



SAGA WELCO AS **ESG** REPORT 2022

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KEY FIGURES 2022

Fleet as of year-end 2022

49

2021: 51

Number of spills

0

2021: 0

Deadweight tonnage

2 480 542

2021: 2 570 757

Distance travelled (nautical miles)

2 824 581

2021: 3 322 188

Health and safety (LTIR)

0.8

2021: 2.56

GHG emissions (tons CO₂e)

906 105

2021: 1 042 542

Annual efficiency ratio (AER)

6.5

2021: 6.2

Number of shipboard employees

1 070

2021: 1 109

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.

THE SAGA WELCO VALUES

Dedicated People
Flexible Solutions
Reliable Carrier

About this report

This report is prepared in accordance with the Marine Transportation Standard (2018) established by the Sustainability Accounting Standards Board (SASB) and references the Global Reporting Initiative (GRI) Standards (2021) and Poseidon Principles. Additionally, we are following the Norwegian Shipowners' Association's (NSA) guidelines for ESG reporting in the shipping and offshore industries (updated 2021). Adhering to these internationally recognized reporting standards ensures that our report and disclosures on ESG topics are material, transparent and verifiable. This report covers the period from 1 January to 31 December 2022. For report questions or feedback contact ehn@sagawelco.com.



THE GLOBAL REPORTING INITIATIVE (GRI) STANDARDS (2021)

The Global Reporting Initiative (GRI) is the most widely used international reporting framework for sustainability reporting, with over 75% 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

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



Norges
Rederiforbund
Norwegian
Shipowners'
Association



The vessel owners are responsible for the technical management and crewing services of the vessels. The data contained within this report regarding such owners' matters is collected from the owners.

MESSAGE FROM THE CEO

The global COVID-19 pandemic caused significant disruptions to international shipping. As we transitioned to a new phase in 2022, where we are learning to live with COVID-19, flights have resumed, crew changes are smoother, and logistical disruptions are gradually normalizing. Other challenges have since emerged, including the tragic outbreak of war in Ukraine. The flow on disrupting effects to global trade and increasing energy costs have increased our sharp focus on providing our customers with reliable, efficient and flexible shipping solutions.

Climate change continues to be the number one issue facing the shipping industry and society at large. The shipping industry's role in achieving global greenhouse gas (GHG) reduction targets has come under increasing scrutiny. The year 2023 marks the beginning of the International Maritime Organization's (IMO) Carbon Intensity Indicator (CII) and Saga Welco is actively prepared to meet all new requirements.

Our scope 1 GHG emissions were 906 105 metric tons carbon dioxide equivalents in 2022 (2021: 1 042 542). The fleet average Energy Efficiency Operational Indicator (EEOI) was 14.02 grams of CO₂ per ton-nautical mile (2021: 12.18), with an Average Efficiency Ratio of 6.5 (2021: 6.23). We have initiated several efficiency measures to improve our fleet's efficiency and carbon intensity going forward.

Given the safety and security risks connected to operations at sea, these must always be managed carefully to safeguard crew, vessels, cargo and the environment. We improved our Lost Time Incident Rate (LTIR) from 2.56 in 2021 to 0.80 in 2022, with a Lost Time Incident Frequency (LTIF) of 0.33 (2021: 1.57). There were no fatalities or very serious marine casualties in this period.

In 2022 there were no reported significant spills or releases to the environment. There were no reported corruption incidents and no significant fines or non-monetary sanctions for non-compliance with laws and/or regulations.

Saga Welco recognizes that good ESG management is crucial for us to drive sustainability outcomes and remain a viable partner for our customers. Compliance with environmental regulations, ensuring employee safety, and maintaining good corporate governance have always been our top priorities. Our senior management and Board acknowledge that transparently reporting our ESG performance is vital to maintaining the confidence of our stakeholders.

In my message last year, I stressed the importance of enhancing technical research and development to guide the industry's future. We need solid technological solutions to reduce emissions while maintaining economic efficiency. However, technological uncertainty remains the most significant obstacle preventing the shipping industry from achieving the IMO's ambitions.

Despite these challenges and shortfalls, Saga Welco is committed to do our best. We will continue our efforts to improve fuel and energy efficiency through our Ship Energy Efficiency Management Plan (SEEMP). We believe on-time sailing is the best way to control our GHG emissions, and we will continue to focus on efficient scheduling, better route selections and tighter speed controls with assistance from weather routing services. Our keyword for 2023 is "Product Integrity", and we will strive to consistently deliver services with integrity to our customers.

This is our fourth annual ESG report, and it aims to transparently disclose our environmental, social, and governance performance in 2022 using recognized reporting standards. We invite you to read our report and we welcome feedback from our stakeholders.

Tokyo, 27 March 2023

Fumitake Shishido

President and CEO Saga Welco AS



ESG GOVERNANCE

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

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.

Together, the three documents – The Code of Conduct, Anti-Corruption Policy and Anti-Bribery Policy - form the Saga Welco Code. They outline our company's general policies and procedures that all employees and business partners must adhere to. These documents have been incorporated into the company's Quality System, meeting the ISO 9001-2015 international quality standard. By doing so, we ensure that everyone's behavior aligns with the highest ethical standards and complies with all relevant 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)

INDUSTRY COOPERATION

The shipping industry's ESG challenges require joint action between carriers and 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. In addition, Saga Welco is a certified member of [US CTPAT \(Customs Trade Partnership Against Terrorism\) program](#), which is a voluntary public-private sector partnership that aims to strengthen international supply chains and improve the United States border security.

Saga Welco's commitment to anti-corruption is reflected through its adherence to the principles of the [Marine Anti-Corruption Network \(MACN\)](#) through its parent company's membership (NYK Line). MACN is a global business network working towards the vision of a maritime industry free of corruption that enables fair trade to the benefit of society at large. We are always on the lookout for other ESG-related initiatives that we believe will help us achieve our targets.



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.

ENVIRONMENTAL FOCUS AREAS 2022:

- 1 Installed seven additional approved ballast water treatment systems to our fleet
- 2 Continued our efforts to improve fuel and energy efficiency through our Ship Energy Efficiency Management Plan (SEEMP)
- 3 Zero incidents causing oil spills to the ocean

CLIMATE CHANGE AND SHIPPING INDUSTRY AIR EMISSIONS



Decarbonization is currently the most salient issue in maritime shipping, and it will determine the industry's direction for years to come. At Saga Welco, we believe that decarbonization presents an opportunity for our industry to create a sustainable business model that involves all our stakeholders.

We are committing to complying with the IMO's regulations and guidelines concerning climate change and air pollution. The IMO's initial GHG strategy aims to reduce CO₂ emissions per transport work by an average of 40% by 2030 and 70% by 2050 compared to 2008, as well as to reduce total annual GHG emissions by at least 50% by 2050 compared to 2008. In line with paragraph 7 of the initial strategy from 2018, IMO's decarbonization target is set to be revised at the Marine Environment Protection Committee (MEPC) 80th session in July 2023. Saga Welco supports IMO's current and upcoming work, and we have put in place systems to effectively monitor our emissions.

With the Carbon Intensity Indicator (CII) having entered into force in 2023, Saga Welco is closely monitoring the CII-values of its vessels. While there are pros and cons, as well as deficiencies, with the regulation, Saga Welco sees it as the first step towards shipping decarbonization. We believe the industry will continue to discuss regulatory improvements of the CII until its first review is due in 2026. We look forward to participating in these discussions and will closely monitor the performance of our fleet to always ensure compliance with the regulation.

Our ship managers have implemented Ship Energy Efficiency Management Plans (SEEMP) on each vessel to improve the energy efficiency using operational measures such as route and speed optimization in our daily operations. To optimize our vessels' speed, we focus on hull and propeller maintenance. We use the latest generation silicon-based and anti-fouling coatings to prevent sea life from attaching to the hull, which slows down the vessels and increases fuel consumption.

Cleaning and polishing routines of the propeller and hull are determined based on close monitoring of the vessel's fuel performance. Additionally, ten of our vessels are equipped with Propeller Boss Cap Fins to enhance propeller efficiency. Voyage optimization and fleet strategies mentioned above require little investments and offer large fuel savings, making them win-win solutions that simultaneously reduce fuel costs and emissions.

Our commercial team also actively seeks opportunities to reduce ballast voyages to minimize emissions from vessels not engaged in trading. Unfortunately, in 2022, our fleet faced significant delays at ports due to labor shortages, berth congestion, and lower operational productivity. COVID-19 quarantine requirements remained in China throughout the year, where many of our vessels were drydocked. Consequently, our vessels had to spend more days than planned at drydocking, resulting in severe shortages in our operating capacity. We had to carry out many ballast voyages on short legs, and in some cases, increase speed to reach the next cargo loading port on time.

- 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.

When it comes to air pollution, Saga Welco complies with the MARPOL Convention Annex VI which specifically addresses the prevention of air pollution from ocean-going vessels. This Convention seeks to control airborne emissions from ships including sulfur oxides (SO_x), nitrogen oxides (NO_x), ozone depleting substances (ODS), volatile organic compounds (VOC) and shipboard incineration. By only using Very Low Sulfur-Content fuel, our fleet remains compliant with the 2020 IMO sulfur cap. Sulfur emissions have proved to cause health implications and ecosystem damage via acidification of water and soil.

SPILLS, DISCHARGES AND ECOLOGICAL IMPACT

Shipping discharges and potential spills are significant environmental risks that need to be managed and minimized to preserve marine ecosystems.

We are committed to supporting UN SDG 14, which aims to protect life below water. Target 14.C is particularly relevant to our operations as it focuses on enhancing the conservation and sustainable use of oceans and their resources through the implementation of international law. Our vessel crew members are trained in and must always follow stringent rules for preventing spills, and they must report any incidents that occur. In 2022, Saga Welco did not experience any incidents involving spills.

Ballast water is crucial for safe and efficient shipping operations. However, loading and unloading untreated ballast water poses serious ecological, economic, and health-related risks as ships can transfer organisms between ecosystems. This year, we installed the IMO/USCG-approved ballast water treatment systems (BWTS) on seven additional vessels, and only one vessel remains to complete the installation program. We plan to complete the installation by April 2023.

FLEET RECYCLING

We at Saga Welco are committed to contributing to UN SDG 9, which aims to promote resilient infrastructure, sustainable industrialization and innovation.

Specifically, our efforts align with target 9.4, which involves upgrading infrastructure and retrofitting industries to promote sustainability. To this end, we are currently studying a fleet replacement program that incorporates research on alternative fuel technology. In 2022, we did not withdraw any vessels from our fleet. The earliest we may consider withdrawing and recycling a vessel due to its age is in 2024.



Environmental Initiatives at Port

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 the last years.




The Port of Los Angeles Vessel Speed Reduction Program (VSRP) aim to reduce diesel particulate matter (DPM), nitrous oxides (NO_x) and GHG emissions from ocean-going vessels by reducing their speed as they approach or depart the Port. Saga Welco is an active participant in VSRP. The Port of Los Angeles provides an incentive on an annual basis depending on compliance with the program. Operators achieving 90% compliance in a calendar year will receive the incentive for 100% of their vessel calls in that year. In 2022, Saga Welco had a compliance rate of 87.5% (one vessel missed out of eight calls). Photo: Port of Los Angeles

Protecting Marine Life in British Columbia

The Port of Vancouver's ECHO (Enhancing Cetacean Habitat and Observation) Program aims to reduce the impact of commercial activity on at-risk marine life in British Columbia's coastal waters. Saga Welco has voluntarily participated in the ECHO Program since 2014. British Columbia's littoral ecosystem is vibrant and home to many species of whales, porpoises, and dolphins. However, commercial ships and marine life share the same waters, and many of the ships arriving at the Port of Vancouver pass through critical habitats of endangered southern resident killer whales, as well as other areas important to whales such as northern resident killer whales, humpback, fin, blue, and sei whales.

In recognition of the potential impact of commercial marine activity on at-risk whales in the region, the Vancouver Fraser Port Authority initiated the ECHO Program in 2014. The program aims to better understand and reduce the cumulative effects of shipping on whales along the southern coast of British Columbia. The long-term goal of the ECHO Program is to develop and implement initiatives that lead to a measurable decrease in threats to whales resulting from shipping activities. To achieve this, the ECHO program focuses on reducing the underwater noise generated by vessels, which entails voluntary slowdowns while underway in at-risk areas.





Saving Right Whales along the US Atlantic Coast

The North Atlantic Right Whale is one of the most critically endangered whales in the world, with a population of as few as 360 individuals remaining. These whales can be found year-round from Cape Cod to Nova Scotia, and pregnant females travel as far south as the Southeast Atlantic Coast, from Brunswick to Jacksonville, during the winter months between November and April to give birth and nurse their calves.

It is estimated that preventing as few as two female deaths per year from vessel collisions or entanglement in fishing gear will allow the population to begin to grow again. To address this issue, the US National Oceanic and Atmospheric Administration (NOAA) has mandated that vessels of a certain size reduce their speed to 10 knots or less in designated areas during specified periods.

At Saga Welco, we are committed to following these rules and regulations and contributing to the conservation of marine life, including the North Atlantic Right Whale.

SOCIAL

At Saga Welco, we believe our employees are our most valuable asset, and their wellbeing is our number one priority. We believe that safe working conditions and a motivated workforce are essential for the long-term success of our business. We are committed to supporting and complying with international and national regulations that ensure human and labor rights across all our operations and business activities.

OCCUPATIONAL HEALTH AND SAFETY

We have defined specific targets to ensure the diligent follow-up of health, safety, and environment (HSE) matters:

- 1 Prevention of injuries and accidents
- 2 High attendance in the workplace and low absenteeism ratio
- 3 Attractiveness as an employer

To govern ship-related HSE management and policies, we adhere to the Maritime Labor Convention (MLC) and ISM code, chapter 9 of SOLAS regulations, and voluntarily comply with the ISO 45001:2018 Occupational Health & Safety standard.

Our HSE Handbook provides a detailed description of our employee health and safety policies, including measures to ensure compliance with legal requirements, specific targets, and initiatives to monitor and improve the working environment. Responsibility for this area rests with the President/CEO, and employee participation is ensured through an elected employee safety representative, as specified by Norwegian law. We document and report an annual review of HSE policies 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.

As of year-end, we had 119 full time employees, assigned to offices in Tønsberg, Bergen, Savannah, Vancouver, Antwerp, Livorno, Shanghai, Seoul, Tokyo, Sao Paulo and Rio de Janeiro.

Absence ratios 2022 vs 2021

	2022	2021
Norway	1.8	2.8
Rio/Sao Paulo	0.4	0.8
Shanghai	0.1	0.6
Tokyo	2.1	0.2
Seoul	0.0	0.0
Savannah	1.3	0.9
Vancouver	1.3	0.9
Livorno	2.7	1.6
Antwerp	4.5	5.0

Given the safety and security risks connected to operations at sea, these must always be managed carefully to safeguard crew, vessels, cargo and the environment. In 2022, we improved our Lost Time Incident Rate (LTIR) from 2.56 to 0.80. Saga Welco also had zero marine incidents classified as serious. Three of our vessels were involved in smaller incidents that led to material damage to the ship. Following these incidents, our crew were reminded of Saga Welco's safety procedures.

OUR ONGOING RESPONSE TO THE PANDEMIC

In 2022, Saga Welco continued to prioritise the health and safety of our employees as the COVID-19 pandemic continued. Our office employees were strongly encouraged to work from home when possible and were provided with the necessary equipment to facilitate remote work. By the end of 2022, all staff had returned to working in the office, with more flexibility to combine office and remote work.



Throughout 2022, our seafarers were still affected by local restrictions and quarantine rules, making crew changes difficult in certain areas. Given the emergence of numerous COVID-19 variants, we maintained a strict policy for all crew, including self-isolation at home or hotel quarantine before signing on, frequent PCR tests, daily body temperature checks, etc. Only essential workers were allowed on board while in port, and no one except crew was allowed inside the accommodation. Although seafarers were frustrated by the restrictions on shore leave, we restricted it to minimize the risk of COVID-19 spreading among our crew and to protect the vessel.

In recognition of our responsibility to improve the situation of our seafarers, we remained signatories to the Neptune Declaration, which defines four main actions to address the challenges caused by the pandemic:

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

At Saga Welco, we recognize our responsibility to ensure safe and healthy working condition for our crew.



EQUALITY AND ANTI-DISCRIMINATION

At Saga Welco, we are committed to providing equal opportunities and fair treatment to all our employees. We have implemented a policy that strictly prohibits any form of discrimination or harassment, whether it's based on race, color, gender, religion, age, national origin, citizenship status, sexual orientation, or disability. We value diversity and gender equity in our organization, and we actively monitor their progress. Currently, out of our total workforce of 119 employees, 36 are women. We have not recorded any instances of involuntary part-time positions. At Saga Welco, we firmly believe in fostering an inclusive workplace where every employee feels valued and respected, and we will continue to work towards this goal.

	MALE	FEMALE	UNDER 30	30-50	OVER 50
Individuals within the organization's governance bodies	6	0	0	0	6
Individuals within the organization's senior management	14	2	0	0	16
Onshore personnel in each employee category	83	36	15	50	54
Offshore personnel in each employee category	1064	6	296	621	153

GOVERNANCE

At Saga Welco, we are committed to our business ethically and lawfully. We hold ourselves and our employees to the highest standards of legal and ethical conduct. To achieve this, we have established a governance framework that is embodied in three key documents: our Code of Conduct, Anti-Corruption and Anti-Bribery Policy, and Competition Law Compliance Manual.

Together, these three documents form the Saga Welco Code. They outline our company's general policies and procedures that all employees and business partners must adhere to. By doing so, we ensure that everyone's behavior aligns with the highest ethical standards and complies with all relevant laws, rules, and regulations.

ANTI-CORRUPTION AND BUSINESS ETHICS

Corruption has far-reaching consequences on economic and social development, and it hinders progress towards the UN Sustainable Development Goals. At Saga Welco, we maintain a zero-tolerance policy towards any form of bribery and corruption. We are committed to upholding all laws related to countering bribery and corruption in every jurisdiction where we operate, including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act, which both apply globally. Our policy applies to all employees and any third-party individuals, businesses, government or public bodies, or organizations that we interact with in the course of our business activities.

Anti-competitive practices distort the market and adversely affect both the economy and our customers. To avoid this, Saga Welco's policy is to comply fully with competition laws in all jurisdictions where we operate, as outlined in our Competition Law Compliance Manual. Generally, agreements or practices that negatively impact competition are prohibited in the US, EU, and most other jurisdictions.

We provide regular and relevant training to all of our employees on how to understand and adhere to our anti-corruption governance policies. No incidents of corruption or requests for bribes were reported or identified in 2022.

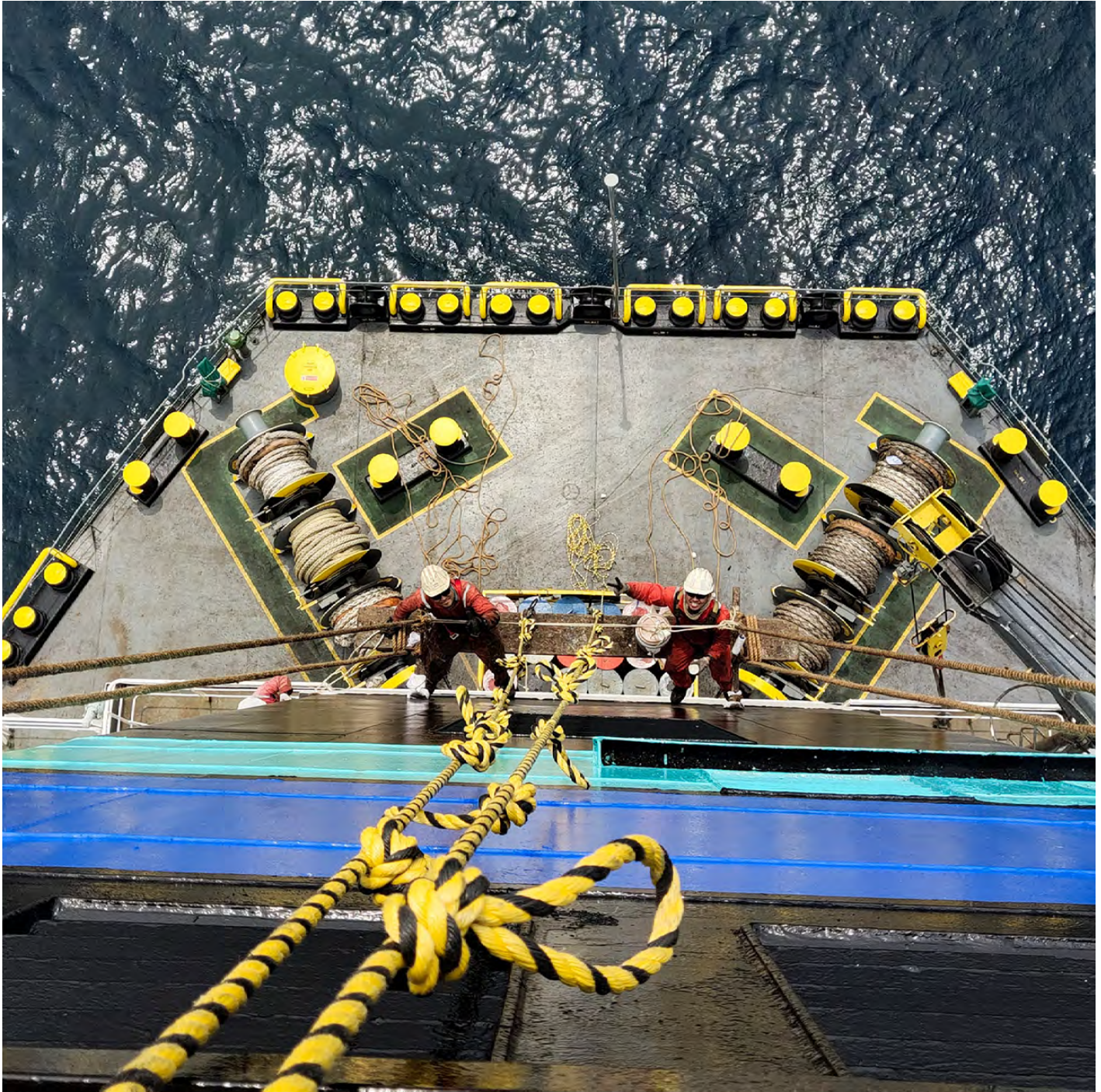
WHISTLEBLOWING AND PROTECTION

At Saga Welco, we believe that transparency and accountability are essential to maintaining our high ethical standards. As a result, we have established a whistleblowing mechanism to allow employees to report any suspicions they may have regarding corruption issues or violations of our Code of Conduct. According to our Code of Conduct, employees are expected to report any suspected violations of the Saga Welco Code, as well as any instances of dishonest, illegal, or unethical activity in the workplace, to their line manager or our Compliance Officer. We value openness and will support anyone who raises genuine concerns in good faith under this policy. Furthermore, we are committed to protecting our employee treatments from any adverse as a result of refusing to participate in bribery or corruption, or for reporting, in good faith, their suspicion of an actual or potential bribery or corruption offense. At Saga Welco, we take any such concerns seriously, and we investigate them thoroughly to ensure that we maintain our high ethical standards.

CODE OF CONDUCT FOR SUPPLIERS

We uphold a strict policy of zero-tolerance towards bribery and corruption, which is communicated to all of our suppliers, contractors, and business partners from the very beginning of our working relationship with them and reinforced as necessary.

Our Anti-Corruption and Anti-Bribery Policy mandates that thorough due diligence be conducted and documented whenever we enter into new agency or consulting agreements with third parties. Additionally, all contracts must include an anti-bribery clause to ensure compliance with our policy.



BIMCO ANTI-CORRUPTION CLAUSE FOR CHARTER PARTIES



Corruption has far-reaching consequences on economic and social development, and it hinders progress towards the UN Sustainable Development Goals. At Saga Welco, we maintain a zero-tolerance policy to

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 2022	DATA 2021	SASB CODE
Greenhouse gas emissions				
CO₂ EMISSIONS ¹				
Gross global Scope 1 emissions: Operational control approach	Metric tons (t) CO ₂ -e	906 105	1 042 542	TR-MT-110a.1
Gross global Scope 2 emissions	Metric tons (t) CO ₂ -e	56.2	35	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 4	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)	11 989 072	14 507 055	TR-MT-110a.3
	Percentage of energy from heavy fuel (%)	89%	89%	Additional GRI 305-2
	Percentage of energy from renewable / low-carbon sources (%)	0%	0%	TR-MT-110a.2
EEDI				
Average Energy Efficiency Design Index (EEDI) for new ships	Grams of CO ₂ per ton-nautical mile	No new ships acquired in 2022	No new ships acquired in 2021	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	14.02	12.18	Additional
Average Efficiency Ratio (AER): Weighted average	Grams of CO ₂ per ton-nautical mile	6.56	6.23	Additional
Air quality				
OTHER EMISSIONS TO AIR ⁵				
(1) NO _x (excluding N ₂ O)	Metric tons	24 154	28 127	TR-MT-120a.1
(2) SO _x	Metric tons	2 441	2 965	
(3) Particulate matter	Metric tons	1 730	N/A	

ACCOUNTING METRIC	UNIT OF MEASURE	DATA 2022	DATA 2021	SASB CODE
Ecological impacts				
MARINE PROTECTED AREAS ⁶				
Shipping duration in marine protected areas or areas of protected conservation status	Number of travel days	930	464	TR-MT-160a.1
IMPLEMENTED BALLAST WATER				
(1) Exchange	Percentage (%)	35%	31%	TR-MT-160a.2
(2) Treatment	Percentage (%)	98%	84%	
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	Metric tons	1 642.5	1 179.9	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	0	TR-MT-110a.1
Total monetary value of significant fines	Reporting currency	0	0	Additional GRI 305-2
Non-monetary sanctions for non-compliance with laws and/or regulations	Number	0	0	Additional, GRI 419-1

ACCOUNTING METRIC	UNIT OF MEASURE	DATA 2022	DATA 2021	SASB CODE
Employee health & safety				
LOST TIME INCIDENT RATE ⁷				
Lost time incident rate (LTIR)	Rate	0.80	2.56	TR-MT-320a.1
Lost time incident frequency (LTIF)	Rate	0.33	1.57	Additional, GRI 403-9
Accident & safety management				
MARINE CASUALTIES ⁸				
Incidents	Number	3	3	TR-MT-540a.1
Very serious marine casualties	Percentage (%)	0%	0%	
CONDITIONS OF CLASS ⁹				
Number of Conditions of Class or Recommendations	Number	0	12	TR-MT-540a.2
PORT STATE CONTROL ¹⁰				
(1) Deficiencies	Rate	0.60	0.47	TR-MT-540a.3
(2) Detentions	Number	2	2	
Our operations in numbers				
LOST TIME INCIDENT RATE		Per 31.12	Per 31.12	
Number of shipboard personnel	Number	1070	1 109	TR-MT-000.A
Total distance traveled by vessels	Nautical miles (nm)	2 824 581	3 322 188	TR-MT-000.B
Operating days	Days	16 920	17 866	TR-MT-000.C
Deadweight tonnage	Thousand deadweight tons	2 480 542	2 570 757	TR-MT-000.D
Number of vessels in fleet	Number	49	51	TR-MT-000.E
Number of vessel port calls	Number	1 363	1 617	TR-MT-000.F
Twenty-foot equivalent unit (TEU) capacity	TEU	Not applicable	Not applicable	TR-MT-000.G

DISCLAIMER AND ASSUMPTIONS

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

1 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.

2 Energy consumption: Calculations are based on tonnes of oil equivalents (toe), using DEFRA conversion factors to calculate energy consumed in gigajoules (GJ).

3 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).

4 Average Efficiency Ratio (AER): carbon intensity metric estimated based on fuel consumed, distance travelled (nm), and deadweight tonnage (DWT).

5 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.

6 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.

7 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.

8 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.

9 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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