



# ENVIRONMENTAL SOCIAL AND GOVERNANCE

OUTLINE 2022



# INTRODUCTION

An introduction to our sustainability-related disclosure.

Welcome to the 2022 UECC environmental, social and governance (ESG) outline document. This report serves to provide a condensed overview of the efforts and ambitions UECC are undertaking in the pursuit of our sustainability-related goals. The focus of this report is on key risks and opportunities UECC have identified across the ESG domains and serves as a precursor to our future sustainability-related disclosures which will expand on the topics addressed in this report.

Based in Oslo, since 1990 United European Car Carriers (UECC) have been providing high quality and sustainable short sea transportation services for cars and other rolling cargo on the European continent. Our fleet of pure car and truck carriers are designed to meet the necessary flexibility and efficiency requirements of the short sea market, ensuring safe and secure transportation of factory new cars, light commercial vehicles plus a wide range of high and heavy static cargo.

Maritime transportation is a unique industry, and an essential one at that, facilitating global trade by transporting goods all over the world. Decarbonisation, human rights, supply chain management and health and safety are some of the huge challenges the industry faces. The scale of these challenges means every player must step up and contribute to the development of solutions. UECC have been engaging with these issues since our inception, and so here marks our first disclosure of some of the steps we are taking to progress the industry.



## BOARD STATEMENT OF INTENT

### ESG plays a core part in our ethos

Effective engagement with environmental and social challenges has been a key feature of UECC's success over the past 33 years. Executing on our ambitions beyond basic compliance has unquestionably added significant and tangible value to our organisation over the years. This report though, represents the first summation of our various efforts and initiatives undertaken, and forms part of our wider sustainability strategy for the future.

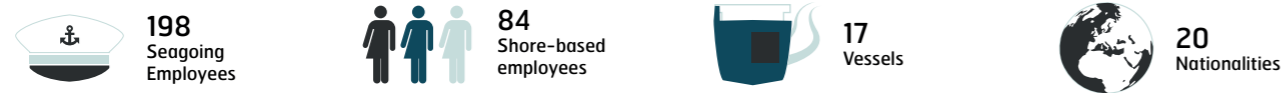
Core to the discussion around sustainability is that of the climate crisis. In 2022, the International Panel on Climate Change Sixth Assessment Report<sup>1</sup> was published, highlighting the tangible impacts climate change is already having, with issues ranging from increased frequency of extreme weather events to climate migration. In a hard-to-abate sector such as ours, guidance for appropriate target setting over the short-, medium- and long-term is essential, and in November the Science Based Targets initiative (SBTi)<sup>2</sup> published their guidance tailored to the maritime transportation sector. This has brought some much-needed clarity to target setting in keeping with a well below 2°C temperature increase.

Looking into 2023, the Norwegian Transparency Act comes into force, requiring many Norwegian-based firms to enhance due diligence systems to assist in the identification of actual or potential environmental and human rights-related risks. This comes as the EU continues to refine the proposed Corporate Sustainability Due Diligence Directive, currently suggested to be finalised by 2026. This shift toward promoting greater transparency is a regulatory trend UECC embrace, not just from a compliance stance but also in defining and aligning with best practice as per our company values of Unity, Energy, Challenging and Commitment.

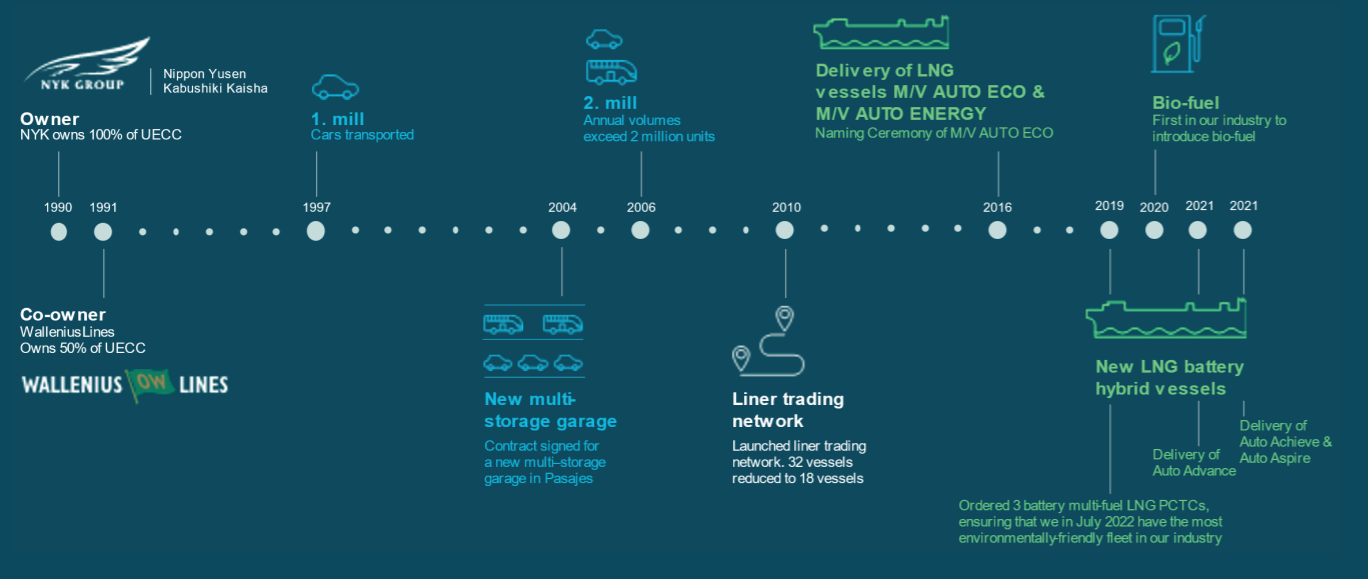
These values are formalised in our Code of Conduct and instilled into our daily operations through continual training and best practice sharing with our staff and suppliers. Similarly, building the robustness of our own governance processes is a focal point for UECC to ensure these values are fully enacted and reflect the most recent developments in ESG standards.

<sup>1</sup> IPCC, 2022: Summary for Policymakers [H.-O. Pörtner, D.C. Roberts, E.S. Poloczanska, K. Mintenbeck, M. Tignor, A. Alegría, M. Craig, S. Langsdorf, S. Lösschke, V. Möller, A. Okem (eds.)]. In: Climate Change 2022: Impacts, Adaptation and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [H.-O. Pörtner, D.C. Roberts, M. Tignor, E.S. Poloczanska, K. Mintenbeck, A. Alegría, M. Craig, S. Langsdorf, S. Lösschke, V. Möller, A. Okem, B. Rama (eds.)]. Cambridge University Press, Cambridge, UK and New York, NY, USA, pp. 3–33, doi:10.1017/9781009325844.001.

<sup>2</sup> <https://sciencebasedtargets.org/resources/files/SBTi-Maritime-Guidance.pdf>



## OUR HISTORY





## ENVIRONMENTAL | Managing our impact.

Our ambition: to become the leading provider of sustainable short sea roll on roll off transportation in Europe. For us, that means larger, more efficient vessels, allowing us to continue to provide best-in-class service while minimising our impact on the environment. The responsibility we have to future generations is one that focuses and drives us to achieve more sustainable solutions. By continuing to work with our peers and partners all over the world, we believe we will succeed in this ambition.

UECC aim to reduce total CO<sub>2</sub> emissions by 45% by 2030 compared to 2008 levels. To achieve this, we are taking several approaches, including upgrades, retrofits, fleet renewal and piloting different technologies.

In 2021, UECC took delivery of a new LNG battery hybrid powered vessel, cementing our position as market leaders, achieving reductions way beyond the IMO's reduction

trajectory. Having taken delivery of her two sister LNG battery hybrid ships over the course of 2022, we have made our fleet the greenest in our market. Furthermore, ballast water treatment systems were installed in advance of IMO implementation requirements.

We have also partnered with GoodFuels and BMW to trial sustainably sourced biofuel in our 22 year old, 140m long Ro-Ro vessel, Autosky. During the trial, Autosky used 6,000 tonnes of biofuel, reducing her overall emissions from 85.62gCO<sub>2</sub>/tkm to 24.84gCO<sub>2</sub>/tkm: a 58% reduction. Trials such as these are crucial in the development of sustainable solutions, and provide learnings for the industry at large. Since this trial, biofuel has been adopted on one other vessel and feasibility studies are being undertaken to assess the possible use of bioLNG in our Baltic operations.

## SOCIAL | Supporting people.

282 people work at UECC: 84 shore-based and 198 sea-going. The safety, well-being, and personal growth of each individual is vital to the continued success of UECC.

Safety is the top priority in our industry and targeting zero accidents and fatalities forms part of the UECC commitment to our employees. Investing in and regularly reviewing our health and safety training programmes and initiatives helps us to maintain a working environment where UECC employees feel able to do their jobs without fear of risk of injury. Through various initiatives, shoreside and sea-going employees are all encouraged to raise

concerns of potential and actual safety risks, thereby facilitating a near constant review of our health and safety management systems and processes.

Our social responsibility is one that extends not only to our direct workforce and contractors, but also workers in our value chain and communities affected by our activities. UECC are absolutely committed to protecting the human rights, basic dignity, and equality of these people. We are consistently working to improve the mechanisms by which we identify, assess and mitigate the actual and potential risks in our own activities and value chain.

## GOVERNANCE | Structuring our solutions.

Our governance structures are continually reviewed to ensure UECC minimises the risks of accidents or incidents relating to crew, cargo, vessels, or the environment.

Establishing quality management systems forms the basis of how we operate at UECC. Policies and management systems have been developed in alignment with ISO9001:2000 and ISO14001 standards, the International Safety Management System (ISM Code) and the International Ship and Port Facility Security Code (ISPS Code). Lloyd's Register of Shipping and Lloyd's Register Quality Assurance have certified the standards and codes before

inclusion in our management system.

Looking into 2023, we aspire to align with international best practice, and are working with third-party consultants to identify areas of improvement across our environmental and social risk management systems.

We will always aim to meet or exceed all relevant EU and IMO regulations, maintain ISO14001 accreditation across our commercial operations and owned vessels, and continue to actively investigate and invest in technological development.

## UECC VALUES

- **Unity – being open, sharing and succeeding together**
- **Energy – being enthusiastic and positive.**
- **Challenging – being proactive and encourage development.**
- **Commitment – being respectful and loyal to decisions, strategies and policies.**

Our shore-based employees are representing many professions ranging from experienced marine personnel and logistic engineers, to business economists and office management. Our competent seafarers are recruited among the best qualified and are trained to the highest standards.

## KEY ESG METRICS

ACCOUNTING METRIC	UNIT OF MEASURE	2021 DATA
Gross global Scope 1 emissions	Metric tons (t) CO <sub>2</sub> -e	267,400
Reduction in CO <sub>2</sub> emissions compared to 2020	Metric tons	-30,000
Percentage of non-fossil oil used in our energy sources	Percentage	13
C-Suite (M/F)	Percentage	60 / 40
Senior Management (M/F)	Percentage	79 / 21

**We are committed to making strong and considered progress.  
Our ESG journey begins here.**



## DISCLAIMER

In this report, the Company may make forward-looking statements or provide forward-looking information. All statements other than statements of historical facts should be considered forward-looking statements. Although such statements reflect the Company's current expectations, these statements are not guarantees of future performance, but involve risks, uncertainties, and assumptions which are difficult to predict.

This report is informed by metrics defined by the Sustainability Accounting Standards Board's (SASB) MARINE TRANSPORTATION: Sustainability Accounting Standard Sustainable Industry Classification System® (SICS®) TR-MT Prepared by the Sustainability Accounting Standards Board (October 2018), as well as taking into account relevant disclosure metrics set out by "Reporting for Signatories, United Nations: Principles for Responsible Investing (PRI) 2020." Supplementary disclosure metrics designed by Infrastructure Technical International Ltd (ITI).

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All information is assumed to be correct at time of publication. Some metrics have been calculated through engineering calculations. ITI Network accepts no responsibility for the truthfulness, or validity of the reported metrics.

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