

ESG REPORT 2022



OCEAN YIELD

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INTRODUCTION FROM THE CEO



Sustainability and responsibility have been integrated parts of Ocean Yield's core strategy since the company was established. Once again I am proud to present Ocean Yield's ESG report, which provides a comprehensive and transparent overview of our strategy and a detailed insight into our performance and crucial efforts within Environmental, Social, and Governance topics.

A sustainable business is one that thinks and acts with a long-term focus taking the paradigm of a sustainable world into consideration. While ocean-going transportation is the most carbon-efficient means of transport available today, global emissions will have to be reduced to minimize the effects of climate change. 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.

At Ocean Yield we seek to see opportunities in change and our goal and ambition is to act as a facilitator and enabler of change as the maritime industry embarks on the next stage of the energy transition journey. Through client selection we seek to partner with the leading maritime companies of the world and take an active role in addressing the global need for gradual renewal of the maritime fleet to ensure that we jointly take these matters seriously and work to meet our stakeholders' expectations in a fast-moving and changing environment. We firmly believe that collaboration is key and we work closely with our clients, banks and other stakeholders with the firm belief that sustainable growth is the key to sustainable long-term value creation.

An essential understanding of our ESG risks, opportunities, and performance is critical to ensure the continued success of Ocean Yield and our strategic ambitions are fully supported by our shareholder KKR. Our Board of Directors is pledging its full support to the company's strategic ambitions and we integrate ESG considerations into our decision-making and management practices.

Ocean Yield has a young and diverse fleet consisting of 70 vessels as of year-end 2022, including tankers, container vessels, dry bulk vessels, car carriers, gas carriers and oil-service vessels. The average age of the fleet was 4.9 years as of year-end 2022. Our investment strategy remains firm and we continue to focus on investing in modern vessels or newbuildings

with the ambition of building a modern and energy-efficient portfolio of vessels with low emissions and low carbon footprint.

The majority of our charter contracts are bareboat charters, where the counterparty is responsible for the operations of the vessels and hence, our role is mainly to facilitate and aid shipping companies around the world in their fleet renewal and decarbonization processes and through that, contribute to reduce emissions.

For Ocean Yield, 2022 was the first year with KKR as new owner and a year with hectic investment activity. We acquired several vessels and newbuildings with dual-fuel engine technology that will contribute to reduce emissions and as our existing fleet matures, we sold several vessels with conventional fuel technology, gradually improving our carbon footprint.

Our ambition is to continue to invest in modern, fuel-efficient vessels with long-term charters to leading shipping companies as we seek to build an even more diversified fleet and, jointly with our clients, play an active role in the continued transformation of the maritime industry.

As one of the leading asset managers of the world, KKR brings extensive experience and governance best practices to Ocean Yield. Jointly we strive to conduct ourselves with integrity in everything we do to maintain the trust of our clients and other stakeholders.

Ocean Yield seeks to be an attractive and inclusive place to work where employees are recognized and on the job training and development are promoted and supported. We actively engage and support various social initiatives both in Norway and in Malta and we share KKR's view that a sustainable investment approach is a key lever of value creation.

Andreas Røde
CEO

OCEAN YIELD ESG FRAMEWORK

The material issues for Ocean Yield's ESG activities are outlined in the framework on the next page. 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 to 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.



KKR ESG STRATEGY

BOARD OF DIRECTORS

Quarterly ESG updates
Frequent discussions on ESG-related matters
Access to shareholder's ESG resources

Client selection
Vessel selection
Discussions with clients
Third party interactions

MANAGEMENT



ENVIRONMENT

- Facilitator for the green energy transition
- Reduction of greenhouse gas emissions
- Responsible recycling of vessels



SOCIAL

- Diversity and culture
- Competance and employee development
- Employee well-being
- Freedom of association
- Social initiatives and responsibility



GOVERNANCE

- Code of conduct
- Anti-corruption
- Risk and opportunity management
- Reporting
- Business ethics
- Management incentives
- Responsible business conduct
- Whistleblower program

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 2-3% 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.

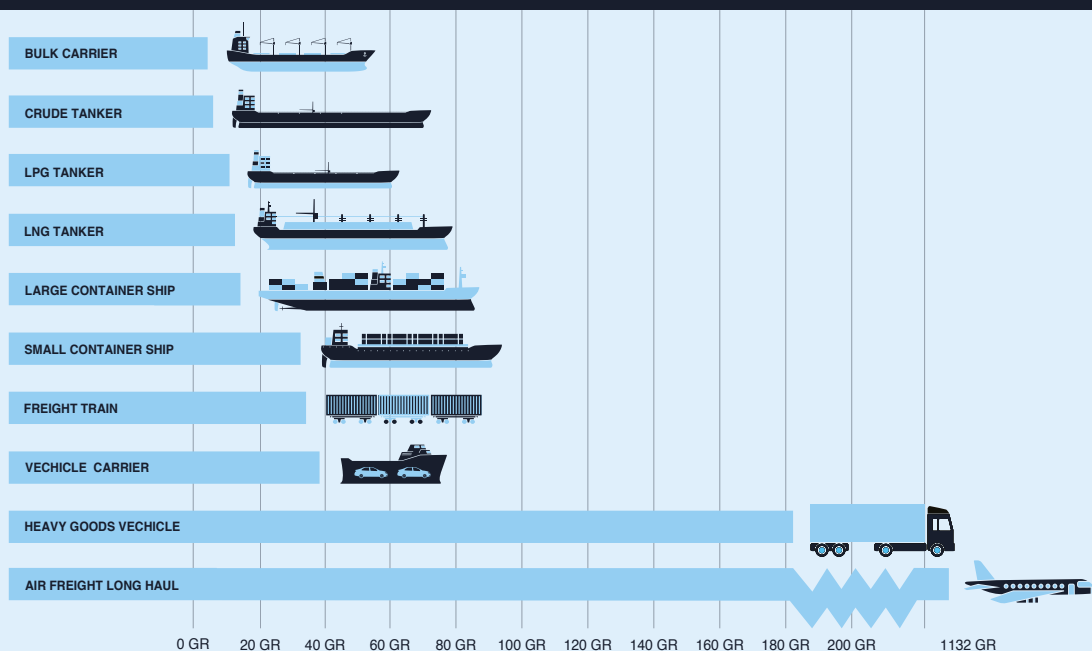
As a response, IMO launched their initial strategy to reduce Greenhouse gas (GHG) emissions from ships in 2018.

IMO's ambitions include;

- 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,
- 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.

IMO has given notice that the strategy will be revised in 2023.

GLOBAL AVERAGE - GRAMME CO₂ PER TONNE KM



Source: DEFRA 2019.



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 that we have a 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 will now be 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 frameworks. EEXI is a one-time requirement for 2023 which requires operators to reduce emissions based on a required reduction factor relative to a 2008 base line. In addition, all vessels will 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 for 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 the 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 closely and is continuously seeking to adapt our 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 also will provide investment opportunities in upcoming 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 since the inception has 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



OCEAN YIELD

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 LTV financing, releasing cash for clients to invest in green solutions



Strong supporter of emission reducing initiatives

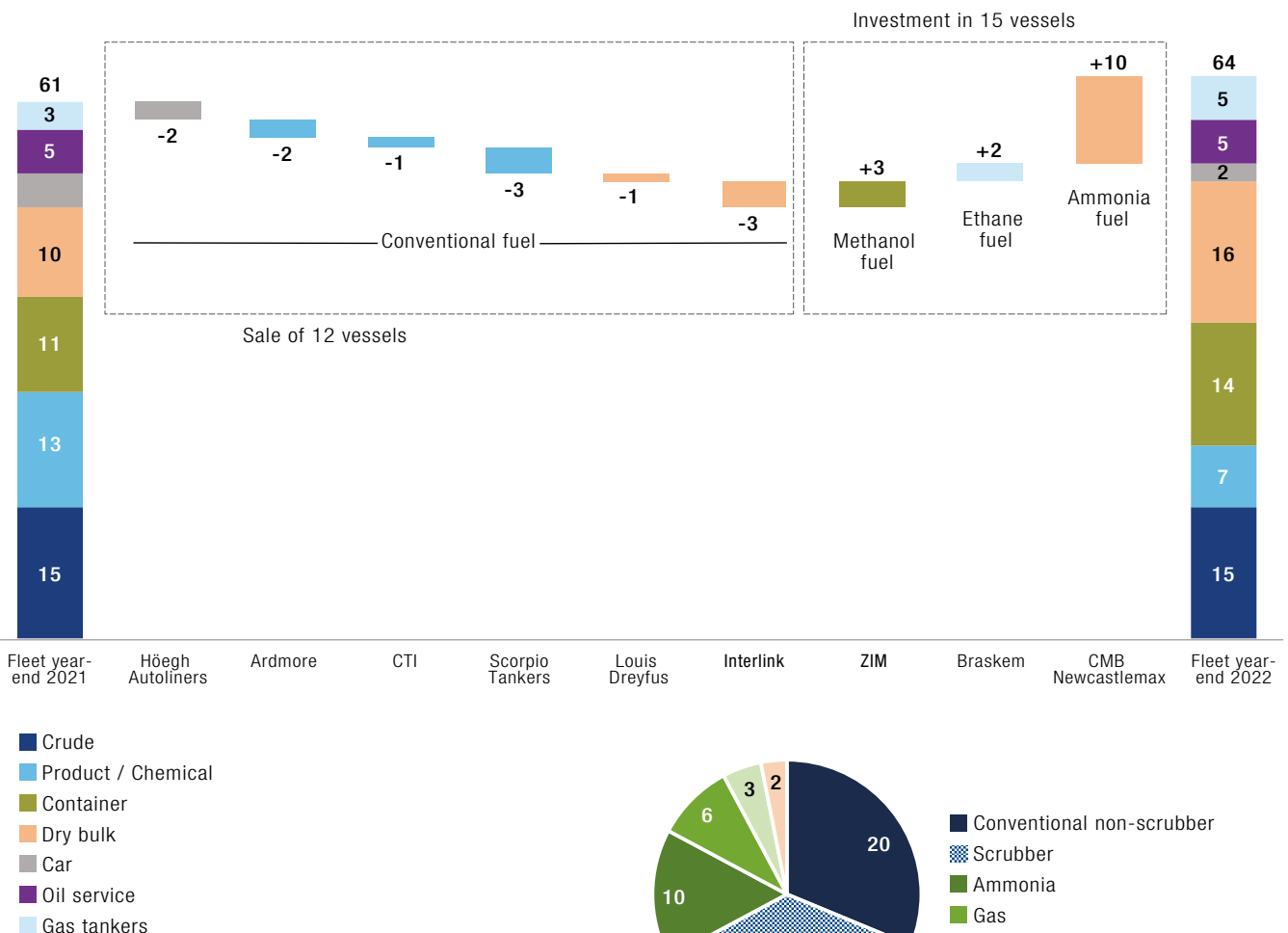
Amid the strength in several shipping segments, Ocean Yield has experienced that several purchase options have been declared. These options are typically declared for vessels that have passed its fifth anniversary or older. Sale of older vessels contribute to rejuvenate the Company's fleet, as capital is released enabling the Company to reinvest in new vessels with future-proof engine and propulsion technologies. The vessels in which the Company invested in 2022 is a testimony of the Company's strategy of facilitating the energy transition.

This strategy has resulted in a modern fleet of 70 vessels with an average age of only 4.9 years as of year end 2022¹, which is considered a young fleet relative to most shipping companies.

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 back to the charterers and the released capital being reinvested into modern and future-proof vessels. During 2022, a total of 12 vessels were sold, all of which used conventional fuel. During the year, the Company agreed to acquire up to 15 newbuildings, all of which are prepared for either methanol, ethane or ammonia as alternative fuel sources. These are steps towards making transportation more sustainable, in line with the 9th UN Sustainability Development Goal: Industry, Innovation and Infrastructure.

FLEET DEVELOPMENT THROUGH 2022²



¹Purchase options for 6 vessels were declared as of year end 2022, with delivery in 2023.

²The fleet was 70 vessels as year end 2022, however purchase options for six vessels had been declared, not yet delivered



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



CASE STUDIES

AMMONIA-READY NEWCASTLEMAX VESSELS

In December 2022 the Company announced the investment in up to ten Newcastlemax dry bulk newbuildings with long-term bareboat charters to a subsidiary of CMB N.V. ("CMB"). CMB has partnered with one of the leading engine manufacturers, WinGD, in the development of an ammonia engine for the newbuildings, which was announced in January 2023. The ambition is that the newbuildings will be the first large dry bulk carriers to be powered by zero-carbon fuels. Using ammonia as fuel, the vessels will be able to reduce emissions significantly compared to conventional fuel. This transaction with CMB is a testament to Ocean Yield's strategy of partnering with clients with clear and outspoken green ambitions, through investments in modern vessels with future-proof engine technology.

LIQUEFIED ETHYLENE GAS CARRIERS WITH TRI-FUEL PROPULSION SPECIFICATION

In 2022, the Company announced the acquisition of 2x 36,000 cbm LEG carriers with long-term bareboat charters to Braskem S.A., a leading global petrochemical company. The vessels will be equipped with tri-fuel engines enabling them to use various types of gas as fuel including LNG and ethane. The vessels are sister vessels to Ocean Yield's Gaschem Orca and Gaschem Beluga with similar engines, which are performing ahead of their Poseidon AER trajectories. The newbuildings are intended to be used in Braskem's own trade from Brazil to Mexico, backed by long-term offtake agreements.

METHANOL-READY 5,500 TEU CONTAINER VESSELS

During 2022, Ocean Yield announced the acquisitions of 3x 5,500 TEU container vessels to commence on long-term time charters to ZIM. The vessels will be methanol-ready, meaning that they will have the ability to be converted to operate with methanol as fuel. Additionally, the vessels will have several modern technical specifications including waste

heat recovery systems and IMO NOx Tier III compliant HP and LP SCR systems, catering for lower carbon emissions relative to comparable vessels on water. Carbon efficiency is proved through the preliminary attained EEDI score of 10.6, which is 13% lower than the EEDI phase 3 base line. The vessels will be operated by the reputable technical manager Wilhelmsen Ahrenkiel on behalf of the Company.

ENABLING LOW-CARBON SOLUTIONS WITH DUAL-FUEL TECHNOLOGY

Since 2016 our two ethylene gas carriers Gaschem Orca and Gaschem Beluga have successfully been powered by the unique MAN M-type gas-injection engines (ME-GIE) which enables the vessels to operate on almost any gas type, without reduction in efficiency. This dual-fuel capability has resulted in an AER in 2021 of 11.8 and 12.3, significantly lower than Poseidon's trajectory AER for the same vessel type at 12.6. The vessels are currently on bareboat charter to Hartmann Rederee in Germany and sub-chartered to Sabic, the Saudi Arabian petrochemical company, and mainly transport ethane derived from US shale gas to Europe.

The gas vessel Navigator Aurora is designed to use LNG as fuel in addition to conventional fuel. The ship is on a long-term bareboat charter to Navigator Holdings Ltd., transporting ethylene from the east coast of USA to Europe.

The 15,300 TEU container vessel, MSC Fatma, which was delivered in 2022 also has a dual-fuel engine, capable of operating on LNG. The vessel is owned 49.9% by Ocean Yield through Box Holding Inc., a joint venture with Quantum Pacific Shipping.

BATTERY POWERED PSVS

Ocean Yield's two platform supply vessels, NS Frayja and NS Orla, which are on bareboat charters to Aker BP, were modified in July 2020 with battery packs designed to reduce energy

emissions while the vessels are operating on dynamic positioning. It is estimated that this innovative solution can decrease fuel consumption, costs and reduce CO₂ emissions by almost two tons annually for the two vessels combined. The energy storage system container is provided by Rolls-Royce.

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 risks related to climate change 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 seek to mitigating key climate risks through bareboat charter contracts, where the charterer in most instances are 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 residual value of the vessel, in order 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 newbuilding container vessels, all vessels in Ocean Yield's fleet are fixed on bareboat charter contracts. 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 serves 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 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.

The Poseidon Principles utilizes 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 design deadweight tonnage (DWT). AER is reported in unit grams of CO₂ per tonne-mile³. Ocean Yield's fleet has a weighted average AER of 5.87, which is in line with the Poseidon Principles trajectory AER for 2021 for the same fleet composition of 5.85.

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.

Metric	Unit	Performance 2021	Performance 2020	Performance 2019
Scope 1 emissions	Million Mt CO ₂ e	0.00	0.02	0.01
Scope 2 emissions	Million Mt CO ₂ e			0.00
Scope 3 emissions	Million Mt CO ₂ e	1.40	1.21	1.21
EEDI	gCO ₂ per ton-nm	5.56	5.96	4.74
AER	gCO ₂ per ton-nm	5.87	6.15	6.88
AER trajectory	gCO ₂ per ton-nm	5.85	6.41	7.11

1) Scope 1 emissions include the operated vessel Connector which was sold in December 2020. The FPSO Dhirubhai-1 is excluded as this vessel is 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 55 vessels owned in 2021 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 data. Vessels not yet delivered from yards have not been included.

4) Weighted average EEDI as per gross vessel values. Calculations were based on 53 vessels, including vessels owned in Joint Ventures.

5) Weighted average AER per gross asset value of 50 vessels. Vessels excluded are 6 container vessels owned 49.9% in a joint venture, oil-service vessels and vessels not yet delivered from the yard.

³gCO₂/dwt-nm

Our fleet has a relatively low average Energy Efficiency Design Index (EEDI). EEDI is an important technical measure and aims at promoting the use of more energy efficient equipment and engines and is expressed in grams of CO₂ per ship's capacity-mile. The CO₂ reduction level in the first phase is set to 10% and will be tightened every five years. Reduction rates have been established until the period 2025 and onwards when a 30% reduction is mandated for applicable ship types calculated from a reference line representing the average efficiency for ships built between 2000 and 2010.

Ships build after 1 January 2013 are required to meet the reference EEDI value for their ship type, therefore older ships do not have an EEDI value.

EEDI	AVG EEDI*
Bulk carrier	3.3
Chemical tankers	4.9
Container	9.1
Liquefied gas tankers	10.0
Oli tanker	2.6
Vehicle	10.3
Value weighted average	5.6

**The EEDI rating includes a total of 53 vessels. Vessels excluded in the statistics are oil-service vessels and certain vessels with no EEDI rating.*

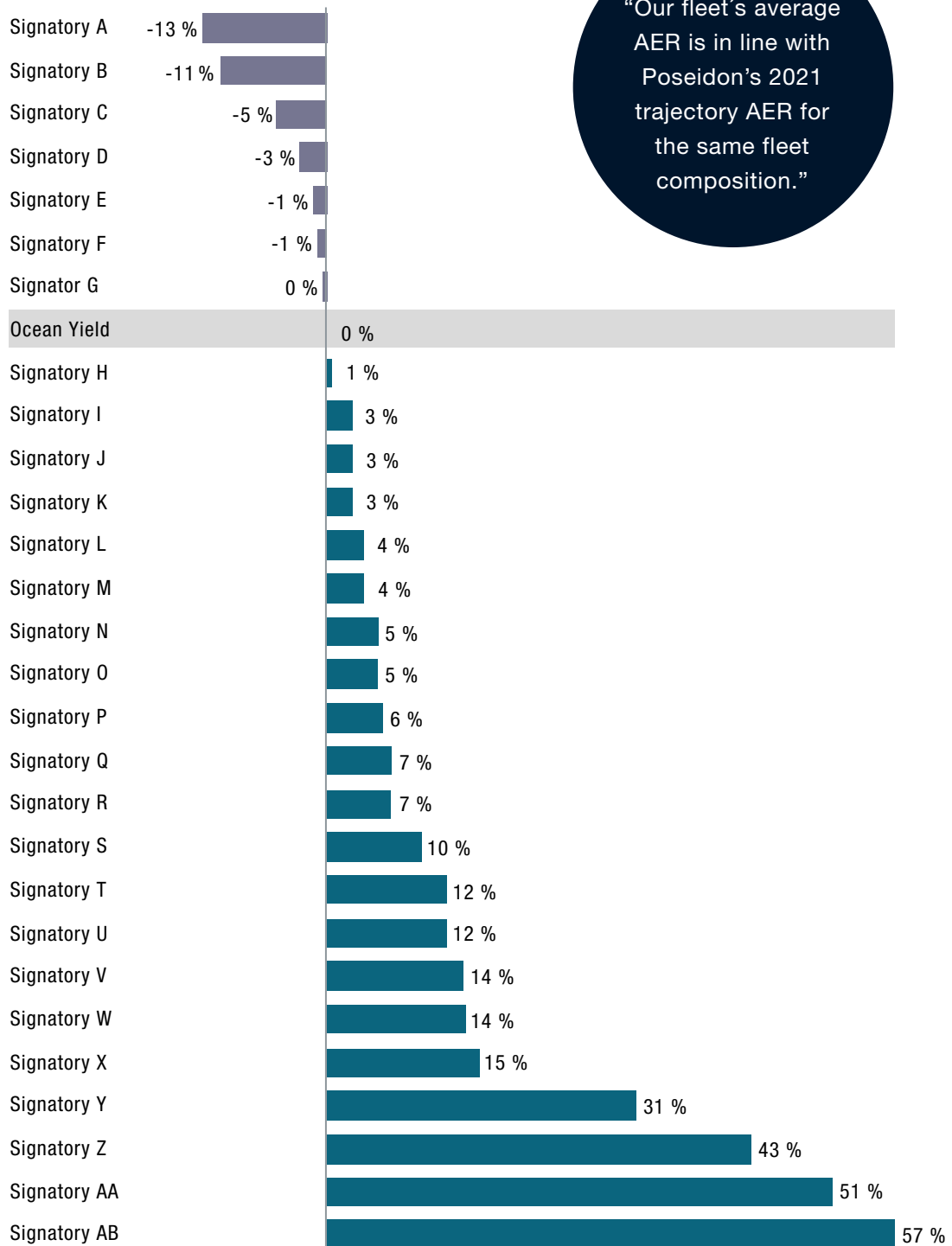
RELATIVE PERFORMANCE

When comparing Ocean Yield's portfolio climate alignment score relative to the signatories of the Poseidon Principles performance in 2022 (for the year 2021), 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.⁴

⁴Source: Poseidon Principles, Annual Disclosure Report 2022

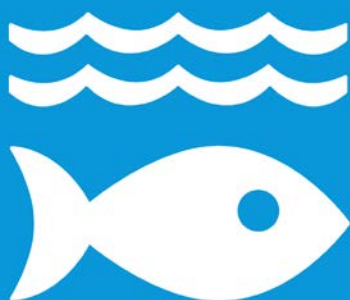


Poseidon Principles performance vs. signatories





14 LIFE BELOW WATER



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.

Ocean Yield does not currently operate any vessels as all vessels are chartered out on long-term bareboat contracts to our clients. Ocean Yield's long-term charters are documented through bareboat charter contracts, which are based on the internationally recognized standard BIMCO 2001. 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' fulfilment 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.

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 regulation requires that ballast water treatment systems are 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.


Many 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.

Following the fire at Hoegh Xiamen on 4 June 2020, the vessel was declared a Total Loss. She was transported to an EU-recognized yard in Turkey for recycling. The recycling contract was entered into by Høegh Autoliners, under the supervision and at the cost of the insurers.

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 includes mechanisms of purchase obligations, put options or attractively priced purchase options motivating charterers to acquire the vessels during, or 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 2022, the Company is composed of 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 2022 there were three new hires.

Ocean Yield believe 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 2022, compared to 46% the year before. As of year-end 2022, 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 color, 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 endeavors 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 know-how 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 onboarding.

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 have to acquaint themselves with the Code of Conduct, as part of the onboarding 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 has minimal operational control and responsibility of our assets, and our main activities are related to an office environment. Thus, the health and safety risk is 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 work hard to accommodate employees to 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 and have been reduced since the previous reporting year. We achieved a sick leave rate of 0.39% in 2022 compared to 0.65% in 2021.

For 2022 the retention rate was 80%, lower than in 2021 at 93%. The reduction in retention rate is broadly ascribed to organizational changes following the acquisition by KKR at the end of 2021. During 2022 Ocean Yield has been successful in attaining new talent to replace departing staff and headcount per end of 2022 was similar to end of 2021. The new employees have been onboarded to the company during the year. An offsite event was arranged during 2022 where all current employees of the cCompany attended.

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 labor 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.



THE SEAFARERS' CHARITY

Ocean Yield supports the Seafarers International Relief Fund, a charitable fund to respond to emergencies affecting seafarers and their families. The fund is now supporting seafarers and their families impacted by the humanitarian disaster caused by the crisis in Ukraine. The fund is overseen by The Seafarers' Charity.



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. During 2022 Zibel has collected 22 tons of plastic and metal and 40 ghost nets.



ST JEANNE ANTIDE FOUNDATION

St Jeanne Antide Foundation works within the Maltees 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 2022.



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 2022.




THE SOUP KITCHEN

The Soup Kitchen is a Maltees NGO that offers a hot meal to whoever walks in, together with the availability of showers, councilors, 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 2022.

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 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 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. Under our whistleblower procedure, 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 2022.

The risk of corruption incidents has been 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 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.

BOARD OF DIRECTORS

Following the privatization of Ocean Yield in December 2021, a new board of Directors was elected. The Board of Directors currently consists of four members, two key individuals from KKR and two members from executive management in Ocean Yield. The CEO and executive management staff report directly to the Board of Directors on a frequent basis.



ees 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 note [23] of the Annual report.

More information on our Corporate governance on www.oceanyield.no

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.

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 for management remuneration 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 employ-

Ocean Yield chooses its counterparts carefully and strives to work with partners that share its values and have zero tolerance for corruption, bribery, and unethical behavior. 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 2022 or any years prior.

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.

THE TRANSPARENCY ACT

Ocean Yield respects fundamental human rights, provides decent working conditions and is committed to the health, safety and security of its employees, contractors and the communities in which the Company operates. The Norwegian Transparency Act, which entered into force on 1 July 2022, requires the Company to report on how it ensures compliance with fundamental human rights and decent working conditions in its operations, in its supply chain and with its business partners. The Company will disclose in accordance with the Norwegian Transparency Act requirements on its website by the deadline date of 30 June 2023

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 2022 or prior years, no cases have been reported through the whistleblower channel or directly to management



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.

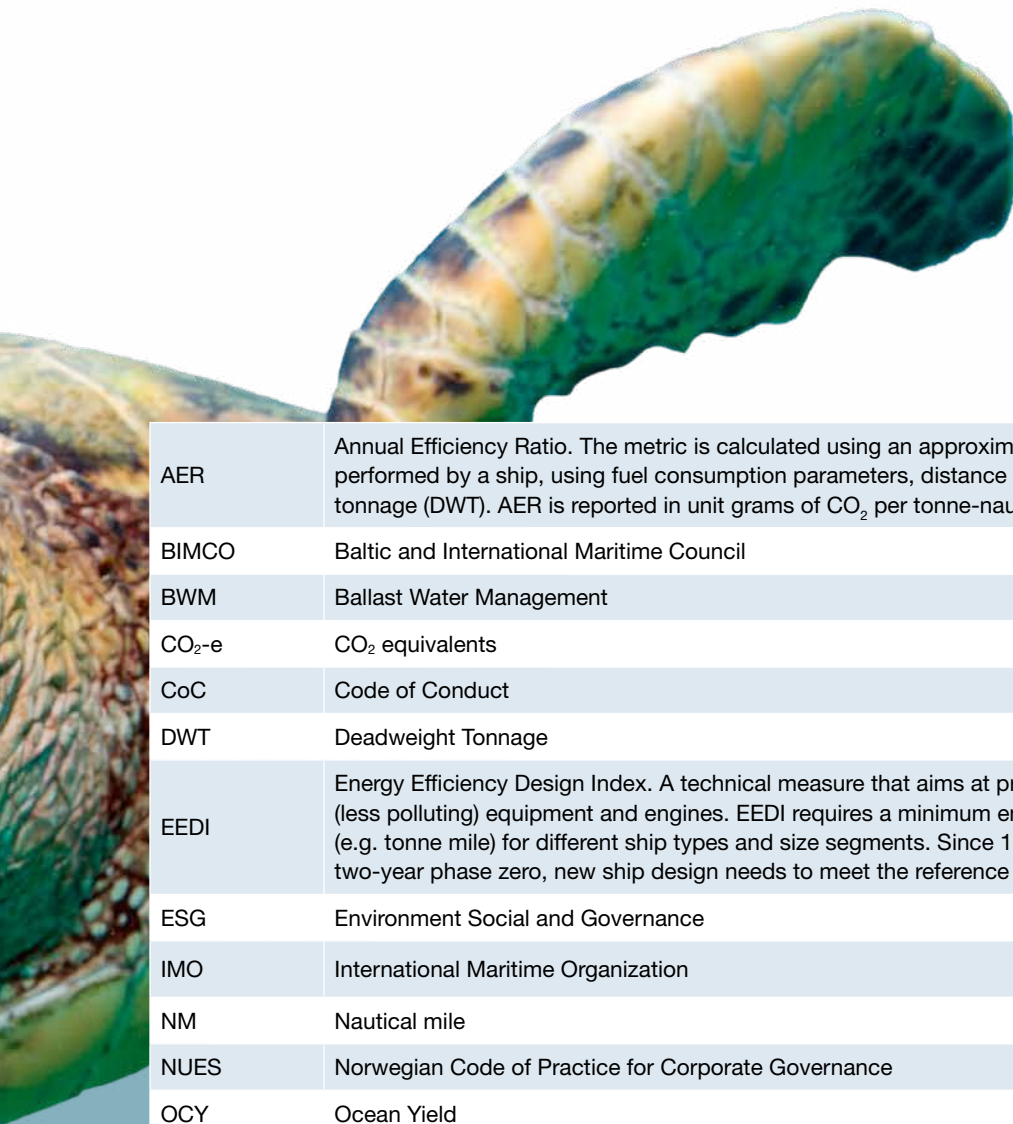
BOUNDARIES AND SCOPE

Ocean Yield has no operational control of most 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 2021 as 2022 emissions are not available until after our clients submit the data to the IMO data collection system (IMO DCS), expected in Q3 2023.
- 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.

DEFINITIONS AND ASSUMPTIONS





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 traveled, 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
EEDI	Energy Efficiency Design Index. A technical measure that aims at promoting the use of more energy efficient (less polluting) equipment and engines. EEDI requires a minimum energy efficiency level per capacity mile (e.g. tonne mile) for different ship types and size segments. Since 1 January 2013, following an initial two-year phase zero, new ship design needs to meet the reference level for their ship type.
ESG	Environment Social and Governance
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.
SO ₂	Sulfur 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 01.01.2022 – 31.12.2022. The climate performance data AER and CO₂ represents the reporting period 1.1.2021 – 31.12.2021 for vessels owned by Ocean Yield in that period but excluding the container vessels owned 49.9%. The EEDI data excludes the five oil-service vessels, three car carriers, and vessels not yet delivered from the yard. All climate performance data, including AER, represent the reporting period 01.01.2021 – 31.12.2021 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) Climate performance is calculated for 100% of the asset value of our owned vessels unless otherwise stated.



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