

# Sustainability Report 2023



Navigare Capital delivers attractive risk-mitigated returns while enabling the green transition of the shipping sector

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## SECTION I

# Sustainability at Navigare Capital



# Introduction

The maritime industry plays a crucial role in the global economy and as a transportation infrastructure connecting the world. This is underscored by the fact that the industry is often one of the first to be impacted by global events ranging from geopolitical volatility to supply chain disruptions and regional conflict, as has been proven continuously over the past several years.

Despite the complexities of the field in which it operates, Navigare Capital remains committed to delivering on its environmental, social and governance (“ESG”) goals, including reaching net zero greenhouse gas (“GHG”) emissions by 2050. It continues to progress towards this target by focusing on purchasing fuel-efficient vessels and installing energy-saving devices on its existing fleet, in addition to setting rigorous standards for safety and working conditions onboard its vessels.

Navigare Capital’s sustainability strategy is rooted in the understanding that the shipping industry, while indispensable for global trade, must mitigate its ecological footprint and contribute to the wellbeing of the global seafaring workforce. Therefore, ESG considerations are integrated throughout the investment process, from the initial deal sourcing or newbuilding project to employment and technical management decisions and finally to vessel divestment. Navigare Capital’s efforts are guided by its own ESG policies and targets, as well as the increasingly stringent regulations and guidelines of the European Union and International Maritime Organisation, which it welcomes as a necessary step towards positioning the industry for a greener future.

In this Sustainability Report, Navigare Capital discloses its performance on its material ESG topics, including GHG emissions, carbon intensity, biodiversity, accident and safety, diversity, corruption and bribery, among others.

Operating at the intersection of the financial and shipping sectors, Navigare Capital reports on both the ESG impacts produced in its capacity as an alternative fund manager and those generated by the underlying assets in the funds. Therefore, certain KPIs are reported only for the fund management company, the funds or, in certain instances, both. All comparative figures are based on unchanged accounting principles, unless otherwise stated. For a full overview of material topics and how they are reported, see exhibit 2.

# CEO statement

The year 2023 unfolded against a backdrop of significant global events, notably the ongoing war in Ukraine and the eruption of the war between Israel and Hamas. The volatility in these regions has had reverberating consequences around the world, including for shipping, where another layer of complexity has been added to operations. For instance, the disruption of trade with Russia has resulted in an increased number of long-distance trading routes. At the same time, attacks on vessels in the Red Sea have put crews, vessels and cargo in jeopardy.

Amid these challenges, we recognise the critical importance of adapting to evolving global dynamics while remaining steadfast in our commitment to sustainability as we continue to prioritise responsible investment practices. Key highlights from our sustainability initiatives in 2023 include:

**Energy-efficient vessels:** We have actively pursued investments in vessels which adhere to some of the highest environmental standards and focus on technologies that minimise emissions, reduce fuel consumption, and enhance overall operational efficiency. With preparations for the imminent inclusion of shipping in the EU Emissions Trading System (“EU ETS”), 2023 also marked a challenging but necessary step towards a more efficient global fleet. Additionally, the International Maritime Organisation (“IMO”) strengthened its target in its 2023 Greenhouse Gas (“GHG”) Strategy, aligning actors in the maritime industry towards a net zero emissions goal by 2050.

**Safety and compliance:** At Navigare Capital, we have maintained a strict focus on safety protocols and regulatory compliance across our

fleet. Our commitment to the wellbeing of our crews, the protection of marine ecosystems, and adherence to international maritime regulations remains a top priority. In 2023, we expanded our efforts to align with the Minimum Safeguards laid out in the EU Taxonomy Regulation, particularly in relation to newbuilding projects. Stringent yard audit practices have thus been implemented to ensure shipyards uphold adequate labour standards and working conditions for their workers.

**Transparent reporting:** Transparency is essential for us to reach our sustainability ambitions. This report reflects our dedication to open communication about our environmental, social and governance (“ESG”) practices. We understand and recognise that our stakeholders require a comprehensive understanding of our impacts.

Looking ahead, Navigare Capital remains focused on responsible investing. We will continue to explore innovative solutions, collaborate with industry partners and advocate for positive change within the maritime sector. As we navigate the complexities of the global landscape, our focus on sustainability and responsible business practices reflects a belief in balancing economic gains with environmental and social responsibility.



**Henrik Ramskov**  
Managing Partner  
Navigare Capital Partners A/S



# Industry insights

The shipping sector is essential for global society, as it underpins global and regional supply chains by transporting more than 90%<sup>1</sup> of all traded goods in the most cost- and energy-efficient way<sup>2</sup> and supports the 60-fold increase expected in offshore wind energy production from 2020 to 2050<sup>3</sup>.

Owing to the sheer size of the shipping industry, it accounts for 3% of global GHG emissions<sup>1</sup> and 1% of total pressure on biodiversity<sup>4</sup>, and as shipping is expected to grow for many years to come, reducing its impact will remain a key priority.

Hence, as shipping remains vital for the continued development of global society, Navigare Capital recognises the importance of a sustainable transition of the shipping industry, and intends to play an active role in it.

## Traded goods

# 90%

of all traded goods by volume are at some point onboard a commercial vessel before arriving at the end consumer

## Offshore wind energy

# 60-fold

Offshore wind energy production is expected to increase 60-fold from 2020 to 2050

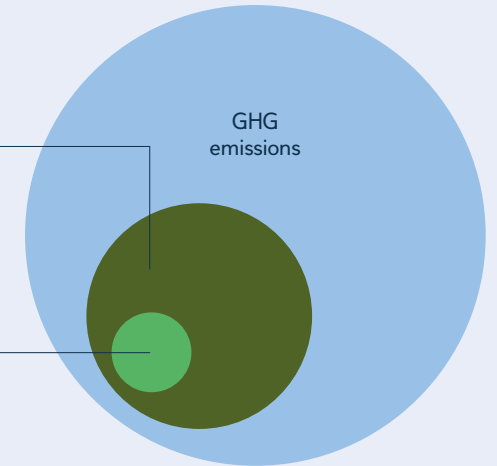
## Total GHG emissions

# 24%

Transport's share of GHG emissions in 2020

# 3%

International shipping's share of GHG emissions in 2020



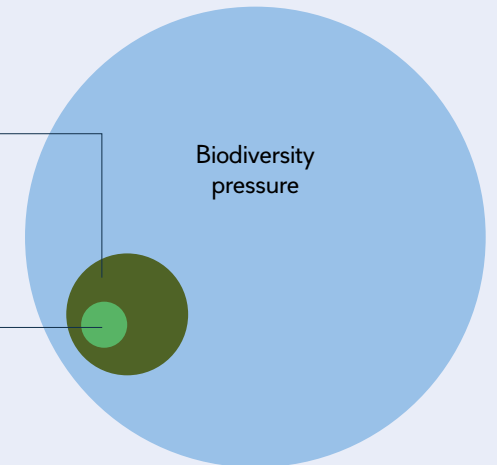
## Total pressure on biodiversity

# 7%

Transport's share of pressure on biodiversity

# 1%

International shipping's share of pressure on biodiversity



<sup>1</sup> OECD <sup>2</sup> Shell in collaboration with Deloitte: "Decarbonising Shipping: All Hands on Deck". <sup>3</sup> IRENA, World Energy Transition Outlook 2023, 1.5 °C scenario.

<sup>4</sup> Boston Consulting Group: "The Biodiversity Crisis Is a Business Crisis", Navigare Capital. GHG emissions are used as a proxy to calculate international shipping's share of total biodiversity loss associated with transport.

# Navigare Capital at a glance

Navigare Capital is an alternative investment fund manager (“AIFM”) specialised in investments in maritime assets. It is approved as an AIFM by the Danish Financial Supervisory Authority (“FSA”), making it subject to the financial legislation applicable to alternative investment fund managers. This includes the Sustainable Finance Disclosure Regulation (“SFDR”), under which Navigare Capital’s funds are reported as Article 8 funds, obligating them to provide disclosure on a variety of sustainability indicators.

In addition to being a financial market participant, Navigare Capital is a shipowning entity, making it subject to the requirements set by the IMO, the European Union (“EU”) and other regulating bodies in the maritime industry. As Navigare Capital operates in a rapidly evolving industry, many of the sustainability challenges it faces impact the sector as a whole, requiring industry-wide collaboration. To facilitate this cooperation and enable the green transition of the shipping sector, Navigare Capital is a signatory of the Principles for Responsible Investment (“PRI”) and an active member of the Danish Shipowners’ Association and BIMCO, one of the largest international shipping associations.

Since its inception in 2017, Navigare Capital has launched three funds, Maritime Investment Fund I K/S, Maritime Investment Fund II K/S, and, most recently, Maritime Investment Fund III K/S, all of which have a term of ten years.

Maritime Investment Fund I K/S was established in March 2017 and had a total of USD 212m under management at the end of 2023, having sold all but one vessel in the fund. In 2023, the fund divested four container vessels and five tankers. Maritime Investment Fund II K/S was established in 2019 and closed its investment period in 2023. The fund had USD 733m under management at the end of 2023, having taken delivery of three RoRo vessels, an LPG vessel, a CSOV and three container feeder vessels. Maritime Investment Fund III K/S had its first close in February 2024. The profile of the fund is similar to those of the other two funds in terms of vessel subsegments

and ambitions, including the promotion of environmental and social characteristics through investments in fuel-efficient vessels and a strong focus on labour conditions and seafarer safety.

The funds primarily invest in modern vessels for which there are liquid underlying sale and purchase markets. This strategy makes the assets more resilient to market fluctuations, as vessels are not restricted to operating on a few trade routes or only exposed to one cargo type. The funds’ positions are similar to that of a tonnage provider, with vessels chartered out on fixed medium- and long-term bareboat or time charter contracts to operators.

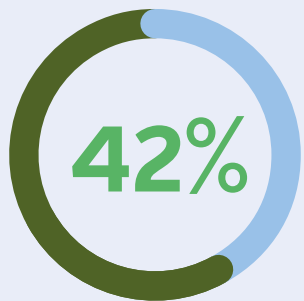
As part of its ambition to transition towards a greener fleet and meet its emission targets, Navigare Capital has prioritised investing in fuel-efficient vessels and energy-saving devices. As part of its joint venture with Norwind Offshore, Navigare Capital took delivery of a newbuild offshore wind commissioning service operation vessel (“CSOV”) in 2023, the Norwind Gale, with three more slated for delivery in 2024. The CSOVs, designed to house technicians and transport them to wind farms for maintenance work, feature battery hybrid propulsion and recycled steel parts. The first SOV vessel in the joint venture, the Norwind Breeze, has been in operation since late 2022.

In 2023, Navigare Capital, as part of its joint venture with Schoeller Holdings, also took delivery of three 3,500 TEU container feeder vessels with methanol-ready notation by the classification society, meaning that the vessels can be easily converted to run on methanol during their first dry-docking. The vessels, already very energy-efficient, will be approximately two-thirds less carbon-intensive when operated on green methanol produced using renewable energy. Three more methanol-ready container feeder vessels will be delivered during the course of 2024.

In addition to lowering its GHG emissions and carbon intensity, Navigare Capital has set clear targets and ambitions regarding social and governance issues. See exhibit 2 for a list of Navigare Capital’s environmental, social and governance (“ESG”) commitments.

# Navigare Capital's year in numbers

Female representation among employees<sup>1</sup>



Number of employees and founding partners<sup>2</sup>

23

Assets under management<sup>3</sup>

USD  
945<sub>m</sub>  
in Navigare Capital

Maritime Investment Fund I

1

Number of vessels<sup>3</sup>

2.7 years

Age of the fleet<sup>3</sup>

0

Number of energy-saving devices installed during the reporting year<sup>4</sup>

Spills



Time spent in marine protected areas

6.6%

Carbon intensity reduction

30%  
compared to the IMO's 2008 baseline

Maritime Investment Fund II

14

Number of vessels<sup>3</sup>

4.5 years

Average age of the fleet<sup>3</sup>

1

Number of energy-saving devices installed during the reporting year<sup>4,5</sup>

<sup>1</sup> The KPI is measured at year-end 2023 and includes all employees and student assistants, but excludes the four founding partners.

<sup>2</sup> This KPI includes student assistants and is measured at year-end 2023. <sup>3</sup> Measured at year-end 2023. <sup>4</sup> Energy-saving devices are retrofits or technologies installed on a vessel to promote energy efficiency.

<sup>5</sup> The Scope 3.2 emissions from the purchase of this ESD were included in 2022 reporting on the KPI, as the associated expense was incurred in 2022. However, the physical installation of the ESD took place on 6 January 2023.

# Materiality assessment results

Materiality denotes the significance of the potential impacts and risks of a sustainability topic to Navigare Capital's business operations and its stakeholders. The material topics Navigare Capital describes in this report are based on its 2021 materiality assessment along with updates made during its 2022 review of material topics. These updates included renaming the “ecological impacts” topic “biodiversity” and increasing its materiality; consolidating the reporting of fines and whistleblowing under the broader topic of corruption and bribery; and moving the topic of ship recycling to the “Organisation and governance” section.

In conducting the materiality assessment, Navigare Capital interviewed several of its key investors, banks and customers on the most urgent ESG issues affecting the company. To determine the most material topics, it identified and ranked sustainability topics according to their importance to stakeholders, taking into consideration short- and long-term risks and the increasing regulatory requirements from the EU and the IMO. See exhibit 1 for the full ranking of material topics. In order to inform its ranking of topics and assess their impacts on people and the environment, Navigare Capital engaged with a range of relevant internal and external stakeholders, gathering insights from regulatory authorities, organisations active in the maritime industry, ESG reporting frameworks, non-governmental organisations (“NGOs”) and civil society organisations. These included the following:

- The Sustainable Development Goals (“SDGs”)
- The European Union (“EU”)
- The International Maritime Organisation (“IMO”)
- The United Nations (“UN”)
- The World Wildlife Fund (“WWF”)



- The Sustainability Accounting Standards Board (“SASB”)
- The Global Reporting Initiative (“GRI”)
- The Task Force on Climate-Related Financial Disclosures (“TCFD”)

Navigare Capital also continuously leverages its memberships with relevant organisations to keep fully informed of developments in the shipping and ESG fields, including:

- The Principles for Responsible Investment (“PRI”)
- The Maritime Anti-Corruption Network (“MACN”)
- The Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping

The results of the materiality assessment in 2021 show that Navigare Capital is in strong alignment with its key stakeholders, putting the most emphasis on environmental topics such as GHG emissions and carbon intensity. However, the picture is somewhat skewed by the fact that several stakeholders did not use the full scale in their rankings, which resulted in differences between the stakeholders and Navigare Capital in the level of importance they assigned to each topic. However, it is important to note that Navigare Capital considers all ESG topics to be important, that it simply used the full scale from 1 to 10 in its ranking, and that the ranking largely indicates the level of attention required by Navigare Capital going forward to excel. Having always had a consistently strong focus on topics within social and governance, Navigare Capital has reached a high level of maturity within these fields, while given its current strong commitment to reducing its GHG emissions and environmental impacts, the environmental topics have now become the most important focus area.

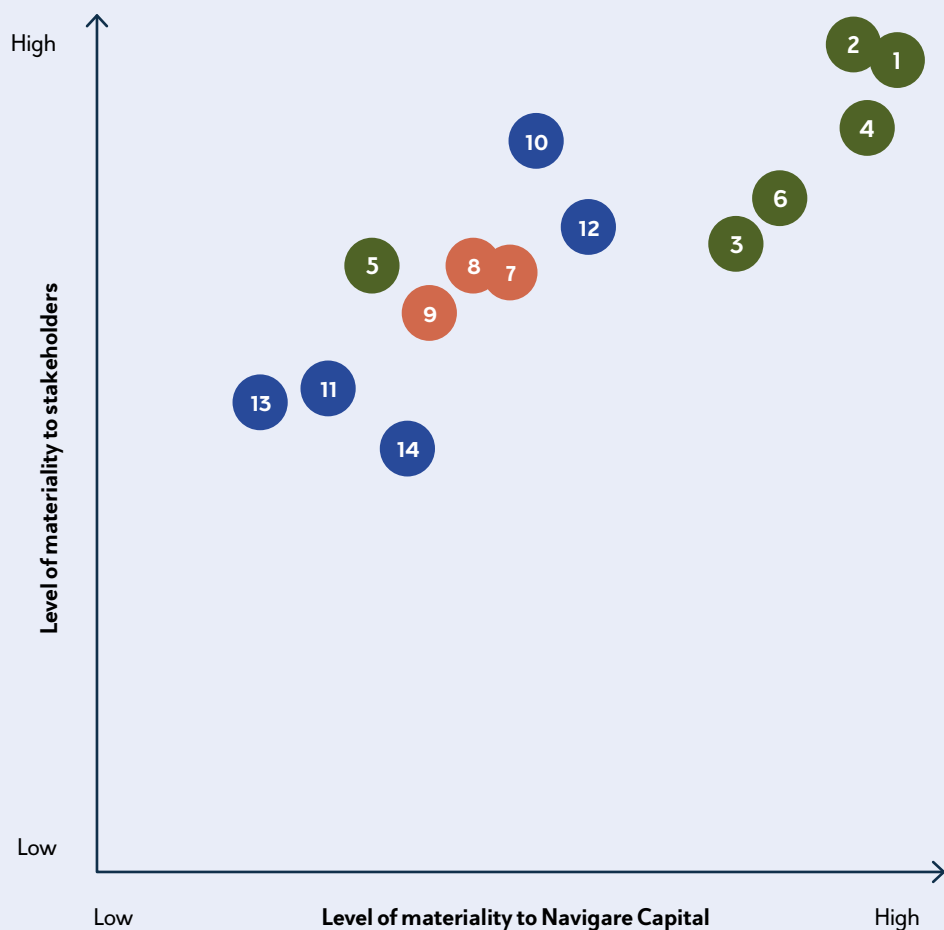
In the following sections, Navigare Capital reports on its performance on each of the material ESG topics, its targets, and the actions it commits to taking within each of these topics to ensure the targets are reached. To guarantee consistency and transparency in reporting, the report refers to a set of reporting guidelines and standards such as the SASB, GRI and TCFD standards mentioned above.

While these commitments cover Navigare Capital as a whole – including the two current funds – it is important to note that the KPIs under the ESG topics are reported for the most relevant areas of Navigare Capital – either Navigare Capital Partners A/S, the fund management company, or the Maritime Investment Funds I and II. For a full overview of which of the various material topics apply to which entities in Navigare Capital, please refer to exhibit 2.

Going forward, Navigare Capital expects to implement a double materiality perspective, where materiality indicates that a topic is significant from either a financial or an environmental perspective, or both. This differs from one-dimensional materiality in that it allows for a topic to be considered material from an environmental impact point of view, even if it does not affect the company financially.

Navigare Capital expects to commence its first double materiality assessment in 2024 to work towards the recommendations of ESG reporting frameworks such as the GRI and meet the implementation timelines of the EU regulation on the Corporate Sustainability Reporting Directive (“CSRD”). While Navigare Capital is currently not subject to the requirements of the CSRD, it anticipates its fund(s) will be subject to the CSRD from 2026, reporting on 2025 data. Even in a scenario where Navigare Capital's fund(s) are not subject to the CSRD, it aims to implement best practices wherever possible and stay abreast of developments in the regulatory landscape. The CSRD standardises the disclosure of sustainability-related risks and opportunities that companies face through the implementation of the European Sustainability Reporting Standards (“ESRS”), which stipulate double materiality as a requirement.

### Exhibit 1: Materiality assessment results



● **Environment**

- 1: GHG emissions
- 2: Carbon intensity
- 3: Air pollution
- 4: Biodiversity
- 5: Ship recycling
- 6: Climate risk reporting

● **Social**

- 7: Accidents and safety
- 8: Labour rights
- 9: Diversity

● **Governance**

- 10: Corruption and bribery
- 11: Fines
- 12: ESG-related policies
- 13: Whistleblower policy
- 14: Tax considerations

**Navigare Capital considers all ESG topics to be material, but simply used the full scale from 1 to 10 in its ranking.**

For a full description of each KPI and its relevance for Navigare Capital, see pages 92-93.

## Exhibit 2: Navigare Capital's ESG commitments and targets

Commitment	Initiative	Ambition	SDG	Material topics	Reporting	Page
<p>Navigare Capital is committed to ambitious ESG targets that are important to investors, lenders and society and that improve business performance</p>	<p>Responsible investment policy</p> <p>Sustainability-linked loans</p>	<ul style="list-style-type: none"> <li>2025: 35% reduction in carbon intensity compared to 2008</li> <li>2030: 55% reduction in carbon intensity compared to 2008</li> <li>2050: Net zero</li> <li>Zero investments in offshore oil and gas</li> <li>Reduce exposure to coal cargoes</li> <li>Reduce time spent in marine protected areas</li> <li>Maximum 0.5 deficiencies per port state control</li> <li>Zero MLC observations</li> </ul>	   	<ul style="list-style-type: none"> <li>GHG emissions</li> <li>Carbon intensity</li> <li>Air pollution</li> <li>Ship recycling</li> <li>Biodiversity</li> <li>Accidents and safety</li> <li>Labour rights</li> </ul>	<p>▶ </p> <p></p> <p></p> <p></p> <p></p> <p></p> <p></p>	<p>Pages 29-31</p> <p>Pages 31-33</p> <p>Pages 37-38</p> <p>Page 25</p> <p>Pages 38-41</p> <p>Pages 52-55</p> <p>Pages 55-57</p>
	<p>Diversity and inclusion policy</p>	<ul style="list-style-type: none"> <li>Equal gender representation among employees</li> <li>Increased female representation on the Board of Directors and among the partners</li> </ul>		<ul style="list-style-type: none"> <li>Diversity</li> </ul>	<p>▶</p>	<p>Pages 57-59</p>
<p>Navigare Capital makes data-driven business decisions, integrating ESG risks and seizing ESG opportunities in key decision processes as yet another de-risking principle</p>	<p>Policy for integration of sustainability risks</p>	<ul style="list-style-type: none"> <li>Fully incorporate sustainability considerations into the 6S Model</li> </ul>		<ul style="list-style-type: none"> <li>Climate risk reporting</li> </ul>	<p>▶ </p>	<p>Pages 42-45</p>
<p>Navigare Capital engages with its key stakeholders in a transparent way, providing key data on material ESG topics</p>	<p>Code of conduct</p> <p>Anti-corruption policies</p> <p>Whistleblower policy</p> <p>MACN membership</p> <p>PRI signatory</p>	<ul style="list-style-type: none"> <li>100% of employees trained in Navigare Capital's code of conduct and anti-corruption policies</li> <li>Zero requests for bribes or facilitation payments accepted</li> </ul>		<ul style="list-style-type: none"> <li>Corruption and bribery</li> <li>Fines</li> <li>ESG-related policies</li> <li>Tax considerations</li> <li>Whistleblower policy</li> </ul>	<p>▶ </p> <p>▶ </p> <p>▶ </p> <p>▶ </p> <p>▶</p>	<p>Pages 62-64</p> <p>Page 63</p> <p>Pages 64-68</p> <p>Page 68</p> <p>Page 66</p>
<p>Navigare Capital is accelerating the required innovation to fuel the transition by investing in green technologies</p>	<p>Purchasing modern and energy-efficient vessels</p> <p>Installing energy-saving devices</p> <p>Investing in dual-fuel vessels</p>	<ul style="list-style-type: none"> <li>Make fuel-efficient vessels available to our charterers</li> </ul>		<ul style="list-style-type: none"> <li>GHG emissions</li> <li>Carbon intensity</li> </ul>	<p></p> <p></p>	<p>Pages 29-31</p> <p>Pages 31-33</p>

## SECTION II

# Organisation and governance



# Introduction

Navigare Capital consists of a team of 23 professionals<sup>1</sup> with a breadth of experience in asset management, ship financing, ESG issues and research across all shipping sectors. Navigare Capital's organisational and governance structure reflects its commitment to meeting its sustainability targets and ensuring adherence to its ethical standards and regulatory requirements.

In addition to applicable sustainability legislation such as the European Union ("EU") Sustainable Finance Disclosure Regulation ("SFDR") and EU Emissions Trading System ("EU ETS"), Navigare Capital abides by its responsible investment policy, which sets internal ESG targets in accordance with the principles and trajectories advocated by the United Nations ("UN"), the International Maritime Organisation ("IMO"), the International Labour Organisation ("ILO") and the Organisation for Economic Co-operation and Development ("OECD").

To ensure effective asset and fund management, employees are organised into two overall teams with different responsibilities for monitoring and managing ESG impacts across the organisation: an investment and asset management team and a fund management team. Navigare Capital's ESG principles are embedded into all aspects of investment activities, from the due diligence processes evaluating whether a vessel or shipyard complies with the ESG strategy, to the actual operation of the assets in accordance with recognised human and labour rights, and finally to ensuring assets are divested responsibly in a way that maximises their usable lifetimes.

<sup>1</sup> The number includes all employees and student assistants at year-end 2023.

## Organisation<sup>1</sup>

### Board of Directors

Approves and oversees compliance with ESG policies, targets and applicable sustainability regulations

### Management

Implements ESG policies into daily operations and ensures climate-related risks and opportunities are incorporated into the investment process

#### Investment and asset management team

Selects, finances and operates assets in alignment with ESG policies and in compliance with sustainability regulations

Deal sourcing

Asset management

Market research

Debt management & financial analysis

Lars Bagge Christensen  
Founding Partner

Stig Duus Enslev  
Founding Partner

Henrik Ramskov  
Managing Partner

John Peter Boesen  
Founding Partner

Stig Duus Enslev  
Founding Partner

Lars Bagge Christensen  
Founding Partner

#### Fund management team

Provides financial data for emission calculation and conducts internal controls of ESG KPIs

Investor relations & business development

Sustainability & ESG reporting

Risk management & compliance

Finance & administrative support

Henrik Ramskov  
Managing Partner

Henrik Ramskov  
Managing Partner

Henrik Ramskov  
Managing Partner

John Peter Boesen  
Founding Partner

Thorstein Bergersen  
Partner

Mads Svensson  
Director, Renewables

Miaojia Liu  
Senior Research Manager

Thomas Lund  
Associate Partner

Martin Raasch Egenhardt  
Investor Relations Director

Mette Bendorff Andersen  
Senior ESG Manager

Esben Skau<sup>2</sup>  
Risk & Compliance Director

Christina Andersen  
Finance & Accounting Director

Max Nielsen  
Partner

Harry Sarantidis  
Technical Director

Livia Vilas Boas  
Research Manager

Tobias Børglum  
Investment Analyst

Emma Natanzon  
Student Assistant

Peter Hegermann-Lindencrone  
Financial Controller

Line Skibdal Winther  
Senior Operations Manager

Andreas Bille  
Investment Analyst

Rune Staugaard Engholm  
Student Assistant

Line Drumm Blaabjerg  
Senior Operations Manager

Jeanette Hjelm  
Office Manager

<sup>1</sup> Employees as of 31 December 2023. <sup>2</sup> The compliance and risk management functions report directly to the Board of Directors.

# Organisation

## ESG responsibilities in the organisation

The organisational structure of Navigare Capital comprises the Board of Directors and management — consisting of the four founding partners — who oversee the investment and asset management and fund management teams. Responsibilities are delegated across these functions to ensure effective management of investments and proper oversight of Navigare Capital's ESG commitments.

### The Board of Directors

The Board of Directors ensures that Navigare Capital operates in a manner consistent with both its legal obligations and internal standards and policies. The current members of the Board of Directors have strong expertise in the shipping and financial industries and together hold the competencies necessary to steer Navigare Capital. Members are elected by the shareholders at the annual general meeting based on a range of criteria such as professional experience and competencies, reputation and integrity. In addition, the Board of Directors must meet the Danish Financial Supervisory Authority ("FSA") guidelines for "fit and proper" senior management and are scrutinised for conflicts of interest that could jeopardise Navigare Capital's investments or operations. In 2022, Navigare Capital appointed its first female board member.

The Board of Directors has approved Navigare Capital's responsible investment policy and its strategy, including its short- and long-term targets. The responsible investment policy, which can be found on Navigare Capital's website, outlines the screening criteria and ESG due diligence requirements in the process of selecting assets for investment. In the strategy process, the Board of Directors considers some of the key elements pertaining to climate-related risks and opportunities, especially the effects of decarbonisation on commodity demand and technological development, including new fuels, and how best to position the company for taking advantage of the changes.

The Board of Directors has overall responsibility for the operations of Navigare Capital and for compliance with applicable legislation and the adopted policies. This also includes legislation for managers of alternative investment funds. The Board of Directors maintains close oversight of the implementation of and compliance with ESG policies and targets. Key elements of the ESG screening process are reported to the Board of Directors at least yearly, to monitor the progress towards Navigare Capital's fleet emission targets. The Compliance Officer evaluates this due diligence process, also in relation to ESG risks, and reports on this to the Board of Directors. If the Board of Directors deems compliance with the ESG policies inadequate, it is responsible for creating a plan for management to rectify the situation and for overseeing the implementation of this plan. In addition to its role in overseeing ESG policies and commitments, the Board of Directors reviews and approves the annual Sustainability Report.

### Management

The management of Navigare Capital comprises the four founding partners, who oversee the day-to-day operation of the company and ensure that the policies approved by the Board of Directors are implemented and complied with. This includes the responsible investment policy, which determines how sustainability risks and opportunities are integrated into the investment, ownership and exit processes across Navigare Capital. Management is also responsible for the company's daily compliance with applicable legislation, including legislation pertaining to managers of alternative investment funds.

Identifying the potential impacts of climate change on the performance of the funds is an important element of the investment strategy, which is directed by Navigare Capital's management. The overall responsibility for incorporating these climate-related risks and opportunities lies with the managing partner, who ensures that they are a key consideration

in the decision-making process. The managing partner is also responsible for developing the company's strategy and target setting. The other founding partners support the managing partner in ensuring the targets are reached and the strategy is followed across the different functions of Navigare Capital. Navigare Capital added two new partners and an associate partner in 2023, the first additions to the partner group since Navigare Capital was founded. The new partners and associate partner do not hold management responsibilities.

If management deems compliance with any policies to be inadequate or considers that further actions are required, it shall immediately inform the Board of Directors and submit a written report on the matter along with a proposal for a solution. In 2023, no such reports were made to the Board of Directors. Incidents of suspected non-compliance with the ESG policies can also be reported through Navigare Capital's whistleblower function. Read more about this on page 66.

### Investment and asset management team

The investment and asset management team oversees Navigare Capital's investments throughout their entire lifetimes, from the initial investment decisions to sales of the assets. Representing a wide range of professional competencies – including technical, operational, commercial and industrial expertise – the team is tasked with selecting, financing and operating assets in a manner consistent with Navigare Capital's ESG strategy and compliant with all applicable regulations. The team comprises the four departments listed below, which support the investment and operational processes at Navigare Capital.

### Deal sourcing

Investing directly in shipping assets requires thorough knowledge of the maritime industry in order to select appropriate assets while being in alignment with both Navigare Capital's ESG strategy and its targeted returns. The deal sourcing team consists of professionals with extensive networks and commercial relationships from which to source secondhand or newbuilding



projects, as well as employ them on fixed charters. Drawing on its deep understanding of the different shipping segments, the team facilitates the acquisition of assets through a methodological approach to risk mitigation. It selects maritime assets with the close support of market researchers and technical managers, who provide insights into global economic drivers and the operational capabilities of assets, respectively.

### Asset management

The investment and asset management team also consists of highly experienced vessel operators and a technical team, who have implemented a system of strict supervision and control to ascertain that all technical management matters concerning the assets are carried out in a manner that is safe, cost-effective, and environmentally and ethically sustainable. The technical team, together with the relevant founding partner and the ESG function, also implements and incorporates new technological solutions to meet the long- and short-term efficiency targets of the fleet. It also keeps track of new technologies and fuel types that could improve the efficiency of the vessels.

The daily operational tasks are handled by an in-house team of experienced vessel operators, who monitor that the operation of the vessels is in accordance with the limitations of the charter contracts and in compliance with Navigare Capital's ESG policy. Through close oversight of vessel activities, the team ensures efficient and safe voyages while minimising the risk of exposure to bribery, corruption or sanction violations in operations. The vessel operations team also optimises vessels' performance by arranging the necessary fuel efficiency-improving services such as hull cleaning, among others.

### Market research

The research team utilises deep industry knowledge to track developments across shipping segments and markets. Combining analysis of the shipping industry with an understanding of the global macro trends driving demand for transport, the research team informs Navigare Capital's investment activities while providing insights to investors. Research into ESG topics

pertinent to shipping – including those relating to climate risks – forms the basis of the TCFD analysis and influences Navigare Capital's strategies and goals.

### Debt management and financial analysis

The investment and asset management team also includes professionals with extensive experience of financial structuring and financial analysis, who play an important role in generating the targeted returns while mitigating potential risks for the funds. In addition to structuring investments, its activities include financial modelling, due diligence, risk assessment and, finally, investor reporting. The team accounts for the financial impacts that climate change may pose to investments in its financial models by integrating climate-related risks and opportunities identified through the framework of the TCFD. This allows for climate-related impacts to be assessed early in the investment cycle.

### Fund management team

The fund management team is responsible for the operational and administrative oversight of the investment funds, which includes functions related to investor relations, ESG and compliance at Navigare Capital. In addition, the team oversees the financial and administrative aspects of Navigare Capital such as accounting, financial control, payroll and IT systems. The team maintains sound business conduct through the implementation of procedures for financial and ESG reporting and data processing, as well as by monitoring the risk profile of the funds and ensuring compliance with applicable laws and regulations. These functions are divided into the four departments described below.

### Investor relations and business development

Navigare Capital endeavours to maintain a high and uniform level of information to investors and ensure that relevant, accurate and balanced information is provided to investors in the funds. Acting as the dedicated point of liaison between the funds and their investors, the Investor Relations Director coordinates all investor-relevant communications and activities. An

important element of Navigare Capital's communications is its investor reports, which it issues quarterly for each fund and which contain information on the company's performance on its main KPIs within ESG-related topics. The report is distributed to the funds' investors and the Board of Directors, allowing them to monitor and oversee Navigare Capital's progress towards its financial and sustainability targets. In between these quarterly reports, the Investor Relations Director engages in discussions with and addresses enquiries from investors.

### **Sustainability and ESG reporting**

The ESG function is responsible for all ESG reporting and providing all stakeholders with relevant and correct information related to Navigare Capital's sustainability performance, including reporting emissions data to banks in line with the Poseidon Principles, a framework for disclosing the climate alignment of shipping-related activities adopted by certain financial institutions. The ESG function is also responsible for ensuring that investments – both new and existing – are aligned with Navigare Capital's ESG strategy. This involves working together with the various other functions of Navigare Capital on initiatives to improve the company's performance on ESG metrics and ensuring ESG processes and procedures are adhered to across teams.

### **Risk management and compliance**

Navigare Capital's internal compliance and risk management functions also monitor the risk profile of the company on a regular basis and ensure its compliance with applicable laws and regulations, including the investment strategy and mandate, as well as any regulations and laws on sustainability that may be introduced. Both the compliance function and the risk management function operate independently of the investment team, and report directly to the Board of Directors.

### **Finance and administrative support**

The finance function at Navigare Capital is responsible for the implementation of proper accounting and internal control processes to ensure transparent and accurate external reporting of financial activities to the relevant authorities in line with international standards and accounting principles.

In addition to preparing the annual budget and conducting monthly and quarterly controls, the Finance Controller assists in ESG reporting by providing relevant financial information for the calculation of annual emission figures and conducting internal controls of the ESG KPIs.

Deloitte is the independent auditor of Navigare Capital and has been the auditor of all funds managed by Navigare Capital since its inception in March 2017. Limited assurance is provided by Deloitte over selected ESG KPIs. For further information on the 2023 limited ESG assurance, please refer to the Independent Auditor's Assurance Report published on pages 90-91.

The administrative support function at Navigare Capital oversees IT security, with the aim of preventing IT security incidents and ensuring personal data is managed appropriately and safely in line with the General Data Protection Regulation ("GDPR"). The support function is also responsible for implementing the necessary technological and software solutions to secure Navigare Capital's IT systems.

### **Advancing employee knowledge in ESG**

Sustainability issues in the maritime industry are evolving rapidly and Navigare Capital recognises the importance of fostering a high level of ESG knowledge among employees. To meet its ESG commitments and contribute to the green transition of shipping, Navigare Capital supports its employees in obtaining training and further skills in ESG topics relevant to their field of operation. This includes attending lectures, conferences and webinars with organisations and companies active in the decarbonisation of shipping, sustainable investment, sustainability reporting and other ESG areas. In 2023, employees took part in activities held by PRI organisation, the Danish Shipowners' Association, Position Green, the Maritime Anti-Corruption Network ("MACN") and Djøf, among others.

# Governance

## Integration of ESG into Navigare Capital's 6S Model

Navigare Capital pursues value creation through its 6S Model, which consists of six underlying principles that ensure a disciplined investment and divestment approach. Sustainability and ESG, including climate-related risks and opportunities as outlined by the TCFD, are an integral part of each of these underlying principles, as summarised below.

- **Sourcing:** Sourcing of investments compliant with relevant ESG criteria.
- **Selecting:** Selecting the right assets, counterparties and partners that are aligned with Navigare Capital's ESG principles.
- **Structuring:** Structuring of debt financing and incorporating sustainability into loan agreements to achieve attractive risk-mitigated returns while minimising financial risk.
- **Servicing:** Servicing the assets with a strong focus on Navigare Capital's ESG strategy.
- **Steering:** Steering the assets by actively managing employment decisions using ESG metrics.
- **Selling:** Selling assets with a focus on continuous operation.

In 2021, the Board of Directors approved Navigare Capital's first responsible investment policy. This policy describes how ESG is integrated into the entire investment process and all key decisions from deal origination to exit through Navigare Capital's 6S Model. The policy is reviewed on an annual basis to include any changes in the ESG strategy or additional requirements.

Navigare Capital and its funds are committed to complying with the following standards, conventions and guidelines:

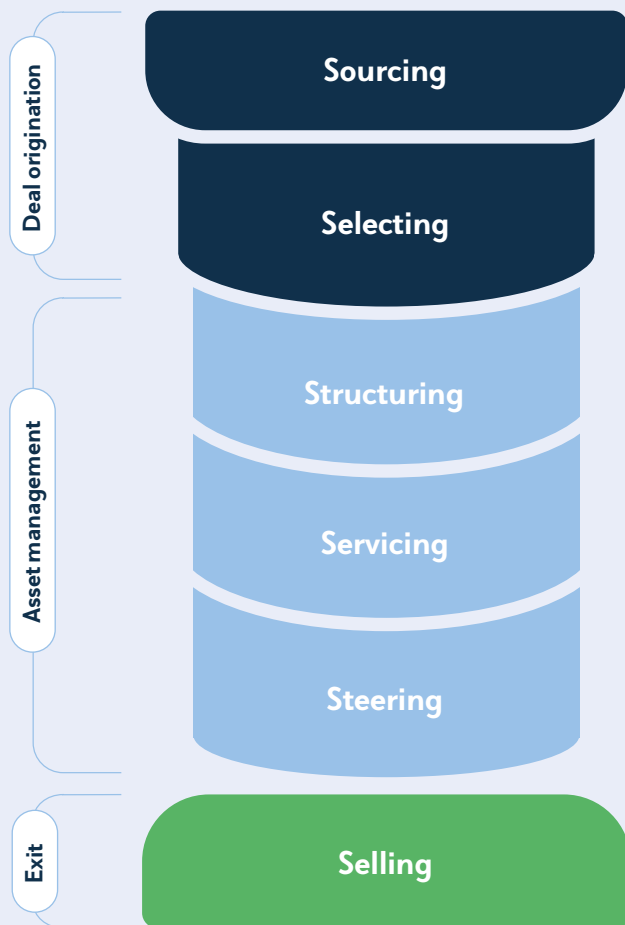
- The Principles for Responsible Investments
- The UN Global Compact
- The UN Guiding Principles on Business and Human Rights
- The OECD Guidelines for Multinational Enterprises
- The ILO Declaration on Fundamental Principles and Rights at Work
- All conventions, regulations and guidelines established by the IMO.

See additional international conventions listed under "Selling" on page 25

### Sourcing

The global shipping industry is fragmented, with vessel owners and charterers ranging from multinational industrial players to local niche operators. Hence, the ability to source investments compliant with relevant environmental criteria and find counterparties with the proper ESG principles requires a vast global network. Navigare Capital has, through the collective experience of its team, established a large global network of commercial and personal relationships, which forms the basis for this. Investments are sourced through several channels, including industrial partners, vessel owners, ship brokers, shipping banks and restructuring lawyers, and can be either secondhand transactions or newbuilding projects.

## Navigare Capital 6S Model



- Strong professional and personal networks ensure access to investments compliant with relevant environmental criteria and counterparties with proper ESG principles
  - Strategic focus on sourcing modern and energy-efficient vessels
- 
- Full due diligence processes are conducted that cover all facts and risks of material importance to the investment decision
  - All potential investments and peripheral activities are evaluated to assess their compliance with Navigare Capital's ESG strategy and policies
- 
- Sustainability-linked loans are taken with a recognised network of global shipping banks
- 
- Investigations are made regarding the counterparties' experience, quality, resources, results and ESG practices
  - Additional requirements on health and safety, human rights and working conditions are incorporated into all relevant contracts
- 
- Vessel operators ensure that voyages are as energy-efficient as possible
  - The technical team evaluate third-party technical managers and carry out intermittent physical onboard inspections to assess maintenance standards and evaluate whether the assets are in sound condition in terms of sustainability
- 
- Ensure that buyers carry out future dismantling or recycling of vessels in compliance with relevant regulations and conventions



**We deliver attractive risk-mitigated returns while enabling the green transition of the shipping sector**

As each asset is unique, with its own technical specifications and performance, each asset is thoroughly screened by the technical team and ESG Manager during sourcing to assess whether it fits with Navigare Capital's ESG strategy. This includes assessing the following relevant environmental criteria:

- Technical specifications
- Greenhouse gas ("GHG") emissions and emissions of other pollutants such as SOx and NOx
- Fuel consumption and operational energy efficiency
- Ballast water treatment
- Paint scheme and status
- Classification status

Only assets that meet the criteria satisfactorily may proceed to the Selecting stage.

### Selecting

Prior to making any investments, Navigare Capital performs full technical and commercial due diligence covering all technical, operational, financial, tax, legal and ESG-related aspects of the proposed investment. During the selection process, Navigare Capital follows relevant due diligence procedures that cover all facts and risks of material importance to the investment decision, of which ESG is a key factor. All potential investments and peripheral activities are evaluated to assess whether they comply with Navigare Capital's ESG strategy and policies. For instance, employment contracts and agreements are reviewed to ensure they are aligned with Navigare Capital's policies.

For investments in secondhand vessels, the technical team assesses and verifies the assets' physical condition, including the technical specifications, and reviews the performance of the assets, including fuel consumption and efficiency, key elements determining Navigare Capital's carbon footprint and biodiversity impact – and hence its ESG strategy. This information is also used to benchmark the assets' carbon intensity against Navigare Capital's own targeted reduction trajectory, along with those of known frameworks such as the IMO and the Poseidon Principles. For newbuilding investments, Navigare Capital conducts audits of new shipyards prior to commencing projects to ensure that shipyards uphold adequate labour standards for their workers. An audit involves a comprehensive onsite inspection by Navigare Capital to verify that policies, procedures and facilities at the shipyard comply with the health and safety standards of Navigare Capital, and that the shipyard holds the necessary safety certifications and provides adequate safety training. Navigare Capital also has a dedicated onsite team throughout the duration of a shipbuilding project. The team monitors not only that the shipyard maintains technical standards, but also that its labour practices comply with the health, safety and labour rights expectations of Navigare Capital.

To reduce future emissions from existing vessels, the technical team delivers a catalogue of potential energy-saving devices so that Navigare Capital can remain on track towards its target. As part of the financial due diligence, Navigare Capital incorporates these technologies into the financial model to assess the financial implications of complying with the ESG strategy. The financial due diligence also includes a periodic TCFD analysis to assess the financial implications of key climate-related risks and opportunities. Several teams are involved in the TCFD analysis, from the ESG function, which evaluates the list of climate-related risks and opportunities to identify those relevant to a particular investment, to the research team, which provides market insights into the climate-related risks and opportunities, and the technical team, which in turn evaluates technological developments and how they might affect the asset's performance and value. The TCFD analysis is renewed whenever necessary to include new and emerging climate-related risks and opportunities.

Navigare Capital uses the results of the TCFD analysis to make a more informed investment decision, identifying the risks and opportunities for each investment, including the risk level, probability and potential financial implications. Moreover, the TCFD analysis enables Navigare Capital to compare different investment opportunities and choose the most optimal. Based on the investment analysis and associated due diligence, Navigare Capital makes a recommendation to the Investment Committee, which makes the final decision on each investment and exit/realisation. The results of the TCFD analysis can be found on pages 42-45.

### Structuring

The financial structuring of the investments plays an important role in value creation in terms of generating the targeted return. As part of the structuring process, Navigare Capital performs financial due diligence on a proposed investment including stress testing of the financial risk and a risk assessment of the employment counterparty. The counterparty risk assessment is based on a comprehensive financial and qualitative analysis of the various risk elements, including the terms and conditions of the employment contract, the counterparty's business history and ownership, its financial risk and its ESG profile.

The ability to secure financing for investments will increasingly rely on the ESG profile of the vessels, among other factors. Thus, Navigare Capital has incorporated sustainability and ESG into its financing strategy to ensure that it can continue to obtain attractive financing terms across shipping cycles. For this purpose, Navigare Capital benchmarks its portfolio's relative carbon intensity factor against the targeted reduction trajectory stipulated by the Poseidon Principles. The Poseidon Principles is an agreement among 24 banks to assess and disclose the climate alignment of ship finance portfolios, setting a benchmark for responsible banking. As a result, if Navigare Capital's portfolio performs better than this benchmark, it triggers a premium, and conversely a worse performance triggers a penalty.

### Servicing and Steering

Navigare Capital has in-house teams dedicated to handling the disciplines of asset ownership and vessel operation. Before entering into a contract with a third party, the teams overseeing asset ownership make all reasonable investigations regarding the counterparty's experience, quality, resources, results and ESG practices. Hence, contracts are only made with counterparties that have been diligently screened both qualitatively and financially across a set of key parameters. Over and above this, Navigare Capital incorporates additional requirements on health and safety, human rights and working conditions into all relevant contracts to ensure a high standard of welfare among its crew members and to ensure that the management agreements are aligned with Navigare Capital's ESG principles.

Charterers for vessels on bareboat contracts are responsible for the vessels' technical management, meaning that they do not regularly report to Navigare Capital on its operational conditions, including the occurrence or nonoccurrence of, for instance, oil spills or lost time injuries. For vessels on time charter contacts, Navigare Capital outsources the technical management of vessels to reputable companies experienced in ship and crew management. The in-house technical team reviews the performance of these third-party technical managers on a quarterly basis and carries out physical onboard inspections of the vessels to assess maintenance standards and evaluate whether the assets are in sound condition in terms of sustainability. Should the review of the third-party technical managers bring to light any anomalies or adverse trends, the fund manager will put into place new processes and procedures to ensure a reversal of the trend. If, in a worst-case scenario, the trend cannot be reversed, the fund will change the technical manager of the vessel in question. Vessels and technical managers are also subject to annual external audits by third-party classification societies that verify compliance with safety regulations such as the International Safety Management ("ISM") Code, the International Ship and Port Facility Safety ("ISPS") Code and the Maritime Labour Convention ("MLC"). Compliance with these and other regulations governing the safety and environmental soundness of vessels is necessary for technical managers to maintain their Document of Compliance ("DOC"), which is a legal prerequisite for their operation.

On a daily basis, an in-house team of vessel operators ensures that the operation of vessels is in accordance with the limitations of the charter contract and in compliance with relevant regulations, sanctions and the ESG policy of the funds. The operations team monitors voyages, cargoes, speed and fuel consumption profiles in order to verify the safe and effective operation of vessels.

Navigare Capital continually considers the climate-related risks of vessels throughout the duration of its investments, including mitigation strategies. Therefore, Navigare Capital periodically conducts a complete TCFD analysis across all assets, whereby the ESG function together with the research team and the technical team identifies and analyses new risks and opportunities, and reviews and updates current ones, as per the list provided by the TCFD. This is done to assess whether the climate-related risk picture for the funds has changed and to gain insights into which key drivers should be monitored by the relevant departments going forward to either mitigate risks or capture future opportunities. This could include new seaborne commodities or current ones that may become obsolete, but also the development of a particular green fuel or engine type. Navigare Capital's specialised in-house teams work together actively to mitigate the potential risks and act on the opportunities identified in the TCFD analysis.

### Selling

An exit/realisation strategy is submitted to the Investment Committee for each vessel and the Investment Committee takes the final decision on every exit/realisation. By incorporating ESG into the 6S Model, Navigare Capital ensures that ESG is embedded into the entire investment process and all key decisions from deal origination to exit.

When selecting assets, Navigare Capital focuses on modern vessels with attractive ESG metrics to ensure a reliable and efficient fleet with economic lifetimes that exceed both the duration of the initial employment contracts and the lifetimes of the funds. As vessels are likely to be sold to third parties for continued operation, Navigare Capital's sales contracts include a minimum

period in which the vessel may not be recycled. At the same time, the buyer agrees to ensure that any future recycling or dismantling is undertaken in accordance with:

- The 2009 Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships.
- The Basel Convention's technical guidelines for the environmentally sound management of the full and partial dismantling of ships.

In doing so, Navigare Capital supports the Sustainable Development Goal ("SDG") 12 (responsible consumption).

To facilitate future recycling of vessels, Navigare Capital has already ensured that its vessels carry inventory of hazardous materials ("IHM") certificates onboard, as required by the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships and the EU Ship Recycling Regulation. The IHM EU certificates meet all the conditions of the Hong Kong Convention and include two additional hazardous materials. However, as the IHM EU certificates are only recognised within Europe, vessels trading outside Europe hold the IHM Hong Kong certifications in addition to the EU certificates.

In the event that Navigare Capital has to undertake recycling itself, it will ensure this is done in compliance with the above regulations, but also along with the following, thus ensuring that any future recycling is compliant with the responsible ship recycling standards which are also adopted by certain financial institutions involved in ship financing:

- The EU Ship Recycling Regulation and the EU Waste Regulation.
- Any other laws, standards, regulations or rules which are applicable to recycling, including without limitation any national, international, state or local environmental or waste laws.

**SECTION III**  
Environmental,  
social and  
governance

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# Introduction

The shipping industry supports international trade and livelihoods around the world, serving as the backbone for the movement of the raw materials, finished products and energy resources that drive the global economy. Globalisation has significantly intensified the reliance on shipping, which enables the efficient exchange of goods between nations and their people.

However, the shipping industry's contribution to global trade also entails environmental challenges. The environmental impact of shipping, including air and water pollution, greenhouse gas emissions, and the potential for oil spills, has consequences for climate change, biodiversity and ecological preservation, requiring the industry to adopt greener practices and fuels and more stringent regulations.

Shipping is well positioned to promote a just transition towards a greener economy by not only addressing environmental concerns such as carbon emissions, pollution and ecological impacts, but also safeguarding the welfare of those employed in the industry and the communities that depend on maritime activities. A just transition ensures that the transition to a green shipping industry benefits all stakeholders,

including seafarers, coastal communities and nature. The ambitions of a just transition can be broken down into the following environmental, social and governance (“ESG”) principles:

**Environmental (“E”):** Adopting energy-efficient technologies, reducing its carbon footprint, and exploring green fuels underscores the shipping industry's commitment to a just transition. The industry's transition aligns with broader global initiatives aimed at mitigating climate change and biodiversity loss, which have interconnected consequences for humans and nature.

**Social (“S”):** Creating fair employment opportunities and promoting economic and social wellbeing for workers and affected communities ensure that the benefits of the industry's just transition are shared equitably among all stakeholders. For shipping, this requires that all seafarers hailing from around the world work under fair and safe conditions and that coastal communities facilitating global trade receive their share of the industry's prosperity.

**Governance (“G”):** Transparent governance structures are vital for implementing and enforcing sustainability measures and ensuring that the industry's transformation aligns with global standards and regulatory frameworks. A commitment to good governance enhances accountability and promotes responsible practices within the shipping sector. As shipping is a global industry that interacts with many levels of government officials and authority, a just transition entails addressing maritime corruption and committing to responsible tax practices, both of which contribute to the creation of strong and equitable institutions.



# Environment

The international nature of shipping, along with the interconnected consequences of climate change, poses global challenges. While decarbonisation of shipping remains a key priority among industry participants, there is growing awareness of the urgency of mitigating other environmental impacts, biodiversity loss in particular. By incorporating vessel technologies that aim to minimise the climate and biodiversity impacts of its operations and operational procedures that seek to preserve ocean health, Navigare Capital supports the Sustainable Development Goal (“SDG”) 13 (climate action), SDG 12 (responsible consumption) and SDG 14 (life below water).

The introduction of a growing number of regulations, such as the EU Emissions Trading System (“ETS”) and the newly established 2050 net zero GHG target by the IMO will align actors in the maritime industry towards a green transition. While many aspects of this transition are still under development, including alternative green fuels, Navigare Capital strives to maintain the most fuel-efficient fleet possible by incorporating those vessel technologies currently available and relevant. In keeping abreast of the advancements in vessel technology and developments in the regulatory landscape applicable to shipping and investment fund managers, Navigare Capital is an active participant in the decarbonisation of the shipping industry.

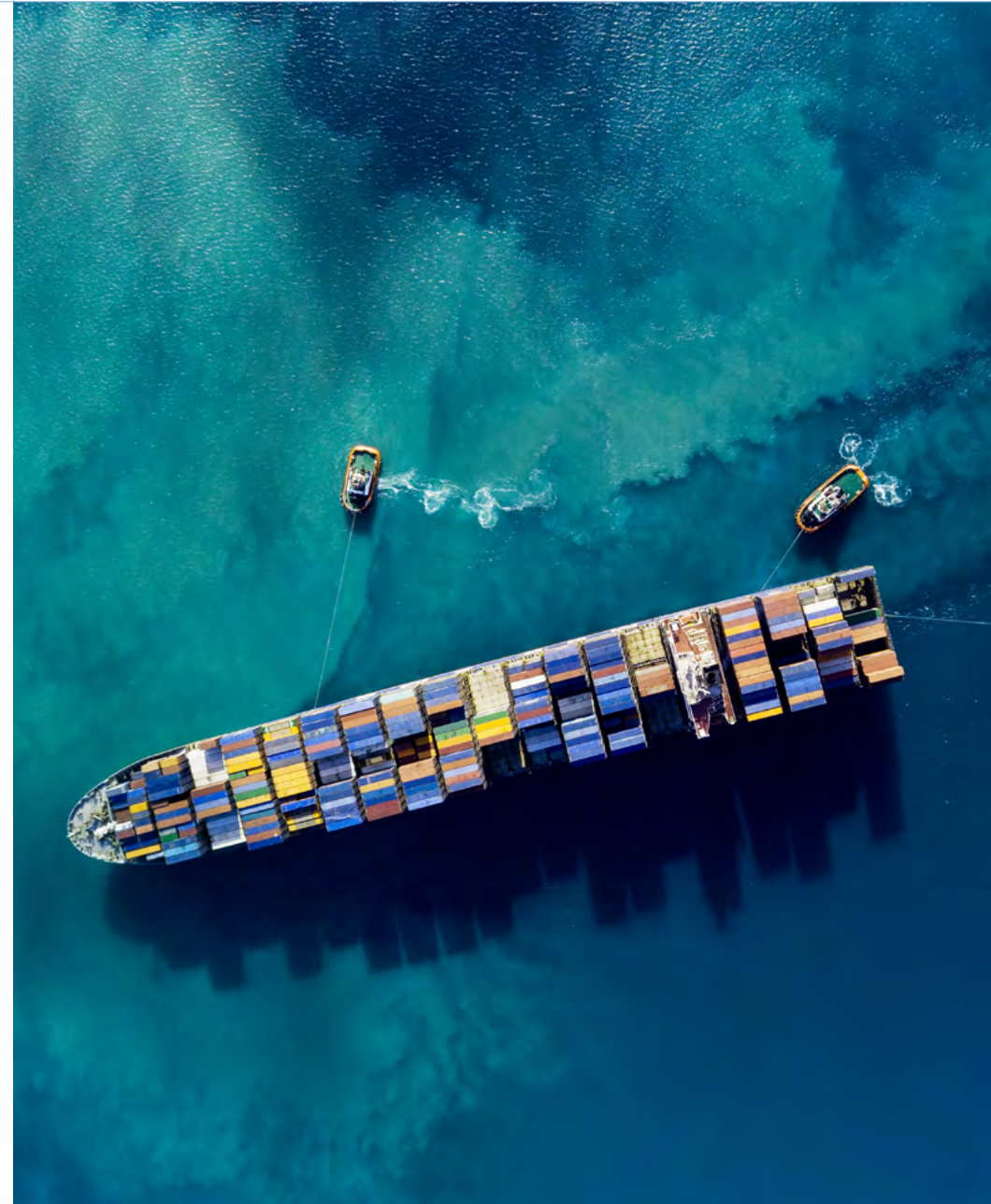
## 2023 environmental KPI highlights

# Zero

oil spills

# 30%

reduction in carbon intensity compared to 2008



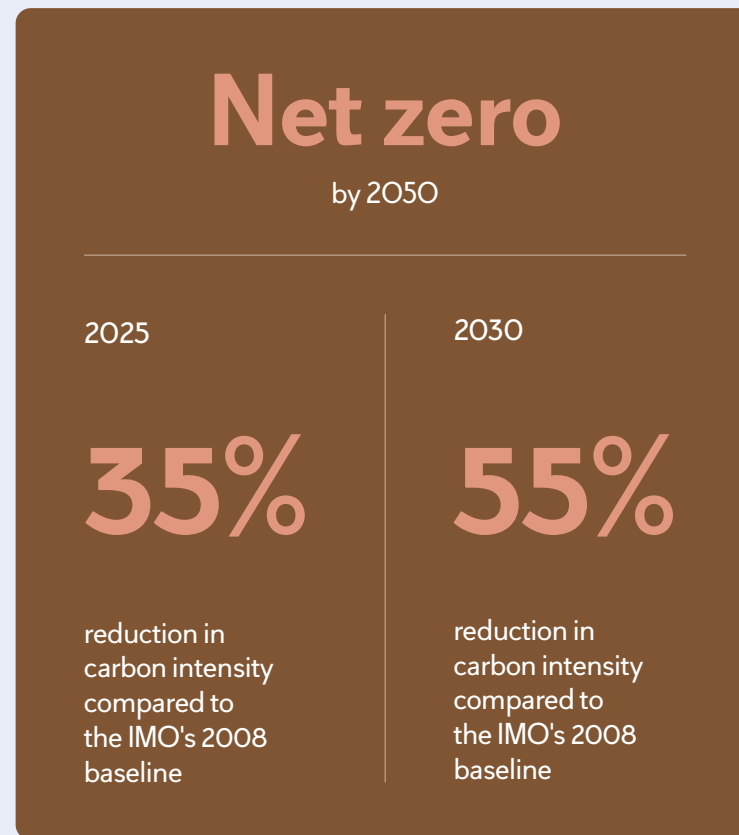
## E.1 Greenhouse gas emission targets

To establish a clear decarbonisation trajectory for its portfolio and facilitate the adoption of green technologies and fuels across its fleet, Navigare Capital has established several targets based on guidelines from the foremost organisations in the field of environmental reporting and shipping decarbonisation. Firstly, Navigare Capital has set an ambitious target of net zero greenhouse gas (“GHG”) emissions by 2050. This target covers Scope 1-3 GHG emissions of both Navigare Capital’s headquarters and its funds as calculated according to the GHG Protocol, the world’s most widely used GHG accounting standard<sup>1</sup>. The target follows the recommendations of the Science Based Target initiative (“SBTi”), in that Navigare Capital, to reach its target, will ensure deep decarbonisation of 90-95%, while only using carbon removals to neutralise any remaining emissions that cannot be eliminated another way. This strategy addresses the main source of greenhouse gas emissions from fossil fuel combustion and ensures a permanent transition to a more sustainable way of operating, rather than relying on carbon offsets to mitigate negative impacts in the short term.

Navigare Capital has also set short-term targets for carbon intensity reduction, because total GHG emissions are likely to increase in the short term as the portfolio of vessels expands. This will ensure that the company continues to invest in assets that are increasingly less carbon-intensive and in turn are aligned with its target of reaching net zero by 2050. The targets for carbon intensity reduction are 35% by 2025 and 55% by 2030, compared to the 2008 baseline published by the International Maritime Organisation (“IMO”). The use of the IMO baseline allows for comparability of Navigare Capital’s carbon intensity performance across the industry and with the reduction targets set by the IMO.

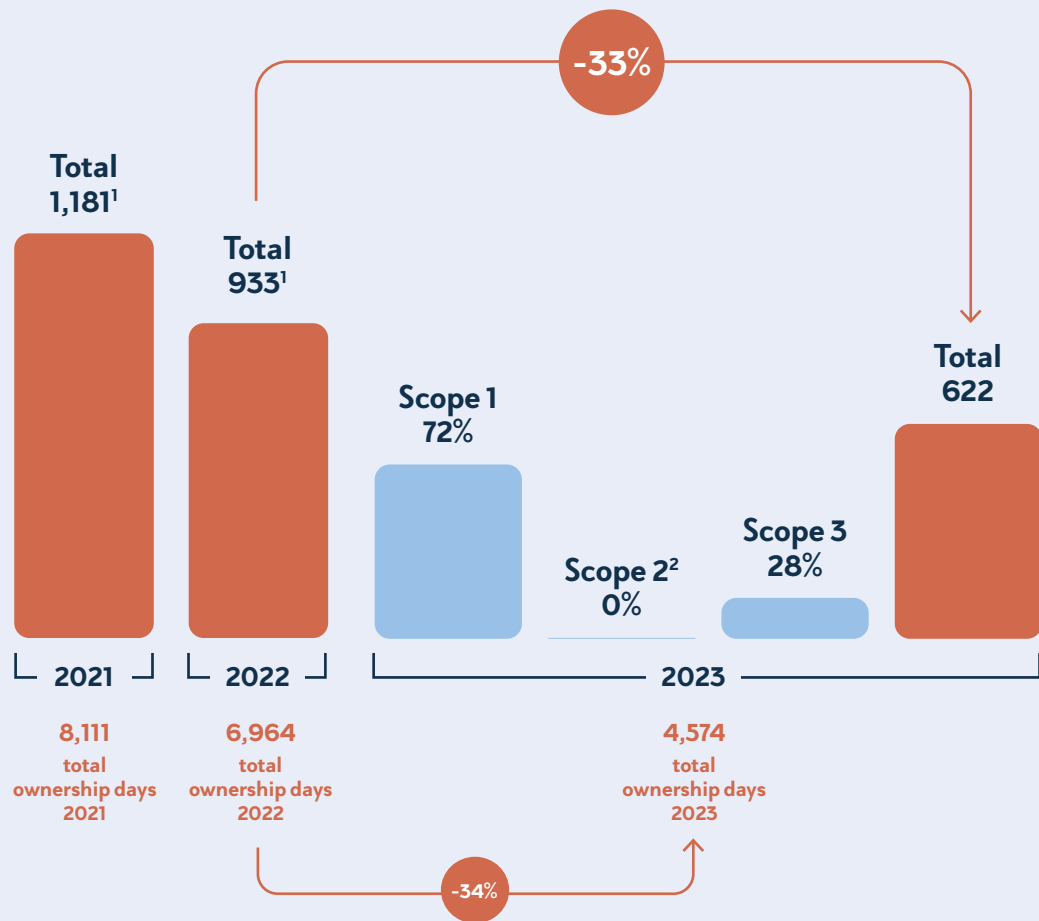
<sup>1</sup> Navigare Capital’s GHG baseline follows The GHG Protocol Corporate Accounting and Reporting Standard and The Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

### Exhibit E1: Emission targets



## Exhibit E2: Greenhouse gas emissions

Thousand tonnes of CO<sub>2</sub>e



<sup>1</sup> These figures have been restated. See pages 82-83 for further information.

<sup>2</sup> Location-based Scope 2 emissions.

### E.1.1 Greenhouse gas emissions

The GHG Protocol sets out three accounting approaches for consolidating GHG emissions, of which the SBTi recommends either the operational control or the financial control approach for companies in the financial sector. The choice of accounting approach does not affect the absolute size of Navigare Capital's GHG emissions, only the distribution of vessels' emissions between the different scopes.

Navigare Capital has chosen the financial control approach, as it has 100% financial control of the funds that own the vessels but does not have operational control. Moreover, this approach allows Navigare Capital to establish the most accurate picture of GHG emissions from its entire operation. For instance, emissions from the vessels in the funds are allocated to and accounted for in Scope 1. This emphasises the responsibility Navigare Capital takes for its emissions and its commitment to reducing these.

Calculating all GHG emissions is important, as some vessels, such as LNG-fuelled vessels, have lower CO<sub>2</sub> emissions than those fuelled by conventional fuel oil, but depending on their engine type can incur methane slip. Methane is a very potent GHG: one tonne of methane has the same global warming potential as approximately 21 tonnes of CO<sub>2</sub> over a 100-year time horizon<sup>1</sup>. To ensure Navigare Capital invests in the most efficient vessels across the different vessel types

<sup>1</sup> United Nations Climate Change: Global Warming Potentials (IPCC Second Assessment Report).

and contributes to limiting global warming from shipping, the company takes every GHG<sup>1</sup> into consideration.

As a result, in 2023, Navigare Capital emitted roughly 622,000 tonnes of carbon equivalent (“CO<sub>2</sub>e”) Scope 1-3 emissions, a decrease of 33% from 2022. The majority of its emissions, 72%, were Scope 1 emissions stemming from fuel consumption onboard the vessels owned by the funds Navigare Capital manages, while the remaining 28% came from emissions mainly within Scope 3.2 (capital goods) and Scope 3.3 (upstream fuel and energy related activities). Emissions within Scope 3.2 stemmed from investments in four newbuildings: the Norwind Gale, Cape Scott, Cape Spencer and Cape Skagen, as well as the purchase of four secondhand vessels. Scope 3.3 emissions are those related to the production and transportation of the fuels included in Scopes 1 and 2. However, as fuel consumption by vessels vastly outweighs the energy consumption of Navigare Capital's headquarters, emissions from this scope overwhelmingly stem from vessel fuel.

The main driver of the reduction in GHG emissions in 2023 was Navigare Capital's divestment of nine vessels during the year, many of which were among the oldest in its fleet. The first three vessels were sold in Q1, four more were sold in Q2, and the last two were divested in Q3 (see pages 98 and 99 for an overview of the fleet). Navigare Capital also took delivery of eight new vessels, including a CSOV equipped with battery hybrid propulsion and three highly fuel-efficient container feeder vessels. The reduction in the fleet size and the replacement of less fuel-efficient vessels with more efficient ones contributed to a reduction in fuel consumption accounted for in Scope 1 and Scope 3.3. Overall, the number of ownership days decreased by 34% from 2022 to 2023, while Scope 1 emissions decreased by 44% in the same period, indicating improved efficiency across the fleet. Read more about this in section E.1.2 Carbon intensity.

<sup>1</sup> The GHG emission types include carbon dioxide (“CO<sub>2</sub>”), methane (“CH<sub>4</sub>”), nitrous oxide (“N<sub>2</sub>O”), hydrofluorocarbons (“HFCs”), perfluorocarbons (“PFCs”), sulphur hexafluoride (“SF<sub>6</sub>”) and nitrogen trifluoride (“NF<sub>3</sub>”).

## E.1.2 Carbon intensity

Navigare Capital measures carbon intensity based on a vessel's cargo-carrying capacity relative to its fuel consumption. In shipping, this number is referred to as the Annual Efficiency Ratio<sup>2</sup> (“AER”) and is the most used intensity metric in the sector. The AER is applicable to all vessels over 5,000 gross tonnes and most mainstream segments, which covers the majority of Navigare Capital's fleet and the global fleet in general. However, as the recently purchased Norwind Breeze and Norwind Gale belong to a niche segment, namely offshore wind, they are not included in the AER, but are included in the total GHG emissions presented in the previous section. Navigare Capital monitors industry standards closely for vessels below 5,000 gross tonnes in the offshore wind industry, in particular.

By investing in vessels with favourable AER numbers, Navigare Capital ensures that it always invests in fuel-efficient vessels, enabling it to steadily reduce carbon emissions and reach its targets described on page 29.

In 2023, Navigare Capital's AER performance was 4.0% below the targeted trajectory stipulated by the 2018 IMO strategy, and 0.7% above its own targeted trajectory. See exhibit E3 for more details. While the IMO introduced a strengthened target in its 2023 GHG strategy to reduce total GHG emissions to net zero by 2050, the IMO's carbon intensity target remained unaltered in the 2023 strategy. The IMO's existing target of a 40% reduction in carbon intensity by 2030 was made in accordance with the original goal set out in the 2018 strategy of reducing total GHG emissions by 50% by 2050 and is thus likely inadequate to meet the new net zero target. Navigare Capital, however, continues to benchmark carbon intensity against the targets set by the IMO in 2018 to provide comparability with its previous reporting until updated carbon intensity targets are available. Regardless, Navigare Capital's own carbon intensity targets reflect the goal of reaching net zero by 2050. The 2008 baseline against which the IMO and Navigare Capital benchmark

<sup>2</sup> AER is measured as grams of CO<sub>2</sub> emitted per cargo-carrying capacity x nautical mile.

### Exhibit E3: Navigare Capital's carbon intensity



carbon intensity performance remains unchanged in the new strategy and is expected to be kept constant in the case of updated targets.

The decrease in carbon intensity in 2023 was an improvement of over two percentage points compared to 2022, leaving Navigare Capital just above its own carbon intensity target. It remains on track to meet its 2025 target of a 35% reduction in carbon intensity compared to 2008.

The favourable development in 2023 was the result of Navigare Capital's strong focus on portfolio effects. See exhibit E5 for a description of all possible reduction methods Navigare Capital can employ. The portfolio effects were the result of Navigare Capital's sale of nine vessels, six of which were expected to be above both its own and the IMO's 2018 carbon intensity reduction trajectory in 2023. In addition, Navigare Capital took delivery of eight vessels: three 2,700 TEU container feeder vessels that performed significantly better than the IMO trajectory, a CSOV designed for the offshore wind industry, a gas tanker and three RoRo vessels.

While it is important to have energy-efficient vessels, how they are operated is equally important – if not more – especially with regards to the choice of speed, as fuel consumption and speed have an exponential relationship, meaning that higher speeds result in significantly higher fuel consumption and vice versa. As Navigare Capital does not have operational control of its vessels, including their speed, it can only encourage and incentivise its charterers to operate the vessels as efficiently as possible, while making the most energy-efficient vessels available to them. New regulations, such as shipping's inclusion in the EU Emissions Trading System (“EU ETS”), which increases the cost of

## Exhibit E4: Maritime transport in the EU Emissions Trading System

As of 2024, maritime transport will be included in the EU Emissions Trading System (“ETS”), an emissions cap-and-trade scheme in place in the EU that already covers certain carbon-intensive sectors such as electricity and heat generation, oil refineries, steel works and aviation. The inclusion of the maritime sector will require shipping companies making voyages into, within and out of the EU to purchase and surrender ETS allowances corresponding to the amount of CO<sub>2</sub>e emissions covered by the ETS regulation. The scheme will initially apply to cargo and passenger ships over 5,000 GT and will be expanded to include offshore ships over 5,000 GT in 2027. The inclusion date for offshore and cargo ships between 400 and 5,000 GT is still under consideration.

The ETS for maritime transport will be phased in over several years to gradually encompass an increasing percentage of emissions, and additional greenhouse gases and vessel types. While emission allowances will initially be required for only 40% of reported CO<sub>2</sub> emissions, the ETS will be expanded to cover 100% of CO<sub>2</sub>e<sup>1</sup> emissions by 2027. As the emissions cap is gradually lowered, the number of ETS allowances in circulation will also decline, and thus the cost of emitting GHGs will increase. The incentives for the uptake of zero-carbon fuels, voyage optimisation and other emission-reducing measures will increase as the long-term savings from mitigating GHG emissions rival or outweigh the cost of GHG emissions.

Despite the fact that the ETS follows the “polluters pay” principle, which holds charterers liable for the emissions associated with their voyage and speed decisions, shipowners are also responsible for compliance with ETS obligations and surrendering allowances to the EU. For time-chartered vessels, this entails the transfer of allowances from the charterer to Navigare Capital for surrender or compensation by the charterer for Navigare Capital’s own purchase of allowances on a voyage-by-voyage or monthly basis. In the case of bareboat vessels, however, the responsibility for ETS compliance is with the bareboat charterer, meaning it is liable for surrendering ETS allowances corresponding to the vessels’ CO<sub>2</sub>e emissions directly to the EU.

Due to the need for vessels’ voyage data to be tracked and shared between multiple parties, compliance with the ETS requires coordination between the Senior Operational Managers at Navigare Capital, the charterers and the technical managers of its vessels. Navigare Capital engaged with these partners over the course of 2023 to prepare for the ETS and implement procedures that ensure smooth data-sharing. Prior to the implementation of the ETS, Navigare Capital took part in two pilot projects for data verification systems. These data verification systems allow location data to be automatically or manually recorded from the vessels and verified continuously by the classification societies. The implementation of a transparent data system will facilitate Navigare Capital’s tracking of its use of ETS allowances and ensure compliance with its ETS obligations across multiple layers of the shipping supply chain.

<sup>1</sup> Carbon equivalents of CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O.

emitting more GHGs, will also incentivise charterers to optimise speed and vessel performance. See exhibit E4 for more information about the EU ETS.

As vessel speeds are often dependent on fluctuating factors such as market and supply chain conditions, carbon intensity can vary from year to year, typically increasing when markets improve and decreasing when markets slow down. In 2023, worsening market conditions incentivised charterers to reduce speeds, particularly within the container and dry cargo segments, leading to improved operational efficiency on certain vessels. In contrast, some tanker vessels were used for storage rather than trading, resulting in reduced sailing distances, which negatively affected carbon intensity.

### E.1.3 GHG emission reduction methods

Navigare Capital focuses on four main ways to reduce its GHG emissions:

- **Portfolio effects**, which are the impacts from buying more energy-efficient vessels and selling less efficient ones.
- **Technical energy-efficiency improvements**, achieved by retrofitting existing vessels with ESDs or alternative propulsion technologies.
- **Operational energy-efficiency improvements**, which are achieved by any means other than investing in new technologies. This can include voyage optimisation strategies such as slow steaming to avoid waiting time at ports, and weather routing, i.e. slowing down or sailing other routes to avoid poor weather. For the industry as a whole, GHG emission reduction can also be achieved through digitalisation of ship and port operations, and optimisation of cargo utilisation, leading to more efficient voyages overall.
- **Green fuels**, which are liquid or gaseous fuels produced with electricity from renewables, and are necessary for achieving the long-term goal of a zero-carbon shipping sector. Recent developments in the availability of low- or zero-GHG emission fuels have made alternatives to fossil fuels feasible in the medium to long term. For further details on the most viable green fuels for shipping, see exhibit E6 on page 36.

Navigare Capital has always had a strategic focus on buying modern and energy-efficient vessels, and, when possible, it prioritises divesting less energy-efficient ones, thus considering the portfolio effects of its investments and divestments. In addition, it has installed ESDs on several of its vessels over the course of several years, including one in 2023 on the Navigare Terra Mater, resulting in significant reductions in GHG emissions across the fleet. While the physical ESD installation on Terra Mater took place in January 2023, the expense was incurred in 2022, consequently impacting 2022 Scope 3.2 emissions. The ESD installed on the Navigare Terra Mater was an

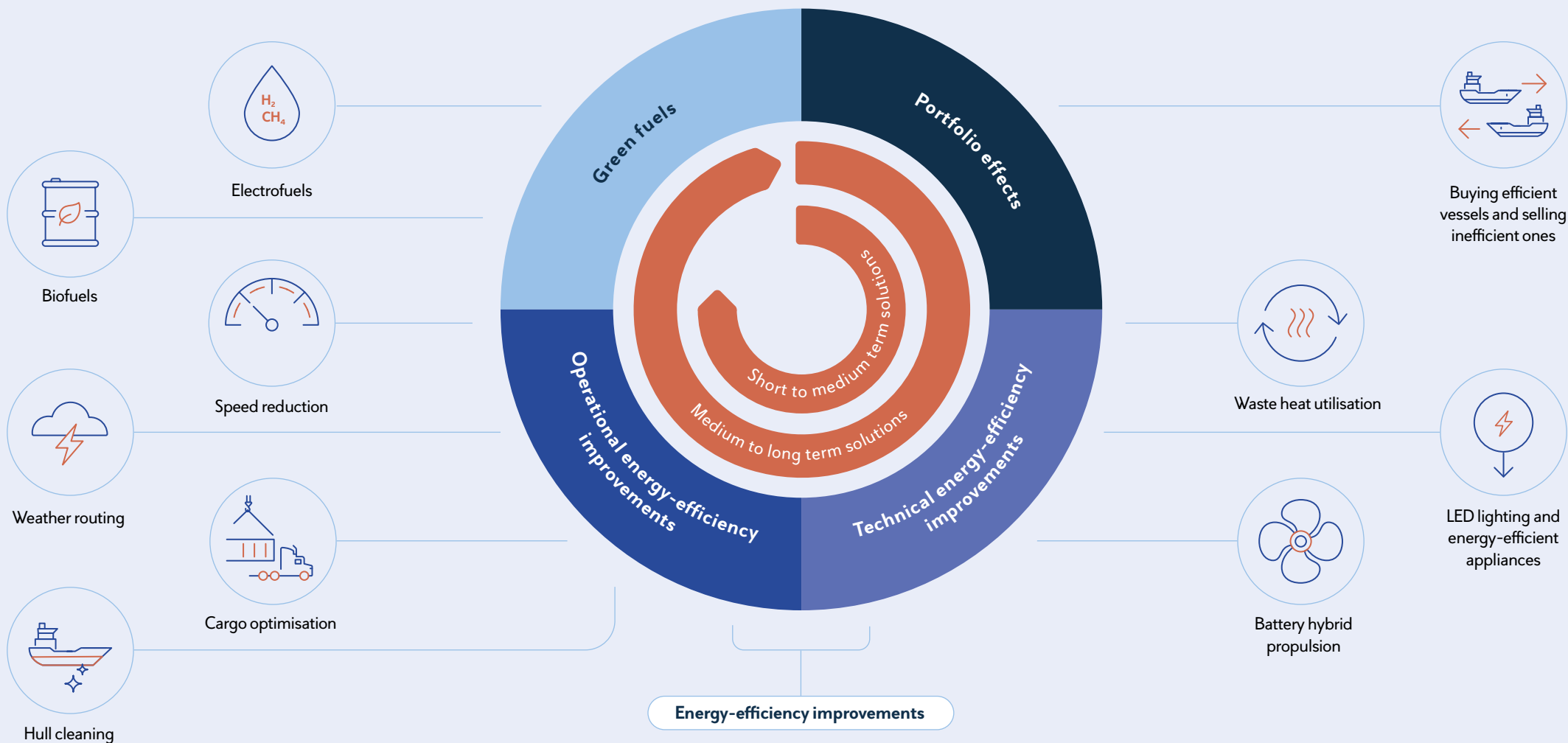
ultrasonic anti-fouling system, which produces sound waves on the surface of the propeller to prevent the formation of fouling and organisms from attaching themselves. By maintaining a clean propeller, the vessel can operate more efficiently and, thus, reduce fuel consumption.

As Navigare Capital divested many of its older vessels throughout the year and took ownership of newer, more fuel-efficient vessels, there was a reduced need for ESDs in 2023. One such new vessel was the Norwind Gale, a newbuilding enabled with hybrid battery propulsion and featuring recycled steel parts. Three more sister vessels of the Norwind Gale will be delivered during 2024. Additionally, as none of Navigare Capital's vessels were scheduled for dry-docking in 2023, there were limited opportunities to install ESDs. Still, Navigare Capital maintains a catalogue of ESDs and remains up to date on emerging technologies that could be relevant to its fleet.

As long-term decarbonisation will require shifting away from fossil fuels, Navigare Capital is increasingly preparing for the introduction of alternative fuels in the shipping industry. In 2023, Navigare Capital took delivery of three container feeder vessels with methanol-ready notation, meaning that they can be easily converted to run on methanol during their first dry-docking. Three more container feeder vessels will be delivered in 2024.

New regulations introduced by the IMO and the EU will incentivise charterers to operate vessels more efficiently. In 2023, the IMO implemented a carbon intensity index ("CII"), which requires vessels to calculate their carbon intensity, based on which they are graded from A to E, where A is best. If a vessel is ranked D for three consecutive years or E for one year, the Ship Energy Efficiency Management Plan ("SEEMP") must be updated with a corrective action plan to reach the reference line, C, and verified before the statement of compliance can be issued and operation can continue. All Navigare Capital's vessels were in compliance with the CII requirements in 2023, performing at a C level or better. Another regulation coming into effect as of 2024 is the EU Emissions Trading System ("ETS") for shipping, an emissions cap-and-trade system for voyages within the EU. For further information on how the EU ETS will impact shipping and how Navigare Capital has prepared for the new regulatory requirements, see exhibit E4.

### Exhibit E5: GHG emission reduction methods



## Exhibit E6: Uptake of alternative fuels in the maritime industry

The decarbonisation of the shipping industry is reliant on the transition to low- and zero-carbon fuels for maritime transport. According to the Fourth IMO GHG Study, up to 64% of the decarbonisation will come from the use of low- or zero-carbon fuels. While shipping is still highly reliant on conventional marine fuels, there are several clean alternatives currently in development for use in the medium to long term. The most promising of these include green methanol, ammonia and hydrogen – so-called “e-fuels” produced using renewable electricity – which can reduce well-to-wake emissions<sup>1</sup> by up to 99% compared with conventional LSFO<sup>2</sup>, as well as biofuels produced from biomass such as forestry and agricultural waste.

**e-methanol (CH<sub>3</sub>OH):** A compound produced through the electrolysis of water using renewable electricity to create hydrogen, which is then combined with captured CO<sub>2</sub>. Although methanol emits CO<sub>2</sub> during combustion, e-methanol is produced using carbon captured from the atmosphere or from biogenic sources, so that no new CO<sub>2</sub> is added to the global carbon budget, making it potentially carbon-neutral.

**e-ammonia (NH<sub>3</sub>):** A compound produced through the electrolysis of water using renewable electricity to create hydrogen, which is then combined with nitrogen. While the production and combustion of e-ammonia emit no CO<sub>2</sub>, they may produce nitrous oxide (N<sub>2</sub>O), which is a potent GHG, and potential ammonia leaks through usage can be highly toxic, giving rise to safety concerns.

**e-hydrogen(H<sub>2</sub>):** Produced through the electrolysis of water using renewable electricity to separate hydrogen from oxygen, which is then liquefied. Hydrogen can then be used as a feedstock for other fuels, including e-methanol and e-ammonia. While hydrogen is attractive from a sustainability perspective, as it emits no CO<sub>2</sub> and can eliminate NO<sub>x</sub>, SO<sub>x</sub> and PM emissions, it presents storage challenges due to its low density and other technological hurdles.

**Biofuels:** These encompass a range of fuel types produced using various biomass feedstocks ranging from agricultural and forestry waste products, to soybeans, algae, and sugar crops, and other organic materials.

While e-fuels and biofuels have significant potential for reducing the carbon intensity of marine transport, there are also challenges and hurdles to be overcome before they can be used more widely. For instance, there are sustainability and biodiversity concerns associated with the uptake of biofuels, due to the potential for land-use changes associated with feedstock production, which potentially outweigh the benefits of emission reductions from burning biofuels. However, as biofuels are interchangeable with their conventionally derived counterparts,

they are considered a viable alternative fuel for the near term, as they can be used without the need for significant changes to existing engines. In contrast, while e-fuels have the greatest decarbonisation potential, they may require significantly more development in terms of vessel technology and safety regulation before they can be deployed commercially. However, compared to the other e-fuels, e-methanol represents potential advantages for quick alternative fuel uptake, as it balances both carbon emission reduction and sustainability with technological readiness, as dual-fuel methanol engines are already in use. Lastly, as alternative fuels are also in high demand from the road transport and aviation industries, shipping faces intense competition in obtaining these fuels.

The uptake of alternative fuels is dependent not only on advancements in vessel and engine technology to accommodate them but also on their expanded commercial availability and affordability. Currently, these fuels are not produced at the scale necessary for broad deployment in the maritime industry, and the cost is still significantly higher than for conventional fuels. In order to create incentives for the uptake of low- or zero-carbon fuels and generate sufficient demand to boost production, the IMO and EU have implemented regulations and targets for green fuel usage in the maritime industry. As part of its 2023 strategy, the IMO has mandated that 5-10% of the energy used in international shipping must be from zero or near-zero energy sources by 2030. In 2023, the IMO also released guidelines for the calculation of the well-to-wake GHG emissions of marine fuels, allowing for the comparability of different fuels’ environmental impacts.

In addition, the EU’s FuelEU Maritime initiative mandates a continuous decrease in the greenhouse gas intensity of fuels used on voyages to, within and out of the EU. The regulation increases the required reduction of the GHG intensity of fuel used on a vessel every five years, beginning with 2% in 2025 and reaching 80% by 2050 on a well-to-wake basis. To incentivise the uptake of e-fuels, which have the greatest carbon-saving potential, FuelEU Maritime also includes a sub-target for 2% of the fuel mix to come from renewable fuels of non-biological origin (“RFNBO”) by 2034.

Navigare Capital recognises the urgency of transitioning to lower- and zero-carbon fuels to meet the IMO’s goal of zero GHG emissions by 2050 and sees regulation as key to increasing the availability of these fuels. While Navigare Capital already has a modern and fuel-efficient fleet, it aims to continually add new vessels equipped with the latest energy-saving technologies to its fleet. In 2023, Navigare Capital took control of three container feeder vessels with methanol-ready notation, meaning they can be easily converted to run on methanol, and will take control of three more in 2024. However, significant decarbonisation can also be achieved through operational and technical means such as voyage optimisation and energy-saving devices, which Navigare Capital will continue to invest in to meet its carbon intensity reduction goals.

<sup>1</sup> Well-to-wake emissions encompass the emissions produced in the entire life cycle of the fuel, from extraction and production to transportation to final combustion. <sup>2</sup> Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping, Industry Transition Strategy 2021.

## E.2 Other significant air pollution

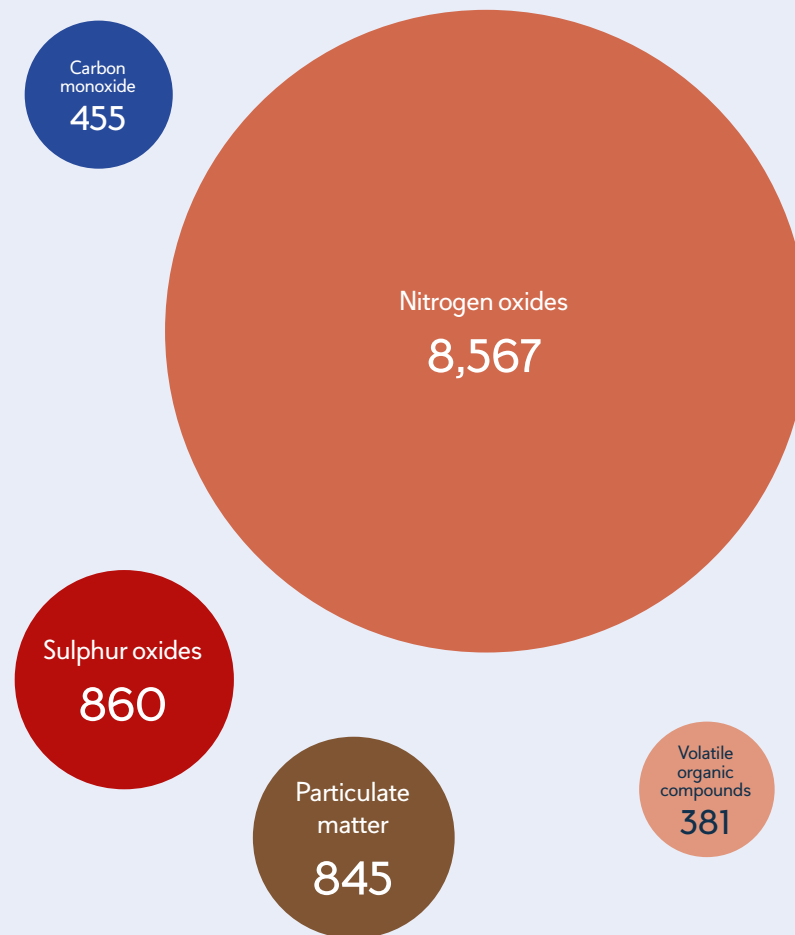
Besides reducing GHG emissions, Navigare Capital is committed to limiting other forms of air pollution from the operation of its vessels and always ensuring that vessels are fully compliant with all regulations on air emissions, including those from the IMO.

In 2020, the IMO tightened its regulation on sulphur oxides (“SOx”), which works to reduce emissions of SOx to improve air quality and protect the environment. The IMO regulation on the reduction of SOx emissions from vessels has been progressively tightened since 2005, and as of 1 January 2020 the limit for sulphur in fuel oil used by vessels operating outside emission control areas was reduced by 85% from 3.50% to 0.50%, while it was lowered to 0.1% in designated sulphur emission control areas (“ECAs”) around Europe and North America. In 2023, the IMO designated the Mediterranean Sea an ECA, which will come into effect in May 2025. This adds the Mediterranean Sea ECA to the existing list of ECAs, including the Baltic Sea, the North Sea, the United States Caribbean Sea and coastal areas of North America, which were established to protect people and nature from the harmful effects of air pollution.

As a result of this, most vessels now run on fuel oil with low sulphur content. In addition, the IMO’s MARPOL Convention also offers the option to use equivalent means of compliance such as exhaust gas cleaning systems (“scrubbers”). Scrubbers remove and clean SOx from the engine exhaust down to a level equivalent to, or lower than, the limit required by the IMO regulation, allowing vessels fitted with the cleaning technology to continue burning high sulphur fuel oil in their engines. All funds managed by Navigare Capital are fully compliant with the IMO 2020 sulphur regulation. At the end of 2023, six of the vessels were fitted with scrubbers, all in MIF II. Three of these feature closed-loop scrubbers, which use water to remove sulphur particles from vessels’ gas exhaust within the IMO’s threshold without discharging the used water into the ocean, thus allowing the vessels to operate in ECAs. The rest of the fleet operates on fuel oil with low sulphur content.

### Exhibit E7: Emissions of other air pollutants

Tonnes, 2023



Particulate matter (“PM”) emissions are indirectly regulated through the regulation of SO<sub>x</sub>, as there is a positive correlation between the two types of pollutants. Therefore, the regulation of SO<sub>x</sub> has also resulted in lower emissions of PM.

Emissions of nitrogen oxides (“NO<sub>x</sub>”) are formed during the combustion of fuels such as oil, diesel, gas and organic material and are regulated via engine requirements, with vessels divided into tiers based on their construction date. Each tier stipulates a maximum emission limit of NO<sub>x</sub>. The funds managed by Navigare Capital owned five Tier III-compliant vessels and 12 Tier II-compliant vessels at the end of 2023.

Volatile organic compounds (“VOCs”) are gases that are emitted from tankers and certain gas carriers, and the impact from these can be mitigated by implementing technical updates or design changes to vessels. VOC emissions are regulated through operational requirements for the relevant vessels to ensure they minimise emissions to the greatest extent possible.

Carbon monoxide (“CM”) is a colourless, odourless and tasteless toxic gas formed by the incomplete ignition or burning of carbon-based fuels. Emissions of CM contribute indirectly to climate change through a reaction in the atmosphere producing the GHGs methane and ozone.

Lastly, black carbon (“BC”), or soot, consists of particles emitted during the incomplete combustion of fossil and biofuels. While BC emissions are not regulated by the IMO, it urges its members operating in the Arctic to burn higher-quality fuels to reduce BC emissions.

Although the vessels owned by Navigare Capital’s funds are not allowed to operate in the Arctic, Navigare Capital continues to keep track of new research on BC emissions and their relationship with different fuels.

## E.3 Biodiversity

Over the next decade, the severity of biodiversity loss is expected to make it one of the most pressing global issues<sup>1</sup>, ahead of other social and political risks, such as involuntary migration, social polarisation and interstate conflict. Due to the dependence of most of the world’s economic output on natural resources, a reduction in biodiversity will also have reverberating social and economic effects. In addition to the heightened risks to businesses, biodiversity loss will harm human health and livelihoods as a result of disrupted food production, increased disease transmission and reduced resilience of ecosystems to extreme weather events, among other risks.

The ecological impacts from shipping and other maritime industries pose threats to marine biodiversity and habitats around the world. In addition to the direct impacts on biodiversity through the potential introduction of invasive species, water and air pollutants and leakages in the course of operations, shipping also indirectly impacts biodiversity through its contribution to climate change and rising sea temperatures. Based on the 2022 biodiversity impact assessment conducted by a third-party sustainability specialist, Navigare Capital’s largest impact on biodiversity stemmed from its contribution to climate change. Therefore, reducing CO<sub>2</sub> emissions from shipping is also an essential means of limiting ecological impacts, in addition to the technologies and procedures already in place on vessels to avoid exposing marine ecosystems to harmful or toxic pollutants. As the global fleet is expected to expand in the coming decades, the importance of limiting these impacts will only grow.

Building on learnings from its 2022 biodiversity impact assessment, which established the main biodiversity pressure areas in the supply chain, Navigare Capital continues to reduce its biodiversity impacts wherever possible. This includes, among other things, continuing to measure time spent in marine protected areas and ensuring compliance with IMO ballast water management and air and water pollution regulations. Navigare Capital has also implemented

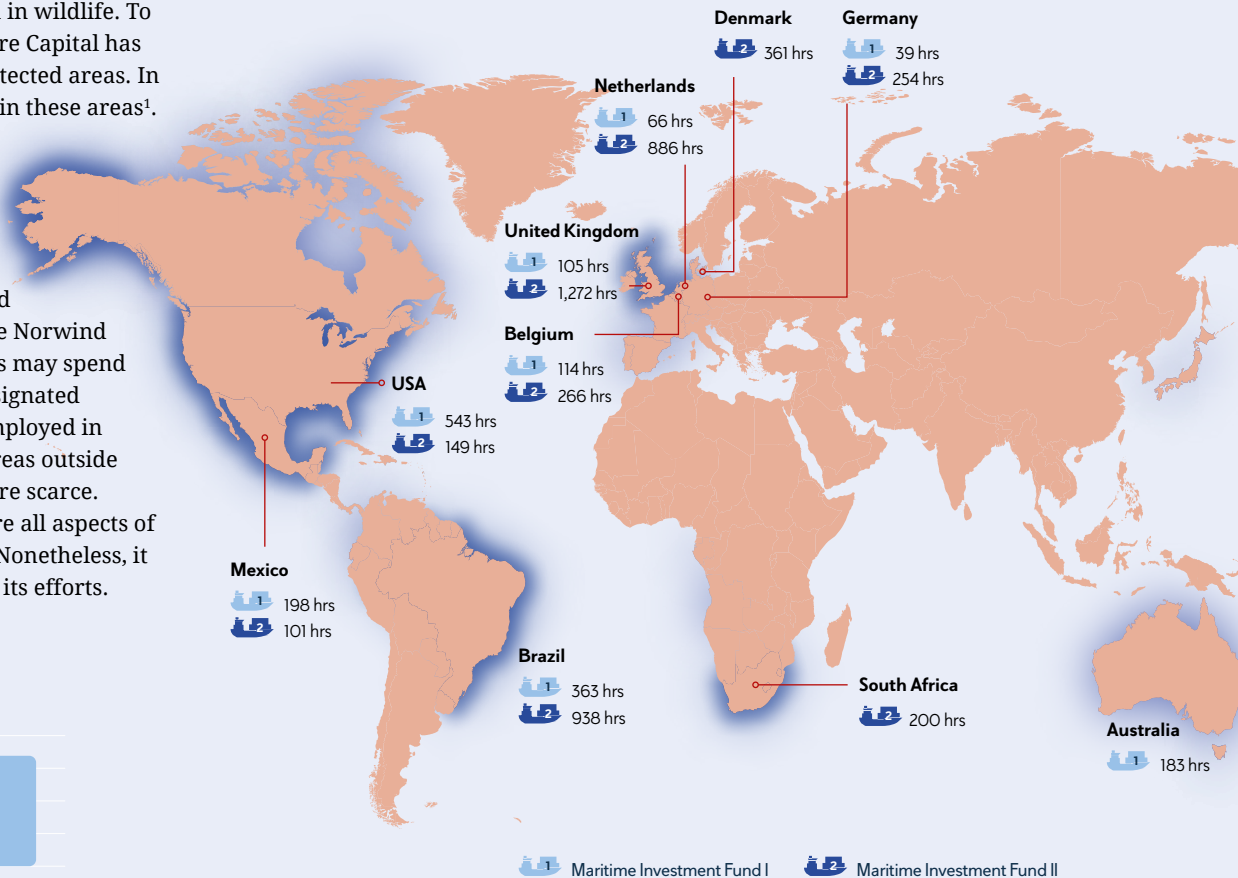
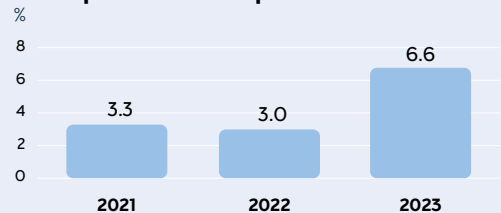
<sup>1</sup> World Economic Forum: Global Risk Report 2020.

## Exhibit E8: Time spent in marine protected areas in 2023

Marine protected areas (“MPAs”) are protected areas of seas, oceans, estuaries or lakes all rich in wildlife. To understand its ecological impact, Navigare Capital has begun tracking time spent in marine protected areas. In 2023, its vessels spent 6.6% of their time in these areas<sup>1</sup>.

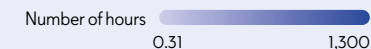
The time each vessel spends in MPAs is dependent on factors like the geographical region in which it trades and the type of work in which it is employed. For instance, vessels employed in the offshore wind industry, such as the Norwind Breeze, work closer to the shore and thus may spend longer stretches of time in nationally designated marine protected areas, while vessels employed in deepsea transport spend more time in areas outside national jurisdictions and where MPAs are scarce. Therefore, this KPI alone does not capture all aspects of Navigare Capital’s biodiversity impacts. Nonetheless, it is an indicator of where it can best focus its efforts.

### Time spent in marine protected areas



### Time spent in marine protected areas per vessel<sup>2</sup>

1	Norwind Breeze	1,089 hrs	12%
2	Scandia Seaways	880 hrs	50%
3	Eco Bel Air	771 hrs	9%
4	Rome Express	470 hrs	10%
5	UASC Zamzam	459 hrs	12%
6	Marvel Swan	446 hrs	5%
7	Navigare Pars	442 hrs	15%
8	Flandria Seaways	372 hrs	21%
9	Niledutch Antwerpen	363 hrs	4%
10	Niledutch Breda	339 hrs	4%
11	Eco Beverly Hills	254 hrs	3%
12	Humbria Seaways	233 hrs	13%
13	Cape Spencer	169 hrs	11%
	Remaining 11 vessels	950 hrs	2%
	<b>Grand total</b>	<b>7,237 hrs</b>	



<sup>1</sup> Data on protected areas is compiled by VesselsValue from Protected Planet, the Marine Protection Atlas and the World Resources Institute, and includes all levels of protection status.

<sup>2</sup> The table lists all vessels that meet either of two conditions: 1) the total number of hours spent in MPAs surpasses 250 during the ownership period, or 2) the operating time within MPAs exceeds 10% during the ownership period. The remaining vessels are summarised in a single line item.

procedures to limit biodiversity impacts from its vessels by, for instance, reusing wash water during cleaning, using sustainable cleaning materials whenever possible and limiting the tolerance level for bilge water emissions on its 2021 newbuilding beyond the regulatory requirements.

### E.3.1 Shipping duration in marine protected areas

In addition to the biodiversity impacts arising throughout Navigare Capital’s value chain, there are also potential ecological consequences for the areas that vessels sail through. To address these ecological issues, a number of organisations, including the IMO, have identified particularly sensitive sea areas that need special protection due to the significance of their recognised ecological, socio-economic or scientific attributes. These particularly sensitive marine protected areas range from coastlines to shallow waters to areas such as the Great Barrier Reef and the Paracas National Reserve in Peru. Vessels sailing through these regions, particularly those carrying oil or hazardous cargo, are required to avoid certain areas or take special precautions. These sailing restrictions appear in captains’ digital navigation systems, which are continually updated.

Navigare Capital tracks the routes of its vessels to map time spent in MPAs. In total, its vessels on average spent 6.6% of their time, amounting to a total of 7,237 hours<sup>1</sup>, in areas identified as marine protected areas in 2023. The amount of time vessels spent in marine protected areas increased from 2022, partly due to the inclusion of three RoRo vessels in the fleet operating on routes within Europe, an area that has established many MPAs. Based on vessels’ geographical data, Navigare Capital also concluded that some vessels spent more time in marine protected areas than others. See exhibit E8 for more details.

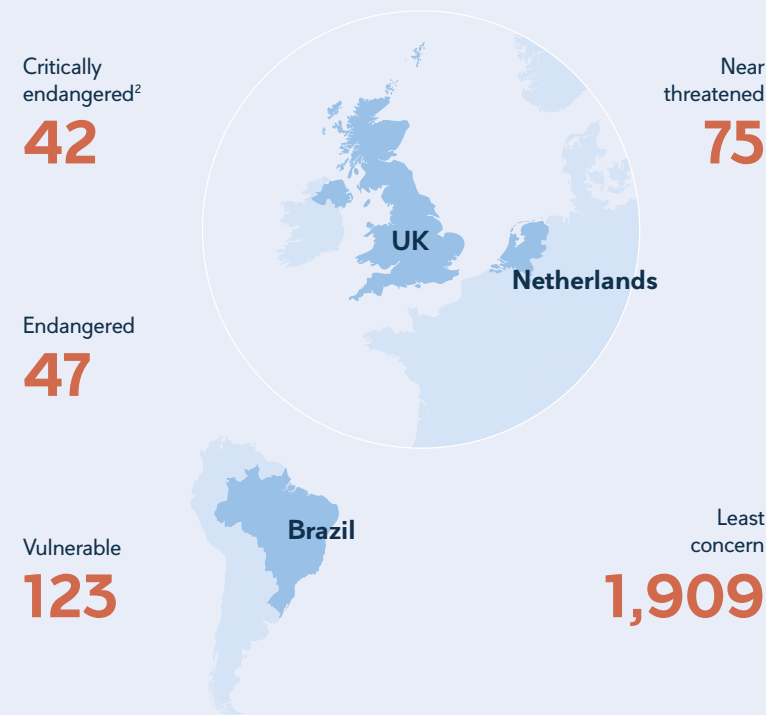
In 2023, the countries or territories where Navigare Capital’s vessels spent the most time in MPAs were Brazil, the United Kingdom and the Netherlands. The World Wildlife Fund (“WWF”)

<sup>1</sup> The number has been calculated using the same methodology as GHG emissions, where joint ventures are included on a 50% basis.

## Exhibit E9: Biodiversity levels of marine ecosystems<sup>1</sup>

### By the top three most visited marine protected areas

**!** The most significant threats to many of these species are climate change, commercial fishing, pollution and invasive species.



<sup>1</sup> Species are tallied across countries and categorised by IUCN Red List category. Species that are not listed on the IUCN Red List are not included in this KPI.

<sup>2</sup> IUCN Red List categories reflect the severity of extinction risk due to population decline. The “least concern” category includes all species that do not meet any of the criteria for threatened species and are not at risk of doing so in the near future.

has defined the coastal marine habitats of these countries as under varying degrees of pressure due to man-made sea-use changes that include shipping. The waters surrounding the entire United Kingdom and the Netherlands face particularly high levels of biodiversity risk related to shipping. The Brazilian coast has a medium-high biodiversity risk from sea-use change, with the highest risks concentrated to the easternmost tip and on the southern coast, where many of the largest ports are located.

The International Union for the Conservation of Nature (“IUCN”) also measures the extinction risk faced by marine species living in these areas, dividing them into categories ranging from “least concern” to “critically endangered”. See exhibit E9 for more details. The most significant threats to many of these species continue to be climate change, commercial fishing, pollution and invasive species. The most endangered species in these regions that have been identified as being particularly affected by shipping lanes and vessel strikes, in addition to the aforementioned threats to their habitats, include the whale shark, the basking shark, the sei whale, the common thresher and several species of coral.

Whales are particularly vulnerable to vessel strikes due to the overlap of whale habitats with trafficked shipping routes. In response to the impact of shipping on whales, the IMO has implemented mandatory reporting and rerouting strategies for vessels travelling through certain areas where there is a high risk of collision with whales.

### E.3.2 Oil spills

Oil accidentally released into the ocean from vessels can have disastrous and long-lasting effects on marine life and ecosystems due to the consistency and toxicity of oil. While the introduction of the International Convention for the Prevention of Pollution from Ships (“MARPOL”) and other regulations has resulted in significantly fewer spills over the years, there remains a risk of spills as a result of the grounding of vessels against the seabed, hull failure, explosions or

complications during loading and discharging operations, and other accidents<sup>1</sup>. Navigare Capital monitors the amount of spillage from its vessels to measure its ecological impact, and to evaluate the technical and safety systems it has in place.

In 2023, there were no oil spills on Navigare Capital's time-chartered vessels or vessels in joint ventures. Vessels on bareboat charters do not regularly report to Navigare Capital on their operational conditions, including the occurrence or absence of oil spills. However, Navigare Capital would, as an owner, be alerted in the event of any significant oil spills on these vessels.

### E.3.3 Ballast water treatment

Ballast water, though essential for safe and efficient modern shipping operations, may also have negative ecological impacts due to the multitude of marine species carried in vessels' ballast water.

For this reason, the IMO adopted the International Convention for the Control and Management of Ships' Ballast Water and Sediments (“BWM Convention”), which came into force on 8 September 2017. The Convention requires all vessels engaged in international trade to manage their ballast water to avoid introducing alien species into coastal areas, including exchanging their ballast water or treating it using an approved ballast water treatment (“BWT”) system. Vessels not equipped with BWT systems by 8 September 2017 have until their first special survey thereafter to have one installed, meaning all vessels should have a BWT system in place no later than 7 September 2024. Until then, the vessels are required to exchange their ballast water away from coastal areas and limit the number of species discharged into the ocean.

All vessels managed by Navigare Capital's funds are equipped with BWT systems and are in full compliance with the IMO's regulation on ballast water management.

<sup>1</sup> European Environmental Agency: EN15 Accidental oil spills from marine shipping.

## E.4 Task Force on Climate-Related Financial Disclosures analysis

Navigare Capital has a strong focus on risk management, particularly climate-related risks, which are a concern shared by its investors, lenders and insurers. This section contains Navigare Capital's disclosures of climate-related risks and opportunities in line with the Task Force on Climate-Related Financial Disclosures ("TCFD"). These disclosures contribute to the understanding of how climate change may impact Navigare Capital's business and what Navigare Capital can do to mitigate risks and seize opportunities. In addition, they lend assurance to the robustness of the company's climate change mitigation strategy. Moreover, demand is growing for standardised, climate-related risk disclosures in the financial sector that are consistent, comparable and clear. The TCFD promotes standardised reporting of financially material climate-related risks and opportunities and is therefore the preferred reporting framework.

### E.4.1 Methodology and assumptions

To discern the financial implications of climate-related risks and opportunities for the company, Navigare Capital has conducted a scenario analysis. The scenario includes qualitative and quantitative analysis based on a 1.5-to-2-degree scenario to inform core assumptions about future global warming and global societies' response to this. This scenario is based on the International Energy Agency's ("IEA") Net Zero by 2050 report and expert interviews, which assume that the global average temperature will increase to 1.5 to 2 degrees above pre-industrial levels. In this scenario, the world will manage to limit GHG emissions substantially through disruptive and short-term changes in policy such as higher carbon taxes, increased availability of green fuels and products, and lower demand for emission-heavy fuels and conventional, fossil fuel-based products. However, policy responses such as these will not be sufficient to prevent further global warming completely; there will still be long-term, incremental changes to the climate in certain regions which may cause increased storm intensity, wind strength and wave height.

### E.4.2 Navigare Capital's risks

Navigare Capital has identified three key climate-related transitional risks associated with global decarbonisation. It is important to note that these risks also represent opportunities for Navigare Capital.

- The first risk identified is the reduced need to transport fossil fuels as demand for these commodities wanes. As the world continues to decarbonise, demand for fossil fuels is expected to fall, which in turn will lead to reduced demand for transportation of these commodities.
- The second risk relates to the implementation of a carbon tax on vessels. An inefficient fleet will likely incur higher costs and lower the marketability of vessels.
- The third risk relates to the transition to lower-emission technology. Uncertainty regarding future propulsion technology might shorten the effective lifespans of vessels and negatively impact revenues and access to capital.

Further information on the financial impact, mitigation strategies and opportunities related to these risks can be found in exhibit E10.

### E.4.3 Conclusion

The TCFD scenario analysis provides valuable insights into the robustness of Navigare Capital's strategy in terms of climate-related risks and opportunities. It will be incorporated into the company's due diligence process in all future acquisitions. With this initiative and the aforementioned mitigation strategies, it is Navigare Capital's belief that these potential risks will prove to be opportunities for the company going forward.

## Exhibit E10: Climate risk reporting

### Market

Risk	Potential financial impact	Mitigation strategy	Opportunity
<p>Reduced need to transport fossil fuels as demand for these commodities wanes.</p>	<ul style="list-style-type: none"> <li>To reach net zero in 2050 and limit temperature rises to 1.5-2 degrees Celsius, it is crucial that demand for coal and oil decreases. Oil and coal supply must be reduced by 78% and 90%, respectively, from today until 2050<sup>1</sup>.</li> <li>With a substantial decrease in oil and coal supply, the current global fleet will exceed tonnage demand, causing vessels in these segments to possess a risk of:               <ul style="list-style-type: none"> <li>Stranded assets and reduced exit prices</li> <li>Reduced earnings</li> </ul> </li> <li>The risks are less severe for dry cargo vessels than for oil tankers, as they can transport commodities other than coal.</li> <li>Demand for transportation of new commodities onboard tankers (e.g. green fuels) and bulkers (e.g. minerals) might increase in tandem with demand for transportation of fossil fuels subsiding.</li> </ul>	<ul style="list-style-type: none"> <li>Navigare Capital will always be segment-agnostic and can therefore choose on a case-by-case basis whether or not to invest in oil tankers or coal-transporting dry cargo vessels. Moreover, the organisation may impose limitations on the share of a particular fund's allocation to oil tankers or bulkers.</li> <li>Navigare Capital will assess the sensitivity of oil and coal demand and identify future shifts in demand on a regular basis and conduct further due diligence to identify the commercial risks for oil tankers and dry cargo vessels when making acquisitions. Moreover, it will monitor the evolving demand for new and greener types of commodities transported onboard these vessels, as well as the possibilities for retrofitting tankers to enable them to transport these new greener commodities, in order to mitigate the risks associated with declining oil demand.</li> <li>Navigare Capital will pursue a strategy that is focused on long-term employment for vessels and yield from operations. This strategy will mitigate the risk of sudden sharp market deteriorations including declining asset values or charter rates due to lower oil or coal demand.</li> </ul>	<p>By holding a segment-agnostic fleet, Navigare Capital is in a strong position to capitalise on upcoming shifts in demand as new commodities are required.</p>

### Risk level



<sup>1</sup> IEA: Net zero by 2050.

## Policy and legal

Risk	Potential financial impact	Mitigation strategy	Opportunity
<p>The implementation of a carbon tax and GHG emissions reduction requirements on vessels.</p>	<ul style="list-style-type: none"> <li>• The introduction of a carbon tax for vessels operating in the European Union (“EU”) through an emission trading system (“ETS”) as of 2024 will lead to increased costs, as shipping companies will be required to purchase and surrender allowances corresponding to their CO<sub>2</sub>e emissions. The EU ETS follows the “polluters pay” principle, which holds charterers liable for the cost of the allowances, meaning that Navigare Capital will not directly face increased operational costs. However, the increased costs will likely be pushed onto the end users, which may lead to lower demand for products.</li> <li>• Now that the EU ETS has come into effect, Navigare Capital will initially have a competitive advantage, as its relatively fuel-efficient fleet provides charterers with lower operating expenses compared to the average vessel in the global fleet. As Navigare Capital is liable for the cost of emissions allowances during off-hire periods, it could incur additional expenses if vessels do not remain in sound technical condition.</li> <li>• However, this advantage may disappear as the global fleet continues to improve. This may pose a challenge, as Navigare Capital typically owns vessels aged five to seven years, and thus will likely have an incentive to retrofit vessels to achieve the necessary efficiency savings.</li> <li>• If Navigare Capital’s fleet becomes less efficient than the global average, the carbon tax will become a risk. Conversely, if Navigare Capital succeeds in maintaining an efficient fleet relative to the global average, the carbon tax will remain an opportunity.</li> </ul>	<ul style="list-style-type: none"> <li>• Navigare Capital will assess the costs of carbon emissions incurred by the EU ETS as well as ongoing legislative developments during its due diligence process as an additional decision-making factor when making vessel acquisitions.</li> <li>• Compliance with the EU ETS requires coordination across multiple layers of the shipping supply chain, including in-house vessel operators, technical managers and charterers. Navigare Capital has installed data verification systems across its fleet to track vessels’ locations and ensure smooth data-sharing between parties.</li> <li>• Navigare Capital has implemented contract terms with its charter parties to ensure that charterers are accountable for the costs associated with vessels’ emissions, including their voyage and speed decisions.</li> <li>• Navigare Capital has begun adjusting its fleet composition to prepare for the transition to alternative fuels, taking delivery of three container feeder vessels in 2023 with methanol-ready notation, with three more scheduled for delivery in 2024.</li> </ul>	<p>Navigare Capital has a strong preference for holding energy- and fuel-efficient tonnage. This will yield an even bigger competitive advantage going forward given the increasing regulatory focus on energy and fuel efficiency. By taking into consideration the longevity of the technological specification of each investment, Navigare Capital remains in a strong position for regulatory compliance.</p>

### Risk level



## Technology

Risk	Potential financial impact	Mitigation strategy	Opportunity
<p>Transition to lower-emissions technology.</p>	<ul style="list-style-type: none"> <li>• The transportation sector will need to transition to zero-carbon fuels to reach net zero by 2050. Uncertainty relating to future propulsion technologies is high, as the current low-/zero-emission technology for deepsea shipping is limited. Early adoption of new propulsion methods may be risky, as the chosen technology might not be the long-term winner. Maritime fuels such as methanol and ammonia are currently the most promising solutions for the shipping sector, but availability is still limited and costs are significantly higher than for conventional fuels.</li> <li>• With the introduction of carbon taxes such as the EU ETS, the cost of operating vessels on conventional fuels will increase, while green fuels will become gradually cheaper. However, vessels able to run on green fuels are expected to require larger capital expenditure and initially higher fuel costs. To some extent, this may be balanced out by a premium on charter rates, asset values and cheaper financing options in the short to medium term.</li> <li>• Thus, there will be a point of breakeven between the higher capital expenditure and lower operating expenditure sooner rather than later. This could lead to diminishing asset values and lifetimes, leading to write-offs of existing vessels and new vessels not fitted with low-/zero-emission technology.</li> <li>• The mandated reduction of the GHG emissions intensity of vessel fuel by the upcoming FuelEU Maritime regulation will likely increase operational and vessel costs. Compliance will require the partial phasing out of conventional marine fuels, requiring the uptake of more costly bio and e-fuels, as well as investments in engine retrofits and newbuildings designed to operate on alternative fuels.</li> </ul>	<ul style="list-style-type: none"> <li>• Navigare Capital will make assessments of dual-fuel newbuildings and retrofits of active vessels as part of its due diligence process, while also analysing the cost effectiveness of utilising various green fuels in different price scenarios. It has already entered into joint ventures which have purchased six container feeder vessels with methanol-ready notation, four of which are currently in operation, and five CSOVs/SOVs with battery hybrid propulsion, three of which are currently in operation<sup>1</sup>.</li> <li>• Navigare Capital will continue to actively engage in the operation of vessels and is therefore always in close contact with charterers. Maintaining active dialogue will enable the company to test charterers' willingness to pay for dual-fuel vessels in order to make informed decisions on such investments.</li> <li>• Navigare Capital will keep up ongoing discussions with loan providers on the future financing costs of vessels with and without low-emission technology.</li> </ul>	<p>Adopting the dominant future technology could enable Navigare Capital to achieve a premium on charter rates and asset values. Navigare Capital will use its extensive network in the shipping industry to stay informed about technological advances and ensure that portfolio vessels have the appropriate specifications.</p>

### Risk level



<sup>1</sup> Number of vessels in operation as of 31 March 2024.



# Social

The contribution of the maritime industry to society extends beyond economics, supporting social wellbeing and sustainable development. By facilitating the distribution of essential goods and commodities, it provides a crucial service that supports quality of life and bolsters global connectivity and trade. Navigare Capital uses its position as a vital element of the worldwide supply chain to ensure that seafarers enabling global transport do so while benefiting from safe and secure working conditions.

## 2023 social KPI highlights

**Zero** port state control detentions

**42%** female employees in Navigare Capital<sup>1</sup>

<sup>1</sup> The KPI is measured as of year-end 2023 and includes all employees and student assistants, but excludes the four founding partners.

Navigare Capital strongly emphasises the safety and wellbeing of both its onshore and offshore workforce, and in doing so, it supports Sustainable Development Goal (“SDG”) 8, promoting inclusive and sustainable growth through employment with decent working conditions. To put these principles into practice, Navigare Capital takes various measures, such as carefully selecting top-tier technical management companies, operating vessels under reputable flags, actively participating in Danish Shipping, a trade and employer organisation for more than 90 shipowners and offshore companies in Denmark, and implementing additional programmes to enhance the quality of life for its seafarers. For a more detailed overview, please refer to exhibit S1.

Navigare Capital's approach to reporting on its social impact centres on three key areas, identified as material in the 2021 materiality assessment: accident prevention, labour rights, and diversity. KPIs reported within accident prevention and labour rights focus on seafarers, as they face elevated risks while working on Navigare Capital's vessels. These KPIs are limited to seafarers on time-chartered vessels and vessels in joint ventures, and do not encompass those on bareboat-chartered vessels, given the company's limited control over the working conditions on the latter. Additionally, Navigare Capital discloses diversity-related KPIs, including age and gender distribution and remuneration ratios between genders, offering a clear picture of the workforce composition at its corporate headquarters.

## S.1 Health, safety and wellbeing

Navigare Capital is required to operate its fleet in accordance with a comprehensive set of international standards governing maritime safety and labour practices. These regulations, overseen by organisations such as the International Maritime Organisation (“IMO”) and the

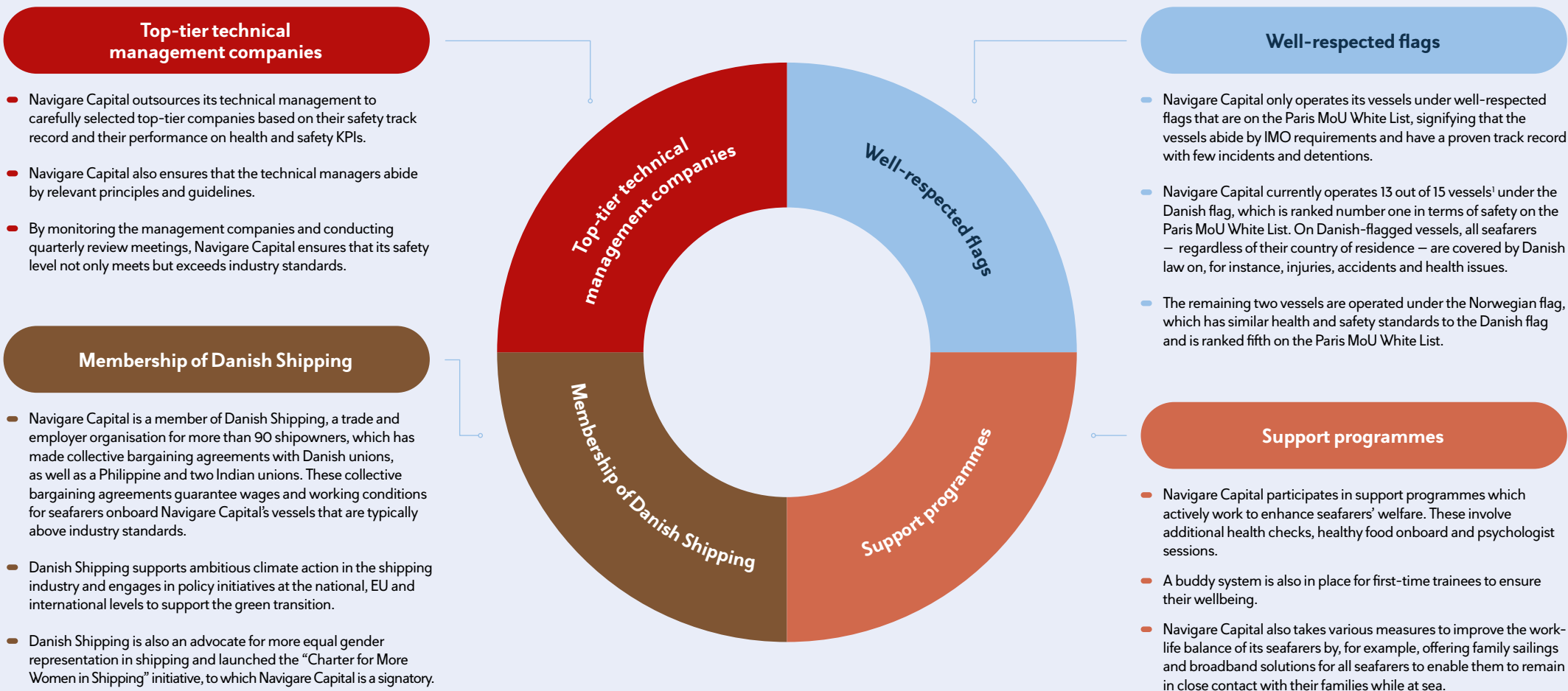
International Labour Organisation (“ILO”), ensure labour standards and fair working conditions for seafarers. The majority of Navigare Capital's vessels operate under the Danish flag, meaning they must also comply with the certification and inspection requirements stipulated by the Danish Maritime Authority (“Søfartsstyrelsen”). In addition, operating under the Danish flag provides seafarers with comprehensive labour protections backed by Danish regulations. This commitment extends to all seafarers onboard Danish-flagged vessels, irrespective of their national origins. These regulations span various aspects, from provisions for work-related injury compensation, to sick pay and vacation entitlements.

The choice to operate vessels under the Danish flag not only ensures a high level of legal protection and high regulatory standards, but also establishes an independent mechanism for seafarers to report potential violations of maritime safety and labour regulations, as seafarers are entitled to access the established whistleblower system of the Danish Maritime Authority, supplemented by a parallel channel administered by the technical managers.

All of Navigare Capital's vessels that do not operate under the Danish flag – namely, the Norwind Breeze and Norwind Gale – operate under the Norwegian flag, which closely mirrors the health and safety standards upheld by Danish-flagged vessels. The Norwegian Maritime Authority also has an established whistleblower system in place.

The whistleblower function onboard vessels is an important mechanism for reporting incidents of harassment or bullying, in addition to safety and labour violations. One such incident occurred in 2023 when a crew member on the Norwind Breeze harassed another crew member, causing them to feel unsafe. Action was swiftly taken in coordination with the Norwegian Seafarers' Union, which resulted in the prompt removal of the offending crew member.

## Exhibit S1: Promoting seafarers' wellbeing on vessels



<sup>1</sup> As of 31 December 2023.

The Danish and Norwegian flags rank first and fifth, respectively, on the Paris MoU White List, a ranking of the best-performing flag states based on port state control detention rates.

Navigare Capital relies on third-party technical managers to conduct vessel operations and crewing but maintains diligent in-house monitoring systems overseen by the technical team. In accordance with the Maritime Labour Convention (“MLC”), all of Navigare Capital’s vessels operate within a comprehensive framework enforcing health and safety standards. The health and safety conditions onboard are subject to external audits conducted by classification societies and internal assessments overseen by Navigare Capital’s technical team, who conducts vessel inspections to verify that working and operating conditions align with environmental, social and governance (“ESG”) standards, in addition to the contractual commitments set forth by Navigare Capital. An overview of these regulatory and internal mechanisms to monitor healthy and safety is shown in exhibit S2.

Ongoing monitoring of conditions onboard vessels is necessary to pre-empt potential health and safety hazards. Further details on how Navigare Capital addresses safety incidents can be found in exhibit S3.

Despite precautions taken to prevent any risks to crews' safety, unforeseen emergency situations can arise that jeopardise the safety of seafarers. Technical managers are therefore mandated to implement crisis management plans to address potential safety threats to vessels and their crews. These plans, as mandated by the ISM, cover multiple emergency scenarios and set out the first, second and third points of contact at Navigare Capital. Upon notification of an emergency onboard a vessel, Navigare Capital immediately assembles an internal crisis management team consisting of a founding partner, and the Technical Director and the Senior Operations Manager responsible for the vessel to determine how to handle the situation most effectively.

## Exhibit S2: Monitoring of health and safety protocols onboard vessels

### External mechanisms

- Port state controls – Inspection of foreign vessels conducted at ports to check compliance with international conventions and certification requirements. The frequency of PSC inspections depends on the risk level of the particular ship type and age.
- Ship surveys – Inspections and issuance of certifications by the local flag administration or classification societies, including the audits required by the International Safety Management (“ISM”) Code, the International Ship and Port Facility Safety (“ISPS”) Code and the MLC. For further information on the MLC, see section S.3.1 under “labour rights”.
- Whistleblower mechanisms – Independent reporting channels directly to the flag state administration that are clearly marked and available on all vessels. These supplement the additional whistleblower mechanisms run by the technical managers on every vessel.

### Internal mechanisms

- Onboard inspections – The responsible Technical Director from Navigare Capital visits each vessel on a rotating basis to inspect the working and living conditions of the crew, as well as the physical state of the vessel.
- Quarterly reports – The technical managers of Navigare Capital’s vessels submit quarterly reports that span a wide spectrum of KPIs, including insights from port state controls and results of external audits.
- Quarterly review meeting – The technical team holds quarterly meetings with the technical managers to address any findings from the quarterly reports and ensure potential safety or health hazards are mitigated.

### Exhibit S3: Investigative process for safety incidents



#### Investigate

- Navigare Capital starts an investigation to determine the sequence of relevant events leading up to the incident or near miss incident.

#### Identify

- Navigare Capital then identifies the root causes of the incident or near miss incident, and any contributing factors.

#### Implement

- Navigare Capital works with the technical manager to identify and implement the required measures to prevent any similar events from reoccurring across the entire fleet.

#### Ongoing

In addition to quarterly reviews with its technical managers on safety KPIs onboard its vessels, Navigare Capital’s inhouse technical team performs onboard inspections, interviewing crew members and validating safety procedures, to get a first-hand assessment of the safety procedures along with feedback from crew members on potential improvements.

### S.1.1 Seafarer support programmes

Supporting seafarers' wellbeing extends beyond the tracking of safety metrics; it also means implementing policies and procedures that benefit their quality of life. Navigare Capital works with its technical managers to ensure crew members receive services that improve working conditions onboard. Wellbeing programmes include initiatives such as healthy food options, access to fitness equipment and recreational spaces, a buddy system, and high-speed internet for onshore connection. Reliable internet access is a particularly important service for seafarers, in order to secure connectivity with family during long voyages far from shore. Advances in communication technology, such as the Starlink satellite network, have significantly improved internet performance onboard vessels. See exhibit S4 for further insights into the impact of the Starlink network, which is currently in use on one of Navigare Capital's vessels and in the process of being rolled out across the fleet.

Through its technical managers, Navigare Capital has supported other initiatives that positively impact seafarers' working conditions. One such initiative is the frequent and consistent scheduling of crew changes on the *Marvel Swan*, which gives seafarers stability and predictability in terms of the duration of their voyages and allows them to return home at regular intervals. The technical managers also provide seafarers with various benefits, which can include pension agreements and health insurance, in some cases extending to cover seafarers' families onshore. Lastly, access to medical and psychological care is an essential factor determining seafarers' wellbeing. For further details on the medical facilities provided onboard vessels, see section S.2.2 "Safety training and medical care".

#### Exhibit S4: Improving seafarers' onboard internet access

Seafarers often spend long stretches far from land and away from friends and family while employed on vessels. Therefore, one of the most important elements for supporting seafarers' wellbeing is ensuring reliable internet access onboard vessels, so that they can communicate with their loved ones onshore. Secure internet access improves the quality of life for seafarers by allowing them to communicate with loved ones and access online entertainment options. However, securing an internet connection can be a challenge when sailing far into the ocean, as here vessels rely on satellite coverage, with signals varying in strength depending on location and weather conditions.

Navigare Capital invests in robust internet access options on its vessels to give seafarers the best possible internet connection, which in turn supports higher seafarer retention rates. In 2023, Navigare Capital began installing the newly available Starlink network on its vessels. The Starlink network consists of thousands of satellites orbiting the Earth at much closer range

than the traditional geostationary satellites that have been used to provide internet connection to vessels. Due to the low orbit of the Starlink satellites, the network is able to provide stronger and faster connection than the system widely used in the maritime industry currently. The network is already in use on the *Navigare Generosa*, and there are plans to install Starlink network access to the rest of the fleet throughout 2024. Crews can easily set up network access on vessels during port calls.

Navigare Capital's fleet currently integrates several network options in order to provide connection in as many locations and voyage scenarios as possible. All vessels are currently equipped with FleetBroadBand ("FBB") and VSAT network connection, which together equip vessels with internet and cellular coverage in a wide range of locations. The addition of Starlink network access will allow the vessels to maintain strong network connection so that seafarers can stay in touch with family and access the internet, even when sailing in remote areas.



## S.2 Accident prevention

Navigare Capital maintains a firm commitment to the safety of seafarers onboard its vessels, striving to exceed regulatory standards and operate in line with best industry practices. In keeping with this, Navigare Capital only enters into business relationships with technical managers that have strong safety records and that have committed to the same United Nations (“UN”) principles and guidelines as itself. This alignment ensures that Navigare Capital’s counterparties share its commitment to responsible business conduct.

This section of the report describes Navigare Capital's accident and safety performance, measured through KPIs such as lost time injuries (“LTI”) and port state control deficiencies and detentions. In addition to tracking its performance on these metrics, Navigare Capital seeks to provide a positive work environment by fostering a culture of open communication, and ensuring equitable working conditions for all employees, both onshore and offshore.

### S.2.1 Lost time injuries

Despite the precautions taken and safety procedures implemented, the nature of seafaring regularly exposes crew members to potentially hazardous situations. However, according to the European Maritime Safety Agency, the number of fatalities and injuries occurring on commercial vessels showed a downward trend between 2014 and 2022<sup>1</sup>. The main causes of injuries across the European fleet or within

<sup>1</sup> European Maritime Safety Agency: Annual Overview of Marine Casualties and Incidents 2022.

**Exhibit S5: Lost time injuries<sup>1</sup>**



<sup>1</sup> This KPI covers activities onboard all vessels owned by the funds managed by Navigare Capital, but excludes vessels on bareboat charter.

<sup>2</sup> Lost time injury frequency for ships is calculated as lost time injuries x 1,000,000 / number of exposure hours. A “lost time injury” is a fatality, permanent total or partial disability, or a lost workday case.

European seas were stumbling and falling, walking, kneeling or leaning on something leading to external injuries, and loss of control of equipment or machinery.

Navigare Capital tracks LTIs, incidents and near-miss incidents for all vessels on time charter contracts and in joint ventures, and takes a systematic approach to investigating events and implementing adequate prevention measures. It additionally tracks total recorded cases (“TRC”) of injuries onboard vessels, even if they do not result in lost working days. These KPIs provide an overall picture of the safety of working conditions and the wellbeing of seafarers onboard vessels.

In 2023, Navigare Capital recorded over 1.56 million working hours, with three work-related safety incidents across both funds, of which one resulted in lost time. The lost-time injury involved a crew member who injured his hand while conducting an inspection onboard a vessel, resulting in several fractures. The injured crew member received immediate first aid on the vessel before disembarking for further onshore medical care. The crew member was then repatriated to receive further treatment and has since recovered and returned to work. Following the incident, a full investigation was conducted into the contributing factors, which led to the implementation of new procedures and requirements for protective equipment to prevent the reoccurrence of injuries during that inspections. The other cases involved a seafarer who bruised his ankle after being hit by a rope during a mooring operation and a seafarer who was hit on the head by a faulty crane while working in the engine room without a helmet. Both received immediate first aid onboard before receiving medical evaluations onshore and were eventually able to return to their duties. The frequency of total recorded cases across both funds was 1.92 per one million hours worked, meeting Navigare Capital’s target frequency of below two. This is considered low compared to industry standards.

Navigare Capital takes a proactive approach to investigating safety incidents, working with its technical managers to analyse lost time injuries or near miss incidents and ensure safety procedures remain relevant to the situation onboard vessels. Navigare Capital follows a

systematic three-step procedure, as described in exhibit S3, to ensure that adequate actions are taken along with future preventive measures.

### S.2.2 Safety training and medical care

Adequate safety training and medical facilities onboard vessels are essential for preventing accidents and protecting the health and wellbeing of seafarers. Depending on the position and rank of the seafarer, different certifications are required by the Danish Maritime Authority, ranging from training in basic safety to training in maritime legislation. Danish-flagged vessels are required to have a certified medical examiner onboard, whose certificate must be renewed at least every five years. In addition, all vessels must appoint a dedicated safety officer, who must meet the training requirements of the ISM.

Due to the challenges of organising medical care far from shore, onboard medical facilities are subject to regulation by the Danish Maritime Authority, which specifies the required level of training and necessary inventory of first aid and medical equipment. Danish-flagged vessels have 24/7 access to remote medical help through Radio Medical, a medical unit based in Sydvestjysk Hospital in Esbjerg dedicated to the Danish fleet. In cases of severe medical issues that require treatment beyond that available onboard the vessels, swift onshore care is arranged, potentially involving ship diversion or helicopter evacuation by the Danish military, depending on the gravity of the situation.

Furthermore, as part of Navigare Capital’s commitment to ensuring safe conditions onboard vessels, it scrutinises the health and safety measures put in place by the technical managers prior to entering into agreements with them. As seafarers are susceptible to stress and mental health challenges arising from intense working conditions and long stretches of time away from shore, psychological support is typically offered as a 24/7 remote service through the technical managers.

## Exhibit S6: Port state controls<sup>1</sup>



<sup>1</sup> This KPI covers activities onboard all vessels owned by the funds managed by Navigare Capital, but excludes vessels on bareboat charter.

### S.2.3 Port state controls

A port state control (“PSC”) is an inspection carried out by the local flag administration to verify a vessel’s condition and its equipment’s conformity to international regulations. It also ensures that the vessel’s operation and crew adhere to these regulations to uphold maritime safety, security and pollution prevention. Navigare Capital maintains a clear objective of zero detentions and up to 0.5 deficiencies per PSC conducted on its time-chartered vessels and those in joint ventures. These targets are low compared to industry standards, reflecting Navigare Capital’s dedication to upholding high operational standards. While deficiencies typically refer to infractions that can be corrected immediately or within a short time frame, a vessel can also be detained for a serious violation that endangers the crew or vessel.

Navigare Capital had a total of 21 port state controls in 2023. Following these, Navigare Capital had zero detentions, but an average of 0.76 deficiency per port state control, which includes one MLC-related observation across its time-chartered vessels and vessels in joint ventures and subsidiaries. All were rectified immediately or shortly afterwards, allowing the vessels to continue their journeys without any delays, and appropriate measures were taken to ensure future compliance.

In total, 16 deficiencies were found during PSC inspections on the Rome Express, Southampton Express, Cape Scott, Cape Spencer and Navigare Generosa. The deficiencies resulted from infractions including a misplaced certificate, which was found shortly afterwards,



an out-of-date document, ordinary wear and tear of certain machinery, faulty equipment that needed repairing, missing signage, and corrective action that was required in relation to the vessel's ISM code. The majority of the observations – nine out of 16 – were found on two vessels in the period between being sold and being delivered to the new owners, a period when the focus on maintaining a vessel's condition tends to wane. This was also the case with the Navigare Bellus after it was sold in 2021. Navigare Capital is aware of this issue and will put more effort into avoiding this in the future. The number of PSC deficiencies was above the level targeted by Navigare Capital, but still well below industry standards. Nevertheless, Navigare Capital will take action to ensure future alignment with its targets.

### S.3 Labour rights

Navigare Capital takes seriously its obligation to operate with full respect for the labour rights of those employed on vessels, as well as for employees at Navigare Capital's headquarters. Underpinning this commitment is Navigare Capital's ESG principles, which incorporate the United Nations ("UN"), Organisation for Economic Co-Operation and Development ("OECD") and International Labour Organisation ("ILO") frameworks pertinent to the maritime sector. These principles form the foundation of the policies Navigare Capital extends to its counterparties. All charterers are obligated to operate vessels in observance of the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the ILO Declaration on Fundamental Principles of Rights at Work, guaranteeing that Navigare Capital and its associates conform to globally recognised benchmarks for human and labour rights.

#### S.3.1 Maritime Labour Convention

Navigare Capital's vessels are obligated to operate in compliance with the MLC adopted by the ILO in 2006, which sets out the minimum requirements for seafarers' working conditions,

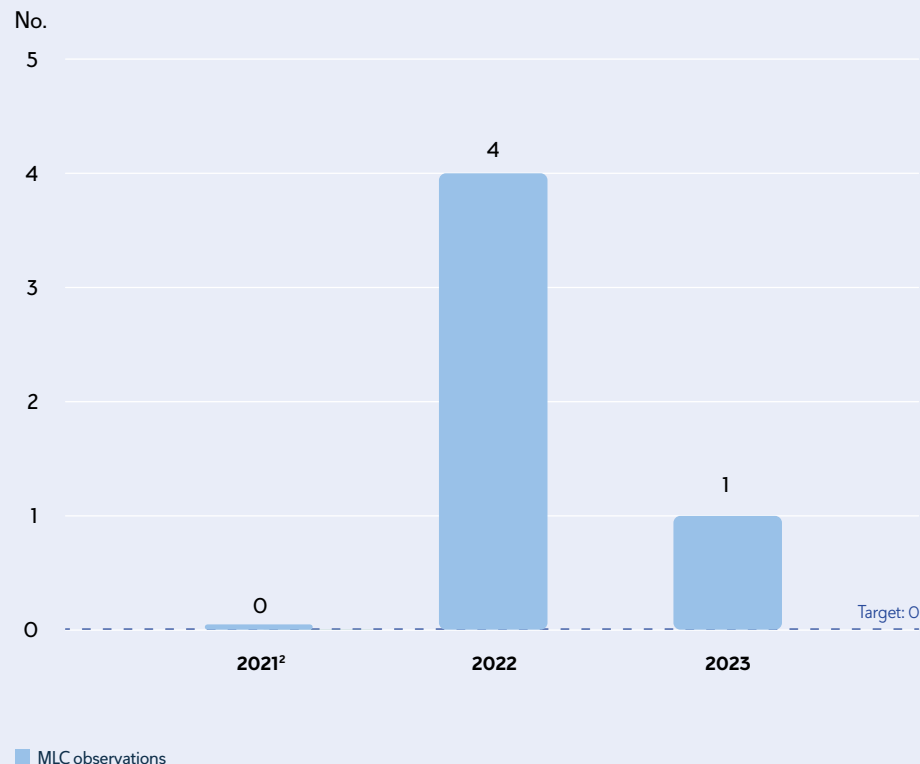
their conditions of employment, facilities while onboard, and health and welfare protection. The convention obliges all vessels engaged in international trade to have a Maritime Labour Certificate and a Declaration of Maritime Labour Compliance.

In addition to the audits conducted by the classification societies during the MLC certification renewal process, MLC audits are performed on a regular basis during port state controls. In this section, Navigare Capital includes only MLC observations made during port state controls, as port state controls occur more regularly and thus give the most up-to-date picture of safety and labour conditions onboard vessels. This allows Navigare Capital to more accurately monitor and report on its performance on its safety KPIs. All MLC observations reported here are also included in exhibit S6.

In 2023, Navigare Capital had one MLC observation on its time-chartered vessels and vessels in joint ventures and subsidiaries, an improvement from 2022. The MLC observation was due to a faulty ventilation system in the paint room onboard one of the vessels, which was resolved prior to departure from the port.

Besides the audits carried out by the classification societies and the port state controls, Navigare Capital's technical managers perform internal audits, and in the event of any issues being found, these are tracked and investigated to prevent reoccurrence. Furthermore, Navigare Capital monitors and tracks MLC audit performance for its technical management companies' entire fleets to ensure compliance and adequate attention to the topic.

### Exhibit S7: MLC observations during port state controls<sup>1</sup>



<sup>1</sup> This KPI covers activities onboard all vessels owned by the funds managed by Navigare Capital, but excludes vessels on bareboat charter.

<sup>2</sup> This KPI is based on 2021 methodology and only includes MLC observations made during the MLC certification renewal process.

### S.3.2 Collective bargaining agreements

Due to the variation in labour regulations between countries, Navigare Capital aims to operate vessels under well-respected flags to secure safety and good labour conditions for its seafarers. Therefore, all vessels except for the Norwegian-flagged Norwind Breeze and Norwind Gale currently operate under the Danish flag, ensuring a high level of legal labour protection for all crew members. In addition, Navigare Capital is a member of Danish Shipping, a trade and employer organisation for more than 90 shipowners and offshore companies in Denmark, which has made collective bargaining agreements with Danish unions as well as with foreign unions, guaranteeing wage and working conditions that are usually above industry standards. This is ensured through binding contracts with Navigare Capital's technical management companies. Collective bargaining agreements for foreign crew members apply to seafarers represented by one of the foreign unions Danish Shipping has made agreements with, which includes a Philippine and two Indian unions, and, as of October 2023, Ukrainian officers onboard Danish-flagged ships. Collective bargaining agreements are also expected to be extended to all Ukrainian seafarers in the near future. For seafarers from countries other than those with collective bargaining agreements with Danish Shipping, Navigare Capital has ensured employment conditions on a par with international standards through contractually binding agreements with its technical managers. Navigare Capital believes that collective bargaining agreements help secure the best working conditions for crew members all over the world, and hence supports the right of all seafarers to be covered by a collective bargaining agreement.

In addition to the various international health and safety standards regulating maritime working conditions, Danish-flagged vessels are covered by additional measures as stipulated by the Danish Maritime Authority and the collective bargaining agreements entered into by Danish Shipping. For instance, a mandatory safety committee is formed on each vessel, whose members are elected among the crew and officers to discuss occupational health and safety matters on the ship and which can submit proposals for improving conditions. Members of the safety committees are required to hold a certificate of occupational health and safety training

recognised by the Danish Maritime Authority. More information on the responsibilities of the safety committees on vessels can be found here: <https://dma.dk/>.

Other formal committees that facilitate seafarers' participation in managing working conditions include SEA HEALTH & WELFARE, which provides guidance and training on a wide range of occupational health issues affecting crew members onboard vessels. The board of SEA HEALTH & WELFARE consists of representatives appointed from among the employers and Danish maritime unions. Further information on the services provided by the organisation can be found here: <https://shw.dk/>. Navigare Capital's commitment to ensuring adequate protection of seafarers, in conjunction with international regulation of maritime working conditions, is reflected in the relatively low number of injuries, deficiencies and detentions reported on its vessels.

### S.4 Diversity

Diversity is an important measure of the inclusivity of a workplace and presents different challenges within onshore and offshore operations. Attracting women to sea-based work continues to be difficult, in part due to the challenging conditions faced by female seafarers on vessels. Women make up less than 2% of the global seafaring workforce, the majority of whom are employed within the cruise industry<sup>1</sup>. Of these female seafarers, 60% experience discrimination on the basis of their gender, according to an industry survey<sup>2</sup>. The survey describes a number of challenges faced by female seafarers onboard vessels, such as harassment, bullying, isolation, and insufficient access to sanitary products, healthcare and personal protective equipment. Still, Navigare Capital brings female seafarers onboard after careful consideration of the conditions on that vessel and when it can ensure that at least two female crew members are employed together. In 2023, there were 20 female seafarers employed across Navigare Capital's

<sup>1</sup> IMO: Women in Maritime Survey 2021.

<sup>2</sup> WISTA International: The Diversity Handbook.

fleet of which 15 were employed on three of Navigare Capital's RoRo vessels in positions ranging from deck officer to stewardess and cadet. There were also four female seafarers employed on Navigare Capital's CSOVs as caterers or stewardesses, in addition to one female trainee engineer. Furthermore, while there has been progress in increasing the level of female representation in shore-based operations in the maritime industry, there continues to be a disparity between the number of women and the number of men employed at the C-Suite and board levels.

### S.4.1 Gender diversity

Navigare Capital tracks several diversity-related KPIs for headquarters-based employees to measure its performance in promoting a diverse and equitable workforce. These KPIs include only Navigare Capital's own employees, as Navigare Capital has direct control over their working conditions and the policies that affect them, while the technical managers responsible for crewing on the vessels have their own diversity KPIs and initiatives, which Navigare Capital supports. Furthermore, Navigare Capital sets clear targets for gender representation and is a signatory of Denmark's "Charter for more women in shipping", both of which promote SDG 5 on gender equality. The charter obliges Danish shipping companies to devise a strategy or plan to increase the proportion of women and describe and propose initiatives to support this. One such step Navigare Capital has taken is ensuring that job advertisements are published without biased content, and setting a minimum requirement of 25%, where possible, for the share of female candidates for each new position. If multiple candidates are equally qualified, a candidate from the minority gender can be favoured. Navigare Capital has also opted to use a female recruiter to avoid bias in the employment process. In addition, attention is given to other important characteristics that contribute to the diversity of a workplace, such as nationality, which Navigare Capital demonstrates through a multicultural workforce representing over six countries, including four continents.

Navigare Capital aims to have equal gender representation in its workforce and has set a target for at least 50% of employees to be female, excluding the four founding partners at its headquarters. In 2023, 42% of Navigare Capital's workforce consisted of women, a decrease

## Exhibit S8: Gender diversity among employees

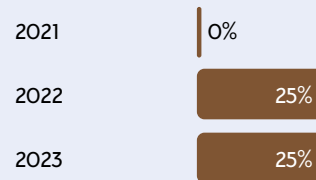
### Employees<sup>1</sup>



### Management



### Board of Directors

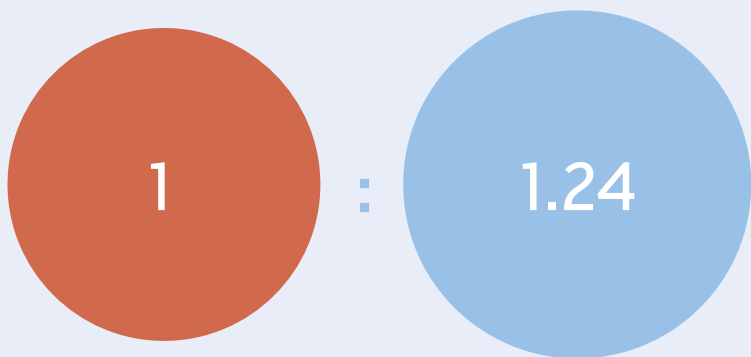


<sup>1</sup> This KPI is measured as of year-end 2023 and includes all employees and student assistants, but excludes the four founding partners.

## Exhibit S9: Remuneration ratio between genders<sup>1</sup>

**!** Navigare Capital is an equal opportunities employer committed to equal pay for equal work

**Ratio of average remuneration of women to average remuneration of men<sup>2</sup>:**



■ Women ■ Men

<sup>1</sup> Remuneration consists of all fixed salary payments received during a year plus pension contributions.

<sup>2</sup> This KPI includes employees employed as of 31 December 2023, but excludes the four founding partners and student assistants. The remuneration of part-time employees is calculated as full-time equivalent remuneration.

from the previous year and below the target for female representation. In addition to the drop in female representation at the employee level, there remains a lack of female representation at the partner level.

Navigare Capital’s diversity and inclusion policy sets out its expectations for workplace conduct that is respectful of others regardless of gender, age, culture, nationality, ethnicity, physical abilities, political and religious beliefs, sexual orientation, and other attributes. It also formalises certain options for increased work flexibility to accommodate the differing needs of employees, including working from home, opportunities for part-time employment and access to parental leave arrangements.

The disparity in pay between men and women is another persistent social issue, including in Denmark, where the gross wage of a male employee in the private sector is estimated to be 12.3% higher than that of a woman. This is the case even after accounting for differences in job status and function<sup>1</sup>. Navigare Capital is thus committed to providing equal pay for equal work regardless of employee gender. It reports the ratio of average pay between men and women to measure its performance in terms of promoting an equitable workplace. However, as this KPI considers all full- or part-time employees irrespective of their role, excluding the four founding partners, the average male salary was 24% higher than the average female salary in 2023, resulting from a higher concentration of men in senior positions.

The increase in the average remuneration of male employees versus female employees compared to the previous reporting period was mostly due to the addition of two new male partners and the promotion of one male employee to associate partner in 2023; there are no female employees of the same seniority.

<sup>1</sup> VIVE: Kønsforskelle i timeløn i den private sektor - med særlig fokus på funktionærer, 2023.



# Governance

Navigare Capital places a strong emphasis on upholding sound corporate governance as a fundamental pillar of its operational framework. This commitment to governance extends to ensuring transparency, accountability and ethical business conduct within its own organisation, as well as in its interactions with diverse stakeholders such as investors, financial institutions, customers and technical managers. As a fund manager operating in the maritime sector, Navigare Capital has to navigate the complexities of compliance with a diverse set of regulations, encompassing both financial and maritime protocols. It consistently aims to refine its corporate governance practices, aligning with Sustainable Development Goal (“SDG”) 18 by fostering a business environment that promotes stability, fairness and robust institutional structures.

## 2023 governance KPI highlights

# Zero

accepted requests for bribes  
and facilitation payments

# Zero

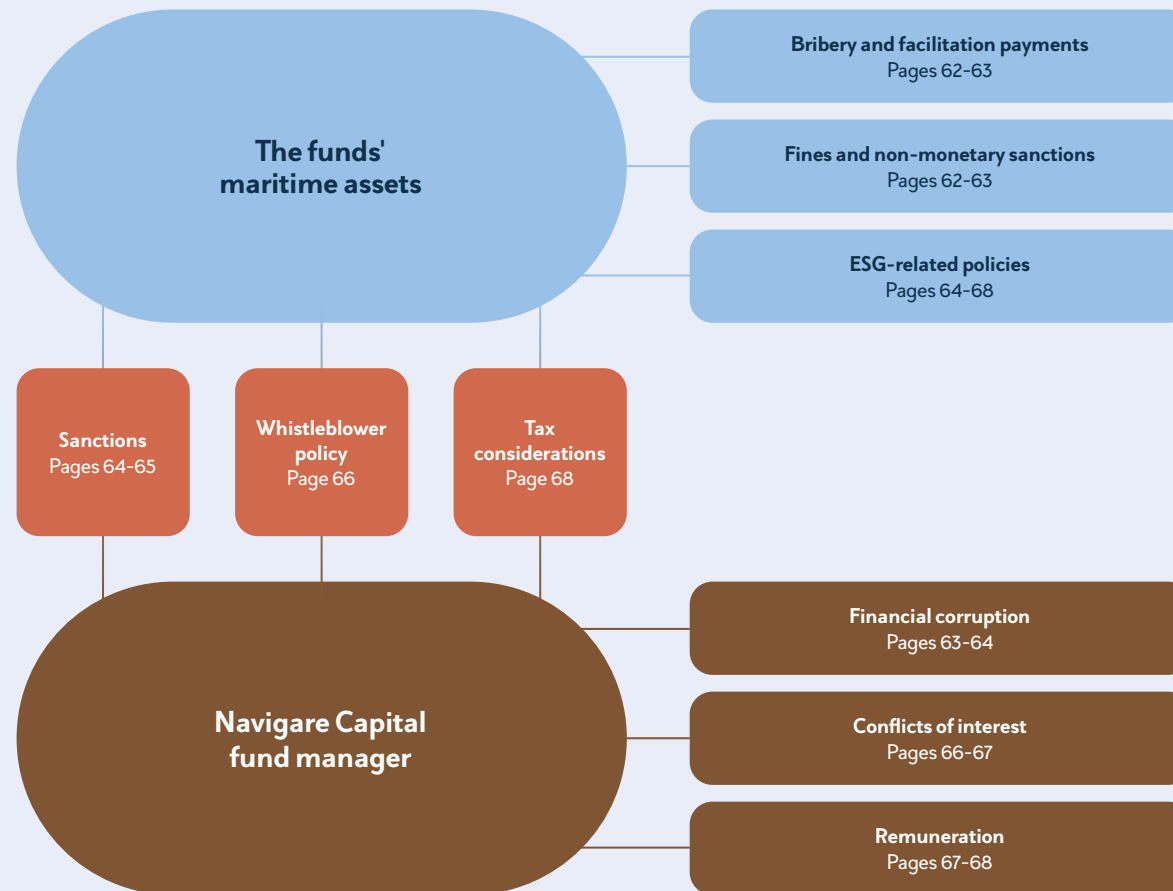
violations of  
international sanctions



### Exhibit G1: Overview of key governance issues related to corruption and taxation

In order to report on its performance on governance and the most significant issues relating to this, Navigare Capital has focused on two specific areas, corruption and taxation, which were identified as material in the materiality assessment.

Navigare Capital, in the capacity of fund manager, and its maritime assets operate in different capacities and are therefore exposed to different corruption risks. In order to distinguish between the governance issues within anti-corruption and taxation reported for different parts of Navigare Capital, the topics have been grouped by entity. For instance, money laundering concerns the risk of Navigare Capital or one of its investors investing illicitly obtained money into the funds, which affects Navigare Capital in its role as an alternative investment fund manager (“AIFM”) and in terms of its compliance with relevant regulations. Meanwhile, bribes and facilitation payments are particularly a risk during vessels’ interactions with port officials. Some topics, such as sanctions, are relevant to both entities, because they affect investors at the fund level and also through cargo restrictions in vessel operations.



## G.1 Corruption and bribery

In the materiality assessment, corruption and bribery were identified as very important governance factors. Navigare Capital is fully aware that corruption undermines sustainable development and that the shipping industry is exposed to this due to its international nature and interactions with authorities at various levels in ports around the world. Bribes or facilitation payments occur when port officials request payments for performing necessary duties such as processing documentation or cargo. Refusal of such requests may lead to delays or unjustified fines, but in rarer cases could also result in detainments or even threats to the safety of crews. While requests for bribes and facilitation payments are typically in the form of demands for small cash payments or low-cost items such as alcohol or cigarettes, the occurrence of corruption of any size threatens the institutional integrity and functioning of global trade. Corruption not only adds to the time and costs of doing business at ports around the world but also threatens the physical safety of crew members.

### G.1.1 Fighting maritime corruption

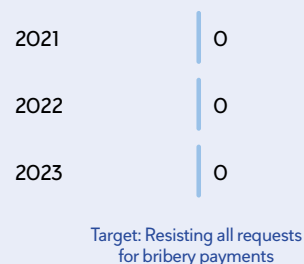
Navigare Capital has a zero-tolerance policy regarding corruption, bribery and facilitation payments. In order to minimise the vessels' exposure to any unwanted requests, Navigare Capital is a member of the Maritime Anti-Corruption Network ("MACN"), a not-for-profit organisation established by the maritime industry to tackle corruption. MACN collaborates with key stakeholders, including businesses, governments, civil society and international organisations, to identify and mitigate the root causes of corruption in the maritime sector. Following the successful implementation of "help desks" in Nigeria, Ukraine and Egypt to provide on-the-ground assistance with resisting corruption in local ports, MACN recently expanded its help desk concept to India, where it has helped with tackling bribery and facilitation payment requests at ports in the country.

One of the operational tasks of the Senior Operations Managers in Navigare Capital is to continuously monitor the location of the vessels so that they can take all possible precautions

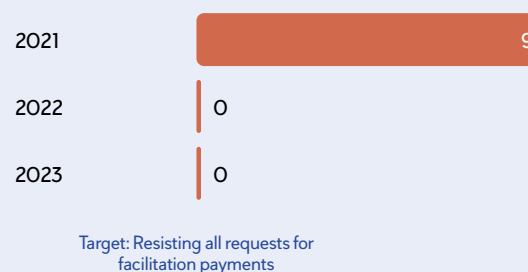
## Exhibit G2: Bribes and facilitation payment requests<sup>1</sup>

**!** No bribes or facilitation payments have been accepted

### Number of incidents where bribes have been requested



### Number of incidents where facilitation payments have been requested



<sup>1</sup> This KPI covers activities onboard all vessels owned by the funds managed by Navigare Capital, but excludes vessels on bareboat charter.

and alert the local MACN help desk to ensure that onshore MACN representatives are on standby to assist if necessary when they enter ports known for corruption risk, including those in Egypt, India, Ukraine and Nigeria<sup>1</sup>. In addition to maintaining the local help desks for these ports, MACN conducts anti-corruption initiatives in Argentina, Bangladesh, Indonesia and Pakistan, where corruption at ports is also commonplace. However, corruption also takes place at ports other than those with an on-the-ground MACN presence, and to capture the full corruption risk picture for the fleet, Navigare Capital has begun calculating the percentage of port calls made at ports with the highest number of corruption incidents, as reported through MACN's incident reporting system from 2011 to 2020. In 2023, only two (0.38%) of Navigare Capital's port calls occurred at ports listed on MACN's list of the 20 ports with the highest number of reported corruption incidents.

Navigare Capital has also stepped up its focus on mitigating corruption risks at ports by ensuring that crews are up to date on relevant anti-corruption procedures. To further pre-empt requests for bribes and facilitation payments at ports, all vessels are equipped with large MACN posters on their bridges to emphasise that they are not authorised to make such payments and are contractually obliged to decline any such requests. When operating in high-risk areas, Navigare Capital also employs onshore Protection & Indemnity Club representatives for additional support when necessary.

In 2023, Navigare Capital's time-chartered vessels and vessels in joint ventures reported zero incidents where either bribes or facilitation payments were requested. There were also no fines levied against its vessels. The consistently low rate of corruption-related incidents reported throughout the fleet is the result of concerted efforts by MACN to combat corruption at ports, as well as the current composition of Navigare Capital's fleet, which is less exposed to bribery and facilitation requests due to the type of cargo it carries and the areas it sails to. For instance, the fleet does not currently contain any dry cargo vessels, which are at higher risk of requests for

bribes or facilitation payments, as they carry cargo that is inspected by port officials and they frequently call at ports in regions with higher rates of maritime corruption.

In 2023, there were no reported or suspected incidents of corruption among headquarter employees at Navigare Capital. Navigare Capital was not involved in any legal proceedings for corruption or any other legal cases.

#### G.1.1.1 Risk-based approach to financial corruption

Corruption is also an inherent risk in the financial services provided by Navigare Capital in its role as a fund manager. Thus, when it was founded, Navigare Capital ensured it was approved as an AIFM by the Danish Financial Supervisory Authority ("FSA"). Approval by the FSA is a legal requirement for a company to operate as an AIFM and a prerequisite for the institutional investors investing in it. As an AIFM, Navigare Capital is subject to European Union ("EU") regulations regarding its conflict of interest disclosure and risk management system, among others, which provides increased transparency of the company's setup and operations. Additionally, Navigare Capital is subject to the Danish Consolidated Act on Measures to Prevent Money Laundering and Financing of Terrorism ("AML"), which imposes further requirements on the company to assess and curb its risk of being abused for money laundering.

Therefore, Navigare Capital has implemented policies and procedures to ensure compliance with anti-corruption regulations and to regularly assess the corruption risk for the company and its funds. The Compliance Officer is responsible for conducting an annual risk assessment, which is reviewed and approved by the Board of Directors. This also includes a mandatory Know Your Customer ("KYC") check by the Compliance Officer for every potential investor. Potential investors may also be asked to provide documentation verifying the source of capital used for investments in the fund. Additionally, risk scores are assigned to each investor based on a variety of factors – including customers, products or services, transaction and delivery channels, and geographical conditions – to determine their potential exposure to money laundering or terrorism financing, as is legally required by the AML. This risk-scoring process forms the basis

<sup>1</sup> Maritime Anti-Corruption Network: 2021 Annual Report.

## Exhibit G3: Navigare Capital's regulatory obligations, policies and standards

### Regulatory compliance

- The Alternative Investment Fund Managers Directive ("AIFMD")
- Danish Consolidated Act on Measures to Prevent Money Laundering and Financing of Terrorism ("AML")
- EU, UN, US<sup>1</sup>, UK sanctions
- Danish tax legislation

### Company policies and initiatives

- Responsible investment policy
- Code of conduct
- Conflict of interest policy
- Whistleblower policy
- Remuneration policy
- Employee anti-corruption training
- Due diligence of counterparty anti-corruption measures and ethical performance
- Member of Maritime Anti-Corruption Network ("MACN")
- Signatory of Principles for Responsible Investment ("PRI")
- Supply chain human rights due diligence

### Internal standards and targets

- Zero accepted requests for bribes or facilitation payments
- Zero violations of international sanctions
- Tax-transparent setup
- Formal policies for charterers, technical managers and key suppliers that ensure high ESG performance across the supply chain

for how Navigare Capital assesses its risk exposure and safeguards its operations against exposure to corruption. Potential investors that would endanger Navigare Capital's compliance with AML regulations will not be accepted. As the investors currently consist of Danish pension funds and companies incorporated in countries with low levels of corruption in the EU or Europe, their overall corruption risk is considered low. Any changes to Navigare Capital's risk or instances of the funds being used for money laundering or terrorism financing must be reported to the Board of Directors.

### G.1.2 Ethical business operations and supply chain management

Navigare Capital endeavours to use its status as an alternative investment fund manager and a shipowner to promote environmentally and socially responsible practices throughout its supply chain and with its counterparties. Strong governance and a consistent track record on business ethics are essential components of Navigare Capital's evaluation process when entering into agreements with charterers, technical managers, shipyards or other cooperative partners. In accordance with the responsible investment policy, Navigare Capital conducts careful research and due diligence when contracting with new counterparties to determine whether they align with the ESG expectations of the company and its operations. Besides evaluating all new counterparties, Navigare Capital also re-evaluates existing counterparties on a regular basis. This is a critical procedure through which to assess any changes in the counterparty risk and the counterparties' compliance with legal agreements on, for instance, sanctions, anti-corruption and anti-money laundering laws.

<sup>1</sup> US sanctions refer to all sanctions levied by the US Office of Foreign Assets Control ("OFAC").

Navigare Capital extends this commitment to its joint ventures and has enhanced its active ownership and engagement activities with investees. This has involved amending its responsible investment policy to reflect its commitment to using its ownership share and board positions to steer investees on environmental, social and governance issues. Through direct dialogue and exercising of voting rights, Navigare Capital aims for investees to adopt policies and procedures that match its own ESG ambitions.

In 2023, Navigare Capital also took action to strengthen its human rights due diligence within its supply chain, including at the shipyards where it potentially contracts newbuildings, to verify that policies, processes and facilities at the shipyard comply with the health and safety standards of Navigare Capital, including ensuring that standards are enforced for subcontractors and suppliers. As part of the audit, Navigare verifies that labour rights are addressed and enforced for all workers and that the shipyard has adequate processes in place to identify and mitigate breaches of labour rights, including through a functioning grievance mechanism. The inspection also involves reviewing the safety certifications of the shipyard, such as the ISO 45001, as well as the training procedures and the onsite emergency medical services available to workers. Any future shipyards employed by Navigare Capital for newbuildings will undergo the same auditing procedure, ensuring that any newbuildings in its fleet are built using workers with adequate labour and safety protections.

Navigare Capital has increased its focus on human and labour rights in its supply chain to make sure that its efforts to “green” its fleet are not at the expense of negative impacts on people or precarious working conditions. Its actions are guided by the introduction of EU sustainability regulations such as the Taxonomy Regulation, the Sustainable Finance Disclosure Regulation (“SFDR”) and the Corporate Sustainability Reporting Directive (“CSRD”), as well as the future Corporate Sustainability Due Diligence Directive (“CSDDD”), all of which include strict standards for human rights protection and due diligence. While Navigare Capital is not yet subject to or does not fall under the scope of these regulations except the SFDR, it closely follows the evolving best practices and regulatory landscape to implement any relevant learnings into its

own business practices. As these regulations reference many of the guidelines of the UN, OECD and ILO, which Navigare Capital and its funds already commit to, in defining human rights and labour standards, Navigare Capital will continue to strengthen its commitment to these standards and seek to implement procedures both in its own operations and through its supply chain that reinforce alignment.

With vessels employed in the transportation of a variety of commodities across international waters, Navigare Capital is aware of its responsibility to uphold applicable sanctions and international trade regulations. Thus, in addition to its legal obligation to comply with EU sanctions, Navigare Capital has also elected to observe and comply with the sanctions imposed by the UN, the US and the UK. As part of the contracting and servicing process, charterers and technical managers must agree to an anti-corruption clause which requires them to comply with sanctions and resist requests for bribes. Navigare Capital monitors vessels’ adherence to this clause, with sanctions ranging in scope from specific cargo restrictions to comprehensive prohibitions on trade with embargoed countries. Vessels are also subject to international regulations and restrictions for the transportation of dangerous goods. As stipulated in contracts with the charterers, all Navigare Capital vessels are prohibited from transporting weapons intended for warfare and nuclear substances.

### G.1.3 Anti-corruption training and governance policies

Navigare Capital’s governance policies ensure that employees act within the company’s legal and ethical boundaries. There are several procedures and policies in place to make sure that all employees have the necessary knowledge to identify and report acts of corruption, and that operations are in compliance with all applicable regulations.

#### G.1.3.1 Code of conduct

Comprehensive training is an essential measure for building awareness of corruption risks and combatting improper activities in daily operations. All employees undergo mandatory training

on the anti-corruption policies and the code of conduct, with retraining occurring as the policies or procedures are updated. The code of conduct describes the ethical guidelines that Navigare Capital, its funds and its employees should adhere to. As of 2021, all employees must submit an annual employee compliance attestation, which includes a statement that they have not become aware of any cases of corruption, extortion, bribery, facilitation payments of any kind, kickbacks or secret commissions to or from suppliers or other cooperative partners.

### G.1.3.2 Whistleblower policy

Navigare Capital has implemented a whistleblower programme that allows employees to raise concerns about misconduct and potential non-compliance with Navigare Capital's policies without fear of recrimination. This can include misconduct relating to health and safety violations, discrimination, harassment, insider trading, money laundering, fraud, bribery and kickback arrangements. Employees can anonymously report through an online system detailed in Navigare Capital's code of conduct, which is accessible to all employees. Investigations of whistleblowing cases are handled by the Compliance Officer, who reports any findings directly to the Chairman of the Board of Directors. Cases concerning the Compliance Officer are reported directly to the Chairman of the Board. Navigare Capital has never received any whistleblower alerts.

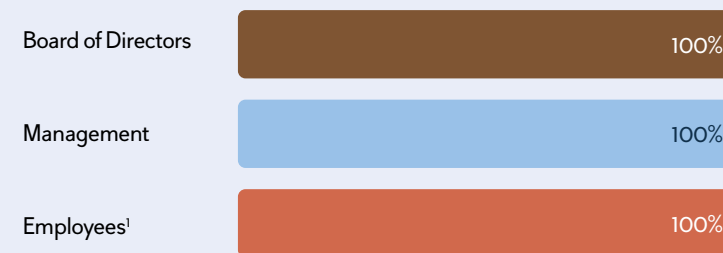
An anonymous whistleblower system operated by the technical managers is also in place on all vessels. In addition, seafarers onboard Danish-flagged vessels may also anonymously report concerns through the Danish Maritime Authority's ("Søfartsstyrelsen") whistleblower system.

### G.1.3.3 Conflicts of interest policy

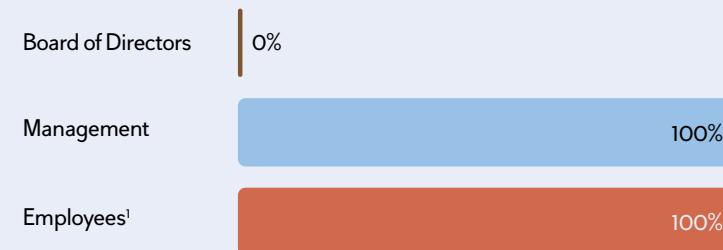
Navigare Capital also takes the necessary precautions to identify and monitor conflicts of interest that could negatively impact the performance or activities of the company and its funds, as required by the AIFMD. This includes conflicts of interest within Navigare Capital itself or the Board of Directors, as well as in its relationship with investors or third parties. Potential conflicts of interest are considered before entering into a material agreement or investment decision,

## Exhibit G4: Training in anti-corruption and governance policies

### % who have had anti-corruption policies communicated to them



### % who have received anti-corruption training by Navigare Capital



<sup>1</sup> This KPI is measured as of year-end 2023 and includes all employees and student assistants, but excludes the four founding partners.

in accordance with the procedures outlined in the conflicts of interest policy. All conflicts of interest, including how they are monitored and mitigated, are regularly reported to the Board of Directors, which determines whether the conflict has been adequately addressed and is within pre-determined risk limits.

**G.1.3.4 Remuneration policy**

A sound remuneration policy is an important mechanism for companies not only to attract and retain high-performing employees, but also to prevent financial incentives for excessive risk-taking. The Board of Directors is responsible for ensuring that Navigare Capital’s remuneration policy reflects the objectives of good corporate governance, as well as sustainable value creation and sustainability risk management.

Employee and management salaries can include a combination of fixed remuneration, performance-based remuneration, participation in pension schemes, other benefits and severance payments. Remuneration is subject to the regulations applicable to AIFMs, including the determination of bonuses and severance payments, among others. This also includes restrictions on performance- and incentive-based remuneration for Navigare Capital’s management, which consists of the four founding partners, and the material risk-takers. The only employee currently designated a material risk-taker is the Compliance Director, although appointments are reviewed on a yearly basis by the Board.

The Board of Directors approves bonuses on an annual basis, in line with the principle of sound financial and sustainability risk management. As Navigare Capital has a two-tier system whereby the management operates independently of the Board of Directors, decisions regarding remuneration are made without the influence of the management. Individuals who have received bonuses based on incorrectly reported performance results will be obligated to repay them. Members of the Board receive an annual fixed fee and are excluded from performance- and incentive-based remuneration.

**Exhibit G5: Annual total compensation ratios between employees<sup>1</sup>**

**Ratio of the median to highest compensation**



**Ratio of the median change in compensation to the change in compensation for the highest paid employee**



<sup>1</sup> This KPI includes all full-time employees and part-time employees calculated at the full-time equivalent pay rate, but excludes student assistants. Annual total compensation is the sum of an employee’s fixed salary plus any bonuses and pension contributions.

The remuneration policy meets the requirements of the SFDR to describe how sustainability risks are handled in relation to remuneration. Sustainability risks are included in the overall risk parameters that are used when determining remuneration in Navigare Capital, and the remuneration policy aims to prevent financial incentives for excessive risk-taking with respect to sustainability risks which may have adverse consequences for returns to investors.

Fair compensation is an important measure of how companies invest in their workforces and contribute to a decent quality of living. There has been growing attention on how companies compensate their employees, as pay for CEOs has, in some cases, far outpaced compensation for other workers and contributed to rising rates of economic inequality<sup>1</sup>. As part of its commitment to ensuring a responsible remuneration policy, Navigare Capital calculates the ratio of annual compensation and the change in annual compensation between the median and highest paid employees, including salaries and bonuses. These ratios measure the degree of difference between the middle and highest levels of compensation at Navigare Capital. Please see exhibit G5 for further details.

## G.2 Tax considerations

Taxation is a necessary resource for governments to implement sustainable development and it contributes to the building of stronger institutions and public services. Revenue generated from tax collection supports the social and physical infrastructure that is essential for national economies and services to function. Therefore, it is especially important that companies implement transparent tax policies and contribute to the common pool of economic resources. Taxation has been highlighted as a material topic for Navigare Capital, due to the strong global focus on responsible tax practices.

### G.2.1 Responsible approach to taxation

As a fund manager, Navigare Capital adheres to all relevant tax legislation, as well as to the tax principles set by its institutional investors, which discourage the use of aggressive tax planning and tax avoidance. It also forbids the use of financial instruments, transfer pricing and the exploitation of inconsistencies between tax jurisdictions to avoid tax liabilities. More information about the tax principles of Navigare Capital's institutional investors can be found on Pension Danmark's website (<https://www.pensiondanmark.com/>).

Due to its incorporation in Denmark – where it pays corporate taxes – Navigare Capital has minimised its risks associated with tax compliance and regulation. In 2023, Navigare Capital paid over DKK 1.4 million in corporate taxes. There were no tax obligations incurred or investments made in companies domiciled in countries on the EU's list of non-cooperative tax jurisdictions for the year. More information about tax payments can be found in Navigare Capital's financial statements (<https://datacvr.virk.dk/>).

The Board of Directors reviews and approves Navigare Capital's tax policy on an annual basis, while the executive management is responsible for compliance with this tax policy. As an AIFM approved by the Danish FSA, Navigare Capital must also comply with the accountability and transparency requirements of the AIFMD. Any concerns about non-compliance with tax legislation can be reported anonymously through Navigare Capital's whistleblower system.

In order to meet the expectations of its investors and to uphold its ESG principles, Navigare Capital operates its funds as a Danish legal entity, meaning that investments are placed in tax-transparent legal entities in Denmark and comply with relevant tax legislation. These entities are K/S entities ("kommanditselskab" in Danish), limited liability partnerships in which taxation takes place with the ultimate investor based on the investor's ownership share and taxation setup. All investors in the funds have an established legal presence in Denmark, making them subject to Danish tax law.

<sup>1</sup> Kandra, Jori and Lawrence Mishel. "CEO Pay Has Skyrocketed 1,322% since 1978: CEOs Were Paid 351 Times as Much as a Typical Worker in 2020." Economic Policy Institute, 10 Aug. 2021.



# APPENDIX



# TCFD overview

Governance	Strategy	Risk management	Metrics and targets
Disclose the organisation's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	Disclose how the organisation identifies, assesses and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
Recommended disclosures	Recommended disclosures	Recommended disclosures	Recommended disclosures
a) Describe the Board's oversight of climate-related risks and opportunities.  Page 17	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.  Pages 42-45	a) Describe the organisation's processes for identifying and assessing climate-related risks.  Pages 21-25	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.  Pages 13, 29-33
b) Describe management's role in assessing and managing climate-related risks and opportunities.  Pages 17-18	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.  Pages 42-45	b) Describe the organisation's processes for managing climate-related risks.  Pages 21-25	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions, and the related risks.  Pages 29-31
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.  Pages 42-45	c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.  Pages 21-25	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.  Pages 13, 29-33

# GRI content index

<b>Statement of use</b>	Navigare Capital has reported in accordance with the GRI Standards for the period 1 January to 31 December 2023.
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>GRI Topic Standards</b>	Anti-corruption, tax, biodiversity, emissions, occupational health and safety, and diversity and equal opportunities.

GRI Standard/ other source	Disclosure	Location or information	Omission
<b>General disclosures</b>			
<b>GRI 2: General Disclosures 2021</b>	2-1	Organisational details	<ul style="list-style-type: none"> <li>a. Legal name: Navigare Capital Partners A/S.</li> <li>b. Nature of ownership: Private limited company.</li> <li>c. Headquarters address: Strandvejen 70, 2900 Hellerup, Denmark.</li> <li>d. Navigare Capital is an alternative investment fund manager with operations in Denmark.</li> </ul>
	2-2	Entities included in the organisation's sustainability reporting	<ul style="list-style-type: none"> <li>a. Maritime Investment Fund I and all its subsidiaries, Maritime Investment Fund II and its subsidiaries, including MIF II Partnership no.1 K/S (but excluding Cape Sable Shipping Limited, Cape Serrat Shipping Limited and Cape Sorel Shipping Limited) and MIF II Renewables no.1 K/S (but excluding Norwind Storm AS, Norwind Hurricane AS and Norwind Helm AS).</li> <li>b. The excluded entities stated above are not included because the vessels were not yet operating in the water as of year-end 2023.</li> <li>c. Emissions from the subsidiary MIF II Renewables no.1 are included on a 100% basis and emissions from the joint venture MIF II Partnerships no.1 are included on a 50% basis. The KPI for time spent in marine protected areas is also calculated using these weights.</li> </ul>
	2-3	Reporting period, frequency and contact point	<p>Sustainability and financial reporting period: 1 January to 31 December 2023.</p> <p>Limited assurance is provided by Deloitte annually over selected ESG KPIs. For further information on the 2023 limited ESG assurance, please refer to the Independent Auditor's Assurance Report published on pages 90-91. Publication date: 2 April 2024.</p> <p>Contact person: Head of ESG at Navigare Capital sustainability@navigarecapital.com</p>

GRI Standard/ other source	Disclosure	Location or information	Omission
2-4	Restatements of information	<p>The disclosure of Scope 3 emissions has been corrected for 2021 and 2022 due to a recalculation of Scope 3.3 and 3.5 emissions. For 2021, the corrected Scope 3 emissions should be 229,371 tCO<sub>2</sub>e rather than 83,962 tCO<sub>2</sub>e. This is due to an increase in Scope 3.3 emission from 149 tCO<sub>2</sub>e to 145,536 tCO<sub>2</sub>e and an increase in Scope 3.5 emission from 0 to 21 tCO<sub>2</sub>e. For 2022, the corrected Scope 3 emissions should be 137,925 tCO<sub>2</sub>e rather than 11,027 tCO<sub>2</sub>e. This is due to an increase in Scope 3.3 emissions from 129 tCO<sub>2</sub>e to 125,025 tCO<sub>2</sub>e and an increase in Scope 3.5 emissions from 2 tCO<sub>2</sub>e to 2,003 tCO<sub>2</sub>e.</p> <p>In 2023, the KPI on IHM certificates was changed from counting the number of vessels with IHM certificates from both the Hong Kong Convention and the EU Ship Recycling Regulation to two separate KPIs measuring the number of vessels with each of the certificates. As the inventory of hazardous materials parameters covered by the two regulations are nearly equivalent (the EU certificates include two additional materials), only ships trading outside Europe hold IHM Hong Kong certificates in addition to EU certificates, as the former may be more widely accepted in ports around the world. However, as the EU certificate covers all the materials listed in the Hong Kong certificate, it is not necessary for ships only trading within the EU to hold the additional certificate. Navigare Capital updated the 2022 disclosure of this KPI to align previous reporting periods with the current methodology. In the process of updating the 2022 figure, it discovered a discrepancy in its calculation, which resulted in the restatement of the number of vessels with IHM Hong Kong certificates in 2022 as 94%, rather than 100%.</p> <p>In addition, the KPI measuring the percentage of operations assessed for risks related to corruption was updated in 2023. While this KPI previously included only port calls conducted in countries where MACN has an on-the-ground presence to assist in cases of corruption, it now also includes port calls in countries where MACN publishes guidelines or documentation checklists to avoid instances of corruption.</p>	
2-5	External assurance	Pages 90-91	
2-6	Activities, value chain and other business relationships	<p>a. Page 8</p> <p>b-c. Pages 21-25</p> <p>d. There were no significant changes to Navigare Capital's activities, supply chain or business relationships from the previous reporting period.</p>	
2-7	Employees	<p>a-b. Total number of employees (incl. partners): Female: 8 Male: 15</p> <p>Number of permanent full-time employees: Female: 5 Male: 13</p> <p>Number of permanent part-time employees: Female: 2 Male: 1</p> <p>Number of student assistants: Female: 1 Male: 1</p> <p>Number of temporary employees (interns): Female: 0 Male: 0</p> <p>c. All employees are counted at year-end and are employed at Navigare Capital's headquarters in Hellerup.</p>	

GRI Standard/ other source	Disclosure	Location or information	Omission
2-8	Workers who are not employees	a-c. The number of seafarers onboard Navigare Capital's time-chartered vessels and vessels in joint-ventures at any given point ranged from 249 in Q1 to 180 in Q4. The decrease was due to changes in the fleet size as Navigare Capital bought and sold vessels throughout the year. A single seafarer may be employed over several quarters, as most employment contracts vary from six to nine months, with some as short as one month.	
2-9	Governance structure and composition	<p>a. Page 17</p> <p>b. As the Board of Directors does not currently include any committees, the Board of Directors as a whole oversees the management of ESG topics.</p> <p>c.i and iii. Martin N. Larsen, Chairman of the Board: (2022-present), board member (2017-2022), Finn L. Meyer, board member: (2017-present), Jesper Langmack, board member: (2021-present), Kirstine Damkjaer, board member (2022-present)</p> <p>c.ii. Page 17</p> <p>c.iv-vi. The gender distribution of the Board of Directors is currently such that there is one woman and three men. There are no other underrepresented groups. More information about the members, including other positions and memberships, is available on Navigare Capital's website (<a href="https://www.navigarecapital.com/about/">https://www.navigarecapital.com/about/</a>)</p> <p>c.vii. Page 17</p> <p>c.viii. One of the board members is on the Board of Directors of one of Navigare Capital's investors.</p>	
2-10	Nomination and selection of the highest governance body	a-b. Page 17	
2-11	Chair of the highest governance body	The Chairman of the Board of Directors is not part of the senior management team of Navigare Capital. Navigare Capital has established a two-tier system whereby the management with reference to the Board of Directors operates independently of the Board of Directors.	
2-12	Role of the highest governance body in overseeing the management of impacts	a-c. Page 17	b. i. Not applicable. The Board of Directors does not engage with stakeholders directly.
2-13	Delegation of responsibility for managing impacts	<p>a.i. Pages 17-18</p> <p>a.ii. Pages 18-20</p> <p>b. Page 17</p>	
2-14	Role of the highest governance body in sustainability reporting	The Board of Directors does not approve material topics but does approve the report as a whole. The materiality assessment was undertaken with the assistance of a third-party sustainability consultancy firm, with the Board of Directors regularly updated and informed on the progress of the assessment and topics chosen as material.	

GRI Standard/ other source	Disclosure	Location or information	Omission
2-15	Conflicts of interest	<p>a. Pages 66-67</p> <p>b. To date, Navigare Capital has addressed all conflicts of interest that have arisen and therefore does not have any outstanding conflicts to report to its investors.</p>	
2-16	Communication of critical concerns	<p>a. Pages 17- 18</p> <p>b. There were no critical concerns reported to the Board of Directors in 2023.</p>	
2-17	Collective knowledge of the highest governance body	No explicit measures are taken to advance the Board of Directors' knowledge of and skills in sustainable development, but it is regularly updated and informed about Navigare Capital's work in ESG fields. Board members also have knowledge of the subject through their membership positions on various boards.	
2-18	Evaluation of the performance of the highest governance body	The Board of Directors' leadership is evaluated annually through a self-evaluation process among the board members.	c. Confidentiality constraints. The results of the self-evaluations are confidential and thus it is not known which actions are taken as a direct result of the evaluation.
2-19	Remuneration policies	<p>a. Pages 67-68</p> <p>b. Pages 67-68</p>	
2-20	Process to determine remuneration	<p>a. Pages 67-68</p> <p>b. The remuneration policy was last updated and approved by the Board of Directors in December 2023.</p>	a. iii. Not applicable. Remuneration consultants are not involved in determining remuneration.
2-21	Annual total compensation ratio	Page 67	
2-22	Statement on sustainable development strategy	Page 6	
2-23	Policy commitments	<p>a.i,ii,iv. Pages 10-11, 13, 21, 25, 29, 41, 42, 47, 55, 58, 62, 65 and 68</p> <p>a.iii. The responsible investment policy does not stipulate applying the precautionary principle. However, Navigare Capital aims to limit the negative impacts of its operations where possible.</p> <p>b. Page 21</p> <p>c. Navigare Capital's responsible investment policy, including its human rights commitments, can be found online here: <a href="https://www.navigarecapital.com/wp-content/uploads/2023/11/Responsible-Investment-Policy.pdf">https://www.navigarecapital.com/wp-content/uploads/2023/11/Responsible-Investment-Policy.pdf</a></p> <p>d. All policies are approved by the Board of Directors.</p> <p>e. Pages 64-65</p> <p>f. Relevant policies applicable to counterparties are communicated through contractually binding agreements.</p>	b. ii. Not applicable. Navigare Capital does not pay particular attention to certain groups or stakeholders in its human rights commitments.
2-24	Embedding policy commitments	<p>a.i-iii. Pages 21-25, 64-65</p> <p>a.iv. Page 20</p>	

GRI Standard/ other source	Disclosure	Location or information	Omission
	2-25 Processes to remediate negative impacts	a. Pages 13, 47 and 49 b. Page 57 c. Page 50 d. Page 57 e. Page 49	
	2-26 Mechanisms for seeking advice and raising concerns	Page 66	
	2-27 Compliance with laws and regulations	a.i. No fines were incurred on the fleet in 2023. a.ii. Pages 54-56 b. No fines were incurred on the fleet in 2023. c-d. Pages 54-56	
	2-28 Membership associations	Navigare Capital does not have any membership associations or involvements beyond ordinary membership duties and fees.	
	2-29 Approach to stakeholder engagement	Pages 10-11	
	2-30 Collective bargaining agreements	Navigare Capital's employees are not covered by collective bargaining agreements. However, they are protected by funktionærloven (the Civil Service Act), which guarantees labour conditions including sick pay, severance, termination and maternity leave.	
<b>Material topics</b>			
<b>GRI 3: Material topics 2021</b>	3-1 Process to determine material topics	Pages 10 and 11	
	3-2 List of material topics	Page 12	
<b>Anti-corruption</b>			
<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	Pages 61 and 62	
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	a. MACN maintains a local presence in ports it considers high-risk, and Navigare Capital takes particular caution when calling at these ports. To reduce the risk of requests for bribery and facilitation payments, MACN outlines a procedure and provides support for its members when calling at ports in Nigeria, Ukraine, India and Egypt. In addition, MACN also provides guides and document checklists for other ports where corruption is common, including those in Angola, Argentina, Congo, Gabon, Gambia, Indonesia and Senegal. In 2023, 38 of 521, or 7%, of all Navigare Capital's port calls occurred at these ports. b. Pages 62 and 63	

GRI Standard/ other source	Disclosure	Location or information	Omission
	205-2 Communication and training about anti-corruption policies and procedures	a-b, d, e. Page 66. All board members and employees are located in Hellerup, Denmark. c. Total number and percentage of business partners to which the organisation's anticorruption policies and procedures have been communicated, broken down by type of business partner: Time charterers: (6) 100% Bareboat charterers: (3) 100% Technical managers: (7) 100% Joint ventures: (2) 100%	
	205-3 Confirmed incidents of corruption and actions taken	a. Pages 62 and 63 b-c. No contracts with employees or counterparties were terminated or not renewed due to corruption. d. Page 63	
<b>SASB disclosure business ethics</b>	TR-MT-510a.1 Number of calls at ports in countries that are among the 20 lowest ranked in Transparency International's Corruption Perception Index	5	
	TR-MT-510a.2 Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	0	
<b>Tax</b>			
<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	Page 68	
<b>GRI 207: Tax 2019</b>	207-1 Approach to tax	Page 68	
	207-2 Tax governance, control, and risk management	Page 68	
	207-3 Stakeholder engagement and management of concerns related to tax	Page 68	ii. Not applicable. Navigare Capital does not engage in any public policy advocacy in regard to taxation.
	207-4 Country-by-country reporting		Not applicable. Navigare Capital has only incurred tax liabilities and paid taxes in Denmark. More information on Navigare Capital's tax liabilities is available at: <a href="https://da-tacvr.virk.dk/">https://da-tacvr.virk.dk/</a>

GRI Standard/ other source	Disclosure	Location or information	Omission
<b>Biodiversity</b>			
<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	Pages 38 and 40	
<b>GRI 304: Biodiversity 2016</b>	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Page 39	v. Not applicable. Navigare Capital defines operational sites for the purpose of this disclosure as the marine protected areas all over the world in which its vessels have spent time.
	304-2 Significant impacts of activities, products and services on biodiversity	a. Pages 40-41 b. Pages 39-41	b. iv. Information unavailable/incomplete. Navigare Capital does not currently have sufficient information to report on the reversibility or irreversibility of its impacts on biodiversity.
	304-3 Habitats protected or restored		Not applicable. Navigare Capital has not taken any action to directly protect or restore habitats. However, it complies with all regulations related to biodiversity and ecological impacts.
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Pages 40-41 As Navigare Capital's vessels operate all over the world, it currently only calculates the number of the International Union for Conservation of Nature ("IUCN") Red List marine species affected by operations in the top three countries where vessels have spent the most time in marine protected areas. The number of species reported reflects the number of Red List species for the country as a whole, rather than the specific marine protected areas. Navigare Capital is working on ways to gain more insight into the specific marine protected areas its vessels spend the most time in to report on the species most impacted by its operations and to be better able to reduce its impacts.	
<b>Emissions</b>			
<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	Pages 29 and 34-35	
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	a-b. Page 31	c. Not applicable. Navigare Capital does not have any Scope 1 biogenic CO <sub>2</sub> emissions.  d. Not applicable. Navigare Capital does not use a baseline to measure its own GHG emissions against, as it targets net zero emissions by 2050. However, its intermediate carbon intensity targets use the 2008 baseline of the IMO to conform to industry standards and allow for comparability across the industry.
		e. Source of emissions factors: FuelEU and IPCC Second Assessment Report. f-g. Page 30	

GRI Standard/ other source	Disclosure	Location or information	Omission
	305-2 Energy indirect (Scope 2) GHG emissions	a-b. Page 30 c. Page 31 e. Source of emissions factors: HOFOR and Energinet. f-g. Page 30	d. Not applicable. Navigare Capital does not use a baseline to measure its own GHG emissions against, as it targets net zero emissions by 2050. However, its intermediate carbon intensity targets use the 2008 baseline of the IMO to conform with industry standards and allow for comparability across the industry.
	305-3 Other indirect (Scope 3) GHG emissions	a-b. Pages 30-31 d. Categories included in Scope 3 calculations are 3.1, 3.2, 3.3, 3.5, 3.6, 3.7 and 3.12 f. Source of emissions factors: Department for Environment Food and Rural Affairs (DEFRA), IEA Emissions database, Ecolnvent, Sailing Towards Zero report, SFI - Center for Research-based Innovation. g. Page 30	c. Not applicable. Navigare Capital does not have any Scope 1 biogenic CO <sub>2</sub> emissions.  e. Not applicable. Navigare Capital does not use a baseline to measure its own GHG emissions against, as it targets net zero emissions by 2050. However, its intermediate carbon intensity targets use the 2008 baseline of the IMO to conform to industry standards and allow for comparability across the industry.
	305-4 GHG emission intensity	a-b, d. Page 31 c. Only Scope 1 CO <sub>2</sub> emissions are included in the carbon intensity ratio.	
	305-5 Reduction of GHG emissions	a-b, d. Page 31 c. Changes in GHG emissions are compared against the previous year's GHG emissions. e. Page 30	
	305-6 Emissions of ozone-depleting substances (ODS)	All of Navigare Capital's vessels comply with the MARPOL Convention regulating ODS on vessels. To phase out the use of ODS, the IMO has banned equipment with chlorofluorocarbons (CFC) and halons on ships constructed after 2005. As all of Navigare Capital's vessels were constructed after this date, there are no emissions of those substances in its fleet.	Information unavailable/incomplete. Navigare Capital does not have data on its emissions of ozone-depleting substances, but it is investigating how to monitor these emissions in the future.
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	a. Page 37 b. Sources of emission factors: Third IMO GHG Study 2014. c. Pages 37-38. Navigare Capital calculates its emissions of other significant air pollutants based on the above published emission factors.	a.v. Information unavailable/incomplete. Navigare Capital does not have data on its emissions of hazardous air pollutants ("HAP"), but will investigate the relevant pollutants and how to monitor them in the future.
<b>Occupational health and safety</b>			
<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	Page 47	

GRI Standard/ other source	Disclosure	Location or information	Omission
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	Pages 47 and 49	
	403-2 Hazard identification, risk assessment, and incident investigation	a. Pages 47 and 49 b. Page 47 d. Page 50	c. Not applicable. While Navigare Capital does not have a policy for seafarers to remove themselves from harmful situations on vessels, safety procedures are implemented in alignment with international regulations.
	403-3 Occupational health services	Page 53	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 57	
	403-5 Worker training on occupational health and safety	Page 53	
	403-6 Promotion of worker health	Pages 48 and 51	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages 47, 49 and 50	
	403-8 Workers covered by an occupational health and safety management system	In 2023, the number of seafarers onboard Navigare Capital's time-chartered vessels and vessels in joint-ventures at any given point ranged from 249 in Q1 to 180 in Q4. All seafarers onboard these vessels are covered by an occupational health and safety system that is audited both internally by Navigare Capital's Technical Directors and externally by the classification societies or flag state administration during certification for the Maritime Labour Convention or port state controls.	
	403-9 Work-related injuries	b.i Navigare Capital has never experienced a fatality on any of its vessels. b.ii Pages 52-53. In 2023, Navigare Capital experienced one high-consequence injury onboard its time-chartered vessels. The rate of high-consequence injuries was 0.64 per one million hours worked. b.iii-v. Pages 52-53 c-e, g. Pages 52-53 f. Disclosures of work-related injuries are limited to seafarers on time-chartered vessels and vessels in joint ventures, and do not encompass those on bareboat-chartered vessels, given the company's limited control over the working conditions on the latter.	a. Not applicable. Navigare Capital only records injuries incurred by seafarers onboard its vessels, rather than employees working at its headquarters, as they are particularly vulnerable to injuries.
	403-10 Work-related ill health		Information unavailable/incomplete. Navigare Capital does not have access to the medical records of its seafarers. This is handled by its third-party technical managers.

GRI Standard/ other source	Disclosure	Location or information	Omission
<b>Diversity and equal opportunities</b>			
<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	Pages 57 and 58	
<b>GRI 405: Diversity and equal opportunities 2016</b>	405-1 Diversity of governance bodies and employees	<p>a.i The Board of Directors consists of 1 (25%) female board member and 3 male board members Page 58</p> <p>b.i Age diversity in Navigare Capital by employee category: Board of Directors: &lt;30: 0 (0%) 30-50: 1 (25%) &gt;50: 3 (75%)</p> <p>b.ii Age diversity in Navigare Capital by employee category: Partners: &lt;30: 0 (0%) 30-50: 0 (0%) &gt;50: 4 (100%)</p> <p>Employees<sup>1</sup>: &lt;30: 4 (21%) 30-50: 11 (58%) &gt;50: 4 (21%)</p> <p><sup>1</sup> Employees including student assistants and interns but excluding partners</p>	
	405-2 Ratio of basic salary and remuneration of women to that of men	Page 59. All employees are located in Hellerup, Denmark	

# ESG performance data overview



## Environment

Description	Unit	2023 <sup>1</sup>	2022	2021	Page	Accounting principle
Direct (Scope 1) GHG emissions from Navigare Capital and its funds	tCO <sub>2</sub> e	447,638	794,909	951,618	Pages 29-31	Direct (Scope 1) GHG emissions are emissions of CO <sub>2</sub> equivalents (including carbon dioxide (“CO <sub>2</sub> ”), methane (“CH <sub>4</sub> ”) and nitrous oxide (“N <sub>2</sub> O”)), calculated based on fuel consumed by the vessels owned by funds managed by Navigare Capital, during the funds' ownership period using the carbon factors from the EU regulatory framework FuelEU for each specific fuel type: marine gas oil (“MGO”), heavy fuel oil (“HFO”), light fuel oil (“LFO”) and LNG. Vessels in joint ventures are included on a 50% basis and vessels in subsidiaries are included on a 100% basis. Methane slip is also included in the calculation based on the factors described in FuelEU. Global warming potential is estimated over a 100-year period. Fuel consumption is based on the vessels' data reported to the International Maritime Organisation's Data Collection System (“IMO DCS”) and verified by the classification societies, which are third-party organisations authorised by the flag state administration to conduct audits and certifications. In cases where verified data is unavailable, the data submitted for verification is applied. Only emissions from vessel operations are included in this scope; Navigare Capital does not have any other relevant activities to report under Scope 1.
Indirect (Scope 2) location-based GHG emissions from Navigare Capital and its funds	tCO <sub>2</sub> e	4	7	6	Pages 29-31	Indirect (Scope 2) location-based GHG emissions are emissions of CO <sub>2</sub> equivalents (including carbon dioxide (“CO <sub>2</sub> ”), methane (“CH <sub>4</sub> ”) and nitrous oxide (“N <sub>2</sub> O”)), calculated based on electricity, cooling and district heating bought from third parties, using location-based emission factors from Energinet and HOFOR and their 200% methodology. Consumption is based on invoices received either directly from third-party providers or from the building administrators, while consumption in common areas is distributed among the tenants based on office square metres. As vessels produce their own electricity, heating and cooling, they have no relevant activities to report under Scope 2 emissions.
Indirect (Scope 2) market-based GHG emissions from Navigare Capital and its funds	tCO <sub>2</sub> e	11			Pages 29-31	Indirect (Scope 2) market-based GHG emissions are emissions of CO <sub>2</sub> equivalents (including carbon dioxide (“CO <sub>2</sub> ”), methane (“CH <sub>4</sub> ”) and nitrous oxide (“N <sub>2</sub> O”)), calculated based on electricity, cooling and district heating bought from third parties, using market-based emission factors from Energinet and HOFOR and their 200% methodology. Consumption is based on invoices received either directly from third-party providers or from the building administrators, while consumption in common areas is distributed among the tenants based on office square metres. As vessels produce their own electricity, heating and cooling, they have no relevant activities to report under Scope 2 emissions.
Indirect (Scope 3) GHG emissions from Navigare Capital and its funds	tCO <sub>2</sub> e	174,847	137,925 <sup>2</sup>	229,371 <sup>3</sup>	Pages 29-31	Indirect (Scope 3) GHG emissions are emissions of CO <sub>2</sub> equivalents (including all seven Kyoto gases) resulting from value chain activities. This category comprised of Navigare Capital and its funds. Vessels in joint ventures are included on a 50% basis and vessels in subsidiaries are included on a 100% basis. See below for category split.

<sup>1</sup> The 2023 data indicator has been subject to limited assurance.

<sup>2</sup> This figure has been restated in the 2023 Sustainability Report due to an error having been identified in the calculation formula. The previously reported figure was 11,027 tCO<sub>2</sub>e.

<sup>3</sup> This figure has been restated in the 2023 Sustainability Report due to an error having been identified in the calculation formula. The previously reported figure was 83,962 tCO<sub>2</sub>e.

Description	Unit	2023 <sup>1</sup>	2022	2021	Page	Accounting principle
Scope 3.1: Purchased goods and services	tCO <sub>2</sub> e	3,310	4,396		Pages 29-31	Indirect (Scope 3.1) GHG emissions arise from purchased goods and services measured in CO <sub>2</sub> equivalents (including all seven Kyoto gases). The emissions are based on spend categorised by SIC codes to match relevant carbon factors from DEFRA table 13.
Scope 3.2 : Capital goods	tCO <sub>2</sub> e	96,312	3,639		Pages 29-31	Indirect (Scope 3.2) GHG emissions arise from capital goods measured in CO <sub>2</sub> equivalents (including all seven Kyoto gases). This scope comprises emissions from shipbuilding activities, embedded carbon in particular, and larger capital expenditures that are activated over the lifetime of a vessel. Embedded carbon from shipbuilding for each vessel is accounted for in the year the vessel enters the portfolio and the emissions from capital expenditures are accounted for in full in the year the expenditure is incurred. As per guidance from the World Resource Institute, both are adjusted to reflect the expected ownership period, i.e. seven years out of an expected vessel lifetime of 25 years. Emissions from embedded carbon are derived from Ecolnvent's life cycle analysis of shipbuilding, adjusted for the specific vessel type and size together with largely Ecolnvent's carbon factors and carbon factors from the IEA. Emissions from larger capital expenditures are based on spend combined with the relevant DEFRA table 13 carbon factor.
Scope 3.3 : Fuel- and energy-related activities	tCO <sub>2</sub> e	70,659	125,025 <sup>2</sup>		Pages 29-31	Indirect (Scope 3.3) GHG emissions arise from fuel- and energy-related activities not included in Scope 1 and Scope 2 measured in CO <sub>2</sub> equivalents (including all seven Kyoto gases). These consist of upstream emissions from the fuel- and energy-related activities from Scopes 1 and 2. Emission factors are obtained from DEFRA, Energinet and HOFOR.
Scope 3.5: Waste generated in operations	tCO <sub>2</sub> e	1,611	2,003 <sup>3</sup>		Pages 29-31	Indirect (Scope 3.5) GHG emissions arise from waste generated in operations measured in CO <sub>2</sub> equivalents (including all seven Kyoto gases). Waste includes office waste, waste in common areas, and waste and sludge generated onboard the vessels owned by the funds. The waste from vessels is reported by the technical management companies on an annual basis and grouped into relevant categories, and each is provided with its carbon factor based on DEFRA's comprehensive dataset covering the respective year.
Scope 3.6: Business travel	tCO <sub>2</sub> e	123	143		Pages 29-31	Indirect (Scope 3.6) GHG emissions arise from business travel measured in CO <sub>2</sub> equivalents (including all seven Kyoto gases). They are largely based on actual transportation and accommodation data received from Navigare Capital's travel agency, along with specific DEFRA carbon factors. A spend-based approach is applied to the remaining travel expenses not covered by the travel agency, assuming a similar spend-to-carbon ratio as for actual transportation and accommodation.
Scope 3.7: Employee commuting	tCO <sub>2</sub> e	1,692	2,327		Pages 29-31	Indirect (Scope 3.7) GHG emissions arise from employee commuting measured in CO <sub>2</sub> equivalents (including all seven Kyoto gases). This scope encompasses office employees and crew members. Office employees have, via a survey, indicated number of office days, commuting distance and method - all used to calculate actual commuting multiplied by relevant DEFRA carbon factors. For crew members, a spend-based approach is applied and it is assumed that all commuting takes place by air, and thus it is multiplied by the relevant DEFRA table 13 carbon factor.

<sup>1</sup> The 2023 data indicator has been subject to limited assurance.

<sup>2</sup> This figure has been restated in the 2023 Sustainability Report due to an error having been identified in the calculation formula. The previously reported figure was 129 tCO<sub>2</sub>e.

<sup>3</sup> This figure has been restated in the 2023 Sustainability Report due to an error having been identified in the calculation formula. The previously reported figure was 2 tCO<sub>2</sub>e.

Description	Unit	2023 <sup>1</sup>	2022	2021	Page	Accounting principle
Scope 3.12: Downstream end-of-life treatment of sold products	tCO <sub>2</sub> e	1,141	392		Pages 29-31	Indirect (Scope 3.12) GHG emissions arise from downstream end-of-life treatment of sold products measured in CO <sub>2</sub> equivalents (including all seven Kyoto gases). This scope comprises emissions from end-of-life treatment of the vessels sold by the funds in the respective year. As per guidance from the World Resource Institute, emissions are adjusted to reflect the expected ownership period, i.e. seven years out of an expected vessel lifetime of 25 years. The relevant emissions from end-of-life treatment are identified using Ecolnvent's life cycle analysis per vessel type, adjusted for each sold vessel's individual lightship weight ("LWT"). Carbon factors are also primarily sourced from Ecolnvent.
Carbon intensity alignment with the IMO's targeted trajectory	%	-4.0	-3.4	1.4	Pages 31-33	The carbon intensity alignment score displays Navigare Capital's overall carbon intensity compared to the targeted trajectory of the International Maritime Organisation ("IMO"). As the IMO does not have a benchmark for vessels under 5,000 GT or offshore wind vessels, they are excluded from the calculation. If verified fuel data reports are not yet available, the fuel data submitted for verification by third-party verifiers is used to calculate carbon intensity. The score is derived as follows: for each vessel, an Annual Efficiency Ratio ("AER") is calculated based on the methodology provided by the IMO. The individual AERs are benchmarked against the IMO's AER target for that specific vessel type. The percentage difference between the two is weighted by the vessel's design deadweight tonnage ("dwt") and number of ownership days to arrive at the carbon intensity alignment score. Vessels in joint ventures are included on a 50% basis, while vessels in subsidiaries are included on a 100% basis. This is done in order to mirror how vessels in joint ventures are accounted for in the emissions calculation following the financial control approach under the GHG Protocol.
Emissions of sulphur oxides	Tonnes	860	1,796		Pages 37-38	Emissions of sulphur oxides ("SOx") are calculated using the methodology outlined in the Third IMO GHG Study. The sulphur content of the specific fuel types is identified by means of fuel analyses or alternatively bunker delivery notices. If none is available, the highest allowed sulphur content is applied. For vessels equipped with scrubbers, the 0.1% and 0.5% sulphur content levels allowed to be emitted is applied to the proportion of fuel scrubbed to the respective level. Scrubbers capture sulphur particles during fuel combustion, so they are not released into the atmosphere. Fuel consumption is based on the vessels' data reported to the IMO Data Collection System ("DCS") database and verified by the classification societies, which are third-party verifiers authorised by the flag state administration. If verified fuel data reports are not yet available, the fuel data submitted for verification by third-party verifiers is used. Vessels in joint ventures are included on a 50% basis, while vessels in subsidiaries are included on a 100% basis. This is done in order to mirror how vessels in joint ventures are accounted for in the emissions calculation following the financial control approach under the GHG Protocol.

<sup>1</sup> The 2023 data indicator has been subject to limited assurance.

Description	Unit	2023 <sup>1</sup>	2022	2021	Page	Accounting principle
Emissions of particulate matter	Tonnes	845	1,589		Pages 37-38	Emissions of particulate matter (“PM”) are calculated using the methodology outlined in the Third IMO GHG Study. The amount of PM emissions is calculated based on fuel consumption divided into fuel consumed per engine type - main engine, auxiliary engine and boilers. Consumption is then multiplied by the relevant emission factor as per the fuel and engine type described by the IMO Third GHG Study. The study does not contain emission factors for all relevant fuel types and hence the emission factors for HFO have been applied to all. Fuel consumption is based on the vessels’ data reported to the IMO Data Collection System (“DCS”) database and verified by the classification societies, which are third-party verifiers authorised by the flag state administration. If verified fuel data reports are not yet available, the fuel data submitted for verification by third-party verifiers is used. Vessels in joint ventures are included on a 50% basis, while vessels in subsidiaries are included on a 100% basis. This is done in order to mirror how vessels in joint ventures are accounted for in the emissions calculation following the financial control approach under the GHG Protocol.
Emissions of nitrogen oxides	Tonnes	8,567	16,143		Pages 37-38	Emissions of nitrogen oxides (“NOx”) are calculated using the methodology outlined in the Third IMO GHG Study. NOx emissions are dependent on the engine’s tier (based on construction date), consumption per engine type and the fuel type consumed. Verified fuel consumption is applied and split into consumption per engine type, which is then multiplied by the relevant emission factors provided by the IMO. The study does not contain emission factors for all relevant fuel types and hence the emission factors for HFO are applied to all. Fuel consumption is based on the vessels’ data reported to the IMO Data Collection System (“DCS”) database and verified by the classification societies, which are third-party verifiers authorised by the flag state administration. If verified fuel data reports are not yet available, the fuel data submitted for verification by third-party verifiers is used. Vessels in joint ventures are included on a 50% basis, while vessels in subsidiaries are included on a 100% basis. This is done in order to mirror how vessels in joint ventures are accounted for in the emissions calculation following the financial control approach under the GHG Protocol.
Emissions of carbon monoxide	Tonnes	455	737		Pages 37-38	Emissions of carbon monoxide (“CO”) are calculated using the methodology outlined in the Third IMO GHG Study. The amount of CO emissions is calculated based on verified fuel consumption per engine type multiplied by the relevant emission factor given by the IMO. The study does not contain emission factors for all relevant fuel types and hence the emission factors for HFO are applied to all. Fuel consumption is based on the vessels’ data reported to the IMO Data Collection System (“DCS”) database and verified by the classification societies, which are third-party verifiers authorised by the flag state administration. If verified fuel data reports are not yet available, the fuel data submitted for verification by third-party verifiers is used. Vessels in joint ventures are included on a 50% basis, while vessels in subsidiaries are included on a 100% basis. This is done in order to mirror how vessels in joint ventures are accounted for in the emissions calculation following the financial control approach under the GHG Protocol.
Emissions of volatile compounds	Tonnes	381	673		Pages 37-38	Emissions of volatile compounds (“VOC”) are calculated using the methodology outlined in the Third IMO GHG Study. The amount of VOC emissions is calculated based on verified fuel consumption per engine type multiplied by the relevant emission factor given by the IMO. Fuel consumption is based on the vessels’ data reported to the IMO Data Collection System (“DCS”) database and verified by the classification societies, which are third-party verifiers authorised by the flag state administration. If verified fuel data reports are not yet available, the fuel data submitted for verification by third-party verifiers is used. Vessels in joint ventures are included on a 50% basis, while vessels in subsidiaries are included on a 100% basis. This is done in order to mirror how vessels in joint ventures are accounted for in the emissions calculation following the financial control approach under the GHG Protocol.

<sup>1</sup> The 2023 data indicator has been subject to limited assurance.

Description	Unit	2023 <sup>1</sup>	2022	2021	Page	Accounting principle
Total number of oil spills <sup>2</sup>	Number	0	0		Page 41	Oil can be accidentally released from vessels into the ocean due to the grounding of vessels, hull failure or other accidents onboard vessels. Data on oil spills is reported quarterly by the vessels' technical managers to Navigare Capital's inhouse technical team.
Catastrophic spills <sup>2</sup>	Number	0	0		Page 41	The number of catastrophic spills is defined as the number of instances where over 700 CuM of oil is released into the ocean.
Severe spills <sup>2</sup>	Number	0	0		Page 41	The number of severe spills is defined as the number of instances where between 7 and 700 CuM of oil is released into the ocean.
Major spills <sup>2</sup>	Number	0	0		Page 41	The number of major spills is defined as the number of instances where between 1 and 7 CuM of oil is released into the ocean.
Minor spills <sup>2</sup>	Number	0	0		Page 41	The number of minor spills is defined as the number of instances where less than 1 CuM of oil is released into the ocean.
Vessels with scrubbers installed	Number	6	6	6	Pages 37-38	The number of vessels with scrubber installed at the end of the year. Scrubbers are devices that remove sulphur particles during fuel combustion so they are not released into the atmosphere. Whether or not a vessel has a scrubber can be identified on the vessel's International Air Pollution Prevention Certificate.
Vessels without ballast water treatment systems installed	Number	0	0	3	Page 41	The number of vessels without ballast water treatment systems installed at the end of the year. Ballast water treatment systems ("BWT systems") prevent the introduction of invasive species during ballast water discharge. Whether or not the vessel has a BWT system in place and the type of system can be identified on a vessel's International Ballast Water Management Certificate.
Vessels with IHM Hong Kong certificates		87	94 <sup>3</sup>	100	Page 25	The percentage of vessels with a Hong Kong inventory of hazardous materials ("HK IHM") certificate at the end of the year relative to the number of vessels owned at year-end. The HK IHM is a structured system to control hazardous materials onboard ships and achieve compliance with the Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships. Certificates are obtained from the classification societies, third-party organisations that are authorised by the flag state administration to conduct audits or certifications. The Hong Kong Convention enters into force on 26 June 2025 and is relevant for all vessels operating in international waters.
Vessels with IHM EU certificates	%	100	100	100	Page 25	The percentage of vessels with an EU inventory of hazardous materials ("EU IHM") certificate at the end of the year relative to the number of vessels owned at year-end. The EU IHM is a structured system to control hazardous materials onboard ships and achieve compliance with the EU Ship Recycling Regulation ("EU SRR"). IHM certificates are obtained from the classification societies, third-party organisations that are authorised by the flag state administration to conduct audits or certifications. As the EU SRR mandates all vessels calling at EU ports to have an EU IHM certificate and as it covers an additional two materials compared to the HK IHM and may therefore be used for the verification and issuance of HK IHM, the EU IHM is the only prerequisite for vessels exclusively operating within European waters, as is often the case for, for instance, offshore wind vessels.

<sup>1</sup> The 2023 data indicator has been subject to limited assurance.

<sup>2</sup> In 2023, this KPI covers activities onboard all vessels, excluding vessels on bareboat charter, as Navigare Capital has limited knowledge of and control over the operational conditions onboard these vessels. This is a change in methodology from the previous years, when joint venture vessels were excluded. However, as 2023 was the first year with joint venture vessels, the methodology change does not result in a change to 2021 and 2022 KPI values.

<sup>3</sup> This figure has been restated in the 2023 Sustainability Report due to a refinement of the approach.



## Social

Description	Unit	2023 <sup>1</sup>	2022	2021	Page	Accounting principle
Lost time injuries <sup>2</sup>	Number	1	2	6	Pages 52-53	Lost time injuries are the number of safety incidents onboard vessels leading to lost time during the reporting year. Lost time incidents include fatalities, permanent total disabilities, permanent partial disabilities and lost workday cases. These incidents are reported quarterly by the technical managers and audited annually as part of the ship's International Safety Management ("ISM") audit.
Lost time injury frequency <sup>2</sup>	Number of injuries/ million hours worked	0.64	0.85	1.97	Pages 52-53	Lost time injury frequency is the number of safety incidents onboard vessels leading to lost time per one million exposure hours during the reporting year. The number of exposure hours is calculated as the number of days each vessel is part of the fleet during the reporting year multiplied by the number of hours per day, i.e. 24, and the number of crew members onboard each vessel. The lost time incidents are reported quarterly by the technical managers to Navigare Capital and audited annually as part of the ship's International Safety Management ("ISM") audit.
Port state controls <sup>2</sup>	Number	21	25	29	Pages 54-55	The number of port state controls undertaken by official port state surveyors during the reporting year. The technical management companies provide the port state control data in their quarterly KPI reporting along with the official port state control reports.
Average deficiencies per port state control <sup>2</sup>	Deficiencies / inspections	0.76	0.56	0.34	Pages 54-55	The average number of deficiencies reported by the official port state surveyor per control during the reporting year. A deficiency is reported when there is non-compliance with or deviation from the requirements of international regulations. The technical management companies provide the port state control data in their quarterly KPI reporting, including the official port state control reports listing each specific deficiency, if any.
Port state control detentions <sup>2</sup>	Number	0	0	0	Pages 54-55	The number of detentions given as a result of a port state control during the reporting year. A detention is given when a deficiency presents an immediate threat to the ship, its personnel or the environment, which renders the ship unsafe to proceed to sea. The technical management companies provide the port state control data in their quarterly KPI reporting, including the official port state control reports. The reports list each detention, if any.
MLC observations during port state controls <sup>2</sup>	Number	1	4	0 <sup>3</sup>	Pages 55-56	The number of maritime labour convention ("MLC") observations made during port state controls during the reporting year. An MLC observation occurs if there is non-compliance with or deviation from the requirements for the working and living conditions of seafarers onboard ships. The technical management companies provide the official port state control reports, in which any MLC observations are listed.

<sup>1</sup> The 2023 data indicator has been subject to limited assurance.

<sup>2</sup> In 2023, this KPI covers activities onboard all vessels, excluding vessels on bareboat charter, as Navigare Capital has limited knowledge of and control over the operational conditions onboard these vessels. This is a change in methodology from the previous years, when joint venture vessels were excluded. However, as 2023 was the first year with joint venture vessels, the methodology change does not result in a change to 2021 and 2022 KPI values.

<sup>3</sup> This KPI is not comparable to 2022 and 2023 values, as it is based on a different methodology which only includes MLC observations made during the MLC certification renewal process.

Description	Unit	2023 <sup>1</sup>	2022	2021	Page	Accounting principle
Gender diversity of employees at Navigare Capital's headquarters	% female	42	53	42 <sup>2</sup>	Pages 57-59	Female representation among the employees including student assistants but excluding partners with management responsibilities, measured at the end of the year as a percentage. The data is collected through the E-indkomst system.
Gender diversity on the Board of Directors	% female	25	25	0	Pages 57-59	Female representation on the Board of Directors measured at the end of the year as a percentage. The data is collected through the E-indkomst system.
Gender diversity at the management level	% female	0	0	0	Pages 57-59	Female representation at the management level measured at the end of the year as a percentage. The management level currently consists of the four founding partners who are currently the only partners with management responsibilities. The data is collected through the E-indkomst system.

## Governance



Description	Unit	2023 <sup>1</sup>	2022	2021	Page	Accounting principle
Incidents where bribes have been requested <sup>3</sup>	Number	0	0	0	Pages 62-63	The number of incidents where bribes have been requested during the reporting year. A bribe is defined as a request for cash payments to secure or expedite a process. Vessels report each incident to the Maritime Anti-Corruption Network ("MACN") reporting system, as well as to the technical management companies, which include any bribery request incidents in their quarterly KPI reporting.
Incidents where facilitation payments have been requested <sup>3</sup>	Number	0	0	9	Pages 62-63	The number of incidents where facilitation payments have been requested during the reporting year. A facilitation payment is defined as a request for smaller items such as cigarettes or alcohol to induce officials to perform routine functions. Vessels report each incident to the Maritime Anti-Corruption Network ("MACN") reporting system as well as to the technical management companies, which include any facilitation payment requests in their quarterly KPI reporting.
Whistleblower alerts received	Number	0	0	0	Page 66	The number of whistleblower alerts reported via the whistleblower programme to the Chairman of the Board and Navigare Capital's compliance officer during the reporting year. The whistleblower function is available to Navigare Capital employees to report potential breaches of law or policies relevant to Navigare Capital.

<sup>1</sup> The 2023 data indicator has been subject to limited assurance.

<sup>2</sup> This figure has been restated in the 2022 and 2023 Sustainability Reports due to a change in methodology. The previously reported figure was 50%.

<sup>3</sup> In 2023, this KPI covers activities onboard all vessels, excluding vessels on bareboat charter, as Navigare Capital has limited knowledge of and control over the operational conditions onboard these vessels. This is a change in methodology from the previous years, when joint venture vessels were excluded. However, as 2023 was the first year with joint venture vessels, the methodology change does not result in a change to 2021 and 2022 KPI values.

# Statement by the Executive Board and the Board of Directors

The Executive Board and Board of Directors have today considered and approved the Sustainability Report of Navigare Capital Partners A/S for the financial year 1 January – 31 December 2023.

The ESG performance data indicators as presented in section “ESG performance data overview” in the Sustainability Report for 2023 on pages 82 to 88 have been prepared in accordance with the ESG accounting principles stated on pages 82 to 88.

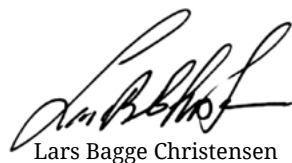
In our opinion, the Sustainability Report gives a true and fair presentation of Navigare Capital Partners A/S’ sustainability activities and results of the Company’s sustainability efforts in the reporting period in accordance with the ESG accounting principles, as well as a balanced presentation of Navigare Capital Partners A/S’ environmental, social and governance performance.

Copenhagen, 2 April 2024

## Executive Board



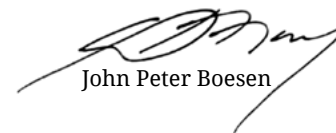
Henrik Ramskov  
CEO



Lars Bagge Christensen

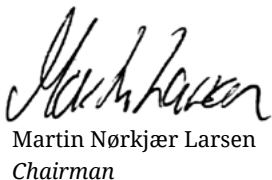


Stig Duus Enslev

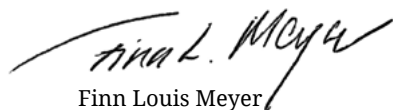


John Peter Boesen

## Board of Directors



Martin Nørkjær Larsen  
Chairman



Finn Louis Meyer



Kirstine Damkjær



Jesper Langmack

# Independent auditor's assurance report on the ESG statement

## To Management and broader stakeholders of Navigare Capital Partners A/S

Navigare Capital Partners A/S engaged us to provide limited assurance on ESG performance data for the financial year 1 January - 31 December 2023, presented on pages 82 to 88 in the Sustainability Report 2023 of Navigare Capital Partners A/S (hereinafter 'the ESG statement').

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Sustainability Report 2023, and accordingly, we do not express an opinion on this information.

## Management's responsibility

Management of Navigare Capital Partners A/S is responsible for designing, implementing, and maintaining internal controls over information relevant to the preparation of the ESG performance data and information in the ESG statement, ensuring they are free from material misstatement, whether due to fraud or error. Furthermore, Management is responsible for establishing objective accounting principles for the preparation of the ESG statement, for the overall content of the ESG statement, and for measuring and reporting the ESG performance data in accordance with the ESG accounting principles for environmental data, social data, and governance data ('the accounting principles'), presented on pages 82 to 88.

## Auditor's responsibility

Our responsibility is to express a limited assurance conclusion based on our engagement with Management and in accordance with the agreed scope of work. We have conducted our work in accordance with ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information and ISAE 3410 Assurance Engagements on Greenhouse Gas Statements, and additional requirements under Danish audit regulation, to obtain limited assurance about our conclusion. Greenhouse Gas emissions quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission factors and the values needed to combine emissions of different gasses.

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the ESG statement is free from material misstatement, whether due to fraud or error, and prepared, in all material respects, in accordance with the accounting principles;
- forming an independent conclusion, based on the procedures we performed and the evidence we obtained; and
- reporting our conclusion to the stakeholders of Navigare Capital Partners A/S.

Deloitte Statsautoriseret Revisionspartnerselskab applies International Standard on Quality Management 1, ISQM 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the requirements for independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, and ethical requirements applicable in Denmark.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

## Work performed

We are required to plan and perform our work in order to consider the risk of material misstatement in the ESG statement. To do so, we have:

- conducted interviews with data owners and internal stakeholders to understand the key processes and control activities for measuring, recording and reporting the ESG performance data indicators;
- reviewed evidence on a selective basis to check that data has been appropriately measured, recorded, collated and reported;
- performed analysis of data, selected based on risk and materiality;

- made inquiries regarding significant developments in the reported data;
- considered the presentation and disclosure of the ESG statement;
- assessed that the process for reporting greenhouse gas emissions data follows the principles of relevance, completeness, consistency, transparency and accuracy outlined in The Greenhouse Gas Protocol Corporate Standard Revised edition (2015) and The Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011); and
- evaluated the evidence obtained.

## Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us not to believe that the ESG statement for the financial year 1 January - 31 December 2023, as presented on pages 82 to 88 in the Sustainability Report 2023, have been prepared, in all material respects, in accordance with the accounting principles on pages 82 to 88.

Copenhagen, 2 April 2024

Deloitte  
Statsautoriseret Revisionspartnerselskab  
Business Registration No. 33 96 35 56

**Michael Thorø Larsen**  
State Authorised Public Accountant  
MNE no 35823

**Aida Sasivarevic**  
State Authorised Public Accountant  
MNE no 47817

# Materiality assessment KPI overview



## Environment

Area	Description
Greenhouse gas (“GHG”) emissions	GHG emissions are used to assess Navigare Capital’s environmental performance, including its funds’ total Scope 1-3 emissions. This is a vital KPI in the endeavour to decarbonise shipping.
Carbon intensity	Carbon intensity is another way of tracking energy efficiency. As the majority of Navigare Capital and its funds’ GHG emissions are Scope 1 emissions stemming from fuel consumption, tracking the energy efficiency of each vessel is essential. For this reason, Navigare Capital has also set specific short-term targets for carbon intensity.
Air pollution	Air pollution is not only caused by GHG, but also by other pollutants such as sulphur oxides (“SOx”) and particulate matter (“PM”). These also need to be tracked and reduced to improve air quality, especially in coastal areas.
Biodiversity	Biodiversity is the variety of all species on Earth and their interactions within complex ecosystems. Shipping’s biodiversity impacts are important to address, as all vessels engaged in international trade pose a threat to ecosystems if not managed properly.
Ship recycling	The methods used when dismantling a vessel are a key consideration in determining the overall sustainability of a vessel throughout its entire lifetime. Given the sheer size of the vessels and their onboard inventories of hazardous materials, it is important that dismantling is undertaken properly and in accordance with relevant conventions.
Climate risk reporting	Climate risk reporting evaluates the financial implications of relevant climate risks in accordance with the Task Force on Climate-Related Financial Disclosures (“TCFD”). Navigare Capital is exposed to some of these, making this KPI highly relevant.

## Social



Area	Description
Accident prevention	Accident prevention and safety have always been top priorities for Navigare Capital, and its desire to ensure that as few accidents as possible occur makes this an important KPI.
Labour rights	Labour rights for its seafarers are another key priority for Navigare Capital, which is why it only operates vessels under well-respected flags on the Paris MoU’s White List and only uses top-tier management companies.
Diversity	Diversity has historically been difficult to achieve in shipping, and it still is, especially within sea-based work. However, as a signatory of Denmark’s “Charter for more women in shipping”, Navigare Capital is working to make both sea- and land-based shipping more appealing to women.

## Governance



Area	Description
Corruption and bribery	Corruption and bribery are present in the maritime industry, often in the form of demands for facilitation payments. This KPI is relevant, as any kind of corruption undermines social, environmental and economic development. Navigare Capital’s membership of the Maritime Anti-Corruption Network (“MACN”) contributes to the fight against corruption.
Fines	Fines are in some incidences justified, but in rare cases are used as extortion when officials refuse to perform their duties or abuse their positions of authority to demand, for instance, facilitation payments. No matter what the circumstances are, it is important to track fines.
ESG-related policies	ESG-related policies are put in place to ensure that Navigare Capital acts responsibly when investing and operating its vessels.
Whistleblower policy	The whistleblower policy ensures that any potential wrongdoing within the company is flagged and is a good indicator of business ethics.
Tax considerations	Tax considerations cover the legal structure chosen by Navigare Capital to ensure sufficient transparency, compliance and facilitate understanding of the company’s setup.

# Glossary

Term	Definition
<b>AER</b>	The Annual Efficiency Ratio estimates CO <sub>2</sub> intensity based on actual fuel consumption and designed cargo capacity (dwt).
<b>AIFM</b>	An alternative investment fund manager is any legal person whose regular business is managing one or more alternative investments.
<b>AIFMD</b>	The Alternative Investment Fund Managers Directive is a legal act of the European Union on the financial regulation of hedge funds, private equity, real estate funds and other alternative investment fund managers.
<b>The AML Act</b>	The Danish Consolidated Act on Measures to Prevent Money Laundering and Financing of Terrorism requires banks, financial institutions and AIFM, among others, to implement compliance and risk procedures for countering financial crimes.
<b>Ballast water</b>	This is essential for the safe operation of ships. It provides stability and manoeuvrability during a voyage and during loading and unloading operations.
<b>Bareboat charter</b>	A contract where the owner leases a vessel without a crew, often over a longer period. The charterer pays the operating expenses, as well as a fixed amount in bareboat rent to the owner each month.
<b>BC</b>	Black carbon is a component of fine particulate matter. It is formed through the incomplete combustion of fossil fuels, biofuel and biomass, and is one of the main types of particles in soot.
<b>BIMCO</b>	This is one of the largest of the international shipping associations representing shipowners. BIMCO states that its membership represents approximately 60% of the world's merchant shipping tonnage and that it has members in more than 130 countries, including managers, brokers and agents.

Term	Definition
<b>BWM Convention</b>	The International Convention for the Control and Management of Ships' Ballast Water and Sediments (2004) is a treaty adopted by the IMO to help prevent the spread of potentially harmful aquatic organisms and pathogens in ships' ballast water.
<b>BWT</b>	Ballast water treatment.
<b>Carbon intensity</b>	The measure of emissions associated with producing and consuming a transportation fuel, measured in grams of carbon dioxide per megajoule of energy.
<b>Charterer</b>	The legal party that has signed a charter contract with the owner of a vessel and thus hires or leases the vessel or part of the vessel's capacity.
<b>CII</b>	The Carbon Intensity Indicator measures how efficiently a vessel above 5,000 GT transports goods or passengers and is expressed in grams of CO <sub>2</sub> emitted per cargo-carrying capacity and nautical mile.
<b>CM</b>	Carbon monoxide is a colourless, odourless and tasteless toxic gas formed by the incomplete ignition or burning of carbon-based fuels.
<b>CO<sub>2</sub></b>	Carbon, one of six greenhouse gases (contributing to global warming) and the most predominant within shipping.
<b>CO<sub>2</sub>e</b>	Carbon equivalent is a term for describing different greenhouse gases in a common unit. For any quantity and type of greenhouse gas, CO <sub>2</sub> e signifies the amount of CO <sub>2</sub> which would have the equivalent global warming impact.
<b>CSOV</b>	Commissioning service operation vessel: a vessel that transports technicians and crew to support offshore wind farm commissioning and maintenance work.
<b>The Danish Maritime Authority</b>	The Danish Maritime Authority is the government agency regulating the Danish maritime industry, including the health, safety and certification requirements of Danish-flagged vessels.

Term	Definition
<b>Dry cargo vessel</b>	A vessel transporting commodities such as iron ore, grains and wood pellets.
<b>ESG</b>	Environmental, social and governance.
<b>EU</b>	The European Union is a supranational political and economic union of 27 member states located primarily in Europe.
<b>EU ETS</b>	The European Union emissions trading system is a “cap and trade” scheme where a limit is placed on the right to emit specified pollutants over an area and companies can trade emission rights within that area.
<b>EU Taxonomy</b>	The EU Taxonomy is a classification system established to clarify which economic activities are environmentally sustainable.
<b>FSA</b>	The Danish Financial Supervisory Authority oversees and regulates the financial activities of banks, pension funds, insurance companies, etc.
<b>GDPR</b>	The General Data Protection Regulation is a regulation in EU law on data protection and privacy in the EU and the European Economic Area.
<b>GHG</b>	The six greenhouse gases contributing to global warming.
<b>The GHG Protocol</b>	An organisation that has established comprehensive global standardised frameworks to measure and manage GHG emissions from private and public sector operations and value chains, as well as mitigation actions. It is the most widely used accounting standard for measuring Scope 1-3 GHG emissions.
<b>The GHG Protocol financial control approach</b>	A company has financial control over an operation for GHG accounting purposes if the operation is considered a group company or subsidiary for the purpose of financial consolidation, i.e. if the operation is fully consolidated in financial accounts.

Term	Definition
<b>The GHG Protocol operational control approach</b>	Under the operational control approach, a company accounts for 100% of emissions from operations over which it or one of its subsidiaries has operational control. Operational control means that a company has the authority to introduce and implement operating policies.
<b>GRI</b>	The Global Reporting Initiative is an organisation that has created a standard for organisations to report on their sustainability impacts in a consistent and credible way.
<b>IEA</b>	The International Energy Agency is an intergovernmental organisation that provides policy analysis and recommendations for the energy sector.
<b>ILO</b>	The International Labour Organisation is the UN agency that sets internationally recognised labour standards to protect the rights of workers. The ILO is made up of a social partnership of governments, employers and trade unions.
<b>IMO</b>	The International Maritime Organisation is the United Nations' body for maritime matters.
<b>ISM</b>	The International Safety Management Code was created to provide an international standard for the safe management and operation of ships and for pollution prevention.
<b>ISPS</b>	International Ship and Port Facility Security Code is a security measure put into place in response to the 9/11 attacks by the IMO as part of the Safety of Life at Sea (“SOLAS”) Convention.
<b>IUCN Red List</b>	The International Union for Conservation of Nature Red List of Threatened Species measures the extinction risk of the world’s animal, plant and fungi species.
<b>LNG</b>	Liquefied natural gas.
<b>LNG carrier</b>	A vessel transporting natural gas cooled to -163°C to make it liquid.

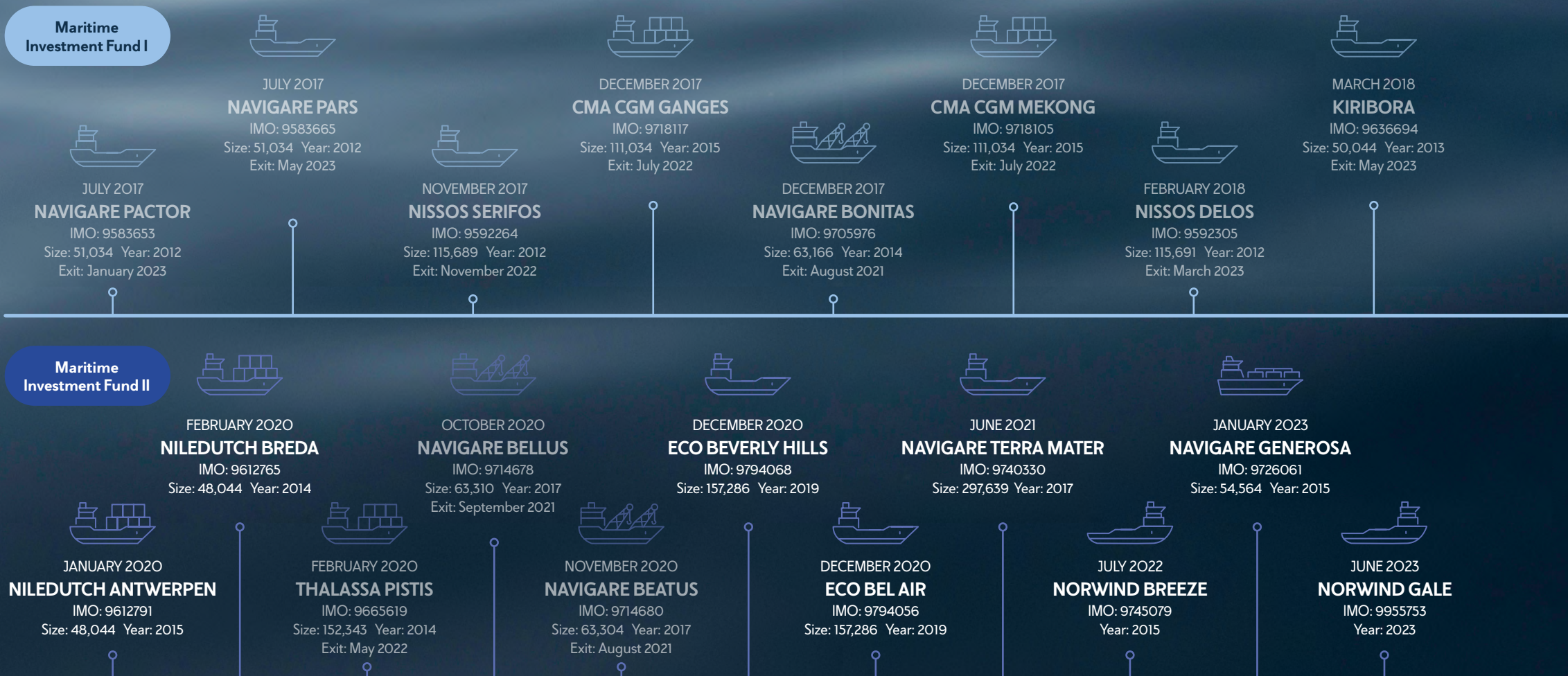
Term	Definition
<b>LTI</b>	A lost time injury is an injury sustained by an employee that leads to loss of productive work in the form of absence or delays. A workplace injury is only considered an LTI if the worker is unable to perform their regular duties, takes time off to recover or is assigned to modified tasks while they heal.
<b>LTIF</b>	Lost time injury frequency is the number of lost time injuries occurring in a workplace per one million hours worked.
<b>MACN</b>	The Maritime Anti-Corruption Network is a not-for-profit organisation established by the maritime industry to tackle corruption. The MACN collaborates with key stakeholders, including businesses, governments, civil society and international organisations to identify and mitigate the root causes of corruption in the maritime sector.
<b>MARPOL</b>	The IMO's International Convention for the Prevention of Pollution from Ships, designed to limit emissions from ships.
<b>Methane</b>	A very potent GHG: one tonne of methane has the same global warming potential as approximately 30 tonnes of CO <sub>2</sub> .
<b>MLC</b>	The Maritime Labour Convention is an International Labour Organisation convention established in 2006 which embodies all up-to-date standards of existing international maritime labour conventions and recommendations, as well as the fundamental principles found in other international labour conventions.
<b>MPAs</b>	Marine protected areas are areas of the ocean set aside for long-term conservation aims.
<b>Net zero</b>	Emission cuts of at least 90%, leaving offsetting at a maximum of 10%.
<b>NGO</b>	A non-governmental organisation is an organisation that generally functions independently from any government.
<b>NOx</b>	Nitrogen oxides ("NOx") are chemical compounds of oxygen and nitrogen which are formed by these reacting with each other during combustion at high temperatures, mainly the combustion of fuels such as oil, diesel, gas and organic material.

Term	Definition
<b>OECD</b>	The Organisation for Economic Co-operation and Development.
<b>The OECD Guidelines for Multinational Enterprises ("OECD Guidelines")</b>	Recommendations from governments to multinational enterprises on responsible business conduct. The OECD Guidelines set standards for responsible business conduct across a range of issues such as human rights, labour rights and the environment.
<b>OFAC</b>	The Office of Foreign Assets Control, an agency of the US Treasury department.
<b>Operator</b>	The party responsible for managing vessel performance, bunker quality and quantity, and ship routing.
<b>Paris Agreement</b>	The Paris Agreement is a legally binding international treaty on climate change. It was adopted by 196 parties at COP 21 in Paris on 12 December 2015 and entered into force on 4 November 2016. Its goal is to limit global warming to well below 2 degrees Celsius, preferably to 1.5 degrees Celsius, compared to pre-industrial levels.
<b>Paris MoU White List</b>	The Paris MoU maintains a "White List", which is a list of member states (countries) that have confirmed to the IMO's Maritime Safety Committee ("MSC") that they are adhering to the relevant provisions of the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers.
<b>PM</b>	Particulate matter is a mixture of solid particles and liquid droplets found in the air.
<b>Poseidon Principles</b>	An agreement among 24 banks to assess and disclose the climate alignment of ship finance portfolios, setting a benchmark for responsible banking.
<b>PSC</b>	A port state control is the inspection of foreign ships in national ports to verify that the condition of the ships and their equipment complies with the requirements of international regulations and that the ships are manned and operated in compliance with these instruments, ensure maritime safety and security and prevent pollution.
<b>RoRo</b>	Roll-on/roll-off ships are cargo ships designed to carry wheeled cargo, such as cars, motorcycles, trucks, semi-trailer trucks, buses, trailers, and railroad cars, that are driven on and off the ship on their own wheels or using a platform vehicle.

Term	Definition
<b>SASB</b>	The Sustainability Accounting Standards Board is an organisation that has established a standard to guide on the disclosure of sustainability KPIs across 77 industries considered material by investors to inform their decision-making.
<b>SBTN</b>	The Science Based Targets Network is a group of organisations working to shape private sector and city impacts on nature by using science-based targets.
<b>SBTi</b>	The Science Based Targets initiative defines and promotes best practice in science-based target setting, offering a range of resources and guidance to help companies set science-based targets in line with the latest climate science.
<b>Scope 1 emissions</b>	Direct GHG emissions that occur from sources controlled or owned by an organisation.
<b>Scope 2 emissions</b>	Indirect GHG emissions associated with the purchase of electricity, steam, heat or cooling.
<b>Scope 3 emissions</b>	The result of activities from assets not owned or controlled by the reporting organisation but that impact indirectly on its value chain.
<b>Scrubbers</b>	Air pollution control devices that use liquid to remove particulate matter or gases from industrial exhaust or flue gas streams. This atomised liquid (typically water) entrains particles and pollutant gases in order to effectively wash them out of gas flows.
<b>SDG</b>	The Sustainable Development Goals or Global Goals are a collection of 17 interlinked global goals designed to be a “blueprint to achieve a better and more sustainable future for all”. The SDGs were set in 2015 by the United Nations General Assembly and are intended to be achieved by the year 2030.
<b>SFDR</b>	The EU Sustainable Finance Disclosure Regulation is a set of EU rules which aim to make the sustainability profile of funds more comparable and better understood by end investors.
<b>SOx</b>	Sulphur oxides are a group of important ambient air pollutants consisting of both gaseous and particulate chemical species.

Term	Definition
<b>Tanker vessel</b>	A vessel transporting liquid cargo including crude oil and petroleum products.
<b>TCFD</b>	The Task Force on Climate-related Financial Disclosures was created in 2015 by the Financial Stability Board (FSB) to develop consistent climate-related financial risk disclosures for use by companies, banks and investors in providing information to stakeholders.
<b>TNFD</b>	The Taskforce on Nature-related Financial Disclosures is an international initiative designed to provide a framework for how organisations can address environmental risks and opportunities.
<b>TRC</b>	Total recorded cases of injuries.
<b>The UN Guiding Principles on Business and Human Rights</b>	A set of guidelines for states and companies to prevent, address and remedy human rights abuses committed in business operations.
<b>UN</b>	The United Nations is an intergovernmental organisation whose stated purposes are to maintain international peace and security, develop friendly relations among nations, achieve international cooperation, and be a centre for harmonising the actions of nations.
<b>UN Global Compact</b>	The United Nations Global Compact is a voluntary initiative based on CEO commitments to implement universal sustainability principles and take steps to support UN goals.
<b>UN PRI</b>	The Principles for Responsible Investment refer to a United Nations-supported international network of investors working together to incorporate ESG factors into investment and ownership decisions.
<b>VOC</b>	Volatile organic compounds are organic compounds that have high vapour pressure and low solubility in water. VOCs are emitted as gases from certain solids or liquids.
<b>WWF</b>	The World Wide Fund for Nature Inc. is a Swiss-based international non-governmental organisation founded in 1961 that works in the field of wilderness preservation and the reduction of human impact on the environment.

# Portfolio overview



Size is measured as dwt


**Maritime  
Investment Fund I**



APRIL 2018  
**UASC ZAMZAM**  
IMO: 9699127  
Size: 119,512 Year: 2014



APRIL 2018  
**NAVIGARE COLLECTOR**  
IMO: 9779771  
Size: 119,262 Year: 2018  
Exit: February 2023



JUNE 2018  
**NAVIGARE BACCA**  
IMO: 9758741  
Size: 61,213 Year: 2016  
Exit: September 2022



AUGUST 2018  
**NAVIGARE BOREAS**  
IMO: 9729922  
Size: 61,492 Year: 2016  
Exit: August 2021



DECEMBER 2018  
**NAVIGARE TOLERO**  
IMO: 9410973  
Size: 156,516 Year: 2011  
Exit: April 2023



AUGUST 2019  
**SOUTHAMPTON EXPRESS**  
IMO: 9447885  
Size: 153,514 Year: 2011



SEPTEMBER 2019  
**ROME EXPRESS**  
IMO: 9447861  
Size: 153,514 Year: 2010



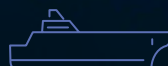
APRIL 2021  
**MARVEL SWAN**  
IMO: 9880192  
Size: 88,831 Year: 2021



JULY 2023  
**CAPE SCOTT**  
IMO: 9950117  
Size: 34,230 Year: 2023



OCTOBER 2023  
**HUMBRIA SEAWAYS**  
IMO: 9832597  
Size: 17,183 Year: 2020



OCTOBER 2023  
**SCANDIA SEAWAYS**  
IMO: 9864681  
Size: 17,183 Year: 2021



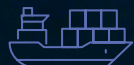
JANUARY 2024  
**CAPE SABLE**  
IMO: 9950131  
Size: 34,230 Year: 2024



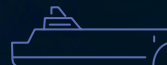
MARCH 2024  
**CAPE SOREL**  
IMO: 9969869  
Size: 34,230 Year: 2024



AUGUST 2024  
**NORWIND STORM**  
Year: 2024



AUGUST 2023  
**CAPE SPENCER**  
IMO: 9950129  
Size: 34,230 Year: 2023



OCTOBER 2023  
**FLANDRIA SEAWAYS**  
IMO: 9860142  
Size: 17,183 Year: 2020



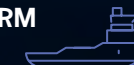
OCTOBER 2023  
**CAPE SKAGEN**  
IMO: 9969857  
Size: 34,230 Year: 2023



MARCH 2024  
**CAPE SERRAT**  
IMO: 9950143  
Size: 34,230 Year: 2024



MARCH 2024  
**NORWIND HURRICANE**  
Year: 2024



NOVEMBER 2024  
**NORWIND HELM**  
Year: 2024

**Maritime  
Investment Fund II**



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