KNOT Knutsen NYK Offshore Tankers

2024

ESG : Report

ABOUT THE COMPANY

Knutsen NYK Offshore Tankers ("KNOT" or the "Company") is the market leading independent owner and operator of shuttle tankers in the world. It is a fully integrated industrial shipping company, controlling and managing the whole value chain of its activities. This includes newbuilding, chartering, vetting, crewing, technical and commercial management, financing, procurement and general administration. It is a joint venture by TS Shipping Invest (TSSI) and Nippon Yusen Kabushiki Kaisha (NYK).

KNOT is part of the wider Knutsen Group of shipping companies ("The Knutsen Group") that have owned and operated shuttle tankers since the market's inception in the 1970s. KNOT manages the vessels of KNOT OFFSHORE PARTNERS LP ("KNOP") on third party terms. KNOT offers advanced shuttle tankers and Floating Storage and Offloading Units (FSO) on long-term charters and contract of affreightment to first class charters. We are committed to operating our vessels safely in order to avoid any harm to our seafarers or the environment. As of 31st December 2024, KNOT owns and operates 10 shuttle tankers and 2 FSO Units. In addition, we provide the technical and commercial management of KNOT Offshore Partners LP's 18 vessels.

ABOUT THIS REPORT

This report is compiled in accordance with the Norwegian Shipowners' Association's ESG reporting guidelines. These guidelines are based on a set of predefined material issues and corresponding disclosures for the shipping industry developed by the Sustainability Accounting Standards Board (SASB)/Value Reporting Foundation, and reference is also made to the UN Sustainable Development goals. This report covers the period 1 January to 31 December 2024.

SEAFARERS ONBOARD AT DEC 31, 2024:

1356

2023: 1332

FLEET SIZE AT DEC 31, 2024:

28+2

2023: 27+2

DEADWEIGHT TONNAGE AT DEC 31, 2024:

3 880 260

2023: 3 725 912

NUMBER OF CARGOES IN 2024[1]:

388

2023: 757

NAUTICAL MILES TRAVELLED BY VESSELS IN 2024:

676 912

2023: 758 375

EBITDA FOR 2024:

152M

2023: 148M

EQUITY RATIO[2] AT DEC 31, 2024:

36.73%

2023: 36%

1: The number of cargoes has been calculated based on the total cargo loaded in cubic meters in 2024 divided by the total capacity of the vessel.
2: Equity ratio excluding preferred capital.

1 : Introduction

THE SHIPPING INDUSTRY stands at the intersection of energy security and environmental responsibility. As global concerns over energy supply intensify, KNOT remains committed to ensuring the reliable transportation of energy resources while proactively aligning with evolving climate regulations. Our strategic focus is on innovation and advancing technological solutions that address key environmental, social, and governance (ESG) challenges.
We recognize our responsibility to the environment in which we operate, to our people, and to the broader stakeholder community. This commitment is reflected in our ability to reduce our Scope 1 emissions by over 15,000 mt CO2 eq. compared to 2023. This achievement underscores our dedication to sustainable operations and our ability to adapt effectively to regulatory developments while meeting rising stakeholder expectations.

A major development in 2024 was the inclusion of maritime shipping in the EU Emissions Trading System (EU ETS), applying carbon costs to emissions from voyages to, from, or within the European Economic Area. This marked a significant shift toward embedding emissions pricing into maritime operations and highlighted the sector's growing commitment to reducing greenhouse gas emissions.

KNOT navigated a pivotal year of regulatory change, with a strong focus on the implementation of the EU Emissions Trading System (EU ETS) requirements and at the same time, KNOT advanced preparations for the FuelEU Maritime regulation, which complement the EU ETS by shifting attention from stack emissions to the carbon intensity of fuel used onboard. The Fuel EU regulation would come into force on January 1, 2025. The regulation follows a GHG well-to-wake approach, evaluating emissions across the full lifecycle of fuel. In 2024, KNOT continued to strengthen its readiness for upcoming emissions regulations. All vessels secured approval for updated monitoring plans, ensuring reliable systems for tracking and verifying emissions data. These steps demonstrate KNOT's proactive approach to meeting future reduction targets and adapting to evolving regulatory requirements.

In 2024, we continued to strengthen our focus on reducing greenhouse gas (GHG) emissions and enhancing fleet efficiency. We received a newly built vessel, Hedda Knutsen, featuring an impressive Energy Efficiency Design Index (EEDI) of 2.77—representing a 22% reduction compared to the EEDI baseline. The vessel is methanol-ready and equipped with an advanced ultrasonic system designed to prevent biofouling on the propeller, thereby enhancing fuel efficiency and reducing emissions. Additionally, it is fitted with a KVOC system and energy-efficient LED lighting to further support our long-term sustainable operations.

KNOT's most critical objective is to operate safely, and ensuring the health, safety and motivation of the crew is our primary concern. We achieve this focus by treating health and safety with the same importance as operational and financial matters. Corporate governance remains essential for maintaining the trust of our stakeholders and the Company's standing in financial markets. We remain committed to implementing high standards in all areas of our business conduct and operations including through financial and operational audits, applying our Supplier Due Diligence policy, conducting business partner integrity due diligence, and through governance arising from our Governing Business Principles and our Conflicts and Audit committees.

In 2023, the European Sustainability Reporting Standard (ESRS), the draft reporting framework set out under the EU Corporate Sustainability Reporting Directive (CSRD), was finalized and adopted by the European Commission. In 2024, we started preparing for the upcoming CSRD requirements. Our dedicated environmental team collaborated closely with CSRD authorities and underwent CSRD training to ensure a deep understanding of the directive's operational framework.

In 2024, we undertook a comprehensive double materiality assessment as part of our broader sustainability strategy. This process involved collaboration across multiple departments and was guided by the requirements of the ESRS, in preparation for the CSRD, originally set to take effect on January 1, 2025. The assessment enabled us to systematically identify and prioritize the most material environmental, social, and governance (ESG) factors relevant to our operations. It also included a structured evaluation of our impacts, risks, and opportunities (IROs) to ensure alignment with the evolving regulatory landscape.

In April 2025, the European Parliament and Council approved the Stop the Clock Directive, delaying implementation timelines for certain sustainability reporting and due diligence requirements. In light of the revised CSRD timeline, we anticipate publishing our first fully compliant sustainability report in 2028. Nonetheless, KNOT remains committed to advancing our sustainability reporting framework in accordance with CSRD principles. This interim step is intended to ensure a structured and transparent transition, demonstrate our commitment to enhanced ESG disclosures, and support stakeholders in assessing our progress toward full compliance.

Recognizing the growing importance of data accuracy, we established a new partnership with DNV as our accredited verifier in 2024. Through the use of DNV's Emissions Connect platform, we have strengthened the precision and timeliness of our emissions reporting. This digital solution delivers daily verified emissions data, supporting compliance with key regulations including the Carbon Intensity Indicator (CII), EU Emissions Trading System (EU ETS), and FuelEU Maritime.

The adoption of Emissions Connect enables us to access trusted, high-frequency emissions data, significantly reducing the risk of reporting errors. This enhanced level of data transparency and accuracy ensures more informed decision-making and strengthens our ability to comply with evolving regulatory requirements in the maritime sector.

Through this publication we aim to transparently convey our overriding commitment to ESG matters and provide consistent reporting on all of our key initiatives, policies and performance matters.

August 2025

Trygve Seglem

Chief Executive Officer and President
Knutsen NYK Offshore Tankers

2 : ESG framework and disclosures

KNOT IS CONVINCED that sustainable operations support the long-term interests of the Company and its stakeholders, as well as being in its best financial interest. The Company's core values are credibility, innovation, and care, and these are reflected in the Company's work, culture and reputation amongst business partners.

KNOT reports in accordance with the Norwegian Shipowners' Association's ESG Guidelines (the "Guidelines") as updated in November 2021. The Guidelines allow KNOT to report on issues that are material and relevant to both internal and external stakeholders.

The Guidelines are based on internationally recognized reporting frameworks, including the Sustainable Stock Exchange Initiative, the Poseidon Principles, the Global Reporting Initiative (GRI) and the Marine Transportation Disclosure Framework established by the Value Reporting Foundation and the Sustainability Accounting Standards Board (SASB). SASB has developed 77 globally applicable industry-specific standards which identify financially material sustainability topics and associated metrics.

The 17 Sustainable Development Goals (SDGs) define global sustainable development priorities and aspirations for 2030. The SDGs call for worldwide action among governments, businesses and civil society to end poverty and create a life of dignity and opportunity for all, within the boundaries of the planet. While not a reporting framework per se, many businesses refer to the SDGs in their reports.

THE GLOBAL REPORTING INITIATIVE is the most widely used international reporting framework for sustainability reporting, with over 90 per cent of the largest companies in the world using this standard. GRI is based on international standards such as the UN Guiding Principles of Business and Human Rights, UN Global Compact and OECD Guidelines for Multinational Enterprises.

THE SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) aims to help businesses identify, manage and report on the sustainability topics that matter most to their investors. SASB has developed 77 globally applicable industry-specific standards which identify a minimum set of financially material sustainability topics and their associated metrics for the typical company in an industry.

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MANAGEMENT SYSTEM

The KNOT Management System is an ISM Code-certified system, ensuring compliance with all applicable requirements and regulations for vessels and companies. This system is regularly audited and approved by a third party. All vessels and crew hold the necessary permits, licenses and certificates to carry out operations and did so throughout 2024.

All vessels and crew hold the necessary permits, licenses and certificates to carry out operations and did so throughout 2023. KNOT is also ISO 14001-2015, ISO 9001-2015, ISO 14001-2015, ISO 9001-2015, ISO 45001-2018 certified, and OHSAS 18001 certified.

KNOT is strongly committed to safety, which requires the involvement of the whole organization and beyond. The company carries out safety, environmental and behavior training for all crew and focuses on lessons learned from incidents or near incidents. Environmental, safety, legal and strategic risk assessments are carried out regularly and reported on annually. Management ensures that all operations have updated risk assessments with associated control activities.

The Company is regularly vetted and audited by the oil majors as well as Class and Flag States which ensures alignment with regulatory standards and application of best practices. In 2024, KNOT had two office audits by oil majors, and Class and Flag administrations. KNOT's vessels are vetted by the oil majors on average every 4 to 6 months.

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

In selecting suppliers, KNOT works hard to choose reputable business partners who are committed to the highest ethical standards and who maintain strong and robust business practices.

All suppliers above a de minimis limit must sign a Supplier Code of Conduct which states the Company's expectations and standards regarding legal obligations as well as covering issues such as human and labor rights, employment conditions, health and safety, environment and corruption.

RESPONSIBLE SHIP RECYCLING

The Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships aims to ensure that ship recycling processes do not pose any unnecessary risks to human health, safety or the environment. In 2021, EU ship recycling rules entered into force requiring EEA/EU flagged ships and third-party ships visiting EU ports to ensure the safe and environmentally viable management of hazardous materials, and the sustainable recycling of ships. A central requirement is to document any hazardous materials on board (Inventory of Hazardous Materials [IHM]). KNOT supports the Hong Kong Convention and seeks to fulfil all requirements set by the EU regarding ship recycling. All KNOT ships have received IHM certificates and documents of compliance. In the event of a sale to a scrap yard or to a buyer intending to scrap the vessel, environmental and safety procedures and audits are carried out prior to signing a contract. In 2024, no KNOT vessels were recycled or sold to be recycled.

COOPERATION INITIATIVES

The International Association of Independent Tanker Owners (INTERTANKO) is a trade association working on a range of operational, technical, legal and commercial issues affecting tanker owners and operators around the world. The Knutsen Group has been a member since the organization was established in 1970.

The Knutsen Group, of which KNOT is a part, joined the **NCE Maritime Clean-Tech** in 2016. This is a Norwegian cluster focusing on finding new clean maritime solutions with commercial potential.

The Knutsen Group has been an active member of the **Maritime Anti-Corruption Network (MACN)** since 2014. This is a global business network, working towards the vision of a maritime industry free of corruption, enabling fair trade to the benefit of society at large.

As KNOT has grown into a larger and more independent shipowner, it is no longer affiliated with **Incentra**. **Incentra** was originally established to support smaller shipowners in achieving favorable procurement terms. therefore, it is no longer considered operationally efficient as it isn't aligned with our current needs and scale.

3 : Environment and ecology

REGULATORY FRAMEWORK

International environmental regulations are primarily set by IMO (UN Agency for international shipping). IMO's Initial GHG Strategy envisages a reduction in the Carbon Intensity of international shipping by at least 40 per cent by 2030, pursuing efforts towards 70 per cent by 2050, compared to 2008.

This Initial Strategy was updated in 2023 to align with the enhanced ambitions of the Paris Agreement. The revised strategy aims to achieve net-zero GHG emissions from international shipping by around 2050, encourages the adoption of zero and near-zero GHG fuels by 2030, and sets interim milestones for 2030 and 2040.

During the 81st session of the Marine Environment Protection Committee, two significant measures were established to achieve this strategy: a technical focus on the GHG intensity of fuels and an economic measure involving a GHG emissions pricing mechanism.

In 2023, the IMO also introduced the "Annual Emission Ratio (AER)" and the corresponding Carbon Intensity Index rating (CII). This rating is a key performance indicator for charterers, operators and regulators. It is important to note that the Poseidon Principles, which assess the climate alignment of shipping finance portfolios, do not currently account for correction factors specific to shuttle tankers.

As a result, the AER calculation for these vessels may not accurately reflect their operational realities. Without these adjustments, the ratings can present a misleading view of shuttle tankers' actual carbon intensity performance, due to their unique trading patterns and extended periods of non-ballast operation. This is why the effectiveness of the regulation is scheduled to be evaluated in 2026.

KNOT supports the Norwegian Shipowners' Association's Greenhouse Gas ("GHG") Strategy for 2030 and towards 2050, which is more stringent than the current IMO's ambitions. Ships must also comply with the regulations in the country of registration (Flag State). However, we believe that regional and national requirements, first and foremost EU and US regulations, will drive technical and operational improvements.

To prepare for the implementation of the FuelEU Maritime regulation in January 2025, KNOT took early and strategic steps to ensure compliance. By 2024, all KNOT vessels had their FuelEU Monitoring Plans approved by an accredited verifier, confirming our readiness ahead of the deadline. These plans outline how emissions will be monitored and reported for each vessel.

In addition, we continue to assess key regulatory mechanisms such as pooling, banking, and borrowing, with a focus on determining which entities within the Knutsen Group may be eligible to apply these flexibilities. We are also developing streamlined systems for tracking compliance balances to support efficient and transparent reporting under FuelEU Maritime.

In alignment with the European Union's decision to include maritime emissions in the EU Emissions Trading System (EU ETS) from 2024, KNOT has taken active steps to ensure full compliance with the regulation. Under this framework, shipping companies are required to surrender EU Allowances (EUAs) corresponding to their verified CO_2 emissions. To facilitate EUA management, KNOT opened a Maritime Operator Holding Account (MOHA) in the Union Registry, enabling us to receive and manage allowances efficiently. All EUAs related to KNOT vessels were verified and submitted to the administering authority by March 31, 2025. We are currently finalizing the process of receiving the remaining outstanding EUAs from charterers, with the final submission deadline set for September 30, 2025.

THE COMPANY'S ENVIRONMENTAL RESPONSIBILITY

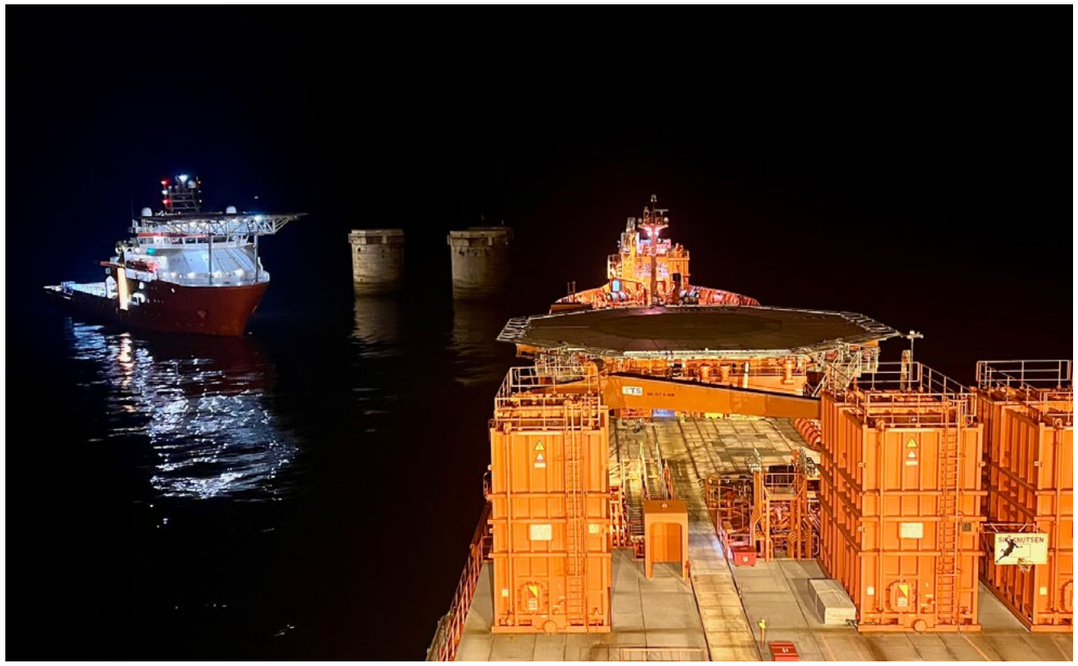
The Company recognizes its responsibility to take proactive measures in addressing the challenges – and opportunities - of climate change. We seek to protect the local environment and ecosystems where the vessels operate. The Company's policy commits to delivering environmentally friendly services that meet or exceed contractual obligations. Suppliers and business partners, including charterers, are expected to adhere to the same environmental standards as the Company, which are stated in the Company's Supplier Code of Conduct.

All operations within the Company's control are planned and executed in a manner that minimizes environmental consequences. Managing environmental risks is therefore integrated into the overall management of the Company and environmental issues are aligned with other business priorities. The Company's environmental plan has a long-term focus, but as regulations and available technologies change, it is periodically revised.

In 2024, we introduced enhancements to vessel design, particularly in our new shuttle tanker models, which feature optimized hull forms that contribute to reduced fuel consumption and improved energy efficiency. Looking ahead, all vessels contracted after January 1, 2025, will comply with Energy Efficiency Design Index (EEDI) Phase 3 standards. These vessels are designed to be 30 percent more energy efficient compared to EEDI Phase 0 vessels, which were introduced on January 1, 2013. These initiatives are fully aligned with the prioritized areas outlined in our five-year Environmental Plan (2024–2028), which focuses on reducing emissions, improving operational efficiency, and supporting the transition to a low-carbon shipping sector.

In 2024, we also increased the frequency of hull cleaning operations across the fleet as part of our efforts to enhance operational efficiency and reduce fuel consumption. Routine hull maintenance mitigates biofouling, thereby decreasing hydrodynamic drag and contributing to our overarching objective of reducing greenhouse gas emissions.

Environmental risks are managed through the ISO and ISM-certified Knutsen OAS Shipping's Shipping Management System (SMS). The system allows for continuous monitoring of operations to make sure they are aligned with Company policies, international and statutory regulations, and contractual and legal obligations. The system registers, identifies and tracks all events including comprehensive preventive reporting and incidents covering all environmental aspects. This allows us to continuously improve operational procedures and technologies to meet environmental targets.



EFFORTS TO COMBAT CLIMATE CHANGE

The Carbon Intensity of our operations is reflected in the metrics “attained AER” and the corresponding “CII rating”. This rating depends on vessel design as well as maintenance and operation of the ship and its equipment.

The design of shuttle tankers is based on charterers’ requirements, regulations and the Yard’s technical solution. Over time the design has become more efficient with less fuel consumption, reflected by the Energy Efficiency Design Index (EEDI).

In 2024, KNOT intensified its efforts to enhance operational sustainability through several key initiatives. As part of the GAAS (Green AI for Sustainable Shipping) project, the company began testing AI-driven optimization technologies on two vessels —Synnøve and Tove — to improve energy efficiency and reduce emissions. KNOT continues to explore new ways to cut emissions, such as the use of biofuels, hull cleaning optimizing, as well as nuclear solutions. Additionally, the fleet saw expanded deployment of reverse osmosis systems, contributing to reduced boiler fuel consumption by minimizing reliance on traditional freshwater production methods. These developments reflect KNOT’s ongoing commitment to operational decarbonization and proactive compliance with upcoming maritime regulations.

Since 2015, an ECO Care action plan to promote energy-saving onboard vessels has also been implemented. Each ship is requested to carry out at least 15 defined actions.

ECO Care actions and other initiatives raise the awareness of environmentally friendly ship operations. KNOT’s fleet reported in total 1015 ECO Care actions in 2024 (2023: 901), with an average of over 39.04 per vessel. Combined with other initiatives, this contributes to raising the crew’s awareness of environmentally friendly ship operations.

An internal environmental group consisting of naval architects and environmental and operational personnel has been established to find solutions to the environmental challenges the Company faces. One very significant and prime example of this is when Knutsen Technology (part of the Knutsen Group) developed a technology to reduce VOC emissions to the atmosphere during the loading of cargo. As of the end of 2024, 24 vessels in KNOT’s fleet have so far installed the KVOC technology or similar technology. Moreover, this technology is patented and sold as KVOC®. The Company’s focus on innovation and its passion for sustainable operations drive technological development in the direction needed to meet the Company’s responsibilities and face relevant challenges.

A ZERO-SPILL POLICY

KNOT has a zero-spill policy. The Company’s risk management systems and procedures and the implementation of its environmental plan reduce the risk of harming the environment in which the Company operates, as well as ensuring compliance with international and local regulations.

There were zero incidents related to spills in 2024.

TREATMENT OF BALLAST WATER

Ballast water is vital for the safe and efficient operation of modern ships. However, it can also pose significant ecological, economic and health risks due to the transfer of marine species between ecosystems.

As of September 2024, all vessels subject to the Ballast Water Management Convention are required to have an approved Ballast water treatment system installed onboard. In compliance with IMO regulations and KNOT’s Ballast Water management plan, each vessel must meet discharge standards and maintain the following:

- **An Approved Ballast Water Management Plan**
- **A Ballast Water Record Book**
- **An International Ballast Water Management Certificate**

All our vessels are compliant and 18 of 28 vessels has K-bal system installed onboard, which is a Knutsen design.

PLASTIC POLLUTION

Plastic pollution is harming the oceans and it endangers life at sea and on land. The IMO has announced a plan to prevent plastic pollution caused by the shipping industry. The Company fully supports this initiative and abides by the MARPOL Convention Annex V, which states that plastic must either be incinerated or delivered ashore. Over the last few years, the Company’s awareness campaign reinforced the Company’s desire to operate according to best practices in all aspects of plastic management.

OUR DECARBONIZATION TOOLBOX: ENERGY EFFICIENCY MEASURES OVERVIEW

As part of our ongoing commitment to environmental sustainability and emissions reduction, KNOT has implemented a range of operational and technical initiatives to enhance the energy efficiency of our shuttle tanker fleet. These measures are designed to optimize fuel consumption, reduce greenhouse gas (GHG) emissions, and support long-term compliance with IMO, EEDI, and future CII targets.

CATEGORY	MEASURE	DESCRIPTION	IMPLEMENTATION STAGE
OPERATIONAL *To improve hydrodynamic performance and propulsion efficiency*	**Shipshave technology**	Deployed to reduce hull resistance and fuel consumption	Pilot
	Ultrasound-based systems	Applied to prevent fouling and maintain clean hull surfaces	Pilot
	Regular hull cleaning	Improves vessel performance and reduces drag	Fleet-wide implementation
	Propeller polishing	Improves vessel performance and reduces drag.	Fleet-wide implementation
	Dynamic Positioning (DP)	Enhances station-keeping while optimizing energy use	Fleet-wide implementation
	Variable Frequency Drive (VFD) thrusters	Enable more efficient maneuvering and load control	Partly implemented
TECHNICAL *Our technical upgrades focus on machinery optimization and alternative energy integration*	**Reversed Osmosis Plant**	Achieves up to 50% reduction in boiler fuel consumption.	Partly implemented
	Shaft generators (PTO systems)	Reduce genset runtime by supplying hotel/sea load during transit	Partly implemented
	Low-load and auxiliary boilers	Optimized for minimal fuel consumption during reduced demand operations	Partly implemented
	Engine de-rating (ShaPoLi)	Ensures optimal engine load for increased efficiency and ower emissions	Fleet-wide implementation
PROPULSION AND HULL SYSTEM *To boost energy efficiency by enhancing flow dynamics andpropulsion performance*	**Mewis ducts**	Improves propeller thrust and reduces fuel consumption	Partly implemented
	Advanced propeller design and retrofitting	Tailored to improve overall propulsion performance	Pilot

CATEGORY	MEASURE	DESCRIPTION	IMPLEMENTATION STAGE
ALTERNATIVE ENERGY SOLUTIONS *We are actively exploring and integrating alternative fuel and energy sources*	**Liquefied Natural Gas (LNG)**	Alternative fuel to reduce emissions	Partly implemented
	Knutsen Volatile Organic Compounds (KVOC) recovery systems	Captures VOCs and reduces emissions	Partly implemented
	Shore power readiness	Enables emission-free operation while docked	Partly implemented
	Biofuel and methanol compatibility	Supports renewable fuel integration	Partly implemented
	Battery systems	Supports hybrid and auxiliary power	Partly implemented
	LED lighting	Reduces electrical load	Partly implemented
	Air lubrication system	Reduces hull frictional resistance	Not implemented
	Waste heat recovery	Recovers exhaust heat for energy reuse	Not implemented
ENERGY-SAVING AND OPERATION-MONITORING SOLUTIONS	**Performance management systems**	Provides real-time energy use insights for continuous optimization	Fleet-wide implementation
	Remote monitoring	Supports predictive maintenance and data-driven decision-making to enhance vessel efficiency	Not implemented

4 : Health, safety and human rights

HEALTH, SAFETY AND SECURITY

Ensuring the health, safety, security and motivation of the crew was and is one of KNOT's highest concerns. Operations at sea pose inherent risks to health and safety which must be managed carefully to prevent accidents.

KNOT supports the International Convention for the Safety of Life at Sea (SOLAS). The Company's vision is for zero accidents or incidents to occur in operations. This includes personnel injuries, work-related illnesses, spills, and material damage.

Health and safety in all activities is treated with the same importance as operational and financial matters. The Company's Code of Business Conduct and Ethics outlines expectations for employees and business partners about respecting safety concerns in their work. The Code requires all employees to make sure that all business is conducted in a manner that abides by applicable rules and regulations and to have the highest regard for the health and safety of human life and the environment.

Health and safety risks are managed through the ISM-certified KNOT Management system. The system allows continuous monitoring of operations to ensure alignment with Company policies, international and statutory regulations, and contractual and legal obligations. The system registers, identifies and tracks all events, allowing the Company to continuously improve its operational procedures and technologies to meet its health and safety targets. Furthermore, the Company's Contingency Plan ensures an efficient chain of communication in case of an emergency, ensuring that the organization reacts in a timely and efficient manner. Safeguarding health and safety is a continuous process that requires all staff and crew to have adequate training to meet the standards set in the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW) and the Maritime Labour Convention of 2006.

The KNOT Management system ensures that the crew onboard all vessels, permanently and temporarily contracted, are certified and provided with adequate training at all times to ensure safety onboard. KNOT has also implemented a comprehensive certification program for HSE and operational security.

LABOR RIGHTS AND DECENT WORKING CONDITIONS

KNOT adheres to the Maritime Labour Convention of 2006 and all applicable International Labour Organisation ("ILO") Conventions, which are also reflected in the Crew Policy, the Code of Business Conduct and Ethics and the Supplier Code of Conduct.

The Company's goal is to provide and maintain a safe, healthy, and orderly workplace, where the integrity of all employees is respected. Any form of discrimination or harassment, including those based on race, color, gender, religion, age, national origin, citizenship status, sexual orientation or disability, is not tolerated.

The Crew Policy defines the main principles regarding recruitment, employment and training, compensation and benefits and terms of terminations. This ensures that employment conditions are in accordance with local laws and regulations and that the Company recognizes and respects employees' lawful right of free association. The different Collective Bargain Agreements ("CBA") with different nationalities and flags are negotiated through respective organized unions and the Norwegian Shipowner Association.

HUMAN RIGHTS

Human rights issues are germane across the entire lifecycle of a ship – from design, finance and ordering, through building, operation and recycling. As a fully integrated shipping group with operations, newbuilding supervision, chartering and project development in-house, KNOT, KNOP and the Knutsen Group strive to ensure that labor and human rights are upheld within the organization, as well as throughout its supply chain.

KNOT's Supplier Code of Conduct specifically states that suppliers are expected to respect internationally proclaimed human rights, including the personal dignity, privacy and rights of everyone. It requires business partners to follow the ILO Conventions and ensure and recognize the right of free association and collective bargaining. It also prohibits suppliers from using any form of forced or compulsory labor, or to employ workers under the age of 15. KNOT had no reported incidents of human rights violations in 2024.

DIVERSITY

KNOT does not accept any form of discrimination at any stage in its recruitment process or whilst any person is employed in their role. This applies to employees and directors, including onboard and shore-based personnel. The shipping industry is male-dominated. The International Chamber of Shipping (ICS) reported in November 2021 that 7.5 percent of seafarers globally are female. In 2024, 3.31 per cent of KNOT's seafarers were female, which represents an increase of around 0.6 percent from 2023. Currently, the company's board consist of 1 female and 5 males.

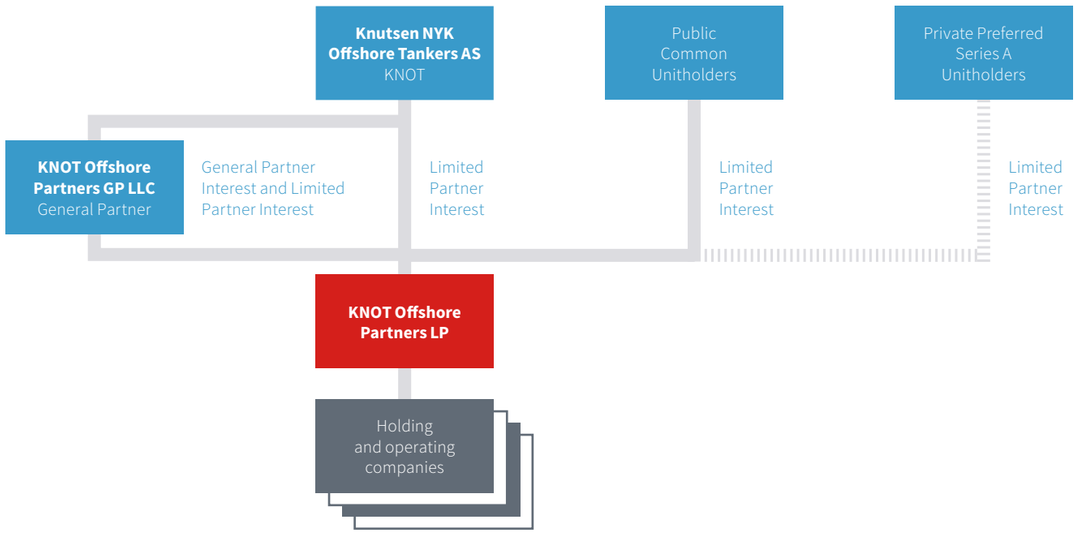
5 : Governance, conduct and ethics

GOVERNANCE CAN BE SPLIT into two aspects: how a company ensures checks and balances internally (corporate governance), and how it complies with legal and ethical requirements (business ethics).

Good corporate governance is about establishing a sound platform to govern and control operations and this contributes to improving business performance. It is a prerequisite that the Company should maintain a strong reputation and high levels of trust in the market. This is achieved through correct attitudes, integrity and conscious responsibility by all employees in respect of health, safety and environment and quality in day-to-day tasks. KNOT's core values are credibility, innovation and care, and our policy on corporate governance and ethics is described in the Company's Governing Principles, Code of Business Conduct and Ethics and the Partnership Agreement, all of which are available on the Company's website.

CORPORATE GOVERNANCE

KNOT's organizational structure is described in the diagram below.



BUSINESS ETHICS

KNOT strives at all times to conduct its business with integrity and in accordance with all applicable laws and regulations. Historically, the shipping industry faced the challenges of corruption on a regular basis as a myriad of laws and regulations, heavy bureaucracy and multiple ship inspections by several port officers often left crew exposed to demands for illicit payments. Refusing to give in could cause artificially imposed delays, increase the cost to the business and potentially put the crew's safety at risk. These are systematic problems with the potential to undermine wider economic and social development.

REPORTING VIOLATIONS

Employees who observe or become aware of a situation that they believe to be a violation of the Company's Code of Business Conduct and Ethics (the "Code of Ethics") have an obligation to notify their manager or an Audit Committee member. All notifications are taken seriously, and any report of a violation will be appropriately investigated. If an employee reporting a violation wishes to remain anonymous, all reasonable steps are taken to keep their identity private. Instructions on how to file a report are in the Code of Ethics, which is available for download on the Company's website.

ANTI-CORRUPTION

Tackling corruption across the shipping industry requires collective action. The Knutsen Group has been an active member of MACN – the Maritime Anti-Corruption Network – since 2014. Being a member has provided the Company with valuable know-how and material on how to best organize the Company's efforts to combat potential corruption.

KNOT has a zero-tolerance approach to corruption and clear anti-corruption policies are in place to make sure business is conducted with integrity and according to applicable laws and standards. These include The Norwegian Penal Code 2005, the UK Bribery Act 2010 and the United States Foreign Corrupt Practices Act 1977. The Company also has a system that continuously monitors regulations through approved channels, ensuring that vessels are well-informed about specific local requirements at all times. Risk assessments are performed annually, several of KNOT's vessels operate in the North Sea where the risks of corruption are considered low and KNOT has independent channels for employees to report breaches and violations of the Company's anti-corruption and anti-bribery policies. In 2024, zero incidents were reported.

SUPPLIER CODE OF CONDUCT AND BUSINESS PARTNER INTEGRITY DUE DILIGENCE

All suppliers to KNOT (above a de minimis limit) are asked to sign the Company's Supplier Code of Conduct unless they have their own policy that is similar or stronger. This code formalizes the key principles under which suppliers to KNOT, any subsidiary, other associated company or companies under management of KNOT are required to operate. In selecting suppliers, KNOT works hard to choose reputable business partners who are committed to ethical standards and business practices compatible with those of KNOT.

The Supplier Code of Conduct formalizes KNOT's practices and makes clear that, recognizing differences in cultures and legal requirements, the Company expects that wherever services for our business are procured, and where our products and the components that comprise them are produced, they are delivered in a manner compatible with the high standards that contribute to the outstanding reputation of KNOT. Suppliers, including agents and intermediaries, are required to comply with this code, and are accountable for ensuring that their subcontractors, subsidiaries and associated companies also comply.

Heightened due diligence is undertaken on potential business partners if they (or the work they will carry out) are to be located in a country that has a low transparency or corruption rating from Transparency International (below 80). Potential business partners listed on mature recognized stock exchanges such as the US, UK, Europe, Switzerland, Australia etc. are exempted from heightened due diligence.

6 : SASB disclosures

TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	SCOPE	DATA 2023	DATA 2024	CODE
GREENHOUSE GAS EMISSIONS	**CO_2 EMISSIONS [a]**					
	Scope 1 emissions	Metric tons CO_2-e	Owned fleet: 10+2 vessels	235 367	220 017	TR-MT-110a.1
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Qualitative description		Page 6	Page 6	TR-MT-110a.2
	Scope 2 emissions	Metric tons CO_2-e	All sites	323	308	Additional
	Scope 3 emissions	Metric tons CO_2-e	Operated fleet: 30 vessels	480 210	458 865	Additional
	ENERGY CONSUMED [b]					
	(1) Total energy consumed	Gigajoules (GJ)	Operated fleet	9 474 325	8 894 130	TR-MT-110a.3
		Percentage (%)	Operated fleet	100	100	
	(2) Percentage light fuel oil	Gigajoules (GJ)	Operated fleet	56	56	
	EEDI [c]					
	Average Energy Efficiency Design Index (EEDI) for new ships	Grams of CO_2 per ton-nautical mile	Operated fleet	No data to report	2.77 (Hedda Knutsen was delivered in 2024)	TR-MT-110a.4
	CII / AER [de]					
	Average Efficiency Ratio (AER): weighted average	Grams of CO_2 per ton-nautical mile	Operated fleet	4.4	3.80	Additional
AIR QUALITY	**OTHER EMISSIONS TO AIR [f]**					
	(1) NOX (excluding N_2O)	Metric tons	Operated fleet	12 348	11 147	TR-MT-120a.1
	(2) SOx	Metric tons	Operated fleet	1 503	1 363	
	(3) Particulate matter	Metric tons	Operated fleet	452	406	
ECOLOGICAL IMPACTS	**MARINE PROTECTED AREAS [g]**					
	Shipping duration in marine protected areas or areas of protected conservation status	Number of travel days	Operated fleet	Zero	Zero	TR-MT-160a.1
	IMPLEMENTED BALLAST WATER					
	(1) Exchange	Percentage (%)	Operated fleet	11	0	TR-MT-160a.2
	(2) Treatment	Percentage (%)	Operated fleet	89	100	
	SPILLS AND RELEASES TO THE ENVIRONMENT					
	(1) Number	Number	Operated fleet	Zero	Zero	TR-MT-160a.3
	(2) Aggregate volume	Cubic metres (m^3)	Operated fleet	Zero	Zero	
BUSINESS ETHICS	**CORRUPTION INDEX**					
	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Number	Operated fleet	Zero	Zero	TR-MT-510a.1
	CORRUPTION					
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Reporting currency	Operated fleet	Zero	Zero	TR-MT-510a.2
	FACILITATION PAYMENTS					
	Number of incidents where facilitation payments have been requested.	Number	Operated fleet	Zero	Zero	Additional
	FINES					
	Total monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and/or regulations.	US dollars ($)	Operated fleet	Zero	Zero	Additional
EMPLOYEE HEALTH & SAFETY & ACCIDENT & SAFETY MANAGEMENT	**LOST TIME INCIDENT RATE**					
	Lost time incident rate (LTIR)	Rate	Operated fleet	0.57	Zero	TR-MT-320a.1
	MARINE CASUALTIES [h]					
	Incidents	Number	Operated fleet	2	0	TR-MT-540a.1
	Very serious marine casualties	Percentage (%)	Operated fleet	Zero	Zero	
	CONDITIONS OF CLASS [i]					
	Number of Conditions of Class or Recommendations	Number	Operated fleet	2	50	TR-MT-540a.2
	PORT STATE CONTROL [j]					
	(1) Deficiencies	Rate	Operated fleet	3	6	TR-MT-540a.3
	(2) Detentions	Number	Operated fleet	Zero	Zero	

OUR OPERATIONS IN NUMBERS

METRIC	UNIT OF MEASURE	DATA 2023	DATA 2024	CODE
Number of operated vessels	Number	29	30	TR-MT-000.E
Number of shipboard personnel [k]	Number	1332	1356	TR-MT-000.A
Total distance travelled by vessels (excl. FSO)	Nautical miles (nm)	758 375	676 912	TR-MT-000.B
Operating days	Days	10 401	10 677	TR-MT-000.C
Deadweight tonnage	Deadweight tons	3 725 912	3 880 260	TR-MT-000.D
Twenty-foot equivalent unit (TEU) capacity	TEU	Not applicable	Not applicable	TR-MT-000.G

7 : Disclaimer and assumptions

Figures provided in this report are based on the estimates outlined below:

[a] **CO2 emissions (Metric tons (t) CO_2-e):** Based on the IMO emission factors. The "financial control" approach defined by the GHG Protocol has been applied. Scope 1: Owned vessels, based on fuel consumption for the year. Scope 2 emissions are based on IEA factors (2021). Scope 2 includes electrical consumption at Knutsen Group international offices and Hanne Knutsen floating storage unit. Emissions solely resulting from the management of vessels have been categorized as Scope 3 emissions.

[b] **Energy consumption:** Calculated based on available fuel purchased data using fuel properties defined by DEFRA, Conversion factors, 2022.

[c] **Average Energy Efficiency Design Index (EEDI) for new ships:** In 2024, one new vessel was added to the fleet, the Hedda Knutsen, built in 2024. The EEDI for this vessel forms the basis for the fleet's EEDI assessment for newly acquired ships in 2024.

[d] **Carbon Intensity Indicator (CII) and Average efficiency ratio (AER):** Carbon intensity metric estimated based on fuel consumed, distance travelled (nm), and deadweight tonnage (DWT).

[e] **Carbon Intensity Index (CII):** Measures how efficiently a ship operates and is measured in grams of CO2 emitted per cargo-carrying capacity and nautical mile. The ship is then given an annual rating ranging from A to E, and rating thresholds are expected to become increasingly stringent towards 2030. By comparison, EEXI is a one-time certification targeting design parameters whereas CII addresses actual emissions in operation controls.

[f] **Other emissions to air (NOX, excluding N2O, SOX and particulate matter):** PM, NOx and SOx emissions from the combustion of fuels from owned vessels have been estimated based on actual fuel consumptions. PM and SOx factors are taken from the IMO GHG studies, i.e. p.p. 92-92 and 21/349 in the MEPC 75/ Fourth IMO GHG study. NOx emissions are based on the NOx technical files referred to in the ships' EIAPP certificates.

[g] **Marine protected areas:** Any area of intertidal or sub-tidal terrain, together with its overlying water and associated flora, fauna, historical and cultural features, which has been reserved by law or other effective means to protect part or all of the enclosed environment, listed in the World Database of Protected Areas (WDPA) and mapped on Protected Planet. Protected Planet is the most up-to-date and complete source of information on protected areas, updated monthly with submissions from governments, non-governmental organizations, landowners and communities. It is managed by the United Nations Environment World Conservation Monitoring Centre.

[h] **Marine casualties:** Regarding SASB TR-MT-540a.1, the reporting is in accordance with the standard, however injuries to personnel as described in point 1.1.1 is reported as part of Health & Safety statistics. The threshold for reporting on material damages as outlined in 1.1.4 and 1.1.6 is defined as USD 1,000,000.

[i] **Condition of class:** Specific measures, repairs, surveys etc. that are to be carried out within a specific time frame in order for a vessel to retain its Classification.

[j] **Port state control:** (1) A deficiency is defined as a condition found not to be in compliance with the requirements of specific conventions, i.e. MARPOL, SOLAS, STCW, AFS or the ILO Maritime Labour Convention. (2) A detention is defined as an intervention action by the port state, taken when the condition of a ship or its crew does not correspond substantially with the applicable conventions and that a ship represents an unreasonable threat of harm to the marine environment etc.

[k] **Number of shipboard personnel:** Seafarers onboard as of 31 December and does not include seafarers on leave or onshore staff members. It should be noted that there are always two shifts covered by shipboard personnel, with one half of the staff working one shift and the other half on leave.

[m] **Number of vessels:** In 2024, one new vessel was added to the fleet, the Hedda Knutsen, built in 2024.