

## HURTIGRUTEN GROUP CLIMATE RISK POSITION STATEMENT

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Owner: CEO Hurtigruten Group	

### **1 OUR POSITION ON CLIMATE CHANGE**

Hurtigruten Group's vision is to be the undisputable global leader in sustainable inspirational adventure travel – a catalyst for change towards a greener travel industry.

We acknowledge the physical risks climate change presents to communities and the planet. Transportation is the biggest single contributor to global greenhouse gas emissions, with maritime transportation alone being responsible for 2.5% of the world's emissions. Being the category leader in sustainable adventure travel comes with great responsibility. We know we have a negative impact on the environment with the emissions we produce, so we continue to invest heavily into reducing our own direct and indirect emissions.

We are committing to Science Based Targets (SBTi), outlined in accordance with the Paris Agreement, which seeks to limit global warming to 1.5 degrees Celsius compared to pre-industrial levels.

Our goal is to be emission-free by 2050.

### **2 ROLES AND COORDINATION ACROSS THE GROUP**

Addressing physical climate change risks is a core element of our ESG structure. The way we organise our ESG work is key to our success in incorporating it into all parts of the business. Following the reorganisation of the company in 2021, and the formulation of our new ESG strategy, we have revised and adapted our ESG governance structure.

Our Board of Directors approves our ESG targets and monitors that they are achieved. It also approves material topics and the annual ESG report.

Our Executive Management Team is accountable for implementation of the ESG strategy, targets and reporting.

Our ESG committee reviews and advises on ESG strategy, targets and reporting. It is appointed by EMT and represents all companies in the Group.

### **3 INTEGRATED RISK MANAGEMENT**

Hurtigruten Group is committed to proactive and effective risk management to mitigate adverse effects on our operations and to identify and explore business opportunities. Ultimately, risk management contributes to achieving our long-term strategic targets and short-term goals.

Hurtigruten Group's ESG ambition is to be the most sustainable travel operator in the world, pushing the industry's boundaries for ESG. Our main risks are risks that could prevent us from achieving this ambition. This may include both physical risks such as a major ship incident, and strategic risks such as regulatory and political risk, sustainability risks, or other risks which may impact our reputation, the demand for our services or our ability to deliver on our growth ambitions.

Our industry primarily impacts climate change through emissions from vessels, especially CO<sub>2</sub>, SO<sub>x</sub> and NO<sub>x</sub>. In addition, other pollutants such as particulate matter and black carbon may contribute to global warming. The effects of climate change on wildlife habitats, especially in the Arctic and Antarctic regions, pose a considerable long-term risk to the environment. Physical and transitional climate risk are naturally embedded in our strategy and risk assessments across the Group on strategic, tactical and operational level. As an example, we have risk-based weather tolerance criteria for port calls along the Norwegian coast. We continuously monitor local weather conditions, and we report cancelled port calls due to bad weather. We also monitor ice developments in the waters we are sailing, and our ship newbuilding process includes evaluation of ice class requirements. Our newest ships, MS Roald Amundsen and MS Fridtjof Nansen, are both rated with ice class PC 6 which enables them to conduct summer and autumn operations in medium first-year ice which may include old ice inclusions.

Hurtigruten Group has implemented an enterprise risk framework with policies, guidelines and tools to facilitate risk management across the organization. Our framework is inspired by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) ERM framework and the ISO 31000 risk management guideline. The Group risk management function is reporting to the Chief Financial Officer. The Board of Directors has approved the risk management framework and periodically reviews the company's key risks.

### **4 ESG REPORTING**

Hurtigruten Group published its first comprehensive and standalone ESG report in the spring of 2022. The report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards and includes detailed reporting on physical climate change risk drivers. The GRI Standards are the world's most widely used sustainability reporting standard. The report presents the environmental, social and governance (ESG) performance of Hurtigruten Group for the 2021 calendar year. The report is presented for Hurtigruten Group, but also includes company

specific data and information for all of the fully owned companies in the group: Hurtigruten Expeditions, Hurtigruten Norway and Hurtigruten Svalbard.

Our materiality assessment has been a key part of defining the framework for our ESG report. In the fall of 2021, we performed the first materiality assessment for Hurtigruten Group, based on the GRI guidelines. Our materiality assessment is approved by our Board of Directors and includes the following areas:

- Emissions
- Impact on nature
- A great place to work
- Diversity & inclusion
- Health & Safety
- Community impact
- Responsible business
- Data privacy

## **5 CLIMATE CHANGE ADAPTATION ACTIONS**

At Hurtigruten Group, we continue to push boundaries when it comes to finding solutions to reduce our emissions and adapting to the rapidly changing world around us.

Among our recent highlights is the refurbishment of our third battery hybrid ship, MS Otto Sverdrup, for our existing Hurtigruten Expeditions fleet. Meanwhile, our battery hybrid ship, MS Fridtjof Nansen, was voted the most sustainable cruise ship in the world by Scope ESG and Stern magazine. We have also set in motion one of Europe's most ambitious environmental upgrades, which will see CO<sub>2</sub> emissions on our existing Hurtigruten Norwegian Coastal Express fleet cut by 25%, and NO<sub>x</sub> emissions by 80%.

We will continue cutting our emissions. In 2022 we committed to Science Based Targets. Getting to zero emissions must be the number one goal for all businesses operating in the cruise and wider travel industry. While a discussion around carbon offsetting is important, it tends to take up too much space in the debate as the 'silver bullet' to solve this highly complex problem. We don't want to buy our way out from the negative impact our emissions create. We believe in investing in long-term solutions for zero emissions, and that this is the only way we can truly protect the planet from further climate damage. We are committed to that goal, and with the right technology, political will and determination, we can achieve it.