



Sustainability

2021

Myklebust Verft AS



MYKLEBUST

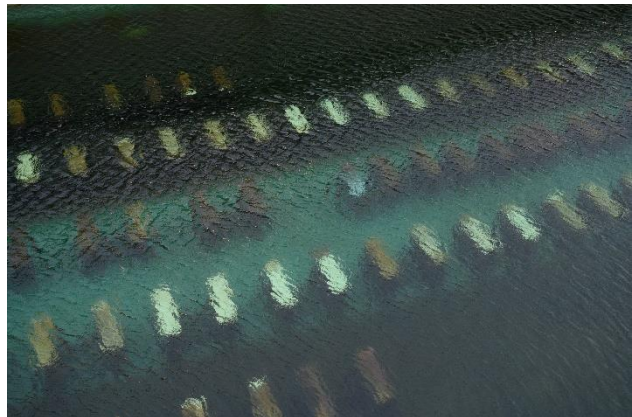
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Sustainability in 2021

Sustainability and focus on climate change have been greater than ever in 2021. The UN climate panel announced a "code red" for humanity in april 2021; climate change is accelerating, becoming more intense and some of the trends are irreversible.

Myklebust has continued on the focus area from 2020, but with new subsections for each area. Through the work on last year's report, we saw a need for increased knowledge, and this has been among the focus areas in 2021. At the same time, we see that the global focus has made the topic more relevant, which makes the understanding and its importance more visible for all stakeholders.



2021 also continued with a focus on Covid 19 and its consequences. Vaccination started in the spring and by autumn most of those who wanted it were fully vaccinated. The infection continued to spread, and in September/October 2021, Myklebust experienced its first major outbreak of infection as Norway's reopened society. Over a hundred infections led to challenges both for the individual employees and the daily operations, but fortunately no one became seriously ill. The focus was all the way on securing life and health for our employees, suppliers and customers, and navigating further in this challenging time. Communication and good dialogue have been key points in cooperation with all stakeholders. Transparency and safe frameworks have been

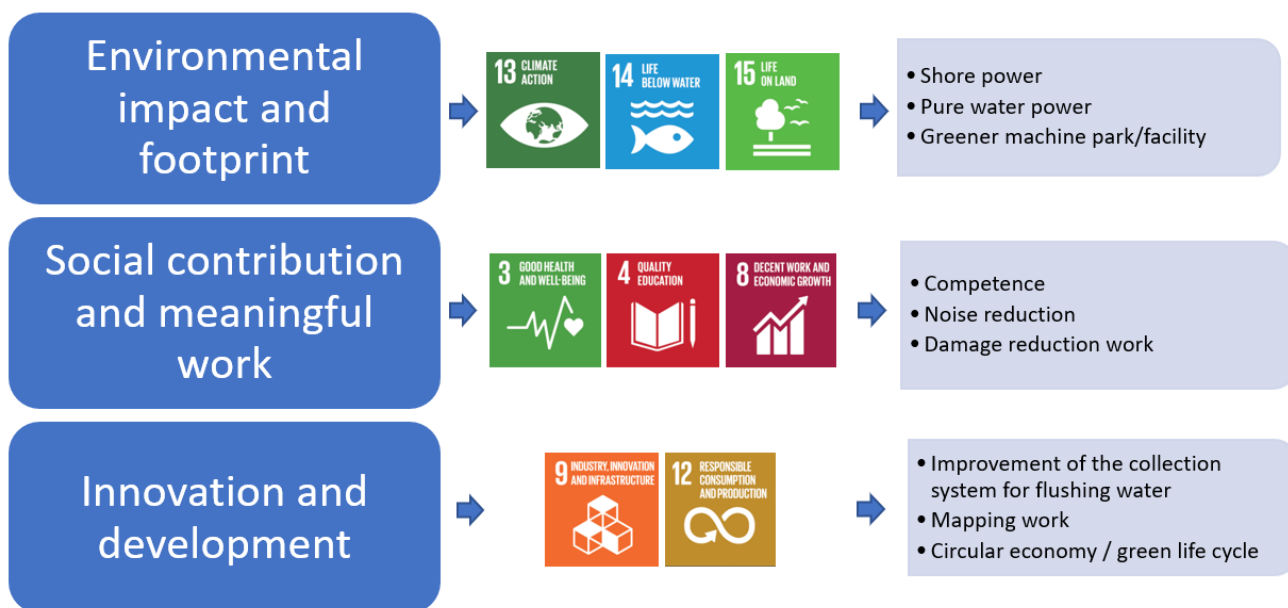


important areas of focus both towards customers, suppliers and our own employees.

We will keep reporting on our efforts to enhance the sustainability performance of our organisation, at the same time as we further develop and improve our sustainability strategy.

Sustainability Strategy 2020 - 2022

In 2021, Myklebust has chosen to continue our sustainability strategy from 2020. We believe that it is important to have recognizable areas and long-term work, while this strategy is not intended to limit our work with sustainability. The aim is to clarify the focus and create familiarity with all our stakeholders.



The three main areas are based on the eight SDGs where we believe we have the greatest opportunity to influence. This year we have also chosen three focus areas per main point. This provides a clearer focus and has made the work more transparent for all parties.

Environmental impact and footprint

This strategy point should ensure that Myklebust gives a positive impact on the environmental footprint.

The most relevant SDGs are:

- Goal 13 – Protect the planet
- Goal 14 – Life below water
- Goal 15 – Life on land



Shore power

Myklebust has worked purposefully to get as many vessels as possible at the yard to use shore power while they are at the yard. An important aspect has been active dialogue with customers with the aim of connecting as many as possible to the land network. The shipping company saves fuel, running time on generator sets and NoX taxes. The environment is saved from emissions, and both employees at the shipyard and the surrounding local environment

are protected from engine noise.

This is an important focus area for Myklebust, and in April 2021 we put in place a new modern solution for shore power. The land power system can supply 60/50 Hz frequency, 400/440/690 V voltage, amperage up to 700 amperes and is connected according to the NEK/IEC 80005-3 standard.



In 2019, shore power was applied to 55% of the vessels, while in 2020 it reached as much as 77%. The 2021 numbers ended at 61,5 %, which is a setback to reach the goal of 90 %.

Pure water power

In 2021, Myklebust entered into an environmental guarantee agreement with Tussa which ensures that all energy used at the yard is 100% renewable. Hydropower production produces neither radioactive waste nor climate pollution by CO2 emissions. The environmental guarantee from Tussa guarantees that the electricity we use and deliver to the customer is covered entirely by renewable energy sources.



Kundenamn Myklebust Verft AS
Garantiperiode 01.01.2021 – 01.01.2023

Dette beviset garanterer at elektrisiteten vi leverer til kunden, blir dekt opp av fornybare energikjelder i si heilheit. Elektrisiteten blir levert av Tussa-Z4 AS og skal dekkjast opp med vasskraft produsert av Tussa Energi AS *. Vasskraftproduksjonen gir verken radioaktivt avfall eller klimaforureining ved CO2-utslipp.

Greener machine park/facility

The shipyard will consider the electrification of the machine park on an ongoing basis during replacement. The electric alternative has become better, and more suppliers are focusing on electrical alternatives. A change to electrical options is said to reduce the reduces greenhouse gas emissions by 75 to 90 percent, depending on the machine in question. The benefits are many, as long as the service life and operational quality also work as they should. Especially when working in the evening/weekend, this is also a noise-reducing measure.

In 2021, we have also carried out improvements to outdoor lighting. This provides a better working environment for the employees, in addition to saving significantly on electricity each year. Two older air compressors have also been replaced with a new one, and this reduces idle hours and electricity consumption considerably.

Social contribution and meaningful work

This strategy point should ensure that Myklebust gives a positive social contribution and facilitate meaningful work.

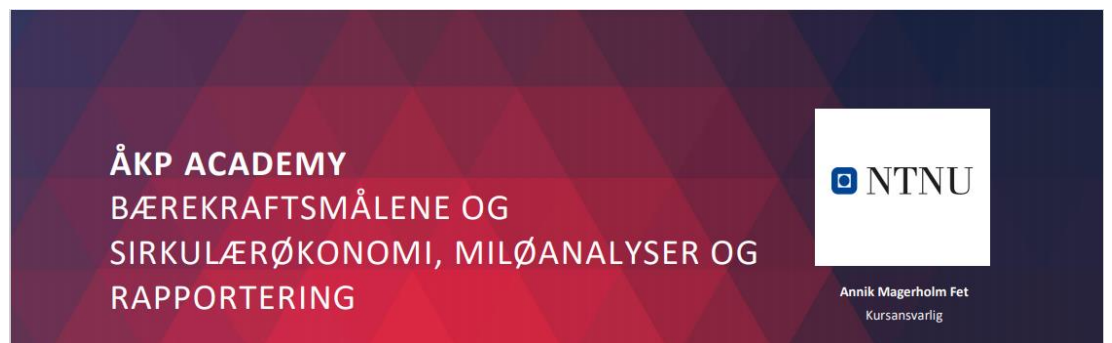
The most relevant SDGs are:

- Goal 3 – Good health and well-being
- Goal 4 – Quality education
- Goal 8 – Decent work and economic growth



Competence

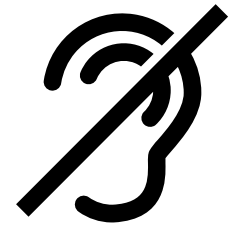
Competence has been an important focus area for Myklebust when it comes to sustainability and was therefore selected as something we wish to strengthen in 2021. Several employees have participated in various courses/lectures in the area, and two employees have taken an extended course in: “The sustainability goals and circular economy, environmental analyzes and reporting”.



This year we have also seen an increased focus on sustainability among our customers, and Myklebust is proud to be able to develop further in collaboration with all our stakeholders. Framework and reporting have been a more challenging part to get an overview of, and there are many alternatives in circulation. By increasing our own expertise and at the same time keeping up to date with current requirements and regulations, we want to be far ahead in our industry when it comes to sustainability work.

Noise reduction

Noise pollution and noise complaints from the local environment regularly appear as a theme. Hearing damage and noise during the working day have also emerged as a problem area in health examinations of employees. Noise was therefore seen on the agenda, and both noise measurement and noise-reducing measures are in focus. More extensive noise measurement has been installed in the local environment, and this has also been made available online. This makes it easier to identify noise sources and follow up on incidents. Noise-reducing measures are

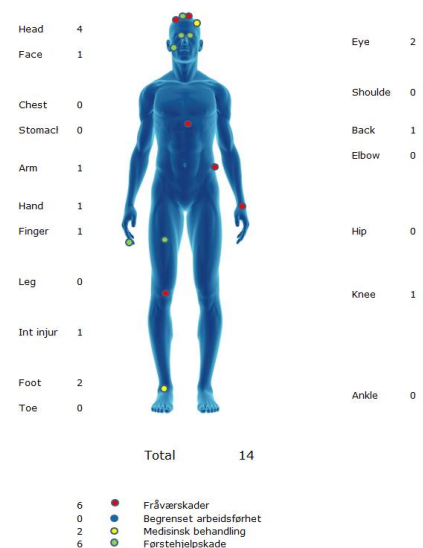


assessed in the event of deviations, while at the same time we continuously assess possible sources of noise in our production. This is ongoing work in a busy production day, but increasing focus, knowledge and access to measurements is already showing results.

Damage reduction work

Analysis of the injury statistics in recent years shows injuries that go on "autopilot", tidiness at the shipyard and lack of compliance with HSE regulations as problem areas. We have taken this into account in our damage reduction work, where the focus is on prevention and close dialogue with employers and subcontractors.

More frequent safety rounds and involvement of the project management are some of the things that have already started. In addition, a fixed, new HSE review has also been introduced when returning to the shipyard (after a free period). Myklebust also has joint HSE meetings for both its own employees and subcontractors where the focus is on project-related issues.



Innovation and development

This strategy point should ensure that Myklebust has a positive innovation and development focus in our work.

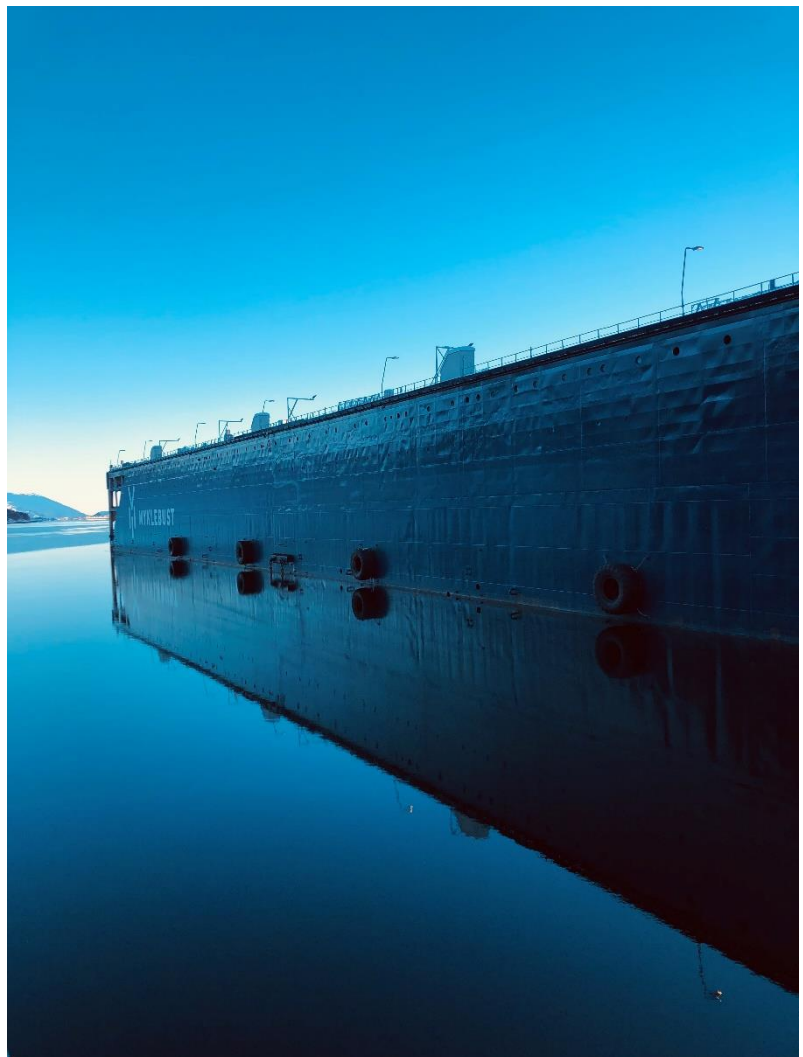


The most relevant SDGs are:

- Goal 9 – Industry, Innovation and Infrastructure
- Goal 12 – Responsible Consumption and Production

Improvement of the collection system for flushing water

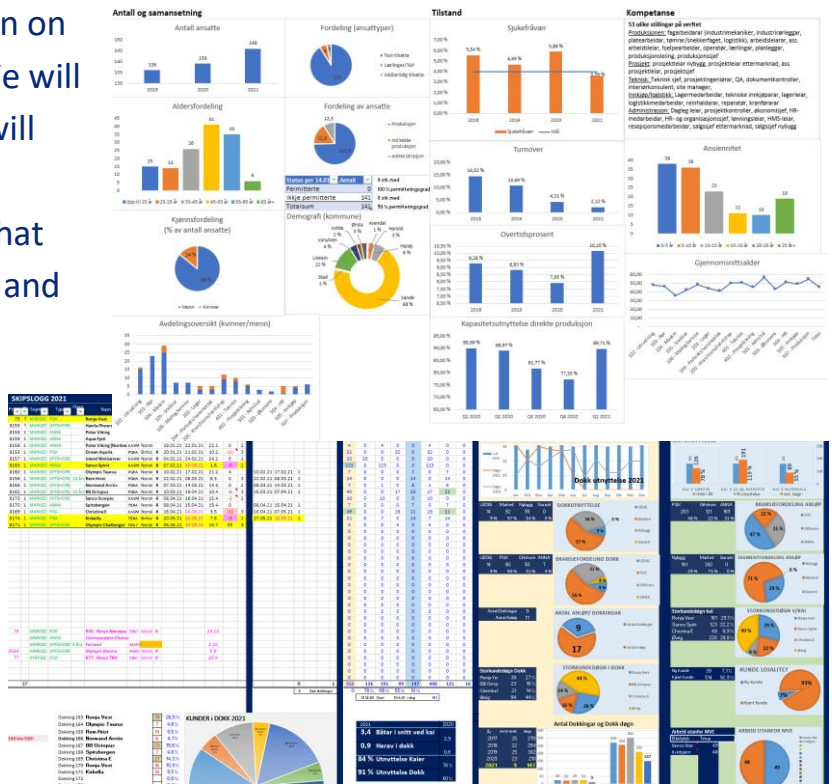
In 2021, Myklebust has worked to create a better system to filter out harmful substances from the flushing water. We use an average of 130,000 liters of washing water in the dock per year, in addition to rainwater and cooling water from boats. The aim is to be able to filter clean water, and then release it to sea faster. Existing collection is more time-consuming and must collect larger quantities over a longer period. A better system will also reduce the costs we incur when delivering special waste and simplify the process from flushing to clean water.



Mapping work

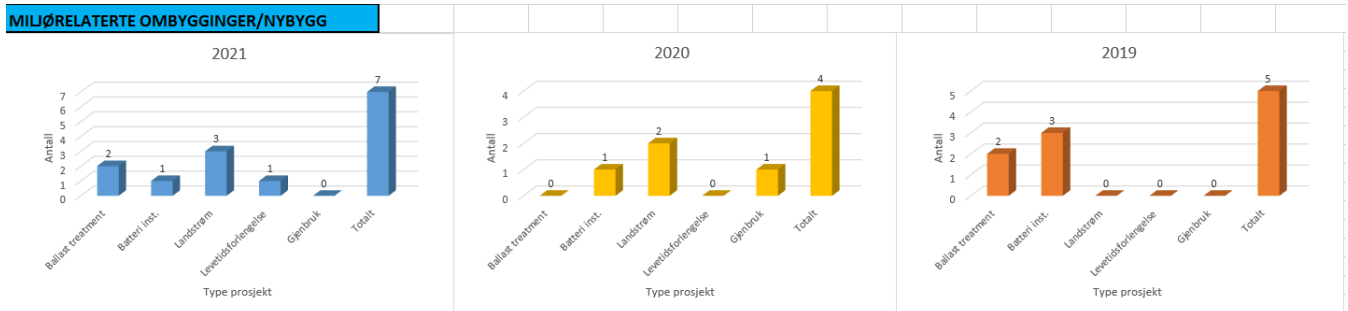
In recent years, the focus has been on fact-based improvement work. We will continue this, and in 2021/2022 will work with further mapping work. The goal is quality-assured facts that can be shared in the right forums and act as a basis for good decisions. Expanded mapping work will focus on:

- Subcontractors
- HSE
- Sustainability
- Logistics/flow of goods
- Business trips/staff



Circular economy / green life cycle

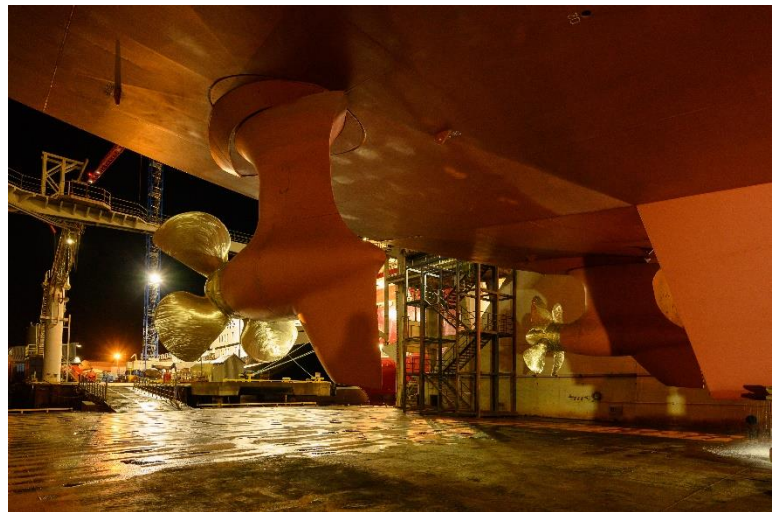
In May 2021, Myklebust could publish a joint project with Kongsberg Maritime on a project for Hurtigruten Costal Express on the hybridization of vessels to cut costal CO2 emissions. In October 2021, we also signed a contract for the same environmental upgrade on boat number two of the same type. This is a type of assignment that Myklebust has worked targeted towards. The project will be an important contribution towards cutting CO2 emissions along the Norwegian coast, and Myklebust is proud to be a part of this. If there is to be a green shift within shipping, the sailing tonnage must also be upgraded. In many cases, it is also positive for the environment to be able to use sailing vessels for as long as possible instead of having to scrap and build everything new from scratch.



Summary

With 2021 behind us, we see a year with many challenges, but also great progress. Delayed deliveries from the hull yard, prolonged challenges with Covid and difficulties with access to labor have been challenging, but at the same time have forced a focus on improvement and progress in all work operations. The increased focus on sustainability and climate challenges in society has been positive, and there is to a greater and greater degree a common understanding of the challenges we face.

The aim of Myklebust is still to achieve economic growth and profitability through sustainable solutions for our employees, customers, suppliers and the local community. At the same time, we face a world with greater challenges in 2022; with war in Europe, power crisis and instability in several countries.



We continue to believe that targeted work and focus over time will yield results. Myklebust will continue work with the three strategic areas we have chosen:

- Environmental impact and footprint
- Social contribution and meaningful work
- Innovation and development

At the same time, in 2022 we will enter into a new strategy process, and will continue to further develop our sustainability work for the future.

Performance indicators

Performance indicator	2018	2019	2020	2021
Sorting percentage for waste (Target: 90 %)	69,31 %	75,69 %	76,90 %	83%
Waste total - tons (including liquid oil / grease)	976	1 218	955	1383
Sorted waste (incl. blasting sand and metal)	676	980	784	1092
Unsorted waste - ton	300	238	220	242
Non-hazardous waste (including blasting sand) - ton	473	820	786	1334
Hazardous waste - total tonnes	203,6	104,8	169,0	49,8
Oil / grease waste liquid. M3	179,5	146,4	123,6	33,4
Oil contaminated mass solid - ton	2,5	8,0	12,7	0
Paint, glue, varnish, solvent-based - ton	15,5	14,0	15,2	14,1
Other hazardous waste - ton	1,2	0,9	73,3	2,3
Blowing sand (non-hazardous waste) - ton	79	263	130	494
Metal - ton	274	326	323	384
Energy consumption GWh	5,00	5,41	3,78	3,64
Water consumption 1000 m3	79273			42305
Consumption of diesel oil m3	116	86,6	61,54	254
Noise (number of registered incidents / complaints) Target: 0	NA	1	3	6
Emissions to sea – Target: 0	0	1	0	0
Emissions to air – Target: 0	0	0	0	0
Number of incidents reported related to the environment – Target: 0				0
Plastic waste	NA	NA	NA	NA

Water measurement (approved samples according to SFT)	NA	2	3	8
Number of repair assignments (extended life cycle)	NA	36	39	25
Improvement & Experience	0	1	18	49
Ebitda		-10,4 %	4,6 %	9,8%
Number of boats on shore power	NA	55 %	77 %	61,5%
Sales KWH - power for boats	NA	3,26	1,49	1,58