

Sustainability | ESG

Annual report  
**2023**



**AQUASHIP**

AquaShip's focus is to practice fish welfare in a safe manner



# INTRODUCTION

## SUSTAINABLE VALUE CREATION

In 2023, AquaShip focused on establishing the ESG targets and aligning the target within the management and board for the company. Throughout this period, AquaShip enhanced its vision, mission, and core values, emphasizing fish welfare, integrity, safety, and sustainability. AquaShip aims to integrate its sustainability targets into its overall business strategy, guiding the company towards sustainable value creation.

At the end of 2023 a new majority owner, American Industrial Partners (AIP), entered into AquaShip and also acquired the Intership Group. The two companies will use 2024 to complete its business combination and adapt its ESG targets and strategy to reach AIP's required level of standard.

AquaShip's goal for 2024 is to address compliance in more detail compared to previous years. This involves updating existing policies and procedures, providing comprehensive training for all employees, and ensuring alignment with best practices in the industry.

AquaShip Group is committed to sustaining positive development and furthering industry sustainability. AquaShip will continue to enhance fish welfare through increased biosecurity measures, all while governing its business responsibly. Collaborating with customers, AquaShip aims to discover new and improved solutions, gradually reducing its environmental footprint over time.

# ESG trends in the aquaculture segment are causing strong tailwinds in the service segment



## Proven position as ESG leading industry

Several seafood companies accessing capital through **green** or **sustainable-linked bonds**.



## ABOUT US

# AQUASHIP

Local presence, global reach



Headquartered in Kristiansund



412 fulltime employees



28 vessels including 1 newbuild



5 countries of operation



Only supplier in the world to operate vessels in all segments of maritime aqua services



Live-fish carriers



Utility vessels



Harvest vessels



Fish feed carriers



Service vessels

# of vessels	9 vessels + 1 newbuilds	2 vessels	5 vessels	4 vessels	7 vessels
Main area of usage	Freight of live fish	Freight of live fish and harvest	Harvest, stun and bleed directly from site	Freight of salmon feed	Various service missions at farming sites
Main activities	<ul style="list-style-type: none"> <li>Live-fish carriers (LFCs) perform multiple important services for salmon farmers</li> <li>Transport smolt to cages and live-fish to harvest plant</li> <li>Capable of fresh-water treatment for de-licing and other health treatments</li> </ul>	<ul style="list-style-type: none"> <li>Combination of a live-fish carrier and harvest vessel</li> <li>Able to both harvest and treat/transport salmon</li> <li>Concept first developed by AquaShip</li> </ul>	<ul style="list-style-type: none"> <li>Deliver slaughtered fish to onshore processing facilities</li> <li>Stun and bleed onboard, refrigerate and deliver to onshore facilities</li> </ul>	<ul style="list-style-type: none"> <li>Transport of feed pellets from the feed plant to the grow-out site, and raw material to the feed plant</li> </ul>	<ul style="list-style-type: none"> <li>Assist in installation of nets, transport of site equipment and mooring</li> <li>Perform maintenance and inspection and assist in treatment operations</li> </ul>

Diversified platform with excellent operational track-record across all five major maritime aqua service segments

# VALUES

## The **fish** is our top priority

### **We prioritize the welfare of the fish in all our operations**

From handling live fish to providing nourishing feed, we uphold the highest standards of care, and maintain strict biosecurity measures.

We understand that ensuring the fish's well-being in every stage, from early life to its final journey, plays a crucial role for a safe and sustainable production of high-quality products.



## We have **passion** for our work

### **We are fueled by passion for our work**

Our desire to succeed brings us forward and we always strive to perform better tomorrow than we did today. We continuously seek to improve our operations and enhance cost efficiency.

Our dedication and commitment drive us to deliver top-quality services.



## We are **professional**

### **We always act as good role models**

We prioritize health, safety, environment, and quality. We maintain polite communication and present ourselves professionally through both our appearance, behavior and work clothes.

We ensure professionalism by being on time, prepared, cooperative and solution-oriented in all situations.



## We leave a good **impression**

### **We strive to always leave a positive impression**

We maintain high standards, clean and tidy vessels and well-maintained equipment. We build strong, lasting relationships with our clients and partners based on trust, transparency and mutual respect.

We aim to inspire confidence and a lasting sense of excellence in every interaction.



## ANIMAL HEALTH & WELFARE | LIVE FISH CARRIERS AND HARVEST VESSELS



All LFC and Harvest vessels shall hold at least one fish welfare certification

### BIOSECURITY

PLANET



Zero escapes from vessel related activity



Zero spills to the environment

### ENERGY & GHG EMISSIONS



Climate neutral operations in 2050

## EMPLOYMENT AND CULTURE



30 % increase of women employed by 2029



< 15 % / year average turnover rate

PEOPLE

### OCCUPATIONAL HEALTH AND SAFETY



NIL marine casualties



< 2,5 LTIR





## GOVERNANCE

### BUSINESS ETHICS & ANTI-CORRUPTION



Zero monetary losses



NIL stakeholder complaints per year regarding business ethics/corruption

### CLIMATE CHANGE & SUSTAINABILITY RISK MANAGEMENT



a) Quarterly performance reporting vs targets to BoD  
b) ESG annual report external

### LAWS AND REGULATIONS



Zero # non-compliance (infractions) with laws & regulations (ESG)



Zero \$ paid in fines





# ESG GOVERNANCE

Success in ESG requires involvement of all parts of the Group. Solid ESG performance requires knowledge, ownership, and dedication from in all areas of our business.

Our Board of Directors is the highest decision-making body for ESG. It decides the targets and the strategy, fund it, and monitor achievement vs targets.

The Group Executive Management team handle the implementation of the strategy, targets, and performance.



## BOARD OF DIRECTORS

- Decides ESG targets and strategy
- Approves annual ESG report

- **Alex Schukin**  
*Chairman BoD  
AquaShip AS*



## EXECUTIVE MANAGEMENT

- Accountable for implementation of the ESG strategy, targets and reporting

- **Sverre Taknes**  
*Chief Executive Officer  
AquaShip Group Holdings AS*



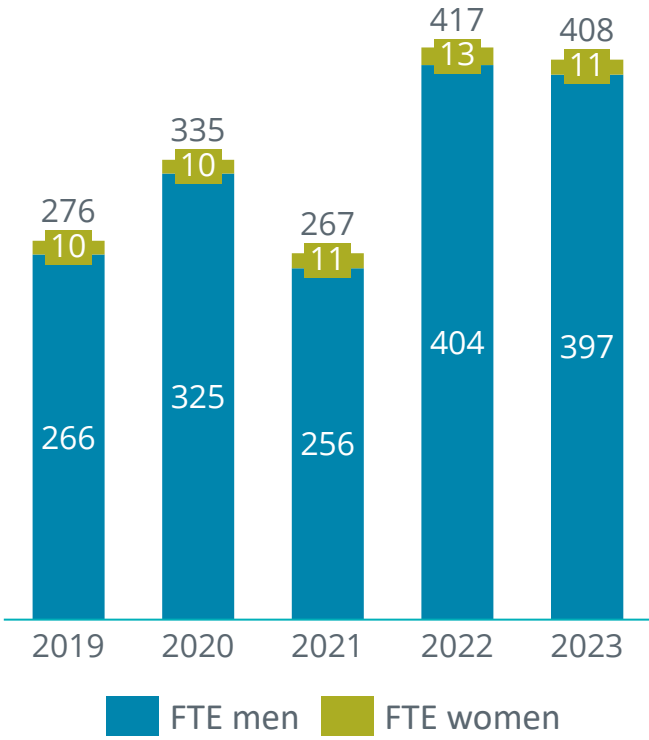
## BUSINESS UNITS/ PARTNER COMPANIES

- Drive ESG initiatives
- Develop ESG corporate culture
- Ensure ownership to targets
- Perform according to strategy

- **David Leask**  
*General Manager UK*
- **Nils Otterlei**  
*Group COO*
- **Jorge Maluenda**  
*General Manager GripShip*
- **Marius Hansen**  
*General Manager Global Markets*

# ESG HIGHLIGHTS

## People



## Occupational health & safety

2023: Lost time injury rate (LTIR) \*

0.76

2.74 below benchmark KPI (3.30) from U.S. Bureau of Labour Statistics for Marine Cargo handling (2021)

\* # of recordable cases / Total hours worked \* 200 000

2023: Fatalities

0 No fatalities

## Governance

Initiated and completed a third party review of the compliance function, policies and procedures in the group. Recommendations and actions to be implemented during 2024.



## Emissions

16 538

Metric tons of Marine Gas Oil (MGO) used by fleet vessels in operation 2023 Up 4229 tons vs 2022

59 225

Metric tons CO2 eq Scope 1

## PLANET (E)

Fish welfare is the highest priority in AquaShip's operational agenda around the clock. Welfare certifications are crucial to ensuring high standards in onboard fish handling vessels. AquaShip educates and trains employees while establishing procedures to guarantee top-quality services.

Acknowledging the vulnerability of marine environments, AquaShip operates with utmost knowledge and care to minimize impacts on marine life. Maintaining cleanliness is essential, with a focus on zero spills and responsible freshwater bunkering practices. Technical solutions such as reverse osmosis plants on live fish carriers further safeguard the environments in which we operate.

AquaShip is committed to achieving climate-neutral operations by 2050. Daily efforts are dedicated to enhancing operational efficiency and reducing greenhouse gas (GHG) emissions. This involves minimizing engine and generator usage, utilizing shore-side electricity when feasible, and investing in digitalization to optimize fleet management and reduce fuel consumption.

Decarbonization is a key consideration in supplier and technology selection, prioritizing low emissions, high energy efficiency, and durability. Innovation and technology development play crucial roles in reducing GHG emissions. AquaShip continually seeks out new and viable technical solutions to meet evolving emission standards.

As part of our customers' value chain, AquaShip is dedicated to staying "future ready" by embracing emerging low-emission propulsion technologies. Close collaboration with our customers ensures the co-creation of a low-emission reality.

## ANIMAL HEALTH & WELFARE | LIVE FISH CARRIERS AND HARVEST VESSELS



All LFC and Harvest vessels shall hold at least one fish welfare certification

# of vessels with at least one welfare certification

Score:  
21 of 21 vessels

## BIOSECURITY



Zero fish escapes from vessel related activity

# of fish escapes from vessels (# incidents & volume)

Score:  
Zero escapes



Zero spills to the environment

# of harmful and accidental spills to the environment

Score:  
1 accidental spills

### The fish is the top priority

Ensuring fish welfare is AquaShip's primary concern.

AquaShip prioritizes the well-being of fish in all operations, from handling live fish to providing nourishing feed. AquaShip maintains rigorous standards of care and strict biosecurity measures throughout every stage of the fish's life, recognizing the vital role this plays in ensuring safe and sustainable production of high-quality products.

AquaShip understands the importance of its crew, equipped with suitable tools and trained in proper procedures, in delivering products of the highest quality and integrity. That's why AquaShip pursues welfare certifications for its vessels involved in handling fish or fish feed. This commitment applies to all vessels except those dedicated to non-fish-related activities such as cleaning or mooring.



ENERGY & GHG EMISSIONS



Climate neutral operations in 2050










Gross global Scope 1, 2 emissions

As good as all AquaShips Scope 1 emissions derives from vessels in operations and use of fuel.

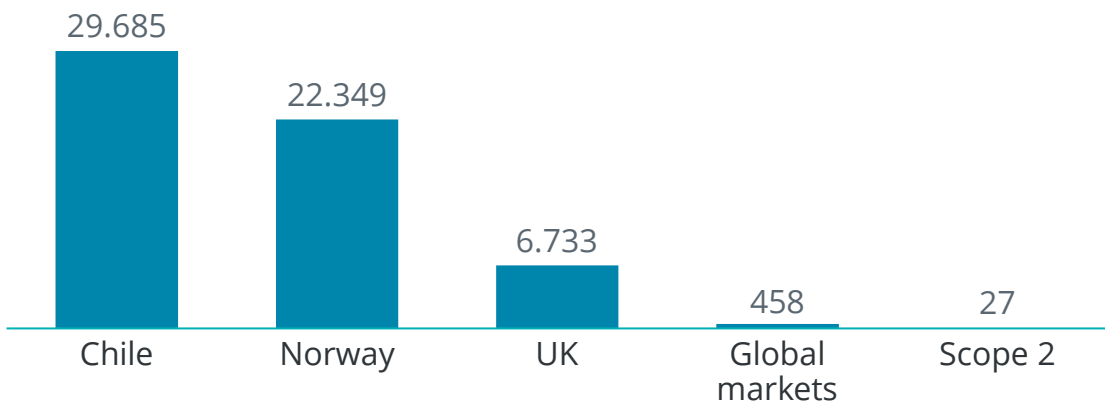
Use of fuel and consequently CO<sub>2</sub> emissions is up 13 % from 2022, in addition the total distance sailed has increased with 19 %.

Use of fuel is very much coherent with the type of service provided, area of operation, technical upgrades and of course crew competence.

Fuel efficiency 2023

Vessel segment	Kg MGO/ Nm sailed	Country of operation
 LIVE FISH	32.3 (+7.0)	
 FEED	28.4 (0)	
 HARVEST	25.1 (+5.3)	
 SERVICE	25.0 (-0.3)	
Fleet	30.3 (4.5)	

CO<sub>2</sub> Eq. emissions 2023



## NOx fondet

AquaShip is affiliated with “**NOx-fondet**” (NOx fund) in Norway for our fleet operating in Norwegian waters.

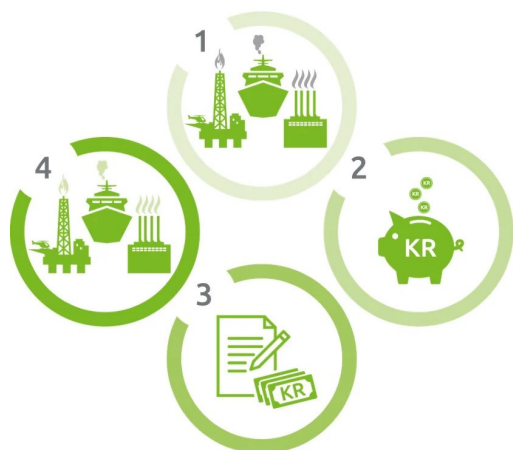
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The Business Sector`s NOx Fund, also called the NOx Fund, works to reduce emissions in the business sector in order to fulfil Norway's obligations in the Gothenburg Protocol. The NOx Fund was established in 2008.

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### Slik fungerer NOx-fondet

NOx-avtalen 2018-2025



- *NOx-avtalen 2018-2025 er en avtale mellom norske myndigheter og næringslivet om å redusere NOx-utslipp i Norge*

- 1 NOx-fondet er stiftet og eid av 15 næringslivsorganisasjoner for å redusere NOx-utslipp i Norge
- 2 Virksomheter som melder seg inn i NOx-fondet betaler en innbetalingsatts til fondet i stedet for avgift til staten
- 3 Innbetalte midler går tilbake til næringen. Tilstuttede virksomheter kan søke NOx-fondet om støtte til NOx-reduserende tiltak
- 4 Investering i NOx-reduserende tiltak og miljøvennlig teknologi reduserer NOx-utslipp (og klimagassutslipp) i Norge

Source: [www.noxfondet.no](http://www.noxfondet.no)

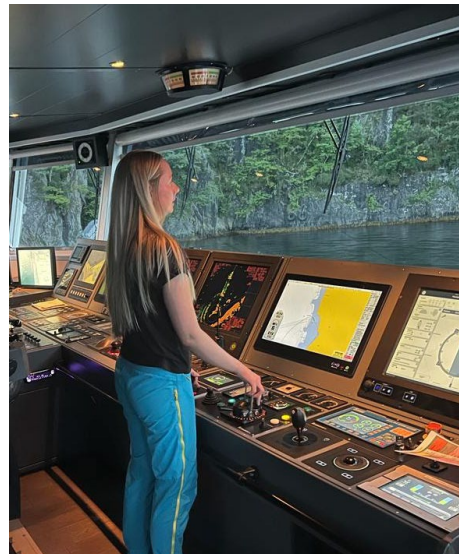
Even though the AquaShip values states “The fish is our top priority” it is not to compromise on the safety of the crew. AquaShip encourages the employees to act in a professional manner with focus on health, safety, environment, and quality.

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Safety is an acquired skill. Employee training and active sharing of knowledge build a corporate culture where safe conduct and operation is a matter of course. The management must lead by example and transform words into action. When the employees see room for improvement – they will share and learn.

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AquaShip respects and supports fundamental human rights and decent working conditions, including the 1948 United Nations Universal Declaration of Human Rights, the 1966 International Covenant on Economic, Social and Cultural Rights, the 1966 International Covenant on Civil and Political Rights and the ILO's core conventions on fundamental rights and principles at work.





## EMPLOYMENT AND CULTURE



30% increase of women employed by 2029 vs 2021

Workforce by age, gender, region, role, apprentices

Score:  
11 (-2)



< 15 % /year average turnover rate

Turnover rate

Score:  
25 % (+14 %)

## OCCUPATIONAL HEALTH AND SAFETY



NIL marine casualties

# of marine casualties

Score:  
NIL



< 2,5 LTIR

Lost Time Injury Rate (LTIR) / Frequency Rate

Score:  
0.76





“Our ambition is to be at the forefront when it comes to offering sustainable solutions”



AquaShip is committed to understanding its impact, aiming to enhance its positive contributions to the outside world while mitigating any negative effects.



AquaShip's approach is grounded in the materiality principle, involving assessments of impact that encompass stakeholder engagement and materiality analysis.



AquaShip will perform due diligence assessments of suppliers and business partners concerning considerations related to people and society. This evaluation will encompass aspects such as fundamental human rights, decent working conditions, and adherence to the UN Principles for Responsible Business Conduct.



## BUSINESS ETHICS & ANTI-CORRUPTION



### Zero monetary losses

Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption

Score:  
**Zero monetary losses  
bribery & corruption**



### NIL stakeholder complaints per year regarding business ethics/corruption

# of formal complaints received from stakeholders

Score:  
**NIL complaints**

## CLIMATE CHANGE & SUSTAINABILITY RISK MANAGEMENT



### a) Quarterly performance reporting vs targets to BoD b) ESG annual report external

Reporting (Annual externally, quarterly to BoD)

Score:  
a) Yes  
b) Yes

## LAWS AND REGULATIONS



### Zero # non-compliance (infractions) with laws & regulations (ESG)

# of non-compliance (infractions) with laws and regulations (economic, social, and environmental)

Score:  
**Zero infractions**



### Zero \$ paid in fines

\$ paid in fines

Score:  
**7 000 USD paid in  
fines**



KPI	2019	2020	2021	2022	2023
Complaints received from internal and external stakeholders	14	8	3	1	2
Complaints resolved	n/a	n/a	3	0	2
Collective bargaining agreements	n/a	n/a	4	6	6
Indigenous workforce	n/a	n/a	2	2	2
Calls at ports in countries that have the 20 lowest ranking in Transparency International Corruption Perception Index	0	0	0	0	0
Whistleblowing #	0	0	0	0	0

**Looking forward**

As the group now have a new majority owner and are undergoing a merger with Intership group, the ESG strategy and targets will be aligned within the new combined company through 2024. Improving the combined groups governance and compliance will be a priority throughout 2024.



**Sverre C. Taknes**  
Group CEO

