



SAGA WELCO AS ESG REPORT 2021

ABOUT SAGA WELCO

Saga Welco AS ('Saga Welco') is a global shipping company that offers high quality solutions for the transportation of kraft manufactured pulps and forest products and clean breakbulk and bulk cargoes. The company is privately held equally by NYK Line and Westfal-Larsen through their wholly owned subsidiaries NYK Holding Europe (NYK) and Armadora AS (Westfal-Larsen).

Saga Welco AS is the commercial manager of the fleet pool of the owners' vessels, and its mission is to achieve improved trading results through unified marketing efforts and higher operating efficiency arising from larger size of operations. Our fleet of open-hatch gantry crane vessels ensures that our service is of the highest standards in quality and cargo care.

Our global customer service network provides reliable and flexible solutions to our customers around the world.

ABOUT THIS REPORT

Saga Welco's report has been prepared in accordance with the Norwegian Shipowners' Association's (NSA) guidelines for ESG reporting as published in November 2021. The ESG topics identified by the NSA cover issues that are material to the shipping industry, based on financial impact and the industry's impact on ESG factors. The NSA reporting guidelines include the Marine Transportation disclosures defined by the Sustainability Standards Accounting Board (SASB), and elements of the following reporting frameworks:



THE GLOBAL REPORTING INITIATIVE (GRI) STANDARDS. The Global reporting initiative (GRI) is the most widely used international reporting framework for sustainability reporting, with over 90% 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.



POSEIDON PRINCIPLES. These principles aim to communicate relevant information to lenders, lessors, and financial guarantors allowing them to follow the Poseidon Principles when assessing and disclosing the climate alignment of their portfolios by providing:

1. Measurement of carbon intensity and an assessment of company climate alignment
2. Accountable data using the IMO's standard for collecting data on fuel consumption from ships



The technical management and crewing services of the vessels are the responsibilities of the vessel owners and the data contained in this report regarding such owners' matters are collected from the owners. This report covers the period from 1 January to 31 December 2021.

MESSAGE FROM THE CEO

While the rest of the world has slowly started to learn how to live with Covid-19, the shipping industry continues to face closed borders and constantly changing regulations, effecting our seafarers. 2021 marked a high point for the industry as seafarers were recognised as key workers in some parts of the world, ensuring that they could return home at the right time and have the opportunity to receive vaccines at port. Unfortunately, that is not the situation in all places.

In many cases, our heroes at sea continue to be the last in line whenever their rights are implemented. There are still countries that refuse crew changes, shore leave and even medical help. Our priority throughout the year has been to keep our employees safe and we pledged to make the safety of our crew our number one priority by signing the Neptune Declaration early in 2021, together with more than 850 organisations and companies.

Saga Welco recognizes that good ESG management is a prerequisite to remain a viable and valuable partner to all our stakeholders. We have always prioritized compliance with the regulatory requirements concerning the environment, the safety of our employees, and the maintenance of good corporate governance. Both senior management and our Board acknowledge that how we monitor, manage, and perform within ESG is vital information to our stakeholders.

Climate risk and compliance with constantly changing regulations represent a significant challenge for the shipping industry. We monitor these changes closely and adjust our business accordingly. At the MEPC76 in June this year, the IMO adopted new requirements for Energy Efficiency Existing Ships (EEXI), Carbon Intensity Indicator (CII) and Enhanced Ship Energy Efficiency Management Plan (SEEMP) Part III. The new requirements are scheduled to be implemented from 1 January 2023. Subsequently, at the IMO MEPC 77 meeting in November 2021, held in the wake of the COP26, IMO commenced the review of the initial IMO Strategy on GHG emissions reduction for ships. There was consensus that, to stay within reach of the 1.5°C goal of the Paris Agreement, the shipping industry needs to accelerate the decarbonization process and target net-zero emission by 2050. Saga Welco welcomes new regulations that will drive the industry in a positive direction.

To accelerate decarbonization, it is imperative that necessary research and development activities are equally accelerated, and the Technological Readiness Level (TRL) must be ensured. As just one shipping line, there is a limit to what we can do to reduce emissions and improve efficiency. Significant and substantial technological development and innovation must be seen at the industry scale. This technological uncertainty is the largest obstacle today for international shipping to commit to the IMO ambitions and to plan for investments in new technologies and alternative fuel propulsions.

Regardless of these challenges, at Saga Welco, we aim to do our part. In 2021, we have continued our efforts to improve fuel and energy efficiency through our Ship Energy Efficiency Management Plan (SEEMP). We are focused on efficient scheduling, route selections and speed controls with assistance from the weather routing services. In addition, we are committed to ensuring that our entire fleet is compliant with the IMO Ballast Water Management Convention. In support of the IMO's climate change strategy towards 2050, Saga Welco is in constant dialogue with our owners regarding plans to improve energy efficiency in our operation.

We are also proud to be involved in several port initiatives that aim to protect marine species and contribute to the sustainability of the industry, such as the The Vancouver Fraser Port Authority EcoAction Program and the Port of Los Angeles Speed Reduction Program.

This is our third ESG-report. We aim to transparently disclose our environmental, social and governance performance in 2021, using recognized reporting standards including the Sustainability Accounting Standards Board (SASB) Marine Transportation Standard and the Norwegian Shipowners Association Guidelines for ESG-reporting. We invite you to read the report and welcome your feedback.

THE SAGA WELCO VALUES

Dedicated People
Flexible Solutions
Reliable Carrier

Tønsberg, 6 April 2022

Fumitake Shishido
President and CEO
Saga Welco AS

ESG GOVERNANCE AT SAGA WELCO

The shipping industry is exposed to inherent risks related to emissions, spills, marine casualty, health and safety, corruption, and regulatory changes. To minimize such risks, Saga Welco has established policies and procedures to ensure proper handling of these risks in our daily operations.

ESG MANAGEMENT AND RESPONSIBILITY

Our Board of Directors (the Board) is responsible for the management of Saga Welco and for safeguarding the company's operations. The President / CEO is responsible for ensuring that the determined frameworks and the decisions made by the Board are applied to day-to-day management.

The President / CEO has the overall responsibility for ensuring that governance is effectively implemented and monitored in the company. The corporate and functional policy owners are responsible for complying with the policy principles and report to the President / CEO.

Saga Welco's Code of Conduct, Anti-Corruption Policy and Anti-Bribery Policy are the three major corporate governance policy documents and they have been implemented in the company's Quality System under the ISO 9001-2015 standard. These policies apply to all Saga Welco employees to ensure that their behavior conforms to the highest ethical standards and is in accordance with all applicable laws, rules and regulations. The Compliance Officer is responsible for ensuring adherence to these corporate policies. The role includes providing compliance assistance, monitoring of compliance and handling of reported violations through our internal and external whistleblowing mechanism. The Compliance Officer prepares, coordinates, and oversees periodical execution of the training program related to those governance policy documents, and reports outcomes directly to the President / CEO. To provide assurance that our internal control systems and procedures effective in preventing bribery and corruption, the company is subject to regular internal and external audits.

THE UN SUSTAINABLE DEVELOPMENT GOALS



Saga Welco supports the UN Sustainable Development Goals (SDGs), a collection of 17 global goals set by the United Nations General Assembly in 2015. We have prioritized four SDGs where we believe we can have the most significant positive impact.

- SDG 13 – Climate Action
- SDG 9 – Industry, Innovation, and Infrastructure (target 9.4)
- SDG 14 – Life below water (target 14.C)
- SDG 16 – Peace, justice and strong institutions (target 16.5)

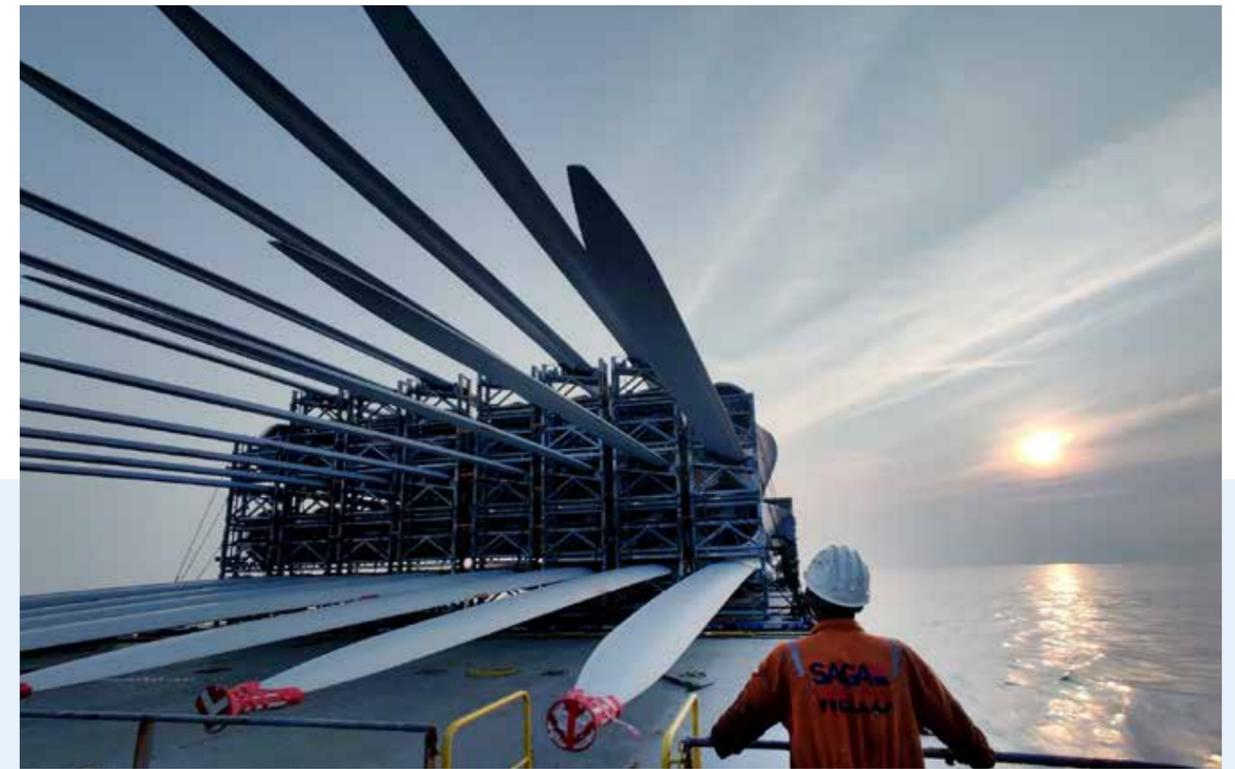
COOPERATION INITIATIVES

Getting to Zero Coalition

The shipping industry's ESG challenges require joint action between the carriers and our stakeholders,

including industry peer members, service providers and the regulatory authorities. Anglo-Eastern Ship Management Ltd, which is the ship manager for 35 vessels in Saga Welco's fleet, is a member of the maritime industry group's Getting to Zero Coalition. The purpose of the coalition is to have commercially viable, zero emission ships operating by 2030. Saga Welco is a certified member of US CTPAT (Customs Trade Partnership Against Terrorism) program, which aims to strengthen international supply chains and improve the United States border security.

It is our intention to formalize Saga Welco's commitment to anti-corruption by joining the Marine Anti-Corruption Network (MACN). We are always on the lookout for other ESG-related initiatives that we believe will help us achieve our ESG goals.



ENVIRONMENT

For the shipping industry, emissions, discharges, and spills represent significant ecological risks. At Saga Welco, we recognize our responsibility to manage these risks and seek to minimize the impact of our operation on the environment. Reducing emissions, correctly treating discharges, and preventing spills are the key considerations in our environmental policy management.

In 2021, we prioritized the following areas:

- 1 The continuation of our efforts to improve fuel and energy efficiency through our Ship Energy Efficiency Management Plan (SEEMP)
- 2 Improving efficient scheduling, route selections and speed controls with assistance from the weather routing services
- 3 Meeting ballast water treatment requirements at all times
- 4 No incidents causing oil spills to the ocean

CLIMATE CHANGE AND SHIPPING INDUSTRY AIR EMISSIONS



Attention to climate change has continued to grow throughout 2021, and there is no doubt that decarbonization is today's highest profile issue. It will set the course of our industry for generations to come. Saga Welco

sees decarbonization as an opportunity to transform past industry practice into a sustainable business model involving our customers and stakeholders.

We abide by the existing regulations and guidelines set by the IMO regarding climate change mitigation and air pollution. We support the IMO climate strategy towards 2050, which aims to reduce CO₂ emissions per transport work, as an average across international shipping, by at least 40% by 2030, pursuing efforts towards 70% by 2050, compared to 2008; and to reduce total annual GHG emissions by at least 50% by 2050 compared to 2008.

¹ A technical measure for existing ships similar to the EEDI requirements for newbuilding.
² An operational measure to monitor all the applicable fleet's emission control process year by year from 2023 to 2030 to ensure the international shipping follow the decarbonization strategy that was adopted by IMO in 2018.

To minimize emissions, we focus our efforts on improving the route and speed optimization of our fleet. Our ship managers have implemented a ship-specific Ship Energy Efficiency Management Plan (SEEMP) on each vessel. We are continuously working to optimize our fleet for speed through hull and propeller maintenance. Sea life such as algae and molluscs attach themselves to the hull of a vessel, which slows down the vessels and increases fuel consumption. To prevent this from happening, all our vessels have the latest generation silicon-based and antifouling coatings applied to their hulls. Cleaning and polishing routines of the propeller and hull are determined based on close monitoring of the vessels fuel performance efficiency. Ten of our vessels are equipped with Propeller Boss Cap Fins to enhance propeller efficiency.

At the Marine Environment Protection Committee meeting (MEPC 76) in June this year, IMO adopted new requirements for Energy Efficiency Existing Ships (EEXI)¹, Carbon Intensity Indicator (CII)² and Enhanced Ship Energy Efficiency Management Plan (SEEMP) Part III. The new requirements are scheduled to be implemented from 1 January 2023. Saga Welco will throughout 2022 work to be compliant with these regulations. Those plans may include measures to improve operational efficiency by applying new technologies to our fleet system.

We comply with the MARPOL Convention Annex VI which specifically addresses the prevention of air pollution from ocean-going ships. This Marpol Convention seeks to control airborne emissions from ships including sulphur oxides (SO_x), nitrogen oxides (NO_x), ozone depleting substances (ODS), volatile organic compounds (VOC) and shipboard incineration. Saga Welco's fleet is compliant with the new IMO regulations on the limit of sulphur content in ship fuels and we only use Very Low Sulphur-content Fuel.



Saga Welco's commercial team seeks opportunities, where possible and as much as possible, to reduce ballast voyages so that emissions from the vessel not engaged in trading are minimized. However, in 2021, our fleet was significantly delayed at ports worldwide due to labour shortages, lower operation productivity due to lack of storage space at the warehouse or on the quay, congestions due to increased number of vessel calls, and local authorities' COVID-19 quarantine requirements. This situation resulted in the vessels consuming fuel to upkeep the daily running of the accommodation while not producing any ton-miles of carriage. Further, the delays caused us to increase the speed of our vessels to reach the next cargo loading port on time, which resulted in higher fuel consumption during the passage. As a result, CO₂ emissions have unavoidably increased in 2021.

SPILLS, DISCHARGES AND ECOLOGICAL IMPACT



Discharges and potential spills from shipping represent serious environmental risks. Our ability to manage and minimize these risks is critical to preserving the marine environment and to maintaining a good reputation for the shipping sector, our stakeholders and ourselves.

We support UN SDG 14, targeting the protection of life below water. Especially relevant to our operations is target 14.C, which is aimed at enhancing the conservation and sustainable use of oceans and their resources through the implementation of international law. Crew members on our vessels are trained in and must always follow stringent

rules for avoiding spills, as well as reporting of incidents should they occur. Saga Welco had no incidents involving spills to the marine environments during 2021.

Ballast water is essential for safe and efficient shipping operations. However, loading and unloading untreated ballast water poses serious ecological, economic and health risks as ships become a vector for the transfer of organisms between ecosystems. Ballast water treatment systems (BWTS) are installed on 84% of Saga Welco's fleet at year end 2021. Additional installation of BWTS on the remaining vessels will be done in 2022 as the vessels undergo regulatory drydock. All vessels will have BWTS by July 2023.

FLEET RECYCLING



We believe that Saga Welco can make a meaningful contribution to UN SDG 9, which targets building resilient infrastructure, sustainable industrialization and fostering innovation. Our contribution is related to target 9.4: promoting the upgrade of infrastructure and retrofitting of industries to make them sustainable, i.e. through increased resource use efficiency.

In 2021, two vessels were withdrawn from the fleet and recycled in India, in compliance with the Hong Kong Convention and the IMO's "Guidelines on Vessel Recycling" as well as with the requirements from the Flag Administration.

ENVIRONMENTAL INITIATIVES AT PORT



VFPA EcoAction Program: The Vancouver Fraser Port Authority EcoAction Program recognizes shipping lines that make investments in fuel, technology, or environmental management that help maintain and protect the natural environment in and around the Port of Vancouver. Shipping lines may qualify their ships for gold, silver, or bronze level port discounts by meeting voluntary industry best practices such as using technologies that reduce energy consumption, underwater noise and emissions. Saga Welco has been an active participant in this program for a few years.

Port of Los Angeles Speed Reduction Program: Saga Welco is a participant of the Port of Los Angeles Vessel Speed Reduction Initiative Program (VSRP). The objective of the Vessel Speed Reduction Program (VSRP) is to reduce diesel particulate matter (DPM), nitrous oxides (NOx), and greenhouse gas (GHG) emissions from Ocean-Going Vessels (OGV) by reducing their speed as they approach or depart the Port. The Port of Los Angeles provides an incentive on an annual basis depending on compliance with the program. Vessel operators achieving 90 percent compliance in a calendar year will receive the incentive for 100 percent of their vessel calls in that year. In 2021, Saga Welco had a compliance rate of 87.5 percent (1 vessel missed out of 8 calls).

PROTECTING MARINE LIFE IN BRITISH COLUMBIA



Saga Welco has voluntarily participated in the Port of Vancouver's ECHO (Enhancing Cetacean Habitat and Observation) Program since its inception in 2014. British Columbia has a productive coastal ecosystem that sustains numerous populations of whales, porpoises and dolphins. As whales and ships share the same waters, many of the ships calling at the Port of Vancouver transit through endangered southern resident killer whale critical habitat, as well as other areas of importance to whales such as the northern resident killer whales, humpback, fin, blue, and sei whales.

Recognizing that commercial marine activity in the region has the potential to impact at-risk whales, the Vancouver Fraser Port Authority launched the ECHO Program in 2014 to better understand and reduce the cumulative effects of shipping on whales throughout the southern coast of British Columbia. The long-term goal of the ECHO Program is to develop and implement initiatives that result in a quantifiable reduction in threats to whales as a result of shipping activities. The ECHO program is focused on reducing underwater noise generated by vessels, which requires the voluntary slowdown of vessels.

SOCIAL

Our employees are our most valuable asset, and their health and safety is our number one priority. Safe working conditions as well as healthy and motivated employees are key to Saga Welco's long-term success. We support and comply with international and national regulations ensuring human and labour rights throughout our operations and business activities.

OCCUPATIONAL HEALTH AND SAFETY

To ensure a diligent follow-up of HSE matters, we have defined the following targets:

- 1 Prevent injuries and accidents
- 2 High attendance in the workplace/stable and low absenteeism ratio
- 3 Be an attractive employer

The ship-related H&S management and policies are governed by Maritime Labour Convention (MLC) and ISM code, chapter 9 of SOLAS regulations and voluntarily compliance from ISO 45001:2018 Occupational health and safety.

Saga Welco's HSE Handbook contains a detailed description of Saga Welco's employee health and safety policies, including measures to ensure compliance with legal requirements, and specific set targets and initiatives to monitor and improve the working environment. Overriding responsibility in this area rests with the President / CEO. Employee participation specified by the Norwegian law is ensured through an elected employee safety representative. An annual review of HSE policies is documented and reported in accordance with Norwegian law.

At our international branch offices, our HSE policy documents are available to all employees via the company intranet. The General Manager is responsible for HSE management to ensure that policies are adapted to applicable local laws and regulations. This personnel handbook is reviewed and revised semi-annually, at a minimum.

Absence ratios 2021 vs 2020;

	2021	2020
Norway	2.8	3.1
Rio/Sao Paulo	0.8	5.1
Shanghai	0.6	0.0
Tokyo	0.2	1.3
Seoul	0.0	0.4
Savannah	0.9	0.0
Vancouver	0.9	0.4
Livorno	1.6	1.1
Antwerp	5.0	1.2

There were 113 full time employees at Saga Welco at year end, assigned to offices in Tønsberg, Bergen, Savannah, Vancouver, Antwerp, Livorno, Shanghai, Seoul, Tokyo, Sao Paulo and Rio de Janeiro.

In 2021, the lost time incident rate (LTIR) increased from 2.56, up from 2.06 in 2020. The lost time incident frequency (LTIF) was 1.57 in 2021. The increase was caused by a tragic accident onboard Heranger in August 2021 which happened due to misunderstandings and breach of procedures, resulting in a lethal injury. Following the accident, all crew were reminded of the safety procedures.

OUR RESPONSE TO THE PANDEMIC

In 2021, management at Saga Welco continued to place priority on the health and safety of our employees as the COVID-19 pandemic continued. For our office employees, working from home was strongly recommended when feasible and employees were provided with the necessary equipment to facilitate work from home.



Our seafarers continued to be affected by closed borders and constantly changing restrictions and quarantine rules, making crew changes unpredictable and difficult. In some parts of the world seafarers were recognised as essential workers, which made access to vaccines and crew changes easier while in other ports, shore leave and crew changes were still being refused, and in some cases even medical help is refused. This means that our seafarers still face longer periods onboard, but also at home not knowing at what point they will be able to return to work.

To ensure smooth crew change, we have deviated a total of 15 vessels from their original route to make sure our crew was able to start and end their contract as close as possible to the contract expiration date. This has not been possible for all vessels and on a few occasions,

we were unable to conduct crew changes for 5-7 months. Due to the long periods away from home, we have focused on the mental well-being of our crew and introduced a wellness program.

Due to the number of Covid-19 variants, we continued to have a strict policy for all crew. This included self-isolation at home, hotel quarantine, PCR tests, daily body temperature checks and maintaining social distancing for the first 14 days when they embark the vessel. We only allow essential workers on board the vessel while in port, and no one except crew is allowed inside accommodation. Face masks for crew and any essential workers has continued to be mandatory. This way we reduce the risk of Covid-19 spreading amongst our crew and putting the vessel at risk.

Recognising our responsibility to improve the situation of our seafarers, we signed the Neptune Declaration early in 2021 together with more than 850 organisations and companies. The declaration defines four main actions to address the challenges caused by the pandemic:

- Recognise seafarers as key workers and give them priority access to Covid-19 vaccines
- Establish and implement gold standard health protocols based on existing best practice
- Increase collaboration between ship operators and charterers to facilitate crew changes
- Ensure air connectivity between key maritime hubs for seafarers.

Saga Welco recognizes that we have a responsibility to ensure safe and healthy working condition for our crew.



EQUALITY AND ANTI-DISCRIMINATION

Saga Welco encourages equal opportunities and treatment for all employees and has incorporated a policy which is firmly against all discriminations. 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. Diversity in gender is important to us, and we monitor the development in our organisation. Of the Group's 122 employees, 37 are women. We have not recorded any instances of involuntary part-time positions.

Individuals within the organization's governance bodies

Male	Female	Under 30 years old	30–50 years old	Over 50 years old
6	0	0	0	6

Number of onshore personnel in each employee category

Male	Female	Under 30 years old	30–50 years old	Over 50 years old
85	35	16	53	51

Number of shipboard personnel in each employee category

Male	Female	Under 30 years old	30–50 years old	Over 50 years old
934	7	301	560	80

YOUNG WOMEN IN SAGA WELCO

In 2021, young women at Saga Welco took the initiative to establish "Young Females Saga Welco". The mission was to support young females employees globally with competence development by sharing information, best practices, and experiences, and eventually to increase the diversity within the company. The target group is female employees under 35 years. The initiative was supported by the management, and a total of 13 individuals were invited.

The network held the first meeting on Teams in late 2021 and agreed to meet online on a bi-monthly basis. The aim is to create a meeting place for young females to be inspired, experience personal growth, drive change between each other, and further develop in-house talents. Experienced Saga Welco professionals and guest speakers will be invited to share insights and experience.

GOVERNANCE

Saga Welco is committed to conducting its business lawfully and ethically and expects that all its employees meet the highest standards of legal and ethical conduct. Our governance framework is embodied in our Code of Conduct, Anti-Corruption Policy and Anti-Bribery Policy, and Competition Law Compliance Manual.

These three documents make up the Saga Welco Code and describe the general policies and procedures with which all Saga Welco employees and our business partners must comply to ensure that their behavior conforms to the highest ethical standards and is in accordance with all applicable laws, rules and regulations.

ANTI-CORRUPTION AND BUSINESS ETHICS

The effects of corruption undermine economic and social development and the UN Sustainable Development Goals. Saga Welco has a zero-tolerance policy towards bribery and corruption in any form. We are committed to upholding all laws relevant to countering bribery and corruption in all jurisdictions where we operate. Relevant laws include, among others, the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act, both of which are applicable all over the world. Our policy applies to all employees at Saga Welco and all third-party individuals, businesses, government and public bodies or organizations our company comes into contact with in the course of our business activities.

Anti-competitive practices distort the market, with negative consequences for both the market and our customers. Saga Welco's policy is to fully comply with competition laws in all jurisdictions where we operate and are governed by our Competition Law Compliance Manual. The competition rules in the US, EU and most other jurisdictions are to a large extent similar. In general, anti-competitive agreements or practices are prohibited if the conduct has a negative effect on competition.

All existing employees receive regular and relevant training on how to understand and adhere to our

anti-corruption governance policies. No incidents of corruption or requests for bribes were reported/identified in 2021.

WHISTLEBLOWING AND PROTECTION

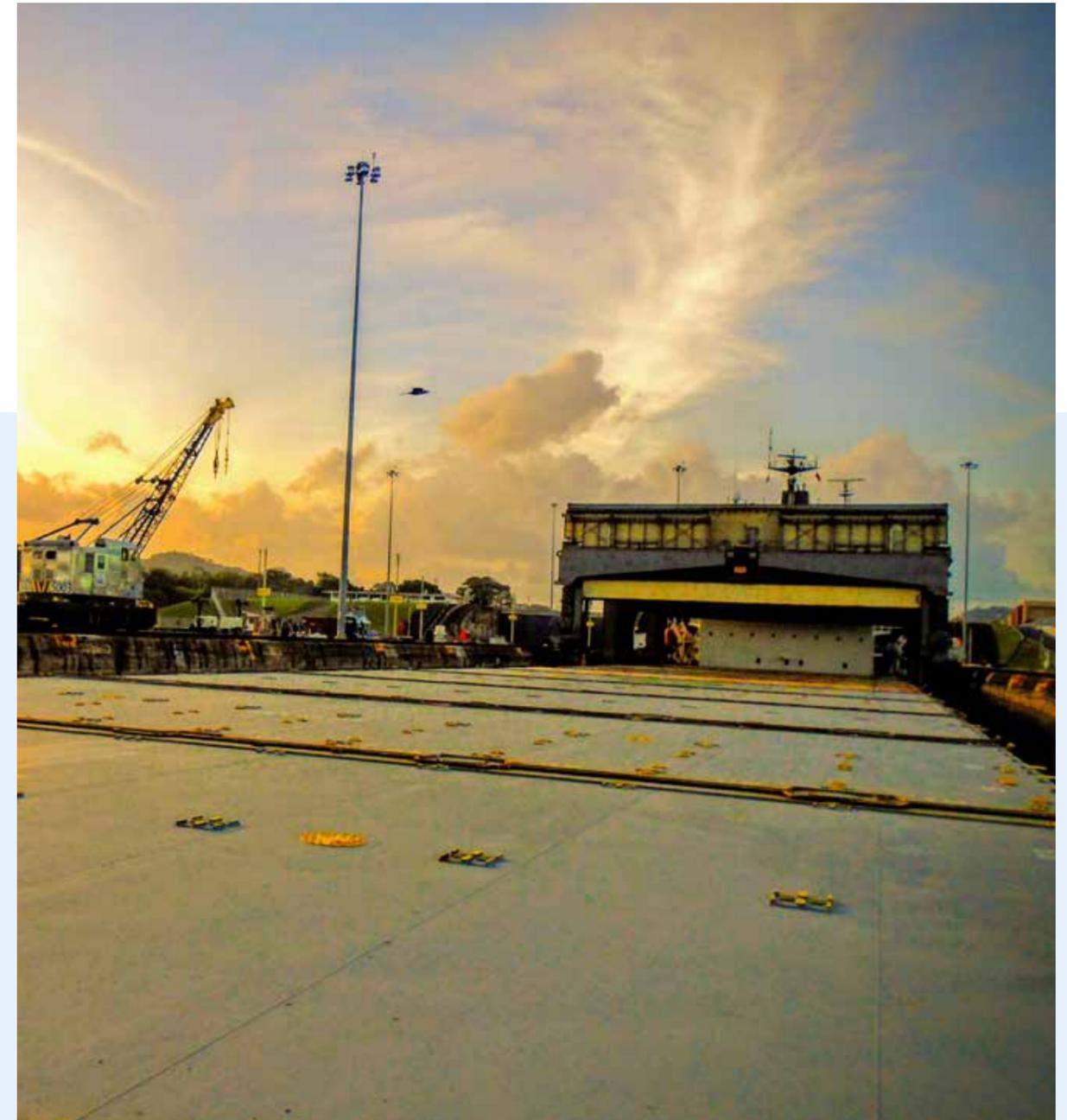
A whistleblowing mechanism allows employees to raise concerns about corruption issues or violations of the Saga Welco Code with their line manager or our Compliance Officer. Under our Code of Conduct, employees are expected to report their concerns if they observe suspected violations of the Saga Welco Code or any instances of activity in the workplace that are otherwise dishonest, illegal or unethical.

Saga Welco encourages openness and will support anyone who raises genuine concerns in good faith under this policy. We are committed to ensuring that no one suffers any detrimental treatment as a result of refusing to take part in bribery and corruption, or because they reported in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place or may take place in the future.

CODE OF CONDUCT FOR SUPPLIERS

Our zero-tolerance approach to bribery and corruption is communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.

Our Anti-Corruption and Anti-Bribery Policy requires that due diligence must be performed and documented when executing new agency agreements or new consulting agreements with third parties. Contracts must incorporate an anti-bribery clause.



BIMCO ANTI-CORRUPTION CLAUSE FOR CHARTER PARTIES



Saga Welco seeks to incorporate BIMCO's Anti-Corruption clause dated 24.11.2015 when chartering 'in' or 'out' vessels for single trips or periods and use best endeavours to include a BIMCO Anti-Corruption Clause in all new Contracts of Affreightment (CoA), and for renewal of existing CoA's.

The UN SDG target 16.5 is aimed at substantially reducing corruption and bribery in all their forms. Saga Welco is committed to supporting this target through our own diligent anti-corruption policies and intend to support collective action to reduce corruption and bribery by joining the MACN.

DISCLOSURES

Accounting metric ▾	Unit of measure ▾	Data 2021 ▾	Data 2020 ▾	SASB code ▾
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GREENHOUSE GAS EMISSIONS

CO ₂ emissions ¹				
Gross global Scope 1 emissions: Operational control approach	Metric tons CO ₂ -e	1 042 542	980 762	TR-MT-110a.1
Gross global Scope 2 emissions	Metric tons CO ₂ -e	35	41	Additional GRI 305-2
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 4	Page 6	TR-MT-110a.2
Reporting on climate related risks and opportunities in line with the recommendations of the Task Force on Climate-Related Financial Disclosures	Qualitative description	Not available	Not available	Additional

Energy consumed ²				
Total energy consumed	Gigajoules (GJ)	14 507 055	13 644 731	TR-MT-110a.3
	Percentage of energy from heavy fuel (%)	89%	89%	
	Percentage of energy from renewable / low-carbon sources (%)	0%	0%	

EEDI				
Average Energy Efficiency Design Index (EEDI) for new ships	Grams of CO ₂ per ton-nautical mile	No new ships acquired in 2021	No new ships acquired in 2020	TR-MT-110a.4

EEOI & AER ^{3,4}				
Fleet average Energy Efficiency Operational Indicator (EEOI): Weighted average	Grams of CO ₂ per ton-nautical mile	12.18	8.13	Additional
Average Efficiency Ratio (AER): Weighted average	Grams of CO ₂ per ton-nautical mile	6.23	5.58	Additional

AIR QUALITY

Other emissions to air ⁵				
(1) NO _x (excluding N ₂ O)	Metric tons	28 127	26 280	TR-MT-120a.1
(2) SO _x	Metric tons	2 965	2 794	
(3) Particulate matter	Metric tons	210	221	

Accounting metric ▾	Unit of measure ▾	Data 2021 ▾	Data 2020 ▾	SASB code ▾
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ECOLOGICAL IMPACTS

Marine protected areas ⁶				
Shipping duration in marine protected areas or areas of protected conservation status	Number of travel days	464	Not reported	TR-MT-160a.1

Implemented ballast water				
(1) Exchange	Percentage (%)	31%	33%	TR-MT-160a.2
(2) Treatment	Percentage (%)	84%	81%	

Spills and releases to the environment				
(1) Number	Number	0	0	TR-MT-160a.3
(2) Aggregate volume	Cubic metres (m ³)	0	0	

Waste				
Waste generated ³	Metric tons	1 179.9	Not reported	Additional

BUSINESS ETHICS

Corruption index				
Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perceptions Index	Number	Not reported	Not reported	TR-MT-510a.1

Corruption				
Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Reporting currency	0	0	TR-MT-510a.2

Facilitation payments				
Incidents where bribes have been requested	Number	0	0	Additional, SDG 16

Fines and sanctions				
Significant Monetary fines	Number		0	Additional, GRI 419-1
Total monetary value of significant fines	Reporting currency		0	
Non-monetary sanctions for non-compliance with laws and/or regulations	Number		0	

³ Missing data for 18 vessels

DISCLAIMER AND ASSUMPTIONS

Accounting metric ▾	Unit of measure ▾	Data 2021 ▾	Data 2020 ▾	SASB code ▾
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EMPLOYEE HEALTH & SAFETY

Lost time incident rate ⁷				
Lost time incident rate (LTIR)	Rate	2.56	2.07	TR-MT-320a.1
Lost time incident frequency (LTIF)	Rate	1.57	0.85	Additional, GRI 403-9

ACCIDENT & SAFETY MANAGEMENT

Marine casualties ⁸				
Incidents	Number	3	–	TR-MT-540a.1
Very serious marine casualties	Percentage (%)	0%	0%	

Conditions of class ⁹				
Number of Conditions of Class or Recommendations	Number	12	41	TR-MT-540a.2

Port State Control ¹⁰				
(1) Deficiencies	Rate	0.47	0.58	TR-MT-540a.3
(2) Detentions	Number	2	0	

OUR OPERATIONS IN NUMBERS

Number of shipboard personnel	Number	1 109 ^A	1 091	TR-MT-000.A
Total distance traveled by vessels	Nautical miles (nm)	3 322 188	3 495 038	TR-MT-000.B
Operating days	Days	17 866	18 273	TR-MT-000.C
Deadweight tonnage	Thousand deadweight tons	2 570 757 ^A	2 615 705	TR-MT-000.D
Number of vessels in fleet	Number	51 ^A	52	TR-MT-000.E
Number of vessel port calls	Number	1 617	1 647	TR-MT-000.F
Twenty-foot equivalent unit (TEU) capacity	TEU			TR-MT-000.G

^A end of year 2021

Figures provided in this report are based on estimates outlined below: Figures provided as per the end of the financial year (December 31).

- CO₂ emissions:** Calculations are based on IMO emission factors and fuel consumed. The financial control approach has been applied for Scope 1. The location-based method has been applied for Scope 2. Calculations based on emission factors from IEA 2021 and AIB 2021.
- Energy consumption:** Calculations are based on tonnes of oil equivalents (toe), using DEFRA conversion factors to calculate energy consumed in gigajoules (GJ).
- Energy Efficiency Operational Indicator (EEOI):** The EEOI measures the fuel efficiency of a ship in operation and is estimated based on fuel consumed, cargo carried, and distance travelled (nm).
- Average Efficiency Ratio (AER):** carbon intensity metric estimated based on fuel consumed, distance travelled (nm), and deadweight tonnage (DWT).
- Other emissions to air (NO_x, excluding N₂O, SO_x and particulate matter):** Estimated based on distance travelled (nm) and a tool developed by Danish Shipping (full style) for calculating emissions from bulk carrier vessels.
- Marine protected areas:** A marine protected area as defined by the International Union for Conservation of Nature (IUCN): 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. However, the reported number does not necessarily include all Marine protected areas internationally established and regulated in International the Marine Organization (IMO) Conventions and areas established nationally by member states. Please note that duration in MPAs is based on PPS data updated every 6th hours.

- Lost time incident rate (LTIR):** The rate is calculated based on (lost time incidents) / (1,000,000 hours worked), and includes incidents resulting in absence from work beyond the date or shift when it occurred.
- Marine casualties:** The definition of a marine casualty is based on the United Nations International Maritime Organization (IMO)'s Code of International Standards and Recommended Practices for a Safety Investigation into a Marine Casualty or Marine Incident Resolution MSC 255(84), paragraph 2.9, chapter 2 of the General provisions.
- Conditions of class:** The data provided represents the number of Conditions of Class or Recommendations Saga Welco vessels have received from a Flag Administration or a Recognized Organization (RO) that has been delegated the authority to issue such findings. The scope of disclosure includes all Conditions of Class regardless of whether they resulted in withdrawal, suspension, or invalidation of a vessel's Class certificate.

10 Port state control: Deficiency rate is calculated using the number of deficiencies it received from regional port state control (PSC) divided by total number of port state control inspections.



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