

Fjord1



Sustainability report

2022

Our vision

To be the best supplier of environment-friendly and reliable transport services

Our values



Cheerful



Profitable



Open and honest



Collaboration and team spirit



Reliable, we keep our promises



Proud

Fjord1's values are meant to reflect who we are and guide how we work and behave day to day. Our values therefore constitute an important management tool and underpin the company's identity.

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Our vision and our values



This is Fjord1
Key figures 2022
A message from the CEO

This is Fjord1

Fjord1 is a leading player in the Norwegian ferry market, with a long and proud tradition stretching all the way back to 1858. In addition to ferry and passenger boat services, we operate our own catering concept (Ferdamat) and have developed sustainable tourism-related services in conjunction with our part-owned companies The Fjords and Fjord Tours Group.

Fjord1 focuses on safety and providing a good customer experience. Our competent workforce enables us to lead the way in innovation, technology and protection of the environment.

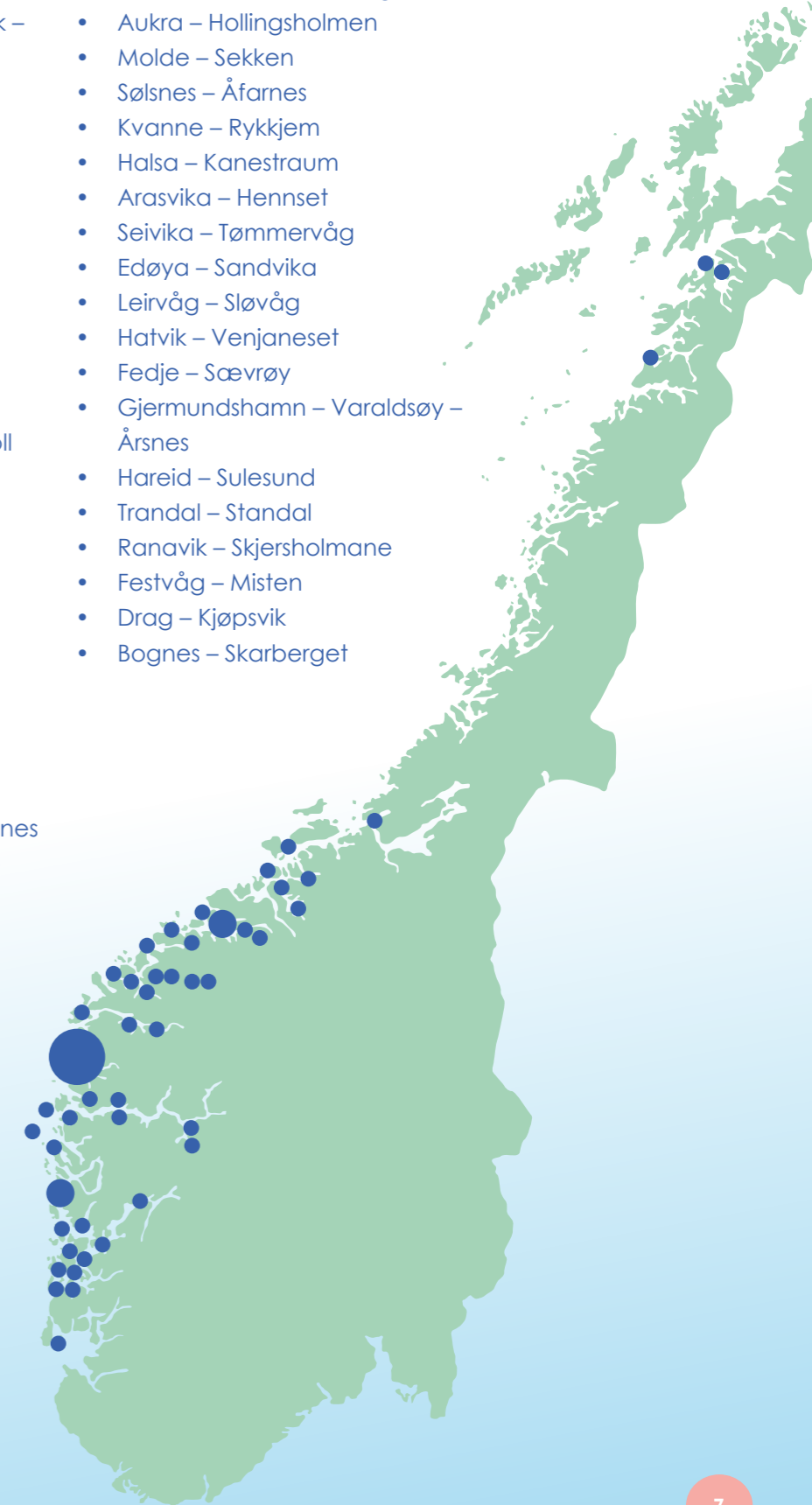
Fjord1's objective is to be the safest and most attractive provider of environment-friendly and reliable transport services to customers, clients and business partners.

Key figures 2022



Fjord1's ferry services in 2022

- Brekstad – Valset
- Eivindvik – Mjømna – Mastrevik – Nåra
- Måløy – Oldeide
- Måløy – Gangsøy – Risøy
- Måløy – Silda
- Måløy – Smørhamn – Florø (Kystvegekspressen)
- Anda – Lote
- Stårheim – Isane
- Rysjedalsvika – Rutledal – Krakhella
- Askvoll – Fure – Værlandet
- Askvoll – Gjervik – Fure – Askvoll
- Saltskår – Hersvik
- Mortavika – Arsvågen
- Halhjem – Våge
- Flåm – Balestrand
- Hardbakke – Nåra – Mjømna
- Hardbakke – Kolgrov – Utvær
- Langevåg – Buavåg
- Gåsvær – Midtre Solund – Hardbakke
- Jondal – Tørvikbygd
- Jektevik – Nordhuglo – Hodnanes
- Florø – Berekstad – Batalden – Fanøy – Rognaldsvåg – Kinn
- Florø – Veiesund – Askrova – Stavang – Svanøy
- Kaupanger – Frønningen
- Ortnevik – Måren – Nordeide
- Hufthamar – Krokeide
- Husavik – Sandvikvåg
- Festøya – Hundeidvika
- Vik – Ortnevik
- Leknes – Sæbø
- Sykkylven – Magerholm
- Stranda – Liabygda
- Eidsdal – Linge
- Solholmen – Mordalsvågen
- Aukra – Hollingsholmen
- Molde – Sekken
- Sølsnes – Åfarnes
- Kvanne – Rykkjem
- Halså – Kanestraum
- Arasvika – Hennset
- Seivika – Tømmervåg
- Edøya – Sandvika
- Leirvåg – Sløvåg
- Hatvik – Venjanaset
- Fedje – Sævrøy
- Gjermundshamn – Varaldsøy – Årsnes
- Hareid – Sulesund
- Trandal – Standal
- Ranavik – Skjersholmane
- Festvåg – Misten
- Drag – Kjølsvik
- Bognes – Skarberget



A message from the CEO

In a few short years, Fjord1 has completed a massive transition from diesel-powered ferries to new, eco-friendly ferries powered by electricity. Today, we have several electric ferries in operation. If we also include the five ferries that run on liquified natural gas (LNG), we can say that low or zero-emission ferries account for a large part of our service output.

Converting to new eco-friendly technology has been both labour intensive and challenging, but we have once again proved that when we stand together, we can move mountains. In 2022, we stand out as the maritime sector's 'green leader'.

In recent years, the company has worked actively to find new markets, and in 2022 we started operating our first ferry service outside Norway – in Canada, to be precise. This marks the start of an exciting journey, during which we expect to establish further operations abroad.

Fjord1 has not been active in the express boat market in recent years, as we have been waiting for the development of zero-emission express boat technology. This technology is now finally in place. We are therefore delighted to have made our comeback in the express boat market when we were awarded the City Boat (Bybåtane) contract in Bergen. Over the next 15 years, we will operate four express boats in the Bergen region.

New, eco-friendly and operationally reliable assets are crucial and have been a key priority in recent years. However, our competitiveness does not depend on our assets alone. Our competitive edge lies in our highly skilled and motivated workforce. Going forward, we will be increasing our focus on following up our employees and further enhancing their competence.



Fjord1 relies on all the different parts of its 'machinery' working smoothly, from executive management to front-line workers. This is not simply so we can provide a good service to our customers, clients and owners, it is also necessary so we can further develop the organisation as we would like. Attracting the right staff requires us to implement sustainable initiatives, such as providing exciting in-house career paths, upskilling and personal development, focusing on increased attendance and developing a good senior policy.

For Fjord1, efforts in the area of sustainability are being intensified and regulated at all levels through contracts, national and international guidelines, and – not least – the expectations of society at large.

Fjord1 has responded by gradually transitioning from conventional fuels to almost 50 per cent fully-electric ferry operations. We maintain a strong focus on preventing emissions to the sea and the environment around us.

Let us all continue to contribute to value creation everywhere in society, based on sustainable solutions. Fjord1 has identified several of the United Nations Sustainable Development Goals (SDGs) as particularly relevant. (For further details, see the next page.)

Dagfinn Neteland,
CEO

Sustainability at Fjord1

- Sustainable development at Fjord1
 - Particular contributions to the SDGs – Fjord1's focus areas
 - Clear link between vision and goals
- Sustainability for the organisation, owners and decision-makers
 - The client as premise setter
 - Electric ferry revolution
- Carbon emissions from county council transport assets (in tonnes)
 - New technological solutions
 - Reaching goals through collaboration



Sustainability at Fjord1

Sustainable development at Fjord1

As a provider of critical infrastructure to Norwegian society, our contribution to sustainable value creation while maintaining a light environmental footprint is crucial for the continued viability of coastal communities and the Norwegian fjords. For Fjord1, being sustainable is much more than merely fulfilling contracts, complying with laws and regulations, or filling out reports.

For Fjord1, being sustainable means exploiting our position as a key commercial enterprise to create a better society for future generations. Demonstrating an ability to change our own course, in addition to influencing those with whom we interact, has therefore become an important element in the development of the company's sustainability efforts.

Materiality analysis

It has therefore been important for the company to perform a materiality analysis in order to identify the important drivers for Fjord1's sustainability efforts, so that we can use available resources in the best possible way. In this analysis, emphasis was placed on the company's direct efforts, what can motivate its own workforce and what is important for the actors with whom the company interacts.

The results are based on interviews with internal and external resources, as well as a qualitative assessment by an internal project group.

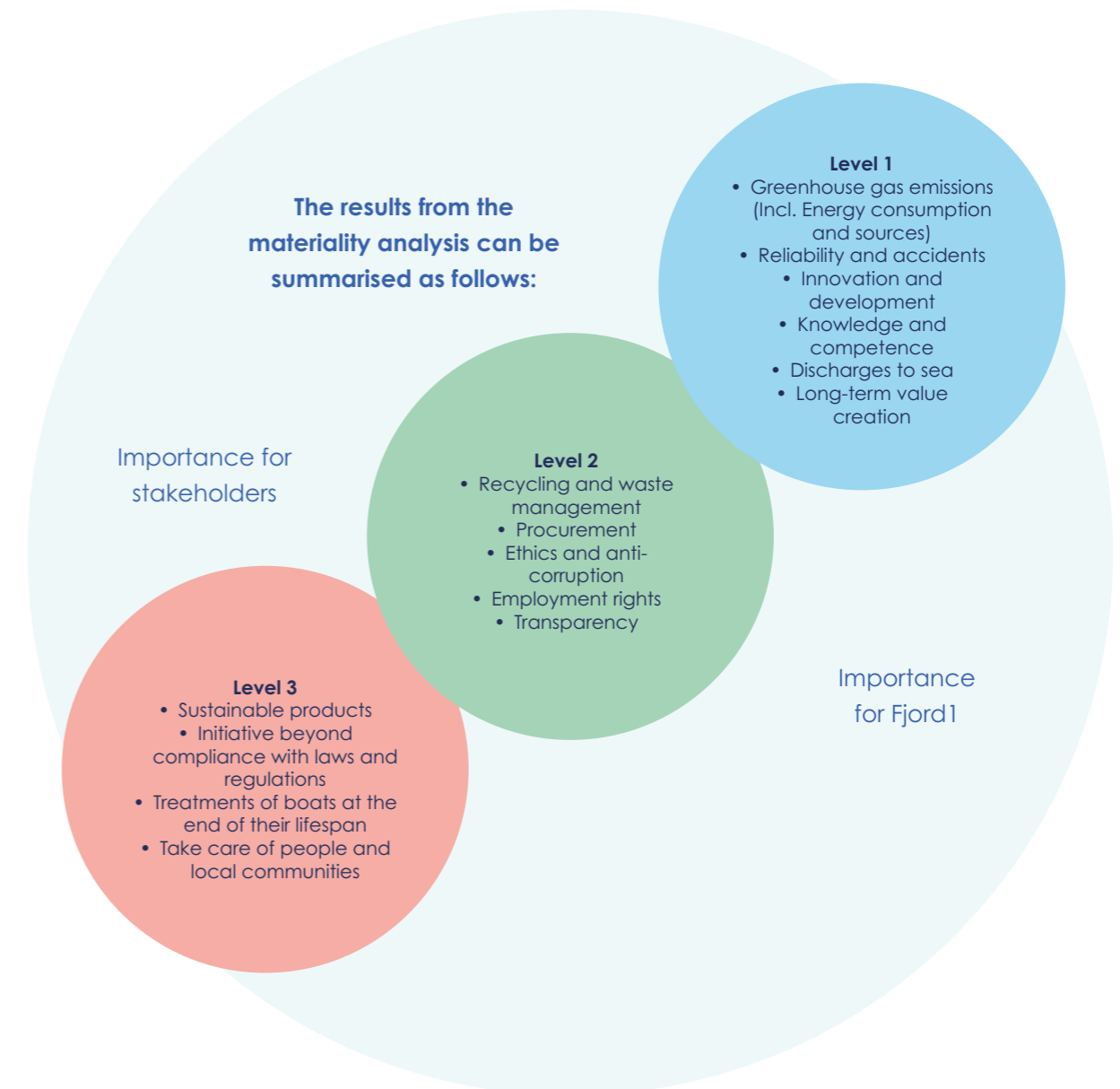
The materiality analysis aims to identify the topics that are material for Fjord1's ongoing and future sustainability endeavours.

The analysis has considered what is material and important for Fjord1 as an organisation, its workforce and external stakeholders.

The results are based on interviews with internal and external resources, as well as a qualitative assessment by the project group.

Topics that were not highlighted in the analysis are not represented in the results.

While all the topics highlighted in the analysis are important for Fjord1, Level 1 drivers will be the most important areas to focus on going forward, followed by Level 2, then Level 3.



As the analysis shows, there are a number of topics that are materially important for Fjord1. To structure and focus our work going forward, topics with similar content have been grouped together in different focus areas. The various focus areas comprise topics from levels 1–3 and represent a starting point for what sustainability means for Fjord1.

The focus areas represent the consolidated outcome of the materiality analysis. In addition, the goals, KPIs and initiatives implemented in conjunction with Fjord1's sustainability endeavours, will target one or more of these focus areas. By structuring the work in focus areas, we shed light on Fjord1's sustainability-related activities and make it easier to communicate what we are doing.

Particular contributions to the SDGs – Fjord1’s focus areas



Taking responsibility for the climate and the fjords

* Because we live and work around the fjords, we will continue to engage in this endeavour for a long time to come. It is therefore important for us to do what we can to limit emissions to the air and sea.

Fjord1 takes responsibility for reducing:

- Greenhouse gas emissions
- Energy consumption
- Energy sources
- Emissions to the sea



Protecting people and local communities

* Because it is important for us to ensure that both employees and passengers are safe on board our vessels. In this way, we can continue to bring people together and protect the local infrastructure.

Fjord1 takes responsibility by:

- Operating safely and preventing accidents
- Safeguarding labour rights
- Working ethically and combatting corruption
- Strengthening local communities



Driving innovation and development

* Because it is important to continue developing Fjord1 and the ferry industry, so that we can continue to provide the best services and inspire others to do better.

Fjord1 takes responsibility through:

- Innovation and development
- Transparency
- Knowledge and competence
- Initiatives that go beyond mere compliance with laws and regulations



Acting sustainably throughout the value chain

* Because we have a responsibility to our owners, employees and passengers to operate responsibly. This includes interacting with and holding our partners responsible for what happens before and after our portion of the value chain.

Fjord1 takes responsibility through:

- Recycling and waste management
- Use of materials
- Sustainable products
- Procurement and purchasing
- Responsible disposal of decommissioned vessels

Clear link between vision and goals

Fjord1's vision is "To be the best supplier of environment-friendly and reliable transport services", and this has set the course along which the company has navigated for many years. Through an intensification of its sustainability efforts, Fjord1 has defined specific focus areas with sub-topics linked to the UN's SDGs.

The company operates day to day on Norway's fjords. It is therefore important for us, as a commercial enterprise, to limit our emissions. At the same time, it is important to create a foundation for growth and the sustainable use of resources in society. Both employees and passengers must feel safe, so we can continue bringing people together, while providing the local communities in which we operate with a basis for continued existence.

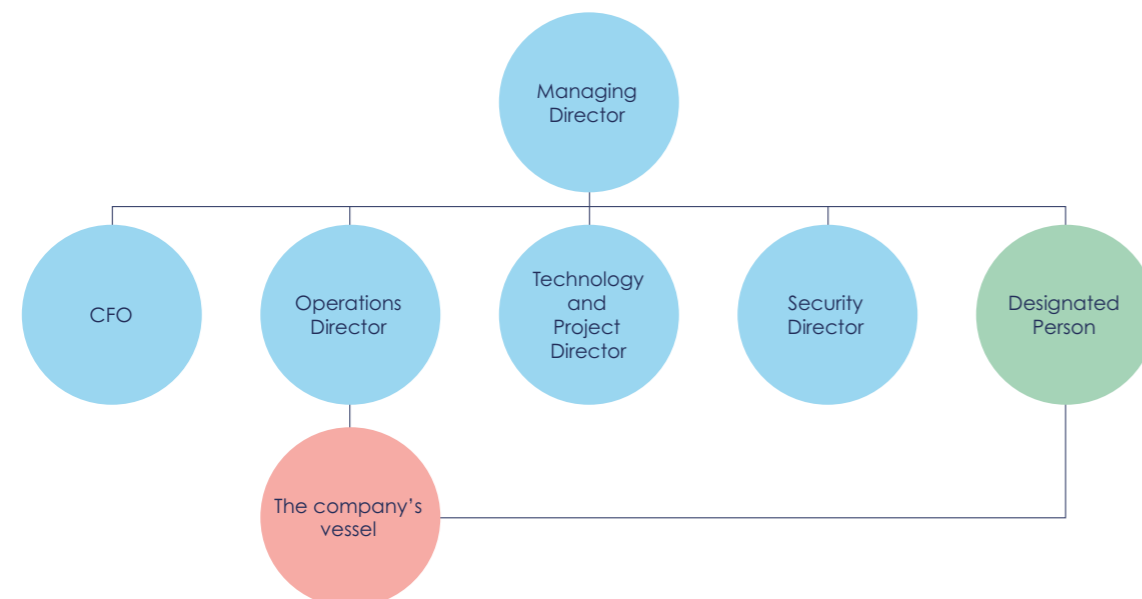
If we are to succeed in this, the technology must be developed and we must act sustainably along the entire value chain. The company wishes to be at the forefront of developments and a driver for innovation and change. Together with third parties, Fjord1 will help to develop modern solutions for the future.

Sustainability for the organisation, owners and decision-makers

Fjord1's corporate governance, management and organisation have fulfilled all relevant statutory, regulatory and government requirements.

In addition to ordinary certification relating to our core business activity, the company is also certified in accordance with ISO 50001 Energy Management Systems.

Day-to-day follow-up of energy consumption is a line management responsibility. Responsibility for Fjord1's sustainability activities lies with the CEO.



The client as premise setter

Norway's Vestland County has more electric ferries in operation than any other region worldwide, with Fjord1 as the largest provider of such ferry services.

Some years ago, ambitious politicians, led by Vestland County's mayor Jon Askeland, donned the green leader's jersey and flexed their procurement muscles to ensure a more climate-friendly direction. As a result, all the county road ferries in what used to be Hordaland have converted to electric power, while carbon emissions from the ferries fell last year by around 90 per cent in this part of the county. Jon Askeland has been involved from the very beginning, as a county council member representing the Norwegian Centre Party (Sp) and as a member of the council's transport committee.

"On the back of the UN Climate Change Conference in Paris, Norway's county councils were given clear instructions in 2015 to work actively to reduce greenhouse gas emissions from the transport sector. Shortly afterwards, we were due to renew the ferry fleet in Hordaland, so we said: 'Let's go for it!' As the client, our smartest move was to order 20 ferries while specifying that, if possible, we wanted zero-emission technology. Our success lay in the fact that we bought in bulk rather than ordering a single pilot. A technological shift was therefore triggered. Looking back, it is clear that ordering a large volume was the right decision. We will soon be replacing the county road ferries in what used to be Sogn og Fjordane, and there is no doubt that zero emissions will be a tender requirement. Our objective is 100 per cent use of zero-emission technology in the transport sector in general," says Vestland County's mayor, Jon Askeland.

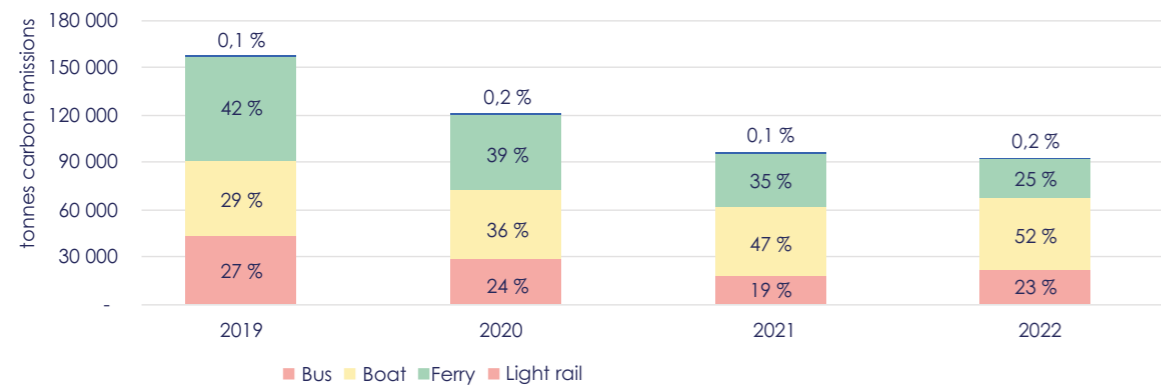


The mayor of Vestland County, Jon Askeland (centre), is extremely grateful for the county's partnership with Fjord1. "Fjord1's leading position in the green transition is probably the envy of many," he says. This photo was taken in connection with the naming ceremony for the MF Florøy in 2022.

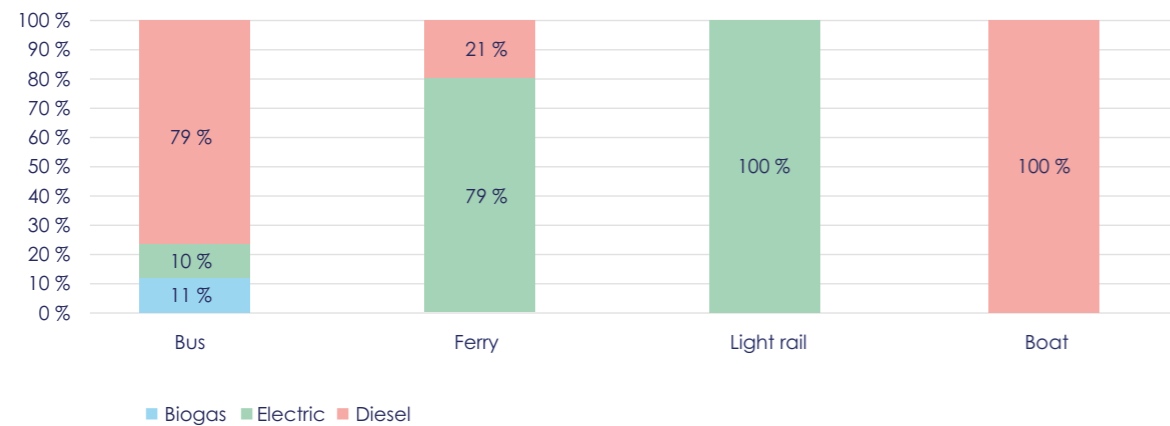
Electric ferry revolution

The situation has changed rapidly in recent years, with everything happening more or less simultaneously: new technology, onshore electrical charging facilities, testing, adjustment, new partnerships, positioning. Between 2019 and 2022 there has been an 'electric ferry revolution', resulting in an overall reduction in emissions of around 70 per cent in Vestland County. 2022 was the first year in which the full effect of the ferry electrification initiatives in what used to be Hordaland could be measured on an annual basis.

Carbon emissions from county council transport assets (in tonnes)



Vehicles/vessels by main energy carrier 2022



Jon Askeland praises the efforts Fjord1 has made in recent years:

"Fjord1 has been a frontrunner and, together, we have made each other better! As the largest provider of publicly contracted ferry services, Fjord1 has worked extremely hard, and I am very pleased with our collaboration. As a result of this proactive attitude, Fjord1 is now a world leader in the field. It would probably be safe to say that this position is the envy of many others."



Jon Askeland, County mayor in Vestland county municipality

New technological solutions

Fjord1 operates both the MF Møkstrafjord and the MF Kommandøren, the two ferries that started and ended the electric ferry revolution in what used to be Hordaland County.



The last electric ferry to go into operation, the MF Kommandøren, is in service between Halhjem and Våge.

Fjord1's CEO, Dagfinn Neteland, sees many advantages to battery-powered ferries. Not only are they beneficial for the climate and environment, they are also much more energy efficient than ferries powered by fossil fuels.



Charging towers quickly supply the ferries with a large amount of electricity. In just one minute, they can supply a ferry with the same amount of electricity as an average household uses in one day.



"The environmental benefits are the most important reason to invest in electric ferries, but electric ferries are not simply good for the environment. Battery technology has made huge advances, and it is actually more economical to use electricity as an energy source. By comparison, diesel is three times more expensive, while biodiesel is three times more expensive than that. Vestland County Council has been extremely shrewd in its invitations to tender. Electrically powered ferries are definitely here to stay," says Fjord1's CEO, Dagfinn Neteland.

"New technological solutions, such as the development of hydrogen and ammonia-based fuels, make for an exciting future," says Vestland County's mayor, Jon Askeland.

Reaching goals through collaboration

Askeland is proud of the robust maritime competence community, led by Fjord1, that has grown up, and highlights collaboration as a key success factor:

"I can see that Fjord1 has followed a steep learning curve over the past few years, and that the company today has become a vibrant competence-based workplace. Having a strong maritime competence community has given Vestland County a huge advantage, also in terms of human resources. We have gained a head start on the green transition, which we intend to keep," says Askeland.

"What we, as client and premise setter, have achieved in partnership with Fjord1 is also a reflection of the vast improvement we have made in our capacity for collaboration, with important centres of expertise working seamlessly together. This is in itself an important success factor," he adds.

17 PARTNERSHIPS
FOR THE GOALS



Sustainability and improvement



Climate accounts in accordance with the GHG Protocol

Fuel emissions

Energy consumption and energy distribution

NOx emissions

Emissions of CO2 equivalents

No. of ferries per primary source

Hareid-Sulesund, from diesel to electric propulsion

100 per cent electric on the Hatvik-Venjanaset service

Sustainability and improvement

Fjord1 is constantly striving to improve. On each vessel, energy efficiency is followed up through the Ship Energy Efficiency Management Plan (SEEMP).

Improvement initiatives, goal-setting and performance evaluations are carried out as part of the company's ordinary improvement system, and are reported through specific energy reports.

Energy reports are compiled to enable crews to easily report non-conformances that cause an increase in energy consumption or a reduction in the percentage of electric propulsion. In 2022, 3,702 energy reports were submitted. This is a formidable increase from 2021 and results from intense efforts by operations managers and crews to gain an overview of issues leading to higher energy consumption and an inadequate electric propulsion rate.

*** An energy report must be submitted when one of the following scenarios occurs:**

- Start-up of generator equipment (applies to battery-powered ferries)
- Unplanned issues with the charging system that do not lead to the start-up of the generator equipment (applies to battery-powered ferries)
- Unavailable or inadequate supply of onshore power (dock power)
- Conditions that result in a consumption level more than 15 per cent above normal.

If we break down the figures, we find 1,250 reports of increased consumption, 237 reports of issues relating to the supply of onshore power and a substantial 2,144 reports relating to ferry-charging difficulties. This reveals what our operational personnel consider the biggest challenges, and where Fjord1 must focus its improvement efforts.

Climate accounts in accordance with the GHG Protocol

Our social mission is to link communities together across fjords and between islands along the Norwegian coast. Fjord1 therefore has a particular responsibility to make its carbon footprint as light as possible, in terms of emissions to both air and sea. In recent years, the company has invested substantial sums in new, energy-efficient vessels and new technologies that primarily use an electrical power source. These investments have been a vital part of the company's sustainability efforts. The development of new technology is demanding both financially and with respect to the resources needed to resolve the challenges that arise. Nevertheless, seeing that this work delivers valuable impacts in the form of reduced greenhouse gas emissions is extremely motivating.

For Fjord1, reducing greenhouse gas emissions and its impact on the fjords is crucial. Intensifying its efforts in this area, while increasing the scope of its reporting, therefore constitutes an important goal for the company. Climate reporting is an opportunity to measure and evaluate the effect of the company's climate-related efforts and enables us to set clear targets. It should nevertheless be noted that this work is under development, and the report must be seen in this light.

The operational control approach, as described in the GHG Protocol, underpins this report. This approach defines which of an organisation's operating assets are included in the climate accounts. The climate accounts for 2022 are nevertheless restricted to Scope 1 and Scope 2.

Reporting covers all activities performed under contracts over which Fjord1 AS has operational control. Scope 2 also includes electricity consumption relating to leased premises. The reporting period follows the calendar year.

In the climate accounts, these are converted into CO₂ equivalents (CO₂e) on the basis of their effect. The GHG Protocol defines six different greenhouse gases that must be included in the climate accounts.

The table shows how Fjord1 is reducing the use of marine gasoil (MGO), thereby achieving a significant reduction in CO₂ equivalents (CO₂e).

Emission source

Scope 1 - Direct emissions						
Emission source	Emissions in tonnes of CO ₂ -equivalents					
	2019	2020	2021	2022		
Marine Gas Oil (MGO), Liquid Natural Gas (LNG)*, Biodiesel (methane and nitrous oxide), Diesel, Petrol, Gas refrigerants						
Sum Scope 1 - Direct emissions	147 819	120 451	89 546	77 217		

Scope 2 - Indirect emissions						
Emission source	Emissions in tonnes of CO ₂ -equivalents					
	Consumption 2022	Unit	2019	2020	2021	2022
Electricity local	98 586 985	kWh	129	215	718	1 090
Electricity marked	98 586 985	kWh	3 001	10 811	26 248	40 144
Sum Scope 2 - Indirect emissions (local)				215	718	1 090
Sum Scope 2 - Indirect emissions (marked)				10 811	26 248	40 144

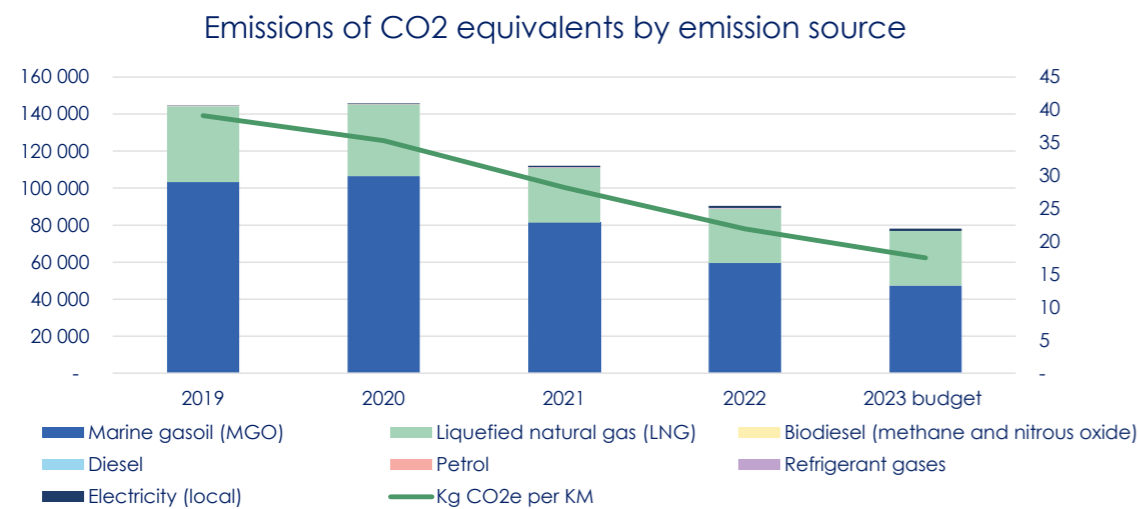
Outside scope						
Emission source	Emissions in tonnes of CO ₂ -equivalents					
	Consumption 2022	Unit	2019	2021	2020	2019
Biodiesel (Biogent)	2 384 143	Litres	5 360	3 838	2 264	5 793
Sum Outside scope			5 360	3 838	2 264	5 793



Fuel emissions

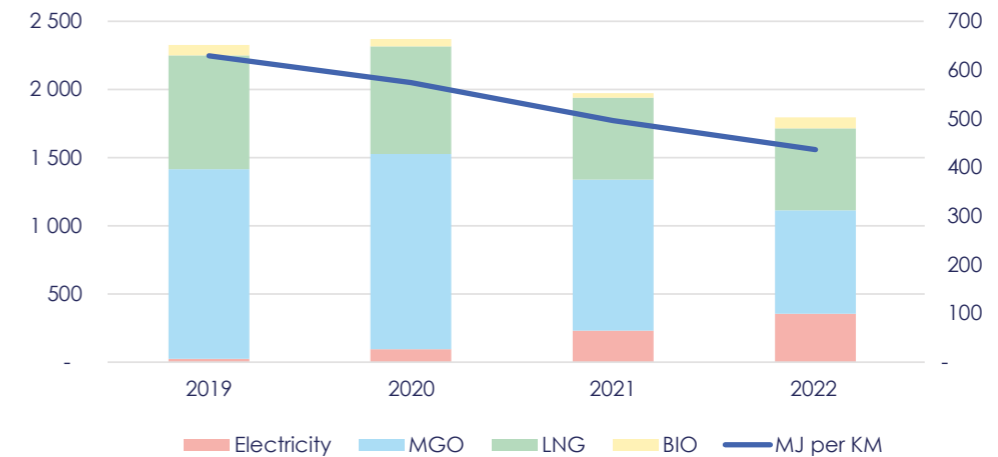
The graph shows the reduction in fossil fuel and increase in clean electricity consumption. Note the sharp decrease in carbon emissions per kilometre.

There has been a considerable improvement between 2019 and 2022, which is expected to continue in 2023, with respect to both gross volume and emissions per km. Emissions relate primarily to the use of marine gasoil (MGO) and liquefied natural gas (LNG). An increased level of electrification will contribute to a substantial reduction in carbon emissions. The company is also working with its clients to examine the possibility of changing the terms of existing contracts based on fossil fuels.



Energy consumption and energy distribution

Energy consumption, ferry operations



The table above shows that the transition from MGO to electrical power has resulted in a sharp decrease in energy consumption. This rises proportionally with the reduction in MGO and BIO and increase in electrical power.



NOx emissions

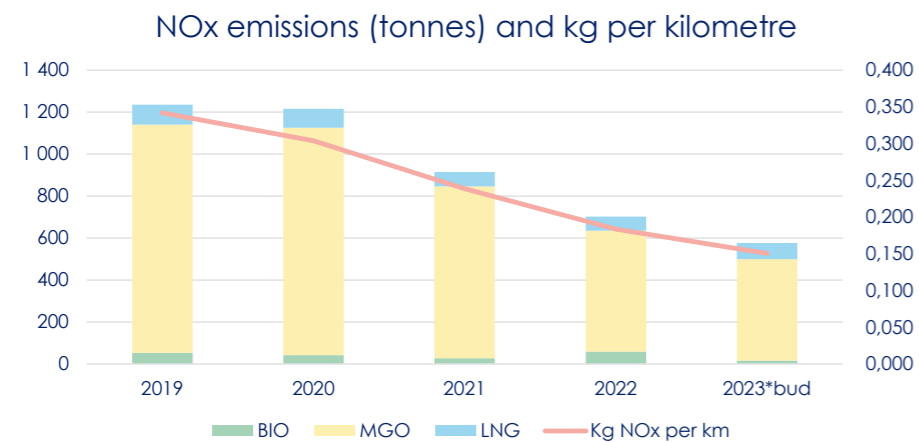
The company has reduced nitrous oxide (NOx) emissions from its vessels through the purchase of new engines and the installation of scrubbers. This has been accomplished in cooperation with the NOx Fund.

All vessels with installed batteries rechargeable from on shore also have an engine on board that ensures stable operations in the event recharging from land is not possible.

These measures have resulted in a reduction in NOx emissions in recent years. This is expected to continue in 2023.

	Electricity	BIO	MGO	LNG	KM	Kg NOx per km	Reduction in NOx emissions per km *
2019	0	53	1 087	96	3 614 941	0,342	-
2020	0	42	1 084	90	4 001 556	0,304	11,1 %
2021	0	28	818	68	3 831 659	0,239	21,4 %
2022	0	60	575	68	3 831 659	0,183	23,2 %
2023*bud	0	17	483	77	3 831 659	0,151	17,9 %

* New this year

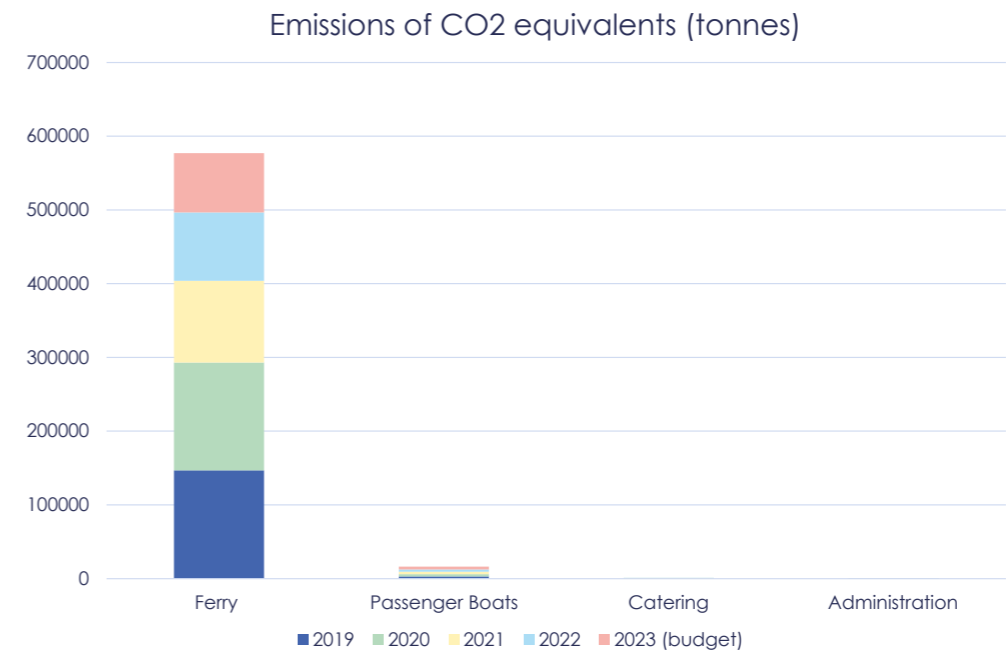


Like CO2 emissions, NOx emissions are completely eliminated when electrical power is used.

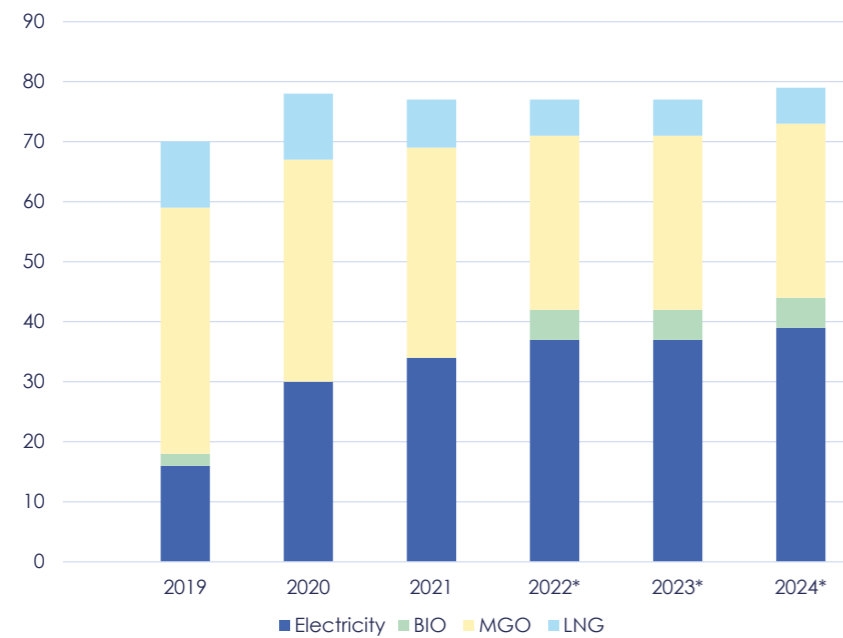
Emissions of CO2 equivalents (tonnes)

The table below shows the distribution of emissions by segment. The Ferry segment is by far the largest business area and therefore accounts for the largest percentage of the emissions generated.

Emissions relating to Catering derive from the refilling of refrigerant gas in chiller cabinets and refrigeration systems. Emissions relating to Administration derive from fuel used by company cars.



No. of ferries per primary source



* Not verified.

The graph above shows the number of ferries per energy source, highlighting the substantial switch to electric ferries.



Hareid–Sulesund, from diesel to electric propulsion

The crossing was the ninth busiest ferry service in Norway in 2022 and the third busiest in our portfolio. When Fjord1 took over the service on 1 January 2019, we gradually transitioned from diesel to electric propulsion.

The ferries MF Hadarøy, MF Suløy and MF Giskøy carry 1,161,000 passenger cars per year. These three electric ferries were specially constructed to operate this service as hybrid vessels, which means that they are primarily battery powered but have a diesel engine that is used only when charging is suboptimal. We visited MF Suløy to learn more about the vessel's electric propulsion.

What is the biggest difference between working on an electric ferry and a diesel-powered ferry?

"The biggest difference is the noise. There is a huge difference in the noise from a diesel engine and a practically silent battery. Otherwise, the vessel's autodocking system and charging plug means there is more to deal with, particularly when we are docking and departing the quayside. Power consumption is also something that needs to be kept in mind in everything we do, all the time. It's an exciting situation, with new developments happening all the time," says MF Suløy's captain, Henrik Kaldhol Moldvær.

Substantial environmental benefits

Fjord1 must comply with strict contractual obligations, and all its vessels have ambitious performance targets for energy consumption and electric propulsion rate, documented in SEEMP, that their crews must work towards. These targets must be as good as, or better than, the requirements set out in the tender documents.

Performance data are followed up by each vessel at quarterly meetings and by the onshore administration at operational review meetings. The targets are met if everything is working properly but the results are impaired whenever the diesel engine needs to be turned on.

The charging system draws a lot of current and has a charging capacity of 4,800 kW. According to Captain Moldvær:

"The charging system is powerful and we fast-charge the batteries every time we dock. For example, it takes five or six minutes for us to draw 350 kWh of power, the same amount as six households use in a day."



Battery room, or the 'holy of holies'. Here we see all the battery packs that power the MF Suløy.

Table below: Performance in the second half of 2022 for the two charging systems on the Hareid–Sulesund service that were fully operational. All three ferries achieved an electric propulsion rate of 97.8 per cent.

“The crew has set ambitious targets and since they use significantly less energy than their SEEMP targets and have only a marginally poorer electric propulsion rate than targeted, all the ferries on the service perform well within the tender requirements. This is also a good example of how performance targets should be set. Ambitious but realistic.”

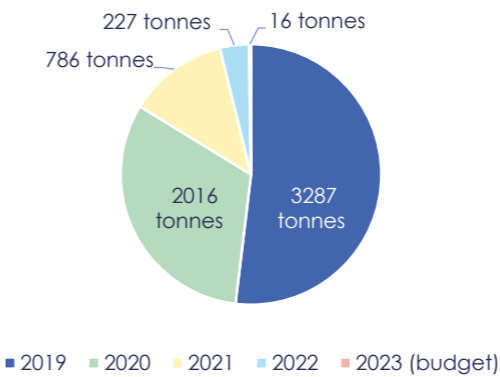
Vessel	Consumption per crossing *	SEEMP consumption	Actual consumption vs. SEEMP	Electrical propulsion rate	SEEMP electrical propulsion rate
Total	90,6 %	100 %	-10,3 %	97,8 %	98,3 %
Giskøy	88,7 %	100 %	-12,8 %	99,8 %	98,3 %
Hadarøy	93,7 %	100 %	-6,9 %	97,3 %	98,3 %
Suløy	89,3 %	100 %	-12,0 %	96,0 %	98,3 %

* Consumption calculated in relation to SEEMP consumption

“Since taking over the service, we have achieved an electric propulsion rate of 92.63 per cent, which we are very pleased with,” says Captain Moldvær.

Substantial decrease in emissions year on year. The table below shows a clear reduction in the use of MGO (diesel) from 2019, when Fjord1 took over the service, to 2023.

MGO consumption (tonnes)



Charging challenges

Electric propulsion works very well on the Hareid–Sulesund service, despite a few occasional glitches.

“On the whole, we have good periods with few problems,” says Captain Moldvær.

However, he recalls a challenging period in 2021–2022, when the transformer station on the Hareid side was damaged, which prevented the ferries from charging as frequently as planned.

“Despite these problems, we managed to deliver a good result, and after the new transformer station was installed in June 2022, our electric propulsion rate has been excellent.”



MF Suløy at the quayside in Sulesund.

100 per cent electric on the Hatvik–Venjanaset service

For a long time, the crew aboard the MF Årdal, on the Hatvik–Venjanaset service, struggled with both the vessel's energy consumption and electric propulsion rate, but all that changed in 2022. Today, the ferry has an almost 100 per cent electric propulsion rate.

Since its start-up on 1 January 2020, the vessel and its crew experienced numerous issues relating to the charging infrastructure. The charging tower did not work properly, the durability of the charging switches was poor, and there was a long service response time.

But last summer, the vessel's performance improved and the MF Årdal's crew can look back on a fantastic summer – at least in terms of results, if not the weather. According to captains Espen Haugland and Kent Størum, the issues have finally been resolved and all crewmembers are now fully energised, so to speak.

“Everything is now working properly, the service organisation around us has improved, and in the past few months we have succeeded in getting all the equipment we are responsible for to function. In addition, everyone has got to know the vessel, so our crossings have become more efficient. We are also fortunate to have a permanent crew on board who share the same awareness of keeping energy consumption as low as possible. Our people are obviously a key success factor,” they both agree.



Shift 1 (left to right) : Captain Espen Haugland, chief engineer Asbjørn Kristiansen, seaman Martinus Solås and first officer Tore Daae.



Shift 2, (left to right): Apprentice Mathilde Hansen Sigurjonsson, seaman Ronny Baldersheim, chief engineer Odd Helge Lauritzen, captain Kent Storum and first officer Mikael Flatraker.

“Extremely well done”

Fjord1's energy and environment manager, Jan Hovden Eide (pictured below), praises the crew and the progress that has been made on the service.

“I keep a close eye on the figures from the sidelines. In my view, they have done a very, very good job! Of all the services using this type of technology, the Hatvik–Venjanaset route has performed the best by far this summer! It would be difficult to perform better than they are doing right now. Since May, their results have been pretty well perfect. It seems to me that the crewmembers are highly coordinated across shifts, which is how we want it to be. I also see that they are constantly searching for improvement opportunities.”



Full control

In the control room, Chief Engineer Odd Helge is busy checking the figures.



"This is where I enter all the data," he says, pointing to the screen. "I have tried to get an overview of our loss calculations, so that I can monitor our improvement processes. If we manage to achieve a total charging time of three minutes on our first two morning crossings, we can operate fully electrically for the whole of that day," he explains.

"We have been doing this for around two and a half years now, and we have learned a great deal! It's all about small margins. All it takes is one missed charge and we won't meet our target, so everyone is on their toes!"

Everyone on board agrees that there is nothing better than getting it right.





People

- HSE targets and performance
- A sustainable safety culture
- Employee satisfaction
- Recruitment
- Annual apprentice conference
- Competence
- Equality and diversity
- Code of Conduct
- A committed corporate citizen – sponsorships

People

HSE targets and performance

	2019	2020	2021	2022	Comments
Fatalities	0	0	0	0	
No. of lost time injuries (LTI)	15	16	11	19	See explanation below*
Lost time injuries per million hours worked	4,76	8,6	5,91	10,22	
No. of injuries without lost time	16	15	21	36	
Injuries without lost time per million hours worked	8,6	8,1	11,3	19,35	
No. of passenger injuries	13	9	1	7	
No. of passenger fatalities	0	0	0	0	
Passenger injuries per million passengers	0,64	0,54	0,07	0,43	
Allision damage (serious)	5	9	0	1	
Allision damage per 100,000 dockings (serious)	0,66	1,21	0	0,13	
Strandings	5	9	2	3	
Collisions with other vessels	3	0	0	0	
Damage to vehicles or cargo	52	20	26	39	
Near misses	101	101	91	91	
Reports of unwanted incidents	1234	1218	1365	1414	Total no. of reports
Workforce					
No. of permanent employees	NA	1132	1066	1119	
No. of temporary employees	NA	571	602	607	
No. of female employees	14,90 %	12,80 %	12,60 %	13,77%	
No. of apprentices	64	65	79	70	
No. of cadets	12	18	18	13	
No. of performance appraisals undertaken	NA	75	523	446	
No. of eLearning courses completed					
Go Green	643	251	304	216	
Battery	599	237	302	209	
Charging	581	233	304	203	
Electrical safety	585	229	301	199	
Energy consumption	578	233	302	196	
Sickness absence rate					
Total sickness absence rate	7,09	7,24	6,35	6,17	
Short-term absence	2,38	2,27	2,08	1,73	
Operational reliability	99,68 %	99,57 %	99,71 %	99,62 %	inc. Force Majeure
No. of cancelled departures	2219	3013	2049	2677	
No. of departures delayed by more than 3 minutes	32070	31276	29415	20648	

* the number of LTIs has increased due to non-compliance with HSE guidelines

A sustainable safety culture

Health, safety and the environment is a priority in everything we do. We work actively to develop a safety culture at Fjord1.

Fjord1 strives to achieve a proactive safety culture to reduce the probability of serious incidents occurring and reduce the number of personal injuries. No one shall be injured while working at Fjord1.

The safety and security of our employees, and the integrity of our business, has the highest priority. We believe that all accidents relating to people, the environment and assets can be prevented through a proactive safety culture.

Fjord1 focuses on preventing personal injuries, work-related illness and major accidents. Our goal of zero injuries has become part of how we think and work, with a strong focus on continuous improvement.

Fjord1 aims to establish a proactive safety culture in the period 2022–2026. Through our HSE strategy plan, we will transition Fjord1's existing safety culture into a proactive safety culture, where:

- HSE is a priority in everything we do
- Managers actively encourage HSE-compliant behaviour
- Employees take responsibility for their own and their colleagues' HSE behaviour ("HSE is my responsibility!")
- Employees take the initiative to continuously improve safety
- Everyone calls out unsafe behaviour when they see it
- Corrections for unsafe behaviour are valued
- Investments are constantly being made to raise employees' HSE awareness
- Improvement initiatives are properly implemented and evaluated
- Risk assessments are used to prevent unwanted incidents
- Positive relationships and interactions create energy and job satisfaction

HSE goals



Lost time injuries: <4,9



Sickness absence <5,4% (sea) | <3,0% (land)



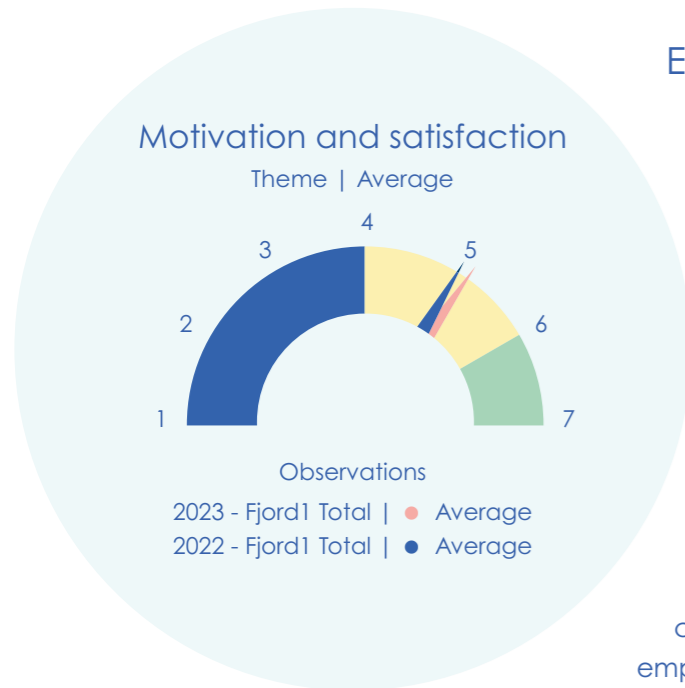
Pollution: 0



Passenger injuries: 0



Strandings: 0



Employee satisfaction

For Fjord1, having contented employees is important, and this is something we work actively every day to achieve. To know where we stand, we conduct annual employee surveys.

We strive to improve our employee satisfaction score and are making progress in this area.

Fjord1 works systematically and empirically to provide a safe and development-conducive working environment for all its employees, which is a precondition for job satisfaction. We define the working environment as the way we organise, plan and perform our work.

Through dialogue, good routines, procedures and ethical guidelines, we ensure good quality and effective internal controls. We have good whistleblowing procedures, so no one need be afraid to report wrongdoing.

Fjord1 has decided to focus particularly on employee attendance. This means that we will examine those factors which impact employee attendance. We are working actively to prevent sickness absence, for example, through the company's medical treatment scheme. We are also working actively to increase the use of sick employees' residual capacity for work. Health permitting, many employees can perform alternative work if suitable adaptations are implemented.

Every employee must be followed up, and annual performance appraisals are an important method through which to promote their development. The aim of such appraisals is to clarify expectations, harmonise the employee's efforts with the company's goals, develop confidence and trust, and facilitate the individual's professional and personal development.

Recruitment

Fjord1 aims to always have the best qualified and most motivated employees in the industry. There is stiff competition for qualified staff. In a challenging labour market, with record low levels of unemployment and increased migration to larger centres of population, Fjord1 must work actively to attract candidates with the right competence.

To safeguard our competitive advantages, our recruitment processes must be professionalised and targeted. We must establish strong ties to the right candidates, whether existing, former or new employees. Those who apply for a job with Fjord1 must find our processes to be effective, fair and professional. We must always offer competitive terms and conditions in order to attract the right competence in the various professional areas.

We must work actively to attract apprentices, cadets, interns and trainees, and facilitate career development within the company. Fjord1 must build a brand identity that highlights our strengths, while ensuring that our message reaches the right target groups. Active use of various communications channels, such as social media, will be important for success in brand-building.

A focus on the green transition will be especially important for the company, not only because it is an important area of endeavour in itself, but because it is also an area that young people in particular are concerned about. Our efforts here will also help in our recruitment work.



Annual apprentice conference

In November 2022, our apprentices had their first chance to get together as a group after two years of pandemic and cancelled events.

Every year, the company stages a conference for all first-year apprentices. Fjord1 wishes to involve and include its apprentices, and give them a unique opportunity to really get to know the company. We strongly believe that these conferences have a positive ripple effect, both for the apprentice's day-to-day work and for Fjord1.

HR Manager Øyvind Østrem gave the apprentices a warm welcome:

"As apprentices, you are worth your weight in gold for Fjord1! I hope I am looking at future permanent employees here."

My journey

Operations manager Kim André Arnesen told the apprentices about his own career path at Fjord1. From apprentice seaman to seaman to first officer, captain, technical inspector and now operations manager.

"Accepting an apprenticeship at Fjord1 is the smartest think I've ever done," he said.

"Personally, I have been given huge opportunities here. If you want to keep up with developments and have a secure and stable job, Fjord1 is the right place for you."



Competence

Our goal is to always have a workforce whose competence enables us to perform the tasks Fjord1 has – both now and in the future. New technology prompts the need for new competence. Systematic competence development means that we must plan, implement and evaluate measures to ensure that we meet tomorrow's requirements for skills and expertise. We must retain and successfully compete for the best and most qualified employees in a challenging market.

At the individual level, we give our employees opportunities for personal and professional development, and highlight opportunities for advancement within the company. We wish to strengthen our position as an attractive employer, and believe that investing in the personal and professional development of our workforce helps us do so.

Equality and diversity

Fjord1 has a clear goal of attracting a diverse group of employees. Because we believe diversity enriches our organisation, we wish to employ a varied group of people in terms of educational qualifications, gender, age, ethnicity, sexual orientation and background. We believe that equality at all levels produces a more robust organisation and are working actively to employ a larger number of women, particularly aboard ship. The company strives to make it easier to combine a shipboard career with a good family life. In order to be an attractive employer and ensure a diverse workforce, the company is working to develop a life-phase oriented personnel policy.

The company has worked closely with the Norwegian Labour and Welfare Administration (NAV) to offer people who, for a variety of reasons, have become excluded from the general labour market an opportunity to return to ordinary paid employment.

Code of Conduct

Fjord1's vision is to be the best provider of environment-friendly and reliable transport services. We will realise this vision by complying with our core values (presented on page 1).

Fjord1 has drawn up a set of ethical guidelines for our business (Code of Conduct), which addresses a number of ethical issues. The Code of Conduct underpins our corporate rules and procedures. Fjord1's corporate culture is based on ethical business practices, open and honest behaviour, and respect for other people.

Everyone associated with Fjord1 has a personal responsibility to comply with the policies and principles that underpin Fjord1's Code of Conduct. The code springs from the company's core values. By rooting our business behaviour in the company's shared values and complying with these guidelines, we can help to maintain a high ethical standard in all areas of the enterprise.

Fjord1 also requires its suppliers to meet fundamental requirements with respect to corporate social responsibility. This means voluntarily integrating environmental and social considerations in all parts of the value chain. Suppliers must affirm that they do not violate basic laws and regulations relating to labour and human rights, or occupational health and safety, and that they apply the precautionary principle in matters concerning the environment and combat all forms of corruption.

A committed corporate citizen – sponsorships

Through its sponsorship activities, Fjord1 wishes to promote diversity and enjoyment in the fields of sport and culture in districts where it operates ferry and passenger boat services.

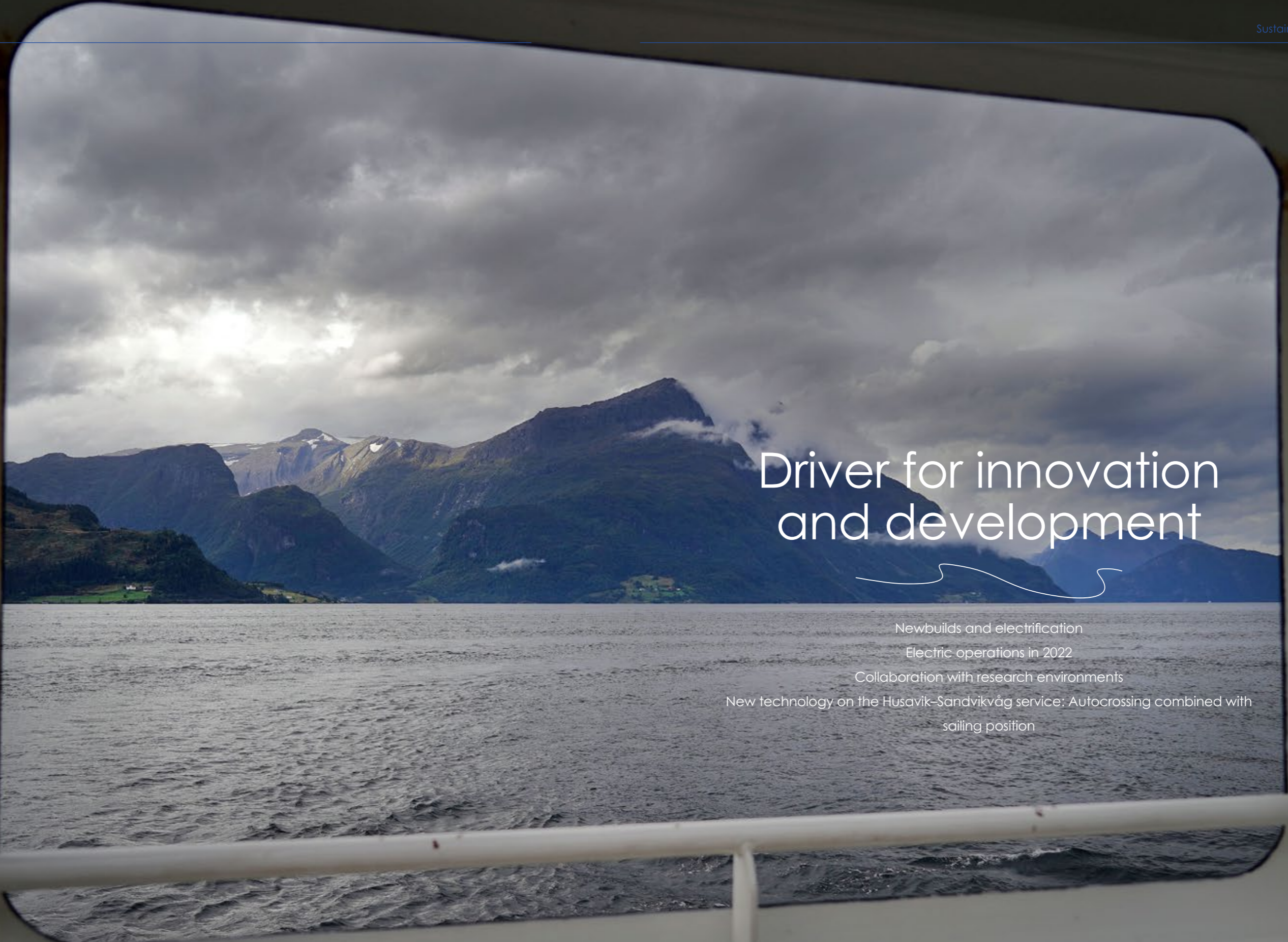
The company aims to engage actively in the community, and supports clubs, organisations and good causes both through long-term projects and in connection with one-off events. In addition, the company supports a number of individuals and entities through advertising material.

Fjord1's largest sponsorship agreements are in the areas of sport and culture, with children and young people as an important target group. Through its sponsorships, Fjord1 builds relationships with customers, employees and business partners in sports, culture and the voluntary sector.

Fjord1 has long-term sponsorship agreements with Sogn og Fjordane Ski Club, Florø Football Club and Hødd Football Club.

In addition to the above, we have also supported a number of other clubs, events and initiatives in 2022. These include:





Driver for innovation and development

Newbuilds and electrification

Electric operations in 2022

Collaboration with research environments

New technology on the Husavik-Sandvikvåg service: Autocrossing combined with sailing position

Driver for innovation and development

Fjord1's selected sustainable development goals guide the company's future course. Key aspects of this are technology and development. No one can halt climate change on their own. Cooperation is key.

One of the sub-goals for the effort to halt climate change is to strengthen the ability of individuals and institutions to reduce greenhouse gas emissions. When Fjord1 commits to new contracts, our aim is to achieve the lowest possible energy consumption. This is not simply a desktop exercise. Decisions must be made and operational opportunities and training must be provided if the objectives are to be realised.

Newbuilds and electrification

In connection with newbuilds and major refits, Fjord1 makes many choices in order to realise its climate and environmental ambitions in line with the SDGs. Electrification, efficient hull design, weight optimisation, heat recovery, friction-reducing hull coatings, etc., are all measures that can be implemented to reduce energy consumption.

One area that has received broader attention in recent years concerns propeller and steering systems. A number of newer vessels have been equipped with advanced self-steering systems that can help the helmsperson to maintain a steady and the lowest possible energy consumption on each individual crossing. On some vessels, the system can be combined with the bow thruster being placed in a sailing position, which allows the stern thruster to handle all steering and propulsion. In many cases, this can improve energy efficiency even further.

The availability of sailing position functionality and advanced self-steering systems varies from vessel to vessel in Fjord1's fleet. Together with key suppliers, we are now intensifying our efforts to ensure that these technologies are made fully available to more vessels in the fleet.

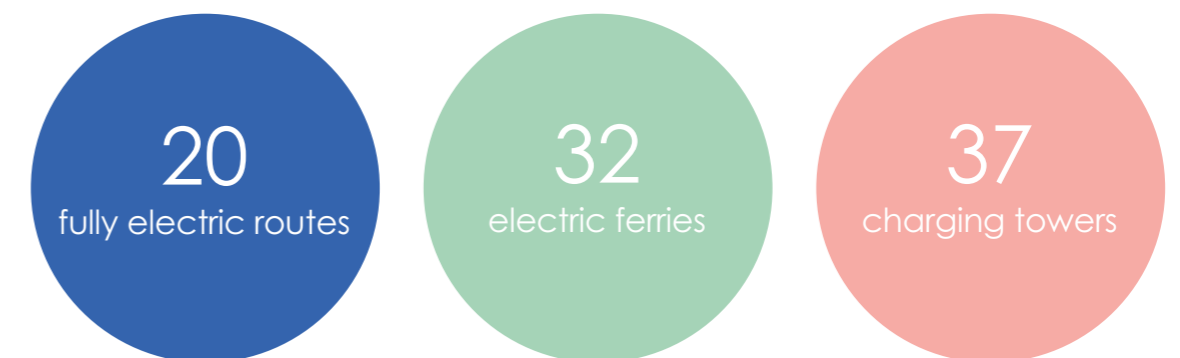
The energy savings provided by self-steering solutions compared with manual steering can be estimated in advance using a computer program. The same exercise is used to estimate the effect of operating with the bow thruster in the sailing position. At the same

time, it must be acknowledged that a number of vessel and crossing variables, as well as human factors, mean that such estimates cannot not always be achieved in real life. We must be confident that we are using the right tools to reach our goals.

Fjord1 is working in accordance with the UN SDGs. We engage in partnerships to provide good responses to challenges and questions. We have improved our measurement and digitalisation of performance data in order to achieve greater energy efficiency. Crewmembers' active use of our suggestion and non-conformance system is crucial for data collection and quality. With innovative solutions, we can learn more and more about the impact and improvement potential of the technological innovations we introduce, such as self-steering systems and sailing position functionality. At the individual level on board the vessel, the availability of good real-time data enables crews to assess the situation and make optimal decisions.



Electric operations in 2022





Collaboration with research environments

To learn more about the potential benefits of using advanced self-steering systems, Fjord1 recently participated in an R&D project. In cooperation with research institutions, a number of systematic observations were performed and interviews with users of advanced self-steering systems conducted.

The study concluded that the majority of users felt the use of self-steering systems offered benefits in the areas of both energy performance and safety. At the same time, the study pointed to potential improvements in several areas relating to implementation, training and functionality. These are objectives we will work towards.

Our efforts to implement and improve both sailing position and automated self-steering systems is an example of the focus that will help Fjord1 advance in line with the UN SDGs. Fjord1 encounters many technological challenges. With cooperation, precise data and analysis, innovation and the help of each individual person, we will identify at least as many opportunities.

New technology on the Husavik–Sandvikvåg service: Autocrossing combined with sailing position



Captain Odd Andreas Løve Nielsen.

Automated ship management combined with energy-efficient operation has produced unique results for MF Husavik and Fjord1.

Fjord1 is in the vanguard of the green transition. Through good collaboration between sea and land, Fjord1 has recently made further progress in the field of innovative technology.

The ferry MF Husavik has recently started using the Autocrossing system in combination with the bow thruster in the sailing position.

“This has given us a more automated and energy-efficient crossing, and we see from day to day that we are using less energy,” explains Captain Nielsen, before adding:

“We can now monitor our sailing from a more holistic perspective and free up time to make the work on board easier. We have a young crew, who appreciate the new technology, while we enjoy being allowed to both test and use new equipment!”



The crew (left to right): Captain Odd Andreas Løve Nielsen, apprentice seaman Emil Sørfonn, first officer Morten Vedde, chief engineer Yngve Vaage and seaman Per Ivar Tislevoll.

Autocrossing

Fjord1 has invested heavily in the Autocrossing system. Around half of the company’s vessel portfolio currently has this technology installed. The Autocrossing system offers multiple benefits, including the optimisation of timekeeping on a service. This is also important for safety on board.

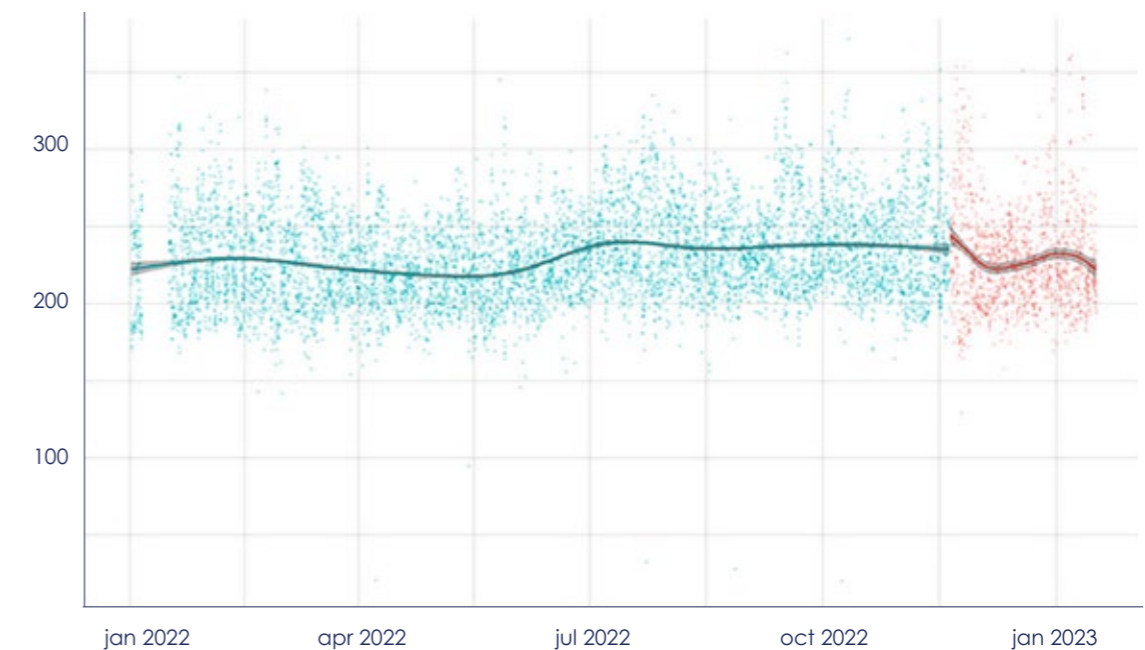
“The system requires less input from us on the bridge, which means I can monitor several parameters simultaneously. Less time spent adjusting speed and course gives us more time to spend monitoring the sailing, which increases focus on operational safety. The Autocrossing system also ensures more consistent sailings between shifts, which means more uniform operations and better financial performance.”

Autocrossing:
Automated system that steers the ship by the course plotted into the map solution and calculates the right speed to arrive at the appointed time.

Sailing position:
Stern thruster drives the vessel. The bow thruster has no load and offers the minimum amount of friction.



The graph below shows all the crossings made by MF Husavik in 2022 and 2023. The period marked in green shows the vessel’s performance before the introduction of the Autocrossing system. The period in red shows a steady fall in consumption after the introduction of Autocrossing.





Combined with sailing position

MF Husavik started operating with the bow thruster in the sailing position on 20 November 2022. It is the only ferry currently using this technology in what used to be Hordaland County. When the evaluation period ended in December 2022, the crew had plenty of good things to say.

"The system is precise and reliable. Our statistics show lower energy consumption when the sailing position functionality was combined with the Autocrossing system. In some cases, there will naturally be a need to use the normal autopilot, in the event of crossing traffic or certain weather conditions, for example," says Captain Nielsen.

The trusters have been ordered with the seal position function, but the supplier had to develop software for Autocross and an interface to the trusters to control these.

Energy-efficient crossings can produce significant savings

The objective of combining sailing position with Autocrossing is to achieve a more energy-efficient operation. There are also safety benefits because the vessel stops if anything untoward occurs, such as someone falling asleep or suddenly becoming incapacitated.

As a bonus, the captain says, it was also extremely easy to implement:

"I was surprised how easy it was to combine the sailing position function with Autocrossing. It just needed a software update, and the job was done! MF Husavik was built to be energy efficient, so the optimisation is a matter of subtle margins. Nevertheless, we are expecting a reduction of up to*

10 per cent on crossings that use sailing position combined with the Autocrossing system. If Fjord1's entire fleet made use of this technology, it would save the company millions of kroner each year," he concludes.

Energy and Environment Manager Jan Hovden Eide (photo on p. 20), agrees with Captain Nielsen. Eide says that to further develop this pioneering effort, all parties need to work together:

"Fjord1 has invested in this technology on several vessels, but we are completely dependent on good cooperation and dialogue between the organisation on land and the crews aboard ship. The positive attitude aboard MF Husavik is crucial to the success of such a development.

"In 2022, we used just over 100,000 MWh of electricity, over 21 million litres of diesel, and over 2 million litres of biodiesel. If we manage to reduce the company's energy consumption by 10 per cent, we are talking about huge savings, both financially for Fjord1 and environmentally for everyone. The future looks set to be extremely exciting," concludes Eide.



Sustainable action throughout the value chain

- Catering – Ferdamat
- Local suppliers
- Sustainable labelling in the Catering segment
- Eco-tourism
- Sustainable renovation of company headquarters
- Phasing-out of older vessels
- Waste management plans
- Ethical requirements relating to newbuilds and major refitting projects

Sustainable action throughout the value chain

Catering – Ferdamat

For ferry passengers, the kiosk is a window into the company's core values. In recent years, Fjord1 has phased in the most environment-friendly materials and products, and now focuses on sustainability in all areas.

"It's not difficult to source sustainable products but they often cost more. And that is a challenge. We have to accept that a paper cup costs a bit more, include that in our calculations and find out where the pain threshold lies," says Catering Manager Olav Strømstad.

He is responsible for all the food and beverages sold aboard Fjord1's ferries.

"We must safeguard the wellbeing of those working in Catering, while ensuring that what we do is economically viable," he adds.

Always a 'svele'

In 2022, Fjord1 operated 48 self-service kiosks, while 20 ferries had staffed cafeterias on board. The product range varies according to the season and the size of the ferry. Small kiosks offer some chocolate bars and a coffee vending machine, while larger cafeterias serve our signature beef stew (lapskaus) and our ever popular, traditional fluffy pancake, the svele.

When Fjord1 switched from diesel to electrical propulsion on its new ferries, the company had to review its power consumption. This also included its kiosks and cafeterias. The old coffee percolators, which were on all the time and therefore using electricity, have been replaced by percolators that drip straight into a thermos flask.

"Sustainability is visible in the little things. And it is important for us that our customers see in practice that we take this seriously," says Catering Manager Olav Strømstad.

Coffee sold in 2022:
575 673 cups



'Sveler' sold in 2022:
459 081 pancakes



Local suppliers

On several of its ferry routes, Fjord1 partners with local producers of both svele pancakes and sandwiches. It's about sustainability at every stage, which means that we offer locally sourced and produced items.

Minibakeriet

Nordfjordeid's oldest and smallest bakery has roots stretching back to the 1860s. Minibakeriet was given its highly appropriate name when its current manager, Leon Knapkog, took over in 2015. The bakery became Fjord1's first external supplier of svele pancakes when this contract was signed in 2018.

Minibakeriet makes svele pancakes to Fjord1's own recipe and primarily supplies the Anda-Lote service. In 2022, Minibakeriet delivered 39,670 svele pancakes to Fjord1, in addition to bread. Products are supplied to the vessels six or seven days a week, all year round.

"The svele contract has been great for us. It has undoubtedly had a positive ripple effect for the company. On the back of this contract, we have been able to hire one additional member of staff. They also perform other tasks which makes life easier for the other bakers here. With an extra resource, we have also been able to expand our concept," says Knapkog.

Shifts start at 3 am, because the svele pancakes must be ready for delivery by 8 o'clock.

"In summer, the number of svele pancakes sold is much, much higher than at other times of the year. So, during that period, we take on even more staff than the seven people who make up our regular workforce. The logistics are complicated, but this contract is a lot of fun, too," says Knapkog. The bakery's focus is on sustainability throughout the process, he adds.

"We buy only local eggs for our svele pancakes. It is not possible to purchase the other ingredients from local producers, but the bakery as a whole focuses on local produce and sustainability. The packaging we use is biodegradable. We don't use plastic, except for the svele pancakes. Unfortunately, it is difficult to package them in any other way."



Hardanger AKS

Fjord1 partners with several companies that accommodate people with a reduced capacity for work, as well as offering products and services supplied by people in need of adapted work and pre-employment training. In 2022, Hardanger AKS supplied svele pancakes to the vessels plying the Jondal-Tørvikbygd and Hatvik-Venjanaset routes.

The company employs around 80 people

"Our mission is to create an inclusive environment for learning and qualification through targeted and methodical guidance, practice and training in the production of goods and services. We aim to improve the

individual's opportunities in the ordinary labour market and create lasting jobs for those for whom ordinary employment is not an option. Our partnership with Fjord1 enables us to offer meaningful work to more of our employees," says Administration Manager Ona Waage.



Tustna kafe og landhandel

Tustna Kafe og Landhandel has supplied fresh svele pancakes and other sandwich-style products to Fjord1's Seivika-Tømmervåg service ever since self-service kiosks went into operation in 2018. In addition, the company supplies svele pancakes to the ferries on the Edøya-Sandvika service in the summer season.

Tustna Kafe og Landhandel is located on the quayside at Tømmervågen, in the immediate vicinity of the ferries that serve the route.

"Our partnership with Fjord1 was vital for Tustna Kafe og Landhandel in 2022. We experienced a substantial fall in revenues during the year, and we would not have been able to keep operating without the deliveries to the ferries keeping us occupied," says General Manager Stine Wulff Todal.

Sustainability in practice

Fjord1 has switched to organic and fairtrade coffee, in those kiosks that use whole beans. A growing number of products carry the Debio and Fairtrade labels. A lot of the chocolates and sweets are also UTZ and/or Rainforest Alliance certified.

Plastic cutlery has been replaced by wooden items. Paper hotdog wrappers, napkins, plates, bags and packaging have been replaced:

"We have made major changes in recent years, such as switching to dark hotdog wrappers, and swapping white napkins for brown ones. Coffee cups, paper wrappers, plates, bags, packaging and cutlery in our kiosks are either biodegradable or can be recycled."



Both coffee cups and cutlery are PEFC-approved.

Cutlery and sorting waste at source

Sales Manager Siv Rendedal Vågen has worked for many years aboard the ferries that cross the Boknafjord, and still spends a lot of time on board. It provides variation and an insight into what works and what does not.

"We have received a lot of positive feedback on the quality of the new

products we have introduced. Some were annoyed by the first wooden items of cutlery we used. It was completely impossible to cut through the potato balls with those knives," she laughs.

With the quality of the cutlery now improved, the next step is waste sorting at source and waste handling facilities on shore. The newer ferries in Hordaland feature three waste receptacles, for paper, food waste and residual waste.

"The new boats generally come with a purpose-built sorting system for paper and plastic, but we need to know that we can keep the waste streams separated as they move further up the system," explains Strømstad. "Most customers sort their waste properly. So it is our task to facilitate and motivate people to sort the waste at source."



PEFC (Programme for the Endorsement of Forest Certification schemes) is an international labelling scheme for wood and paper products whose aim is to ensure sustainable forestry. The label guarantees that the product has been manufactured in a way that protects forest resources and the social and economic wellbeing of the people concerned.



Rainforest Alliance is an international, non-profit organisation that works to change the way the world produces and consumes timber for the benefit of people and nature.



UTZ is a fair-trade labelling scheme. In order for coffee, for example, to be UTZ-certified, producers must meet standards for social conditions, environmental, agricultural and business practices. It must be possible to trace the product back to the producer.



Debio is a Norwegian labelling scheme for organic produce, and a guarantor that the product is both organic and sustainable.



Fairtrade is a labelling scheme for fair trade, and is the world's most widely recognised certification scheme. It sets standards for raw materials payment, safer working conditions and environmental protection. It is an important contributor to more sustainable farming practices and a better life for farmers and labourers in Africa, Asia and Latin America.



Grønt Punkt Norge

Green Dot Norway operates return schemes for plastic packaging, cardboard and beverage cartons. As a member of the scheme, Fjord1 takes responsibility for all types of packaging through this return system, which has been approved by the Norwegian Environment Agency.

Eco-tourism

Fjord1 is involved in two different companies in the tourism sector, The Fjords and Fjord Tours Group, both of which offer fjord-based travel experiences.

Fjord1 has a long tradition of providing fjord-based travel experiences, and has in recent years sharpened its focus in collaboration with various partners, whose services, marketing and operations complement each other. We are working together with a clear focus on sustainability and environment protection in the Norwegian tourism sector.

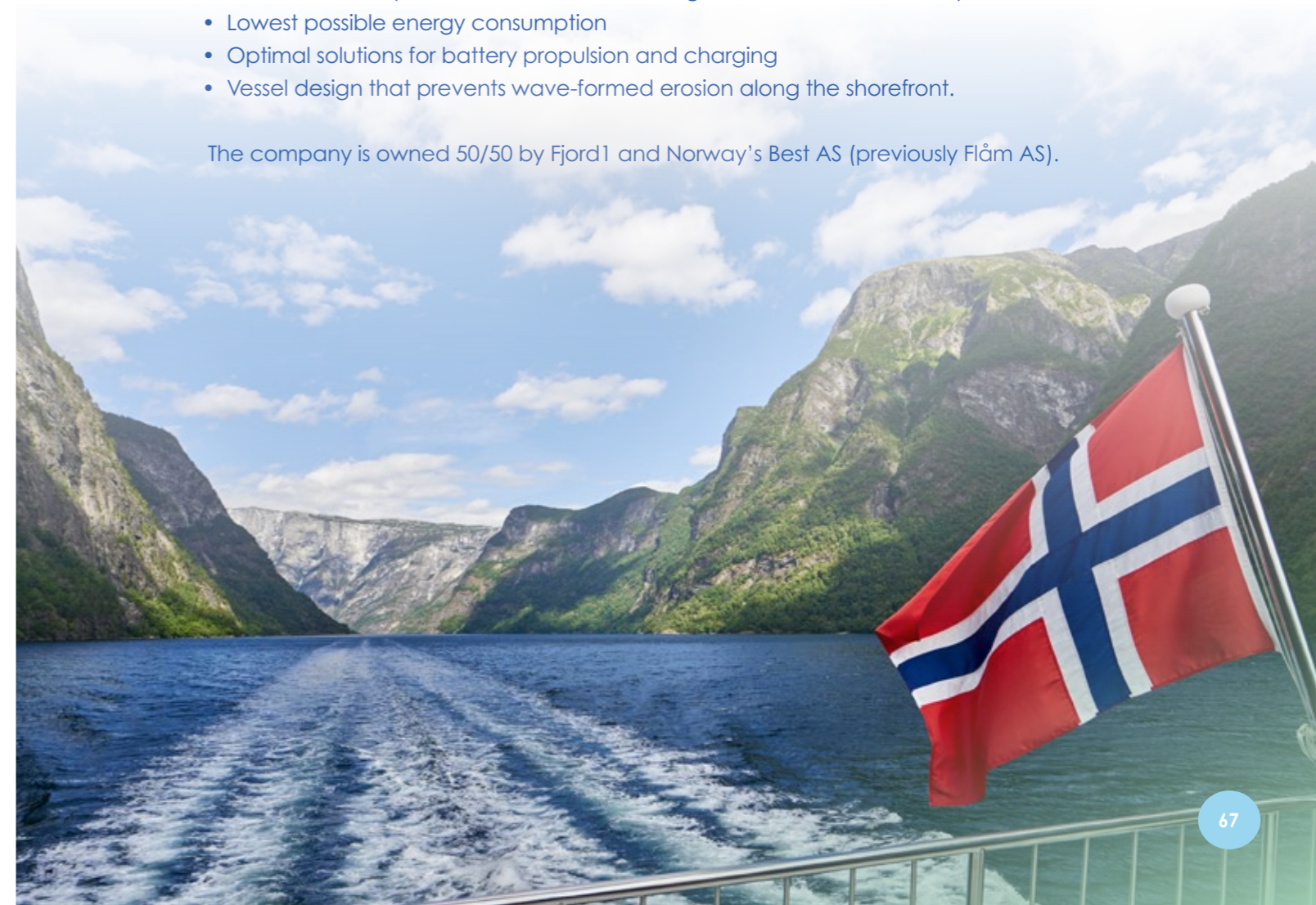
The Fjords

The Fjords specialises in the provision of unique experiences to tourists wishing to explore the Norwegian fjords. The company has vessels in operation in Nærøfjord and Geirangerfjord, both UNESCO World Heritage Sites, in addition to Hardangerfjord and Oslofjord.

The company's passenger catamarans are environmental role models, both nationally and internationally. The Fjords has an unmistakably eco-friendly brand profile:

- Emission-free operations
- Technical and operational solutions delivering commercial sustainability
- Lowest possible energy consumption
- Optimal solutions for battery propulsion and charging
- Vessel design that prevents wave-formed erosion along the shoreline.

The company is owned 50/50 by Fjord1 and Norway's Best AS (previously Flåm AS).



Fjord Tours Group AS

The object of Fjord Tours Group is to foster growth in the local tourist industry and create jobs. It also aims to achieve better coordination between national, regional and local operators in the sector. In 2019, Fjord1 and the Vy Group established a 50/50 joint venture.

Fjord Tours Group will offer seamless and sustainable round trips in Norway, primarily using various types of public transport. The company offers complete package tours throughout Norway to both the national and international market. Its primary target group is the independent traveller.

Fjord Tours Group owns 100 per cent of the shares in Fjord Tours AS and 30.5 per cent of the shares in Geiranger Fjordservice AS.

Geiranger Fjordservice AS aims to reinforce Geiranger as an attractive destination, with visitors being offered experiences on the fjord and activities in the local area. The company's primary product is the passenger boat service that provides sightseeing round trips along Geirangerfjord. Geiranger Fjordservice also offers bicycle and car rental services, and can provide transport, guided tours and a variety of activities.

Sustainable renovation of company headquarters

In 2021, Fjord1 embarked on a major renovation and modernisation of its headquarters in Florø. Construction work continued throughout 2022. The building's west wing was completed in July 2022, with work on the central wing getting underway just after the summer holidays. According to a report by the Norwegian research organisation SINTEF, renovating an existing building halves the environmental impact compared with demolishing it and building a new one.

The reuse of buildings therefore makes an important contribution to the green transition.

Fjord1's headquarters comprises three sections, each with three storeys. The first two sections were designed by the Florø-based architect Kjell Hareide and opened in 1986. It is these two sections, containing a combined total of 2,800 m² of floor space, that have now been refurbished.



The aim of the work was to ensure a forward-looking, modern space that employees would thrive in. The new floor plan reflects a desire to facilitate teamwork, and to make day-to-day work as efficient and optimal as possible for employees.

The third section, which features an excellent canteen, was completed in 2010. It is a modern building that will maintain a high standard for many years to come.

The renovation of the two sections was completed in March 2023.

Solutions selected in connection with the upgrade include:

KNX control

KNX is a hardwired system comprising wide range of products that include all the applications needed to manage buildings and homes. KNX can be used to adjust and monitor everything from lighting, sun-shading, access control, security systems and household appliances, to heating, ventilation and water energy consumption

At Fjord1, the KNX system is used to control lighting, heating and sun-shading. The system may be expanded and upgraded. Further expansion of the KNX system will incur lower installation costs and thereby also reduce the consumption of grey energy* (non-renewable energy).

Additional insulation and replacement of windows

In connection with the renovation, the external walls were lined on the inside to obtain cleaner internal surfaces, which also created space for additional insulation. The additional insulation and installation of triple-glazed windows provides greater control of the temperature inside the building. Sufficient insulation makes it easier to keep cool in summer and warm in winter. The indoor climate is improved and energy consumption decreases.

Sun-shading

Fjord1 has gone in for automated sun-shading on all the building's sun-facing facades. External sun-shading reduces the sun's heating effect by up to 90 per cent, because the sun's rays are prevented from penetrating the windows, which improves the indoor climate in several ways.

SD systems

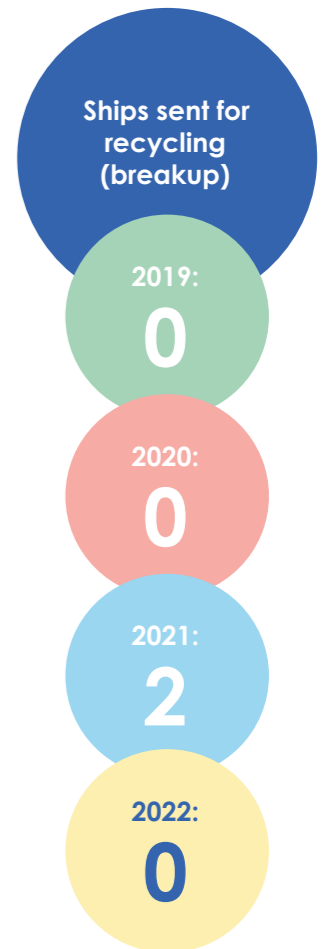
SD systems are computer programs that control the building's automated and technical solutions. In addition to its control function, the SD system is also important for adjusting and monitoring the building's technical solutions. During the renovation process, Fjord1 has updated its entire SD system, which now controls, for example, sun-shading, external underfloor heating, lighting, heating and ventilation. With the help of a good SD system for control and monitoring, it is possible to cut energy costs and emission levels and improve the indoor climate.

Phasing-out of older vessels

The Norwegian ferry fleet still has a high average age, with many vessels built in the 1970s. Such an age profile, combined with technological requirements in new, green contracts, have resulted in a substantial programme of shipbuilding and a surplus of older ferries.

This is resolved by breaking up the oldest vessels for scrap, in addition to the sale of surplus material at home and abroad, where the buyer has a variety of plans for their further use. Ferries that no longer meet applicable technology requirements in the Norwegian market may still have a lengthy residual lifespan in markets that do not make such demands.

Fjord1 has its own guidelines that ensure vessels are broken up at yards that are licensed to do so. In connection with the sale of vessels for further use, clauses are inserted in sales contracts whereby the buyer undertakes to abide by applicable national and international laws for shipbreaking, if this is determined at a later stage.



Waste management plans

Fjord1 has waste management plans for all its ferry services and departments. These ensure that all waste is sorted and delivered to approved recycling facilities. The plans meet the requirements set out in the International Convention for the Prevention of Pollution from Ships (MARPOL)

The plans distinguish between:

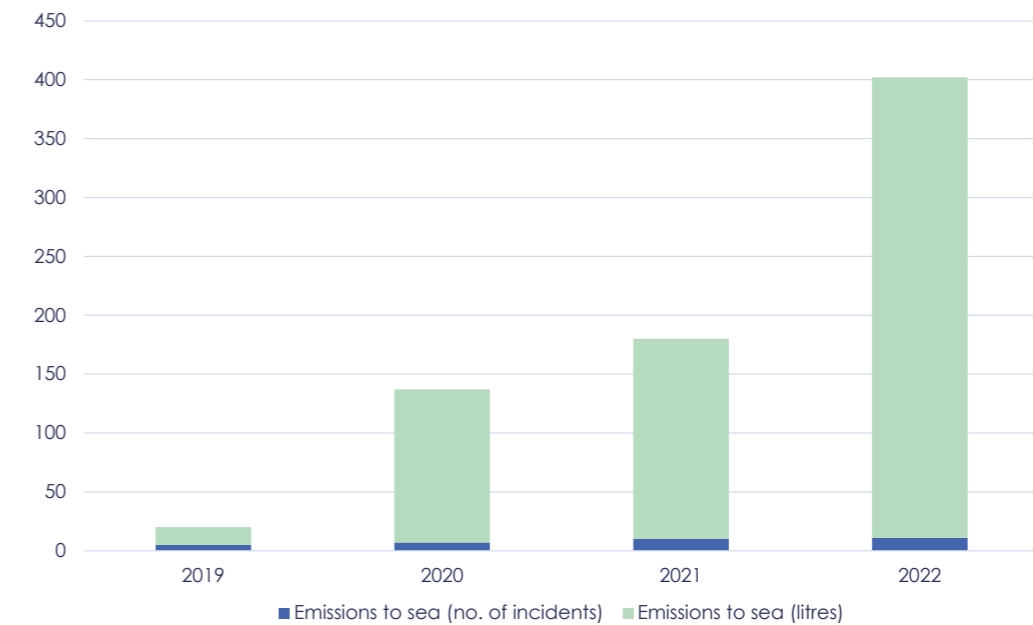
- Plastic
- Cardboard and paper
- Food waste
- Residual waste
- Operating waste
- Electrical waste
- Cargo residues, (not environmentally harmful)
- Cargo residues, (environmentally harmful)







Emissions to sea



Ethical requirements relating to newbuilds and major refitting projects

Ethical considerations and commitments have become an increasingly important element with respect to sustainability, not least through the globalisation of purchasing and procurement processes. Society generally has higher expectations with respect to ethical practices in such processes. Fjord1 requires all its suppliers to abide by social norms and take social and ethical responsibility. In our purchasing contracts' standard terms and conditions, specific clauses relating to this have been included.

In the period of fleet renewal, electrification and major refitting projects, Fjord1 has made its focus on ethics and human rights in procurement processes very clear. This is illustrated particularly well by the company's wholesale incorporation of DIFI and Ethical Trade Norway's boilerplate Standard Contractual Terms and Conditions for the Protection of Basic Human Rights in Supply Chains directly into the contract text for newbuilds and major refitting projects. Fjord1 includes these clauses in the contracts, irrespective of whether the procurement is agreed with a Norwegian or foreign shipyard.

With respect to all its suppliers, the company reserves the right to perform inspections and checks of documentation or locations that the company considers relevant for the fulfilment of these terms.

This is one of the areas which the company will continue to reinforce, both in relation to its sustainable development goals and reporting, and the inspection and auditing of Fjord1 AS's suppliers.



Responsible procurement



Incentra and supplier pre-qualification
Norwegian Transparency Act

Responsible procurement

Fjord1's procurement processes must support the UN SDGs and the principles set out in UN and ILO conventions. We use suppliers that maintain high standards with respect to health, safety and the environment (HSE), integrity and social responsibility.

Fjord1 is Norway's leading provider of electrically powered ferry services, and we consider sustainability aspects in our procurement of goods and services. Our ambition is to partner with the best suppliers and ensure that they have the same focus on sustainability as we do. To secure the best possible level of cooperation, we therefore enter into long-term contracts.

In recent years, we have also worked to find alternative products in various categories that have little to no environmental footprint. Where possible, we order in bulk to avoid multiple small deliveries, thereby decreasing the need for transport and reducing the impact on the environment. We also replace products if there are more environment-friendly alternatives. Packaging is an area in which we have worked actively.

We have swapped plastic cutlery, plates and cups in our kiosks and cafeterias for items made of paper and wood. This issue is high on our agenda, and we are working continuously to find more environment-friendly solutions. We focus especially on suppliers in certain categories, which we know experience challenges with respect to HSE and social responsibility. We follow up these suppliers through annual inspections.

Incentra and supplier pre-qualification

Fjord1 is a member of Incentra SA, which is a purchasing and procurement cooperative society for Norwegian shipowners. Incentra enters into agreements on behalf of the

cooperative's members. Before any agreement is signed, all vendors must have undergone a process to become a qualified Incentra supplier. Suppliers must satisfy a number of criteria relating to HSE, human rights, anti-corruption, business ethics, transport and packaging, among others.

Norwegian Transparency Act

The Norwegian Transparency Act went into effect on 1 July 2022. Its objective is to promote enterprises' respect for fundamental human rights and ensure decent working conditions in connection with the production of goods and services.

For us as a company, it is important that our qualification and follow-up of suppliers meets the requirements set out in the Transparency Act. We are particularly concerned to ensure that suppliers' employees enjoy decent and safe working conditions, job security and a good working environment, and receive a decent wage. This means that all the suppliers with whom we have a framework agreement must sign a declaration affirming this to be the case.

In our experience, the relationships we have with our suppliers are based on trust, which simplifies our collaboration and strengthens our relationship. Trust also means we can be certain of receiving the agreed quality of goods and services, as well as timely deliveries.

Fjord1 constantly strives to ensure that sustainability is integrated into all existing standard purchasing and procurement documents, and that procurement processes are carried out in ways that ensure as sustainable an outcome as possible. We are continuously improving our practices and performance with regard to sustainability, and we encourage our suppliers to do the same. This is also a topic we discuss at meetings with our suppliers.



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