



## Corporate Responsibility

Bergen Bunkers takes its Corporate Responsibility seriously and have established a Code of Conduct to show the Company's values, areas of focus and responsibility to participate in reaching national and global targets within the rights of the individual, sustainable development, equal rights, corruption, fraud, injustice, and the environment.

The Company is subject to sustainability reporting according to national and international regulations and has established procedures and internal systems to meet the requirements. Measures have been made to meet the demands of the Transparency Law (Åpenhetsloven) when it took effect on the 1<sup>st</sup> July 2022. This law correlates to the *United Nations Guiding Principles on Business and Human Rights* and *International Bill of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work*.

Bergen Bunkers is certified according to ISO9001, ISO14001, ISCC EU and ISCC PLUS as part our commitment.

We have established a transparency policy to demonstrate the Company's commitment to Human Rights, as per below.

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Bergen Bunkers will strive to protect human rights and fundamental freedom of individuals.

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In order to develop Bergen Bunkers' sustainability strategy, the management team has looked into relevant regulations and demands together with branch knowledge and studies of available information relevant to the company's activities and the value chain in which we operate. To structure the work in a meaningful way and make sure we include all significant elements, the task was based on the *Climate Disclosure Standards Board's CDSB Framework* guides for developing and reporting climate related topics. The Company's Environment Policy is:

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*Bergen Bunkers' Management team is committed to continually improve the Company's impact on the environment according to national and global targets and regulations. We will strive to be the preferred guide for customers to reach their sustainability goals through knowledge and market network.*

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A Climate Report has been made for 2023 showing the Company's impact on the environment it operates in. The Company has a low impact on the environment and in general it's all indirect emissions from activities (scope 3). All product deliveries are performed by our physical suppliers directly to the customer's vessel according to strict security regulations and we strive to reassure that all our suppliers also operate according to international standards along the UN's sustainability targets.



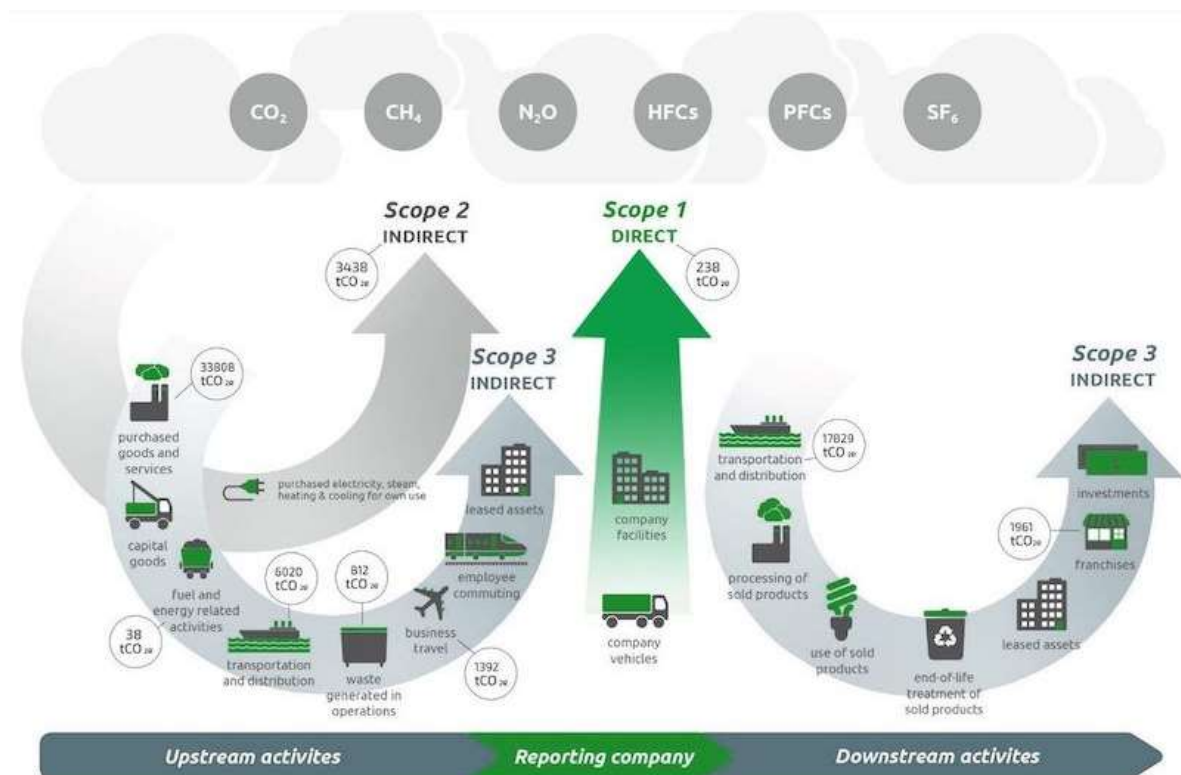
The interest for more environmentally friendly fuels has increased over the last years and the Company is positioning itself as a knowledgeable supplier of LNG, BioFuels and other new sustainable fuel alternatives. The Company has made deliveries of both LNG and BioFuels in 2023 and is already seeing an increase in interest so far in 2024.

As a part of the sustainability strategy, Bergen Bunkers has identified the following of UN's sustainability targets to focus our attention on in our work to reach global goals.



## Environmental Impact Report

Bergen Bunkers has prepared a climate report for 2023 which is summarized below. As previously mentioned, the Company has only significant impact on the environment via indirect emissions in Scope 3.



Model 1 GHG Protocol Standard Scopes 1-2-3 (<https://sustainlab.co/blog/what-are-scope-1-2-3-emissions>)

Calculating the Company's total climate impact is a demanding process and we have based the calculations on internal information on consumption and waste as well as information from external sources for



information not readily available internally. The climate report shows emissions connected to the company's activities and is primarily from waste and travel. Electricity to heating and use in the office is produced from hydropower/wind/solar without significant emissions to the environment.

### Scope 2 and 3 - Operations

Bergen Bunkers Climate Report is created using CEMASys' platform for sustainability management. The input data is based on information from both internal and external data sources and then converted into tons CO<sub>2</sub>-eq. The analysis is based on the international standard; A Corporate Accounting and Reporting Standard, developed by the Greenhouse Gas Protocol Initiative (GHG protocol). This is the most important standard for measuring greenhouse gas emissions and was the basis for the ISO standard 14064-1.

Due to the change of system for managing and calculating the environmental impact from Bergen Bunkers' activities the calculations for 2023 is not directly comparable to those reported for 2022. New calculations have been made in CEMASys for 2021 and 2022 for comparison. Both methods used are based on the GHG-protocol, but CEMASys' solution is more specified and accurate than KlimaHub.

All the waste from the offices is being recycled or sent to a waste incinerator for heat/energy production and the CEMASys solution takes this into consideration for CO<sub>2</sub> calculations while the system used last year did not. Because of this, the CO<sub>2</sub>e calculated from waste is almost reduced to zero in the new calculations.

The total calculated CO<sub>2</sub> equivalent (CO<sub>2</sub>e) emission from the Company's activities is 15,2mt an increase from recalculated 11,3 mt in 2022. Of this, 0,3mt (2022: 0,4mt) is related to electricity production, 0,2mt (2022: 0,3mt) is related to waste disposal/recycling, and 2,5mt (2022: 2,2mt) is related to employee commuting. The majority of the CO<sub>2</sub>e emission comes from business travel, primarily flights and counts for 12,4mt (2022: 8,8mt). There has been slightly higher travel activity in 2023 than 2022, partly due to 2022 being still affected by COVID and travel restrictions and partly due to increased customer/supplier visits and conferences after low activity during COVID. The 2023 calculations also include more data (e.g. hotel stays) that was not included in 2022 calculations.

About half of the CO<sub>2</sub>e for employee commuting comes from use of fossil fueled cars and public busses. Four of ten employees drives an electric car to the work, two drives hybrid-electric cars, two travel by bus and one walks.

The office used a total of 44.000 kWh electricity in 2023, down from 53.000 kWh in 2022. All electricity is sourced from hydropower/solar/wind/bio energy and without significant climate impact, delivered from Fjordkraft in Vestland. One significant contribution is better adjustment of the office ventilation system. The Company will work towards reducing the total electricity need in the offices to avoid unnecessary use and wasting. There is an ongoing dialogue with the owners of the office building to improve energy efficiency.

The Company will continue to work actively to reduce the amount of waste, limit travel activity when possible and work towards reducing the environmental footprint to a minimum. There will be increased focus on recycling options and waste reduction. The waste from the office is being delivered to a waste incinerator with heat recycling to buildings in Bergen. The common areas in the office building are heated from this location.

### Scope 3 – Sold products

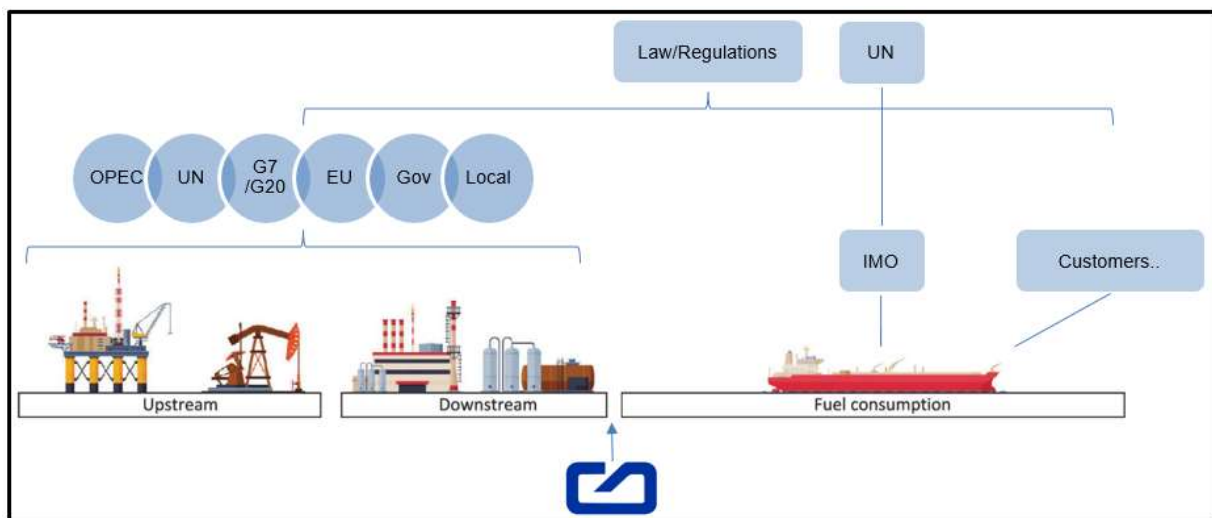
A calculation of the CO<sub>2</sub>e of sold products has been made, split on the fuel types delivered in 2023; HFO, MGO, LNG and BioFuel (B30), separated in traded and brokered volumes. Detailed values are not included in this report but are available on request.

Total Tank-To-Wake emission in CO<sub>2</sub>e is 2,3 million tons (2022: 2,4 million tons), while in a Well-To-Wake perspective it is 2,8 million tons (2022: 2,9 million tons).

## Value Chain Analysis

As a first step to understand the Company's surroundings, it's important to identify important peers, the Company's place in the Value Chain and which physical and transition risks as well as possibilities that can affect the interaction between all the counterparties in the value chain and how this in turn will affect Bergen Bunkers. By using a Value Chain Analysis to help identify relevant possibilities and challenges we have identified the value chain interactions as described below.

Bergen Bunkers is a part of a global value chain for marine fuels. Oil exploration, extraction, production, and distribution is thoroughly regulated through international regulations and networks. Some of these are included in the model below.



Model 1 Value Chain Marine Fuels

The branch is regulated through national and international regulations and it's primarily these regulations and changes in them that set the tone for influences on Bergen Bunkers. Global targets of transformation to more environmentally friendly fuels to reduce GHG-emissions to the atmosphere is the most relevant element at the time being. Bergen Bunkers is positioning itself to be able to deliver new fuels in the same way as we are delivering fossil fuels today. The advantage of being a small organization is that it is flexible, and changes can be implemented easily.



## Methodology and Sources

The Greenhouse Gas Protocol Initiative (GHG protocol) is developed by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD). This analysis is according to A Corporate Accounting and Reporting Standard Revised edition, currently one of four GHG Protocol accounting standards explaining how to calculate and report GHG emissions. The reporting considers the following greenhouse gases, all converted into CO<sub>2</sub> equivalents: CO<sub>2</sub>, CH<sub>4</sub> (methane), N<sub>2</sub>O (laughing gas), SF<sub>6</sub>, HFCs and PFCs.

This analysis is based on the operational control aspect that defines what should be included in the carbon inventory, as well as in the different scopes. When using the control approach to consolidate GHG emissions, companies shall choose between either the operational control or financial control criteria. Under the control approach, a company accounts for the GHG emissions from operations over which it has control. It does not account for GHG emissions from operations in which it owns an interest but has no control.

The carbon inventory is divided into three main scopes of direct and indirect emissions.

**Scope 1** Mandatory reporting includes all direct emission sources where the organisation has operational control. This includes all use of fossil fuels for stationary combustion or transportation, in owned, leased or rented assets. It also includes any process emissions, from e.g. chemical processes, industrial gases, direct methane emissions etc.

**Scope 2** Mandatory reporting includes indirect emissions related to purchased energy; electricity or heating/cooling where the organisation has operational control. The electricity emissions factors used in CEMAsys is based on national gross electricity production mixes on a 3 years rolling average (IEA Stat). The Nordic electricity mix covers the weighted production in Sweden, Norway, Finland and Denmark, which reflects the common Nord Pool market area. Emission factors per fuel type are based on assumption in the IEA methodological framework. Factors for district heating/cooling are either based on actual (local) production mixes, or average IEA stat.

In January 2015, the GHG Protocol published new guidelines for calculating emissions from electricity consumption.

Primarily two methods are used to “allocate” the GHG emissions created by electricity generation to the end consumers of a given grid. These are the *location-based* and the *market-based* method. The location-based method reflects the average emissions intensity of grids on which energy consumption occurs, while the market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice).

Businesses who report on their GHG emissions will now have to disclose both location-based emissions from the production of electricity and the market-based emissions related to the potential purchase of Guaranties of Origin (GoO).

The purpose of this amendment in the reporting method is on one hand to show the impact of energy efficiency and saving measures, and on the other hand to display how the acquisition of GoOs affect the



GHG-emissions. Using both methods in the emission reporting highlights the effect of all measures regarding electricity consumption.

The location-based method: The location-based method is based on statistical emissions information and electricity output aggregated and averaged within a defined geographic boundary and during a defined time period. Within this boundary, the different energy producers utilize a mix of energy resources, where the use of fossil fuels (coal, oil and gas) result in direct GHG-emissions. These emissions are reflected in the location-based emission factor.

The market-based method: The choice of emission factor using this method is determined by whether the business acquires GoOs or not. When selling GoOs, the supplier certify that the electricity is produced by only renewable sources, which has an emission factor of 0 grams of CO<sub>2</sub>e per kWh. However, for electricity without the guarantee of origin, the emission factor is based on the remaining electricity production after all GoOs for renewable energy are sold. This is called a *residual mix*, which is normally substantially higher than the location-based factor. As an example, the market-based Norwegian residual mix factor is approximately 7 times higher than the location-based Nordic mix factor. The reason for this high factor is due to Norway's large export of GoOs to foreign consumers. In a market perspective, this implies that Norwegian hydropower is largely substituted with an electricity mix including fossil fuels.

**Scope 3** Voluntary reporting of indirect emissions from purchased products or services in the value chain. The scope 3 emissions are a result of the company's different activities, which are not controlled by the company, i.e. they're indirect. Examples are business travel, goods transportation, waste handling, consumption of products etc. In general, the GHG report should include information that users, both internal and external to the company need for their decision making. An important aspect of relevance is the selection of an appropriate inventory boundary that reflects the substance and economic reality of the company's business relationships.

### References:

DEFRA (2013). Environmental reporting guidelines: Including mandatory greenhouse gas emissions reporting guidance.

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/206392/pb13944-env-reporting-guidance.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/206392/pb13944-env-reporting-guidance.pdf)

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RE-DISS (2017). Reliable disclosure systems for Europe – Phase 2: European residual mixes.

WBCSD/WRI (2004). The greenhouse gas protocol. A corporate accounting and reporting standard (revised edition). World Business Council on Sustainable Development (WBCSD), Geneva, Switzerland /World Resource Institute (WRI), Washington DC, USA, 116 pp.

WBCSD/WRI (2011). Corporate value chain (Scope 3) accounting and reporting standard: Supplement to the GHG Protocol corporate accounting and reporting standard. World Business Council on Sustainable Development (WBCSD), Geneva, Switzerland /World Resource Institute (WRI), Washington DC, USA, 149 pp.

WBCSD/WRI (2015). GHG protocol Scope 2 guidance: An amendment to the GHG protocol corporate standard. World Business Council on Sustainable Development (WBCSD), Geneva, Switzerland /World Resource Institute (WRI), Washington DC, USA, 117 pp.

This list of references may not be complete. Depending on the use of the CEMAsys emission factors database, there are a number of different local and national sources. If necessary, please contact CEMAsys Help Desk for further details.

Climate Disclosure Standards Board; CDSB Framework, Available from <https://www.cdsb.net/what-we-do/reporting-frameworks>

Ravi, Y, **What are Scope 1,2 & 4 emissions?** Available from URL: <https://sustainlab.co/blog/what-are-scope-1-2-3-emissions> Accessed on: 24.02.2023



## Appendix

**Summary report - GHG emissions & Energy****Annual GHG emission per scope**

	Ton CO2e	2022	2023
<b>Scope 2</b>			
Electricity location-based		0,4	0,3
District heating general		-	-
<b>Scope 2 Total</b>		<b>0,4</b>	<b>0,3</b>
<b>Scope 3</b>			
Purchased goods and services		545 431	526 732
Waste		0,3	0,2
Business travel		8,8	12,4
Employee commuting		2,2	2,5
Use of sold products		2 407 731	2 310 694
<b>Scope 3 Total</b>		<b>2 953 173</b>	<b>2 837 441</b>
<b>Sum</b>		<b>2 953 173</b>	<b>2 837 441</b>

**Annual Market-Based GHG Emissions**

Category	Unit	2022	2023
<b>Electricity Total (Scope 2) with Market-based calculations</b>	<b>tCO2e</b>	-	-
<b>Scope 2 Total with Market-based electricity calculations</b>	<b>tCO2e</b>	-	-
<b>Scope 1+2+3 Total with Market-based electricity calculations</b>	<b>tCO2e</b>	<b>2 953 173</b>	<b>2 837 441</b>
<b>Percentage change</b>		<b>100 %</b>	<b>-3.9 %</b>

**Annual energy consumption (MWh) Scope 1 & 2**

	MWh	2022	2023
<b>Scope 2</b>			
Electricity		53,0	44,2
District heating general		-	1,8
<b>Scope 2 Total</b>		<b>53,0</b>	<b>46,0</b>
<b>Sum</b>		<b>53,0</b>	<b>46,0</b>