



North Star Sustainability Report 2023

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About this report

This is North Star's first sustainability report. It describes our Environmental, Social, and Governance (ESG) performance for the year 2023, as well as our management strategies and commitment to material sustainability issues.

The report encompasses an overview of our operations across the North Star Holdco Limited group, which serves as the umbrella entity for North Star Shipping (Aberdeen) Limited, Boston Putford Offshore Safety Limited, Southern Crewing Services Limited, Crewing Services (Aberdeen) Limited, North Star Midco Limited, North Star DB Holdings Limited, Grampian Derwent Limited, Grampian Tyne Limited, Grampian Tees Limited, and Grampian Tweed Limited.

Message from CEO

We're excited to publish our first formal ESG Report. Taking the opportunity to formally communicate our approach and ambitions related to the strategic and sustainable growth of our business is a key step for our fast growing company, particularly considering our focus on energy transition markets.

During 2023 we undertook our first materiality assessment for ESG. It clearly demonstrates the ESG considerations that are of critical importance to our many stakeholders, including; our people, clients, communities, investors and regulators. Put simply, we will not achieve our growth ambitions without a clear and coherent focus on improving the impact of our business on the environment and our stakeholders. ESG considerations are embedded in our corporate strategy, as shown by the clear connection to our core corporate values of Safety, Care, Sustainability, Collaboration and Innovation.

Supporting energy transition

Our growth ambitions centre around diversification of our operations into the Service Operations Vessel (SOV) and Construction Service Operations Vessel (CSOV) market, supporting offshore wind developers and turbine makers with critical maintenance and commissioning activities offshore. Diversification, and transition of our operations from oil and gas operations is vital to ensure the longevity of our business. We have been around for over 137 years and the steps we are taking today will ensure that we are able to continue to thrive, supporting the fast-paced changes in the global energy market. During 2023, we took delivery of our first three SOVs.

An additional three C/SOVs were under construction at the end of that year. Supporting the energy transition creates a sustainable business, with a long-term future and a positive impact on the global energy mix.

Looking after our people

Sending our people home safely is what matters most. We have a long history of outperforming marine industry benchmarks for safety standards, however we will never be complacent. Our focus on continuous improvement resulted in our first time accreditation for ISO 45001 during 2023. As a provider of safety services, the welfare of our clients' personnel has always been central to our operations, our new SOV service creates further responsibilities for us in this regard, with up to 50 client technicians on board our vessels at any time.

Our growth and market diversification has enabled us to create a pathway for skills transition. During 2023 we created over 120 new offshore roles supporting offshore wind vessels, more than half of these roles were filled internally, demonstrating to our people that we are a company which supports training, development and secure career opportunities. Supporting these new vessels also creates opportunities for our onshore team, and for our supply chain partners, where collaboration and innovation results in shared success.



Message from CEO

Reducing carbon intensity

We are not only focused on supporting energy transition through end market focus, but on reducing the demand for hydrocarbon fuels through decarbonisation of our operations. The regeneration of our vessel fleet with modern ships will allow us to achieve this, with all of our SOVs being constructed capable of retrofit to carbon neutral power. We have added a new Chief Technology Officer to our business to drive progress in this area, with the objective of taking delivery of zero carbon SOVs from 2028. This could be achieved through a combination of battery, hydrogen and/or methanol power, where we have established technology partnerships to encourage development and allow for integration of these new fuels to a safe and reliable offshore operation.

We also see biofuels as presenting a significant opportunity to achieve carbon neutrality for all vessels, we're working with fuel suppliers and our clients to enable adoption of drop in fuels like HVO.

Thinking big

North Star is a fast growing company with ambitions of international market leadership in SOVs and continued market leadership in the UK Emergency Response and Rescue Vessel market. It's important to North Star that we operate with a governance structure, controls and business systems which would be considered best in class, even for a much larger organisation. This approach allows us to scale the business in a controlled manner, delivering stability and professionalism in our interactions with stakeholders throughout the value

chain. During 2023 we placed significant attention on supply chain management and increased governance throughout our supplier network, this is something which will continue to develop in 2024.

During 2022 and 2023 we put in place an Advisory Board, with sub-committees focused on Sustainability, Risk & Audit, Commercial Tenders and Remuneration. This structure ensures that we adhere to our strategic goals. We have invested throughout 2023, and continue to invest, in business systems to allow us to get more from the data which we gather as a business, supporting more sustainable and successful decision making.

Commitment to positive environmental impact

As a business operating in the marine environment, supporting the energy industry, we think we can have a significant impact as a business on the environment.

This will come from transitioning our operations from oil and gas to supporting energy transition through our SOV support to offshore wind. Our target is to achieve a shift to more than 50% of EBITDA from offshore wind by 2026.

Our next most significant impact will come from reducing the carbon intensity of our offshore operations, where we target a 50% reduction in carbon intensity by 2035 and carbon neutrality by 2045.

Pride in our trajectory

We are very proud of what we have achieved in 2023, particularly in relation to the delivery of our first SOVs; a significant

milestone for North Star which is the product of over 3 years of hard work from our team.

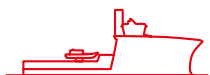
This first ESG report shows just how much focus and effort we are putting in to ensure that North Star continues to be a leading light to the offshore energy market for many years to come.

Matthew Gordon

Chief Executive Officer,
North Star



Key highlights



44

Vessels at the close of 2023

3

SOVs delivered in 2023 to the offshore wind market

3

C/SOVs under construction for the offshore wind market



~1,400

Employees and value chain workers

9%

Growth in headcount

120

New offshore roles



1

Lost Time Injuries (LTI)

0.19

Lost Time Injury Frequency (LTIF)

0.78

Total Recordable Case Frequency (TRCF)



123

Value chain CO2 emissions in 1000 tons

Target

Net zero by 2045



14%

EBITDA from offshore wind

£90.3m

Invested in offshore wind vessels during 2023

>£400m

Invested in offshore wind vessels since 2021

69%

Run rate EBITDA, compared to 47% in 2022

General



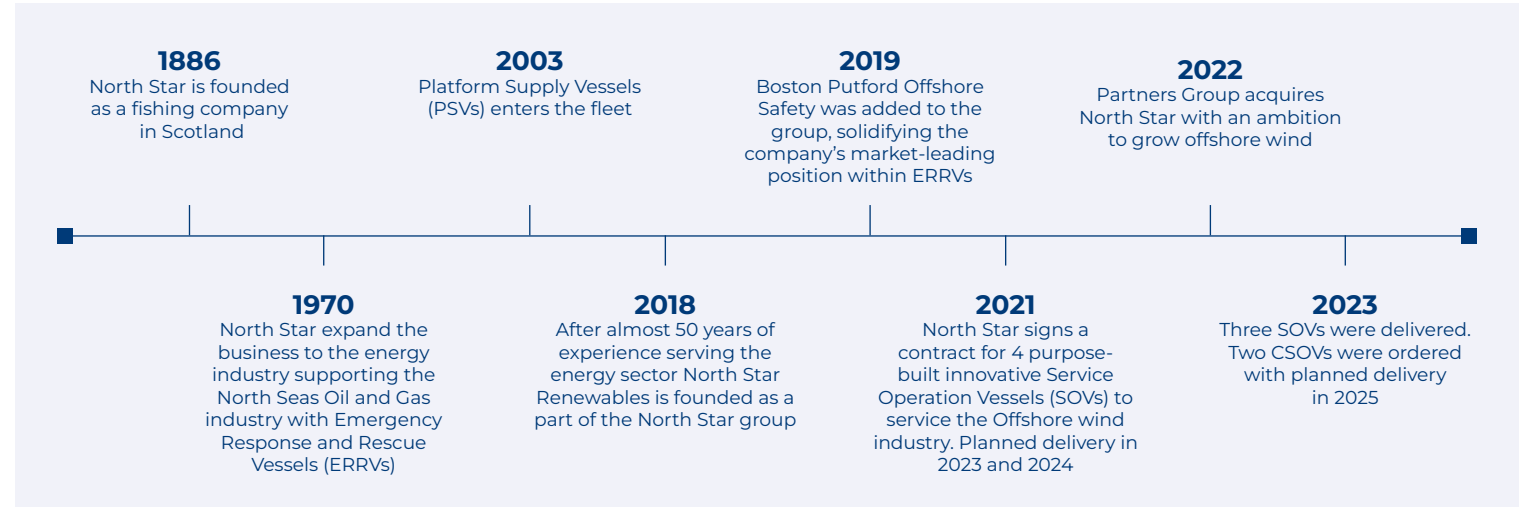
North Star in short

North Star is a leading provider of mission critical, offshore safety and support services to offshore wind and offshore oil and gas installations.

By the close of 2023, North Star prided itself on having a collective workforce of more than 1,400 personnel (including onshore support and offshore crew members).

We are the proud proprietors of the largest wholly UK-owned fleet of vessels. Our fleet in December 2023 consisted of 44 vessels, including 3 SOVs (with 1 more SOV and 2 CSOVs under construction), 40 ERRV's and 1 PSV. In addition, we operate 63 Daughter Craft and 85 Fast Rescue Craft, ensuring that we have the resources and capabilities to meet the diverse needs of our clients.

We are growing our business in offshore wind and made great progress in 2023. Three SOVs started operation and two CSOVs were ordered with planned delivery in 2025. Our EBITDA from offshore wind has grown from zero in 2022 to 14% in 2023. Looking at the run rate EBITDA, which includes the vessels under construction, the EBITDA has grown from 47% in 2022 to 69% in 2023.



SOVs



3 operational + 1 under construction. We are planning further growth in this segment.

Accommodation and logistics for offshore windfarm technicians during the operation phase.

CSOVs



2 under construction to be delivered in 2025.

Supporting the commissioning phase of offshore windfarms.

ERRVs/PSVs



41

24/7, 365 day emergency coverage of any offshore installation.

Our mission

- Market leading safety performance underpinned by employee satisfaction and well-being
- Continued customer satisfaction and loyalty, through best-in-class service provision - 24/7/365
- Development of innovative value-added services through strategic technology partners
- A diversified service provision, with a strong focus on offshore renewables support, globally
- A commitment to our sustainability objectives, of which removal of carbon will be key

Materiality assessment

North Star has a corporate-level commitment to identify areas where sustainability can be improved, with a drive to find new, innovative solutions that enhance sustainability across our business and stakeholders.

In 2023, we worked with an independent consultancy firm to conduct our first materiality assessment. The materiality assessment process identifies and prioritises the most relevant Environmental, Social, and Governance risks and opportunities that may impact North Star's performance, stakeholders, and long-term value creation. The purpose of the materiality assessment was to ensure that our sustainability work reflects the topics that matter most to our business and stakeholders.

Identifying material topics

Through the materiality assessment, a list of sustainability topics was elaborated based on the analysis of internal and external sources, enabling us to capture different perspectives through peers, the market, competition, regulations, and reporting standards.

The materiality assessment included input from key individuals in North Star, and desktop research of North Star's policies, and guidelines. External input was provided by North Star's key stakeholders and desktop research related to financial, societal, and other material topics within the industry.

The materiality assessment resulted in five key material topics:

Climate change

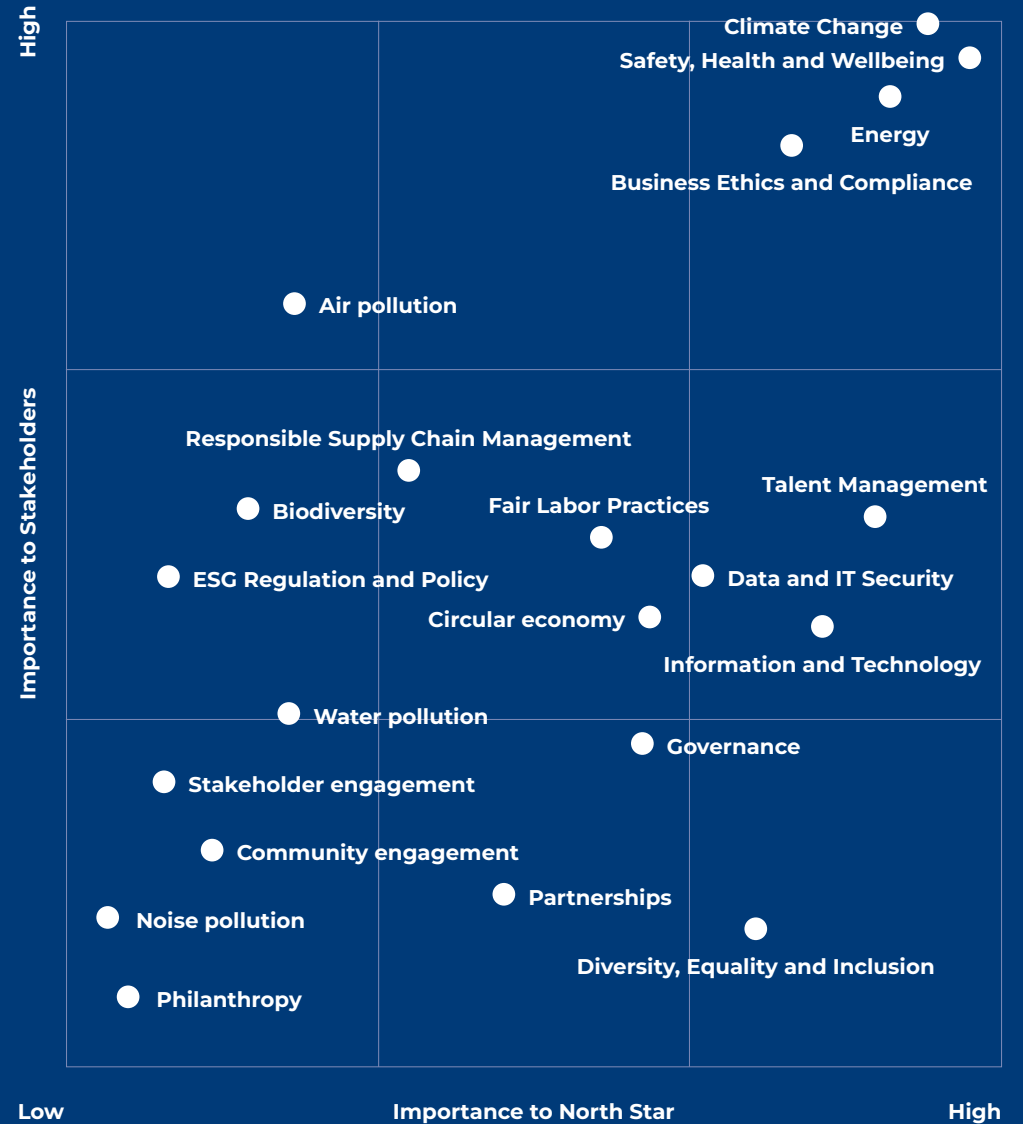
Safety, Health and Wellbeing

Energy

Business Ethics and compliance

Talent Management

The materiality matrix illustrates how material the different sustainability topics are to North Star. The key material topics are those who are most important to both North Star and our stakeholders – top right corner.



North Star ESG vision

North Star shall have a business model that thrives in the present and ensures a sustainable and prosperous future. By integrating sustainability into every aspect of our organisation, we aim to leave a positive legacy for generations to come.

Our ambition is to operate in a net-zero market with net-zero vessels. The first net-zero SOV vessel is aimed to be delivered in 2028. The transition from serving the fossil-to renewable energy market is our key enabler to ensure longevity of our business.

Energy efficiency shall be incorporated into everything we do through better technology, data-driven decisions, and operational efficiency. Reducing energy consumption is a competitive advantage and a social responsibility.

We are committed to the UN Sustainability Development Goals and are dedicated to achieving the IMO's net-zero by 2050 target. We aim to reach net-zero by 2045.

The key to our success is the people in North Star. To achieve our ambitions, we are dependent on attracting and retaining talented employees. We shall operate in a way that is beneficial for society, provides security of employment, good working conditions and safety.

Our governance framework shall ensure that we, and our supply chain, operate responsibly. Ensuring zero violations of our Ethics and Corporate Criminal Offences Policy and zero data losses or breaches.

Always **safe**,
Always **caring**,
Always **collaborative**,
Always **innovative**,
Always **sustainable**

SUSTAINABLE DEVELOPMENT GOALS



We support the Sustainable Development Goals

Sustainability Management

Our CEO has the overall responsibility for Sustainability and ESG.

Different aspects of E, S and G are represented in our policies, with responsibility divided across departments: Health, Safety, Security, Environment and Quality (HSSEQ), Human Resources (HR), Legal, Operations and Technology department.

Department managers are in charge of sustainability KPIs related to their department. These are reported yearly and quarterly to a team lead by the CTO. This team is responsible for presenting ESG reports and analyses to the CEO, the Board and investors.

During 2023 sustainability was a topic on the agenda at three board meetings.

Sustainability governance structure

It's important to North Star to have a governance structure that allows us to scale the business in a controlled manner.

The governance has been strengthened in recent years by putting in place an Advisory Board, with sub-committees responsible for different aspects of our ESG material topics. The structure ensures that we have a governance system in place to follow up on our ESG performance. Each committee are responsible for identifying improvements and implement measures to reach our targets.

We are constantly learning and will continue to improve our sustainability governance framework going forward.

Executive management



Matthew Gordon
Chief Executive
Officer (CEO)



Fraser Dobbie
Chief Financial
Officer (CFO)



James Bradford
Chief Technology
Officer (CTO)



Robert Catchpole
Chief Operating
Officer (COO)

Renewables commercial team

Andrew Duncan
Renewables Director

Michael Gordon
Group Commercial Director (GCD)

Steve Myers
SOV Operations Director

Sub committees

Sustainability

Lead by James Bradford (CTO)

Responsible for reducing the carbon intensity of the fleet, planning, implementing and following up on measures. Ensuring North Star stays within all relevant regulations from government and the IMO.

Commercial Tenders

Lead by Michael Gordon (GCD)

Responsible for our market growth in offshore wind. Focus on initiatives that will increase our success in the offshore wind market.

Risk and Audit



Lead by Fraser Dobbie (CFO)

Responsible for monitoring safety performance and implementing measures for improved safety and well-being. Ensuring regulatory compliance and preparing for future regulations. Monitoring financial and other audits and monitoring and implementing measures for cyber security.

Sustainability at the core of our business strategy

ESG Material Topics

E  Energy
 Climate Change

S  Safety, Health and Wellbeing
 Talent Management

G  Business Ethics and Compliance



North Star's sustainability targets and implementation

	Target	Implementation	Progress	Page number
E	Net-zero by 2045	Green fuels and energy efficiency. Zero carbon SOVs to be delivered after 2028	Decarbonisation strategy developed in 2023	18
	End market shift to offshore wind, 97% of EBITDA by 2050	Investment in 40 new vessels by 2040	Three SOVs delivered, three on order, two of which were ordered in 2024, and 2 CSOVs on order	19
S	Ensure safe and secure working conditions	Improve safety procedures and focus onshore and offshore	Gold coin and gold flag continues to improve safety focus onboard in 2023	26
	Ensure employee well-being	Implement measures to look after our employees physical and mental health	Mental well being campaign "Fit like?" continued in 2022. Improved living standard onboard all vessels (see page 27 for more details)	27
	Talent management and employee growth	Ensure career development within the company. Increase headcount by recruitment of cadets and ratings	60% of new SOV roles were recruited internally. 9% growth in headcount in 2023	28
G	All employees to complete Business Ethics and Compliance training on an annual basis	Business Ethics and Compliance training annual programme in place	Annual Business Ethics and Compliance training completed by 94% employees in 2023	32
	All business - critical suppliers to complete detailed due diligence on an annual basis	Implementation of a new supplier due diligence platform	New platform implemented in 2023	33
	Improve cyber security rating	Undertook AON CyQu Enterprise Cyber Security assessment	Significant improvements made and will be re-assessed in 2024.	34

Environment



Environmental highlights of 2023

Target and implementation

At North Star, we strive to reduce our environmental impact. We are transitioning our target market from sole focus on the oil and gas sector by expanding in offshore wind. In 2021 four SOVs were ordered, three of them were delivered in 2023 and the last one will be delivered in 2024. Additionally, during 2023 two CSOVs were ordered with aimed delivery in 2025.

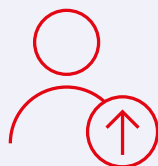
We are collaborating with technology partners across the value chain to bring sustainable and emission-free solutions to the market.

Comprehensive work has been done throughout 2023 to generate a realistic but ambitious decarbonisation strategy for reducing energy consumption and GHG emissions. Our ambition is to reach net-zero by 2045.

Value – Sustainability

We recognise the importance of acting in a manner which promotes sustainability, maximising our own performance whilst not compromising the ability of future generations to prosper. We are committed to continuous improvement towards the eradication of emissions, waste and carbon from our activities.

We are committed to creating positive environmental impact by contributing towards the biodiversity and life in the sea conservation projects.



Employed a sustainability team

During 2023 we set up a sustainability team under the CTO. The team will manage our decarbonisation strategy and technology pathway.



Scope 1, 2, 3 (partial) reporting

In 2023, we initiated our scope 1, 2, and 3 (related to owned vessels only) emissions reporting.



3 offshore wind SOVs

In 2023, we received our first three SOVs ahead of schedule.



Net-zero by 2045

In 2023, we defined our decarbonisation target.



3 offshore wind C/SOVs

One ordered in 2021 delivery in 2024. Two ordered during 2023, estimated delivery in 2025.



19% reduction

In carbon intensity (CO2/ GRT).



40 vessels by 2040

As a part of reaching the 2045 target we aim to invest in 40 new sustainable vessels by 2040.



14% EBITDA

From offshore wind in 2023 compared to 0% in 2022.

Meeting the regulations

North Star aims to comply with regulations before they change, thereby providing our clients with certainty. Energy transition and greenhouse gas reduction are key issues for IMO and EU. The maritime industry is changing with new and revised regulations. These regulations have mainly applied to larger ships in world trades and had little impact on ships for the offshore- and windfarm industries.

The EU has now declared that it will modify the rules for offshore and windfarm vessels in the next few years. The IMO will also reassess their criteria, but it is yet unclear if they will apply to ship types and sizes that are relevant for the North Star fleet.

According to the IMO DCS-requirements, North Star must report the CO₂ emissions for our SOVs, which are over 5000 GT, every year. This is the only regulation that applies to us right now.

All ships over 400 GT are in the EU MRV (Monitoring, Reporting and Verification) starting from 2025. So, the whole North Star fleet must report emissions from 2025 onwards.

In 2027, offshore- and windfarm ships above 5000 GT will face more than just reporting their emissions to IMO and EU. They will also be part of the EU Emissions Trading System (ETS), which applies a carbon tax to their emissions. This affects all SOVs operating in EU from 2027, also expected to affect vessels operating in the UK from 2027. The emission tax is expected to be paid by the charterers and will not impact North Star financially, but we are ready to reduce our emissions through our energy efficiency program and building net zero emissions vessels from 2028.

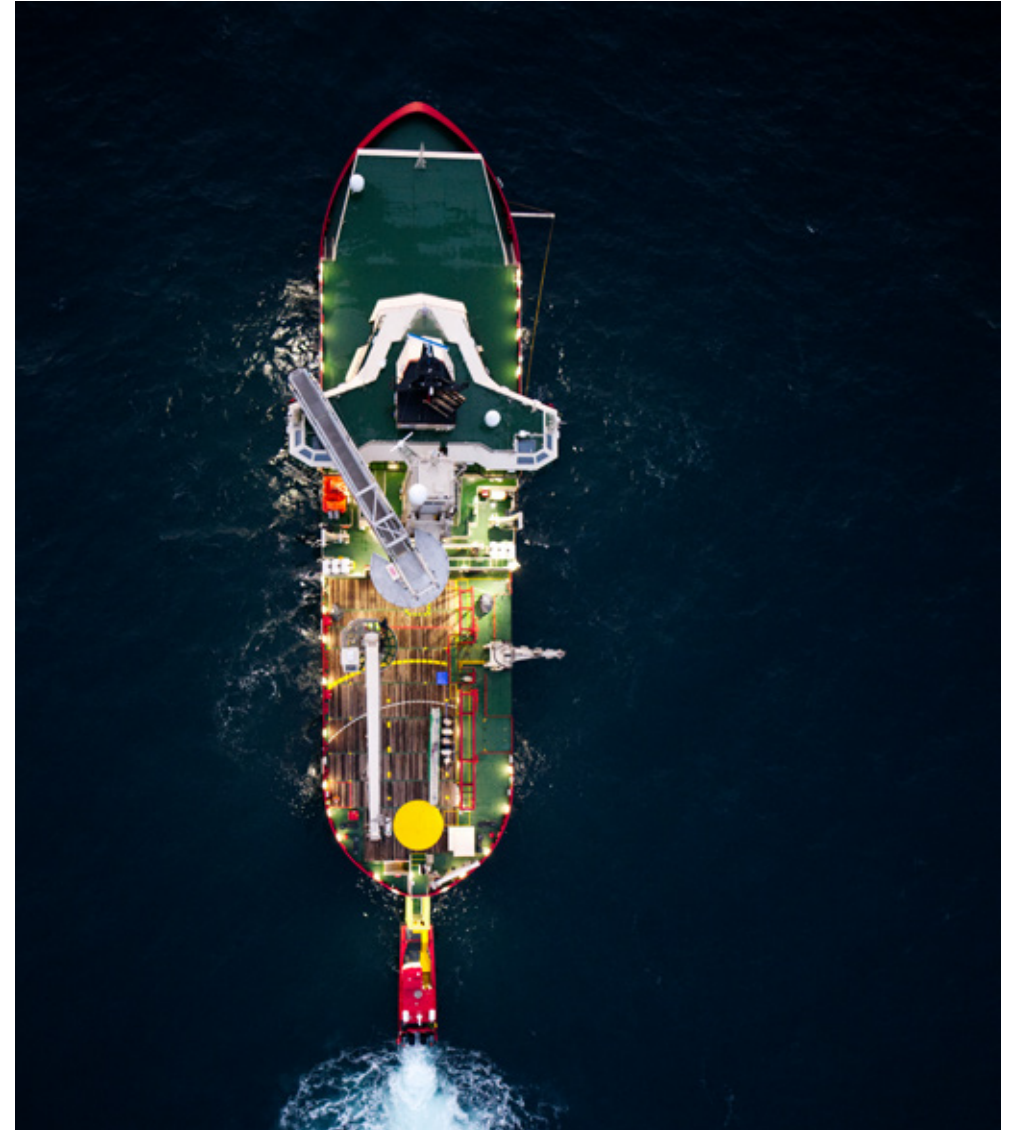
The EU may apply EU ETS and possibly Fuel EU Maritime to all ships that exceed 400 GT. The effect of Fuel EU Maritime will be determined in 2027 and we are keeping a close eye on the regulatory changes in EU and IMO.

We are voluntarily measuring our carbon intensity, which is the amount of emissions per ship size in gross tonnes [tons CO₂/GRT]. In 2024, we have joined a joint industry project (EMRED JIP Phase-II). The project aims to create a monitoring and reporting system that can measure the GHG emissions of vessels in the offshore wind segment.

The emissions monitoring will enable data on emissions which can be used for:

- Further optimisation of operations,
- Compliance with regulations, emissions verification, and reporting
- Assessment of effectiveness of emissions abatement measures
- Reduce ETS liability

Our vessel fleet meets the regulatory requirements of IMO in relation to NO_x emissions, with 17 vessels compliant to tier I, 12 compliant to tier II and 15 vessels compliant to tier III requirements.



Scope 1, 2, and 3 performance

Environmental approach

To account for GHG emissions (Scope 1, 2 and 3), North Star follows the GHG protocol. The operational control approach is used to define the organisational boundary, which includes Scope 1 direct emissions from sources owned and controlled by North Star, Scope 2 indirect emissions from purchased heating or power, measured by the location-based method, and Scope 3 (partial) indirect emissions from vessels owned by North Star but where North Star does not have full operational control.

Scope 1:

Stationary combustion from natural gas and mobile combustion from sea and road transportation are our main sources of Scope 1 GHG emissions. We use an operational control approach to determine our Scope 1 emissions boundary, meaning that we only account for the emissions from the assets we have full operational control and the authority to introduce and implement operating policies. We are committed to reducing our Scope 1 emissions through fleet renewal, implementing energy efficiency measures, and switching to lower-carbon fuels.

Scope 2:

Location-based indirect GHG emissions associated with the purchase of electricity, steam, heat or cooling. Although Scope 2 emissions physically occur at the facility where they are generated, they are accounted for in an organisation's GHG inventory because they are a result of the organisation's energy use.

Scope 3 (partial):

We have included scope 3 (partial) emissions in our emissions reporting. The GHG Protocol, divides the Scope 3 (partial) emissions into 15 upstream and downstream categories where our indirect emissions fall under the "Downstream Leased Assets" category.

As for now, our Scope 3 (partial) covers the emissions from vessels that are operated by North Star but under charter agreements. This is the largest source of our GHG emissions, as most of our vessels fall under this category. Other non-material emissions (e.g. supply chain) are not included in this year's emissions reporting. However, we will continue to develop our monitoring of scope 3 (partial) emissions to improve the accuracy.

Scope 1



Controlled fleet

Emissions data from the vessels where North Star has full operational control.



Road transport

Emissions from company vehicles.



Stationary combustion

The combustion from natural gas-based office heaters.

Scope 2



Location based emissions

Location based emissions associated with the purchase of electricity, steam, heat or cooling.

Scope 3 (partial)



Mobile combustion sea

Indirect emissions from vessel operated by North Star but without full operational control.

Scope 1, 2, and 3 performance

We have seen a decrease in fuel consumption for the ERRV fleet due to more efficient vessel routing for scope 1 vessels, and awareness campaign with crew for efficient fuel management.

The scope 1 emissions have increased, mainly due to mobilising of the three new SOVs.

Operated fleet, Scope 1:

Fleet where North Star have operational control.

	2022	2023
ERRV	6.5	6.3

Chartered fleet, Scope 3 (partial):

Fleet where North Star does not have operational control.

	2022	2023
SOV	0	3
ERRV	35.5	34.7
PSV	1	1

Carbon intensity total fleet:

As there are currently no carbon intensity measure defined for the offshore sector, North Star has defined this as CO2 eq. / GRT.

	2022	2023
	2.1 tonnes	1.7 tonnes
	-19% compared to 2022	

Tonnes of CO2 2023

Adjusted Scope 1 **14,115** -8% compared to 2022

Controlled fleet (ERRV and FRC)	13,945
Road transport	135
Stationary combustion	35
Total adjusted	14,115
SOV mobilisation voyages (one off)	5,677
Total Scope 1	19,792

Scope 2 **67** -8% compared to 2022

Location-based power	67
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Scope 3 (partial) **97,739** *not measured in 2022

Chartered fleet (ERRV, SOV, PSV)	97,739
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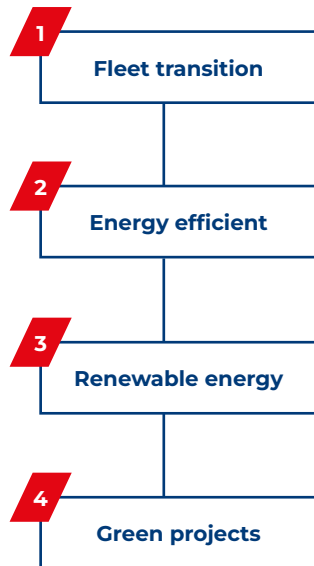
Total CO2 emissions **117,598**

Emissions from controlled and chartered fleet is calculated as the reported fuel consumption from the vessels multiplied by the respective emission factor for the fuel type from DEFRA UK 2022 Emission Factors. Emissions for the vessel decommissioned Q1 2023 is included for the period it was in operation.

Scope 1 road transport collects data for emissions from company vehicles. Emission factors have been sourced from DEFRA UK 2022 Emission Factors. Emissions from powering the offices in scopes 1 and 2 are calculated based on emission factors from DEFRA UK 2022.

Our strategy for climate change mitigation

Our strategy for climate change mitigation consists of four parts. The strategy prioritises decarbonisation of our fleet which generates 98% of our emissions.



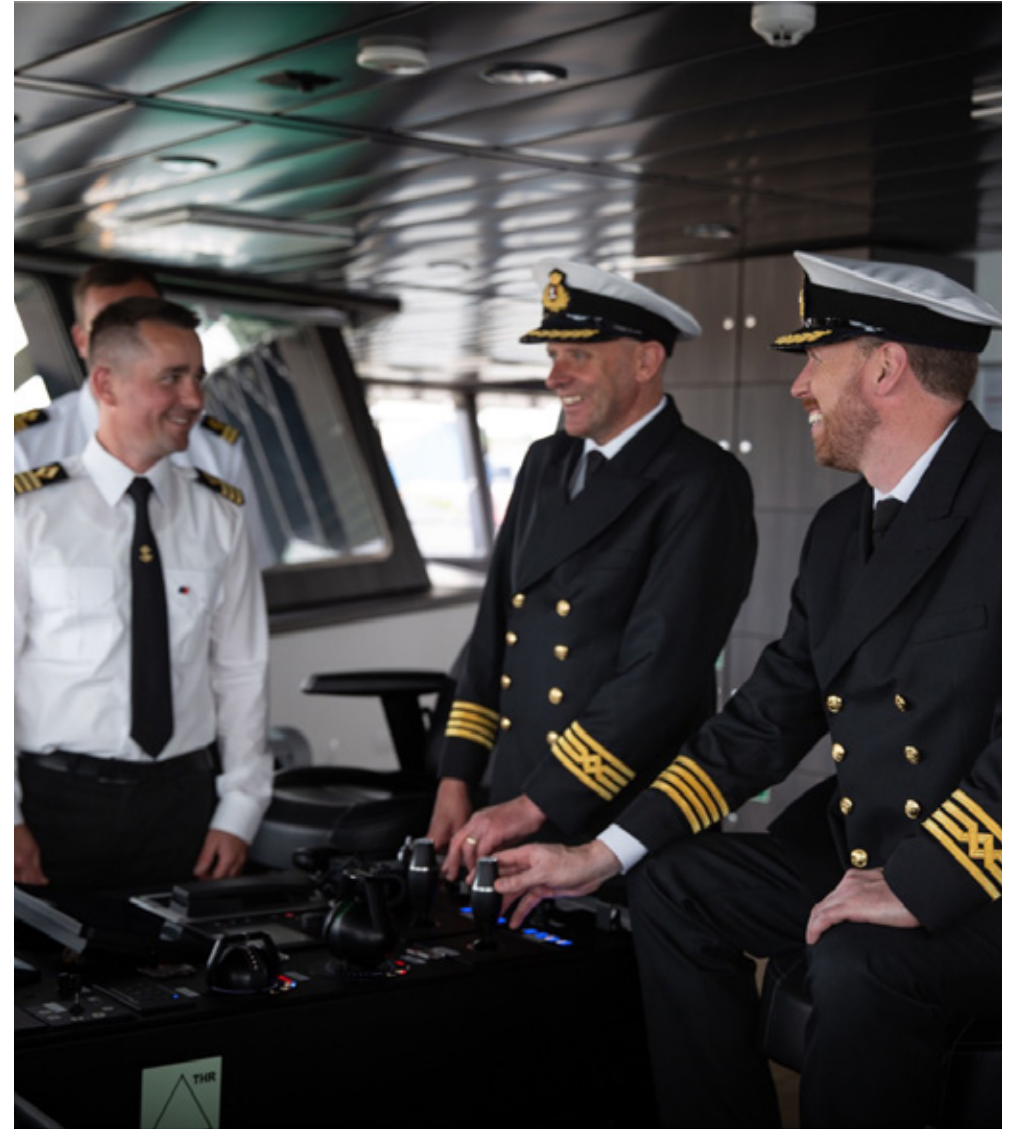
Our transition strategy for the ERRV fleet currently powered by diesel engines, is biofuels and fuel additives. The fleet will gradually retire as we transition our business towards offshore wind.

Our SOV newbuild vessels pathway is set with an aim to deliver net-zero emissions vessels after 2028. The transition period includes green methanol ready vessels, supported with energy storage systems. Further cooperation is established with ship construction specialists and key stakeholders, to deliver designs for fully

battery powered SOVs and designs for battery supported hydrogen fuel systems.

Our SOV vessels are built with vacant space enabling upgrade to battery systems and retrofit to other green fuel solutions. By adopting such an approach to designs we are enabling innovative solutions to be integrated seamlessly within the original design.

To enable our transition to a net-zero environment, we are proactively networking with biofuel, green methanol and green hydrogen producers, to establish the necessary infrastructure in ports and within the wind farm areas. We are actively collaborating to establish shore power connections, as well as charging points in the wind farm areas by using innovative charging arrangements.



1. Fleet transition

The burning of fossil fuels drives global warming, which poses a serious threat to the environment. To address this challenge, we need to transition to a low-carbon energy system that can meet the increasing energy needs while reducing GHG emissions and enhancing resilience to climate impacts.

With North Star's commitment to decarbonisation, we are dedicated to being a part of this change. The highlight of our decarbonisation journey is, therefore, fleet transition to the renewable energy sector.

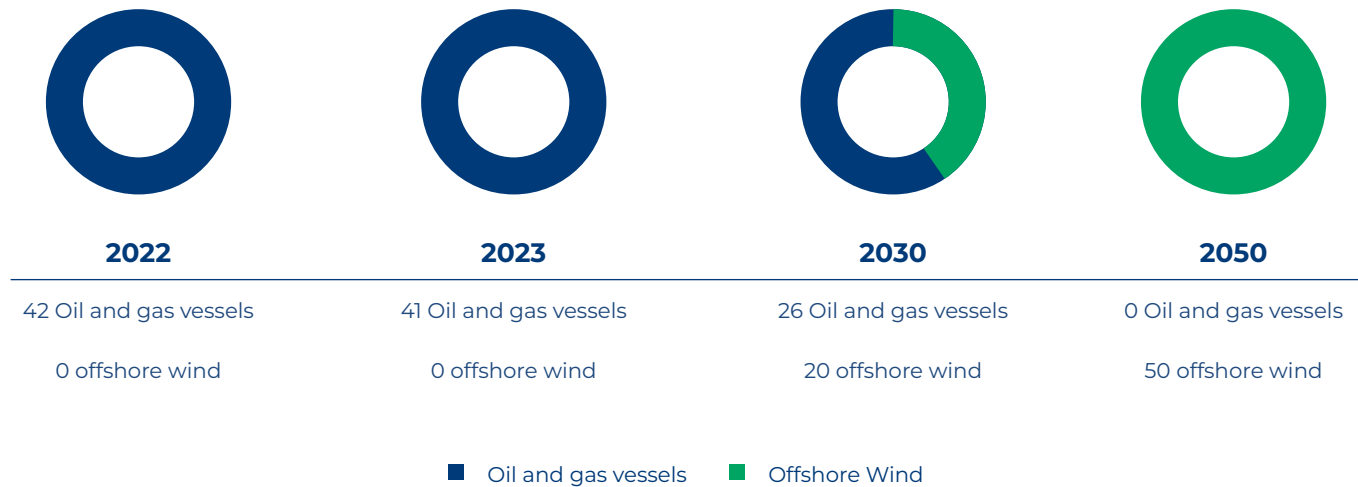
Entering the renewable energy sector

We will utilise our comprehensive experience in marine operations, after more than 50 years in the ERRV market, to build innovative, energy- and operational-efficient vessels to serve offshore wind farms. We are now focusing on growth within the SOV and CSOV market. The target is 40 vessels by 2040. By 2050 the fleet will consist mainly of SOVs and CSOVs.

Reducing our exposure in the Oil and Gas Sector

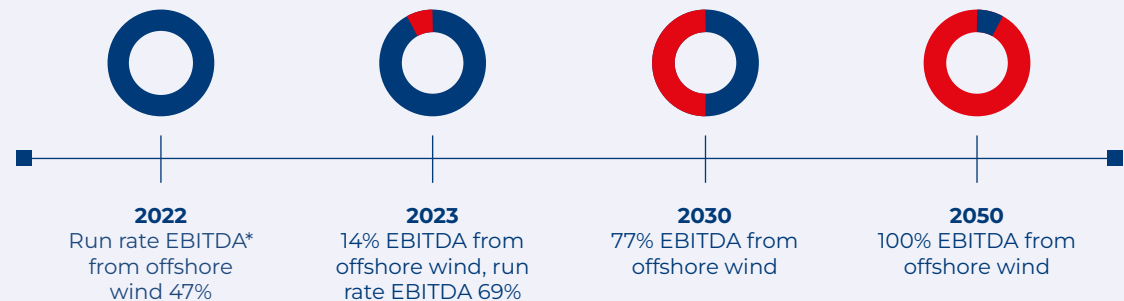
We will gradually phase-out the ERRV fleet and reduce our activities in the oil and gas sector. By 2030 eight ERRVs will be retired.

Vessel composition



■ Offshore
■ Offshore Wind

*Run rate EBITDA extrapolated performance that includes vessels under construction



2. Energy efficiency

Energy efficiency is the ability to use less energy to provide the same or better service. By constant efforts to reduce the energy consumption and carbon footprint of our vessels, we can increase the environmental and economic benefits of our services. We are committed to designing and building innovative vessels that are optimised for fuel efficiency and with smart data-driven solutions.

We strive to improve the operational efficiency of our fleet by minimising downtime, enhancing safety, and maximising availability.

Energy efficiency is not only a competitive advantage but also a social responsibility and a strategic vision for the future.

Measurement and optimisation

North Star will enable clients to obtain equipment and software for direct emission monitoring, which will enable real-time operation tracking, a prescriptive data-based decision portal for crew and future improvements in operational efficiency.

Technology and fuel efficiency

Technologies that directly reduce the energy consumption onboard through energy efficiency or change energy source.

Data driven solutions

Data is key. Our innovative vessels will analyse available data to improve safety, operational efficiency, and reduce downtime.

Operational efficiency

Efficient operations enable a vessel to perform more jobs per day. This can reduce the number of vessels required, resulting in lower emissions.

New 2023

- Hybrid configuration on SOVs
- Electric outboard engines on daughter crafts for SOVs
- Batteries and power shaving for higher efficiency of SOVs
 - Voith propellers

- Scope 1 and Scope 3 (partial) vessels emissions monitoring
 - Weather routing data
 - AI-driven maintenance

- Efficient gangway connection for faster walk-to-work
- Digitally controlled optimisation system for operation control

Plans

- Shoreside electricity
 - Biofuels (ERRVs)
- Battery (eSOV & ERRV)
 - Methanol (SOVs)
 - Hydrogen (SOVs)

- ERP system
- Digital twin
- Drone-assisted delivery
- Direct emissions reporting

- AI data-driven operations management
- Direct emissions monitoring
- Port operations efficiency improvement
- Drone-assisted logistics

3. Green energy

The maritime sector is accountable for about 3% of the global CO2 emissions. We must develop and deploy renewable energy sources to power our vessels and operations without relying on fossil fuels. Zero- and low-emission fuels can also create new opportunities for green jobs, innovation, and regional development.

1) Battery

All our SOVs and CSOVs are hybrid-powered for reduced manoeuvring and port emissions.

2) Shore power

We are investing in projects to develop green electricity for shore power use. We plan for all our new vessels to have High-Voltage External Connection (HVEC) systems installed enabling shore power and buoy charging.

3) Biofuels

The strategy for the ERRV fleet is to use biofuel. We are working with fuel suppliers and our clients to enable adoption of drop in fuels like HVO.

4) Green fuels

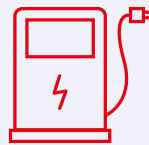
By adopting renewable energy solutions, we can reduce our dependence on fossil fuels, lower our GHG emissions, and contribute to global efforts to combat climate change.

We are also exploring the potential for green hydrogen and green methanol, as a zero-carbon alternative to fossil fuels. We are establishing a working group to develop

a hydrogen vessel concept. Our CSOVs are methanol ready, we work closely with engine manufacturers to enable dual fuel solutions in the future.

5) Wind power

With space to add battery, our new SOVs and CSOVs are able to operate on 100% green power from within the windfarm if the charging infrastructure can be provided. We have a number of supply chain partners that are developing these solutions and we work closely with the charters to make this a commercial and technical reality.



8

Hybrid-powered vessels
(5 under construction)



44

Vessels ready for HVO
and biofuel



4. Green projects

In addition to reducing our emissions in the long term, we are considering investments in projects that can remove GHG emissions from the atmosphere.

North Star will investigate reducing our environmental impact by supporting projects that are encouraging biological carbon sequestration, particularly blue carbon initiatives, biodiversity and life in the ocean conservation.

We want to minimise our environmental impact and support the global transition to a low-carbon economy. By investing in green projects, we could improve our carbon footprint and create value for our environment.



Other environmental initiatives

Alongside our focus on climate change and energy, we are actively reducing our environmental footprint in every possible way.

Pollution

Oil and chemical pollution poses a high risk to the marine environment. North Star have an ambition of zero spills of hazardous substances to sea. In 2023, we had 4 minor uncontained spills of hazardous substances to sea and 11 minor spills contained onboard. To mitigate this risk, we have implemented a thorough investigation approach when identifying the originating source of these spills, thus ensuring appropriate mitigation measures are applied.

Waste and Recycling

Waste Management on board our vessels fully complies with the International Convention for the Prevention of Pollution from Ships (MARPOL) Annex V and the Company's Environmental Management System. As part of our commitment to the environment, we have implemented numerous steps to minimise the provisions which may give rise to unnecessary waste. The vessel's garbage management plan demands the crew to sort the materials that can be reused on board the ship or recycled at an appropriate Port Reception Facility. To avoid the need for double handling, the categories of distinctively marked garbage receptacles must be provided to receive garbage as it is generated. This is continuously achieved by following our procedures within the Company's Integrated Management System as certified under ISO 14001 Environmental Management.

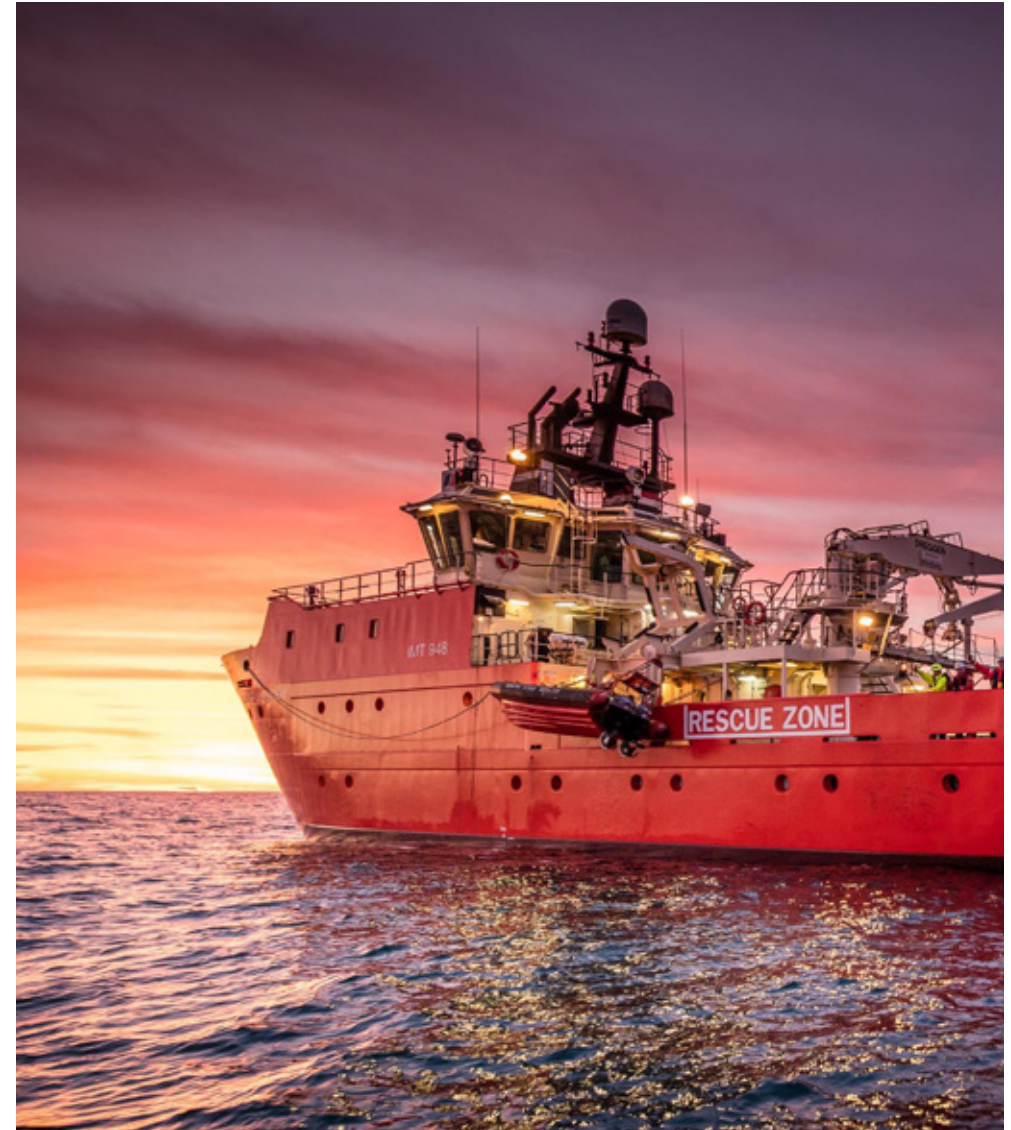
For the purposes of the reduction of environmental impact in accordance with the company's ongoing compliance with ISO 14001, there may be additional segregation of the General Waste category, though this is not a MARPOL requirement. The waste segregated in accordance with the categories listed in MARPOL and where possible the mixed recyclables are further segregated into glass, corrugated board, cardboard and paper, and metal, aluminium cans, recyclable plastics, and wood.

Ballast Waters

We have installed ballast water treatment systems on five vessels. These systems ensure that the ballast water is treated before discharge to avoid the release of alien species and hazardous substances. The other vessels comply with the Ballast Water Management Convention by having a Ballast Water Management Plan. All newbuild vessels will have the latest Ballast Water management systems installed, according to contractual and regulations requirements.

Noise

North Star has implemented several measures to reduce noise both under and above water. Our new SOVs have comfort class COMF(V-2, C-2) for noise and vibration and indoor climate. This class notation indicates good comfort and working environment onboard the vessel.



Social



Social highlights of 2023

Target and implementation

Recruitment and retention of a skilled maritime workforce is key to our HR policy. The industry is engaged in an intense competition for talent, with several key challenges: an ageing workforce, the declining allure of maritime careers and events such as the war in Ukraine are all contributing to a shortage of talent.

Our HR vision is to be seen as the “Employer of choice” within the sector, with a skilled and committed workforce.

In 2023 we developed a 5-year HR-strategy consisting of seven key areas: recruitment, career path, retention, diversion and inclusion, tax, legal, and geography. The strategy will be rolled out in 2024.

During the 5-year period we expect to increase our headcount to more than 300 employees.

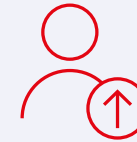
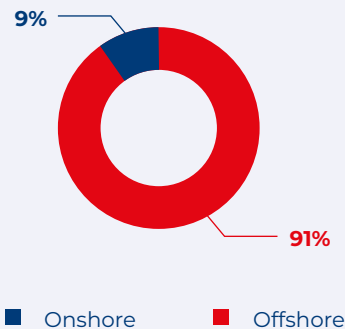
In 2023, our primary focus was to offer new career opportunities to our existing employees in connection with the delivery of our new SOVs.

We believe employee well-being to be the foundation for having a resilient and agile workforce. Since 2022 we have had a particular focus on reducing the stigma around mental health issues. We also work on initiatives to reduce stress and the feeling of loneliness that can come from long working hours and periods offshore. Ensuring the safety and well-being of those onboard our vessels, so that all return home unharmed, is our foremost priority. We are constantly learning how to improve our operations to enhance the safety of our own, but also our customers' employees.

Value – Safety

Safety is the backbone of our business, it's what we do and it's who we are. We are passionate about safety, with one goal, to make sure everyone goes home safe and in a positive frame of mind.

Split of onshore and offshore workers



9%

Growth in headcount



0.19

Lost Time Injury Frequency (LTIF) factor 1 million



>1,400

Total workforce including onshore and offshore personnel hired by North Star or through a third party



0.78

Total Recordable Case Frequency (TRCF) factor 1 million



60%

Of crew hired on SOV transitioned from North Star ERRV fleet



1.5 million

Pounds invested in training of crew members

Safety, health and well-being

The Safety, health and well-being of our workforce is not just a priority; it is a core value that underpins every aspect of our operations. QHSSE are dedicated to creating a work environment where all employees can perform their duties safely and effectively, knowing that their well-being is our top concern. We are fully certified to ISO 14001:2015, 9001:2015 and as of the beginning of 2023 ISO 45001:2018.

Safety

At North Star, we perceive every incident as an opportunity for growth and enhancement. Our QHSSE Policy outlines the procedures for handling and reporting all accidents, incidents and near misses to prevent recurrence. Each recordable incident undergoes comprehensive scrutiny to pinpoint root causes. We then apply corrective measures and share insights gleaned from investigations across our operations to foresee future occurrences.

We recognise that we will only reach our goals through continual improvement and firm application of our integrated Quality, Health, Safety and Environmental management system, in a manner that protects the health, safety and wellbeing of our people.

A dedicated team of QHSSE Advisors support all onshore and offshore operations.

"Stop The Job" provides an opportunity to ensure that everyone involved in the operation is safe and that the job is performed safely every time.

To decrease the number of incidents, several measures have been implemented:

- Updating the risk management process: Revising and improving the procedures and protocols used to identify, assess, and mitigate risks.
- Requiring risk assessments for all tasks: Ensuring that every task performed on vessels undergoes a thorough risk assessment to identify potential hazards and implement controls to mitigate them.
- Conducting "Time out for safety": Regularly holding brief, focused safety meetings to discuss specific hazards, safety procedures, and best practices related to the tasks at hand.

These steps are aimed at fostering a safer work environment, enhancing awareness of potential risks, and ensuring that appropriate measures are taken to prevent incidents.

QHSSE learning

The fleet receives "learning points" on a monthly basis. These points are designed to continuously improve safety and operational efficiency. Each quarter, the fleet focuses on a specific safety area to enhance awareness and performance in critical aspects of operations. The quarterly safety focus areas for 2023 were as follows:

- Q1: Safe T break
- Q2: Knives
- Q3: Confined spaces
- Q4: Stop the Job

Total number of workdays	214,187
Number of working hours	5,140,488
Lost Time Injuries (LTI)	1
Restricted work case	1
Medical treatment	2
First aid cases	77
Lost Time Injury Frequency (LTIF) factor 1 million	0.19
Total Recordable Case Frequency (TRCF) factor 1 million	0.78



5 Star Occupational Health and Safety Audit Award

British Safety Council



International Safety Award

British Safety Council



Port Environmental Best Practice Award

Port of Aberdeen

Safety, health and well-being

Creating a robust safety culture

As an initiative to increase safety focus onboard, North Star introduced the Safety Coin and Gold Flag concept a few years ago. We now see a significant improvement in safety focus onboard.

The "Pay it Forward" Safety Coin aims to ensure that a reward is given to those deserving it. The reward is to encourage everyone to make the extra effort to be safe.

A Gold flag to fly onboard is presented to one vessel each year showing that the crew is going above and beyond when it comes to safety. In 2023 we congratulated two Masters and their respective crews on this achievement. We thank them for their contribution to our safety culture.

We are in full compliance with the ISM Code (International Safety Management Code) and the International Ship and Port Facility Security Code (ISPS Code). As members of ERRVA - Emergency Response and Rescue Vessel Association - and the Marine Safety Forum we are also actively involved in an industry-wide safety forum.

Onboard well-being

Onboard welfare is of utmost importance to us.

All of our vessels are alcohol-free, and we have a smoking policy ensuring that nobody is exposed to passive smoking.

Living standards for all our seafarers onboard is a top priority for us throughout our fleet. In taking the design stage of our newbuild SOVs to the next level we have several rooms and facilities to give our

crew and technicians places to relax. This includes a library, gaming room, cinema, and fitness room. To promote sustainability, our onboard library is filled with second-hand books from the local North East Charity St Oswald's Hospice.

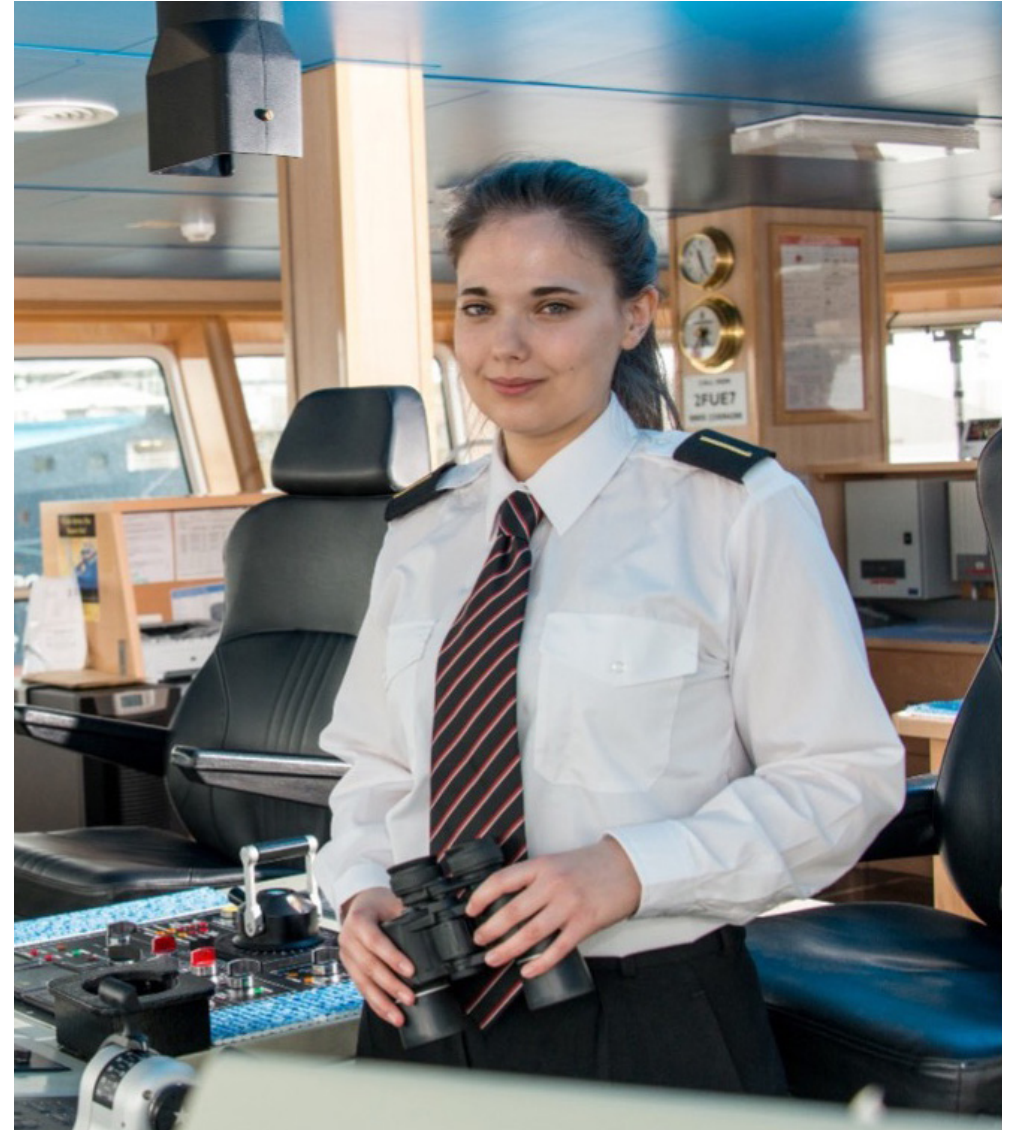
We comply with International Labour Organisation (ILO) standards to guarantee we meet the international standards for working and living conditions onboard vessels.

We have invested in Starlink enabling better communications to shore and family.

Mental health

In 2022 we launched a campaign called "Fit like?" aiming to address feelings of loneliness and reduce mental health stigma through encouraging open conversations. The campaign includes a guide to help employees recognise signs of loneliness in their co-workers. It continued throughout 2023, promoting a supportive work environment for offshore staff.

Our Employee Assistance Programme seeks to support our employees in navigating everyday challenges. The program includes guidance on coping strategies and options to speak to trained medical staff either through a 24/7 helpline or through scheduled counselling.



Talent management

To be competitive, we need to attract and retain the best people. We believe the best way to retain people is to invest in their development, both personally and professionally.

Training & Development

In 2023, we invested £1.5 million in crew training.

We collaborate with manufacturers and equipment providers to ensure high-quality training on the use of onboard technical equipment.

Annually, we invest about £1 million in our cadet programme. It is a three-year training program and has been running for almost three decades. In 2023, we sponsored 85 cadets.

During 2023, we launched a new leadership program called “North Star Way”, consisting of four modules: Leading yourself, Values-in-action, Leading others, and Great teamwork. The program has 50 participants and will continue into 2024.

In conjunction with “North Star Way” we proposed the pilot programme “Working Sm@rt 365” in 2023. The programme will be rolled out in 2024 for ten of our employees. The program consists of five phases aiming to teach the participants best practices and tools to improve how they approach, respond and handle work.

To contribute to the development of the industry, we participate in several initiatives to attract people to the offshore industry.

60% of the crew on the three new SOVs were transitioned from our ERRV fleet,

opening new career paths and ensuring that valuable people experience development.

Talent retention

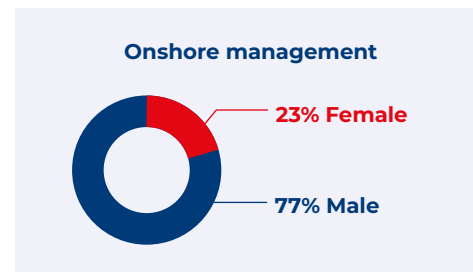
It is critical that we retain staff. In 2023 our attrition rate was 13% excluding retirements which is an improvement from 18% in 2022. Our target is to keep the attrition rate, excluding retirements, to 15% or less.

Valuing an inclusive and diverse workforce

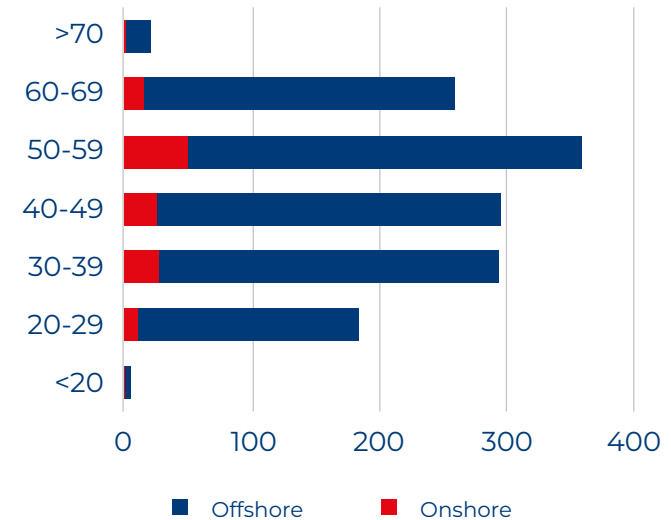
Ensuring equality and fairness for all is a fundamental principle at North Star. Discrimination prevents individuals from reaching their full potential. We believe that a variety of perspectives is essential for the growth and development of our people and the company.

North Star’s approach to diversity is outlined in our Equality, Diversity & Inclusion (EDI) Policy.

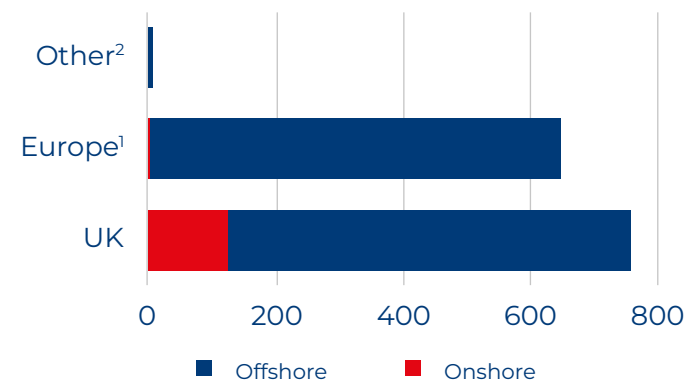
30% of our onshore staff and 2% of our offshore crew are female. We continue to work with measures to retain the best people by ensuring an inclusive and equitable work environment.



Employees by age



Employees by nationality



¹ Including Belgium, Bulgaria, Czech Republic, Germany, Spain, Estonia, Greece, Croatia, Ireland, Lithuania, Latvia, Poland, Portugal, Romania, Slovakia, Sweden, Ukraine
² Including India, Iran, Nigeria, Canada

Collaboration

The introduction of Starlink has enabled a new way of collaboration, which we started to explore in 2023. Now we have start, mid and end conversations with crew members. In 2023, fuel efficiency was reoccurring in each conversation. Starlink also enables conference calls between the ships where they can share learnings and best practices.

The onshore staff's main job is supporting the vessels' operations and onboard crew. To better understand the challenges onboard and strengthen the relationship between offshore and onshore staff we have a target of one visit to each ship per month from an onshore director, manager or staff member. The agenda for the ship visit varies. The objective of a general visit is visibility and building relationships. Technical visits such as safety inspections and sustainability visits are to follow up on procedures and implementation.

We believe a key to good collaboration is for the employees to have social relationships and know each other also outside of the vessel or office environment. We therefore have social committees that arrange different social activities during the year.



325

Vessel visits in 2023 by
Directors / Management / Staff

Value – Collaboration

We strive to achieve optimal collaboration between shore-based management and shipboard management by encouraging all employees to take responsibility for North Star's success. Teamwork and collaboration are crucial for a successful and safe operation. We emphasise effective and transparent communication along with continuous support from our onshore team.



Governance



Governance highlights of 2023

Target and implementation

Robust business ethics and compliance is critical to our business and is underpinned by our governance framework. This framework is supported by various procedures including annual mandatory training for all employees. In 2023 94% of our employees completed this training.

Responsible Supply Chain Management is a central part of our governance framework. Our supplier diligence and audit programme supports us in monitoring this. In 2023 we implemented an external supplier due diligence platform through Standard and Poor's. Our target is to ensure that all business-critical suppliers complete the diligence on this platform on an annual basis.

Data and IT Security are of prime importance to us in delivering our services. In 2023 we undertook an AON CyQu Enterprise Cyber Security assessment to make improvements in this area. Our target is to improve our cyber security rating and various initiatives have already been completed to achieve this.



80%

Employees completed cyber security training in 2023



Zero

Registered violation to North Star Ethics and Corporate Criminal Offences Policy



Cyber Security

Undertook an AON CyQu Enterprise Cyber Security assessment



Zero

Registered whistleblowing cases



94%

Employees completed training on Group Ethics and compliance in 2023



Due diligence

New platform for supplier due diligence implemented in 2023



Zero

Data loses or breaches in 2023

Business ethics and compliance

North Star's governance framework incorporates a suite of complementary policies which are certified to ISO 14001:2015, 9001:2015 and as of the beginning of 2023 ISO 45001:2018. These are supported by a strong top-level commitment from our Board. We carry out bi-annual reviews of our business ethics and compliance risks through a corporate risk register, overseen by our audit and risk committee, and our policies are developed and updated in response to this.

Central to this framework is our Ethics and Corporate Criminal Offences Policy which is designed to support the way we think, act and promote our relationships and reputation with all stakeholders. This policy applies to all employees, contractors, suppliers, agency workers and individuals carrying out work on behalf of North Star. It supplements our obligations under, and compliance with, laws and regulations, and those arising from contractual arrangements.

94% of onshore employees completed mandatory annual training on Group ethics and compliance in 2023 and we had no registered violations to North Star Ethics and Corporate Criminal Offences Policy.

Bribery and Corruption

At North Star, we vehemently oppose any form of bribery, corruption, or illicit payments in our business dealings, whether with governments or the private sector. Our commitment to integrity and transparency is unwavering.

Modern Slavery

North Star recognises that Modern Slavery is not an issue confined to businesses based in higher-risk jurisdictions. We are aware of the risks arising from using migrant labour and global supply chains. Our Modern Slavery Act transparency statement sets out actions to understand all potential modern slavery risks related to our business and to put in place steps to ensure that there is no slavery or human trafficking in our business and value chain.

Human Rights

In line with current human rights legislation, we respect the rights of our employees to associate freely with others, form or join organisations of their choosing for the protection of their interests, and bargain collectively. An employee's right to refrain from collective representation without fear of intimidation or harassment is also recognised.

We agree that no restrictions shall be placed on the exercise of these rights other than such as are prescribed by law.

Tax Transparency

North Star ensures compliance with tax laws and pays all taxes owed in every country or region where the Group

operates, following legal regulations and international tax agreements.

We firmly oppose and do not support tax evasion, whether by us or our subsidiaries or suppliers, as further outlined in our Anti-Tax Evasion Policy.

Compliance with competition and antitrust laws

North Star emphasises the importance of understanding and following competition law for its employees. We adhere to all applicable competition or antitrust laws that aim to support free trade and prevent collusion among businesses that could harm consumers.

Securing the whistleblower line

It is important to North Star that any fraud, misconduct or wrongdoing by anyone working on behalf of the Company is reported and properly dealt with. We therefore encourage all individuals to raise any concerns they may have about the conduct of others. Such concerns can be raised anonymously if required.

Any concern will be treated confidentially, and we are committed to the protection of workers who raise legitimate concerns about specified matters.

Value – Caring

We care for the health and well-being of everyone our business touches; including our crews, our clients, our suppliers and the environment around us. This is a key focus for our organisation which ensures we work in sustainable and ethical way, with adherence to internationality recognised standards on Human Rights, to affect positive change in our communities.

Responsible supply chain management

All our suppliers and third parties are required to comply with our governance framework and are selected on this basis. Any violation or non-compliance with our governance framework will result in termination of our relationship.

All suppliers and third parties are assessed in annual due diligence questionnaires across a range of criteria, including questions on specific areas of compliance with our governance framework and sustainability.

Since 2023, we have managed this process for our business-critical suppliers through an external platform run by Standard & Poor's. We also run an annual supplier audit programme which involves a more rigorous in person investigation of selected suppliers.

Shipyards with whom we engage for construction of new vessels are subject to detailed supplier audits and oversight both prior to selection and on an ongoing basis throughout the build programme.



Data and IT security

We recognise that data is crucial for monitoring, delivering, and enhancing customer, employee, and stakeholder services.

We take the data protection rights of our clients and customers as well as employees very seriously and are conscious of our responsibilities as a data controller and processor under current legislation.

Our use of data is managed under our Data Protection Policy, which is supplemented by a Data Processing Register, Privacy Notices and, where applicable, Data Impact Assessments. No data losses or breaches were recorded by us in 2023.

We are particularly conscious that the risks of undue influence and abuse of data are increasing. In 2023 we undertook an AON CyQu Enterprise Cyber Security assessment (which is based on the

US National Institute of Standards and Technology - NIST cyber security framework).

This assessment highlighted a number of improvement areas and significant work has been carried out during 2023 and is ongoing to address these.

As part of this we updated our ICT and Cyber Security Policy. This policy emphasises the integration of cybersecurity

into the company's governance, with dedicated management involvement and commitment.

We also rolled out mandatory cyber security training to all employees and held several awareness campaigns for employees to further promote a cybersecurity culture within the company.



Disclaimer

Any forward-looking statement provided in this report is based on management opinions and beliefs given the information available at the time of preparation of this report.

These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or result expressed or implied by such forward-looking statements.

Although forward-looking statements contained in this report are based upon what management of the Company believes are reasonable assumptions, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change. The reader is cautioned not to place undue reliance on forward-looking statements.



