



Sustainability Report 2021



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The Company

At Solstad Offshore (“the Company” or “Solstad”) we believe that a good and safe working environment creates a foundation for building a sustainable business culture.

Through close cooperation with key clients and strategic suppliers over time, major steps can be taken on a path towards a more sustainable future.

We believe in transparency on matters that affect sustainability. In this first annual sustainability report, we disclose how we work with and interact with other stakeholders. We try to answer key risks and opportunities as we see them today.

Our goal is no harmful emissions to the environment from our operations. This includes greenhouse gas emissions. Our long-term goal is that our operations shall be emission free by 2050. We also have a mid-term goal of 50 percent reduction by 2030. In 2021 alone we achieved 1 percent improved fleet fuel efficiency through technical and operational measures. However, the total fleet emissions increased by 2 percent due to an improved market that caused higher vessel activity. For the coming years we have a detailed implementation plan to install zero emission technology on a range of vessels to reduce emissions year by year.

Building a more sustainable future together is key to us in Solstad!

Frontpage photo: Jetmund Grøtting



Sustainability in brief

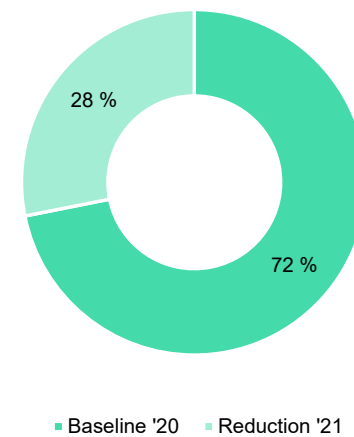
Safety

The Total Recordable Cases Frequency (TRCF) was record low with 1.19. A total of three Lost Time Incidents (LTI) were recorded. Solstad has a zero injuries vision.



Plastic Bottles

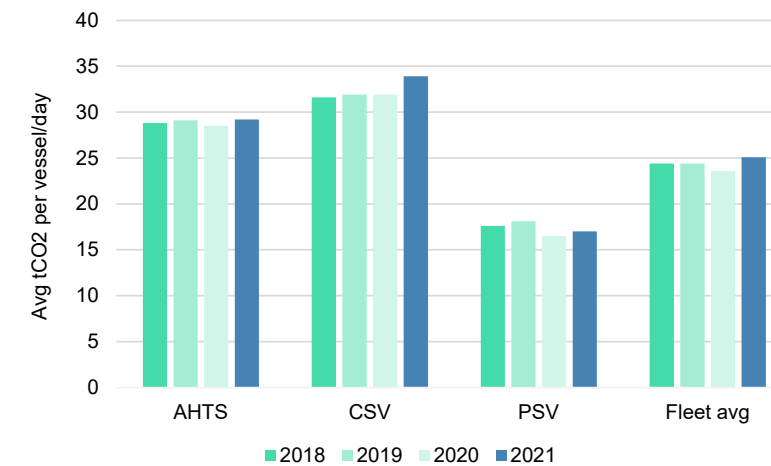
Reduction in single-use water plastic bottles during 2021 ended at 28 percent (65,600 bottles) and lead to a CO₂ reduction of 9 tons. For 2022 the reduction target is 50 percent.



Emissions

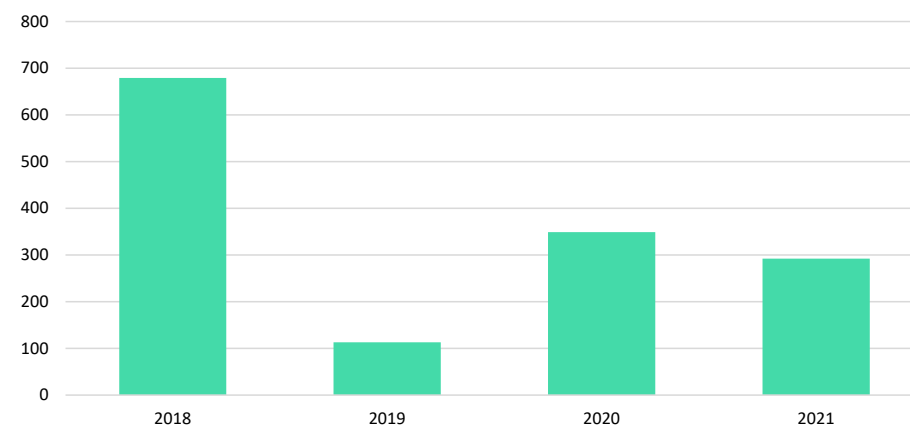
The total fleet CO₂ emissions increased by 2.1 percent in 2021 to 711,552 tons due to higher operational activity and more vessels in operation.

The average CO₂ emission per vessel/day has increased by 4 percent compared to the 2018-2020 average due to higher activity. Higher activity is a positive sign for Solstad. However, this results in more longer transits for some vessels (between world-wide regions), less days idle berthed waiting for work and more demanding DP operations for the CSV and AHTS vessels. This again results in higher total net CO₂ emissions. However, the PSV fleet alone shows a positive development the last two years as a result of the nine hybrid PSV conversions. This demonstrates that implementation of green technology works.



Oil Spills

The number and volume of oil spills to the environment are decreasing over time despite increased operational activity (292 litres vs 348 litres in 2020). Solstad has a zero-spill goal.

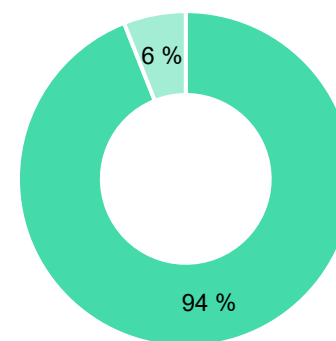


Diversity and Inclusion

Currently, 6 percent of Solstad's seafarers are women (5 percent in 2020) and the company had a 44 percent increase in number of female seafarers during the year.

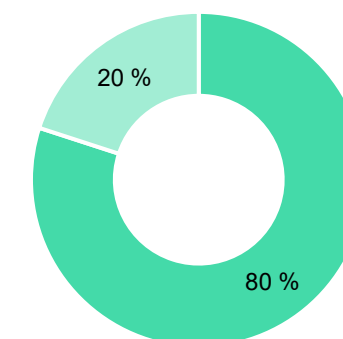
For the onshore organization, the total of female managers is at 22 percent and the target is to reach 35 percent by 2030.

Offshore crew



Male Female

Onshore Managers



Male Female

Letter from the CEO

Ambitious approach towards a zero-emissions future.

Our license to operate consist of a strong safety culture, a targeted ambition to reduce emissions from our operations and equal opportunities for our people. But also, a profitable operation that, over time, able us to invest in upgrading present fleet with new technology and renewal of our fleet with zero-emission vessels.

In Solstad we have bold ambitions, also when it comes to reduction of Greenhouse gases (GHG). By 2030, we aim to reduce emissions with 50 percent compared to 2008 level and further to zero-emissions by 2050.

I am convinced that the 2030 target will be more difficult to reach than the 2050 target. To be able to reach 50 percent reduction within 8 years from now, there are a lot to be done, with technology that only to a certain extent exist, by an industry that has struggled financially the last 6-7 years. Still, we are well underway.

Solstad Green Operations was implemented back in 2009. This is systemized operational excellence – or common sense if you like. By motivating everyone onboard the vessels to take measures to reduce fuel consumption, we have reduced emissions with about 20 percent since 2009, adjusted for activity increase. This is very impressive.

With SGO as the foundation, new technology is implemented. We recently upgraded the CSV Normand Ocean with battery-hybrid system, as the 10th vessel in the fleet. In addition, a number of vessels can connect to shore power. We have recently decided to invest in battery-hybrid systems on 11 more vessels.

Next move will be participation on various pilot projects on use of different types of engine technologies and fuel. These are projects that includes clients, suppliers, and academia. These are important measures to find the right solutions for the future.

In parallel, we are developing next generation vessels, together with ship designers and suppliers. These vessels must be able to operate with zero emissions.

It is important that we work together as an industry to solve the zero-emission challenge.

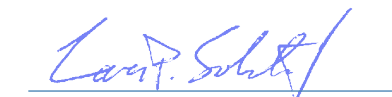
Safety is the foundation of all companies. Safety has to be more than statistics and targets. It must be a culture! Solstad Incident Free Operations is our working culture whereby all operations are planned and executed in the belief that all incidents, whatever the nature or cause, are preventable.

We are all one team and responsible for the safety of ourselves and of each other. We reject the idea that 'accidents happen'. The principle is: "Look out for each other".

We have a solid safety culture, we have ambitious emission-targets and we have an industry-leading team onboard the vessels and in the various offices. But, to be able to develop further we also have to make sure that people have equal opportunities. Between nationalities and gender. Only then, we can secure the right competence to reach our ambitions.

This Sustainability Report is our first and will be released annually going forward.

Enjoy the reading!



Lars Peder Solstad
CEO





About Solstad

Solstad Offshore ASA ("Solstad Offshore" or "the Company") is a world leading owner and operator of offshore service vessels (OSVs), offering maritime services to the global energy markets. The company's vision is to deliver industry-leading sustainable operations to the global offshore energy markets. Solstad's core values are: Safe, Reliable, Competent and Responsible (see core value descriptions on page 10).

As per December 2021 the company has 3,600 highly skilled employees, nine offices globally and operates a versatile fleet of modern offshore vessels. By year-end 2021 the company had a core fleet of about 80 vessels worldwide (excluding laid up-vessels). The operation is organized in two business areas: Global PSV & AHTS1 market and Subsea Construction and Renewable Energy worldwide. The company's headquarter is located in Skudeneshavn, Norway, with offices in Ålesund, Aberdeen, Rio de Janeiro, Macae, Perth, Singapore, Manila and Odessa.

1) Platform Supply Vessels (PSV) / Anchor Handling and Tug Supply vessels (AHTS)

About the Report

This report has been prepared in accordance with the Norwegian Shipowners' Association Guidelines for ESG reporting in the shipping and offshore industries. The Task Force on Climate-Related Financial Disclosures (TCFD) was used to guide our climate risk reporting. The Global Reporting Initiative (GRI) has also been used as a guide for ESG disclosures. The report presents our material environmental, social, and governance (ESG) performance, along with how we manage material sustainability topics, for the financial year ended December 31, 2021.

The ESG report covers data from all nine offices and vessels operating under the Solstad Shipping AS Document of Compliance. Per December 31, 2021, a total of 80 vessels are in operation including one vessel owned by a joint venture that is under management to Solstad. Additionally, the company has had 10-20 vessels in lay-up throughout 2021.

The Governance Group has been used for guidance and third-party consulting.



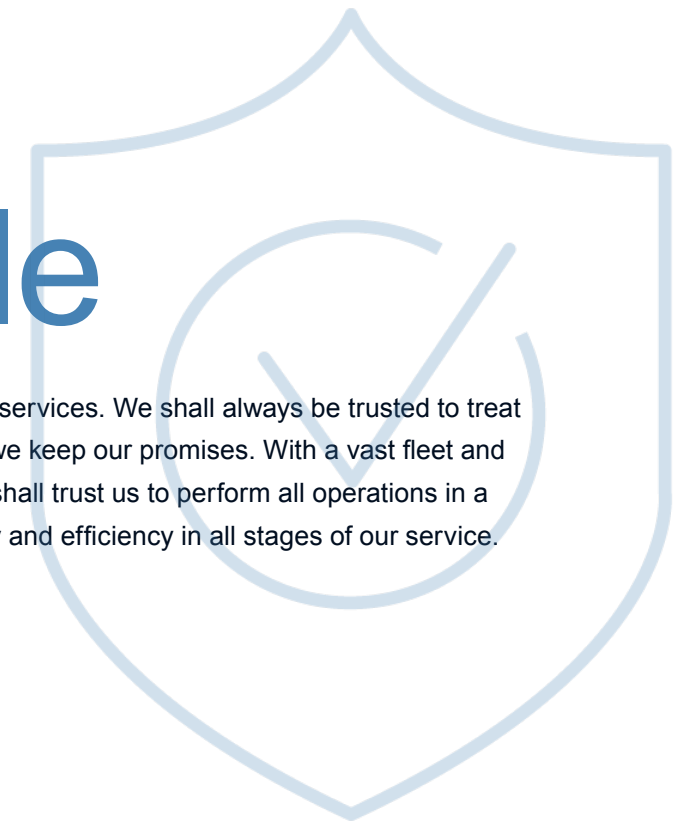
Safe

Safety is our main priority. Solstad vessels carry out operations all over the world, sometimes in extreme conditions. We recognize all employees as our most valuable asset, and we will never compromise on their safety.



Reliable

We focus on quality in all parts of our services. We shall always be trusted to treat everyone fairly and respectfully, and we keep our promises. With a vast fleet and a competent organization our clients shall trust us to perform all operations in a safe manner and with focus on quality and efficiency in all stages of our service.



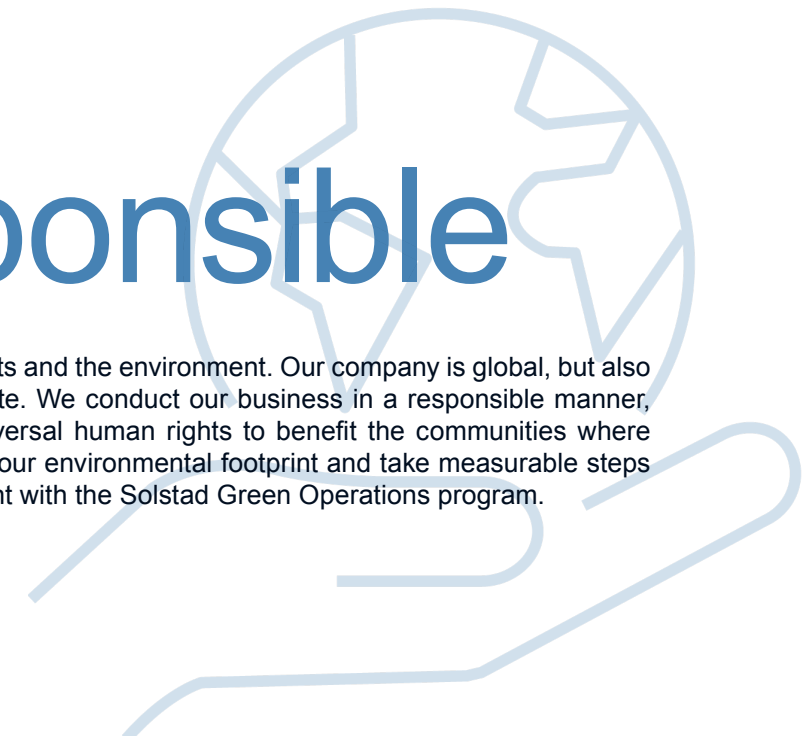
Competent

All employees in Solstad are key personnel. We aim not only to fulfill our client's demands, but to deliver a service beyond their expectations. We ensure that our personnel are constantly learning to have the right competence and knowledge required at all times. Our operational knowledge shall be developed in close interaction between the marine crew and the onshore organizations.



Responsible

We care about people, assets and the environment. Our company is global, but also local in the areas we operate. We conduct our business in a responsible manner, respecting the law and universal human rights to benefit the communities where we work. We are aware of our environmental footprint and take measurable steps towards a better environment with the Solstad Green Operations program.





Governance

Managing ESG in Solstad Offshore.

Solstad works proactively to ensure that sustainability is included in all operations. We have established a range of policies and procedures which set out how we manage Environmental, Social and Governance (ESG) issues that have been implemented in the company's management system – Solstad Integrated Management System (SIMS). These policies allow us to mitigate our risks and potential negative ESG impacts.

The company operates in accordance with international regulations and standards and is certified to ISM (International Safety Management code), ISO 14001:2015, ISO 9001:2015, ISO 45001:2018, ISO 50001:2018, MLC (Maritime Labour Convention) and ISPS (International Ship and Port Facility Security).

Solstad Offshore's Board of Directors is responsible for the governance of ESG-related issues. A key achievement in 2021 was the establishment of a dedicated sustainability department in the Company. This department is led by the Chief Sustainability Officer (CSO) and is a member of the executive management team. The CSO reports directly to the CEO and reports quarterly to the Board's Audit Committee.

Main ESG Governing Documents

- [Sustainability Policy \(PMAN-POLI-0489\)](#)
- [Code of Conduct \(PMAN-RESP-0022\)](#)
- [Sanctions Policy \(PMAN-POLI-7956\)](#)
- [Anti-Bribery, Corruption, Fraud and Whistle Blower Policy \(PMAN-POLI-6630\)](#)
- Sustainability Report 2021

Cooperation

At Solstad we believe that solving the current sustainability challenges requires cooperation. The company participates in various working groups to identify, promote, finance and develop technologies that enable the shipping business to become more sustainable. We are therefore a member of initiatives such as:

- The MaritimeCleantech cluster hub (member and represented in the Board).
- The Getting to Zero Coalition.
- The Maritime Battery Forum.
- MARESS Sustainability Partnership (MSP).
- International Marine Contractors Association (IMCA).
- International Marine Purchasing Association (IMPA).

Solstad is also a member of the Norwegian Shipowners' Association and contributes to all key sub-committees related to sustainability and environmental issues.



Material Topics and ESG Priorities

We have evaluated and decided which sustainability topics were most significant to us in 2021. When assessing materiality, we consider the global sustainability context, transparency and relevant reporting standards. However, in 2021 standards have been used as guidelines only.

The Company is committed to ongoing engagement with its stakeholders, including clients, suppliers and employees, to identify their expectations and concerns. Client interaction is conducted through the company's operations department with support from the sustainability department when required. The company engages daily with suppliers through the purchasing department, and in some instances through the sustainability department (key suppliers).

This year, we present our material topics in a more detailed way. However, our material topics remain the same. Some of the topics are overlapping, but the totality of our three main material topics represents Solstad's most important sustainability impacts and focus areas.

Our Material Topics and Impact on the Sustainable Development Goals

The Company has assessed and identified matters that could affect Solstad's business, and/or stakeholders (Materiality assessment). This is published on the Company's website. The UN Sustainable Development Goals (SDGs) are actively used by Solstad to align Solstad's commitments to these principles throughout its operations. The Company has evaluated and selected three main SDGs that will be important for the Company to follow up: SDG number 8 – Decent Work and Economic Growth, number 13 – Climate Action, and number 14 – Life Below Water. Some of the topics are overlapping, but the totality of our three main SDGs represents Solstad's most important sustainability impacts and focus areas.

Low Impact
 Medium Impact
 High Impact

	Material topic	Impact	Related quantitative figure 2021	SDGs	Impact on SDGs
Ensuring responsible operations	Health and safety for employees	<div></div>	Total recordable case frequency (TRCF): 1,19	SDG 8 & SDG 14	<ul style="list-style-type: none">• Providing good work places with safety as our priority• Potential safety incidents
	Quality of service and customer satisfaction	<div></div>	Sustainability customer survey 2021 :11 participants, findings, clients would like more relevant sustainability information. Commercial/Operations client survey 2021: 42 participants. Need to make improvements on frequent meetings/workshops Improve on analysis possibilities of client satisfaction reports. 95 percent agree that Solstad is a strong Offshore partner. 95 percent agree in the quote “”Are you satisfied with the quality of work performed by Solstad vessels””.	SDG 8	
	Labour rights and employee satisfaction	<div></div>	Home Office survey 2021: 70 percent responded Strong crew union cooperation.	SDG 8	<ul style="list-style-type: none">• Physical and social work environment
	Integrity and anti-corruption	<div></div>	Cases reported to public ethics helpline: 0	SDG 8	<ul style="list-style-type: none">• Supporting initiatives to promote transparency and anti-corruption, e.g. UN Global Compact• Transparent reporting of payments to governments• Exposure to integrity risks
	Human rights in the supply chain	<div></div>	Supplier audit verifications conducted: 9 Human rights clauses included in Terms & Conditions	SDG 8	<ul style="list-style-type: none">• Promoting respect for human rights related to our operations and in our supply chain• Exposure to human rights risks related to our activities and supply chain
Protecting the environment	Biodiversity, oceans & sensitive areas	<div></div>	Operational navigational procedure established related to life in ocean. One pilot vessel with a bio-fouling plan in place.	SDG 14	<ul style="list-style-type: none">• Managing environmental impacts and promoting sustainable ocean management• Risk of potential spills and pollution of air or water• Potential noise impacts on marine life
	Air emissions	<div></div>	Nitrogen oxides emissions (NOx): 9,900 tonnes		
Creating Shared value	Economic impact (direct and indirect)	<div></div>	Purchase of goods and services: 1.4 billion NOK	SDG 8	<ul style="list-style-type: none">• Economic impact through taxes, jobs, supply chain and local content• Promoting diversity and inclusion in our workforce
	Diversity and inclusion	<div></div>	<ul style="list-style-type: none">• Diversity and inclusion in Solstad E-learning for all in Solstad Offshore. Training and recruitment program for anchor handling.• For 2021 the number of female seafarers in the Company going from 147 to 212, an increase of 44 percent - or about 1 percent increase on the total (from 5 to 6 percent)• The number of female Apprentices and Cadets for 2021 was 21 percent		
Building a low-carbon advantage	Average carbon intensity tCO ₂ /day per vessel	<div></div>	AHTS 29,2 PSV 17,0 CSV 33,9		<ul style="list-style-type: none">• Providing energy with significantly lower operational emissions than the industry average• Investing in renewable energy market and low carbon solutions such as hybrid systems, to lower the GHG emissions• Working with suppliers to reduce emissions from supply chain• Policy engagement to support the goals of the Paris Agreement
	GHG emissions scope 1 & 2	<div></div>	GHG emissions scope 1 & 2 : 711,552 tonnes - 171 tonnes		
	GHG emissions scope 3	<div></div>	Not evaluated.		
	Energy consumption sum scope 1 & 2	<div></div>	2,786,168 MWh	SDG 13	
	Supply chain emissions	<div></div>	Not evaluated.		
	Renewable energy	<div></div>	No. vessel days in Non-oil&gas / renewable market: Software logging made, 2022 will be first reporting year.		
	Technology and system innovation	<div></div>	Technology and Projects department established. 3 zero emission vessel designs developed. Two R&D /pilot projects initiated.		
	Climate policy engagement	<div></div>	Number of energy and climate association, where Solstad holds membership, screend for alignment with Solstad's climate stance: > 6		

UN Sustainable Development Goals

Solstad is dedicated to contributing to the UN Sustainable Development Goals (SDGs) by focusing on the areas we can have the most significant impact. Based on the materiality assessment, we have chosen to focus on the following three goals:

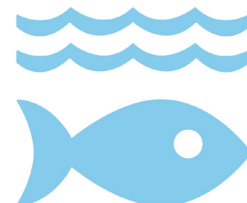
8 DECENT WORK AND ECONOMIC GROWTH



13 CLIMATE ACTION



14 LIFE BELOW WATER



Anti-Corruption and Business Ethics

We conduct business to the highest ethical standards in line with Solstad's Code of Conduct and company values. We have zero-tolerance for any forms of bribery, corruption and other criminal or unethical behaviour. We are committed to complying with applicable laws and applying the highest ethical standards in all business operations. Solstad is also fully committed to following the UN Guiding Principles and the ten principles outlined in the UN Global Compact.

Our ethical guidelines outline the Company's stance and expectations to our employees and contribute to secure the values and organizational culture. It is an integral part of forming profitable and secure operations, maintaining a good working environment, and ensuring trust and a solid reputation in society.

Solstad explicitly prohibits engaging in bribery and corruption in any form, and this applies to our employees, board members and hired contractors. Our anti-bribery, corruption, fraud, and whistleblowing policy contain the standards, procedures, and requirements to maintain our ethical standards and to comply with laws and regulations. It is the executive management's responsibility to ensure that the Company's values are known, respected, and adhered to in order to maintain an ethical business culture.

With a worldwide presence, Solstad is exposed to certain corruption risks, particularly in relation to engagement of contracts, port calls and inspections. The plan for 2022 is to create an e-learning course for all employees in Solstad. The Company's Code of Conduct and anti-corruption policy is valid for everyone regardless of their role and position. It covers issues such as anti-bribery, anti-corruption, sanctions, money laundering, whistleblowing and reporting in case of breach.

Solstad has a whistleblowing policy which intends to assist external and internal stakeholders who believe they have discovered malpractice, impropriety, bribery, or suspicion of corruption. Reports can be made anonymously and is managed by the Company's administration and communication director. In the event a disclosure has been made against the administration and communication director, the complaint will be managed by the CFO. The Company treats all cases confidentially and has a non-retaliation philosophy. Read more about whistleblowing [here](#).

Solstad's Code of Conduct also addresses the requirement to comply with applicable competition and antitrust laws. The Company contributes to fair and open competition in the market segments in which we operate in, both nationally and internationally. Individuals shall not, under any circumstances, cause or contribute to a breach of the free market-regulations regarding price fixing, illegal market sharing or other behaviour in conflict with the law.

Solstad has not been involved in any legal proceedings associated with bribery, corruption, or anti-competition in 2021. Reports have been received through the whistleblowing system, but after thorough investigation none of the cases has materialized.



Supply Chain Management

Solstad has around 1,100 supplier entity registrations that are approved for delivering parts and services. Suppliers are internally evaluated and classified based on criticality, risk and turnover etc. Out of these 1,100 suppliers, 35 supplier registrations are classified as “Strategic” and covered by frame agreements. Of Solstad’s total purchase value, 57 percent is covered by frame agreements (2021 full year spend).

All potential new suppliers, at all levels, shall be evaluated prior to approval. Our supplier evaluation program consists of a self-evaluation form, which covers areas such as human rights, labour conditions, the external environment, health and safety and anti-corruption. Our suppliers must satisfy strict criteria and deliver on all the below:

- All suppliers shall have a documented, implemented, and auditable Health, Safety, Environment, Quality and Security management system, in accordance with ISO 9001 or equivalent.
- The supplier strives to avoid using scarce resources in all areas of their business including, but not limited to, administration, production, packaging, transport, etc. This includes implementing procedures to ensure that wood from high conservation forests is avoided whenever possible.
- Suppliers must commit to act correctly, comply with ethical guidelines, actively work with anti-corruption and all times minimize the environmental footprint of their activities.
- All suppliers are obligated to adhere to the UN Global Compact’s ten principles with regards to human rights, workers’ rights, environment, and anti-corruption.
- Suppliers must act in accordance with sanctions authorities, meaning countries and international organizations or institutions imposing sanctions including, but not limited to: United Nations (UN), European Union (EU), Member States of the EU, Member States of the European Economic Area including Norway, United Kingdom (UK), United States of America (US), Singapore or any authority acting on behalf of the foregoing in connection with sanctions, as well as any other sanctions authority relevant for the Company’s business operations.

After a self-assessment has been finished, dedicated/senior personnel in Solstad performs an evaluation and rating of the supplier or sub-contractor. A communication process is initiated, if needed. The next steps may include a geographical risk evaluation and/or determine whether a due diligence process is required.

The Planned Maintenance System and Purchasing systems are set up to handle supplier assessments. This is a system where we assess our suppliers, according to their graded levels or depending on if they are a contracted supplier (where there is a signed frame agreement).

The assessment is based on three main areas (pricing, quality, supply chain & production), and there are four or five weighted questions within each area. The final sum provides the overall score and grading of the supplier.

In total, 500+ supplier assessments have been performed. The result is mainly positive where 29 percent of the suppliers have received the score B (“Exceeds Expectations”)

and 61 percent of the suppliers have received the score C (“Meets Expectations”). The result is automatically forwarded to the supplier for their reference and improvements if needed. About 10 percent of the suppliers were categorized as D (“Below Expectations or E (“Far Below Expectations”).

Solstad also runs a supplier registration and management process (Supplier Management), where new suppliers are vetted and checked through different processes and forms. Each supplier must meet specific requirements to receive internal classification.

Over the last few years, the Company has been working to reduce the number of approved suppliers and to ensure that the most frequently used ones have a signed frame agreement in place, and that the parties cooperate to ensure that all transactions, shipments and use of products are according to pre-agreed standards.

Solstad Catering

Catering is a key activity onboard our vessels to ensure all onboard have good and healthy food and accommodation. The majority of the catering work on Solstad vessels is done by own crew.

- Number of meals served in 2021: 775,000
- Total overnights: 783,000
- Provisions provided to vessels from ports in more than 40 countries around the world.

Subcontractors

In addition to QA-related topics, the subcontractor questionnaires include subjects such as cyber security, sanctions and compliance, code of conduct and legislation. For crewing companies, conditions related to wages, legislation, social security, insurance, tariffs and IMO compliance are checked and followed up if needed.

Qualification and screening of subcontractors and service providers are evaluated against the same requirements as suppliers. These companies are followed up by the department that manages the supplier relationship. If necessary, audits are made. Strengthening subcontractor evaluation is a key focus area in 2022.

We conduct ISO-based audits of selected suppliers. In 2021, we audited nine suppliers located in Brazil, Australia and Norway, representing about 10 percent of total procurement value and 0.8 percent of the total number of suppliers. The number of audits has been negatively affected by travel restrictions caused by the Covid-19 pandemic.

Ship Recycling

Recycling of vessels is conducted according to applicable Norwegian and international regulations, including the EU Ship Recycling Regulation and the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships. The Company's fleet has the Inventory of Hazardous Materials (IHM) certification in place, allowing for efficient ship recycling when needed. During 2021, eight older ships have been sold for green recycling (6 x AHTS' and 2 x PSVs). The vessels will be recycled at the EU-approved Norwegian yards 'Green Yard Kleven' and 'Green Yard Feda'. Solstad's personnel is monitoring the dismantling process.



Ship Sales

During 2021, we have delivered a total of 23 vessels to 13 different new owners. Five of these were sold for recycling and 17 sold for further trading (another three vessels have been sold for recycling but were not yet delivered by December 31st). To ensure that we always comply with rules and regulations, we use external legal assistance for all sales processes. We have identified three main risk factors: sanction risk, scrapping risk and military grade equipment issues. We have hired Nordisk Defence Club to assess any scrapping and sanction risk for the sales. They have produced 15 assessment reports for us during 2021. We are in close dialogue with the Norwegian Ministry of Foreign Affairs during most of the sales processes, to ensure that we have the correct authorities to transfer any potential military grade equipment and to discuss any potential sanction issues.



Environment

Emissions and air pollution.

As a major player in the offshore energy industry, we are aware of the predicaments that face us as global society and our role in both creating and solving them. We know that the earth's temperature is increasing, and we aim to take considerable actions to reduce emissions from our operations. The company's goal is to achieve a 50 percent reduction in CO2 emission by 2030, compared to a 2008 baseline, and net zero by 2050.

In 2021, we emitted 711,552 tons CO2e, which represents a 2.1 percent increase, equivalent to 14,664 tons, from 2020. Overall, in 2021 the reduction in CO2 emissions was 21 percent compared to the 2008 baseline, mainly due to Solstad Green Operations (SGO, about on page 24) and the battery hybrid vessels in operation.

Solstad is one of few shipping companies in the world that is ISO50001 Energy Management certified. This confirms our commitment to managing energy use and thereby reducing emissions and pollution.

The reported CO2 emissions includes Scope 1 and 2 (direct emissions and electricity -ISO14064). It is a long-term goal to also report Scope 3 emissions (downstream emissions / activities not controlled by Solstad), but this is a major undertaking because of the fragmented global supply chain. For the Company, the Scope 1 direct CO2 emissions from our fleet represents the highest climate impact and hence needs to be addressed first.

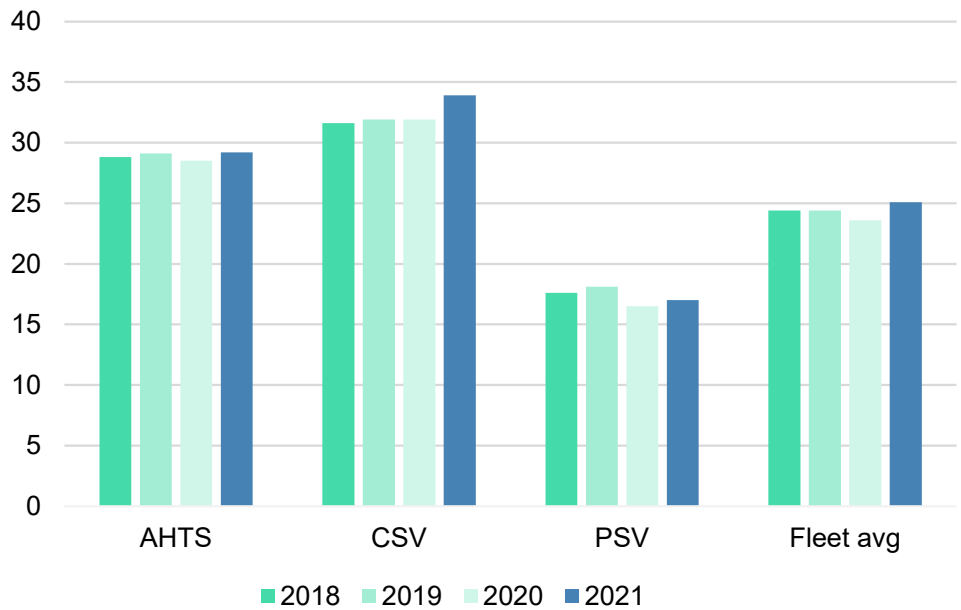
To reduce emissions, low/zero emission technology is needed. As more and more environmentally friendly technologies become available and commercially sustainable, we expect to see an exponential growth in our capacity to cut emissions. In 2017, our first vessels were upgraded with battery hybrid systems. In 2021, two PSVs were converted to battery hybrids. We now have a total of nine hybrid vessels which result in an annual fuel reduction of 10 - 15 percent from these vessels. In addition, eight vessels have shore power systems installed.

The Company has plans for upgrading of another 12-15 vessels with battery hybrid systems in the period 2022-2024. In December 2021, Solstad received a major government grant (NOK 87 million from Innovation Norway) which will support the financing of 11 of these upgrade projects. To further reduce fleet emissions, several ongoing projects cover the use of both hydrogen-based fuels and biogas. Retrofit and newbuild initiatives are also being planned. For example, in 2023 we will start a process to retrofit several vessels with hydrogen-based fuels technology. This programme comes with considerable cost. Hence, the Company has established a short and medium term investment plan where potential government and client-funding is combined with own CAPEX. The total gross CAPEX for projects under planning is NOK 6-700 million for the period 2022-2024. This is subject to change as new technologies and opportunities will emerge.

There are a range of international standards and regulations that aim to measure and regulate emission intensity for ships (emissions per sailed distance and cargo transported). However, none of these cover the offshore shipping segment. It is difficult to identify a good indicator that accurately takes into account the nature



CO₂ emissions per day per vessel



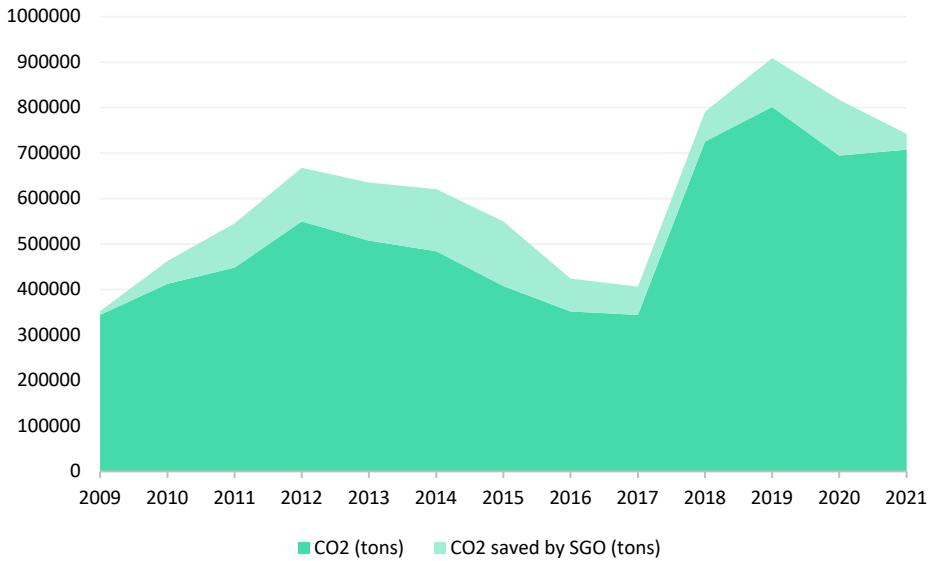
of offshore operations, where the majority of emissions does not derive from carrying cargo. In order to track emission intensity over time, Solstad has therefore introduced a new emissions parameter: Average tCO₂/vessel/day. The fleet emission factor per vessel has on average increased by approximately four percent in 2021 compared to the 2018-2020 average due to higher vessel activity caused by an improved market situation.

As expected, the emission levels for the CSV and AHTS vessels are highest. Emissions from CSV and AHTS vessels have in 2021 increased by seven and two percent, respectively, compared to the 2018-2020 average level. This is mainly because of higher activity.

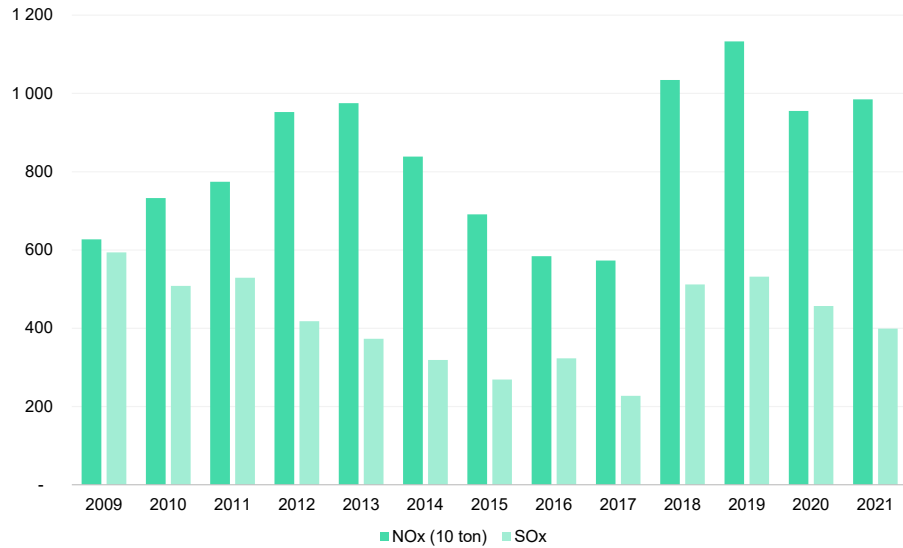
The value for the PSV fleet has decreased by 2-3 percent compared to the 2018-2020 average. This decrease is as expected due to a higher number of battery hybrid vessels.

The Company aims to reduce other forms of air pollution, including NO_x and SO_x. The majority of vessels built after 2005 have Selective Catalytic Reduction (SCR) systems installed for reduction of NO_x. In addition, most of these vessels have DNV's Clean Design class notation. Since 2011, the Company's vessels have not used heavy fuel oil. The only fuel in use is low sulphur MGO and LNG. Hence, there is no need for SO_x scrubbers in the fleet.

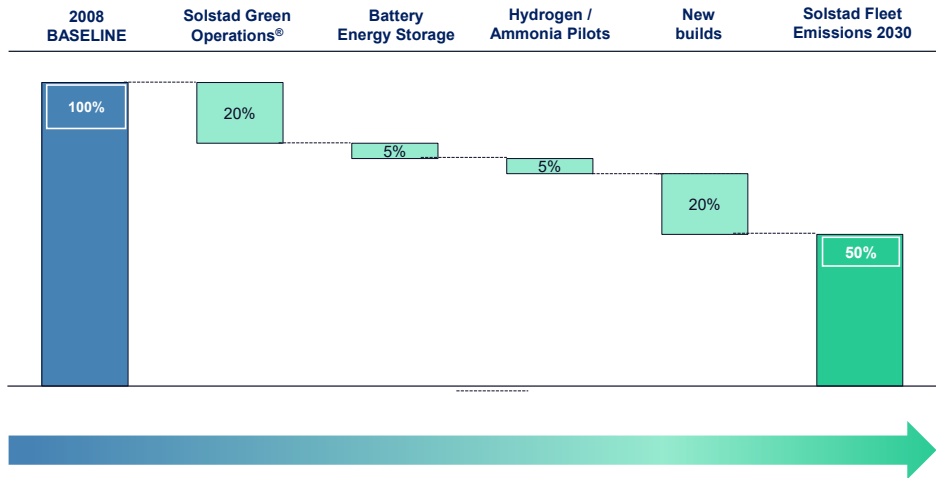
CO₂ (tons) emissions



NO_x & SO_x emissions



Carbon Neutral by 2030





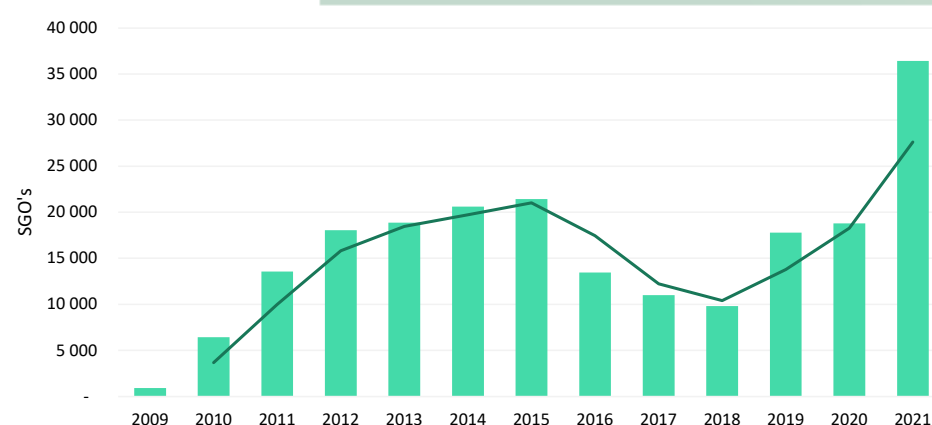
About Solstad Green Operations®

In 2009 The Solstad Green Operations® (SGO) campaign was introduced to reduce fuel consumption and thereby emissions to air. An average of 20 percent annual fuel reduction is estimated to result from this work compared to baseline in 2008. If a vessel manages to save a minimum of 500 liters (0.5 m3) of fuel per day, this is recorded as a 'SGO' in our records.

A total of 36,420 SGOs were registered in 2021 alone, resulting in an estimated 11,240 tons of fuel saved (equal to 36,035 tons of CO2). The number of SGOs is considerably higher in 2021 than 2020 when we had about 18,795 SGOs. The main reason for the increase is a change in the reporting method which enabled vessels to report more SGOs.

All vessels have a KPI to achieve 25 SGOs each month. It is estimated that the theoretical maximum potential with SGO is around 20 percent. Hence, it is not realistic to expect or plan for further reductions in energy consumption from SGOs alone. It is, however, important to focus daily on this onboard every vessel to prevent an increase in energy consumption and emissions over time.

In 2022, we aim to launch the SGO 3.0 campaign to simplify the vessels' reporting. The new SGO arrangement will be a better indicator on the level of fuel usage awareness on each vessel. The new KPI is 20 SGO's per vessel per month.



About Green Fuels

The transition from use of heavy marine fossil fuel, which was common in the past, via low sulphur fossil fuels to alternatives with no harmful emissions is long. The Solstad fleet uses the best and least harmful marine fuel: low sulphur marine gas oil. In addition, a large portion of the fleet has NOx-reducing technology to avoid harmful air emissions caused by nitrous gasses. Two vessels in the fleet have a dual-fuel system (LNG).

In the transitional period towards 2030, four main fuel trends seem to emerge:

1. Biofuels (gas or liquid, with net zero GHG emissions)
2. Hydrogen (compressed or liquid – LOHC*)
3. Ammonia (compressed or liquid)
4. Methanol (liquid at atmospheric conditions)

The four fuels may all play a role towards zero emissions, and they can be used in either modified internal combustions engines (mild upgrade of today's engine technology) or in future large scale marinized fuel cell systems.

Solstad is currently working with all four alternatives to learn, and seeks to establish pilot projects with key suppliers and clients. Several newbuild design and retrofit concepts have been developed in 2021.

As of end-2021 there are no satisfactory shipping class rules and regulations for any of the fuels 2-4. For biofuels, there are several available alternatives that may be used as drop-in fuel. However, these come with a price premium and in limited quantities. As an example, the entire Norwegian production of certified Liquefied Biogas (LBG) is only enough to power a few PSVs (there are about 10 LNG/dual-fuel offshore vessels in Norway that may use this gas). On the positive side, several production facilities are being either built or are in planning.

For the hydrogen fuels, the earliest delivery of fuels made from renewable electricity in Norway may be around 2023-24 (compressed hydrogen). From 2024-2025, liquified hydrogen and ammonia may become available. Availability of methanol is uncertain. However, it looks like there are more interest internationally for green methanol (i.e. Maersk builds several large container ships that may use methanol).

To achieve net zero in 2050, it is likely that a combination of technologies and fuels will be used. The development started with the lowest hanging fruits such as operational measures followed by shore power and battery hybridization technology. The next steps will be the introduction of a new generation internal combustion engines running on green fuels. We will also see some use of biofuels that run on conventional engines. Fuel-cells may become commercially available for large marine installations, hence replace engines in 3-5 years' time. This will allow for high efficiency operation and net and/or zero emissions from a ship before 2030. The natural replacement of the world's fleet towards 2050 will ensure that only net emission free vessels will be in operation by then.

Solstad's fleet consists of modern diesel-electric vessels that may easily adapt to new technologies to reduce emissions. Shore power, battery-hybrid, engine upgrades and fuel-cells are technologies that can be adapted to considerably reduce emissions from the existing fleet now and towards 2025/30.

*) LOHC – Liquid Organic Hydrogen Carrier. Organic oil/fluid containing hydrogen that can be extracted to be used as vessel fuel.



Ecological Impact

As a part of the offshore energy sector, we acknowledge that we have a negative effect on life below and above water through discharges and emissions to air, land and water, and through potential spills. We also recognize that we are obligated to work constructively to minimize negative impact to the environment. Since the ISO 14001 certification process in 2007, the Company has been focusing strongly on continuous improvement of its environmental footprint.

Our fleet's exchange of ballast water is carried out daily, across the globe. Ballast water treatment is therefore an important topic for Solstad. All our vessels comply with IMO and the Ballast Water Management Convention and are equipped with a Ballast Water Management Plan according to IMO guidelines. By adhering to the standards that are being developed, we prevent the spread of non-native species, which could ultimately have negative ecological effects.

Another important measure that we have started to implement is Biofouling Management Plan (BMP) project following IMO Resolution MEPC 207(62) guidelines. This is not yet mandatory to have on all vessels, however several regions like Australia, New Zealand and California have started to make mandatory requirements prior to entering domestic waters. An execution plan was prepared in 2021, and one vessel has been set up with all necessary documentation required. The plan is in line with recommendations and its purpose is to outline measures for the control and management of our vessels' biofouling to minimize the transfer of invasive species.

During 2021, the Company has established a Marine Mammals Avoidance process to protect life below water. These guidelines and procedures aim to protect marine and coastal ecosystems, to prevent or reduce the risks of collisions between support vessels and marine faunas, and to avoid significant adverse impact from our operation.

Our fleet had a total of 292 litres of various oil spills to sea in 2021, which is lower than 2020 (349 litres). Despite an increasing fleet size, the oil spill trend has developed positively over the last ten years due to targeted technical maintenance projects. Our goal is zero harmful spill to sea.

Solstad is responsible for large volumes of waste generated both onshore and offshore. It is therefore important to record all waste in our onboard company software. This gives us valuable insight and helps to identify good projects like the "No to single use plastic bottles"-program that was started in 2020, and the Food Waste Project which will start in 2022. The Company targeted 100 percent reduction in single use plastic bottles during 2021. However, this has proven to be somewhat difficult. We learned during the project's first year that we are facing different views, opinions, cultures, crews and clients which will impact the pace of this campaign. Another major contributor on the negative

side has been the equipment on board. Many systems need to have upgrades, and some vessels will even need to have a new complete water filling stations installed. All this takes time to organize. Status for 2021 was 28 percent reduction, and a new 50 percent target has been agreed for 2022.

Recycling routines are implemented on all Solstad's vessels and offices. Our overall vessel waste recycling rate has been high in 2021, on average 70 percent for the year (total amount of waste produced during the year was 2,257 tons). Our crew is committed to properly manage and, most importantly, recycle waste on board. Our data confirms this commitment. Recycling is an environmentally critical endeavour, and the implementation of the waste management plan and crew cooperation increased the recycling rate in 2021.

Projects in 2022

Reduction and elimination of Single use Cutlery Plastic and Paper 2022

During 2022 we will focus on reducing all unnecessary use of single use cutlery. We are encouraging everyone in Solstad to prevent pollution by not using or ordering these disposable items in the first place.

The Company bought nondurable items for approximately USD 100,000 in 2021. The target for 2022 will be to reduce these items as much as we can.

Food waste project 2022

We should never take food for granted. Meals prepared on board and on land represent an environmental impact on nature. Food is a basic human necessity, and we will continue to serve quality food to our crew. However, we will utilise our employees' competence to identify how we can reduce our food waste. On average we consume approximately 17 tons of food per vessel every year. In 2021, we consumed 1,340 tons (fruit, vegetables, meat, Rice and pasta). Our focus in 2022 will be to monitor and inform about progress and challenges.

5 Facts About Renewables

- Solstad has been working in the renewables business since 2010 and been involved in accommodation operations since 2008.
- 2 to 6 vessels are typically working in this market and approximately 10 percent of the income in 2021 came from the renewables market.
- From 2022, we will track and report vessel-days for oil and gas vs non-oil and gas operations.
- We safely completed 3,500 wind-turbine gangway connections and transferred over 20,000 service personnel in 2021.
- Since 2009, we have completed more than 30,000 connections and transferred more than 250,000 service personnel.



About EU Taxonomy

In order to meet the EU's climate and energy targets for 2030 and reach the objectives of the European green deal, EU has implemented legislation to direct investments towards sustainable projects and activities. The plan is to redirect money towards sustainable projects to make economies, businesses and societies – in particular health systems – more resilient against climate and environmental challenges.

To achieve this, a common language and a clear definition of what is 'sustainable' is needed. This is why a common classification system for sustainable economic activities, or an "EU taxonomy", has been established.

What is it?

The EU taxonomy is a classification system, establishing a list of environmentally sustainable economic activities. It could play an important role in helping the EU scale up sustainable investment and implement the European green deal. The EU taxonomy would provide companies, investors, and policymakers with appropriate definitions for which economic activities can be considered environmentally sustainable. This should create security for investors, protect private investors from greenwashing, help companies to become more climate-friendly, mitigate market fragmentation and help shift investments where they are most needed.

Timeline

The first part of the EU Taxonomy has been adopted (January 2022). Towards the deadline in January 2023, more and more industries will be classified and included in the Taxonomy. As of now, the offshore shipping segments have not been adopted in the Taxonomy. Hence, this has no impact on Solstad at the moment. All activities that support non-renewable business, such as oil and gas, will most likely not be permanently included. However, there will be transitional areas of business that may included for a limited time period (i.e. use of natural gas for energy production in a time limited period to replace coal etc). Per today both the timeline and how this will impact the Company is highly uncertain. We continue to monitor this process closely mainly through the Norwegian Shipowners' Association but also through externals seminars, consultants and on other areas.

Fit for 55 and ETS

Other green EU initiatives are the 'Fit for 55' programme including the ETS (Emission Trading System; cap and trade). The EU has announced that shipping between EU/EEC ports will be included in the EU ETS for ships above 5,000 tons. However, ships that do not carry cargo (including offshore vessels) are not planned to be included now. Thus, this will not affect our vessels and operations in the short-term.

Climate Risk and Opportunity

Managing climate risk is one of our top priorities.

We focus mainly on two areas:

1. Reduction of carbon emissions from the fleet
2. Grow and pursue new business opportunities within the renewable shipping segments

Our climate risk reporting is based on the four main disclosure areas of the Task Force on Climate-related Financial Disclosures Recommendations (TCFD).



Governance

The Board of Solstad Offshore ASA is overall responsible for overseeing, assessing and managing climate related risks and opportunities. In its quarterly meetings, the Board's Auditing Committee (AC) includes considerations of climate related risk evaluations, plans, targets, results, and opportunities in its agenda, and the Company's Chief Sustainability Officer (CSO) provides an update of relevant climate related issues. The CSO is part of the Executive Management Team and reports to the CEO. The Company's strategy, plan, and status to meet the long term 2030 and 2050 emission reduction goals is reviewed by the Board at least once a year.

Strategy

Climate related risks and opportunities in the short, medium, and long-term

The short, medium, and long-term effects of climate change affect Solstad on several levels:

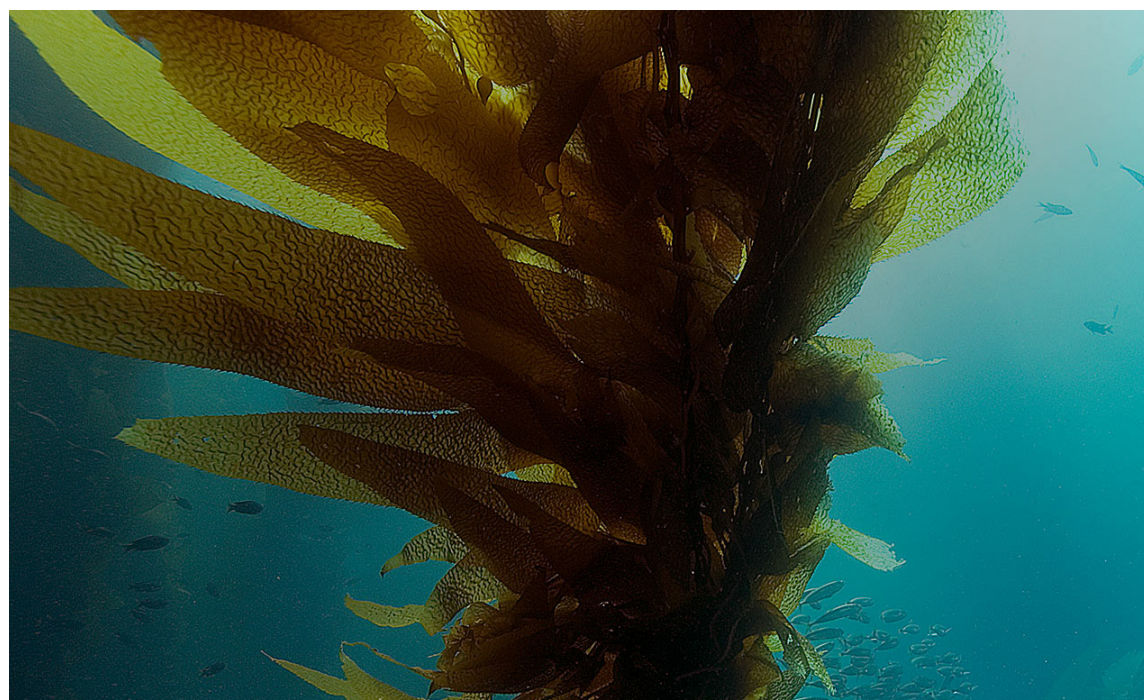
- An increased global market for some vessel types related to construction and associated services to develop offshore wind farms. The Company has operated in this segment for more than six years, with a dedicated department

working full time on renewable tenders and projects.

- Several existing clients are moving more business to renewables and long-term relations are already in place with these clients.
- The Company's onshore support organisation is well positioned geographically to handle growth opportunities within emerging non-oil and gas business areas.

Impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning

- The oldest and the least modern vessels in the fleet have already been or are planned to be divested (recycled or sold to other markets).
- Short and long-term climate change issues are not expected to have any significant effect on Solstad's OPEX. Higher fuel price due to CO₂ levies or cost of green fuels will for the most part be forwarded to our clients.
- A fast decrease in the market demand for existing type of vessels may pose a risk to the Company, but as there are very limited new builds globally, or other alternatives over the next 5-8 years this will be limited.
- The Company's vessels are high-end/large offshore vessels, and an increasingly worsened climate and weather is not expected to affect the usability of the existing fleet.
- To reach the long-term emission reduction goals towards low and zero-emission vessels needs to be commissioned to replace older vessels from 2024/25.



Resilience against different climate-related scenarios

- The Paris Agreement's main ambitions is to keep the global temperature rise this century well below 2°C, however efforts will be made to limit the temperature increase to 1.5°C
- In a scenario where the climate is changing more than what is described in the main 1.5 °C scenario, the physical risks associated with worsening weather is not considered to have a direct negative effect on the Company's assets/vessels. More/less rain, colder/warmer temperatures, more wind, and rougher seas/higher waves will not affect the existing vessel's capabilities substantially as the vessels' design and build criteria are well within the worst-case scenarios.
- The Company does not own office buildings. Hence, exposure to bad weather incidents will be primarily related to operational issues such as temporary local office shutdowns etc (not financial issues).
- Another potential risk is increased public negativity towards the transport sector's progress on reducing emissions. This can be mitigated by increasing the pace of retrofit green technology upgrades, phasing out older tonnage quicker than planned, using carbon neutral fuels and/or offsetting carbon.

Risk Management

Solstad has a history of operating in volatile and to some extent high risk business areas. Hence, handling risk is a natural part of the Company's operations – both on a strategic level and on a day-to-day level. Solstad views climate risk issues as part of the Company's risk universe. We use a risk handling tool to highlight and handle high level company risks, including climate risk.

All these measures will come with an increased cost (OPEX on fuel related measures and CAPEX on vessel upgrades and/or newbuilds).

Metric and Targets

The Company discloses its GHG emissions (Scope 1 and 2) annually. The Company's goal is to achieve a 50 percent CO₂ emission reduction by 2030, compared to a 2008 baseline, and net zero by 2050. The Company has an objective of increasing its share in the non-oil and gas segments. The Company's share of revenue from its non-oil and gas activities is reported quarterly in Solstad's public reports and as an ESG leading indicator.



Social

Health and Safety

Solstad never compromises on safety. As one of our core values, safety is always front of mind for all employees. We have a robust safety culture onboard all vessels with the aim of delivering incident free operations. One of the cornerstones of this work is the Solstad Incident Free Operations (SIFO) program.

There are inherent safety and security risks related to operations at sea. The Company focuses on the evaluation, facilitation, planning and preventive work to avoid all types of personnel-related injuries and incidents that have an adverse effect on the working environment. The Company has built up an extensive management system over years that includes a process-based quality and safety system, an extensive HSE reporting system (incident and positive feedback reporting), risk handling, Management of Change, Drills management and Audit/investigations portal plus a number of related systems. The system is digital and available to all employees, both onshore and offshore. The management system is certified according to ISO 45001.

Solstad Incident Free Operations program

To improve the proactive attitude and continue to build a working culture where safety is a natural part of what we are doing, the Company has initiated a campaign named "Solstad Incident Free Operations" (SIFO). SIFO is the Company's key safety campaign. SIFO is about creating an organizational culture that is committed to eliminating all incidents and injuries to our workers. In SIFO we do not accept injuries or incidents as "part of doing business". It is a way of thinking that avoids incidents and injuries by making safety the highest priority on both a personal and organizational level. We are determined to foster a working culture where safety is our main priority in everything we do. This program is led by an internal senior HSE advisor.

Read more about the program [here](#).

In order to understand and improve safety, it is vital to focus on preventive measures to avoid injuries, operational accidents or interruptions. In 2021, 32,943 ACT Cards/HSE reports were recorded and processed at different levels in the organization. Conclusions from analyses are used as basis for further preventive measures to avoid future incidents.

Employee training is also important to understand and improve safety. Familiarisation and basic company training are provided to all employees through our e-learning system and on-the-job training.

Safety meetings are held at least once a month to ensure continuous focus on safety onboard the vessels. One of the topics is to learn from is other incidents in the fleet, which are communicated through bulletins and other HSE information shared to vessels and offices. All vessels have their own Protection and Environmental Committee (P&E). The committee members are the Master, Chief Engineer, Chief Officer, Chief Steward, and the P&E Supervisors.

Onshore, meetings start with a 'SIFO-moment' where anyone can discuss a relevant safety topic (SIFO: see fact box). The objective is to ensure that we have an open and inclusive safety culture.

In 2021, the Company had 12,534,696 working hours and 15 recordable incidents. This gives a Total Recordable Cases Frequency (TRCF) of 1.19, slightly higher than our goal of 1.10. There were three lost time incidents (LTI) and the total number of incidents were 15. These results are similar to 2020, when we had the same numbers of LTIs but a slightly higher TRCF of 1.28.

Since the beginning of HSE reporting around year 2000, there has been a continuous positive trend. The Company therefore still believes that zero incidents is possible, despite the fact that is becoming increasingly challenging to lower incident rates further.

Covid-19

The maritime industry has been affected by global (Covid-19-associated) disruption since March 2020. Towards the end of 2020 there was optimism that there would be an end to the pandemic. However, previous optimism soon diminished, and the Company had to manage another extremely challenging year. From the outset of this pandemic Solstad deliberately based its response systems and processes for the long term. As a result, the Company was again successful in responding to more regional specific challenges as the global pandemic continued.

As identified in Solstad's business continuity assessments, our regions faced short and mid-term challenges at varying intervals. This was primarily caused by waves of 'regional infection' including the then prevalent 'Delta' variant.

The unequal access to vaccines for seafarers in our primary regions of operations has further complicated this picture. More than 90 percent of the Solstad crew has been vaccinated as of January 2022.

Through the combination of implemented monitoring and response systems and lessons learnt from each company event, we continued to adapt and refine the foundations already in place. As a result, we have maintained operations at the highest level of service delivery to our clients.

The biggest challenge has been to conduct crew changes in a normal/scheduled manner. This has been especially challenging on vessels that trade internationally, where strict quarantine and testing regimes have resulted in many employees spending time in isolation before proceeding to the vessel or to home. There has only been minor amount of severe illness caused by Covid-19.

Towards the end of 2021, the new 'Omicron' variant emerged and created challenges of milder symptoms vs exponentially higher rates of transmission.

Whilst this has been met with conservative concern for the European sector during the winter months, there is quiet optimism that the dynamics of this new variant are can result in the definitive evolution from pandemic to endemic in 2022. This is however very uncertain as we still see regional challenges such as in China and other places where the society has still huge issues with Covid-19. Other variants may also emerge that may cause future short or long term issues.

Invariably through all this, our tireless crew of seafarers have been affected the most when they mobilise from all corners of the globe. Their continued dedication, professionalism and resilience is something we should be proud of, but most importantly thankful for.

Occupational Health

During 2021, two onshore surveys and one offshore survey have been completed. The onshore surveys have been similar to the 2020 surveys to obtain comparable results from the Covid-19 situation. We still score highly on Covid-19 measures and information, with 98 percent of onshore respondents positive about the actions taken by the Company, and 98 percent pleased with information sharing. A third of our onshore staff have experienced mental stress during



Covid-19. A physical activity campaign was completed during summer 2021 as a mitigating factor against mental stress.

The offshore survey conducted in the spring of 2021 addressed the Covid-19 impact on seafarers. Of the respondents, 83 percent said that the pandemic have had a negative impact on their personal life. Crew changes have been the most challenging during the pandemic with quarantine/isolation, testing, restrictions on travel and uncertainty regarding when crew change will take place. Sixty percent admitted impact on their mental health. Several measures were introduced after the survey.

During the year, Solstad has established an internal Occupational Health & Biological Risk Advisor position. Key areas of responsibility are:

- Establish and develop relationships with relevant authorities, industry bodies and clients.
- Arrange proactive mitigations tools related to ill health.
- To develop and promote best practice in Occupational Health and Personal Safety relating to people, processes, vessels and equipment.
- Identify improvement-areas within the Occupation Health & Risk areas.

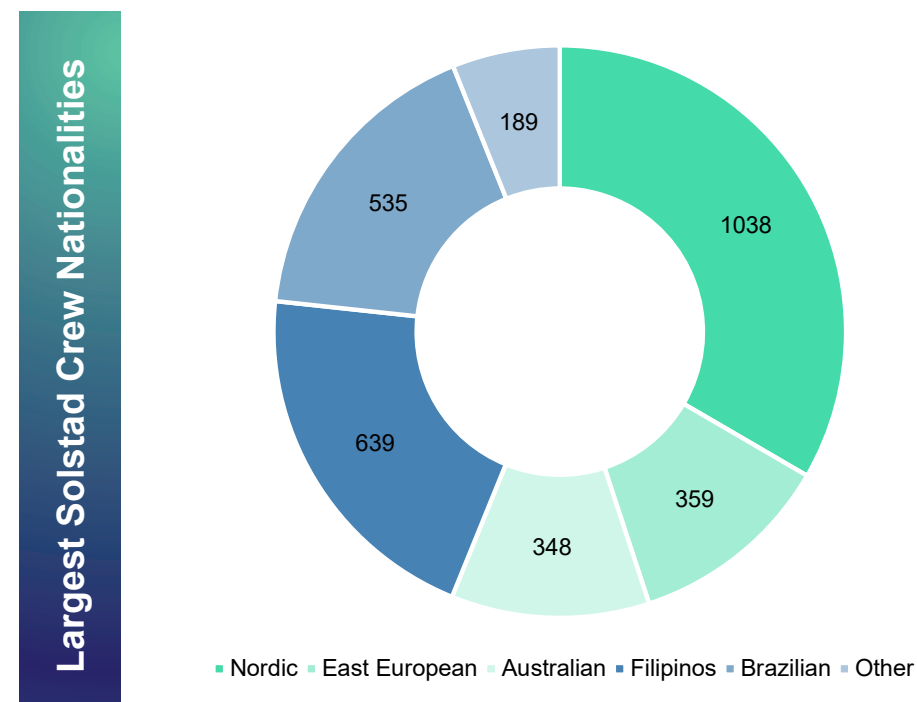


- Assist management in formulating formal processes within the management system to ensure they are in line with global regulatory requirements.

For next year our regular bi-annual working environment survey will be published. We have a systematic approach for analyzing the long-term trends on our overall working environment and same survey has been published since 2012 in the Company.

Our people drive our successes

Our most valuable asset is not our fleet of vessels, but the competence of our employees. Qualified and dedicated employees at all levels of the organisation are the reason behind our success and continuing improvement. Safety and the development of our employees' skills form the basis of all our operations and activities.



We have over the years had a long-term strategy of directly employing the majority of employees. We have therefore managed to build a reliable and dedicated team over the years. About 90 percent of our seafarers are employed in Solstad group (not hired from crewing agents etc).

Diversity and Inclusion

Solstad is committed to the principles of non-discrimination and equal opportunity, regardless of gender, nationality or other factors. Diversity and inclusion are linked to our vision of a sustainable future, where 'SDG 8 - Decent Work and Economic Growth' is one of our focus goals. The Company has a dedicated group of personnel that works towards gender balance

and towards encouraging more women to join the industry. In 2021, the following activities have been performed:

- Set targets for gender equality; increase the number of female seafarers from 5 to 7.5 percent and increase female onshore managers from 23 to 30 percent by 2030.
- Conducted female crew conference (open for all employees).
- Company representatives have held presentations at schools in the Philippines and Brazil to promote gender equality in the industry.
- Solstad believes that showcasing successful careers from colleagues with different backgrounds supports the equal opportunities work. Multiple employee stories have been shared internally and externally in 2021.
- Launched a 'Diversity and Inclusion' course for all employees, including awareness of reporting of malpractice.

We have seen a positive trend in the number of female seafarers in the Company during 2021, going from 147 to 212, an increase of 44 percent - or a 1 percentage point increase (from 5 to 6 percent). In 2021, the total number of seafarers increased with 393, whereof 16.5percentare female seafarers.

Solstad is an international Company with shipboard employees from across the world. The main nationalities amongst our employees are Nordics (mainly Norwegians), Filipinos, Brazilians, East-Europeans (mainly Ukrainians) and Australians.

Diversity	Female	Male
Board of Directors	50 %	50 %
Onshore Employees	41,5 %	58,5 %
Onshore Managers	20 %	80 %
Crew	6 %	94 %
Training positions	190 crew / 6% 16 % of our 86 cadets and apprentices are feamile	
Nationalities crew	40 countries	

Employee Development and Welfare

Our success is built on the ability, determination, and dedication of our staff, both onshore and shipboard. We recognise the value of our staff and try to promote from within wherever possible. We aim to be an attractive employer where all employees have ownership of their own development. We strive to recruit the best available candidates and develop them, which is beneficial for both the individual employee and the Company.

The Company has a diverse and large workforce of more than 3,600 employees from over 40 nations around the world.

In 2021, the Training Department changed name to the Training and Development Department,



reflecting increased emphasis on competence development. The Company seeks to motivate everyone to develop their skills and careers.

Solstad is involved with recruitment and training of cadets/trainees and participates in measures towards encouraging young people to get involved in maritime education. We aim to offer trainee positions for young people in all our main recruitment areas/countries. Six percent of our seafarers are currently in trainee positions. Trainee positions include cadets, apprentices, extra ordinary seamen and extra junior officers. All are in addition to ordinary vessels' crew.

We have a systematic approach to competence development and set our priorities straight. Alongside our core business needs, we make more use of collected data from our employees through surveys and evaluations. This provides insight on what to prioritize regarding competence needs, potential support as well as improvements to our existing course material.

In 2021, an e-learning sustainability course was developed and rolled out to increase awareness and competence on this area for all employees. By year end, 85 percent of our employees completed this three-stage e-learning program.

The working environment, onshore and onboard the ships, is considered satisfactory. Sick leave onshore was 1.80 percent in 2021, up from 1.62 percent in 2020. Solstad's parental leave guidelines follow local rules and regulations in the regions we operate. Average parental leave in the Group for leave periods ending in 2021 was 18 weeks. For comparison we had an average of 12 weeks for paternity leave and an average of 29 weeks for maternity leave. The averages excludes the 1-2 weeks of birth leave for the partner.

Solstad work towards equal opportunities and recruitment decisions are evaluated based on competence. The Company do not accept discrimination based on characteristics such as gender, age, sexual orientation, ethnic background, religious believes and other.

Seafarers remuneration-system is tariff based and the factors impacting salary are: position (Captain, Chief Engineer, AB crane, etc.), seniority in position and vessel type. Onshore personnel are individually evaluated based on position, performance, experience and formal background. The gender pay ratio (average women salary divided on average salary) for the onshore organization is 67 percent in Norway. The ratio is affected by low percentage of women in senior positions onshore and we experience the same challenges offshore with low percentage of women in rankings.

We try to ensure there are a variety of welfare activities onboard the vessels, for everyone's use. These are typically gym facilities, access to videogames, films, books and internet access etc. Internet access is highly appreciated even though it is a challenge on some vessels to ensure decent download speed over a shared satellite-based internet system that is part of the vessel infrastructure.

In regions such as Norway, the employees (both onshore and offshore employees) have organized a welfare club that owns and rents out holiday cabins and apartments for all members. Social events for shore employees are typically arranged locally around the holiday seasons.

Human and Labour Rights

Solstad is committed to respecting and protecting internationally recognised human and labour rights, such as the UN Guiding Principles on Business and Human Rights (UNGP), International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

As member of the Norwegian Shipowners Association, we are committed to make use of their tariff agreements. These agreements are according to International Chamber of Shipping and International

Transport Workers' Federation (ITF). We aim to have a good relationship with the union representatives in the Company and regular meetings are arranged with the largest union organisations.

We estimate that a majority of our crew are organised in various unions.

The Company is certified in compliance with Maritime Labour Convention (MLC) which set standards for the employment of maritime personnel. The purpose of the MLC is to provide decent working and living conditions for seafarers.

We take pride in employing our seafarers in Solstad. Crewing companies are being used to some extent, but we prefer to employ seafarers in the Company. Less than 10 percent are currently employed through crewing companies.





ESG Data Overview

All indicators available on <https://www.solstad.com/sustainability/>

Environment		Unit	Target 2022	2021	2020	2019	GRI*	SGD**
Emissions	CO ₂ scope 1 (own activity)	tCO ₂	–	711,552	696,888	801,578	305-1	13
	Carbon intensity CSV fleet	tCO ₂ /d	–	33.9	31.9	31.9	305-1	13
	Carbon intensity AHTS fleet	tCO ₂ /d	–	29.2	28.5	29.1	305-1	13
	Carbon intensity PSV fleet	tCO ₂ /d	–	17.0	16.5	18.1	305-1	13
	Carbon intensity average vessel	tCO ₂ /d	-1%	25.1	23.6	24.4	305-1	13
	CO ₂ scope 2 (Purchased electricity)***	tCO ₂	–	171	203	214	305-2	13
Energy	Total energy consumed (percentage of consumption)	MWh	–	2,786,168	2,721,186	3,005,373	302-1	13
	Percentage heavy fuel oil	%	0	0	0	0	305-1	13
Air Pollution	NOx emissions	tNOx	<	9,900	9,601	11,329	305-7	13
	SOx emission	tSOx	<	401	457	532	305-7	13
Ecological Impact	Number of oil spills	No.	0	15	12	14	306-3	14
	Oil spill	Litres	0	292	349	113	306-3	14
	Waste from vessels – Metal	tons	–	132	–	–	–	–
	Waste from vessels – Not sorted (Mixed waste)	tons	–	405	–	–	–	–
	Waste from vessels – Paper and Cardboard	tons	–	183	–	–	–	–
	Waste from vessels – Food (estimated condemned value)	USD	–	57 442	–	–	–	–
	Total waste from vessels	tons	–	2,257	–	–	–	–
	Percentage of waste delivered to onshore waste handling	%	–	70	–	–	–	–
	Fines for non-compliance of environmental regulations	No.	0	0	0	0	419-1	16
	Single use plastic waters bottles on board our vessels (116,000 bottles = 50% reduction from 2020)	No.	116,000	167,620	233,219	184,450	305-1	14
Ship Recycling	Ships recycled	No.	N/A	5	0	0	N/A	13

*GRI (Global Reporting initiative) as guidance only

** SDG: UN Sustainable Development Goals

*** Office locations 2021 (9) – 2020 (10) – 2019 (11) – 2018 (13)

**** per 1 millhours



Social		Unit	Target 2022	2021	2020	2019	GRI	SGD
Diversity and Inclusion	Permanent hired employees	%	–	95 %	97 %	96 %	401-2	8
	Gender diversities – Board	%	50 %	50 %	50 %	40 %	102	8
	Gender diversity sea (Target 10% female crew by 2030)	%	6 %	6 %	5 %	–	102-8	8
	Gender diversity office management level (Target 35 % female managers by 2030)	%	–	22 %	23 %	21 %	102-8	8
	Gender diversity onshore employees	%	–	42 %	44 %	42 %	102-8	8
	Employees in part-time positions	%	–	0,3 %	–	–	–	8
	Average number of weeks parental leave	No.	–	18 weeks	–	–	–	8
	Employees working involuntarily in an part-time position	%	0	0 %	–	–	–	8
Employee Development and Welfare	Retention rate offshore crew	%	90 %	97 %	97 %	96 %	401-1	8
	Retention rate onshore employees	%	90 %	97 %	96 %	90 %	401-1	8
	Fraction of all employees received sustainability training	%	100 %	85 %	43 %	–	404-2	8
Health and Safety	Marine casualties / Total Recordable Case Frequency (TRCF - 12-month rolling) ***	No.	1.10	1.19	1.28	1.65	403-9	8
	Lost Time Incident Frequency (12-months rolling) ***	No.	0	0.24	0.23	0.21	403-2	8
	Port states deficiencies or detentions	No.	0	0	0	0	–	8

Governance		Unit	Target 2022	2021	2020	2019	GRI	SGD
Business Ethics	Incidents related to Corruption and Bribery	No.	0	0	0	0	205-3	8
	Number of calls at port in countries that have 30 lowest ratings in Transparency International's Corruption Perception Index.	No.	–	12	5	–	–	8
	Anti-Corruption training (TBA 2022)	%	100%	–	–	–	205-2	8
Business Development	Share of Revenue from Renewable energy segment (non-oil and gas)	%	–		10 %	5 %	201-2	13
Supply Chain	Supply chain – Approved Suppliers	No.	–	1,115	1,500	1,500	–	8
	Suppliers Audis	No.	–	7	–	–	–	8



Our Global Footprint

Vessels in operation per 31.12.2021



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