

Abstract from the Climate and Environment Campaign



SIMON MØKSTER SHIPPING

2020

SUSTAINABLE DEVELOPMENT GOALS



1. Introduction

Simon Møkster Shipping will have increased focus on **climate, environment and sustainable development in 2020**. Lately, new goals have been brought forward from the UN, EU, IMO, Norwegian Shipowners' Association and our customers related to the emission of climate gasses.

Both our customers and lenders have higher demands for reporting of climate risk, in addition to an increased awareness among the general public on reducing emissions of climate gasses and improve energy efficiency to limit the global temperature increase.

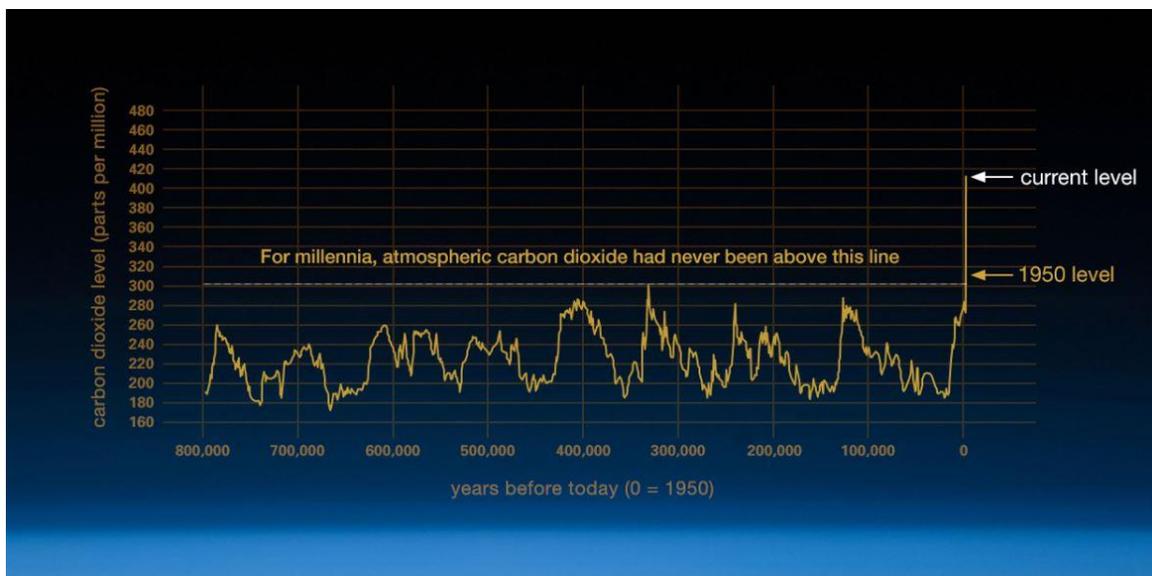


Figure 1: Historic Co2 level in the atmosphere. Source: NASA

2. Information

UN Sustainable Development Goals

In the autumn 2015, the UN agreed on 17 goals for sustainable development towards 2030. These sustainable development goals focus on the interdependence of environmental, economical and social development. They shall act as a roadmap for all countries in the global effort for sustainable development, and **Simon Møkster Shipping is committed to increase its focus on implement these goals in 2020 and beyond.**

Shipping and the Environment

The shipping industry was not included in the Paris Agreement. The international maritime organisation IMO has therefore decided on their own emission reductions for the maritime industry. Their ambition is to increase energy efficiency by 40 % in 2030 and 70 % in 2050,



while reducing the total greenhouse gas emissions from maritime transport with 50 % by 2050.

On 6 January 2020, Equinor, the Norwegian Oil and Gas Association and the Norwegian Shipowners' Association put forward new and ambitious climate goals for the Norwegian oil and gas industry. By 2030, they want to reduce climate gas emissions with 40 % and towards net-zero in 2050.

Internationally, shipping has a global yearly emission of approximately 1 billion tonnes CO₂ equivalents, or between 2.5 and 3 % of the world's total emissions. The Møkster fleet has a yearly emission of about 100 000 tonnes CO₂, comparable to 0.19 % of mainland Norway. It may seem small in the big picture, but it is important that we are aware that both shipping and we as a company have a climate footprint. We therefore have to work every day and cooperate both internally and with our customers and suppliers to reduce it.

What is a climate footprint?

Climate footprint is the overall climate impact and emissions from our lifestyles measured in CO₂ equivalents (CO₂e), including both CO₂ but also other climate gases.

What are CO₂ equivalents?

Climate gas emissions include several different gases such as carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and fluorine gases (HFC, CFC and SF₆). The greenhouse impact of these are converted to comparable CO₂ values which is termed CO₂ equivalents.

Møkster's ambitions for climate gas emission reductions

Møkster has a clear ambition on reducing climate gas emissions in line with IMO and the rest of the Norwegian oil and gas industry. Similar to IMO, we have chosen 2008 level as our baseline, where we had a yearly emission of about 88 000 tonnes CO₂. **Our ambition is to cut the total CO₂ emissions from our fleet with 40 % by 2030, further working towards zero emissions in 2050.** To relate this to activity and to ensure that we also achieve actual reductions regardless of fleet size, we have an additional energy efficiency ambition. **By 2030, we shall achieve a 70 % reduction in CO₂ emissions per sailed distance.**

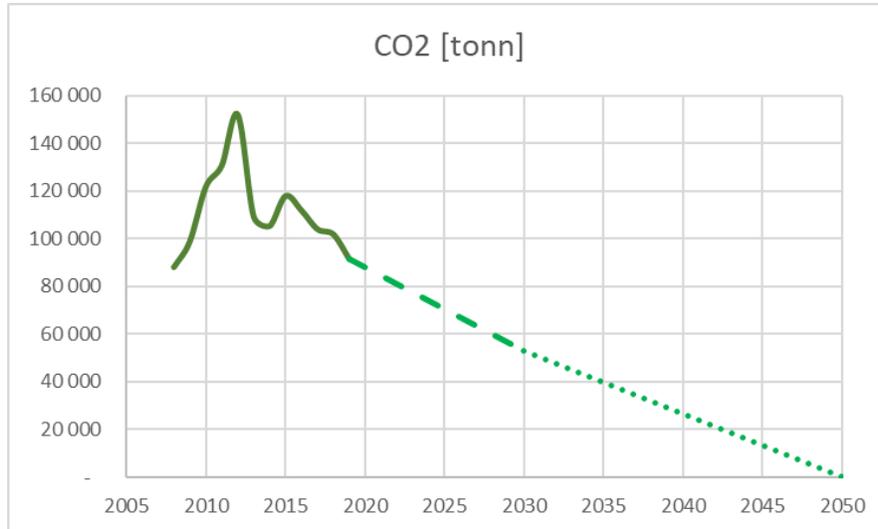


Figure 2: Yearly CO2 emissions from the Mørkster fleet and our 2030 and 2050 ambitions

What are Mørkster doing to reach these reduction ambitions?

The first step in this process was certification after the ISO 14000 standard related to environmental management and the organisation's impact on the environment. In 2014, we started fuelRACE (**R**educe fuel **A**nd **C**ut **E**mission), a campaign to set focus on reducing fuel consumption and emissions. The campaign has done a lot to increase the awareness in the fleet regarding fuel consumption and the importance of good voyage planning and efficient sailing. In 2020, we will start using MARESS as part of the fuelRACE initiative, a computer software for better visualisation and management of the consumption and emission data. During the last 20 years, the company has also invested a lot to reduce emissions and our environmental impact.

Stril Supplier which was delivered in 1999 was the first vessel in the world with DNV Clean class and one of the first PSVs with diesel electric propulsion. Stril Pioner, delivered in 2003, was the world's second PSV using LNG fuel and Stril Poseidon which was delivered the same year was one of the first vessels in the North Sea with a catalytic converter for reducing NOx emissions. In 2012 we also built out shore power facilities at the quay outside our office.

In 2019 we took a new leap, retrofitting several vessels with shore power capabilities and installing a battery on Stril Barents. This have further contributed to reduce the climate gas emissions from our vessels. The use of battery and shore power on Stril Barents and Stril Luna have in 2019 alone reduced the CO2 emissions by 1450 tonnes, equivalent to the yearly emission of over 700 cars.

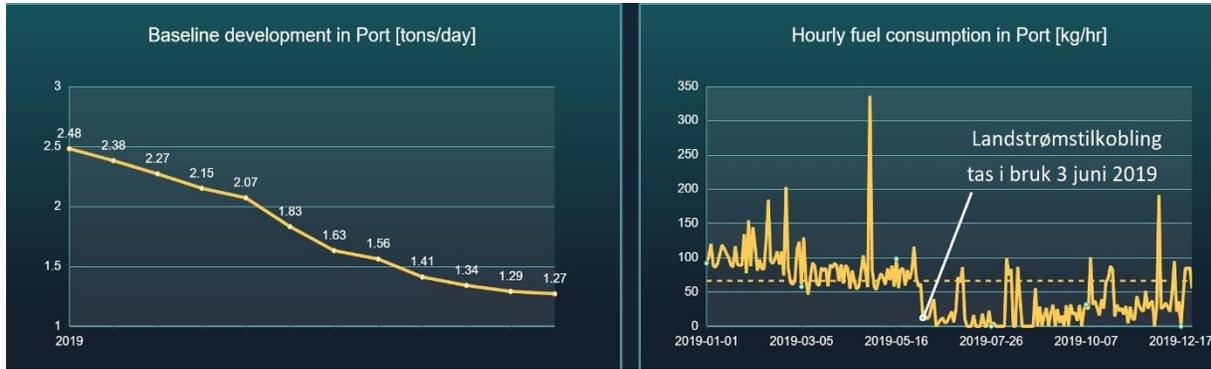


Figure 3: Stril Luna fuel consumption in port 2019, illustrating the effect from shore power

Since 2008, we have already improved our energy-use efficiency rate (fuel consumption per distance sailed) by 50 %. Most of this is due to more efficient sailing, phasing out older less efficient vessels and the initiatives described above. Batteries and shore power, in addition to new technology will most definitely be important in reaching our ambitions, but it is also necessary with an overall environmental focus throughout every aspect of our work.

Going forward, the company will also increase its focus on the reporting of climate risk. This includes risks related to how climate changes will impact the operations of the company and how we will be affected by changes in politics, markets and technology.

Simon Møkster Shipping has always been actively working on reducing our climate footprint and becoming more energy efficient. Nevertheless, we still have a long way to go if we are to reach our ambitions for 2030 and 2050.

To reach our ambitions and to raise the general awareness in the company regarding climate, environment and sustainable development, we will continue to define these focus areas in future campaigns.

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