



2024

SAGA WELCO ESG REPORT





Credits: 4th Eng. Jerick D. Kahulugan

KEY FIGURES 2024

Fleet by the end of 2024 **48**
2023 49

Number of spills **0**
2023 0

Total DWT **2,444,702**
2023 2,491,731

Distance sailed (nm) **3,131,017**
2023 3,009,093

Health and Safety (LTIR) **1.09**
2023 1.08

CO₂ emission (MT) **861,391**
2023 833,260

Number of shipboard employees **1,058**
2023 1,070

Average Efficiency Ratio (AER) **5.4**
2023 5.5

ABOUT SAGA WELCO

The Saga Welco (Pool) was established on October 1st, 2014. The (Pool) is owned by the ship owning companies NYK Holding (Europe) B.V (50%) and Armadora AS (50%). These are referred to as the Head Owning companies or Head Owners.

Armadora AS is owned by Westfal-Larsen Shipping AS, a Norwegian based shipping company established in 1905 by H. Wesfal-Larsen. In 2024, Westfal-Larsen companies controlled 24 vessels: 16 Open Hatch vessels and 8 Chemical tankers. 19 of the vessels are owned and 5 are chartered in on bareboat charter. Westfal-Larsen's core business is to provide high-quality maritime transportation services within the chemical tankers and open hatch dry cargo vessel segments.

NYK Holding (Europe) B.V is owned by NYK Line, a Japanese shipping company established in 1885, when Mitsubishi Mail Steamship Company and Kyodo Unyu Kaisha were merged. In 2024, the NYK global fleet consisted of 824 vessels, in a variety of major shipping markets, of which 441 vessels are bulk carriers.

Saga Welco AS is a global shipping company that offers high quality solutions for the transportation of kraft manufactured pulp and forest products as well as clean breakbulk and bulk cargoes. Our fleet consists of 48 open-hatch gantry craned (OHG) vessels, that are highly adapted for the type of cargo we carry. With well-defined procedures and the right technology, we are committed as one of the major players in this global segment.

Saga Welco AS is the commercial manager for the Saga Welco (Pool), which is organized as an "inner company". The (Pool) is established as a tool for distributing profit from shipping activity to the vessel's owners. The ownership of the (Pool) is 99% owned by the vessels suppliers Saga Shipholding (Norway) AS and Westfal-Larsen Shipping AS and 1 % by Saga Welco AS, which acts as (Pool) manager for the Saga Welco (Pool). The profit from the (Pool) is distributed to the vessel's owners and is part of its public reporting. The Saga Welco (Pool) is fully taxable to Norway but is not required to file public reports. The consolidated group profit for the administrative services delivered to the Saga Welco (Pool) in 2024 was USD 614,000.

Saga Welco (Pool) operates in the global trade with the goal of providing our customers with safe and reliable services and to maintain profitability for our (Pool) participants. The fleet of uniform open-hatch gantry

crane vessels, with box shaped cargo holds and cranes with rain protection, provide flexibility and ensure 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. In 2024 we had 17,280 voyage days in 441 voyages, loaded more than 8,500,000 tons of cargo and completed 1,260 load and discharging calls to ports in 45 countries. None of these were to sanctioned ports or countries.

Saga Welco AS is headquartered in Tønsberg and Bergen, Norway. Tønsberg is the oldest city in Norway and the birthplace of the first open-hatch gantry vessel in the world. Bergen has long traditions in shipping and houses a large network of shipping companies and related industries. In addition to the two locations in Norway, we have branch offices located in all operational and strategic regions, locally staffed with dedicated, experienced commercial and operational personnel. This ensures 24/7 superior customer service and smooth operation. Saga Welco's branch offices are in Antwerp, Livorno, Savannah, Vancouver BC, Rio de Janeiro, São Paulo, Montevideo, Seoul, Shanghai and Tokyo.




ABOUT THIS REPORT

This report is prepared in accordance with the Marine Transportation Standard (2023) established by the Sustainability Accounting Standards Board (SASB) and references the Global Reporting Initiative (GRI) Standards (2024) 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 2024.

For report questions or feedback contact esg@sagawelco.com.



The global reporting initiative (GRI) standards (2024)

 The Global Reporting Initiative (GRI) is a widely used international reporting framework for sustainability reporting, with many of the largest companies in the world still using this standard. However, new standards are coming, such as CSRD which for many companies gradually will be replacing the volunteer GRI format which this report is made in adherence with. 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 head 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 them.

MESSAGE FROM OUR CEO

As we reflect on the past year, I am proud to present Saga Welco's 2024 Environmental, Social, and Governance (ESG) report. This document captures not only the progress we have made but also our steadfast commitment to a sustainable and inclusive future.

At Saga Welco, we recognize the central role our industry plays in addressing the global challenges of climate change, resource efficiency and fair development. The maritime industry stands at a crossroads, and we are determined to lead the way by integrating sustainability into every facet of our operations.

Environmental Stewardship

In 2024, we continued our journey toward reducing our environmental footprint by optimizing our operations to minimize emissions. Our program has achieved significant milestones, and we are proud to report measurable reductions in greenhouse gas emissions. These efforts align with our ambition to contribute meaningfully to the International Maritime Organization's (IMO) decarbonization targets.

Empowering People

Saga Welco's success is built on the foundation of our dedicated employees and the communities we serve. This year, we reinforced our commitment to diversity, equity and inclusion, ensuring that our workforce reflects the global community we operate within. Through partnerships and training initiatives, we have enhanced the safety, well-being and professional growth of our team members.

Governance and Accountability

Transparency and accountability remain at the heart of our governance strategy. In 2024, we strengthened our governance framework to ensure that our ESG goals are not only ambitious but actionable and measurable. By embedding ESG principles into our decision-making processes, we are building resilience and trust for the future.

Looking ahead, we understand that the journey to sustainability is a marathon, not a sprint. As we navigate this path, we are committed to innovation, collaboration, and continuous improvement. Together with our partners, customers and stakeholders, we are shaping a future where maritime trade contributes positively to the environment and society.

Thank you for your ongoing trust and support as we continue to chart a course toward a sustainable tomorrow.

Norway, 2 April 2025

Trond Moe Hanssen

President and CEO Saga Welco AS





Credits: Captain Reblando A. Barcatan

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) have the overall responsibility for the management of Saga Welco and set the company's purpose and strategy. The CEO is responsible for ensuring that the determined frameworks and the decisions made by the Board are applied to day-to-day management. The 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 CEO.

Business ethics and quality

The Saga Welco Code is comprised of several core documents including the Code of Conduct, Code of Conduct for suppliers, Saga Welco's Norwegian Transparency Act Statement, the Anti-Corruption and Anti-Bribery Policy, which all are publicly available on the [our webpage](#). These documents 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 conduct aligns with the high ethical standards and complies with all relevant laws, rules, and regulations.

The Compliance Officer is responsible for ensuring adherence to these corporate policies. This 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 outcome directly to the CEO. To provide assurance that our internal control systems and procedures are 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 9** – Industry, Innovation, and Infrastructure (target 9.4)
- SDG 13** – Climate Action
- 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 other stakeholders, including industry peer members, service providers and the regulatory authorities. Anglo-Eastern Ship Management Ltd, which is the ship manager for 30 vessels in Saga Welco's fleet, and NYK, one of the Head Owners, are members 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 Customs Trade Partnership Against Terrorism ([US CTPAT](#)) 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 has for a long time been reflected through our adherence to the principles of the Marine Anti-Corruption Network ([MACN](#)). 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. At the end of 2024 we started the process of becoming MACN members ourselves.

Enhance collaboration and transparency


Saga Welco is committed to fostering strong and reliable relationships with all our stakeholders and consistently invest effort into these connections. Our performance was after an ESG audit in 2024

recognized as excellent by one of our key customers, and we keep working for the best possible ratings with the most recognized auditors. We will continue to work for improvement and are currently preparing an update of the EcoVadis assessment to be submitted early in 2025.

With great confidence in the way we operate, we pursue openness and transparency that we hope will not only strengthen our collaborations but also put us in a leading position and create a positive impact in the sector.







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, correct treatment of ballast water, proper handling of washing and bilge water, and preventing spills are key considerations in our environmental policy management.

ENVIRONMENT

Saga Welco is in full control of the pool vessels we have at our disposal. Under scope 1, we report the direct emissions from sources that we own or control. In addition to emissions to air, we regard water and waste management as sorting under the definition of scope 1.

Scope 2 are indirect emissions such as the emissions caused when generating the electricity that is used in our office buildings would fall into this category. These emissions represent the least impact from our activities, but we are still committed to actively reducing GHG emissions and will work collaboratively with our building owners to achieve our shared sustainability goals.

Scope 3 emissions pertain to activities associated with assets that are not owned or controlled by our organization yet are indirectly influenced by our operations throughout the value chain. These emissions play a substantial role in our overall environmental impact. However, completing the collection of scope 3 data, faces some challenges in obtaining all the necessary information from our external suppliers and stakeholders. We have started to gather data for scope 3 and will after having done a double materiality assessment be able to better pinpoint which upstream and downstream partners we should take into account.

CLIMATE CHANGE AND SHIPPING INDUSTRY AIR EMISSIONS



Our strategy is fully aligned with the IMO GHG strategy aimed at net-zero by 2050 and intermediate goals on the way to get there. According to IMO strategy, the targets were set to reduce well-to-wake GHG emissions by 20% in 2030, then 70% in 2040 compared to 2008 level before reaching a net zero emission of greenhouse gases in 2050. However, we have customers with more agile goals for their businesses, who may help us reach the targets quicker. It is obvious that we need to act, and act together. If the industry continues to burn the fuel types that we traditionally have used, emissions will as shown in the graphic below continue to increase in the years to come, due to increased cargo volumes and tonnage in the market.

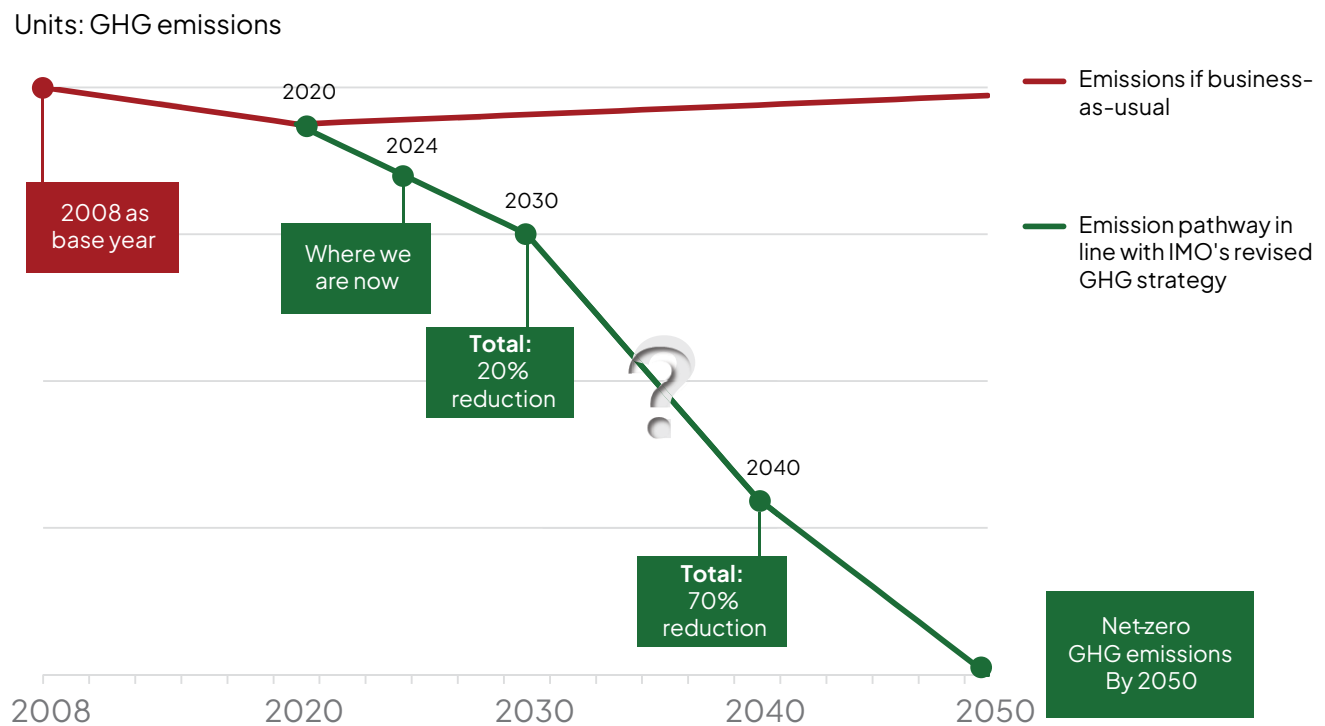


Figure 1: IMO GHG reduction plan

So, we must act, and we have already done so. Since 2020, which is the base year, we have managed to achieve some relatively easy wins by reducing speed, better optimizing sailing patterns and be more cautious when it comes to sail in weather that demands high fuel consumption. These are initiatives often labelled as “reducing fuel consumption intensity” or in common language: Increasing the distance sailed for a lower consumption of fuel.

In 2024, we have over a couple of years already been successful in adjusting speed and consumption and we are close to the limit of what is possible to achieve applying these measures. However, there is still a way to go to reach the 20% goal in 2030. It is already clear that applying current strategies alone will not be sufficient, but by adding sustainable sourced biofuel into the blend of fuels, calculations show that we will be able to be in reach and possibly



Credits: CO Abhinai

exceed the 2030 target. We are now confident that our fleet will be able to reduce the GHG emissions in due time before 2030.

The period from 2030 to 2040, however, is critical. An additional 50% GHG reduction is not possible to achieve with the measures that are available today. For most participants in the industry, Saga Welco included, the next decade is marked with uncertainty: We know exactly what our targets are, but the Green Deal demands new ways of thinking. Parts of the achievement will simply come from replacing a bulk part of the global fleet with larger, more fuel-efficient vessels, able to carry more goods with a lower GHG footprint per nautical mile and ton of goods carried. Alternative fuel types and propulsion mechanisms are discussed, and we can

already see that players in our market have started to prepare for use of fuel types like ammonia and methanol. Electricity and wind power are also a part of the equation.

Adjusting the existing engines to run on increased amounts of biofuels is probably the closest solution in short term and the industry, is quite well set up for the next five to ten years to come. However, after that, new innovations are necessary to cover the leap from 20% reduction in 2030 to 70% in 2040. Presumably, these innovations will also cover the last 30 percent needed to reach net zero in 2050, continuing to make international shipping the most ecological way to transport goods across the Planet in the foreseeable future. Saga Welco is proud to be a part of the new Green Deal for decades to come.

ENVIRONMENTAL FOCUS AREAS 2024

There has been major changes in the shipping industry during this decade, and much focus is put on reduction of pollutants and GHG emissions. Consuming cleaner fuel types and reducing the effect from our emissions are key factors for success. Innovation is also an important part of the operation in Saga Welco, and we are constantly searching for better and more efficient ways to operate our vessels.

At Saga Welco, we recognize our responsibility to manage these risks and seek to minimize the impact of our operation on the environment.

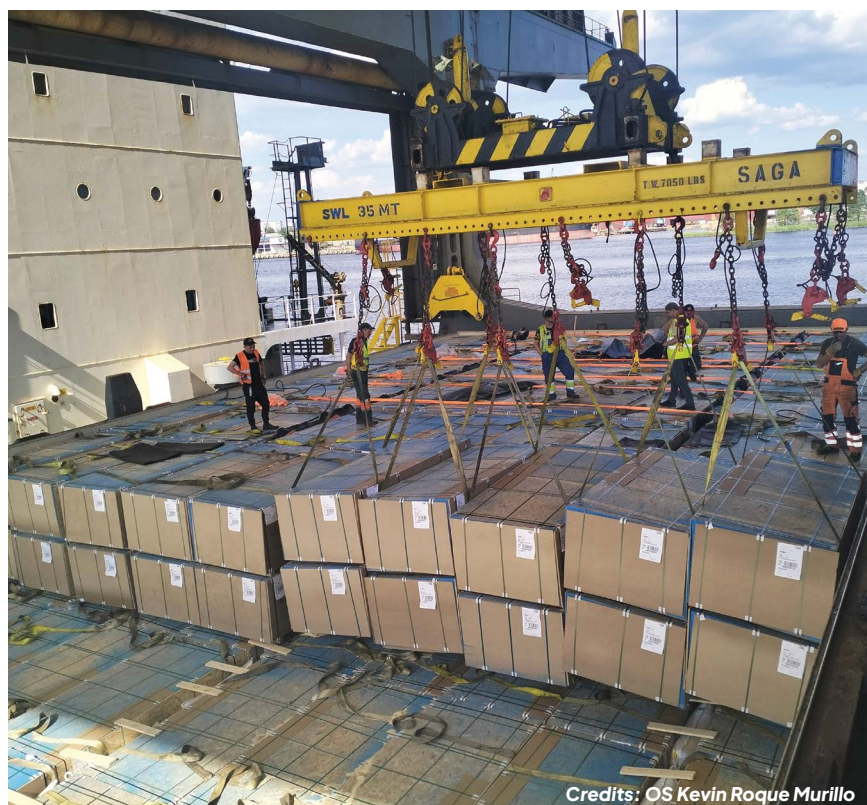
Use of Alternative Fuels, prepared for increased use of biofuel to reduce consumption of fossil fuel types in the years to come.

Optimising Vessel speed, routing and on time arrival, implementing eco speed when feasible to reduce fuel consumption as much as possible. These adjustments will also improve the Carbon Intensity Indicator (CII) rating and thereby reducing the carbon footprint of the fleet as a total.

Improving Port Productivity. We are working with ports, agents, stevedores and unions to improve port productivity to shorten the stay and ultimately reduce the emission in port.

Time efficiency. One of the projects we have been working on is called Time in Port (TIP). By using different type of equipment, revise the stowage plan and the preparation of the cargo on the terminal, we were able to save up to 3 days on loading and discharging ports. This equals approximately 40 MT reduced CO2 emissions per voyage.

Reducing waiting time for berth, it is essential to minimise the waiting time for berth, initiatives for just-in-time port stay planning, enabling reduced idling in port and waiting time for berths are constantly being evaluated.



Credits: OS Kevin Roque Murillo

Although the main focus currently is on air pollution, we continue our work to avoid spills of oil and other substances that can cause harm to the marine life. Included is waste management both to ensure that no waste ends up in the ocean and that as much as possible is recycled on shore.



Credits: Port Captain Charlie Kinzie

Fuel efficiency

Saga Welco is committed to complying with regulations and guidelines concerning climate change and air pollution given by IMO, the EU and other governing bodies where we are trading. We support IMO's current and upcoming work, and we have established systems to effectively monitor our emissions to confirm that we are meeting the goals. In 2023 we managed to reduce our total CO₂ emissions by 73,341 MT, or 8.1 % compared to 2022. CO₂ emissions per nautical mile (nm) were reduced from above 0.32 MT per nm to less than 0.28 MT per nm. This trend continued through 2024.

We covered a longer distance in total, carried more goods and still successfully maintained a CO₂ emission of less than 0.28 MT per nautical mile sailed. By careful planning of speed and consumption and optimization of our schedules, we even improved slightly. Compared to 2023, the travelled distance increased more by percent in 2024 than actual CO₂ emissions, and as the graph shows, the Annual Efficiency Ratio (AER) even improved slightly from 2023 to 2024.

We are in a process to convert more vessels to run on shore power when berthed or docked to reduce fuel consumption in port or dry dock. One day on shore power saves approximately 14 MT CO₂ emissions, and we are continuously in dialogue with the dry-docking ports.

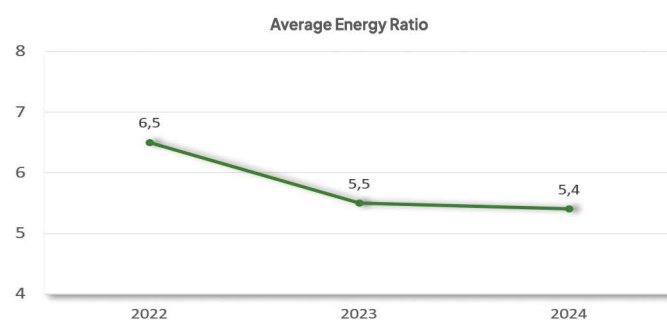


Figure 2: AER reduction 2022–2024

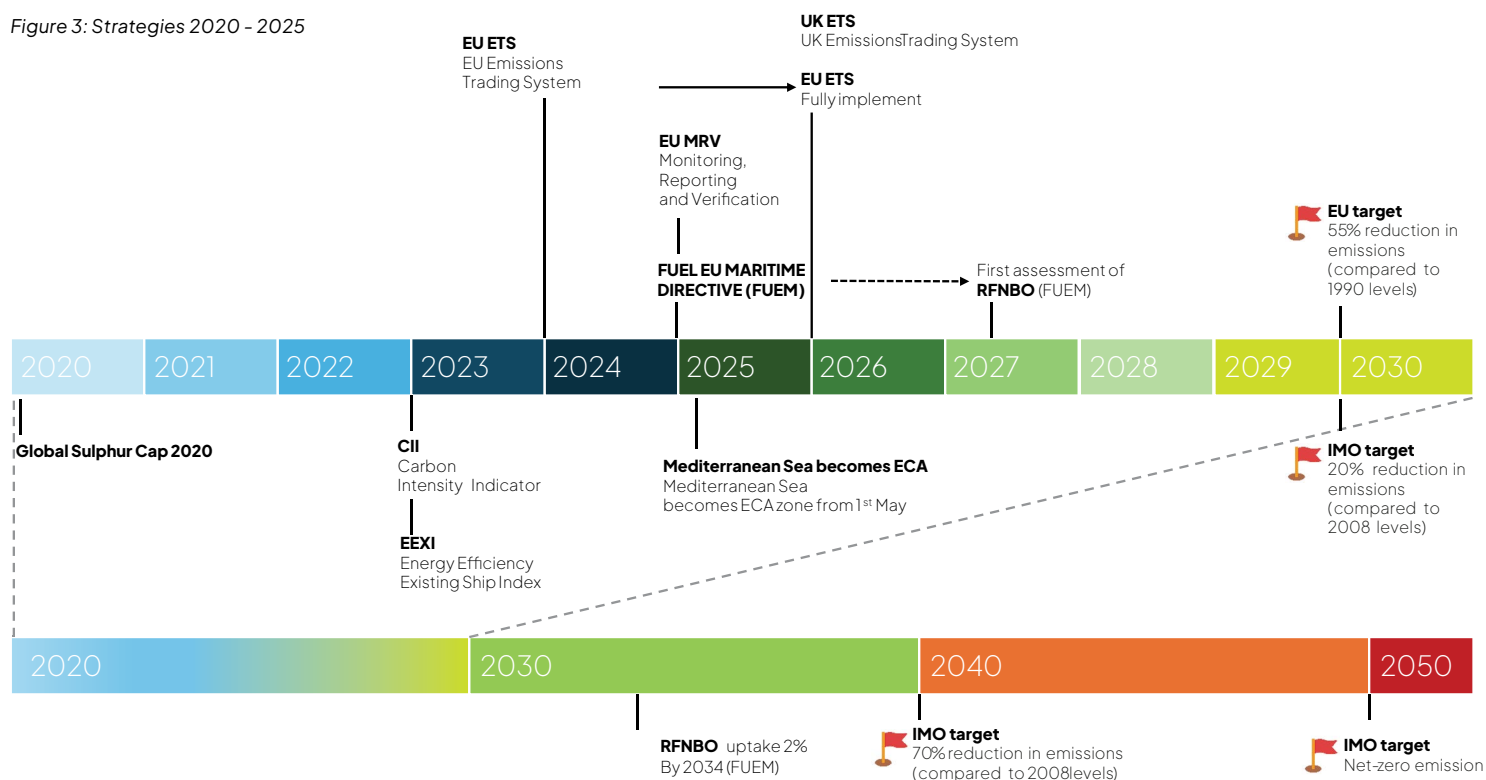
By evaluating new techniques for hull cleaning, we can work to get the vessels to run more efficiently through the water to ensure that our vessels are as energy efficient as possible on long deep-sea transits. On long voyages there is a big potential saving of fuel, and our performance department keeps a close eye on the efficiency of every vessel. Intermediate stops for hull cleaning can be arranged if we detect increased consumption attributed to for instance growth of barnacles under the waterline.

Historical and future events

In 2020 the global Sulphur cap, known as the “IMO 2020”, was introduced, marking the beginning of a decade in great change. In a short time, the Sulphur cap drastically reduced the SOx emissions from the shipping industry, showing us that it is possible to implement initiatives that have noticeable effects on the surroundings and that stakeholders in our industry are prepared to participate.

The decade 2020 to 2030 probably marks as the most revolving decade ever in international shipping when it comes to measures made to reduce pollution and emissions. Saga Welco welcomes these initiatives, and we are committed to meeting all new requirements, in companionship with our customers and suppliers. Moving towards net zero in 2050 will be challenging and we are excited to see how the community will plan to reach the goals.

Figure 3: Strategies 2020 - 2025



In this decade, and the decades to come, we will see significant changes to be applied to reduce the environmental impact from our industry

Global Sulphur Cap 2020

From January 1st, 2020, the [International Maritime Organization](#) (IMO) enforced the Sulphur Emission Regulations under the [MARPOL](#) convention. The 2020 Sulphur limit required that all ships should reduce their Sulphur emissions from 3,50 % to 0,50 % in all the seas of the world. Since January 1st, 2015, the Sulphur content of bunkers for use in ECAs (Emission Control Areas) was limited to a maximum of 0.10%. The IMO 2020 led to an estimated 77% reduction of SOx air pollution from ships, which has been one of the most significant environmental policies in the maritime industry, reducing pollution and encouraging cleaner fuel alternatives.

Energy Efficiency Existing Ship Index (EEXI)

This is another International Maritime Organization (IMO) regulation to aim to reduce GHG emission. All vessels above 400 GT with a conventional propulsion system had to comply with a certain energy efficiency standard based on their design. The attained EEXI were calculated for the individual ship that fell under the scope for the regulation. The required EEXI value is the maximum acceptable attained EEXI value. The required EEXI value is determined by the ship type, the ship's capacity and principle of propulsion.

Carbon Intensity Indicator (CII)

This regulation from IMO established an operational measure of how efficiently a ship operates in terms of carbon emissions. Unlike the EEXI, which is a technical standard focused on ship design and efficiency, the CII measures the operational performance of a vessel. It tracks the ship's actual fuel consumption and carbon emissions in relation to the amount of cargo it carries, and the distance travelled. Each ship is assessed an annual rating (from A to E) based on their carbon intensity. If a vessel has a D label for three consecutive years or has an E rating, the owner must submit an improvement plan to continue operation.

FuelEU Maritime (FEM) Directive

This regulation was implemented in January 2025 and aims to reduce greenhouse gas emissions (GHG) from the maritime sector and establishes strict limits on the annual average greenhouse gas intensity of the fuels burned by vessels sailing in the EU or European Economic Area (EEA). The GHG intensity is a measure of the amount of energy in Mega Joules (MJ) that is produced per CO₂-equivalent (CO₂e) in a “well-to-wake” perspective.

In 2020 the average was 91.16 g CO₂e per MJ and this figure acts like the baseline for FuelEU Maritime. The reduction is set to 2%, or 89.34 g CO₂e/ MJ in 2025.

WELL - TO - WAKE:

Refers to the emissions for the entire process from fuel production and delivery to use onboard ships

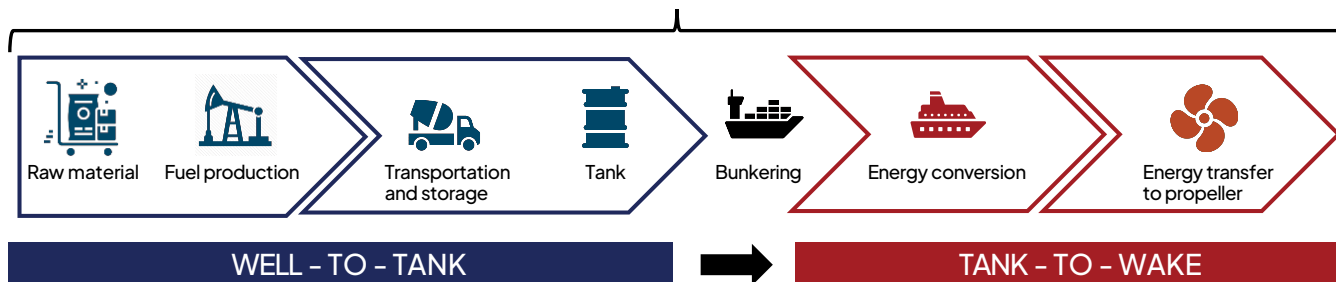


Figure 4: Well-to-wake emissions

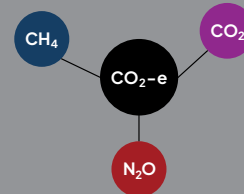
EU Emissions Trading System (ETS)

EU ETS is a “cap-and-trade” system, establishing a strict limit (or “cap”) on the total amount of CO₂ and other greenhouse gases that are allowed to be emitted by specific industries. In this context, shipping companies are required to purchase and submit allowances (EUAs) that cover a part of the emissions produced by their vessels on the way in out and within EU, including during port calls. The cost of, these allowances is determined by market prices.

The implementation of the EU ETS in the shipping sector will follow a staggered approach. In 2024, shipping companies was required to submit allowances for 40% of the emissions that fell under the scope for ETS, gradually increasing to 70% in 2025. By 2026, the directive will take full effect, at which point shipping companies will also be responsible for submitting allowances for emissions of methane and nitrous oxide, in addition to CO₂.

The limits will be systematically tightened every five years, to 6% by 2030, 14.5% by 2035, 31% by 2040, 62% by 2045, and 80% reduction compared to the baseline by 2050. The maritime industry must adapt to these standards to be allowed continued operation in EU/ EEA waters and ports.

The term CO₂-equivalent refers to greenhouse gases (GHGs) that include all molecules responsible for capturing heat and warming the atmosphere, such as CH₄ (methane) and N₂O (nitrous oxide), in addition to CO₂. Different greenhouse gases have different levels of Global Warming Potential (GWP), so CO₂-e provides a more comprehensive measure of the total impact of greenhouse gas emissions.



Renewable Fuels of Non-Biological Origin (RFNBO)

One of the discussions under the Fuel EU Maritime regulation which we should monitor closely is the discussion about Renewable Fuels of Non-Biological Origin. By 2034, vessels should ensure the use of at least 2% RFNBOs. The Commission will proactively monitor RFNBO adoption in EU shipping and will provide an annual report detailing usage metrics no later than 18 months after the end of the reporting period (i.e. by mid-2027 for the first compliance year in 2025). This transparency will empower stakeholders with a clear understanding of RFNBO trends and facilitate informed decisions as regulations evolve. Moreover, as dialogues around the Fuel EU Maritime initiative and other upcoming regulations continue, it is essential that the shipping sector remains informed about the latest regulatory developments and organizational decisions which are vital for ensuring compliance, enhancing competitiveness, and contributing to a sustainable future for maritime operations.

EU Monitoring, Reporting, and Verification (MRV)

EU MRV is a regulation put in place by the European Union to monitor, report, and verify the carbon emissions of ships larger than 400 GT that are operating within or between EU ports. It is a part of the EU's broader effort to reduce greenhouse gas emissions from the shipping industry and contribute to its climate goals.

Mediterranean Sea becomes Emission Controlled Area (ECA) from 1st of May 2025

As of 1st of May 2025, the Mediterranean Sea will effectively become Emission Control Area (ECA) which means that the sulphur content of the fuel used on board shall not exceed 0.10% when operating in the Mediterranean Sea.

UK Emissions Trading Scheme (UK ETS)

UK ETS will come into effect in the maritime sector from 2026. The UK government is also aligning its efforts to reduce GHG emissions with the targets set by IMO, similar to the commitment seen within the EU ETS. Under this initiative, vessels larger than 5,000 GT that call at UK ports, navigate between UK ports, or operate within UK waters are included in these regulations. Additionally, it is worth noting that the pricing of allowances under this scheme may differ from that of the EU ETS, potentially influencing compliance costs and market dynamics. Fuels with

higher carbon intensity like HFO, MDO are taxed heavier, because of their higher CO₂ emissions.

Our strategy

The regulations outlined above reflect our current landscape and we intend to incorporate each one in our future strategies, but we must stay vigilant. The upcoming 83rd session of the IMO's Marine Environment Protection Committee (MEPC83) will be held in April 2025. We will closely monitor this session, as any developments possibly will have an impact on existing regulations. Proactively tracking these amendments is not just about compliance; it is a strategic necessity that can shape and enhance our business plans. By staying ahead of the curve, we position ourselves not only to adhere to regulations but to leverage them in our favour for future growth and success. Being ahead of the development may offer some opportunities if we are aware in due time.



Credits: 3rd Officer Arturo I. Lamadrid Jr.

Additional strategic initiatives for an improved ecological impact

Finding new ways for cooperation

As mentioned in the introduction, Saga Welco will evaluate strategic opportunities that may further support our sustainable solutions, beyond compliance to regulatory requirements. We do not act alone or for our own purpose and we notice that our customers and even their customers show an increased interest in the GHG footprints created by our collaborative efforts and a wish to discuss alternative solutions to reduce these effects. Many of our customers are highly conscious about their environmental footprints and Saga Welco will, in cooperation with them, keep exploring initiatives to reach the goals faster.

We will conduct materiality assessments to identify risks to mitigate and opportunities that can contribute to reducing our emissions. There are several industries related to our core customers activities that are trending towards emission targets that may exceed those that are related to the maritime sector. In this respect, we are providing customers the opportunity to work in partnership to achieve emissions reductions that meet our customers targets and simultaneously can go beyond regulatory requirements.

Ship Energy Efficiency Management Plans (SEEMPs)

Ship Energy Efficiency Management Plans (SEEMP 3) have been implemented on each vessel to improve energy efficiency using operational measures such as route and speed optimization in our daily operations. To optimize speed vs. consumption, 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.

Performance monitoring

Cleaning and polishing routines of the propellers and hulls are determined based on close monitoring of the vessel's fuel performance. Additionally, 20 of our vessels are equipped with Propeller Boss Cap Fins to enhance propeller efficiency, and another 15 will be equipped through 2025 to 2026. Keeping trim optimized, calibrating autopilots to reduce drag and help steering the vessels on straight courses,



adding to saved bunkers on each journey. Voyage optimization and fleet strategies mentioned above require little investment and potentially offer large fuel savings, making them win-win solutions that simultaneously reduce fuel costs and emissions.

Planning to avoid days in ballast

Our commercial team also actively seeks opportunities to reduce ballast days to minimize emissions from vessels not engaged in trading. The trading pattern for the Saga Welco fleet requires intensive focus on resources. Dedicated teams that manage fuel and fleet planning optimisation have a strong focus on emissions minimisation through optimising fuel procurement and voyage planning to minimise fuel consumption in ballast condition.

Preventing harmful pollution

Saga Welco complies with the MARPOL Convention Annex VI which specifically addresses the prevention of air pollution from ocean-going vessels. By only using Very Low Sulphur Fuel Oil (VLSFO), our fleet remains compliant with the 2020 IMO Sulphur cap. Sulphur emissions have proved to cause health implications and ecosystem damage via acidification of water and soil. The number of ECA zones is increasing and is compliant in all of these by burning Low Sulphur Marine Gas Oil (LSMGO) (less than 0.10% Sulphur content).

Proactive weather routing

Saga Welco uses weather routing for all vessels via Weather News Inc. (WNI). This solution massively enhances the safety for the ship and crew by

efficiently avoiding bad weather. It also enables the vessels to utilize world's current and weather systems to reduce sailing durations and reduce fuel consumption and thereby GHG footprint.

Business travel

We operate on global scale, and business travel to our office branches, ports, and customer locations is crucial for our operations. We are fully aware of the environmental impact of air travel, which is why we actively promote booking direct flights and exploring alternative transportation options whenever possible. We understand the impact of our onshore activities on the planet and are taking necessary steps to address it. For 2024 we achieved the Lufthansa Group Certificate with a recognition of our offset of 2,783 kg of CO₂ emissions. We encourage our employees to choose environmentally friendly commuting options. The impact from individual activities may seem small but added together, we achieve meaningful progress towards a heightened awareness and hopefully a more sustainable future.

Company cars

Our goal is to turn most of our fleet of company cars into electric vehicles, where that is viable. In Norway, where the charging network is very well developed, most of the cars now are electric and we aim at a 100% coverage within the next two years. We encourage other branches of the company to invest in eco-friendly electric vehicles when this is a realistic option with regards to charging infrastructure and travelling distances.

Eco-lighthouse certificate



Our head office in Tønsberg has achieved certification from Eco-Lighthouse for our commitment to environmentally friendly operations and safer work environments in 2024. This certification, valid for three years from 2024, reflects our leadership in sustainability. Eco-Lighthouse is a respected Norwegian environmental management certification scheme that sets strict industry-specific requirements across various sectors, endorsed by the Norwegian public procurement authorities. We are fully dedicated to operating in an environmentally responsible manner across all our onshore branches. Our team is committed to reducing GHG emissions and minimizing waste. We recognize that our actions have an impact on the planet, and we are steadfast in our efforts to enhance our environmental performance.

Waste management

On shore

In 2024 our Tønsberg office started participation in a project aimed at collecting data on the volume and total weight of various waste types that are collected by the owner of our office building. We realize that the environmental impact may not be substantial, but the effort is low and hopefully the little extra handling of the garbage and recyclable waste may spark an extra awareness among our employees. The project has been well received by our staff.

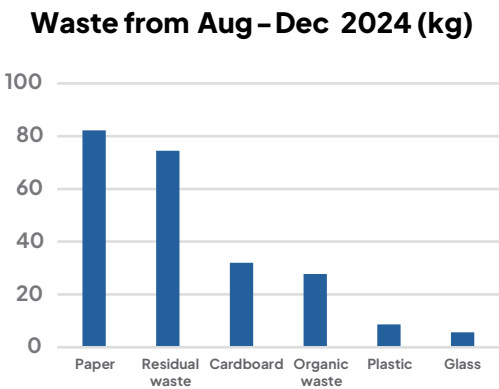


Figure 5: Waste discharge in Tønsberg Head Office

Offshore

Under MARPOL Annex V, the discharge of garbage from vessels into the sea is strictly prohibited, and we surely embrace this commitment. Our dedication goes beyond mere compliance; every member of our crew recognizes the critical importance of effective waste management in safeguarding the marine ecosystems. Plastic poses a significant threat to marine life, as it remains buoyant in the water for years, inflicting long-lasting damage on our oceans and the creatures that inhabit them. We are passionate about minimizing waste on our vessels, and we actively monitor all waste types while recording the total volume generated. By taking these proactive steps, we contribute to a healthier ocean and a more sustainable future for everyone. There were no hazardous, or radioactive waste generated in our vessels in 2024.

Environmental initiatives

The Port of Los Angeles Vessel Speed Reduction Program (VSRP) aims to reduce diesel particulate matter (DPM), nitrous oxides (NOX) 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 2024, Saga Welco had a compliance rate of 94 % (16 out of 17 port calls).

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.



Credits: 4E Alexander Bangcaran

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. Over half of the oil spills recorded between 1970 and 2024 resulted from allisions, collisions, and groundings. Once oil contaminates our oceans, the cleanup process is lengthy and arduous, causing devastating harm to marine life and ecosystems in the interim. It is clear that oil spills represent one of the most severe threats to our marine environment. We are dedicated to taking proactive measures to prevent these disasters from happening and protecting our precious oceans for future generations. Our vessel crew members are trained in and must always follow exact procedures for preventing spills, and they must report any incidents that occur. In 2024, Saga Welco did not experience any incidents involving spills. In addition, we used biodegradable lubes in the stern tubes, just in case of any potential minor leakages.

Water management

The treatment of ballast water is crucial for protecting our underwater ecosystems. When ballast water is discharged untreated in various locations, it poses a serious threat to marine life. This practice can introduce harmful aquatic organisms and pathogens to new environments, potentially destroying local marine ecology. It is vital that we implement effective



treatment methods to safeguard our oceans and preserve their delicate balance. All our pool vessels are equipped with IMO/USCG-approved ballast water treatment systems (BWTS) that prevent the introduction of harmful threats to the marine environment.

Water used for cleaning holds that may contain pollutants are contained on board and pumped for treatment ashore.



Credits: GSR Culla

Fleet recycling

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



The fleet is maintained and managed to the highest industry standards. The performance of the vessels in the core markets within global forestry, breakbulk and project trades confirms that there is basis for long life planning with no immediate requirement for further recycling.

Specifically, our efforts align with target 9.4, which involves upgrading infrastructure and retrofitting industries to promote sustainability. It is our opinion that it is better to prolong the life of a well-maintained vessel than to scrap it prematurely. In agreement with our main customers, we are looking at the possibility to extend the lifetime of our well-functioning vessels by up to 10%. In parallel, we are studying a fleet replacement program that incorporates research on alternative fuel technologies.

In 2024, one vessel was withdrawn from our fleet due to age. This vessel was sold and is still not recycled.





Our employees are our most valuable asset, and their well-being is of the highest priority. 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 labour rights across all our operations and business activities.

Credits: 2nd Officer Timothy C. Gementiza

SOCIAL

OUR SOCIAL CONVICTIONS

Our position on social and ethical topics is reflected back-to-back in our head owner's own codes and regulations. We have full access to all documentation that covers ethical conduct, HR / HSE manuals and procedures, training and social programs. Saga Welco and both owners have implemented mechanisms to prevent and report harassment and other unwanted conduct and both have programs that focus on the education and well-being of onshore staff and crews at sea.

Saga Welco is an international company. We know that people in different territories and cultures may have different perspectives, preferences and biases when own traditions and norms are compared to the world around us. In most societies there are structural tendencies to favour the familiar and traditional ways of conduct, which can affect how the members act when it comes to diversity, equality, and inclusion. The governing bodies in Saga Welco strive to have a high level of awareness about this, and we seek to practice cultural and ethnic equality, equal pay for equal work and openness for any background.

We take the well-being of each employee at work seriously and employ various measures to achieve this: We maintain short levels of reporting, have a low number of subordinates per manager, and we encourage openness to speaking about issues that may arise. Our procedure for whistle blowing is communicated and well known amongst our staff.

Our yearly appraisal talks allow all employees to request essential or desired training, ensuring that each individual receives the necessary development. We are dedicated to supporting the individual career growth and recognize the significant contributions that come from targeted training. We actively encourage open conversations regarding career paths and training opportunities whenever needed.

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. The personnel and HSE handbooks are reviewed and revised semi-annually, at a minimum.



Credits: AB Ralph Depósito

Through our global HR system, we also facilitate all entry, change of position, or exit processes for employees globally and follow up that all the steps needed have been completed. A tailored onboarding program is designed for all new employees, including our values, organization and tailored competences according to the role needed.

The importance of the crew

In October 2024, Saga Welco celebrated 10 years as a pool operator. We celebrated 10 years with great relations with our customers around the world, low turnover in the organization, and results that kept us in good spirits, despite weak market opportunities for many years after the 2008 financial crisis. We also celebrated a tight, respectful, and transparent cooperation with our Head Owners and their Technical Managers. Together we have pulled a heavy load, and those who may have pulled the heaviest are the crews at sea.

We recognize the seafarers to be amongst our key workers and we value their effort and dedication very highly. Their safety and well-being are of the utmost importance, and we make sure that Saga Welco's ethical standards are back-to-back with those of our Head Owners and crewing organizations. We attend crew seminars with our senior officers and are in contact with the officers at sea on a daily basis. We make sure that their voice and possible concerns are heard and plan each vessel's route as optimal as possible with respect to safety at sea. The lines to our operational departments across the globe are open 24/7 and we have, in addition to our Owner's own reporting

channels, a whistleblower portal open for anyone who has concerns to report about, seafarers included.

Saga Welco is fortunate to have very dedicated and committed crews, and this dedication and commitment have enabled us to continue operating through the ups and downs in the last decade. We are extremely grateful for their service and the sacrifices they make every day in Saga Welco's service.

Flexible work arrangements

People's lives are in a constant change, and the psychosocial environment of each individual is important, both at work and in private life. When possible, we do our best to adapt the work situation to individual needs. In the continuation of a cultural mapping project in 2023, we analysed the findings and proposed some new initiatives for the company. One of these was the implementation of a more flexible work arrangement, which was implemented early in 2024. The first evaluation gave the impression that the staff appreciate the trust and flexibility this arrangement offers, and we continue to exercise the model into 2025.

We welcome trainees and interns to support their career growth and enhance their professional skills. This is something we have done for many years and have only positive experiences. In some cases, we have hired interns directly after the end of an internship, some former interns have come back to work for Saga Welco after finished education and some have started in other branches of the industry network, where we have had the opportunity to enjoy a continued relationship and exchange of services.

TRAINING

In Saga Welco, we believe that investing in our employees is key to driving our success.

We constantly seek opportunities to enhance our team's skills, satisfaction, and overall well-being.

Elevating our employees' abilities isn't just a priority; it is a fundamental aspect of our strategy to enhance business performance. Our employees are our greatest assets, and by empowering them, we not only strengthen our company but also deliver greater value to our stakeholders and, most importantly, our customers. Together, we are building a thriving future.

Leadership training

For our General Managers (GM) and senior management in Norway Saga Welco arranges annual seminars in our Head office and one recurring topic in these seminars is leadership training. In 2024 the topic in focus was teamwork, trust and functional working environments. There were in total 16 participants attending the 2024 seminar.

In addition to training at the GM level, we regularly arrange leadership training sessions for leaders in our local organizations in Norway. Our offices around the world differ in structure and number of employees, so the training in other sites is adapted to the various local conditions, governed by each local GM.

Individual competency development and career planning

The management of Saga Welco is encouraging all employees to maintain and develop their competence and offers all members of the staff a chance to take external industry courses at the Institute of Chartered Shipbrokers, as well as language classes and other courses relevant to their roles and interests. We believe that the urge of an employee to gather new knowledge is an asset and we try to accommodate for desired training and courses, within certain limits. Very expensive courses, courses that may require much time away from work or courses that are very off-topic related to what we do, may require a more formal application that is brought to our governing body for approval.

First aid and defibrillator

We are in possession of a defibrillator at our headquarters where we currently are 44 employees. This instrument comes with requirement for user training and the goal is that we during work hours always have at least one person on premises that are trained in the use. These courses are held approximately every 18 months and does also include regular first aid training. Last time it was held was in 2023 and the next course will be held in April 2025. In total the last course had 23 registered attendants.

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

Our goal is to have zero incidents of injuries or accidents in our workplaces.
- 2

High level of engagement in the workplace and low absenteeism ratio

Admitting the fact that people occasionally tend to be sick and absent, we work to prevent and facilitate for best possible attendance. KPI for absence is less than 3% annually.
- 3

Attractiveness as an employer

We are proud to offer our employees competitive salaries and benefits that are benchmarked with local job markets in our segment of business. Flexible work arrangements.

The majority of Saga Welco’s employees work in an office and are partly working from home, resulting in minimal occupational health and safety risks. We take proactive measures by collaborating closely with external consultants that are experts in areas like ergonomics and physical working environment. We have for several years had agreements with private medical services that offers vaccination and yearly health checks for most of the employees.

By the end of 2024, we had 116 full time employees, assigned to offices in Tønsberg, Bergen, Savannah, Vancouver, Antwerp, Livorno, Shanghai, Seoul, Tokyo, Montevideo, Sao Paulo and Rio de Janeiro.

The turnover rate in 2024 was 3.4%. There were no fatalities or serious injuries that were work-related for Saga Welco employees in 2024.

	2024	2023	2022
Norway	1.9	1.6	1.8
Rio/Sao Paulo	0.4	0.4	0.4
Shanghai	0.4	0.7	0.1
Tokyo	1.5	1.7	2.1
Seoul	0.8	1.0	0.0
North America	0.7	2.0	1.3
Livorno	0.3	0.5	2.7
Antwerp	4.0	14.0	4.5
Montevideo *	0.0	0.0	n/a

*Office founded in 2023

Figure 6: Absence ratios from 2022 to 2024 (figures in %)

HUMAN RIGHTS & DUE DILIGENCE

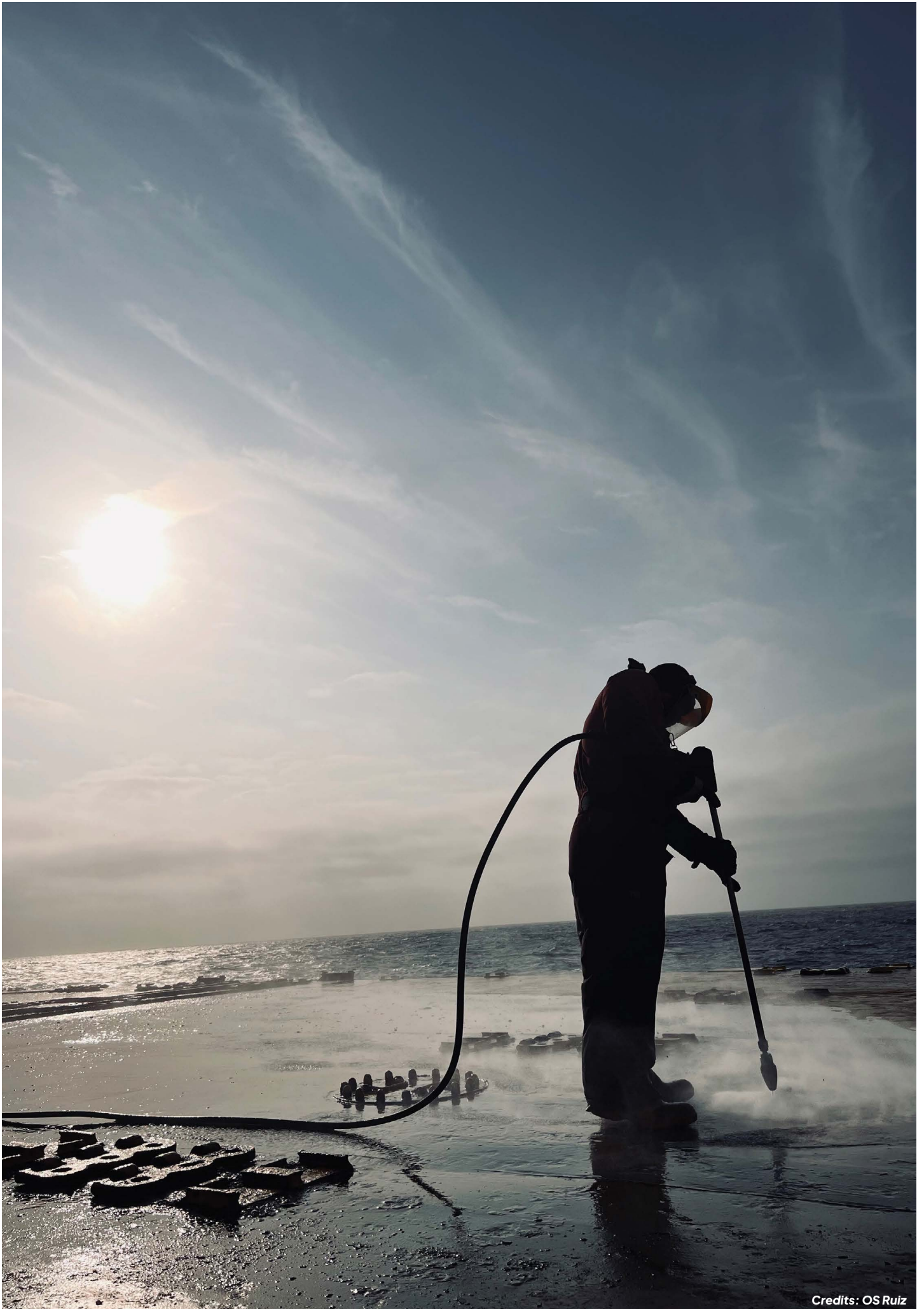
The Norwegian Transparency Act (the Transparency Act) entered into force in on 1 July 2022. It represents Norway's attempt to ensure that human rights and decent working conditions are respected in the operations and supply chains of large companies, including Saga Welco. As a responsible company, Saga Welco is actively committed to complying with the Transparency Act and other similar proposed due diligence in the EU, including the EU Corporate Sustainability Due Diligence Directive (CSDDD).

To align with government expectations and requirements that companies further enhance their human rights efforts, Saga Welco conducted due diligence assessments under the Norwegian Transparency Act from April 2023 to May 2024. The assessments helped to identify a general risk in the shipping industry and a general geographical risk in several relevant countries. As a part of this work, Saga Welco has updated routines and the code of conduct and supplier code of conduct to include Human Rights obligations for Suppliers and Customers. All new suppliers that Saga Welco take on board are mapped internally and must comply with the updated Supplier Code of Conduct. The outcome of those assessments has been included in our transparency act disclosures.

Saga Welco is proud to operate in cooperation with responsible owners and technical managers who pay great attention to human rights, decent working conditions and the crew's well-being. Our own ESG Board is tasked to follow up on due diligence work under the legislation and we have as a high priority to document that all necessary measures are taken by our partners and suppliers to ensure fundamental human rights safe working conditions for the vessel crews and onshore workers serving Saga Welco. There were no registered human rights issues or work-related incidents, either onshore or offshore in 2024.



Credits: 2nd Engineer Ashish Kumar Bharti



Credits: OS Ruiz

EQUALITY AND ANTI-DISCRIMINATION

Despite the widespread acknowledgment of anti-discrimination efforts and equal opportunities for individuals from diverse backgrounds and races, we cannot overlook the persistent subtle discrimination that remains in our society. For example, hiring biases often emerge based solely on a person’s name or place of birth. Moreover, it remains a reality that women frequently are earning less than men, even when occupying the same roles. We acknowledge this fact and combat these unconscious biases:

In Saga Welco, we are committed to providing equal opportunities and fair treatment to all employees. We have implemented a policy that strictly prohibits any form of discrimination or harassment, whether it is based on ethnicity, gender, religion, age, citizenship status, sexual orientation, or disability. We value diversity and gender equity in our organization.

Currently, out of our total workforce of 116 employees, 34 are women which is 29%. We have not recorded any instances of involuntary part-time positions. The management of Saga Welco strive to fostering an inclusive workplace where every employee feels valued and respected, and we are continuously working to make our company an attractive place to be employed.

Parental leave

In 2024, we had 3 male and 1 female employee who were entitled to parental leave, and all of them took that opportunity. Each of them has returned to work after their leave. We deeply value flexibility and our employees’ loyalty and their ambition, which we know are vital to building our strong foundation for future success.

Saga Welco employs in total 116 Full time employees:

Point in time	Saga Welco TOT	Belgium	Brazil	China	Italy	Japan	Norway	South Korea	USA/ Canada	Uruguay
December 2024	116	7	26	13	4	3	44	8	8	3

These 116 are distributed along demographic characteristics as follows:

	MALE	FEMALE	UNDER 30	30–50	OVER 50
Individuals within the organization’s senior management	10	2	0	1	11
Onshore personnel in total	82	34	11	52	53

Board Member and Deputy Demographics.

	MALE	FEMALE	UNDER 30	30–50	OVER 50
Individuals within the organization’s governance bodies	4	4	0	2	6

SOCIAL INTERACTION AND LIFESTYLE

We focus on building a strong relationship and good corporate spirit by supporting regular social and sport events for our employees, often delegated to and led by local sports or social committees. The Saga Welco management urge all regional offices to arrange social events and participation in local sports and leisure activities. Each region is free to select which initiatives that fits best for them.

To further improve our employee's wellbeing, as well as prevent sick leave we provide various healthcare benefits. We provide medical insurance, gives contribution to eye exams, offer voluntary health check and vaccination. In addition, Saga Welco supports all employees with a yearly contribution to cover the costs of optional sporting and leisure activities, as we strongly believe this keeps our staff healthy and motivated.



SOCIAL SUPPORTIVE INITIATIVES

Saga Welco supports and sponsors our local communities, like sport clubs for children, local search and rescue (SAR) operations and charitable organizations. We budget for this kind of sponsorships and encourage our regional offices to support local initiatives in regions where there are traditions for this kind of private support. We wish to give the sponsored parties some predictability for our engagement, so we usually commit for at least three consecutive years to the initiatives we choose to support.

Folds of Honor is non-profit organization in the United State that provides the educational scholarship to the families of fallen or disabled military service members. They offer scholarships to spouses and their children of military service members to help them to pursue higher education and achieve their academic goals.

The Salvation Army in Norway is a non-profit organization that assists individuals facing various challenges, including substance abuse, mental illness, alcohol addiction, and poverty.

Dail Community is widely providing the supports such as essential nourishment to educational and medical support for who are facing difficulties in various situation.

Knights of Columbus is one of the largest Catholic organizations in the world, known for its charitable works, community service, and support for the Catholic Church. Saga Welco contributes to the annual Valentine's Charity Galas in support of Knights of Columbus Charities worldwide.

Redningsselskapet, known in English as the Norwegian Sea Rescue Society, is a nationwide humanitarian organization dedicated to saving lives, salvaging assets, and protecting the coastal environment of Norwegian waters. Saga Welco, we support Redningsselskapet to the search and rescue (SAR) vessels located in the South-eastern region of Norway.

Career fair. We are actively engaging with students who are eager to learn about the maritime sector. We have a tradition to attend the career fair at the University of South-eastern Norway for maritime students. We are committed to supporting their career growth and are offering the University resources from our side as lecturers in the education.



SAGA
WELCO
CHIEF MATE

SAGA POWER

SAGA



GOVERNANCE

In 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 five key documents Our Code of Conduct, Code of Conduct for Suppliers, Anti-Corruption and Anti-Bribery Policy, the Transparency Act, and Competition Law Compliance Manual.

Together, these 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 seek to ensure that everyone's behaviour aligns with the highest ethical standards and complies with all relevant laws, rules, and regulations.

Our ESG Board will review the documents and suggest improvements at least once per year and it will otherwise work on areas where our materiality assessment finds room for improvement.

FOCUS AREAS

Governance typically focuses on several key areas to ensure effective management, accountability, and sustainability. In 2024 our main focus was on the following

Quality Assurance

Quality is continuously in the focus of Saga Welco. We are ISO 9001:2015 certified and have implemented a dynamic Quality Management System (QMS). Meeting new requirements and identifying future needs and expectations is challenging, especially in the complex and rapidly evolving environment we operate in.

Adapting to the changes quickly and learning from the new environment is more important than ever to succeed. A constant awareness on quality management enables us to rapidly identify areas of improvement, opportunities and efficiency which is of great benefit and importance to us.

KPIs

Our KPIs are reported on a quarterly basis and subject to periodical re-evaluation. The reason behind this strategy is to make sure we follow up and measure the most relevant objectives at all times.

Continuous focus on values and Code of Conduct

We are committed to fostering a strong compliance culture within our organization. Once a year, we conduct regular reviews of our Code of Conduct for all employees, emphasizing the importance of understanding its meaning and reflecting on daily activities in relation to what is stated as expected conduct for all employees at all levels of the organization. The participation is measured and in 2024 the completion rate was 97.6%.

Competition law compliance

To ensure full compliance with Competition Law among our employees, we conduct a quarterly Competition Law Compliance survey. All employees are required to complete the questionnaires related to this compliance. We take any nonconformity seriously and will address it with the individual involved in case of any. In 2024, there were no recorded nonconformity regarding Competition Law compliance. Furthermore, the completion rate for this survey was 99.5%.

Information security

In a more digitized world and with a more distributed working model, we keep up a high focus on information security training for all employees. This is an ongoing effort that is repeated every year. The course that was held over 17 nano learning lectures was in average started by 90.2% of our employees and most of the lectures were finished by the person who started it. We have good experience with nano learning and will continue to distribute this type of courses going forward. They are essential in cultivating stable information security awareness and are repeating the critical importance of cybersecurity in our daily operations.

Training

Training isn't just about individual development, but also vital to keep the organization alert and aware. Preventing threats, promoting opportunities and proper reactions to unexpected or unwanted events are all key to our success, and we cannot stop repeating the importance of awareness, good conduct and professional guidance of our employees.

Moreover, we are consistently offering essential training to all employees who are eager to participate or need it. This training will not only focus on advancing their careers and expertise but also emphasize our commitment to social and ethical awareness. We are confident that this approach will empower our organization and enhance the quality of service we receive from our upstream and deliver to our downstream collaborators.

RISK ASSESSMENT, CONTINGENCY PLANNING AND MITIGATION

Prior to entering into any contractual agreement, Saga Welco performs complete counter party risk assessment of the counterpart, (Suppliers and Customers) their trading track record and recent history and ascertain that there is no association to sanctioned entities, services, products or individuals.

Any contractual commitment will be assessed by our industry partners in terms of current and likely escalation of risk to our seafarers and vessels during the period on the intended contract. Each single voyage is assessed in terms of likelihood for bad weather conditions and probability for risks such as piracy, terrorist attacks and conflict.

As mentioned above, we cooperate with WNI to enhance the safety for vessel and crew by actively avoiding bad weather and tough conditions at sea and we use other third-party suppliers for daily reports about activities in high-risk piracy or conflict areas. If necessary, we hire armed guards to protect vessels, personnel and goods, and we avoid transiting areas where there is a likelihood for attacks or hijacking. Since the beginning of 2024, we have not routed any vessel through the Red Sea or the Suez Canal as a precaution to avoid attacks from the Houthi militia.

Avoiding sanctioned cargoes, ports and countries

Saga Welco is consistently updated on sanctions outlined in the Office of Foreign Control ([OFAC](#)) list.

Other sanctions of more political nature are implemented from Management in cooperation with Head Owners on a case-by-case basis.

Supplier screening

Our supplier of Disbursement Account services (facilitating most of our payments for dues and services in ports), Marcure [DA-Desk](#) assist Saga Welco in regard to compliance by:

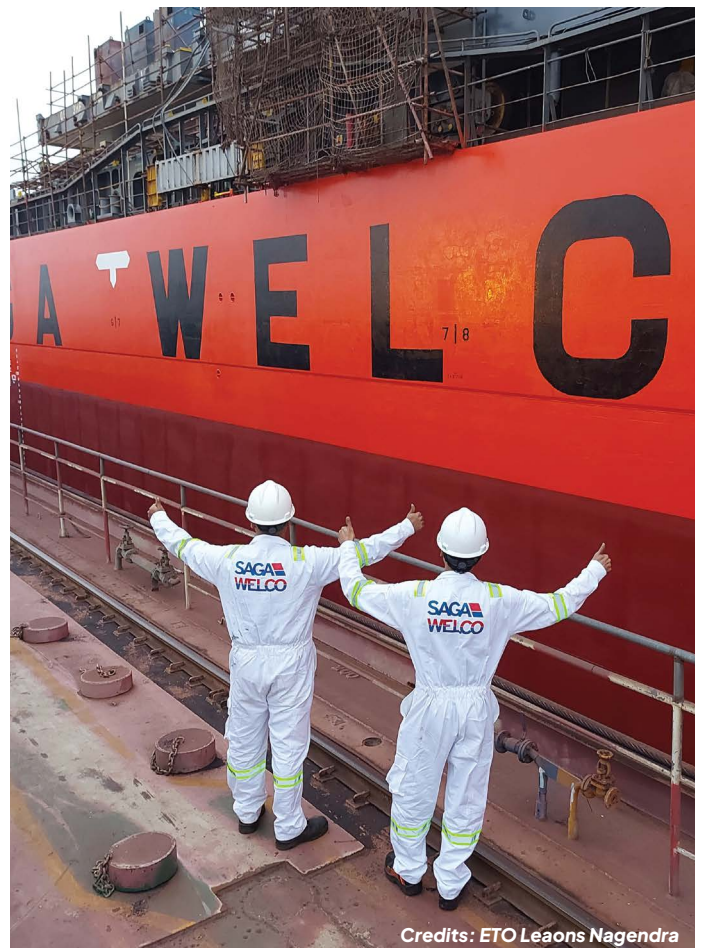
In depth Agent onboarding process, including document collection, bank account verifications, adverse media check and sanctions screening.

Agent/Vendor Bank account change verifications.

Continuous daily sanctions screening of Agents (as well as vendors/ suppliers, banks, beneficiaries, vessels, ports and customers).

Dedicated teams for escalations. (Sanctions, Fraud Prevention, KYC & Compliance),

Customer advisories about things like recent malicious attempts of fraud and general trends to look out for.

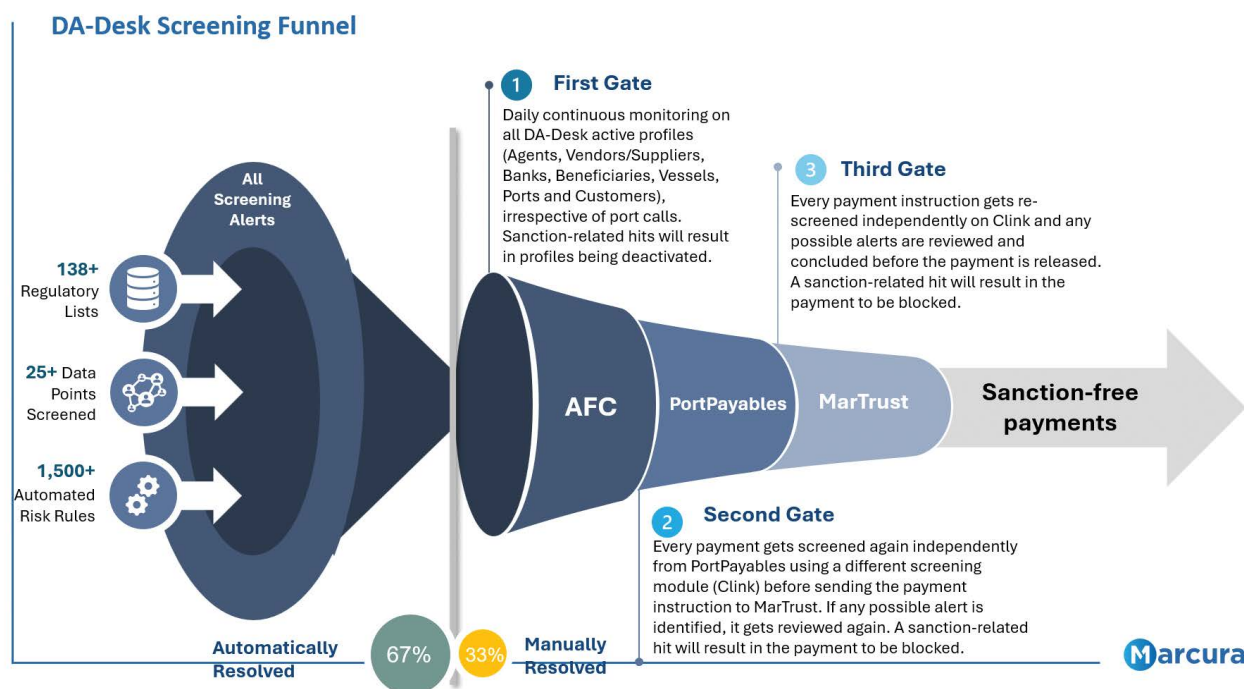


Credits: ETO Leons Nagendra

Risk assessment of agent or vendor and sanctions screening

DA-Desk maintains a list of specific countries where all agents or vendors registered within those jurisdictions will be subjected to mandatory enhanced due diligence, which includes full understanding of the ownership structure and documents pertaining to the ultimate beneficial owners. Additionally, should there be any red flags identified at onboarding stage, or from continuous monitoring, the entity will be assessed and is also subjected to enhanced due

diligence if required. For sanctions screening, DA-Desk has advanced, system-embedded tools that focusing on information including Agency information, Directors, UBO data (if applicable) from the Agent. The screening processes consider key global sanctions list as well as other official lists and focuses on high-risk jurisdictions, watchlists, and politically exposed persons (PEPs) among other things.



ISO 9001: 2015 standard certified

By implementing a Quality Management System in accordance with ISO 9001:2015 standard, Saga Welco has not only committed to continuous improvement, but also risk-based thinking in our operational strategy.

When planning, implementing, and executing our strategic objectives we also account for outcomes and circumstances that can threaten achievement of our goals.

We carry out preventive actions to eliminate potential nonconformities, analyze any nonconformities that do occur, and we take actions to prevent them from happening again.

Transparent email communication

There is an inherent risk linked to personal mailboxes. Due to the GDPR regulative, we as an employer are prohibited from accessing communication between single individuals and third parties when this is done at a person-to-person basis, which is a risk if an individual for instance leaves the organisation without sharing or has transaction that are not approved by the management. To mitigate the possible consequences, we have implemented an email system that is team-based, where all members of a given team all are included in the communication between a member and external contributors. Personal emails/ emails containing sensitive content are still processed in individual accounts with no team access.

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. To further emphasize the importance of the combat against corruption and bribery we are endorsing the work of the Maritime Anti-Corruption Network (MACN).

We provide regular review sessions to all of our employees to make sure that they understand and adhere to our anti-corruption governance policies, and we are looking forward to benefit from the resources provided by MACN to strengthen this effort.

Saga Welco's zero tolerance policy on corruption and bribery should be well-known amongst our suppliers and customers and no incidents of corruption were reported or identified in 2024.

No business partners were terminated or not renewed due to violations related to corruption or bribery.

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.



CODE OF CONDUCT FOR SUPPLIERS

16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



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.

We endorse initiatives against trafficking, child labour, violence, unfair working conditions and any other breach of human rights and the right for sustainable livelihood, and demand that all business parties we engage with adhere to relevant laws and legislations formed to prevent degradation of human values.

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 all the employees and external to report any concerns, incidents or suspicions they may have regarding corruption issues or violations of our Code of Conduct. This reporting portal is available via a link on our intranet and on [our website](#) for external contacts.

Our whistleblowing portal is open for external contributors, and the crews are given the opportunity to report concerns or incidents directly to Saga Welco without having to go via their managing organization, if desired. There were no incidents reported through our whistleblowing mechanism during 2024.

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.



MONITORING

Continuous improvement in all aspects of our organization is necessary to ensure a profitable, competitive and growing customer focused business. To evaluate our performance and effectiveness we are conducting various types of monitoring.

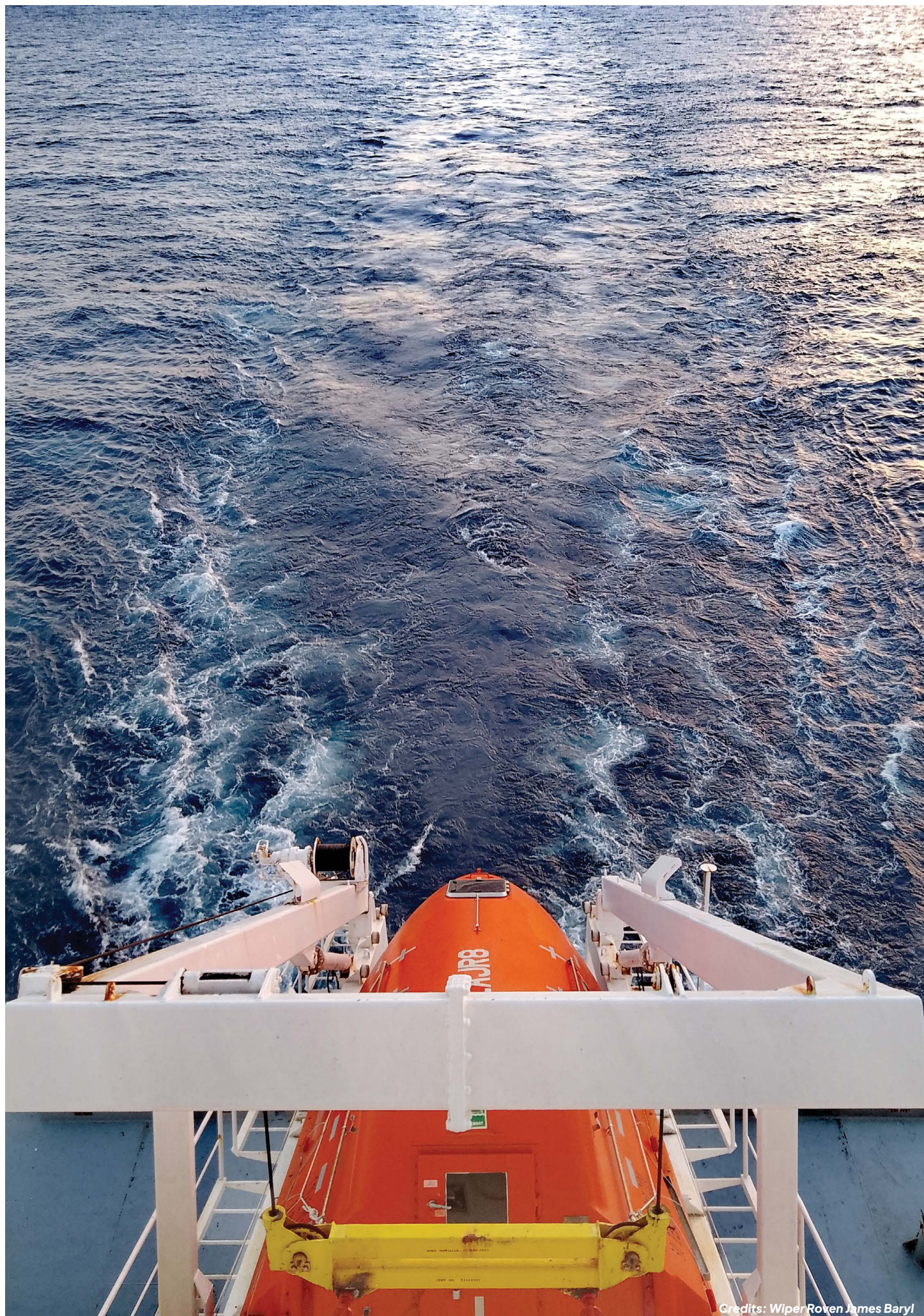
ISO Quality certification

Internal and external audits: Performing annual internal and external audits help us identify any deviations or nonconformities and whether we adhere to the ISO 9001 requirements. Our nonconformity register is a valuable tool to improve our operations and service. It can help us identify trends and minimize costs and prevent customer complaints.

HR and Health, Safety and Environment (HSE)

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.

Saga Welco's HSE Handbooks provide 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. The responsibility for this area rests with the 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.



Credits: Wiper Roven James Baryl

We run annual appraisal dialogues globally using a dedicated HR system. We engage in face-to-face communication with each individual member of staff and their direct superiors to confidently evaluate performance, establish clear targets for career planning and development, and incorporate constructive feedback from the previous year. All discussions are diligently recorded and securely stored in the HR system, ensuring easy access for future reference and review. These dialogues have a completion rate of 100%.

To ensure that we are competitive in the maritime job market, we are a member of the Maritime HR consultancy company Spinnaker Spinnaker Global. We share data and receive their annual salary benchmark reports for all regions globally.

Planning and regular reporting activities

Voyage planning and operational review. All voyages are planned in detail in our Voyage Management System (VMS) and each voyage has a dedicated operator who is responsible for updating key events during the voyage and weekly reporting on any significant deviations from the original plan.

Monthly statement. Once per month we publish to the Saga Welco management, Board of Directors and Head Owners a financial, commercial and operational report with comments on shift in trends, economical status, market opportunities and operational matters since last report.

Management review. Our management team is on a quarterly basis reviewing the status of the quality management system to ensure suitability, adequacy, effectiveness and alignment with the strategic direction of the organization.

Ethics and conduct. At Saga Welco, we take concerns regarding conducts and ethics seriously, and we investigate them thoroughly to ensure that we maintain our high ethical standards. We run a quarterly survey among all employees to follow up that all employees are familiar with our Code of Conduct and how to report any deviation. Once a year we run a survey to map any gifts received from customers or suppliers.

Board of Directors Meetings are performed minimum every quarter where the topics are Commercial, Operational, Organizational and Financial matters are discussed as well as topics concerning the corporate strategy, compliance, governance, sustainability and risk management.

Key Performance Indicators. Every quarter we publish KPI reports where we report on multiple indicators constructed to measure potential changes in matters that may affect our financial position, operational efficiency, market situation and status on emissions.

Customer surveys. Our customers are Saga Welco's top priority. To gain valuable feedback we are conducting customer surveys twice a year. Customers are asked to rate Saga Welco on a 1–5 scale on multiple topics and the average score is assessed internally to form the basis for a decision about how to proceed. Average rating from the responders in 2024 was 4.4 and the response rate from customers who received the questionnaire was 94%.

Emission control

Before mentioned WNI are delivering daily updated CII ratings for all vessel to ensure that we stay at the desired levels and that we release no more GHGs than necessary to maintain our operations.

Rightship inspections

As a measure to ensure that the vessels that we control are in good conditions and that the crews are well taken care of we work to always keep all vessels RightShip valid. We are happy to liaise with RightShip as an external auditor and are pleased to have their external stamp of approval to display that our vessels correspond to their measurements for good standards and conditions.

SASB DISCLOSURES

ACCOUNTING METRIC	UNIT OF MEASURE	DATA 2024	DATA 2023	DATA 2022	REFERENCE
ENVIRONMENT					
CO ₂ EMISSIONS ¹					
Gross global Scope 1 emissions: Operational control approach	Metric tons (t) CO ₂ -e	882,909	854,180	911,245	ESRS E1-6-48a GRI 305-1a SDG 13 AASB S2 29-a-i-1
Gross global Scope 2 emissions	Metric tons (t) CO ₂ -e	58.2	60.0	56.2	ESRS E1-6-49a GRI 305-2a SDG 13 AASB S2 29-a-i-2
ENERGY CONSUMED ²					
Total energy consumed Gigajoules (GJ)	Gigajoules (GJ)	11,422,897	11,027,320	11,989,072	ESRS E1-5-41
Percentage Heavy Fuel Oil	(%)	89%	88%	89%	SASB TR-MT-110a.3
Percentage of energy from renewables %	(%)	0%	0%	0%	ESRS E1-5-37c ESRS E1-5-AR 34
EEDI					
Average Energy Efficiency Design Index (EEDI) for new ships	Grams of CO ₂ per ton-nautical mile	No new ships acquired in 2024	No new ships acquired in 2023	No new ships acquired in 2022	TR-MT-110a.4
EEOI & AER ^{3,4}					
Energy Efficiency Operational Indicator (EEOI)	Grams of CO ₂ per ton-nautical mile	10.8	8.14	14.0	
Average Efficiency Ratio (AER): Weighted average	Grams of CO ₂ per ton-nautical mile	5.4	5.5	6.5	SDG 13
OTHER EMISSIONS TO AIR ⁵					
Emissions to air - CH ₄	Metric tons	13.6	n.a.	n.a.	ESRS E2-4-28a SDG 13
Emissions to air - N ₂ O	Metric tons	47.0	n.a.	n.a.	ESRS E2-4-28a SDG 13
Emissions to air - Nox	Metric tons	21,457	20,919	24,154	ESRS E2-4-28a GRI 305-7i SDG 13 SASB TR-MT-120a.1
Emissions to air - Sox	Metric tons	2,186	2,104	2,441	ESRS E2-4-28a GRI 305-7ii SDG 13 SASB TR-MT-120a.1
Total GHG Emissions (scope 1 and 2)	Metric tons	882,967	854,240	911,301	ESRS E1-6-44/52 GRI 305

ACCOUNTING METRIC	UNIT OF MEASURE	DATA 2024	DATA 2023	DATA 2022	REFERENCE
WASTE					
Total Waste Generated	Metric tons	2,060	2,506	1,643	GRI 306-3a ESRS E5-5-37
Total Hazardous Waste	Metric tons	0	n.a.	n.a.	GRI 306-3a ESRS E5-5-37
Total Amount of Radioactive Waste	Metric tons	0	n.a.	n.a.	ESRS E5-5-39
Waste Directed to Disposal	Metric tons	118	n.a.	n.a.	GRI 306-5a
WATER TREATMENT					
Total Water Consumption	Cubic metres (m ³)	160,608	n.a.	n.a.	GRI 303-5a
Total Water Discharge	Cubic metres (m ³)	164,478	n.a.	n.a.	GRI 303-4a
Total Water Discharged to Freshwater	Cubic metres (m ³)	220	n.a.	n.a.	GRI 303-4a
Water Discharge to Seawater	Cubic metres (m ³)	161,258	n.a.	n.a.	GRI 303-4a
MARINE PROTECTED AREAS⁶					
Shipping duration in Marine Protected Areas	Number of travel days	904	854	930	ESRS E4-SBM-3-16ai GRI 304-1a-vi SASB TR-MT-160a.1 SDG 14 UNEP WCMC
SPILLS AND RELEASES TO THE ENVIRONMENT					
Spills and releases to the environment	Number	0	0	0	SASB TR-MT-160a.3 GRI 306-3 (2016) (Sector std 11.5.4) SDG 14
SOCIAL					
LOST TIME INCIDENT RATE⁷					
Lost Time Incident Rate	Rate	1.09	1.08	0.80	SASB TR-MT-320a.1.
MARINE CASUALTIES⁸					
Fatalities	Number	0	n.a.	n.a.	ESRS S1-14-88b GRI 403-9-a-i
Fatalities	(%)	0	n.a.	n.a.	ESRS S1-14-88b GRI 403-9-a-i
High Consequences Injuries	Number	0	0	n.a.	GRI 403-9-a-ii
Marine Casualties – Very Serious	Number	0	0	0	SASB TR-MT-540a.1SDG 8
Recordable Work Related Injuries	Number	5	4	3	ESRS S1-17-AR 106

ACCOUNTING METRIC	UNIT OF MEASURE	DATA 2024	DATA 2023	DATA 2022	REFERENCE
CONDITIONS OF CLASS ⁹					
Number of Conditions of Class or Recommendations	Number	29	33	n.a.	SASB TR-MT-540a.2
PORT STATE CONTROL ¹⁰					
PSC (Port State Control) – Deficiencies	Rate	0.57	0.86	0.60	SASB TR-MT-540a.3 SDG 8, 1
PSC (Port State Control) – Detentions	Number	1	2	2	SASB TR-MT-540a.3 SDG 8, 1
EMPLOYEE HEALTH (ONSHORE)					
Employees by Sick Leave Rate	(%)	1.1%	2.4%	1.6%	
Work Related Ill Health (on shore)	Number	0	n.a.	n.a.	ESRS S1-14-88d GRI 403-10-a-i
Employees by New Hires	Number	10	n.a.	n.a.	GRI 401-1a
DEMOGRAPHICS					
Employees by Contract, Region and Gender Ratio					ESRS S1-6-50b GRI 2-7b-i;ii;iii
Employees by Contract, Region and Gender Ratio					
		Permanent employees		Temporary employees	Total
Norway	Male	32		1	44
	Female	11			
Brazil	Male	19			26
	Female	7			
China	Male	9			13
	Female	4			
Korea	Male	4			8
	Female	4			
Japan	Male	2			3
	Female	1			
Belgium	Male	5			7
	Female	2			
Italy	Male	3			4
	Female	1			
USA / Canada	Male	4			8
	Female	4			
Uruguay	Male	3			3
	Female	0			
Shipboard Employees by Gender Ratio					
		Male	Female	Under 30	30-50 over 50
Offshore		1055	3	272	630 156

ACCOUNTING METRIC	UNIT OF MEASURE	DATA 2024	DATA 2023	DATA 2022	REFERENCE
TURNOVER					
Employees by Turnover	(%)	3.4%	n.a.	n.a.	ESRS S1-6-50c GRI 401-1b
PARENTAL LEAVE					
Employees entitled to Parental Leave / Family-related leave	(%)	100%	n.a.	n.a.	ESRS S1-15-93a GRI 401-3a NES Division 5
Employees that took Parental Leave / Family-related leave by Gender	Number	Female: 1 Male: 3	n.a.	n.a.	ESRS S1-15-93b GRI 401-3b NES Division 5
GOVERNANCE					
CORRUPTION RISK					
Corruption Risk – Calls at port	Number	0	0	n.a.	SASB TR-MT-510a.1 SDG 16
Corruption Risk – Business Partner Contracts Terminated	Number	0	n.a.	n.a.	ESRS G1-4-25c GRI 205-3c
Corruption Risk – Facilitation payments	USD	0	0	n.a.	GRI 205-3 SDG 16
Corruption Risk – Fines	USD	0	0	n.a.	ESRS G1 G1-4-24a GRI 2-27i SASB TR-MT-510a.2 SDG 16 SASB SV-PS-510a.2
Corruption Risk – Workers Dismissed or Disciplined	Number	0	n.a.	n.a.	ESRS G1-4-25b GRI 205-3b
Corruption Risk – Non-Monetary Sanctions	Number	0	n.a.	n.a.	GRI 2-27ii SDG 16
Corruption Risk – Net Revenue	USD	0	n.a.	n.a.	SDG 16
HUMAN RIGHTS					
Human Rights Issues and Incidents	Number	0	n.a.	n.a.	ESRS S1-17-104a
WHISTLEBLOWING					
Whistleblowing	Number	0	n.a.	n.a.	GRI 2-26 GRI 2-16
OUR OPERATION IN NUMBERS					
Total distance traveled by vessels	Nautical miles (nm)	3,131,017	3,009,093	2,824,581	TR-MT-000.B
Operating days	Days	17,934	17,333	16,920	TR-MT-000.C
Deadweight tonnage	Thousand dead-weight tons	2,444,702	2,491,731	2,480,542	TR-MT-000.D
Number of vessels in fleet	Number	48	49	49	TR-MT-000.E
Number of vessel port calls	Number	1,260	1,459	1,363	TR-MT-000.F

DISCLAIMERS 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 (NOX, excluding N2O, SOX and particulate matter)

Head Owners have assigned Technical Managers to run and maintain all their vessels. The Technical Managers have tools and reporting systems to keep track of fuel and lube consumption and tools to calculate emissions from this. We receive these calculations during the making of this report.

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.

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.



Credits: BSN Edzel

