Terntank Corporate Responsibility Strategy

10/2023

Foreword

In Terntank, maritime safety, the protection of the marine environment and the well-being of the crew have always been top priorities. Terntank's aim is to be the best choice for responsible customers and to minimise environmental impacts of the energy supply chains. Terntank is continuously looking forward and creating long-term value with improvements. The company embraces its role as a forerunner in using new innovative technologies. Customers and their sustainability targets play an important part in Terntank's strive for carbon-neutral shipping.

Shipping as an industry enables trade and provides infrastructure and connectivity for the world markets. The maritime transport sector connects markets through affordable and environmentally efficient services and moves 80 % of global trade. An economically viable company also generates economic benefits for the society. Shipping contributes to social development through affordable, efficient and sustainable access to goods, services and work opportunities. As a major employer, shipping has a strong responsibility of creating good and safe working conditions for all.

As the most energy efficient transport mode, shipping is contributing to environmentally sustainable development. Still, a lot needs to be done in order to further minimizes the negative impacts of shipping for the environment. Shipping is responsible for 2-3 % of global transport greenhouse gas emissions. Efforts to reduce emissions, oil spills and discharges to sea as well protection of particularly sensitive sea areas, such as the Baltic Sea, are needed.

This Corporate Responsible Strategy is for internal use, and it is a summary of all the work the company is doing in the field of social and environmental sustainability. The document will act as a working document and will be updated on a regular basis. This report combines Terntank's on-going and planned work and policies related to corporate responsibility and sustainable development.

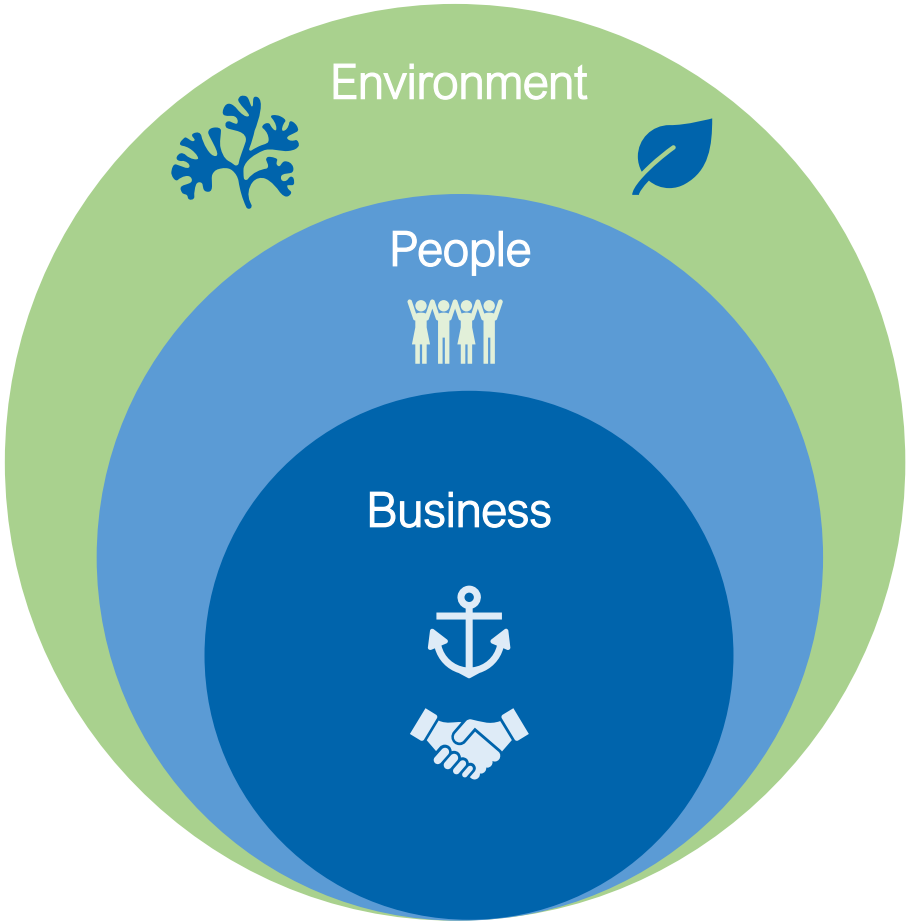
Content

Terntank – the family-owned forerunner

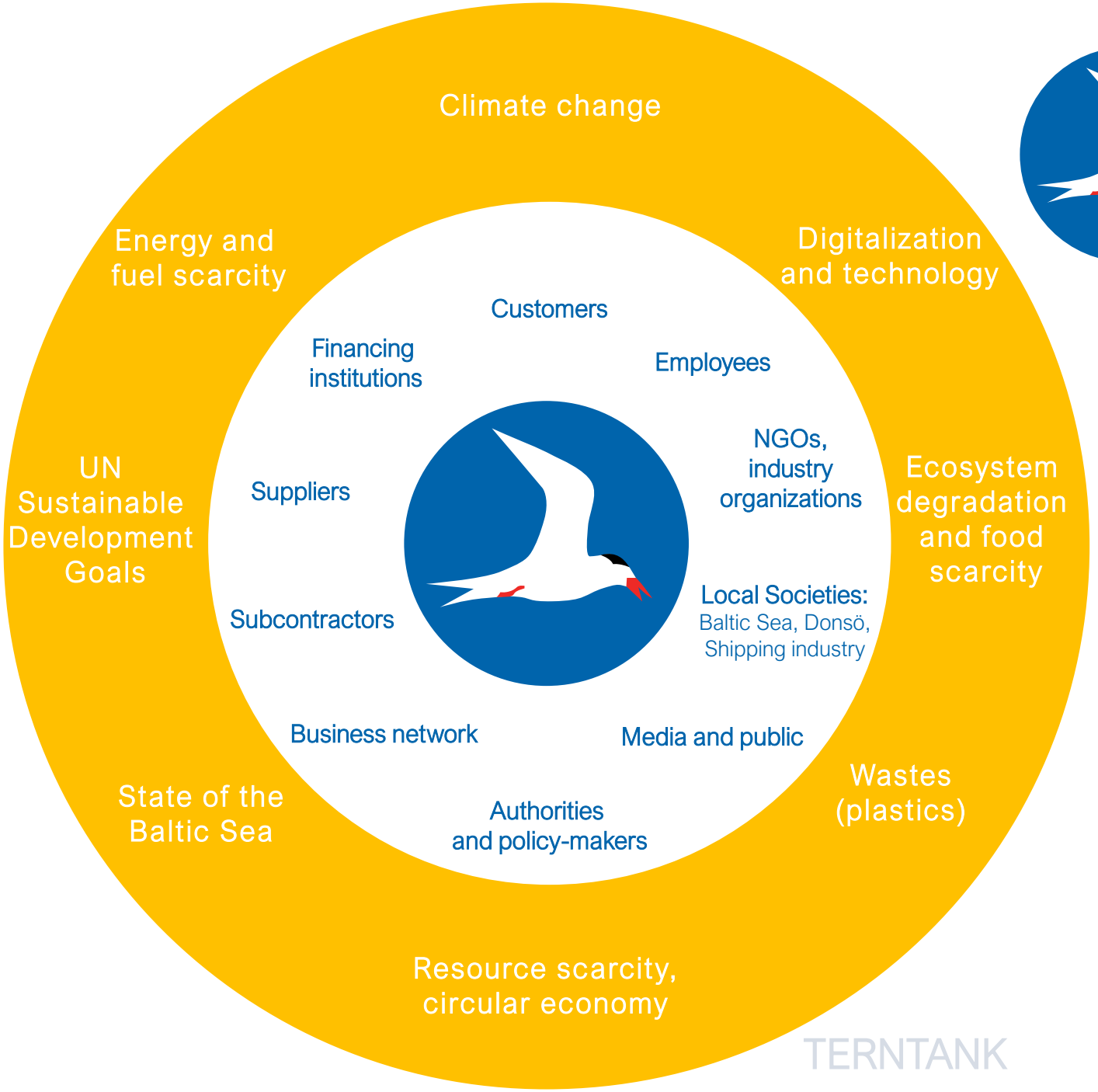
- A family-owned company having its roots on the island of Donsö (Sweden)
- Run by the fourth generation
- The first movers to adapt new environmental and safety technologies
- Doing business in a sustainable way in close cooperation with customers and staff is a core value
- Terntank operates modern chemical/product tankers in the range from 10 000 DWT to 15 000 DWT mainly in the Baltic Sea and the North Sea
- The average age of the Terntank fleet in 2021 was approx. 9 years while the average age of tankers globally was 19.5 years

Sustainable shipping with Terntank

- Maritime safety, protection of the marine environment, and the well-being of the crew have always been the top priorities at Terntank
- The aim is to be the best choice for responsible customers and to continue the work to minimise environmental impacts of the energy supply chain
- Living close to the sea has made us highly aware of the sensitivity of the marine environment
- Terntank targets net zero GHG emissions in 2040
- Customers are an important part towards carbon-neutral shipping



Business environment, megatrends and stakeholders



Terntank fleet

M/T TERN FORS

Built: 2021
DWT: 15 000
Ice Class: 1A
CSI: 4
Fuel: LBG/LNG & MGO

M/T TERN ISLAND

Built: 2020
DWT: 15 000
Ice Class: 1A
CSI: 5
Fuel: LBG/LNG & MGO

M/T TERN OCEAN

Built: 2017
DWT: 15 000
Ice Class: 1A
CSI: 5
Fuel: LBG/LNG & MGO

M/T TERN SEA

Built: 2016
DWT: 15 000
Ice Class: 1A
CSI: 5
Fuel: LBG/LNG & MGO

M/T TERNFJORD

Built: 2016
DWT: 15 000
Ice Class: 1A
CSI: 5
Fuel: LBG/LNG & MGO

M/T TERNSUND

Built: 2016
DWT: 15 000
Ice Class: 1A
CSI:5
Fuel: LBG/LNG & MGO

M/T TERNVIND

Built: 2008
DWT: 11 259
Ice Class: 1A
CSI: 2
Fuel: MGO

M/T TARNBRIS

Built: 2007
DWT: 11 288
Ice Class: 1A
CSI: 2
Fuel: MGO

M/T TERNHOLM

Built: 2005
DWT: 14 825
Ice Class: 1A
CSI: 2
Fuel: MGO

M/T TERNVAG

Built: 2003
DWT: 14 796
Ice Class: 1A
CSI: 4
Fuel: MGO

Company policies and guidelines

Established HSEQ policies incorporated in the Safety Management Manual, e.g.:

- Safety, Health and Environmental Protection Policy;
- Marine Quality Policy;
- Drug and Alcohol Policy;
- Smoking Policy;
- Cyber Security Policy;
- Cleaning and Hygiene Policy;
- Policy to Minimize Fatigue;
- Equality Policy for Terntank Ship Management;
- Employment Policy;
- Environment Protection Policy;
- Working / Rest Hours Policy;
- Working Clothes Policy

Management System is certified according to the International Management Code for the Safe Operation of Ships and for Pollution Prevention (ISM Code)

In addition to HSEQ policies, the following policies have been established

- Waste Management Policy
- Anti-Corruption Policy
- Sanction policy

- Danish Shipowners' and Swedish Shipowners' Associations principles and policies

Waste management policy

Recycling onboard and in the office

- The Terntank Garbage Management Plan addresses to dispose all waste into port and no waste to be discharged into the sea
- Waste created onboard and in the office is to be recycled accordingly into garbage, plastic, food, domestic waste, cooking oil, incinerator ashes, operational wastes, cleaning agents & additives and cargo residues
- The plan includes 3 techniques in waste management; source reduction at place of origin, recycling and disposal

Measures for food waste reduction

- The food policy “Chief Cook Project 2.0” aims to reduce the food waste onboard
- The project further aims to better nutritional composition of the food and to reduce the meat consumption and increase the quality of food onboard as well as improving the work satisfaction among the galley personnel

Anti-corruption policy

Terntank's Anti-Corruption Targets

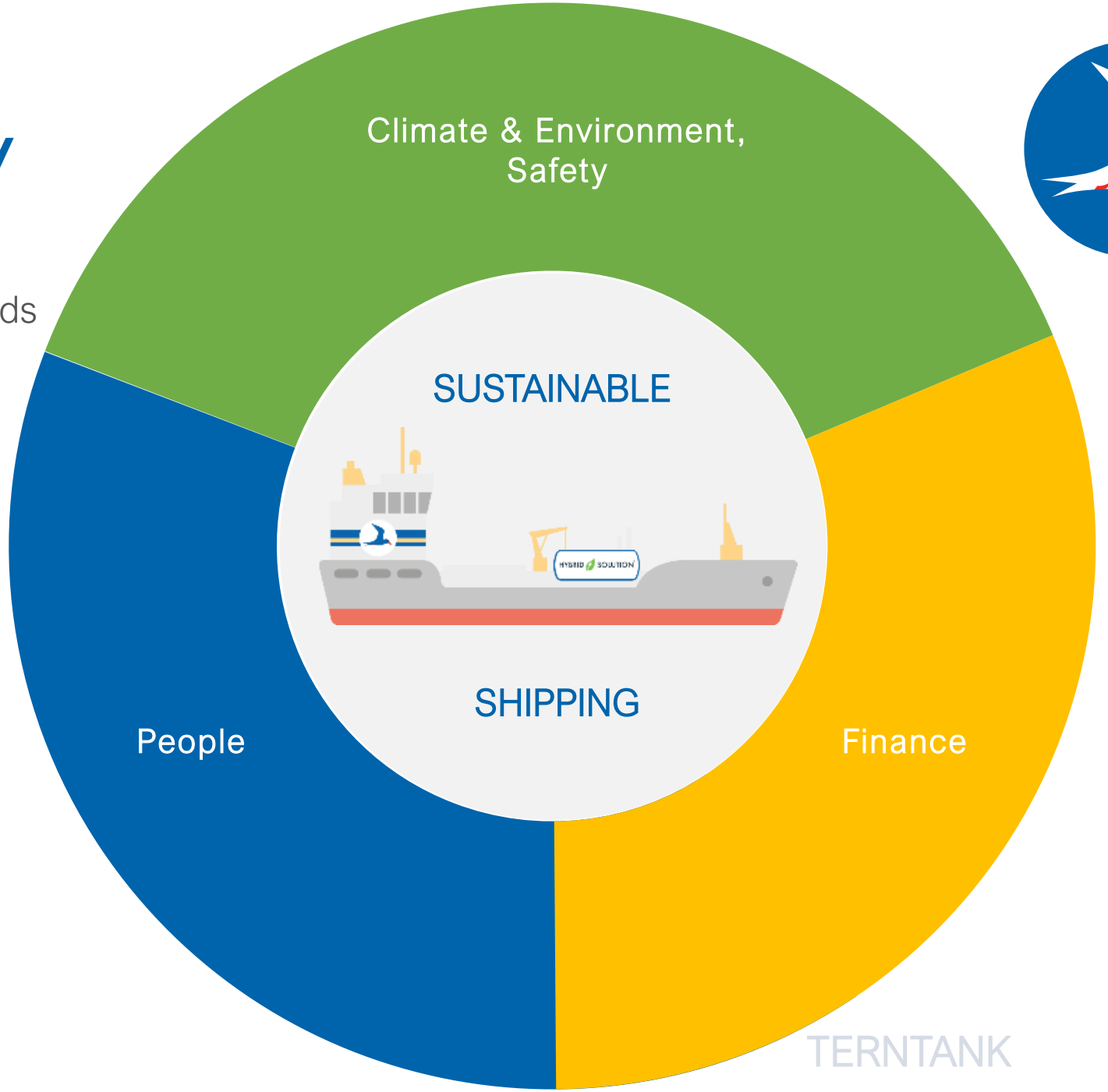
- Strictly comply with the legislation on anti-corrupt practices
- Zero bribery and facilitation payments in own vessels
- On-going development of an anti-corruption programme. Incorporating it into the company's strategy
- Introducing the programme throughout the company: training and communication
- Reporting of misconducts: a whistleblowing system is currently under development

Sanction policy

- As per flagstate, Terntank is committed to follow to restrictive measures put in place by Danish regulations
- Terntank is committed to certain control procedure in order to comply with sanctions imposed by the e.g., UN, EU or US or any local authorities
- Before agreeing to provide services or agreeing on a sub-contract, Terntank's personnel confirms that none of the involved parties is on any of the sanction lists
- If any transaction party is on a known sanction list, the co-operation or transaction will not take place
- Terntank is using Bureau van Dijk's Compliance Catalyst tool for compliance management

Sustainability

- The main driving factors towards sustainable shipping are
  - Climate, environment and safety
  - People
  - Finance



Terntank's customers' sustainability goals

St1's vision is to be the leading producer and seller of CO_2-aware energy. To announce a bold and more coherent sustainability statement, in 2020, St1 signed the UN Global Compact.
St1's Sustainability Report

Preem's goal is to become the world's first climate-neutral petroleum and biofuel company with net zero emissions in terms of its entire value chain by 2045.
Preem's Sustainability Report

ExxonMobil is committed to producing the energy and chemical products that are essential to modern life and economic development, in a way that helps protect people, the environment and the communities where we operate.
ExxonMobil's Sustainability Report

NEOT's core purpose is to provide our owners, SOK and St1, with competitive and sustainable fuel solutions. NEOT focuses its efforts on the areas and the United Nations Sustainable Development Goals (SDGs) where they can make the biggest impacts.
NEOT's Sustainability Report

Neste purpose is to create a healthier planet for our children and is committed to reach carbon neutral production by 2035. Their costumers' GHG emission will be reduced by at least 20 million tons CO_2e annually by 2030.
Neste's Sustainability Report

UN Sustainable Development Goals

A well functioning and sustainable society relies on efficient and sustainable maritime transport. In Terntank, maritime safety, the protection of the marine environment and the well-being of the crew have always been of top priorities. Terntank has been a pioneer for safety and clean shipping already for decades.

Terntank is committed to the UN Sustainability goals and has selected nine goals that are especially important to them:

UN Sustainable Development Goals

People

Ensuring healthy lives and promoting well-being at all ages is essential in building sustainable societies. Terntank makes sure that their employees have the best and safest working conditions as possible at sea and land. Terntank provides comprehensive health services for all employees. Terntank has strict HSEQ and zero spills policies. Shift to cleaner fuels and hybrid solutions are further reducing air emissions and noise onboard. Ship recycling is done in accordance with the Hong Kong Convention.

Relevant targets for Terntank:

- 3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination

People

Terntank's goal is to create an atmosphere in which all personnel are considered equal colleagues, irrespective of whether they work at sea or onshore. Terntank ensures equal opportunities and aim for a better gender balance throughout the company.

Relevant targets for Terntank:

- 5.1 End all forms of discrimination against all women and girls
- 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making

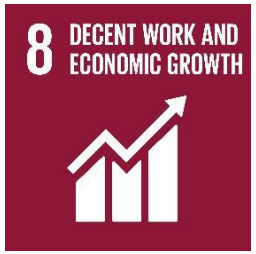
UN Sustainable Development Goals

Environment

By providing a sustainable, safe and energy efficient supply chain of liquid energy products, including biofuels, Terntank supports the goal of affordable and clean energy. As a forerunner in using new innovative technologies on vessels, Terntank is improving energy efficiency in its vessels and in the whole energy supply chain. Terntank has implemented several energy-efficiency measures, e.g. efficient hull, new engine technology and alternative fuels as well as implementing the "Just in time sailing" concept.

Relevant targets for Terntank:

- 7.1 By 2030, ensure universal access to affordable, reliable and modern energy services
- 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
- 7.3 By 2030, double the global rate of improvement in energy efficiency
- 7.A By 2030, enhance access to clean energy research and technology, and promote investment in energy infrastructure and clean energy technology



People & Business

Sustainable economic growth requires people to have quality jobs that stimulate the economy while not harming the environment. Confident, safe and healthy employees are important for a safe and environmentally sound shipboard operation. By providing a sustainable and energy efficient supply of liquid energy products, Terntank supports sustainable economic growth.

Relevant targets for Terntank:

- 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value
- 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment

UN Sustainable Development Goals

People & Business

Investments in infrastructure, including transport, energy and information and communication technology, are crucial to achieving sustainable development. Terntank provides its customers with clean shipping solutions and help them minimize their environmental impact in the supply chain. Efficient supply chain needs efficient ships, ensuring economical and energy efficiency. This is in the very core of Terntank's business.

Relevant targets for Terntank:

- 9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all
- 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

People & Business

Responsible consumption and production is supported by Terntank's waste management policy, which stresses the importance of waste management, from source reduction at place of origin to recycling and disposal.

Relevant targets for Terntank:

- 12.2 Achieve sustainable management and efficient use of natural resources
- 12.4 Achieve environmentally sound management of chemicals and reduce their release to the environment
- 12.5 Substantially reduce waste generation
- 12.8 Increase awareness of sustainable lifestyles

UN Sustainable Development Goals

Environment

There is a need to strengthen resilience and adaptive capacity to climate-related hazards and natural disasters and integrate climate change measures into policies, strategies and planning. Terntank is constantly minimizing the energy use and emissions and incorporating climate change in its planning and strategies. Terntank is following and reporting its vessels CO2 emissions. Terntank's new LNG vessels emit 40% less CO2 than conventional tankers.

Relevant targets for Terntank:

- 13.2 Integrate climate change measures into national policies, strategies and planning (Terntank is implementing this in the corporate level)

Environment

Careful management of the world's oceans is a key feature of a sustainable future. By improving operational safety and minimizing environmental risks, Terntank promotes sustainable use of oceans and protecting life below water, especially in the sensitive Baltic Sea area. A clean and orderly vessel is the basis for a safe ship and to minimize the vessel's impact on the marine environment. Terntank is committed to precautionary principles for protection of the environment, in order to prevent pollution, increase energy-efficiency and minimize waste and emissions.

Relevant targets for Terntank:

- 14.1 By 2025, prevent and significantly reduce marine pollution of all kinds, from land-based activities, including marine debris and nutrient pollution

UN Sustainable Development Goals

Environment

Terntank is committed to the Ballast Water Management Convention, reducing and preventing the impact of invasive species in water ecosystems. Only environmentally friendly anti-fouling products are to be used. Protection of the marine environment has always been a top priority at Terntank.

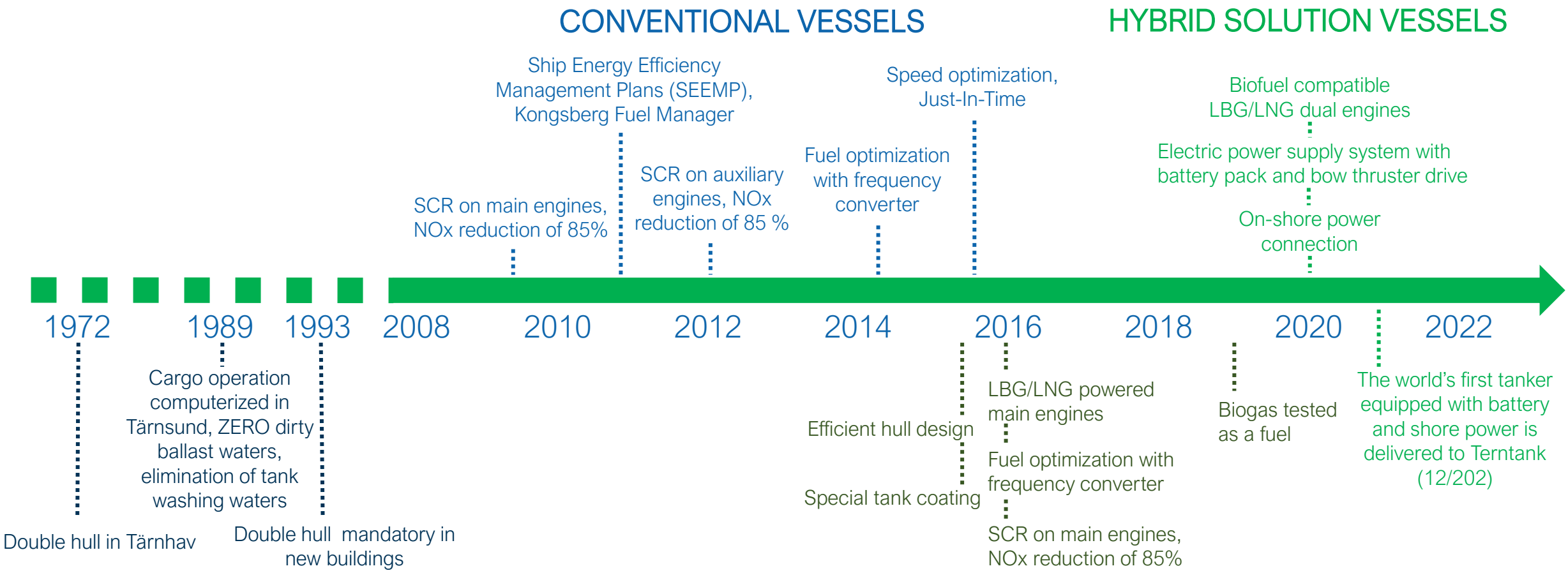
Relevant targets for Terntank:

- 15.5 Protect natural habitats and biodiversity
- 15.8 Prevent and reduce the impact of invasive alien species on land and water ecosystems
- 15.A Mobilize and increase financial resources to conserve biodiversity and ecosystems

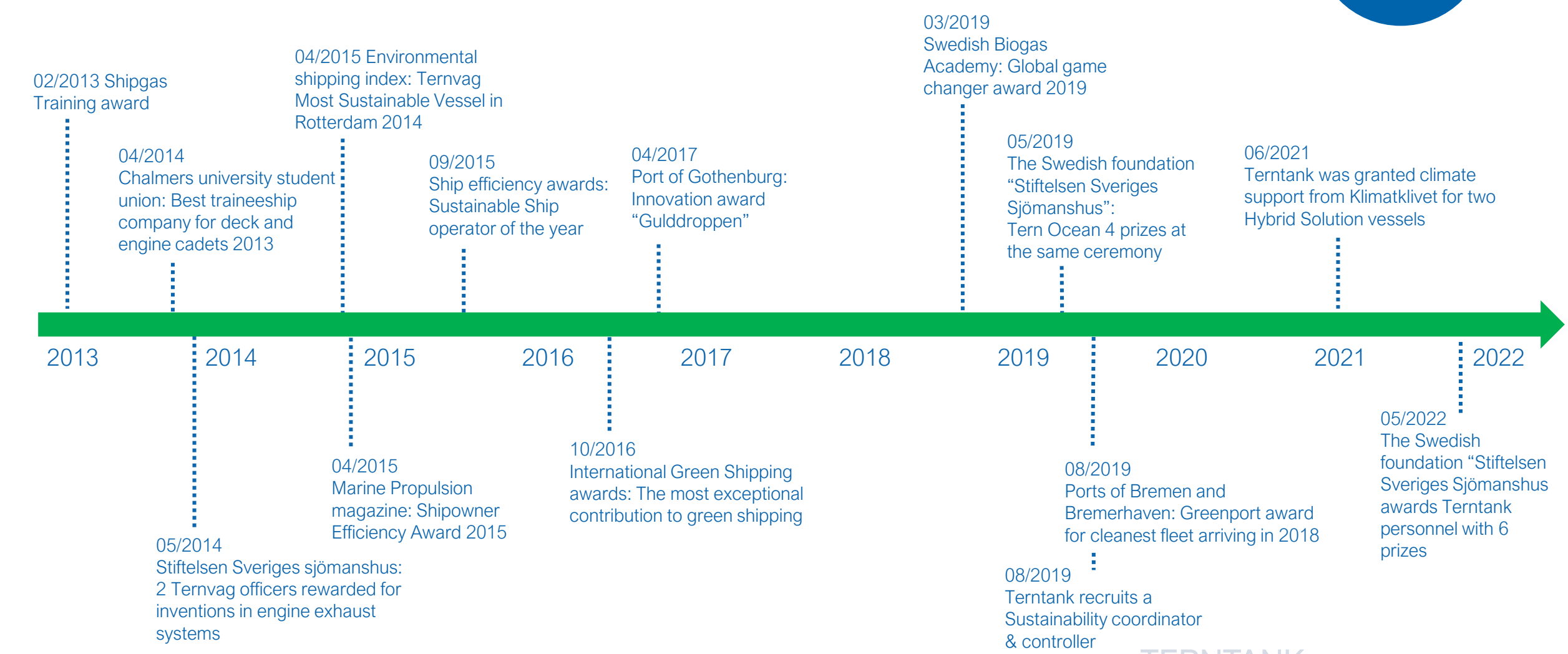
Environment

- Doing business in a sustainable way and reducing emissions along the supply chains are the core values for Terntank and its customers
- The aim is to achieve zero incidents and spills, as well as significant reduction of air emissions and discharges to sea through continuous improvement
- Environmental performance of the vessels is measured with the Clean Shipping Index, Environmental Ship Index and of vessels' Ship Energy Efficiency Management Plans
- Terntank targets net zero GHG emissions in 2040
- Terntank aims to continuously reduce fuel consumption and thereby air emissions and strives to develop its fleet and to be the forerunner in implementing new technologies and alternative energy sources

Environmental measures implemented



Environmental awards and recognitions



Air emission and noise

- Terntank is constantly working to reduce air emissions of its vessels and operations
- Emission reduction towards net zero is achieved by energy efficient design, use of LBG/LNG and biofuels, digitalization and hybrid battery system
- The use of LNG as fuel reduces SO_X-emissions with 99 %, NO_X 97 %, particles with 99 % and CO_2 25 % compared to conventional vessels
- Speed optimizing is used to avoid excess fuel consumption, also in heavy weather conditions
- Terntank installed the first catamisers in 2011 onboard the Ternvag.
    - A catamiser is a combined catalysator and exhaust gas pan that both re-uses the heat in the exhaust gases and cleans them.
    - This has reduced the NOx emissions by 85 % annually compared to similar conventional vessels.

- LBG/LNG engines reduce noise 40 % compared to conventional vessels
- Hybrid battery systems and onshore power connections further reduce noise
- Reduced noise have positive impacts on working conditions onboard a vessel and in ports and also for marine environment (underwater noise)

Less impact on water

Keeping oceans and waters clean is fundamental. There are several different aspects onboard tankers that can affect the marine life such as chemicals, dangerous goods, and ballast waters.

Terntank has a “zero spills at sea” -goal which is reached by actively promoting employee participation in measures aimed at protecting the environment.

- Black and grey waters have been discharged to shore for over 30 years
- The new HYBRID SOLUTION® vessels have a treatment plant onboard for the grey- and black waters
- Ballast water management has been taken into account according to requirements
- Biofouling – the best suitable environmentally friendly anti-fouling products are to be used
- Usage of oils such as Stern Tube oil and Gear oils are based on biodegradable oils.

The HYBRID SOLUTION® vessels

- Hybrid battery solution
- On-shore power supply (OPS)
- LBG/LNG dual-fuel main engines
- Biogas tested and compatible
- Efficient hull design
- Significant noise reduction
- Fuel optimisation
- Speed optimisation (JIT)
- Catamiser (SCR) on auxiliary engines

The HYBRID SOLUTION® vessels

Like other modes of transport, the shipping sector is reaching a point of no return. Changes must come, and Terntank is already in the forefront of this process. Through their innovations, Terntank will take on the challenge of combining efficiency and reliability with corporate and environmental responsibility. Terntank has been pioneers in safety and sustainability in tanker shipping for many decades and intend to keep that pole position.

HYBRID SOLUTION
100% BIO Battery and Shore Power

The hybrid solution includes:

- Energy storage system
- Shore power connection
- DC Link system
- Frequency-controlled cargo and ballast pump
- 100% Biofuel compatible

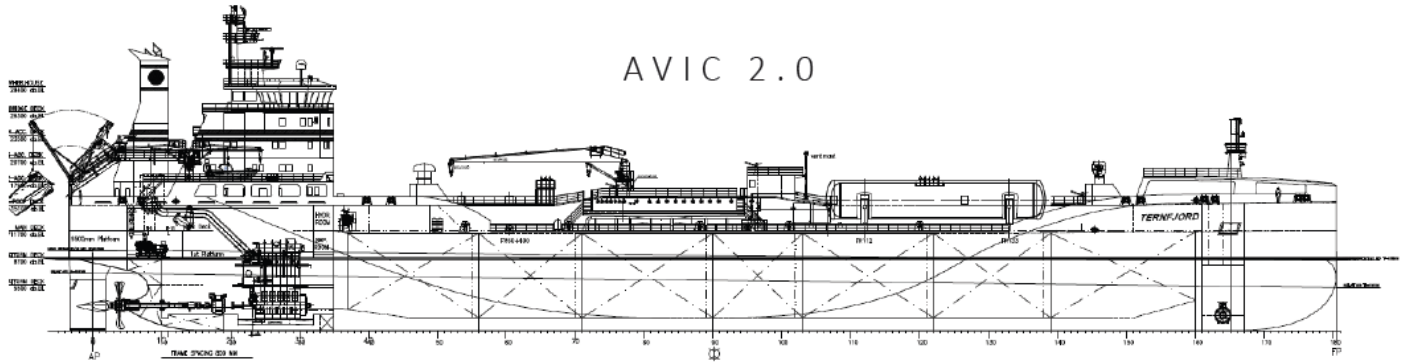
- By adding electrical power to the vessel, Terntank is taking a huge step towards clean shipping.
- The HYBRID SOLUTION® combines an onshore power supply with conventional engines, enabling to run 100% on electricity when handling cargo in ports. The cutting-edge Battery Pack stores electrical energy and provides clean power to manoeuvre to and from port without any extra generators. The hybrid solution gives double advantage by reducing emissions near land as well as radically decreasing the noise generated by the ship's engines.
- Estimated environmental savings per year and per ship are in the magnitude of 456 metric tons of CO_2. An increasing number of ports are ready to invest in onshore power supplies that can provide vessels with the necessary charging from the quayside. By only using energy that comes from renewable resources, the environmental benefits become even greater.

The HYBRID SOLUTION® vessels

80 %

CO_2 efficiency improvements

AVIC 2.0 compared to an conventional vessel with same size built around 2005, operational speed 14 knots. JIT and 30 % biofuels included



BUILDER: AVIC DINGHENG SHIPBUILDING CO.,LTD

CO_2 improvements AVIC 2.0 vs AVIC 1.0:

8 %

TECHNICAL

- Battery pack
- Shore power
- LNG boiler

10 %

DIGITALISATION

- Just in time
- ME fuel optimisation & emission savings

30 %

BIOFUEL

- Liquified biogas
- Liquid biofuels

80 % Less CO_2

99 % Less SO_X

99 % Less particles

97 % Less NO_X

Just-In-Time (JIT)

- Terntank's environmental awareness has taken the operations into another league with the application of the Just-In-Time management.
- Since 2016, Terntank has implemented the Just-In-Time (JIT) concept in close collaboration with its customers and in doing so has optimized the voyages and reduced emissions.
- Just-In-Time is an operational method that aims to minimize emissions – in Terntank's case, to optimize voyages between ports and to reduce the time spent at anchor. This is achieved by constantly adjusting the vessel's speed to meet its agreed time of arrival and utilising slow steaming, moving directly into port instead of dropping anchor and waiting to berth. This is a win-win situation for all parties involved. To ensure that Terntank complies with the BIMCO clause on slow steaming and to track real-time savings, Terntank has installed technology that gives the exact savings of the JIT operation in an emissions report.

Ship recycling

- End-of-life vessels should not pose risks for health, safety or environment when being recycled
- Terntank follows environmentally sound ship recycling practices in accordance with the Hong Kong Convention
- The Convention ensures that recycling facilities comply with the international standards and that they can handle hazardous materials safely and that prior to recycling all the hazardous materials onboard are listed
- Terntank is a member of Danish Shipping and Swedish Shipowners' Association and supports their recommendations. Denmark as a flagstate has ratified the Convention.
- As encouraged in the Danish Shipping's Recycling Policy, in addition to the Hong Kong convention, Terntank follows some additional measures as well, such as:
    - Ensuring that an inventory of hazardous materials (IHM) is available on the vessel prior to recycling
    - Selecting a facility based on one or more audits
    - Utilizing the international shipping association BIMCO's Recyclecon – a standard contract for the sale of vessels for green recycling, when entering an agreement with the recycling facility
    - Establishing a site team during the recycling of the vessel or conducting audits during the recycling
    - Following the ICS Transitional Measures for Shipowners Selling Ships for Recycling.

Safety

- Safety is one of the most important aspects of tanker shipping and many improvements have been made during the history of Terntank.
- Terntank is committed to healthy and safe working conditions and maintaining safe and pollution-free operating practice
- Terntank has been a forerunner in implementing and continuously improving safety measures on board vessels

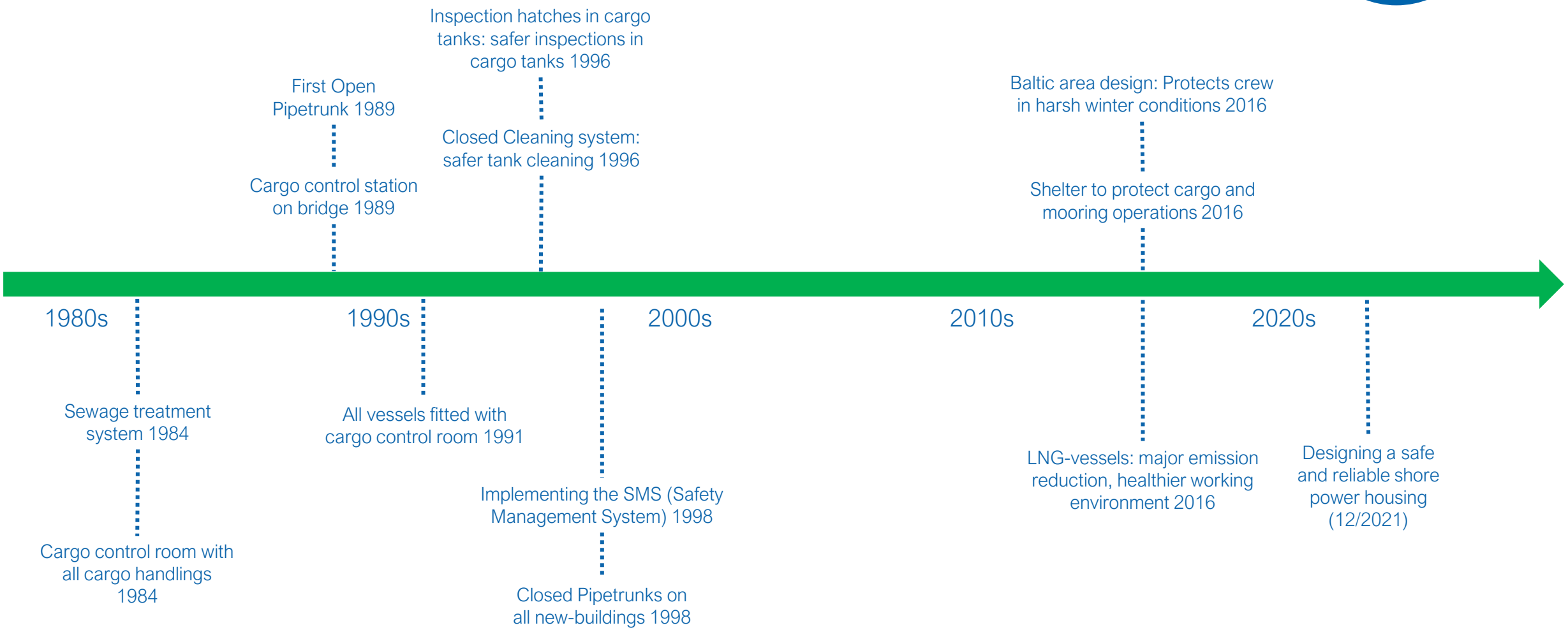
Safety Goals:

- Prevent physical injury and loss of life
- Provide for safe practices in ship operation and a safe working environment
- Establish safeguards against all identified risks
- Continuously improve the safety management skills of personnel ashore and onboard ship, including preparing for emergencies related both to safety and environmental protection.
- Achieve ''ZERO TOLERANCE'' against not following company procedures

For continuous improvement of the Safety Management System, Terntank measures its performance within safety, health and environment against several key performance indicators (KPIs) annually. To ensure that everyone within the organization understands the company's concept of safe operations KPIs are shared among shipboard and office personnel.

Safety meetings are held onboard vessels on regular basis. These include e.g. daily work planning meetings, meetings before drills, meetings before a sea passage, meetings before arrival to jetty and commencements of bunkering or cargo operations.

Safety measures implemented



Vettings and self-assessment

Transporting of oil and petrochemicals has a high level of risk for both crew and the environment. Therefore, it is important that all stakeholders involved in the cargo transport operation identify and manage risks and environmental impacts of the operations. To determine whether characteristics of vessels and their crew enable safe transport of cargo, shipping companies are inspected regularly in a process known as “vetting”

- For continuous improvement Terntank annually measures performance within safety, health and environment against several key performance indicators
- Terntank is following the Ship Inspection Report Programme (SIRE) developed by the Oil Companies International Marine Forum (OCIMF)
- Terntank has a comprehensive system for self-assessments. Self-assessments are done twice a year in connection of the management meetings in February and August.

Social responsibility

Employee relations

- Well-being and good working environment is vital
- The vessels and the shore-based organisations are closely connected in everyday work
- Company aims to be fair towards its employees and is continuously working for better equality related
- Offences, harassment or discrimination are not tolerated
- Each employee is encouraged to report possible incidents

Social responsibility

Working conditions

- Working environment and living conditions on board is of highest priority
- In addition to high environmental, health, quality and safety (EHQS) standards, the crew is actively engaged in planning of work conditions
- Terntank strives to employ best practices through an efficient and responsive management and motivated work force
- Since the harsh and challenging winter conditions of the Baltic Sea, the crew work turns are 4 months in stead of 6 during the winter period
- Company is encouraging its' personnel to professional development. Many courses can be completed online
- Food policies and projects onboard vessels to improve nutritional values, work satisfaction and to reduce consumption of meat (e.g. Chief Cook Project 2.0)

Social responsibility

Human rights

- Terntank respects the protection of human rights as defined in the United Nation's Universal Declaration on Human Rights
- Employees are not allowed to violate human rights principles, either directly or indirectly
- Terntank's business is related to human rights both directly and indirectly e.g.
- Safety (right to life and the right to standard of health)
- Employee relations (principles and standards related to labour)
- Employee relations (freedom from discrimination, the right to family life)
- As an international shipping company, Terntank must take into account the human rights in its entire supply and production chains

Responsible procurement

- Terntank is committed to conduct business in an ethical, legal, socially and environmentally responsible manner
- As a minimum, all suppliers are expected to acknowledge the UN Global Compact Principles and core ILO Conventions
- Responsible supply chain management is done by
    - Visits, supplier audits, business reviews, dialogue
    - Using compliance tools such as Orbis by Bureau van Dijk
    - Supplier self-assessments are encouraged

Shipbuilding operations

- Terntank works closely with selected suppliers
- Terntank is committed to review the Occupational Health and Safety and Environmental (HSE) standards of a shipyard involved in new-building projects
- The shipbuilding contracts contain International Chamber of Commerce's (ICC) anti-corruption clause

Code of Conduct

- Terntank aims to be objective, transparent and show respect in all situations
- Honesty and integrity guide all work regardless of the situation
- The Code of Conduct ensures that Terntank
  - Complies with all relevant national and international laws and regulations
  - Supports the rights of employees and treat them with respect
  - Works to create a healthy and safe working environment
  - Promotes environmental sustainability by minimizing energy consumption and negative impacts to the environment
  - Communicates to customers, stakeholders and authorities with honesty

In order to apply "think before act" -principle in Terntank, the following questions can be used as a guidance for every employee:

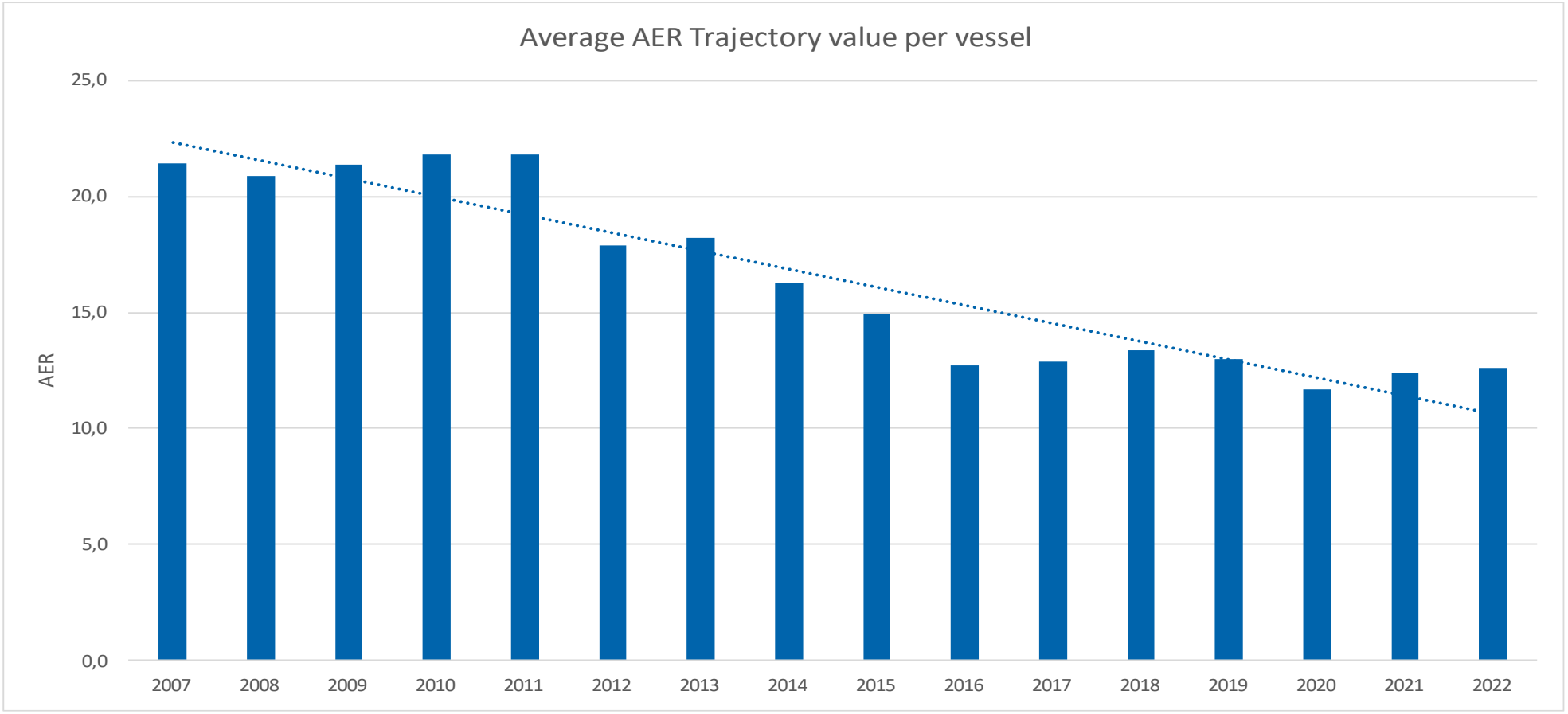
- Will I still stand behind this decision tomorrow?
- Will I be able to sleep at night if I go through with this?
- Could this have a negative impact on our common goals?
- Is there another way of doing this which would not involve any ethical conflict?

KPIs* – targets and follow-up

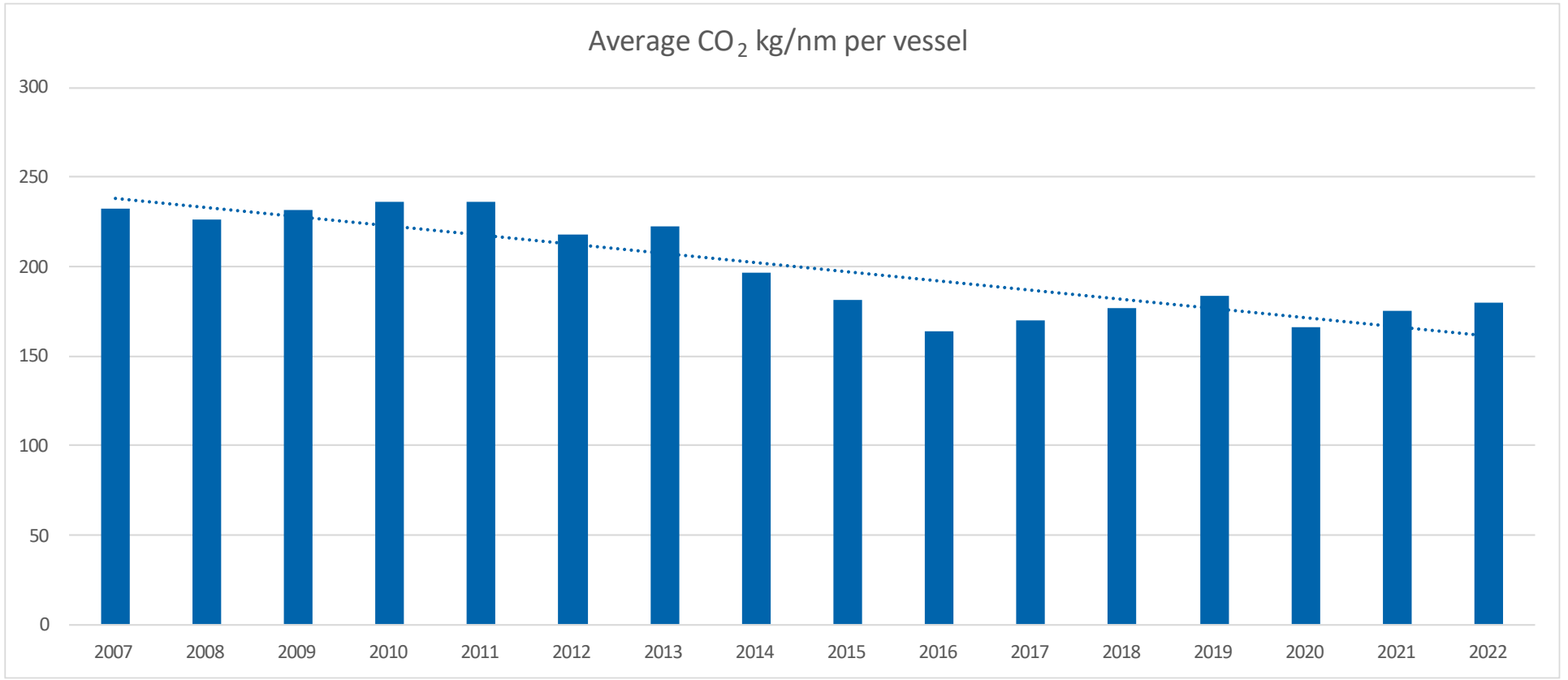
	KPI	Target	Progress towards target(s)	Analysis of trend performance *the reason(s) behind improvement/non-improvement*	Status
Decarbonization	**Annual Efficiency Ratio (AER)**	Zero GHG emissions in 2040	AER trendline for the fleet is decreasing.	Terntank aims to continuously reduce fuel consumption and thereby air emissions and strives to develop its fleet and to be the forerunner in implementing new technologies and alternative energy sources. Measures implemented are e.g.: • SEEMP • fuel optimization with frequency converter • JIT • efficient hull design • LBG/LNG powered main engines • electric power supply system with battery pack and bow thruster drive • on-shore power connection • fleet renewal	Since 2008, the average AER for the fleet has decreased by **41 %** (status in 2021, AER trajectory value = 12.4)
	Climate alignment/ AER score	Zero GHG emissions in 2040 & Below or aligned with the carbon intensity trajectory for the given year	The climate alignment score is 2 % above the carbon intensity trajectory for 2021 when comparing to the median AER trajectory value for chemical tankers. In 2020 it was -6 % and in 2019 +2 %. However, the newer vessels (2016 onwards) of the fleet are below the carbon intensity trajectory values.		The average AER score for the fleet per vessel is +**2 %** in 2021.
	CO_2 emissions per nautical mile/a	Zero GHG emissions in 2040	The total CO_2 emission per nautical mile varies per year, depending on numbers of vessels and activity level, but has decreasing trendline despite increased no. of vessels.		The total CO_2 emission per nautical mile in 2021 was 175 kg CO_2/Nm and for the whole fleet in total 1 754 kg CO_2/Nm. The corresponding numbers in 2008 were 226 kg and 2 036 kg.
	Total CO_2 emissions for the fleet	Zero GHG emissions in 2040	The total CO_2 emissions from the fleet has increased since 2008, but so has the number of vessels as well. The annual average CO_2 emissions per vessel has remained quite constant, with a slightly decreasing trendline.		The total CO_2 emissions for the fleet was 97 tonnes in 2021 (10 vessels), compared to 97 tonnes in 2008 (9 vessels). Per vessel, the average CO_2 tonne in 2021 was 9.7 compared to 10.8 tonnes in 2008.

*KPIs as defined in the Guidelines for Transition-Linked Financing by the Green Shipping Programme, concentrating on decarbonization and alignment with the EU taxonomy

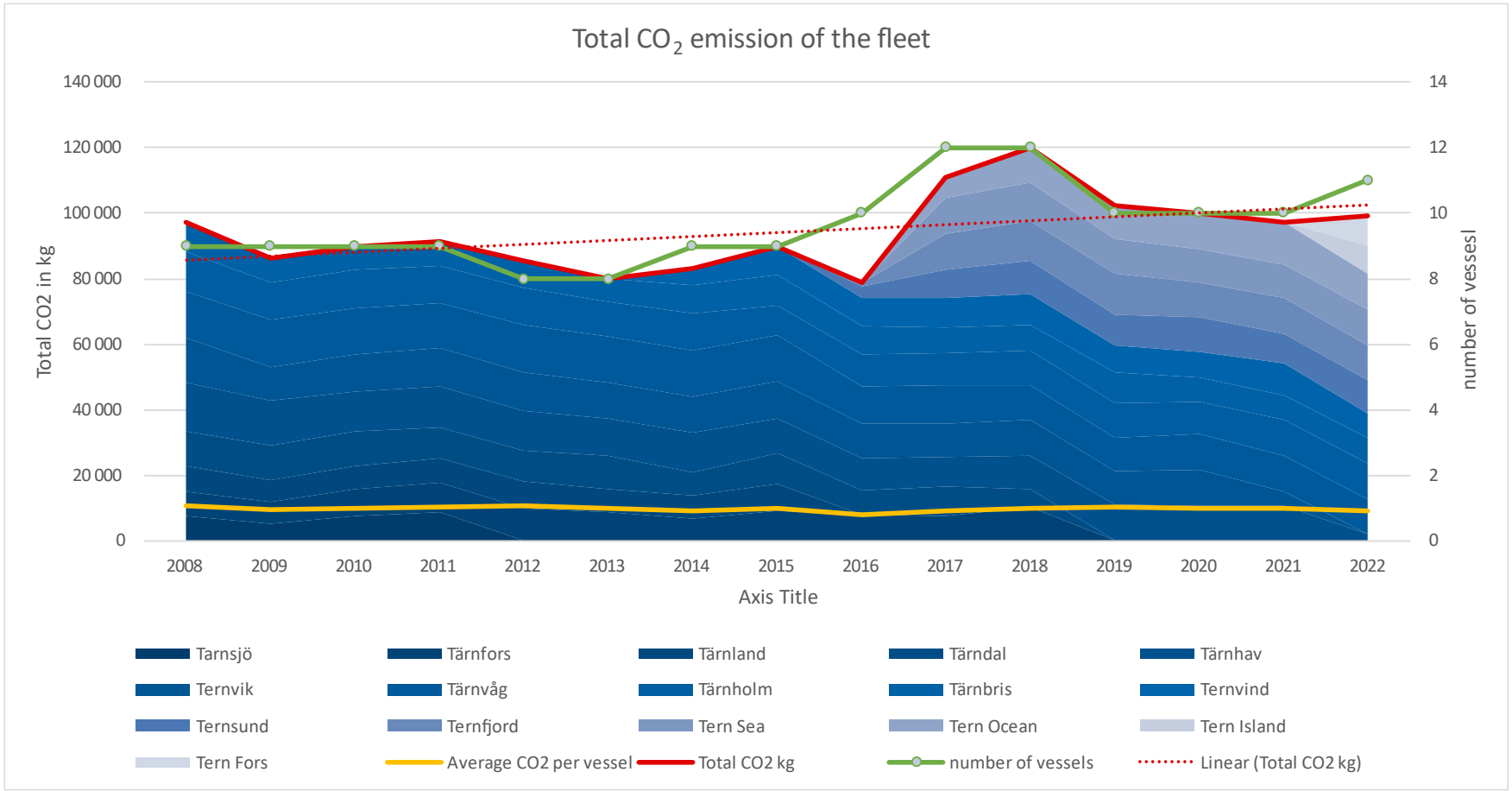
KPIs - Decarbonization



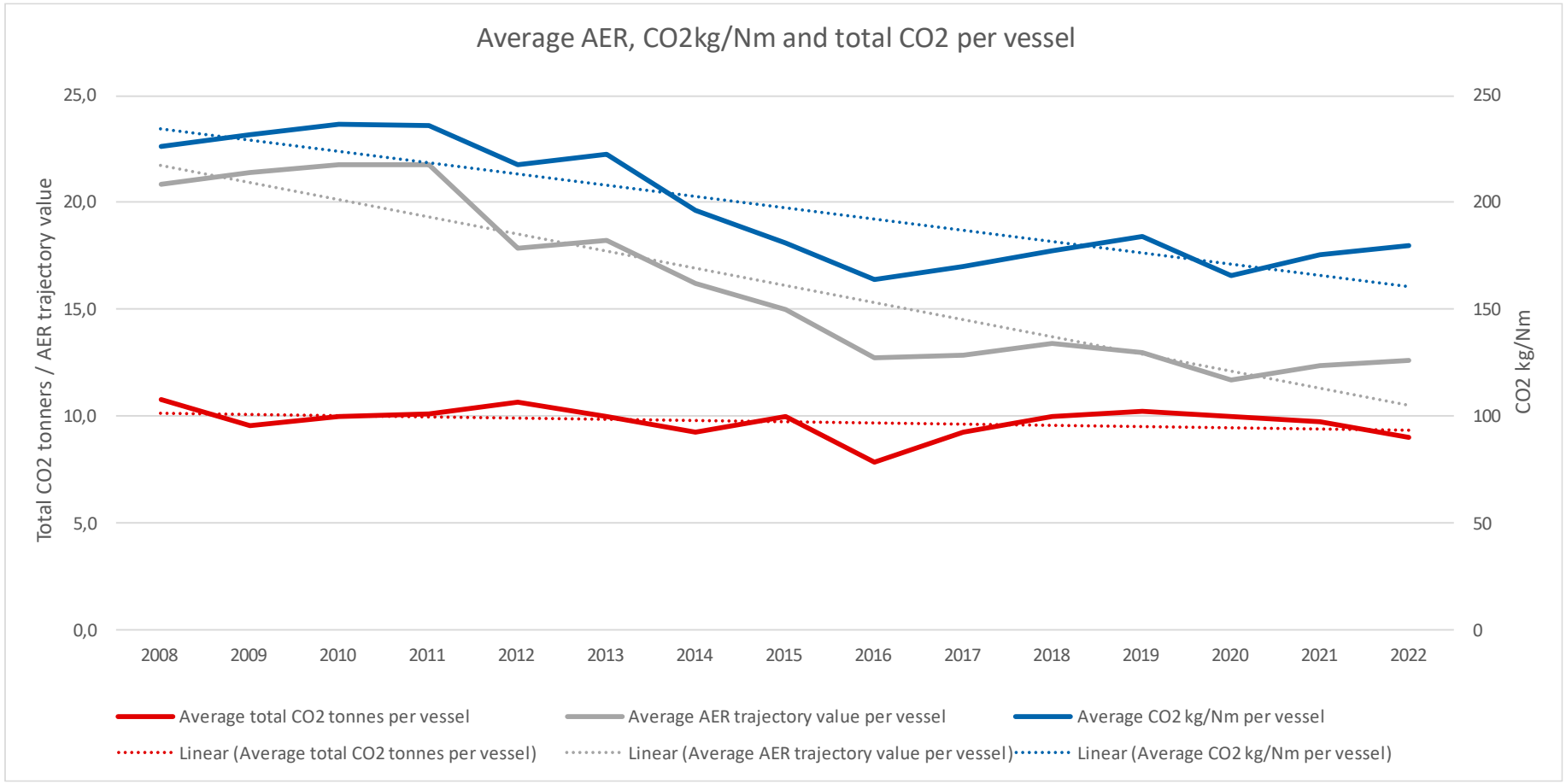
KPIs - Decarbonization



KPIs - Decarbonization



KPIs - Decarbonization



KPIs* – targets and follow-up

		KPI	Target	Progress towards target(s)	Analysis of trend performance *the reason(s) behind improvement/non-improvement*
EU taxonomy	Transition to a circular economy	**Waste management measures**	Waste management in accordance with the requirements of Annex 1 to Commission Delegated Regulation (EU) …/… supplementing Regulation (EU) 2020/852	Measures are in place to manage waste in the use phase in accordance with the waste hierarchy.	• Terntank is committed to the Ballast Water Management Convention, reducing and preventing the impact of invasive species in water ecosystems • The Hybrid Solution vessels with battery systems have measures in place for reusing and recycling of the batteries and electronic, including critical raw materials therein. • Terntank operates in accordance with the MARPOL Convention
		Ship recycling	Ships to be recycled in facilities included on the European List of ship recycling facilities as laid down in Commission Decision 2016/2323	Terntank agrees with environmentally sound ship recycling practices in accordance with the Hong Kong Convention and Commission Decision 2016/2323	Ship recycling has not been topical in the current operational environment. In accordance with current customer requirements, ships will be used for ca 20 years before re-selling, and therefore Terntank owns only relatively new vessels for which ship recycling id not yet topical.
	Protection and restoration of biodiversity and ecosystems	**Biofouling**	Biofouling to be managed and implemented in accordance to the IMO Biofouling Guidelines.	Terntank uses environmentally friendly anti-fouling products in the extent possible in order to maintain a sufficient coat of paint on the hull in harsh Baltic Sea conditions.	The operating conditions for the vessels are harsh especially during winter with sea ice. The most eco-friendly antifouling paints are too soft for operations in ice conditions and not sufficient to be used. For Ternfjord, which operates in milder conditions in terms of ice, mechanical hull cleaning is done if and when required.
		Reduction of Underwater Noise	Noise and vibrations are limited by using noise reducing propellers, hull design or on-board machinery in line with the guidance given in the IMO Guidelines for the Reduction of Underwater Noise.	Terntank has constantly developed the design of the ships, that also have an impact on underwater noise. Terntank aims at reducing underwater noise especially in the design phase of new vessels. For existing vessels, the best way to reduce underwater noise is to reduce speed, which is implemented by the JIT management.	Measures taken that reduce underwater noise: • Propellers to reduce cavitation • Hull design to optimize the wake field • Onboard machinery: reduced vibration, controllable pitch propeller, DF LNG/LBG engines • Reduced speed / JIT

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KPIs – social and governance

Compliance
- The Code of Conduct ensures that Terntank
  - Complies with all relevant national and international laws and regulations
  - Supports the rights of employees and treat them with respect
  - Works to create a healthy and safe working environment
  - Promotes environmental sustainability by minimizing energy consumption and negative impacts to the environment
  - Communicates to customers, stakeholders and authorities with honesty

Safety & security
- Prevent physical injury and loss of life
- Provide for safe practices in ship operation and a safe working environment
- Establish safeguards against all identified risks and continuously improve the safety management skills of personnel ashore and onboard ship

Whistleblowing reports
- Strictly comply with the legislation on anti-corrupt practices
- Zero bribery and facilitation payments in own vessels
- On-going development of an anti-corruption programme. Incorporating it into the company's strategy
- Introducing the programme throughout the company: training and communication

✓ Reporting of misconducts is followed by a whistleblowing system

Gender equality
- Equal opportunities and aim for a better gender balance throughout the company.

✓ Gender break-down
  - Management: 50% women (2), 50 % men (2)
  - Office: 48 % women (11), 52 % men (12)
  - Onboard: 2 % women (5), 98 % men (219)