

The logo for SAGA WELCO is positioned in the upper left corner. It features the word "SAGA" in a bold, white, sans-serif font, with a stylized white graphic element consisting of three horizontal bars to its right. Below "SAGA" is the word "WELCO" in a similar bold, white, sans-serif font.

SAGA
WELCO

The text "ESG REPORT 2025" is located in the lower left area. "ESG" and "REPORT" are in a large, white, bold, sans-serif font, stacked vertically. "2025" is in a smaller, bright blue, bold, sans-serif font, positioned below "REPORT".

ESG
REPORT
2025

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Key Figures 2025

2,454,093

Total DWT (Deadweight tonnage)
2024: 2,501,122

0

Number of spills
2024: 0

865,348

GHG emissions from the fleet (tons CO₂e)
2024: 867,916

48

Fleet as of year-end 2025
2024: 48

1,058

Number of shipboard employees
2024: 1058

1.92

Health and Safety (LTIR)
2024: 1.09

3,099,262

Distance travelled (nautical miles)
2024: 3,131,016

5.5

Annual efficiency ratio (AER)
2024: 5.4

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. Westfal-Larsen. In 2025, Westfal-Larsen companies controlled 24 vessels: 16 Open Hatch vessels and 8 Chemical tankers. 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 2025, the NYK global fleet consisted of 886 vessels, in a variety of major shipping markets, of which 443 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, bulk cargoes and various project 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 adapted technology, we are committed as one of the major players in this global segment.

Saga Welco AS acts as the Pool Manager for the Saga Welco Pool, which is organised as an "inner company". The (Pool) is established as a tool for distributing profit from shipping activity to the Pool Participants. The Pool Participants are Saga Shipholding (Norway) AS and Westfal Larsen Shipping AS. As of 2025, Saga Shipholding (Norway) AS contributes 32 vessels to the Pool, while Westfal Larsen Shipping AS contributes 16 vessels.



Results generated through the Pool are allocated to the Pool Participants in accordance with their proportionate number of Pool Vessels adjusted for applicable pool points. The Saga Welco Pool is subject to Norwegian taxation. As an inner company, the Pool itself is not required to publish separate public financial statements. In 2025, the consolidated group profit from administrative and commercial management services provided by Saga Welco AS to the Saga Welco Pool amounted to USD 1,100,000.

Saga Welco (Pool) operates in 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 2025 Saga Welco had 17,024 voyage days in 419 voyages, loaded more than 8,800,000 tons of cargo on our pool vessels and completed 1,242 load and discharging calls to ports in 35 countries. None of these were to sanctioned ports or countries.

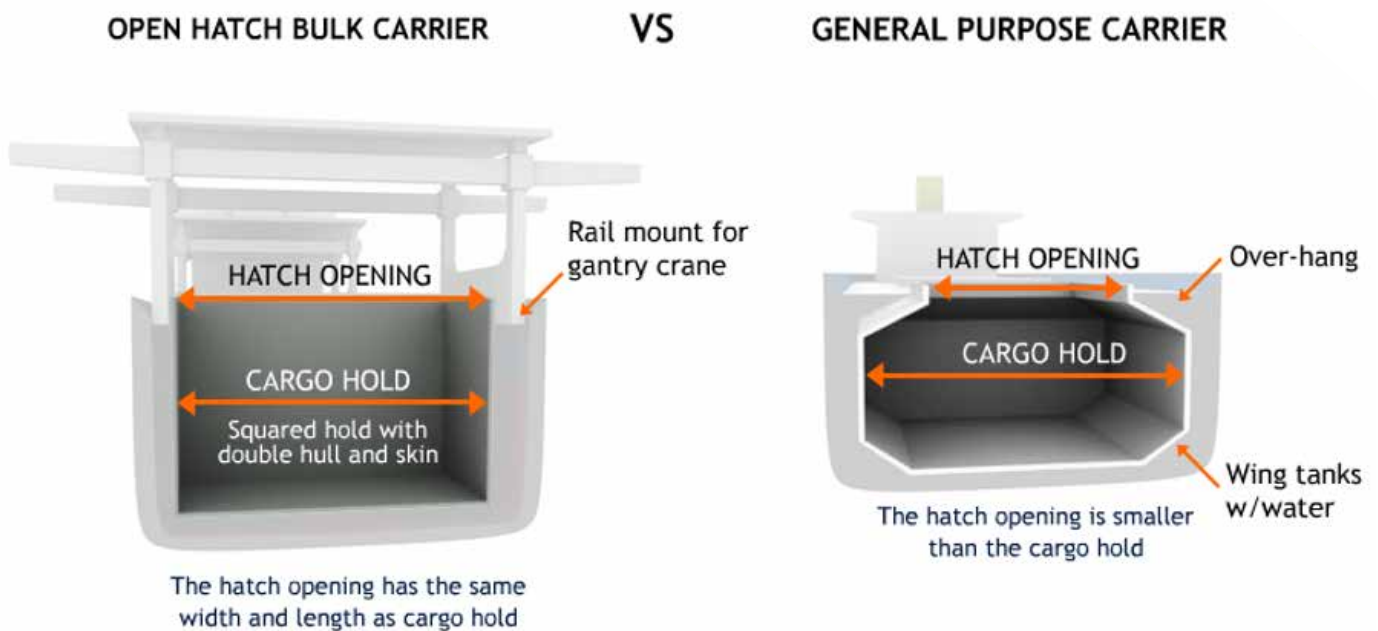
Saga Welco AS is headquartered in Tønsberg and Bergen, Norway. Tønsberg is the oldest city in Norway and the birthplace of the first open-hatch gantry vessel in the world. Bergen has long traditions in shipping and houses a large network of shipping companies and related industries. In addition to the 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.



Our pool of uniform vessels

The Saga Welco fleet consists of 48 vessels in the range from 45,000 to 57,000 DWT. All vessels are equipped with gantry cranes with 40 or 70 MT lifting capacity. The cranes are equipped with retractable roofs and rain shields that make them able to load and discharge sensitive cargoes in inclement weather.

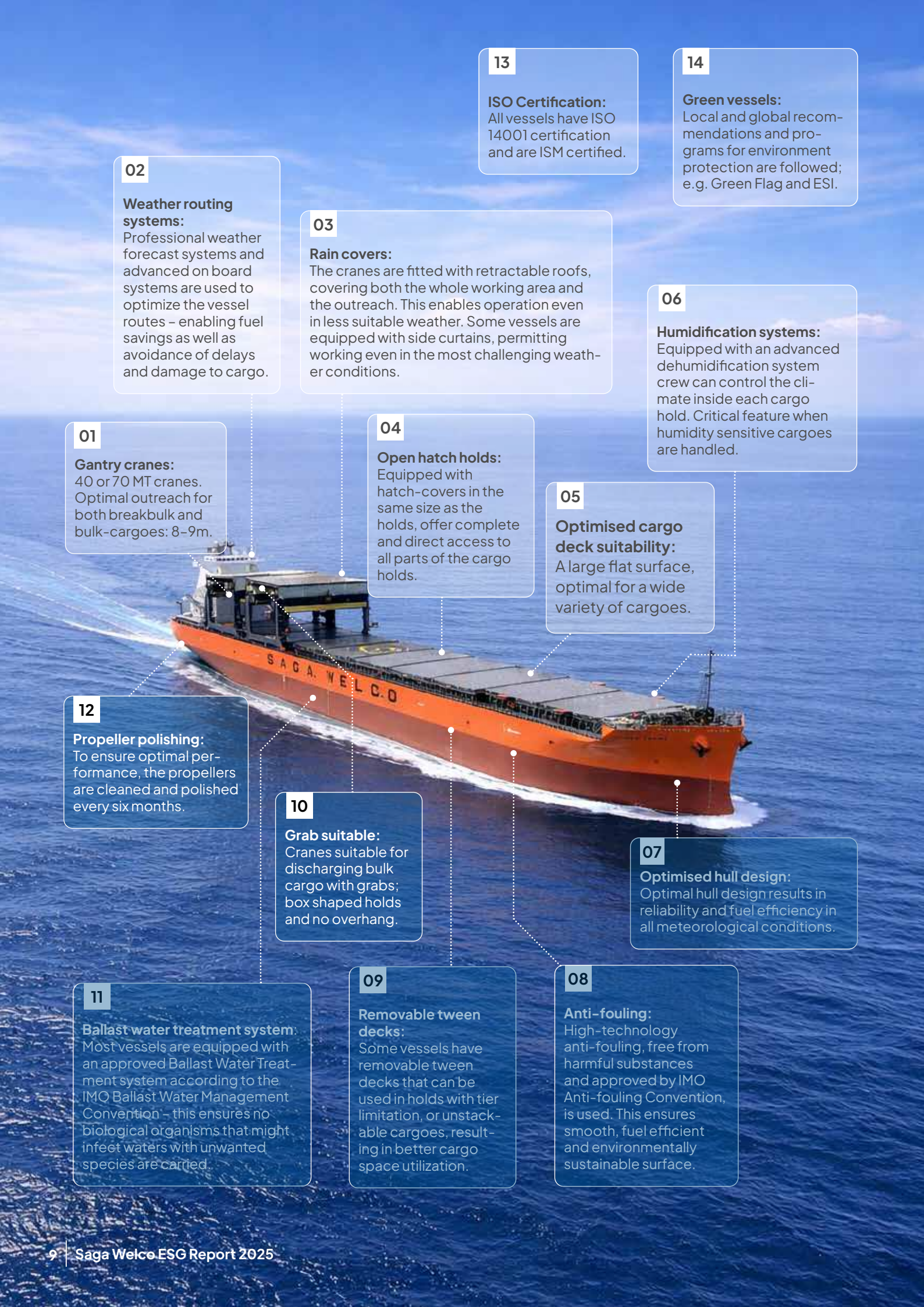
The vessels have 10–12 holds with flush hatch covers that make them suitable for a large variety of deck cargoes. The holds are equipped with independent dehumidification systems.



Most of the holds are box shaped, which make the entire holds reachable for direct access with the onboard cranes that travel the length of the deck on rails.

The configuration of gantry cranes and box shaped holds ensures efficient loading and discharging operations with minimum use of additional

machinery during cargo operations. These vessels are especially suited for efficient loading and discharging of Bulk and breakbulk cargoes, in addition to project cargoes, both on and under deck.



02

Weather routing systems:

Professional weather forecast systems and advanced on board systems are used to optimize the vessel routes – enabling fuel savings as well as avoidance of delays and damage to cargo.

13

ISO Certification:

All vessels have ISO 14001 certification and are ISM certified.

14

Green vessels:

Local and global recommendations and programs for environment protection are followed; e.g. Green Flag and ESI.

03

Rain covers:

The cranes are fitted with retractable roofs, covering both the whole working area and the outreach. This enables operation even in less suitable weather. Some vessels are equipped with side curtains, permitting working even in the most challenging weather conditions.

06

Humidification systems:

Equipped with an advanced dehumidification system crew can control the climate inside each cargo hold. Critical feature when humidity sensitive cargoes are handled.

01

Gantry cranes:

40 or 70 MT cranes. Optimal outreach for both breakbulk and bulk-cargoes: 8–9m.

04

Open hatch holds:

Equipped with hatch-covers in the same size as the holds, offer complete and direct access to all parts of the cargo holds.

05

Optimised cargo deck suitability:

A large flat surface, optimal for a wide variety of cargoes.

12

Propeller polishing:

To ensure optimal performance, the propellers are cleaned and polished every six months.

10

Grab suitable:

Cranes suitable for discharging bulk cargo with grabs; box shaped holds and no overhang.

07

Optimised hull design:

Optimal hull design results in reliability and fuel efficiency in all meteorological conditions.

11

Ballast water treatment system:

Most vessels are equipped with an approved Ballast Water Treatment system according to the IMO Ballast Water Management Convention – this ensures no biological organisms that might infect waters with unwanted species are carried.

09

Removable tween decks:

Some vessels have removable tween decks that can be used in holds with tier limitation, or unstackable cargoes, resulting in better cargo space utilization.

08

Anti-fouling:

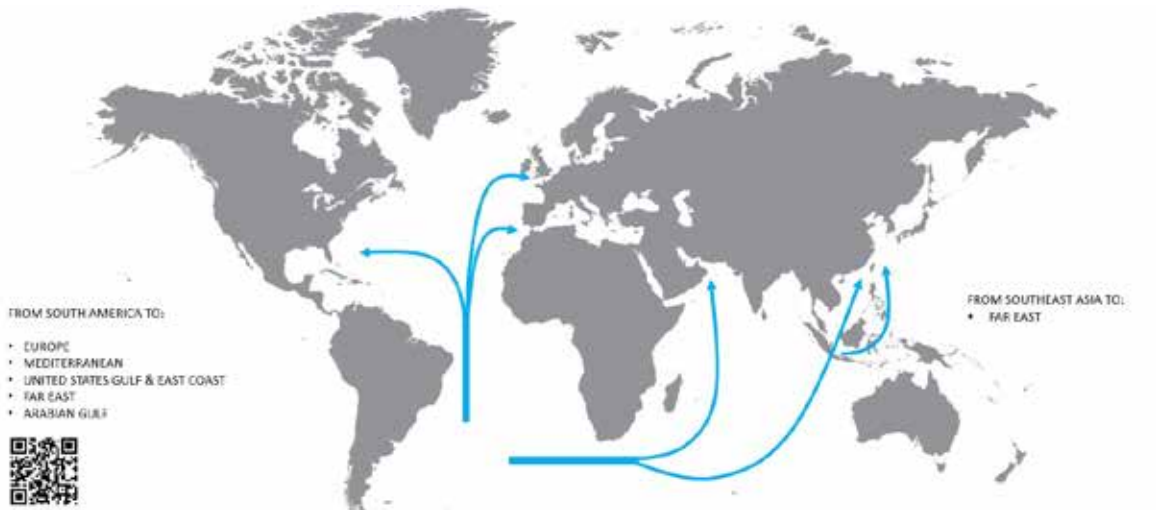
High-technology anti-fouling, free from harmful substances and approved by IMO Anti-fouling Convention, is used. This ensures smooth, fuel efficient and environmentally sustainable surface.

Our most common trade lines

Fronthaul:

Saga Welco's front haul trade is primarily the long-haul, contract-driven transportation of forest products and other breakbulk/bulk cargoes on core deep-sea routes primarily linking East Coast

South America with major consuming regions such as North Europe, the Mediterranean, North America, and the Far East.



Backhaul:

Saga Welco's back haul trade focuses on balancing the fleet after front haul deliveries by carrying industrial, project, and breakbulk cargoes on return legs, particularly from Europe, North America, and

the Far East back toward originating regions. This includes a wide range of steel products, lumber, project cargo, bulk and other breakbulk volumes, supporting overall fleet efficiency and utilization.



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, the company 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 ensure that our report and disclosures

on ESG topics are material, transparent and verifiable. This report covers the period from 1 January to 31 December 2025.

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.

MESSAGE FROM THE CEO

As we look back on 2025, I am pleased to present Saga Welco's Environmental, Social, and Governance (ESG) report for the year. The report reflects our continued focus on responsible operations, transparency, and long-term value creation in a maritime industry undergoing significant transformation.

In 2025, Saga Welco strengthened governance and ESG integration, reduced greenhouse-gas intensity below FuelEU thresholds, and continued investing in people and responsible maritime operations.

The year was marked by further regulatory developments and rising expectations related to climate performance, business conduct, and supply-chain responsibility. Against this backdrop, Saga Welco continued to strengthen its governance framework and operational practices. We remained fully compliant with applicable environmental and maritime regulations and took additional steps to reduce greenhouse-gas intensity, including increased use of biofuel blends and continued optimization of fleet operations. In 2025, this resulted in greenhouse-gas intensity levels below the applicable FuelEU Maritime threshold.

Our people remain at the core of Saga Welco's performance. Throughout the year, we focused on competence development, leadership training, and employee well-being across our global organization. Structured appraisal dialogues, targeted training initiatives, and ongoing engagement with seafarers and onshore staff support a safe, inclusive, and professional working environment. We also continued to strengthen reporting channels and whistleblowing mechanisms to ensure openness and accountability.

Strong governance is essential in managing risk and navigating an increasingly complex operating environment. In 2025, we further embedded ESG considerations into our decision-making processes, strengthened data governance and internal controls, and maintained robust compliance practices across sanctions, anti-corruption, competition law, and information security. External assessments and certifications continue to play an important role in validating our approach.

Looking ahead, we recognize that sustainability is a continuous journey. The coming years will require further adaptation, collaboration, and innovation to meet evolving regulatory requirements and stakeholder expectations. Saga Welco remains committed to managing this transition responsibly, in close cooperation with our customers, vessel owners, employees, and partners.

I would like to thank our employees, seafarers, customers, and partners for their dedication, professionalism, and trust. Together, we will continue to develop Saga Welco as a responsible, reliable, and competitive provider of maritime transportation services.



*Norway, March 24, 2026
Trond Moe Hanssen
President and CEO
Saga Welco AS*

ESG GOVERNANCE

The shipping industry is exposed to inherent environmental, social and governance risks, including emissions, spills, marine casualties, health and safety incidents, corruption, and regulatory changes. Effective governance is essential to manage these risks and to ensure responsible and sustainable operations.

Saga Welco has established policies, procedures and control frameworks to identify, manage and monitor ESG related risks across its operations.

ESG Management and responsibility

The Board of Directors has overall responsibility for the management of Saga Welco and for setting the company's purpose and strategy and risk willingness, including oversight of material ESG risks and opportunities.

The Chief Executive Officer (CEO) is responsible for ensuring that the frameworks, policies and the decisions adopted by the Board are implemented in day-to-day operations and that the ESG governance is effectively applied and monitored throughout the organization.

Corporate and functional policy owners are responsible for implementing relevant ESG related policies within their areas of responsibility and for reporting on compliance, performance and material incidents to the CEO.

Material ESG Focus Areas 2025

Saga Welco operates in a highly regulated, global maritime environment where environmental performance, safety, ethical conduct, and operational reliability are critical to long term value creation. The company's ESG focus areas are determined through ongoing assessment of regulatory developments, operational risks, stakeholder expectations, and internal management priorities.

In 2025, Saga Welco's ESG efforts were concentrated on the following material focus areas:

Climate change and emissions compliance

Reducing greenhouse gas emissions and ensuring compliance with evolving climate regulations remain key priorities. Saga Welco focuses on improving fuel efficiency, monitoring emissions intensity, and supporting compliance with international and regional frameworks, including the IMO GHG strategy, Carbon Intensity Indicator (CII), EU Emissions Trading System (EU ETS), and FuelEU Maritime. Continuous monitoring, operational optimization, and increased use of certified biofuel blends support emissions reductions while maintaining safe and efficient operations.

Safety of crew, vessels, and cargo

The safety and well being of seafarers and onshore personnel are fundamental to Saga Welco's operations. The company emphasizes strong HSE governance, compliance with international maritime safety conventions, and continuous engagement with crews and vessel managers. Preventing incidents, protecting cargo integrity, and maintaining high vessel standards are integral to operational performance and risk management.

Ethical business conduct and compliance

Saga Welco maintains a strong focus on ethical conduct, transparency, and compliance across its operations and value chain. This includes adherence to competition law, anti corruption and anti bribery regulations, sanctions compliance, and the Norwegian Transparency Act. The company's Code of Conduct, supplier requirements, whistleblowing mechanisms, and regular training and audits support a strong compliance culture.

Governance, internal controls, and risk management

Effective governance is essential in managing the environmental, social, and operational risks inherent in maritime transport. Saga Welco prioritizes robust internal controls, quality management, and systematic monitoring in accordance with ISO 9001:2015 requirements, internal and external

audits, KPI reporting, and regular management and Board reviews. These mechanisms support informed decision-making and continuous improvement.

Data governance and digitalization

Reliable and secure data is increasingly critical for regulatory reporting, operational control, and customer interaction. In 2025, Saga Welco strengthened its focus on data governance through improved digital data flows, enhanced information security, and the implementation of structured systems supporting voyage management, documentation, and reporting. These initiatives contribute to transparency, accuracy, and operational efficiency.

Employee competence, well being, and organizational resilience

Saga Welco's people are central to deliver safe, reliable, and competitive shipping services. The company prioritizes competence development, leadership training, employee well being, and inclusive workplace practices. Structured appraisal processes, training programs, flexible work arrangements, and attention to workplace conditions support employee engagement and long term organizational resilience.



Joshua Dela Cruz



In 2025, Saga Welco prioritized compliance, safety, ethical conduct, and strengthened governance to meet evolving maritime regulatory requirements. Enhanced data governance, digital reporting systems, and targeted competence development supported operational control and long term organizational resilience.

Outlook

Saga Welco recognizes that ESG expectations and regulatory requirements will continue to evolve. The company will maintain a proactive approach to monitoring regulatory developments, strengthening data quality, and cooperating with vessel owners, customers, and other stakeholders to manage ESG related risks and opportunities effectively.

Disclaimer on materiality approach and future reporting

The ESG focus areas described above are based on management's current assessment of regulatory requirements, operational risks, and stakeholder expectations relevant to Saga Welco's activities in 2025. This overview does not constitute a formal double materiality assessment as defined under the European Sustainability Reporting Standards (ESRS). Saga Welco plans to further develop its approach to materiality assessment in line with applicable ESRS requirements as these become relevant to the company. Future assessments are expected to build on the governance structures, data frameworks, and disclosures described in this report.



Vitudio



Business ethics and quality

The Saga Welco approach to business ethics is anchored in a set of core governance 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. These documents are publicly available on our website and set out the ethical principles, requirements and expectations that apply to all employees and business partners.

The Code and related policies define our standards of conduct and our commitment to compliance with applicable laws, rules and regulations, including those relating to human rights, anti-corruption and responsible business practices.

These governance documents are integrated into Saga Welco's Quality Management System, which is certified in accordance with the ISO 9001:2015 international quality standard. This integration ensures that ethical conduct, compliance and continuous improvement are embedded in our operational processes and day-to-day decision-making.

In March 2025, Saga Welco became a member of the Maritime Anti Corruption Network (MACN). Through this membership, we support industry wide efforts to prevent corruption and bribery in the maritime sector and seek to strengthen awareness and competence among our employees and business partners through training, guidance and the sharing of best practices.

The Compliance Officer is responsible for overseeing adherence to Saga Welco's governance policies. This includes providing compliance guidance, monitoring implementation, and managing reported concerns through the company's internal and external whistleblowing mechanism. The Compliance Officer coordinates and oversees the periodical execution of the training programs related to business ethics and reports outcome directly to the CEO.

To provide assurance that internal control systems and procedures are effective in preventing corruption and bribery, Saga Welco is subject to regular internal and external audits.

Sustainability certifications

Since 2024, Saga Welco has been certified under the Eco Lighthouse environmental management scheme, Norway's most widely used certification framework for documenting systematic environmental work and continuous improvement.

In 2025, Saga Welco initiated the process of implementing an environmental management system aligned with the requirements of ISO 14001:2015. Certification is subject to successful completion of the implementation and third-party audit process, and Saga Welco is working towards obtaining ISO 14001 certification during 2026.

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 ESG challenges facing the shipping industry require collective action across the value chain, involving shipowners, operators, managers, customers, service providers and regulatory authorities. Saga Welco recognizes that collaboration is essential to achieving meaningful progress, particularly in relation to decarbonization, safety, security and good governance.

Anglo-Eastern Ship Management Ltd, which is the ship manager for 30 vessels in Saga Welco's fleet, is a member of the maritime industry group's Getting to Zero Coalition. The Coalition brings together stakeholders across the maritime, energy, infrastructure and finance sectors with the ambition of enabling commercially viable zero-emission vessels to operate by 2030, as a critical milestone towards full decarbonization of international shipping by 2050.

Saga Welco engages closely with its ship managers and head owners to support and align with the objectives of such industry initiatives and to translate emerging knowledge and best practices into operational improvements across the fleet. In addition, Saga Welco is a certified member of the U.S. Customs-Trade Partnership Against Terrorism (CTPAT) program. CTPAT is a voluntary public-private partnership aimed at strengthening international supply-chain security and enhancing the security of U.S. borders through cooperation between government authorities and the private sector.

Saga Welco is also a long-standing member of the Partners in Protection (PIP) program, Canada's trusted-trader initiative comparable to the U.S. C-TPAT program. The PIP program is a voluntary border security partnership between the Canada Border Services Agency (CBSA) and private-sector companies involved in cross-border trade.

Enhance collaboration and transparency

Saga Welco is committed to fostering transparent, reliable and constructive relationships with its stakeholders and to maintaining open dialogue on ESG performance and expectations.

In 2025, Saga Welco resubmitted the EcoVadis sustainability assessment with substantial improvements from earlier submissions. The 2025 assessment earned a bronze medal and as a company, Saga Welco is now amongst the 22% highest scorers in their industry. We now target a further improvement to be amongst the 15% best scorers in the industry.

For Saga Welco, assessments like EcoVadis and CDP are important, not only because they are requested by customers, but mainly because they confirm that the company's governance and sustainability practices meet established customer and industry requirements. Furthermore, feedback from these assessments is important to identify improvement areas and to further strengthen transparency and performance.



G.R. Pancitio I

ENVIRONMENT

Saga Welco manages commercial pools of vessels and acts as operator, while the vessels are owned by third-party shipowners. In defining its greenhouse gas (GHG) reporting boundary, Saga Welco applies the GHG Protocol operational control approach, whereby emissions are reported from activities and assets over which the company has authority to implement operating policies.



Mapping Scopes 1, 2, and 3 is vital for understanding a company's full climate impact.

Scope 1 – Direct emissions

Scope 1 includes direct GHG emissions from sources that Saga Welco owns or operationally controls, primarily emissions from fuel combustion on pool vessels under its operational management. Where Saga Welco has operational control, 100% of the associated emissions are included in Scope 1, irrespective of vessel ownership.

In addition to GHG emissions, Saga Welco monitors other environmental aspects related to its operations, including water use and waste management, as part of its overall environmental performance framework.

Scope 2 – Indirect energy emissions

Scope 2 comprises indirect GHG emissions from the generation of purchased electricity consumed in Saga Welco's onshore operations, such as office buildings. While these emissions represent a relatively small share of the company's overall environmental footprint, Saga Welco remains committed to reducing energy related emissions and works with building owners and service providers to improve energy efficiency and reduce GHG intensity.

Scope 3 – Other indirect emissions

Scope 3 includes indirect GHG emissions occurring across the value chain from activities not owned or operationally controlled by Saga Welco, but which are linked to its operations upstream and downstream. These emissions are expected to represent a significant share of the company's overall climate impact.

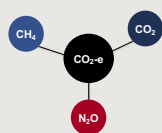
Saga Welco has initiated planning for a double materiality assessment to be conducted in 2026. The outcome of this assessment will support a structured approach to identifying and prioritizing the most relevant Scope 3 categories and value-chain partners for future reporting and engagement.

Climate change and shipping industry air emissions



Saga Welco's decarbonisation strategy is aligned with the International Maritime Organization's (IMO) greenhouse-gas (GHG) strategy towards net-zero emissions by 2050, in combination with applicable EU environmental regulations.

The company's target is to perform at or below the EU's GHG intensity requirements under the FuelEU Maritime regulations. For 2025, this corresponds to a maximum greenhouse-gas intensity of 89.34 g CO₂e/MJ, calculated on a well-to-wake basis.



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.

This is explained in more depth in the chapter about historical and future events below.

By replacing a substantial share of fuel-oil consumption with a biofuel blend in 2025, Saga Welco achieved a year-end GHG-intensity level of 88.62 g CO₂e/MJ, below the FuelEU Maritime threshold and in line with the company's internal target.

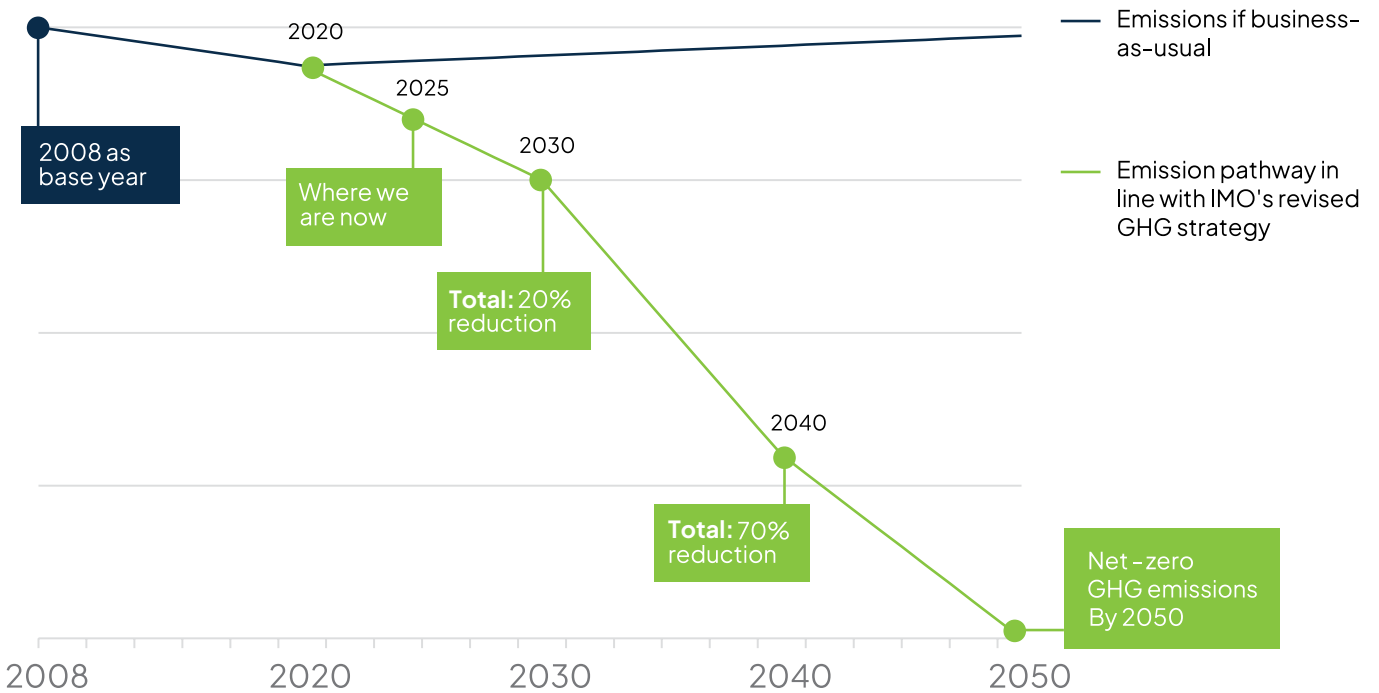
Saga Welco will continue to replace fossil fuel products with ISCC certified biofuel blends accompanied by "proof of sustainability" (POS). All biofuels bought by Saga Welco must be at least RED II compliant, meaning that the bio share of the fuels is not competing with oil products manufactured for animal or human consumption.



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, Saga Welco 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 traditionally have been 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.

Units: GHG emissions



To mitigate this negative trend, action must be taken across the shipping industry. Saga Welco has already implemented a range of operational measures to reduce greenhouse gas emissions intensity.

Since 2020, which is the base year, several efficiency gains have been achieved through speed reduction, improved voyage and routing optimization, and increased operational caution in weather conditions associated with high fuel consumption. These measures are commonly referred to as reductions in fuel consumption intensity and, in practical terms, enable longer distances to be sailed with lower fuel use.

By 2025, Saga Welco has accumulated solid experience in optimizing vessel speed and fuel consumption through such operational measures. While these initiatives have delivered meaningful improvements, further reductions will require the continued evaluation and implementation of additional measures.

New approaches and technologies must therefore be explored if the company is to achieve its 2030 target of a 20% reduction in greenhouse gas emissions intensity.

It is already clear that applying current strategies alone will not be sufficient, but by adding biofuel into the blend of fuels, calculations show that we will be able to be in reach and possibly exceed the 2030 target. Based on current assumptions and available measures, Saga Welco expects that the fleet will be able to reach the required GHG reduction levels toward 2030, subject to fuel availability, regulatory developments and market conditions.

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:



Jan Spidey Chub-b Pinili

“

Saga Welco prioritizes regulatory compliance, efficiency improvements, and innovative technologies to strengthen environmental performance and reduce costs.

We know exactly what our targets are, but EU climate and maritime decarbonization policies, including FuelEU Maritime and EU ETS, require new approaches to fleet operation, fuel strategy and collaboration across the value chain. 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 actors 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 2025

The shipping industry has undergone significant regulatory and operational changes in recent years, with increased focus on reducing air pollutants and greenhouse gas (GHG) emissions. Saga Welco's environmental efforts during 2025 were primarily directed toward improving fuel efficiency, reducing emissions from vessel operations, and evaluating technical and operational measures that support a lower environmental footprint.

Compliance with applicable environmental regulations, combined with continuous improvement of operational efficiency, forms the foundation of Saga Welco's environmental approach. Innovation and the evaluation of new technologies are integral elements of this approach, supporting both environmental performance and cost-efficient operations.





Fuel efficiency

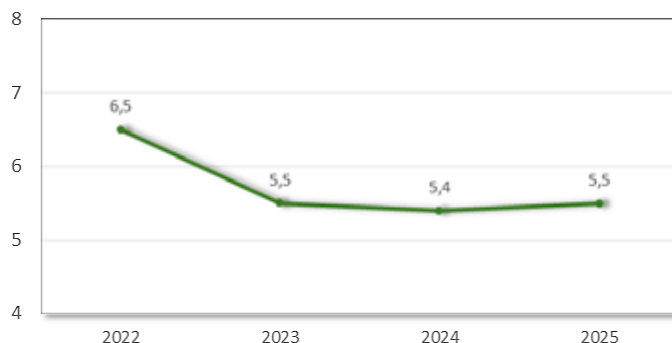
Saga Welco complies with international, regional, and local regulations related to climate change and air emissions, including those issued by the International Maritime Organization (IMO), the European Union, and other relevant authorities in the regions where the company operates. Systems are in place to monitor fuel consumption and emissions, supporting regulatory compliance and informed operational decision-making.

Improving fuel efficiency represents a key means of reducing emissions. Fuel consumption is a significant cost component in shipping operations, and reductions in this consumption therefore contribute both to lower greenhouse gas emissions and improved cost efficiency. Savings achieved through reduced fuel consumption may also support further investments in efficiency-enhancing measures.

In 2025, the fleet transported a higher volume of cargo compared to 2024 while maintaining CO₂ emissions below 0.28 metric tons per nautical mile

sailed. This indicates that implemented operational measures supported stable emissions intensity despite increased transport activity. Speed planning, schedule optimization, and the introduction of bio-fuel blends contributed to this performance. As illustrated in the graph below, the Annual Efficiency Ratio (AER) has remained at comparable levels since 2023, and further improvements are expected as additional measures are evaluated and implemented.

Average Energy Ratio



AER reduction 2022–2025.

During 2025, the head owners installed and tested a Performance Measurement Indicator – Variable Injection Timing (PMI VIT) system from MAN Prime-Serv on selected vessels. The system is designed to optimize combustion timing and fuel injection, supporting cleaner combustion and improved fuel efficiency.

In addition, selected vessels were equipped with FuelOpt, an automated propulsion optimization system from Manta Marine. The system continuously adjusts propulsion parameters such as shaft power, propeller pitch, and engine revolutions per minute to maintain optimal efficiency. The performance of these installations is being evaluated to assess their contribution to fuel savings and associated CO₂ emission reductions.

Saga Welco continued to increase the use of shore power when vessels were berthed or in dry dock, where infrastructure was available. One day of shore power operation may reduce emissions by approximately 14 metric tons of CO₂ compared to running auxiliary engines. Ongoing dialogue with ports and dry-docking facilities supports the expansion of shore power use where feasible.

Hull condition has a material impact on vessel efficiency. Hull-cleaning techniques are continuously evaluated to reduce resistance and improve fuel efficiency during long voyages. In March 2025, a vessel was cleaned at the port of Stord using cavitation-based hull-cleaning technology, which removes fouling using air bubbles without the use of chemicals. The results indicated improved hull condition and operational performance.

Some vessels are also equipped with an In-Transit Cleaning of Hulls system. This semi-autonomous solution enables hull cleaning during sea transits and is operated by the vessel's crew. Regular use supports reduced fuel consumption and may help limit the transfer of invasive marine species. The system is portable and does not require permanent vessel modifications.



Saurabh Mishra

Operative measures

Use of Alternative Fuels

Saga Welco monitors developments related to alternative and lower carbon fuels and evaluates opportunities for increased use of biofuel blends. These initiatives support a gradual reduction in the use of fossil fuels as part of longer term decarbonization efforts.

Optimizing Vessel speed & routing

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

Improving port productivity and effective use of time

Saga Welco works with port authorities, agents, stevedores, and unions to improve port productivity and reduce time spent in port. Shorter port stays contribute to lower fuel consumption and emissions during cargo operations.

On the lumber trade between Europe and the United States, a project titled Time in Port (TIP) was implemented. Through revised stowage planning, improved cargo preparation, and the use of alternative equipment, loading and discharging times were reduced by up to three days in each region. This corresponded to an estimated reduction of approximately 40 metric tons of CO₂ emissions per voyage and contributed to improved cooperation among personnel involved in cargo operations.

Reducing waiting time for berth

Minimizing waiting time for berth is an important factor in reducing unnecessary fuel consumption. Saga Welco evaluates just-in-time arrival initiatives to reduce idling and waiting time at anchorage. Planning arrivals to coincide with berth availability may reduce both emissions and operational costs.

Keeping the hulls and propulsion systems clean

Hull and propeller cleaning schedules are determined based on continuous monitoring of vessel fuel performance. Twenty eight vessels in the Saga Welco pool are equipped with Propeller Boss Cap Fins to improve propeller efficiency, with a further seven vessels scheduled for installation through 2026. These devices are estimated to reduce fuel consumption by approximately 2%.

Other environmentally friendly initiatives

In addition to measures aimed at reducing air emissions, Saga Welco maintains a focus on preventing marine pollution and improving waste-management practices. Procedures are in place to minimize the risk of spills and to ensure that waste generated onboard is managed responsibly, with recycling prioritized where shore-side facilities are available.

Inflatable rubber air bags are used to stabilize cargo in vessel holds. These air bags are reused over multiple voyages where possible. Damaged air bags are sent for repair, and those beyond repair are recycled. Metal components are separated and recycled, while rubber material is processed through energy-recovery systems.



Saga Welco focuses on practical steps that cut fuel consumption, limit delays, boost efficiency, and improve environmental performance across its operations.

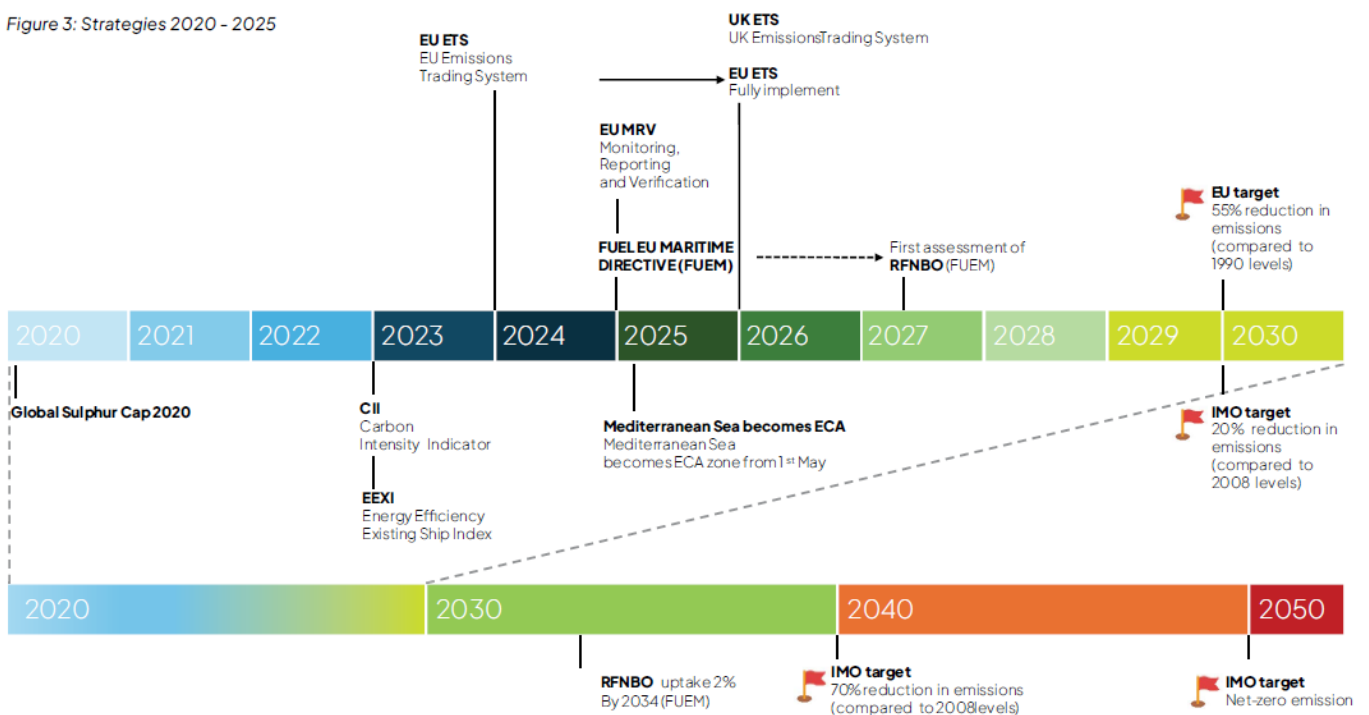
Historical and future events

The introduction of the global Sulphur cap in 2020 marked the beginning of a decade of significant regulatory change for the shipping industry. Since then, international, regional, and national regulations aimed at reducing air pollutants and greenhouse gas (GHG) emissions have been introduced or strengthened, shaping both operational practices and long-term strategic planning.

of accelerated regulatory development in international shipping, with measures targeting fuel quality, energy efficiency, carbon intensity, and emissions pricing. Saga Welco supports these initiatives and is committed to complying with applicable requirements in cooperation with customers, suppliers, and other stakeholders. Achieving the industry’s long term decarbonization ambitions, including net zero emissions by 2050, will require continued adaptation and close monitoring of regulatory developments.

The period from 2020 to 2030 represents a phase

Figure 3: Strategies 2020 - 2025



Global Sulphur Cap 2020

From January 1st, 2020, the International Maritime Organization (IMO) enforced the Sulphur Emission Regulations under the MARPOL convention. The regulation reduced the maximum Sulphur content in marine fuels from 3.50% to 0.50% globally. In Emission Control Areas (ECAs), the Sulphur limit had already been reduced to 0.10% from 1 January 2015.

The introduction of IMO 2020 led to a significant reduction in sulphur oxide (SOx) emissions from shipping and is widely regarded as one of the most impactful environmental regulations implemented in the maritime sector. The regulation also accelerated the transition toward lower-sulphur fuels and alternative compliance solutions.

Energy Efficiency Existing Ship Index (EEXI)

The Energy Efficiency Existing Ship Index (EEXI) is an IMO regulation introduced to improve the energy efficiency of the existing fleet and reduce GHG emissions. The regulation applies to vessels above 400 GT with conventional propulsion systems.

EEXI is a technical, design-based standard. Each vessel is required to calculate its attained EEXI, which must not exceed the required EEXI value defined by IMO. The required value depends on ship type, capacity, and propulsion characteristics. Compliance is verified through certification, and vessels that do not meet the required standard must implement technical or operational measures to achieve compliance.



Mohit Bhatia

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.

CII measures a vessel's carbon emissions relative to the amount of cargo carried and the distance sailed. Each ship receives an annual rating ranging from A to E. Vessels rated D for three consecutive years or rated E in a single year are required to submit a corrective action plan outlining measures to improve performance.

EU Emissions Trading System (ETS)

EU Emissions Trading System is a "cap-and-trade" system, establishing a limit on total amount greenhouse gases that are allowed to be emitted by specific industries. From 2024, maritime transport has been included in the EU ETS, requiring shipping companies to purchase and surrender emission allowances (EUAs) corresponding to a share of their verified emissions. The cost of these allowances is determined by market prices.

The scope includes emissions from voyages within the EU, inbound and outbound voyages to and from EU ports, and emissions generated during port calls.

The EU ETS is being phased in gradually. In September 2025 shipping companies surrendered allowances for 40% of verified emissions reported for 2024. 70% of verified emissions reported for 2025 will be surrendered in 2026, and 100% of verified emissions from 2026 onwards are to be surrendered in September the next year.

From 1 January 2026, the ETS scope is extended to include methane (CH₄) and nitrous oxide (N₂O), calculated on a CO₂ equivalent basis.

In 2025 Saga Welco's activities generated 90,081 EUAs. At the time this report is written, this figure isn't finally verified yet, but we don't expect any significant changes when the verification is ready.

FuelEU Maritime (FEM) Directive

The regulation was entered into force in January 2025 and aims to reduce greenhouse gas emissions from maritime transport by limiting the annual average GHG intensity of fuels used by vessels operating in EU and EEA waters and ports.

The GHG intensity is a measure of the amount of CO₂-equivalents (CO₂e) produced versus energy measured in Mega Joules (MJ) 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 limits will be systematically tightened every five years.

- 2% reduction, or 89.34 g CO₂e/MJ by 2025.
- to 6% by 2030,
- 14.5% by 2035,
- 31% by 2040, 62% by 2045,
- 80% reduction compared to the baseline by 2050.

Compliance with FuelEU Maritime is required for continued operation in EU and EEA waters. At the end of 2025, Saga Welco’s fleet recorded an average GHG intensity of 88.62 g CO₂e/MJ, within the applicable regulatory limit

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

Renewable Fuels of Non-Biological Origin (RFNBO)

FuelEU Maritime includes provisions related to Renewable Fuels of Non Biological Origin (RFNBOs). Under the regulation, vessels are expected to ensure that at least 2% of the energy used comes from RFNBOs by 2034.

The European Commission will monitor RFNBO uptake in the maritime sector and publish annual reports on usage levels, with the first report expected no later than mid 2027 for the 2025 compliance year. Saga Welco will continue to monitor regulatory developments related to RFNBOs and assess their potential implications for fuel strategy, availability, and compliance planning.

EU Monitoring, Reporting, and Verification (MRV)

The European MRV Regulation entered into force in 2015, with the first reporting period starting in January 2018. The regulation required all companies operating in the commercial passenger or cargo market with ships of over 5000 gross tons (GT), to or from European ports, to monitor, report, and verify their carbon emissions, regardless of the flag they fly. MRV forms a key part of the EU’s framework for regulating maritime emissions and provides the data basis for both EU ETS and FuelEU Maritime compliance.

From 2025 the EU MRV regulation is extended to cover general cargo ships above 400GT.

Mediterranean Sea became Emission Controlled Area (ECA) from May 2025

From 1st of May 2025, the Mediterranean Sea was designated as Emission Control Area (ECA). When operating within the Mediterranean ECA, vessels are required to use fuel with a sulphur content not exceeding 0.10%, aligning the region with existing ECAs in Northern Europe and North America.

UK Emissions Trading Scheme (UK ETS)

The United Kingdom plans to include maritime transport in the UK Emissions Trading Scheme from mid-2026. The scheme is aligned with the UK's broader climate objectives and mirrors several structural elements of the EU ETS.

The regulation is expected to apply to vessels above 5,000 GT calling at UK ports, operating between UK ports, or navigating within UK waters. Allowance pricing may differ from the EU ETS, which could influence compliance costs. Fuels with higher carbon intensity such as heavy fuel (HFO) and marine diesel oil (MDO) are expected to be taxed heavier, because of their higher CO₂ emissions profile.

Future Regulatory Developments and Outlook

The regulatory developments outlined above demonstrate that international shipping is entering a period of sustained and increasingly complex environmental regulation. While significant progress has been made through measures such as EEXI, CII, EU ETS, and FuelEU Maritime, further regulatory developments are expected at both global and regional levels.

At the international level, the IMO continues its work on the implementation of the 2023 GHG Strategy. The 83rd session of the Marine Environment Protection Committee (MEPC83), including its extraordinary session, highlighted both the ambition of the IMO's decarbonization framework and the political and technical challenges associated with adopting new mid term measures. While the adoption of the IMO Net Zero Framework has been

postponed, the underlying strategy and direction remain unchanged, and further discussions are expected in upcoming MEPC sessions.

In parallel, regulatory momentum at the regional and national level continues. The progressive expansion of the EU Emissions Trading System, the implementation of FuelEU Maritime, the designation of new Emission Control Areas, and the planned introduction of additional emissions trading schemes underline the importance of maintaining a proactive and flexible approach to compliance.

Against this backdrop, Saga Welco will continue to closely monitor regulatory developments and assess their potential implications for fleet operations, fuel strategy, and commercial decision making. Environmental regulation is integrated into our governance and risk management processes, ensuring that we are prepared to adapt to evolving requirements while maintaining safe, efficient, and compliant operations.



Our target is to perform at or below the EU's GHG intensity requirements under the FuelEU Maritime regulations.



Rey Jun Lopez



Wiper Emerson

Additional strategic initiatives for an improved ecological impact

In addition to regulatory compliance and core operational measures, Saga Welco pursues a range of complementary initiatives aimed at reducing its environmental footprint and supporting continuous improvement across its operations. These initiatives focus on collaboration across the value chain, operational optimization, pollution prevention, and responsible onshore practices.

Collaboration and Value Chain Engagement

Saga Welco continuously evaluates and follows opportunities for collaboration with customers, cargo owners, and other stakeholders to support emission reduction initiatives beyond regulatory requirements. Increasingly, customers and downstream stakeholders are seeking greater transparency regarding the greenhouse gas (GHG) footprint of maritime transport and are engaging in dialogue on potential mitigation measures.

This includes optimizing trading patterns and coordinating cargo flows to improve overall fleet utilization and reduce emissions per transported ton.

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), the fleet remains compliant with the 2020 IMO Sulphur cap.

The number of ECAs continues to increase globally, and Saga Welco maintains procedures to ensure compliance across all relevant trading regions. Reducing sulphur emissions contributes to improved air quality and reduced environmental and health impacts.

Proactive weather routing

All vessels operated by Saga Welco utilize professional weather-routing services provided by Weathernews Inc. (WNI). Weather routing enhances navigational safety by avoiding severe weather conditions and supports more efficient voyage execution.

By utilizing ocean currents and favorable weather patterns where possible, voyage durations and fuel consumption may be reduced, contributing to lower GHG emissions while improving safety for crew and vessels.

Business travel

Saga Welco operates globally, and business travel remains necessary for operational coordination, customer engagement, and port-related activities. The company recognizes the environmental impact associated with air travel and promotes measures such as direct flight bookings and alternative transport options where feasible.

In 2025 Saga Welco achieved a KLM Sustainable Aviation Fuel Certificate corresponding to an offset of 16,500 kg of CO₂ emissions. Employees are encouraged to choose environmentally friendly commuting options where available. The impact from individual contributions is modest, but the combined efforts support increased awareness and reduced onshore environmental impact.

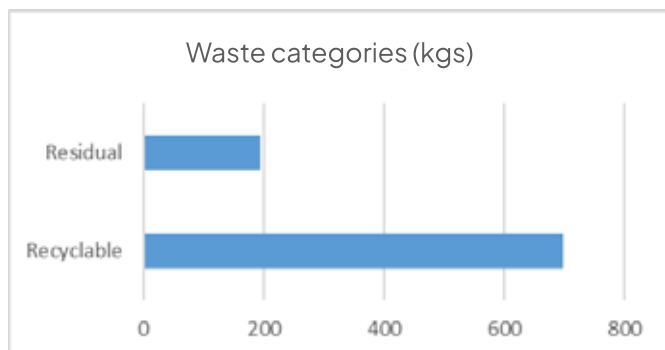
Rey Jun Lopez



Waste management

Onshore

Saga Welco's Tønsberg office have since 2024 participated in a project tracking the amount of waste that are collected by the owner of our office building. In 2025, 892 kgs of waste were collected, of which 80% were recycled. It is realized 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.



Since 2025 Saga Welco have partnered with Dustin for recycling IT equipment. Returned equipment is reused, repaired, refurbished, or recycled where reuse is not possible, supporting circular use of resources and reducing demand for new production. As of year-end 2025, none of the regional offices had participated in similar projects but several of the locations reported that on voluntary basis are recycling practices.

Offshore

Under MARPOL Annex V, the discharge of garbage from vessels into the sea is strictly prohibited. Saga Welco maintains procedures to ensure that all waste generated onboard is handled responsibly and delivered to shore-side reception facilities.

Waste volumes are monitored and recorded onboard. No hazardous or radioactive waste was generated onboard Saga Welco vessels in 2025.

Company cars

Saga Welco aims to transition its company cars into electric vehicles, where that is viable. In Norway, where the charging infrastructure is well developed, most company cars are now electric, and the aim is 100% coverage within the next two years.

Other regions are encouraged to adopt electric or low emission vehicles where feasible, considering the local infrastructure.

Eco-lighthouse certificate and ISO 14001

Saga Welco's head office in Tønsberg achieved Eco-Lighthouse certification in 2024. The certification documents systematic environmental management and continuous improvement and is widely recognized within Norway.

Building on this framework, Saga Welco initiated the implementation of an environmental management system aligned with ISO 14001:2015 in 2025. Certification is planned for the first half of 2026, subject to successful completion of the implementation and audit process.



Rohan Samanta

Environmental initiatives

The Port of Los Angeles Vessel Speed Reduction Program (VSRP) aims to reduce diesel particulate matter (DPM), nitrogen oxides (NOx) and greenhouse gas emissions from ocean-going vessels by reducing vessel speeds during port approaches and departures. Saga Welco participates in the Port of Los Angeles VSRP. The Port of Los Angeles provides annual incentives based on operator compliance with the program. Operators achieving at least 90% compliance in a calendar year are eligible to receive incentives for all vessel calls during that year. In 2025, Saga Welco achieved a compliance rate of 100% within 20 nautical miles and 95% within 40 nautical miles (21 of 22 port calls).

The Port of Vancouver's ECHO (Enhancing Cetacean Habitat and Observation) Program aims to reduce the impact of commercial shipping activity on at-risk marine species in British Columbia's coastal waters. Saga Welco has voluntarily participated in the ECHO Program since 2014. British Columbia's littoral ecosystem is home to a wide range of whales, porpoises, and dolphins. Commercial vessels and marine life operate within the same waters, including designated habitats for endangered species, 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 improve understanding of, and reduce, the cumulative

effects of shipping on whales along the southern coast of British Columbia. The long-term objective of the ECHO Program is to develop and implement initiatives that reduce identified risks to whales associated with 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.

Protection of North Atlantic Right Whales along the U.S. Atlantic Coast.

The North Atlantic Right Whale is classified as critically endangered, with a population estimated at approximately 360 individuals. 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. Scientific assessments indicate that preventing even a small number of annual female mortalities could support population recovery. To address this risk, the U.S. National Oceanic and Atmospheric Administration (NOAA) requires vessels above defined size thresholds to operate at speeds of 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. Saga Welco complies with applicable NOAA speed restrictions and regulatory requirements aimed at reducing the risk of vessel strikes and supporting marine-life protection.



Regulatory compliance is the main driver for change in the industry, but volunteer initiatives are behind many achievements that supports our environment.

Spills, discharges and ecological impact



Shipping discharges and potential spills represent environmental risks that require effective management and mitigation to protect marine ecosystems.

Saga Welco supports UN Sustainable Development Goal 14, which focuses on the protection and sustainable use of marine environments. 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. Historical data indicates that a substantial share of oil spills have resulted from allisions, collisions, and groundings. Oil contamination incidents typically require extensive cleanup efforts and may result in adverse impacts on marine ecosystems. Oil spills are recognized as a high-impact environmental risk within the maritime sector. Saga Welco implements preventive measures aimed at reducing the likelihood of spill incidents and limiting potential environmental impacts. Vessel crews are trained in spill-prevention procedures and are required to report any incidents in accordance with established protocols. Certain components, such as stern tubes, represent higher-risk points for potential leakages. As a precautionary measure, biodegradable lubricants are used in stern tube applications.

In 2025, Saga Welco did not experience any incidents involving spills.

Water management

Ballast water management is an important measure for protecting marine ecosystems. Untreated ballast water discharge poses environmental risks, including the introduction of invasive species. Such discharges may introduce harmful aquatic organisms and pathogens to new environments, disrupting local ecosystems. Effective treatment methods are required to manage these risks and comply with international regulations.

All pool vessels operated by Saga Welco are equipped with IMO- and USCG-approved ballast water treatment systems (BWTS) to manage the risk

of introducing harmful aquatic organisms into the marine environment.

Water used for hold cleaning that may contain pollutants is contained onboard and delivered to shore-based facilities for treatment. These procedures support compliance with MARPOL requirements and contribute to the protection of marine ecosystems.

Fleet recycling



Through well defined operating procedures and a strong focus on safety, quality and sustainability, Saga Welco aims to deliver reliable and cost-efficient shipping services while managing the environmental impacts associated with vessel operations and lifecycle.

The fleet is operated and maintained in accordance with applicable international standards. Based on vessel condition, performance, and market positioning within Saga Welco's core trades, there is currently no immediate requirement for vessel recycling. Saga Welco's approach to fleet lifecycle management is aligned with the principles of UN Sustainable Development Goal 9, specifically target 9.4, which encourage upgrading infrastructure and retrofitting industries to promote sustainability. Where feasible, extending the operational life of well-maintained vessels is considered a responsible use of resources, as it may reduce the need for premature scrapping and the environmental impacts associated with newbuild production.

In dialogue with key customers and stakeholders, Saga Welco is evaluating opportunities to extend the operational lifetime of selected vessels by approximately 10% or more, subject to technical feasibility, safety considerations, and regulatory requirements. In parallel, the company is monitoring developments related to fleet renewal and replacement, including the evaluation of alternative fuel technologies and propulsion solutions that may support future emission-reduction objectives.

In 2025, no vessels were withdrawn from our fleet.



In cooperation with customers, Saga Welco explores initiatives that may support emission reductions aligned with customer sustainability targets. Materiality assessments are used to identify relevant risks and opportunities, including those arising from customer value chains where emission reduction ambitions may exceed those currently applied within the maritime sector. Where appropriate, Saga Welco supports collaborative approaches that contribute to shared emission reduction objectives.

Ship Energy Efficiency Management Plans (SEEMPs)

Ship Energy Efficiency Management Plans (SEEMP 3) are implemented across the fleet to support improved energy efficiency through operational measures. These include route planning, speed optimisation, and ongoing attention to hull and propeller condition.

To support efficient operations, Saga Welco applies advanced hull-coating technologies, including silicon-based and anti-fouling coatings, to reduce biofouling and associated drag. Maintaining hull and propeller efficiency is an integral part of fuel-efficiency management and emissions reduction.

Performance monitoring

Operational performance is continuously monitored with a focus on trim optimization, autopilot calibrating and voyage execution. These measures reduce hydrodynamic resistance and support more stable vessel handling, contributing to lower fuel consumption over time

Voyage optimisation and fleet level operational strategies generally require limited capital investment while offering meaningful potential fuel and emission reductions. These measures support both cost efficiency and environmental performance.

Reducing Ballast days

Saga Welco's commercial team actively seeks opportunities to reduce ballast days to minimize emissions from vessels not engaged in trading. Dedicated resources are assigned to fuel procurement, fleet planning, and voyage optimization to reduce ballast sailing where feasible.



SOCIAL

Our social convictions

Saga Welco's position on social and ethical topics is reflected back-to-back in head owner's own codes and regulations. Saga Welco 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 and knows 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 favor 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 seek to practice cultural and ethnic equality, equal pay for equal work and openness for any background.

Saga Welco takes employee well-being at work seriously and applies a range of measures to support a healthy and inclusive working environment. Organizational structures are designed to maintain short reporting lines, a manageable span of control for managers, and open dialogue on issues that may arise.

Procedures for whistleblowing are clearly communicated and well known among employees, supporting openness and early identification of concerns.

The annual appraisal dialogue allows all employees to request essential or desired training, ensuring that everyone receives the necessary development. Competence development is among the key characters of this dialogue together with mutual feedback and career objectives. This appraisal is conducted face-to-face with system support from the global HR system. In Saga Welco the appraisal dialogue is mandatory for all staff globally and has a completion rate of 100% globally. All preparations and minutes from this dialogue are safely stored in the HR system, only accessible to the individual employee and their direct manager. Saga Welco is dedicated to supporting individual career growth and recognizes the significant contributions that come from targeted training. They actively encourage open conversations regarding career paths and training opportunities whenever needed.

In all regional offices, the 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.

Saga Welco uses a global HR system to manage and follow up all employee lifecycle processes, including onboarding, role changes, and exits, ensuring that required steps are completed in a structured and consistent manner.

A tailored onboarding program is provided for all new employees. The program introduces Saga Welco's values and organizational structure and includes role-specific training and competencies relevant to the position.



Saga Welco values the crews, supporting their well-being through strong safety practices, open communication, and steady follow up.

The importance of the crew

Saga Welco recognizes seafarers as key workers and places high importance on their safety, well-being, and working conditions. The company works to ensure that its ethical standards are aligned with those of the Head Owners and the appointed crewing organizations.

Saga Welco participates in crew seminars together with senior officers and maintains regular contact with officers at sea. This ongoing dialogue supports the identification and handling of concerns and contributes to safe and efficient voyage planning. Operational departments are available on a 24/7 basis, and in addition to the reporting channels provided by vessel owners, Saga Welco offers a whistleblowing mechanism that is accessible to all seafarers.

The company values the professionalism and commitment of its crews, whose efforts have been essential to maintaining safe and reliable operations over time.



Saurabh Mishra

Flexible work arrangements

Saga Welco recognizes that employees' life situations and psychosocial well-being may change over time, both professionally and privately. Where feasible, the company seeks to accommodate individual needs by adapting work arrangements accordingly.

Flexible working arrangements, which allow employees to combine office-based work with alternative workplaces to a certain extent, have been well received and will be continued in 2026.

Trainees

Saga Welco welcomes trainees and interns, to support their career growth and enhance their professional skills. This has been practiced for many years and only with positive experiences. In some cases, interns have been hired 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 relationships and exchange of services is maintained.



Keven Ebrona

Training

Saga Welco believes that investing in employees is a key driver to success.

Saga Welco seek opportunities to enhance the team members skills, satisfaction, and overall well-being. In May 2025, superusers from all regions gathered for a three-day software seminar. There were long days but the effect of having all super-users in the same room, learning to operate new software together was incredible. There is a lot to be learned just by listening to other people's questions and perspectives, and the seminar turned out to be a success. In addition, the participants came much closer to each other personally, and the threshold to contact each other for problem solving is reported to be lower after the course than it was before.

Elevating the employees' abilities isn't just a priority; it is a fundamental aspect of the strategy to enhance business performance. The employees are the companies' greatest assets, and by empowering them, they not only strengthen the company but also deliver greater value to our stakeholders and, most importantly, Saga Welco's customers.

Leadership training

Saga Welco conducts annual seminars for General Managers and senior management at the head office in Tønsberg. Leadership development is a recurring topic at these seminars.

In 2025, the focus was on building awareness and competence in conflict management in the workplace. The objective was to strengthen understanding of conflict-handling strategies and how individual preferences can influence team dynamics. By promoting constructive approaches to conflict, the training supports improved collaboration and more effective decision-making.

Total 14 participants attended the 2025 seminar. There are arranged regularly leadership training sessions for leaders in the local organizations in Norway. The regional offices differ in structure and number of employees, so the training on these sites is adapted to the various local conditions, governed by each local GM.



Individual competency development and career planning

Saga Welco encourages continuous competence development among all employees and supports learning opportunities relevant to individual roles and professional growth. Employees are offered access to external industry related courses, including programs at the Institute of Chartered Shipbrokers, as well as language training and other courses relevant to their roles and professional interests.

In 2025 a total of 1013 individual training hours were registered, spread over the categories below.



First aid and defibrillator

Saga Welco are in possession of a defibrillator at the headquarters. To use the defibrillator training is required. The goal is to have minimum one person on premises that are trained in the use.

For the annual web training course in cyber security only 7 users (6%) out of 115 registered users did not complete all parts of the training. This was due to career changes and/or sick leave.

Saga Welco considers employees' willingness to develop new skills and knowledge to be an important asset. The company seeks to accommodate relevant training and course requests within defined parameters. Requests for high-cost programs, extended absence from regular duties, or training with limited relevance to Saga Welco's operations are subject to a more formal review and approval process by the appropriate governing body.

Saga Welco personnel also participate in training courses at group levels and in various webinars and web courses. Not all these activities are recorded.

The courses are held approximately every 18 months and include regular first aid training. Last time it was held in April 2025, the course had 20 registered attendants.

Occupational health and safety

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

1. Prevention of injuries and accidents

The 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

Recognizing that occasional illness and absence are a natural part of working life, Saga Welco focuses on preventive measures and supportive practices to promote high attendance. The company's target for absence due to illness is less than 3% annually.

Office	2025	2024	2023	2022
North America	0.4	0.7	2.0	1.3
Brazil	0.6	0.4	0.4	0.4
Uruguay	0.0	0.0	0.0	0.0
Norway	2.9	1.9	1.9	1.8
Italy	0.4	0.3	0.3	2.7
Belgium	1.9	4.0	4.0	4.5
China	0.1	0.4	0.4	0.1
Japan	3.3	1.5	1.5	2.1
South Korea	5.2	0.8	0.8	0.0

3. Attractiveness as an employer

Saga Welco aims to offer all 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 office based roles with partial remote working arrangements, which is associated with a relatively low level of occupational health and safety risk. To support a safe and healthy working environment, Saga Welco collaborates with external specialists in ergonomics and workplace design.

In addition, the company has long standing agreements with medical service providers that offer vaccinations and annual health checks to most employees.

By the end of 2025, Saga Welco had 114 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 2025 was 5.3%.

There were no fatalities or serious injuries that were work-related to any Saga Welco employee in 2025.



The average absence percentage due to illness was in 2025 1.8%

Human rights & due diligence

Saga Welco supports the protection of internationally proclaimed human rights and has policies and procedures in place to ensure that the company is not complicit in human rights abuses. Saga Welco also monitors relevant regulatory developments at EU level. The company's whistleblowing channel is available to both internal and external stakeholders for reporting concerns related to human rights.

Saga Welco adheres to the Norwegian Transparency Act, which entered into force on 1 July 2022, by conducting due diligence assessments, responding to information requests, and publishing annual statements. In June 2025, Saga Welco published its due diligence assessment for the 2024 reporting year on the company's website. Based on the due diligence assessment conducted in accordance with the Norwegian Transparency Act, no adverse impact on human rights and decent working conditions were identified in Saga Welco's onshore or offshore operations during the 2024 reporting year.

The due diligence assessment for the 2025 reporting year is currently ongoing and will be finalized and published in accordance with the Transparency Act by 30 June 2026. Any material findings will be disclosed in that statement.

The Supplier Code of Conduct requires suppliers to comply with applicable national and international laws and regulations, as well as internationally recognized standards, including relevant OECD, United Nations and International Labor Organization (ILO) conventions. This includes respect for fundamental human rights and labor rights, such as freedom of association, the prohibition of child labor, forced labor and modern slavery, and the prevention of discrimination.

Saga Welco works with vessel owners and technical managers that apply recognized standards relating to human rights, working conditions and crew welfare. Oversight of due diligence under the Transparency Act rests with the ESG Board, which monitors implementation and follow up measures. Ensuring that partners and suppliers maintain appropriate safeguards for fundamental human rights and safe working conditions remains a key priority.

Saga Welco remains committed to responsible business conduct and to continuously strengthening its approach to human rights, labor standards, environmental sustainability and anti corruption across its operations and value chain.



Thusar Thombre

Equality and anti-discrimination

Despite the widespread acknowledgment of anti-discrimination efforts and equal opportunities for individuals from diverse backgrounds and ethnicities, it's impossible to 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:

Saga Welco is committed to providing equal opportunities and fair treatment to all employees. A clear policy has been implemented that strictly prohibits any form of discrimination or harassment, whether it is based on ethnicity, gender, religion, age, citizenship status, sexual orientation, or disability.

Saga Welco values diversity and gender equality in the whole organization.

Demographics

At year-end 2025, Saga Welco employed a total of 114 employees, of whom 33 were women, representing 29% of the workforce. No instances of involuntary part-time employment were recorded.

Saga Welco works to foster an inclusive workplace where employees are treated with respect and feel valued. The company continues to focus on creating an attractive working environment through fair employment practices and ongoing organizational development.

By December 2025 Saga Welco employed 114 full time employees:

Saga Welco TOT	Norway	Brazil	Uruguay	USA	Canada	Belgium	Italy	S. Korea	China	Japan
114	45	25	4	5	3	7	4	6	13	2

These 114 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	81	33	9	52	53

Board members and deputy demographics:

	Male	Female	Under 30	30-50	Over 50
Individuals within the organization's governance bodies	4	4	0	1	7



Enno Smout



Universal design in office spaces fosters an inclusive, efficient, and welcoming environment where everyone can work comfortably and thrive.

Parental leave

In 2025, Saga Welco had 1 male and 2 female employees who were entitled to parental leave, and all of them took that opportunity. Each of them has returned to work after their leave. Saga Welco deeply values flexibility and the employees' loyalty and their ambition, which are known to build a strong foundation for future success.

Universal design of office spaces and equipment

Universal design in office environments aims to create workplaces that are accessible, functional, and comfortable for a broad range of users, regardless of age, ability, or mobility. By integrating accessibility and flexibility at the design stage, the need for later adaptations can be reduced.

In summary, universal design in office spaces embraces human diversity and creates environments that work better for everyone. By prioritizing flexibility, accessibility, and comfort, organizations can foster healthier, more productive, and more inclusive workplaces.

A review of Saga Welco's office facilities indicates that approximately 55% of employees work on premises that are well adapted in accordance with the principles of universal design. Limitations identified at other locations primarily relate to restricted adjustability of workstations and, in some cases, reduced accessibility for wheelchair users. In most instances, these limitations can be addressed through retrofitting and workplace adaptations, meaning that accommodating employees with physical disabilities would generally be feasible.

Universal design considerations are incorporated into decisions relating to new office locations and relocations. In 2025, one regional office was relocated, with specific focus on accessibility, lighting, acoustics, and ergonomic design. Feedback from employees indicates that these measures have had a positive effect on usability and overall, well being.

Overall, employee feedback suggests a high level of satisfaction with workplace conditions across the organization.

Social interaction and lifestyle

The internal focuses on building a strong relationship and good corporate spirit by supporting regular social and sport events for the employees, often delegated to and led by local sports or social committees.

The Saga Welco management urges all regional offices to arrange social events and participate in local sports and leisure activities. Each region is free to select which initiatives that fit best for them.

To further improve the employees' well-being, as well as prevent sick leave, Saga Welco provides various healthcare benefits. Among these are medical insurance, contribution to eye exams, voluntary health check and vaccination. In addition, Saga Welco supports all employees with a yearly contribution to covering the costs of optional sporting and leisure activities, strongly believe this keeps the 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.

It is budgeted for this kind of sponsorship, and our company encourages the regional offices to support local initiatives in regions where there are traditions for this kind of private support.

Saga Welco wishes to give the sponsored parties some predictability for the engagement, so usually committed for at least three consecutive years to the initiatives chosen to support.

Below is a selection of initiatives that Saga Welco is engaging in.

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.

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.

Redningssekskapet, 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 support Redningssekskapet to the search and rescue (SAR) vessels located in the South-eastern region of Norway.

Career fair. Saga Welco is actively engaged with students who are eager to learn about the maritime sector. It is a tradition to attend the career fair at the University of South-eastern Norway for maritime students. Committed to supporting their career growth and are offering the University resources from senior employee side to fill in lectures. From 2026 Saga Welco also plan to collaborate with the Norwegian University of Science and Technology (NTNU) on their maritime career fairs. Committed to offer internships to students from the two universities when requested.

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 and set out the policies, principles, and procedures that apply to all employees and business partners. The Code provides a common framework to support ethical conduct and compliance with applicable laws, rules, and regulations across the organization.

Oversight of the Saga Welco Code rests with the ESG Board, which reviews the documents at least annually and proposes updates where necessary. The ESG Board also follows up on areas identified through materiality assessments and other reviews to support continuous improvement in governance practices.

Focus areas

Governance typically focuses on several key areas to ensure effective management, accountability, and sustainability. In 2025 our main focus was on the following.

Quality Assurance

Quality is a continuous focus at Saga Welco. The company is certified in accordance with ISO 9001:2015 and operates a dynamic Quality Management System (QMS). Operating in a complex and rapidly evolving environment requires ongoing attention to emerging requirements, stakeholder expectations, and opportunities for improvement. By adapting to change and continuously strengthening quality management practices, Saga Welco is able to identify areas for improvement, operational efficiencies, and opportunities that support reliable performance and long term success.

KPIs

Saga Welco's key performance indicators (KPIs) are subject to periodic review and reevaluation. This approach ensures that the KPIs remain relevant and aligned with the company's strategic objectives, risk profile, and evolving regulatory and stakeholder expectations.

Conflicts of interest

Saga Welco promotes a strong compliance culture across the organisation. Annual reviews of potential conflicts of interest are conducted for all employees and members of the Board, with a focus on identifying and managing situations where financial or other interests could affect impartiality. Participation is monitored, and the completion rate for the 2025 review cycle was 100%.

Continuous focus on Code of Conduct: Competition law compliance

To support compliance with competition law, Saga Welco conducts a quarterly Code of Conduct and

Competition Law compliance survey covering all employees. Participation is mandatory, and responses are monitored. Any identified non-conformities are addressed through appropriate follow-up with the individuals concerned. In 2025, no competition-law-related non-conformities were recorded, and the average completion rate for the surveys was 97.4%.

Information security

In an increasingly digital and distributed working environment, Saga Welco places strong emphasis on information security training for all employees. Information security training is conducted annually as part of an ongoing awareness program. In 2025, the training consisted of 14 nano learning modules and was initiated by an average of 93.9% of employees, with most participants completing the modules they started.

Saga Welco has positive experience with the nano learning format and plans to continue using this approach to support consistent information security awareness and reinforce the importance of cybersecurity in daily operations.



Rey Jun Lopez

Data flow – API

In 2025, Saga Welco initiated a strategic collaboration project with selected digitally advanced customers. The project involves the development of an application programming interface (API) fully controlled by Saga Welco, with the objective of establishing structured and secure data flows between third-party service providers, Saga Welco's internal data warehouse, and customer systems.

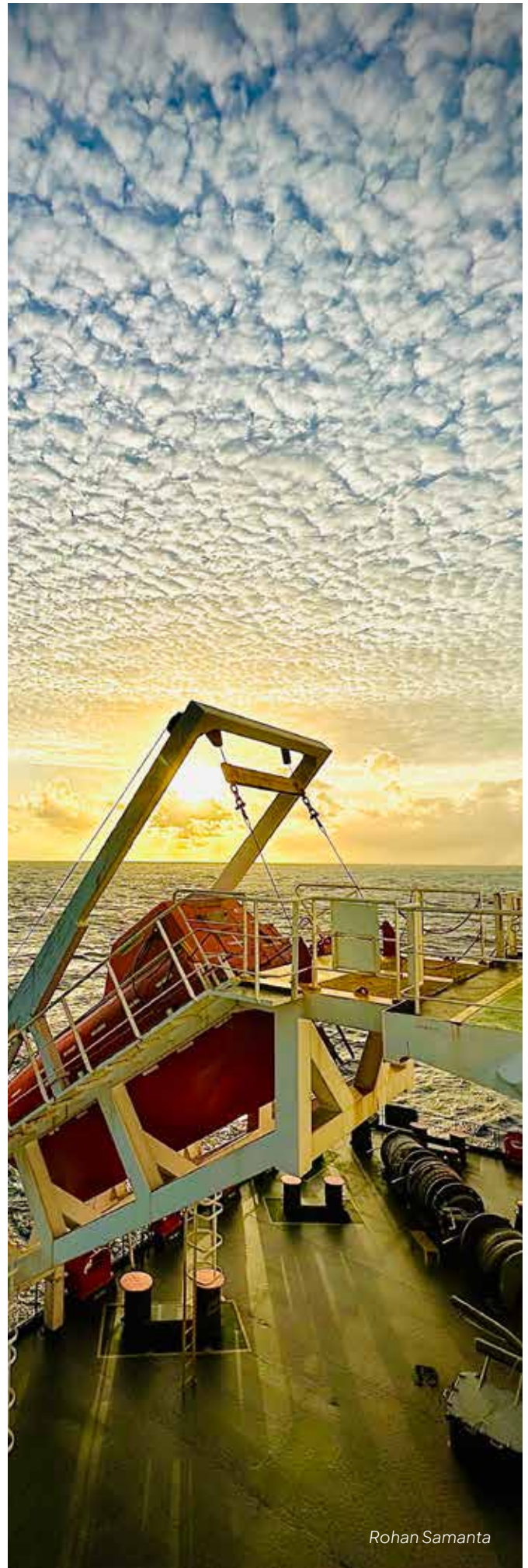
The implementation of the API enhances data security by ensuring that access rights and permissions are managed directly by Saga Welco, rather than through third-party platforms. While Saga Welco maintains confidence in its existing suppliers and their systems, the API is being implemented in a controlled and phased manner to strengthen governance and oversight of data exchange.

A key benefit of the project is the consolidation of multiple external data sources into a single, integrated data flow. This enables more consistent reporting and analysis and supports improved data quality and accessibility through a centralized platform.

Training

Training at Saga Welco extends beyond individual skills development and plays an important role in maintaining organizational awareness and preparedness. Through training, the company seeks to support effective risk management, promote appropriate responses to unexpected events, and reinforce standards of conduct and professionalism across the organization.

Saga Welco offers essential training to employees based on identified needs and interest. Training programs support professional development while also strengthening awareness of social and ethical responsibilities. This approach contributes to organizational capability and supports the quality of services delivered to both upstream and downstream partners.



Rohan Samanta



Kristofer Kim Jardin



Effective risk assessment, contingency planning, and mitigation empower organizations to stay resilient and confidently navigate challenges before they arise.

Risk assessment, contingency planning and mitigation

Prior to entering into contractual agreements, Saga Welco conducts counterparty risk assessments covering customers and suppliers, including reviews of trading history and screening for associations with sanctioned entities, services, products, or individuals.

Each contractual commitment is assessed in cooperation with relevant industry partners, with consideration given to potential risks to seafarers and vessels over the contract period. Individual voyages are evaluated based on factors such as weather conditions and exposure to risks including piracy, terrorism, and armed conflict.

Saga Welco cooperates with Weathernews Inc. (WNI) to support voyage planning and enhance vessel and crew safety by avoiding adverse weather conditions. Additional third-party intelligence providers are used to monitor developments in high-risk piracy and conflict areas. Where required, protective measures such as the use of armed guards may be implemented, and certain trade routes are avoided based on risk assessments. Since early 2024, Saga Welco has not routed vessels through the Red Sea or the Suez Canal as a precautionary measure.

Developments in the Middle East during 2025, including heightened regional tensions, have been taken into account when planning voyages to and from areas in and around the Arabian Gulf.

Avoiding sanctioned cargo, ports and countries

Saga Welco maintains procedures to ensure compliance with applicable sanctions regimes, including continuous monitoring of sanctions issued by the U.S. Office of Foreign Assets Control (OFAC) and other relevant authorities.

In addition, Management, in cooperation with the Head Owners, applies internal risk-based restrictions and operational decisions on a case-by-case basis where required to address heightened compliance, security, or reputational risks.

Supplier screening

Saga Welco’s provider of disbursement account services, Marcura DA-Desk, supports the company’s compliance framework by facilitating payments for port-related dues and services. Marcura DA-Desk applies a range of compliance controls, including in-depth agent onboarding processes with document collection, bank-account verification, adverse-media screening, and sanctions checks.

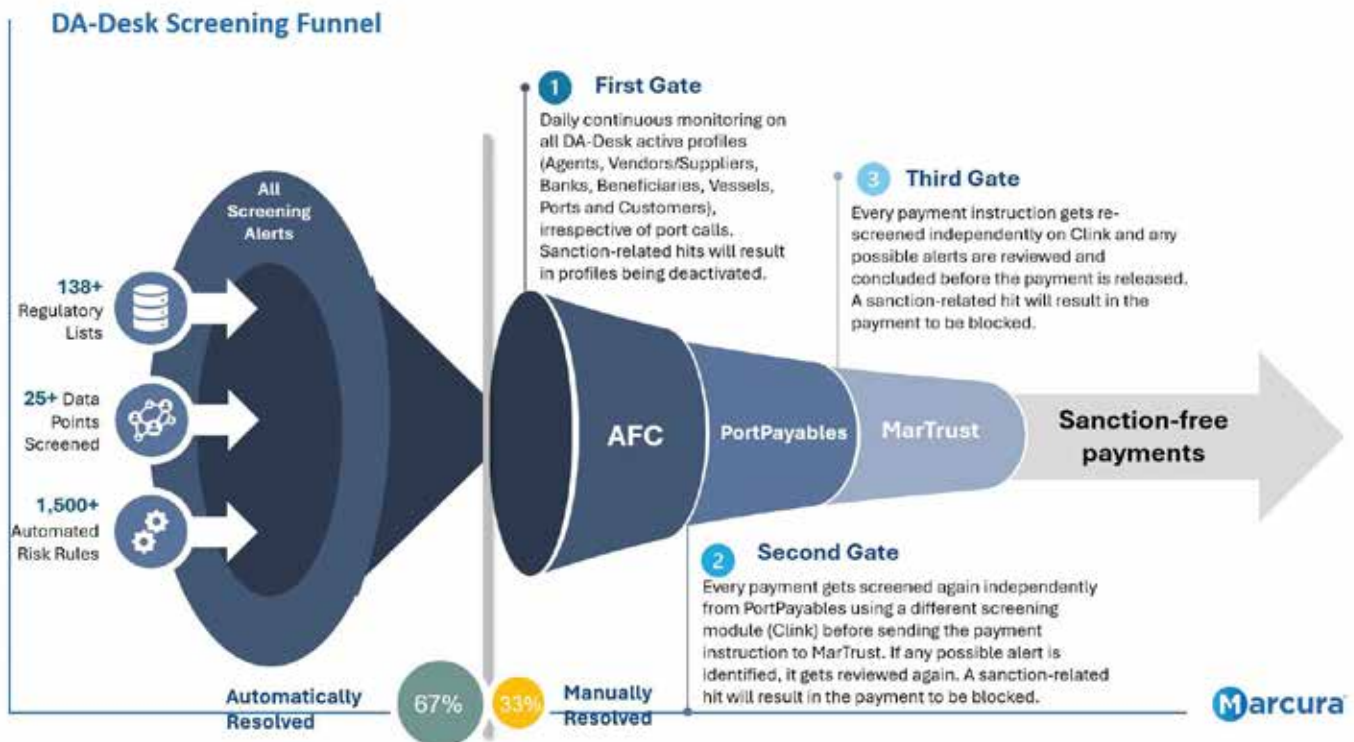
Additional controls include verification of agent and vendor bank-account changes, continuous sanctions screening covering agents, suppliers, banks, beneficiaries, vessels, ports, and customers, and dedicated escalation teams for sanctions, fraud prevention, and know-your-customer (KYC) and compliance matters. Marcura DA-Desk also provides customer advisories on emerging fraud risks and relevant compliance trends.

Risk assessment of agent or vendor and sanctions screening

Marcura DA-Desk maintains a defined list of jurisdictions where agents or vendors are subject to mandatory enhanced due diligence. This process includes detailed assessment of ownership structures and documentation relating to ultimate beneficial owners (UBOs).

Where red flags are identified during onboarding or through ongoing monitoring, the relevant entity is subject to further assessment and, where appropriate, enhanced due diligence measures.

For sanctions screening, DA-Desk applies system-embedded monitoring tools covering agent information, directors, and UBO data where applicable. Screening processes reference key global sanctions lists and other official sources and focus on high-risk jurisdictions, watchlists, and politically exposed persons (PEPs).





Jerick D. Kahulugan

Partners in Protection membership

Saga Welco has been a participant in the Partners in Protection (PIP) program since 2010. The company recently completed a re-validation audit and received formal confirmation of its continued participation in the program.



The PIP program is a voluntary border security partnership between the Canada Border Services Agency (CBSA) and private-sector companies involved in cross-border trade. Participants commit to enhanced supply-chain security standards and, in return, receive benefits such as expedited border clearances, reduced inspection rates, and Trusted Trader status.

U.S. C-TPAT

The Customs Trade Partnership Against Terrorism (C-TPAT) is a voluntary supply chain security programme led by U.S. Customs and Border Protection (CBP). Saga Welco is an active participant in the C-TPAT programme and holds certification as a C-TPAT carrier. Compliance with the programme's requirements is maintained through annual evaluations.

C-TPAT certification is based on a comprehensive self-assessment of security practices, including:

1. Physical Security: Gates, fences, lighting, and visitor protocols.
2. Personnel Security: Vetting employees and business partners.
3. Procedural Security: Ensuring documented procedures are in place and followed.

ISO 9001: 2015 standard certified

Through the implementation of a Quality Management System certified in accordance with ISO 9001:2015, Saga Welco applies a structured approach to continuous improvement and risk-based operational management.

When planning, implementing, and executing strategic objectives, the company considers potential risks and circumstances that could affect the achievement of its goals.

Saga Welco works proactively to prevent potential issues. Where issues do occur, they are analysed and addressed through corrective actions to prevent recurrence.



ISO 14001:2015 standard for Environmental Management Systems (EMS)

Following the decision to implement an environmental management system aligned with ISO 14001:2015, Saga Welco formally commenced the certification process in October 2025. The company is working towards certification by June 2026, subject to completion of the required implementation and audit activities.

Transparent email communication

The use of individual email mailboxes entails inherent governance and information-management risks. In accordance with the General Data Protection Regulation (GDPR), Saga Welco, as an employer,

is restricted from accessing person-to-person communications between employees and external parties. This obligation is taken seriously and applied rigorously.

At the same time, Saga Welco recognises the operational risk associated with the loss of business-critical information, for example in cases where an employee leaves the organisation or where communications are not appropriately shared or authorised.

To mitigate these risks, Saga Welco has implemented a team-based email solution provided by Sedna. The system enables transparent, shared communication between designated team members and external counterparties, ensuring continuity, oversight, and appropriate information governance. Personal emails and communications containing sensitive content continue to be handled through individual mailboxes without team access.

Zaid Kapadi



Anti-corruption and business ethics

Saga Welco applies a zero-tolerance approach to corruption and bribery. The company maintains policies and procedures designed to prevent, detect, and address bribery and corruption across its operations and value chain. In 2025, no incidents of corruption or bribery were reported or identified, and no business relationships were terminated or not renewed due to such violations.

Saga Welco is committed to complying with applicable anti-corruption and anti-bribery legislation in all jurisdictions where it operates, including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act. The company's policies apply to all employees as well as to third-party individuals, business partners, suppliers, contractors, and public or governmental entities with whom Saga Welco engages in the course of its business.

Saga Welco also maintains policies to ensure compliance with competition and antitrust laws in all relevant jurisdictions, as set out in the Competition Law Compliance Manual. Agreements or practices that may restrict or distort competition are prohibited. As part of its commitment to collective action against corruption, Saga Welco has been an active member of the Maritime Anti-Corruption Network (MACN) since 2025.

Anti-corruption and business-ethics requirements are communicated through regular training and review activities. Saga Welco also utilises guidance and tools made available through MACN to support continuous improvement of its anti-corruption framework.

BIMCO anti-corruption clause for charter parties

Saga Welco seeks to incorporate BIMCO's Anti-Corruption Clause (dated 24 November 2015) when chartering vessels in or out for single voyages or periods. The company also endeavours to include a BIMCO Anti-Corruption Clause in all new Contracts of Affreightment (CoAs) and, where applicable, in renewals of existing CoAs.

Through these measures, Saga Welco supports the objectives of UN Sustainable Development Goal 16,

particularly target 16.5, which aims to substantially reduce corruption and bribery in all forms. Saga Welco's participation in MACN further reflects its commitment to collective action in this area.

Code of Conduct for suppliers

Saga Welco's zero-tolerance approach to corruption and bribery is communicated to suppliers, contractors, and business partners at the outset of the business relationship and reinforced as necessary. The Anti-Corruption and Anti-Bribery Policy require that due diligence is conducted and documented when entering into agency, consulting, or other relevant third-party arrangements. Contracts include anti-bribery provisions to support compliance with these requirements.

Saga Welco expects business partners to respect fundamental human rights and decent working conditions and to comply with applicable laws and regulations addressing issues such as trafficking, child labor, violence, and other forms of exploitation. These expectations are reflected in the Supplier Code of Conduct.

Whistleblowing and protection

Saga Welco has established a whistleblowing mechanism that enables employees and external stakeholders to report concerns or suspected violations related to corruption, business ethics, or the Code of Conduct. The reporting channel is accessible through the company's intranet and website. The whistleblowing mechanism is also available to seafarers, who may report concerns directly to Saga Welco without going through their managing organisation, if preferred.

In 2025, two reports were received through the whistleblowing system. Both reports were handled in accordance with Saga Welco's established procedures, including confidential assessment and appropriate follow-up. No retaliation against reporting individuals is tolerated.

Employees are expected to report suspected violations of the Code of Conduct or other unlawful or unethical behaviour to their line manager or the Compliance Officer. Saga Welco supports reporting in good faith and applies measures to protect reporting individuals from retaliation.

Monitoring

Continuous improvement across all areas of the organization is essential to maintaining a profitable, competitive, and customer-focused business. To assess performance and operational effectiveness, Saga Welco applies a range of monitoring and follow-up activities.

Electronic Bills of Lading

In 2025, Saga Welco initiated project to strengthen data governance and operational control through the implementation of an end-to-end digital data management framework supporting core maritime transportation processes.

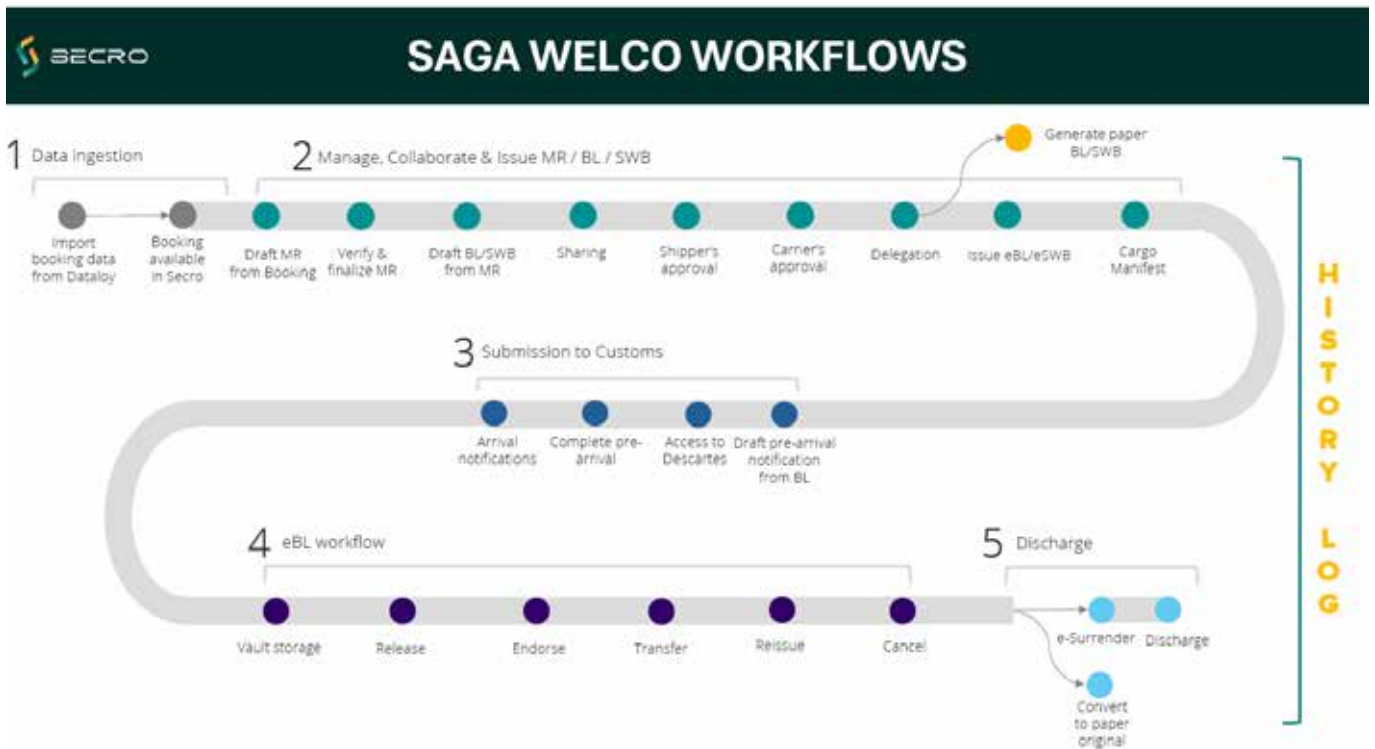
The solution is based on a structured and sequential set of interconnected procedures, enabling continuous digital data flow from upstream operational systems, including the Voyage Management System

(VMS), through legally and operationally critical activities. This process supports the issuance and management of defined maritime transportation documents, both paper-based and electronic, through the Secro Core workflow automation platform, including the use of electronic bills of lading (eBLs).

The use of eBLs reduces operational risk associated with the loss, delay, or improper handling of original documents provides Saga Welco with improved visibility and control over the status and location of maritime transportation documentation.

The use of eBLs allows for secure and timely exchange of documentation, supporting prompt cargo release and the fulfillment of contractual obligations, which extinguishes the use of Letter of Indemnities (LOI). Letters of indemnities are considered a risk, as they are only as valuable as the party issuing them and are not covered by insurance - Protection and Indemnity Clubs (P&I).

This system will be gradually phased in through 2026.



ISO Quality certification

Saga Welco conducts annual internal and external audits to assess compliance with ISO 9001:2015 requirements and to identify deviations or non-conformities. Audit findings are documented and monitored through the company's non-conformity register, which supports systematic follow-up and continuous improvement.

The non-conformity register is used to identify trends, strengthen operational processes, reduce costs, and prevent recurrence of issues, including potential customer complaints.

HR and Health, Safety and Environment (HSE)

Saga Welco governs ship-related health, safety, and environmental (HSE) management through compliance with the Maritime Labor Convention (MLC), the International Safety Management (ISM) Code, and Chapter IX of the SOLAS Convention. In addition, the company voluntarily aligns its occupational health and safety practices with the ISO 45001:2018 standard.

Saga Welco's HSE Handbooks set out the company's health and safety policies, including measures to ensure legal compliance, defined objectives, and initiatives to monitor and continuously improve the working environment. Overall responsibility for HSE rests with the President / CEO. Employee participation is ensured through elected employee safety representatives, in accordance with Norwegian legislation. An annual review of HSE policies is documented and reported in line with statutory requirements.

Saga Welco conducts annual appraisal dialogues for all employees using a dedicated HR system. These structured discussions involve face-to-face engagement between employees and their direct managers and are used to assess performance, define objectives for career development, and incorporate feedback from the previous year. All appraisal outcomes are documented and securely stored in the HR system. The completion rate for appraisal dialogues is 100%.



To support competitive positioning in the maritime labor market, Saga Welco is a member of the maritime HR consultancy Spinnaker Global. Through this cooperation, the company participates in data sharing and receives annual salary benchmark reports covering relevant global regions.

Planning and regular reporting activities

Voyage planning and operational review

All voyages are planned in detail using Saga Welco's Voyage Management System (VMS). Each voyage is assigned a dedicated operator responsible for updating key events throughout the voyage and for providing weekly reporting on any significant deviations from the original plan.

Monthly statement

Saga Welco prepares a monthly financial, commercial, and operational report for Management, the Board of Directors, and the Head Owners. The report includes commentary on developments in economic performance, market conditions, operational matters, and material changes in trends since the previous reporting period.

Management review

The management team conducts quarterly reviews of the Quality Management System to assess its suitability, adequacy, effectiveness, and alignment with the company's strategic direction.

Ethics and conduct

Saga Welco takes concerns related to ethics and conduct seriously and investigates reported matters in accordance with established procedures. A quarterly survey is conducted among all employees to confirm awareness of Competition Law Compliance. In addition, an annual survey is used to map any gifts received from customers or suppliers and Conflicts of Interest.

Board of Directors Meetings

The Board of Directors meets at least quarterly. Agenda items include commercial, operational, organisational, and financial matters, as well as corporate strategy, compliance, governance, sustainability, and risk management.

Key Performance Indicators

KPI's are prepared to monitor performance across a range of indicators designed to identify developments that may affect the company's financial position, operational efficiency, market situation, and emissions performance.

Customer surveys

Saga Welco conducts customer surveys twice annually to gather structured feedback on performance. Customers are asked to assess Saga Welco across multiple topics using a defined rating scale. Results are reviewed internally and used as input for follow-up actions. Scores below the defined threshold are addressed through direct dialogue with the relevant customer.

In 2025, the customer survey response rate was 89%, and the results indicated a high overall level of customer satisfaction.



Monitoring supports accountability by making actions visible, traceable, and comparable to expectations.

Emission control

As previously described, WeatherNews Inc. (WNI) provides daily updated Carbon Intensity Indicator (CII) ratings for all vessels. This supports continuous monitoring of vessel performance and helps ensure that greenhouse gas emissions are kept at the lowest level necessary to maintain safe and efficient operations.

Compliance with the FuelEU Maritime regulation is a priority for Saga Welco. The company has decided to comply with the applicable maximum greenhouse gas intensity limit of 89.34 g CO₂e/MJ, rather than paying penalties for exceeding this threshold (see the FuelEU Maritime section in the Environment chapter). With support from WNI, compliance with the FuelEU Maritime requirements is monitored on a continuous basis.

Rightship inspections

As part of its approach to vessel condition and crew welfare, Saga Welco works to ensure that all vessels under its control maintain valid RightShip status. RightShip assessments are used as an external reference to support high standards related to vessel condition, safety, and crew welfare.

Saga Welco engages constructively with RightShip as an independent third-party assessor and uses the assessment outcomes as part of its ongoing oversight of vessel standards and operational performance.



SASB DISCLOSURES

ACCOUNTING METRIC	UNIT OF MEASURE	DATA 2025	DATA 2024	DATA 2023	DATA 2022	REFERENCE
ENVIRONMENT						
CO2 EMISSIONS¹						
Gross global Scope 1 emissions: Operational control approach	Metric tons (t) CO ₂ -e	865,348	867,853	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	42.2	58.2	60.0	56.2	ESRS E1-6-49a GRI 305-2a SDG 13 AASB S2 29-a-i-2
ENERGY CONSUMED²						
Total energy consumed Gigajoules (GJ)	Gigajoules (GJ)	11,572,462	11,422,897	11,027,320	11,989,072	ESRS E1-5-41
Percentage Heavy Fuel Oil	(%)	84%	89%	88%	89%	SASB TR-MT-110a.3
Percentage of energy from renewables %	(%)	1%	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 2025	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	11.0	10.8	8.1	14.0	
Average Efficiency Ratio (AER): Weighted average	Grams of CO ₂ per ton-nautical mile	5.5	5.4	5.5	6.5	SDG 13
OTHER EMISSIONS TO AIR⁵						
Emissions to air - CH ₄	Metric tons	13.8	13.6	n.a.	n.a.	ESRS E2-4-28a SDG 13
Emissions to air - N ₂ O	Metric tons	49.7	47.0	n.a.	n.a.	ESRS E2-4-28a SDG 13
Emissions to air - Nox	Metric tons	21,185	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	2,185	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	865,454	867,972	854,240	911,301	ESRS E1-6-44/52 GRI 305

ACCOUNTING METRIC	UNIT OF MEASURE	DATA 2025	DATA 2024	DATA 2023	DATA 2022	REFERENCE
WASTE						
Total Waste Generated	Metric tons	2,095	2,060	2,506	1,643	GRI 306-3a ESRS E5-5-37
Total Hazardous Waste	Metric tons	0	0	n.a.	n.a.	GRI 306-3a ESRS E5-5-37
Total Amount of Radioactive Waste	Metric tons	0	0	n.a.	n.a.	ESRS E5-5-39
Waste Directed to Disposal	Metric tons	154	118	n.a.	n.a.	GRI 306-5a
WATER TREATMENT						
Total Water Consumption	Cubic metres (m ³)	144,608	160,608	n.a.	n.a.	GRI 303-5a
Total Water Discharge	Cubic metres (m ³)	n.a.	164,478	n.a.	n.a.	GRI 303-4a
Total Water Discharged to Freshwater	Cubic metres (m ³)	n.a.	220	n.a.	n.a.	GRI 303-4a
Water Discharge to Seawater	Cubic metres (m ³)	n.a.	161,258	n.a.	n.a.	GRI 303-4a
MARINE PROTECTED AREAS⁶						
Shipping duration in Marine Protected Areas	Number of travel days	918	904	854	930	ESRS E4-SBM-3-16ai GRI 304-1a-vi SASB TR-MT-160a.1 SDG 14 UNEP WCMC
SPIILLS AND RELEASES TO THE ENVIRONMENT						
Spills and releases to the environment	Number	0	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	1.92	1.09	1.08	0.80	SASB TR-MT-320a.1.
MARINE CASUALTIES⁸						
Fatalities	Number	0	0	n.a.	n.a.	ESRS S1-14-88b GRI 403-9-a-i
Fatalities	(%)	0	0	n.a.	n.a.	ESRS S1-14-88b GRI 403-9-a-i
High Consequences Injuries	Number	1	0	0	n.a.	GRI 403-9-a-ii
Marine Casualties - Very Serious	Number	1	0	0	0	SASB TR-MT-540a.1SDG 8
Recordable Work Related Injuries	Number	7	5	4	3	ESRS S1-17-AR 106
CONDITIONS OF CLASS⁹						
Number of Conditions of Class or Recommendations	Number	89	29	33	n.a.	SASB TR-MT-540a.2

ACCOUNTING METRIC	UNIT OF MEASURE	DATA 2025	DATA 2024	DATA 2023	DATA 2022	REFERENCE
PORT STATE CONTROL¹⁰						
PSC (Port State Control) - Deficiencies	Rate	0.99	0.57	0.86	0.60	SASB TR-MT-540a.3 SDG 8,1
PSC (Port State Control) - Detentions	Number	0	1	2	2	SASB TR-MT-540a.3 SDG 8,1
EMPLOYEE HEALTH (ONSHORE)						
Employees by Sick Leave Rate	(%)	1.8%	1.1%	2.4%	1.6%	
Work Related Ill Health (on shore)	Number	0	0	n.a.	n.a.	ESRS S1-14-88d GRI 403-10-a-i
Employees by New Hires	Number	6	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;iiis
				Permanent employees	Total	
Norway	Male			34	45	
	Female			11		
Brazil	Male			18	25	
	Female			7		
China	Male			9	13	
	Female			4		
Korea	Male			3	6	
	Female			3		
Japan	Male			1	2	
	Female			1		
Belgium	Male			4	7	
	Female			3		
Italy	Male			3	4	
	Female			1		
USA/Canada	Male			5	8	
	Female			3		
Uruguay	Male			4	4	
	Female			0		
Shipboard Employees by Gender Ratio						
		Male	Female	Under 30	30-50	over 50
Offshore		1058	0	280	614	164

ACCOUNTING METRIC	UNIT OF MEASURE	DATA 2025	DATA 2024	DATA 2023	DATA 2022	REFERENCE
TURNOVER						
Employees by Turnover	(%)	5.3%	3.4%	n.a.	n.a.	ESRS S1-6-50c GRI 401-1b
PARENTAL LEAVE						
Employees entitled to Parental Leave / Family-related leave	(%)	100%	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: 2 Male: 1	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	0	n.a.	SASB TR-MT-510a.1 SDG 16
Corruption Risk - Business Partner Contracts Terminated	Number	0	0	n.a.	n.a.	ESRS G1-4-25c GRI 205-3c
Corruption Risk - Facilitation payments	USD	0	0	0	n.a.	GRI 205-3 SDG 16
Corruption Risk - Fines	USD	0	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	0	n.a.	n.a.	ESRS G1-4-25b GRI 205-3b
Corruption Risk - Non-Monetary Sanctions	Number	0	0	n.a.	n.a.	GRI 2-27ii SDG 16
Corruption Risk - Net Revenue	USD	0	0	n.a.	n.a.	SDG 16

HUMAN RIGHTS

Human Rights Issues and Incidents	Number	2	0	n.a.	n.a.	ESRS S1-17-104a
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WHISTLEBLOWING

Whistleblowing	Number	2	0	n.a.	n.a.	GRI 2-26 GRI 2-16
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OUR OPERATION IN NUMBERS

Total distance traveled by vessels	Nautical miles (nm)	3,099,262	3,131,017	3,009,093	2,824,581	TR-MT-000.B
Operating days	Days	17,024	17,934	17,333	16,920	TR-MT-000.C
Deadweight tonnage	Thousand dead-weight tons	2,454,093	2,444,702	2,491,731	2,480,542	TR-MT-000.D
Number of vessels in fleet	Number	48	48	49	49	TR-MT-000.E
Number of vessel port calls	Number	1,242	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 tons 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 oil 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





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