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### Letter from our Chairman

#### A YEAR IN REVIEW

In 2024, the global maritime industry faced another turbulent year with continued geopolitical tensions around the globe. The Red Sea crisis extended into 2024 and had a profound impact on shipping causing vessel rerouting, increased fuel consumption and higher shipping costs.

#### REGULATORY PUSH FOR ENVIRONMENTAL PROGRESS

The EU Emissions Trading Scheme entered into force for the shipping industry while details of Fuel EU Maritime were also starting to unfold. These regulations are important to drive forward the decarbonization of the industry but imply contractual complexities and a growing administrative and financial burden long term.

The combination of evolving policies and heightened climate awareness is transforming how shipping companies will operate in the future maritime landscape.

We believe that Celsius is well positioned to be an important player in the decarbonization of shipping. Our strategic focus lies on building modern vessels with industry-low emissions, and this positions us advantageously in a world where sustainable transformation is paramount.

#### LNG AS A KEY FOCUS

A major dilemma facing players in the maritime industry is making the right investment decisions now to enable short and long-term compliance with environmental regulations, while maintaining financial competitiveness.

Celsius was an early-mover in recognizing the importance of LNG as a decarbonization path. With its developed infrastructure, low cost and high production capacity, LNG offers reductions in emissions versus other traditional fossil fuels, without the need for heavy regulatory incentives to enable large scale feasibility.

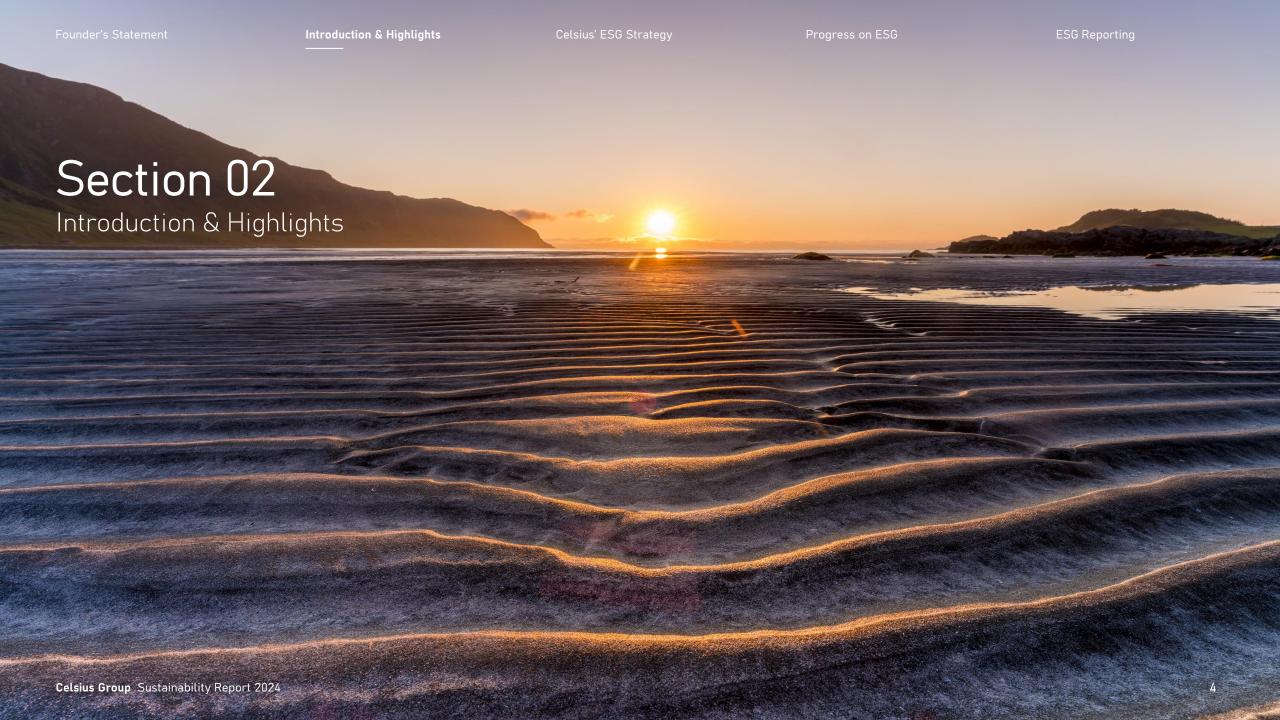
LNG is not only a *transition fuel*. Carbon capture technology is continuously improving and Bio- and E-methane are fully compatible drop in solutions representing carbon neutral pathways long term.

#### LOOKING AHEAD

We hope the recent regulatory changes provide new momentum for innovative decarbonization solutions. Together with our partners, we will continue exploring ways to improve our existing fleet and build ever more efficient newbuilds with future proof propulsion systems.

**Jeppe Jensen**Founder and Chairman



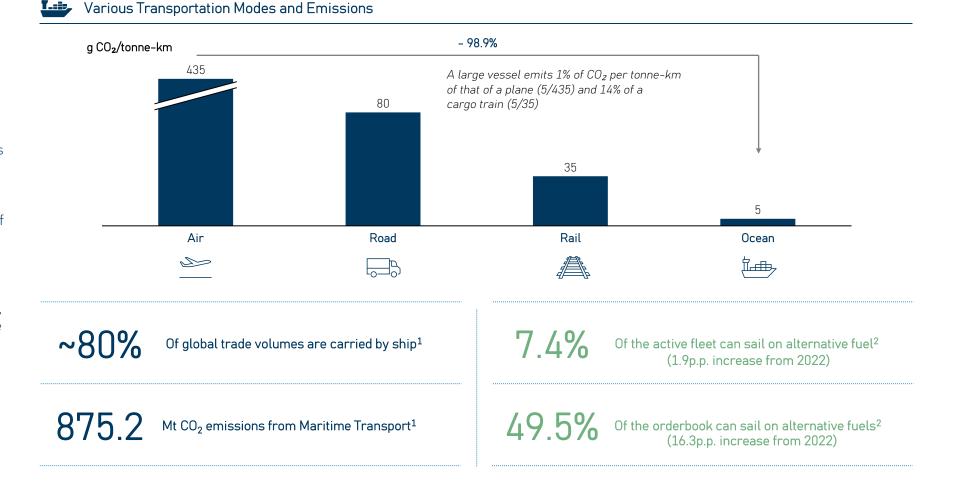


# Industry Highlights

The shipping industry accounts for  $\sim 80\%$  of international trade while accounting for only 2–3% of global CO<sub>2</sub> emissions.

Founder's Statement

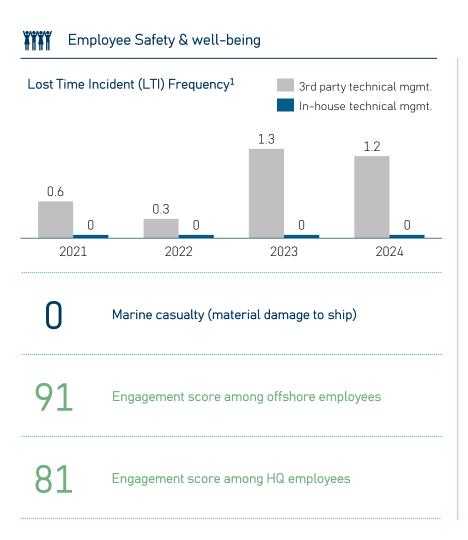
While shipping remains a significant source of GHG emissions, the industry is actively working to reduce its environmental footprint. Development in vessel orderbook shows a 16 p.p. increase in orders for vessels capable of operating on alternative fuels from 2022 to 2023. This shift, combined with technological advancements, stricter environmental regulations, and collaborative efforts across the industry, is paving the way for a more sustainable future.



Source: DNV, OECD, UNCTAD, Clarcksons Shipping Intelligence 1. In 2023; 2. World fleet in gross tonnes as of June 2024

# **ESG Highlights**

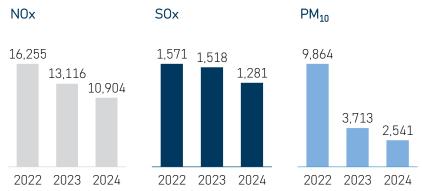
Celsius Group is committed to driving progress within ESG, and we remain focused on achieving our defined goals. During 2024, we reached our 2025 emissions target one year ahead of time and advanced further on our environmental, social and governance commitments, in an environment characterized by growing regulatory complexity and geopolitical tensions.







#### Air Quality (In metric tons)



1. LTI = (# incidents \*100,000)/employee labor hours; 2. AER needed to reach Celsius Group's targeted 25% reduction in 2030 (vs. 2020)

## Celsius Group at a Glance

Established in 2012, Celsius is a private management and investment firm focused on the maritime industry. Our objective is to deliver robust returns to our investors through the cultivation of long term, sustained, and predictable cash flows.

#### Celsius' Profile

Since inception, Celsius has successfully raised and managed +\$6.6bn in capital, strategically deployed within the maritime industry. The investments encompass both prudent, yield-oriented ventures and ventures of a more speculative nature.

Distinguished by a commitment to excellence, we offer bespoke investment solutions crafted to meet unique needs of our investors. Leveraged by a fully integrated platform of management services and day-to-day operations.

#### Celsius' Philosophy

Innovation, creativity and out-of-thebox thinking lies in the DNA of our culture which is emphasized in our investments alongside investors, financiers, and other business partners.

Celsius strongly believes that our competitive edge lies within the knowhow and innovation we bring to the table.

#### Our Offices



Key figures<sup>1</sup>

~700 +50 25 10 +\$6.6bn 5.4 years
Seafarers Onshore employees Vessels on the water Vessels on order Invested since inception Average fleet age<sup>2</sup>

1. Snapshot from  $31^{\text{st}}$  of December 2024; 2, Including newbuildings

### Fleet overview & orderbook

Celsius Shipping operates a modern and efficient fleet that lives up to and exceeds environmental and operational standards.

Our platform comprises 35 vessels, with 25 on the water and 10 on order as per 31/12/2024. This includes 12 container feeders, 2 product tankers and 1 chemical tanker.

In addition, we have 10 advanced LNG carriers on the water with 10 more on order from top Korean and Chinese shipyards. These are cutting-edge vessels designed with industry leading energy efficiency performance in line with our dedication to advancing sustainable shipping practices.



1. Fleet composition as of 31/12/2024

### Achievements in 2024

Celsius continues to increase its ambition levels within ESG, and we delivered further progress during 2024. On this page we highlight key milestones and initiatives implemented during the year.

- One of our top ESG priorities is reducing the carbon footprint of our fleet. We have set ambitious decarbonization targets, and together with our partners we have invested significantly in technologies aimed at increasing efficiency and reducing the emissions of our fleet, as well as equipment to ensure high-quality monitoring and reporting. In 2020 we defined two decarbonization targets; a 10% reduction by 2025 and a 25% reduction by 2030 (vs. 2020 baseline). We are proud to have achieved our 2025 target already this year, one year ahead of the targeted deadline.
- 2 In 2024, we continued the roll-out of Starlink on all Celsius LNG vessels following the positive feedback received in our 2023 pilot program. This upgrade has significantly improved life at sea for our seafarers by enhancing their ability to communicate with their families and creating better living conditions.
- As part of our ongoing fleet renewal program, Celsius completed several key transactions in 2024. We divested one +15-year-old container vessel, while taking delivery of nine new vessels: four ECO container feeders, four modern LNG carriers, and one chemical tanker.
- Celsius hosted its first Celsius Tech Officer Seminar in 2024, bringing together crew members from across our LNG fleet. The purpose of the seminar was to share innovative ideas and dive into the challenges and opportunities facing our industry. It was also a great opportunity to further strengthen the Celsius culture, share insights and get feedback from our seafarers.
- In line with our strategy to pursue innovative partnerships and cutting-edge technologies, we have implemented several solutions across our fleet to enhance environmental performance and operational efficiency:
- Hasytech Engine Control System
  - o A propeller cleaning system that improves efficiency by reducing fuel consumption, eliminating need for manual cleaning, and protecting marine ecosystems
- RLT Marine LED Lighting System
  - o Retrofitting of vessels with LED lights increases efficiency and reduces auxiliary engine power consumption while improving crew safety and working conditions
- FRESE Cooling Water Control System
  - o Cooling water system that impacts engine efficiency and fuel consumption through automated flow optimization between sea and fresh water-cooling pumps
- Manta Marine FuelOpt System
  - o Engine control interphase that optimizes and controls fuel consumptions through real-time control options for maximum fuel consumption, speed, and engine output

### Our 3 ESG Priorities

ESG is an integral part of Celsius, and our focus areas are centered around 3 key priorities.



Celsius is fully committed to driving ESG progress in the maritime industry. We take a pragmatic approach, continuously implementing gradual improvements, but our growing platform also gives us a unique opportunity to pilot new, innovative decarbonization technologies.

- Caroline Baier JensenHead of Strategy & Sustainability

#### 1. CARBON EMISSIONS



To accelerate the transition to lowcarbon and green fuels

#### **Key initiatives**

- State-of-the-art LNG newbuilding program
- Continuous technological and operational improvements to existing fleet
- Research on alternative fuels and emission reducing technology

#### 2. EMPLOYEE WELL-BEING



To give our employees the best conditions to thrive and succeed

#### **Key initiatives**

- Focus on improving conditions for off-shore employees
- Annual engagement surveys
- Variety of social events
- Dialogue on personal development and mentorship

#### 3. HEALTH & SAFETY



To build a safe workplace on- and offshore

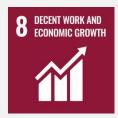
#### **Key initiatives**

- Improving communication initiatives for off-shore employees
- Safety training for crew members
- Mental health training and awareness programs

# Celsius Group and the UN SDGs

Celsius is supportive of all 17 UN sustainable development goals. However, we remain committed to prioritizing three goals, which we believe lie at the heart of the maritime industry, and where we can make the biggest impact. For 2024, we adopted SDG7 as a new key priority in line with our strategic focus on LNG, which we believe to be an enabler of the transition to cleaner energy sources.

# Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



At Celsius, we employ approximately 700 seafarers, and their welfare and safety is our top priority. We maintain rigorous workplace safety standards while demonstrating genuine dedication to crew members' psychological and physical well-being. We continuously evaluate and implement new ways to enhance support systems for all personnel, whether they work at sea or onshore.

## Take urgent action to combat climate change and its impact

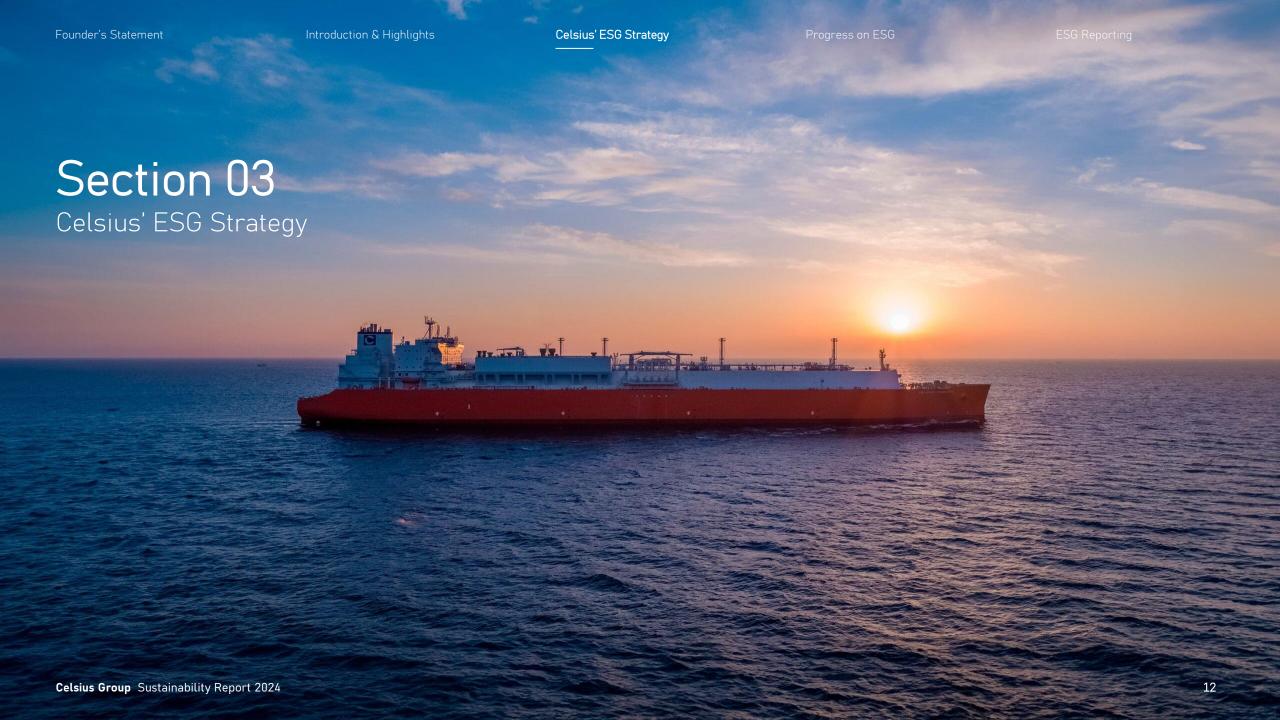


Maritime Transport is essential for world trade and offers energy-efficient transportation, though it still produces significant emissions. Reducing the carbon footprint of our fleet is a key priority at Celsius, and we are continuously investigating new solutions (both pragmatic, gradual upgrades and more disruptive innovation) for lowering the emissions of our vessels.

## Ensure access to affordable, reliable, sustainable and modern energy for all



In 2024 we adopted SDG7 as one of our key priorities, as it aligns with our strategic focus on LNG. We believe that LNG, with its established infrastructure, resource abundancy and lower emissions will play an increasingly important role in linking geographically disconnected supply and demand of energy. With our growing fleet of modern LNG vessels, Celsius serves as a bridge to cleaner energy adoption globally.



# LNG as a decarbonization path

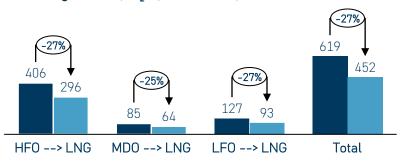
#### LNG OFFERS IMMEDIATE REDUCTIONS

The maritime industry has over the past years been at a crossroad in its decarbonization journey where choosing the "right" alternative fuel is a major strategic dilemma.

Celsius was an early player in advocating for LNG as a decarbonization path – a choice grounded in both pragmatism and sustainability. Our focus is on delivering immediate and gradually increasing emissions reductions, while choosing a path forward that is aligned with long term industry and regulatory targets.

LNG offers a viable and economically feasible path to lower emissions, with high production capacity, cost efficiency and a well-developed infrastructure globally. Regulatory bodies have also recognized the value of LNG, and it is thereby compliant under FuelEU for the next 10 years and potentially longer depending on vessel specifications and technology.

### 2023 global shipping emissions by fuel type and impact of converting to LNG ( $CO_2$ -e, million tons)<sup>1,2,3</sup>



#### FOCUS ON FLEET RENEWAL

Another central component of our ESG strategy is our fleet renewal program, where we achieve significant savings by investing in modern, efficient tonnage. Great progress in vessel design has been made over the past decade, and replacing old, highly polluting vessels with newer tonnage delivers significant emission reductions.

#### Optimization areas for newbuilds today<sup>4</sup>

Optimization	Engine design	Hull shape	Paint / coating	ESD⁵
Est. emission savings (%)	5-10%	3-7%	5-10%	4-15%

#### LONG TERM PATHWAY FOR LNG

Environmental concerns are crucial when making maritime investments today. Vessel attractiveness and residual values hinges on environmental compliance, not just short and medium term but for the long run.

At Celsius we believe not only in LNG as a transition fuel, bridging the gap between today's operations and tomorrow's zero carbon solutions, but also as a long-term sustainable alternative.

Bio-methane and synthetic methane are fully compatible drop in solutions and therefore represent carbon neutral pathways for the LNG distribution system, once sufficiently scaled. In addition, carbon capture technologies are under rapid development, and we closely monitor and maintain dialogues with players pioneering in this field.

Sources: SEA LNG; IMO, Maersk McKinney Møller Center for Zero Carbon Shipping

1. Figures are for illustrative purposes as some MGO is still needed for pilot fuel; 2. Only emissions from HFO, MDO and LFO; 3. Based on IMO 2022 guidelines on

1. Figures are for illustrative purposes as some MGU is still needed for pilot fuel; 2. Unly emissions from HFU, MDU and LFU; 3. Based on IMU 2022 guidelines or operational carbon intensity indicators and calculation methods (excl. methane slip); 4. Non-exhaustive; 5. Energy saving devices

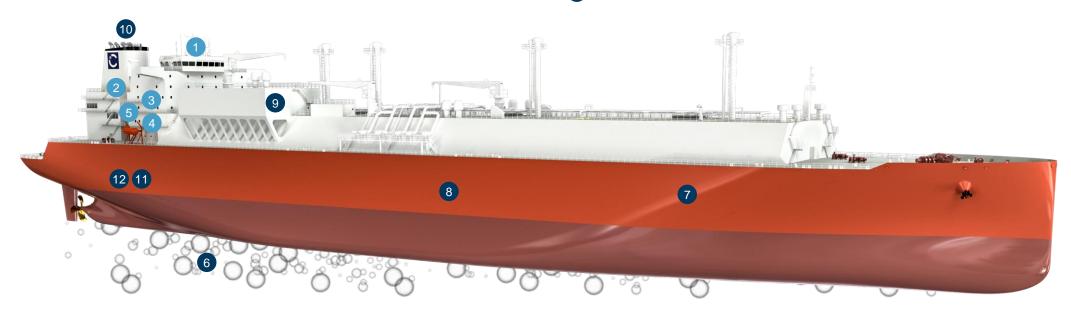




# ESG initiatives on Celsius LNGC newbuilding design

- 1 Starlink connects crew with family and allows for streaming
- 2 Swimming pool for crew
- 3 Spacious and light accommodation with floor to ceiling windows
- 4 Gym for employee health and well-being
- 5 Recreation rooms for relaxing

- 6 Air lubrication reduces friction to reduce emissions
- 7 Mark III flex low boiloff rate
- 8 180,000 CBM higher cargo intake for lower emissions per tonne transported
- 9 LNG boil-off reliquefication avoiding energy waste to improve efficiency
- 10 Emissions monitoring system
- 11 Methane slip reduction software to increase performance and reduce emissions
- WIN-GD X-DF 2.2, with ICER and VCR for our latest LNGC design





Founder's Statement

As a shipping company, Celsius recognizes the critical importance of reducing our environmental impact. Emissions reductions are at the center of our business, and we are committed to playing an active role in the energy transition. We support the growing adoption of LNG and see this as a feasible and impactful first step in the decarbonization of shipping.

#### **Targets**

- By 2025 10% reduction in CO<sub>2</sub> emissions per dwtnautical mile compared to 2020
- By 2030 25% reduction in  $\mathrm{CO}_2$  emissions per dwt-nautical mile compared to 2020
- By 2040 50% reduction in CO<sub>2</sub> emissions per dwtnautical mile compared to 2020

#### CELSIUS GROUP'S ENVIRONMENTAL STRATEGY

Integrating environmental responsibility into our business operations has always been a fundamental aspect of how we operate at Celsius. Our strategic focus lies on investing in sectors that contribute to broader decarbonization and on constructing cuttingedge vessels with industry-leading low emissions. We believe this is achieved through collaboration across the value chain, technical innovations, and continuously monitoring and reviewing our emissions and progress.

#### FOCUS ON LNG TO REDUCE EMISSIONS

Shipping – in particular, the deep–sea segments – is a hard to abate industry with no undisputed fuel or technology that will set it on a clear path towards zero emissions. At Celsius, the focus on LNG propulsion is a key pillar of our decarbonization strategy. With its abundancy, developed infrastructure and lower emissions, the adoption of LNG will deliver immediate  $\rm CO_2$  savings, and we expect it to play a key role in the global energy mix going forward.

#### ACCELERATING TECH ADOPTION

We strive to be at the forefront of development within decarbonization technologies and search for new ways to innovate and optimize energy efficiency. We continuously scan the market for new innovations and maintain close dialogue with our partners to identify new optimization opportunities. During 2024 these efforts led to the adoption of several energy optimization investments in our fleet.

#### **PARTNERSHIPS**

At Celsius, we believe that partnerships play a crucial role in decarbonizing the maritime industry, and that tackling the challenges facing our industry requires coordinated efforts.

We see partnerships as a great way for gradually improving our vessels and are intent on leveraging our growing fleet as a platform for testing new innovations.

#### REPORTING TRANSPARENCY

Celsius is committed to being transparent on how we progress on ESG related matters.

Clear and consistent reporting holds us accountable, builds trust, and empowers our stakeholders to see the full picture of our progress — both our achievements, and the areas we are still working to improve. By aligning our reporting with the widely adopted industry framework, SASB, we aim to provide meaningful and comparable disclosures.

### Our decarbonization progress and emissions targets

#### **DEVELOPMENT IN FLEET EMISSIONS**

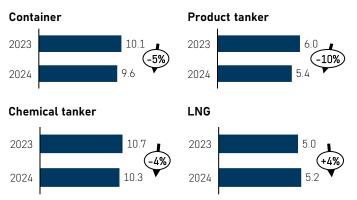
Tracking and reporting on emissions is a key step in any company's decarbonization journey, providing the foundation for effective action and enabling tracking of progress.

In 2024, we reduced our fleet AER by 11%. The AER per segment has also decreased, except for a slight increase for our LNG carriers, driven by a rise in the fleet's average sailing speed. One underlying reason is the Red Sea crisis, which necessitated trade rerouting and a need to sail faster to make up for lost time.

#### LNG AFR 38% BETTER THAN PEER AVERAGE

The efficiency and superior technical design of our LNG fleet is apparent when comparing the AER of our vessels to that of other LNG players. Celsius 2023 AER of 5.0 is thereby 38% below the average of relevant LNG peers.

#### Celsius' Annual Efficiency Ratio (AER) by Segment



#### 2025 TARGET ACHIEVED & NEW 2040 TARGET

One factor driving Celsius' reduction in average emissions is our fleet renewal program with divestments of older tonnage and investments in new optimized LNG fuelled vessels with industry low emissions.

In 2020 Celsius Group defined emissions reduction targets for 2025 and 2030 to reduce the carbon footprint of our operations. We are proud to announced that we have realized our 2025 target one year ahead of time.

To ensure that we continue contributing to the transition to a more sustainable maritime industry going forward, we have defined a new target for 2040 aiming for a minimum reduction of 50%.

#### Celsius' emissions targets (AER vs. 2020 baseline)



1. Peer average based on publicly available 2023 AER figures from a group of six LNG companies

ESG Reporting

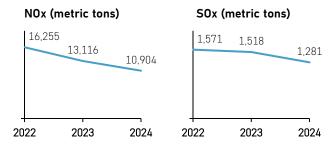
# Reducing air pollution and protecting ecosystems

#### 2024 HIGHLIGHTS

 $\begin{array}{cccc} 16\% & 17\% & 32\% \\ \text{REDUCTION} & \text{REDUCTION} & \text{REDUCTION} \\ \text{IN SO}_x & \text{IN NO}_x & \text{IN PM} \end{array}$ 

#### **AIR POLLUTANTS**

Addressing the emission of SOx, NOx and particulate matters (PM) in the maritime industry is crucial for enhancing air quality, safeguarding human health and mitigating climate change impacts.



Reducing the emissions of air pollutants is a key priority for Celsius. We reduced our  $SO_X$  emissions by 16% and  $NO_X$  emissions by 17% from 2023 to 2024.

We have also managed to significantly bring down the emission of particulate matter over the past three years. From 2023 to 2024 these emissions from our fleet declined by 32%.

#### PM (metric tons)



LNG produces no  $SO_X$  and significantly lower NOx and PM emissions compared to HFO. The gradual divestment of less efficient vessels from our portfolio together with our growing fleet of top efficient LNG carriers is a major driver of our decline in air pollutants.

Together with our charterers we continuously work towards optimizing performance, minimizing fuel consumption and using LNG as fuel to the greatest extent possible on all voyages.

#### ZERO SPILLS

At Celsius we are aware of the harmful and long-lasting impact that oil spills have on ecosystems.

We take extensive measures to prevent spills and have strict procedures in place to minimize the environmental impact if an incident occurs.

Celsius shipping experienced zero spills or other types of releases to the environment from our fleet during 2024.

#### ADRESSING METHANE SLIP

While LNG offers significant environmental advantages compared to other fuel types, we recognize that addressing methane slip is crucial to fully realizing its climate benefits.

Celsius is a member of MAMII (Methane Abatement in Maritime Innovation Initiative) which is a collaborative effort to identify and implement technologies to monitor and reduce methane emissions in the maritime supply chain.

#### 100% BALLAST WATER TREATMENT SYSTEM

Adopting ballast water treatment systems onboard ships is key to preventing the introduction of non-native species into new environments, thereby protecting marine ecosystems and preserving biodiversity.

All of our vessels have Ballast Water Treatment Systems installed onboard. We apply two different technologies across our fleet: UV radiation and Electrolysis.

#### PARTNERSHIPS TO ACCELERATE PROGRESS

Decarbonizing the maritime industry involves complex technological, regulatory and operational challenges. We believe that collaborations are needed to accelerate the transition to a sustainable, low-carbon future.











#### A GOOD WORKING ENVIRONMENT

At Celsius we are committed to cultivating a positive working environment where our employees feel valued, safe and motivated to thrive.

Over the past few years, we have launched a range of initiatives to further boost engagement and well-being with the ambition to build a culture that supports high performance, mutual respect and long-term success.

#### MONITORING EMPLOYEE ENGAGEMENT

Using engagement surveys both onshore and offshore has been a crucial tool in understanding the well-being of our employees and what drives their happiness and motivation. We will continue to monitor employee engagement to ensure that every voice is heard, and that we remain responsive to the evolving needs of our workforce.

#### SAFETY AT THE CENTRE

Safety is a core value embedded in every aspect of our operations. We are committed to maintaining the highest safety standards to protect our employees, the cargo we transport, and the communities we engage with.

We conduct frequent and ongoing training sessions for all crew members, reinforcing best practices and updating on regulatory and technological changes. Our strict safety policies and procedures are enforced on all vessels and reviewed regularly to ensure they are up to date with industry standards.

#### PHYSICAL WORK ENVIRONMENT

Life at sea can be highly demanding, and we are committed to building the best possible facilities and physical working environment for our seafarers. This has been a core focus when designing crew accommodation and facilities on our newbuilding program. We will keep working on identifying new ways to improve conditions for our seafarers and will listen to the feedback provided in our engagement survey to identify new initiatives.

#### MENTAL WORK ENVIRONMENT

At Celsius we recognize that life at sea presents unique challenges that can significantly impact mental health. Extended time away from home, high pressure environments and irregular work hours are just a few examples of the stressors seafarers face. We therefore place a strong focus on supporting the mental health of our crew. We have multiple mental health trainings and programs in place for the crew onboard our vessels. These include psychological first aid training of senior ranks, "wellness at sea" workshops and support programs for families of crew members.

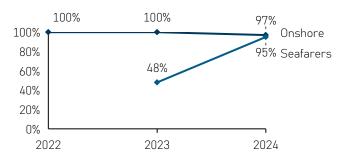
# Employee well-being and motivation

#### **ENGAGEMENT SURVEY**

At Celsius we believe that our employees are a key enabler of our success. Employee engagement is at the heart of our culture driving both personal growth and organizational excellence.

We use engagement surveys as a tool for understanding the needs, motivations and concerns of our people. By actively seeking employee feedback we gain valuable insights into what drives engagement and potential improvement areas.

#### Survey response rate development (% of total)



Ensuring high response rate is crucial to generating useful results. We are happy to maintain a high response rate among onshore employees. However, in our first crew engagement survey we only got feedback from 118 FTEs. We investigated this and took necessary actions resulting in 393 responses in 2024.

#### Survey result (absolute & vs. benchmark (%))

Year	2022	2023	2024
Onshore	82 (+15%)	88 (+14%)	81 (+5%)
Seafarers	N/A	89 (+16%)	91 (18%)

We are thrilled that our engagement surveys, both on and offshore, have generated strong results consistently ranking above external benchmark<sup>1</sup>

While we celebrate this success, we remain committed to continually enhancing our employee experience and ensuring that everyone feels valued and motivated to contribute to our shared goals.

#### PERFORMANCE TRACKING & DIALOGUE

During the past 3 years we have worked on building greater focus on personal development and feedback together with higher transparency around the goals and ambitions of our organization.

We have defined a manager-employee feedback template and conduct bi-annual performance dialogues.

In 2024 we also defined a set of KPIs for Celsius and each functional team. The progress towards our targets will be tracked and communicated on an ongoing basis with a final evaluation towards the end of the year.

We hope these initiatives will increase transparency and boost collaboration across teams

#### Annual performance and feedback wheel (Jan-Dec)





Annual targets

Employee engagement survey

#### **GIVING BACK**

At Celsius we are committed to giving back to communities with a particular focus on improving the lives of children and helping those in need in various parts of the world. We are passionate about supporting organizations and initiatives that provide children with the resources, education and opportunities they need to thrive.









1. Benchmark comprises +25,000 survey responses from employees across 20 industries.

# Strong performance for our LNG carriers

#### 2024 HIGHLIGHTS

U LTI FOR LNG FLEET 7316

10

DAYS WITH NO OFFHIRE LNGCs ON THE WATER

#### SAFETY AT THE CENTER

The nature of LNG demands strict safety protocols, and LNG shipping must comply with stringent international regulations. Celsius is committed to adhering to and exceeding international safety regulatory compliance.

Ensuring the safety and well-being of our seafarers is a key priority. We are committed to building a safety-first culture across all levels of the organization and continuously evaluate potential risks across our operations. All crew members undergo comprehensive training upon hiring and while on board.

#### STRONG PERFORMANCE ACROSS OUR LNG FLEET

LNG operations are more complex than other shipping segments due to its specialized technology and strict safety standards. Our vessels have advanced containment and insulation systems and complex gas handling and reliquefaction systems.

Operating our LNG vessels require a skilled crew onboard with specialized technical knowledge to ensure safe and smooth operations. Maintaining uninterrupted operations while ensuring the highest safety standards is therefore no small feat.

Our LNG fleet has a strong operational track record with zero LTIs and zero days offhire since the first vessel entered operation in 2020.

This achievement reflects the professionalism of our crew, the diligence of our technical teams and the effectiveness of our maintenance and safety protocols.

#### **ENGAGING WITH OUR SEAFARERS**

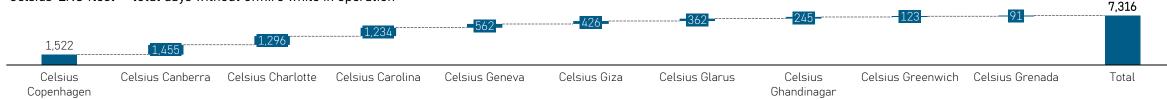
In 2024 we held our first Celsius Tech Officers' seminar where we brought together all officers employed on our LNG fleet. This was a great opportunity to discuss industry relevant topics, get input from our seafarers and further strengthen the Celsius culture.





Celsius Tech Officers' Seminar 2024

#### Celsius' LNG fleet - total days without offhire while in operation



## Governance

Celsius Group Sustainability Report 2024

Celsius Group is devoted to being a responsible corporate citizen, consistently operating in line with applicable laws and regulations. Our policies are designed to promote integrity, accountability, and sustainable practices across our workforce and throughout our business relationships. We recognize that the regulatory and business environment is constantly evolving, which is why we regularly review and update our policies to ensure they remain relevant, effective, and aligned with best practices.

Introduction & Highlights

#### **GROWING REGULATORY REQUIREMENTS**

The shipping industry is currently navigating an increasingly complex regulatory environment, with new measures aimed at enhancing environmental sustainability, safety, and operational efficiency.

In 2024, the EU ETS system entered into force and in 2025 the FuelEU Maritime regulation will also be introduced. The Celsius Group has invested significant resources into preparing for these regulations and ensuring that our people and processes are in place to ensure compliance.

#### FOSTERING RESPONSIBLE LEADERSHIP

Celsius Group is committed to upholding the highest standards of integrity, accountability and transparency across all levels of our organization.

We believe in reinforcing our various compliance policies from the top down to all employees, and we communicate the importance of these on an ongoing basis. Compliance is thereby a standing item on the agenda of our quarterly townhalls with various topics emphasized each time. Topics discussed during 2024 include, cyber security, GDPR compliance and various regulatory updates.

#### RESPONSIBLE CONTRACTOR COMMITMENT

Celsius Group is dedicated to upholding the highest standards of social responsibility and ethics in our business practices. In 2024 we formulated a Responsible Contractor Policy outlining our expectations for contractors and service providers, ensuring that they adhere to principles of fair and ethical labour practices, environmental responsibility and compliance with all applicable laws and regulations.

#### **CELSIUS GROUP'S POLICIES**

Having a set of corporate policies in place is foundational to ensuring ESG compliance, as they define expectations, enable accountability and guide decision making across the organization.

Celsius Group is entirely committed to a broad range of policies including, but not limited to: Anti-bribery and Corruption, Cyber Security, Health and Safety, ESG, GDPR and Recycling.

We review these policies on an annual basis to ensure that they reflect current regulatory environment, technological advancement and industry best practice.

# EU regulations imposed on the maritime industry

#### SCOPE OF FUELEU & EU ETS

100% FOR INTRA-

**EU VOYAGES** 

50%

100%

FOR EXTRA-EU VOYAGES FOR VESSELS AT BERTH IN EU

#### EU ETS: CAP AND TRADE SYSTEM TO REDUCE EMISSIONS

As of 2024 the maritime industry was included under the European Union's Emissions Trading System (ETS), an emissions cap-and-trade scheme which already covers several carbon intensive sectors in the EU. As a result, shipping owners must surrender emission allowances (EUAs) for each tonne of reported  $\mathrm{CO}_2$  equivalents emitted while operating in the EU.

Implementation will be phased, progressively incorporating additional vessel specifications and a broader spectrum of greenhouse gases. The share of emissions included will also be phased in.

#### Phase in (% of emissions included)

40% In 2024



70%



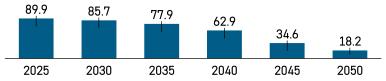
100% In 2026

#### FUELEU MARITIME: IMPROVING GHG FUEL INTENSITY

FuelEU Maritime is another component of EU's strategy to decarbonize the maritime sector. The regulation is focused on the GHG intensity of marine fuels to accelerate the adoption of sustainable fuels and innovative technologies.

FuelEU will enter into force from 2025 and impose annual limits on the GHG intensity of the energy used onboard ships. These limits will gradually tighten over time, making the use of high polluting fuels increasingly expensive.

#### GHG intensity levels under FuelEU (gram CO<sub>2</sub>-e/MJ)



Emissions are calculated in a well-to-wake perspective taking the entire fuel lifecycle into account to give a more holistic assessment of the environmental impact of various fuel types and technologies.

#### Flexibility mechanisms to support practical transition

- Pooling: Emissions from multiple ships are pooled allowing for surplus vessels to subsidize deficit ships
- Banking: Compliance surpluses are carried forward from one reporting period to the next
- *Borrowing:* advanced compliance surplus is borrowed from the subsequent reporting period

#### IMPLICATIONS FOR CELSIUS

Companies in the maritime industry have over the past years allocated substantial resources – legal, financial, administrative and technical – to navigating the complexities of EU ETS and FuelEU. Both schemes will imply a growing administrative burden for owners and managers to comply with technical monitoring and reporting requirements, to have a setup in place to trade and track allowances, and to manage the various flexibility mechanisms under FuelEU.

The regulations push for even closer collaboration and data sharing between players across the value chain, but contractual agreements must also be expanded to account for various scenarios under the two initiatives.

Celsius has dedicated extensive resources towards ensuring compliance with the new legislation.

The increasing regulatory focus on reducing GHG emissions and promoting sustainability will reshape operational practices, financial planning and strategic decision making in the maritime sector.

The industry development is well-aligned with Celsius Group's long term strategic focus on fleet renewal, building state of the art vessels and growing in the LNG segment.

We see the regulatory development as a strategic opportunity to enhance our competitive position. Our LNG fleet is compliant under FuelEU until 2035 ensuring operational continuity for the next 10 years. The regulations will incentivize and subsidize green technologies and innovation, and we are eager to investigate new solutions with our partners to further reduce the footprint of our fleet.

# Future Objectives

Introduction & Highlights

At Celsius Group, we have set an ambitious ESG agenda. Our goal is to make measurable progress year by year, generating real impact within our three key focus areas of emissions reductions, employee wellbeing and heath and safety. Through consistent effort and accountability, we aim to build a more sustainable and responsible future for our employees, our stakeholders and the communities we engage with.

#### **Celsius' Mission Statement**

Founder's Statement

"Our mission is to provide safe and reliable transportation globally with respect for the environment, our employees, our partners and international law"

#### Achieve our Emissions Targets



Reducing emission is a top priority. As a result of our fleet renewal, eco-newbuilding and fleet optimization focus, we reached our 2025 target one year ahead of time.

### Continue Fleet Renewal Program



It is our ambition to continue our fleet renewal program with a focus on modern, efficient vessels and alternative fuel propulsions.

#### Retain High Engagement Across Celsius Group



Employee well-being is one of our key priorities at Celsius, and we will work hard to maintain high engagement levels among our employees both on- and offshore.

### Explore Innovative Partnerships



We will continue leveraging new and existing partnerships to provide innovative solutions, to reduce emission and costs and increase efficiencies and transparency.

### Increase Transparency and Reporting



We will increase insights into our emissions through improved data collection measures and monitoring.

#### Continue Safety Optimization



We aim to continuously optimize safety measures for our seafarers to maintain and improve safety amongst our employees.



# Activity

Activity Metrics	2023	2024
Number of shipboard employees	720	648
Total distance traveled by vessels (in nautical miles)	1,795,393	1,844,967
Operating days	5,764	5,218
Deadweight tonnage	1,554,776	1,613,343
Number of vessels in the fleet <sup>1</sup>	32	27

1. Vessels under Celsius ownership during the reporting year



Founder's Statement

Activity Metrics	2023	2024
Greenhouse Gas Emissions		
Gross Global Scope $1$ emissions (in metric tonnes) $^{1}$	694,829	776,211
Total Energy consumed (in Gigajoules (GJ)) $^2$	11,261,828	11,850,899
Percentage Heavy Fuel Oil (in percentage) <sup>3</sup>	0%	0%
Average grams of CO <sub>2</sub> emitted per deadweight tonne-nautical mile <sup>4</sup> (1) Container feeders (2) Dry bulk (3) Product Tanker (4) Chemical Tanker (5) LNG (6) Total average	(1) 10.1 (2) 0.0 (3) 6.0 (4) 10.7 (5) 5.0 (6) 7.1	(1) 9.6 (2) 0.0 (3) 5.4 (4) 10.3 (5) 5.2 (6) 6.3
Air Quality		
Air emissions of the following pollutants: (1) $NO_x$ (excluding $N_2O$ ) (2) $SO_x$ (3) Particulate matter ( $PM_{10}$ ) (in metric tonnes )	(1) 13,116 (2) 1,518 (3) 3,713	(1) 10,904 (2) 1,281 (3) 2,541
Ecological Impacts		
Number of travel days in marine protected areas or areas of protected conservation status <sup>5</sup>	284 days	926 days
Percentage of fleet with installed ballast water treatment system	100%	100%
<ul><li>(1) Number of spills and</li><li>(2) Aggregate volume of spills and releases to the environment (in <b>Cubic meters</b>)</li></ul>	(1) 0 (2) 0	(1) 0 (2) 0

# 1 Environmental

- 1. "Scope 1 emissions" refers to all direct emissions resulting from the activities of our organization, including the consumption of bunker fuel.
- 2. Total energy consumed is the total consumption of Low Sulphur Fuel Oil, Marine Gas Oil, Liquified Natural Gas and Renewable Energy, measured in Gigajoules.
- 3. Our total consumption of Heavy Fuel Oil (HFO) is 0 as consumption of HFO under the IMO's 2020 Sulphur Cap requires installation of scrubbers, which the Celsius Group has deselected. Our bunker fuel consumption is instead made up of low-sulphur fuel oil (LSFO) and Marine Gas Oil (MGO).
- 4. Celsius Group has since 2021 followed industry standards and thus measures our average  $CO_2$  emissions, relative to deadweight-nautical miles. Average grams of emitted  $CO_2$  per deadweight tonne-nautical mile is calculated as  $\frac{Total\ CO2\ emissions}{Vessel\ deadweight\ tonnage\ *\ nautical\ miles}$  per segment.
- 5. "A marine protected area is defined according to the International Union for Conservation of Nature (IUCN) as any area of the intertidal or subtidal terrain, together with its overlying water and associated flora, fauna, and historical and cultural features, which has been reserved by law or other effective means to protect part or all of the enclosed environment" (Sustainability Accounting Standards Board, Marine Transportation).



Activity metrics	2023	2024
Employee Health and Safety		
Lost Time Incident Frequency <sup>1</sup>	1.34	1.23
Accident and Safety Management		
<ul> <li>(1) Number of Marine casualties<sup>2</sup></li> <li>(2) Percentage classified as very serious<sup>3</sup></li> </ul>	(1) 1 (2) 0%	(1) 0 (2) 0%
Number of Conditions of Class or Recommendations	24	24
Number of Port State Control Inspections (1) Average Deficiency per PSC <sup>4</sup> (2) Detentions	72 (1) 0.68 (2) 0	57 (1) 0.60 (2) 0



1. Lost Time Incident Frequency is calculated as  $\frac{Number \ of \ incidents*1,000,000}{Employee \ labor \ hours}$  using aggregate numbers for the fleet.

2. A Marine Casualty is defined "based on the United Nations International Maritime Organization (IMO)'s Code of International Standards and Recommended Practices for a Safety Investigation into a Marine Casualty or Marine Incident Resolution MSC 255(84), paragraph 2.9, chapter 2 of the General provisions, as an event, or sequence of events, that occurs directly in connection with the operations of a ship and results in one or more of the following:

- The death of, or serious injury to, a person
- The loss of a person from a ship
- The loss, presumed loss, or abandonment of a ship
- Material damage to a ship
- The stranding or disabling of a ship, or the involvement of a ship in a collision
- Material damage to marine infrastructure external to a ship, that could seriously endanger the safety of the ship, another ship or an individual
- Severe damage to the environment, or the potential for severe damage to the environment, brought about by the damage of a ship or ships "

(Sustainability Accounting Standards Board, Marine Transportation)

- 3. A very serious marine casualty is defined as "A very serious marine casualty is defined as a marine casualty involving the total loss of the ship, a death, or severe damage to the environment." (Sustainability Accounting Standards Board, Marine Transportation)
- 4. A deficiency is defined "as a condition found not to be in compliance with the requirements of one or more of the following conventions:
- International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocols of 1978 and 1997 relating thereto, as amended (MARPOL)
- International Convention for the Safety of Life at Sea (SOLAS)
- International Convention on Load Lines
- International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended (STCW)
- International Convention on the Control of Harmful Anti-Fouling Systems on Ships (AFS)
- International Convention on Tonnage Measurement of Ships, 1969 (Tonnage)
- International Labour Organization (ILO) Maritime Labour Convention, 2006

## Governance

Activity Metrics	2023	2024
Business Ethics		
Number of port calls in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index <sup>1</sup>	0	0
Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption <sup>2</sup>	0	0
1. The 20 lowest ranking countries in the index are: South Sudan, Syria, Somalia, Venezuela, Yemen, North Korea, Afghanistan, Libya, Equatorial Guinea, Turkmenistan, dem. Rep. of Congo, Burundi, Chad, Nicaragua, Haiti, Comoros, Myanmar, Tajikistan ,Eritrea, Sudan		
2. Monetary losses are reported in USD		



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