

Blystad
Group



**ESG Report
2023**



Key Performance Figures

SHIPPING EMISSIONS



39.64

Grams of CO2 per
ton-nautical mile

REAL ESTATE DEVELOPMENT



86.5%

Sorting rate
construction waste

GENDER DIVERSITY



48% | 52%

Gender diversity at
Group Management



Contents

- CEO STATEMENT
- ABOUT THE BLYSTAD GROUP
- SHIPPING
- REAL ESTATE
 - Property Development
 - Property Management
- INVESTMENT

ABOUT THIS REPORT

This report presents the environmental, social and governance (ESG) performance of the Blystad Group for the period January 1 to December 31, 2023.

The report has been based on the SASB standard (2023) for marine transportation, and the real estate area indicators are derived from Norsk Eiendom and Grønn Byggallianse.

The report includes the three business units of Blystad Group: Songa Ship Holding, Songa Eiendom and Songa Invest. We are still working to improve our ESG reporting, and some disclosure metrics are not complete, please see the Disclaimer for details.

For further information please contact abs@blystad.no



CEO Statement

Ever since our involvement in the textile industry in the early 1900s, the Blystad Group has shown remarkable adaptability to evolving technologies, regulations, and stakeholder expectations. Embracing change has been key to our success over the years. Sustainability, encompassing environmental, social, and governance (ESG) considerations, remains a cornerstone of our decision-making processes for both operations and investments.

Today, the Blystad Group stands as a testament to our commitment to longevity through innovation. Our readiness to pioneer new paths has positioned us as a Nordic powerhouse with a global footprint. Rooted in Norwegian family values, we take into account both local and global contexts in our approach. Looking ahead, we are committed to integrating long-term sustainability considerations into all aspects of our business decisions.

Our value creation is deeply tied to our core values, blending industrial expertise with insights from capital markets. We remain agile in seizing opportunities and steadfast in earning trust as partners. As we enter the next decade, our commitment to being a reliable ally in business, collaboration, and teamwork remains unwavering.

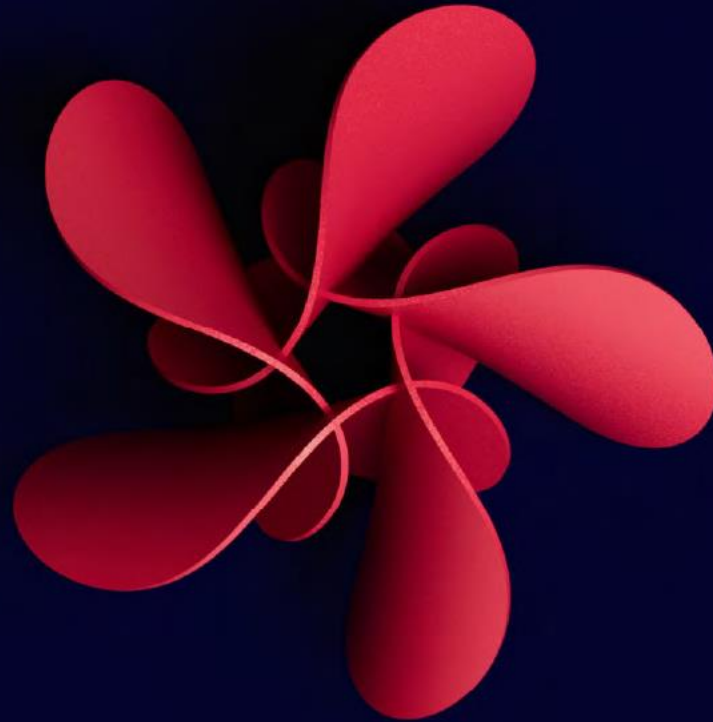
In 2023, our dedication to sustainability was evidenced by significant strides within our operations. One of the main areas on the shipping side was the implementation of a system to manage the EU ETS regulation, which came into effect on January 1, 2024. Furthermore, we continuously work on the Carbon Intensity Indicator (CII) by maintaining a close dialogue with our charterers and exploring various measures to reduce emissions. Biodiesel is a focus for Songa Shipmanagement, and we have some ships that have begun testing this fuel source. In addition, we have started to implement Alternative Maritime Power (AMP) systems on our container vessels, which allows ships to connect to land-based electricity while docked, significantly reducing emissions and fuel consumption. On the real estate side, we maintain a significant focus on waste management and are constantly seeking improvements in this area.

These efforts align with our overarching goal of creating value through longevity, ensuring that our actions today contribute to a sustainable future for generations to come.

Fredrik Platou – CEO



About the Blystad Group





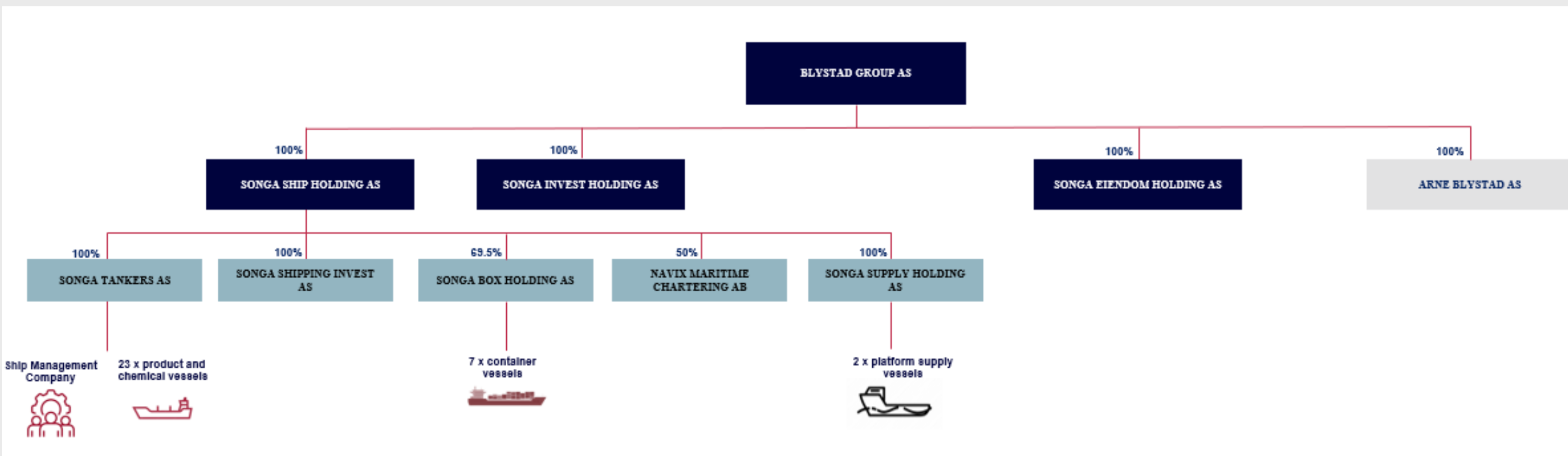
The Blystad Group

The Blystad Group has investments in various shipping segments such as container vessels, chemical- and product tankers, offshore supply vessels and various listed companies within the maritime and energy sector. The group is further invested in real estate in the Nordics and holds various other portfolios in stocks and equity investments.

The group is 100% owned and controlled by Mr. Arne Blystad and his immediate family. Mr. Blystad is a second-generation ship owner following in the footsteps of his father Mr. Arne Blystad Sr., who acquired his first vessel in the late 1940s.



Organisational Chart





Our People

EMPLOYEES:

Blystad Group **27** – Oslo office

Shipping **2**

Real Estate **4**

Investment **3**

Shipping **49** – Glasgow office

1 012 – Seafarers





Our People^a

HEALTH AND SAFETY

Sick Leave

3.0% HQ^a

DIVERSITY

Gender Balance

52% women^a

48% men^a

Parental Leave

54 weeks

Part-time

2 employees



ESG Management

The Blystad Staff Handbook guides our approach to ESG issues. It includes the Company's ethical guidelines, environmental considerations and social issues.

In alignment with the Staff Handbook, all employees, including temporary and hired workforce, have the right and are encouraged to report poor working conditions and unethical behaviour. The routines for reporting are set forth in the Handbook and allows for both open and anonymous reports.

The CEO and the Chairman of the Board are responsible for handling reports according to the set routines. Reports can also be made to official authorities.

GOVERNING DOCUMENTS

Group level

- Staff Handbook

Shipping

- Anti-bribery and Corruption Policy and Procedures
- Ethical Business Conduct
- Green Ship Recycling Policy
- Environmental Policy
- Health and Safety Policy
- Security Policy
- Quality Policy

For more information visit:

<https://www.songashipmanagement.com/>



Human Rights

We continue our steadfast commitment to upholding human rights and adhering to the highest ethical standards in all aspects of our operations, a principle we also expect from our partners. Through a comprehensive human rights risk assessment, we have pinpointed areas of potential vulnerability, with shipping and real estate emerging as the focal points.

In shipping, our main focus is on employees and seafarers. To address risks, we have established frameworks and policies to safeguard the rights of our workforce. Additionally, we have processes and protocols for suppliers and handling of non-compliance. These commitments extends to our collaborations and shipyards, to ensure the protection of human rights.

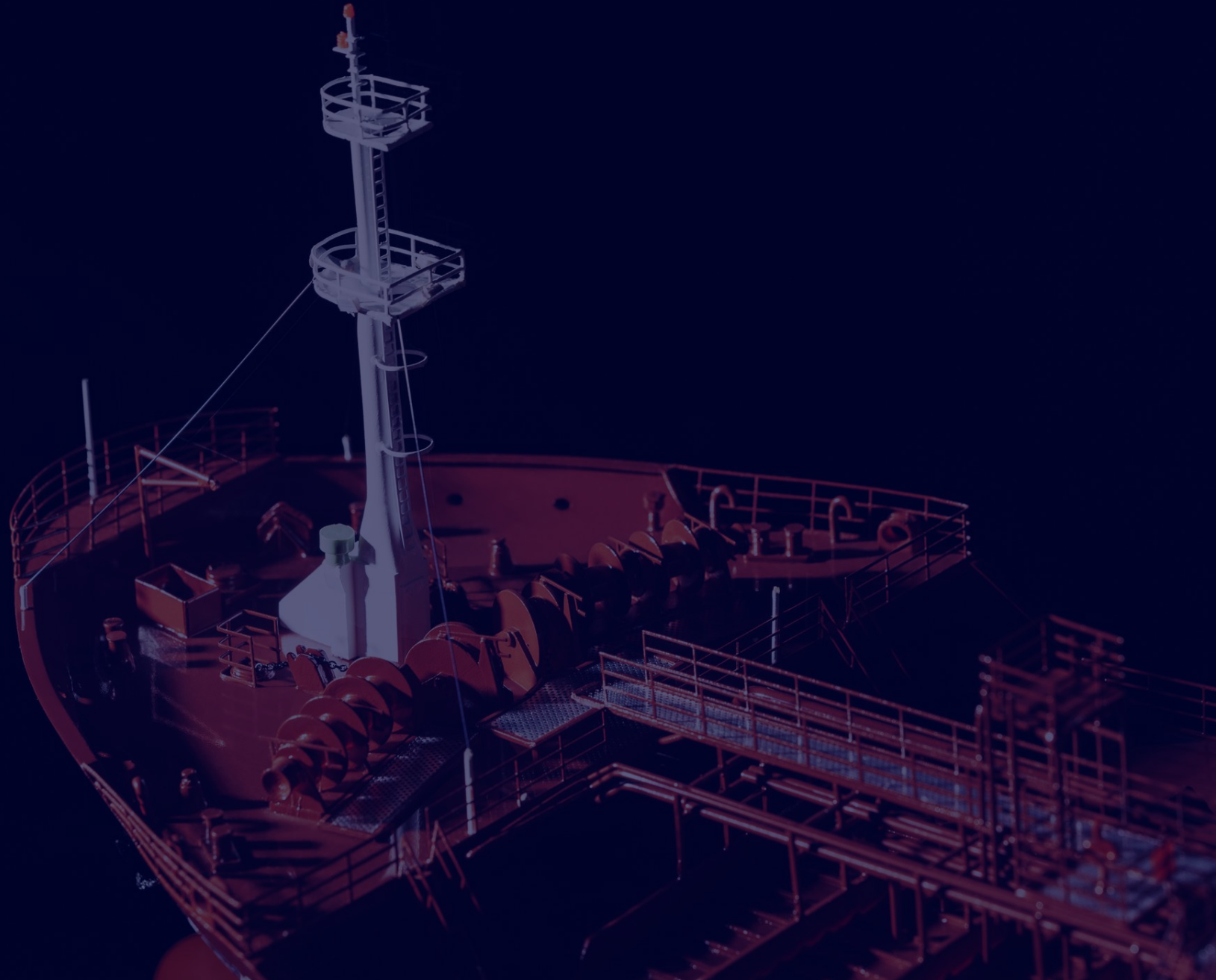
In real estate, our attention is directed towards mitigating risks associated with contractors, their subcontractors, and suppliers. We require full transparency from our contractors, requiring them to disclose information about their subcontractors and procedures for complying with the Transparency Act's obligations.

In 2023 we enhanced our work related to due diligence, and we issued our first statement in accordance with Section 4 of the Transparency Act. In 2024, we will strengthen our efforts through implementing a comprehensive Code of Conduct at the group level, setting clear expectations for ethical behaviour across all operations.

The Blystad Group's full Transparency Act Statement can be found on our [website](#).

Shipping

Songa Shipholding





Environment

Our environmental efforts are centred on preventing pollution, reducing emissions, and fostering a zero-spill ethos aboard our vessels. At the core of our Environmental Policy lies the overarching objective of safeguarding the environment, with our Environment System Manual delineating the framework for achieving these objectives.

Energy Efficiency: We calculate our ships' Energy Efficiency Ship Index (EEXI) and their annual Carbon Intensity Indicator (CII). The latter serves as a vital metric, aiming to reduce the carbon intensity of all ships by 40% by 2030, relative to the 2009 IMO baseline.

As a company endorsing the [Poseidon Principles](#), we are committed to aligning our shipping operations with the International Maritime Organization's climate goals by transparently reporting and reducing our carbon emissions. This initiative promotes responsible environmental stewardship and fosters accountability in the maritime industry.

In 2023, we fitted one container vessel with an Alternative Maritime Power (AMP) system, and we are looking to install this on further vessels. The AMP system allows ships to connect to land-based electricity while berthed, significantly reducing emissions and fuel consumption by shutting down their auxiliary engines. This system reduces carbon emissions and improves air quality in port areas.

Ship Recycling: Aligned with our commitment to sustainability, our Green Ship Recycling Policy aligns with the goals of the Hong Kong Convention. This policy is purposefully crafted to curtail, minimize, and where feasible, eradicate adverse environmental and human health impacts stemming from ship recycling activities.

27.06.2024



Emissions and Ecological Impacts

		2022	2023	Comment
Scope 1 GHG Emissions (financial control)	Metric tonnes CO2	351 417	357 384	The increase in CII/AER is due to changes in our vessels' operational patterns, often driven by shifts in contracts. In 2023, several ships were undertaking shorter voyages and/or experiencing extended periods in port and the intensity figure has thus increased significantly.
CII/AER (simple average)	Grams of CO2 per ton-nautical mile	13.9	39.6	
Implemented Ballast Water	Exchange	48%	11%	
	Treatment	52%	89%	
Spills and Releases to the Environment	Number	0	0	
	Aggregate number	0m ³	0m ³	



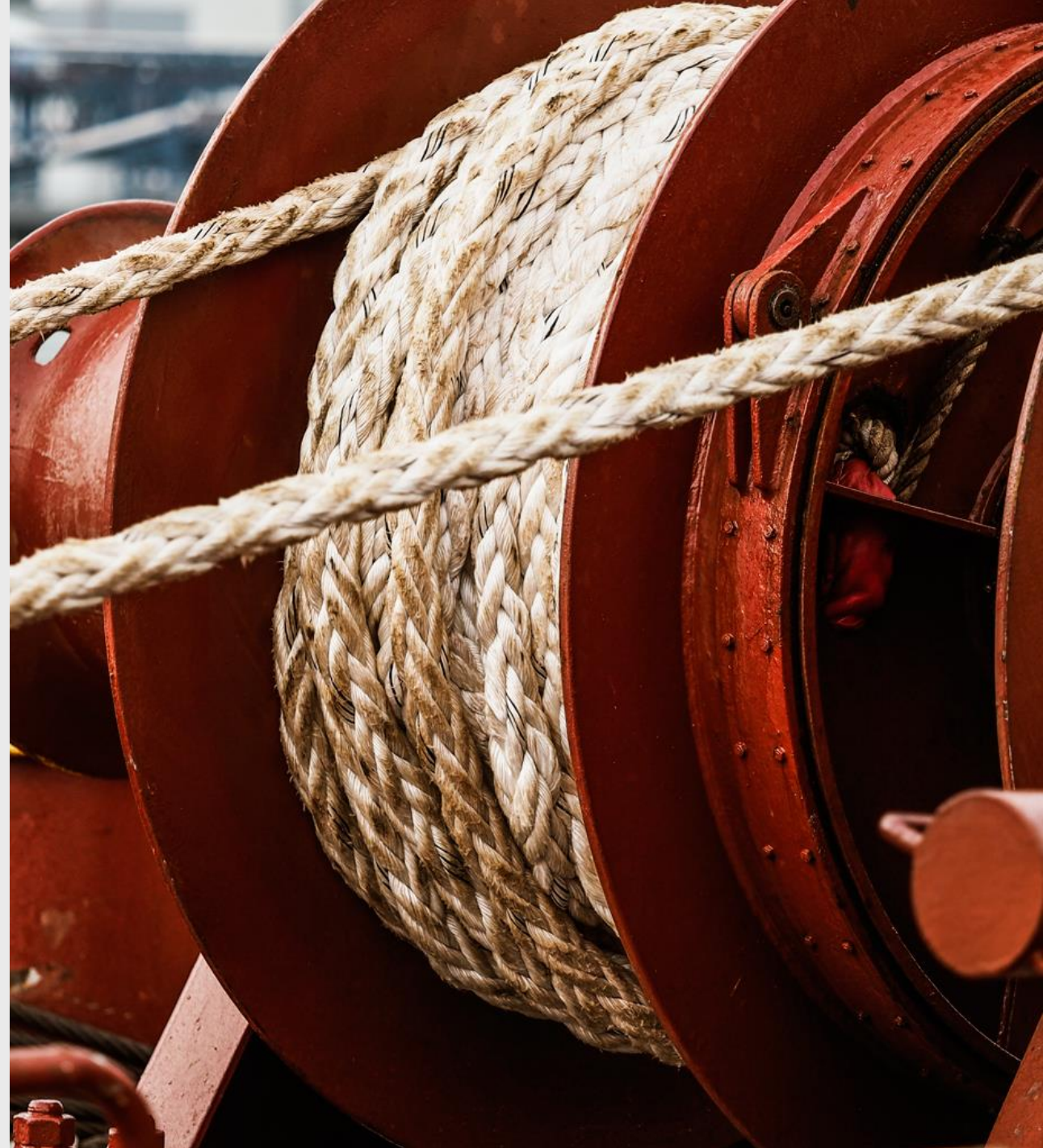
Social

Health and Safety: Ensuring the safety and well-being of our workforce remains of outmost importance. Our Health & Safety (H&S) Policy is developed to exert adequate control over the health and safety risks inherent in our operations. We are committed to comply with all legal requirements and industry benchmarks, striving to mitigate and eliminate H&S risks. Central to our commitment is the continual enhancement of our H&S management system, fostering a culture of consultation and active participation among all personnel. We enforce safe handling and utilizations of substances, aspiring towards becoming a zero-incident company.

Diversity: Within our Staff Handbook, we outline our approach to addressing issues of discrimination. Any forms of discrimination are to be reported, if necessary through the established whistleblowing facilities.

Employee Development: We remain dedicated to nurturing the capabilities, skills, and competencies of our workforce. As outlined in our Staff Handbook, annual employee appraisals are conducted to provide constructive feedback and discuss development goals and plans.

Freedom of Association: We uphold the principles of freedom of association, ensuring that our employees receive, at minimum, equal terms and conditions as stipulated in relevant collective bargaining agreements (CBA). Notably, the majority of our conditions surpass the standards set forth by CBAs, underscoring our commitment to fair and equitable treatment of our workforce.





Health and Safety

		2022	2023
Marine Casualties	Incidents	0	0
	Very serious marine casualties	0%	0%
Conditions of Class or Recommendations	Number	4	13
	Deficiencies (rate)	0.5	0.5
Port State Control	Detentions	2	0
	Lost time incident rate (LTIR)	0.05	0.11
Lost Time Incident	Lost time incident frequency (LTIF)	0.26	0.38





Governance

Quality: Our dedication to attaining the pinnacle of ship management standards remains unwavering as we pursue excellence in quality. We are committed to operating in strict adherence to relevant legislation, guidelines, and standards, incorporating industry best practices into every facet of our operations.

Security: In light of the escalating threats faced by ships' security, we are resolute in our efforts to mitigate these risks to an acceptable level. Our Security Policy serves as the cornerstone of our commitment to enhancing and sustaining security measures across all vessels in our fleet. Each vessel is equipped with a comprehensive Ship Security Plan (SSP), forming the foundation upon which we cultivate a culture of security through rigorous training, regular drills, and unwavering commitment at every organizational level.

Anti-corruption and Bribery: We maintain a zero-tolerance stance against bribery and corruption, as enshrined in our Anti-bribery and Corruption Policy. Despite operating in diverse geographical regions, including high-risk areas, we acknowledge the persistent threat of corruption. To address this challenge, we have implemented a robust Anti-bribery and Corruption Procedure aimed at safeguarding our integrity and upholding the highest ethical standards across our operations.





Business Ethics

		2022	2023
Corruption Index	Number of port calls	0	0
Corruption	Total amount of monetary losses	0	0
Facilitation Payment	Number of incidents	0	0
Fines	Monetary value of significant fines	0	0
Anti-corruption and Bribery Training for Seafarers	Completion rate	100%	100%



Real Estate

Songa Eiendom Holding



Environment

Throughout 2023, progress was made to strengthen the quality of data within our operational framework. Nonetheless, to achieve a more seamless and comprehensive energy monitoring system, further steps are required. Unconstrained by capital allocation restrictions, we pursue the optimal investment opportunities across all sectors, with a keen focus on balancing risk and reward considerations.

In real estate, environmental considerations have a central role, significantly influencing our property assessment, transaction, and managing practices. Our evaluation criteria now encompass a broad spectrum of factors, including localized environmental impact, energy efficiency standards, and adhering to regulatory requirements.

2023 marked the second year of our ESG reporting across our entire portfolio. Despite encountering challenges related to retrospective data collection, our commitment to transparency remains steadfast. Looking ahead, we are dedicated to refining our data compilation processes to facilitate a more detailed and informative reporting in the upcoming year.





Property Development: Energy, Water and Waste

		2022	2023
Main Sources of Heating/Cooling^c	District heating	87.5%	77.8%
	Electricity	12.5%	22.2%
Waste^d	Sorting rate construction waste	83.6%	86.5%
	Kg per square meter	47.1	39.6
Environmental certification	BREEAM-NOR: Very Good		1



Property Management: Energy

		2022	2023
Energy Consumption^e	kWh/year	17 117 774	11 987 810
Main Sources of Heating/Cooling^f	Electricity	50%	49%
	District heating	37%	44%
	Biomass boiler	7%	7%
	Air-water	6%	0%
Energy Consumption by Source^g	District heating	44%	28%
	Electricity	44%	52%
	Biomass boiler	11%	11%
	Other	0.3%	9%



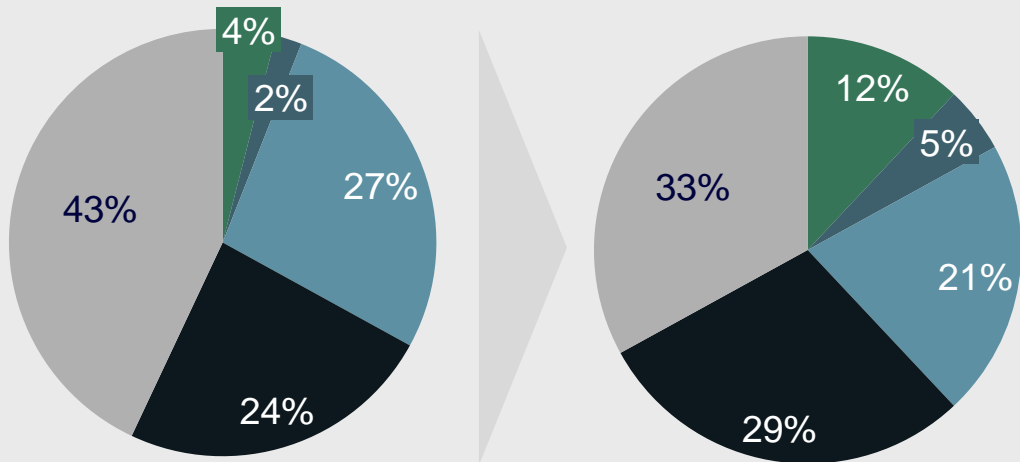
Property Management: Energy, Water and Waste

		2022	2023
Energy Efficiency Investments^h	% of total investments	38%	0%
	kWh saved	6 362	0
Water Intensityⁱ	m ³ per m ²	0.31	0.36
Waste^j	Sorting rate	47%	60%



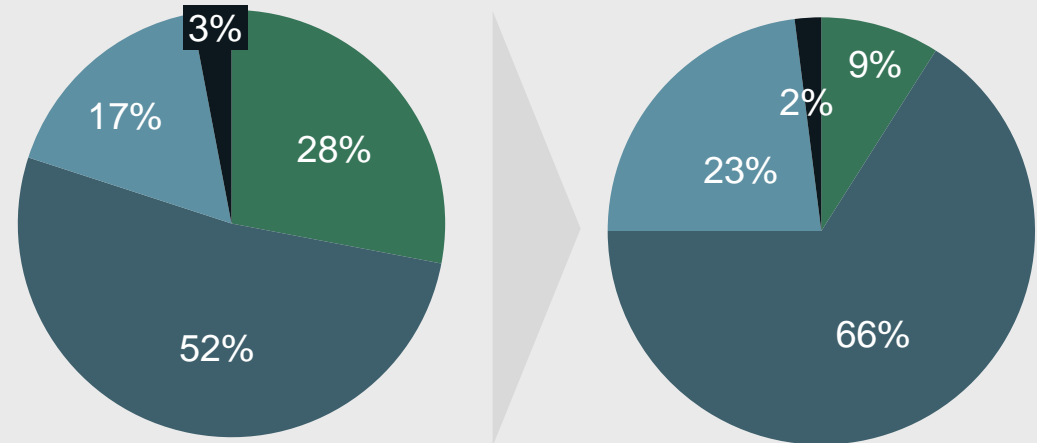
Energy Certification Level^k

— PROPERTY MANAGEMENT
— 2022 — 2023



A B C D E and lower^l

— PROPERTY DEVELOPMENT
— 2022 — 2023



A B C D E and lower



Social

Health and Safety

We are dedicated to ensuring the health, safety, and wellbeing of our employees across all companies involved in the development and management of our projects.

Diversity

Our Staff Handbook outlines our approach to managing discrimination issues. In 2023, we successfully maintained our goal of zero cases of gender and ethnicity-based discrimination.

Employee Development

We are committed to enhancing the capabilities, skills, and competencies of our personnel. According to our Staff Handbook, annual employee appraisals are conducted to provide feedback and discuss development goals.

Local Communities

We strive to invest in buildings that foster sustainable and inclusive local communities. Our diverse real estate portfolio includes residential housing and office buildings, primarily located in the Oslo area, with selective investments throughout the Nordic countries. Our development projects impact local communities around construction sites and future users of these areas.





Governance

Our portfolio includes a variety of ownership structures, ranging from 100% owned direct investments to joint ventures, club deals, and holdings in industrial real estate developers.

For investments outside Norway, we collaborate with carefully selected and trusted partners.

We maintain a zero-tolerance policy for bribery and corruption, in strict accordance with our Staff Handbook.

Investment

Songa Invest Holding





Songa Invest

Our key areas of investment are:

- Energy
- Utilities
- Financial institutions
- Leasing providers
- Technology
- Shipping and offshore
- Consumer financing

We hold a variety of investments in different sectors working closely with the founders, management, customers and different stakeholders. We value our partnerships and build trust to create long-term values for everyone involved.

When it comes to allocation, we seek the best investment opportunities and risk-reward, whilst including long-term sustainability considerations.





Appendix

1. Data Summary
2. Disclaimer & assumptions





1. Data Summary

Shipping		2022	2023	Real Estate		2022	2023	
Emissions and Ecological Impacts	Scope 1 GHG Emissions	Metric tonnes CO2	351 417	357 384	Energy Consumption	kWh/year	-	-
	CII/AER	Grams of CO2 per ton-nautical mile	13.92	39.64	Main Sources of Heating/Cooling	District heating	87.5%	77.8%
	Implemented Ballast Water	Exchange Treatment	48%	11%		Electricity	12.5%	22.2%
	Spills and Releases to the Environment	Aggregate number	Number	0	0	Waste	Sorting Rate Construction Waste	85.7%
Very Serious Marine Casualties			0m3	0m3		Kg per square meter	47.1	39.6
Health and Safety	Marine Casualties	Incidents	0	0	Env. certification (BREEAM-NOR)	Very good		1
	Conditions of class or Recommendations	Number	4	13	Energy Consumption	kWh/year	17 117 774	11 987 810
	Port State Control	Deficiencies (rate) Detentions	0.52	0.50	Main Sources of Heating/Cooling	Electricity	50%	49%
			2	0		District Heating	37%	44%
Lost time Incident	LTIR LTIF	0.05	0.11	Biomass Boiler		7%	7%	
		0.26	0.38	Air-Water		6%	0%	
Business Ethics	Corruption Index	Number of port calls	0	0	Energy Consumption by Source	District Heating	44%	28%
	Corruption	Total amount of monetary losses	0	0	Electricity	44.7%	52%	
	Facilitation Payment	Number of incidents	0	0	Biomass boiler	11%	11%	
	Fines	Monetary value of significant times	0	0	Other	0.3%	9%	
	Anti-corruption and Bribery Training for Seafarers	Completion Rate	100%	100%	Energy Efficiency Investments	% of Total Investments kWh	38%	0%
					6 362	0		
				Water Intensity	m ³ per m ²	0.31	0.36	
				Waste	Sorting Rate	47%	60%	



2. Disclaimer & assumptions

- a. Group total includes the employees working in Blystad Group at the Oslo office.
- b. Not applicable.
- c. Data available for 9 of 9 projects.
- d. Waste sorting rate according to the Blystad Group's ownership share of the properties.
- e. Energy consumption according to the Blystad Group's ownership share of the properties. Data available for 30 of 41 properties.
- f. The split between main sources of heating/cooling is based on data reported from all properties.
- g. The split between energy consumption by source is based on data from 30 of 41 properties.
- h. Energy efficiency investment data is not available for any properties
- i. Water intensity according to the Blystad Group's ownership share of the properties. Data available for 26 of 41 properties.
- j. Waste sorting rate according to the Blystad Group's ownership share of the properties. Data available for 25 of 41 properties.
- k. Energy certification levels according to the Norwegian Energimerkeforskriften, based on the EU Directive 2002/91/EC on the Energy Performance of Buildings. This is a scheme for assessing the energy quality of buildings, A being the highest score. Based on number of buildings.
- l. Data on energy certification levels for existing properties are available for 32 of 41 projects.

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