



KNOT
Offshore Partners LP

2023

ESG : Report

ABOUT THE COMPANY

KNOT OFFSHORE PARTNERS LP (“KNOP” or the “Company”) is a market-leading shuttle tanker owner and operator serving the oil and gas industry. KNOP is organized as a master limited partnership and is listed on the New York Stock Exchange (NYSE) under the ticker ‘KNOP’.

KNOP owned 18 shuttle tankers as of December 31, 2023. KNOP’s most critical objective is to operate safely. Shuttle tankers transport oil from offshore installations to onshore facilities in much the same way as a pipeline but with greater flexibility and without requiring the construction and installation of extensive, fixed sub-sea infrastructure.

All shuttle tankers today are built to the customer’s requirement, typically on a long-term contracted basis. KNOP’s vessels primarily operate in Brazil, the North Sea and the Barents Sea, and are managed on third-party terms by one of its sponsors, Knutsen NYK Offshore Tankers AS (“KNOT”) who themselves are also a market-leading operator of shuttle tankers. KNOT is part of the wider Knutsen Group of shipping companies that have owned and operated shuttle tankers since the market’s inception in the 1970s.

ABOUT THIS REPORT

This report is compiled in accordance with the Norwegian Shipowners’ Association’s 2021 ESG reporting guidelines. These guidelines are based on a set of predefined material issues and corresponding disclosures for the shipping industry developed by the Sustainability Accounting Standards Board (SASB)/Value Reporting Foundation, and reference is also made to the UN Sustainable Development goals. This report covers the period 1 January to 31 December 2023.



SEAFARERS ONBOARD AT DEC 31, 2023:

855

2022: 470



FLEET SIZE AT DEC 31, 2023:

18

2022: 18



DEADWEIGHT TONNAGE AT DEC 31, 2023:

2 396 615

2022: 2 384 814



NUMBER OF CARGOES IN 2023:

573

2022: 393



NAUTICAL MILES TRAVELLED BY VESSELS IN 2023:

491 125

2022: 519 000



EBITDA FOR 2023:

190.2M

2022: 208.7M



EQUITY RATIO* AT DEC 31, 2023:

38%

2022: 33%

* Equity ratio excluding preferred capital

1 : Introduction

In recent years, the shipping industry has found itself at the crossroads of energy security and environmental responsibility. As concerns about energy supply grow, KNOP plays a pivotal role in ensuring reliable energy transportation. Meanwhile, regulatory developments such as the inclusion of shipping in the EU Emissions Trading Scheme (EU ETS) - underscore the industry’s commitment to reducing greenhouse gas emissions. In 2023, we initiated the implementation of the EU Emissions Trading System. At KNOP we continue to monitor and support these developments, maintaining our focus on environmental, social and governance (ESG) matters. As a company we take responsibility for the environment in which we operate, the people we work with and strive to meet increasing stakeholder expectations.

To meet climate goals and align with the IMO targets we are actively engaged in improving our Carbon Intensity Index ratings. Close cooperation between all relevant players including owners, regulators, charterers and funding institutions, will be essential. The Company’s Environmental Plan has a long-term focus, whilst, at the same time, the plan is reviewed regularly to ensure it adapts to rapidly changing regulations and new technologies. To meet the different environmental challenges faced by the Company and to find solutions to these, we have established an internal environmental group consisting of naval architects, environmental and operational personnel. In 2023, a significant aspect of the environmental group’s efforts involved revising the Environmental Plan for 2024-2028. This updated plan emphasises six key areas: enhancing and monitoring carbon intensity, adopting the EU Emission Trading System, advancing technology, conducting life cycle assessments, and reducing waste.

In 2023 we prioritised and focused on reducing greenhouse (GHG) gas emissions; improving energy efficiency in operations; optimising technical design in newbuildings; meeting ballast water treatment requirements; and curtailment of waste generation. We take an active approach regarding our operations and the employment of technology to reduce fleet emissions, like the application of Ship Energy Efficiency Management Plans (SEEMP) to improve and follow up energy-saving actions onboard vessels.

We focus on innovation and driving technological developments in the direction needed to face relevant environmental and social challenges. For example, Knutsen Technology, as part of the Knutsen Group, developed a technology to reduce the emissions of volatile organic compounds (VOC) into the atmosphere during the loading of cargo. The Norwegian Sector is today the only area where this technology is required in order to meet the VOC emission regulations, however as of 31 of December 2023, despite only 4 KNOP vessels typically operating in the Norwegian Sector, 12 of KNOP’s fleet have so far installed the Knutsen Volatile Organic Compounds (KVOC) technology or similar technology. KNOP’s most critical objective is to operate safely, and ensuring the

health, safety and motivation of the crew is our primary concern. We achieve this focus by treating health and safety with the same importance as operational and financial matters.

Corporate governance remains essential for maintaining the trust of our stakeholders and the Company’s standing in financial markets. We remain committed to implementing high standards in all areas of our business conduct and operations including through financial and operational audits, applying our Supplier Due Diligence policy, conducting business partner integrity due diligence, and through governance arising from our Governing Business Principles and our Conflicts and Audit committees. In 2023, the European Sustainability Reporting Standard (ESRS), the draft reporting framework set out under the EU Corporate Sustainability Reporting Directive (CSRD), was finalised and adopted by the European Commission. KNOP is actively preparing for the upcoming CSRD requirements. Our dedicated environmental team will collaborate closely with CSRD authorities and undergo comprehensive CSRD training to ensure a deep understanding of the directive’s operational framework.

In 2024, KNOP will conduct a double materiality assessment involving representatives from various departments. This assessment will enable us to identify and prioritise the most significant environmental, social, and governance (ESG) factors relevant to our business. Our aim is to commence data collection from January 1, 2025, ensuring timely and accurate reporting for the 2025 fiscal year. We anticipate publishing our CSRD-compliant report in 2026.

KNOP is actively preparing for the implementation of the FuelEU Maritime law coming into force in January 2025. We’re developing a FuelEU Monitoring Plan to monitor and report ship emissions, to be submitted by 31 of August 2024. We’re also studying regulations on eligibility for pooling and banking mechanisms and assessing the borrowing options permitted under FuelEU Maritime. Our focus is on ensuring compliance and exploring efficient systems for compliance bookkeeping. Through focus, innovation and commitment, we continue to improve as a Company and prepare for the work that lies ahead. This report summarises our values, intentions and progress to date. Through this publication we aim to transparently convey our overriding commitment to ESG matters and provide consistent reporting on all of our key initiatives, policies and performance matters.

June 2024

Trygve Seglem
Chairman
KNOT Offshore Partners

Derek Lowe
Chief Executive Officer and Chief Financial Officer
KNOT Offshore Partners

2 : ESG framework and disclosures

KNOP IS CONVINCED that sustainable operations support the long-term interests of the Company and its stakeholders, as well as being in its best financial interest. The Company's core values are credibility, innovation, and care, and these are reflected in the Company's work, culture and reputation amongst business partners.

KNOP reports in accordance with the Norwegian Shipowners' Association's ESG Guidelines (the "Guidelines") as updated in November 2021. The Guidelines allow KNOP to report on issues that are material and relevant to both internal and external stakeholders.

The Guidelines are based on internationally recognized reporting frameworks, including the Sustainable Stock

Exchange Initiative, the Poseidon Principles, the Global Reporting Initiative (GRI) and the Marine Transportation Disclosure Framework established by the Value Reporting Foundation and the Sustainability Accounting Standards Board (SASB). SASB has developed 77 globally applicable industry-specific standards which identify financially material sustainability topics and associated metrics.

The 17 Sustainable Development Goals (SDGs) define global sustainable development priorities and aspirations for 2030. The SDGs call for worldwide action among governments, businesses and civil society to end poverty and create a life of dignity and opportunity for all, within the boundaries of the planet. While not a reporting framework per se, many businesses refer to the SDGs in their reports.



THE GLOBAL REPORTING INITIATIVE

is the most widely used international reporting framework for sustainability reporting, with over 90 per cent of the largest companies in the world using this standard. GRI is based on international standards such as the UN Guiding Principles of Business and Human Rights, UN Global Compact and OECD Guidelines for Multinational Enterprises.

THE SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

aims to help businesses identify, manage and report on the sustainability topics that matter most to their investors. SASB has developed 77 globally applicable industry-specific standards which identify a minimum set of financially material sustainability topics and their associated metrics for the typical company in an industry.

THE 17 SUSTAINABLE DEVELOPMENT GOALS (SDGS)

define global sustainable priorities and aspirations for 2030. The SDGs call for worldwide action among governments, business and civil society to end poverty and create a life of dignity and opportunity for all, within the boundaries of the planet. While not a reporting framework per se, many businesses refer to the SDGs in their reports.

MANAGEMENT SYSTEM

KNOP has outsourced the day-to-day management of its vessels to KNOT and the Partnership also receives administrative and technical support from the wider Knutsen Group. To monitor the fleet's ESG performance, the Board of Directors ("the Board") receives quarterly reports from KNOT which include performance metrics on ESG issues, operational KPIs and financial variances as well as maintaining regular dialogue with KNOT's technical management teams.

The KNOT Management System is an ISM Code-certified system, ensuring compliance with all applicable requirements and regulations for vessels and companies. This system is regularly audited and approved by a third party. All vessels and crew hold the necessary permits, licenses and certificates to carry out operations and did so throughout 2023. KNOT is also ISO 14001-2015, ISO 9001-2015 and OHSAS 18001 certified.

The Company is regularly vetted and audited by the oil majors as well as Class and Flag States which ensures alignment with regulatory standards and application of best practices. In 2023, KNOP had six office audits by oil majors, and Class and Flag administrations. KNOP's vessels are vetted by the oil majors on average every 4 to 6 months.

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

In selecting suppliers, KNOP works hard to choose reputable business partners who are committed to the highest ethical standards and who maintain strong and robust business practices. All suppliers above a de minimis limit must sign a Supplier Code of Conduct which states the Company's expectations and standards regarding legal obligations as well as covering issues such as human and labour rights, employment conditions, health and safety, environment and corruption.

RESPONSIBLE SHIP RECYCLING

The Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships aims to ensure that ship recycling processes do not pose any unnecessary risks to human health, safety or the environment. In 2021, EU ship recycling rules entered into force requiring EEA/EU flagged ships and

third-party ships visiting EU ports to ensure the safe and environmentally viable management of hazardous materials, and the sustainable recycling of ships. A central requirement is to document any hazardous materials on board (Inventory of Hazardous Materials [IHM]). KNOP supports the Hong Kong Convention and seeks to fulfil all requirements set by the EU regarding ship recycling. All KNOP ships have received IHM certificates and documents of compliance. In the event of a sale to a scrap yard or to a buyer intending to scrap the vessel, environmental and safety procedures and audits are carried out prior to signing a contract. In 2023, no KNOP vessels were recycled or sold to be recycled.

COOPERATION INITIATIVES

Incentra supports the International Marine Purchasing Association (IMPA) ACT and its member companies to become sustainability frontrunners. IMPA has been representing the interests of the marine procurement profession and promoting cooperation between buyers and suppliers since 1978. The IMPA ACT is a standardised responsible supply chain management system which decreases bureaucracy both for suppliers and shipping companies. KNOT, through the Knutsen Group's membership of Incentra, has implemented a responsible supply chain management system in line with the IMPA ACT.

The International Association of Independent Tanker Owners (INTERTANKO)

is a trade association working on a range of operational, technical, legal and commercial issues affecting tanker owners and operators around the world. The Knutsen Group has been a member since the organization was established in 1970.

The Knutsen Group, of which KNOT is a part, joined the **NCE Maritime Clean-Tech** in 2016. This is a Norwegian cluster focusing on finding new clean maritime solutions with commercial potential.

The Knutsen Group has been an active member of the Maritime Anti-Corruption Network (MACN)

since 2014. This is a global business network, working towards the vision of a maritime industry free of corruption, enabling fair trade to the benefit of society at large.



3 : Environment and ecology

REGULATORY FRAMEWORK

International environmental regulations are primarily set by IMO (UN Agency for international shipping). IMO's Initial GHG Strategy envisages a reduction in the Carbon Intensity of international shipping by at least 40 per cent by 2030, pursuing efforts towards 70 per cent by 2050, compared to 2008.

In 2023, this strategy was revised to ensure alignment with the Paris Agreement ambitions. The updated strategy includes an enhanced common ambition to reach net-zero GHG emissions from International shipping by or around, 2050, a commitment to ensure an uptake of alternative zero and near-zero GHG fuels by 2030, as well as indicative checkpoints for 2030 and 2040. At the 81st session of the Marine Environment Protection Committee, a set of measures was defined to reach the 2023 IMO GHG Strategy target. These measures include two key components: a technical element focused on fuel GHG intensity and an economic element involving a GHG emissions pricing mechanism. For 2023 IMO also introduced the "Annual Emission Ratio (AER)" and the corresponding Carbon Intensity Index rating (CII). Each ship got its first "CII rating" at the beginning of 2024, the awarded rating for 2023 was C. This rating will become a key performance indicator for charterers, operators and regulators. In 2026 the effectiveness of this regulation will be evaluated.

KNOP supports the Norwegian Shipowners' Association's Greenhouse Gas ("GHG") Strategy for 2030 and towards 2050, which is more stringent than the current IMO's ambitions. The ship must also comply with the regulations in the country of registration (Flag State). However, we believe that regional and national requirements, first and foremost EU and US regulations, will drive the technical and operational improvements.

The most important regional set of regulations are the maritime directives in EU's "Fit for 55" program. For calculation of GHG intensity, the "FuelEU Maritime" directive will include the Green House Gases (GHG) methane (CH4) and nitrous oxide (N2O) in addition to Carbon Dioxide (CO2). Furthermore, the GHG footprint will be based on "well to wake" emissions, i.e. it will include emissions related to the production and transportation of bunkers to the ship. In this regard, we follow the logic that the simplest way to comply with FuelEU Maritime regulations is to use LNG as fuel.

To prepare for the implementation of the FuelEU Maritime law effective January 2025, KNOP is taking proactive steps to ensure compliance and readiness. We are developing and submitting a FuelEU Monitoring Plan to an accredited verifier by 2024, outlining how we will monitor and report emissions from each ship. Furthermore, KNOP is diligently studying the remaining regulations, particularly regarding eligibility for utilizing the pooling and banking mechanism under FuelEU Maritime. We are focused on understanding which entities within the Knutsen Group will have access to these mechanisms and ensuring full compliance. Additionally, we are assessing the borrowing mechanism permitted by FuelEU Maritime, which allows for borrowing up to 2% of compliance from another vessel. We are also exploring efficient systems for bookkeeping compliance balances, aiming to streamline our processes and meet regulatory requirements effectively.

The European Parliament (EP), Council of the European Union, and the European Commission reached agreement this year on including shipping in the EU's Emission Trading Scheme (EU ETS) from 2024. The Company will be responsible for surrendering CO2 quotas (EU Allowances, EUA's) to the authorities. We have established clauses with the charterers but have not yet purchased any EUAs, as most

of the KNOP fleet operates in Brazil and will be minimally impacted by this regulation. For vessels trading into or within the EUA, charterers have been informed about the number of outstanding EUAs. We have adopted Siglar Carbon's solution to ensure effective management of the EUAs for KNOP. The EU ETS will include CO2 emissions only, while the EU MRV (Monitoring, Reporting and Verification) system, will be extended the same year to include reporting of methane (CH4) and nitrous oxide (N2O) which are two other greenhouse gases (GHG) emitted by ships. From 2026 the EU ETS will also include these two GHGs.

THE COMPANY'S ENVIRONMENTAL RESPONSIBILITY

The Company recognizes its responsibility to take proactive measures in addressing the challenges – and opportunities – of climate change. We seek to protect the local environment and ecosystems where the vessels operate. The Company's policy commits to delivering environmentally friendly services that meet or exceed contractual obligations. Suppliers and business partners, including charterers, are expected to adhere to the same environmental standards as the Company, which are stated in the Company's Supplier Code of Conduct.

All operations within the Company's control are planned and executed in a manner that minimizes environmental consequences. Managing environmental risks is therefore integrated into the overall management of the Company and environmental issues are aligned with other business priorities. The Company's environmental plan

has a long-term focus, but as regulations and available technologies change, it is periodically revised. In 2023, our environmental group reviewed and updated the five-year environmental plan to cover the period 2024 to 2028 to ensure alignment between our strategic focus and the expectations of our stakeholders and new regulations. The IMO's Carbon Intensity regulation became effective from January 1st 2023 and had top priority. Our data collection and monitoring systems are being upgraded and measures to improve the carbon intensity are being evaluated with our charterers.

The prioritized areas in our five-year plan (2024 – 2028) are as follows:

1. **Improving Monitoring and Analysis of ship operation and carbon intensity**
2. **Implementation of the EU Emission Trading System, and other GHG taxation schemes as applicable**
3. **Compliance and development of energy efficiency best practices in order to minimize emissions**
4. **Development of new ship designs and technologies to reduce emissions**
5. **Taking environmental life cycle assessment into account**
6. **Reduction of general waste and plastic waste (circular economy).**

The first three prioritized areas in the above list are the main focus of the plan followed by the other three.





Environmental risks are managed through the ISO and ISM-certified Knutsen OAS Shipping's Shipping Management System (SMS). The system allows for continuous monitoring of operations to make sure they are aligned with Company policies, international and statutory regulations, and contractual and legal obligations. The system registers, identifies and tracks all events including comprehensive preventive reporting and incidents covering all environmental aspects. This allows us to continuously improve operational procedures and technologies to meet environmental targets.

In 2022 Unisea software modules were successfully implemented to register, monitor and analyze HSE events and activities, in line with and above ISO and ISM standards. The system allows us to continuously improve operational procedures and technologies to meet environmental targets.

EFFORTS TO COMBAT CLIMATE CHANGE

The Carbon Intensity of our operations is reflected in the metrics "attained AER" and the corresponding "CII rating". This rating depends on vessel design as well as maintenance and operation of the ship and its equipment.

The design of shuttle tankers is based on charterers' requirements, regulations and the Yard's technical solution. Over time the design has become more efficient with less fuel consumption, reflected by the Energy Efficiency Design Index (EEDI).

KNOP operates a young shuttle tanker fleet with an average age at the end of 2023 of 9.7 years, compared to the world average of 9.5 years. KNOP continues to explore new technologies to cut emissions, such as the use of renewable energy alternatives, ammonia as a fuel, carbon capture technology as well as nuclear solutions.

To minimize energy consumption and GHG emissions, we have implemented "Best Practices" for the operation and maintenance of the ships, as a part of the SEEMP. The greatest challenge is to minimize hull and propeller fouling on ships operating in Brazilian waters.

Lastly, the commercial operation plays a significant role to improve CII-rating. IMO's carbon intensity is based on the ship's cargo carrying capacity (dwt) at summerdraft, which implies that the annual fuel consumption should be minimized and sailed distance maximized. On the other hand, the EU's carbon intensity is based on actual cargo carried which implies that fleet utilization becomes even more important compared with IMO. Close cooperation with the Charterers is therefore important.

Since 2015, an ECO Care action plan to promote energy-saving onboard vessels has also been implemented. Each

ship is requested to carry out at least 15 defined actions. KNOP's fleet reported in total 596 ECO Care actions in 2023 (2022:490), with an average of over 33 per vessel. Combined with other initiatives this contributes to raising the crew's awareness of environmentally friendly ship operations.

An internal environmental group consisting of naval architects, and environmental and operational personnel has been established to find solutions to the environmental challenges the Company faces. One very significant and prime example of this is when Knutsen Technology (part of the Knutsen Group) developed a technology to reduce VOC emissions to the atmosphere during the loading of cargo.

As of the end of 2023, 12 vessels in KNOP's fleet have so far installed the KVOC technology or similar technology. Moreover, this technology is patented and sold as KVOC®.

The Company's focus on innovation and its passion for sustainable operations drive technological development in the direction needed to meet the Company's responsibilities and face relevant challenges.

A ZERO-SPILL POLICY

KNOP has a zero-spill policy. The Company's risk management systems and procedures and the implementation of its environment plan reduce the risk of harming the environment in which the Company operates, as well as ensuring compliance with international and local regulations. There were zero incidents related to spills in 2023.

TREATMENT OF BALLAST WATER

Ballast water is essential for safe and efficient modern shipping operations, however, it may pose serious ecological, economic and health problems due to the multitude of marine species carried in ships' ballast water. In line with IMO requirements and KNOP's Ballast Water Management Plan, each vessel complies with discharge standards.

The whole KNOP fleet has installed Ballast Water Treatment Plants. 11 of the 18 systems are K-Bal (Knutsen design).

PLASTIC POLLUTION

Plastic pollution is harming the oceans and it endangers life at sea and on land. The IMO has announced a plan to prevent plastic pollution caused by the shipping industry. The Company fully supports this initiative and abides by the MARPOL Convention Annex V, which states that plastic must either be incinerated or delivered ashore.

Over the last few years, the Company's awareness campaign reinforced the Company's desire to operate according to best practices in all aspects of plastic management.

4 : Health, safety and human rights

HEALTH, SAFETY AND SECURITY

Ensuring the health, safety, security and motivation of the crew was and is one of KNOP's highest concerns. Operations at sea pose inherent risks to health and safety which must be managed carefully to prevent accidents.

KNOP supports the International Convention for the Safety of Life at Sea (SOLAS). The Company's vision is for zero accidents or incidents to occur in operations. This includes personnel injuries, work-related illnesses, spills, and material damage.

Health and safety in all activities is treated with the same importance as operational and financial matters. The Company's Code of Business Conduct and Ethics outlines expectations for employees and business partners about respecting safety concerns in their work. The Code requires all employees to make sure that all business is conducted in a manner that abides by applicable rules and regulations and to have the highest regard for the health and safety of human life and the environment.

Health and safety risks are managed through the ISM-certified KNOT Management system. The system allows continuous monitoring of operations to ensure alignment with Company policies, international and statutory regulations, and contractual and legal obligations. The system registers, identifies and tracks all events, allowing the Company to continuously improve its operational procedures and technologies to meet its health and safety targets. Furthermore, the Company's Contingency Plan ensures an efficient chain of communication in case of an emergency, ensuring that the organisation reacts in a timely and efficient manner. Safeguarding health and safety is a continuous process that requires all staff and crew to have adequate training to meet the standards set

in the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW) and the Maritime Labour Convention of 2006.

The KNOT Management system ensures that the crew onboard all vessels, permanently and temporarily contracted, are certified and provided with adequate training at all times to ensure safety onboard. KNOT has also implemented a comprehensive certification program for HSE and operational security.

LABOR RIGHTS AND DECENT WORKING CONDITIONS

KNOP adheres to the Maritime Labour Convention of 2006 and all applicable International Labour Organisation ("ILO") Conventions, which are also reflected in the Crew Policy, the Code of Business Conduct and Ethics and the Supplier Code of Conduct.

The Company's goal is to provide and maintain a safe, healthy, and orderly workplace, where the integrity of all employees is respected. Any form of discrimination or harassment, including those based on race, colour, gender, religion, age, national origin, citizenship status, sexual orientation or disability, is not tolerated.

The Crew Policy defines the main principles regarding recruitment, employment and training, compensation and benefits and terms of terminations. This ensures that employment conditions are in accordance with local laws and regulations and that the Company recognises and respects employees' lawful right of free association. The different Collective Bargain Agreements ("CBA") with different nationalities and flags are negotiated through respective organised unions and the Norwegian Shipowner Association.



HUMAN RIGHTS

Human rights issues are germane across the entire lifecycle of a ship – from design, finance and ordering, through building, operation and recycling. As a fully integrated shipping group with operations, newbuilding supervision, chartering and project development in-house, KNOP, KNOT and the Knutsen Group strive to ensure that labour and human rights are upheld within the organization, as well as throughout its supply chain.

KNOP's Supplier Code of Conduct specifically states that suppliers are expected to respect internationally proclaimed human rights, including the personal dignity, privacy and rights of everyone. It requires business partners to follow the ILO Conventions and ensure and recognise the right of

free association and collective bargaining. It also prohibits suppliers from using any form of forced or compulsory labor, or to employ workers under the age of 15. KNOP had no reported incidents of human rights violations in 2023.

DIVERSITY

KNOP does not accept any form of discrimination at any stage in its recruitment process or whilst any person is employed in their role. This applies to employees and directors including onboard and shore-based personnel. The shipping industry is male-dominated. The International Chamber of Shipping (ICS) reported in November 2021 that 7.5 per cent of seafarers globally are female. In 2023, 3.9 per cent of KNOP's seafarers were female. At the Company Board level, all board members are currently male.

EXEMPTIONS FROM NYSE CORPORATE GOVERNANCE RULES

KNOP is a publicly traded limited partnership formed under the laws of the Marshall Islands. Its common units have been listed on the New York Stock Exchange (“NYSE”) since April 2013 under the ticker symbol “KNOP”. Pursuant to an exemption under the NYSE listing standards for foreign private issuers, KNOP is not required to comply with the corporate governance practices followed by U.S. companies. However, pursuant to Section 303A.11 of the NYSE Listed Company Manual, KNOP is required to state any significant differences between its corporate governance practices and the practices required by the NYSE for U.S. companies.

We believe that our established practices in the area of corporate governance are in line with the spirit of the NYSE standards and provide adequate protection to our unitholders. The significant differences between our corporate governance practices and the NYSE standards applicable to listed U.S. companies can be found in the Corporate Governance section of the Company’s Form 20-F filed with the U.S. Securities and Exchange Commission (“SEC”), which can be accessed through the Company’s website.

CONTROLS AND ACCOUNTABILITY

In addition to our internal governance, Ernst & Young AS (“EY”) continued as KNOP’s auditors and performed an integrated audit of our financial statements and of our internal controls over financial reporting. EY found no

material corrected or uncorrected misstatements, nor any material weaknesses in our internal controls. The auditors also found the assumptions used, and conclusions reached, by management, to be reasonable and in accordance with applicable accounting standards, and that disclosures in the financial statements were appropriate.

BUSINESS ETHICS

KNOP strives at all times to conduct its business with integrity and in accordance with all applicable laws and regulations. Historically, the shipping industry faced the challenges of corruption on a regular basis as a myriad of laws and regulations, heavy bureaucracy and multiple ship inspections by several port officers often left crew exposed to demands for illicit payments. Refusing to give in could cause artificially imposed delays, increase the cost to the business and potentially put the crew’s safety at risk. These are systematic problems with the potential to undermine wider economic and social development.

REPORTING VIOLATIONS

Employees who observe or become aware of a situation that they believe to be a violation of the Company’s Code of Business Conduct and Ethics (the “Code of Ethics”) have an obligation to notify their manager or an Audit Committee member.

All notifications are taken seriously, and any report of a violation will be appropriately investigated. If an employee reporting a violation wishes to remain anonymous, all

reasonable steps are taken to keep their identity private. Instructions on how to file a report are in the Code of Ethics, which is available for download on the Company’s website at www.knotoffshorepartners.com/investors/governance/governance-documents.

ANTI-CORRUPTION

Tackling corruption across the shipping industry requires collective action. The Knutsen Group has been an active member of MACN – the Maritime Anti-Corruption Network – since 2014. Being a member has provided the Company with valuable know-how and material on how to best organise the Company’s efforts to combat potential corruption. KNOP has a zero-tolerance approach to corruption and clear anti-corruption policies are in place to make sure business is conducted with integrity and according to applicable laws and standards. These include The Norwegian Penal Code 2005, the UK Bribery Act 2010 and the United States Foreign Corrupt Practices Act 1977. The Company also has a system that continuously monitors regulations through approved channels, ensuring that vessels are well-informed about specific local requirements at all times.

Risk assessments are performed annually, several of KNOP’s vessels operate in the North Sea where the risks of corruption are considered low and KNOP has independent channels for employees to report breaches and violations of the Company’s anti-corruption and anti-bribery policies. In 2023, zero incidents were reported.

SUPPLIER CODE OF CONDUCT AND BUSINESS PARTNER INTEGRITY DUE DILIGENCE

All suppliers to KNOP (above a de minimis limit) are asked to sign the Company’s Supplier Code of Conduct unless they have their own policy that is similar or stronger. This code formalises the key principles under which suppliers to KNOP, any subsidiary, other associated company or companies under management of KNOP are required to operate. In selecting suppliers, KNOP works hard to choose reputable business partners who are committed to ethical standards and business practices compatible with those of KNOP.

The Supplier Code of Conduct formalises KNOP’s practices and makes clear that, recognising differences in cultures and legal requirements, the Company expects that wherever services for our business are procured, and where our products and the components that comprise them are produced, they are delivered in a manner compatible with the high standards that contribute to the outstanding reputation of KNOP. Suppliers, including agents and intermediaries, are required to comply with this code, and are accountable for ensuring that their subcontractors, subsidiaries and associated companies also comply. Heightened due diligence is undertaken on potential business partners if they (or the work they will carry out) is to be located in a country that has a low transparency or corruption rating from Transparency International (below 80). Potential business partners listed on mature recognised stock exchanges such as the US, UK, Europe, Switzerland, Australia etc. are exempted from heightened due diligence.



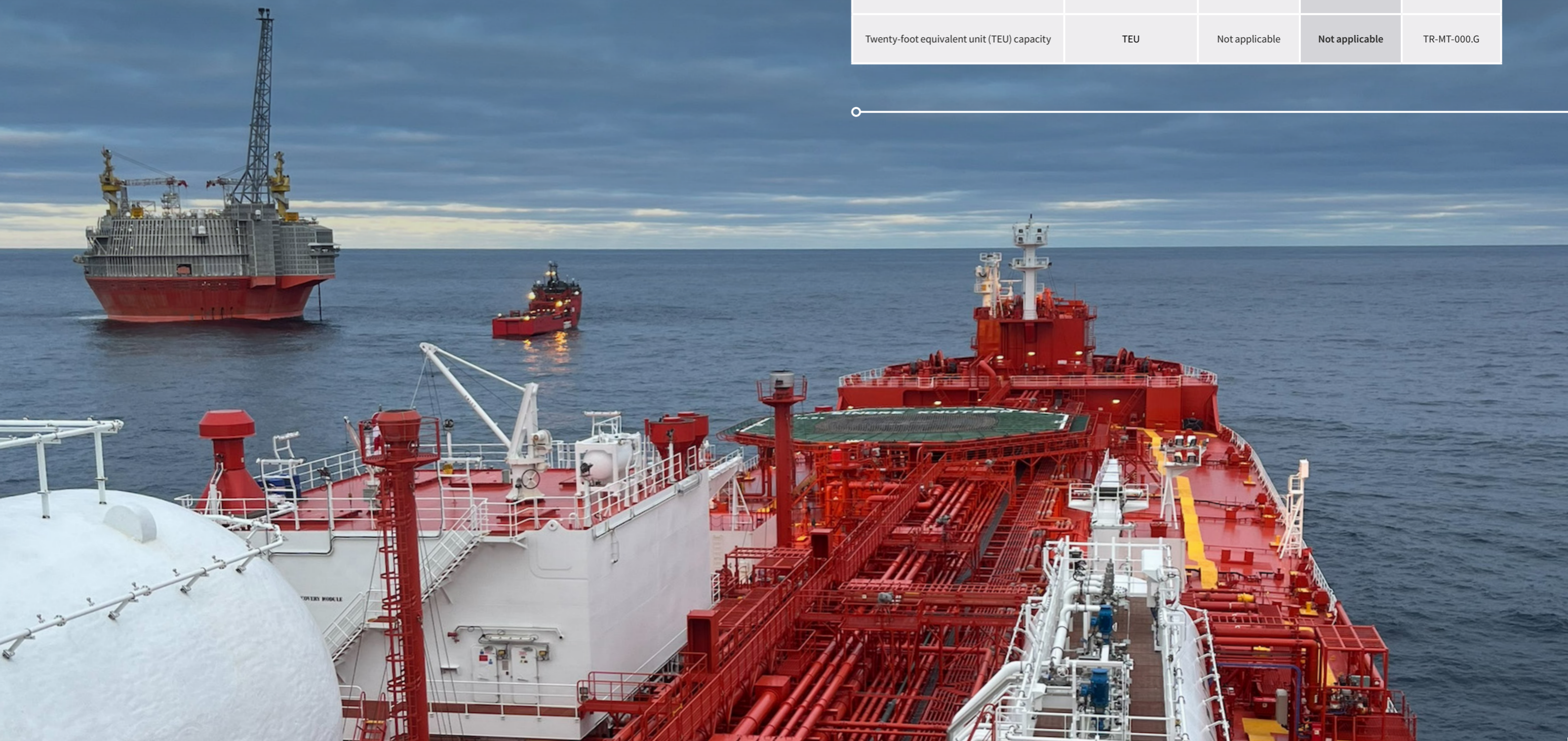
6 : SASB disclosures

TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	DATA 2022	DATA 2023	CODE
GREENHOUSE GAS EMISSIONS	CO₂ EMISSIONS ^a				
	Gross global Scope 1 emissions: Financial control approach	Metric tons CO ₂ -e	486 000	480 210	TR-MT-110a.1
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Qualitative description	Page 6	Page 6	TR-MT-110a.2
	Scope 2 emissions	Metric tons CO ₂ -e	106	108	Additional
	ENERGY CONSUMED ^b				
	(1) Total energy consumed	Gigajoules (GJ)	6 260 000	6 302 589	TR-MT-110a.3
		Percentage (%)	100	100	
	(2) Percentage light fuel oil	Gigajoules (GJ)	4 600 000	4 409 033	TR-MT-110a.3
		Percentage (%)	72	70	
	EEDI ^c				
	Average Energy Efficiency Design Index (EEDI) for new ships	Grams of CO ₂ per ton-nautical mile	3.47	3.44	TR-MT-110a.4
	CII / AER ^{de}				
	Average Efficiency Ratio (AER): weighted average	Grams of CO ₂ per ton-nautical mile	3.83	3.79	Additional
Carbon Intensity Indicator (CII) rating	Rating	No data	C		
AIR QUALITY	OTHER EMISSIONS TO AIR ^f				
	(1) NOX (excluding N ₂ O)	Metric tons	8100	8160	TR-MT-120a.1
	(2) SOx	Metric tons	1200	1174	
	(3) Particulate matter	Metric tons	350	345	

TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	DATA 2022	DATA 2023	CODE
ECOLOGICAL IMPACTS	MARINE PROTECTED AREAS ^g				
	Shipping duration in marine protected areas or areas of protected conservation status	Number of travel days	Zero	Zero	TR-MT-160a.1
	IMPLEMENTED BALLAST WATER				
	(1) Exchange	Percentage (%)	0	0	TR-MT-160a.2
	(2) Treatment	Percentage (%)	100	100	
	SPILLS AND RELEASES TO THE ENVIRONMENT				
(1) Number	Number	Zero	Zero	TR-MT-160a.3	
(2) Aggregate volume	Cubic metres (m ³)	Zero	Zero		
BUSINESS ETHICS	CORRUPTION INDEX				
	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Number	Zero	Zero	TR-MT-510a.1
	CORRUPTION				
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Reporting currency	Zero	Zero	TR-MT-510a.2
	FACILITATION PAYMENTS				
	Number of incidents where facilitation payments have been requested.	Number	Zero	Zero	Additional
	FINES				
	Total monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and/or regulations.	US dollars (\$)	Zero	Zero	Additional
	LOST TIME INCIDENT RATE				
	Lost time incident rate (LTIR)	Rate	0.26	0.17	TR-MT-320a.1
MARINE CASUALTIES ^h					
Incidents	Number	Zero	Zero	TR-MT-540a.1	
Very serious marine casualties	Percentage (%)	Zero	Zero		
CONDITIONS OF CLASS ⁱ					
Number of Conditions of Class or Recommendations	Number	5	5	TR-MT-540a.2	
PORT STATE CONTROL ^j					
(1) Deficiencies	Rate	0.50	Zero	TR-MT-540a.3	
(2) Detentions	Number	Zero	Zero		

OUR OPERATIONS IN NUMBERS

METRIC	UNIT OF MEASURE	DATA 2022	DATA 2023	CODE
Number of shipboard personnel ^k	Number	470	855	TR-MT-000.A
Total distance travelled by vessels	Nautical miles (nm)	519 000	491 125	TR-MT-000.B
Operating days	Days	5 816	6 469	TR-MT-000.C
Deadweight tonnage	Deadweight tons	2 384 814	2 396 615	TR-MT-000.D
Number of vessels in fleet	Number	18	18	TR-MT-000.E
Twenty-foot equivalent unit (TEU) capacity	TEU	Not applicable	Not applicable	TR-MT-000.G



7 : Disclaimer and assumptions



Figures provided in this report are based on the estimates outlined below:

^a CO₂ emissions (Metric tons (t) CO₂-e): Based on the IMO emission factors. The “financial control” approach defined by the GHG Protocol has been applied. Scope 1: Owned vessels, based on fuel consumption for the year. Scope 2 emissions are based on IEA factors (2021). Scope 2 includes electrical consumptions at Knutsen Group international offices and Hanne Knutsen floating storage unit.

^b Energy consumption: Calculated based on available fuel purchased data using fuel properties defined by DEFRA, Conversion factors, 2021.

^c Average Energy Efficiency Design Index (EEDI) for new ships: Based on EEDI for Synnøve Knutsen as the only acquired ship in 2022. In 2023, there were no new ship additions to the fleet.

^d Carbon Intensity Indicator (CII) and Average efficiency ratio (AER): Carbon intensity metric estimated based on fuel consumed, distance travelled (nm), and deadweight tonnage (DWT).

^e Carbon Intensity Index (CII): Measures how efficiently a ship operates and is measured in grams of CO₂ emitted per cargo-carrying capacity and nautical mile. The ship is then given an annual rating ranging from A to E, and rating thresholds are expected to become increasingly stringent towards 2030. By comparison, EEXI is a one-time certification targeting design parameters whereas CII addresses actual emissions in operation controls.

^f Other emissions to air (NO_x, excluding N₂O, SO_x and particulate matter): P PM, NO_x and SO_x emissions from the combustion of fuels from owned vessels have been estimated based on actual fuel consumptions. PM and SO_x factors are taken from the IMO GHG studies, i.e. p.p. 92-92 and 21/349 in the MEPC 75/ Fourth IMO GHG study. NO_x emissions are based on the NO_x technical files referred to in the ships’ EIAPP certificates.

^g Marine protected areas: Any area of intertidal or sub-tidal terrain, together with its overlying water and associated flora, fauna, historical and cultural features, which has been

reserved by law or other effective means to protect part or all of the enclosed environment, listed in the World Database of Protected Areas (WDPA) and mapped on Protected Planet. Protected Planet is the most up-to-date and complete source of information on protected areas, updated monthly with submissions from governments, non-governmental organizations, landowners and communities. It is managed by the United Nations Environment World Conservation Monitoring Centre.

^h Marine casualties: Regarding SASB TR-MT-540a.1, the reporting is in accordance with the standard, however injuries to personnel as described in point 1.1.1 is reported as part of Health & Safety statistics. The threshold for reporting on material damages as outlined in 1.1.4 and 1.1.6 is defined as USD 1,000,000.

ⁱ Condition of class: Specific measures, repairs, surveys etc. that are to be carried out within a specific time frame in order for a vessel to retain its Classification.

^j Port state control: (1) A deficiency is defined as a condition found not to be in compliance with the requirements of specific conventions, i.e. MARPOL, SOLAS, STCW, AFS or the ILO Maritime Labour Convention. (2) A detention is defined as an intervention action by the port state, taken when the condition of a ship or its crew does not correspond substantially with the applicable conventions and that a ship represents an unreasonable threat of harm to the marine environment etc.

^k Number of shipboard personnel: Seafarers onboard as of 31 December and does not include onshore staff members. It should be noted that there are always two shifts covered by shipboard personnel, with one half of the staff working one shift and the other half on leave. The amount of seafarers recorded in 2022 relates to the same amount of ships but the number reported at the time did not take into account personnel that were not on board, covering the second shift.

^l Number of cargoes: This figure contains the total number of cargoes for the entire fleet. A cargo may be loaded in one or several batches. The discharge operation is normally at one port terminal but may also be undertaken as a Ship-to-Ship (‘STS’) transfer operation.



KNOT Offshore Partners LP
2 Queen's Cross
Aberdeen
AB15 4YB
UNITED KINGDOM



knotoffshorepartners.com