

<b>Annex to the guarantee request form</b>	
<b>Sustainability Proofing Summary<sup>1</sup></b>	
The summary <sup>2</sup> is in line with the sustainability proofing guidance and should be presented only for direct financing.	
<b>Identification of the project</b>	
Project total cost (exclusive of VAT):	<input type="checkbox"/> below EUR 10 million <input checked="" type="checkbox"/> equal to or higher than EUR 10 million
<b>If the project is exempted from screening/proofing based on the threshold, please mention this together with a short confirmation of legal compliance</b>	
<b>EIA Directive</b>	
	<input type="checkbox"/> Annex I projects (EIA required)  <input type="checkbox"/> Annex II projects (screening) <ul style="list-style-type: none"> <li><input type="checkbox"/> EIA required (project screened in)</li> <li><input checked="" type="checkbox"/> EIA not required (project screened out)</li> </ul> 2014 EIA Directive applicable <ul style="list-style-type: none"> <li><input type="checkbox"/> Yes</li> <li><input type="checkbox"/> No</li> </ul>
<b>Sustainability proofing process</b>	<input type="checkbox"/> <b>Climate</b> <input type="checkbox"/> <b>Environmental</b> <input checked="" type="checkbox"/> <b>Social</b>
<b>Climate Dimension</b>	
	<p>The operation does not fall under the 2014 EIA Directive, and the project implementation does not need permits related to the EIA-regime. The assessment of climate adaptation aspects was carried out according to the Technical guidance on sustainability proofing for the InvestEU Fund, using due diligence materials and NIB in-house expertise.</p> <p>The investment will be made into two Commissioning Service Operation Vessels (CSOVs) that will commission and service the offshore wind sector. The vessels are hybrid diesel-electric with 2.2 MWh battery package. Engines are designed to be able to run on zero/low carbon fuels. The SPS focuses on the phase of operations for the two vessels for servicing offshore wind farms.</p> <p>The vessels are purpose built to service the offshore wind sector and are constructed to host crew while they are operating at the offshore wind parks. They are according to the client 20% more fuel efficient than its competitors (other Tier 1 vessels that are purpose built to service the offshore wind sector), and have 60-75% lower emissions than Tier 2 and Tier</p>

<sup>1</sup> In line with Article 8 (5) of the InvestEU Regulation and the sustainability proofing guidance ([C\(201\)2632 final](#)).

<sup>2</sup> In line with section 3.2 of the Investment Guidelines, the sustainability proofing summary shall be made public after the Investment Committee has approved the use of the EU Guarantee for a specific operation (with due regard to rules and practices regarding confidential and commercially sensitive information)

	<p>3 CSOVs (converted oil and gas vessels). The vessels efficiency is due to hull design, the use of variable speed engines, and double ended propulsion sets for efficient movement in the offshore wind parks. The vessels have also installed solar power.</p> <p>IWS has identified increasingly harsh weather as the key physical climate risk, and acute weather events could lead to suspended operations. Therefore, the vessels have been designed and equipped to handle harsh weather events. The remaining risk is considered low, and no further analysis is considered needed.</p> <p>Absolute emissions are estimated to 6 621 tons of CO2. According to the client the GHG-emissions are calculated according to the GHG protocol. No third-party verification is available. The estimated combined CO2-emissions are 13 242 tonn CO2 per year when in operation. According to the 'Technical guidance on sustainability proofing for the InvestEU Fund', this is below the threshold for a carbon footprint analysis. The emissions savings calculations are based on IWS' own estimated emissions and based on an operational profile developed together with Kongsberg Shipdesign.</p> <p>The project is compatible with EU climate neutrality targets, as it would help to avoid GHG emissions and enable the offshore wind sector. The ships are 20% more efficient than its competitors, and the engines are compatible with low/zero carbon fuels. Maritime transport is a hard-to-abate sector, therefore investments along with shipping decarbonization strategies and green requirements are essential for the transformation of maritime sector in line with net-zero targets and EU climate neutrality targets. Typical asset lifespan is around 30 years, meaning that the infrastructure might also operate beyond 2050.</p> <p>The Company will operate in full compliance with IMO's 'Guidelines on Vessel Recycling', as well as any recommendations from the Flag Administration. The planning of a new building program shall include the design, construction, operation and preparation of the vessel(s) so as to facilitate safe and environmentally sound recycling, without compromising safety and operational efficiency.</p>
<b>Environmental Dimension</b>	
	<p>The assessment of environmental impacts was carried out according to the Technical guidance on sustainability proofing for the InvestEU Fund, using due diligence materials and NIB in-house expertise. No EIA is required for this type of investment. Other applicable environmental legislation includes among others the IMO MARPOL Convention. The</p>

	<p>client has stated that they are operating in line with the Convention.</p> <p>Furthermore</p> <ul style="list-style-type: none"> <li>• The vessels are operated according to the MARPOL-standard.</li> <li>• Vessels will run on low sulphur diesel and are built according to IMO Tier III regulations with regard to NOx emissions.</li> <li>• The vessels are fitted with a ballast water treatment system in accordance with IMO standards.</li> <li>• Anti-fouling paints will be compliant with the IMO Antifouling System Convention.</li> <li>• To reduce the impact of noise on marine life below water, the vessels will be equipped with super silent azimuth thrusters and are the first vessels in the industry to achieve the DNV silent notation.</li> <li>• The batteries used are 99% recyclable by weight.</li> <li>• The Company shall operate in full compliance with IMO's 'Guidelines on Vessel Recycling', as well as any recommendations from the Flag Administration. The planning of a new building program shall include the design, construction, operation and preparation of the vessel(s) so as to facilitate safe and environmentally sound recycling, without compromising safety and operational efficiency.</li> </ul> <p>Based on the above, there are no potentially (medium or high) residual risks warranting further detailed analysis as per the Technical guidance on sustainability proofing for the InvestEU Fund.</p>
<b>Social Dimension</b>	
	<p>Relevant labour legislation includes the Working Environment Act (ACT-2005-06-17-62) and several regulations that expand the requirements in the regulations with more detailed provisions, including the Transparency Act (LOV-2021-06-18-99), as well as the Ship Labour Act (Skipsarbeidsloven).</p> <p>For a highly specialised company like IWS the two most material topics from a social point of view are health and security, of both its own employees and clients, as well as risks related to the supply chain of the ship building.</p> <p><u>Labour and working conditions, and occupational and public health, safety and security</u></p> <p>Given that the company is a start-up, the injury track record does not provide a lot of insight – formally in 2023 there have been no injuries, but also there were no ships in operation. However, the company has already obtained ISO 45001</p>

	<p>certification for the ship operations which sets out the high level of ambitions for the future.</p> <p><u>Supply chain</u></p> <p>Although, the direct risks of vessel operations are limited, the project carries some supply chain risks. (i) The ships are built in Chinese shipyards, that in general have been in the spotlight of various NGOs especially regarding labour conditions. (ii) The ships in question have installed batteries. Sourcing of minerals in the supply chain of battery production are often linked to human and labour right violations.</p> <p>These aspects are rated as medium risk as per the Technical guidance on sustainability proofing for the InvestEU Fund and therefore the topics and mitigation approaches are described below.</p> <p><u>Shipyard</u></p> <p>The group has in total 6 CSOVs under construction at the same shipyard in China (3 of them already completed). Construction of the vessels is a multi-year project involving multiple designers, suppliers and sub-suppliers, and a high level of manpower supplied by the shipyard and its subcontractors. IWS is conducting a programme to ensure compliance with labour regulations. The programme consists of external on-site audits to identify any potential breaches of labour requirements and includes interviews with the workers and follow-up meetings with the yard. According to IWS, management of the shipyard is supportive and cooperative of the audit and committed to take corrective action where non-compliance is identified. This programme has been in place since 2021 and will continue until completion of the newbuilding programme or until all mitigating actions are completed.</p> <p>The shipyard has been audited by Eksportfinansiering Norge one of the lenders in the existing bank syndicate financing the first four vessels. The audit conclusions have been made available to NIB. There were some findings, mostly related to fact that workers have been working without the mandatory day-off and working more overtime than formally allowed. The representatives of the company however mention that most of the workers do that voluntarily, since they travel from other parts of China to specifically work as many hours as possible. In addition, the company recognises that they are a smaller client of the shipyard, and therefore it is not easy for them to insist on changes. The company has been continuously addressing the findings to the extent possible. In addition, the company has voluntarily been investing into improving the living conditions of the on-site workers.</p>
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