

## ENVIRONMENTAL, SOCIAL, & GOVERNANCE (ESG) STATEMENT (Updated: March 12, 2024)

Philly Shipyard is committed to operating sustainably and responsibly. During 2023, PSI continued to strengthen its sustainability and environmental, social, and governance (ESG) program. Kelly Whitaker was named Vice President, Sustainability and Communications, thereby elevating the leadership of this important area for the Shipyard. Ms. Whitaker reports to the CEO and is a member of the senior leadership team. As an enhancement to the Company's governance framework, the Audit Committee of the Board of Directors established oversight of the sustainability/ESG program and reviews it regularly at meetings.

Philly Shipyard's sustainability/ESG strategy continues to be focused on those material topics that were identified through its stakeholder analysis and materiality assessment, which are reviewed annually. A major area of focus this year was establishing baseline metrics for sustainability and ESG, including calculating the shipyard's Greenhouse Gas Scope 1 and 2 emissions. Other highlights during 2023 included: conducting a human rights risk assessment with suppliers, publishing the Company's Norwegian Transparency Act statement, issuing a comprehensive Code of Conduct to all employees, establishing a Supplier Code of Conduct, and holding in-person Diversity, Equity and Inclusion (DEI) training for all senior leadership, supervisors, and managers.

Key priorities for Philly Shipyard's sustainability/ESG program in 2024 will include: setting targets for selected sustainability/ESG metrics, publishing a sustainability report, and establishing additional channels for stakeholder engagement. PSI also continues to prepare for upcoming regulatory requirements for ESG disclosure to investors and other stakeholders in the future, including the European Sustainability Reporting Standards (ESRS).

As Philly Shipyard collaborates with ship owners and designers, the Company embraces the opportunity to build ships that meet evolving needs for sustainable designs and green ship technology. The Shipyard uses the latest International Maritime Organization requirements as guidance for environmental protection and efficiency during the design and production process. In its role as a supplier to ship designers and owners, Philly Shipyard has expanded its capabilities and know-how in technologies that reduce ship emissions through cleaner-running engines, alternative fuels such as LNG, battery storage and more.

In alignment with the clean energy transition underway in the maritime sector, Philly Shipyard is currently contracted to build LNG-powered containerships as well as a Subsea Rock Installation Vessel that will support the installation of offshore wind farms.

Environmental reporting is an integral part of the Shipyard's reporting system, on par with reporting on financial matters and operations. This commitment extends to evaluating and adopting environmentally beneficial improvements in production processes, alternative materials and services. PSI promotes open communication on environmental issues with employees, neighbors, public authorities, and other interested parties and has implemented a system through which employees can make observations and suggestions about the Shipyard's environmental performance.

The industrial nature of the Shipyard's activities requires the use of significant amounts of energy, both electrical and gas, as well as the generation of waste and release of particulate and volatile organic compound (VOC) emissions.

Philly Shipyard recognizes that climate change has and will continue to have significant impacts on the environment and society, which has prompted regulations limiting the emission of greenhouse gases (GHG) and driving the transition towards a low-carbon economy. Action is expected from all companies, and Philly Shipyard is committed to doing its part. The maritime industry, like other sectors in the global economy, is working to reduce greenhouse gas emissions and transform away from fossil fuels and transition toward a low-carbon economy.

During 2023, Philly Shipyard determined its GHG footprint including Scope 1 and 2 emissions: 5,011 and 8,609 MT CO<sub>2</sub> equivalents, respectively. The Company plans to continue disclosing its Scope 1 and 2 emissions annually and intends to develop a set of sustainability targets including a target related to GHG Scope 1 and 2 in the coming year.

The Company also initiated a program to improve energy efficiency and reduce emissions. Philly Shipyard began exploring opportunities to electrify its operations, including evaluation of battery-powered fork trucks and utility vehicles. A substantial portion of the lighting at the Shipyard has been switched to LED, to further improve energy efficiency.

Aligned with the shift toward a circular economy, PSI uses modern waste management practices to ensure as much material as possible is diverted from landfills and sent for recycling. During 2023, the Shipyard recycled 100% of its wood and metal waste and up to 80% of its industrial debris. In 2023, PSI recycled approximately 1,769 tons of wood scrap and 1,729 tons of steel.

A program has been launched to detect and reduce leaks from equipment in the Shipyard and to convert to ozone-friendly refrigerants. For the reporting period ending in 2023, VOC emissions to air were approximately 17.8 tons. PSI generated approximately 61 tons of hazardous waste. There were no reportable discharges into the surrounding waterways.

Philly Shipyard has a comprehensive set of policies to address environmental, social and governance concerns, and to comply with or exceed all federal, state, and local requirements. During 2023, Philly Shipyard updated its Employee Handbook and delivered a comprehensive Code of Conduct to all employees. Training on the Code of Conduct was provided to all employees. Every employee is responsible for reading and familiarizing themselves with the Code of Conduct and living by its standards.

The Shipyard is committed to maintaining a work environment that is free of discrimination, harassment and hostilities. In keeping with this commitment, PSI maintains a strict Harassment Free Environment Policy and does not tolerate unlawful harassment of employees by anyone.

Philly Shipyard is committed to providing equal employment opportunity to all employees and applicants for employment, regardless of race, color, ethnic background, gender, religion, age, marital status, sexual orientation, national origin, citizenship status, disability, veteran status, or any other legally protected status. Diversity strengthens the Shipyard's overall capacity and skills.

During 2023, in-person Diversity, Equity and Inclusion (DEI) training was held with all senior leadership, supervisors and managers attending. Additional DEI initiatives and activities are planned for 2024.

The maritime industry has traditionally been male-dominated. The entire industry faces the challenge of increasing the proportion of female employees. PSI has taken some affirmative steps to address this challenge. For example, the Shipyard encourages female applicants and has seen increased interest among potential female employees to pursue a career with PSI. To further this goal, PSI participates in available government programs that encourage women in manufacturing and has recruited at schools and training programs with more women.

At 31 December 2023, approximately 10% of PSI's employees were women. There is one woman on PSI's senior management team and two female members on PHL's Board of Directors. In addition, women hold key positions such as Controller, Director of Project Estimating and Cost Control, Accounts Payable Supervisor, Payroll Benefits Supervisor, Purchasing Manager, Training Manager, Production Supervisor, Talent Acquisition Supervisor and HSE Manager.

At 31 December 2023, approximately 37% of PSI's employees were minorities. There has been a 15% increase in minority hires from 2022 to 2023. Philly Shipyard has put focus on recruiting from areas with a diverse population by hosting career events at Pennsylvania CareerLink locations, presenting about its Apprenticeship program to local high school students, and participating in Corners to Connections events.

Philly Shipyard is strongly committed to workforce development and provides extensive training in support of upskilling and developing its employees' capabilities, as well as ensuring a safe work environment. During 2023, the Shipyard offered a variety of training courses including Supervisor Leadership, DEI and Belonging, Code of Conduct, over 60 safety classes, union annual refresher training, and up to two full days of new hire orientation. Employees receive annual performance reviews, which are used as opportunities to discuss training requests and general growth and development.

Approximately 49% of PSI's employees are members of the Philadelphia Metal Trades Council (PMTTC) union and are covered under the collective bargaining agreement between the PMTC and the Shipyard. This agreement is effective until 31 January 2027. Under this collective bargaining agreement, union employees are granted vacation and personal time, and most union employees receive shutdown pay during the week of the Fourth of July holiday and in between the Christmas and New Year's holidays. In addition, union employees may take up to 6 unpaid days within a 12-month period. Traditional sick days are not part of the collective bargaining agreement and, therefore, union employees do not accrue sick time. Non-union employees accrue sick time on a monthly basis and may maintain a balance of up to 200 hours. During 2023, 230 non-union employees used 8,513 hours of total sick time (8,245 hours of sick time and 268 hours of COVID-19 time), representing 1.76% of total non-union work hours.

At the Shipyard, health, safety and the environment (HSE) are not just a priority, but a mindset embedded in all decisions and actions. The Union-Management Safety and Environmental Board reviews the various HSE programs, and makes recommendations on policies and procedures. The HSE system includes safety training of employees and subcontractors, safety inspections, industrial health and wellness programs,

drug testing, emergency response and environmental programs. PSI is implementing new initiatives to continuously improve its HSE mindset during 2024.

In March 2023, a production worker tragically suffered a fall-related fatality at the shipyard. This is the first fatality in PSI's history. PSI maintains a culture of continuous improvement and will continue to work proactively to establish an injury-free workforce.

PSI also had 3 lost time injuries (LTI) and 48 recordable injuries reported in 2023. The incidents came from a total of 3,540,213 hours worked by PSI employees and subcontractors in 2023. The Other Recordable Incident Frequency Rate (ORIFR) was 2.49 in 2023. ORIFR is based on recordable incidents other than LTIs per 200,000 hours as defined by the Occupational Safety and Health Administration (OSHA). PSI continues to work proactively to further improve safety, with a goal of eliminating incidents.

Philly Shipyard believes all people share the same fundamental human rights. The Company follows legal and responsible sourcing practices and expects its suppliers to uphold the same standards. In 2023, the Company added human rights and modern slavery to its policies, including the Employee Code of Conduct and Supplier Code of Conduct. Philly Shipyard conducted a human rights due diligence process to assess modern slavery risks related to the Company's supplier base, and issued its first Norwegian Transparency Act Statement summarizing this process, findings and action plan. No potential human rights impacts were found.

PSI is committed to responsible procurement and expects its suppliers to operate with integrity and ethical behavior, as well as a commitment to safety, environmental responsibility, sustainability, and respect for people. During 2023, Philly Shipyard established a Supplier Code of Conduct that outlines the specific requirements and expectations for suppliers. This Supplier Code of Conduct was communicated to all suppliers along with PSI's expectation that they be familiar with it and align their activities with it.

The Company has zero tolerance for corruption and has adopted an Anti-Corruption Policy that is in line with the anti-corruption policies at other Aker ASA-related companies. The Company also maintains a strict Conflict of Interest policy, which is reflected in the Employee Code of Conduct and PSI's non-union employee handbook, as well as its Terms and Conditions to outside suppliers.

In support of the above initiatives and policies, the Shipyard maintains a formal policy for the disclosure of wrongful conduct and protection from retaliation. This whistleblower policy is available to all employees and is administered by the Vice President of Human Resources. The Company has implemented a process that allows anonymous reports of violations through a third-party administrator. In 2023, there were seven cases reported using this process.

As part of its commitment to be a good neighbor, PSI continues to support a number of organizations that make its communities stronger. In 2023, Philly Shipyard supported the Seamen's Church Institute of Philadelphia, which provides materials and services to international seafarers who serve as crews on international ships entering Philadelphia's port. Philly Shipyard also continued its multiyear donations to a local non-profit organization that delivers community-based human services to residents of a nearby Philadelphia neighborhood. In support of the fight against childhood cancer, Philly Shipyard donated to

the Andrew McDonough B+ Foundation, the largest provider of financial assistance to families of kids with cancer in the U.S.

In 2024, Philly Shipyard will be launching a Community Giving Program and a Volunteer Recognition Program to strengthen the connection between the Philly Shipyard team and its local communities.