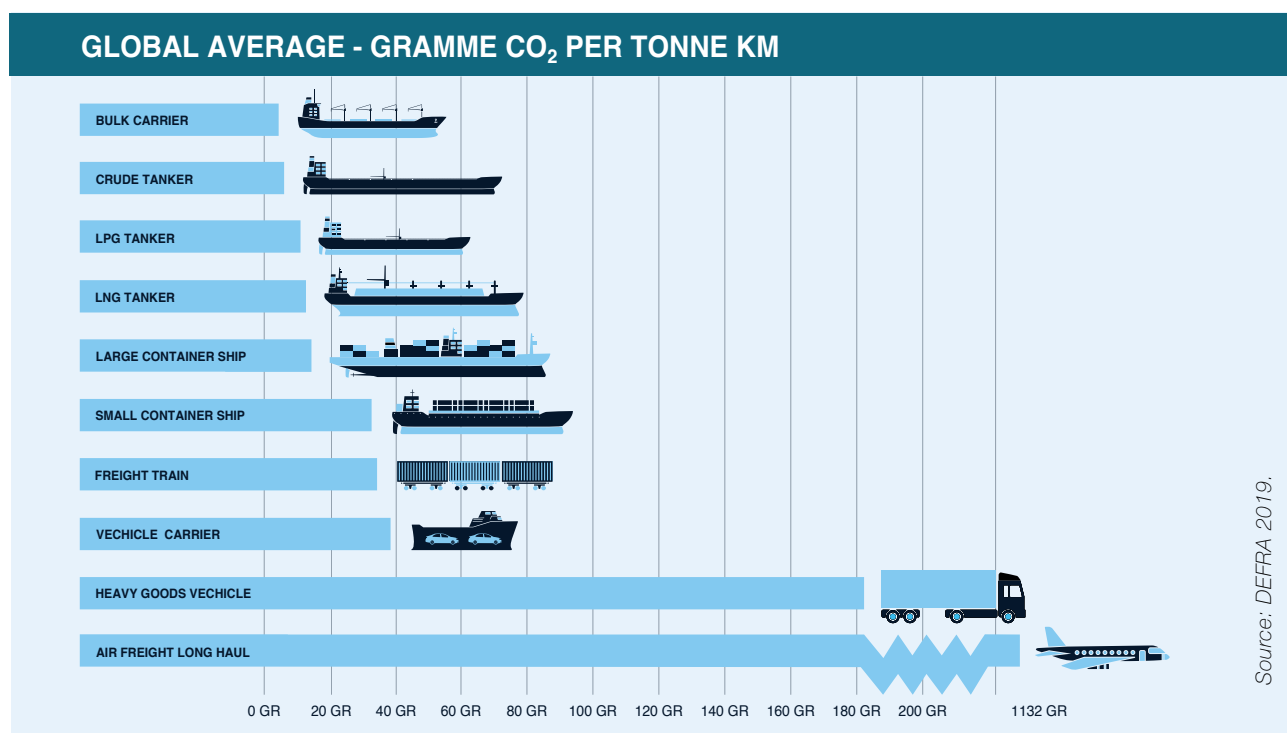
Today, around 90% of the world's goods are transported by sea. As a result, global sea-going transportation is responsible for around 3% of total global CO₂ emissions. According to the IMO, under a "business-as-usual scenario", these emissions are projected to increase between 50% and 250% by 2050, undermining the objectives of the Paris Agreement. However, there is significant untapped potential to reduce emissions relatively effectively by implementing technical and operational measures such as slow-steaming, weather routing, and propulsion efficiency devices or initiatives.

As a response, in 2018 IMO launched their initial strategy to reduce greenhouse gas (GHG) emissions from ships.

IMO's initial ambitions in 2018 included:

- A reduction of CO₂ intensity as an average across international shipping, by at least 40% by 2030, pursuing efforts towards 70% by 2050, compared to 2008; and,
- A reduction of the total annual GHG emissions from international shipping by at least 50% by 2050 compared to 2008, consistent with the Paris Agreement goals.

As scheduled, IMO launched a revised version of the strategy to reduce GHG emissions in 2030. The revised strategy reiterates the 2018 ambition to reduce CO₂ intensity by at least 40% by 2030. Furthermore, a new ambition was launched stating that 5%, striving for 10%, of the energy used by international shipping by 2030 will be related to zero or near-zero GHG emission technologies, fuels and/or energy sources. Hence, the revised strategy identifies that alternative fuel solutions will play an important role to achieve the emission reduction ambitions. Additionally, IMO highlights the importance of optimising ports and the logistic chain to facilitate power supply from alternative energy sources and developing infrastructure to support supply of zero or near-zero GHG emission fuels. Finally, the 2023 IMO GHG Strategy states that GHG reduction measures should take into account the "well-to-wake" GHG emissions of marine fuels, and not only the "tank-to-wake" emissions.



Ocean Yield acknowledges the risks and challenges related to climate change and is a strong supporter of IMO's ambitions and efforts to reduce and eventually eliminate GHG emissions in the maritime sector. We recognize the responsibility to do our part to reduce global warming and we therefore support the 13th UN Sustainability Development Goal on Climate Action.



Built on IMO's GHG reduction targets, new carbon regulations have come into effect in 2023. Ship operators are now required to track their vessels' carbon intensity and ensure compliance with the new Energy Efficiency Existing Ships Index (EEXI) and Carbon Intensity Indicator (CII) regulatory frame-

works. EEXI was a one-time requirement for 2023 which required operators to reduce emissions based on a required reduction factor relative to a 2008 base line. In addition, all vessels will now receive a CII rating (A-E) based on their carbon intensity. Vessels with a D rating for three consecutive years or an E rating in a single year, will need to develop corrective action plans. Operational responsibilities are in most cases allocated to Ocean Yield's clients under the respective bareboat agreements, and complying with the regulations is their responsibility as such. In cases where the Company has operational responsibilities, contractual measures have been taken to ensure that the actual operators of the vessels comply with the regulations.

Furthermore, as a part of EU's Sustainable Finance Action Plan, the EU is developing a taxonomy for sustainable activities (the Taxonomy).

The Taxonomy consists of six objectives, where screening criteria for economic activities for two of the objectives are currently being defined; 'Climate Change mitigation' and 'Climate Change adaptation'. Both objectives include technical requirements for the maritime sector.

The Taxonomy is expected to greatly influence how financial institutions direct their investments, subsequently making alignment with the Taxonomy an advantage for companies when seeking investment or access to capital in the near future.

In line with the ambitious climate targets from the EU, the European Commission in December 2022 agreed to reform the EU Emissions Trading System (EU ETS) to also cover emissions from maritime transportation. The EU ETS is an international emissions trading system that is created on the 'cap and trade' principle. A cap is defined on the total amount of greenhouse gases that can be emitted each year by companies included in the system. Within the cap, entities can buy or receive emissions allowances. The allowances are allocated and traded between entities and the cap is reduced over time, resulting in a reduction of total emissions.

The inclusion of the maritime sector in the EU ETS will be effective from 2024 and will include:

- 100% of the emissions from intra-EU voyages
- 50% of emissions from voyages starting or ending outside an EU member state
- 100% of emissions from vessels when ships are at berth in EU ports

The inclusion will be gradually implemented, meaning that shipping companies will have to surrender allowances that cover 40% of their emissions in 2024, 70% in 2025, and 100% in 2026 and beyond. Only vessels above 5,000 gross tonnes will be included.

Ocean Yield is monitoring the developments related to the EU Taxonomy and EU ETS and works closely with its partners to comply with the relevant regulations. The Company is further continuously seeking to adapt the investment strategy to align with future regulatory and market requirements.

MAIN CLIMATE AND ENVIRONMENTAL RISKS

For shipping as an industry, we see the main climate risks related to the following:

- Compliance with emerging regulations
- Lock-in to emitting fuels that become less competitive during the ship's lifetime
- Climate change may reduce global GDP growth and thereby negatively affect trade volumes
- Changing consumption patterns may change trade volumes

Ocean Yield is a strong believer that these climate risks related to decarbonization of the shipping sector will also provide investment opportunities in the coming years. Ocean Yield is well positioned to provide financing of new vessels with low or zero greenhouse gas emissions, being part of the solution to replace the ageing world fleet.

INVESTING IN A FUTURE PROOF FLEET – OCEAN YIELD IS A FACILITATOR FOR THE GREEN ENERGY TRANSITION

Ocean Yield’s strategy has always been to focus on investing in modern fuel-efficient vessels. Through partnering with clients with clear and outspoken green ambitions as well as being a provider of high leverage financing, we facilitate for increased environmentally friendly investments in shipping. Ocean Yield is thus a facilitator for the green energy transition – both directly and indirectly.

ACTIVELY DRIVING THE INDUSTRY TOWARDS DECARBONIZATION BOTH DIRECTLY AND INDIRECTLY



DIRECT IMPACT



Consistent strategy of investing in modern and efficient tonnage



Track-record of investing in climate friendly vessels with future-proof fuel solutions

INDIRECT IMPACT



Partnering with clients with clear and outspoken green ambitions



Provider of high leverage financing, releasing cash for clients to invest in green solutions



Strong supporter of emission reducing initiatives

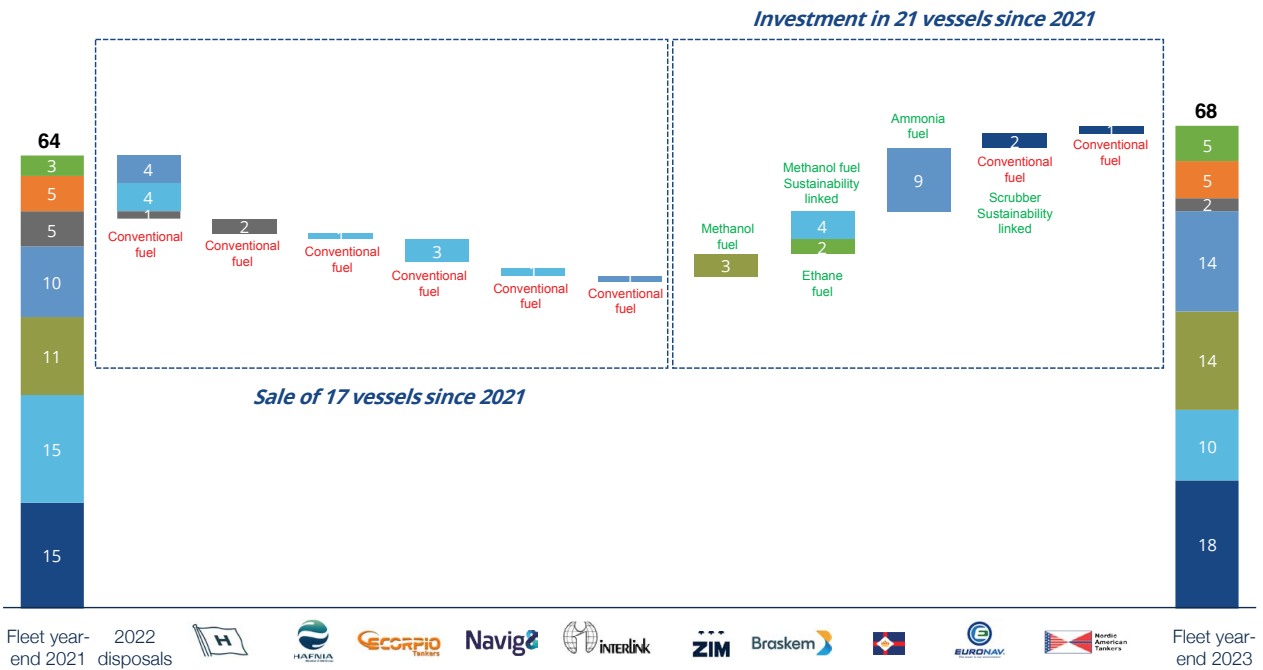
CONTINUOUS RENEWAL OF THE FLEET

As a result of the structure of our charter agreements, Ocean Yield’s fleet will continuously be renewed with older vessels being sold and the released capital being reinvested in modern and future proof vessels. During 2023, a total of eight vessels, all of which used conventional fuel, were sold. During 2023, the Company agreed to acquire seven new vessels. Of these, six vessels structured as sustainability-linked lease, and four vessels are prepared for methanol as alternative fuel source. These are steps in making transportation more sustainable, in line with the 9th UN Sustainability Development Goal: Industry, Innovation and Infrastructure.

At the end of 2023, Ocean Yield had 16 newbuildings under construction, all of which will have the ability to run on alternative fuels. 1x container vessel and 4x LR1 product tanker vessels will have the ability to be converted to operate with methanol as fuel. 2x LEG carriers will be equipped with trifuel engines enabling them to operate using various types of gas as fuel, including LNG and ethane. Finally, 9x Newcastlemax dry-bulk vessels will be ammonia-ready, meaning they will have the ability to be converted to use ammonia as fuel. Upon delivery, the Newcastlemax vessels will commence long-term bareboat charters to guaranteed subsidiaries of CMB N.V. CMB N.V. has partnered with one of the leading engine manufacturers, WinGD, in the development of an ammonia engine for these newbuildings. The ambition is that the newbuildings will be the first large dry bulk carriers to be powered by zero-carbon fuels.

In total, 22 vessels in the Company’s fleet at the end of 2023 were either able or will have the ability to operate with methanol, ammonia or other gases as fuel. Furthermore, two vessels have been modified with battery packs to reduce emissions. 25 of the Company’s vessels are fitted with scrubbers. The remaining 19 vessels that operate using conventional fuel are mostly modern and energy efficient vessels that are more environmentally friendly compared to similar vessels in the world fleet.

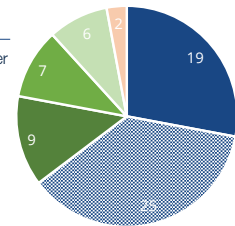
OCEAN YIELD 2022 AND 2023 FLEET EVOLUTION



■ Crude
 ■ Product/chemical
 ■ Container
 ■ Dry bulk
 ■ Car
 ■ Oil service
 ■ Gas tankers

FLEET SPLIT

- Conventional non-scrubber
- Scrubber
- Ammonia
- Methanol
- Gas
- Battery pack modified



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



SUSTAINABILITY-LINKED LEASE

In August 2023, Ocean Yield announced its inaugural sustainability-linked lease, through its acquisition of four LR1 product tankers with long-term bareboat charters to guaranteed subsidiaries of Braskem S.A. The vessels

will be built with a design enabling them to be converted to dual-fuel operation with methanol as fuel. The bareboat charter rate will have a variable element linked to the respective vessel's actual carbon emissions through the CII rating, incentivizing the charterer to keep emissions low. To the Company's knowledge, this was the first sustainability-linked transaction in the maritime leasing market serving as a testament to the Company's strategy of actively driving the decarbonization of shipping.

In November 2023, Ocean Yield announced a second sustainability-linked lease transaction. Two modern 2022-built Suezmax tankers equipped with scrubbers were acquired and leased back to Euronav NV. The first vessel was delivered in December 2023, while the second vessel was delivered in January 2024. The bareboat charter rates will for this transaction also have a variable element linked to the respective vessel's actual carbon emissions through the CII rating, incentivizing the charterer to keep emissions low.

SECURED LOAN FACILITY LINKED TO A VESSEL'S CARBON EMISSIONS

As part of financing one of the vessels to Euronav NV, Ocean Yield has entered into a secured loan facility where the interest margin has a variable element linked to the vessel's actual carbon emissions, and the parameters mirror the emissions parameters of the underlying bareboat charter. With this transaction, Ocean Yield's financing cost has also been tied to the actual emissions of the vessel, which further underpins Ocean Yield's commitment to reduced emissions in the shipping industry.

CLIMATE RELATED RISK MANAGEMENT

Climate change related risks, most importantly transitional risk but also physical, can have significant future financial effects for Ocean Yield. We recognize this fact and climate related risks are covered in the Company’s Risk Management Process.

The key climate change risks are related to potential new regulations to reduce greenhouse gas emissions further and introduction of new technologies that can make Ocean Yield’s vessels less competitive in the market, and as a result materially affect the economic value of the vessels. Lower economic value of the vessels could increase counterparty risk and reduce the residual value of the vessels.

Ocean Yield seeks to mitigate key climate risks through bareboat charter contracts, where the charterer in most instances is responsible for the vessel’s compliance with environmental regulations. A further mitigating effort is that project economics is focused on the cash flow generated from the lease, rather than the residual value of the vessel, in order to reduce exposure to potential loss of value from stricter regulation and technological improvements. We also believe that our strategy of investing solely in modern fuel-efficient vessels is a key risk mitigator.

PERFORMANCE DATA

With the exception of three container vessels (of which one will be delivered in the first half of 2024), all vessels in Ocean Yield’s fleet are fixed on long-term bareboat charters. Consequently, Ocean Yield has limited operational control of the vessels. Ocean Yield has since the launch of the Poseidon

Principles implemented requirements in new bareboat charters, requiring the counterparty to report to Ocean Yield with respect to our vessels in accordance with the principles. The Poseidon Principles were launched in 2019 and serve as a framework for creating common, global baselines that are consistent with and supportive of society’s goals. The principles are relevant for a broad group of financial institutions and will enable them to better align their portfolios with responsible environmental impacts. Relevant and available data is disclosed in this report, however, with one year delay. Ocean Yield is not a signatory of the Poseidon Principles, however the Company finds the methodology useful to assess the climate performance of its fleet.

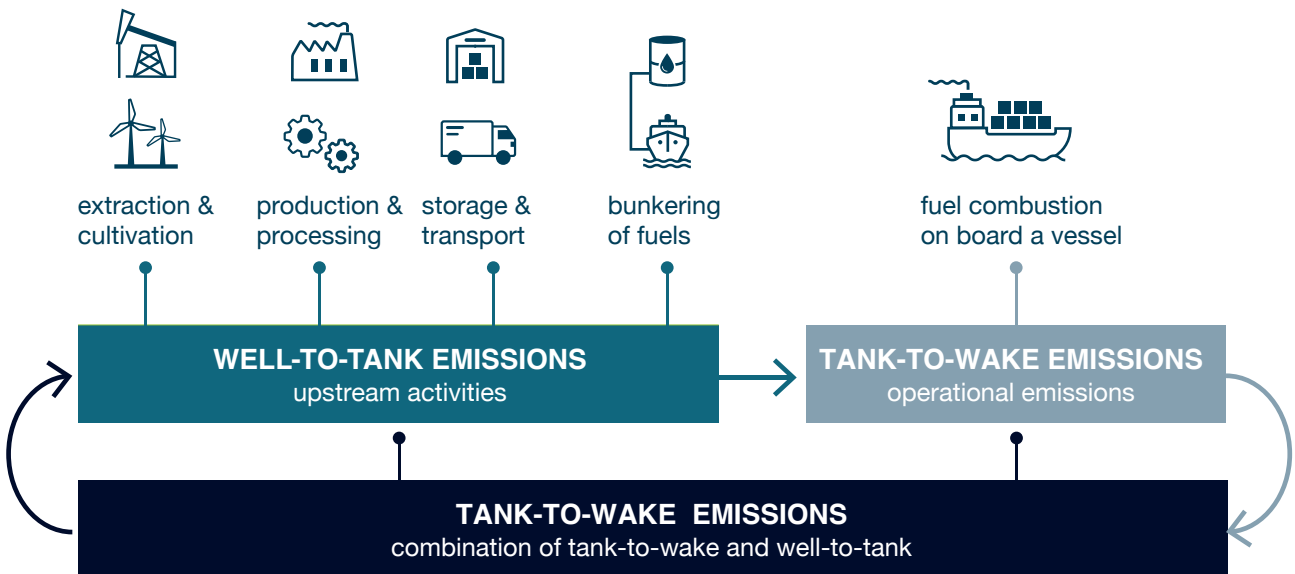
CALCULATION OF PORTFOLIO CLIMATE ALIGNMENT

Originally the Poseidon Principles were based on the 2018 IMO “50% CO₂ reduction trajectory” a targeted minimum 50% reduction in absolute operational (tank-to-wake) CO₂ emissions by 2050 (compared to 2008 levels).

The 2023 IMO revised GHG strategy takes a broader view on fuel emissions, taking into account the life-cycle emissions related to the fuels consumed (well-to-wake emissions). Also, there are two trajectories outlined. Both these trajectories aim for net-zero emissions from international shipping “by or around” 2050, however they differ in pace of medium-term target:

- “Minimum” trajectory implies a 20% GHG reduction in 2030 and 70% GHG reduction in 2040 relative to 2008.
- “Striving for” trajectory implies a 30% GHG reduction in 2030 and 80% GHG reduction in 2040 relative to 2008.

TANK-TO-WAKE, WELL-TO-TANK, AND WELL-TO-WAKE EMISSIONS



Source: Poseidon Principles

The Poseidon Principles utilise a carbon intensity metric known as the Annual Efficiency Ratio (AER). The metric is calculated using an approximation of the annual transport work performed by a ship, using the parameters of fuel consumption, distance travelled and deadweight tonnage (DWT) at maximum summer draught². AER is reported in unit grams of CO₂ per tonne-mile³.

Climate alignment at the vessel level is the percentage difference between a vessel's AER and the AER trajectory value for comparable vessels. The decarbonisation trajectory is the emissions intensity trajectory required to meet the CO₂ reduction ambitions of the IMO.

The climate alignment score at the portfolio level is the weighted average of the climate alignment at the vessel level using the debt outstanding of each vessel⁴ in the portfolio.

Ocean Yield's portfolio climate alignment score for 2022 was -14%, meaning that the carbon intensity of Ocean Yield's fleet on a value weighted basis was lower than the 2018 IMO decarbonisation trajectory.

The Company has not compared the fleet performance relative to the revised 2023 IMO trajectories, as the Poseidon Principles Technical Guidance document had not been updated as per the time of writing this report.

PORTFOLIO CLIMATE ALIGNMENT

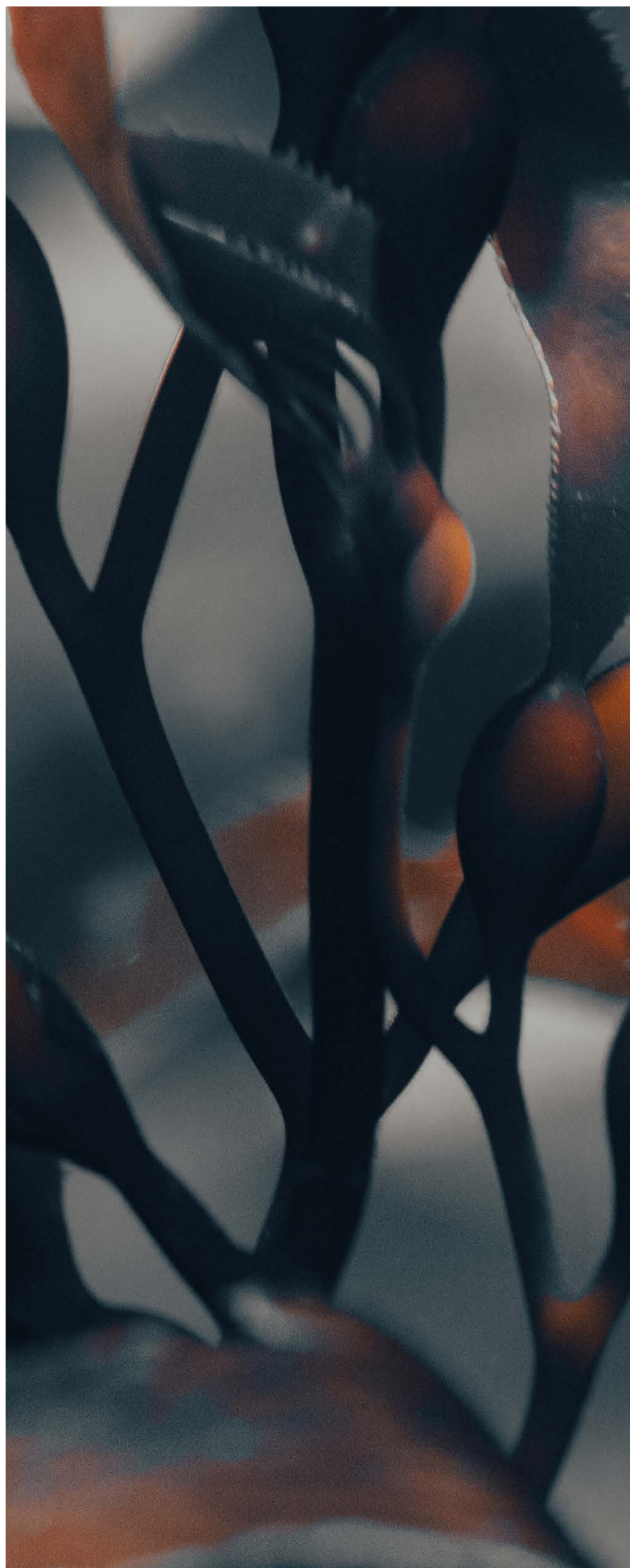
The table below presents the CO₂ emissions of our fleet as reported to us by our counterparties. As part of our commitment to ESG it is important for us to be transparent and disclose the environmental impact of our assets. These emissions are beyond our direct operational control, and as such they represent our indirect scope 3 emissions as defined by the GHG protocol.

We do not report other emissions due to lack of available data.

²For some vessel classes gross tonnage (GT) is used instead for DWT.

³gCO₂/dwt-nm, and for the vehicle carriers gCO₂/gt-nm.

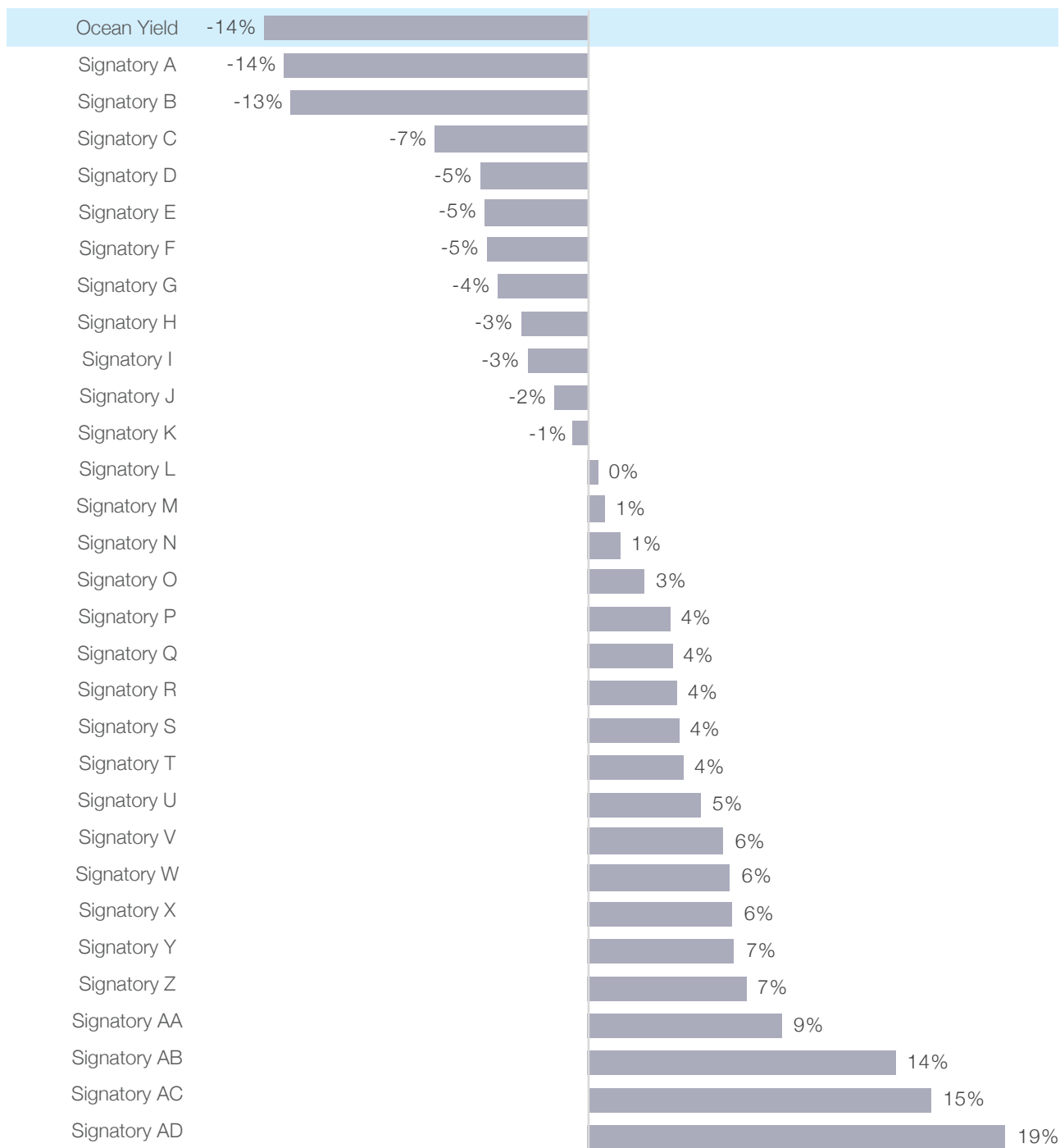
⁴As a lessor, Ocean Yield uses the lease outstanding as per end of the relevant year.



RELATIVE PERFORMANCE

When comparing Ocean Yield's portfolio climate alignment score relative to the signatories of the Poseidon Principles performance in 2023 (for the year 2022), using the same

methodology, we observe that Ocean Yield compares well against the performance of the global shipping banks with a score aligned with the Poseidon Principles baseline.



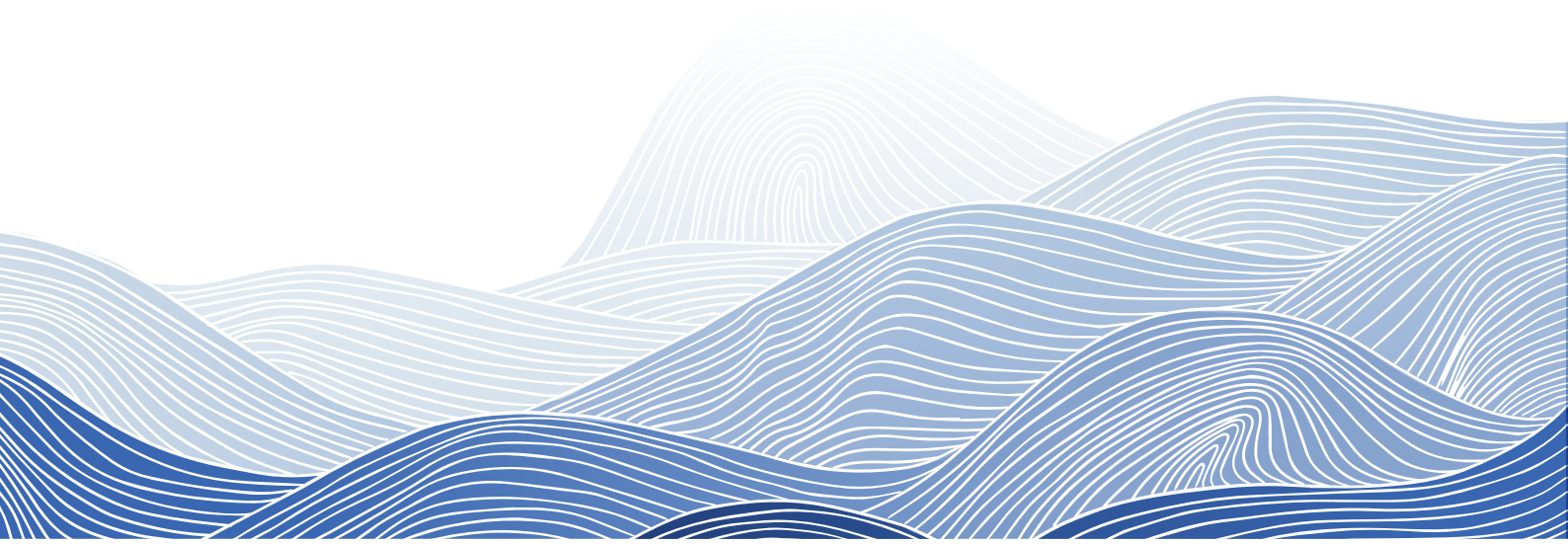
*Ocean Yield is not a signatory of the Poseidon Principles.
The Portfolio Climate Alignment is based on 43 vessels on the water and does not include container vessels owned 49.9% and five oil-service vessels.*



Ocean Yield seeks to mitigate key climate risks through specific regulations in the bareboat charter contracts, where the charterer in most instances is responsible for the vessel's compliance with environmental regulations.

		Performance			
Metric	Unit	2022	2021	2020	2019
Scope 1 emissions	Million Mt CO ₂ e	0	0	0.02	0.01
Scope 2 emissions	Million Mt CO ₂ e				0
Scope 3 emissions	Million Mt CO ₂ e	1.28	1.40	1.21	1.21

- 1) Scope 1 emissions include the operated vessel Connector which was sold in December 2020. The FPSO Dhirubhai-1 is excluded as this vessel was in lay-up and classified as discontinued operations. The vessel was sold in December 2021.
- 2) Scope 2 emissions are excluded as indirect emissions from energy related to office are insignificant compared to Scope 1 and Scope 3 emissions.
- 3) Scope 3 emissions includes 48 vessels owned in 2022 representing 91% of vessel book value. Vessels sold during the year and container vessels owned in the 49.9% owned joint venture Box Holdings Inc. was excluded due to no available data. Vessels under construction have not been included.





A CONTRACTUAL OBLIGATION TO THE ENVIRONMENT

Ocean Yield supports the 14th UN Sustainability Development Goal to conserve and sustainably use the oceans, seas, and marine resources for sustainable development.

Nearly all of Ocean Yield's long-term charters are documented through bareboat charter contracts, which are based on the internationally recognized BIMCO barecon form with extensive rider clauses. Our bareboat charters have precise requirements for how the counterparty operating the vessels shall comply with international environmental regulations. The contracts place a legal responsibility on the counterparty for compliance with international conventions, codes, and regulations. Ocean Yield monitors the counterparties fulfillment of these responsibilities closely.

The charter contracts also regulate that the vessels must be insured against oil spills and environmental incidents. This includes any incident in which environmentally sensitive material is released into the sea through a collision or similar, which would lead to a negative impact on the environment. The contracts also regulate that the counterparty operating the vessel must have all relevant environmental permits in place relating to any environmentally sensitive material.

Ocean Yield has three vessels on long-term time charter, where management of the vessels are outsourced to a third party technical manager. The terms of the contracts with the time charterer and the third party technical manager, together with Ocean Yield's own policies and procedures, cater for the same level of compliance with all laws and regulations as set out above.

ENSURING RESPONSIBLE BALLAST WATER MANAGEMENT

The International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM Convention) requires ships to manage their ballast water to remove, render harmless, or avoid the uptake or discharge of aquatic organisms and pathogens within ballast water and sediments. All ships engaged in international trade are required to manage their ballast water to avoid the introduction of alien species into coastal areas, including exchanging their ballast water or treating it using an approved ballast water management system. The IMO BWM Convention requires ballast water treatment systems to be in place on all new vessels.

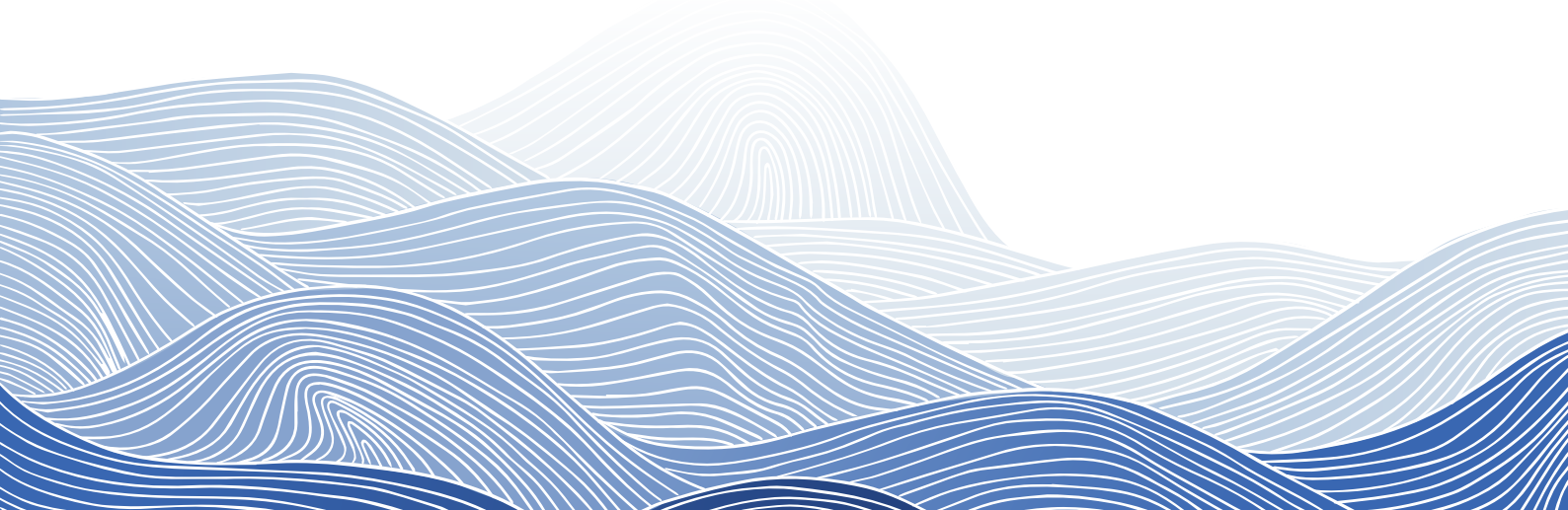
Ocean Yield has ballast water management systems in place for all vessels, with the exception of the Aker Wayfarer, as this vessel only conducts operations offshore Brazil.

RECYCLING OF VESSELS

The Company is committed to environmentally and socially responsible recycling of ships. Any vessels that are under Ocean Yield's control will be subject to responsible recycling according to the Hong Kong Convention as a minimum.

Most of our bareboat charters contain requirements towards Green Passports, which is a document prepared in accordance with the guidelines to the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, including the Guidelines for the development of the Inventory of the Hazardous Materials, listing all the potentially hazardous materials on board the Vessels.

The direct exposure of the company towards recycling of vessels is considered low, based on a combination of a modern fleet and the fact that the vast majority of the leases include purchase obligations, put options, or attractively priced purchase options motivating charterers to acquire the vessels at the end of the firm bareboat charter.



SOCIAL



Ocean Yield's employees are our most important resource and the drivers of the company's success.



Our key activities demand a wide range of skills, and the Company relies on the competence and talent of our people to deliver on our strategic ambitions. In line with our Code of Conduct, Ocean Yield's priorities are to maintain an inclusive environment, ensuring collaboration, continuous learning, and productivity. These priorities are supported within every business area to secure the well-being of our people.

DIVERSITY

Ocean Yield strives to achieve and maintain a diverse workforce by encouraging innovation, learning and understanding. As of year-end 2023, the Company has 15 permanent employees located in Norway and Malta.

The Company aims to be an attractive employer for both new and existing employees. Our values are integrated with how we work, and we work to recruit talent that recognizes the same values. Throughout 2023 there was no change in staff.

Ocean Yield believes that gender balance strengthens the Company and aim to secure an inclusive work environment where our employees can flourish. Women account for 40% of the workforce at year-end 2023, compared to 40% the year before. As of year-end 2023, the workforce consisted of 6 women and 9 men.

We are an equal opportunity employer and work to ensure an environment free of discrimination. All employees are treated equally regardless of gender, sexual orientation, disability, ethnicity, skin colour, religion, or political opinions.

Ocean Yield has a zero-tolerance policy for harassment or degrading treatments in any form by or towards employees. According to work, position, and seniority, Ocean Yield has a compensation policy that ensures fair and equal compensation for all employees. Wages are market competitive, and the Company complies with the laws applicable in the countries where we are present. CEO and CFO compensation is disclosed in our annual report to secure transparency regarding wage levels.

We will continue to uphold our values of diversity and equality in all our endeavours and be transparent about our activities.

COMPETENCE

Continuous workforce development is essential for Ocean Yield's growth and productivity. Given the small size of our employee base, our focus is specifically to increase development training on the job. Employees are encouraged to evolve and seek new knowledge. As part of our training and competency efforts and to keep our employees well informed, industry experts, product specialists, economists,

and people with other relevant knowhow from banks and other reputable firms are regularly invited to present and educate with the aim to provide our people with opportunities to develop their skillsets and talent.

Ocean Yield thrives on having a flat organizational structure and corporate culture, encouraging open feedback, communication, and cooperation. At least once a year, employees are subject to a performance review, in which they are also encouraged to voice opinions, concerns and make suggestions for improvements to learn and develop.

New employees are provided with the necessary training, guidance, and supervision. Additionally, all new employees have completed anti-corruption and business ethics training as part of their introduction and on boarding.

Focus on and awareness of compliance and business integrity as defined in the Code of Conduct is vital to ensure integrity in our work. New employees are required to acquaint themselves with the Code of Conduct, as part of the on-boarding process. Increasing competency and training on cyber security has been highlighted during this reporting year.

EMPLOYEE WELL-BEING

The safety and well-being of all our employees is our top priority. Ocean Yield does not directly employ seafarers. For the employees of the company, our main activities are related to an office environment. Thus, the health and safety risk are considered to be low. During the past year, we had no fatalities or recordable injuries. Our goal is to have zero injuries, fatalities and environmental incidents.

We strive to accommodate that our employees can maintain a healthy work-life balance through flexible work hours, remote work possibilities, and stress management resources, among other initiatives. Sick leave rates remain low, at 0.67% in 2023 compared to 0.39% in 2022.

For 2023 the retention rate was 100%, up from 80% in 2022. The 2022 retention rate is broadly due to organizational changes following the acquisition by KKR at the end of 2021. Ocean Yield is continuously working to uphold and adjust people processes to provide our employees with the resources they need to maintain a healthy and productive work environment.

FREEDOM OF ASSOCIATION

Ocean Yield promotes a responsible employment environment and respects universal principles and norms that protect labour rights. This includes respecting the freedom of association and the freedom to conduct collective negotiations. Ocean Yield is against any form of child labour.



SOCIAL CONTRIBUTIONS



STIFTELSEN VI

Ocean Yield supports the foundation “Stiftelsen VI”. Established in 2018, “Stiftelsen VI” works to ensure that persons with disabilities are given the same opportunities to a dignified life as non-disabled persons.

Studies show that many people suffering from a disability experience a reduction of quality of life, inferior health condition, and higher isolation levels. The living conditions survey published by Statistics Norway shows that there is a significant gap in the opportunities provided between non-disabled persons and persons living with a disability. “Stiftelsen VI” seeks to address this vital issue. Through motivation, promoting, and providing an arena for fellowship in sports and physical activity, the foundation aims to give persons with disabilities an increased sense of achievement and purpose - promoting equality through providing equal opportunities to function and perform.



JAR IDRETTSLAG

Jar Idrettslag is a multi-sport club that organises over 1,000 athletes in ice hockey, figure skating, curling, handball, football and wrestling, whereof 75% are under 18-years of age and 50% between 6-12 years. During 2023, Ocean Yield has made contributions to support the children’s ice hockey team.



ZIBEL

Ocean Yield supports the non-governmental organisation Zibel in Malta. Zibel was established in 2017 with the aim of reducing the overall waste generated in Malta and restoring the natural sea environments to their most natural states. Zibel is a local NGO focused on cleaning the seabed around the shore of the Maltese Islands. Ocean Yield has provided Zibel with marine underwater scooters to facilitate the location and transportation of plastic waste and ghost nets.



ST. JEANNE ANTIDE FOUNDATION

St. Jeanne Antide Foundation works within the Maltese community to help families that are in need of assistance, being domestic abuse, family crisis, poverty, and psychological help. Ocean Yield has made donations to the foundation during 2023.



MENTAL HEALTH ASSOCIATION

Mental Health Association on Malta help whoever is in need of mental health assistance, the requests to this NGO have increased substantially during the covid pandemic. Ocean Yield has made donations to the foundation during 2023.



SOUP KITCHEN OF M VALLETTA

THE SOUP KITCHEN

The Soup Kitchen is a Maltese NGO that offers a hot meal to whoever walks in, together with the availability of showers, councillors, and laundry facilities. They hand out approximately 100 meals a day, they are there for whoever needs their help. Ocean Yield has made donations to the foundation during 2023.

URSULINE SISTERS OF ST. ANGELA MERICI

Ursuline Sisters of St. Angela Merici is a children’s home in Malta. Ocean Yield has made donations to the home during 2023.

GOVERNANCE



Ocean Yield's principles of governance are built on our values and define a framework of rules and procedures by which we govern and control our business. The governance principles are incorporated into our performance culture through the Board of Directors, executive management, and our employees.

Ocean Yield is committed to a credible and robust approach to ESG, and this is an integrated part of our investment decision-making process and day-to-day operation. We focus on the integration of sustainability into our daily operations and business decisions and cement our commitment to good governance, a good working environment, environmental and climate responsibility, diversity and inclusion, and ethical business conduct.

COMPLIANCE

Ocean Yield's corporate governance principles are in accordance with the Norwegian Accounting Act §3-3b.

OUR CODE OF CONDUCT

Ocean Yield's vision and core values are designed to cultivate and refine a corporate culture in which people deliver strong results in a responsible manner, which is reflected in our Code of Conduct that all employees are expected to follow. Our Code of Conduct is available in English and published in full on our website.

The Code of Conduct covers a wide range of essential topics, including, but not limited to:

- Working environment
- Corruption and bribery
- Conflicts of interests
- Insider trading
- Relations to suppliers

All employees are trained in the contents of the Code of Conduct, and the document is signed by all new employees when joining the Company. The Code of Conduct is reviewed annually.

We apply zero-tolerance management to violations of our Code of Conduct. Most (potential) violations are reported to and dealt with by line management. If this is not considered appropriate, complaints can be reported directly to our Board of Directors, or through our whistleblower hotline available on the company website.

Reports received through the integrity channel are initially received and handled by an independent third party; PwC Law. PwC is dedicated to maintaining high ethical standards and handles all submissions confidentially.

ANTI-CORRUPTION

Ocean Yield does not tolerate any form of corruption and will make active efforts to ensure that this does not occur in the Company's business activities. Ocean Yield's Anti-corruption Policy contains principles on relevant issues such as bribes, gifts, services, and other forms of corruption and is available in full on our company website. Per the date of the publication of this report, Ocean Yield is not aware of any incidents or allegations of corruption in 2023.

The risk of corruption incidents is considered to be low. Ocean Yield makes investments in vessels and have a small number of suppliers as vessel operations are managed by our clients.

SANCTIONS

Ocean Yield is obligated to comply with any sanctions set by relevant sanctions authorities such as the Norwegian State, the United Nations, the European Union, the United States of America, and any authority acting on behalf of them in connection with sanctions. Ocean Yield's charterparties and loan agreements contain sanction clauses that include applicable laws, regulations or orders concerning any trade, economic or financial sanctions or embargoes. The Company has a sanctions policy in place outlining its protocols and procedures.

BOARD OF DIRECTORS

The Board of Directors currently consists of three members, two key individuals from KKR and one independent board member. One third of the board is female. The CEO and executive management staff report directly to the Board of Directors on a frequent basis.



RISK AND OPPORTUNITY MANAGEMENT

Ocean Yield's risk management process shall identify potential threats and opportunities to develop a strategy for minimizing or eliminating risks and capturing business opportunities. This process is included in our overall business processes. It includes ESG, particularly regarding climate risks and opportunities, such as stricter climate and environmental regulations, changing stakeholder expectations, EU Taxonomy developments, and new technologies.

The risk management process includes:

- Definition of business goals and identification of risks
- Risk assessment and mitigation
- Risk reporting, monitoring, and improvement

The risk assessments and related actions are reported and reviewed by the Board of Directors on a frequent basis.

REPORTING TO STAKEHOLDERS

Ocean Yield will communicate relevant business information in an accurate and timely manner to our stakeholders and employees. Ocean Yield is committed to providing the financial markets with quality information on the financial and

operational status of the company, enabling investors in our bond loans and analysts to maintain a correct picture of the financial situation, ESG risks and opportunities/challenges we face in the future. Ocean Yield will provide accurate disclosures and information to the financial markets according to all relevant laws and regulations for companies with listed bonds on the Oslo Stock Exchange.

MANAGEMENT INCENTIVES

The management incentive system's primary purpose is to stimulate a strong and long-lasting profit-oriented culture leading to an increasing value of the Company over time. The CEO, CFO, and other key employees are entitled to a variable salary, where part of this is discretionary based on certain KPIs. In addition, management has invested alongside KKR in a management equity plan, incentivizing management to increase the long-term value of the Company. Remuneration to the Board of Directors and the fixed and variable salary of Ocean Yield's CEO and CFO is presented in the Annual Report for 2023.

RESPONSIBLE BUSINESS CONDUCT

Ocean Yield is committed to ethical and responsible business conduct, which we regard as a prerequisite to maintaining public trust in the company. Ocean Yield chooses its counterparties carefully and strives to work with partners that share its values and have zero tolerance for corruption, bribery, and unethical behaviour. Ocean Yield does not tolerate any form of corruption and actively ensures that this does not occur in its business activities. Ocean Yield's Code of Conduct and Anti-corruption Policy contains principles on relevant issues such as bribes, gifts, services, and other forms of corruption. Ocean Yield has strict restrictions against any forms of anti-competitive practices and contractual requirements related to sanctions and restricted parties.

Ocean Yield maintains business processes, training, and controls to implement and uphold its Code of Conduct.

Ocean Yield has not incurred any monetary losses due to legal proceedings associated with bribery or corruption in 2023 or any years prior.

SUPPLIER CODE OF CONDUCT

One of Ocean Yield's goals is to develop relationships with business partners that share similar corporate values as the Company and conduct their business in an ethical and compliant manner. The Company has established and is in the process of communicating its Supplier Code of Conduct for Ocean Yield's business partners which outlines the obligations, and the integrity standards Ocean Yield expects its business partners to uphold. It includes requirements related to the most salient human rights issues in this context: child and forced labor, discrimination, safe and healthy work environment, freedom of association and collective bargaining, equal pay and working hours, and indigenous peoples. The Supplier Code of Conduct for Ocean Yield's business partners is available on the Company's website.



Ocean Yield chooses its counterparties carefully and strives to work with partners that share its values.

INSIDER TRADING

Ocean Yield is subject to several laws concerning the purchase and sale of publicly traded securities. The Company's employees and their close family members must refrain from trading securities while possessing material, non-public information relating to the Company or any other company where Ocean Yield directly or indirectly has ownership interests. Directors, officers, and other personnel defined as primary insiders are subject to various reporting and insider trading requirements.

LOBBYING

Ocean Yield maintains a neutral position on party politics and will not support, financially or otherwise, any party or its candidates. Ocean Yield has not participated in any form of lobbying.

TAX

Ocean Yield pays taxes under the ordinary tax schemes in Norway and Malta, as per the applicable rules and requirements.

WHISTLEBLOWER PROGRAM

Ocean Yield has established a whistleblower channel where employees and others can raise concerns about improper activities or misconduct and report instances of potential non-compliance with our values without fear of retaliation. Such improper activities or misconduct may include HSE violations, harassment, insider trading, money laundering, fraud, bribery and kickback arrangements, or other breaches of Ocean Yield's Code of Conduct.

Ocean Yield's employees are encouraged to first discuss any compliance matters internally with their immediate supervisor or another member of senior management. If such measures are not appropriate or sufficient, complaints may be reported through the independent whistleblower channel, and an independent third party, PwC Law, will be processing the reports. PwC is dedicated to maintaining high ethical standards and handles all submissions confidentially.

In 2023 or prior years, no cases have been reported through the whistleblower channel or directly to management.

THE TRANSPARENCY ACT

This report is provided pursuant to the requirements of the Norwegian Transparency Act of July 2022.

OPERATIONS

Ocean Yield is fully committed to respecting fundamental human rights and human rights due diligence in its business operations and value chain. The Company recognises its obligations to human rights both related to international conventions, principles, and guidelines as well as national law, such as the Norwegian Transparency Act.

Ocean Yield has offices in Bærum, Norway, and in Malta and as of year-end 2023, the Company had 15 employees. The operations of the Group's bareboat chartered fleet are managed from Malta and the vessel owning companies are primarily owned and controlled by Ocean Yield Malta Limited.

The Company's business strategy is to enter into long-term charters, which gives visibility with respect to future earnings of the Company. Ocean Yield's main focus is primarily on bareboat charters, which means that the Company has no operational control of most of its vessels. The duration of the bareboat charters is typically from ten to fifteen years and the vessels are chartered to reputable clients around the world. However, the Company may also enter into time-charter contracts with shorter duration. The Company's ambition is to continue to grow and further diversify the portfolio of vessels on long-term charters.

POLICIES AND GOVERNANCE

Ocean Yield supports and respects the protection of internationally proclaimed human rights as set out in the fundamental principles of the Universal Declaration of Human Rights and the core international human rights treaties. Ocean Yield strives to avoid causing or contributing to adverse human rights impacts through our business activities and address such impacts if and when they occur. Key policies and governance principles are adopted by Executive Management and the Board.

Ocean Yield also supports and respects internationally recognized labour rights as set out in the fundamental International Labour Organization (ILO) conventions, including the freedom of association and the right to Collective Bargaining

Agreements within relevant national and international laws, regulations and standards, and we support i) the elimination of all forms of forced and compulsory labour; ii) the effective abolition of child labour; iii) the elimination of discrimination in respect of employment and occupation.

Both the Ocean Yield Code of Conduct and Supplier Code of Conduct is outlined in this report and is available on the Company website.

RISK ASSESSMENT

The Company has conducted a human rights risk analysis of its business operations and value chain, to map and understand human rights risks and to identify potential actions required. The overall human rights risk analysis of the Company's business operations and value chain were conducted in accordance with the steps of the UN Guiding Principles for Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises and national laws, such as the Norwegian Transparency Act. The purpose of the analysis was to map and better understand the human rights risks we are facing, and to determine the need for further follow-up measures in addition to general measures already implemented, such as revising our Code of Conduct and further strengthening our focus on human rights in our risk assessments and business partner screenings.

In general, the shipping industry, and the broad set of jurisdictions shipping companies operate entail an inherent risk for adverse impact on human rights and decent working conditions, especially in the Company's supply and value chain. The analysis enabled us to distinguish two prioritized human rights risk areas going forward, which are:

- **With regards to the vessels: Construction, maintenance, and recycling**

These are labour-intensive activities that may concern a series of human and labour rights issues, both when it comes to risks of accidents and injuries and when it comes to risks of worker exploitation. The risks relate to for example health and safety levels (including workplace accidents), working hours, wage levels, regular terms for employment or child labour.

- **With regards to the operations: Crew**

There are several human and labour rights risks related to seafaring. The working environment on a ship, with extended periods offshore, can create limited oversight and weak law enforcement. This increases the risks of worker exploitation, for example by excessive working hours or poor wage levels.

In general, Ocean Yield considers that the Company's risk of violating such human rights is limited. The operational control and responsibility of our vessels and related operations is held by third parties that lease the vessels on predominantly long-term bareboat charterparties. In the client selection processes, Ocean Yield puts significant emphasis on partnering with reputable international shipping companies committed to ESG policies and consequently human rights.

For a very limited number of vessels, Ocean Yield does however have operational responsibility both of vessel and crew. For these few vessels, the management and supervision of the vessels are outsourced to third parties. To address risks related to human rights, Ocean Yield focuses on collaborating with reputable ship managers carefully selected through thorough due diligence and assessment. Their supplier code of conducts and active oversight should contribute to mitigate human rights risks. New shipbuilding contracts include specific clauses regarding responsible business conduct, committing the shipbuilders (including throughout the supply chain) to be conducted in accordance with human rights and decent working conditions. Going forward, the Company's main focus on human rights issues will be to monitor and collaborate with relevant parties related to the construction and operations of these vessels.

Other significant suppliers of Ocean Yield are leading international banks, law and audit firms. Based on our human rights risk analysis, we consider the associated risk related to these counterparties to be low.

In summary, we strive to ensure that our business partners and suppliers share our human rights commitment and standards.



BÆRUM, 28TH FEBRUARY 2024
OCEAN YIELD AS

V. Policard

VINCENT POLICARD
CHAIRPERSON

Bernardo Nogueira

BERNARDO NOGUEIRA
VICE CHAIRPERSON

Rebecca Lund Nakkim

REBECCA LUND NAKKIM
DIRECTOR

ABOUT THIS REPORT



In this section, we outline the principles, boundaries, and scope of our ESG reporting and how we see ESG as a vital part of Ocean Yield's reporting to our stakeholders.

REPORTING STANDARDS

This report contains disclosures from the World Economic Forum's efforts to develop a core set of standard sustainability metrics and the Norwegian Shipowners' Association Guidelines on ESG reporting in the shipping and offshore industries. We also use reporting guidance from Euronext and selected recommendations from the Task Force on Climate-related Financial Disclosures.

BOUNDARIES AND SCOPE

Ocean Yield has no operational control of its vessels as almost all are fixed on long-term bareboat charters to reputable clients around the world. Our clients are responsible for the operations of the vessels, and we therefore classify the emissions as indirect emissions (Scope 3). We do, however strive to be transparent concerning the availability of data and reporting boundaries.

- CO₂ emissions from our vessels are included on a 100% basis to the extent our counterparties have provided the data. According to the GHG protocol, these emissions are beyond our operational control and are reported as indirect scope 3 emissions. Emission data for our vessels in this report are for 2022 as 2023 emissions are not available until after our clients submit the data to the IMO data collection system (IMO DCS), expected in Q3 2024.
- Scope 2 emissions related to electricity consumption are not included in this report as this is considered immaterial.
- We do not report safety data for our vessels as we do not have access to the data. Our clients are responsible for the operations.
- The Company previously owned an FPSO that was sold during Q4 2021. This vessel was not in operation and moored in a fixed position with a small crew during 2021. Therefore, environmental and safety data from this vessel is not included in this report.
- Our workforce data does not include temporary employees or contractors.

AER	Annual Efficiency Ratio. The metric is calculated using an approximation of the annual transport work performed by a ship, using fuel consumption parameters, distance travelled, and design deadweight tonnage (DWT). AER is reported in unit grams of CO ₂ per tonne-nautical mile.
BIMCO	Baltic and International Maritime Council.
BWM	Ballast Water Management.
CO ₂ -e	CO ₂ equivalents.
CoC	Code of Conduct.
DWT	Deadweight tonnage.
ESG	Environment Social and Governance.
LTV	Lease to value.
IMO	International Maritime Organization.
NM	Nautical mile.
NUES	Norwegian Code of Practice for Corporate Governance.
OCY	Ocean Yield.
Poseidon Principles	The Poseidon Principles were launched in 2019 by several financial institutions and serve as a framework for creating common, global baselines that are consistent with and supportive of society's goals, including IMO's 2050 GHG reduction strategy. The Poseidon Principles were revised in 2023.
SO ₂	Sulphur dioxide.
TCFD	Taskforce for Climate-related Financial Disclosures.
The Taxonomy	EU Taxonomy for sustainable activities.
WEF	World Economic Forum.

Except for climate performance data, the information in this report represents the reporting period 01.01.2023 – 31.12.2023. All climate performance data, including AER and CO₂ emissions, represent the reporting period 01.01.2022 – 31.12.2022 for vessels owned by Ocean Yield in that period, but excluding container vessels

owned 49.9% and five oil-service vessels. Information used to calculate climate performance, such as distance travelled and fuel use by fuel type are provided by our counterparts. Ocean Yield follows the Greenhouse gas protocol definitions for emissions. Ocean Yield uses the emissions factors per fuel type provided by IMO in Resolution MEPC.245(66).



As of year-end 2023, Ocean Yield has a young and diverse fleet consisting of 68 vessels, with an average age of 5.1 years.



OCEANYIELD.NO

Ocean Yield AS
Oksenøyveien 10
Lysaker, Norway

Postal address
P.O. Box 513
NO-1327 Lysaker
Norway

post@oceanyield.no
www.oceanyield.no